



**CITY COUNCIL AGENDA
CITY HALL, 291 N. MAIN STREET
PORTERVILLE, CALIFORNIA
DECEMBER 1, 2020, 5:30 PM**

Pursuant to Executive Order N-29-20, signed by Governor Newsom on March 17, 2020, and in an effort to protect public health and slow the rate of transmission of COVID-19, the City of Porterville is allowing for and encouraging electronic participation at City Council Meetings. Until further notice, Porterville City Council Meetings will be livestreamed on YouTube at <https://www.youtube.com/channel/UC5KuhSrNMNL9nwHJVtnJvvA>. Public comments may be submitted to CouncilMeetingComments@ci.porterville.ca.us and will be read aloud for Council consideration during Oral Communications or during any public hearings as applicable. Members of the public are encouraged to submit comments prior to 6:30 p.m., Tuesday, December 1, 2020, to participate in this meeting. Staff will periodically check for emails that may have been submitted after 6:30 p.m., however it is not guaranteed that those emails will be read prior to Council action. Please direct any questions to the Office of City Clerk at 559-782-7464.

Call to Order

Roll Call

ORAL COMMUNICATIONS

This is the opportunity to address the City Council on any matter scheduled for Closed Session. Unless additional time is authorized by the Council, all commentary shall be limited to three minutes.

CITY COUNCIL CLOSED SESSION:

A. Closed Session Pursuant to:

- 1** - Government Code Section 54957.6 – Conference with Labor Negotiator. Agency Negotiator: John Lollis and Patrice Hildreth. Employee Organizations: Management and Confidential Series; Porterville Peace Officers Association; and Fire Officer Series.
- 2** - Government Code Section 54956.9(d)(1) – Conference with Legal Counsel – Existing Litigation: Statewide Traffic v. CA Professional Engineering, Tulare County Superior Court Case No. VCU284137.
- 3** - Government Code Section 54956.9(d) (3) – Conference with Legal Counsel – Anticipated Litigation – Significant Exposure to Litigation: Five (5) cases in which facts are not yet known to potential plaintiff.
- 4** - Government Code Section 54956.9(d)(4) – Conference with Legal Counsel – Anticipated Litigation – Initiation of Litigation: Two (2) cases.

6:30 P.M. RECONVENE OPEN SESSION AND REPORT ON REPORTABLE ACTION TAKEN IN CLOSED SESSION

Pledge of Allegiance Led by Mayor Flores

Invocation

ORAL COMMUNICATIONS

This is the opportunity to address the Council on any matter of interest, whether on the agenda or not. Unless additional time is authorized by the Council, all commentary shall be limited to three minutes.

AB 1234 REPORTS

This is the time for all AB 1234 reports required pursuant to Government Code § 53232.3.

1. Tulare County Task Force on Homelessness - November 18, 2020
2. San Joaquin Valley Air Pollution Control District (SJVAPCD) Governing Board - November 19, 2020
3. City Council Casino Ad Hoc Committee - November 20, 2020

CONSENT CALENDAR

All Consent Calendar Items are considered routine and will be enacted in one motion. There will be no separate discussion of these matters unless a request is made, in which event the item will be removed from the Consent Calendar. All items removed from the Consent Calendar for further discussion will be heard at the end of Scheduled Matters.

1. **Authorization to Purchase Electronic Farebox Equipment and One-year Software Licensing Renewal**
Re: Consideration to authorize the purchase of eleven (11) fastfare-e farebox equipment from Genfare at a total cost of \$49,830.00; and the purchase of a one-year software licensing renewal from Genfare at a total cost of \$12,000.00
2. **Authorization to Purchase Cradlepoint Equipment for TransPort Vehicles**
Re: Consideration to authorize the purchase of twelve (12) Cradlepoint IBR1700 routers and twelve (12) low profile antennas from Always Connect Solutions at a total cost of \$19,575.48 plus the related sales taxes.
3. **Authorization to Purchase a Used D-3 Dozer by Negotiation for the OHV Park through State Parks OHV Grant Funds**
Re: Consideration to authorize the Parks and Leisure Services Director to negotiate the purchase of a used D-3 dozer for the OHV Park using State Parks OHV Grant funds not to exceed \$71,000.
4. **An Amended (Corrected) Resolution of the City Council of the City of Porterville**

Containing Findings in Support of Approval of Modification No. 3 to Conditional Use Permit (PRC 2012-002-C) for the Pacific Rim (Village at Henderson) Mixed-Use Project
Re: Consideration to adopt the Amended (Corrected) Resolution containing Findings in Support of Approval of Modification No. 3 to the Conditional Use Permit (PRC 2012-002-C) for the Pacific Rim (Village at Henderson) Mixed-Use Project.

5. **Approve Public Transportation Agency Safety Plan**
Re: Consideration to approve the Public Transportation Agency Safety Plan.
6. **Authorization to Update the Uniform Housing & California Building Code Appeals Board**
Re: Consideration to accept and approve the candidates identified in the staff report as the City of Porterville's California Building and Uniform Housing Code Appeals Board.
7. **Status and Review of Local Emergency: Drought**
Re: Considering approval of the continuance of the Declaration of Local Emergency.
8. **Consideration of Side Letter Agreement for Fire Officers Series**
Re: Considering approval of a side letter agreement amending the Employee Pay and Benefit Plan pertaining to the Fire Officer Series employees.

SCHEDULED MATTERS

9. **Consideration of Reappointments to the Transactions and Use Tax Oversight Committee ("TUTOC")**
Re: Considering reappointment of Members of the Transactions and Use Tax Oversight Committee.
10. **2021 State Budget and Legislation Interests**
Re: Consider the request of Senator Hurtado to provide budgetary and legislative interests for the State's 2021 legislative session.
11. **Status and Review of Proclamation of Local Emergency: COVID-19**
Re: Considering approval of the continuation of the Proclamation of Local Emergency due to COVID-19.

Adjourn to a Joint Meeting of the Porterville City Council and Porterville Public Improvement Corporation.

**JOINT MEETING OF THE PORTERVILLE CITY COUNCIL AND
PORTERVILLE PUBLIC IMPROVEMENT CORPORATION AGENDA
291 N. MAIN STREET, PORTERVILLE, CA 93257
DECEMBER 1, 2020**

Roll Call: Directors/President

WRITTEN COMMUNICATION

ORAL COMMUNICATIONS

**JOINT CITY COUNCIL AND PUBLIC IMPROVEMENT
CORPORATION SCHEDULED MATTERS**

12. Considering Resolutions Approving the Form and Authorizing and Directing the Execution of Certain Installment Sale Financing Documents to Finance the Acquisition and Construction of Additions, Betterments, Extensions and Improvements to the City's Municipal Water Enterprise, and Authorizing and Directing Distribution of a Preliminary Official Statement in Connection with the Offering and Sale of Certificates of Participation

Re: Considering approval of draft Resolutions approving the form and authorizing and directing the execution of certain installment sale financing documents to finance the acquisition and construction of additions, betterments, extensions and improvements to the City's municipal water enterprise, and authorizing distribution of a Preliminary Official Statement in connection with the offering and sale of Certificates of Participation.

Adjourn to a meeting of the Porterville City Council.

ORAL COMMUNICATIONS

OTHER MATTERS

CLOSED SESSION

Any Closed Session Items not completed prior to 6:30 p.m. will be considered at this time.

ADJOURNMENT - to the meeting of December 15, 2020

In compliance with the Americans with Disabilities Act and the California Ralph M. Brown Act, if you need special assistance to participate in this meeting, or to be able to access this agenda and documents in the agenda packet, please contact the Office of City Clerk at (559) 782-7464. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting and/or provision of an appropriate alternative format of the agenda and documents in the agenda packet.

Materials related to an item on this Agenda submitted to the City Council after distribution of the Agenda packet are available for public inspection during normal business hours at the Office of City Clerk, 291 North Main Street, Porterville, CA 93257, and on the City's website at www.ci.porterville.ca.us.



CITY COUNCIL AGENDA – DECEMBER 1, 2020

SUBJECT: Authorization to Purchase Electronic Farebox Equipment and One-year Software Licensing Renewal

SOURCE: Public Works

COMMENT: The City's on-demand fleet, TransPort, is expanding and requiring additional farebox equipment to provide fare collection services. Genfare, the City's farebox vendor since 2012, provides proprietary farebox equipment and software for the City's fixed route, ADA paratransit, and on-demand services. Genfare's farebox solution, branded as Genfare Link, provides a uniform fare collection solution across all modes of service.

In an effort to improve mobility within the region, the Tulare County Regional Transit Agency (TCRTA) is developing specifications to establish a regional fare system. TCRTA estimates that specifications will be finalized and a request for proposals will be advertised in the next fiscal year. Once a regional fare system is awarded, implementation is estimated to take an additional year to completely deploy. Due to this timeline, it is staff's recommendation to continue to procure and maintain its current farebox equipment and software licensing, on a year-to-year basis, until a new regional system is implemented.

Staff analyzed the quote and determined that the price is fair and reasonable based on previous purchases. Funding for this project is available in the FY 2020/2021 Transit budget and will be 100% reimbursable from the Federal Transit Administration.

RECOMMENDATION: That the City Council:

1. Authorize the purchase of eleven (11) fastfare-e farebox equipment from Genfare at a total cost of \$49,830.00, and
2. Authorize a one-year software licensing renewal from Genfare at a total cost of \$12,000.00.

ATTACHMENTS:

1. Genfare Quote
2. Amendment to Services Agreement

Appropriated/Funded:

Review By:
Department Director:

Michael Knight, Public Works Director

Final Approver: John Lollis, City Manager

Sales Quotation

Sold-To-Party

City of Porterville
291 N Main St
Porterville CA 93257

Ship-To-Party

City of Porterville
555 N. Prospect
Porterville CA 93257

Information

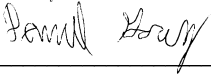
Sales Quote No. 5031017
Document Date 09/11/2020
Customer No. 557
Currency USD
Contact Name Richard Tree
Phone 559-782-7448
FAX 559-781-6437
EMAIL rtree@ci.porterville.ca.us
Validity Start Date 09/11/2020
Validity End Date 12/11/2020
Req Ship Date 09/11/2020

End User

City of Porterville
291 N Main St
Porterville CA 93257

Item	Material	Quantity	Price	Amount
10	D29000-0557A G/A FAST FARE-e(SMCRD RDR,BCODE,SWP,WiF) Delivery date: 10/26/2020	11 EA	4,200.00 USD	46,200.00
20	D31000-0001 S/A OCU, 30 BUTTON (NEW) Delivery date: 10/11/2020	11 EA	0.00	
30	FREIGHT Freight Delivery date: 09/11/2020	11 EA	330.00 USD	3,630.00
40	B29546-0004 S/A CABLE, OCU, FFe, 4FT. Delivery date: 10/11/2020	11 EA	0.00	
Gross Value:				49,830.00
Total Tax:				
Final Amount:				49,830.00

Customer Signature: _____ **Date:** _____

Signature:  _____ **Date:** 09/11/2020

Sales Representative: Daniel Gorey

Phone:

Email:

Genfare Price Quotation Summary Terms & Conditions: All prices are valid for 90 days from the Document Date unless otherwise noted above.

Delivery will be made within 120 After Receipt of Order (ARO) unless otherwise noted above. Prices do not include any state or local taxes or freight charges unless specifically listed. Regardless of any taxes included above, applicable taxes due are determined as of the date of sale. All price quotations are subject to and shall be governed solely and exclusively by the Genfare Standard Terms And Conditions Of Sale, a copy of which is attached and incorporated herein.

TERMS AND CONDITIONS OF SALE

1. GENERAL. Unless otherwise agreed in writing by Genfare, the Quotation, these Terms and Conditions of Sale (including the attached Warranty), the Order Acknowledgment (if issued) and the Software License (for any licensed Software), constitute the entire agreement between Genfare and Customer (the "Agreement") and are the exclusive terms and conditions governing the underlying order and shall apply in precedence over any such other terms and conditions, or otherwise under any applicable law. The Software is licensed to Customer under the Genfare Software License in effect at the time of purchase of such Software. Genfare's Services Agreement shall be the sole document governing any Software subscriptions purchased by Customer from Genfare. ANY ADDITIONAL OR INCONSISTENT TERMS OR CONDITIONS CONTAINED IN ANY PURCHASE ORDER OR OTHER DOCUMENT OF CUSTOMER ARE OBJECTED TO BY GENFARE AND SHALL NOT BE EFFECTIVE OR BINDING AS TO GENFARE UNLESS AGREED TO IN A WRITING SIGNED BY AN AUTHORIZED REPRESENTATIVE OF GENFARE. Genfare shall sell to Customer, and Customer shall purchase from Genfare, the equipment identified in the Quotation (the "Equipment") and a license to certain software identified in the Quotation or embedded in the Equipment (the "Software") in accordance with the Agreement (the Equipment and Software collectively referred to as the "Products"). Genfare accepts Customer's purchase orders for Products and agrees to deliver the Products to Customer only on the terms of the Agreement. Genfare's acceptance of Customer's purchase order is expressly made conditional on Customer's assent to the Agreement. No variation of the Agreement shall be binding unless agreed to in writing by authorized representatives of Genfare and Customer. The following provisions of these Terms and Conditions of Sale shall survive termination of the Agreement for whatever reason: Sections 1, 3, 6, 7, 8, 9, 11, 12, 15 and 16.

2. SHIPPING & INSURANCE. Genfare shall arrange shipping and insurance and shall bill Customer for the Products with the shipping and insurance costs as separate items, on an invoice ("Invoice"). Subject to other provisions of the Agreement, Genfare shall ship the Products to Customer on the agreed upon Shipping Date.

3. TERMS OF PAYMENT. Genfare may require certain payments to be made prior to delivery of Products or other services. Notwithstanding the preceding sentence, Customer shall pay for all Products, fees, shipping, insurance, and where agreed, all duties and taxes net 30 days from date of Invoice. However, if the parties have agreed that the Products are to be installed by Genfare, Customer shall pay 90% of the total cost of each Product upon shipping of the Product and 10% upon installation of the Product. All services are invoiced at 100%. If Customer fails to pay any Invoice when due, Genfare may, without prejudice to any other remedy, postpone shipments, alter payment terms, terminate the Agreement and charge interest on all overdue amounts at the rate of 1.5% per month compounded monthly (or if less, the maximum rate allowed by law). Upon demand, Customer shall pay all such interest charges and all reasonable collection fees, including reasonable legal expenses.

4. TRANSFER OF TITLE AND RISK OF LOSS; DELIVERY. All products will be shipped FOB Destination. Risk of loss and title to all Products shall pass to Customer, free of encumbrances, at the time of delivery to Customer's destination. Genfare will endeavor to meet any estimated or firm delivery dates requested by Customer, but shall not be liable in damages or otherwise, nor shall Customer be relieved of performance under the Agreement, because of failure to meet them.

5. CHANGES TO SPECIFICATIONS. Genfare may, without notice to Customer, make changes to the specifications of the Products which do not materially affect the quality or performance of the Products.

6. ACCEPTANCE, RETURNS AND EXCHANGES. The Products and services shall be deemed accepted, and any attempt by Customer to reject an order or shipment of Products shall be waived and not enforceable, unless: (i) Customer has promptly inspected the Products and services, and written notice from Customer of any defect has been received by Genfare within thirty (30) days following any delivery of Products or performance of services. The return of defective Products is covered by the Warranty as described in Attachment A.

Return/Exchange Procedures. Customer may only return a Product which is not defective if: (a) the Product does not correspond to the Products ordered in the Agreement (a "Return"), or (b) the Product has been ordered in error by the Customer and Genfare has granted written permission to Customer to remedy its mistake by ordering the correct equipment or software and returning the Product (an "Exchange"). The party liable for all shipping, insurance and any other expenses incurred by Customer in returning the Product pursuant to the preceding sentence and for all loss or damage to the Product until received by Genfare, shall be Genfare for Returns and Customer for Exchanges. If Customer returns the Product in accordance with these Procedures in an undamaged condition, in the original configuration and, where appropriate, in the original packing, before the later of: (i) 21 days after the date of the Invoice for that Product; and (ii) the date of substantial completion of installation of the Product by Genfare, Genfare shall: (A) for Returns, issue a credit to Customer for the full Invoice price of the returned Product; or (B) for Exchanges, issue a credit to Customer for the full Invoice price of the returned Product less: (I) a restocking fee of 25% of the Invoice price; and (II) the original shipping and insurance cost as shown on the Invoice. If Customer does not comply with the Procedures in this Section for Returns and Exchanges, Customer shall pay the full amount of the Invoice.

7. CUSTOMER POSTPONEMENT OF SCHEDULED SHIPPING DATE. If Genfare receives a request from Customer to delay the Shipping Date (a) 30 days or more prior to the Shipping Date, Genfare may postpone the Shipping Date and may charge Customer 2% of the net Agreement total for each full or partial month the Shipping Date is delayed or (b) less than 30 days prior to the Shipping Date, Genfare may treat the Agreement as canceled and may bill Customer in accordance with the provisions of Section 8.

8. CANCELLATION. If Customer cancels an Agreement before the

Shipping Date, Genfare may charge Customer a cancellation charge calculated by multiplying the following applicable percentage by the Agreement total (as shown on the Quotation/Order Acknowledgment): (a) if cancelled 40 business days or more before Shipping Date, the applicable percentage is 25%, and (b) if cancelled 39 business days or less before Shipping Date, the applicable percentage is 50%. In addition to the applicable percentage charge, if Customer cancels all or part of the order without cause, Customer will reimburse Genfare for (i) Genfare's expenses incurred to fulfill the order through the cancellation date, including, without limitation, materials and labor. If Customer's order includes special order Products or vendor Products, Genfare may also charge, in addition to the other amounts set forth in this Section 8, (A) for special order Products, 100% of the amount shown on the Quotation/Order Acknowledgment for that Product; and (B) for vendor Products, the lesser of 100% of the cost to Genfare of vendor Product; or, if the vendor accepts the return of its Product the restocking charge levied by the vendor. Customer shall pay all cancellation charges within 30 days of receipt of Invoice.

9. FORCE MAJEURE. To the extent that either party is not able to perform an obligation under this Agreement due to fire, flood, acts of God, severe weather conditions, strikes or labor disputes, war or other violence, acts of terrorism, any law or order of any governmental agency, or other cause beyond that party's reasonable control ("Force Majeure"), that party may be excused from such performance so long as such party provides the other party with prompt written notice describing the condition and takes reasonable steps to avoid or remove such causes of nonperformance and promptly continues performance whenever and to the extent such causes are removed.

10. INSTALLATION. If installation is purchased, Customer shall complete all of the action necessary to prepare Customer's premises for the installation of Products prior to the scheduled installation date. If Customer complies with the preceding sentence, Genfare's authorized technicians shall commence the installation of Products on the scheduled installation date. Genfare may invoice Customer for an amount in addition to the installation charge specified on the Quotation/Order Acknowledgment if Genfare incurs additional installation costs as a result of Customer's failure to have the site, other manufacturers' equipment or Products ready for Genfare's technicians on the scheduled installation date.

11. WARRANTY. All Products are covered by Genfare's Standard

Warranty as described in Attachment A attached hereto and incorporated herein.

12. WAIVER OF CONSEQUENTIAL DAMAGES; LIMITATION OF LIABILITY. Notwithstanding anything in this Agreement to the contrary, to the fullest extent permitted by applicable law, Genfare will not be liable for damages related to any business interruption or loss of profit, increased operating costs, anticipated savings, data, contract, goodwill or the like or for incidental, special, indirect or consequential damages of any nature under any theory of relief, including, without limitation, breach of warranty, breach of contract, tort (including negligence), and strict liability, arising out of or related to Seller's acts or omissions. Under no circumstances shall Genfare's liability to Customer exceed the contract price for the specific goods and services upon which such liability is based. Any action for breach of contract or otherwise must be commenced within one (1) year after the cause of action has accrued.

13. INDEMNIFICATION. Genfare agrees to indemnify and hold harmless Customer, its elected and appointed officers and employees, from and against any and all claims, demands, defense costs, liability or damages brought by third parties and to the extent arising solely from: (a) personal injury or property damage resulting directly from Genfare's (or Genfare's subcontractors, if any), negligent acts, errors or omissions or willful misconduct or (b) any actual infringement by Genfare of a patent, trademark, copyright, trade secret or other intellectual or proprietary rights regarding the Products (except to the extent resulting from Customer's combination of Genfare's products with other products or services not provided by Genfare). Notwithstanding the foregoing, there shall be no indemnification hereunder by Genfare as to any losses caused by the negligence or fault of Customer or any of its officers, employees or agents. If Customer shall claim indemnification hereunder, Customer shall notify Genfare in writing of the basis for such claim or demand setting forth the nature of the claim or demand in reasonable detail. Genfare agrees to assume the defense of any such claim and to defend the same at Genfare's expense. The parties agree to reasonably cooperate with each other on any such claims. If the Customer desires to participate in the defense, then Customer shall have the right to do so through counsel of its own choosing, provided that Customer will be responsible for all of its costs in so doing.

14. INSURANCE. Genfare shall maintain insurance coverage

consistent with its existing programs but shall not name Customer as an additional insured nor will Genfare or its insurers be obligated to waive any rights of subrogation Genfare or such insurers may have against Customer or its affiliates.

Genfare shall use commercially reasonable efforts to provide Customer with written notice of cancellation of any applicable policy thirty (30) days prior to the effective cancellation date of such policy, but failure to do so shall impose no obligation or liability upon Genfare or its insurers, agents or representatives. Genfare shall provide Customer with its standard certificate of insurance upon request.

15. NOTICE. All requests, instructions and notices from one party to the other must be in writing and may be given via registered post or facsimile transmission to the address of the parties shown on the Quotation/Order Acknowledgment.

16. MISCELLANEOUS. No waiver by Genfare of any breach of this Agreement shall be considered as a waiver of any subsequent breach of the same or any other provision. Any provision of the Agreement which is, or is deemed to be, unenforceable in any jurisdiction shall be severable from the Agreement in that jurisdiction without in any way invalidating the remaining provisions of the Agreement, and that unenforceability shall not make that provision unenforceable in any other jurisdiction. The rights which accrue to Genfare by virtue of the Agreement shall endure for the benefit of and be binding upon the successors and assigns of Genfare. The Agreement shall be governed by the laws of the State of Illinois, however Genfare may enforce the provisions of the Agreement in accordance with the laws of the jurisdiction in which the Products are situated. The United Nations Convention on the Sale of Goods (the Vienna Convention) shall not apply to the Agreement.

ATTACHMENT A- WARRANTY

1. GENERAL TERMS

1.1 Subject to the provisions of this Warranty, Genfare warrants that the equipment and software described in Paragraph 1.2 shall conform to their specifications in all material respects and that the equipment shall be free from material defects in materials and workmanship.

1.2 This Warranty applies to all original purchases of new Genfare supplied equipment and spare parts, including licensed software (collectively the "Equipment"). This Warranty does not apply to any subscriptions purchased by customer.

1.3 The "Warranty Period" shall begin on the earliest of (a) the date of delivery of the Equipment if the equipment is not to be installed, (b) the date of installation completion by a Genfare, or Genfare approved technician, or (c) the date the Equipment is placed into revenue service, and shall end (y) twelve (12) months thereafter for equipment purchases and (z) ninety (90) days thereafter for any spare parts purchases; provided, however, that the Warranty Period for Equipment purchased under Genfare's Upgrade/Reconditioning Program that has been reconditioned or refurbished shall end 6 months after commencement, unless otherwise specified in writing by Genfare.

2. RETURN OF EQUIPMENT UNDER WARRANTY

2.1 If an item of Equipment malfunctions or fails in normal use within the applicable Warranty Period:

2.2 Customer shall promptly notify Genfare of the problem and the serial number of the defective item;

(a) Genfare shall, at its option, either resolve the problem over the telephone, or provide Customer with authorization to ship the defective item to Genfare;

(b) if Genfare provides Customer with authorization to ship the defective item to Genfare, Customer shall attach a return tag with a description of the fault. Customer shall, at its cost, properly pack the item to be returned, prepay the insurance and shipping charges, and ship the item to the specified Genfare Service Center;

(c) Genfare shall either repair or replace the returned item. The replacement item may be new or refurbished; if refurbished, it shall be equivalent in operation to new Equipment. If a returned item is replaced by Genfare, the Customer agrees that the returned item shall become the property of Genfare;

(d) Genfare shall, at its cost, ship the repaired item or replacement to the Customer. If the Customer has requested express shipping, the Customer shall pay Genfare an expediting fee.

2.2 Equipment which is repaired or replaced by Genfare under this Warranty shall be covered under all of the provisions of this Warranty for the remainder of the applicable Warranty Period or ninety (90) days from the date of repair or replacement, whichever is longer.

2.3 A failure is defined as a malfunction of a given device or component in the Equipment that renders the Equipment inoperative and/or unsuitable for the intended purpose.

2.4 It is understood that Genfare shall be responsible for the costs of all materials and labor, except as provided herein. It is further understood that the costs of discovery of the problem associated with a given item of Equipment and the costs associated with the removal and installation of the defective part shall be the responsibility of Customer.

3. TELEPHONE TECHNICAL ASSISTANCE. During the applicable Warranty Period, Genfare shall provide the Customer with over-the-telephone technical fault analysis. Genfare shall not charge Customer for the first ten (10) calls per location per month, and may charge Customer for all additional calls.

4. UPGRADES. During the applicable Warranty Period, Genfare shall, at no charge, provide Customer with non-feature software updates to the version of Software installed at the Customer's location and, if the Equipment is sent to Genfare for Warranty repair, those revision level updates deemed necessary by Genfare. Non-feature software updates and revision level updates do not generally include additional equipment, such as hardware memory, which enables the upgrades to function in the existing Equipment of Customer. Customer may purchase this additional equipment from Genfare.

5. DEFAULT AND TERMINATION. Genfare may immediately terminate this Warranty and all of its performance under this Warranty, upon notification to Customer, if Customer: (a) makes any unauthorized modifications to the Equipment; (b) assigns or transfers the Customer's rights or obligations under this Warranty without the prior written consent of Genfare; (c) becomes bankrupt or insolvent, or is put into receivership; or (d) has not paid Genfare all amounts for services, advance replacement parts supplied under this Warranty, or other additional charges within thirty (30) days of receipt of written notice from Genfare. If this Warranty is terminated by Genfare, Customer shall remain liable for all amounts due to Genfare.

6. LIMITATIONS AND QUALIFICATIONS OF WARRANTY. This Warranty does not apply to normal consumable items, items which are replaced in usual and scheduled preventative maintenance such as light bulbs, nor does it apply to any damage, defect or failure caused by:

- (a) any part of the Equipment having been modified, adapted, transported or relocated by any person other than Genfare personnel, a Genfare authorized service agent or Genfare approved technician without Genfare's prior written consent;
- (b) improper installation, operation or maintenance by Customer or a third party;
- (c) storage or environmental characteristics which do not conform to the applicable sections of the appropriate Genfare Equipment Manual;
- (d) failure to conform with the Equipment Operating Instructions in the applicable Genfare Equipment Manual;
- (e) inaccurate or incomplete information or data supplied or approved by Customer;
- (f) external causes, including external electrical stress or lightning, or use in conjunction with incompatible equipment, unless such use was with Genfare's prior written consent;
- (g) cosmetic damage;
- (h) accidental damage, negligence, neglect, mishandling, abuse or misuse, other than by Genfare personnel, a Genfare authorized service agent or Genfare approved technician; or
- (i) Force Majeure (as defined in Genfare's Terms and Conditions of Sale).

7. LIMITATION ON DAMAGES.

7.1 THE WARRANTY STATED HEREIN ARE THE CUSTOMER'S SOLE AND EXCLUSIVE WARRANTY FOR THE EQUIPMENT. GENFARE SPECIFICALLY DISCLAIMS ALL OTHER WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE AND OF MERCHANTABILITY.

7.2 EXCEPT AS OTHERWISE EXPRESSLY AGREED BY THE PARTIES, GENFARE SHALL NOT BE LIABLE IN TORT, INCLUDING LIABILITY IN NEGLIGENCE OR STRICT LIABILITY, AND SHALL HAVE NO LIABILITY AT ALL FOR INJURY TO PERSONS OR PROPERTY. GENFARE'S LIABILITY FOR FAILURE TO FULFILL ITS OBLIGATIONS UNDER THIS WARRANTY OR ANY OTHER LIABILITY UNDER OR IN CONNECTION WITH THE EQUIPMENT SHALL BE LIMITED TO THE AMOUNT OF THE PURCHASE PRICE OF THE EQUIPMENT.

7.3 EVEN IF GENFARE HAS BEEN ADVISED OF THE POSSIBILITY OF THEM, GENFARE SHALL NOT BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES, INCLUDING LOST PROFITS AND REVENUES, FAILURE TO REALIZE EXPECTED SAVINGS, ANY CLAIM AGAINST A CUSTOMER BY A THIRD PARTY, OR ANY OTHER COMMERCIAL OR ECONOMIC LOSSES OF ANY KIND.

AMENDMENT TO SERVICES AGREEMENT

THIS AMENDMENT TO SERVICES AGREEMENT (this "Amendment"), dated as of _____, 2020 is by and between City of Porterville ("Agency"), a California municipal corporation and Genfare, a division of SPX Corporation ("Genfare"), a Delaware corporation. Agency and Genfare are each a "Party" and collectively the "Parties".

Agency and Genfare are Parties to that certain Services Agreement, dated as of November 2, 2015 (the "Agreement"). Agency and Genfare desire to amend the Agreement to extend to modify the Subscription Fees for the subscription year beginning on August 1, 2020 and ending on July 31, 2021 (the "Modified Subscription Year"). Capitalized terms used herein without definition shall have the meanings ascribed to them in the Agreement.

The parties hereby agree as follows:

1. Amendments.

- (a) The term of the Agreement shall be extended through July 31, 2021 and thereafter shall automatically renew in accordance with Section 3.1 of the Agreement. During the Modified Subscription Year and all renewal terms thereafter, the terms of the Agreement shall remain in full force and effect.
- (b) The pricing for the Subscription Fees for the Modified Subscription Year is \$12,000. Upon completion of the Modified Subscription Year, the Subscription Fees shall revert back to the Subscription Fees in the Agreement, \$60,000 per year and subject to annual increases as stated in the Agreement.

2. Continuing Effect; No Other Amendments. Except as expressly amended hereby, all of the terms and provisions of the Agreement are and shall remain in full force and effect. The amendments contained herein shall not constitute an amendment or waiver of any other provision of the Agreement or for any purpose except as expressly set forth herein. All references to this "Agreement" in the Agreement shall be deemed to refer to the Agreement as amended hereby.

The parties hereto have caused this Amendment to be executed by their respective duly authorized representatives as of the day and year first above written.

CITY OF PORTERVILLE

GENFARE, A DIVISION OF SPX
CORPORATION

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____



CITY COUNCIL AGENDA – DECEMBER 1, 2020

SUBJECT: Authorization to Purchase Cradlepoint Equipment for TransPort Vehicles

SOURCE: Public Works

COMMENT: The City's on-demand fleet, TransPort, is expanding and requiring twelve (12) additional Cradlepoint routers and antenna's to provide mobile data service for various technology installed in the vehicles.

Staff received the following quotes:

<u>Vendor</u>	<u>Quote</u>
Always Connect Solutions	\$19,575.48
Southern Computer Warehouse	\$20,853.36
StrictlyTech	\$21,210.36

It is staff's recommendation to award the purchase to Always Connect Solutions, at a total cost not to exceed \$19,575.48 plus the related sales taxes. Funding for this project is available in the FY 2020/2021 Transit budget and will be 100% reimbursable from the Federal Transit Administration.

RECOMMENDATION: That the City Council authorize the purchase of twelve (12) Cradlepoint IBR1700 routers and twelve (12) low profile antenna's from Always Connect Solutions at a total cost of \$19,575.48 plus the related sales taxes.

ATTACHMENTS:

1. ACS Quote
2. SCW Quote
3. StrictlyTech Quote

Appropriated/Funded:

Review By:

Department Director:

Michael Knight, Public Works Director

Final Approver: John Lollis, City Manager

**Always Connect Solutions**

515 S Fitness Pl Ste 120
Eagle Idaho
83616

Estimate

EST-001934

Bill To

City of Porterville

555 N. Prospect
Porterville
93257 CA

Ship To

Transit Division
555 N. Prospect
Porterville
93257 CA

Estimate Date : 09/21/2020

Sales person : Chris Pugh

#	Item & Description	Qty	Rate	Discount	Amount
1	MA1-1700120B-NNA 1-yr NetCloud Mobile Essentials Plan and IBR1700 router with WiFi (1200Mbps modem), no AC power supply or antennas, North America	12.00	1,609.00	24.00%	14,674.08
2	LG-IN2446 Low Profile Dome Black, 9 in 1 Antenna: 4x MiMo 2G /3G/4G LTE, 4x MiMo 2.4/5GHz Wi-Fi, GPS/GNSS, 5m /16 cables for use with a single modem IBR1700-1200M. FirstNet compatible. Cradlepoint Certified Antennas by Panorama	12.00 Each	594.78	32.00%	4,853.40
3	Services Services registered to rtree@ci.porterville.ca.us	1.00	0.00	0.00	0.00
Sub Total					19,527.48
Shipping charge					48.00
Total					\$19,575.48

Notes

We look forward to working with you and thank you for contacting us.

Please don't hesitate to reach out with any questions!

Always Connect Solutions
(208) 960-2100

Terms & Conditions

All invoices are required to be paid in full before shipping unless other agreements have been made. All hardware sales and services are final and not returnable or refundable.

For Recurring Data Service:

Billing period is between the 14th of the current month to the 13th of the following month for all recurring Data solutions. All Data overage in GB will be billed at \$15 per GB unless otherwise discussed. All overages will be paid on following invoice or Data service will be suspended until payment is received. Please reply with any questions regarding overages. We will work within reason to bill you for the plan you should have been on.

Accounts over 60 days past due will be suspended and charged a late fee of \$25 or 1.5% of the balance each 30 days overdue and a separate invoice will be sent for the late fee.

Data service cancellation must be requested 3 business days(Monday-Friday) before the end of month or you will be responsible for paying the next month service as well. If you do want to cancel service, please let us know if there is anything that we can do, or change to make working with us a better experience. We are very open to suggestions. Our customers come first and we will do whatever we can to keep our relationship continuing.

All credit cards on file may be used for invoices in arrears over 30 days, data overages, or other charges clearly marked on a transaction, if we do not have feedback from you from email reminders.

By completing this purchase you are agreeing to these terms and conditions and they are non negotiable and you agree to not dispute any charges for overages or late fees on all services provided.



Southern Computer Warehouse
1395 S. Marietta Parkway | Building 300-106
Marietta, GA 30067
(P) 877-468-6729
(F) 770-579-8937
SCW.com

Quote # 100266070 - Transit Quote

Cust #: CO36053 (City of Porterville CA)

Quote Date: Sep 15, 2020

Sold to:

Accounts Payable
City of Porterville CA
291 N Main St
Porterville, California, 93257-3737
T: (559) 782-7432
rcampos@ci.porterville.ca.us

Ship to:

REF PD-SARAHISCH
CITY OF PORTERVILLE
291 N MAIN ST
IT DEPT
PORTERVILLE, California, 93257-3737
T: (559) 782-7432
rcampos@ci.porterville.ca.us

Shipping Method:Free Shipping

Notes: Please review the requested quote. . Have a great day and thanks for the opportunity!!

#	Products	SKU	Price	Qty	Subtotal
1	1Yr Netcloud Mobile Ess Plan & lbr1700 Router W/ Wifi	CDP-MA1-1700120B-	\$1,400.58	12	\$16,806.96
	1200Mbps MA1-1700120B-NNA	NNA			
2	9 In 1 Low Pro 4X Lte, 4X Wifi & Gps Blk LG-IN2293-B	PAT-LG-IN2293-B	\$337.20	12	\$4,046.40

Subtotal: \$20,853.36

Tax: \$0.00

Grand Total (Incl. Tax): \$20,853.36

Thank you for your order. We value your business and will continue to provide you excellent service in addition to our comprehensive product line. All returns must be authorized and clearly marked with a valid RMA number. Returns are subject to restock fees when applicable.

Quotes are valid for 30-days unless otherwise noted.

Shelton Canady
shelton.canady@scw.com
Southern Computer Warehouse
1395 S. Marietta Parkway | Building 300-106
Marietta, GA 30067
(P) 877-468-6729
(F) 770-579-8937

This Quote may contain material that is confidential, and proprietary to SCW , for the sole use of the intended recipient. Any review, reliance or distribution by others or forwarding without express permission is strictly prohibited. If you are not the intended recipient, please contact the sender and delete all copies.



**** NEW ADDRESS ** 2300 NW 55th Court, Suite 110 | Fort Lauderdale, FL 33309**

Customer

City of Porterville CA (13-750)
Robert , Campos
291 North Main Street
Porterville, CA 93257
United States
(P) 559-782-7777

Bill To

City of Porterville CA
Payable, Accounts
291 North Main Street
Porterville, CA 93257
United States
(P) 559-782-7777

Ship To

City of Porterville CA
Nino, Renzi
291 North Main Street
Porterville, CA 93257
United States
(P) 559-782-7777

Quotation (Open)

Date

Sep 15, 2020 01:45 PM EDT

Modified Date

Sep 15, 2020 01:45 PM EDT

Doc

82706 - rev 1 of 1

Description

None

SalesRep

McLeod, Ethan
(P) 954.541.8559
(F) 954.606.5441

Customer Contact

Robert , Campos
(P) (559) 782-7432
rcampos@ci.porterville.ca.us

Payment Method

Terms: Undefined

Shipping Info

Delivery Method: FedEx Ground
Carrier Account:
Shipping Instructions:

#	Image	Description	Part #	Tax	Qty	Unit Price	Total
1		Panorama Antennas Antenna - Wireless Data Network, Cellular Network, GPS - Black GPS BLK	CP-1019-1-PAN	Yes	12	\$369.00	\$4,428.00
2		Cradlepoint COR IBR1700-1200M-B Wireless router - WWAN - 5-port switch - GigE, 802.11ac Wave 2 - 802.11a/b/g/n/ac Wave 2 - Dual Band - with 1 year NetCloud Mobile Essentials Plan	MA1-1700120B-NNA	Yes	12	\$1,398.53	\$16,782.36

CAGE: 70BA0
DUNS: 078817964
FEIN: 46-2619818
Woman-Owned Small Business (WOSB)
Primary NAICS: 423430

Subtotal: \$21,210.36
Tax (0.000%): \$0.00
Shipping: \$0.00
Total: \$21,210.36

Notes

*Tips Contract# 200105





CITY COUNCIL AGENDA – DECEMBER 1, 2020

SUBJECT: Authorization to Purchase a Used D-3 Dozer by Negotiation for the OHV Park through State Parks OHV Grant Funds

SOURCE: Parks and Leisure Services

COMMENT: City Council passed Resolution No. 78-2020 on October 6, 2020, approving the application for the State Parks Off-Highway Vehicle (OHV) Grant Funds. The City of Porterville was awarded the full amount requested of \$155,712 for ground operations of the OHV Park. Included in the grant was the purchase of a used D-3 dozer for \$71,000. A dozer is vital in the pushing, digging, excavating and leveling of dirt that takes place during track preparation and maintenance. The OHV Park currently does not have a dozer, but rather rents one when needed.

Due to the competitive market of used heavy construction equipment, staff has not been able to obtain two comparable quotes resembling the specifications of a used D-3 dozer as noted in the grant. In accordance with the City's Purchasing Policy and Procedure Manual, as amended by Resolution No. 122-87 and adopted by City Council, staff hereby requests to begin negotiations for the purchase of a used D-3 dozer for the OHV Park. Funds for the purchase of the used D-3 dozer are available through the State Parks OHV Grant funds that the City was awarded.

RECOMMENDATION: That the City Council authorize the Parks and Leisure Services Director to negotiate the purchase of a used D-3 dozer for the OHV Park using State Parks OHV Grant funds.

ATTACHMENTS:

Appropriated/Funded:

Review By:

Department Director:

Donnie Moore, Parks and Leisure Services Director

Final Approver: John Lollis, City Manager



CITY COUNCIL AGENDA – DECEMBER 1, 2020

SUBJECT: An Amended (Corrected) Resolution of the City Council of the City of Porterville Containing Findings in Support of Approval of Modification No. 3 to Conditional Use Permit (PRC 2012-002-C) for the Pacific Rim (Village at Henderson) Mixed-Use Project

SOURCE: Community Development

COMMENT: At its meeting on November 17, 2020, the City Council approved Modification No. 3 to Conditional Use Permit (PRC 2012-002-C) for Pacific Rim (Village at Henderson) Mixed Use Project, allowing the Developer the option to reduce 32,629 square feet of commercial development space and instead allow additional residential units. The attached Amended Resolution corrects the finding of the Environmental Coordinator to reflect that this Conditional Use Permit Modification is consistent with the prior General Plan Amendment, Zone Change, Notices of Determination and mitigation measures adopted for the project. Modification No. 3 proposes an option for a less intensive use than the prior approvals.

RECOMMENDATION: That the City Council adopt the Amended (Corrected) Resolution of the City Council of the City of Porterville Containing Findings in Support of Approval of Modification No. 3 to Conditional Use Permit (PRC 2012-002-C) for the Pacific Rim (Village at Henderson) Mixed-Use Project.

ATTACHMENTS:

1. Amended Resolution
2. Locator Map

Appropriated/Funded:

Review By:

Department Director:

Jason Ridenour, Interim Community Development Director

Final Approver: John Lollis, City Manager

RESOLUTION NO. _____

AN AMENDED RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
PORTERVILLE CONTAINING FINDINGS IN SUPPORT OF APPROVAL MODIFICATION
NO. 3 TO CONDITIONAL USE PERMIT (PRC 2012-002-C) FOR THE PACIFIC RIM
(VILLAGE AT HENDERSON) MIXED-USE PROJECT

WHEREAS: The City Council of the City of Porterville at its regularly scheduled meeting of November 17, 2020, conducted a public hearing to consider Modification #3 to Conditional Use Permit (PRC 2012-002-C); and

WHEREAS: On March 5, 2013, the City Council of the City of Porterville adopted the Mitigated Negative Declaration with mitigation measures prepared for the General Plan Amendment 2012-002-G, Zone Change 2012-002-Z and related development of the Pacific Rim Commercial Mixed-Use Project (aka Village at Henderson); and

WHEREAS: On January 14, 2015, the applicant submitted to the Project Review Committee proposed modification to the Pacific Rim Commercial Mixed-Use Development increasing the retail space from 40,690 to 70,310 square feet, removing 18,000 square feet of office space, reducing the personal storage facility square footage from 518 units (61,450 square feet) to 214 units (26,200 square feet) and to modify the elevation plans as approved; and

WHEREAS: On March 17, 2015, the City Council of the City of Porterville conducted a public hearing and approved Conditional Use Permit (PRC 2012-002-GZCP), a modification to a Conditional Use Permit 2012-002-C for the personal storage facility and Ordinance Amendment for the Pacific Rim Commercial Mixed-Use Project; and

WHEREAS: On December 1, 2015, City Council adopted Resolution 115-2015 for Modification No. 2 to Conditional Use Permit (PRC 2012-002-C) and rescinded Resolution 31-2015 which allowed the conversion of the 3.32± acre parcel designated for 214 personal self-storage units into 32 apartment units as an addendum to the existing 168 unit apartment complex know as Village at Henderson; and

WHEREAS: The City Council of the City of Porterville at its regularly scheduled meeting of November 17, 2020, conducted a public hearing to consider Modification No. 3 to Conditional Use Permit (PRC 2012-002-C) to allow for an option to reduce 32,629 square feet of commercial square feet for a final commercial project of 37,681 square feet and an increase from 32-units multi-family residential units to 104 units or to develop the project in accordance to Resolution 115-2015, that includes a commercial project of 70,310 square feet and 32-units of multi-family residential units.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Porterville does hereby make the following findings:

1. That approval of the proposed project will advance the goals and objectives of and is consistent with the policies of the General Plan and any other applicable plan that the City has adopted.

This project supports and complies with Land Use Guiding Policy (LU-G-11) in that it will foster strong, visually attractive regional commercial centers with a mix of tenants to serve both local and regional needs.

The General Plan designation for the subject area was approved by the City Council on March 5, 2013, modifying the General Plan designation from RM-3 (High Density Residential), RM-2 (Medium Density Residential), and CN (Neighborhood Commercial) to CMX (Commercial Mixed-Use) for the subject parcel

2. The location, size, density, and operating characteristics of the proposed project are consistent with the purposes of the district where it is located and conforms in all significant respects with the General Plan, the Development Ordinance and with any other applicable plan adopted by the City.

This project supports and complies with Land Use Guiding Policy (LU-G-3) in that it will promote sustainability in the design and development of public and private development projects.

That the proposed conversion 70,310 square feet of retail (which includes the existing Tractor Supply) and 32-units of multi-family apartments, by a reduction of 32,629 square feet for a final commercial project of 37,681 square feet and would increase the 32-units to 104 additional multi-family units of the 3.32± acre parcel complies with the design criteria and development standards for the land use designation and zoning of the Commercial Mixed-Use (CMX) District.

3. The Environmental Coordinator has made a determination that this Modification No. 3 to Conditional Use Permit to the project is consistent with the prior Notices of Determination, and specifically the Negative Declaration with mitigation measures adopted by the City of Porterville Resolution No. 12-2013 and the Addendum to the adopted Negative Declaration adopted by the City of Porterville Resolution No. 115-2015.

BE IT FURTHER RESOLVED: That this Amended Resolution repeals and replaces Resolution No. 90-2020 adopted by the City Council on November 17, 2020, and the City Council does hereby approve Modification No. 3 to Conditional Use Permit (PRC 2012-002-C) for the development of additional residential units to the Pacific Rim Mixed-Use Development as represented and incorporated herein as Exhibit A – K subject to the following conditions and Resolution 115-2015 (except where specifically in conflict with the conditions herein):

1. That the Zoning Administrator may approve minor modifications to approved plans that are consistent with the original findings and conditions approved by the City Council and would not intensify any potentially detrimental effects of the project.
2. The applicant shall prepare and submit a Lot Line Adjustment that will adhere to the Master Development Plan, to meet the requirements of Series 400. The LLA shall be recorded prior to approval of any building permit.
3. The applicant shall continue the existing pedestrian passageway from Fairhaven Avenue to Henderson Avenue, as well as have connection to the proposed residential units. The connection to the residential units may have a pedestrian gate lock to secure the apartment complex; however the passageway shall remain accessible at all times, and not be gated.
4. That the development of the Pacific Rim Commercial Mixed-Use Project shall substantially comply with the incorporated plan sheet herein attached as Exhibit A – K.
5. The drive-through lanes shall be required to conform to PDO 304.04(h) in that the queuing area shall provide space for a minimum of six (6) vehicles from the menu board to the driveway entry. The stacking area shall not interfere with other on-site circulation and parking facilities. Where required, queuing areas shall be measures as twenty (20) feet per car.
6. As a condition of approval, the developer/applicant shall install mature trees (at minimum 24” to 48” box) along the entire southern and western length of Parcel 1 of Parcel Map No. 5097 at 1 per every 35 feet on center to create a landscaping buffer between the single-family residential units south of the proposed multi-family residential units.
7. Unless otherwise noted, the developer/applicant shall comply with the City Master Plans, Standard Specifications for Public Works Construction (2018 Edition), and current Standard Plans and Specifications, except where they are in conflict with the Americans with Disabilities Act and the current California Building Code, the Tulare County Hazardous Waste Management Plan, the California Manual on Uniform Traffic Control Devices, the Porterville Circulation Element, and the Tulare County Congestion Management Program.
8. The developer/applicant shall submit design master plans consisting of combined grading & drainage and sewer and water utilities to ensure the proper functioning and/or phasing of the development. The developer/applicant shall construct drainage facilities as required to serve the property (Ord. No. 1306). A minimum amount of runoff must be contained onsite per the State’s MS4 requirements. Drainage calculations must be submitted to verify that onsite pot areas will capture necessary runoff. The parking lot/site shall be designed to convey water to the City drainage system without crossing driveways. The developer/applicant is required to install a sidewalk channel drain at the low side of the driveway, where applicable

9. The developer/applicant shall provide a site plan that illustrates truck-turning movements within the parking lot, where applicable. The site plan shall be approved prior to issuance of a building permit application. (This requirement includes, but is not limited to, refuse trucks.)
10. The developer/applicant shall not allow onsite runoff or debris outside of the limits of the property during construction. Applicable best management practices (BMPs) shall be implemented to protect the City's drainage system and inhibit vehicle track-out onto City streets. The improvement plans shall show the location of BMPs and areas designated for erosion and waste control. The developer/applicant shall remove and properly dispose of waste and spills deposited in the project area.
11. The developer/applicant shall install a combination of double and triple refuse enclosures that will accommodate solid waste, organic waste, and recyclable materials removal or collection according to City Standards (Sec. 13-15). The enclosure location is to be approved by the City prior to the issuance of the building permit. The enclosure should be oriented for direct pick up. An accessible path to the enclosure must be provided for employee use to comply with current accessibility standards. The developer/ applicant shall also sign a waiver of liability for refuse truck damage to the parking lot if the refuse container location requires refuse trucks to travel on the parking lot.
12. The developer/applicant is hereby notified that the installation of an additional water meter, servicing the irrigation system, is required for monitoring actual water usage if the landscape area is 1000 square feet or more. The City will require payment of impact fees based on estimated usage and will monitor actual water usage for one year. The City will bill/credit the owner the difference between the estimated impact fees paid and the actual water usage.
13. The developer/applicant shall design on-site water systems meeting the requirements of the current California Plumbing and Fire Codes. It shall be noted that the City water system complies with Title 22 of the California Administrative Code and any assurance to effectively provide water pressure for multi-story buildings is the sole responsibility of the owner/builder.
14. The project must comply with latest applicable codes.
15. Fire department connection shall be required to be placed within fifty feet (50') of a fire hydrant in an approved location to comply with Chapter 9, Section 903 of the 2019 California Fire Code.
16. Fire hydrants shall be spaced no further than 300 feet and shall be looped. Where a fire hydrant is located on a fire apparatus access road, the minimum road width shall be 26 feet, exclusive of shoulders.
17. Two entry/exit points shall be maintained at all times.

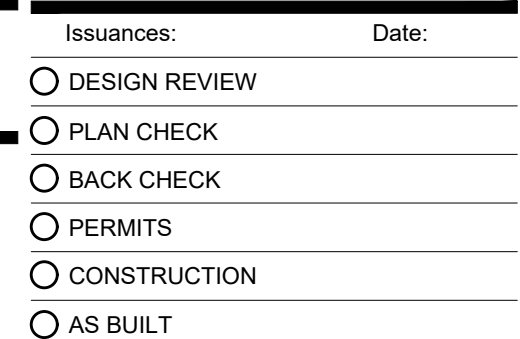
18. A Knox box will be required for the community building as well as for all gates.

PASSED, APPROVED AND ADOPTED this 1st day of December 2020.

Martha A. Flores, Mayor

ATTEST:
John D. Lollis, City Clerk

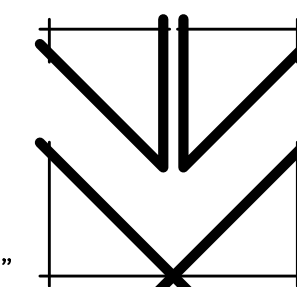
By: _____
Patrice Hildreth, Chief Deputy City Clerk



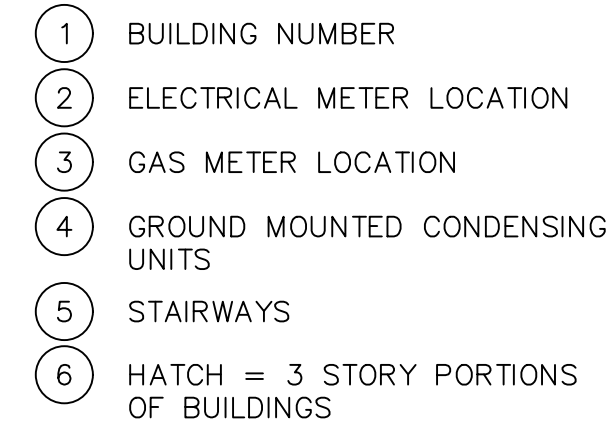
Reference North:



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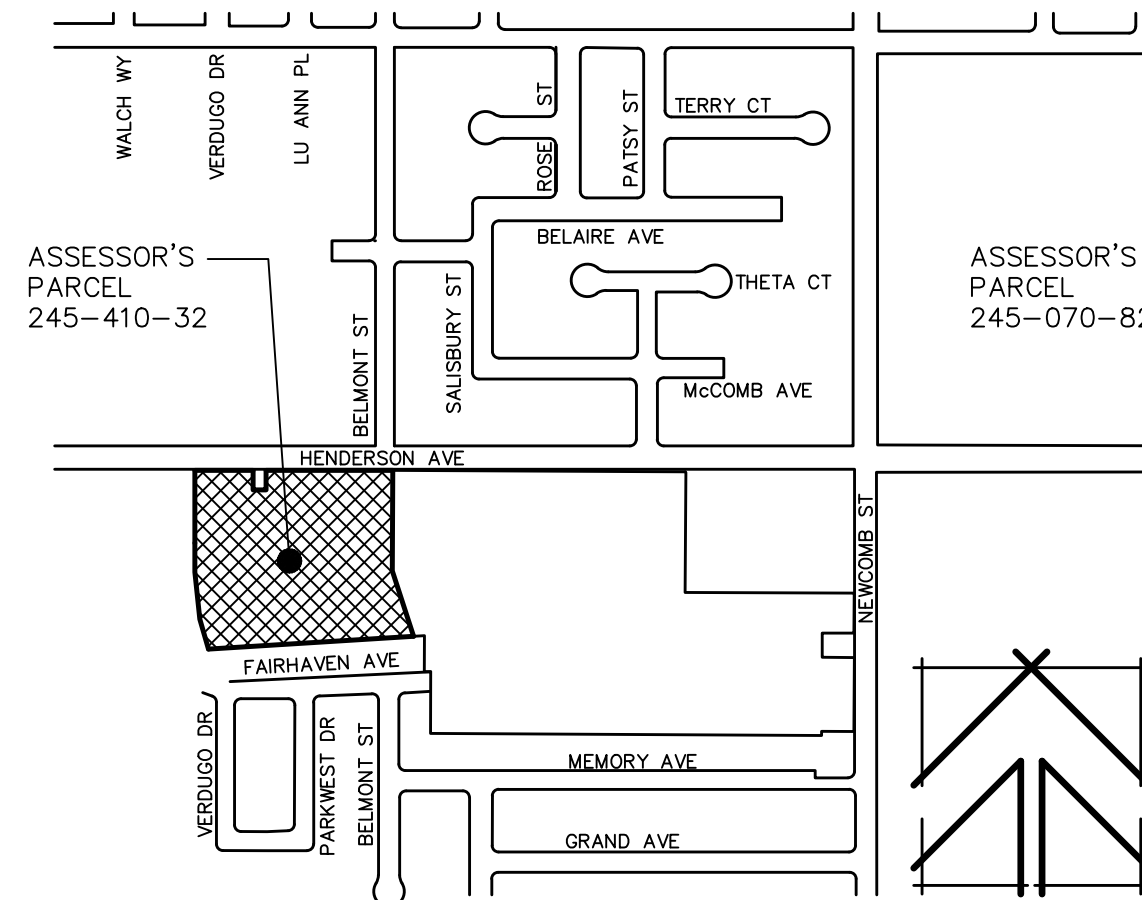


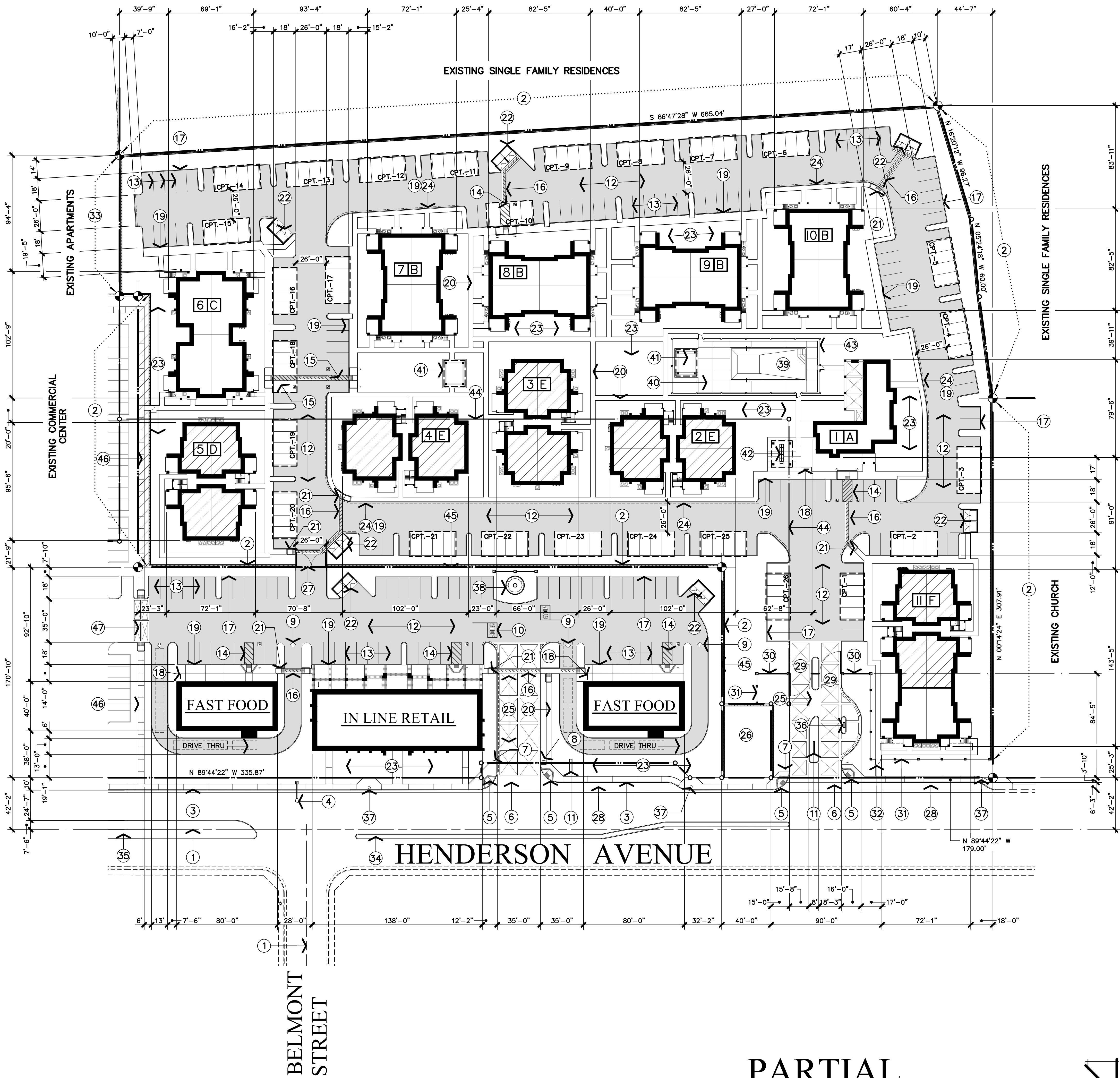
VICINITY MAP



d.	(3) BUILDING TYPE 'I'	
	(16,684 S.F. PER BUILDING)	50,052 S.F.
e.	(1) BUILDING TYPE 'I'	
	(21,038 S.F. PER BUILDING)	<u>21,038 S.F.</u>
f.	TOTAL RESIDENTIAL AREA	137,988 S.F.
g.	NON-RESIDENTIAL AREAS	
	1. COMMUNITY BUILDING TYPE 'A'	3,175 S.F.
	2. CARPORTS	17,172 S.F.
h.	TOTAL BUILDING AREA	<u>158,335 S.F.</u>
j.	GROUND FLOOR AREA	76,409 S.F.
PARKING REQUIRED		
a.	RESIDENTIAL UNITS	
	1. COVERED STALLS	104 STALLS
	2. OPEN STALLS	104 STALLS
b.	GUEST PARKING REQUIRED	<u>21 STALLS</u>
c.	TOTAL PARKING REQUIRED	229 STALLS
d.	ACCESSIBLE STALLS REQUIRED	
	1. ASSIGNED COVERED STALLS	
	(104 STALLS @ 2%)	2 STALLS
	2. ASSIGNED OPEN STALLS	
	(104 STALLS @ 2%)	2 STALLS
	3. UNASSIGNED OPEN STALLS	
	(21 STALLS @ 5%)	1 STALL
PARKING PROVIDED		
a.	COVERED STALLS	104 STALLS
b.	OPEN STALLS	<u>127 STALLS</u>
c.	TOTAL PARKING PROVIDED	231 STALLS
d.	ACCESSIBLE STALLS	
	1. COVERED STALLS	2 STALLS
	2. OPEN STALLS	3 STALLS

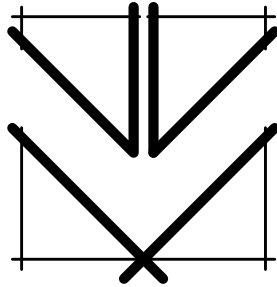
<u>COMMERCIAL RETAIL PORTION</u>	
SITE AREA	80,883 S.F. (1.85 ACRES)
PROJECT PROPOSAL	DEVELOPMENT OF FAST FOOD PAD (WITH DRIVE-THROUGH LANES) AND IN-LINE RETAIL USES INTEGRATED WITH ADJACENT RETAIL AND RESIDENTIAL USES AS A PART OF PLANNED COMMUNITY
PROPOSED COVERAGE	
a. BUILDING AREA	14,681 S.F. (18.2%)
b. PARKING / PAVED AREA	23,998 S.F. (29.6%)
c. OPEN / LANDSCAPE AREA	42,204 S.F. (52.2%)
BUILDING AREA	
a. FAST FOOD PAD	3,200 S.F.
b. IN LINE RETAIL	8,281 S.F.
c. FAST FOOD PAD	3,200 S.F.
d. TOTAL BUILDING AREA	14,681 S.F.
PARKING REQUIRED	
a. FAST FOOD USES	
1. ASSUME SEATING AT 50% OF BUILDING AREA / 75 SF PER STALL	42 STALLS
b. IN LINE RETAIL @ 250 SF PER STALL	28 STALLS
c. TOTAL PARKING REQUIRED	70 STALLS
PARKING PROVIDED	
a. STANDARD STALLS	61 STALLS
b. ACCESSIBLE STALLS	3 STALLS
c. TOTAL PARKING PROVIDED	64 STALLS*
* ADDITIONAL PARKING IS AVAILABLE THROUGH CROSS-ACCESS AND PARKING EASEMENTS WITH THE EXISTING ADJACENT COMMERCIAL DEVELOPMENT	





PARTIAL SITE PLAN

1" = 40'-0"



KEYNOTES

- INDICATES CENTERLINE OF THE STREET.
- INSTALL 6'-0" HIGH SOLID GROUTED REINFORCED CONCRETE MASONRY WALL AT PROPERTY LINE/ TYPICAL.
- EXISTING CONCRETE CURB AND GUTTER TO REMAIN. INSTALL 9'-6" WIDE CONCRETE WALK FOR ENTIRE STREET FRONTAGE PER CITY OF PORTERVILLE PUBLIC WORKS STANDARDS.
- EXISTING STREET LIGHTS INSTALLED PER CITY OF PORTERVILLE PUBLIC WORKS STANDARDS TO REMAIN.
- INSTALL ACCESSIBLE OFF-SITE CURB RAMP WITH TRUNCATED DOMES PER CITY OF PORTERVILLE PUBLIC WORKS STANDARDS/ TYPICAL.
- INSTALL COMMERCIAL STREET-TYPE APPROACHES PER CITY OF PORTERVILLE PUBLIC WORKS STANDARDS/ TYPICAL.
- INDICATES THE LOCATION OF 30" STATE STANDARD "STOP" SIGN(S). SIGN LOCATED BEHIND CURB AND IMMEDIATELY BEHIND MAJOR STREET SIDEWALK/ TYPICAL.
- PROVIDE SIGN AT EACH SITE ENTRANCE IN 1" HIGH LETTERING STATING: "UNAUTHORIZED VEHICLES PARKED IN DESIGNATED ACCESSIBLE SPACES NOT DISPLAYING DISTINGUISHING PLACARDS OR SPECIAL LICENCE PLATES ISSUED FOR PERSONS WITH DISABILITIES WILL BE TOWED AWAY AT THE OWNER'S EXPENSES. TOWED VEHICLES MAY BE RECLAIMED AT:.....OR BY TELEPHONING"
- INDICATES LOCATION OF NEW PAINTED TRAFFIC DIRECTIONAL ARROWS PER CITY OF PORTERVILLE PUBLIC WORKS STANDARDS/ TYPICAL.
- INDICATES LOCATION OF NEW PAINTED TRAFFIC SIGNAGE PER CITY OF PORTERVILLE PUBLIC WORKS STANDARDS/ TYPICAL.
- INDICATES LOCATION OF PROPOSED MONUMENT PROJECT SIGN (TO BE REVIEWED AND APPROVED UNDER SEPARATE PERMIT) / TYPICAL.
- ASPHALTIC CONCRETE PAVING OVER CLASS II AGGREGATE BASE OVER NATIVE SOIL COMPACTED TO 90% / TYPICAL.
- INSTALL 4 INCH WIDE WHITE PAINTED STALL STRIPING AT 9'-0" ON-CENTER PER CITY OF PORTERVILLE PUBLIC WORKS STANDARDS
- INDICATES THE LOCATION OF 8'-0" WIDE ACCESSIBLE UNLOADING ZONE FOR STALLS ACCESSIBLE TO PERSONS WITH PHYSICAL DISABILITIES. PROVIDE SIGNAGE, PAINTED SYMBOLS AND ACCESSIBLE RAMPS TO WALKWAY. AT STALLS WITH THE LOADING ZONE AT THE PASSENGER SIDE OF VEHICLES, PROVIDE "VAN ACCESSIBLE" SIGNAGE. AT CARPORTS, PROVIDE 8'-2" VERTICAL CLEARANCE/ TYPICAL.
- INDICATES THE LOCATION OF 5'-0" WIDE ACCESSIBLE UNLOADING ZONE FOR STALLS ACCESSIBLE TO PERSONS WITH PHYSICAL DISABILITIES. PROVIDE SIGNAGE, PAINTED SYMBOLS AND ACCESSIBLE RAMPS TO WALKWAY. AT CARPORTS, PROVIDE 8'-2" VERTICAL CLEARANCE/ TYPICAL.
- INSTALL 4'-0" WIDE PAINTED CROSSWALK WITH 5% MAXIMUM SLOPE AND 2% MAXIMUM CROSS SLOPE/ TYPICAL.
- INDICATES LOCATION OF 6 INCH CONTINUOUS CURB/ TYPICAL.
- INSTALL SHORT-TERM BICYCLE PARKING RACH WITH 4 BICYCLE CAPACITY.
- INDICATES LOCATION OF CAST-IN-PLACE 6 INCH CONTINUOUS CURB WITH INTEGRAL 4 INCH THICK CONCRETE WALKWAY WITH NON-SLIP FINISH
- 4'-0" WIDE x 4 INCH THICK CONCRETE WALKS WITH NON-SLIP FINISH APPLIED OVER COMPACTED NATIVE SOIL. PROVIDE CONTROL JOINTS AT 10'-0" ON-CENTER (PROVIDE 7'-0" WIDE MINIMUM WALKS ADJACENT TO PARKING SPACES)/ TYPICAL
- INSTALL ACCESSIBLE CURB RAMP WITH TRUNCATED DOMES/ TYPICAL.
- INDICATES LOCATION OF 6'-0" HIGH CONCRETE MASONRY TRASH ENCLOSURE WITH STUCCO FINISH PER CITY OF PORTERVILLE PUBLIC WORKS STANDARDS. PROVIDE (2) 6'-0" HIGH STEEL FRAME GATES WITH CORRUGATED STEEL FACE AT OPENING/ TYPICAL.
- LANDSCAPE AREA(S). COORDINATE THE WORK WITH THE LANDSCAPE PLAN/ TYPICAL.
- DASHED LINE INDICATES LOCATION(S) OF CURBS TO BE PAINTED RED AND MARKED "FIRE LANE". NO PARKING PER CITY OF PORTERVILLE PUBLIC WORKS STANDARDS. PROVIDE (2) 6'-0" HIGH STEEL FRAME GATES WITH CORRUGATED STEEL FACE AT OPENING/ TYPICAL.
- INDICATES LOCATION OF 6 INCH THICK REINFORCED COLORED CONCRETE ACCENT PAVING WITH TOOLED JOINT PATTERN AS INDICATED / TYPICAL.
- EXISTING CITY OF PORTERVILLE WATER WELL SITE.
- INSTALL RIGHT-TURN LANE PER CITY OF PORTERVILLE PUBLIC WORKS STANDARDS. PROVIDE DEDICATION TO THE CITY AS REQUIRED FOR THE INSTALLATION.
- INDICATES LOCATION OF (2) 6'-0" HIGH ORNAMENTAL WROUGHT IRON VEHICLE GATE(S) WITH AUTOMATIC OPERATORS WITH BATTERY BACK-UP. COORDINATE CLEAR GATE WIDTH WITH THE DIMENSIONED SITE PLAN. PROVIDE KNOX KEY SWITCH AT CALL BOX LOCATION. INSTALLATION SHALL COMPLY WITH CITY OF PORTERVILLE PUBLIC WORKS AND FIRE DEPARTMENT REQUIREMENTS.
- 6'-0" HIGH "SIGNAGE" WALLS WITH THIN SET LEDGESTONE FINISH AND PRE-CAST CONCRETE CAP INSTALLED OVER SOLID GROUTED REINFORCED CONCRETE MASONRY UNITS. ALL SIGNS REQUIRE SEPARATE REVIEW AND PERMIT PRIOR TO INSTALLATION/ TYPICAL.
- INDICATES THE LOCATION OF 6'-0" HIGH ORNAMENTAL WROUGHT IRON FENCE WITH CRIMP TOP PICKETS AND MASONRY PILASTER WITH STUCCO FINISH AT 30'-0" (+/-) ON-CENTER TO BE INSTALLED AT STREET FRONTAGES.
- INSTALL 4'-0" WIDE x 6'-0" HIGH WROUGHT IRON PEDESTRIAN GATE WITH LEVER TYPE LOCKSET MASTER KEYED TO TENANT ENTRANCE DOORS. PROVIDE KNOX BOX FOR FIRE DEPARTMENT ACCESS.
- INDICATES THE LOCATION OF EXISTING 6'-0" HIGH REINFORCED CONCRETE MASONRY FENCE AT THE PROPERTY LINE TO REMAIN / TYPICAL
- INSTALL MEDIAN ISLAND WITH LEFT-TURN POCKET PER CITY OF PORTERVILLE PUBLIC WORKS STANDARDS.
- INSTALL MEDIAN ISLAND PER CITY OF PORTERVILLE PUBLIC WORKS STANDARDS.
- INDICATES LOCATION OF PROJECT DIRECTORY AND VISITOR CALL BOX. INSTALLATION SHALL COMPLY WITH CITY OF PORTERVILLE PUBLIC WORKS AND FIRE DEPARTMENT REQUIREMENTS.
- INDICATES THE LOCATION OF EXISTING HIGH VOLTAGE TRANSMISSION POWER POLE TO REMAIN.
- INDICATES LOCATION OF ENTRANCE FEATURE WITH ACCENT WALL AND WATER FOUNTAIN
- INDICATES LOCATION OF SWIMMING POOL TO BE INSTALLED UNDER SEPARATE PERMIT AND PLAN CHECK / TYPICAL
- COORDINATE INSTALLATION OF POOL DECKING AND ACCENT PAVERS TO BE INSTALLED UNDER SEPARATE PERMIT WITH POOL SUBCONTRACTOR AND THE LANDSCAPE DRAWINGS.
- INDICATES LOCATION(S) OF WOOD ARBOR / OUTDOOR ACTIVITY SHADE STRUCTURE(S) WITH REINFORCED CONCRETE MASONRY SUPPORT COLUMNS WITH THIN-SET LEDGESTONE FINISH.
- INDICATES THE PROPOSED LOCATION OF ARBOR WITH PEDESTAL MOUNTED MAILBOX UNITS COMPLYING WITH UNITED STATES POSTAL SERVICE REQUIREMENTS BELOW/ TYPICAL.
- INDICATES THE LOCATION OF 6'-0" HIGH ORNAMENTAL WROUGHT IRON FENCE WITH CRIMP TOP PICKETS TO BE INSTALLED AT POOL AREA PERIMETER / TYPICAL
- INDICATES THE LOCATION OF EXISTING PROPERTY LINE TO BE RELOCATED. BY LOT LINE ADJUSTMENT.
- INDICATES THE LOCATION PROPOSED PROPERTY LINE TO BE ESTABLISHED IN A PEDESTRIAN EASEMENT AND CONNECT TO HENDERSON AVENUE.
- INSTALL 5'-0" WIDE x 4 INCH THICK CONCRETE WALK TO BE INSTALLED IN A PEDESTRIAN EASEMENT AND CONNECT TO HENDERSON AVENUE.
- INSTALL 6 INCH THICK COLORED CONCRETE CROSSWALK WITH DECORATIVE TOOLED JOINTS

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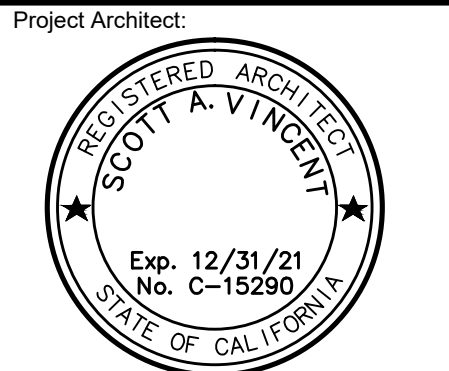
ARCHITECTS, INC.

1500 West Shaw, Ste. 304
Fresno, California 93711

Phone: 559.225.2602

Revisions Date

PROPOSED DEVELOPMENT FOR: THE VILLAGE AT HENDERSON II 1711 WEST HENDERSON AVENUE PORTERVILLE, CALIFORNIA

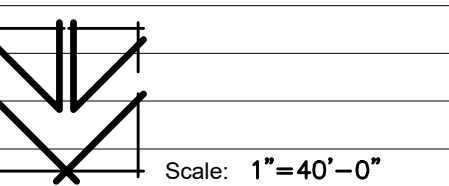


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- ☐ PLAN CHECK
- ☐ BACK CHECK
- ☐ PERMITS
- ☐ CONSTRUCTION
- ☐ AS BUILT

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Reference North:



Project Name: VILLAGE AT HENDERSON II
PORTERVILLE, CA.

Project Number: 191123

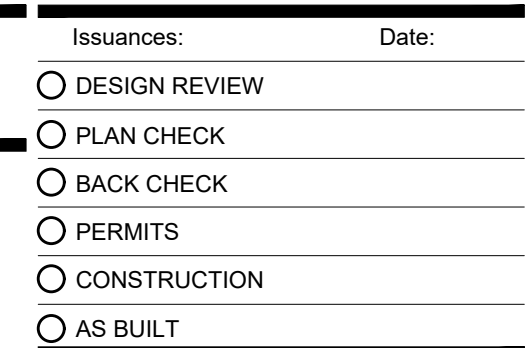
Plot Date:

Sheet Number:

PA1.1

Of . Sheets .

Project Architect:



Reference North:



PA2

Of _____ Sheets _____

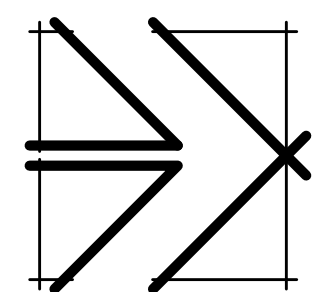

$$1/8'' = 1'-0''$$

BUILDING UNIT MIX	(8) TWO BEDROOM TWO BATHROOM WALK-UP UNIT 1,040 SQ. FT. / UNIT
OCCUPANCY GROUP	R-2
CONSTRUCTION TYPE	V-B WITH NFPA 13R AUTOMATIC FIRE SUPPRESSION SYSTEM

BUILDING UNIT MIX		2 TWO BEDROOM TWO BATHROOM WALK-UP UNIT	
		1,040 SQ. FT. / UNIT	
OCCUPANCY GROUP		R-2	
CONSTRUCTION TYPE		V-B WITH NFPA 13R AUTOMATIC FIRE SPRINKLER SYSTEM	
BUILDING AREA			
a.	GROUND FLOOR		
	1. RESIDENTIAL UNITS	4,160 S.F.	
	2. COVERED PORCH/ PATIOS	752 S.F.	
b.	SECOND FLOOR		
	1. RESIDENTIAL UNITS	4,160 S.F.	
	2. COVERED PORCH/ PATIOS	752 S.F.	
TOTAL BUILDING AREA		9,824 S.F.	
MAXIMUM ALLOWABLE AREA			
a.	PER FLOOR PER CBC TABLE 506.2	7,000 SQ. FT.	
b.	TOTAL ALLOWABLE AREA FOR 2 STORY BUILDING	14,000 SQ. FT.	
FIRE RESISTANCE REQUIREMENTS			
a.	EXTERIOR WALLS	NON-RATED	
b.	INTERIOR BEARING WALLS	NON-RATED	
c.	INTERIOR NON-BEARING WALLS	NON-RATED	
d.	CEILING / ROOF ASSEMBLY	NON-RATED	
e.	FLOOR / CEILING ASSEMBLY	TSC/FCa 60-01 ONE HOUR RATED FLOOR/CEILING PER ASTM E 119/NFPA 251	
f.	UNIT COMMON WALLS	ONE HOUR RATED (G.A. FILE NO. WP-5508) STC RATING = 55 TO 59	
g.	SHAFT ENCLOSURES	NONE OCCUR	
h.	EXTERIOR OPENINGS	NON-RATED	



BUILDING TYPE 'C' FLOOR PLANS



BUILDING STATISTICS

BUILDING UNIT MIX		(8) TWO BEDROOM TWO BATHROOM WALK-UP UNIT 1,315 SQ. FT. / UNIT
OCCUPANCY GROUP		R-2
CONSTRUCTION TYPE		V-8 WITH NFPA 13R AUTOMATIC FIRE SPRINKLER SYSTEM
BUILDING AREA		
a.	GROUND FLOOR	
	1. RESIDENTIAL UNITS	5,260 SQ. FT.
	2. COVERED PORCH/ PATIOS	580 SQ. FT.
b.	SECOND FLOOR	
	1. RESIDENTIAL UNITS	5,260 SQ. FT.
	2. COVERED PORCH/ PATIOS	580 SQ. FT.
TOTAL BUILDING AREA		<u>11,680 SQ. FT.</u>
MAXIMUM ALLOWABLE AREA		
a.	PER FLOOR PER CBC TABLE 506.2	7,000 SQ. FT.
b.	TOTAL ALLOWABLE AREA FOR 2 STORY BUILDING	14,000 SQ. FT.
FIRE RESISTANCE REQUIREMENTS		
a.	EXTERIOR WALLS	NON-RATED
b.	INTERIOR BEARING WALLS	NON-RATED
c.	INTERIOR NON-BEARING WALLS	NON-RATED
d.	CEILING / ROOF ASSEMBLY	NON-RATED
e.	FLOOR / CEILING ASSEMBLY	TSC/FCA 60-01 ONE HOUR RATED FLOOR/CEILING PER ASTM E 119/NFPA 251
f.	UNIT COMMON WALLS	ONE HOUR RATED (G.A. FILE NO. WP-5508) STC RATING = 55 TO 59
g.	SHAFT ENCLOSURES	NONE OCCUR
h.	INTERIOR OPENINGS	NON-RATED

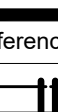
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ARCHITECTS, INC.
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Fresno, California 93711
Phone: 559.225.2602

PROPOSED DEVELOPMENT FOR:

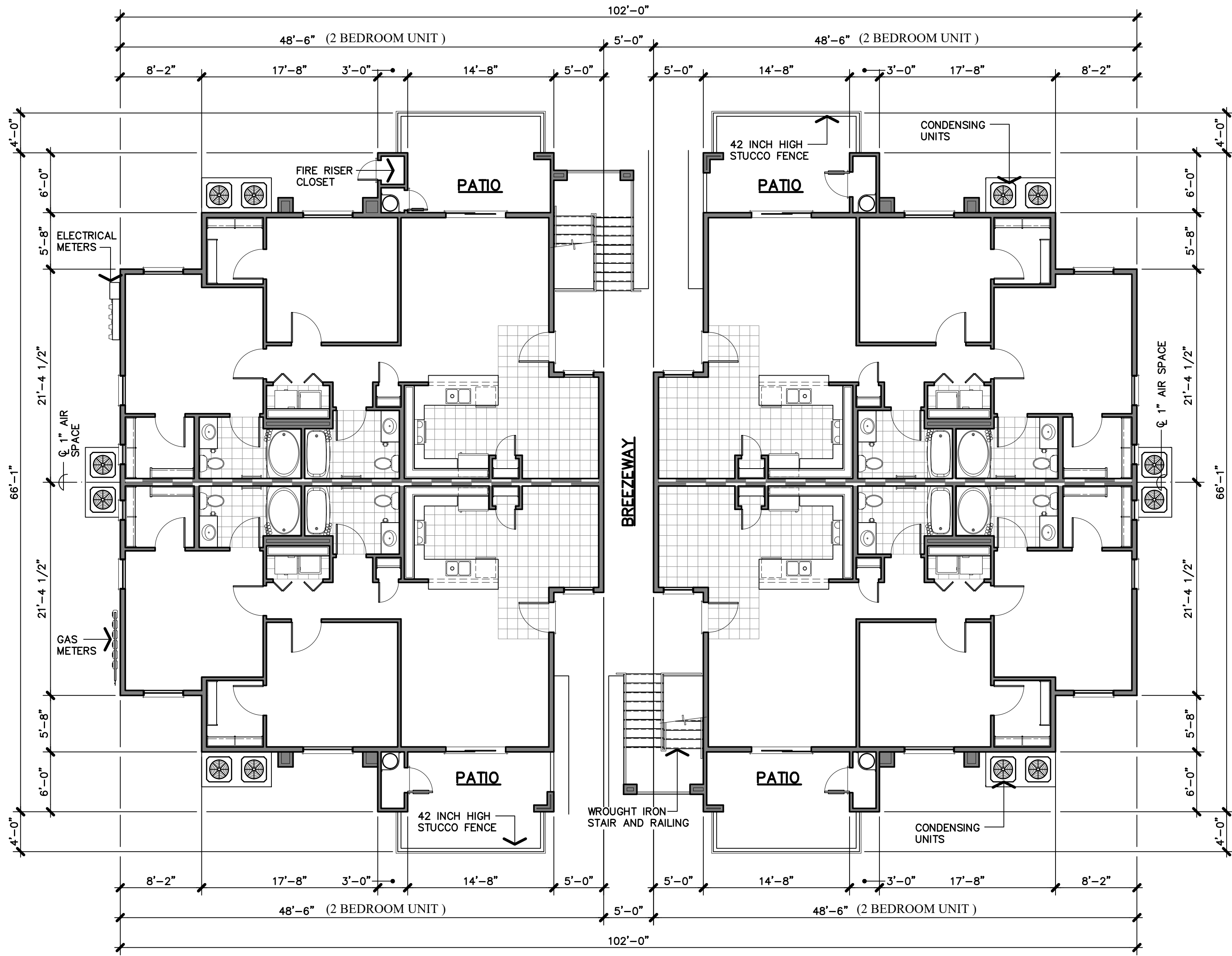
**THE VILLAGE AT
HENDERSON II**

1711 WEST HENDERSON AVENUE
PORTERVILLE, CALIFORNIA

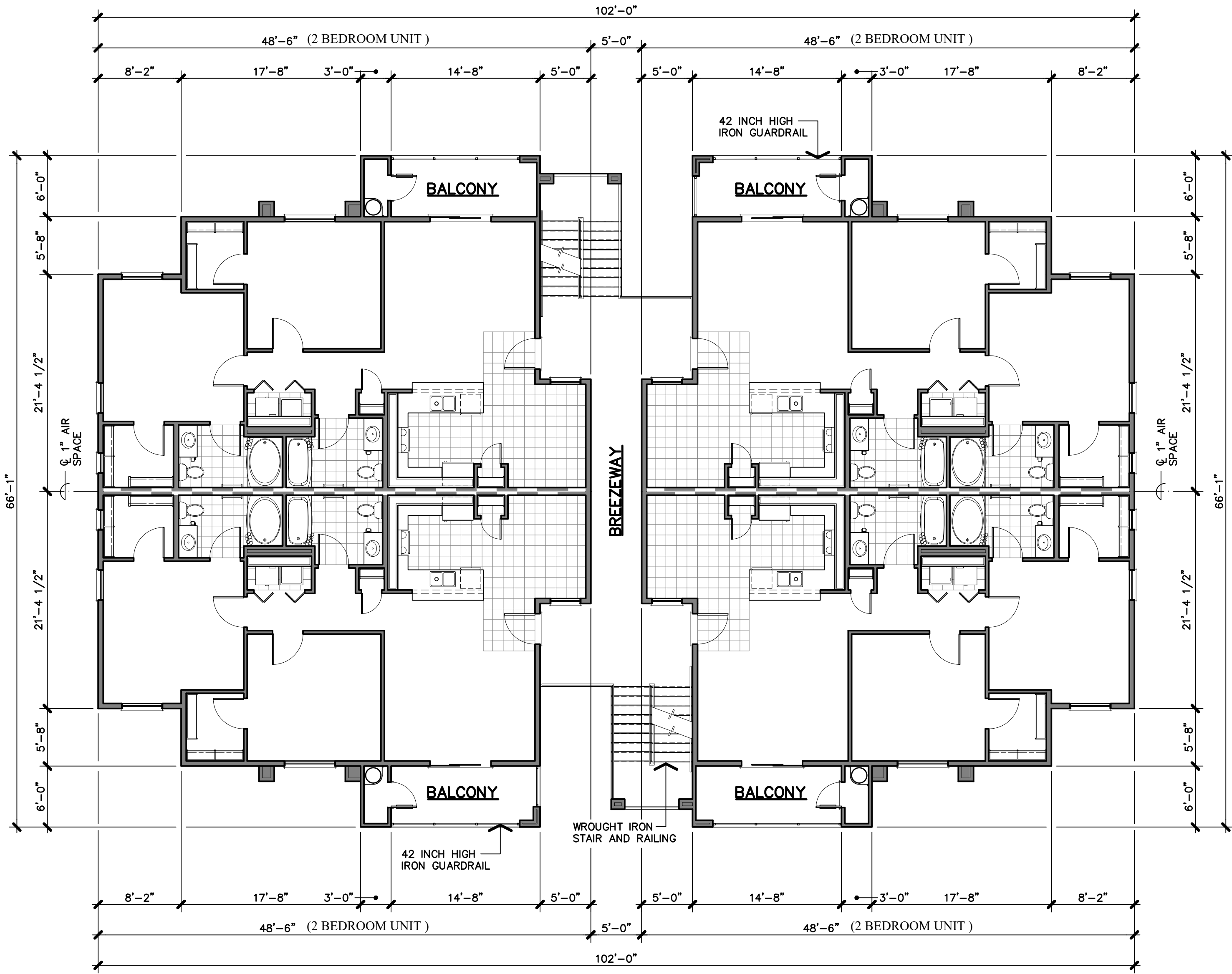


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☒ PLAN CHECK	
☐ BACK CHECK	
☐ PERMITS	
☐ CONSTRUCTION	
☒ AS BUILT	
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Scale: 1/8" = 1'-0"	
Project Name: VILLAGE AT HENDERSON II PORTERVILLE, CA.	
Project Number: 191123	
Plot Date: 08.25.20	
Sheet Number:	

PA2.1

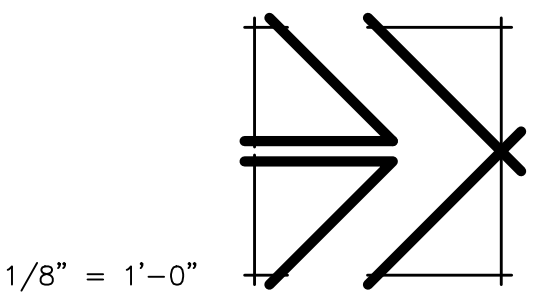


GROUND



SECOND AND THIRD

BUILDING TYPE 'E'
FLOOR PLANS



BUILDING STATISTICS

BUILDING UNIT MIX		(12) TWO BEDROOM TWO BATHROOM WALK-UP UNIT 1,185 SQ. FT. / UNIT
OCCUPANCY GROUP		R-2
CONSTRUCTION TYPE		V-A WITH NFPA 13R AUTOMATIC FIRE SPRINKLER SYSTEM
BUILDING AREA		
a.	GROUND FLOOR	
	1. RESIDENTIAL UNITS	4,740 SQ. FT.
	2. COVERED PORCH/ PATIOS	424 SQ. FT.
	3. BREEZEWAY/ STAIRS	552 SQ. FT.
b.	SECOND FLOOR	
	1. RESIDENTIAL UNITS	4,740 SQ. FT.
	2. COVERED PORCH/ PATIOS	424 SQ. FT.
	3. BREEZEWAY	320 SQ. FT.
c.	THIRD FLOOR	
	1. RESIDENTIAL UNITS	4,740 SQ. FT.
	2. COVERED PORCH/ PATIOS	424 SQ. FT.
	3. BREEZEWAY	320 SQ. FT.
TOTAL BUILDING AREA		16,684 SQ. FT.
MAXIMUM ALLOWABLE AREA		
a.	PER FLOOR PER CBC TABLE 506.2	12,000 SQ. FT.
b.	TOTAL ALLOWABLE AREA FOR 3 STORY BUILDING	24,000 SQ. FT.
FIRE RESISTANCE REQUIREMENTS		
a.	EXTERIOR WALLS	ONE HOUR RATED (ASSEMBLY 14-1.3 & 15-1.3 PER CBC TABLE 720.1(2))
b.	INTERIOR BEARING WALLS	ONE HOUR RATED (ASSEMBLY 14-1.3 PER CBC TABLE 720.1(2))
c.	INTERIOR NON-BEARING WALLS	ONE HOUR RATED (ASSEMBLY 14-1.3 PER CBC TABLE 720.1(2))
d.	CEILING/ROOF ASSEMBLY	ONE HOUR RATED (G.A. FILE NO. RC-2603)
e.	FLOOR/CEILING ASSEMBLY	TSC/FCA 60-01 ONE HOUR RATED FLOOR/CEILING PER ASTM E 119/NFPA 251
f.	UNIT COMMON WALLS	ONE HOUR RATED (G.A. FILE NO. WP-5508) STC RATING = 55 TO 59
g.	SHAFT ENCLOSURES	NON OCCUR
h.	EXTERIOR OPENINGS	NON-RATED

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PROPOSED DEVELOPMENT FOR:

THE VILLAGE AT
HENDERSON II

1711 WEST HENDERSON AVENUE
PORTERVILLE, CALIFORNIA

Project Architect:

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☐ BACK CHECK
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Reference North:

Project Name: VILLAGE AT HENDERSON II
PORTERVILLE, CA
Project Number: 191123
Plot Date: 08.25.20
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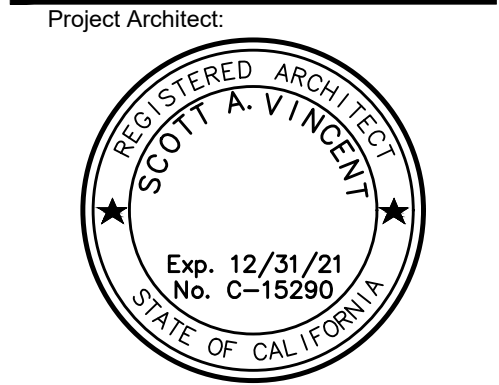
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PROPOSED DEVELOPMENT FOR:

THE VILLAGE AT HENDERSON II

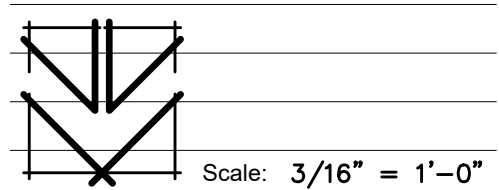
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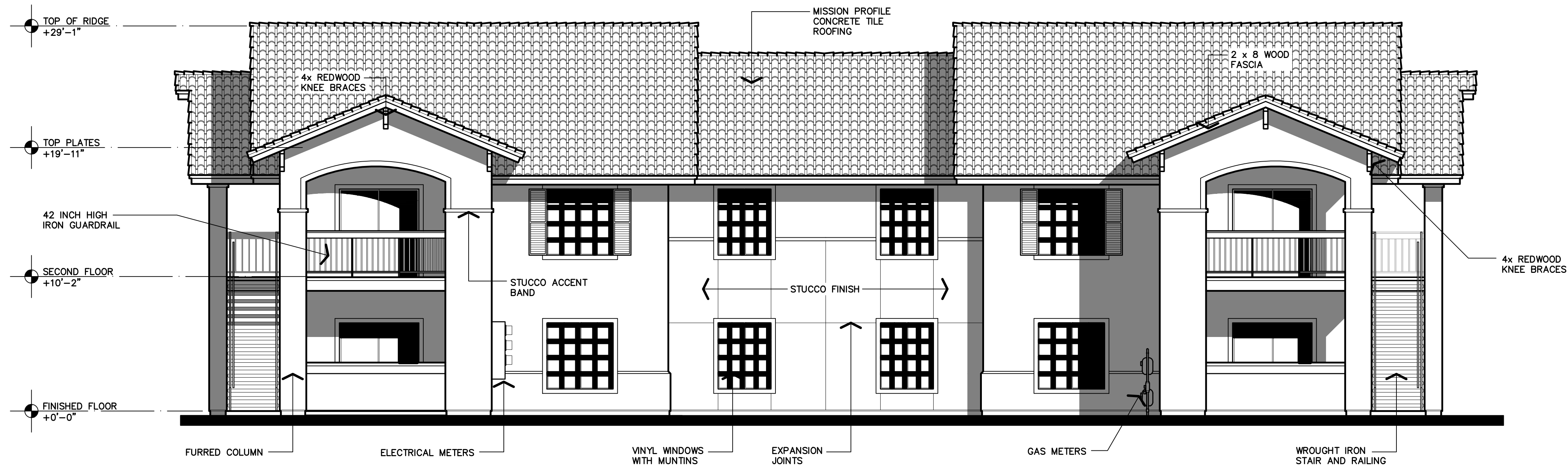
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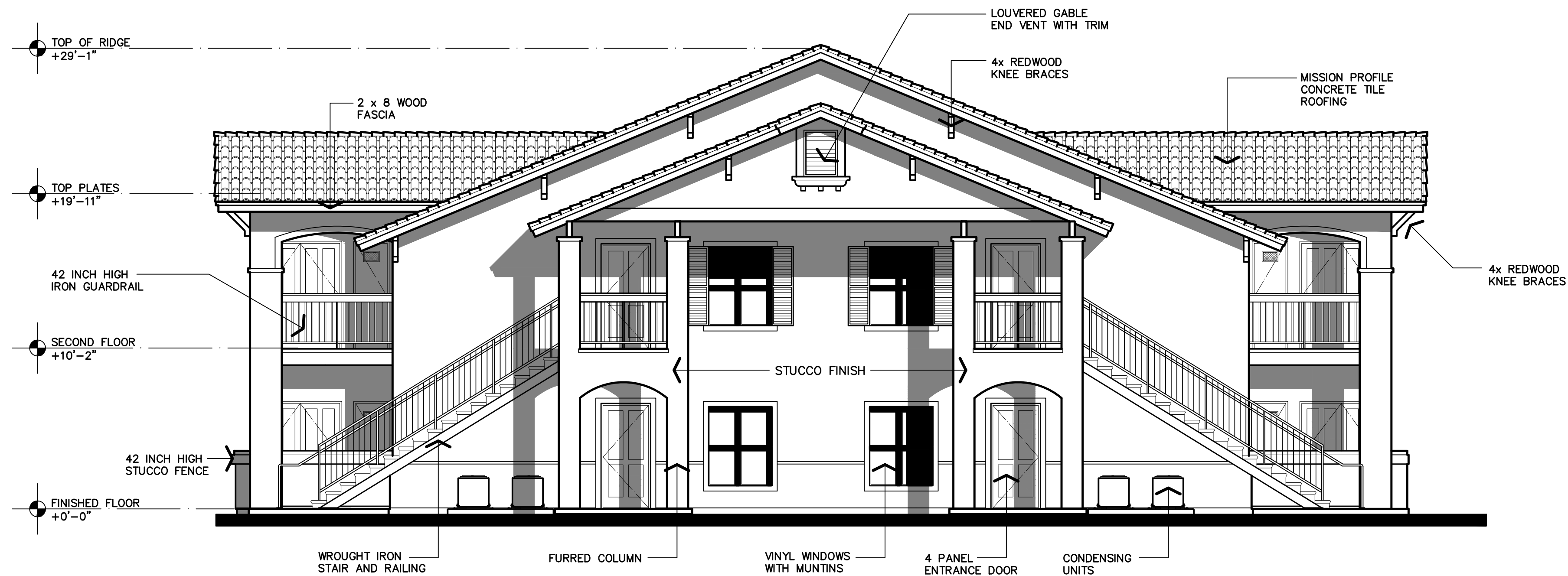
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PORTERVILLE, CA.

Project Number: 191123
Plot Date: 08.24.20
Sheet Number:

PA3
Of . Sheets .



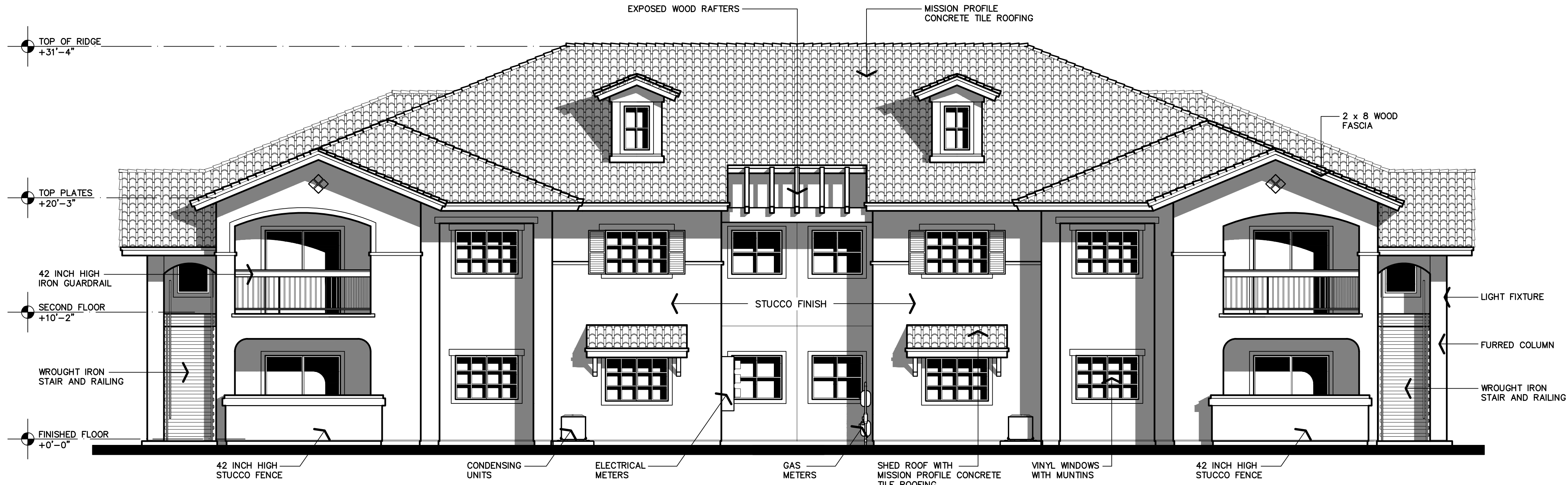
BUILDING 'B' - FRONT / REAR



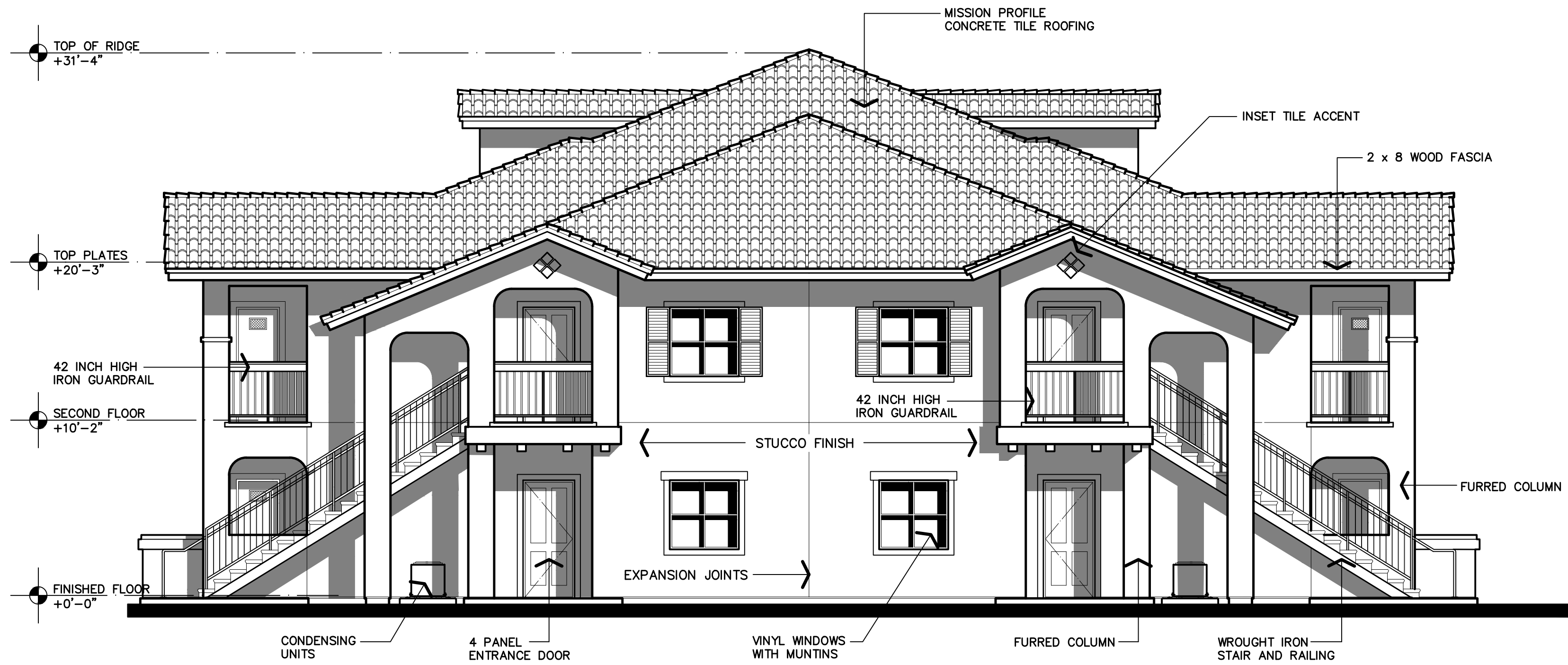
BUILDING 'B' - END

EXTERIOR
ELEVATIONS

3/16" = 1'-0"



BUILDING 'C' - FRONT / REAR



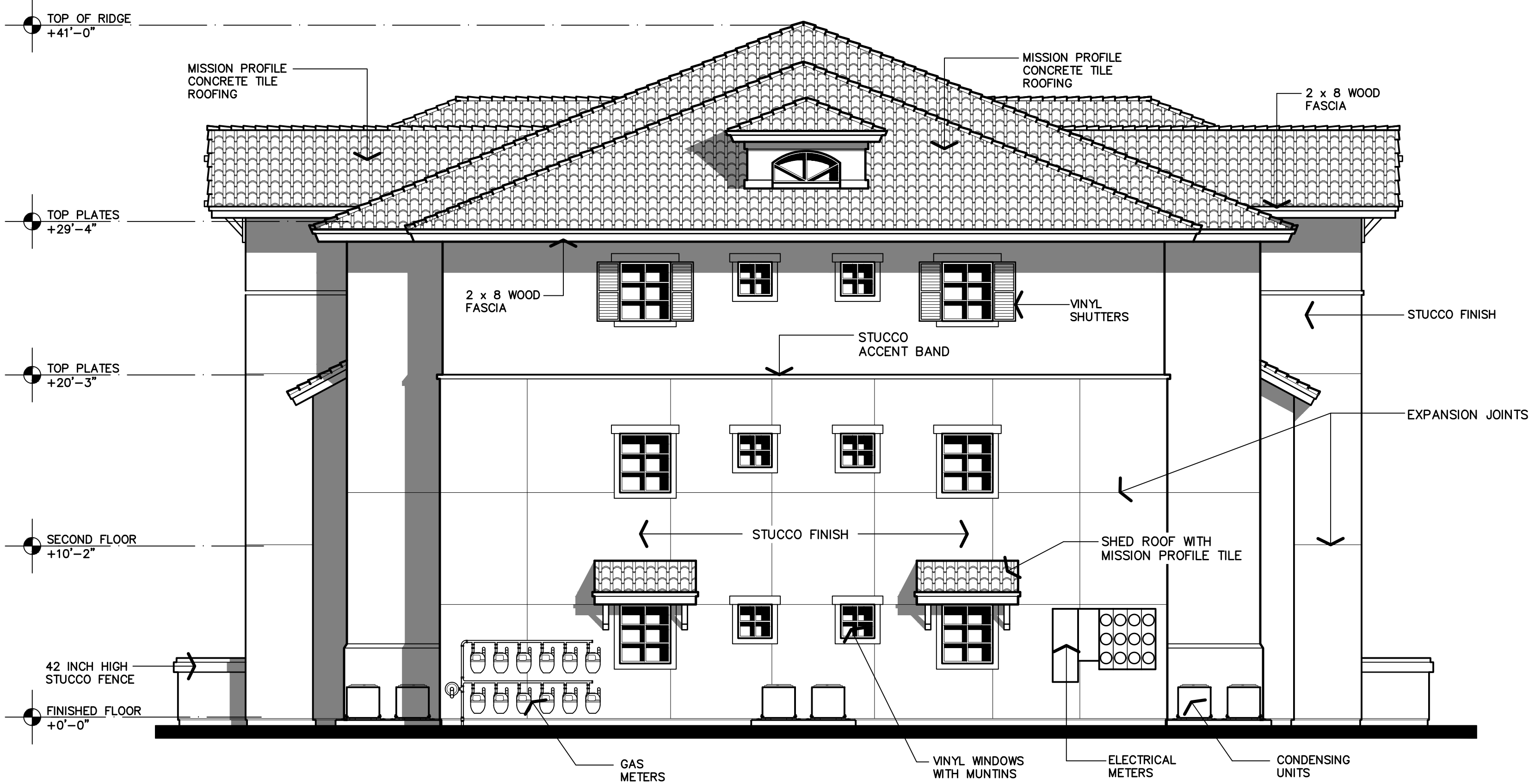
BUILDING 'C' - END

EXTERIOR
ELEVATIONS

3/16" = 1'-0"



BUILDING 'E' - FRONT / REAR



BUILDING 'E' - END

EXTERIOR ELEVATIONS

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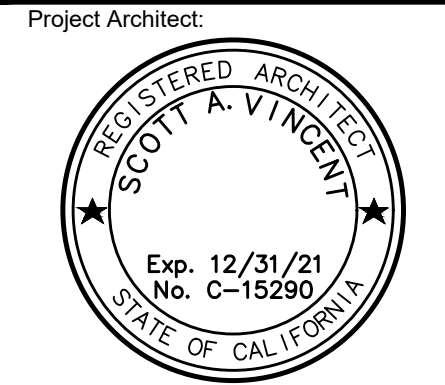
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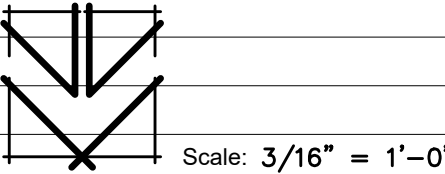
PROPOSED DEVELOPMENT FOR:
**THE VILLAGE AT
HENDERSON II**
1711 WEST HENDERSON AVENUE
PORTERVILLE, CALIFORNIA



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Scale: 3/16" = 1'-0"

Project Name: VILLAGE AT HENDERSON II
PORTERVILLE, CA.

Project Number: 191123

Plot Date: 08.24.20

Sheet Number:

PA3.3

Of . Sheets .

3/16" = 1'-0"

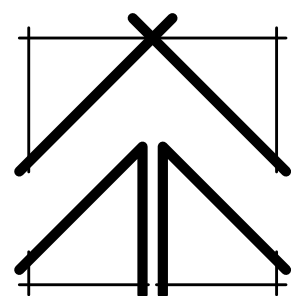
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RETAIL PAD 'A' FLOOR PLAN

1/8" = 1'-0"



BUILDING STATISTICS

PROPOSED USE	RETAIL / COMMERCIAL USES CONSISTENT WITH THE ASSIGNED ZONE DISTRICT
ANTICIPATED OCCUPANCY GROUP(S)	GROUP M GROUP B GROUP B OR GROUP A-2
CONSTRUCTION TYPE	V-B WITH NFPA 13 AUTOMATIC FIRE SPRINKLER SYSTEM
BUILDING AREA(S)	
a. IN-LINE RETAIL BUILDING	6,900 S.F.
b. COVERED WALKWAYS / OVERHANGS	1,381 S.F.
c. TOTAL BUILDING AREA	8,281 S.F.
ALLOWABLE AREA (PER CBC TABLE 506.2)	
a. OCCUPANCY GROUP B USES	36,000 S.F.
b. OCCUPANCY GROUP M USES	36,000 S.F.
c. OCCUPANCY GROUP A-2 USES	24,000 S.F.
d. MAXIMUM ALLOWABLE AREA	24,000 S.F.
ALLOWABLE HEIGHT (PER CBC TABLE 504.3 & .4)	
a. OCCUPANCY GROUP B USES	40' / 2 STORIES
b. OCCUPANCY GROUP M USES	40' / 2 STORIES
c. OCCUPANCY GROUP A-2 USES	60' / 2 STORIES
d. MAXIMUM ALLOWABLE HEIGHT	40' / 2 STORIES
FIRE RESISTANCE REQUIREMENTS	
a. EXTERIOR BEARING WALLS	NON-RATED
b. INTERIOR BEARING WALLS	NON-RATED
c. INTERIOR NON-BEARING WALLS	NON-RATED
d. CEILING / ROOF ASSEMBLY	NON-RATED
e. SHAFT ENCLOSURES	NONE OCCUR
f. EXTERIOR OPENINGS	NON-RATED

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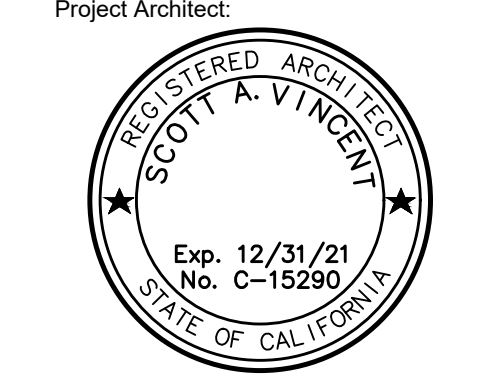
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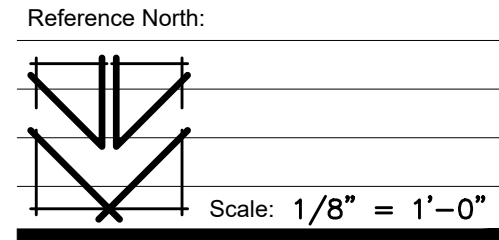
THE VILLAGE AT HENDERSON II

1711 WEST HENDERSON AVENUE
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☐ BACK CHECK	
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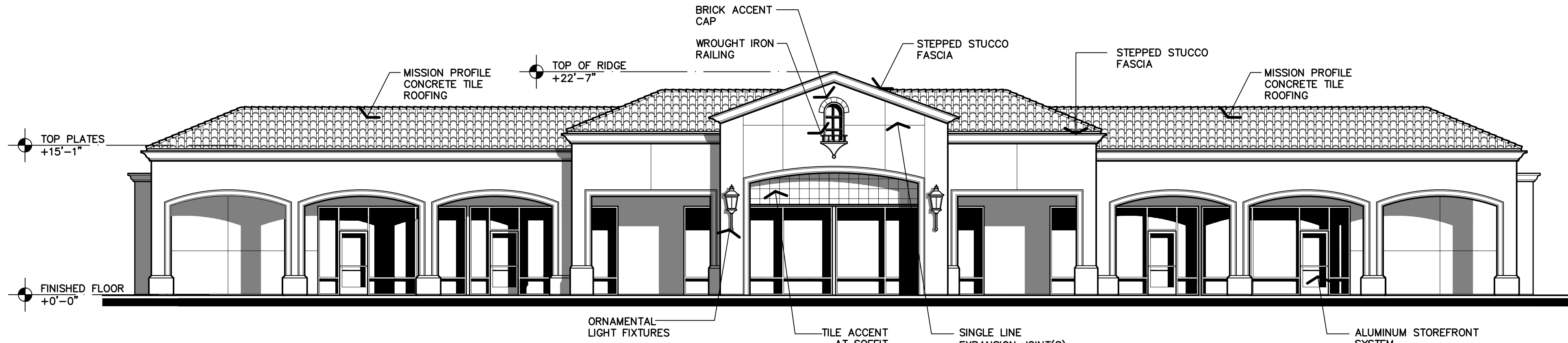
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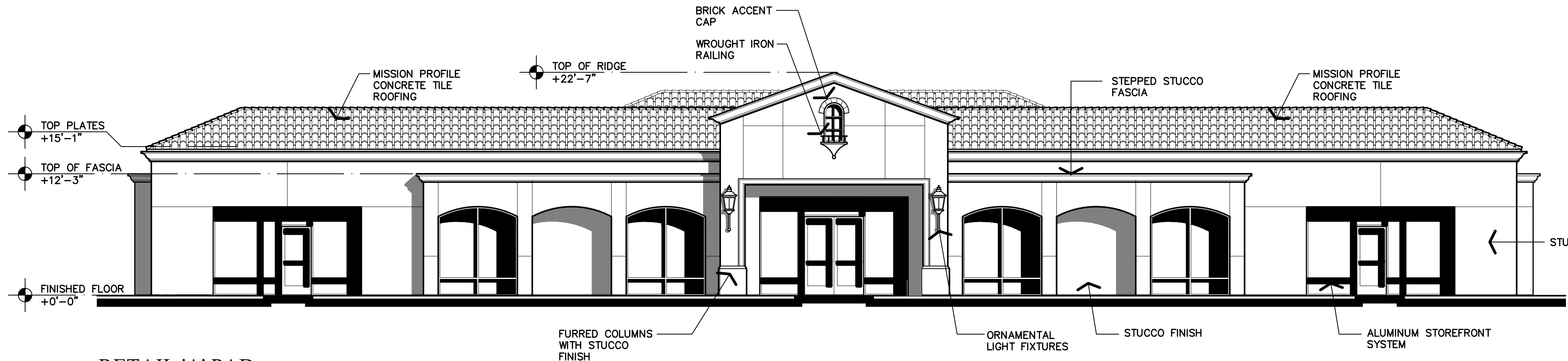
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Plot Date: 08.25.20

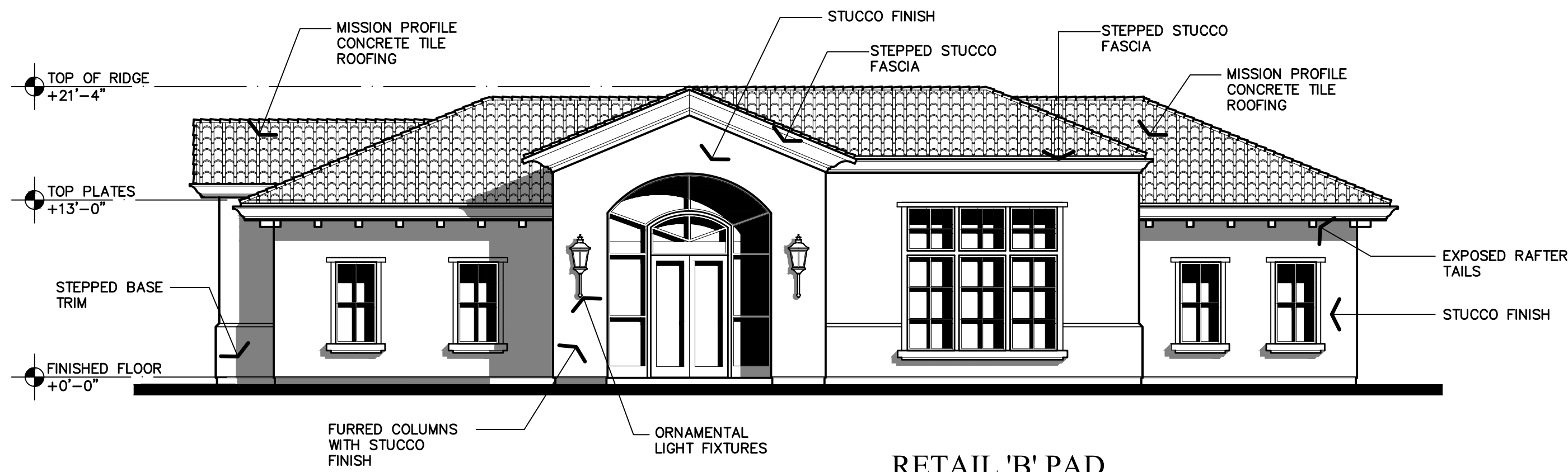
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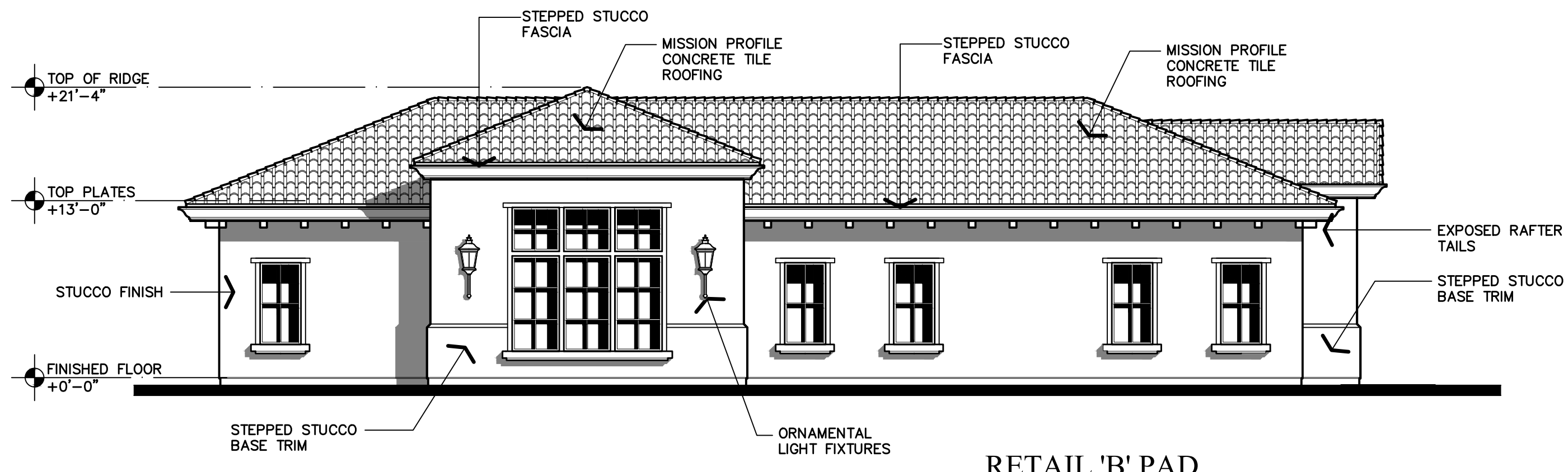
RETAIL 'A' PAD
FRONT ELEVATION



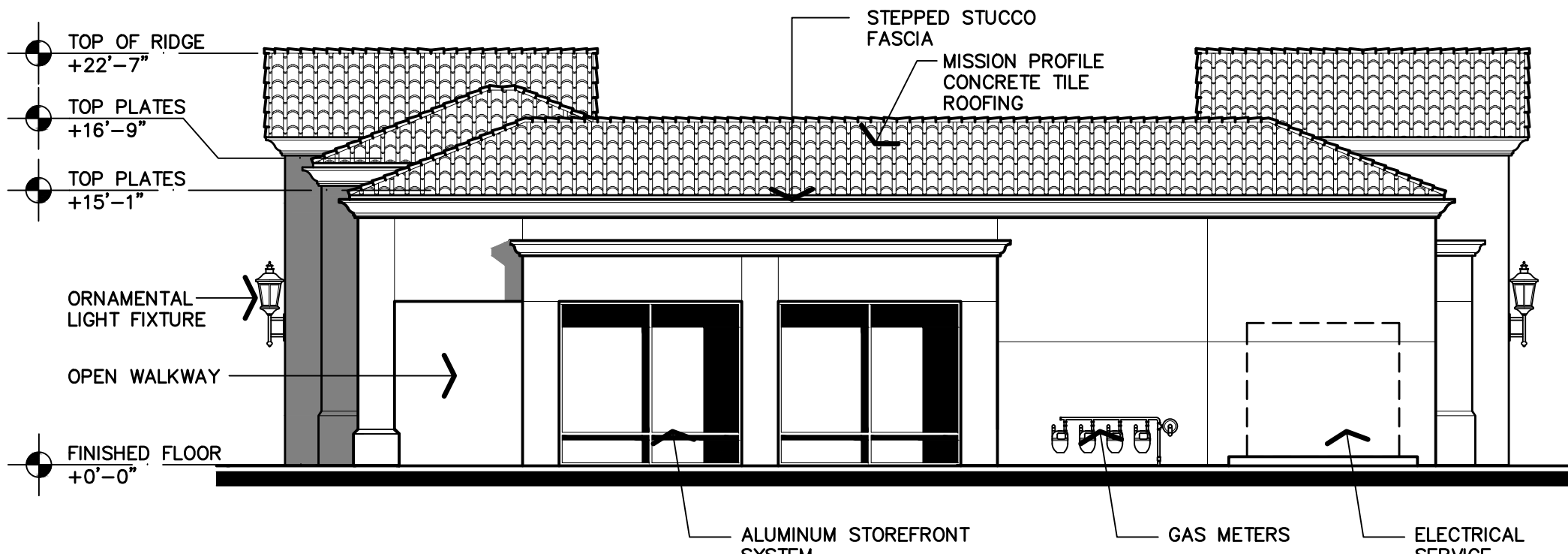
RETAIL 'A' PAD
REAR ELEVATION



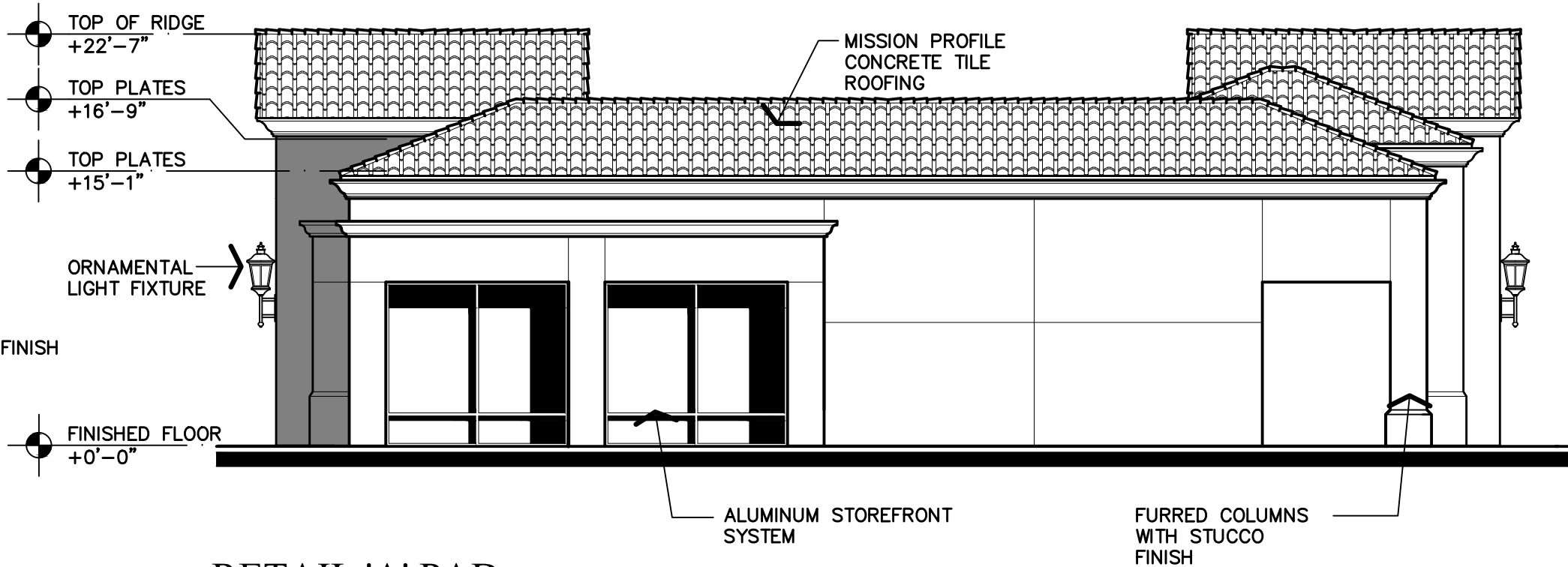
RETAIL 'B' PAD
FRONT ELEVATION



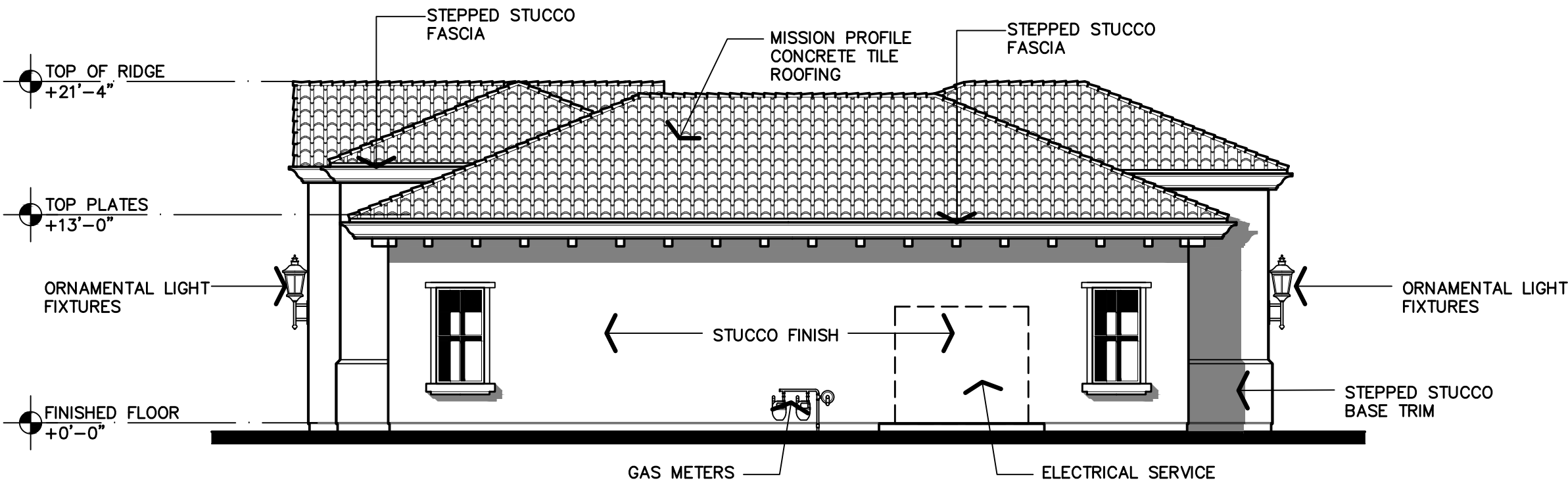
RETAIL 'B' PAD
REAR ELEVATION



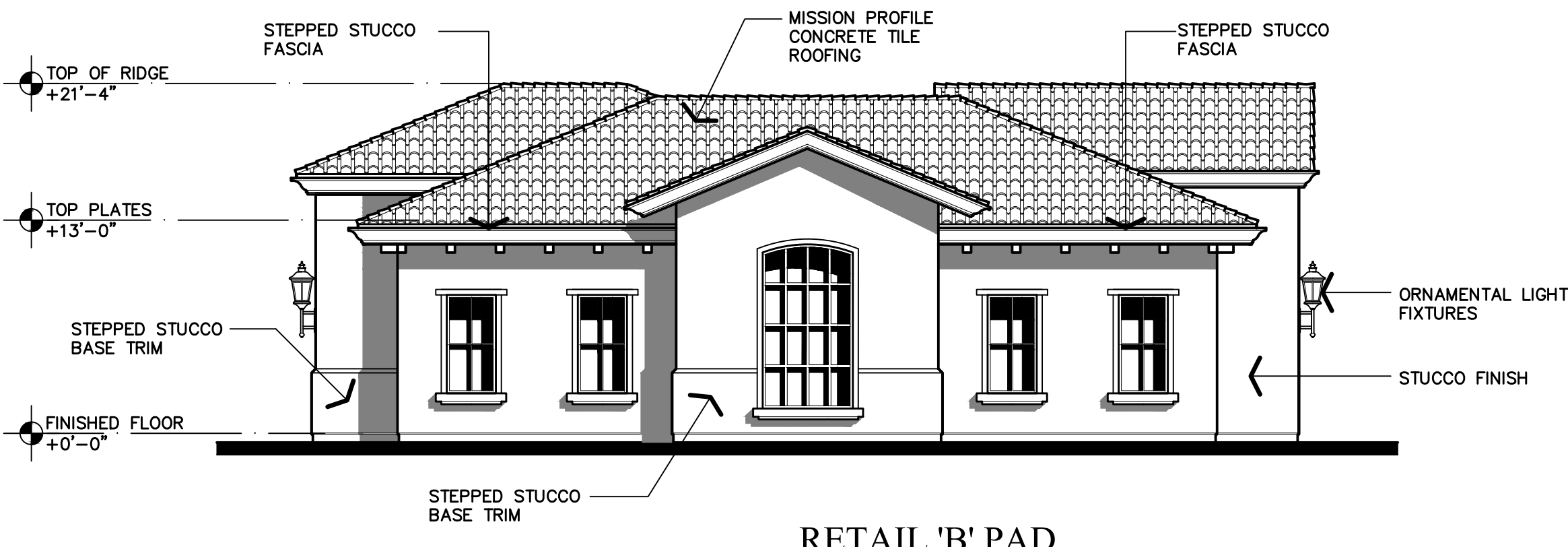
RETAIL 'A' PAD
RIGHT ELEVATION



RETAIL 'A' PAD
LEFT ELEVATION



RETAIL 'B' PAD
RIGHT ELEVATION



RETAIL 'B' PAD
LEFT ELEVATION

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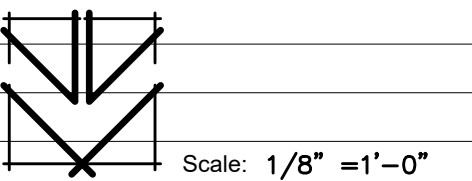
PROPOSED DEVELOPMENT FOR:
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Project Number: 191123

Plot Date: 08.25.20

Sheet Number:

PA5

Of . Sheets .

PROPOSED DEVELOPMENT FOR:

THE VILLAGE AT HENDERSON II

1711 WEST HENDERSON AVENUE
PORTERVILLE, CALIFORNIA

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☐ PLAN CHECK

☐ BACK CHECK

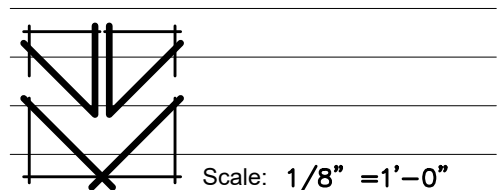
☐ PERMITS

☐ CONSTRUCTION

☐ AS BUILT

All drawings and written material appearing herein constitute original work of the architect and may not be duplicated, used, or disclosed without written consent of the architect.

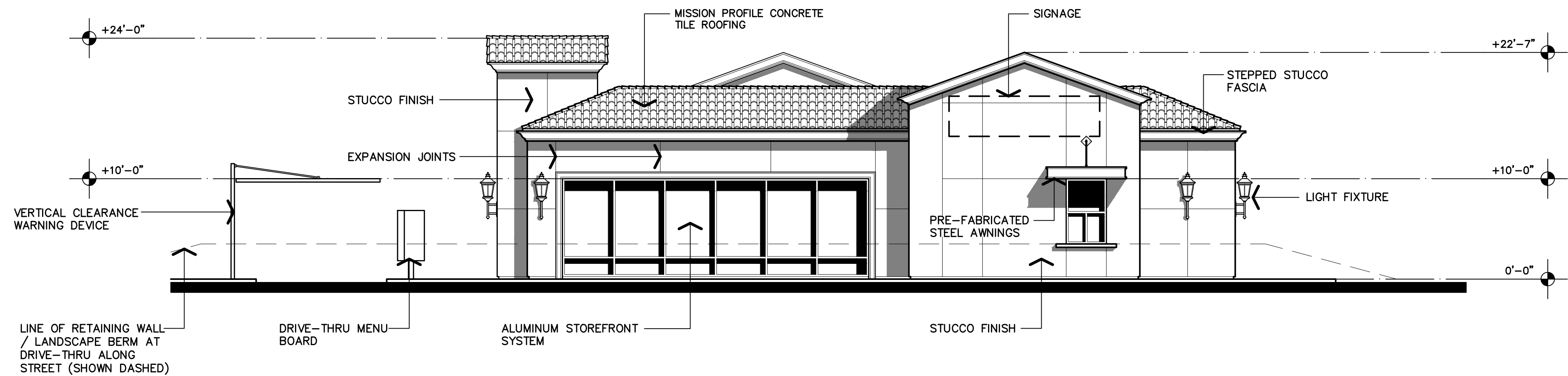
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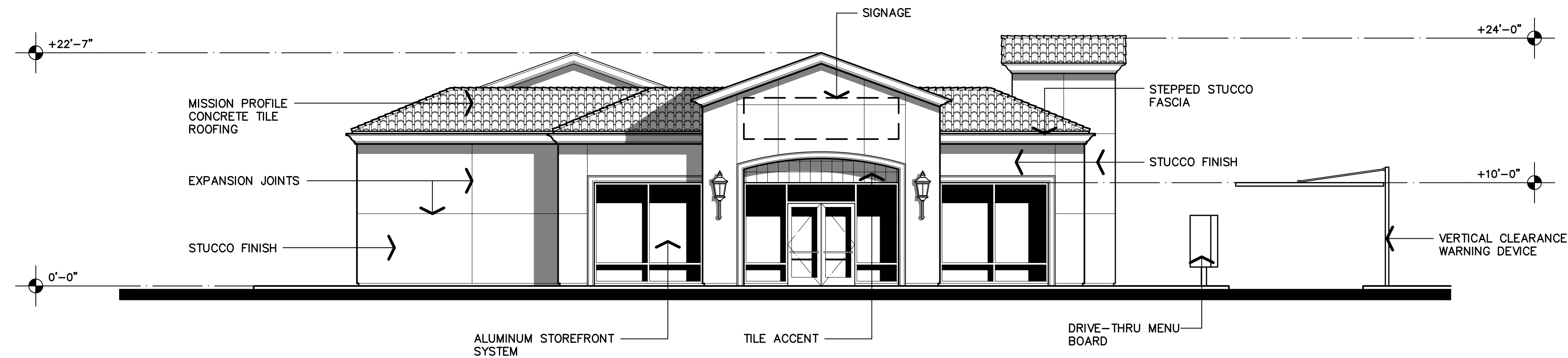
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PORTERVILLE, CA.

Project Number: 191123
Plot Date: 08.25.20

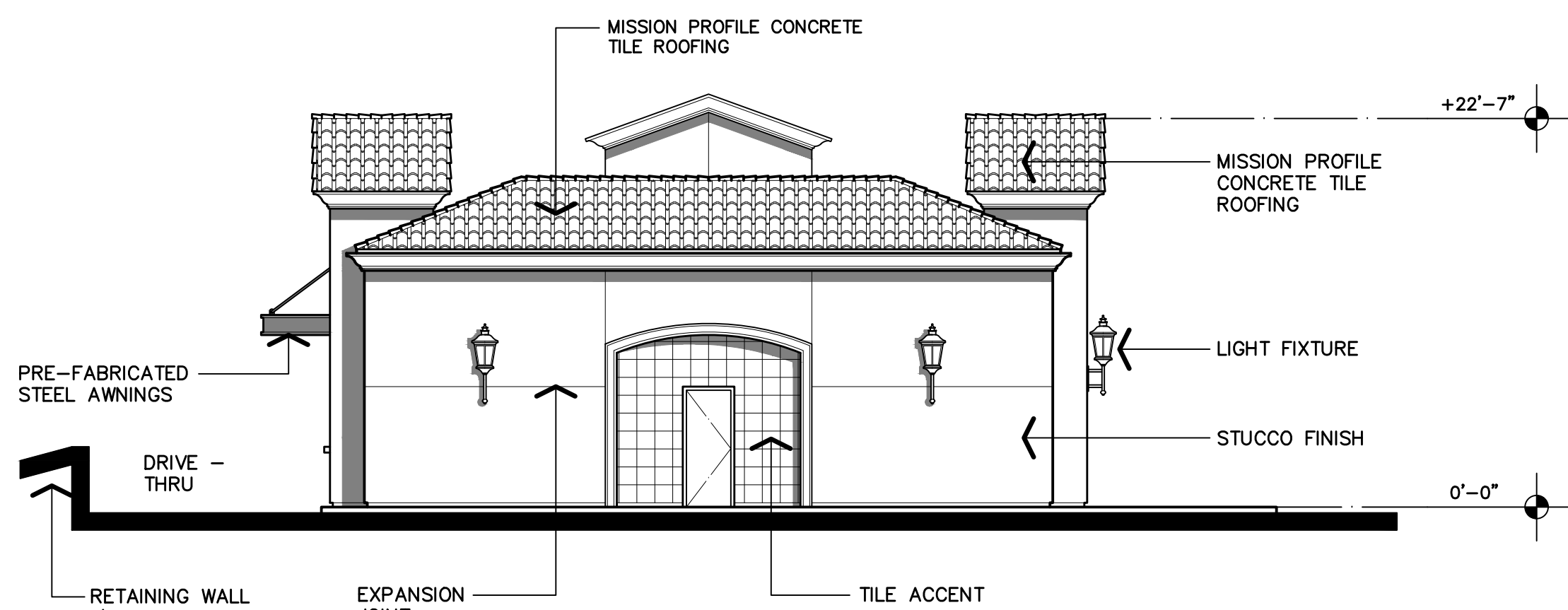
Sheet Number:



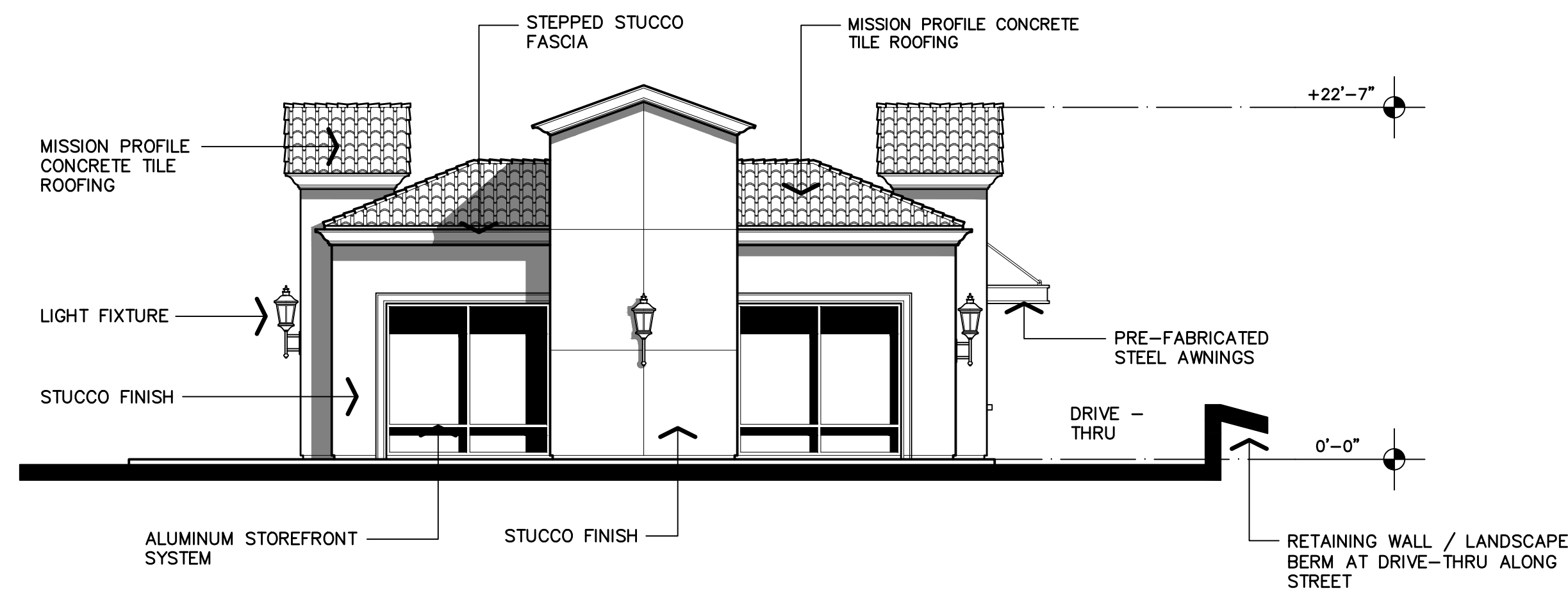
NORTH ELEVATION



SOUTH ELEVATION



WEST ELEVATION



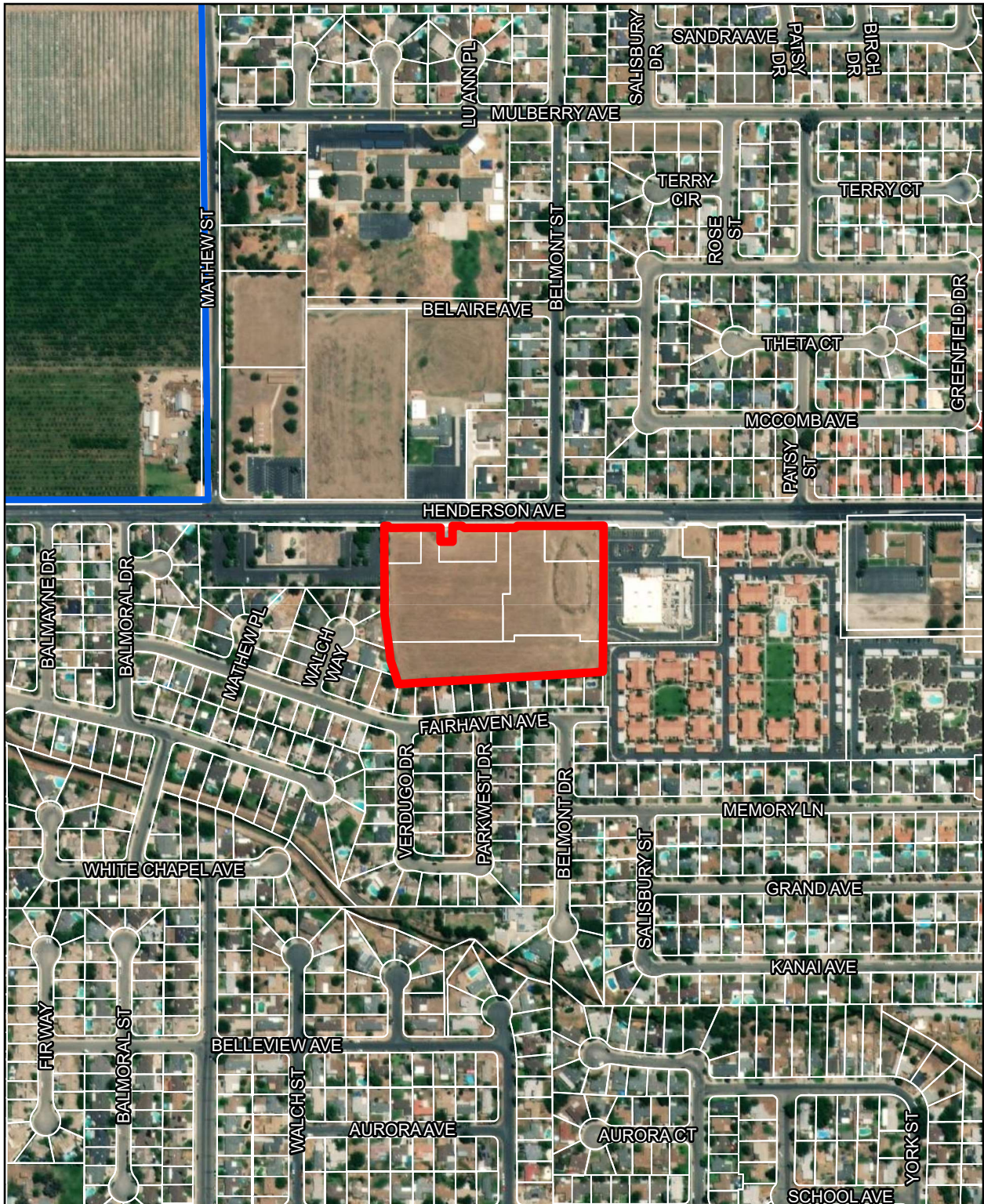
EAST ELEVATION

FAST FOOD ELEVATIONS

1/8" = 1'-0"

Locator Map

PRC 2020-018



Master Plan Modification @ Henderson Villas

Project Location

City Limits

1 in = 500 feet



Date Printed: 10/13/2020 by the Community Development Department



CITY COUNCIL AGENDA – DECEMBER 1, 2020

SUBJECT: Approve Public Transportation Agency Safety Plan

SOURCE: Public Works

COMMENT: On July 19, 2018, the Federal Transit Administration (FTA) published the Public Transportation Agency Safety Plan (PTASP) Final Rule, which requires certain operators of public transportation systems that receive federal funds under FTA's Urbanized Area Formula Grants to develop safety plans that include the processes and procedures to implement Safety Management Systems (SMS).

The FTA published a Notice of Enforcement Discretion on April 22, 2020, effectively extending the PTASP compliance deadline from July 20, 2020 to December 31, 2020.

The SMS is based on four components, Safety Management Policy, Safety Risk Management, Safety Assurance, and Safety Promotion, that continuously work together to support a safe and reliable transportation system.

Staff from both operations and maintenance worked together to draft the City's Public Transportation Agency Safety Plan (PTASP). The City's PTASP identifies the Public Works Director as the Accountable Executive responsible for implementing and maintaining the SMS. The City's Field Services Manager will serve as the Chief Safety Officer, responsible for implementing the agency-wide SMS. The City's third party contractor, Sierra Management, is also responsible for implementing the SMS and their Operations Director will serve as a Chief Safety Officer for the day-to-day operations.

The City's PTASP was submitted to the FTA's Technical Assistance Center for a voluntary review. Based on comments received, staff updated the PTASP to better reflect local operations. It is staff's recommendation that the City Council approve the attached draft PTASP and accompanying Resolution.

RECOMMENDATION: That the City Council approve the Public Transportation Agency Safety Plan and authorize the Mayor to sign the Resolution.

ATTACHMENTS:

1. Draft Resolution
2. Porterville Public Transit Agency Safety Plan

Appropriated/Funded:

Review By:

Department Director:

Michael Knight, Public Works Director

Final Approver: John Lollis, City Manager

RESOLUTION NO. ____ - 2020

**A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF PORTERVILLE APPROVING THE
PUBLIC TRANSPORTATION AGENCY SAFETY PLAN (PTASP)**

WHEREAS, the City of Porterville is the public transportation service provider in Porterville operated by Tree's Sierra Management, Inc. (SM Transit); and

WHEREAS, the Federal Transit Administration, which provides significant annual funding to public transportation in Porterville, requires public transportation operators to have a City Council approved Public Transportation Agency Safety Plan by December 31, 2020 in order to continue to be eligible for federal transit funding; and

WHEREAS, the Public Transportation Agency Safety Plan formalizes safety programs and procedures already in place at the City of Porterville and improves the safety risk management, safety assurance, and safety oversight processes; and

WHEREAS, the safe operation and provision of public transportation in Porterville is the top priority of the City Council of the City of Porterville.

NOW THEREFORE, BE IT RESOLVED AND ORDERED that the City Council of the City of Porterville does hereby approve and accept the Public Transportation Agency Safety Plan as presented.

PASSED AND ADOPTED by the City Council of the City of Porterville, State of California, at a regular meeting of said Council held on December 1, 2020.

Martha A. Flores, Mayor

ATTEST:
John D. Lollis, City Clerk

By: _____
Patrice Hildreth, Chief Deputy City Clerk

City of Porterville



Public Transit Agency
Safety Plan (PTASP)

December 1, 2020



Public Transportation Safety Plan

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Public Transportation Safety Plan

1. Transit Agency Information

Transit Agency Name	City of Porterville, dba "Porterville Transit"		
Transit Agency Address	291 N. Main St., Porterville, CA 93257		
Name and Title of Accountable Executive	Michael Knight, Public Works Director		
Name of Chief Safety Officer	Richard I. Tree, Field Services Manager (CITY) Robert J. Tree, Operations Director (SM Transit)		
Mode(s) of Service Covered by this Plan	Fixed Route Bus; ADA Paratransit; Demand Response	List All FTA Funding Types	5307, 5311, 5339
Mode(s) of Service Provided by the Transit Agency	Contracted Fixed Route Bus; ADA Paratransit; Demand Response		
Does the agency provide transit services on behalf of another transit agency?	Yes. SM Transit operates all transit services on behalf of and in cooperation with the City of Porterville	Description of Arrangement(s)	Contracted Services
Name and address of Transit Agency for which service is provided	City of Porterville		

Public Transportation Safety Plan

2. Plan Development, Approval, and Updates

Name of Person Who Drafted This Plan	Richard Tree, Field Services Manager, Chief Safety Officer Robert Tree, Operations Director, Chief Safety Officer (Contractor) Russell Isom, Shop Superintendent	
Signature by the Accountable Executive	Signature of Accountable Executive	Date of Signature
		12/1/2020
Approval by the City Council of the City of Porterville	City Council of the City of Porterville	Date of Approval
	Resolution # 2020-	December 1, 2020
	Relevant Documentation (title and location)	
	See next page for copy of the resolution. Also on file at the City Clerk's Office at City Hall.	

Version Number and Updates			
<i>Record the complete history of successive versions of this plan</i>			
Version Number	Section/Pages Affected	Reason for Change	Date Issued
1		New Document	11/03/2020

Annual Review and Update of the Public Transportation Agency Safety Plan
<i>Describe the process and timeline for conducting an annual review and update of the Public Transportation Agency Safety Plan</i>
The Accountable Executive will review and approve any changes, signing the new ASP, then present to the City Council for review and approval on the following timeline: • Annually, each year in June. • And when the Agency: ○ Determines its approach to mitigating safety deficiencies is ineffective; ○ Makes significant changes to service delivery; ○ Introduces new processes or procedures that may impact safety; ○ Changes or re-prioritizes resources available to support Safety Management Systems; and/or ○ Significantly changes its organizational structure. Revisions will be submitted to the City Council at their July meeting for approval. Amendments to the PTASP will be published to the employees and the public at large in accordance with the Agency's standard communication process.



Public Transportation Safety Plan

RESOLUTION NO. _____ - 2020

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PORTERVILLE APPROVING THE PUBLIC TRANSPORTATION AGENCY SAFETY PLAN (PTASP)

WHEREAS, the City of Porterville is the public transportation service provider in Porterville operated by Tree's Sierra Management, Inc. (SM Transit); and

WHEREAS, the Federal Transit Administration, which provides significant annual funding to public transportation in Porterville, requires public transportation operators to have a City Council approved Public Transportation Agency Safety Plan by December 31, 2020 in order to continue to be eligible for federal transit funding; and

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Martha A. Flores, Mayor

ATTEST:

John D. Lollis, City Clerk

By: _____
Patrice Hildreth, Chief Deputy City Clerk

Public Transportation Safety Plan

3. Safety Performance Targets

Safety Performance Targets

<i>Specify performance targets based on the safety performance measures established under the National Public Transportation Safety Plan.</i>							
Targets below are based on review of the previous 5 years of Porterville Transit's safety performance data.							
Mode of Transit Service	Fatalities (total)	Fatalities (per 100k VRM)	Injuries (total)	Injuries (per 100k VRM)	Safety Events (total)	Safety Events (per 100k VRM)	System Reliability (VRM/ Failures)
Fixed Route Bus	0	0	1	.00001	2	.00002	65,000
ADA / Paratransit	0	0	0	0	0	0	20,000
Demand Response	0	0	0	0	0	0	20,000

Safety Performance Target Coordination

<i>Describe the coordination with the State and Metropolitan Planning Organization (MPO) in the selection of State and MPO safety performance targets.</i>		
The City of Porterville's Accountable Executive shares our ASP, including safety performance targets, with the MPO (TCAG) in our service area each year after its formal adoption by the City Council. The Accountable Executive also provides a copy of our formally adopted plan to the California Department of Transportation (Caltrans). City of Porterville personnel are available to coordinate with Caltrans and TCAG in the selection of Caltrans and TCAG safety performance targets upon request.		
Targets Transmitted to the State	State Entity Name	Date Targets Transmitted
	Caltrans Division of Rail and Mass Transportation Attn: Brian C. Travis Senior Planner brian.travis@dot.ca.gov	December 10, 2020
Targets Transmitted to the MPO	MPO Name	Date Targets Transmitted
	Tulare County Association of Governments Attn: Elizabeth Forte Senior Planner ewright@tularecog.org	December 10, 2020



Public Transportation Safety Plan

4. Safety Management Policy

Safety Management Policy Statement

The City of Porterville, "Porterville Transit", will maintain an active Safety Management System (SMS) that encourages the open sharing of information on all safety issues. We expect our employees and contractor employees to report their safety concerns to agency management. No employee will be asked to compromise safety to "get the job done."

Our overall safety objective is to proactively manage safety hazards and their associated safety risk, with the intent to eliminate unacceptable safety risk in our transit operations. To that end, we will continuously examine our operations for hazards. We will establish a non-punitive employee safety reporting program, train staff on safety management, document our findings and safety risk mitigations, and strive for continuous improvement of our safety performance.

As required by the Federal Transit Administration, we have established annual safety performance targets to help us measure the safety of our transit service. In addition, to address our overall safety objective, we will conduct hazard identification workshops with all frontline, supervisory, and management personnel during this calendar year. We will also work to increase the annual number of voluntary reports received from employees by 10 percent and actively track our safety risk mitigations. To ensure we meet this objective, our safety department will report out each quarter to our entire agency on the number of:

- Hazard identification workshops carried out in the quarter;
- Number and type of hazard reports received per employee in the quarter versus the same quarter last year; and
- Number and type of safety risk mitigations implementation in the quarter.

Ultimate responsibility for safety at the City of Porterville rests with the Accountable Executive.

Responsibility for making our operations safer for everyone lies with each one of us – from executive management to frontline employees. Each manager is responsible for implementing the SMS in their area of responsibility and will be held accountable to ensure all reasonable steps are taken to perform activities established as part of the SMS.

A handwritten signature in blue ink that reads "Richard I. Tree".

Richard I. Tree, Chief Safety Officer



Public Transportation Safety Plan

Safety Management Policy Communication

Location Posted:	Downtown Transit Center Lobby, Employee Breakroom, and Employee Communication Bulletin Board, Maintenance Facility Bulletin Board, City of Porterville City Hall Bulletin Board
Date shared with the employees:	December 10, 2020
Date shared with the public:	December 10, 2020 www.ridept.com

Authorities, Accountabilities, and Responsibilities

Describe the authorities, accountabilities, and responsibilities of the following individuals for the development and management of the transit agency's SMS.

Accountable Executive	The Director of Public Works serves as Porterville Transit's Accountable Executive. The Accountable Executive reviewed the draft policy once it had been developed by our agency. Comments and recommended changes were taken into account when the final document was developed. The Accountable Executive then submitted the policy to the City Council for approval. Once their approval was given, the Accountable Executive signed the policy. Additional responsibilities include, but are not limited to: • Decision-making about resources (e.g. people and funds) to support asset management, SMS activities, and capital investments; • Designates an adequately trained Chief Safety Officer who reports directly; • Ensures that the SMS is implemented and monitored; • Signing SMS implementation planning documents; and • Endorsing SMS implementation team membership.
Chief Safety Officer (CITY)	The Accountable Executive designates the Field Services Manager as Porterville Transit's Chief Safety Officer. The City's Chief Safety Officer/SMS Executive coordinates with the Contractor's Chief Safety Officer in developing the Safety Management Policy. The City's Chief Safety Officer/SMS Executive duties include, but are not limited to: • Develop ASP and SMS policies and procedures; • Developing and maintaining SMS documentation; • Oversees the day-to-day implementation and operation of the SMS; • Manages City's employee safety reporting systems such as incident and observation reports;

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	• Establishes City's Safety Risk Register and Safety Event Log to monitor and analyze trends in hazards, occurrences, incidents, and accidents; • Ensures safety topics are addressed in departmental meetings; • Advises the Accountable Executive on SMS progress and status; • Identifies substandard performance in Porterville Transit's SMS and develops action plans for approval by the Accountable Executive; • Ensures policies are consistent with safety objectives; • Provides SRM expertise and support for personnel in conducting and overseeing Safety Assurance activities.
Chief Safety Officer (CONTRACTOR)	The Contractor's Chief Safety Officer/SMS Executive coordinates with the City's Chief Safety Officer in developing the Safety Management Policy. The Contractor's Chief Safety Officer/SMS Executive duties include, but are not limited to: • Develop ASP and SMS policies and procedures; • Developing and maintaining SMS documentation; • Oversees the day-to-day implementation and operation of the SMS; • Manages Contractor's employee safety reporting systems such as incident and observation reports; • Establishes Contractor's Safety Risk Register and Safety Event Log to monitor and analyze trends in hazards, occurrences, incidents, and accidents; • Ensures safety topics are addressed in departmental meetings; • Advises the Accountable Executive on SMS progress and status; • Identifies substandard performance in Porterville Transit's SMS and develops action plans for approval by the Accountable Executive; • Ensures policies are consistent with safety objectives; • Provides SRM expertise and support for personnel in conducting and overseeing Safety Assurance activities.
Leadership Team	Porterville Transit's Leadership Team also have authorities and

Public Transportation Safety Plan

	responsibilities for day-to-day SMS implementation and operation of Porterville Transit's SMS under this plan. Porterville Transit Leadership Team include: • Director of Operations (Contractor Chief Safety Officer) • Route Supervisors and Dispatchers (Contractor) • Director of Public Works (Accountable Executive) • Field Services Manager (City Chief Safety Officer) • Shop Superintendent (City Fleet Maintenance) Porterville Transit's Leadership Team have the following authorities, accountabilities, and responsibilities: • Participate in monthly maintenance and/or operator safety meetings; • Complete training on SMS and ASP elements; • Oversee day-to-day operations of the SMS in their departments; • Modify policies in their departments consistent with implementation of the SMS; • Provide expertise and support to implantation of the SMS as requested by the Accountable Executive or the Chief Safety Officer.
Key Staff and Activities	Porterville Transit utilizes the following key staff to support its SMS and safety programs: • <u>Road Supervisors</u>: Evaluate, monitor, and train drivers on all aspects of safety and defensive driving procedures. • <u>Dispatchers</u>: Evaluate and monitor day-to-day operations and communicate with road supervisors and drivers. • <u>Transit Maintenance Technician</u>: Monitors Preventative Maintenance Reports, coordinates maintenance activities with operations. Provides recommendation for revenue vehicles. Porterville Transit uses monthly Driver's Meetings and annual Safety Awards Meeting to support its SMS and safety programs: • <u>Tailgate Meetings</u>: Weekly Driver's Tailgate Meetings are dedicated to safety • <u>Driver's Meetings</u>: Monthly Driver's Meetings are dedicated to safety, where safety issues are discussed and documented. • <u>Annual Safety Meeting</u>: Annual Safety Award Meeting is dedicated to safety, where safety issues are discussed and

Public Transportation Safety Plan

	documented. Drivers are recognized for exceptional safety records during the year. • <u>Semi-monthly Maintenance Safety Training</u>: Dedicated to safety, where safety issues are discussed and documented.
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Employee Safety Reporting Program

Describe the process and protections for employees to report safety conditions to senior management. Describe employee behaviors that may result in disciplinary action (and, therefore, are excluded from protection).

Porterville Transit's Employee Safety Reporting Program encourages employees who identify safety concerns in their day-to-day duties to report them to management in good faith effort without fear of retribution. There are many ways employees can report safety concerns:

- Report conditions directly to the dispatcher, who will document and forward to the Supervisor on duty.
- Report conditions anonymously via a locked comment box in the break area.
- Report conditions on the MyPorterville app
- Report conditions directly to any supervisor, manager, or director.
- Report conditions during tailgate meetings, monthly driver's meetings, or at the annual safety meeting.

Examples of information typically reported include:

- Safety concerns in the operating environment, examples include: road conditions, vehicle condition, facility conditions, and bus stop conditions.
- Policies and procedures that are not working as intended, examples include: insufficient time to complete pre-trip inspection.
- Near misses, passenger incidents, radio communication issues.

Porterville Transit encourages participation in the Employee Safety Reporting Program by protecting employees that report safety conditions in good faith. However, Porterville Transit may take disciplinary action if the report involves any of the following:

- Participation in illegal activity, such as assault, theft, drug dealing, etc.;
- Gross negligence, such as knowingly operating equipment for purposes other than intended that put people or property at risk;
- Deliberate or disregard of regulations or procedures, such as reporting to work under the influence of controlled substances.

On a daily basis, the Chief Safety Officers review the observation reports, accident and incident reports, any emails or miscellaneous reports filed about safety, and document identified safety conditions in the Porterville Transit Risk Register.

Public Transportation Safety Plan

Chief Safety Officers will review and address each employee report, ensuring that hazards and their consequences are appropriately identified and resolved, and flag issues with the SRM process. Reported deficiencies and non-compliance with rules or procedures are addressed through the Safety Assurance process.

Chief Safety Officers discuss actions taken to address reported safety conditions during weekly manager meetings and monthly maintenance and operator meetings.

Additionally, if the reporting employee provided his/her name during the reporting process, the Chief Safety Officer follows up directly with the employee when Porterville Transit determines whether or not to take action and after any mitigations are implemented.

Porterville Transit encourages participation in the safety reporting program by protecting employees that report safety conditions in good faith. However, Porterville Transit staff (City or Contractor) may take disciplinary action if the report involves:

- Wilful participation in illegal activity;
- Gross negligence;
- Deliberate or willful disregard of regulations.

5. Safety Risk Management

Safety Risk Management Process

Describe the Safety Risk Management Process, including:

- Safety Hazard Identification: The methods or process to identify hazards and consequences of the hazards.
- Safety Risk Assessment: The methods or processes to assess the safety risk associated with identified safety hazards.
- Safety Risk Mitigation: The methods or processes to identify mitigations or strategies necessary as a result of safety risk assessment.

Porterville Transit uses the Safety Risk Management (SRM) process as a primary method to ensure the safety of our operations, passengers, employees, vehicles, and facilities. It is a process whereby hazards and their consequences are identified, assessed for potential safety risk, and resolved in a manner acceptable to Porterville Transit leadership.

Porterville Transit SRM process allows us to carefully examine what could cause harm and determine whether we have taken sufficient precautions to minimize the harm, or if further mitigations are necessary.

Chief Safety Officers leads Porterville Transit's SRM process, working with Operations, Maintenance, and Administrative staff to identify hazards and consequences, assess safety risk or potential consequences, and mitigate safety risk. The results of the SRM process are documented in the Risk Register.

SRM process applies to all elements of our system including our operations and maintenance, facilities and vehicles, and personnel recruitment, training and supervision.

The following terms are used for the Safety Risk Management process:

- Event – Any accident, incident, or occurrence.
- Hazard – Any real or potential condition that can cause injury, illness, death, damage to or loss of the facilities, equipment, vehicles, or infrastructure.
- Risk – Composite of predicted severity and likelihood of the potential effect of a hazard.
- Risk Mitigation – Method(s) to eliminate or reduce the effects of hazards.
- Consequence – An effect of a hazard involving injury, illness, death, or damage.

Safety Hazard Identification

The safety hazard identification process offers the ability to identify hazards and potential consequences in the operation and maintenance of our transit system. Hazards can be identified through a variety of sources, including:

- Review of vehicle camera footage
- Observations from road supervisors
- Comments from customers, passengers, and third parties

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- Comments from CalTip Insurance Pool
- Tailgate, Driver's, and Annual Safety Meetings
- Investigations into safety events, incidents, and occurrences
- Results of the TAM Assess Condition Assessments
- Facilities Inspections
- Bus Stop Inspections
- Pre-Ops Vehicle Inspections
- Routine Maintenance Inspections
- Employee Observations
- Federal Transit Authority Notices and Announcements
- Industry Publications
- Driver Evaluations
- Customer Complaints
- Trends in the Cost of In-house Repairs
- Third Party Administrators for Workers' Compensation and for Liability Claims
- Cal-OSHA Lost and Restricted Days Reported on the Cal-OSHA 300

When a safety concern is observed by management or supervisory personnel, whatever the source, it is reported to a Chief Safety Officer. Procedures for reporting hazards to a Chief Safety Officer are reviewed during monthly operator and maintenance safety meetings. The Chief Safety Officers also receive employee reports from the ESRP process and reviews these sources for hazards, and documents them in the Risk Register.

Chief Safety Officers may also enter hazards into the Risk Register based on their review of operations and maintenance, the results of audits and observations, and information received from FTA and other oversight authorities, as well as the National Transportation Safety Board.

Chief Safety Officers may conduct further analysis of hazards and consequences entered into the Risk Register, to collect information and identify additional consequences, and to inform which hazards should be prioritized for safety risk assessment.

In following up on identified hazards, Chief Safety Officers may:

- Reach out to the reporting party, if available, to gather all known information about the reported hazard;
- Conduct a walkthrough of the affected area, assessing the possible hazardous condition, generating visual documentation, and taking any measurements deemed necessary;
- Conduct interviews with employees in the area to gather potentially relevant information on the reported hazard;
- Review any documentation associated with the hazard;
- Contact other departments that may have association with or technical knowledge relevant to the reported hazard;

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- Review any past reported hazards of a similar nature;
- Evaluate tasks and/or processes associated with the reported hazard.

Chief Safety Officers will convene, as needed, with a group of relevant internal stakeholders to discuss identified hazards and consequences. This may be completed in conjunction with monthly safety meetings, weekly leadership meetings, or ad hoc safety meetings.

Any identified hazard that poses real and immediate threat of life, property, or the environment must immediately be brought to the attention of the Accountable Executive and addressed through the SRM process for safety risk assessment and mitigation. This means that the Chief Safety Officers believes immediate intervention is necessary to preserve life, prevent major property destruction, or avoid harm to the environment which would constitute a violation of EPA or Caltrans environmental protection standards. Otherwise, the Chief Safety Officers will prioritize hazards for further SRM activity.

Safety Risk Assessment

Safety Risk Assessment defines the level or degree of the safety risk by assessing the likelihood and severity of the consequences of hazards and prioritizes hazards based on the safety risk. The Chief Safety Officers, with assistance from key staff subject matter experts such as Safety Managers, are responsible for assessing identified hazards and ratings using the safety risk matrix below. Prioritizing safety risk provides the Accountable Executive with the information needed to make decisions about resource application.

The following matrix, adopted from the TSI Participation Guide – SMS Principles for Transit, facilitates the ranking of hazards based on their probability of occurrence and severity of their outcome.

Probability Levels			
Description	Level	Specific Individual Item	Fleet Inventory
Frequent	A	Likely to occur often in the life of an item.	Continuously experienced
Probable	B	Will occur several times in the life of an item.	Will occur frequently
Occasional	C	Likely to occur sometimes in the life of an item.	Will occur several times
Remote	D	Unlikely, but possible to occur in the life of an item.	Unlikely, but can reasonably be expected to occur
Improbable	E	So unlikely, it can be assumed occurrence may not be experienced in the life of an item.	Unlikely to occur, but possible
Eliminated	F	Incapable of occurrence. This level is used when potential hazards are identified and later eliminated	Incapable of occurrence

The measuring goes from A to F with A being frequent or likely to occur frequently and E being

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improbable or expected that this event will most likely never occur. The designation F is used when potential hazards are identified and later eliminated.

Severity Levels		
Description	Level	Mishap Result Criteria
Catastrophic	1	Could result in one or more of the following: death, permanent total disability, irreversible significant environmental impact, or monetary loss equal to or exceeding \$10M
Critical	2	Could result in one or more of the following: permanent partial disability, injuries or occupational illness that may result in hospitalization of at least three personnel, reversible significant environmental impact, or monetary loss equal to or exceeding \$1M but less than \$10M
Marginal	3	Could result in one or more of the following: injuries or occupational illness resulting in one or more lost workday(s), reversible moderate environmental impact, or monetary loss equal to or exceeding \$100k but less than \$1M
Negligible	4	Could result in one or more of the following: injuries or occupational illness not resulting in lost workday, minimum environment impact. Or monetary loss less than \$100k

The Safety Risk Severity Table presents a typical safety risk. It includes four categories to denote the level of severity of the occurrence of a consequence, the meaning of each category, and the assignment of a value to each category using numbers. In this table, 1 is considered catastrophic meaning possible deaths and equipment destroyed and 4 is considered negligible or of little consequence with two levels in between.

Safety Risk Probability and Safety Risk Severity are combined into the Safety Risk Index Ranking to help prioritize safety risks according to the table below.

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Safety Risk Assessment Matrix				
Severity ⇒ Probability ↓	Catastrophic 1	Critical 2	Marginal 3	Negligible 4
A-Frequent	1A	2A	3A	4A
B-Probable	1B	2B	3B	4B
C-Occasional	1C	2C	3C	4C
D-Remote	1D	2D	3D	4D
E-Improbable	1E	2E	3E	4E
F-Eliminated				
Safety Risk Index Ranking				
1A,1B,1C,2A,2B	High	Unacceptable		
1D,2C,3A,3B	Serious	Undesirable – With management decision required		
1E,2D,2E,3C,3D,3E,4A,4B	Medium	Acceptable – with review by management		
4C,4D,4E	Low	Acceptable – without review		

The Chief Safety Officers document recommendations regarding hazard rating and mitigation options and reports this information to the Accountable Executive.

Safety Risk Mitigation

The Accountable Executive and Chief Safety Officers review current methods of safety risk mitigation and establish methods or procedures to mitigate or eliminate safety risk associated with specific hazards based on recommendations from the Leadership Team and from safety focused meetings and discussions. Porterville Transit can reduce safety risk by reducing the likelihood and/or severity of potential consequences of hazards.

Prioritization of safety mitigations is based on the results of safety risk assessments. The Chief Safety Officers track and updates safety risk mitigation information in the Risk Register and reports issues. The Chief Safety Officers will also document any specific measures or activities, such as reviews, observations, or audits, that will be conducted to monitor the effectiveness of mitigations once implemented.

In the Risk Register, the Chief Safety Officers will also document any specific measures or activities, such as reviews, observations or audits that will be conducted to monitor the effectiveness of mitigations once implemented.

6. Safety Assurance

Safety Performance Monitoring and Measurement

Through our Safety Assurance process, Porterville Transit:

- Evaluates our compliance with operations and maintenance procedures to determine whether our existing rules and procedures are sufficient to control our safety risk,
- Assess the effectiveness of safety risk mitigations to make sure the mitigations are appropriate and are implemented as intended,
- Investigates safety events to identify casual factors, and
- Analyzes information from safety reporting, including data about safety failures, defects, or conditions.

Describe activities to monitor the system for compliance with procedures for operations and maintenance.

Porterville Transit has many processes in place to monitor its entire transit system for compliance with operations and maintenance procedures, including:

- Safety audits
- Informal inspections and observations
- Check in/check out sheets
- Observation Reports
- Incident and Accident Reports
- Regular review of on-board camera footage to assess drivers and specific incidents
- Evaluations and training refreshers
- Secret Rider Evaluations
- Investigations of safety occurrences
- Daily data gathering and monitoring of data relating to the delivery of service
- Regular vehicle and facility inspections
- Regular preventative maintenance

Results from the above processes are compared against recent performance trends quarterly and annually by the Chief Safety Officers, in conjunction with the Leadership Team, to determine where corrective action needs to be taken. The Chief Safety Officers and Leadership Team enters any identified non-compliant or ineffective activities, including mitigations, back into the SRM process for reevaluation.

Describe activities to monitor operations to identify any safety risk mitigations that may be ineffective, inappropriate, or were not implemented as intended.

Porterville Transit monitors safety risk mitigations to determine if they have been implemented, and are effective, appropriate and working as intended. The Chief Safety Officers with the Leadership Team maintains a list of safety risk mitigations in the Risk Register. The mechanism for monitoring safety risk mitigations varies depending on the mitigation.

The Chief Safety Officers, with the Leadership Team, establishes one or more mechanisms for

Public Transportation Safety Plan

monitoring safety risk mitigations as part of the mitigation implementation process and assigns monitoring activities to the appropriate Manager or Supervisor. These monitoring mechanisms may include tracking a specific metric on daily, weekly, or monthly logs or reports, conducting job performance observations, or other activities. The Chief Safety Officers will endeavor to make use of existing processes and activities before assigning new information collection activities.

Chief Safety Officers and the Leadership Team review the performance of individual safety risk mitigations during quarterly leadership meetings, based on the reporting schedule determined for each mitigation, and determine if a specific safety risk mitigation is not implemented or performing as intended. If the mitigation is not implemented or performing as intended, the Chief Safety Officers will propose a course of action to modify the mitigation or take other action to manage the safety risk.

Chief Safety Officers and the Leadership Team also monitor operations on a large scale to identify mitigations that may be ineffective, inappropriate, or not implemented as intended by:

- Reviewing results from accident, incident, and occurrence investigations
- Monitoring employee safety and injury reporting and observation reports
- Reviewing results of internal safety audits and inspections
- Analyzing operational and safety data to identify emerging safety concerns

The Accountable Executive, Chief Safety Officers, and Leadership Team carry out and document all monitoring activities.

Describe activities to conduct investigations of safety events to identify causal factors

Porterville Transit's Operations Manual documents procedures to be followed by drivers in the event of a collision or safety issue. The Accident Reporting Procedure Training maintains documented procedures for supervisors conducting safety investigations of collisions. These procedures also reflect all traffic safety reporting and investigation requirements established by the California Vehicle Code.

The Chief Safety Officers reviews the driver and supervisor reports, in addition to photographs and video to find causal and contributing factors and review the existing mitigations in place at the time of the event.

The Chief Safety Officers may follow up with individual parties for further information. Causal factors will be documented and shared with the Accountable Executive and with leadership or ad hoc meeting members, as necessary.

Chief Safety Officers and the Leadership Team maintain all documentation of investigation policies, processes, forms, checklists, activities, and results.

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Chief Safety Officers determine whether:

- The accident was preventable, or
 - Using video footage, photos, driver statements, witness and emergency personnel statements
- The accident was non-preventable
 - Using video footage, photos, driver statements, witness and emergency personnel statements
- Personnel require discipline (including termination) or retraining,
- The causal factor(s) indicate that a safety hazard contributed to or was present during the event; and
- The accident appears to involve underlying organizational causal factors beyond just individual employee behavior.

Describe activities to monitor information reported through internal safety reporting programs.

Chief Safety Officers and the Leadership Team routinely review safety data captured in employee safety reports, customer complaints, and other safety communication channels. When necessary, the Chief Safety Officers and the Leadership Team ensure that the concerns are investigated or analyzed through the Safety Risk Management process.

The Chief Safety Officers and the Leadership Team also review internal and external reviews, including audits and assessments, with findings concerning safety performance, compliance with operations and maintenance procedures, or the effectiveness of safety risk mitigations.

7. Safety Promotion

Competencies and Training

Describe the safety training program for all agency employees and contractors directly responsible for safety.

Porterville Transit's safety training program applies to all City and contract employees directly responsible for safety, including:

- Vehicle operators
- Dispatchers
- Road Supervisors and Managers
- Maintenance Technicians
- Leadership and Executive Management
- Chief Safety Officer
- Accountable Executive

Porterville Transit dedicates resources to conduct a comprehensive safety training program, as well as training on SMS roles and responsibilities. The scope of the safety training, including

Public Transportation Safety Plan

annual refresher training, is appropriate to each individual safety-related job responsibilities and their role in the SMS.

Basic training requirements for Porterville Transit employees, including frequencies and refresher training, are documented in the Employee Handbook, which include the following:

Operations (Operators and Dispatchers)

- New-hire classroom and hands-on skill training
- Refresher and Retraining
- Classroom and on-the-job training
- Accident investigations training
- Reasonable suspicion training

Vehicle Maintenance

- New-hire classroom and hands-on skill training
- Refresher and Retraining
- Classroom and on-the-job training
- Accident investigations training
- Reasonable suspicion training
- Hazardous material training
- Training provided by vendors

The Accountable Executive, Chief Safety Officers, and the Leadership Team must complete the FTA's SMS Awareness online training.

Safety Communication

Describe processes and activities to communicate safety and safety performance information throughout the organization

Porterville Transit communicates safety and safety performance information throughout the organization by the following:

- Weekly Tailgate Driver Meetings
- Monthly Driver Meetings
- Annual Safety Awards Meeting
- Safety Training
- Safety Bulletin Boards
- Posters
- Pre-Shift Briefing Sessions
- Bulletins and Information Flyers Posted in the Buses and Transit Centers



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8. Additional Information

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9. Glossary of Terms

Term	Definition
Accident	Accident means an Event that involves any of the following: a loss of life; a report of a serious injury to a person; a collision of public transportation vehicles; a runaway train; an evacuation for life safety reasons; or any derailment of a rail transit vehicle, at any location, at any time, whatever the cause. (per § 673.5)
Accountable Executive	§ 673.5 Definitions – Accountable Executive means a single, identifiable person who has ultimate responsibility for carrying out the Public Transportation Agency Safety Plan of a public transportation agency; responsibility for carrying out the agency’s Transit Asset Management Plan; and control or direction over the human and capital resources needed to develop and maintain both the agency’s Public Transportation Agency Safety Plan, in accordance with 49 U.S.C. § 5329(d), and the agency’s Transit Asset Management Plan in accordance with 49 U.S.C. § 5326. § 673.23(d)(1) – The transit agency must identify an Accountable Executive. The Accountable Executive is accountable for ensuring that the agency’s SMS is effectively implemented throughout the agency’s public transportation system. The Accountable Executive is accountable for ensuring action is taken, as necessary, to address substandard performance in the agency’s SMS. The Accountable Executive may delegate specific responsibilities, but the ultimate accountability for the transit agency’s safety performance cannot be delegated and always rests with the Accountable Executive. Each transit agency must identify an Accountable Executive within its organization who ultimately is responsible for carrying out and implementing its Safety Plan. A State that drafts a plan on behalf of another recipient or sub-recipient is not the Accountable Executive.
Chief Safety Officer/SMS Executive	§ 673.31 Definitions – Chief Safety Officer means an adequately trained individual who has responsibility for safety and reports directly to a transit agency’s chief executive officer, general manager, president, or equivalent officer. A Chief Safety Officer may not serve in other operational or maintenance capacities, unless the Chief Safety Officer is employed by a transit agency that is a small public transportation provider as defined in this part, or a public transportation provider that does not operate a rail fixed guideway public transportation system. Safety Management System (SMS) Executive means a Chief Safety Officer or an equivalent. § 673.23(d)(2) – The Accountable Executive must designate a Chief Safety

Public Transportation Safety Plan

Term	Definition
	Officer or SMS Executive who has the authority and responsibility for day-to-day implementation and operation of an agency's SMS. The Chief Safety Officer or SMS Executive must hold a direct line of reporting to the Accountable Executive. A transit agency may allow the Accountable Executive to also serve as the Chief Safety Officer or SMS Executive.
Consequence	Consequences are outcomes or what those conditions can cause. Transit agencies should assess the likelihood and severity of the <i>consequences</i> of a hazard, not of the hazard itself (per § 673.5)
Event	Event means any Accident, Incident, or Occurrence. (per § 673.5)
Fatalities	Deaths, excluding suicides or trespassers
Hazard	Hazard means any real or potential condition that can cause injury, illness, or death; damage to or loss of the facilities, equipment, rolling stock, or infrastructure of a public transportation system; or damage to the environment. Hazards are conditions. (per § 673.5)
Incident	Incident means an Event that involves any of the following: A personal injury that is not a serious injury; one or more injuries requiring medical transport; or damage to facilities, equipment, rolling stock, or infrastructure that disrupts the operations of a transit agency. (per § 673.5)
Injuries	Not including assaults or injuries due to crimes
Occurrence	Occurrence means an Event without any personal injury in which any damage to facilities, equipment, rolling stock, or infrastructure does not disrupt the operations of a transit agency. (per § 673.5)
Performance Target	Performance target means a quantifiable level of performance or condition, expressed as a value for the measure, to be achieved within a time period required by the Federal Transit Administration (FTA). (per § 673.5)
Safety Event	Reportable derailments, collisions, fires, and evacuations.
Safety Performance Target	Safety performance target means a Performance Target related to safety management activities. (per § 673.5)
Serious Injury	Serious injury means any injury which: (1) Requires hospitalization for more than 48 hours, commencing within 7 days from the date the injury was received; (2) Results in a fracture of any bone (except simple fractures of fingers, toes, or noses); (3) Causes severe hemorrhages, nerve, muscle, or tendon damage; (4) Involves any internal organ; or (5) Involves second- or third-degree burns, or any burns affecting more than 5 percent of the body surface. (per § 673.5)



CITY COUNCIL AGENDA – DECEMBER 1, 2020

SUBJECT: Authorization to Update the Uniform Housing & California Building Code Appeals Board

SOURCE: Engineering and Project Management

COMMENT: In order to hear and decide appeals of orders, decisions, or determinations made by the building official relative to the application and interpretation of the California Building Code (CBC) and/or Uniform Housing Code (UHC), the governing agency shall create and maintain a Board of Appeals (Sec. 113.1 CBC, Sec. 203 UHC).

Previous CBC editions had strict definitions for the experience and licensing required to be represented on the Board of Appeals making it difficult to find and maintain a full list of members; especially in the plumbing, electrical, and fire trades. The current CBC now states that the Board of Appeals shall consist of members who are qualified by experience and training to pass on matters pertaining to building code construction and are not employees of the City. The Board shall not have the authority to waive requirements of the CBC and/or UHC.

Previous CBC editions defined term limits for Board of Appeals members and, as such, our previous Board has expired. The current CBC now states that the Board shall serve as its pleasure. The following is a list of candidates who have expressed their interest to serve on the Board (a minimum of five members must be in attendance at any appeals hearing):

1. Art Rodriguez, Building Contractor
2. Brent Hornsby, Building Contractor
3. Dennis Townsend, Architect
4. Gary Day, Building Contractor
5. Greg Laubacher, Building Contractor
6. Logan Couch, Civil Engineer with an emphasis in Structural
7. Margarito Rodriguez, HVAC Contractor

Staff respectfully recommends that all seven candidates be approved for the list of Board of Appeals members as they would all hold office at their pleasure with future appointments and removals to be brought before City Council for approval.

RECOMMENDATION: That the City Council accepts and approves the candidates

identified in the staff report as the City of Porterville's California Building and Uniform Housing Code Appeals Board.

ATTACHMENTS:

Appropriated/Funded:

Review By:

Department Director:

Javier Sanchez, Engineering & Project Management Director

Final Approver: John Lollis, City Manager



CITY COUNCIL AGENDA – DECEMBER 1, 2020

SUBJECT: Status and Review of Local Emergency: Drought

SOURCE: City Manager's Office

COMMENT: Governor Brown issued Executive Order B-29-15 on Wednesday, April 1, 2015, which established drought-related mandates and restrictions in addition to those already stipulated in previous Executive Orders B-26-14 and B-28-14. Of significance, the Governor directed the State Water Resources Control Board to impose restrictions to achieve a statewide 25% reduction in potable urban water usage through February 28, 2016, in comparison to the amount used in 2013, and with consideration given to per capita usage as a basis. The Governor further directed the Board to impose additional restrictions on commercial, industrial, and institutional properties with significant landscaping (cemeteries, golf courses, parks, schools, etc.), to also achieve a 25% reduction in potable water usage. Also of significance, the Board was directed to prohibit irrigation with potable water outside of newly constructed homes and buildings that is not delivered by drip or micro-spray systems.

On November 13, 2015, Governor Brown issued Executive Order B-36-15, which extends emergency conservation regulations through October 2016, if drought conditions persist through January 2016. On February 2, 2016, the State Water Resources Control Board adopted extended emergency water conservation regulations, to be in effect March 1 through October 31, 2016. The City of Porterville benefited somewhat from the extended regulations as the City's water conservation rate has been reduced from 32% to 26%, due to new water connections that have been made and population served (4%), as well as a new climate adjustment factor that was considered (2%).

On May 9, 2016, Governor Brown issued Executive Order B-37-16 ("Making Water Conservation a California Way of Life"), which directs the State Water Resources Control Board to establish new regulations making permanent the emergency conservation regulations. On May 18, 2016, the State Water Resources Control Board adopted a statewide water conservation approach that replaces the percentage reduction-based water conservation standard with a localized "stress test" approach that mandates urban water suppliers act immediately to ensure at least a three-year supply of water to their customers under continued drought conditions.

On April 7, 2017, Governor Brown issued Executive Order B-40-17, which ended the drought state of emergency in most of California, with the exception of Fresno, Kings, Tulare and Tuolumne counties where emergency water supply

and reliability projects are continuing toward addressing diminishing groundwater supplies. The Order maintains monthly reporting requirements and prohibitions on wasteful practices. It is anticipated that the Governor will end the drought state of emergency in the four remaining counties in the near future.

On May 31, 2018, Governor Brown signed both AB 1668 (Friedman) and SB 606 (Hertzberg), which set permanent overall targets for indoor and outdoor water consumption. The legislation sets an initial limit for indoor water use of 55 gallons per-person per-day in 2022, reducing to 52.5 gallons per-person per-day in 2025, and finally to 50 gallons per-person per-day in 2030. The amount of residential outdoor use is yet-to-be determined, but will allow for varying regional climates. In addition, a standard for water loss due to leak rates in water system pipes will be established. As an urban water provider, the City of Porterville will need to submit its plan for compliance for approval by the State Water Resources Control Board.

At its last meeting on November 17, 2020, the City Council took action in the continued affirmation of the adoption of a Resolution of Declaration of Local Emergency due to local residences within the city having been identified as having wells that are now dry as a result of the drought. Twenty-six (26) residences within the city were determined to have dry wells, for which City staff submitted a Mutual Aid Request to Tulare County OES to initiate the household tank program for identified properties within the city where wells are dry and challenged for permanent connection. The State has committed funding for non-profit agencies to continue drought-related activities, which Self-Help Enterprises has continued the household tank program locally, through State Cleanup and Abatement Account (CAA) emergency funds.

Representatives for the City, County, State (CalOES, DDW, DWR, and SWB) and non-profit partners have continued to meet in support of the long-term permanent water connection project for the entire East Porterville area and the estimated 1,800 expected future connections. DWR identified 423 residential units in the East Porterville area (381 of which are in the City's Urban Development Boundary), that were served by the County's Household Tank Program and desired by the State to be connected to the City's water distribution system as soon as possible. DWR has completed a significant City waterline extension project to permanently connect those 423 residential units to the City's water system (considered Phase I of the project). To provide initial source water for the DWR extension project, CalOES desired to expeditiously connect the new well on Olive Avenue to the City's water system instead of being first equipped as a filling station. Given the new well has an estimated water production value of 800 gallons per minute, as well as a SWB assumed 1.5 gallons per minute per residence, the new well could effectively serve up to 500 single-family residential units. The City indicated its significant interest that the E. Vandalia Avenue area and its eighty (80) residential units be included in the water connection project, to which the State was agreeable.

Given CalOES has paid for the development of the new well, and its connection to the City's water system, the City will be required under "Drought

Redundancy and Resiliency Provisions" to make available to the State up to three million gallons of water per month without charge for emergency purposes.

To proceed with the connection of the new well to the City's water system and the 500 East Porterville and E. Vandalia Avenue residential units, the City Council approved modifications to the Draft Agreement between the City and County at its meeting on April 5, 2016, which the County Board of Supervisors subsequently approved at their meeting on May 10, 2016.

A Memorandum of Understanding between the State, County, and City on the East Porterville permanent water connection project was approved by the Council during a Special Meeting on Tuesday, June 21, 2016, and approved by the Board of Supervisors on Tuesday, June 28, 2016. With the approval of the MOU, the State began the permanent connection of approximately forty (40) homes that are located along existing City water mains. Subsequently, the State officially requested that the City approve the connection of an additional thirty (30) residences as part of the first immediate connections, for up to a total of seventy (70), which the Council approved at its meeting on August 2, 2016.

In regards to the new well's development and connection to the City's water distribution system, the Board of Supervisors awarded the contract for equipping and connecting the new well at their meeting of Tuesday, August 16, 2016, and construction activities commenced the week of October 10, 2016. County staff had previously indicated that the well would be in service and connected to the City's system no later than December 2016, however, the well was operational and connected to the City's water distribution as of Friday, February 17, 2017. Given the delay in the well's completion and connection, DWR requested that the Council consider allowing the connection of residences as they become prepared for connection, to which the Council was receptive, and a Draft MOU Amendment was approved by the Council at its meeting on December 6, 2016, and subsequently approved by the Board of Supervisors at its meeting on December 20, 2016. City staff continues to work with County staff toward the transfer of the well's ownership from the County to the City.

As of Friday, March 31, 2017, the date the State established as the final day for property owners to complete the registration process to participate in the State-funded connection program opportunity, of the 1,017 eligible developed residential properties identified by the State for connection, 722 completed the required Extra-Territorial Services Agreement, leaving 295 developed residential properties non-responsive to this unique connection program, 23 of which were reported as having either dry or diminishing capacity wells. On February 6, 2018, the final residential connection was made of the approximate eligible 800 residences in East Porterville to the City's water system.

City staff continues to coordinate with Self-Help Enterprises and State representatives toward the extension of water mains to serve all residential properties within City limits and the city's periphery that are currently participating in the County's Household Tank Program. The two main areas of

focus are N. Cobb Street (northwest of State Route 65 and Pioneer Avenue), and S. Cloverleaf Street (southeast of State Route 65 and Olive Avenue). The State has maintained its commitment to grant-fund the necessary infrastructure and connection fees, providing an official funding letter to the City on January 18, 2018, which commits up to \$2.81 million in funding until December 31, 2019. The authorization to advertise for bids for the water connection project was approved by the Council at its July 17th meeting, after which DWR reviewed the bid package for compliance and approved in December the package for advertisement. Council authorized award of the construction contract for approximately \$1.82 million at its meeting on January 15, 2019. City staff conducted a pre-construction public outreach meeting with the affected residents on the status of the project on Thursday, April 4, 2019. Council authorized the agreement with Self-Help Enterprises Inc. to provide the private residential connections at its meeting on July 2, 2019, and construction work began on the project. At its meeting on October 1, 2019, the Council accepted the public works segment of the project in the installation of water mains as complete, with Self-Help and CSET continuing to collaborate on the completion of the individual private connections and abandonment of private wells. City staff has recently been made aware that there may be a couple of additional residences whose wells are dry that are located along existing City water mains or may require further extension of water mains. Staff is coordinating with State staff on addressing these new isolated needs.

County OES and the State Division of Drinking Water (DDW) have reported to the City that the Central Mutual Water Company, located south of the city and south of Gibbons Avenue, has had its well run dry and desires an immediate emergency connection to the City's water system to serve the 41 connections currently without water. DDW is wishing to support a financial application to upgrade the small water system to City standards (new water lines, meters ,etc.), and to sponsor an Urban Development Boundary (UDB) Amendment application to Tulare County Local Agency Formation Commission (LAFCO), given this area is currently outside the City's UDB but within the City's Urban Area Boundary (UAB). Given several private wells have run dry in this area, DDW is also attempting to sponsor their connection to the City's water system. For source water capacity for the connections, DWR will include these new connections within the East Porterville water connection capacity development projects. At its Special meeting on August 30th, the City Council directed staff to proceed with the immediate emergency connection of the Central water system, with the permanent connection of the system contingent upon an Agreement with DDW to the sponsorship conditions they have offered. At its meeting on October 1, 2019, the Council directed staff to proceed with the amendment of the UDB to facilitate annexation, which a public meeting with the affected residents was conducted on Wednesday, October 9, 2019. At its meeting on April 21, 2020, the Council conducted a Public Hearing and approved Resolutions of approval of the environmental determination and amendment to the UDB to facilitate annexation.

DDW has also reported to the City that the Del Oro East Plano water system, located on Paul Street (southeast of the intersection of Plano Street and Worth

Avenue), is experiencing problems with its existing well and have implemented severe water restrictions. The East Plano water system serves fourteen (14) residences and approximately 45 people. DDW is wishing to provide financial support to upgrade the small water system to City standards (new water lines, meters ,etc.), and for source water capacity for the connections, DDW would need to either pay appropriate fees and/or develop a capacity development project. The Council is aware that the Del Oro Grandview Gardens water system (north of W. North Grand Avenue) is also experiencing significant issues, and DDW may seek their future consolidation with the City's water system as well.

DDW has further reported to the City that the Beverly Grand Mutual Water Company water system, located north of West North Grand Avenue, is experiencing problems with its existing well and water quality issues, and desires its connection to the City's system to serve the 31 residences the system serves. DDW is wishing to provide financial support to upgrade the small water system to City standards (new water lines, meters ,etc.), and for source water capacity for the connections, DDW has agreed to pay appropriate fees toward developing a capacity development project, which at its meeting of October 3, 2017, the Council approved a purchase agreement with Smee Homes, Inc. for the acquisition of property along the Tule River for the development of a new municipal well. At its meeting of October 1, 2019, the Council approved proceeding with the consolidation of the Beverly Grand water system.

RECOMMENDATION: That the City Council receive the report of status and review of the Declaration of Local Emergency and determine the need exists to continue said Declaration.

ATTACHMENTS:

1. Resolution 49-2015 - Declaration of Local Emergency
2. City-County Well Agreement
3. Memorandum of Understanding
4. Memorandum of Understanding Draft Amendment
5. SWRCB Letter Dated November 29, 2017
6. DWR Letter Dated January 18, 2018
7. Governor Brown Executive Order

Appropriated/Funded:

Review By:

Department Director:

John Lollis, City Manager

Final Approver: John Lollis, City Manager

RESOLUTION NO. 49-2015

A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF PORTERVILLE DECLARING A DROUGHT EMERGENCY
WITHIN THE CITY OF PORTERVILLE

WHEREAS: in response to the ongoing severe drought, the State Water Resources Control Board approved an emergency regulation to ensure water agencies, their customers, and state residents increase water conservation in urban settings or face possible fines or other enforcement; and

WHEREAS: as we enter the fourth year of severe drought, long-term forecasts indicate no relief of the current drought conditions, and suggest a warmer-than-average summer, resulting in increased domestic demand for water; and

WHEREAS: public and private potable water supplies continue to be threatened due to decreasing supplies of groundwater caused by the precipitation deficit and an extended state of groundwater overdraft; and

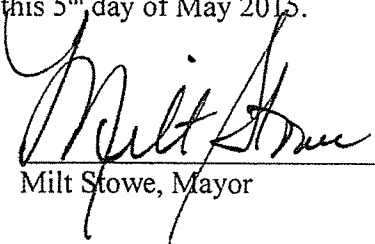
WHEREAS: the long-term ramifications of the current drought will have a significant impact on the city of Porterville and potentially pose a danger to the health and welfare of its residents; and

NOW, THEREFORE, BE IT RESOLVED: that the City Council of the City of Porterville does hereby proclaim that, due to drought conditions, a Local Emergency now exists in the city of Porterville and shall remain in effect for the duration of the emergency; and

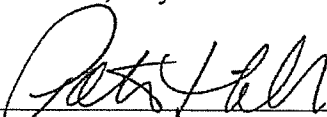
BE IT FURTHER RESOLVED: that the City Council of the City of Porterville requests the Governor and California Department of Water Resources make available California Disaster Assistance Act funding for the State of Local Emergency proclaimed on May 5, 2015, and seek all available forms of Federal assistance, to include a Presidential Declaration of Emergency and Individual Assistance and Public Assistance programs as applicable; and

BE IT FURTHER RESOLVED: that a copy of this resolution be forwarded to the State Director of the Office of Emergency Services.

PASSED, APPROVED, AND ADOPTED this 5th day of May 2015.


Milt Stowe, Mayor

ATTEST:
John D. Lollis, City Clerk


By: Patrice Hildreth, Chief Deputy City Clerk

TULARE COUNTY – CITY OF PORTERVILLE WELL AGREEMENT

THIS AGREEMENT is entered into this day of, May 10, 2016, between the COUNTY OF TULARE, referred to as COUNTY, and the CITY OF PORTERVILLE, referred to as CITY, with reference to the following:

- A. WHEREAS, East Porterville/Doyle Colony area properties within the COUNTY's jurisdiction and within the CITY's Urban Development Boundary are experiencing serious water shortages due to the historical drought conditions. Attached hereto as Exhibit 'A' is a map defining the East Porterville/Doyle Colony and Vandalia areas; and
- B. WHEREAS, CITY and COUNTY have been and are collaborating to jointly develop a new municipal water well; and
- C. WHEREAS, COUNTY shall secure complete funding for a new well to be solely owned, operated and maintained by the CITY for the purpose of providing long-term capacity to enable permanent water connections to properties that comply with CITY'S Annexation and Extension of Municipal Services policy, with certain exceptions for specific properties in excess of the maximum lot size. These procedures are defined by two Resolutions, 74-2014 and 19-2016, which are attached hereto as Exhibit 'B'; and
- D. WHEREAS, the COUNTY owns a parcel at the southeast corner of the Tule River and Olive Avenue (APN 240-120-017), represented in Exhibit 'C', and has drilled a municipal supply well, and will equip said well utilizing CITY standards, after which the COUNTY shall convey the land to CITY at a cost of \$1; and
- E. WHEREAS, CITY operates an existing municipal water system, with limited infrastructure already established in the East Porterville/Doyle Colony and Vandalia areas, and has experience and qualifications necessary to provide such services; and
- F. WHEREAS, CITY and COUNTY mutually agree that a regional, collaborative solution to leverage and expand CITY'S municipal water system into the East Porterville/Doyle Colony and Vandalia areas is the most feasible means to address the area's water needs; and
- G. WHEREAS, CITY is willing to enter into this Agreement with COUNTY upon terms and conditions set forth herein; and
- H. WHEREAS, CITY and COUNTY mutually understand that due to the limited resources of the CITY's municipal water system, all future connections must comply with the CITY's Annexation and Extension of Municipal Services policies, with certain exceptions for specific properties in excess of the maximum lot size, attached hereto and made a part thereof as Exhibit 'B'.

ACCORDINGLY, IT IS AGREED:

- 1. **TERM:** This agreement shall become effective as of the date the agreement is fully executed by both agencies.
- 2. **SERVICES TO BE PERFORMED & PAYMENT FOR SERVICES – EQUIPPING MUNICIPAL WELL FACILITY:** Refer to attached Exhibit 'D'.

TULARE COUNTY AGREEMENT NO. 27596

3. **SERVICE TO BE PERFORMED IN PERPETUITY:** The services described below shall be performed in perpetuity upon completion of all tasks enumerated in Exhibit 'D' and upon COUNTY securing the funds for equipping the well to CITY standards and requirements:
- A. CITY shall provide to STATE and/or COUNTY, upon STATE and COUNTY's request, a maximum of three million (3,000,000) gallons of water per month upon integration of the well provided under this Agreement, for the purposes of meeting emergency water needs in COUNTY's jurisdiction. CITY shall not charge COUNTY or STATE for said water.
 - B. CITY shall utilize water produced by the well provided under this Agreement as source capacity for new service connections and agreements in East Porterville/Doyle Colony and Vandalia areas. CITY agrees to provide source water for up to four hundred twenty-three (423) new connections in the East Porterville/Doyle Colony area subject to the CITY'S Annexation and Extension of Municipal Services policies, with certain exceptions for specific properties in excess of the maximum lot size, and up to 80 new connections in the Vandalia area. The 423 new connections noted above are inclusive of those properties immediately adjacent to an existing water main, estimated at 40 parcels, which can be connected to the City's water system immediately upon execution of this agreement and the Memorandum(a) of Understanding between CITY, COUNTY, and STATE. Upon connection to CITY services, the listed properties will be exempt from payment of CITY water impact fees, but will be subject to standard fees, such as, but not limited to, water service and meter installation, unless otherwise financed by STATE or other funding sources, and associated monthly fees. This section shall not be construed to limit additional connections beyond the above referenced 503 properties provided for herein, where CITY provides consumption documentation that determines additional source capacity is available as a result of the connection of this well to CITY's system.
 - C. CITY expressly agrees to own, operate, maintain, repair and otherwise care for the well provided under this Agreement, in order to maintain it in proper working order and to the highest standard, for the duration of the well's useful life.
 - D. COUNTY shall grant the parcel on which the well is located to the CITY by Grant Deed at a cost of \$1 upon formal acceptance of the project. A 50-foot control zone around the well site is a requirement of the State Water Resources Control Board, Drinking Water Program, therefore establishing the minimum parcel size to be conveyed to the CITY. Existing COUNTY infrastructure may encroach through or conflict with the subject parcel and if so, ownership, maintenance, repair and replacement of these facilities shall transition to the City's responsibility by separate maintenance agreement upon acceptance of the project.
 - E. CITY shall not be entitled to compensation by COUNTY, or any State or Federal agency providing funding for the activities enumerated in Exhibit 'D', for any ongoing costs related to owning, operating, maintaining, repairing, or replacing this well. CITY and COUNTY expressly agree that CITY's ongoing compensation for such ongoing costs shall be the use of the well for CITY's use within its water system, unrestricted except as noted in "A"

above. No part of this paragraph shall be construed to limit or restrict in any way CITY's ability to seek any grant funding or collect rates and fees from users of CITY's water system.

- F. All recipients of water are subject to CITY water policies, such as, but not limited to, water conservation and watering schedules. Connections made as noted in "B" above may be subject to further water conservation thresholds as required by the STATE.

4. This Agreement represents the entire agreement between CITY and COUNTY as to its subject matter and no prior oral or written understanding shall be of any force or effect. No part of this Agreement may be modified without the written consent of both parties.

5. Except as may be otherwise required by law, any notice to be given shall be written and shall be either personally delivered, sent by facsimile transmission or sent by first class mail, postage prepaid and addressed as follows:

COUNTY: County Administrative Officer/Clerk of the Board
of Supervisors of the County of Tulare
Administrative Building
2800 W. Burrel Avenue
Visalia, CA 93291

(Fax No.: (559) 733-6318 / Phone No. (559) 636-5005)

CITY: City Manager
291 N. Main St.
Porterville, CA 93257

(Fax No.: (559) 715-4013/ Phone No. (559) 782-7466)

Notice delivered personally or sent by facsimile transmission is deemed to be received upon receipt. Notice sent by first class mail shall be deemed received on the fourth day after the date of mailing. Either party may change the above address by giving written notice pursuant to this paragraph.

6. This Agreement reflects the contributions of both parties and accordingly the provisions of Civil Code section 1654 shall not apply to address and interpret any uncertainty.
7. Unless specifically set forth, the parties to this Agreement do not intend to provide any other party with any benefit or enforceable legal or equitable right or remedy.
8. This Agreement shall be interpreted and governed under the laws of the State of California without reference to California conflicts of law principles. This Agreement is entered into and shall be performed in Tulare County, California. CITY waives the removal provisions of California Code of Civil Procedure Section 394.
9. The failure of either party to insist on strict compliance with any provision of this Agreement shall not be considered a waiver of any right to do so, whether for that breach or any subsequent breach. The acceptance by either party or either performance or payment shall not be considered to be a waiver of any preceding breach of the Agreement by the other party.
10. The Recitals and the Exhibits to this Agreement are fully incorporated into and are integral parts of this Agreement.

11. This Agreement is subject to all applicable laws and regulations. If any provision of this Agreement is found by any court of other legal authority, or is agreed by the parties, to be in conflict with any code or regulation governing its subject, the conflicting provision shall be considered null and void. If the effect of nullifying any conflicting provision is such that a material benefit of the Agreement to either party is lost, the Agreement may be terminated at the option of the affected party. In all other cases the remainder of the Agreement shall continue in full force and effect.
12. Each party agrees to execute any additional documents and to perform any further acts which may be reasonably required to affect the purposes of this Agreement.
13. CITY expressly agrees that it will not discriminate in employment or in the provision of services on the basis of any characteristic or condition upon which discrimination is prohibited by state or federal law or regulation.
14. Insurance
15. Permit
16. Dispute Resolution: If a dispute arises out of or relating to this Agreement, or the breach thereof, and if said dispute cannot be settled through negotiation, the parties agree first to try in good faith to settle the dispute by non-binding mediation before resorting to litigation or some other dispute resolution procedure, unless the parties mutually agree otherwise. The mediator shall be mutually selected by the parties, but in case of disagreement, the mediator shall be selected by lot from among two nominations provided by each party. All costs and fees required by the mediator shall be split equally by the parties, otherwise each party shall bear its own costs of mediation. If mediation fails to resolve the dispute within 30 days, either party may pursue litigation to resolve the dispute.
17. Indemnification: CITY shall hold harmless, defend and indemnify COUNTY, its agents, officers and employees from and against any liability, claims, actions, costs, damages or losses of any kind, including death or injury to any person and/or damage to property, including COUNTY property, arising from, or in connection with, the performance by CITY or its agents, officers and employees under this Agreement. This indemnification specifically includes any claims that may be made against COUNTY by any taxing authority asserting that an employer-employee relationship exists by reason of this Agreement, and any claims made against COUNTY alleging civil rights violations by CITY under Government Code sections 12920 et seq. (California Fair Employment and Housing Act), and any fines or penalties imposed on COUNTY for CITY's failure to provide form DE-542, when applicable. This indemnification obligation shall continue beyond the term of this Agreement as to any acts or omissions occurring under this Agreement or any extension of this Agreement.

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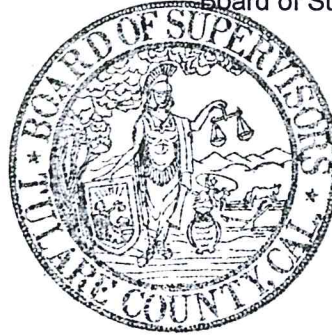
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THE PARTIES, having read and considered the above provisions, indicate their agreement by their authorized signatures below.

COUNTY OF TULARE

BY Mike Ennis
Mike Ennis Chairman,
Board of Supervisors



ATTEST: Michael C. Spata,
County Administrative Officer/Clerk of the Board
of Supervisors of the County of Tulare

By Danisa A. Ybana
Deputy Clerk

Approved as to Form
County Counsel

By M. Grice for LMT
Deputy 20151902

CITY OF PORTERVILLE

BY Milt Stowe
Milt Stowe, Mayor

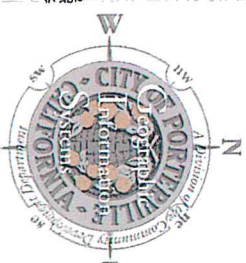
ATTEST:
City Clerk of the City of Porterville

BY J. L. Lolis
John Lolis, City Manager

Approved as to Form

BY [Signature]
City Attorney

EXHIBIT 'A'



 East Porterville Project Boundary

Parcels Within Project Boundary Area (1,776)

CityLimits

UDB

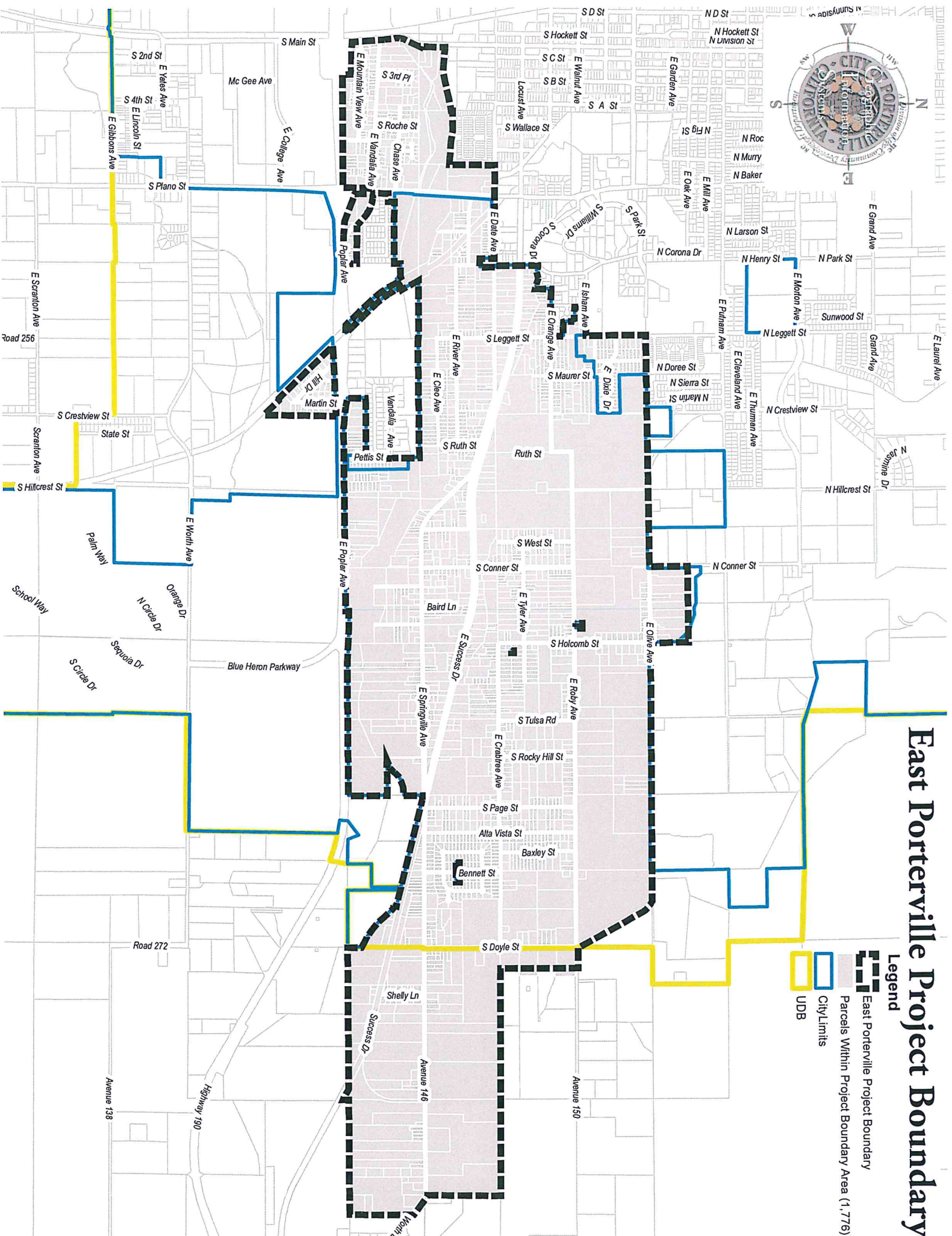


EXHIBIT 'B'

RESOLUTION NO. 74 -2014

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PORTERVILLE DEFINING OBJECTIVES AND POLICIES FOR ANNEXATIONS AND MUNICIPAL SERVICES

WHEREAS: The City of Porterville established a policy concerning annexation and provision of municipal services in 1986, noting that “the City, in order to grow for reasons of economies of scale and quality of services must expand its boundaries within reason, generally encourages the owners of properties contiguous to the city of Porterville to annex to said City of Porterville”; and

WHEREAS: Since 1990, the population of the city of Porterville has increased 53% according to the California Department of Finance, and the land area of the city proper has increased by 38% according to City annexation records; and

WHEREAS: The City of Porterville accepts its responsibility to provide municipal services to those residents, businesses, and other land uses within the limits of the city. The City of Porterville has taken the position that the costs of all physical improvements within the city have been paid by property owners, and other taxes derived in the city, and, therefore, these same people should not be required to bear the expense of additional physical improvements needed to serve newly annexed areas.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Porterville does hereby define the following objectives related to annexations and municipal services:

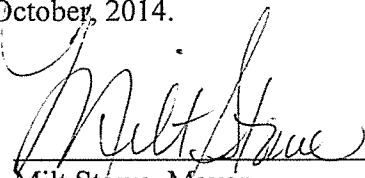
1. To promote orderly development while discouraging urban sprawl, preserving open space and prime agricultural lands, and efficiently extending government services.
2. To honor the City’s fundamental responsibility to provide efficient and sustainable public services to the inhabitants of the city, and where appropriate, to provide those services beyond the limits of the city within the Urban Development Boundary, and only in extreme cases to those properties beyond the Urban Development Boundary within the Urban Area Boundary.
3. To provide for land development and growth in a manner consistent with the General Plan, particularly as it relates to land use and circulation.
4. To consider an application upon its own merits, and identify what benefits would accrue to the City as an agency and service provider, to the residents of the city of Porterville, and to the applicant.
5. To identify the problems involved in any proposal considered for annexation or request for extra-territorial services and resolve them in the manner most beneficial to the properties within the city of Porterville.
6. To develop factual information to permit informed discussion between City representatives and property owners/residents of unincorporated territories.

BE IT FURTHER RESOLVED, that the City Council of the City of Porterville does hereby establish the following policies for consideration of annexations and municipal services:

1. It shall be the policy of the City of Porterville to consider annexation proposals only within the Urban Development Boundary, which is defined as the City of Porterville Annexation Boundary, as adopted by Tulare County Local Area Formation Commission (LAFCo).

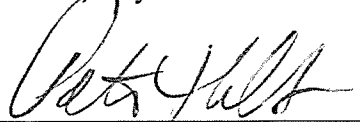
2. It shall be the policy of the City of Porterville to consider extra-territorial service requests primarily within the Urban Development Boundary, which is defined as the City of Porterville Annexation Boundary, as adopted by Tulare County LAFCo.
3. It shall be the policy of the City of Porterville, only where necessary in order to respond to an existing or impending threat to public health or safety of affected residents, to consider extra-territorial service requests within the Urban Area Boundary, as adopted by City Council and identified on the City of Porterville Zoning Map.
4. It shall be the policy of the City of Porterville to consider annexation proposals and extra-territorial service requests in a manner consistent with the policies and regulations adopted by the Tulare County LAFCo and the State of California, as applicable.
5. It shall be the policy of the City of Porterville to discourage single-family one (1) lot annexation proposals that may have an adverse fiscal impact on the City of Porterville.
6. It shall be the policy of the City Council that territory shall not be annexed to the city of Porterville, which as a result of such annexation, unincorporated territory is completely surrounded, or substantially surrounded by the city of Porterville.
7. It shall be the policy of the City of Porterville that annexation proposals shall be in conformance with the Cortese-Knox-Hertzberg Act of 2000, as amended.
8. It shall be the policy of the City Council to consider each petition/consent for annexation upon its relationship to what economic benefits will accrue to the City of Porterville, and to the area residents/property owners.
9. It shall be the policy of the City Council that the costs of all physical improvements will be borne by the property owners/resident or developer.
10. It shall be the policy of the City of Porterville to maintain the viability of agricultural productivity; i.e. protecting and conserving as much agricultural land as possible in the area surrounding the Porterville community.
11. It shall be the policy of the City of Porterville that the applicant for annexation present proposals to the Project Review Committee and explain the particulars of the area under consideration for possible annexation, including a plan for services.
12. It shall be the policy of the City of Porterville to consider any requests for annexation or extra-territorial services in a manner consistent with the procedures adopted by resolution of the City Council.

PASSED, APPROVED AND ADOPTED this 21st day of October, 2014.


Milt Stowe, Mayor

ATTEST:

John D. Lollis, City Clerk

By: 
Patrice Hildreth, Chief Deputy City Clerk

STATE OF CALIFORNIA)
CITY OF PORTERVILLE) SS
COUNTY OF TULARE)

I, JOHN D. LOLLIS, the duly appointed City Clerk of the City of Porterville do hereby certify and declare that the foregoing is a full, true and correct copy of the resolution passed and adopted by the Council of the City of Porterville at regular meeting of the Porterville City Council duly called and held on the 21st day of October, 2014.

THAT said resolution was duly passed, approved, and adopted by the following vote:

Council:	REYES	WARD	STOWE	HAMILTON	GURROLA
AYES:	X		X	X	X
NOES:		X			
ABSTAIN:					
ABSENT:					

JOHN D. LOLLIS, City Clerk


By: Luisa M. Zavala, Deputy City Clerk

RESOLUTION 19-2016

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PORTERVILLE
ESTABLISHING PROCEDURES FOR ANNEXATIONS AND EXTENSION OF
MUNICIPAL SERVICES

WHEREAS: On October 21, 2014, the City Council of the City of Porterville adopted two resolutions that defined objectives and policies, and established procedures for annexations and municipal services, respectively; and

WHEREAS: The on-going, severe drought of the past few years has created a situation where hundreds of parcels in the East Porterville area are experiencing dry wells, or wells of substandard water quality. State and regional agencies have come together with the City to identify and develop a long-term solution to this crisis, which will involve a significant infrastructure project to allow extension of municipal water services to the area. Not all parcels within the subject area meet the mandatory findings for extra-territorial service agreements as identified in the City's current procedures.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Porterville does hereby amend existing procedures to submit application for municipal services, and to have said application(s) processed as outlined in Exhibit "A", attached. The exemption identified for the East Porterville Feasibility Study Project Area will apply to the area represented in Exhibit "B".

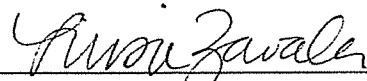
PASSED, APPROVED AND ADOPTED this 19th day of April, 2016.



Milt Stowe, Mayor

ATTEST:

John D. Lollis, City Clerk

BY 

Luisa Zavala, Deputy City Clerk

All properties requesting annexation or extraterritorial services are subject to the procedures established below unless otherwise stated. Compliance with City of Porterville procedures does not guarantee approval by LAFCo of annexations or extra-territorial service agreements. Upon request for an annexation or extraterritorial services request, staff will evaluate whether the applicant's property is within the City's Urban Development Boundary or Urban Area Boundary and explain the process.

ANNEXATION APPLICATION PROCEDURE

1. A complete annexation application packet includes: fees, an Irrevocable Agreement to Annex, information as needed to define a deed restriction specific to land use and zoning, Application for Annexation, and other materials as required with those applications respectively.
2. On receipt of an application as outlined above, all materials will be considered by the Project Review Committee, who will coordinate in a pre-consultation process with LAFCO staff and the County Public Works Department for review and recommendation.
3. During review by the Project Review Committee of the necessary application and data, staff will prepare a report and findings on all aspects of the proposed action(s).
4. An environmental document will be prepared pursuant to the California Environmental Quality Act (CEQA), reviewing the potential environmental effect of the proposed activities. The Zoning Administrator will make an initial determination of the level of environmental review required.
5. After proper noticing, a public hearing will be held for the City Council to hear comments related to the project at a regularly scheduled meeting. The Council will authorize staff to initiate the application with LAFCo. Documents will be filed in accordance with the Cortese-Knox-Hertzberg Act of 2000, as amended, and submitted to the Local Agency Formation Commission for its review, recommendation and action.
6. On consummation by the City Council, the City Clerk shall submit the necessary materials to the State Board of Equalization with the appropriate acreage fees, which are paid by the Applicant.
7. In the event the annexation fails, either by dissenting votes of the City Council or at hearing at LAFCo, the City Council may approve an extraterritorial service agreement within the Urban Development Boundary, subject to conditions identified in the deed restriction.

ANNEXATION EXEMPTION PROCEDURE

Where a certain property meets all of the following criteria, they may proceed with an Extraterritorial Service Agreement for water or storm-water drainage without first attempting annexation, subject to the conditions of Extraterritorial Service Agreements as defined below.

1. Previously developed single family residences on parcels 24,999 square feet or smaller, OR a school developed by a State funded school district.
2. The parcel requesting services must be immediately adjacent to a municipal main providing the requested service, or the property owner shall provide for the extension of the main line to City standards at their expense.

EXTRATERRITORIAL SERVICES APPLICATION PROCEDURE

Extraterritorial Service connections may be made subject to the following conditions. Note specific parameters and the required findings for connections in the Urban Development Boundary and the Urban Area Boundary.

1. Application: A complete extraterritorial services application packet includes: fees, an Irrevocable Agreement to Annex, information as needed to define a deed restriction specific to land use and zoning, and other materials as required with those applications respectively.
2. General Plan Consistency:
 - a. Proposed Uses and Improvements: Service connections are to be withheld from proposed uses and improvements that would not be consistent with the adopted Land Use Element of the Porterville Area General Plan and the City of Porterville General Plan.
 - b. Existing Uses and Improvements: Service connections to existing uses and improvements which are not consistent with the adopted Land Use Element of the Porterville Area General Plan and the City of Porterville General Plan shall be considered at the discretion of the City Council, and may be subject to other restrictions.
3. Agreements and covenants:
 - a. A deed restriction specific to land use and zoning must be approved by the property owner and the City Council, and recorded with the County of Tulare upon the property, at the applicant's cost.
 - b. An irrevocable agreement to annex must be signed by the property owner and recorded with the County of Tulare upon the property, at the applicant's cost.
4. Time limitations: The City Manager or his designee, or the City Council may condition the approval of applications for service connections by establishing a time frame within which connections must be made to avoid re-application.
5. Improvement Plans: Applications for service connections, which necessitate the extension of one or more municipal facilities to property in order to make such connections, shall be conditioned by the City Manager or his designee, or the City Council to require that Construction Drawings of the intended public improvements be submitted to the City Engineer for plan check and approval. Costs incurred for the preparation of improvement plans, and certain off-site construction and/or installation costs related to extending facilities, shall be the responsibility of the applicant.
6. Fees: Prior to the issuance of a Connection Permit, payment must be made to the City of Porterville of all fees pertinent to the respective service connection, or connections, approved by the City Manager or his designee, or the City Council.

Within the Urban Development Boundary:

For connection of water or storm-water facilities, the requesting party must fully fund the extension of infrastructure if it does not already exist in order to connect. The City of Porterville Wastewater Facility is a regional facility and as such, an extraterritorial service request cannot be denied; however, the requesting party must fund a fair share of the extension of infrastructure if it does not already exist in order to connect. Contract services for police, fire, or building inspection services shall be approved by resolution of the City Council.

For connection of water or storm-water facilities, the following findings must be made in order for the Council approve an extraterritorial service connection:

- That the subject property is a previously developed single family residence on a parcel 24,999 square feet or smaller, OR a school developed by a State funded school district.
- That failure to connect to municipal services would result in a threat to public health or safety of affected residents.
- That connection of the subject property would not result in a negative impact to the City of Porterville water and/or storm-water system.
- That the subject property is not within an island as defined by Tulare LAFCo.
- That an attempt to annex the subject site is not realistic given current city limit boundaries. Specifically, the parcel is too far removed from the city limit, and/or the number and valuation of adjacent parcels would result in a failed annexation effort.

Within the Urban Area Boundary:

For connection of water or storm-water facilities, the requesting party must fully fund the extension of infrastructure if it does not already exist in order to connect. The City of Porterville Wastewater Facility is a regional facility and as such, an extraterritorial service request cannot be denied; however, the requesting party must fund a fair share of the extension of infrastructure if it does not already exist in order to connect. Contract services for police, fire, or building inspection services shall be approved by resolution of the City Council.

For connection of water or storm-water facilities, the following findings must be made in order for the Council approve an extraterritorial service connection:

- That the subject property is a previously developed single family residence on a parcel 24,999 square feet or smaller, OR a school developed by a State funded school district.
- That failure to connect to municipal services would result in a threat to public health or safety of affected residents.
- That connection of the subject property would not result in a negative impact to the City of Porterville water and/or storm-water system.

EXEMPTIONS AND EXCEPTIONS

1. PVPUD: Connections to Porterville Regional Sewage Treatment Facilities serving uses and improvements to property within the boundaries and jurisdiction of the Porter Vista Public Utility District (PVPUD) are exempted from application to the City of Porterville. Interested parties should contact the PVPUD for information on connection requirements and fees pertaining

to sewer services. This exemption does not apply to requests for connection to Municipal Water and/or Master Storm Drain Facilities.

2. PRIOR APPROVALS: Porterville City Council approval of requests for connection to Regional Sewage Treatment, Municipal Water and/or Master Storm Drain Facilities as authorized prior to the adoption and effective date of the respective policies set forth herein shall remain valid and in force according to the terms and conditions initially specified at the time of approval, and re-application will not be required.

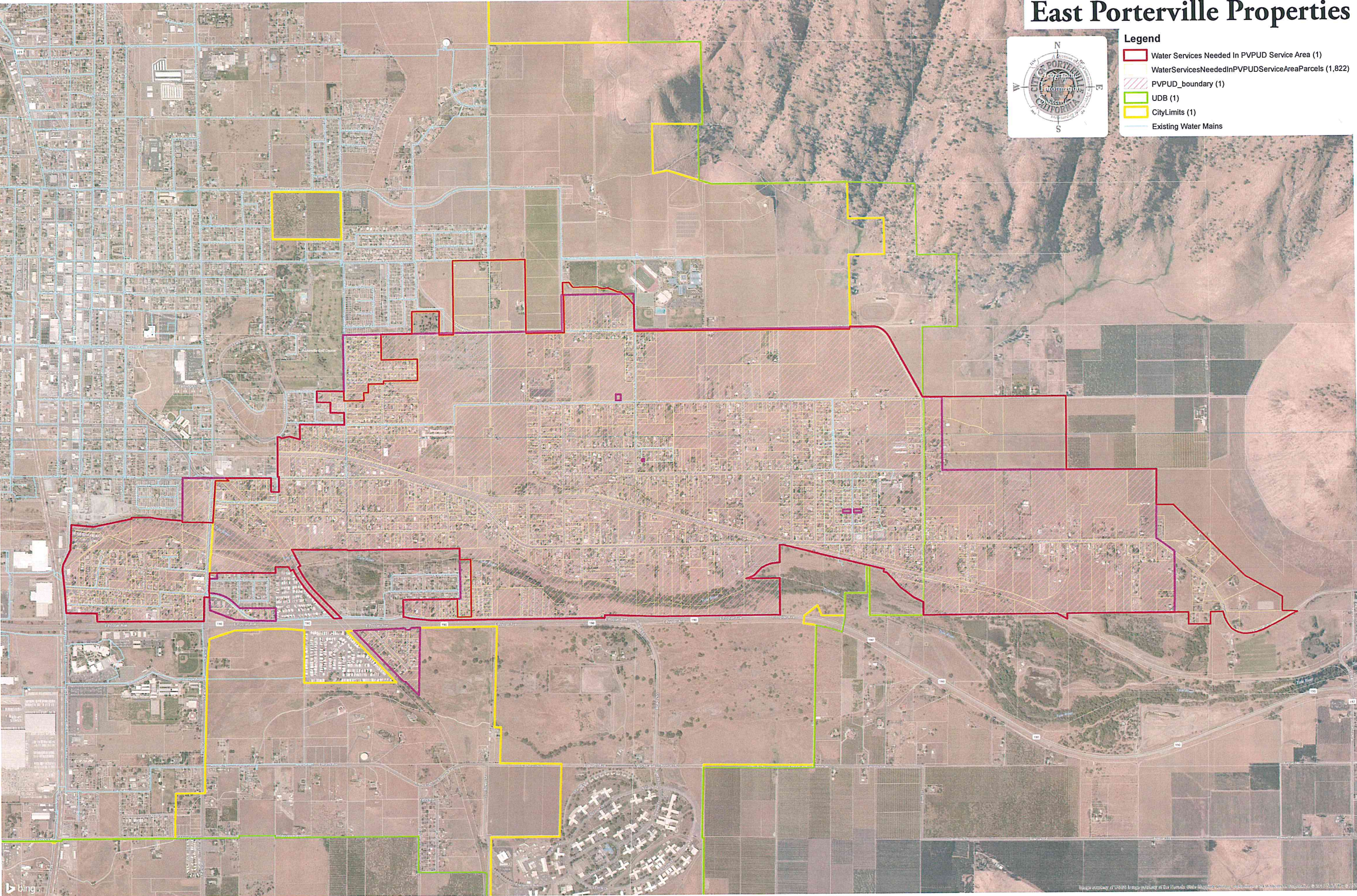
3. PROPERTIES WITHIN THE EAST PORTERVILLE FEASIBILITY STUDY PROJECT AREA: The California State Water Resources Control Board, in coordination with the Department of Water Resources Drought Task Force, is charged with preparing a feasibility study to define a long-term solution to the water related issues in East Porterville. Properties within that boundary would be permitted to apply for connection, whether in association with DWR, SWRCB, or at a later date, on their own. Such connections would be subject to the mandatory findings as outlined in this procedure, with the following exceptions:

- Rather than require that the subject property be a developed single-family residence on a parcel 24,999 square feet or smaller, neither the land use nor the parcel size would be restricted neither the land use nor the parcel size would be restricted for legal and legal non-conforming structures and land uses existing as of April 29, 2016.
- Further, properties within certain islands in the EPFS Project Area would not be required to annex prior to connection. This exception does not limit the City of Porterville's authority to pursue annexation in the future, but rather waives the requirement that annexation must be approved prior to connection.

East Porterville Properties



- Legend**
- Water Services Needed In PVPUD Service Area (1)
 - WaterServicesNeededInPVPUDServiceAreaParcels (1,822)
 - PVPUD_boundary (1)
 - UDB (1)
 - CityLimits (1)
 - Existing Water Mains



STATE OF CALIFORNIA)
CITY OF PORTERVILLE) SS
COUNTY OF TULARE)

I, JOHN D. LOLLIS, the duly appointed City Clerk of the City of Porterville do hereby certify and declare that the foregoing is a full, true and correct copy of the resolution passed and adopted by the Council of the City of Porterville at regular meeting of the Porterville City Council duly called and held on the 19th day of April, 2016.

THAT said resolution was duly passed, approved, and adopted by the following vote:

Council:	REYES	WARD	STOWE	HAMILTON	GURROLA
AYES:	X	X	X	X	
NOES:					
ABSTAIN:					
ABSENT:					X

JOHN D. LOLLIS, City Clerk


By: Luisa Zavala, Deputy City Clerk

EXHIBIT 'C'



EXHIBIT 'D'

Scope of Work

Task	Description	Cost
1.2	Prepare Well Drilling Plans, Specifications, and Estimates	\$468.00
3.2	Prepare Well Equipping Plans, Specifications, and Estimates	\$1,526.00
5	Ph. 1 Preconstruction Meeting	\$1,357.43
Total:		\$3,351.43

Consulting Engineering work will be reimbursed directly to Dee Jaspar & Associates under Tulare County Agreement No. 1276, including the following Tasks:

Task 4.1	Project Evaluations and Field Surveying	\$58,326.00
Task 4.2	Prepare Well Equipping Plans, Specifications, and Estimates	\$30,000.00
Task 4.3	Prepare and Assist with SCE Application & Telephone Service	\$5,000.00
Task 4.4	SCE Costs	\$15,000.00
Total:		\$108,326.00

Discussion Draft

Subject to Additional Review and Modification by the Parties

Porterville MOU
Draft 2
June 15, 2016
PortervilleEmergencyMOU061516



Memorandum of Understanding (MOU)

Regarding the Provisions of Emergency Water Supplies to East Porterville

by the California Department of Water Resources (DWR), California Office of Emergency

Service (OES), the State Water Resources Control Board (SWRCB),

the County of Tulare (County), and City of Porterville (Porterville),

which are collectively known as the “Parties”

Recitals

Whereas, some residents living in an unincorporated area of Tulare County, commonly known as “East Porterville,” have experienced loss of adequate water supply to their homes and properties as a result of severe drought conditions, which has caused significant hardship for the residents;

Whereas, Governor Edmund G. Brown Junior has directed all State agencies to assist these residents who are in need of water supplies with emergency and long-term assistance;

Whereas, Governor Edmund G. Brown Junior signed Assembly Bill 685 in 2012, adding Water Code section 106.3, which recognizes that every human being has the right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes, and which requires all relevant state agencies to consider this right when revising, adopting, or establishing pertinent policies, regulations, and grant criteria;

Whereas, the Parties have provided emergency water supplies to some residents of East Porterville that are without an adequate household water supply;

Whereas, the Parties to this MOU seek an emergency and long-term solution to the lack of adequate household water supply by developing and providing continuous water supplies to these residents;

Whereas, East Porterville is located east and adjacent to Porterville, which has an existing municipal water system that serves residents within the incorporated area of Porterville;

Whereas, some of the residents of East Porterville without an adequate household water supply could be connected to Porterville's municipal water system provided certain arrangements and projects are carried out by the Parties;

Whereas, Vandalia is a neighborhood located within Porterville, and some Vandalia residents lack adequate household water supply and these households could be connected to Porterville's municipal water system;

Whereas, the Parties have met and have discussed alternative plans and projects that would provide an emergency water supply from Porterville to some residents of East Porterville and Vandalia in an expeditious manner;

Whereas, to advance these projects, DWR has provided funding, as reflected in the agreement between DWR and Tulare attached as Exhibit 1, for a municipal well designated as "Well C1" located in Tulare County that ultimately could be used to supply water to these residents of East Porterville;

Whereas, the SWRCB has also provided funding for Well C1, as reflected in the agreement between the SWRCB and the County attached as Exhibit 2;

Whereas, the County and Porterville intend to execute an agreement, a draft of which is attached as Exhibit 3, that will connect Well C1 to Porterville's municipal water system and that will provide for an adequate household water supply for some residents of East Porterville; and

Whereas, the Parties have reached an understanding on how best to implement the project alternative that will provide an adequate household water supply to some residents of East Porterville and Vandalia, and alleviate the hardships in an expeditious, cost-effective manner.

Understanding

A. Description of Emergency Project and Long-Term Plan

1. The purpose of this MOU is to set forth in writing the intentions of the Parties of how best to move forward with plans to complete an emergency water supply project (Project) to some residents in the East Porterville and Vandalia areas, which are represented in Exhibit 4. (Map showing East Porterville and Porterville). The goal of the Project is to provide an adequate household water supply to some of the residents and properties in these areas that do not have one presently, and to end the need of the Parties to provide temporary water supplies to those residents through tanks and bottles.

2. The Parties intend to develop the Project in two phases. Phase 1 will make municipal water connections to the properties in East Porterville that have dry wells and are adjacent to Porterville's existing municipal water distribution system. It is estimated that this phase will serve 40 properties with dry wells that are currently receiving temporary household water supplies.

3. The Parties intend that Phase 2 of the Project will provide municipal water supply to approximately 500 properties in East Porterville and in Vandalia that have dry wells or otherwise lack an adequate source of water and have not been connected by Phase 1. In order to complete Phase 2, the residents of these properties will likewise need to connect to Porterville's municipal water system.

4. As soon as possible, Porterville and DWR will undertake Phase 1 of the Project and connect the properties in East Porterville that are adjacent to Porterville's existing municipal water distribution system. These connections will be accomplished as described in Water Installation Diagram attached as Exhibit 5 and based on the cost estimate, which is attached as Exhibit 6. In order to make these connections, a property owner desiring to receive public water supply will need to execute the Extraterritorial Service Agreement, a sample of which is attached as Exhibit 7, and the SWRCB's Water Connection Agreement, a sample of which is attached as Exhibit 8. Necessary signatures and agreements with property owners will be sought through SWRCB's outreach carried out with the assistance of all Parties to this MOU.

5. The Parties intend that Well C1 will be used to provide the emergency water supply in Phase 2 to about 500 properties without adequate household water supplies. The Parties presently understand that there are about 423 properties in East Porterville and approximately 80 properties in Vandalia where connections may be needed to provide emergency water supplies.

6. The Parties have created a Technical Workgroup consisting of engineers and planners, which work cooperatively on the technical issues described in this MOU. Based on recommendations of the Technical Workgroup, the Parties intend to provide the emergency water supply contemplated by this MOU.

7. The Parties intend to develop a Long-Term Water System Plan (Long-Term Plan) for the East Porterville area, which will serve other residents in the area besides those served by the Project. The Parties intend that the Project will be designed consistent with the Long-Term Plan to ensure that all water facilities constructed as part of the Project will be incorporated into the facilities ultimately developed through the Long-Term Plan. The first work product produced by the Technical Workgroup will be a Feasibility Study for the Long-Term Plan. The outline of the Feasibility Study is attached as Exhibit 9.

8. The Parties intend to use best efforts to complete both phases of the Project by December 31, 2016. The completion date of the Long-Term Plan is dependent on the completion of the Feasibility Study carried out by Technical Workgroup and on Porterville and/or the County applying for and securing sufficient funding from the SWRCB or from other sources. The Parties desire to complete the Long-Term Plan as expeditiously as possible.

B. Project Contributions of the Parties

9. Working in cooperation with the other Parties and the Technical Workgroup, DWR will prepare all environmental compliance for the Project, and design and construct the Project, both Phases 1 and 2. DWR will provide funding for Phases 1 and 2 of the Project through Emergency Drought Funding. DWR intends to serve as California Environmental Quality Act (CEQA) lead agency for the Long-Term Plan and will prepare any necessary CEQA documentation and any other necessary environmental review documents, unless the Feasibility Study recommends another lead agency.

10. SWRCB will provide the community outreach to assist in obtaining necessary property owner acceptance before proceeding with Project. SWRCB will also work with Porterville and/or County to secure funding of the Long-Term Plan. SWRCB will provide certain reviews and approvals for the permitting of the Project and the Long-Term Plan.

11. OES will coordinate all of the State's efforts under the Governor's Drought Task Force in the Project area and will be provided at no cost by Porterville up to 3,000,000 gallons of emergency water per month as needed as a result of this MOU and the agreement that Porterville and the County are in the process of considering for execution, a draft of which is attached as Exhibit 3, with regard to the Well C1.

12. Porterville will provide the needed water service to the residents of East Porterville without an adequate household water supply after they are connected to Porterville's municipal water system as described in the Project. The water service will be accomplished per the Extraterritorial Service Agreement, which requires that property owners served pay the monthly water bill. DWR is funding the residents' connection to the Project, and as a result, some of the normal connection fees will be waived provided that connection is made during Phase 1 or Phase 2. Porterville will install the water meters for each connection, which will be paid for by DWR.

13. The County intends to execute an agreement with Porterville that is consistent with this MOU and Exhibit 3, which will allow Well C1 to serve as a water supply for the Project. The County will inspect the work of the Project and the property connections at no cost to the residents.

14. The Parties to the MOU will cause the removal of all temporary water tanks from the properties upon completion of the Project and the appurtenances necessary for the receipt of municipal water service. The work for removing the water tanks will be carried out by the County under an agreement between the County and OES.

C. General Provisions

15. The Parties intend to use their best efforts to carry out this MOU. This MOU is not a binding agreement, and is not intended to create contractual rights and remedies among the Parties. However, the Parties have entered into and intend to enter into certain binding agreements in the future necessary to develop and complete the Project and the Long-Term Plan.

16. This MOU will become effective upon the signature of the all Parties. The MOU will terminate on December 31, 2016, unless extended by all of the Parties in writing.

[Signatures on following page]

This MOU has been executed by:

California Department of Water Resources

State Water Resources Control Board

California Office of Emergency Services

County of Tulare

City of Porterville

List of Exhibits

1. DWR and Tulare County Executed Well C1 Agreement
2. SWRCB and County Executed Well C1 Agreement (Water Board Grant #D-15-11-902)
3. ~~County and~~County and Porterville Draft Well Agreement
4. Map of East Porterville
5. Household Water Service Installation Diagram
6. Household Water Service Cost Estimate
7. Sample Extraterritorial Service Agreement
8. Sample SWRCB Water Connection Agreement
9. Draft Emergency Project Feasibility Study



Amendment No. 1

To the East Porterville Water Supply Project

Memorandum of Understanding (MOU)

Regarding the Provisions of Emergency Water Supplies to East Porterville
by the California Department of Water Resources (DWR), California Office of
Emergency Service (OES), the State Water Resources Control Board (SWRCB),
the County of Tulare (County), and City of Porterville (Porterville),
which are collectively known as the "Parties"

This Amendment No.1 to the MOU is made this 7th day of November, 2016. As described below, this Amendment No.1 recognizes the MOU is still in effect, modifies certain sections of this MOU, and adds new sections to the MOU.

Recitals

Whereas, some residents living in an unincorporated area of Tulare County, commonly known as "East Porterville," have experienced loss of adequate water supply to their homes and properties as a result of severe drought conditions, which has caused significant hardship for the residents;

Whereas, Governor Edmund G. Brown Junior has directed all State agencies to assist these residents who are in need of water supplies with emergency and long-term assistance;

Whereas, the Parties to this MOU seek an emergency and long-term solution to the lack of adequate household water supply by developing and providing continuous water supplies to these residents;

Whereas, to advance these projects, DWR and the SWRCB have provided funding, as reflected in Exhibits 1 and 2, for a municipal well designated as "Well C1" located in Tulare County that ultimately could be used to supply water to these residents of East Porterville;

Whereas, the Parties have reached an understanding on how best to implement the project alternative that will provide an adequate household water supply to some residents of East Porterville and Vandalia, and alleviate the hardships in an expeditious, cost-effective manner:

Whereas, the purpose of this amendment is to clarify some sections of the MOU and to add several new sections.

NOW THEREFORE, IT IS MUTUALLY AGREED that the following changes are hereby made to the MOU:

1. Section A (2) is amended to read as follows:

The Parties intend to develop the Project in two phases. Phase 1 will make municipal water connections to the properties in East Porterville and Vandalia that have dry wells and/or water tanks. It is estimated that this phase will serve approximately 300 properties.

2. Section A (3) is amended to read as follows:

The Parties intend that Phase 2 of the Project will provide municipal water supply to approximately 800 properties in East Porterville by connecting them to the City of Porterville's water system. The total number of homes eligible for this Project is approximately 1,100.

3. Section A (5) is amended to read as follows:

The Parties intend that Well C1 will be used to provide the initial water supply. The Parties acknowledge the delay in Well C1 completion. To mitigate the effects of this on the residents of East Porterville, the City of Porterville will allow connections of homes as they become prepared for connection. These early connections will be beyond the initial 70 connections (previously 40 connections) agreed to, given the availability of capacity during the winter months. However, these additional connections to the City's water system will cease on March 1, 2017, if Well C1's connection to the City's water system is not completed by then.

4. Sections A (7) b-f shall be added and made part of this MOU:

7 (a). The Parties intend to develop a Long-Term Water System Plan (Long-Term Plan) for the East Porterville area, which will serve other residents in the area besides those served by the Project. The Parties intend that the Project will be designed consistent with the Long-Term Plan to ensure that all water facilities constructed as part of the Project will be incorporated into the facilities ultimately developed through the Long-Term Plan. The first work product produced by the Technical Workgroup will be a Feasibility Study for the Long-Term Plan. The outline of the Feasibility Study is attached as Exhibit 9.

(b). The East Porterville Water Supply Project Hydraulic Analysis Report ("Hydraulic Analysis Report," which is attached as Exhibit 10) determined that the water supply capacity required to serve all eligible residents of East Porterville is 1,435 gallons per minute (gpm). This capacity shall be based on the sustainable yield of the wells which is defined as 75 percent of the initial design capacity. Since Well C1 has a sustainable yield of 600 gpm, the Parties agree that the State will fund the construction and equipping of additional wells to provide the 835 gpm shortfall.

(c). Based on the Hydraulic Analysis, a 700,000 gallon water storage tank is required to serve the residents of East Porterville. However, based on Porterville's master plan recommendations, a 1.2 million-gallon storage tank is required for the City's buildout. The Parties therefore intend to construct a 1.2 million-gallon storage tank with cost sharing between the State and the City. The State will fund the cost of a 700,000 gallon tank required for the Project and the City of Porterville will fund the cost of the additional 500,000 gallons of storage required for the City's future use as contained in its master plan. The cost-sharing shall be proportional to the tank capacity being funded.

(d). The Parties intend to upgrade the existing Henderson-Plano Booster Pump Station and the Granite Hills Intertie which would facilitate water supply to the East Pressure Zone which serves East Porterville. The State will fund the construction of one booster pump rated at 2,100

gpm along with a variable frequency drive and the Granite Hills Intertie. The City will fund the replacement of its two existing pumps along with associated variable frequency drives as part of Phase 2 of the Project. These two pumps are more than 30-years old and their replacement will enable the City's water system to operate more efficiently and in a cost-saving manner.

(e). The Parties further agree that a booster pump station of capacity 1,670 gpm is required to convey water from the West Pressure Zone, where the new wells will be located, to the Central Pressure Zone for onward conveyance to East Porterville. The State will fund the construction of this booster pump station.

(f). Given that Well C1 has an estimated sustainable yield of 600 gpm, as well as a unit demand of 0.833 gpm per home connection based on the Hydraulic Analysis , Well C1 could effectively serve up to 720 households . The Parties agree that home connections for Phase 2 of the Project can begin as soon as Well C1 is connected to the City's water system, and the Henderson-Plano Booster Pump Station upgrade and the Granite Hills Intertie are completed. These home connections shall cease when the capacity of Well C1 is exceeded. Thereafter, additional home connections will be made after the construction of additional wells or if City staff determines that the water system can support additional home connections.

5. Section (C) 16 is amended to read as follows:

16. This MOU will become effective upon the signature of the all Parties. The MOU will terminate on June 30, 2018, unless extended by all Parties in writing.

6. The list of the Exhibits at the end of MOU is amended to read as follows:

1. DWR and Tulare County Executed Well C1 Agreement
2. SWRCB and County Executed Well C1 Agreement (Water Board Grant #D-15-11-902)
3. County and Porterville Draft Well Agreement
4. Map of East Porterville
5. Household Water Service Installation Diagram
6. Household Water Service Cost Estimate
7. Sample Extraterritorial Service Agreement
8. Sample SWRCB Water Connection Agreement
9. Draft Feasibility Study for the Long-Term Plan
10. East Porterville Water Supply Project Hydraulic Analysis Report

This MOU has been executed by:

California Department of Water Resources

State Water Resources Control Board

California Office of Emergency Services

City of Porterville

County of Tulare



EDMUND G. BROWN JR.
GOVERNOR

MATTHEW RODRIGUEZ
SECRETARY FOR
ENVIRONMENTAL PROTECTION

State Water Resources Control Board

NOV 29 2017

The Honorable Milt Stowe
Mayor of City of Porterville
291 North Main Street
Porterville, CA 93257

RECEIVED

DEC 04

CITY OF PORTERVILLE
CITY MANAGER

Dear Mayor Stowe:

The Department of Water Resources and the State Water Resources Control Board are requesting an increase to the number of household connections from 720 to 800 to the City of Porterville (City) water system, prior to the completion of the East Porterville Emergency Water Supply Project – Phase 2 (Project). The construction of all facilities is estimated to be completed by June 2019.

According to Section A(7)(f) of Amendment No. 1 to the Project's Memorandum of Understanding (MOU), the estimated sustainable yield of Well C1 is 600 gallons per minute (gpm) and therefore will serve up to 720 households. Our current projections show that approximately 800 households will need to be connected by the end of 2017.

Our current plans are to drill two additional wells which would add more than 835 gpm of sustainable yield to the City's water supply, pending land acquisition by the City. Further, our calculations indicate that Well C1 is currently capable of producing 800 gpm in the interim, which can support a total of 960 households in the short term. It is our hope that the City will complete acquisition of the properties needed to drill the two additional wells in a timely manner to ensure that the City's water supply does not become stressed.

We look forward to hearing favorably from you and thank you for your continued support in providing safe drinking water to the residents of East Porterville.

Sincerely,


James Maughan, Assistant Deputy Director
Division of Financial Assistance

cc: See next page

DEPARTMENT OF WATER RESOURCES

SOUTH CENTRAL REGION OFFICE
3374 EAST SHIELDS AVENUE, ROOM 3
FRESNO, CA 93726-6913



January 18, 2018

Mr. Michael K. Reed
Public Works Director
City of Porterville
291 North Main Street
Porterville, California 93257

RECEIVED

JAN 22 2018

City of Porterville
Public Works Dept

Approval of Funding from Local Assistance Funds to the City of Porterville for the
County Areas Water Supply Project

Dear Mr. Reed:

Your request for funds to accomplish the city of Porterville's scope of work to connect drought-impacted households in seven Tulare County areas bounded by the city has been approved. The approved funding is not to exceed the amount of \$2,812,946.00. The term of the funding is from January 18, 2018, to December 31, 2019.

The purpose of this funding is for the city of Porterville to effectuate the connection of the drought-impacted homes in seven county areas to the city's water distribution system. The project comprises water main extensions, home connections, and well destructions. These homes have been identified as having private residential wells, and the homeowners have voluntarily elected to join the project. As part of their election to participate in the project, the homeowners have consented to having their groundwater wells destroyed.

A grant agreement is being developed and will be sent to you for approval. You are allowed to start incurring costs from January 18, 2018. No reimbursement will be issued until the contract agreement is executed.

If you have any questions or need additional information regarding the agreement, please contact Steve Doe by email at Steve.Doe@water.ca.gov or by phone at (559) 230-3348.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kevin Faulkenberry'.

Kevin Faulkenberry, Chief
South Central Region Office

Executive Department

State of California

EXECUTIVE ORDER B-40-17

WHEREAS California has endured a severe multi-year drought that has threatened the water supplies of communities and residents, devastated agricultural production in many areas, and harmed fish, animals and their environmental habitats; and

WHEREAS Californians responded to the drought by conserving water at unprecedented levels, reducing water use in communities by more than 22% between June 2015 and January 2017; and

WHEREAS the State Water Resources Control Board, the Department of Water Resources, the Department of Fish and Wildlife, the Office of Emergency Services, and many other state agencies worked cooperatively to manage and mitigate the effects of the drought on our communities, businesses, and the environment; and

WHEREAS the State provided 66,344,584 gallons of water to fill water tanks for communities suffering through drought-related water shortages, outages, or contamination, and provided emergency assistance to drill wells and connect communities to more robust water systems; and

WHEREAS the State took a number of important actions to preserve and protect fish and wildlife resources, including stream and species population monitoring, fish rescues and relocations, infrastructure improvements at trout and salmon hatcheries, and infrastructure to provide critical habitat for waterfowl and terrestrial animals; and

WHEREAS the State established a Statewide Water Efficiency and Enhancement Program for agricultural operations that provides financial assistance for the implementation of irrigation systems that save water; and

WHEREAS water content in California's mountain snowpack is 164 percent of the season average; and

WHEREAS Lake Oroville, the State Water Project's principal reservoir, is 101 percent of average, Lake Shasta, the federal Central Valley Project's largest reservoir, is at 110 percent of average, and the great majority of California's other major reservoirs are above normal storage levels; and

WHEREAS despite winter precipitation, the effects of the drought persist in areas of the Central Valley, including groundwater depletion and subsidence; and

WHEREAS our changing climate requires California to continue to adopt and adhere to permanent changes to use water more wisely and to prepare for more frequent and persistent periods of limited water supply; and

WHEREAS increasing long-term water conservation among Californians, improving water use efficiency within the State's communities and agricultural production, and strengthening local and regional drought planning are critical to California's resilience to drought and climate change.

NOW, THEREFORE, I, EDMUND G. BROWN JR., Governor of the State of California, in accordance with the authority vested in me by the Constitution and statutes of the State of California, do hereby **TERMINATE THE JANUARY 17, 2014 DROUGHT STATE OF EMERGENCY** for all counties in California except the Counties of Fresno, Kings, Tulare, and Tuolumne.

I FURTHER ORDER THAT:

1. The orders and provisions contained in my April 25, 2014 Emergency Proclamation, as well as Executive Orders B-26-14, B-28-14, B-29-15, and B-36-15 are rescinded.
2. The orders and provisions contained in Executive Order B-37-16, **Making Water Conservation a California Way of Life**, remain in full force and effect except as modified by this Executive Order.
3. As required by the State Emergency Plan and Government Code section 8607(f), the Office of Emergency Services, in coordination with other state agencies, shall produce an after-action report detailing the State's response to the drought and any lessons learned in carrying out that response.

MAINTAINING CONSERVATION AS A WAY OF LIFE

4. The State Water Resources Control Board (Water Board) shall continue development of permanent prohibitions on wasteful water use and requirements for reporting water use by urban water agencies, and to provide a bridge to those permanent requirements, shall maintain the existing emergency regulations until they expire as provided by the Water Code. Permanent restrictions shall prohibit wasteful practices such as:
 - Hosing off sidewalks, driveways and other hardscapes;
 - Washing automobiles with hoses not equipped with a shut-off nozzle;
 - Using non-recirculated water in a fountain or other decorative water feature;
 - Watering lawns in a manner that causes runoff, or within 48 hours after measurable precipitation; and
 - Irrigating ornamental turf on public street medians.
5. The Water Board shall rescind those portions of its existing emergency regulations that require a water supply stress test or mandatory conservation standard for urban water agencies.

6. The Department of Water Resources (Department) shall continue work with the Water Board to develop standards that urban water suppliers will use to set new urban water use efficiency targets as directed by Executive Order B-37-16. Upon enactment of legislation, the Water Board shall adopt urban water use efficiency standards that include indoor use, outdoor use, and leaks as well as performance measures for commercial, industrial, and institutional water use. The Department shall provide technical assistance and urban landscape area data to urban water suppliers for determining efficient outdoor use.
7. The Water Board and the Department shall continue to direct actions to minimize water system leaks that waste large amounts of water. The Water Board, after funding projects to address health and safety, shall use loans from the Drinking Water State Revolving Fund to prioritize local projects that reduce leaks and other water system losses.
8. The Water Board and the Department shall continue to take actions to direct urban and agricultural water suppliers to accelerate their data collection, improve water system management, and prioritize capital projects to reduce water waste. The California Public Utilities Commission is requested to work with investor-owned water utilities to accelerate work to minimize leaks.
9. The Water Board is further directed to work with state agencies and water suppliers to identify mechanisms that would encourage and facilitate the adoption of rate structures and other pricing mechanisms that promote water conservation.
10. All state agencies shall continue response activities that may be needed to manage the lingering drought impacts to people and wildlife. State agencies shall increase efforts at building drought resiliency for the future, including evaluating lessons learned from this current drought, completing efforts to modernize our infrastructure for drought and water supply reliability, and shall take actions to improve monitoring of native fish and wildlife populations using innovative science and technology.

CONTINUED DROUGHT RESPONSE IN FRESNO, KINGS, TULARE, AND TUOLUMNE COUNTIES

11. The Water Board will continue to prioritize new and amended safe drinking water permits that enhance water supply and reliability for community water systems facing water shortages or that expand service connections to include existing residences facing water shortages.
12. The Department and the Water Board will accelerate funding for local water supply enhancement projects and will continue to explore if any existing unspent funds can be repurposed to enable near-term water conservation projects.
13. The Water Board will continue to work with local agencies to identify communities that may run out of drinking water, and will provide technical and financial assistance to help these communities address drinking water

shortages. It will also identify emergency interconnections that exist among the State's public water systems that can help these threatened communities. The Department, the Water Board, the Office of Emergency Services, and the Office of Planning and Research will work with local agencies in implementing solutions to those water shortages.

14. For actions taken in the Counties of Fresno, Kings, Tulare, and Tuolumne pursuant to directives 11–13, the provisions of the Government Code and the Public Contract Code applicable to state contracts, including, but not limited to, advertising and competitive bidding requirements, as well as Division 13 (commencing with section 21000) of the Public Resources Code and regulations adopted pursuant to that Division, are hereby suspended. These suspensions apply to any actions taken by state agencies, and for actions taken by local agencies where the state agency with primary responsibility for implementing the directive concurs that local action is required, as well as for any necessary permits or approvals required to complete these actions.
15. California Disaster Assistance Act Funding is authorized until June 30, 2017 to provide emergency water to individuals and households who are currently enrolled in the emergency water tank program.
16. State departments shall commence all drought remediation projects in Fresno, Kings, Tulare, and Tuolumne Counties within one year of the date of this Executive Order.

This Executive Order is not intended to, and does not, create any rights or benefits, substantive or procedural, enforceable at law or in equity, against the State of California, its agencies, departments, entities, officers, employees, or any other person.

I FURTHER DIRECT that as soon as hereafter possible, this Order be filed in the Office of the Secretary of State and that widespread publicity and notice be given of this Order.

IN WITNESS WHEREOF I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 7th day of April 2017.


EDMUND G. BROWN JR.
Governor of California

ATTEST:

ALEX PADILLA
Secretary of State





CITY COUNCIL AGENDA – DECEMBER 1, 2020

SUBJECT: Consideration of Side Letter Agreement for Fire Officers Series

SOURCE: Administrative Services

COMMENT: Within the scope of the Meyers-Milius-Brown Act, City representatives have met with representatives of the Fire Office Series (FOS) and reached an agreement to amend language currently in the Employee Pay & Benefit Plan pertaining to FOS employees. The amendment is necessary in order to eliminate ambiguity concerning the pay rate for members of the FOS who are required to work on out-of-County assignments and are assigned to a 40-hour work week.

City Council acceptance and approval of the side letter agreement is needed before staff executes the letter and is most commonly demonstrated by Council authorization to change or amend, when applicable, those documents that are necessary to implement the points of agreement contained in the letter.

RECOMMENDATION:

1. That the City Council approve the side letter agreement amending the Employee Pay and Benefit Plan pertaining to the Fire Officer Series employees; and
2. Authorize Staff to execute the agreement and amend the Employee Pay and Benefit Plan to reflect the change.

ATTACHMENTS:

1. Fire Officer Series Side Letter of Agreement

Appropriated/Funded:

Review By:

Department Director:

Patrice Hildreth, Deputy City Manager

Final Approver: John Lollis, City Manager

SIDE AGREEMENT BETWEEN
CITY OF PORTERVILLE
AND
FIRE OFFICER SERIES

It was recently discovered that a language correction must be made to accommodate members of the Fire Officer Series (FOS) who are required to work an out-of-County assignment while assigned to a 40-hour work week. The language should be amended as follows to reflect a change for FOS employees, and become retroactively effective as of July 1, 2020:

Fire Series employees are to be compensated at the rate of 1 ½ times the regular rate for hours worked in excess of 182 hours in a 24-day consecutive pay period, except that they shall be paid at 1 ½ times the 40 hour per week rate for 12 hours or less in a shift and at 1 ½ times the 56 hours per week rate for more than 12 hours in a shift. If required to work on an out of County assignment, the employee's time will start from the time the employee is required to report for duty and end when he/she is returned to the City of Porterville. Any employee that is assigned on a 40-hour per week rate as their regular duty assignment will be paid at that rate on all over time assignments including assignments out of county. Any time on his/her regular work schedule will be at regular pay, all other time will be overtime, as outlined above.

Signed and agreed this _____ day of December, 2020.

CITY OF PORTERVILLE

Dave LaPere
Fire Chief

Yuliana Andrade
HR Analyst

FIRE OFFICER SERIES

Shannon Skiles
Representative

David Smith
Representative



CITY COUNCIL AGENDA – DECEMBER 1, 2020

SUBJECT: Consideration of Reappointments to the Transactions and Use Tax Oversight Committee ("TUTOC")

SOURCE: Administrative Services

COMMENT: Six of the ten committee members on the Transactions and Use Tax Oversight Committee ("TUTOC") have terms that have expired. These committee members are:

Ms. Margaret Stinson
Mr. Mike Boudreaux, Sr.
Mr. John Angell
Mr. John Billiou
Ms. Janice Kovars
Mr. Joshua Sulier

All of these committee members, Ms. Margaret Stinson, Mr. John Billiou, Ms. Janice Kovars, and Mr. Joshua Sulier have indicated their interest in continuing to serve on TUTOC. Mr. Mike Boudreaux, Sr. is not seeking reappointment at this time, and staff has been unsuccessful in contacting Mr. John Angell. Of the six open seats, five have four-year terms, and one has a two-year term. Mr. John Billiou has voiced interest in seeking appointment to the two-year term.

TUTOC is charged with reviewing the revenue and expenditures of the Measure H and Measure I budgets, and to report its findings to the City Council. It is comprised of ten members of the public, and is required to meet at least once annually after the adoption of the budget. It has been TUTOC's practice to meet on a quarterly basis. To be eligible for appointment, individuals must either be a Porterville resident, business owner, or business operator.

RECOMMENDATION: That the City Council:

1. Consider reappointing Ms. Margaret Stinson, Ms. Janice Kovars, and Mr. Joshua Sulier to serve four-year terms expiring May 2024;
2. Consider reappointing Mr. John Billiou to serve a two-year term expiring May 2022; and
3. Direct staff to advertise the remaining two vacancies.

ATTACHMENTS:

Appropriated/Funded:

Review By:

Department Director:

Final Approver: John Lollis, City Manager



CITY COUNCIL AGENDA – DECEMBER 1, 2020

SUBJECT: 2021 State Budget and Legislation Interests

SOURCE: City Manager's Office

COMMENT: On November 19, 2020, City staff was contacted by State Senator Hurtado's staff in regards to the City's potential budgetary and/or legislative interests for the State's upcoming 2021 legislative session, with such interests to be provided by no later than January 19, 2021.

Past budgetary and legislative interests of the City have been grant funding for the City's transition to tertiary treatment recycled water, grant funding for local water system consolidations, grant funding for a new library and community center, enhanced funding in support of homeless housing and support services, and the State's determination of reuse of the former general treatment area of the Porterville Developmental Center.

RECOMMENDATION: That the City Council consider State Senator Hurtado's request to provide the City's budgetary and legislative interests for the State's upcoming 2021 legislative session.

ATTACHMENTS: 1. Senator Hurtado Press Release - 2021 State Budget and Legislation Requests

Appropriated/Funded:

Review By:

Department Director:

John Lollis, City Manager

Final Approver: John Lollis, City Manager

Senator Hurtado Seeks New Legislative Ideas From Central Valley Residents

November 18, 2020

(SACRAMENTO, CA) Senator Melissa Hurtado (D-Sanger) announced today that she is inviting residents of Senate District 14 (which includes communities in Kings, Fresno, Kern, and Tulare Counties) to submit budget requests or ideas for state legislation. Senator Hurtado's staff will vet proposed concepts before the Senator personally reviews them. Senator Hurtado's office will submit the qualifying idea (or ideas) as legislation for consideration in the Legislature.

"The people of Senate District 14 face daily challenges and this is the time for us to find solutions to the problems of our community. I encourage everyone to share ideas on making our community safer, healthier, and more prosperous. During these tough times, I am confident that we will have an opportunity to learn from each other and stay valley strong," said Senator Hurtado.

To submit your idea, visit Senator Hurtado's website at <https://sd14.senate.ca.gov/submit-bill-ideas> (<https://sd14.senate.ca.gov/submit-bill-ideas>).

Senator Hurtado encourages anyone who has ever said to themselves, "there is a better way to do this" or "I think I can fix that" to participate with an idea. This process is also a unique opportunity for anyone who has a suggestion to eliminate an unnecessary law or regulation.

While Senator Hurtado's office will consider all local bill ideas, the Senator urges constituents to use the form to submit their entries by Tuesday, January 19, 2021. The form includes questions that are typically asked about potential laws during the legislative process so that residents can make the strongest arguments possible for their bill ideas or budget requests.

About Senator Melissa Hurtado

Senator Melissa Hurtado (D-Sanger) represents the 14th Senate district in California, which includes cities in Fresno, Kern, Kings and Tulare counties. Senator Hurtado was born in Fresno, California and is a lifelong resident of Sanger.

###

TWEETS

**Senator Melissa Hurtado**

@Senator_Hurtado

Don't forget the most important ingredients this Thanksgiving. While it's safest not to gather, if you do, keep safety in mind. Keep it short, outdoors, and no more than two other households. Wear masks, and wash your hands. Help stop the spread of #COVID-19. #ValleyStrong



CONNECT WITH US

[\(https://www.facebook.com/SenatorMelissaHurtado/\)](https://www.facebook.com/SenatorMelissaHurtado/)[\(https://www.instagram.com/senmelissahurtado/\)](https://www.instagram.com/senmelissahurtado/)[/https://twitter.com/senator_hurtado\)](https://twitter.com/senator_hurtado)

Get the latest news about legislation and what is happening in the district.
Sign Up for Our Newsletter → (/newsletter-signup)

Office Information

Capitol Office

State Capitol, Room 3070

Sacramento, CA 95814

Phone: (916) 651-4014

Fax: (916) 651-4914

Bakersfield District Office

1201 E. California Avenue, Suite A

Bakersfield, CA 93307

Phone: (661) 395-2620

Fresno District Office

2550 Mariposa Mall, Suite 2016

Fresno, CA 93721

Phone: (559) 264-3070

Hanford District Office

611 N. Douty Street

Hanford, CA 93230

Phone: (559) 585-7161

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(<http://democrats.senate.ca.gov/>) | Privacy Policy (<http://democrats.senate.ca.gov/privacy>) | Accessibility
Statement (<http://senate.ca.gov/accessibility>) | Register to Vote (<http://registertovote.ca.gov/>)



CITY COUNCIL AGENDA – DECEMBER 1, 2020

SUBJECT: Status and Review of Proclamation of Local Emergency: COVID-19

SOURCE: City Manager's Office

COMMENT: At its meeting of March 17, 2020, the City Council took action to approve a Resolution of Proclamation of Existence of a Local Emergency for the novel coronavirus (COVID-19), which staff also initiated a soft-opening of its Emergency Operations Center (EOC) on Friday, March 20, 2020. At its last meeting on November 17, 2020, the Council reviewed the status of existence of local emergency, and acted to continue its Resolution of Proclamation.

On March 4, 2020, Governor Newsom issued a Proclamation of a State of Emergency, President Trump issued a Proclamation on Declaring a National Emergency on March 13, 2020, and the Tulare County Board of Supervisors adopted a Resolution of Proclamations of Local Emergencies on March 17, 2020. The Tule River Tribal Council also adopted a Resolution of Declaration of State of Emergency on March 13, 2020. Subsequent to his Proclamation at the time of this report, Governor Newsom has issued fifty-four (54) Executive Orders in support of the State addressing and mitigating COVID-19 impacts, several of which are pertinent to the City.

Governor Newsom's Executive Order N-25-20, issued on March 12, 2020, provided restrictions on mass gatherings of no more than 250, as well as provided accommodations to the Brown Act to encourage remote participation and social distancing. At its meeting of March 17, 2020, the Council gave direction of local gatherings not to exceed twenty-five (25), which staff responded to complaints and incidents accordingly. Both President Trump and the Centers for Disease Control (CDC) had recommended mass gatherings not exceed ten (10), which with Easter approaching on Sunday, April 12, 2020, the Council acted at its meeting on April 7, 2020, to limit local gatherings to no more than ten (10) individuals, allowing also for 6' social distancing. On October 9, 2020, apparently in consideration of the approaching holidays (e.g. Halloween, Thanksgiving, Christmas, etc.), the State issued guidance to allow up to three households to gather outdoors, including in a public park or outdoor space, allowing for social distancing, hand hygiene and wearing of face coverings unless eating or drinking, and not to exceed two hours in duration.

The County and most cities across the county have either closed or instituted soft-closings of its parks, including the closing of arbors, playgrounds and restrooms. At its meeting of April 7, 2020, the Council acted to soft-close City parks, including arbors, playgrounds, skatepark and sports courts (keeping

restrooms open for hygiene purposes) and that gatherings of any size not occur. Consistent with the State and County's modified Orders regarding outdoor recreation and operating restrictions, at its meeting of May 5, 2020, the Council acted to reopen the City's golf course (including requiring participants to wear face coverings), OHV Park and tennis courts. On June 5, 2020, the State announced guidelines for the opening of outdoor recreation, including public swimming pools and aquatic venues, beginning June 12, 2020. At its meeting on June 16, 2020, the Council provided approval for the opening of the Murry Park swimming pool and Fallen Heroes Park splash pad consistent with the State's guidelines and necessary precautions and preparations. With continued limitations on team-oriented recreation activities, staff prepared new individual outdoor recreation opportunities for the community, such as cross-country running. On June 5, 2020, the State also provided guidance on the opening of day camps beginning June 12, 2020, which staff also prepared for opening consistent with the State's guidelines and necessary precautions and preparations, and subsequently was completed on July 31, 2020. On September 28, 2020, the State allowed public playgrounds to reopen with guidance and restrictions, which at its meeting on October 6, 2020, the Council acted to keep playgrounds closed until further action.

Due to the pandemic and to avoid mass gatherings, the community has suffered from the cancellation of the Iris Festival, Cinco de Mayo Parade, Porterville Fair, Military Banner Ceremony, KJUG Summer Concert Series, Freedom Fest, Pioneer Days, Veterans Day Parade, Christmas Tree-Lighting Ceremony and the Children's Christmas Parade (December).

Governor Newsom's Executive Order N-28-20, issued on March 16, 2020, strongly advised that both private and public utilities not shutoff utilities or charge late fees for lack of payment until May 31, 2020, and directed the California Public Utilities Commission to review both private and public utilities for conformance. At its meeting on March 17, 2020, the Council acted to suspend the shutoff of utilities and the charging of late fees for lack of payment until at least its meeting of April 21, 2020 for review. Governor Newsom issued Executive Order N-42-20 on April 2, 2020, which mandated that private and public water utilities not shutoff service due to non-payment, retroactive to March 4, 2020 - the Order did not reference the charging of late fees. Given the suspension of shutoff and charging of late fees, the City initially experienced a dramatic increase in accounts not making payment since the Council's action, which staff reinforced the message to customers that regular payments must still be made and has led to now generally usual payment, although has begun to accumulate. Since the Council's action on March 17, 2020 and as of October 31, 2020, there was \$879,385 in unpaid City utility accounts (water: \$407,327; sewer: \$249,996; and refuse: \$222,061), with the corresponding total loss in late fees of \$199,998 - approximately double the City's experience prior to the Governor's Executive Order. At its meeting on April 21, 2020, the Council acted to continue the moratorium of utility turnoff for non-payment consistent with the Executive Order, and to continue to not charge late fees until further action by the Council.

Governor Newsom's Executive Order N-32-20, issued on March 18, 2020, appropriated \$150 million in emergency homeless funding, of which \$284,403 was allocated to Tulare County between \$147,734 to the Continuum of Care (CoC) and \$136,669 to the County. The CoC initially indicated its appropriation to the City of approximately \$40,000 based upon recent homeless population counts, which City staff recommended be the funding source for the daily homeless lunch program the City initiated on March 27, 2020, with the closure of the local non-profit (Helping Hands of Porterville Inc.) due to pandemic concerns earlier that same week. Staff estimated that the \$40,000 would allow the daily lunch program to continue through the month of April 2020. Subsequently, the CoC indicated it was attempting to match its funding allocation with the County's as the required 25% match to larger federal FEMA funding of approximately \$1.2 million. The County has indicated its allocation will be utilized in assisting with providing shelter for homeless individuals that are identified high-risk or in need of quarantine due to COVID-19 (Project Roomkey), which the County is working with two local hotels in the leasing of approximately thirty (30) rooms. At the time of this report, the County reports there are currently one hundred and thirty-three (133) total hotel rooms available to homeless individuals participating in the Project Roomkey program across the county, with eighty (80) of the rooms occupied. The County also reports that a Street Medicine event occurred in Porterville on June 29, 2020, during which twelve (12) individuals were tested for COVID-19 and all were negative. On July 1, 2020, Helping Hands of Porterville resumed its daily homeless lunch program, thus relieving the City and its staff of the deliver of this program. However, Helping Hands recently decided to close its program in October 2020 due to limited donations and participation.

The City's contract operator of the planned navigation center, Turning Point of Central California, has been issued building permits and was making necessary improvements for anticipated opening in the month of July, with the installation of the fire monitoring and suppression system the final improvement needed to be completed. Turning Point had previously indicated that due to the current pandemic, occupancy of the navigation center when opened would be at half-capacity to allow adequate physical distancing given group housing, but now believes the center can open with two-thirds capacity and meet State guidelines for healthy and safe operations. Given the delay in the installation of the fire monitoring and suppression system, at its meeting on August 4, 2020, the Council gave staff direction to consider opening the navigation center restricted to providing services without housing, which Turning Point opened and began offering daily services only on August 18, 2020. With the final completion of the requisite fire suppression and monitoring system, Turning Point began offering emergency shelter and transitional housing on November 15, 2020.

Governor Newsom's Executive Order N-33-20, issued on March 19, 2020, ordered that state residents shelter-at-home, and that only identified essential businesses remain open and associated workforce. Much confusion reverberated throughout the state in clarifying essential businesses, which staff both responded to complaints and acted proactively in following the State's guidelines of essential businesses (attached). To assist in this ever-changing

subject, at its meeting on April 21, 2020, the Council acted to appoint Vice Mayor Reyes and Council Member Gurrola to form an Ad Hoc Committee to coordinate with the City Attorney and City Manager in the application of the State and County guidelines in regard to essential and non-essential businesses. The Committee has met intermittently in review of local complaints and compliance with modified State and County Orders.

On Tuesday, April 28, 2020, Governor Newsom announced his 4 Stage plan for reopening the California economy and gradual modification of his stay-at-home Order, which his presentation is enclosed. The Governor indicated that moving from current Stage 1 to State 2 would likely occur in several weeks and allow non-essential "low-risk" retail to reopen with requisite 6' social distancing. The Governor indicated "high-risk" personal services would likely be allowed later during the Summer. On May 4, 2020, Governor Newsom issued Executive Order N-60-20, allowing the reopening of lower-risk businesses and spaces in Stage 2 beginning May 8, 2020, including manufacturing, retailers (pick-up and delivery) and warehouses. The Order also allowed Counties to proceed more quickly through Stage 2 (Variation Attestation) given certain State-determined public health metrics were met, including: 1) sustained reduction or stability in new cases for fourteen (14) days; 2) adequate diagnostic testing capacity and test results, including the ability to test all individuals with COVID-19 symptoms, same-day testing widely available for hospitalized patients, healthcare workers and workers in essential roles, close contacts for confirmed cases, and outpatients with symptoms; 3) public health department's capacity to rapidly interview new cases, identify close contacts, and ensure isolation and quarantine are effective; and 4) health care system capacity to respond to potential surges.

At its meeting on May 12, 2020, the Tulare County Board of Supervisors considered its draft plan for compliance with the Executive Order (attached). Of note, the Tulare County Public Health Officer issued a health advisory on May 7, 2020, that county residents should wear face coverings when in public (attached). At its meeting on May 19, 2020, the Board of Supervisors acted to modify its draft plan for reopening, including advancing immediately through the State's Stage 3, rescinding the County's Public Health Officer's Order, halting all local civil enforcement of stay-at-home Orders, directing County guidance for Stage 3 businesses, and direct County efforts from meeting State metrics to supporting problem areas and populations including the elderly and health compromised individuals, skilled nursing facilities, hospitals, and businesses or agencies with reported outbreaks. On May 26, 2020, the County submitted its Variance Attestation to the State, which was approved and posted by the State on May 27, 2020, allowing the county to proceed through the State's Stage 2.

On May 25, 2020, the State announced that places of worship (25% capacity) and in-store retail were allowed to proceed immediately statewide, and on May 26, 2020, the Governor announced that barber and hair salons could reopen immediately in counties with approved Variance Attestations, which as previously stated Tulare County's was approved by the State on May 27th. On

June 5, 2020, the State announced that additional previous Stage 3 activities would be allowed to reopen with provided guidance effective June 12, 2020, including bars and wineries, campgrounds and RV parks, family entertainment centers (i.e. bowling alleys and movie theaters), fitness facilities, and museums/galleries/zoos/aquariums.

Due to increasing positive cases across the state, on June 18, 2020, the State issued guidance that all individuals wear face coverings when in public (attached). At its meeting on July 7, 2020, the Council acted to approve and Order under its Proclamation of Local Emergency authorizing the City to enforce the State's mandatory face covering requirements through the City's administrative citation regulations and aggressive education efforts, and directed City staff to prepare an emergency Ordinance requiring face coverings consistent with the State requirements, which was scheduled for Public Hearing and was approved by the Council at its meeting of July 21, 2020. In enforcement of the emergency Ordinance since adoption by Council, the Fire Department's Code Enforcement Division has seven documented business-oriented incidents, and the Police Department has twenty-three (23) documented incidents involving individuals.

Due to increasing positive cases, testing positivity and COVID-19 hospitalizations, the State placed Tulare County on its monitoring list program for targeted engagement and potentially reinstituting community measures, which on June 28, 2020, the State directed all bars in Tulare County be closed again immediately by local health officer order. On July 1, 2020, the State further directed the closing of indoor activities for at least the succeeding three weeks, including restaurants, bowling alleys, movie theaters, card rooms, museums, wineries and zoos. On Monday, July 14, 2020, the State directed the immediate closure of all bars in California and cease in-restaurant dining, as well as the immediate closure of indoor activities or industries including barbershops, fitness centers, hair salons, malls, offices for non-essential sectors, personal care services (e.g. esthetic salons, nails salons, tattoo parlors), protests and places of worship for counties on the State's monitoring list (including Tulare County), unless the activity or industry can be modified to operate indoors or by pick-up. The State Board of Barbering and Cosmetology initially declared that barbershops and esthetic, hair and nails salons are required to operate indoors and may not operate outdoors and therefore must be closed, however, the State Board subsequently determined to allow these businesses to be open with modifications to operate outdoors.

On August 28, 2020, Governor Newsom announced that the State was implementing a new County Monitoring List system known as the Blueprint for a Safer Economy, incorporating standardized four tiers dependent upon a county's daily new cases per 100,000 population and testing positivity rates and the corresponding effect on economic sectors guidelines for operation. Tulare County is currently in the Purple (Widespread) tier given its daily positive case rate per 100,000 population exceeds seven (17.6 at the time of this report), although the positivity rate is less than the maximum eight percent (7.1% at the time of this report). At the time of this report, there are forty-five (45) counties

in the Purple (Widespread) tier, eight counties in the Red (Substantial) tier and five counties in the Orange (Moderate) tier, with no counties in the Yellow (Minimal) tier. Under the new system, the State allowed barber and hair salons to reopen indoor operations on August 31, 2020, and allowed nail salons to reopen indoor operations on September 22, 2020, if permitted by local county public health officials. The State further allowed expanded personal care services to reopen indoor operations on October 20, 2020, including esthetic, skin care, electrology, body art professionals, tattoo parlors, piercing shops and massage therapy (in non-healthcare settings).

On September 30, 2020, the State announced a new health equity metric to be included in the Blueprint for a Safer Economy, requiring that test positivity rates in disadvantaged communities that comprise the lowest quartile of a county's Healthy Places Index census tracts do not significantly lag behind overall county test positivity rates. In order to advance to the next less restrictive tier (e.g. Purple-widespread to Red-substantial), a county will need to meet an equity metric and/or demonstrate targeted investments to eliminate disparities in levels of transmission. According to Tulare County's report as of October 13, 2020, the lowest quartile does not include Porterville areas exceeding 8% positivity, with the census tracts of Cutler/Yettum (24.4%), Pixley/Teviston (18.9%), Earlimart (15.6%), Alpaugh/Allensworth/Richgrove (15.4%), South-Central Tulare (13.3%), Tipton/Woodville (12.5%), West-Central Tulare (11.8%) and Orosi (8.9%) being of greatest concern. As referenced by a Member of Council, at its meeting on October 6, 2020, the Tulare County Board of Supervisors adopted a Resolution, demanding clarity, consistency, and continuity from Governor Newsom regarding COVID-19 directives to counties.

On November 19, 2020, due to the observed significant rise in positive cases, the State announced a "Limited Stay At Home Order" that in all counties in the Purple (Widespread) tier under the State's Blueprint for a Safe Economy, requiring that all non-essential business and public activities cease to occur between 10:00 PM and 5:00 AM, effective November 21, 2020 through December 21, 2020 or as may be extended.

The new State Blueprint also provided a waiver process to allow TK-6th Grade students to receive in-person instruction with prior County and State approval, which locally St. Anne's School received such approval and began instruction on September 14, 2020. Also locally, Hope Elementary School received waiver approval and began in-person instruction on September 28, 2020, and Burton, Rockford Elementary, Pleasant View Elementary and Porterville Unified School Districts have each recently received both County and State waiver approval, but have not yet begun in-person instruction.

At its meeting on August 4, 2020, the Council considered and gave direction to staff evaluate opportunities for local restaurants to operate outdoors in the City's public right-of-way. At its meeting on August 18, 2020, given City liability considerations, the Council gave direction to work with local restaurants individually through an application and guidelines developed in coordination with the Council's Ad Hoc Committee. On August 24, 2020, the Council Ad

Hoc Committee met with staff to review draft guidelines for the opening of outdoor dining by restaurants in public right-of-way, which the final guidelines are provided as an attachment. Consistent with the guidelines and the proposed City's support for protecting restaurant patrons dining in the public right-of-way, at its meeting on September 1, 2020, the Council authorized an appropriation of \$100,000 from the City's Emergency/Catastrophic Reserve Fund for the purchase of necessary traffic and sidewalk barriers and other complimentary amenities, with any expenditure of funds to be documented for potential reimbursement should future federal and/or state funding be made available to mitigate COVID-19 activities. At the time of this report, nine entities have been approved to provide outdoor dining, including the Elks Lodge #1342, New China Restaurant, El Jacalito Taqueria, Pho Sho Fusion House, Pizza Factory, El Maguey Mexican Restaurant, Mariscos El-30, RJ's Cafe & Bakery, El Nuevo Mexicali II, Habi Sushi, Black Bear Diner and Birria Y Pollos El Guero, and several more are in the application process.

Due to increasing virus spread in the Central Valley resulting in increased cases and hospitalizations, on July 27, 2020, the Governor announced the appropriation of \$52 million in support of the counties of Fresno, Kern, Kings, Madera, Merced, San Joaquin, Stanislaus and Tulare in the implementation of three Unified Support Teams to provide hands-on technical assistance in support of testing, contact tracing, isolation and quarantine efforts. On August 12 and 13, 2020, the State's Unified Support Team met with local representatives in developing strategies reducing community spread in Tulare County.

Most of the City's workforce has been deemed essential under the State's guidelines, which the City has directed its limited non-essential workers to remain at home and available for assignment if necessary, and has implemented a rotation of its essential workforce as much as possible to reduce employees public exposure. Employees required to be at work during the shelter-at-home Order are accrued special leave for later utilization and/or payment, as well as employees that are working from home. Given the State's reopening guidelines, all City employees returned to work effective June 1, 2020, and the special leave program was discontinued effective May 31, 2020. Compounding the challenge for the City's workforce was the temporary closure of local non-profit contractor Promoting Self Worth (PSW) due to its workforce being considered highly vulnerable to COVID-19, thus necessitating City staff to address the contracted essential services of graffiti removal and the care for a significant number of Landscape and Lighting Maintenance Districts (LMD). PSW returned to performing its contracted services with the City beginning the week of May 11, 2020.

Governor Newsom's Executive Order N-37-20, issued on March 27, 2020, established a moratorium on eviction of tenants in good standing as of the date of the Order through May 31, 2020, which had been an issue of discussion by the Council at its meeting on March 17, 2020. On May 29, 2020, Governor Newsom issued Executive Order N-66-20, extending the eviction moratorium through July 28, 2020. On June 30, 2020, the Governor issued Executive Order N-71-20, extending the eviction moratorium through September 30, 2020. On

August 31, 2020, Governor Newsom signed legislation to extend protections for tenants from eviction from COVID-19-related back rent through February 1, 2021, as well as extended anti-foreclosure protections in the Homeowner Bill of Rights to small landlords.

Governor Newsom's Executive Order N-39-20, issued on March 30, 2020, provided broad waivers of certifications and licensing for healthcare providers and locations to expand the provision of medical care in meeting an expected patient surge. During his press conference announcing the Order, Governor Newsom mentioned that Porterville would play a role in meeting the expected patient surge, which staff has learned will involve the reactivation of a portion of the General Treatment Area of the Porterville Developmental Center (PDC), including caring for up to potentially 350 COVID-19 patients in four (4) categories: 1) patients too sick to recover at home, but do not need hospitalization; 2) patients who have been hospitalized and who are recovering and require less care; 3) skilled nursing facility patients who don't require acute care; and 4) developmentally-disabled group home patients. Preliminary construction improvements have been completed to prepare the facility's infrastructure, with no timeline yet provided for necessary medical improvements expected to begin. The City has repeatedly asked the State to keep it involved in its planning efforts, including any actions by Council that would be supportive of its operation. On May 8, 2020, the City received notice from the County that the State intended to immediately relocate approximately forty (40) foster youth from across the state with COVID-19 to PDC, however, on May 9, 2020, the County notified the City that the State had changed its plans and would not be relocating the youth to PDC, likely to ensure regional patient surge capacity. On July 2, 2020, the City received notification from the County that the State would activate PDC as a regional alternate site on Friday, July 3, 2020, treating low-acute COVID-19 patients transferred from impacted hospitals from across the Central Valley. On August 19, 2020, the State notified the County that State personnel were being assigned to support the large fires in northern California and now across the state, and that PDC would not be accepting any new patients until further notice. As of September 12, 2020, there were no patients being treated at PDC, with the State designating the "warm closure" of the facility that can be reactivated within seventy-two (72) hours if necessary.

As part of the Governor's commitment to broader testing in rural and under-served areas of the state, the State established a contracted large-scale testing facility at the Veterans Memorial Building, beginning operations on Tuesday, May 5, 2020. Up to 130 tests are expected to be performed each day (Monday - Friday) for the next several months, which testing will be available to everyone by appointment. Given initial low utilization, City staff initiated a local messaging campaign for local residents to be tested, which precipitated improved community response beyond minimum State testing thresholds. City staff had been notified by County staff that the Veterans Memorial administration has given notice to the State to terminate the testing at its facility effective July 31, 2020, so that it may again use the facility for other purposes, however, the State and the Veterans Memorial administration have agreed to

continue testing through the month of November, and likely through the remainder of the calendar year.

On March 27, 2020, President Trump signed the Coronavirus Aid, Relief, and Economic Security (CARES) Act, a \$2 trillion economic recovery stimulus package. The financial recovery package includes: 1) \$604 billion for individuals/families, including \$300 billion in cash payments, \$260 billion in unemployment payments and \$44 billion in student loan assistance; 2) \$500 billion for large corporations; 3) \$377 billion for small business; 4) \$340 billion for state and local governments; 5) and \$180 billion for public services, including \$100 billion for hospitals. Within the state and local government provisions, a local government's (county or city) population must exceed 500,000 to receive direct federal recovery, which local governments with population less than 500,000 would only receive federal recovery through a state if the state was agreeable to local government distributions. On April 24, 2020, President Trump signed the Paycheck Protection Program and Healthcare Enhancement Act (H.R. 266), which provided approximately \$400 billion in additional business assistance (\$321 billion) and medical support and testing (\$75 billion). Staff is focusing its efforts now in engaging with local businesses and financial institutions to ensure the emergency resources are made available to promote local economic stability upon the completion of the current state of emergency.

Another federal economic recovery package is currently in discussions by Congress, with the House of Representatives proposed Health and Economic Recovery Omnibus Emergency Solutions (HEROES) Act including \$3 trillion in federal assistance which includes \$1 trillion in state and local government funding assistance, and the Senate proposed Health, Economic Assistance, Liability protection and Schools (HEALS) Act including \$1 trillion in federal assistance which does not include any local government funding assistance.

At its meeting on May 5, 2020, the Council acted to amend its federal Community Development Block Grant (CDBG) 5-Year Action Plan and program the \$490,000 CDBG-CV business assistance funds received, and took additional action at its meeting on June 2, 2020, which staff received final approval from the Housing and Urban Development (HUD) Department on July 21, 2020, and begin providing local small business assistance. Although the City received approval of its CDBG-CV plan and program by HUD, on August 10, 2020, HUD released its final set of program rules, which staff had to review for consistency. On September 17, 2020, the City received notification from HUD of an additional \$393,000 in additional CDBG-CV funds, which City staff is still awaiting final approval from HUD on the use of funds. At its meeting of June 16, 2020, the Council took action to defer the collection of the biannual \$25 business license from July 2020 to January 2021 for local small businesses.

From a City financial perspective, there is little doubt that the pandemic is having significant negative impact on local sales tax and transient occupancy tax, which will be further compounded by a likely reassessment of property tax values. Fortunately, the conservative stewardship of the City has allowed it to

have General Fund reserves for Catastrophic Emergencies (\$2.8 million) and Budget Stabilization (\$4.3 million), which in addition to the recent passage of Measure I, allows the City to purposefully address the current crisis and plan for budgetary accommodations that the City's essential services to the community can continue without current modification. The League of California Cities has estimated cities in California will collectively lose \$7 billion in revenue through the 2020-2021 fiscal year, and the State has forecasted that it will lose \$54 billion, exhausting its reserves and requiring significant State program reductions.

As a component of its 2020-2021 budget adoption, the State appropriated \$500 million of CARES Act funding to cities that were not allocated CARES Act funding directly by the federal government, including \$275 million to cities with a population of less than 300,000, which the City will receive approximately \$740,000.

RECOMMENDATION: That the City Council:

1. Receive the report of status and review of the Proclamation of Local Emergency;
2. Determine the need exists to continue said Declaration; and
3. Take action and/or provide direction as deemed necessary.

ATTACHMENTS:

1. Resolution 22-2020: Proclamation of Local Emergency
2. Governor Newsom Proclamation of a State of Emergency
3. President Trump Proclamation on Declaring a National Emergency
4. Tulare County Proclamations of Local Emergency
5. Tule River Tribe Declaration of State of Emergency
6. Governor Newsom Executive Order N-25-20 - Mass Gatherings
7. Governor Newsom Executive Order N-28-20 - Utilities
8. Governor Newsom Executive Order N-32-20 - Homeless Funding
9. Governor Newsom Executive Order N-33-20 - Stay at Home
10. Governor Newsom Executive Order N-33-20 - Essential Critical Infrastructure Workers Guidelines (Updated)
11. Governor Newsom Executive Order N-37-20 - Evictions Moratorium
12. Governor Newsom Executive Order N-39-20 - Expand Healthcare Workforce
13. Governor Newsom Executive Order N-42-20 - Utilities
14. Governor Newsom Update on California Pandemic Roadmap
15. Governor Newsom Executive Order N-60-20 - State Stage 2 Reopening and County Plan Guidelines
16. Tulare County Public Health Amended Order: April 8, 2020

17. Tulare County Public Health Amended Order: May 5, 2020
18. Tulare County Public Health Advisory - Face Coverings: May 7, 2020
19. Tulare County Public Health Amended Order: May 8, 2020
20. Tulare County Public Health Draft Reopening Plan: May 12, 2020
21. Tulare County Public Health Amended Order: May 18, 2020
22. Tulare County Roadmap to Recovery - Stage 3: May 19, 2020
23. State of California Guidance for Face Coverings: June 18, 2020
24. City of Porterville Urgency Ordinance - Face Coverings: July 21, 2020
25. City of Porterville Guidelines for Expanded Outdoor Dining
26. State of California Guidance for Reopening Outdoor Public Playgrounds: September 28, 2020
27. Tulare County Resolution - State COVID-19 Directives Clarity: October 6, 2020
28. State of California Guidance for Private Gatherings: October 9, 2020
29. Tulare County Healthy Places Index Update: October 13, 2020
30. State of California Guidance for Expanded Personal Care Services: October 20, 2020
31. State of California Limited Stay At Home Order - November 19 2020

Appropriated/Funded:

Review By:

Department Director:

John Lollis, City Manager

Final Approver: John Lollis, City Manager

RESOLUTION NO. 22-2020

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PORTERVILLE TO
PROCLAIM THE EXISTENCE OF A LOCAL EMERGENCY**

RESOLVED, by the City Council (the “Council”) of the City of Porterville (the “City”),
as follows:

WHEREAS, the novel coronavirus (COVID-19) is a respiratory disease which the
Centers for Disease Control and Prevention (CDC) considers to be a very serious public health
threat with outcomes ranging from mild to severe sickness and death; and

WHEREAS, COVID-19 is easily transmissible from person to person and has spread
globally to over 118 countries, infected more than 125,000, and killed more than 4,000 as of
March 11, 2020 per the World Health Organization (WHO); and

WHEREAS, on January 31, 2020, the United States Department of Public Health and
Human Services declared a public emergency for COVID-19 beginning on January 27, 2020;
and

WHEREAS, on March 4, 2020, Governor Gavin Newsom declared a state of emergency
in the State of California due to the number of confirmed cases of COVID-19 in the State; and

WHEREAS, on March 11, 2020, WHO made the assessment that COVID-19 can be
characterized as a pandemic; and

WHEREAS, on March 12, 2020, Tulare County declared an emergency due to the
confirmed case of COVID-19 at Sierra View Medical Center in the city of Porterville, thus
enabling Tulare County to take extraordinary measures; and

WHEREAS, on March 13, 2020, Governor Newsom announced that California public
health officials have determined that gatherings of more than 250 people should be postponed or
canceled across the State at least until the end of March; and

WHEREAS, COVID-19 therefore and will continue to cause conditions of peril to the
health, safety, and welfare of persons and property in the City of Porterville; and

WHEREAS, preparing for, responding to, mitigating, and recovering from the spread of COVID-19 requires the City to divert resources from normal day-to-day operations, and has and will continue to impose extraordinary requirements on and expenses to the City; and

WHEREAS, the City Council hereby finds that the above described conditions related to the COVID-19 outbreak does warrant and necessitate the proclamation of the existence of a local emergency in the city of Porterville.

NOW, THEREFORE, it is hereby **DECLARED** and **ORDERED**, as follows:

1. The proclamation of existence of a local emergency exists throughout the City of Porterville.
2. The local emergency shall be deemed to continue to exist until its termination is proclaimed by the City Council of the City of Porterville.
3. As required by law, the City Council shall review the need to continue the state of emergency every thirty (30) days until this Resolution is terminated.

PASSED, APPROVED, AND ADOPTED this 17th day of March, 2020.



Martha A. Flores, Mayor

ATTEST:

John D. Lollis, City Clerk

By: 

Patrice Hildreth, Chief Deputy City Clerk

STATE OF CALIFORNIA)
CITY OF PORTERVILLE) SS
COUNTY OF TULARE)

I, JOHN D. LOLLIS, the duly appointed City Clerk of the City of Porterville do hereby certify and declare that the foregoing is a full, true and correct copy of the resolution passed and adopted by the Council of the City of Porterville at a meeting of the Porterville City Council duly called and held on the 17th day of March, 2020.

Said resolution was duly passed, approved, and adopted by the following vote:

Council:	PEÑALOZA	REYES	FLORES	STOWE	GURROLA
AYES:	X	X	X	X	
NOES:					
ABSTAIN:					
ABSENT:					X

JOHN D. LOLLIS, City Clerk



By: Fernando Gabriel-Moraga, Deputy City Clerk

**EXECUTIVE DEPARTMENT
STATE OF CALIFORNIA**

PROCLAMATION OF A STATE OF EMERGENCY

WHEREAS in December 2019, an outbreak of respiratory illness due to a novel coronavirus (a disease now known as COVID-19), was first identified in Wuhan City, Hubei Province, China, and has spread outside of China, impacting more than 75 countries, including the United States; and

WHEREAS the State of California has been working in close collaboration with the national Centers for Disease Control and Prevention (CDC), with the United States Health and Human Services Agency, and with local health departments since December 2019 to monitor and plan for the potential spread of COVID-19 to the United States; and

WHEREAS on January 23, 2020, the CDC activated its Emergency Response System to provide ongoing support for the response to COVID-19 across the country; and

WHEREAS on January 24, 2020, the California Department of Public Health activated its Medical and Health Coordination Center and on March 2, 2020, the Office of Emergency Services activated the State Operations Center to support and guide state and local actions to preserve public health; and

WHEREAS the California Department of Public Health has been in regular communication with hospitals, clinics and other health providers and has provided guidance to health facilities and providers regarding COVID-19; and

WHEREAS as of March 4, 2020, across the globe, there are more than 94,000 confirmed cases of COVID-19, tragically resulting in more than 3,000 deaths worldwide; and

WHEREAS as of March 4, 2020, there are 129 confirmed cases of COVID-19 in the United States, including 53 in California, and more than 9,400 Californians across 49 counties are in home monitoring based on possible travel-based exposure to the virus, and officials expect the number of cases in California, the United States, and worldwide to increase; and

WHEREAS for more than a decade California has had a robust pandemic influenza plan, supported local governments in the development of local plans, and required that state and local plans be regularly updated and exercised; and

WHEREAS California has a strong federal, state and local public health and health care delivery system that has effectively responded to prior events including the H1N1 influenza virus in 2009, and most recently Ebola; and

WHEREAS experts anticipate that while a high percentage of individuals affected by COVID-19 will experience mild flu-like symptoms, some will have more serious symptoms and require hospitalization, particularly individuals who are elderly or already have underlying chronic health conditions; and

WHEREAS it is imperative to prepare for and respond to suspected or confirmed COVID-19 cases in California, to implement measures to mitigate the spread of COVID-19, and to prepare to respond to an increasing number of individuals requiring medical care and hospitalization; and

WHEREAS if COVID-19 spreads in California at a rate comparable to the rate of spread in other countries, the number of persons requiring medical care may exceed locally available resources, and controlling outbreaks minimizes the risk to the public, maintains the health and safety of the people of California, and limits the spread of infection in our communities and within the healthcare delivery system; and

WHEREAS personal protective equipment (PPE) is not necessary for use by the general population but appropriate PPE is one of the most effective ways to preserve and protect California's healthcare workforce at this critical time and to prevent the spread of COVID-19 broadly; and

WHEREAS state and local health departments must use all available preventative measures to combat the spread of COVID-19, which will require access to services, personnel, equipment, facilities, and other resources, potentially including resources beyond those currently available, to prepare for and respond to any potential cases and the spread of the virus; and

WHEREAS I find that conditions of Government Code section 8558(b), relating to the declaration of a State of Emergency, have been met; and

WHEREAS I find that the conditions caused by COVID-19 are likely to require the combined forces of a mutual aid region or regions to appropriately respond; and

WHEREAS under the provisions of Government Code section 8625(c), I find that local authority is inadequate to cope with the threat posed by COVID-19; and

WHEREAS under the provisions of Government Code section 8571, I find that strict compliance with various statutes and regulations specified in this order would prevent, hinder, or delay appropriate actions to prevent and mitigate the effects of the COVID-19.

NOW, THEREFORE, I, GAVIN NEWSOM, Governor of the State of California, in accordance with the authority vested in me by the State Constitution and statutes, including the California Emergency Services Act, and in particular, Government Code section 8625, **HEREBY PROCLAIM A STATE OF EMERGENCY** to exist in California.

IT IS HEREBY ORDERED THAT:

1. In preparing for and responding to COVID-19, all agencies of the state government use and employ state personnel, equipment, and facilities or perform any and all activities consistent with the direction of the Office of Emergency Services and the State Emergency Plan, as well as the California Department of Public Health and the Emergency Medical Services Authority. Also, all residents are to heed the advice of emergency officials with regard to this emergency in order to protect their safety.
2. As necessary to assist local governments and for the protection of public health, state agencies shall enter into contracts to arrange for the procurement of materials, goods, and services needed to assist in preparing for, containing, responding to, mitigating the effects of, and recovering from the spread of COVID-19. Applicable provisions of the Government Code and the Public Contract Code, including but not limited to travel, advertising, and competitive bidding requirements, are suspended to the extent necessary to address the effects of COVID-19.
3. Any out-of-state personnel, including, but not limited to, medical personnel, entering California to assist in preparing for, responding to, mitigating the effects of, and recovering from COVID-19 shall be permitted to provide services in the same manner as prescribed in Government Code section 179.5, with respect to licensing and certification. Permission for any such individual rendering service is subject to the approval of the Director of the Emergency Medical Services Authority for medical personnel and the Director of the Office of Emergency Services for non-medical personnel and shall be in effect for a period of time not to exceed the duration of this emergency.
4. The time limitation set forth in Penal Code section 396, subdivision (b), prohibiting price gouging in time of emergency is hereby waived as it relates to emergency supplies and medical supplies. These price gouging protections shall be in effect through September 4, 2020.
5. Any state-owned properties that the Office of Emergency Services determines are suitable for use to assist in preparing for, responding to, mitigating the effects of, or recovering from COVID-19 shall be made available to the Office of Emergency Services for this purpose, notwithstanding any state or local law that would restrict, delay, or otherwise inhibit such use.
6. Any fairgrounds that the Office of Emergency Services determines are suitable to assist in preparing for, responding to, mitigating the effects of, or recovering from COVID-19 shall be made available to the Office of Emergency Services pursuant to the Emergency Services Act, Government Code section 8589. The Office of Emergency Services shall notify the fairgrounds of the intended use and can immediately use the fairgrounds without the fairground board of directors' approval, and

notwithstanding any state or local law that would restrict, delay, or otherwise inhibit such use.

7. The 30-day time period in Health and Safety Code section 101080, within which a local governing authority must renew a local health emergency, is hereby waived for the duration of this statewide emergency. Any such local health emergency will remain in effect until each local governing authority terminates its respective local health emergency.
8. The 60-day time period in Government Code section 8630, within which local government authorities must renew a local emergency, is hereby waived for the duration of this statewide emergency. Any local emergency proclaimed will remain in effect until each local governing authority terminates its respective local emergency.
9. The Office of Emergency Services shall provide assistance to local governments that have demonstrated extraordinary or disproportionate impacts from COVID-19, if appropriate and necessary, under the authority of the California Disaster Assistance Act, Government Code section 8680 et seq., and California Code of Regulations, Title 19, section 2900 et seq.
10. To ensure hospitals and other health facilities are able to adequately treat patients legally isolated as a result of COVID-19, the Director of the California Department of Public Health may waive any of the licensing requirements of Chapter 2 of Division 2 of the Health and Safety Code and accompanying regulations with respect to any hospital or health facility identified in Health and Safety Code section 1250. Any waiver shall include alternative measures that, under the circumstances, will allow the facilities to treat legally isolated patients while protecting public health and safety. Any facilities being granted a waiver shall be established and operated in accordance with the facility's required disaster and mass casualty plan. Any waivers granted pursuant to this paragraph shall be posted on the Department's website.
11. To support consistent practices across California, state departments, in coordination with the Office of Emergency Services, shall provide updated and specific guidance relating to preventing and mitigating COVID-19 to schools, employers, employees, first responders and community care facilities by no later than March 10, 2020.
12. To promptly respond for the protection of public health, state entities are, notwithstanding any other state or local law, authorized to share relevant medical information, limited to the patient's underlying health conditions, age, current condition, date of exposure, and possible contact tracing, as necessary to address the effect of the COVID-19 outbreak with state, local, federal, and nongovernmental partners, with such information to be used for the limited purposes of monitoring, investigation and control, and treatment and coordination of care. The

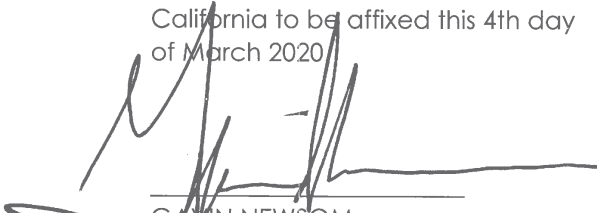
notification requirement of Civil Code section 1798.24, subdivision (i), is suspended.

13. Notwithstanding Health and Safety Code sections 1797.52 and 1797.218, during the course of this emergency, any EMT-P licensees shall have the authority to transport patients to medical facilities other than acute care hospitals when approved by the California EMS Authority. In order to carry out this order, to the extent that the provisions of Health and Safety Code sections 1797.52 and 1797.218 may prohibit EMT-P licensees from transporting patients to facilities other than acute care hospitals, those statutes are hereby suspended until the termination of this State of Emergency.

14. The Department of Social Services may, to the extent the Department deems necessary to respond to the threat of COVID-19, waive any provisions of the Health and Safety Code or Welfare and Institutions Code, and accompanying regulations, interim licensing standards, or other written policies or procedures with respect to the use, licensing, or approval of facilities or homes within the Department's jurisdiction set forth in the California Community Care Facilities Act (Health and Safety Code section 1500 et seq.), the California Child Day Care Facilities Act (Health and Safety Code section 1596.70 et seq.), and the California Residential Care Facilities for the Elderly Act (Health and Safety Code section 1569 et seq.). Any waivers granted pursuant to this paragraph shall be posted on the Department's website.

I FURTHER DIRECT that as soon as hereafter possible, this proclamation be filed in the Office of the Secretary of State and that widespread publicity and notice be given of this proclamation.

IN WITNESS WHEREOF I have
hereunto set my hand and caused
the Great Seal of the State of
California to be affixed this 4th day
of March 2020



GAVIN NEWSOM
Governor of California

ATTEST:

ALEX PADILLA
Secretary of State

**PROCLAMATIONS**

Proclamation on Declaring a National Emergency Concerning the Novel Coronavirus Disease (COVID-19) Outbreak

Issued on: March 13, 2020



In December 2019, a novel (new) coronavirus known as SARS-CoV-2 (“the virus”) was first detected in Wuhan, Hubei Province, People’s Republic of China, causing outbreaks of the coronavirus disease COVID-19 that has now spread globally. The Secretary of Health and Human Services (HHS) declared a public health emergency on January 31, 2020, under section 319 of the Public Health Service Act (42 U.S.C. 247d), in response to COVID-19. I have taken sweeping action to control the spread of the virus in the United States, including by suspending entry of foreign nationals seeking entry who had been physically present within the prior 14 days in certain jurisdictions where COVID-19 outbreaks have occurred, including the People’s Republic of China, the Islamic Republic of Iran, and the Schengen Area of Europe. The Federal Government, along with State and local governments, has taken preventive and proactive measures to slow the spread of the virus and treat those affected, including by instituting Federal quarantines for individuals evacuated from foreign nations, issuing a declaration pursuant to section 319F-3 of the Public Health Service Act (42 U.S.C. 247d-6d), and releasing policies to accelerate the acquisition of personal protective equipment and streamline bringing new diagnostic capabilities to laboratories. On March 11, 2020, the World Health Organization announced that the COVID-19 outbreak can be characterized as a pandemic, as the rates of infection continue to rise in many locations around the world and across the United States.

The spread of COVID-19 within our Nation’s communities threatens to strain our Nation’s healthcare systems. As of March 12, 2020, 1,645 people from 47 States have been infected with the virus that

causes COVID-19. It is incumbent on hospitals and medical facilities throughout the country to assess their preparedness posture and be prepared to surge capacity and capability. Additional measures, however, are needed to successfully contain and combat the virus in the United States.

NOW, THEREFORE, I, DONALD J. TRUMP, President of the United States, by the authority vested in me by the Constitution and the laws of the United States of America, including sections 201 and 301 of the National Emergencies Act (50 U.S.C. 1601 *et seq.*) and consistent with section 1135 of the Social Security Act (SSA), as amended (42 U.S.C. 1320b-5), do hereby find and proclaim that the COVID-19 outbreak in the United States constitutes a national emergency, beginning March 1, 2020. Pursuant to this declaration, I direct as follows:

Section 1. Emergency Authority. The Secretary of HHS may exercise the authority under section 1135 of the SSA to temporarily waive or modify certain requirements of the Medicare, Medicaid, and State Children's Health Insurance programs and of the Health Insurance Portability and Accountability Act Privacy Rule throughout the duration of the public health emergency declared in response to the COVID-19 outbreak.

Sec. 2. Certification and Notice. In exercising this authority, the Secretary of HHS shall provide certification and advance written notice to the Congress as required by section 1135(d) of the SSA (42 U.S.C. 1320b-5(d)).

Sec. 3. General Provisions. (a) Nothing in this proclamation shall be construed to impair or otherwise affect:

(i) the authority granted by law to an executive department or agency, or the head thereof; or

(ii) the functions of the Director of the Office of Management and Budget relating to budgetary, administrative, or legislative proposals.

(b) This proclamation shall be implemented consistent with applicable law and subject to the availability of appropriations.

(c) This proclamation is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law or in equity by any party against the United States, its departments, agencies, or entities, its officers, employees, or agents, or any other person.

IN WITNESS WHEREOF, I have hereunto set my hand this thirteenth day of March, in the year of our Lord two thousand twenty, and of the Independence of the United States of America the two hundred and forty-fourth.

DONALD J. TRUMP



Health & Human Services Agency COUNTY OF TULARE AGENDA ITEM

BOARD OF SUPERVISORS

KUYLER CROCKER
District One

PETE VANDER POEL
District Two

AMY SHUKLIAN
District Three

EDDIE VALERO
District Four

DENNIS TOWNSEND
District Five

AGENDA DATE: March 17, 2020

Public Hearing Required	Yes ☐	N/A ☒
Scheduled Public Hearing w/Clerk	Yes ☐	N/A ☒
Published Notice Required	Yes ☐	N/A ☒
Advertised Published Notice	Yes ☐	N/A ☒
Meet & Confer Required	Yes ☐	N/A ☒
Electronic file(s) has been sent	Yes ☒	N/A ☐
Budget Transfer (Aud 308) attached	Yes ☐	N/A ☒
Personnel Resolution attached	Yes ☐	N/A ☒
Agreements are attached and signature line for Chairman is marked with tab(s)/flag(s)	Yes ☐	N/A ☒

CONTACT PERSON: Andrew Lockman PHONE: 624-8000

SUBJECT: Ratify Proclamations of Emergency for COVID-19

REQUEST(S):

That the Board of Supervisors:

1. Ratify a Proclamation of Local Emergency issued by the County Coordinator of Emergency Services on March 11, 2020 due to COVID-19; and
2. Ratify a Proclamation of Local Health Emergency issued by the County Health Officer on March 11, 2020 due to COVID-19.

SUMMARY:

As has been widely covered in the media, the COVID-19 outbreak originated in China beginning in December 2019. The Tulare County Department of Public Health, in cooperation with all Tulare County departments and numerous healthcare and community partners, has been actively monitoring and proactively preparing for COVID-19 since early January 2020.

Since that time, cases have been reported worldwide along with numerous deaths resulting from the disease. California has had numerous cases resulting from travel, person-to-person contact, and community spread. On March 4, 2020, Governor Newsom proclaimed a State of Emergency for COVID-19 after the first COVID-19 related death in California. Since that date, confirmed cases have also occurred in neighboring Fresno and Madera Counties.

On March 11, 2020, Tulare County had its first confirmed positive COVID-19 case. As a result, the County implemented a contingency plan under which the County's Coordinator of Emergency Services proclaimed a Local Emergency, and the County

SUBJECT: Ratify Proclamations of Emergency due to COVID-19
DATE: March 17, 2020

Health Officer proclaimed a Local Health Emergency, to enable the County to take all necessary response actions to combat the effects of the disease. Pursuant to California Government Code section 8630(b), these proclamations must be ratified within seven (7) days by the Board of Supervisors in order to remain in effect.

The Governor's State of Emergency dated March 4, 2020, waives statutory requirements to renew emergency proclamations for COVID-19, so these local proclamations will remain in effect until terminated by the Tulare County Board of Supervisors.

As a matter of information, local public health emergencies due to the threat posed by COVID-19 also have been declared by the Counties of Santa Clara, San Diego, San Francisco, Orange, Solano, Alameda, Sonoma, Marin, Placer, Los Angeles, Mendocino, Butte, San Bernardino, San Benito, Yolo, Monterey, San Mateo, Yuba, Sutter, Contra Costa, Humboldt, Lake, and Sacramento, and by numerous California cities and Indian Tribes.

FISCAL IMPACT/FINANCING:

There is no cost associated with proclaiming or terminating a local emergency or local health emergency. The proclamation of local emergency contains a request for California Disaster Assistance Act funding, which may result in cost recovery of extraordinary response costs associated with this incident.

LINKAGE TO THE COUNTY OF TULARE STRATEGIC BUSINESS PLAN:

The County's five-year strategic plan includes the Safety and Security initiative, with a directive to plan and provide coordinated emergency preparedness, response, recovery and mitigation capabilities for both natural and man-made disasters. These proclamations support the County's emergency response and coordination efforts by ensuring all necessary actions can be taken to mitigate the spread of disease.

ADMINISTRATIVE SIGN-OFF:



Timothy W. Lutz
Agency Director

Cc: County Administrative Office

Attachment(s) Proclamation of Local Emergency
Proclamation of Local Health Emergency

**BEFORE THE BOARD OF SUPERVISORS
COUNTY OF TULARE, STATE OF CALIFORNIA**

IN THE MATTER OF RATIFY PROCLAMATIONS) Resolution No. _____
OF EMERGENCY DUE TO COVID-19) Agreement No. _____
)

UPON MOTION OF SUPERVISOR _____, SECONDED BY
SUPERVISOR _____, THE FOLLOWING WAS ADOPTED BY THE
BOARD OF SUPERVISORS, AT AN OFFICIAL MEETING HELD _____
_____, BY THE FOLLOWING VOTE:

AYES:
NOES:
ABSTAIN:
ABSENT:

ATTEST: JASON T. BRITT
COUNTY ADMINISTRATIVE OFFICER/
CLERK, BOARD OF SUPERVISORS

BY: _____
Deputy Clerk

* * * * *

1. Ratified a Proclamation of Local Emergency issued by the County Coordinator of Emergency Services on March 11, 2020 due to COVID-19; and
2. Ratified a Proclamation of Local Health Emergency issued by the County Health Officer on March 11, 2020 due to COVID-19.

**PROCLAMATION OF A LOCAL EMERGENCY
BY THE DIRECTOR OF EMERGENCY SERVICES**

WHEREAS, Government Code section 8630 and Tulare County Ordinance Code section 1-15-1030 authorize the Director of Emergency Services to proclaim a local emergency when the County of Tulare ("County") is threatened by conditions of disaster or extreme peril to the safety of persons and property within the County that are or are likely to be beyond the control of the services, personnel, equipment, and facilities of the County, and the Board of Supervisors is not in session; and

WHEREAS, the Director of Emergency Services hereby finds:

Conditions of extreme peril to the safety of persons and property have arisen within the County due to the following:

A novel coronavirus (named "COVID-19") was first detected in Wuhan City, Hubei Province, China, in December 2019. The U.S. Centers for Disease Control and Prevention ("CDC") considers the virus to be a very serious public health threat, based on current information. In part, the virus is considered a serious public health threat because much is unknown. The exact modes of transmission, the factors facilitating human-to-human transmission, the extent of asymptomatic viral shedding, the groups most at risk of serious illness, the attack rate, and the case fatality rate all remain active areas of investigation. The CDC believes at this time that symptoms appear two to fourteen days after exposure. Currently, there is no vaccine or specific antiviral treatment for COVID-19.

The number of reported cases of COVID-19 has escalated dramatically over a short period of time. To date, worldwide there are over 125,000 confirmed cases of COVID-19 and over 4,600 deaths from COVID-19. Cases of COVID-19, though concentrated in China, have been reported in one hundred twenty-two countries, including the United States, and include individuals who never visited China. Transmission from an asymptomatic individual has been documented. In the U.S., there have been 939 total cases of COVID-19 confirmed to date in 41 different states, and at least 29 deaths reported.

The World Health Organization has declared the outbreak to be a global health emergency. Actions are being taken to protect public health and limit the spread of COVID-19 in the United States.

On March 4, 2020, Governor Newsom proclaimed a state of emergency to exist in California. There are now almost 200 confirmed cases in California spanning some 24 counties and at least four deaths have been reported in California due to COVID-19.

Local public health emergencies due to the threat posed by COVID-19 have been declared by the Counties of Santa Clara, San Diego, San Francisco, Orange, Solano, Alameda, Sonoma, Marin, Placer, Los Angeles, Mendocino, Butte, San Bernardino, San Benito, Yolo, Monterey, San Mateo, Yuba, Sutter, Contra Costa, Humboldt, Lake, and Sacramento, and by numerous California cities and Indian Tribes; and

Tulare County has a population of over 450,000 residents, many of whom travel frequently for business or personal reasons. The Health Officer of the County of Tulare has determined that there is an imminent and proximate threat to public health from the introduction of COVID-19 in Tulare County, and has declared a Local Health Emergency as a result.

These conditions are beyond the control of the services, personnel, equipment, and facilities of the County and require the combined forces of other political subdivisions to combat.

WHEREAS, on March 11, 2020, a Tulare County resident tested positive for COVID-19; and

WHEREAS, based on the experience of other California communities, it can reasonably be expected that other positive tests will soon follow; and

WHEREAS, the Board of Supervisors is not in session, and cannot immediately be called into session; and

WHEREAS, during a local emergency, the Director of Emergency Services or other individual authorized to serve in that capacity under Tulare County Ordinance Code sections 1-15-1031 and 1-15-1032 is empowered by Tulare County Ordinance Code section 1-15-1025 to issue rules and regulations on matters reasonably related to the protection of life and property as affected by such emergency; provided, however, that such rules and regulations must be confirmed at the earliest possible time by the Board of Supervisors; and

WHEREAS, the Director of Emergency Services is unavailable to issue a proclamation as he is currently outside of Tulare County and has authorized his successor, the County's Coordinator of Emergency Services (Assistant County Administrative Officer), as designated in Tulare County Ordinance Code sections 1-15-1010 (c) and 1-15-1030 (g) to exercise the powers of Director of Emergency Services as provided for in Tulare County Ordinance Code section 1-15-1030 (h) and thereby to issue this proclamation of local emergency; and

WHEREAS, the Tulare County Health Department must use all preventive measures, which will require access to available services, personnel, equipment, and facilities, to respond to COVID-19; and

NOW THEREFORE, the Tulare County Coordinator of Emergency Services hereby:

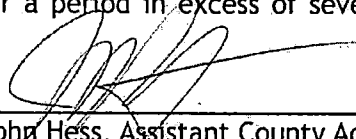
1. Proclaims that a local emergency, as defined in Government Code Section 8558 and Tulare County Ordinance Code Section 1-15-1005, now exists within the County due to the presence of COVID-19; and
2. Requests that the Governor of the State of California request a federal declaration to provide assistance, including, but not limited to, California Disaster Assistance Act ("CDAA"); and
3. Orders that the Tulare County Health Department must use all preventive measures, which will require access to available services, personnel, equipment, and facilities, to respond to COVID-19.

The local emergency shall not remain in effect for a period in excess of seven days unless it has been ratified by the Board of Supervisors.

Date: March 11, 2020

Time: 10:33 pm

By:


John Hess, Assistant County Administrative Officer
and Emergency Services Coordinator

APPROVED AS TO FORM:
COUNTY COUNSEL

/s/ Jennifer M. Shiffert
Deputy
Matter No. 2020217

Jlk/03-11-2020/2020217/1444043

**County of Tulare
Health & Human Services Agency
Public Health Branch**

Health Officer
5957 South Mooney Blvd.
Visalia, CA 93277
559-624-8480



**PROCLAMATION OF LOCAL HEALTH EMERGENCY
REGARDING NOVEL CORONAVIRUS (COVID-19)**

WHEREAS, California Health and Safety Code section 101080 and Tulare County Ordinance Code section 1-15-1033 authorize the local health officer to declare a local health emergency in the health officer's jurisdiction, or any part thereof, whenever the health officer reasonably determines that there is an imminent and proximate threat of the introduction of any contagious, infectious, or communicable disease, chemical agent, noncommunicable biologic agent, toxin, or radioactive agent; and

WHEREAS, the local health emergency shall not remain in effect after 7 days from the date of this declaration unless it has been ratified by the County of Tulare's Board of Supervisors; and

WHEREAS, the Health Officer of the County of Tulare makes the following findings:

A novel coronavirus (named "COVID-19") was first detected in Wuhan City, Hubei Province, China, in December 2019. The U.S. Centers for Disease Control and Prevention ("CDC") considers the virus to be a very serious public health threat, based on current information. In part, the virus is considered a serious public health threat because much is unknown. The exact modes of transmission, the factors facilitating human-to-human transmission, the extent of asymptomatic viral shedding, the groups most at risk of serious illness, the attack rate, and the case fatality rate all remain active areas of investigation, but are poorly characterized at this time. The best information to date suggests that the virus is spread between people primarily via respiratory droplets produced when an infected person coughs or sneezes. Symptoms of the virus include fever, cough, and shortness of breath, and infected individuals have experienced a range of outcomes, from mild sickness to severe illness and death. The CDC believes at this time that symptoms appear two to fourteen days after exposure. Currently, there is no vaccine or specific antiviral treatment for COVID-19.

The number of reported cases of COVID-19 has escalated dramatically over a short period of time. To date, worldwide there are over 125,000 confirmed cases of COVID-19 and over 4,600 deaths from COVID-19. Cases of COVID-19, though concentrated in China, have been reported in 122 counties, including the United States. Confirmed cases of COVID-19 include individuals who never visited China. Transmission from an asymptomatic individual has been documented. The World Health Organization has declared the outbreak to be a global health emergency.

On March 4, 2020, Governor Newsom proclaimed a state of emergency to exist in California.

**DECLARATION OF LOCAL HEALTH EMERGENCY
REGARDING NOVEL CORONAVIRUS (COVID-19)**

There are now almost 200 confirmed cases in California spanning 24 counties, and 4 deaths have been reported in California due to COVID-19.

Local public health emergencies due to the threat posed by COVID-19 have been declared by the Counties of Santa Clara, San Diego, San Francisco, Orange, Solano, Alameda, Sonoma, Marin, Placer, Los Angeles, Mendocino, Butte, San Bernardino, San Benito, Yolo, Monterey, San Mateo, Yuba, Sutter, Contra Costa, Humboldt, Lake, and Sacramento, and by numerous California cities and Indian Tribes.

Tulare County has a population of over 450,000 residents, many of whom travel frequently for business or personal reasons. As of March 11, 2020 there are 939 total cases of COVID-19 in the United States and 29 deaths. 41 states have reported cases.

WHEREAS, on March 11, 2020, a Tulare County resident tested positive for COVID-19; and

WHEREAS, based on the experience of other California communities, it can reasonably be expected that other positive tests will soon follow; and

WHEREAS, the Health Officer of the County of Tulare does hereby find that there is an imminent and proximate threat to public health from the introduction of COVID-19 in Tulare County; and

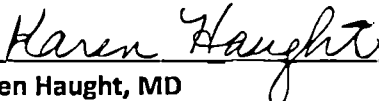
WHEREAS, the Board of Supervisors is not in session, and cannot immediately be called into session; and

NOW, THEREFORE, the Health Officer of the County of Tulare hereby proclaims and declares that a local health emergency now exists in the County of Tulare due to the presence of and threat posed by COVID-19.

Date: March 11, 2020

Time: 10:50 pm

Issued by:



Karen Haught, MD
County Health Officer
County of Tulare
Health & Human Services Agency
Public Health Branch

Approved as to Form:
COUNTY COUNSEL

By /s/Jennifer M. Shiffert
Deputy
Matter No. 2020217

Jlk/03-11-2020/2020217/1444044.DOCX



TULE RIVER INDIAN TRIBE OF CALIFORNIA

IN THE MATTER OF:

Resolution to Formally Declare a State of
Emergency for the Tule River Tribe of The)
Tule River Reservation of California)

RESOLUTION NO. FY2020-100

BE IT RESOLVED BY THE COUNCIL OF THE TULE RIVER INDIAN TRIBE:

WHEREAS, the Tule River Indian Tribe (the "Tribe") is a federally recognized Indian tribe organized pursuant to the Constitution and Bylaws of the Tule River Indian Tribe approved January 15, 1936 ("Constitution"); and

WHEREAS, pursuant to Article III, Section 1 of the Constitution the governing body of the Tribe is the Tribal Council and pursuant to Article VI, Section 1 of its Constitution it has the power to promulgate ordinance for the purpose of safeguarding the peace and safety of residents of the reservation and to adopt resolutions regulating the procedure of tribal agencies of the reservation; and

WHEREAS, On March 4th 2020, a proclaimed State of Emergency exists in the State of California, as result of the threat of COVID-19; and

WHEREAS, despite sustained efforts, the virus remains a threat, and further efforts to control the spread of the virus to reduce and minimize the risk of infection are needed; and

WHEREAS, for the safety and protection of the public health within the jurisdiction of the Tribe for the Tribe and/or its governmental agencies to obtain emergency support and funding from Federal, state and local agencies; and

WHEREAS, the Tule River Tribal Council desires to consider state and local recommendation deemed necessary in the interests of the public health, issue guidance limiting or recommend limitations upon attendance at public assemblies, conferences, or other mass events, which could cause the cancellation of such gatherings through no fault or responsibility of the parties involved thereby constituting a force majeure; and

WHEREAS, in the interest of public health and safety, it is necessary to exercise my authority under Constitution of the governing body of the Tribe to ensure adequate response and address potential issues related to the threat of COVID-19; and

NOW THEREFORE BE IT RESOLVED, the Tribal Council hereby declares a State of Emergency for the safety and protection of the public health within the jurisdiction of the Tribe for the Tribe and/or its governmental agencies to obtain emergency support and funding from Federal, state and local agencies

Page 2.

Resolution No. FY2020-100

BE IT FURTHER RESOLVED that this resolution has not been amended or rescinded in any way.

CERTIFICATION

UPON MOTION OF COUNCIL MEMBER **Zachary Janoko** SECONDED BY COUNCIL MEMBER **Steve M. Peyron, Jr.**, THE FOREGOING WAS ADOPTED BY THE TULE RIVER TRIBAL COUNCIL AT A DULY CALLED MEETING HELD ON **Friday, March 13, 2020**, AT WHICH A QUORUM WAS PRESENT BY THE FOLLOWING VOTES:

AYES: 8

NOES: 0

ABSTAIN 0


NEIL PEYRON, CHAIRMAN
TULE RIVER TRIBAL COUNCIL


HEATHER TERAN, SECRETARY
TULE RIVER TRIBAL COUNCIL

ATTEST TO:


RECORDING SECRETARY

**EXECUTIVE DEPARTMENT
STATE OF CALIFORNIA**

EXECUTIVE ORDER N-25-20

WHEREAS on March 4, 2020, I proclaimed a State of Emergency to exist in California as a result of the threat of COVID-19; and

WHEREAS despite sustained efforts, the virus remains a threat, and further efforts to control the spread of the virus to reduce and minimize the risk of infection are needed; and

WHEREAS state and local public health officials may, as they deem necessary in the interest of public health, issue guidance limiting or recommending limitations upon attendance at public assemblies, conferences, or other mass events, which could cause the cancellation of such gatherings through no fault or responsibility of the parties involved, thereby constituting a force majeure; and

WHEREAS the Department of Public Health is maintaining up-to-date guidance relating to COVID-19, available to the public at <http://cdph.ca.gov/covid19>; and

WHEREAS the State of California and local governments, in collaboration with the Federal government, continue sustained efforts to minimize the spread and mitigate the effects of COVID-19; and

WHEREAS there is a need to secure numerous facilities to accommodate quarantine, isolation, or medical treatment of individuals testing positive for or exposed to COVID-19; and

WHEREAS, many individuals who have developmental disabilities and receive services through regional centers funded by the Department of Developmental Services also have chronic medical conditions that make them more susceptible to serious symptoms of COVID-19, and it is critical that they continue to receive their services while also protecting their own health and the general public health; and

WHEREAS individuals exposed to COVID-19 may be temporarily unable to report to work due to illness caused by COVID-19 or quarantines related to COVID-19 and individuals directly affected by COVID-19 may experience potential loss of income, health care and medical coverage, and ability to pay for housing and basic needs, thereby placing increased demands on already strained regional and local health and safety resources such as shelters and food banks; and

WHEREAS in the interest of public health and safety, it is necessary to exercise my authority under the Emergency Services Act, specifically Government Code section 8572, to ensure adequate facilities exist to address the impacts of COVID-19; and

WHEREAS under the provisions of Government Code section 8571, I find that strict compliance with various statutes and regulations specified in this order would prevent, hinder, or delay appropriate actions to prevent and mitigate the effects of the COVID-19 pandemic.

NOW, THEREFORE, I, GAVIN NEWSOM, Governor of the State of California, in accordance with the authority vested in me by the State Constitution and statutes of the State of California, and in particular, Government Code sections 8567, 8571 and 8572, do hereby issue the following order to become effective immediately:

IT IS HEREBY ORDERED THAT:

1. All residents are to heed any orders and guidance of state and local public health officials, including but not limited to the imposition of social distancing measures, to control the spread of COVID-19.
2. For the period that began January 24, 2020 through the duration of this emergency, the Employment Development Department shall have the discretion to waive the one-week waiting period in Unemployment Insurance Code section 2627(b)(1) for disability insurance applicants who are unemployed and disabled as a result of the COVID-19, and who are otherwise eligible for disability insurance benefits.
3. For the period that began January 24, 2020 through the duration of this emergency, the Employment Development Department shall have the discretion to waive the one-week waiting period in Unemployment Insurance Code section 1253(d) for unemployment insurance applicants who are unemployed as a result of the COVID-19, and who are otherwise eligible for unemployment insurance benefits.
4. Notwithstanding Health and Safety Code section 1797.172(b), during the course of this emergency, the Director of the Emergency Medical Services Authority shall have the authority to implement additions to local optional scopes of practice without first consulting with a committee of local EMS medical directors named by the EMS Medical Directors Association of California.
5. In order to quickly provide relief from interest and penalties, the provisions of the Revenue and Taxation Code that apply to the taxes and fees administered by the Department of Tax and Fee Administration, requiring the filing of a statement under penalty of perjury setting forth the facts for a claim for relief, are suspended for a period of 60 days after the date of this Order for any individuals or businesses who are unable to file a timely tax return or make a timely payment as a result of complying with a state or local public health official's imposition or recommendation of social distancing measures related to COVID-19.
6. The Franchise Tax Board, the Board of Equalization, the Department of Tax and Fee Administration, and the Office of Tax Appeals shall use their administrative powers where appropriate to provide those individuals and businesses impacted by complying with a state or local public health official's imposition or recommendation of social

distancing measures related to COVID-19 with the extensions for filing, payment, audits, billing, notices, assessments, claims for refund, and relief from subsequent penalties and interest.

7. The Governor's Office of Emergency Services shall ensure adequate state staffing during this emergency. Consistent with applicable federal law, work hour limitations for retired annuitants, permanent and intermittent personnel, and state management and senior supervisors, are suspended. Furthermore, reinstatement and work hour limitations in Government Code sections 21220, 21224(a), and 7522.56(b), (d), (f), and (g), and the time limitations in Government Code section 19888.1 and California Code of Regulations, title 2, sections 300-303 are suspended. The Director of the California Department of Human Resources must be notified of any individual employed pursuant to these waivers.
8. The California Health and Human Services Agency and the Office of Emergency Services shall identify, and shall otherwise be prepared to make available—including through the execution of any necessary contracts or other agreements and, if necessary, through the exercise of the State's power to commandeer property – hotels and other places of temporary residence, medical facilities, and other facilities that are suitable for use as places of temporary residence or medical facilities as necessary for quarantining, isolating, or treating individuals who test positive for COVID-19 or who have had a high-risk exposure and are thought to be in the incubation period.
9. The certification and licensure requirements of California Code of Regulations, Title 17, section 1079 and Business and Professions Code section 1206.5 are suspended as to all persons who meet the requirements under the Clinical Laboratory Improvement Amendments of section 353 of the Public Health Service Act for high complexity testing and who are performing analysis of samples to test for SARS-CoV-2, the virus that causes COVID-19, in any certified public health laboratory or licensed clinical laboratory.
10. To ensure that individuals with developmental disabilities continue to receive the services and supports mandated by their individual program plans threatened by disruptions caused by COVID-19, the Director of the Department of Developmental Services may issue directives waiving any provision or requirement of the Lanterman Developmental Disabilities Services Act, the California Early Intervention Services Act, and the accompanying regulations of Title 17, Division 2 of the California Code of Regulations. A directive may delegate to the regional centers any authority granted to the Department by law where the Director believes such delegation is necessary to ensure services to individuals with developmental disabilities. The Director shall describe the need justifying the waiver granted in each directive and articulate how the waiver is necessary to protect the public health or safety from the threat of COVID-19 or necessary to ensure that services to individuals with developmental disabilities are not disrupted. Any waiver granted by a directive shall expire 30 days from the date of its issuance. The Director may grant one or more 30-day extensions if the waiver continues to be necessary

to protect health or safety or to ensure delivery of services. The Director shall rescind a waiver once it is no longer necessary to protect public health or safety or ensure delivery of services. Any waivers and extensions granted pursuant to this paragraph shall be posted on the Department's website.

11. Notwithstanding any other provision of state or local law, including the Bagley-Keene Act or the Brown Act, a local legislative body or state body is authorized to hold public meetings via teleconferencing and to make public meetings accessible telephonically or otherwise electronically to all members of the public seeking to attend and to address the local legislative body or state body, during the period in which state or local public officials impose or recommend measures to promote social distancing, including but not limited to limitations on public events. All requirements in both the Bagley-Keene Act and the Brown Act expressly or impliedly requiring the physical presence of members, the clerk or other personnel of the body, or of the public as a condition of participation in or quorum for a public meeting are hereby waived.

In particular, any otherwise-applicable requirements that

- (i) state and local bodies notice each teleconference location from which a member will be participating in a public meeting;
- (ii) each teleconference location be accessible to the public;
- (iii) members of the public may address the body at each teleconference conference location;
- (iv) state and local bodies post agendas at all teleconference locations;
- (v) at least one member of the state body be physically present at the location specified in the notice of the meeting; and
- (vi) during teleconference meetings, at least a quorum of the members of the local body participate from locations within the boundaries of the territory over which the local body exercises jurisdiction

are hereby suspended, on the conditions that:

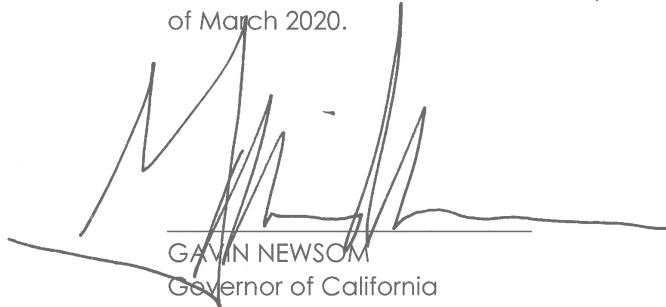
- (i) each state or local body must give advance notice of each public meeting, according to the timeframe otherwise prescribed by the Bagley-Keene Act or the Brown Act, and using the means otherwise prescribed by the Bagley-Keene Act or the Brown Act, as applicable; and
- (ii) consistent with the notice requirement in paragraph (i), each state or local body must notice at least one publicly accessible location from which members of the public shall have the right to observe and offer public comment at the public meeting, consistent with the public's rights of access and public comment otherwise provided for by the Bagley-Keene Act and the Brown Act, as applicable (including, but not limited to, the requirement that such rights of access and public comment be made available in a manner consistent with the Americans with Disabilities Act).

In addition to the mandatory conditions set forth above, all state and local bodies are urged to use sound discretion and to make reasonable efforts to adhere as closely as reasonably possible to the provisions of the Bagley-Keene Act and the Brown Act, and other applicable local laws regulating the conduct of public meetings, in order to maximize transparency and provide the public access to their meetings.

IT IS FURTHER ORDERED that as soon as hereafter possible, this Order be filed in the Office of the Secretary of State and that widespread publicity and notice be given of this Order.

This Order is not intended to, and does not, create any rights or benefits, substantive or procedural, enforceable at law or in equity, against the State of California, its agencies, departments, entities, officers, employees, or any other person.

IN WITNESS WHEREOF I have
hereunto set my hand and caused
the Great Seal of the State of
California to be affixed this 12th day
of March 2020.



GAVIN NEWSOM
Governor of California

ATTEST:

ALEX PADILLA
Secretary of State

EXECUTIVE DEPARTMENT
STATE OF CALIFORNIA

EXECUTIVE ORDER N-28-20

WHEREAS on March 4, 2020, I proclaimed a State of Emergency to exist in California as a result of the threat of COVID-19; and

WHEREAS despite sustained efforts, the virus remains a threat, and further efforts to control the spread of the virus to reduce and minimize the risk of infection and otherwise mitigate the effects of COVID-19 are needed; and

WHEREAS the economic impacts of COVID-19 have been significant, and could threaten to undermine Californians' housing security and the stability of California businesses; and

WHEREAS many Californians are experiencing substantial losses of income as a result of business closures, the loss of hours or wages, or layoffs related to COVID-19, hindering their ability to keep up with their rents, mortgages, and utility bills; and

WHEREAS Californians who are most vulnerable to COVID-19, those 65 years and older, and those with underlying health issues, are advised to self-quarantine, self-isolate, or otherwise remain in their homes to reduce the transmission of COVID-19; and

WHEREAS because homelessness can exacerbate vulnerability to COVID-19, California must take measures to preserve and increase housing security for Californians to protect public health; and

WHEREAS local jurisdictions, based on their particular needs, may therefore determine that additional measures to promote housing security and stability are necessary to protect public health or to mitigate the economic impacts of COVID-19; and

WHEREAS local jurisdictions may also determine, based on their particular needs, that promoting stability amongst commercial tenancies is also conducive to public health, such as by allowing commercial establishments to decide whether and how to remain open based on public health concerns rather than economic pressures, or to mitigate the economic impacts of COVID-19; and

WHEREAS in addition to these public health benefits, state and local policies to promote social distancing, self-quarantine, and self-isolation require that people be able to access basic utilities—including water, gas, electricity, and telecommunications—at their homes, so that Californians can work from home, receive public health information, and otherwise adhere to policies of social distancing, self-quarantine, and self-isolation, if needed; and

WHEREAS many utility providers, public and private, covering electricity, gas, water, and sewer, have voluntarily announced moratoriums on service disconnections and late fees for non-payment in response to COVID-19; and

WHEREAS many telecommunication companies, including internet and cell phone providers, have voluntarily announced moratoriums on service disconnections and late fees for non-payment in response to COVID-19;

NOW, THEREFORE, I, GAVIN NEWSOM, Governor of the State of California, in accordance with the authority vested in me by the State Constitution and statutes of the State of California, and in particular, Government Code sections 8567 and 8571, do hereby issue the following order to become effective immediately:

IT IS HEREBY ORDERED THAT:

- 1) The time limitation set forth in Penal Code section 396, subdivision (f), concerning protections against residential eviction, is hereby waived. Those protections shall be in effect through May 31, 2020.
- 2) Any provision of state law that would preempt or otherwise restrict a local government's exercise of its police power to impose substantive limitations on residential or commercial evictions as described in subparagraphs (i) and (ii) below—including, but not limited to, any such provision of Civil Code sections 1940 et seq. or 1954.25 et seq.—is hereby suspended to the extent that it would preempt or otherwise restrict such exercise. This paragraph 2 shall only apply to the imposition of limitations on evictions when:
 - (i) The basis for the eviction is nonpayment of rent, or a foreclosure, arising out of a substantial decrease in household or business income (including, but not limited to, a substantial decrease in household income caused by layoffs or a reduction in the number of compensable hours of work, or a substantial decrease in business income caused by a reduction in opening hours or consumer demand), or substantial out-of-pocket medical expenses; and
 - (ii) The decrease in household or business income or the out-of-pocket medical expenses described in subparagraph (i) was caused by the COVID-19 pandemic, or by any local, state, or federal government response to COVID-19, and is documented.

The statutory cause of action for judicial foreclosure, Code of Civil Procedure section 725a et seq.; the statutory cause of action for unlawful detainer, Code of Civil Procedure section 1161 et seq., and any other statutory cause of action that could be used to evict or otherwise eject a residential or commercial tenant or occupant of residential real property after foreclosure is suspended only as applied to any tenancy, or residential real property and any

occupation thereof, to which a local government has imposed a limitation on eviction pursuant to this paragraph 2, and only to the extent of the limitation imposed by the local government.

Nothing in this Order shall relieve a tenant of the obligation to pay rent, nor restrict a landlord's ability to recover rent due.

The protections in this paragraph 2 shall be in effect through May 31, 2020, unless extended.

- 3) All public housing authorities are requested to extend deadlines for housing assistance recipients or applicants to deliver records or documents related to their eligibility for programs, to the extent that those deadlines are within the discretion of the housing authority.
- 4) The Department of Business Oversight, in consultation with the Business, Consumer Services, and Housing Agency, shall engage with financial institutions to identify tools to be used to afford Californians relief from the threat of residential foreclosure and displacement, and to otherwise promote housing security and stability during this state of emergency, in furtherance of the objectives of this Order.
- 5) Financial institutions holding home or commercial mortgages, including banks, credit unions, government-sponsored enterprises, and institutional investors, are requested to implement an immediate moratorium on foreclosures and related evictions when the foreclosure or foreclosure-related eviction arises out of a substantial decrease in household or business income, or substantial out-of-pocket medical expenses, which were caused by the COVID-19 pandemic, or by any local, state, or federal government response to COVID-19.
- 6) The California Public Utilities Commission is requested to monitor measures undertaken by public and private utility providers to implement customer service protections for critical utilities, including but not limited to electric, gas, water, internet, landline telephone, and cell phone service, in response to COVID-19, and on a weekly basis publicly report these measures.

Nothing in this Order shall be construed to invalidate any limitation on eviction enacted by a local jurisdiction between March 4, 2020 and this date.

Nothing in this Order shall in any way restrict state or local authority to order any quarantine, isolation, or other public health measure that may compel an individual to remain physically present in a particular residential real property.

This Order is not intended to, and does not, create any rights or benefits, substantive or procedural, enforceable at law or in equity, against the State of California, its agencies, departments, entities, officers, employees, or any other person.

I FURTHER DIRECT that as soon as hereafter possible, this proclamation be filed in the Office of the Secretary of State and that widespread publicity and notice be given of this Order.

IN WITNESS WHEREOF I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 16th day of March 2020.



GAVIN NEWSOM
Governor of California

ATTEST:

ALEX PADILLA
Secretary of State

**EXECUTIVE DEPARTMENT
STATE OF CALIFORNIA**

EXECUTIVE ORDER N-32-20

WHEREAS on March 4, 2020, I proclaimed a State of Emergency to exist in California as a result of the threat of COVID-19; and

WHEREAS despite sustained efforts, the virus continues to spread and is impacting nearly all sectors of California; and

WHEREAS in the past two years, the State of California has allocated \$1.15 billion to local partners through the Homeless Emergency Aid Program and the Homeless Housing, Assistance, and Prevention Program, funding intended to provide for a variety of programs and facilities aimed at combatting homelessness; and

WHEREAS on March 17, 2020, I signed Senate Bill 89, emergency legislation that authorizes \$500 million in immediately available funding to help California fight COVID-19 for any purpose related to the March 4, 2020 proclamation of a State of Emergency, including to support local governments to protect the health and safety of homeless populations, reduce the spread of COVID-19 in homeless populations, and provide safe beds for people experiencing homelessness; and

WHEREAS the emergency of COVID-19 necessitates a more focused approach, including emergency protective measures to bring unsheltered Californians safely indoors, expand shelter capacity, maintain health and sanitation standards and institute medically indicated interventions, and add new isolation and quarantine capacity to California's shelter and housing inventory to slow the spread of the pandemic; and

WHEREAS under the provisions of Government Code section 8571, I find that strict compliance with various statutes and regulations specified in this order would prevent, hinder, or delay appropriate actions to prevent and mitigate the effects of the COVID-19 pandemic.

NOW, THEREFORE, I, GAVIN NEWSOM, Governor of the State of California, in accordance with the authority vested in me by the State Constitution and statutes of the State of California, and in particular, Government Code sections 8567 and 8571, do hereby issue the following order to become effective immediately:

IT IS HEREBY ORDERED THAT:

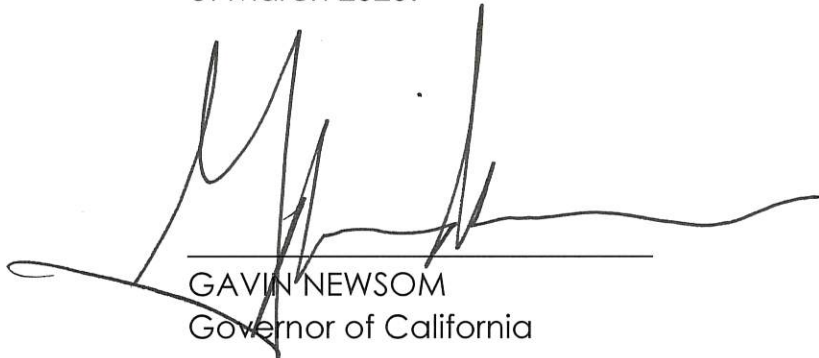
- 1) To the limited extent that any part of Health & Safety Code section 50214, subdivision (a), restricts a local jurisdiction from expending Homeless Emergency Aid Program funds on preparing for and addressing the impacts of the COVID-19 pandemic on homeless individuals, including through implementing guidance from the Department of Public Health on hand and respiratory hygiene and protective congregate living protocols, and providing isolation and quarantine capacity, that part is suspended.

- 2) To the limited extent that any part of Health & Safety Code section 50219, subdivision (c), restricts a local jurisdiction from expending Homeless Housing, Assistance, and Prevention Program funds on preparing for and addressing the impacts of the COVID-19 pandemic on homeless individuals, including through expanding shelter and housing services and capacity, that part is suspended.
- 3) Division 13 (commencing with section 21000) of the Public Resources Code and regulations adopted pursuant to that Division are suspended for any project using Homeless Emergency Aid Program funds, Homeless Housing, Assistance, and Prevention Program funds, or funds appropriated in Senate Bill 89, signed on March 17, 2020.

IT IS FURTHER ORDERED that as soon as hereafter possible, this Order be filed in the Office of the Secretary of State and that widespread publicity and notice be given of this Order.

This Order is not intended to, and does not, create any rights or benefits, substantive or procedural, enforceable at law or in equity, against the State of California, its agencies, departments, entities, officers, employees, or any other person.

IN WITNESS WHEREOF I have
hereunto set my hand and caused
the Great Seal of the State of
California to be affixed this 18th day
of March 2020.



GAVIN NEWSOM
Governor of California

ATTEST:

ALEX PADILLA
Secretary of State

**EXECUTIVE DEPARTMENT
STATE OF CALIFORNIA**

EXECUTIVE ORDER N-33-20

WHEREAS on March 4, 2020, I proclaimed a State of Emergency to exist in California as a result of the threat of COVID-19; and

WHEREAS in a short period of time, COVID-19 has rapidly spread throughout California, necessitating updated and more stringent guidance from federal, state, and local public health officials; and

WHEREAS for the preservation of public health and safety throughout the entire State of California, I find it necessary for all Californians to heed the State public health directives from the Department of Public Health.

NOW, THEREFORE, I, GAVIN NEWSOM, Governor of the State of California, in accordance with the authority vested in me by the State Constitution and statutes of the State of California, and in particular, Government Code sections 8567, 8627, and 8665 do hereby issue the following Order to become effective immediately:

IT IS HEREBY ORDERED THAT:

- 1) To preserve the public health and safety, and to ensure the healthcare delivery system is capable of serving all, and prioritizing those at the highest risk and vulnerability, all residents are directed to immediately heed the current State public health directives, which I ordered the Department of Public Health to develop for the current statewide status of COVID-19. Those directives are consistent with the March 19, 2020, Memorandum on Identification of Essential Critical Infrastructure Workers During COVID-19 Response, found at: <https://covid19.ca.gov/>. Those directives follow:

ORDER OF THE STATE PUBLIC HEALTH OFFICER
March 19, 2020

To protect public health, I as State Public Health Officer and Director of the California Department of Public Health order all individuals living in the State of California to stay home or at their place of residence except as needed to maintain continuity of operations of the federal critical infrastructure sectors, as outlined at <https://www.cisa.gov/identifying-critical-infrastructure-during-covid-19>. In addition, and in consultation with the Director of the Governor's Office of Emergency Services, I may designate additional sectors as critical in order to protect the health and well-being of all Californians.

Pursuant to the authority under the Health and Safety Code 120125, 120140, 131080, 120130(c), 120135, 120145, 120175 and 120150, this order is to go into effect immediately and shall stay in effect until further notice.

The federal government has identified 16 critical infrastructure sectors whose assets, systems, and networks, whether physical or virtual, are considered so vital to the United States that their incapacitation or

destruction would have a debilitating effect on security, economic security, public health or safety, or any combination thereof. I order that Californians working in these 16 critical infrastructure sectors may continue their work because of the importance of these sectors to Californians' health and well-being.

This Order is being issued to protect the public health of Californians. The California Department of Public Health looks to establish consistency across the state in order to ensure that we mitigate the impact of COVID-19. Our goal is simple, we want to bend the curve, and disrupt the spread of the virus.

The supply chain must continue, and Californians must have access to such necessities as food, prescriptions, and health care. When people need to leave their homes or places of residence, whether to obtain or perform the functions above, or to otherwise facilitate authorized necessary activities, they should at all times practice social distancing.

- 2) The healthcare delivery system shall prioritize services to serving those who are the sickest and shall prioritize resources, including personal protective equipment, for the providers providing direct care to them.
- 3) The Office of Emergency Services is directed to take necessary steps to ensure compliance with this Order.
- 4) This Order shall be enforceable pursuant to California law, including, but not limited to, Government Code section 8665.

IT IS FURTHER ORDERED that as soon as hereafter possible, this Order be filed in the Office of the Secretary of State and that widespread publicity and notice be given of this Order.

This Order is not intended to, and does not, create any rights or benefits, substantive or procedural, enforceable at law or in equity, against the State of California, its agencies, departments, entities, officers, employees, or any other person.

IN WITNESS WHEREOF I have
hereunto set my hand and caused
the Great Seal of the State of
California to be affixed this 19th day
of March 2020.



GAVIN NEWSOM
Governor of California

ATTEST:

ALEX PADILLA
Secretary of State

ESSENTIAL WORKFORCE

On March 19, 2020, Governor Newsom issued Executive Order N-33-20 directing all residents immediately to heed current State public health directives to stay home, except as needed to maintain continuity of operations of essential critical infrastructure sectors and additional sectors as the State Public Health Officer may designate as critical to protect health and well-being of all Californians.

In accordance with this order, the State Public Health Officer has designated the following list of “Essential Critical Infrastructure Workers” to help state, local, tribal, and industry partners as they work to protect communities, while ensuring continuity of functions critical to public health and safety, as well as economic and national security.

Sector Index:

1. [Health and Public Health Sector](#)
2. [Emergency Services Sector](#)
3. [Food and Agriculture Sector](#)
4. [Energy Sector](#)
5. [Water and Wastewater Sector](#)
6. [Transportation and Logistics Sector](#)
7. [Communications and Information Technology Sector](#)
8. [Government Operations and Other Community-Based Essential Functions](#)
9. [Critical Manufacturing Sector](#)
10. [Financial Services Sector](#)
11. [Chemical Sector](#)
12. [Defense Industrial Base Sector](#)
13. [Industrial, Commercial, Residential and Sheltering Facilities and Services](#)

Relevant Guidance For All Sectors:

- [Face Coverings Guidance](#)
 - [Orientación Sobre el Uso de Mascarillas de Tela](#)
- [Self-Isolation for Older Adults and Those Who Have Elevated Risk](#)
 - [Aislamiento para Adultos Mayores y Personas que Tienen un Riesgo Elevado](#)
- [Employers, health care workers and workers in general industry](#)

1. HEALTHCARE / PUBLIC HEALTH

Sector Profile

The Healthcare and Public Health (HPH) Sector is large, diverse, and open, spanning both the public and private sectors. It includes publicly accessible healthcare facilities, research centers, suppliers, manufacturers, and other physical assets and vast, complex public-private information technology systems required for care delivery and to support the rapid, secure transmission and storage of large amounts of HPH data.

Essential Workforce, if remote working is not practical:

1. Health care providers and caregivers (including physicians, dentists, psychologists, mid-level practitioners, nurses, assistants, and aids; infection control and quality assurance personnel; pharmacists; physical, respiratory, speech and occupational therapists and assistants; social workers and providers serving individuals with disabilities including developmental disabilities; optometrists; speech pathologists; chiropractors; diagnostic and therapeutic technicians; and radiology technologists).
2. Workers required for effective clinical, command, infrastructure, support service, administrative, security and intelligence operations across the direct patient care and full healthcare and public health spectrum, including accounting, administrative, admitting and discharge, engineering, accrediting, certification, licensing, credentialing, epidemiological, source plasma and blood donation, food service, environmental services, housekeeping, medical records, information technology and operational technology, nutritionists, sanitarians; emergency medical services workers; prehospital workers including but not limited to urgent care workers; inpatient and hospital workers; outpatient care workers; home care workers; workers at long-term care facilities, residential and community-based providers; workplace safety workers).
3. Workers needed to support transportation to and from healthcare facilities and provider appointments.
4. Workers needed to provide laundry services, food services, reprocessing of medical equipment, and waste management.
5. Vendors and suppliers (including imaging, pharmacy, oxygen services, durable medical equipment)
6. Workers who perform critical clinical research, development, and testing needed for COVID-19 response.
7. Workers in other medical and life science facilities (including Ambulatory Health and Surgical, Blood Banks, Clinics, Community Mental Health, Comprehensive Outpatient rehabilitation, End Stage Renal Disease, Health Departments, Home Health care, Hospices, Hospitals, Long Term Care, Organ Pharmacies, Procurement Organizations, Psychiatric, Residential, Rural Health Clinics and Federally Qualified Health Centers, and retail facilities specializing in medical goods and supplies, including cannabis).
8. Workers for health manufacturing (including life science companies, and companies that have shifted production to medical supplies), materials and parts suppliers, technicians, logistics and warehouse operators, printers, packagers, and distributors of medical equipment (including those who test and repair), personal protective equipment (PPE), isolation barriers, medical

- gases, pharmaceuticals (including materials used in radioactive drugs, and cannabis products), dietary supplements, blood and blood products, vaccines, testing materials, laboratory supplies, cleaning, sanitizing, disinfecting or sterilization supplies, personal hygiene products, and tissue and paper towel products.
9. Public health / community health workers, including those who compile, model, analyze and communicate public health information.
 10. Behavioral and mental health workers responsible for coordination, outreach, engagement, and treatment to individuals in need of mental health and/or behavioral services.
 11. Donors of blood bone marrow, blood stem cell, or plasma and the workers of the organizations that operate and manage related activities.
 12. Workers that manage health plans, billing, and health information.
 13. Workers who conduct community-based public health functions, conducting epidemiologic surveillance, compiling, analyzing and communicating public health information.
 14. Workers performing IT and cybersecurity functions at healthcare and public health facilities.
 15. Workers performing security, incident management, and emergency operations functions at or on behalf of healthcare entities including healthcare coalitions.
 16. Pharmacy employees, including workers necessary to maintain uninterrupted prescription filling.
 17. Workers in retail facilities specializing in medical goods and supplies.
 18. Public health and environmental health workers, including workers specializing in environmental health that focus on implementing environmental controls, sanitary and infection control interventions, healthcare facility safety and emergency preparedness planning, engineered work practices, and developing guidance and protocols for appropriate PPE to prevent COVID-19 disease transmission; Public health/ community health workers (including call center workers) who conduct community- based public health functions, conducting epidemiologic surveillance and compiling, analyzing, and communicating public health information.
 19. Mortuary services providers, including workers performing mortuary, funeral, cremation burial, cemetery, and related services, including funeral homes, crematoriums, cemetery workers and coffin makers.
 20. Workers who coordinate with other organizations to ensure the proper recovery, handling, identification, transportation, tracking, storage, and disposal of human remains and personal effects; certify cause of death; and facilitate access to behavioral and mental health services to the family members, responders, and survivors of an incident.
 21. Workers supporting veterinary hospitals and clinics.

Relevant Sector Guidance:

- [All Facility Letters for health care facilities, including long-term care facilities](#)
- [Health care facilities, Skilled Nursing Facilities](#)
- [Individuals with Access and Functional Needs](#)
- [Medical Waste Management - Interim Guidelines](#)
- [Outpatient Healthcare Facility Infection Control Recommendations for Suspect COVID-19 Patients](#)
- [Prioritization of Patients for Laboratory Testing for COVID-19](#)
- [Veterinary Professionals and Premises](#)
- Regional Centers:
 - [Visits to Licensed Residential Facilities](#)
 - [Risk Mitigation Strategies for ARFPSHN, ICF/DD-CN](#)
- [Adult and Senior Care Facilities](#)

- [Cuidado a los Adultos Mayores](#)
- [Community care facilities, including assisted living facilities and child care](#)
- [Medi-Cal Managed Care Health Plans: COVID – 19 Screening and Testing](#)
- [Coverage Options Fact Sheet](#)
 - [Opciones De Cobertura](#)
- [Department of Managed Health Care All Plan Letter](#)
- [California Department of Insurance Bulletin](#)

2. EMERGENCY SERVICES SECTOR

Sector Profile

The Emergency Services Sector (ESS) is a community of highly-skilled, trained personnel, along with the physical and cyber resources, that provide a wide range of prevention, preparedness, response, and recovery services during both day-to-day operations and incident response. The ESS includes geographically distributed facilities and equipment in both paid and volunteer capacities organized primarily at the federal, state, local, tribal, and territorial levels of government, such as city police departments and fire stations, county sheriff's offices, Department of Defense police and fire departments, and town public works departments. The ESS also includes private sector resources, such as industrial fire departments, private security organizations, and private emergency medical services providers.

Essential Workforce, if remote working is not practical:

1. Public, private, and voluntary personnel (front line and management) in emergency management, law enforcement, fire and rescue services, emergency medical services, corrections, rehabilitation and reentry, search and rescue, hazardous material response, and technicians supporting maritime and aviation emergency response.
2. Public Safety Answering Points and 911 call center employees; personnel involved in access to emergency services including the emergency alert system and wireless emergency alerts.
3. Fusion Center employees
4. Workers who support weather disaster / natural hazard monitoring, response, mitigation, and prevention, including personnel conducting, supporting, or facilitating wildfire mitigation activities
5. Workers – including contracted vendors -- who maintain, manufacture, or supply equipment and services supporting law enforcement, fire, EMS, and emergency service response operations (including safety equipment, electronic security, and uniforms)
6. Workers responding to abuse and neglect of children, elders and dependent adults.
7. Animal control officers and humane officers
8. Security staff to maintain building access control and physical security measures
9. Workers and contracted vendors who maintain and provide services and supplies to public safety facilities, including emergency communication center, public safety answering points, public safety communications centers, emergency operation centers, fire and emergency medical services stations, police and law enforcement stations and facilities.

Relevant Sector Guidance:

- [Public Health Guidance about COVID-19 for California State Prisons](#)
- [First responders, including paramedics and EMTs](#)

3. FOOD AND AGRICULTURE

Sector Profile

The Food and Agricultural (FA) Sector is composed of complex production, processing, and delivery systems and has the capacity to feed people and animals both within and beyond the boundaries of the United States. Beyond domestic food production, the FA Sector also imports many ingredients and finished products, leading to a complex web of growers, processors, suppliers, transporters, distributors, and consumers. This sector is critical to maintaining and securing our food supply.

Essential Workforce, if remote working is not practical:

1. Workers supporting groceries, pharmacies, convenience stores, and other retail that sells food or beverage products, and animal/pet food, retail customer support service, information technology support staff, for online orders, pickup/takeout or delivery.
2. Workers supporting restaurant carry-out and quick serve food operations, including food preparation, carry-out and delivery food employees.
3. Food manufacturer employees and their supplier employees to include those employed in food ingredient production and processing-facilities; aquaculture and seafood harvesting facilities; livestock, poultry, seafood slaughter facilities; pet and animal feed processing facilities; human food facilities producing by-products for animal food; beverage production facilities; and the production of food packaging, including recycling operations and processing.
4. Farmers, farm and ranch workers, and agribusiness support services to include those employed in auction and sales; grain and oilseed handling, storage, processing and distribution; animal food, feed, and ingredient production, packaging, and distribution; manufacturing, packaging, and distribution of veterinary drugs; truck delivery and transport.
5. Farmers, farm and ranch workers, support service workers and their supplier employees producing food supply domestically and for export to include those engaged in raising, cultivating, harvesting, packing, storing, or delivering to storage or to market or to a carrier for transportation to market any agricultural or horticultural commodity for human consumption; those engaged in producing and harvesting field crops; cannabis growers; agricultural and commodity inspection; fuel ethanol facilities; storage facilities; biodiesel and renewable diesel facilities; and other agricultural inputs
6. Employees and firms supporting food, feed, and beverage distribution and ingredients used in these products including warehouse workers, vendor-managed inventory controllers, and blockchain managers.
7. Workers supporting the sanitation of all food manufacturing processes and operations from wholesale to retail.
8. Workers supporting the growth and distribution of plants and associated products for home gardens.
9. Workers in cafeterias used to feed workers, particularly worker populations sheltered against COVID-19
10. Workers in animal diagnostic and food testing laboratories
11. Workers essential for assistance programs and government payments
12. Government, private, and non-governmental organizations' workers essential for food assistance programs (including school lunch programs) and government payments.

13. Employees of companies engaged in the production, storage, transport, and distribution of chemicals; medicines, including cannabis; vaccines; and other substances used by the food and agriculture industry, including seeds, pesticides, herbicides, fertilizers, minerals, enrichments, and other agricultural production aids.
14. Animal agriculture workers to include those employed in veterinary health (including those involved in supporting emergency veterinary or livestock services); raising of animals for food; animal production operations; livestock markets; slaughter and packing plants, manufacturers, renderers, and associated regulatory and government workforce.
15. Transportation supporting animal agricultural industries, including movement of animal medical and reproductive supplies and material, animal vaccines, animal drugs, feed ingredients, feed, and bedding, live animals, animal medical materials; transportation of deceased animals for disposal; and associated regulatory and government workforce
16. Workers who support sawmills and the manufacture and distribution of fiber and forest products, including, but not limited to timber, paper, and other wood and fiber products
17. Employees engaged in the manufacture and maintenance of equipment and other infrastructure necessary to agricultural production and distribution
18. Workers at animal care facilities that provide food, shelter, veterinary and/or routine care and other necessities of life for animals.

Relevant Sector Guidance:

- [Food, Beverage, Other Services](#)
 - [Alimentos, Bebidas y Otros Sitios de Servicios Relacionados](#)
- [Food Industry and Food Supply Chain](#)

4. ENERGY

Sector Profile

The Energy Sector consists of widely diverse and geographically dispersed critical assets and systems that are often interdependent of one another. This critical infrastructure is divided into three interrelated segments or subsectors—electricity, oil, and natural gas—to include the production, refining, storage, and distribution of oil, gas, and electric power. The Energy Sector supplies fuels to the transportation industry, electricity to households and businesses, and other sources of energy that are integral to growth and production across the Nation. In turn, it depends on the Nation's transportation, information technology, communications, finance, water, and government infrastructures.

Essential Workforce, if remote working is not possible:

1. Workers supporting the energy sector, regardless of the energy source, segment of the system, or infrastructure the worker is involved in, or who are needed to monitor, operate, engineer, and maintain the reliability, safety, environmental health, physical and cyber security of the energy system, including power generation, transmission and distribution.
2. Workers supporting the energy sector, regardless of the energy source, needed for construction, manufacturing, transportation and logistics, maintenance, and permitting.
3. IT and OT technology for essential energy sector operations including support workers, customer service operations, call centers, and emergency response and customer emergency operations; energy management systems, control systems, Supervisory Control and Data Acquisition SCADA systems, and energy sector entity data centers; cybersecurity engineers; and cybersecurity risk management.
4. Workers providing services related to energy sector fuels and supply chains, supporting the procurement, mining, drilling, processing, refining, manufacturing, refueling, construction, logistics, transportation (including marine transport, terminals, rail and vehicle transport), permitting operation and maintenance, security, waste disposal, storage, and monitoring of support for resources;
5. Workers supporting environmental remediation and monitoring.
6. Workers supporting manufacturing and distribution of equipment, supplies, and parts necessary to maintain production, maintenance, restoration, and service at energy sector facilities across all energy sectors, and regardless of the energy source.
7. Workers at Independent System Operators and Regional Transmission Organizations, and Network Operations staff, engineers and technicians to manage the network or operate facilities.
8. Workers at Reliability Coordinator, Balancing Authorities, and primary and backup Control Centers, including but not limited to independent system operators, regional transmission organizations, and balancing authorities; and workers involved in energy commodity trading and scheduling.
9. Mutual assistance personnel, which may include workers from outside of the state or local jurisdiction
10. Retail fuel centers such as gas stations and truck stops, and the distribution systems that support them.

5. WATER AND WASTEWATER

Sector Profile

The Water and Wastewater Sector is a complex sector composed of drinking water and wastewater infrastructure of varying sizes and ownership types. Multiple governing authorities pertaining to the Water and Wastewater Sector provide for public health, environmental protection, and security measures, among others.

Essential Workforce, if remote working is not practical:

Employees needed to operate and maintain drinking water and wastewater/drainage infrastructure, including:

1. Operational staff at water authorities
2. Operational staff at community water systems
3. Operational staff at wastewater treatment facilities
4. Workers repairing water and wastewater conveyances and performing required sampling or monitoring
5. Operational staff for water distribution and testing
6. Operational staff at wastewater collection facilities
7. Operational staff and technical support for SCADA Control systems
8. Chemical disinfectant suppliers for water and wastewater and personnel protection
9. Workers that maintain digital systems infrastructure supporting water and wastewater operations

6. TRANSPORTATION AND LOGISTICS

Sector Profile

The Transportation Systems Sector consists of seven key subsectors, or modes:

- Aviation includes aircraft, air traffic control systems, and airports, heliports, and landing strips. Commercial aviation services at civil and joint-use military airports, heliports, and sea plane bases. In addition, the aviation mode includes commercial and recreational aircraft (manned and unmanned) and a wide variety of support services, such as aircraft repair stations, fueling facilities, navigation aids, and flight schools.
- Highway and Motor Carrier encompasses roadway, bridges, and tunnels. Vehicles include trucks, including those carrying hazardous materials; other commercial vehicles, including bicycles, commercial motor coaches and school buses; vehicle and driver licensing systems; taxis, transportation services including Transportation Network Companies, and delivery services including Delivery Network Companies; traffic management systems; AND cyber systems used for operational management.
- Maritime Transportation System consists of coastline, ports, waterways, and intermodal landside connections that allow the various modes of transportation to move people and goods to, from, and on the water.
- Mass Transit and Passenger Rail includes terminals, operational systems, and supporting infrastructure for passenger services by transit buses, trolleybuses, monorail, heavy rail—also known as subways or metros—light rail, passenger rail, and vanpool/rideshare.
- Pipeline Systems consist of pipelines carrying natural gas hazardous liquids, as well as various chemicals. Above-ground assets, such as compressor stations and pumping stations, are also included.
- Freight Rail consists of major carriers, smaller railroads, active railroad, freight cars, and locomotives.
- Postal and Shipping includes large integrated carriers, regional and local courier services, mail services, mail management firms, and chartered and delivery services.

Essential Workforce, if remote working is not practical:

1. Employees supporting or enabling transportation functions, including truck drivers, bus drivers, dispatchers, maintenance and repair technicians, warehouse workers, truck stop and rest area workers, towing and recovery services, roadside assistance workers, intermodal transportation personnel, and workers that maintain and inspect infrastructure
2. Working supporting or providing services that enable logistics operations for essential sectors, wholesale and retail sale, including warehousing, cooling, storing, packaging, and distributing products for wholesale or retail sale or use.
3. Workers supporting maintenance and operation of essential highway infrastructure, including roads, bridges, and tunnels.

4. Workers of firms providing services, supplies, and equipment that enable warehouse and operations, including cooling, storing, packaging, and distributing products for wholesale or retail sale or use.
5. Mass transit workers providing critical transit services and/or performing critical or routine maintenance to mass transit infrastructure or equipment.
6. Employees supporting personal and commercial transportation services, including taxis, bicycle services, Transportation Network Companies, and delivery services including Delivery Network Companies
7. Workers responsible for operating dispatching passenger, commuter and freight trains and maintaining rail infrastructure and equipment
8. Maritime transportation and inland waterway workers – to include maintenance and repair – including port authority and commercial facility personnel, dredgers, port workers, mariners, ship crewmembers, ship pilots and tugboat operators, ship supply, Chandler, and equipment operators.
9. Workers who support the operation, inspection, and maintenance of essential dams, locks, and levees.
10. Workers who support the inspection and maintenance of aids to navigation and other government-provided services that ensure continued maritime commerce.
11. Workers supporting transportation of chemicals, hazardous, medical, waste and recyclable materials to support critical sectors and infrastructure.
12. Automotive repair, maintenance, and transportation equipment manufacturing and distribution facilities.
13. Transportation safety inspectors, including hazardous material inspectors and accident investigator inspectors
14. Manufacturers and distributors (to include service centers and related operations) of lighting and communication systems, specialized signage and structural systems, emergency response equipment and support materials, printers, printed materials, packaging materials, pallets, crates, containers, and other supplies needed to support manufacturing, packaging staging and distribution operations
15. Postal, parcel, courier, last-mile delivery, and shipping workers, to include private companies who accept, process, transport, and deliver information and goods.
16. Workers who supply equipment and materials for maintenance of transportation equipment.
17. Employees who repair and maintain vehicles, aircraft, rail equipment, marine vessels, bicycles, and the equipment and infrastructure that enables operations that encompass movement of cargo and passengers
18. Workers who support air transportation for cargo and passengers, including operation distribution, maintenance, and sanitation. This includes air traffic controllers, flight dispatchers, maintenance personnel, ramp workers, fueling agents, flight crews, airport safety inspectors and engineers, airport operations personnel, aviation and aerospace safety workers, security, commercial space personnel, operations personnel, accident investigators, flight instructors, and other on- and off-airport facilities workers.
19. Workers critical to the manufacturing, distribution, sales, rental, leasing, repair, and maintenance of vehicles and other transportation equipment (including electric vehicle charging stations) and the supply chains that enable these operations, subject to adhering public health guidance issued by CDPH.
20. Workers who support the operation, inspection, and maintenance of essential public works facilities and operations, including bridges, water and sewer main breaks, fleet maintenance personnel, construction of critical or strategic infrastructure, construction material

suppliers, traffic signal maintenance, emergency location services for buried utilities, maintenance of digital systems infrastructure supporting public works operations, and other emergent issues

21. Workers who support, such as road and line clearing, to ensure the availability of needed facilities, transportation, energy and communications.

7. COMMUNICATIONS AND INFORMATION TECHNOLOGY

Sector Profile

The Communications Sector provides products and services that support the efficient operation of today's global information-based society. Communication networks enable people around the world to contact one another, access information instantly, and communicate from remote areas. This involves creating a link between a sender (including voice signals) and one or more recipients using technology (e.g., a telephone system or the Internet) to transmit information from one location to another. Technologies are changing at a rapid pace, increasing the number of products, services, service providers, and communication options. The national communications architecture is a complex collection of networks that are owned and operated by individual service providers. Many of this sector's products and services are foundational or necessary for the operations and services provided by other critical infrastructure sectors. The nature of communication networks involves both physical infrastructure (buildings, switches, towers, antennas, etc.) and cyber infrastructure (routing and switching software, operational support systems, user applications, etc.), representing a holistic challenge to address the entire physical-cyber infrastructure.

The IT Sector provides products and services that support the efficient operation of today's global information-based society and are integral to the operations and services provided by other critical infrastructure Sectors. The IT Sector is comprised of small and medium businesses, as well as large multinational companies. Unlike many critical infrastructure Sectors composed of finite and easily identifiable physical assets, the IT Sector is a functions-based Sector that comprises not only physical assets but also virtual systems and networks that enable key capabilities and services in both the public and private sectors.

Essential Workforce – Communications, if remote working is not practical:

1. Maintenance of communications infrastructure- including privately owned and maintained communication systems- supported by technicians, operators, call-centers, wireline and wireless providers, cable service providers, satellite operations, Internet Exchange Points, Network Access Points, back haul and front haul facilities, and manufacturers and distributors of communications equipment.
2. Workers performing functions related to undersea cable infrastructure and support facilities, including cable landing sites, beach manhole vaults and covers, submarine cable depots, and submarine cable ship facilities
3. Government and private sector employees supporting Department of Defense internet and communications facilities.
4. Workers who support radio, television, and media service, including, but not limited to front line news reporters, studio, and technicians for newsgathering, reporting, and publishing news.
5. Network Operations staff, engineers and/or technicians to include IT managers and staff, HVAC & electrical engineers, security personnel, software and hardware engineers, and database administrators that manage the network or operate facilities
6. Workers responsible for infrastructure construction and restoration, including contractors for construction and engineering of fiber optic cables, buried conduit, small cells, other wireless facilities, and other communications sector-related infrastructure. This includes construction of

new facilities and deployment of new technology required to address congestion or customer usage on remote services.

7. Installation, maintenance and repair technicians that establish, support or repair service as needed.
8. Central office personnel to maintain and operate central office, data centers, and other network office facilities, and critical support personnel assisting front line employees
9. Customer service and support staff, including managed and professional services as well as remote providers of support to transitioning employees to set up and maintain home offices, who interface with customers to manage or support service environments and security issues, including payroll, billing, fraud, logistics and troubleshooting
10. Workers providing electronic security, fire, monitoring, and life safety services, and who ensure physical security, cleanliness, and the safety of facilities and personnel, including those who provide temporary licensing waivers for security personnel to work in other States or Municipalities.
11. Dispatchers involved with service repair and restoration
12. Retail customer service personnel at critical service center locations for onboarding customers, distributing and repairing equipment and other supply chain personnel, to support individuals' remote emergency communications needs;
13. External Affairs personnel to assist in coordinating with local, state, and federal officials to address communications needs supporting COVID-19 response, public safety, and national security.
14. Workers responsible for ensuring that persons with disabilities have access to and the benefits of various communications platforms, including those involved in the provision of telecommunication relay services, closed captioning of broadcast television for the deaf, video relay services for deaf citizens who prefer communication via American Sign Language over text, and audio-description for television programming.

Essential Workforce - Information Technology, if remote working is not practical:

15. Workers who support command centers, including, but not limited to Network Operations Command Centers, Broadcast Operations Control Center and Security Operations Command Centers
16. Data center operators, including system administrators, HVAC & electrical engineers, security personnel, IT managers and purchasers, data transfer solutions engineers, software and hardware engineers, and database administrators
17. Workers who support client service centers, field engineers, and other workers supporting critical infrastructure, as well as manufacturers and supply chain vendors that provide hardware and software, support services, research and development, information technology equipment (to include microelectronics and semiconductors), and HVAC and electrical equipment for critical infrastructure and test labs and certification agencies that qualify such equipment for critical infrastructure.
18. Workers needed to pre-empt and respond to cyber incidents involving critical infrastructure,, and entities supporting the functioning of critical infrastructure sectors
19. Suppliers, designers, transporters and other workers supporting the manufacture, distribution, and construction of essential global, national and local infrastructure for computing services (including cloud computing services and teleworking capabilities), business infrastructure, financial transactions, web-based services, and critical manufacturing

20. Workers supporting communications systems, information technology, and work from home solutions
21. Employees required to support Software as a Service businesses that enable remote working, performance of business operations, distance learning, media services, and digital health offerings, or required for technical support crucial for business continuity and connectivity.

8. GOVERNMENT OPERATIONS AND OTHER COMMUNITY-BASED ESSENTIAL FUNCTIONS

Essential Workforce, if remote working is not practical.

1. Critical government workers, as defined by the employer and consistent with Continuity of Operations Plans and Continuity of Government plans.
2. County workers responsible for determining eligibility for safety net benefits
3. The Courts, consistent with guidance released by the California Chief Justice
4. Workers who support administration and delivery of unemployment insurance programs, income maintenance, employment service, disaster assistance, workers' compensation insurance and benefits programs, and pandemic assistance
5. Workers to ensure continuity of building functions, including but not limited to security and environmental controls, the manufacturing and distribution of the products required for these functions, and the permits and inspection for construction.
6. Elections personnel
7. Federal, State, and Local, Tribal, and Territorial employees who support Mission Essential Functions and communications networks
8. Trade Officials (FTA negotiators; international data flow administrators)
9. Weather forecasters
10. Workers that maintain digital systems infrastructure supporting other critical government operations
11. Workers who support necessary credentialing, vetting and licensing operations for critical sector workers and operations.
12. Workers who are critical to facilitating trade in support of the national, state, and local emergency response supply chain
13. Workers supporting public and private childcare establishments, pre-K establishments, K-12 schools, colleges, and universities for purposes of distance learning, provision of school meals, or care and supervision of minors to support essential workforce across all sectors
14. Staff at government offices who perform title search, notary, and recoding services in support of mortgage and real estate services and transactions;
15. Workers and instructors supporting academies and training facilities and courses for the purpose of graduating students and cadets that comprise the essential workforce for all identified critical sectors
16. Clergy for essential support and faith-based services that are provided through streaming or other technologies that support physical distancing and state public health guidelines.
17. Human services providers, especially for at risk populations, including home delivered meal providers for older adults, people with disabilities, and others with chronic health conditions; home-maker services for frail, homebound, older adults; personal assistance services providers to support activities of daily living for older adults, people with disabilities, and others with chronic health conditions who live independently in the community with supports and services; home health providers who deliver health care services for older adults, people with disabilities, and others with chronic health conditions who live independently in the community with supports and services.
18. Government entities, and contractors that work in support of local, state, and federal public health and medical mission sets, including but not limited to supporting access to healthcare and associated payment functions, conducting public health functions, providing medical care,

supporting emergency management, or other services necessary for supporting the COVID-19 response.

Relevant Sector Guidance:

- Schools and institutions of higher education
 - [Guidance for schools \(PDF\)](#)
 - [Directrices para las escuelas sobre el nuevo coronavirus o COVID-19 \(PDF\)](#)
 - [Guidance for colleges and universities](#)
 - [Directrices para las instituciones de educación superior sobre el nuevo coronavirus o COVID-19](#)
- [Guidance for K-12 Schools: Distance Learning, School Meals, Child Care and Student Supervision](#)
- [Guidance for Using Disinfectants at Schools and Child Cares](#)
 - [Recordatorios para el uso de desinfectantes en las escuelas y guarderías](#)
- [Community care facilities, including assisted living facilities and child care](#)

9. CRITICAL MANUFACTURING

Sector Profile

The Critical Manufacturing Sector identifies several industries to serve as the core of the sector: Primary Metals Manufacturing, Machinery Manufacturing, Electrical Equipment, Appliance, and Component Manufacturing, Transportation Equipment Manufacturing Products made by these manufacturing industries are essential to many other critical infrastructure sectors.

Essential Workforce, if remote working is not practical

1. Workers necessary for the manufacturing of metals, industrial minerals, semiconductors, materials and products needed for supply chains of the critical infrastructure sectors.
2. Workers necessary for the manufacturing of materials and products needed to manufacture medical equipment and personal protective equipment
3. Workers necessary for mining and production of critical minerals, materials and associated essential supply chains, and workers engaged in the manufacture and maintenance of equipment and other infrastructure necessary for mining production and distribution.
4. Workers who produce or manufacture parts or equipment that supports continued operations for any essential services and increase in remote workforce, including computing and communication devices, semiconductors, and equipment such as security tools for Security Operations Centers (SOCs) or data centers.
5. Workers manufacturing or providing parts and equipment that enable the maintenance and continued operation of essential businesses and facilities.

10. FINANCIAL SERVICES

Sector Profile

The Financial Services Sector includes thousands of depository institutions, providers of investment products, insurance companies, other credit and financing organizations, and the providers of the critical financial utilities and services that support these functions. Financial institutions vary widely in size and presence, ranging from some of the world's largest global companies with thousands of employees and many billions of dollars in assets, to community banks and credit unions with a small number of employees serving individual communities. Whether an individual savings account, financial derivatives, credit extended to a large organization, or investments made to a foreign country, these products allow customers to: Deposit funds and make payments to other parties; Provide credit and liquidity to customers; Invest funds for both long and short periods; Transfer financial risks between customers.

Essential Workforce, if remote working is not practical:

1. Workers who are needed to process and maintain systems for processing financial transactions and services, including payment, clearing, and settlement; wholesale funding; insurance services; and capital markets activities
2. Workers who are needed to maintain orderly market operations to ensure the continuity of financial transactions and services.
3. Workers who are needed to provide business, commercial, and consumer access to banking and non-bank financial and lending services, including ATMs, lending money transmission, and to move currency, checks, securities, and payments
4. Workers who support financial operations, such as those staffing call, data and security operations centers, managing physical security, or providing accounting services.
5. Workers supporting production and distribution of debit and credit cards.
6. Workers providing electronic point of sale support personnel for essential businesses and workers.

11. CHEMICAL & HAZARDOUS MATERIALS

Sector Profile

The Chemical Sector—composed of a complex, global supply chain—converts various raw materials into diverse products that are essential to modern life. Based on the product produced, the sector can be divided into five main segments, each of which has distinct characteristics, growth dynamics, markets, new developments, and issues: Basic chemicals; Specialty chemicals; Agricultural chemicals; Pharmaceuticals; Consumer products.

Essential Workforce, if remote working is not practical:

1. Workers supporting the chemical and industrial gas supply chains, including workers at chemical manufacturing plants, workers in laboratories, workers at distribution facilities, workers who transport basic raw chemical materials to the producers of industrial and consumer goods, including hand sanitizers, food and food additives, pharmaceuticals, textiles, building materials, plumbing, electrical and paper products.
2. Workers supporting the safe transportation of chemicals, including those supporting tank truck cleaning facilities and workers who manufacture packaging items
3. Workers supporting the production of protective cleaning and medical solutions, personal protective equipment, disinfectants, and packaging that prevents the contamination of food, water, medicine, among others essential products
4. Workers supporting the operation and maintenance of facilities (particularly those with high risk chemicals and/ or sites that cannot be shut down) whose work cannot be done remotely and requires the presence of highly trained personnel to ensure safe operations, including plant contract workers who provide inspections
5. Workers who support the production and transportation of chlorine and alkali manufacturing, single-use plastics, and packaging that prevents the contamination or supports the continued manufacture of food, water, medicine, and other essential products, including glass container manufacturing
6. Workers at nuclear facilities, workers managing medical waste, workers managing waste from pharmaceuticals and medical material production, and workers at laboratories processing test kits
7. Workers who support hazardous materials response and cleanup
8. Workers who maintain digital systems infrastructure supporting hazardous materials management operations
9. Workers who support the removal, storage, and disposal of residential and commercial solid waste and hazardous waste, including landfill and recycling operations.

12. DEFENSE INDUSTRIAL BASE

Sector Profile

The Defense Industrial Base Sector is the worldwide industrial complex that enables research and development, as well as design, production, delivery, and maintenance of military weapons systems, subsystems, and components or parts, to meet U.S. military requirements. The Defense Industrial Base partnership consists of Department of Defense components, Defense Industrial Base companies and their subcontractors who perform under contract to the Department of Defense, companies providing incidental materials and services to the Department of Defense, and government-owned/contractor-operated and government-owned/government-operated facilities. Defense Industrial Base companies include domestic and foreign entities, with production assets located in many countries. The sector provides products and services that are essential to mobilize, deploy, and sustain military operations.

Essential Workforce, if remote working is not practical:

1. Workers who support the essential services required to meet national security commitments to the federal government and U.S. Military, including, but are not limited to, space and aerospace workers, nuclear matters workers, mechanical and software engineers (various disciplines), manufacturing and production workers, IT support, security staff, security personnel, intelligence support, aircraft and weapon system mechanics and maintainers, and sanitary workers who maintain the hygienic viability of necessary facilities.
2. Personnel working for companies, and their subcontractors, who perform under contract or sub-contract to the Department of Defense (DoD) and the Department of Energy (DoE) (on nuclear matters), as well as personnel at government-owned/contractor operated facilities, and who provide materials and services to the DoD and DoE (on nuclear matters), including support for weapon systems, software systems and cybersecurity, defense and intelligence communications, surveillance, sale of U.S. defense articles and services for export to foreign allies and partners (as authorized by the U.S. government), and space systems and other activities in support of our military, intelligence, and space forces.

13. INDUSTRIAL, COMMERCIAL, RESIDENTIAL, and SHELTERING FACILITIES AND SERVICES

Essential Workforce, if remote working is not practical:

1. Construction Workers who support the construction, operation, inspection, and maintenance of construction sites and construction projects (including housing, commercial, and mixed-use construction); and workers who support the supply chain of building materials from production through application/installation, including cabinetry, fixtures, doors, cement, hardware, plumbing, electrical, heating/cooling, refrigeration, appliances, paint/coatings, and employees who provide services that enable repair materials and equipment for essential functions.
2. Workers such as plumbers, electricians, exterminators, and other service providers who provide services that are necessary to maintaining the safety, sanitation, construction material sources, and essential operation of construction sites and construction projects (including those that support such projects to ensure the availability of needed facilities, transportation, energy and communications; and support to ensure the effective removal, storage, recycling and disposal of solid waste and hazardous waste)
3. Workers such as plumbers, electricians, exterminators, and other service providers who provide services that are necessary to maintaining the safety, sanitation, and essential operation of residences, businesses, and buildings such as hospitals and senior living facilities, including any facility supporting COVID-19 response.
4. Workers who support the supply chain of building materials from production through application and installation, including cabinetry, fixtures, doors, cement, hardware, plumbing (including parts and services), electrical, heating and cooling, refrigeration, appliances, paint and coatings, and workers who provide services that enable repair materials and equipment for essential functions.
5. Workers in hardware and building materials stores, consumer electronics, technology and appliances retail, and related merchant retailers, wholesalers and distributors that support essential workforce functions where sales and operations cannot be conducted online
6. Warehouse operators, including vendors and support personnel critical for business continuity (including heating, ventilation, and air conditioning (HVAC) and electrical engineers, security personnel, and janitorial staff), e-commerce or online commerce, and customer service for essential functions.
7. Workers supporting the operations of commercial buildings that are critical to safety, security, and the continuance of essential activities, such as on-site property managers, building engineers, security staff, fire safety directors, janitorial personnel, and service technicians (e.g., mechanical, HVAC, plumbers, electricians, and elevator).
8. Workers supporting ecommerce through distribution, warehouse, call center facilities, and other essential operational support functions, that accept, store, and process goods, and that facilitate their transportation and delivery
9. Workers distributing, servicing, repairing, installing residential and commercial HVAC systems, boilers, furnaces and other heating, cooling, refrigeration, and ventilation equipment.
10. Workers managing or servicing hotels or other commercial and residential buildings that are used for COVID-19 mitigation and containment measures, treatment measures, provide accommodation for essential workers, or providing housing solutions, including measures to protect homeless populations.

11. Workers responsible for the leasing of residential and commercial properties to provide individuals and families with ready access to available housing.
12. Residential and commercial real estate workers, limited to scheduled property viewings to a potential buying party. This does not extend to open-house viewings, nor viewings with more than one buying party at a time.
13. Professional services, such as legal or accounting services, when necessary to assist in compliance with legally mandated activities and critical sector services
14. Workers responsible for handling property management, maintenance, and related service calls who can coordinate the response to emergency “at-home” situations requiring immediate attention, as well as facilitate the reception of deliveries, mail, and other necessary services.
15. Workers supporting the entertainment industries, studios, and other related establishments, provided they follow covid-19 public health guidance around physical distancing.
16. Workers that provide or determine eligibility for food, shelter, in-home supportive services, child welfare, adult protective services and social services, and other necessities of life for economically disadvantaged or otherwise needy individuals (including family members)
17. Workers performing services in support of the elderly and disabled populations who coordinate a variety of services, including health care appointments and activities of daily living.
18. Workers who provide support to vulnerable populations to ensure their health and well-being including family care providers.
19. Workers providing dependent care services, particularly those whose services ensure essential workers can continue to work.
20. Workers who support food, shelter, and social services, and other necessities of life for economically disadvantaged or otherwise needy individuals, such as those residing in shelters.
21. Workers in laundromats, laundry services, and dry cleaners.
22. Workers providing disinfection services, for all essential facilities in essential sectors
23. Workers necessary for the installation, maintenance, distribution, and manufacturing of water and space heating equipment and its components.
24. Support required for continuity of services, including commercial disinfectant services, janitorial/cleaning personnel, and support personnel functions that need freedom of movement to access facilities in support of front-line employees.

Relevant Sector Guidance:

- [Cleaning & Waste Management for Residences 2/2020](#)
- [Essential/Emergency Personnel Providing Critical In-Home Services](#)
- [Home cleaning with COVID-19 positive individuals](#)
- [Recommended Strategic Approaches for COVID-19 Response for Individuals Experiencing Homelessness](#)
- [Flow Chart: COVID-19 Recommended Protocol for People Experiencing Homelessness](#)
- [Homeless Assistance Providers](#)
- [Immigrant Communities](#)
 - [Las Comunidades de Inmigrantes](#)
- [Pets & People](#)

**EXECUTIVE DEPARTMENT
STATE OF CALIFORNIA**

EXECUTIVE ORDER N-37-20

WHEREAS on March 4, 2020, I proclaimed a State of Emergency to exist in California as a result of the threat of COVID-19; and

WHEREAS in a short period of time, COVID-19 has rapidly spread throughout California, necessitating stringent public health emergency orders as well as guidance from federal, state, and local public health officials; and

WHEREAS on March 16, 2020, I issued Executive Order N-28-20, suspending state law limitations on local jurisdictions that impose restrictions on evictions; and

WHEREAS on March 19, 2020, I issued Executive Order N-33-20, ordering all residents to immediately heed the Order of the State Public Health Officer for all residents, unless exempted, to stay home or at their place of residence; and

WHEREAS many Californians are experiencing or will experience substantial losses of income as a result of business closures, the loss of hours or wages, or layoffs related to COVID-19, hindering their ability to keep up with their rent, and leaving them vulnerable to eviction; and

WHEREAS minimizing evictions during this period is critical to reducing the spread of COVID-19 in vulnerable populations by allowing all residents to stay home or at their place of residence in compliance with Executive Order N-33-20; and

WHEREAS Chief Justice Tani Cantil-Sakauye issued advisory guidance on March 20, 2020 for superior courts to suspend most civil trials and hearings for at least 60 days, and on March 23, 2020, suspended all jury trials for a period of 60 days, and extended by 60 days the time period for the holding of a civil trial; and

WHEREAS on March 25, 2020 the Department of Business Oversight secured support from national banks, state banks and credit unions for temporary delays in mortgage payments and foreclosure sales and evictions for homeowners who have economic impacts from COVID-19 with the objective of maximizing consistency and minimizing hurdles potentially faced by borrowers.

NOW, THEREFORE, I, GAVIN NEWSOM, Governor of the State of California, in accordance with the authority vested in me by the State Constitution and statutes of the State of California, and in particular, Government Code sections 8567 and 8571, do hereby issue the following Order to become effective immediately:

IT IS HEREBY ORDERED THAT:

- 1) The deadline specified in Code of Civil Procedure section 1167 shall be extended for a period of 60 days for any tenant who is served, while

this Order is in effect, with a complaint that seeks to evict the tenant from a residence or dwelling unit for nonpayment of rent and who satisfies all of the following requirements:

- a. Prior to the date of this Order, the tenant paid rent due to the landlord pursuant to an agreement.
 - b. The tenant notifies the landlord in writing before the rent is due, or within a reasonable period of time afterwards not to exceed 7 days, that the tenant needs to delay all or some payment of rent because of an inability to pay the full amount due to reasons related to COVID-19, including but not limited to the following:
 - (i) The tenant was unavailable to work because the tenant was sick with a suspected or confirmed case of COVID-19 or caring for a household or family member who was sick with a suspected or confirmed case of COVID-19;
 - (ii) The tenant experienced a lay-off, loss of hours, or other income reduction resulting from COVID-19, the state of emergency, or related government response; or
 - (iii) The tenant needed to miss work to care for a child whose school was closed in response to COVID-19.
 - c. The tenant retains verifiable documentation, such as termination notices, payroll checks, pay stubs, bank statements, medical bills, or signed letters or statements from an employer or supervisor explaining the tenant's changed financial circumstances, to support the tenant's assertion of an inability to pay. This documentation may be provided to the landlord no later than the time upon payment of back-due rent.
- 2) No writ may be enforced while this Order is in effect to evict a tenant from a residence or dwelling unit for nonpayment of rent who satisfies the requirements of subparagraphs (a)-(c) of paragraph 1.
- 3) The protections in paragraphs 1 and 2 shall be in effect through May 31, 2020.

Nothing in this Order shall prevent a tenant who is able to pay all or some of the rent due from paying that rent in a timely manner or relieve a tenant of liability for unpaid rent.

Nothing in this Order shall in any way restrict state or local governmental authority to order any quarantine, isolation, or other public health measure that may compel an individual to remain physically present in a particular residential property.

IT IS FURTHER ORDERED that this Order supersedes Executive Order N-28-20 to the extent that there is any conflict with that Order.

This Order is not intended to, and does not, create any rights or benefits, substantive or procedural, enforceable at law or in equity, against the State of California, its agencies, departments, entities, officers, employees, or any other person.

I FURTHER DIRECT that as soon as hereafter possible, this proclamation be filed in the Office of the Secretary of State and that widespread publicity and notice be given of this Order.

IN WITNESS WHEREOF I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 27th day of March 2020.

A handwritten signature in black ink, appearing to read 'Gavin Newsom', written over a horizontal line.

GAVIN NEWSOM
Governor of California

ATTEST:

ALEX PADILLA
Secretary of State

**EXECUTIVE DEPARTMENT
STATE OF CALIFORNIA**

EXECUTIVE ORDER N-39-20

WHEREAS on March 4, 2020, I proclaimed a State of Emergency to exist in California as a result of the threat of COVID-19; and

WHEREAS despite sustained efforts, COVID-19 continues to spread at a rapid rate, threatening to overwhelm California's healthcare delivery system; and

WHEREAS California is preparing for a surge in the number of people who will need hospital care during the COVID-19 outbreak by increasing the number of hospital beds and post-acute care facilities that can treat and serve patients; and

WHEREAS this anticipated increase in the use of the healthcare system will require an increase in the health care workforce such as nurses, doctors, medical assistants, and emergency medical technicians; and

WHEREAS maximizing the number of qualified and capable medical and healthcare workers in service in California is imperative to ensure that Californians impacted by COVID-19 can access medical treatment; and

WHEREAS, the anticipated surge requires temporary adjustment of California's staffing and health and safety standards for health providers and health facilities, which are among the strongest in the nation, as numerous professionals are unable to satisfy professional licensing requirements in light of the COVID-19 pandemic that then subsequently prevent them from providing necessary medical and healthcare assistance to the public; and

WHEREAS, our most vulnerable residents who rely on state and local government for social services need additional support during this time; and

WHEREAS the Department of Developmental Services operates Stabilization, Training, Assistance and Reintegration (STAR) community crisis homes to treat individuals with developmental disabilities in acute crisis and additional STAR homes are required to provide treatment to such individuals and to protect the public health during the COVID-19 crisis; and

WHEREAS federal guidance permits monthly caseworker visits with children under court jurisdiction to be accomplished through videoconferencing in limited circumstances, such as a declaration of an emergency that prohibits or strongly discourages face-to-face contact for public health reasons; and

WHEREAS under the provisions of Government Code section 8571, I find that strict compliance with various statutes and regulations specified in this order would prevent, hinder, or delay appropriate actions to prevent and mitigate the effects of the COVID-19 pandemic.

NOW, THEREFORE, I, GAVIN NEWSOM, Governor of the State of California, in accordance with the authority vested in me by the State Constitution and statutes of the State of California, and in particular, Government Code sections 8567 and 8571, do hereby issue the following Order to become effective immediately:

IT IS HEREBY ORDERED THAT:

- 1) To assist in the care and/or to protect the health of individuals in hospitals and other health facilities, and due to the COVID-19 outbreak, the director of the State Department of Public Health may, to the extent necessary and only for the duration of the declared emergency, waive any of the licensing and staffing requirements of chapters 2 and 2.4 of division 2 of the Health and Safety Code and any accompanying regulations with respect to any hospital or health facility identified in Health and Safety Code section 1250. Any waiver shall include alternative measures that, under the circumstances, will allow the facilities to treat patients while protecting public health and safety. To the extent the facility maintains a disaster and mass casualty plan, the facility granted a waiver shall be established and operate in accordance with that plan. Any waivers granted pursuant to this paragraph shall be posted on the Department's website.
- 2) To facilitate the continued provision of care due to the COVID-19 outbreak, the director of the State Department of Public Health may, to the extent necessary and only for the duration of the declared emergency, waive any of the professional licensing and certification requirements and amend scopes of practice of chapters 2, 2.35, and 8 of division 2 of the Health and Safety Code and any accompanying regulations with respect to certified nursing assistants, home health aides, and nursing home administrators, and chapter 3, division 2 of the Business and Professions Code and accompanying regulations with respect to certified hemodialysis technicians. The Department shall provide guidance to facilities directing the appropriate qualifications and scope of practice for each classification operating under a waiver based on sound clinical guidelines and the individual's training, education, and work experience. Any waiver shall include alternative measures that, under the circumstances, will allow the facilities to treat patients while protecting public health and safety. Any waivers granted pursuant to this paragraph shall be posted on the Department's website.
- 3) The certification and permitting requirements of the Radiologic Technology Act (as identified in Health and Safety Code section 27) are, only for the duration of the declared emergency, suspended for all persons:
 - (i) whose certificate or permit issued pursuant to the Radiological Technology Act is expired, regardless of expiration date, or has been canceled; or
 - (ii) who hold Radiography certification issued by the American Registry of Radiologic Technologists or are an American Registry of Radiologic Technologists Registered Radiologist Assistant; or
 - (iii) who are credentialed as Radiology Practitioner Assistants by the Certification Board for Radiology Practitioner Assistants; or

- (iv) who are certified, permitted or otherwise authorized to perform radiologic technology by passing a State-required examination by a state other than the State of California; and
- (v) who are working under the supervision of a person licensed under the Medical Practice Act, except that the requirement to be under supervision shall not apply to a licentiate of the healing arts, as defined in the Radiological Technology Act; and
- (vi) who are deemed by a health facility as necessary workforce for purposes of this Order.

The specific certification requirements of Health and Safety Code section 107110 are suspended for any person who is licensed under the Medical Practice Act (Business and Professions Code sections 2000, et seq.). Except for persons licensed under the Medical Practice Act, this suspension of certification and permitting requirements shall not apply to persons who have never been either certified or permitted by the Department of Public Health, or certified, permitted, or otherwise authorized by the American Registry of Radiologic Technologists, the Certification Board for Radiology Practitioner Assistants, or any other state. This suspension of certification and permitting requirements shall also not apply to persons whose certificate, permit, or other authorization has been revoked or suspended for cause by the Department of Public Health, the American Registry of Radiologic Technologists, the Certification Board for Radiology Practitioner Assistants, or any other state.

- 4) To ensure hospitals are adequately prepared and staffed to treat COVID-19 patients, the Director of the State Department of Public Health may temporarily waive licensing requirements in Health and Safety Code section 1277 and sections 70203(a)(2), 70701(a)(1)(E), 70703(b), and 70705(a) of Chapter 1, Article 3, of Title 22, that pertain to the credentialing and privileging of physicians. Any waiver shall include alternate measures that, under the circumstances, ensure the competency of physicians providing medical services at the hospital.
- 5) To facilitate the continued provision of care to individuals affected by the COVID-19 outbreak, the Director of the Department of Consumer Affairs may to the extent necessary and only for the duration of the declared emergency, waive any of the professional licensing requirements and amend scopes of practice in Division 2 of the Business and Professions Code, and any accompanying regulations. Professional licensing requirements should be interpreted broadly to effectuate the purposes of this executive order, and they include, but are not limited to, the examination, education, experience, and training requirements necessary to obtain and maintain licensure, and requirements governing the practice and permissible activities for licensees. The Department, in conjunction with the relevant licensing board, shall provide guidance identifying the appropriate qualifications and scope of practice for each classification operating under a waiver based on sound clinical guidelines and the individual's training, education, and work experience. Any waiver may include alternative measures that, under the circumstances, will allow the regulated individual to treat patients while protecting public health

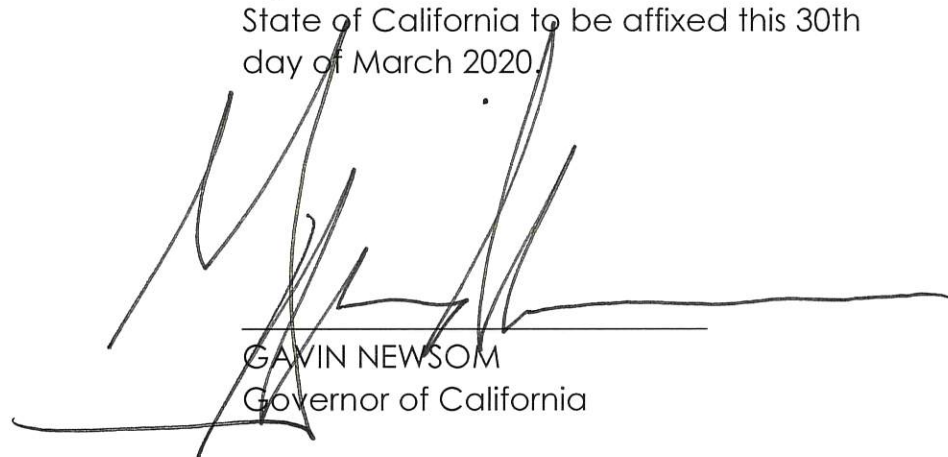
and safety. Any waivers granted pursuant to this paragraph shall be posted on the Department's website.

- 6) To ensure the continued operation of the Emergency Medical Services (EMS) system without unduly endangering the people of California during the COVID-19 outbreak, the Director of the California Emergency Medical Services Authority may as necessary and only for the duration of the declared emergency, suspend any licensing, certification, or training requirements for EMS personnel as contained in the EMS Act Chapters 2, 3, and 4, and accompanying regulations, including the authority to permit EMS personnel to provide services in any setting as authorized by the Director for the performance of the current scope of practice. The Authority shall provide guidance to local emergency medical services authorities directing the appropriate qualifications and scope of practice for each classification operating under a waiver based on sound clinical guidelines and the individual's training, education, and work experience. Any waivers granted pursuant to this paragraph shall be posted on the Authority's website.
- 7) Notwithstanding the Government Code section 14669, or any other law, the Director of the Department of Developmental Services has the authority to enter into a lease, lease-purchase, lease with option to purchase any real or personal property or any other agreement to procure residences or facilities and necessary equipment, goods or services to serve those individuals with development disabilities in crisis, to respond to, mitigate the effects or prevent the spread of COVID-19 to individuals with developmental disabilities or the general community. The leases or agreements may be executed without the review or prior approval of any other state department or agency. The leases or agreements executed pursuant to this provision shall be in effect so long as necessary to address the COVID-19 crisis or its effects.
- 8) The Department of Social Services may, to the extent the Department deems necessary to respond to the COVID-19 crisis, allow any state monthly face-to-face caseworker visitation requirement, standard, or criteria set forth in the Welfare and Institutions Code sections 16501.1, subdivision (l), 16516.5, and 16516.6, as well as accompanying regulations or other written directives, policies or procedures, to be accomplished through videoconferencing, instead of in-person contact. This flexibility shall only be utilized by caseworkers in keeping with guidance from the Department and after a child-specific decision based on the training and experience of the social worker, considering all available information, that an in-person visit is not necessary to ensure the child's safety and well-being. Any flexibility granted pursuant to this paragraph shall not waive or conflict with applicable federal requirements in United States Code, Title 42, sections 622, subdivision (b)(17) and 624, subdivision (f), as modified for emergency waivers in guidance issued March 18, 2020, in the Child Welfare Policy Manual Title IV-B, section 7.3, question 8 and shall expire at the end of the emergency declaration, in 90 days, or sooner as determined by the Department. Any flexibility granted pursuant to this paragraph shall be posted to the Department's website.

IT IS FURTHER ORDERED that as soon as hereafter possible, this Order be filed in the Office of the Secretary of State and that widespread publicity and notice be given of this Order.

This Order is not intended to, and does not, create any rights or benefits, substantive or procedural, enforceable at law or in equity, against the State of California, its agencies, departments, entities, officers, employees, or any other person.

IN WITNESS WHEREOF I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 30th day of March 2020.

A large, stylized handwritten signature in dark ink, likely belonging to Gavin Newsom, is written over a horizontal line. The signature is composed of several sharp, sweeping strokes.

GAVIN NEWSOM
Governor of California

ATTEST:

ALEX PADILLA
Secretary of State

**EXECUTIVE DEPARTMENT
STATE OF CALIFORNIA**

EXECUTIVE ORDER N-42-20

WHEREAS on March 4, 2020, I proclaimed a state of emergency to exist in California as a result of the threat of COVID-19; and

WHEREAS it is the established policy of the State under Water Code section 106.3 that every human being has the right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes; and

WHEREAS to limit the spread of COVID-19 it is crucial that Californians wash their hands regularly and thoroughly; and

WHEREAS many Californians are experiencing or will experience substantial losses of income as a result of business closures, the loss of work hours or wages, or layoffs related to COVID-19, which may hinder their ability to make payments for water service and subject them to water shutoffs due to non-payment; and

WHEREAS many small businesses that provide services essential to the health and well-being of Californians have experienced substantial reductions in income, which may hinder their ability to make payments for water service and subject them to water shutoffs due to non-payment; and

WHEREAS the California Public Utilities Commission has directed private water utilities under its jurisdiction to implement customer service protections, including a moratorium on service disconnections, during the COVID-19 emergency; and

WHEREAS more than 100 public and private water systems have voluntarily agreed to halt disconnections as well; and

WHEREAS under the provisions of Government Code section 8571, I find that strict compliance with the various statutes and regulations concerning water shutoffs specified in this order would prevent, hinder, or delay appropriate actions to prevent and mitigate the effects of the COVID-19 pandemic.

NOW, THEREFORE, I, GAVIN NEWSOM, Governor of the State of California, in accordance with the authority vested in me by the State Constitution and the statutes of the State of California, and in particular, Government Code sections 8567, 8570, 8571, and 8627, do hereby issue the following order to become effective immediately:

IT IS HEREBY ORDERED THAT:

- 1) The authority of urban and community water systems, as defined in Health and Safety Code section 116902, subdivision (d), to discontinue residential service, as defined in Health and Safety Code section 116902, subdivision (c), for non-payment under Health and Safety Code sections 116908 and 116910, is suspended.
- 2) Water systems not subject to the requirements of Health and Safety Code sections 116908 and 116910 shall not discontinue residential

service, as defined in Health and Safety Code section 116902, subdivision (c), for non-payment.

- 3) Water systems shall restore any residential service to occupied residences that has been discontinued for nonpayment since March 4, 2020.
- 4) Water systems shall not discontinue service to any business in the critical infrastructure sectors designated by the State Public Health Officer as critical to protect the health and well-being of all Californians that qualifies as a small business under 13 C.F.R. § 121.201 of the Small Business Administration's regulations.
- 5) The State Water Resources Control Board shall identify best practices, guidelines, or both to be implemented during the COVID-19 emergency (i) to address non-payment or reduced payments, (ii) to promote and to ensure continuity of service by water systems and wastewater systems, and (iii) to provide measures such as the sharing of supplies, equipment and staffing to relieve water systems under financial distress.

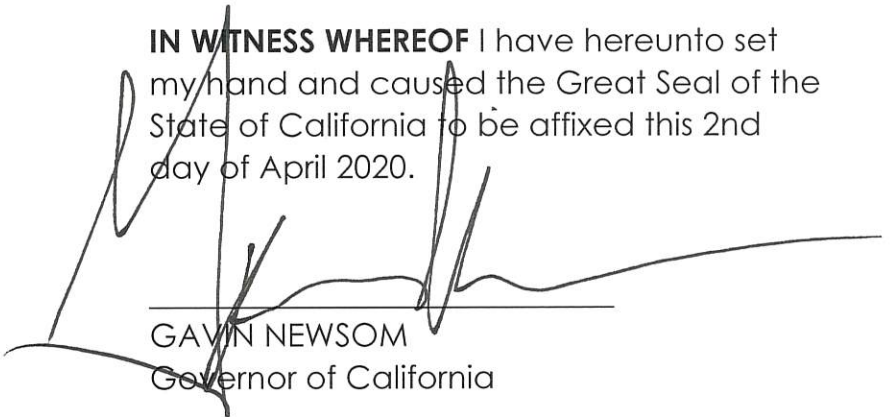
Nothing in this Order eliminates the obligation of water customers to pay for water service, prevents a water system from charging a customer for such service, or reduces the amount a customer already may owe to a water system.

Nothing in this Order modifies the obligations of urban and community waters systems to comply with provisions of the Water Shutoff Protection Act not specifically addressed by this Order or other applicable laws, regulations, and guidelines.

IT IS FURTHER ORDERED that as soon as hereafter possible, this Order be filed in the Office of the Secretary of State and that widespread publicity and notice be given of this Order.

This Order is not intended to, and does not, create any rights or benefits, substantive or procedural, enforceable at law or in equity, against the State of California, its agencies, departments, entities, officers, employees, or any other person.

IN WITNESS WHEREOF I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 2nd day of April 2020.



GAVIN NEWSOM
Governor of California

ATTEST:

ALEX PADILLA
Secretary of State

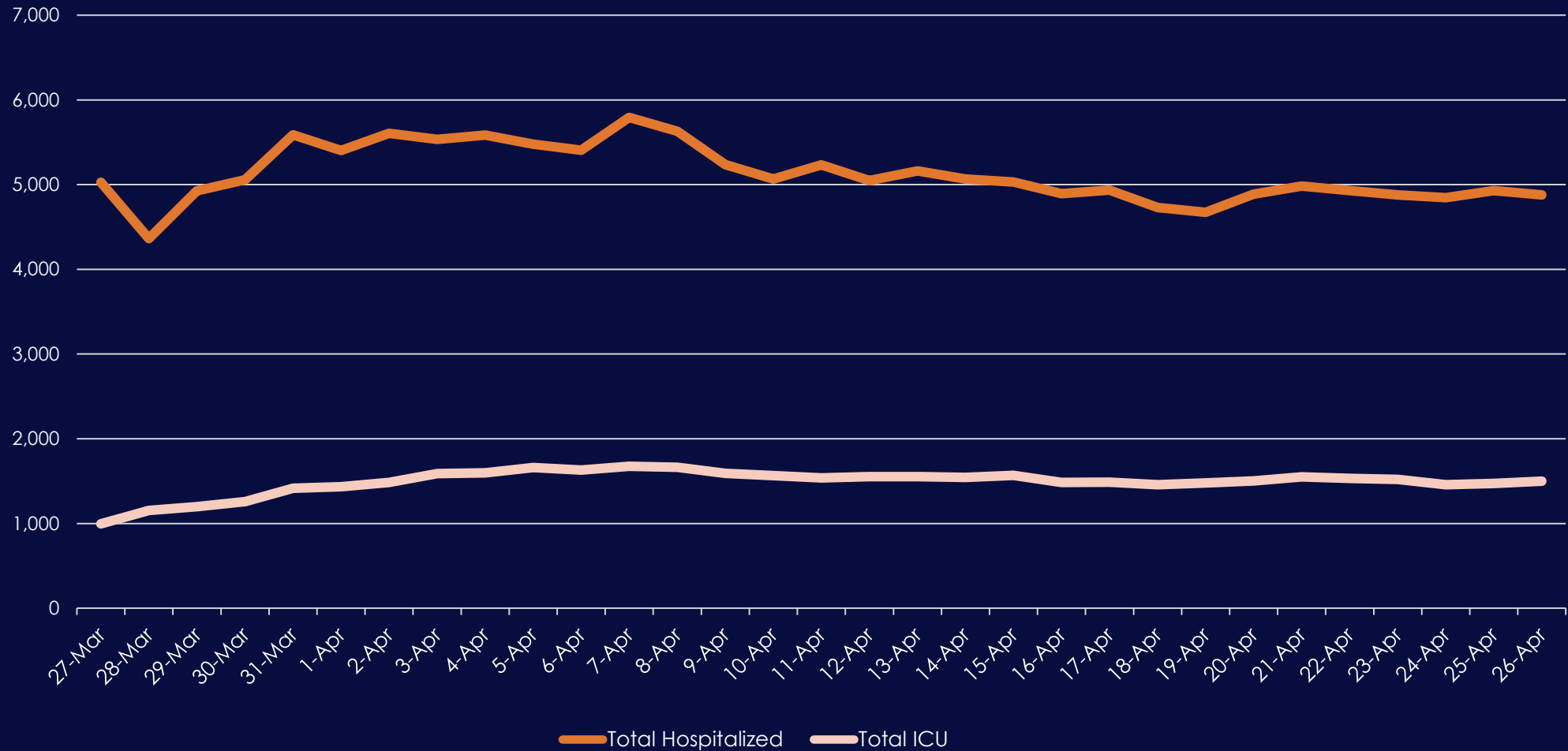


Update on California's Pandemic Roadmap

6 Indicators for Modifying Stay-at-Home Order

- Ability to test, contact trace, isolate, and support the exposed
- Ability to protect those at high risk for COVID-19
- Surge capacity for hospital and health systems
- Therapeutic development to meet the demand
- Ability of businesses, schools, and childcare facilities to support physical distancing
- Determination of when to reinstitute measures like Stay-At-Home

California Hospitalization Trend Lines



Total includes both COVID-19 confirmed positive hospitalizations as well as COVID-19 suspect hospitalizations.

The Basics



COVID-19 is not going away soon.



Modifications to Stay-At-Home Order must be guided by health risk and a commitment to equity.



Taking responsibility is key at all levels – individual, business, and government.

Resilience Roadmap Stages

STAGE 1: Safety and Preparedness

Making essential workforce environment as safe as possible.

STAGE 2: Lower Risk Workplaces

Creating opportunities for lower risk sectors to adapt and re-open.

Modified school programs and childcare re-open.

STAGE 3: Higher Risk Workplaces

Creating opportunities for higher risk sectors to adapt and re-open.

STAGE 4: End of Stay-At-Home Order

Return to expanded workforce in highest risk workplaces.

Requires
Therapeutics.

Stage 1: Safety and Preparedness

This is where we are now.

- **Continue to build out testing, contact tracing, PPE, and hospital surge capacity.**
- **Continue to make essential workplaces as safe as possible.**
 - Physical and work flow adaption
 - Essential workforce safety net
 - Make PPE more widely available
 - Individual behavior changes
- **Prepare sector-by-sector safety guidelines for expanded workforce.**

Stage 2: Lower Risk Workplaces

Gradually opening some lower risk workplaces with ADAPTATIONS:

- Retail (e.g. curbside pickup)
- Manufacturing
- Offices (when telework not possible)
- Opening more public spaces

Expanded Workforce Safety Net:

- Wage replacement so workers can stay home when sick

Stage 2: Lower Risk Workplaces

Schools and Childcare Facilities with Adaptations:

- Summer programs and next school year potentially starting sooner (July/August)
- Childcare facilities to provide more care
- Address learning gaps
- Ensure students and staff are protected
- Allow broader workforce to return to work

Actions needed to get from Stage 1 to Stage 2



Government Actions

- Policies that allow people to stay home when they're sick
- Guidance provided on how to reduce risk



Business Actions

- Wage replacement so workers can stay home when sick
- Implement adaptations to lower-risk workplaces NOW
- Employees continue to work from home when possible



Individual Actions

- Safety precautions – physical distancing, face coverings, etc.
- Avoid all non-essential travel
- Support and care for people who are at high risk

When are we ready for Stage 2?

Key indicator considerations to move to Stage 2:

- Hospitalization and ICU trends stable.
- Hospital surge capacity to meet demand.
- Sufficient PPE supply to meet demand.
- Sufficient testing capacity to meet demand.
- Contact tracing capacity statewide.

Transition to Stage 2 will occur through a statewide modification to the Stay-At-Home Order.

Opportunity for Regional Variations

During Stage 2, counties may choose to relax stricter local orders at their own pace.

Following Stage 2, once a statewide COVID-19 surveillance system is made possible through testing, further regional variations could be supported.

State will consult and collaborate closely with local governments.

Stage 3: Higher Risk Workplaces

Open higher risk environments with adaptations and limits on size of gatherings:

- Personal care (hair and nail salons, gyms)
- Entertainment venues (movie theaters, sports without live audiences)
- In-person religious services (churches, weddings)

Stage 4: End of Stay-At-Home Order

Re-open highest risk workplaces with all indicators satisfied once therapeutics have been developed:

- Concerts
- Convention Centers
- Live audience sports

Be Part of the Solution

Stay Home. Practice Physical Distancing.

We are enlisting all Californians to help inform the development of guidance for sectors across our economy.

This guidance will provide a framework for how to safely re-open.

CALIFORNIA
ALL

**Your Actions
Save Lives**

covid19.ca.gov

**EXECUTIVE DEPARTMENT
STATE OF CALIFORNIA**

EXECUTIVE ORDER N-60-20

WHEREAS on March 4, 2020, I proclaimed a State of Emergency to exist in California as a result of the threat of COVID-19; and

WHEREAS on March 19, 2020, I issued Executive Order N-33-20, which directed all California residents to immediately heed current State public health directives; and

WHEREAS State public health directives, available at <https://covid19.ca.gov/stay-home-except-for-essential-needs/>, have ordered all California residents stay home except for essential needs, as defined in State public health directives; and

WHEREAS COVID-19 continues to menace public health throughout California; and

WHEREAS the extent to which COVID-19 menaces public health throughout California is expected to continue to evolve, and may vary from place to place within the State; and

WHEREAS California law promotes the preservation of public health by providing for local health officers—appointed by county boards of supervisors and other local authorities—in addition to providing for statewide authority by a State Public Health Officer; and

WHEREAS these local health officers, working in consultation with county boards of supervisors and other local authorities, are well positioned to understand the local needs of their communities; and

WHEREAS local governments are encouraged to coordinate with federally recognized California tribes located within or immediately adjacent to the external geographical boundaries of such local government jurisdiction; and

WHEREAS the global COVID-19 pandemic threatens the entire State, and coordination between state and local public health officials is therefore, and will continue to be, necessary to curb the spread of COVID-19 throughout the State; and

WHEREAS State public health officials have worked, and will continue to work, in consultation with their federal, state, and tribal government partners; and

WHEREAS the State Public Health Officer has articulated a four-stage framework—which includes provisions for the reopening of lower-risk businesses and spaces (“Stage Two”), to be followed by the reopening of higher-risk businesses and spaces (“Stage Three”)—to allow Californians to gradually resume various activities while continuing to preserve public health in the face of COVID-19; and

WHEREAS the threat posed by COVID-19 is dynamic and ever-changing, and the State's response to COVID-19 (including implementation of the four-stage framework) should likewise retain the ability to be dynamic and flexible; and

WHEREAS to preserve this flexibility, and under the provisions of Government Code section 8571, I find that strict compliance with the Administrative Procedure Act, Government Code section 11340 et seq., would prevent, hinder, or delay appropriate actions to prevent and mitigate the effects of the COVID-19 pandemic.

NOW, THEREFORE, I, GAVIN NEWSOM, Governor of the State of California, in accordance with the authority vested in me by the State Constitution and statutes of the State of California, and in particular, Government Code sections 8567, 8571, 8627, and 8665; and also in accordance with the authority vested in the State Public Health Officer by the laws of the State of California, including but not limited to Health and Safety Code sections 120125, 120130, 120135, 120140, 120145, 120150, 120175, and 131080; do hereby issue the following Order to become effective immediately:

IT IS HEREBY ORDERED THAT:

- 1) All residents are directed to continue to obey State public health directives, as made available at <https://covid19.ca.gov/stay-home-except-for-essential-needs/> and elsewhere as the State Public Health Officer may provide.
- 2) As the State moves to allow reopening of lower-risk businesses and spaces ("Stage Two"), and then to allow reopening of higher-risk businesses and spaces ("Stage Three"), the State Public Health Officer is directed to establish criteria and procedures—as set forth in this Paragraph 2—to determine whether and how particular local jurisdictions may implement public health measures that depart from the statewide directives of the State Public Health Officer.

In particular, the State Public Health Officer is directed to establish criteria to determine whether and how, in light of the extent to which the public health is menaced by COVID-19 from place to place within the State, local health officers may (during the relevant stages of reopening) issue directives to establish and implement public health measures less restrictive than any public health measures implemented on a statewide basis pursuant to the statewide directives of the State Public Health Officer.

The State Public Health Officer is further directed to establish procedures through which local health officers may (during the relevant stages of reopening) certify that, if their respective jurisdictions are subject to proposed public health measures (which they shall specify to the extent such specification may be required by the State Public Health Officer) that are less restrictive than public health measures implemented on a statewide basis pursuant to the statewide directives of the State Public Health Officer, the public health will not be menaced. The State Public Health Officer shall additionally establish procedures to permit, in a manner consistent with public health and

safety, local health officers who submit such certifications to establish and implement such less restrictive public health measures within their respective jurisdictions.

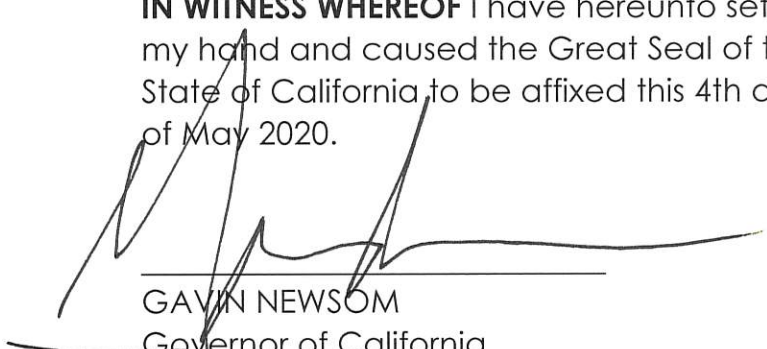
The State Public Health Officer may, from time to time and as she deems necessary to respond to the dynamic threat posed by COVID-19, revise the criteria and procedures set forth in this Paragraph 2. Nothing related to the establishment or implementation of such criteria or procedures, or any other aspect of this Order, shall be subject to the Administrative Procedure Act, Government Code section 11340 et seq. Nothing in this Paragraph 2 shall limit the authority of the State Public Health Officer to take any action she deems necessary to protect public health in the face of the threat posed by COVID-19, including (but not limited to) any necessary revision to the four-stage framework previously articulated by the State Public Health Officer.

- 3) Nothing in this Order shall be construed to limit the existing authority of local health officers to establish and implement public health measures within their respective jurisdictions that are more restrictive than, or that otherwise exist in addition to, the public health measures imposed on a statewide basis pursuant to the statewide directives of the State Public Health Officer.

IT IS FURTHER ORDERED that as soon as hereafter possible, this Order be filed in the Office of the Secretary of State and that widespread publicity and notice be given of this Order.

This Order is not intended to, and does not, create any rights or benefits, substantive or procedural, enforceable at law or in equity, against the State of California, its agencies, departments, entities, officers, employees, or any other person.

IN WITNESS WHEREOF I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 4th day of May 2020.



GAVIN NEWSOM
Governor of California

ATTEST:

ALEX PADILLA
Secretary of State

**County of Tulare
Health & Human Services Agency
Public Health Branch**

Health Officer
5957 South Mooney Blvd.
Visalia, CA 93277 559-624-8480



**EXTENSION OF EMERGENCY ORDER FOR THE PREVENTION OF NOVEL CORONAVIRUS (COVID-19)
TRANSMISSION IN OR ABOUT RESTAURANTS, BARS, FOOD TRUCKS, GROCERY STORES, AND OTHER
RETAIL FOOD AND BEVERAGE SERVICE VENUES, ENTERTAINMENT AND RECREATIONAL VENUES,
GYMS, HEALTH CLUBS, THEATERS, CHURCHES, AND OTHER SOCIAL GATHERINGS**

WHEREAS, on March 11, 2020, the County Health Officer of the County of Tulare proclaimed and declared that a local health emergency now exists in the County of Tulare due to the presence of and threat posed by the novel coronavirus ("COVID-19"); and

WHEREAS, the Tulare County Board of Supervisors ratified said proclamation at its regular meeting of March 17, 2020; and

WHEREAS, said proclamation shall remain in effect until further notice; and

WHEREAS, the severity of the local health emergency appears to be increasing each day, with additional reported cases of COVID-19 infections and related deaths in all areas of California, the U.S., and throughout the world; and

WHEREAS, on March 16, 2020, the California Department of Public Health ("CDPH") and State Emergency officials issued guidance to local communities regarding public safety measures that should be taken with respect to (1) retail food, beverage, and related service venues, (2) entertainment venues; and (3) gyms, health clubs, theaters, and other social gatherings, in order to prevent the transmission of COVID-19;

WHEREAS, on March 19, 2020, the County Public Health Officer issued an Emergency Order For The Prevention Of Novel Coronavirus (COVID-19) Transmission In Or About Restaurants, Bars, Food Trucks, Grocery Stores, And Other Retail Food And Beverage Service Venues, Entertainment And Recreational Venues, Gyms, Health Clubs, Theaters, Churches, And Other Social Gatherings ("ORDER"), which is set to expire on April 19, 2020;

WHEREAS, on March 19, 2020, Governor Newsom issued Executive Order N-33-20 directing all California residents immediately to heed current State public health directives to stay home (shelter-in-place), except as needed to maintain continuity of operations of essential critical infrastructure sectors and additional sectors as the State Public Health Officer may designate as critical to protect the health and well-being of all Californians; and

WHEREAS, due to the continued transmission of COVID-19 throughout Tulare County, it is the opinion of the County Public Health Officer that it is necessary to continue to enforce the aforementioned orders to combat further transmission of the disease to Tulare County residents.

NOW, THEREFORE, pursuant to Tulare County Ordinance Code sections 1-15-1033 (b) and 1-15-1040 (b), and California Health and Safety Code sections 101040, 101085, and 120175, the County Public Health Officer extends the ORDER previously issued on March 19, 2020, until such a time that it is terminated or modified by the County Public Health Officer in writing.

IT IS SO ORDERED.

Time: 5:10 p.m.
Date: April 8, 2020

Issued by:



Karen Haught, MD
County Health Officer
County of Tulare
Health & Human Services Agency
Public Health Branch

Approved as to Form:
COUNTY COUNSEL

By Jennifer M. Flores Digitally signed by Jennifer M. Flores
Date: 2020.04.09 09:46:16 -0700
Chief Deputy
Matter No. 2020217

Attachments: March 19, 2020 Order of the County Public Health Officer

JMF/4/7/2020/2020217/1450463_2.docx

**County of Tulare
Health & Human Services Agency
Public Health Branch**

Health Officer
5957 South Mooney Blvd.
Visalia, CA 93277 559-624-8480



**AMENDED EMERGENCY ORDER FOR THE PREVENTION OF NOVEL CORONAVIRUS (COVID-19)
TRANSMISSION IN OR ABOUT RESTAURANTS, BARS, FOOD TRUCKS, GROCERY STORES, AND OTHER
RETAIL FOOD AND BEVERAGE SERVICE VENUES, ENTERTAINMENT AND RECREATIONAL VENUES,
GYMS, HEALTH CLUBS, THEATERS, CHURCHES, OTHER SOCIAL GATHERINGS, AND OUTDOOR
RECREATIONAL ACTIVITIES**

WHEREAS, on March 11, 2020, the County Health Officer of the County of Tulare proclaimed and declared that a local health emergency now exists in the County of Tulare due to the presence of and threat posed by the novel coronavirus ("COVID-19"); and

WHEREAS, the Tulare County Board of Supervisors ratified said proclamation at its regular meeting of March 17, 2020; and

WHEREAS, said proclamation shall remain in effect until further notice; and

WHEREAS, the severity of the local health emergency appears to be increasing each day, with additional reported cases of COVID-19 infections and related deaths in all areas of California, the U.S., and throughout the world; and

WHEREAS, the California Department of Public Health ("CDPH") and State Emergency officials have issued ongoing guidance to local communities regarding public safety measures that should be taken with respect to (1) retail food, beverage, and related service venues, (2) entertainment venues, and (3) gyms, health clubs, theaters, other social gatherings, and outdoor recreational activities, in order to prevent the transmission of COVID-19; and

WHEREAS, said guidance is designed to protect individuals attending and working at these venues and prevent the spread of COVID-19 in our communities; and

WHEREAS, under said guidance, available at <https://www.cdph.ca.gov/Programs/CID/DCDC/Pages/Immunization/ncov2019.aspx> and <https://covid19.ca.gov/stay-home-except-for-essential-needs/> the following actions have been recommended:

- **Bars, wineries, breweries and pubs** should be closed, except for venues that are currently authorized to provide off sale beer and wine to be consumed off premises be allowed; bars, breweries, pubs, and wineries that include meals provided by a full kitchen should follow the restaurant guidance below if they provide delivery or pick-up options;
- **Restaurants** should be closed for in-restaurant seated dining and should be open only to drive-through or other pick-up/delivery options;
- **Food trucks** should increase the frequency of cleaning of menus, cash registers, receipt trays, condiment holders, writing instruments and other non-food contact surfaces frequently touched by patrons and employees, ensure that social distancing of six feet per person between those who are not members of the same household is maintained and make clear that members of the same household can participate together, stand in line together, etc., but limiting the number of

people in lines;

- **Grocery stores and charitable food distribution sites** should remain fully open and operational, but ensure that social distancing of six feet per person between those who are not members of the same household is maintained and make clear that members of the same household can participate in activities together, stand in line together, etc., and limiting the number of customers at any given time as necessary to reduce outdoor/indoor crowding and lines to meet social distancing guidance, and increase cleaning and sanitizing frequency of restroom and other high contact areas; and stores that have online ordering with outside pick-up or delivery options should encourage use of these when possible in lieu of indoor shopping;
- **Certified Farmers' Markets** should space booths accordingly to increase social distancing among patrons in line and walking about the market; ensure that social distancing of six feet per person between those who are not members of the same household is maintained and make clear that members of the same household can participate in activities together, stand in line together, etc.; limit the number of customers at any given time as necessary to reduce outdoor/indoor crowding and lines to meet social distancing guidance; increase cleaning and sanitizing frequency of restroom and other high contact areas; train employees on best hygiene practices including washing their hands often with soap and water for at least 20 seconds; offer additional hand washing or sanitizing stations throughout the venue; encourage activities such as pre-bagging to expedite purchasing; suspend sampling activities; increase frequency of cleaning of tables, payment devices, and other surfaces; eliminate non-essential/non-related services, such as bands or other entertainment; and at the end of the market, continue to utilize local food recovery systems to feed/donate extra products to populations in need;
- **All retail food and beverage service venues** should remind employees of best hygiene practices including washing their hands often with soap and water for at least 20 seconds;
- **Gambling venues** should eliminate, delay, or reduce conventions/tournaments that increase customer flow above 250 persons in a single room/space; increase frequency of cleaning of chips, shuffling machines, and other objects utilized in games; increase frequency of cleaning and/or disposal of playing cards; eliminate non-essential/non-related services, such as massages or other ancillary services co-housed in gambling venues that could increase customer flow above 250 persons in a single room/space; ensure that social distancing of six feet per person between those who are not members of the same household is maintained and make clear that members of the same household can participate together, stand in line together etc.; limit the number of people in lines; separate spaces on the gaming floor into smaller components; increase frequency of cleaning and sanitizing per CDC Environmental Cleaning and Disinfection guidance of all hard surfaces, including terminals and felt and vinyl surfaces of card tables and chairs; increase cleaning and sanitizing frequency of restroom and other high contact areas; eliminate events/marketing that target individuals that the CDPH has identified higher risk of serious illness for COVID-19 ; provide additional opportunities throughout the venue for persons to reduce the spread of the virus through hand washing or sanitizing stations;
- **Theme Parks and Attractions** should ensure that social distancing of six feet per between those who are not members of the same household is maintained and make clear that members of the same household can participate in activities together, stand in line together etc.; limit attendance as necessary to reduce outdoor/indoor crowding and lines to meet social distancing guidance; increase cleaning and sanitizing frequency of restroom and other high contact areas; train employees on best hygiene practices including washing their hands often with soap and water for at least 20 seconds; increase spacing of show times to allow for more thorough cleaning of single room or space and social distancing during show times; provide additional opportunities throughout the venue for persons to reduce the spread of the virus through hand washing or sanitizing stations; eliminate events/marketing that target individuals that the CDPH has

identified as higher risk of serious illness for COVID-19; extend hours to allow for staggering of attendance; and add distance to locations individuals sit or stand around tables;

- **Gyms, health clubs, and theaters** should be closed;
- **All gatherings** (defined as any event or convening that brings together people in a single room or single space at the same time, such as an auditorium, stadium, arena, large conference room, meeting hall, cafeteria, or any other indoor or outdoor space) should be postponed or cancelled, except for those defined as “essential,” meaning that they cannot be postponed or achieved without gathering, and that some other means of communication could not be used to conduct the essential function.
- **Face coverings**, such as scarves (dense fabric, without holes), bandanas, neck gaiters, or other fabric face coverings, should be worn by all persons over the age of two years at all times while inside of or waiting to enter any business or facility, while riding or waiting to ride any public or shared transportation, and at any other time when it is impossible to maintain a distance of six-feet between persons who are not members of a shared household. All persons, including Essential Workers are discouraged from using Personal Protective Equipment (PPE), such as N95 masks, for non-medical reasons, because supply must be available to healthcare workers.

WHEREAS, the increasing threat posed by COVID-19 in Tulare County makes it advisable that the actions recommended in said guidance become mandatory in the incorporated and unincorporated areas of County of Tulare at least for the time being.

NOW, THEREFORE, pursuant to Tulare County Ordinance Code sections 1-15-1033 (b) and 1-15-1040 (b), and California Health and Safety Code sections 101040, 101085, and 120175, the Health Officer of the County of Tulare hereby orders as follows, which shall be effective immediately and remain in effect until such a time that it is terminated or modified by the County Public Health Officer in writing:

1. Definitions:

- a) Restaurant: Any establishment that sells food for consumption on-premises.
- b) Food Court: Any establishment that sells food for consumption on-premises in a shared setting with other establishments.
- c) Bar and tavern: Any establishment with the following types of California Alcoholic Beverage Control licenses:
 - 1) 40 - On Sale Beer (Bar, Tavern)
 - 2) 42 - On Sale Beer & Wine - Public Premises (Bar, Tavern)
 - 3) 48 - On Sale General - Public Premises (Bar, Night Club)
 - 4) 51 - Club
 - 5) 57 - Special On Sale General
 - 6) 60 - On Sale Beer - Seasonal
 - 7) 61 - On Sale Beer - Public Premises
- d) Food truck: Any “mobile food facility” within the meaning of the California Retail Food Code.
- e) Certified Farmers’ Market: A location that is certified by the State of California through the enforcement officers of the county agricultural commissioners and operated pursuant to Chapter 10.5 (commencing with Section 47000) of Division 17 of the Food and Agricultural Code and regulations adopted pursuant to that chapter.
- f) Grocery Store: Any store primarily engaged in the retail sale of canned food, dry goods, fresh fruits and vegetables, and fresh meats, fish, and poultry and any area that is not separately owned within the store where food is prepared and served, including a bakery, deli, and meat and

seafood counter. "Grocery store" includes convenience stores.

- g) Charitable Food Distribution Site: A "food bank" or "limited service charitable feeding operation" within the meaning of the California Retail Food Code.
 - h) Gambling venue: Any cardroom, casino, or similar site where the primary goal of those assembled is the wagering of money or other things of value on events with uncertain outcomes, with the primary intent of winning money or material goods, and over which the Tulare County Public Health Officer has jurisdiction.
 - i) Entertainment and recreational venue: Any site where the primary goal of those assembled is to promote amusement, enjoyment, pleasure, recreation, diversion, relaxation, and other similar uses, including, but not limited to, theme parks, amusement parks, attractions, theaters, museums, roller rinks, skate parks, sports stadiums, bowling alleys, and the like.
 - j) Theme park: Any entertainment venue or amusement park in which rides, games, and buildings are based on a central theme.
 - k) Amusement Park: Any entertainment venue that features various attractions such as rides and games, as well as other events for entertainment purposes.
 - l) Attraction: Any place of interest where persons visit, typically for its inherent or exhibited natural or cultural value, historical significance, natural or built beauty, offering leisure and amusement.
 - m) Gym and Health Club: Any room or building used for various indoor sports or exercise activities, and usually equipped with exercise or gymnastic apparatus, locker and shower rooms, indoor or outdoor swimming pools, sports courts, and similar spaces.
 - n) Theater: Any entertainment venue used for housing dramatic presentations, stage entertainments, or motion-picture shows.
 - o) Church: Any site, with or without structures, the primary use of which is the assemblage of people for any religious worship, education, or expression.
 - p) Social gathering: Any event or convening that brings together people in a single room or single space at the same time, such as an auditorium, stadium, arena, large conference room, meeting hall, cafeteria, or any other indoor or outdoor space.
 - q) Outdoor recreational activities: Any activity that can be done in an outside setting, including but not limited to, individual and group sports.
2. **Restaurants, Food Courts, and other establishments** that offer on-premises dining shall not allow consumption of food or beverages on-premises. Delivery, drive-thru, and pick-up options are allowed.
 3. **Bars and taverns** shall be closed.
 4. **Food Trucks** shall not allow consumption of food or beverages on or about the premises and shall increase the frequency of cleaning of menus, cash registers, receipt trays, condiment holders, writing instruments and other non-food contact surfaces frequently touched by patrons and employees; ensure that social distancing of six feet per person between those who are not members of the same household is maintained and make clear that members of the same household can participate together, stand in line together, etc., but limit the number of people in their lines. All employees of the Food Truck should wear an appropriate face covering at all times.
 5. **Certified Farmers' Markets** shall space booths accordingly to increase social distancing among patrons in line and walking about the market; ensure that social distancing of six feet per between those who are not members of the same household is maintained and make clear that members of the same household can participate in activities together, stand in line together, etc.; limit the number of customers at any given time as necessary to reduce outdoor/indoor crowding and lines to meet social distancing guidance; increase cleaning and sanitizing frequency of restroom and other high contact areas; train employees on best hygiene practices including washing their hands often with

soap and water for at least 20 seconds; offer additional hand washing or sanitizing stations throughout the venue; encourage activities such as pre-bagging to expedite purchasing; suspend sampling activities; increase frequency of cleaning of tables, payment devices, and other surfaces; eliminate non-essential/non-related services, such as bands or other entertainment; and at the end of the market, continue to utilize local food recovery systems to feed/donate extra products to populations in need. All persons providing essential services at a Farmers' Market should wear an appropriate face covering at all times.

6. **Grocery Stores and Charitable Food Distribution Sites** are allowed to remain fully open and operational, but must ensure that social distancing of six feet per person between those who are not members of the same household is maintained and make clear that members of the same household can participate in activities together, stand in line together, etc.; limit the number of customers at any given time as necessary to reduce outdoor/indoor crowding and lines to meet social distancing guidance; increase cleaning and sanitizing frequency of restroom and other high contact areas; and stores that have online ordering with outside pick-up or delivery options should encourage use of these when possible in lieu of indoor shopping. All employees of the grocery store or charitable food distribution site should wear an appropriate face covering at all times.
7. **All retail food, beverage, and other related service venues** shall remind employees of best hygiene practices including washing their hands often with soap and water for at least 20 seconds. All venues should require employees to wear an appropriate face covering at all times.
8. **Gambling venues** shall be closed.
9. **Entertainment and recreational venues**, including, but not limited to, theme parks, amusement parks, attractions, theaters, museums, roller rinks, skate parks, sports stadiums, bowling alleys, and the like, shall be closed.
10. **Gyms and health clubs** shall be closed;
11. **All social gatherings**, including, but not limited to church services, meetings of service and social clubs, conferences, conventions, and the like, shall be postponed or cancelled.
12. **Outdoor recreational activities** are permissible as long as it is feasible to maintain a safe physical distance of six feet and gather only with members of the same household at all times during said activity(ies). Individual outdoor recreational activities are permissible as long as it is feasible to maintain a safe physical distance of six feet at all times during said activity. Any outdoor group sports or activities shall be postponed or cancelled unless the sport or activity can be done individually or with members of the same household only. There should be no shared equipment between persons who are not members of the same household. Visit <https://covid19.ca.gov/stay-home-except-for-essential-needs/#top>, Outdoor Recreation section for a list of requirements, specifically allowed activities, and further guidance from the state of California.
13. For those businesses closed under this Order, business owners, managers, and supervisory staff are allowed to be on site to conduct minimum basic operations, provided that they each observe the social distancing and best personal hygiene practices (including washing their hands often with soap and water for at least 20 seconds) outlined above.
14. No County permits for special events shall be granted. All County permits for special events previously issued are revoked or postponed.
15. No temporary ABC licenses shall be authorized by the County.
16. For personal and public health and safety purposes, all residents of and visitors to Tulare County are strongly urged to practice social distancing of six feet per person when able to do so, wash their hands often with soap and water for at least 20 seconds, wear face coverings, such as scarves (dense fabric, without holes), bandanas, neck gaiters, or other fabric face coverings, at all times while inside of or waiting to enter any business or facility, while riding or waiting to ride any public or shared

transportation, and at any other time when it is impossible to maintain a distance of six-feet between persons who are not members of a shared household and follow all other guidance from public health officials with regard to the threat posed by COVID-19.

17. Each incorporated city within Tulare County is urged and requested to take such actions, if any, as may be reasonably necessary to permit this Order to be fully enforced within its respective jurisdiction.
18. The Public Health Branch of the Tulare County Health and Human Services Agency, the Tulare County District Attorney's office, the Tulare County Counsel's office, and all other applicable County of Tulare Agencies, Departments, and Divisions are requested and directed to enforce this Order within their respective jurisdictions.
19. Pursuant to California Government Code section 26602, the Sheriff of Tulare County is requested to enforce this Order within the Sheriff's jurisdiction to prevent the spread of COVID-19.
20. Pursuant to California Government Code section 41601, the chiefs of the police departments of the Cities of Visalia, Tulare, Porterville, Dinuba, Exeter, Lindsay, Woodlake, and Farmersville are requested to enforce this Order within their respective jurisdictions to prevent the spread of COVID-19.
21. The Order shall be subject to amendment or repeal at any time and shall not be deemed to confer any contractual obligations, property rights, or assume any County or other public agency liability.
22. If any provision of this Order or its application to any person or circumstance is held to be invalid, then the remainder of the Order, including the application of such part or provision to other persons or circumstances, shall not be affected and shall continue in full force and effect. To this end, the provisions of this Order are severable.
23. This Order shall be immediately translated into Spanish, and accommodations made for disabled persons to read its contents; it shall also be distributed to all local media and made prominently available on the County of Tulare's website.
24. Pursuant to California Health and Safety Code sections 101029 and 120280, and Tulare County Ordinance Code sections 1-15-1040(b) and 125, violations of this Order shall be punishable as a misdemeanor upon conviction by a fine of not exceeding one thousand dollars or by imprisonment for a term of not exceeding six months, or by both such fine and imprisonment.

IT IS SO ORDERED.

Time: 9:10am
Date: May 5, 2020

Issued by:



Karen Haught, MD
County Health Officer
County of Tulare
Health & Human Services Agency
Public Health Branch

Approved as to Form:
COUNTY COUNSEL

By
Deputy County Counsel
Matter No. 2020217JMS/5-05-2020/2020217/1463907.docx



TULARE COUNTY HEALTH & HUMAN SERVICES AGENCY

Karen M. Elliott, MBA • Public Health Branch Director
Karen Haught, MD, M.P.H. • County Health Officer

Timothy W. Lutz, MBA
Agency Director

May 7, 2020

Health Advisory Recommending Face Coverings for the Public and Essential Workers

This health advisory seeks to inform the public about the need for Face Coverings when outside the home for the prevention and source control of COVID-19.

Summary

- Tulare County Public Health urges the public to use Face Coverings while attending to essential activities in order to reduce the spread of COVID-19
- Individuals are asked to ensure effective use of Face Coverings by washing their hands after putting on and taking of the Face Covering
- Essential businesses and their employees are asked to utilize Face Coverings when providing services to the public
- Essential businesses are asked to post signage informing the public of the requirement to utilize Face Coverings

The United States Centers for Disease Control and Prevention ("CDC"), California Department of Public Health ("CDPH"), and the Tulare County Public Health Branch ("TCPH") have recommended that members of the public, should cover the mouth and nose to prevent inadvertently spreading the virus that causes Coronavirus Disease 2019 ("COVID-19"). One key transmission method for the COVID-19 virus is respiratory droplets that people expel when they breathe or sneeze. Individuals have been found to be infected with COVID-19 and not have any symptoms, meaning they are asymptomatic, but they can still be contagious. People can also be infected and contagious 48 hours before developing symptoms, the time when they are pre-symptomatic. Many people with the COVID-19 virus have mild symptoms and do not recognize they are infected and contagious, and they can unintentionally infect others. Therefore, the CDC, CDPH, and TCPH believe that wearing a face covering, when combined with physical distancing of at least 6 feet and frequent hand washing, may reduce the risk of transmitting coronavirus when in public and engaged in essential activities by reducing the spread of respiratory droplets. *For clarity, although wearing a face covering is one tool for reducing the spread of the virus, doing so is not a substitute for sheltering in place, physical distancing of at least 6 feet, and frequent hand washing.*

This Advisory requires that people wear Face Coverings in three main settings. First, members of the public must wear Face Coverings while inside of or waiting in line to enter Essential Businesses and other businesses or facilities engaged in Minimum Basic Operations, providing Essential Infrastructure, and providing Essential Government Functions (except Healthcare Operations, which are subject to different requirements), when seeking healthcare from Healthcare Operations, and when waiting for or riding on



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public transportation and other types of shared transportation. These settings are defined further below.

Second, this Advisory also requires employees, contractors, owners, and volunteers of all Essential Businesses or those operating public transportation and other types of shared transportation to wear a Face Covering when at work.

And third, this Advisory also requires workers engaged in Minimum Basic Operations, Essential Infrastructure work, and Essential Government Functions to wear a Face Covering in areas where the public is present or likely to be and at any time when others are nearby.

This Advisory does not require that any child aged twelve years or younger wear a Face Covering and recommends that any child aged two years or younger should not wear one because of the risk of suffocation. This Advisory also does not apply to people who are in their own cars alone or with members of their own household. It also does not require people wear Face Coverings while engaged in outdoor recreation such as hiking, bicycling, or running, though it does recommend that they have a Face Covering with them and still requires them to practice social distancing and other measures to protect against transmission of the virus.

Definition of Face Coverings

As used in this Advisory, a "Face Covering" means a covering made of cloth, fabric, or other soft or permeable material, without holes, that covers only the nose and mouth and surrounding areas of the lower face. A covering that hides or obscures the wearer's eyes or forehead is not a Face Covering. Examples of Face Coverings include a scarf or bandana; a neck gaiter; a homemade covering made from a t-shirt, sweatshirt, or towel, held on with rubber bands or otherwise; or a mask, which need not be medical-grade. A Face Covering may be factory-made, or may be handmade and improvised from ordinary household materials. The Face Covering should be comfortable, so that the wearer can breathe comfortably through the nose and does not have to adjust it frequently, so as to avoid touching the face. For as long as medical grade masks such as N95 masks and surgical masks are in short supply, members of the public should not purchase those masks as Face Coverings under this Advisory. In general, even when not required by this Advisory, people are strongly encouraged to wear Face Coverings when in public.

A video showing how to make a face covering and additional information about how to wear and clean Face Coverings may be found at the website of Centers for Disease Control and Prevention, at <https://www.cdc.gov/coronavirus/2019-ncov/prevent-getting-sick/diy-cloth-face-coverings.html>.

Effective Use

Face Coverings must be worn in such a manner as to contain respiratory droplets and minimize transmission of the virus via the hands. To achieve this, Face Coverings should fit snugly and be washed daily. Cloth Face Coverings can be safely cleaned in a washing machine or by hand as the materials



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permit. Individuals should be careful not to touch their eyes, nose, or mouth when removing their Face Coverings and wash their hands immediately after removing.

Members of the Public

All members of the public, except as specifically exempted below, must wear a Face Covering outside their home or other place they reside in the following situations:

1. When they are inside of, or in line to enter, any Essential Business, including, but not limited to, grocery stores, convenience stores, supermarkets, laundromats, and restaurants;
2. When they are inside or at any location or facility engaging in Minimum Basic Operations or seeking or receiving Essential Government Functions inside of any location or facility;
3. When they are engaged in Essential Infrastructure work
4. When they are obtaining services at Healthcare Operations— including hospitals, clinics, COVID-19 testing locations, dentists, pharmacies, blood banks and blood drives, other healthcare facilities, mental health providers, or facilities providing veterinary care and similar healthcare services for animals — unless directed otherwise by an employee or worker at the Healthcare Operation; or
5. When they are waiting for or riding on public transportation or paratransit or are in a taxi, private car service, or ride-sharing vehicle.

Essential Businesses and Infrastructure

All Essential Businesses, as well as entities and organizations with workers engaged in Essential Infrastructure work, Minimum Basic Operations, or Essential Government Functions (except for Healthcare Operations, which are subject to their own regulation regarding specified face coverings), must:

1. Require their employees, contractors, owners, and volunteers to wear a Face Covering at the workplace and when performing work off-site any time the employee, contractor, owner, or volunteer is:
 - a. interacting in person with any member of the public;
 - b. working in any space visited by members of the public, such as by way of example and without limitation reception areas, grocery store or pharmacy aisles, service counters, public restrooms, cashier and checkout waiting rooms, service areas, and other spaces used to interact with the public, regardless of whether anyone from the public is present at the time;
 - c. working in any space where food is prepared or packaged for sale or distribution to others;
 - d. working in or walking through common areas such as hallways, stairways, elevators, and parking facilities; or
 - e. in any room or enclosed area when other people (except for members of the person's own household or residence) are present.



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2. Take reasonable measures, such as posting signs, to remind their customers and the public of the requirement that they wear a Face Covering while inside of or waiting in line to enter the business, facility, or location. Essential Businesses and entities or organizations that engaged in Essential Infrastructure work or Minimum Basic Operations must take all reasonable steps to prohibit any member of the public who is not wearing a Face Covering from entering and must not serve that person if those efforts are unsuccessful and seek to remove that person.

For clarity, a Face Covering is not required when a person is in a personal office (a single room) when others outside of that person's household are not present as long as the public does not regularly visit the room.

Exceptions

1. Any child aged two years or less must not wear a Face Covering because of the risk of suffocation. This Order does not require that any child aged twelve years or less wear a Face Covering. Parents and caregivers must supervise use of Face Coverings by children to avoid misuse.
2. Wearing a Face Covering is recommended, but not required, while engaged in outdoor recreation such as hiking, bicycling, or running. But each person engaged in such activity must comply with social distancing requirements including maintaining at least six feet of separation from all other people. Because running or bicycling causes people to more forcefully expel airborne particles, making the usual minimum 6 feet distance less adequate, runners and cyclists must take steps to avoid exposing others to those particles, which include the following measures: wearing a Face Covering when possible; crossing the street when running to avoid sidewalks with pedestrians; slowing down and moving to the side when unable to leave the sidewalk and nearing other people; never spitting; and avoiding running or cycling directly in front of or behind another runner or cyclist who is not in the same household.
3. This Advisory does not require any person to wear a Face Covering while driving alone, or exclusively with other members of the same family or household, in a motor vehicle.
4. A Face Covering is also not required by this Advisory to be worn by a particular individual if the person can show either: (1) a medical professional has advised that wearing a Face Covering may pose a risk to the person wearing the mask for health-related reasons; or (2) wearing a Face Covering would create a risk to the person related to their work as determined by local, state, or federal regulators or workplace safety guidelines. A Face Covering should also not be used by anyone who has trouble breathing or is unconscious, incapacitated, or otherwise unable to remove the Face Covering without assistance.

Conclusion

The intent of this Order is to ensure that all people who are visiting or working at Essential Businesses



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and all people who are seeking care at healthcare facilities or engaged in certain types of public transit or transportation with others wear a Face Covering to reduce the likelihood that they may transmit or receive the COVID-19 virus. The intent of this Advisory is also to ensure that people who work for or seek services from entities engaged in Essential Infrastructure work, Minimum Basic Operations, or Essential Government Functions also wear a Face Covering when they are in close proximity to others. In so doing, this Advisory will help reduce the spread of the COVID-19 virus and mitigate the impact of the virus on members of the public and on the delivery of critical healthcare services to those in need. All provisions of this Advisory must be interpreted to effectuate this intent.

A handwritten signature in black ink that reads "Karen Haught".

Karen Haught MD, MPH
Health Officer of Tulare County

**County of Tulare
Health & Human Services Agency
Public Health Branch**

Health Officer
5957 South Mooney Blvd.
Visalia, CA 93277 559-624-8480



EMERGENCY ORDER FOR THE PREVENTION OF NOVEL CORONAVIRUS (COVID-19) TRANSMISSION

WHEREAS, on March 4, 2020, the Governor of the State of California proclaimed a state of Emergency now exists in the State of California due to the presence of and threat posed by the novel coronavirus ("COVID-19"); and

WHEREAS, on March 11, 2020, the County Health Officer of the County of Tulare proclaimed and declared that a local health emergency now exists in the County of Tulare due to the presence of and threat posed by COVID-19; and

WHEREAS, the Tulare County Board of Supervisors ratified said proclamation at its regular meeting of March 17, 2020; and

WHEREAS, said proclamation shall remain in effect until further notice; and

WHEREAS, on March 19, 2020, the Governor of the State of California issued Executive Order N-33-20, ordering that all Californians shelter in place to preserve public health and safety ("Shelter in Place Order"); and

WHEREAS, the Shelter in Place Order has been successful in slowing the transmission and infection rate of COVID-19 in the State of California; and

WHEREAS, on March 19, 2020 the County Health Officer of the County of Tulare issued an EMERGENCY ORDER FOR THE PREVENTION OF NOVEL CORONAVIRUS (COVID-19) TRANSMISSION IN OR ABOUT RESTAURANTS, BARS, FOOD TRUCKS, GROCERY STORES, AND OTHER RETAIL FOOD AND BEVERAGE SERVICE VENUES, ENTERTAINMENT AND RECREATIONAL VENUES, GYMS, HEALTH CLUBS, THEATERS, CHURCHES, OTHER SOCIAL GATHERINGS, AND OUTDOOR RECREATIONAL ACTIVITIES, which order was extended on April 8, 2020, and amended on May 5, 2020 (the "Amended Emergency Order"); and

WHEREAS, on April 14, 2020, the State of California presented the Pandemic Roadmap, a four-stage plan for modifying the Shelter in Place Order, and defining the statewide current status under the plan as being at Stage 1; and

WHEREAS, on May 4, 2020, the State announced that entry into Stage 2 of the plan would begin on May 8, 2020 for all Counties, subject to certain conditions and certain guidance; and

WHEREAS, advancement within the Pandemic Roadmap by an individual County can be accomplished by meeting certain State-defined criteria and procedures; and

WHEREAS, the Pandemic Roadmap is designed to prevent the spread of COVID-19 in California while allowing parts of our state to safely reopen; and

WHEREAS, it is advisable that the State criteria, procedures, and guidance for the stages of the Pandemic

Roadmap become mandatory in the incorporated and unincorporated areas of County of Tulare.

NOW, THEREFORE, pursuant to Tulare County Ordinance Code sections 1-15-1033 (b) and 1-15-1040 (b), and California Health and Safety Code sections 101040, 101085, and 120175, the Health Officer of the County of Tulare hereby orders as follows, which shall be effective immediately and remain in effect until such a time that it is terminated or modified by the County Public Health Officer in writing:

1. **The Amended Emergency Order** is hereby terminated. Any previous Public Health Orders, other than the Emergency Declaration dated March 11, 2020, not previously terminated by the Amended Emergency Order are hereby terminated.
2. **The Shelter in Place Order**, the emergency orders of the State Public Health Director related to the COVID-19 pandemic, and the State's Pandemic Roadmap and guidance issued with respect to the roadmap, as may be amended, modified, or supplemented from time-to-time by their makers, are hereby adopted as emergency orders of the County Health Officer of the County of Tulare and enforceable as such.
3. **Only** the activities and businesses authorized by the County's current stage of the Pandemic Roadmap shall be allowed. The County's current stage of the Pandemic Roadmap can be found at <https://covid19.tularecounty.ca.gov/>.
4. **Bars, wineries, breweries and pubs** shall follow the State's guidelines and shall be closed until allowed under the County's current stage of the Pandemic Roadmap.
5. **Restaurants** shall follow the State's guidelines and shall be open only to drive-through or other pickup/delivery options and shall not open their in-restaurant seated dining nor allow consumption of food or beverages on-premises until allowed under the County's current stage of the Pandemic Roadmap.
6. **Food Trucks** shall follow the State's guidelines and shall not allow consumption of food or beverages on or about the premises until allowed under the County's current stage of the Pandemic Roadmap.
7. **Certified Farmers' Markets** shall follow the State's guidelines and shall space booths accordingly to increase social distancing and shall eliminate non-essential/non-related services, such as bands or other entertainment until allowed under the County's current stage of the Pandemic Roadmap.
8. **Gambling venues** shall follow the State's guidelines and shall be closed until allowed under the County's current stage of the Pandemic Roadmap.
9. **Entertainment and recreational venues**, including, but not limited to, theme parks, amusement parks, attractions, theaters, museums, roller rinks, skate parks, sports stadiums, bowling alleys, and the like, shall follow the State's guidelines and shall be closed until allowed under the County's current stage of the Pandemic Roadmap.
10. **Gyms and health clubs** shall follow the State's guidelines and shall be closed until allowed under the County's current stage of the Pandemic Roadmap.
11. **All social gatherings**, including, but not limited to church services, meetings of service and social

clubs, conferences, conventions, and the like, shall be postponed or cancelled until allowed under the County's current stage of the Pandemic Roadmap.

12. **Outdoor recreational activities** shall be permissible as long as it is feasible to maintain a safe physical distance of six feet and gather only with members of the same household at all times during said activity(ies). Individual outdoor recreational activities are permissible as long as it is feasible to maintain a safe physical distance of six feet at all times during said activity. Any outdoor group sports or activities shall be postponed or cancelled unless the sport or activity can be done individually or with members of the same household only. There should be no shared equipment between persons who are not members of the same household. Visit <https://covid19.ca.gov/stay-home-except-for-essential-needs/#top>, Outdoor Recreation section for a list of requirements, specifically allowed activities, and further guidance from the state of California. These social distancing requirements shall remain in place as they relate to Outdoor Recreation Activities until abolished under the County's current stage of the Pandemic Roadmap.
13. For those businesses closed under this Order, business owners, managers, and supervisory staff are allowed to be on site to conduct minimum basic operations, provided that they each observe the social distancing and best personal hygiene practices (including washing their hands often with soap and water for at least 20 seconds) outlined above.
14. No County permits for special events shall be granted, all County permits for special events previously issued are revoked or postponed, and no temporary ABC licenses shall be authorized by the County until social gatherings are permitted under the County's current stage of the Pandemic Roadmap.
15. For personal and public health and safety purposes, all residents of and visitors to Tulare County are strongly urged to practice social distancing of six feet per person when able to do so, wash their hands often with soap and water for at least 20 seconds, wear face coverings, such as scarves (dense fabric, without holes), bandanas, neck gaiters, or other fabric face coverings, at all times while inside of or waiting to enter any business or facility, while riding or waiting to ride any public or shared transportation, and at any other time when it is impossible to maintain a distance of six-feet between persons who are not members of a shared household and follow all other guidance from public health officials with regard to the threat posed by COVID-19.
16. Each incorporated city within Tulare County is urged and requested to take such actions, if any, as may be reasonably necessary to permit this Order to be fully enforced within its respective jurisdiction.
17. The Public Health Branch of the Tulare County Health and Human Services Agency, the Tulare County District Attorney's office, the Tulare County Counsel's office, and all other applicable County of Tulare Agencies, Departments, and Divisions are requested and directed to enforce this Order within their respective jurisdictions.
18. Pursuant to California Government Code section 26602, the Sheriff of Tulare County is requested to enforce this Order within the Sheriff's jurisdiction to prevent the spread of COVID-19.
19. Pursuant to California Government Code section 41601, the chiefs of the police departments of the

Cities of Visalia, Tulare, Porterville, Dinuba, Exeter, Lindsay, Woodlake, and Farmersville are requested to enforce this Order within their respective jurisdictions to prevent the spread of COVID-19.

20. The Order shall be subject to amendment or repeal at any time and shall not be deemed to confer any contractual obligations, property rights, or assume any County or other public agency liability.
21. If any provision of this Order or its application to any person or circumstance is held to be invalid, then the remainder of the Order, including the application of such part or provision to other persons or circumstances, shall not be affected and shall continue in full force and effect. To this end, the provisions of this Order are severable.
22. This Order shall be immediately translated into Spanish, and accommodations made for disabled persons to read its contents; it shall also be distributed to all local media and made prominently available at <https://covid19.tularecounty.ca.gov/>.
23. Pursuant to California Health and Safety Code sections 101029 and 120280, and Tulare County Ordinance Code sections 1-15-1040(b) and 125, violations of this Order shall be punishable as a misdemeanor upon conviction by a fine of not exceeding one thousand dollars or by imprisonment for a term of not exceeding six months, or by both such fine and imprisonment.
24. Pursuant to Tulare County Ordinance Code sections 4-01-1070 and 4-01-1315, violations of this Order may be considered a public nuisance.
25. Pursuant to Tulare County Ordinance Code sections 1-23-1000 and 1-23-1015 violations of this Order shall be subject to an administrative fine or penalty.
26. All open businesses, facilities, retail food, venues shall ensure social distancing of six feet per person between those who are not members of the same household, limit the number of customers at any given time as necessary to reduce outdoor/indoor crowding and lines to meet social distancing guidance, increase cleaning and sanitizing frequency of all contact areas, encourage use of online ordering with curbside pickup or delivery options in lieu of indoor shopping, remind employees of best hygiene practices including washing their hands often with soap and water for at least 20 seconds and wearing appropriate face covering when necessary.
27. Current guidance related to the Pandemic Roadmap is located at <https://covid19.ca.gov/roadmap/>.
28. Tulare County's Current Stage and information related to allowable businesses and activities is located at <https://covid19.tularecounty.ca.gov/>.
29. For personal and public health and safety purposes, all residents of and visitors to Tulare County are strongly urged to practice social distancing of six feet per person when able to do so, wash their hands often with soap and water for at least 20 seconds, wear face coverings, such as scarves (dense fabric, without holes), bandanas, neck gaiters, or other fabric face coverings, at all times while inside of or waiting to enter any business or facility, while riding or waiting to ride any public or shared transportation, and at any other time when it is impossible to maintain a distance of six-feet between

persons who are not members of a shared household and follow all other guidance from public health officials with regard to the threat posed by COVID-19.

30. Each incorporated city within Tulare County is urged and requested to take such actions, if any, as may be reasonably necessary to permit this Order to be fully enforced within its respective jurisdiction.
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35. If any provision of this Order or its application to any person or circumstance is held to be invalid, then the remainder of the Order, including the application of such part or provision to other persons or circumstances, shall not be affected and shall continue in full force and effect. To this end, the provisions of this Order are severable.
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37. Pursuant to California Health and Safety Code sections 101029 and 120280, and Tulare County Ordinance Code sections 1-15-1040(b) and 125, violations of this Order shall be punishable as a misdemeanor upon conviction by a fine of not exceeding one thousand dollars or by imprisonment for a term of not exceeding six months, or by both such fine and imprisonment.

IT IS SO ORDERED.

Time: 7:35am

Date: May 8, 2020

Issued by: 

Karen Haught, MD
County Health Officer
County of Tulare
Health & Human Services Agency
Public Health Branch

Approved as to Form:
COUNTY COUNSEL

By 
Deputy County Counsel

Matter No. 2020217

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TULARE COUNTY'S MULTI-STAGE APPROACH TOWARDS A HEALTHIER COMMUNITY

Epidemiologists and infectious disease experts agree that in the absence of strict social distancing, Tulare County numbers would once again surge. COVID-19 will continue to be a serious threat until there is an effective vaccine or more effective therapeutic treatments. Centers for Disease Control and Prevention (CDC) and National Institute of Allergy and Infectious Diseases (NIAID) experts estimate that we will not have a vaccine for COVID-19 until 2021, at the earliest. For the foreseeable future, living with COVID-19 is our new “normal”.

Living with this disease means finding ways for our community to return to work with COVID-19 still circulating. There is an emerging consensus that America's economy should open in stages with different parts of the economy and different aspects of public life reopening at different times will present a framework for a three-stage approach that reflects the state of the COVID-19 pandemic in Tulare County.

Over the last couple of weeks, California counties in coordination with the California Department of Public Health have worked extensively to create meaningful criteria that provides a solid framework to use when deciding to reopen local economies. Specifically, Tulare County has adopted four criteria to use as the means of determining the readiness of reopening our local economy. It is important to note that these criteria are aligned with other California Counties and the recommendations from the State, however, our readiness may be earlier or later than other counties due to our local situation.

The following four (4) criteria will need to be met simultaneously before moving to Stage 2, and then again before moving to Stage 3, and then once again before moving to Stage 4. Each of the following criteria has assessments and respective metrics that will be used to determine forward movement to the next Stage. However, if it is determined that there is a potential rebound or local outbreak, returning to an earlier Stage is probable.

- **(CASES) SUSTAINED REDUCTION OR STABILITY IN NEW CASES FOR 14 DAYS.** Tulare County agrees that movement towards reopening for Stage 2 should begin after 14 days of a sustained downward trend in COVID-19 positive cases.

Certain increases, such as an increase in active cases over the course of five days, would clearly be a cause for concern. However, exact judgements should reflect a precise understanding of local trends. If, for instance, public health departments identify a specific outbreak and are able to isolate COVID-positive cases and quarantine people who were in close contact quickly, movement towards greater reopening could continue, even with an increase in positive cases.

- **ADEQUATE DIAGNOSTIC TESTING CAPACITY AND RAPID TEST RESULTS. THE ABILITY TO TEST ALL INDIVIDUALS WITH COVID-19 SYMPTOMS (WITHIN A CERTAIN TIMEFRAME). SAME-DAY TESTING WIDELY AVAILABLE FOR HOSPITALIZED PATIENTS, HEALTH CARE WORKERS AND WORKERS IN ESSENTIAL ROLES, CLOSE CONTACTS OF CONFIRMED CASES, AND OUTPATIENTS WITH SYMPTOMS).** Expanding testing capacity and making testing broadly available is necessary to treat and control infection, and for detecting increases COVID-19 cases early.
- **PUBLIC HEALTH DEPARTMENT’S CAPACITY TO RAPIDLY INTERVIEW NEW CASES, IDENTIFY CLOSE CONTACTS, AND ENSURE THAT ISOLATION AND QUARANTINE ARE EFFECTIVE.** Public health surveillance must be strengthened to understand the spread of COVID-19 and rapidly detect outbreaks. Experts call for evidence of declining transmission for at least 14 days before there could be a move to a staged approach of reopening the economies. Tulare County must closely monitor the signs of COVID-19 spread. It must notice problems to avoid overcrowding of emergency departments or outbreaks among the higher risk.
- **HEALTH CARE SYSTEM CAPACITY TO RESPOND TO POTENTIAL SURGES.** Tulare County must ensure that the local healthcare system is out of crisis mode and able to handle potential new surges in patients, along with non-COVID-19 related services, prior to reopening the economy. Tulare County will continue to track and share information about the availability of hospital beds, ICU beds, ventilators, and personal protective equipment (PPE) in order to ensure that they are adequately available if cases surge, as modeled under a variety of assumptions. Data on available capacity should be assessed at a designated frequency. State stockpiles should be used to fill any deficiencies and there should be continuous monitoring of cases statewide to assure that capacity will not be exceeded.

GOALS AND LINKED METRICS TO CONSIDER WHEN MOVING BETWEEN STAGES

Goals	Metric
1. Containment Capacity	GOAL: Stable or decreasing COVID-19 infection rate METRIC: Low prevalence of disease - no more than 1 case per 10,000 people in last 14 days METRIC: No more than 1 death in last 14 days GOAL: Ability to test everyone who needs to be tested METRIC: Minimum daily testing volume of 1.5 per 1,000 residents METRIC: Testing availability for at least 75% of residents as measured by specimen collection sites within a 60-minute drive in rural areas
2. Case investigation and contact tracing	GOAL: The public health system has adequate infrastructure, processes, and workforce to reliably detect and safely isolate new cases, as well as follow up with individuals who have been in contact with positive cases METRIC: Sufficient staff allocated to contact tracing, at least 15 staff per 100,000 population

	METRIC: Availability of temporary housing units to shelter at least 15% of county residents experiencing homelessness
3. Health Care System Capacity	GOAL: Hospitals can quickly and independently supply sufficient PPE and critical medical equipment and can surge intensive care unit (ICU) capacity. METRIC: Ability to accommodate a minimum surge of 35% (combined for county) due to COVID-19 patients as well as providing usual care for non-COVID-19 patients.
4. Vulnerable Populations	GOAL: Ability to protect our vulnerable populations METRIC: Skilled nursing & other congregate living facilities have > 14-day supply of PPE and access to non-state sources for replenishing the supplies.

Potential Increased Community Transmission when Re-opening Public Spaces.

Opening public spaces will entail an increased risk of community transmission. Certain populations will be more at risk for serious consequences and mortality from contracting the disease. Those most at risk include:

- Healthcare workers, first responders and other essential workers in contact with the public;
- Older adults living in nursing homes, assisted living, and senior housing;
- Racial and ethnic minorities;
- Justice-involved populations;
- People experiencing homelessness; and,
- People with disabilities and living in state institutions, group homes, and other congregate settings.
- Pregnant individuals

Given the setting and circumstances of where these populations reside, targeted monitoring and interventions will be critical to protecting these communities. Tulare County must develop effective systems and policies that protect these populations so that it is less likely to experience outbreaks that can interrupt the gradual reopening of society.

Strong and Clear Communication and Public Engagement Plan.

Communication is an integral part during a crisis, and is even more important as Tulare County moves toward reopening. It is critical that public engagement is incorporated into the response plan to minimize the risk of misunderstanding, confusion, or protest by individuals who believe reopening should be either faster or slower. It is important that Tulare County evaluates the different needs, risk factors, and resources.

Rationale for a Multi-Stage Approach to Reopening

Developing a framework that thoughtfully guides decision making on key factors to reopen the economy is important. The framework must include an array of public health factors, including consistent communication related to COVID-19, data collection, defining measures to reassess readiness for opening, and anticipating the need to revert to tighter control measures. Additionally, criteria for moving between stages and defining the stages for reopening must be established. Equally important is building partnerships between public and private sectors to implement the plan.

This is the time to identify and share critical metrics and explain “the rules for reopening.” The most important message to convey in this period is that **the rate of transmission must decline or remain low to make it safe to proceed with plans to reopen local economies**. During this process, local governments should engage health care systems, schools and businesses to fine tune plans for a staged reopening and to clearly convey the steps that will be necessary.

Testing capacity should continue to expand; vulnerable populations should be identified and monitored. Businesses, schools, and healthcare facilities should develop written plans for how they will help prevent COVID-19 spread in their facilities. Policymakers should also examine disincentives to testing and isolation or quarantining, such as the fear that people who test positive or are quarantined could lose their jobs. Travel to and from areas that are experiencing significant disease should be discouraged or prohibited.

This stage should continue for the next two weeks. During this time, monitoring should indicate case numbers are declining. Based on COVID-19 case rate statistics by city and region, healthcare providers and health systems should demonstrate they can manage (with ICU beds, ventilators, PPE, nurse and physician staffing, and other metrics of capacity) no less than 1 week of new cases at the prior week case rate prior to progression between stages or to moving on to the first stage of reopening.

During this planning period, all non-essential businesses should remain closed and the Stay At Home Order remains in place. Except when performing essential services, citizens over age 65 and those with high risk factors need to remain vigilant and to shelter at home.

- Work from home should continue whenever possible, and cloth face coverings should be worn in public locations.
- Tulare County will work to accomplish all specific requirements listed above, including testing, tracking and quarantine strategies to identify cases and prevent transmission.
- All essential and non-essential businesses should begin preparations for later stages, and should be prepared to certify to the Health Department that they have written protocols, completed the social distancing and safety plan checklist and can reliably perform the following functions before advancing to later stages:

- Screen daily all employees for respiratory symptoms. Workers in close contact with each other should be screened daily with temperature checks as well. Business safety plans should clearly specify protocols for different categories.
- Advise employees with symptoms to remove themselves from the workplace and call healthcare provider for guidance. Establish policies and procedures to help employees who are required to by the healthcare provider to isolate or quarantine.
- Set expectations for frequent hand hygiene and wearing of cloth face coverings by employees where appropriate or able.
- Hand sanitizer should be placed throughout the business.

GUIDELINES FOR ALL STAGES

Individuals:

- **Continue to adhere to state and local guidance, in particularly with respect to face coverings.**
- **Continue to practice good hygiene**
 - Wash your hands with soap and water or use hand sanitizer, especially after touching frequently used items or surfaces.
 - Avoid touching your face
 - Sneeze or cough into a tissue, or the inside of your elbow.
 - Disinfect frequently used items and surfaces as much as possible
 - Using face coverings while in public, and particularly when using mass transit or carpools.
 - People who feel sick should stay home. Do not go to work or school.
 - Contact and follow the advice of your medical provider.
 - Practice social distancing

Employers: See guidance document for employers

- **Develop and implement appropriate policies, in accordance with Federal, State, and local regulations and guidance, and informed by industry best practices, regarding employee and customer protection**
- **Keeping the Workplace Safe**
- **Communicating with your team**
- **Preparing Your Space**
- **Cleaning and Disinfecting after opening**
- **Personal Protection Equipment (PPE)**
- **How Long COVID19 Lives on Surfaces**
- **5 Essential Actions for Individuals**

If positive improvement/stability of metrics for 14 days, move to STAGE 2

CURRENT STAGE/STAGE 1

Retail Stores	• Non-essential closed • Essential businesses must implement social distancing measures for all staff and customers • Face coverings required for customers • Employees screened daily and must wear face covering and maintain 6 ft social distancing from co-workers and the public if possible
Commercial Businesses/Offices	• Non-essential closed • Essential businesses must implement social distancing measures for all staff and customers • Face coverings required for customers • Employees screened daily and must wear face covering and maintain 6 ft social distancing from co-workers and the public if possible
Manufacturing	• Employees screened daily and must wear face covering and maintain 6 ft social distancing from co-workers and the public if possible •
Restaurants & Bars Serving Food	• Online order and curbside pickup only • Face coverings required for customers • Employees screened daily and must wear face covering and maintain 6 ft social distancing from co-workers and the public if possible
Nail Salons, Hair Salons, Barber Shops, etc.	• Closed
Health Care, Dental, Optometry, etc.	• Essential and/or emergency services only • Implement social distancing measures for all customers • Face coverings required for customers • Employees screened daily and must wear face covering and maintain 6 ft social distancing from co-workers and the public if possible
Massage, Tattoo & Body Art, etc.	• Closed
Gyms, Fitness Centers, Public Pools, Community Pools, Interactive Water Features, Close Contact Sports, etc.	• Closed
Bars, Entertainment Venues, Community Events, etc.	• Closed
Faith Based Institutions	• Closed
Educational Institutions	• Closed
Public Spaces	•
All Residents	• Age 65+ and individuals with underlying conditions, stay home. All, work from home, if possible. Wear face covering and maintain 6 ft. social distancing when in public.

If positive improvement/stability of metrics for 14 days, move to STAGE 3/ If significant decrease in metrics return to Stage 1

STAGE 2: Lower Risk Workplaces

Retail Stores	• Online order and curbside pickup for non-essential businesses. • Employees screened daily and must wear face covering and maintain 6 ft social distancing from co-workers and the public if possible
Commercial Businesses/Offices	• Implement social distancing measures for all customers. • Employees screened daily and must wear face covering and maintain 6 ft social distancing from co-workers and the public if possible
Manufacturing	• Employees screened daily and must wear face covering and maintain 6 ft social distancing from co-workers and the public if possible.
Restaurants & Bars Serving Food	• Continue online order and curbside pickup only. No dine-in • Employees screened daily and must wear face covering and maintain 6 ft social distancing from co-workers and the public if possible
Nail Salons, Hair Salons, Barber Shops, etc.	• Closed
Health Care, Dental, Optometry, etc.	• Urgent or Emergent procedures only • Implement social distancing measures for all customers and between coworkers • Employees screened daily and must wear face covering
Massage, Tattoo & Body Art, etc.	• Closed
Gyms, Fitness Centers, Public Pools, Community Pools, Interactive Water Features (e.g. splash pads), Close Contact Sports, etc.	• Closed
Close Contact Sports	• Closed
Bars, Entertainment Venues, etc.	• Closed
Community Events (health fairs, cook-offs, etc.)	• Closed
Faith Based Institutions	• Closed
Educational Institutions, schools and organized youth	• Follow established guidelines for schools and child care facilities •

activities (day camp, summer camp)	
Senior Facilities (Skilled Nursing, Assisted Living, Long-term Living, etc.)	• Follow all established guidelines for all types of senior facilities • Implement social distancing measures. • Employees screened daily and must wear face covering and maintain 6 ft social distancing from co-workers and the public if possible
Public Spaces	• All activities adhere to distancing and infection control protocols •
All Employers	• Continue to encourage work from home, if possible. Return to work in stages. Close common areas where personnel are likely to congregate or enforce strict social distancing protocols. Minimize non-essential travel. Consider special accommodations for personnel who are members of a vulnerable population.
All Residents	• Age 65+ and individuals with underlying conditions, stay home. All, if essential employee, work from home, if possible. Wear face covering when unable to continuously maintain 6 ft. social distancing when in public. Social gatherings should be in accordance with State guidance and be limited to immediate family. Minimize non-essential travel.

If positive improvement/stability of metrics for 14 days, move to STAGE 4 /if significant decrease in metrics, return to STAGE 2

STAGE 3: Higher Risk Workplaces

Retail Stores	• Open at 50% capacity. • Implement social distancing measures for all customers. • Employees screened daily and must wear face covering if unable to continuously maintain 6 ft social distancing from co-workers and the public.
Commercial Businesses/Offices	• Open at 50% capacity. • Implement social distancing measures for all customers. • Employees screened daily and must wear face covering if unable to continuously maintain 6 ft social distancing from co-workers and the public.
Manufacturing	• Employees screened daily and must wear face covering and maintain 6 ft social distancing from co-workers and the public if possible.
Restaurants & Bars Serving Food	• With State Executive Order lifted, open at 50% seating capacity. • Implement social distancing measures for all customers. • Employees screened daily and must wear face covering if unable to continuously maintain 6 ft social distancing from co-workers and the public.
Nail Salons, Hair Salons, Barber Shops, etc.	• Restricted to appointment only services. No walk-in customers. • Employees screened daily and must wear face covering if unable to continuously maintain 6 ft social distancing from co-workers and the public.

Health Care, Dental, Optometry, etc.	• Routine and elective procedures for patients for all age groups. • Implement social distancing measures for all customers. • Employees screened daily and must wear face covering if unable to continuously maintain 6 ft social distancing from co-workers and the public.
Massage, Tattoo & Body Art, etc.	• Restricted to appointment only services. No walk-in customers. • Implement social distancing measures for all customers. • Employees screened daily and must wear face covering if unable to continuously maintain 6 ft social distancing from co-workers and the public.
Gyms, Fitness Centers, Public Pools, Community Pools, Interactive Water Features (e.g., splash pad), etc.	• Open at limited capacity while adhering to 6ft social distancing criteria. • Implement social distancing measures for all customers. • Employees screened daily and must wear face covering if unable to continuously maintain 6 ft social distancing from co-workers and the public.
Close Contact Sports	• Closed
Bars, Entertainment Venues, etc.	• Closed
Community Events (health fairs, cook-offs, etc.	• Closed
Faith Based Institutions (Churches & Weddings)	• Open at 50% capacity. • Implement social distancing measures. • Wear face covering if unable to continuously maintain 6 ft. social distancing when in public.
Educational Institutions, school and organized youth activities (day camp, summer camp)	• Follow established CDPH and CDC guidelines for schools and child care
Senior Facilities (Skilled Nursing, Assisted Living, Long-term Living, etc.)	• Follow all established CDPH guidelines for all types of senior facilities • Implement social distancing measures. • Employees screened daily and must wear face covering if unable to continuously maintain 6 ft social distancing from co-workers and the public.
Public Spaces	• All activities adhere to distancing and infection control protocols
All Employers	Close common areas where personnel are likely to congregate or enforce moderate social distancing protocols. Consider special accommodations for personnel who are members of the vulnerable populations.
All Residents	• Age 65+ and individuals with underlying conditions, stay home. Work from home, if possible. Wear face covering if unable to continuously maintain 6 ft. social distancing when in public. Social gatherings should be in accordance with State guidance. Some non-essential travel may resume.

If significant decrease in metrics, return to STAGE 3

Stage 4: End of Stay at Home Order

Retail Stores	• Open at full capacity. • Implement social distancing measures for all customers. • Employees screened daily and must wear face covering if unable to continuously maintain 6 ft social distancing from co-workers and the public.
Commercial Businesses	• Open at full capacity. • Implement social distancing measures for all customers. • Employees screened daily and must wear face covering if unable to continuously maintain 6 ft social distancing from co-workers and the public.
Restaurants & Bars Serving Food	• Limited to State restrictive capacity. If no limitations, open at full capacity. • Implement social distancing measures for all customers. • Employees screened daily and must wear face covering if unable to continuously maintain 6 ft social distancing from co-workers and the public.
Nail Salons, Hair Salons, Barber Shops, etc.	• Open at full capacity. • Implement social distancing measures for all customers. • Employees screened daily and must wear face covering if unable to continuously maintain 6 ft social distancing from co-workers and the public.
Health Care, Dental, Optometry, etc.	• Routine and elective procedures for patients for all age groups. • Implement social distancing measures for all customers. • Employees screened daily and must wear face covering if unable to continuously maintain 6 ft social distancing from co-workers and the public.
Massage, Tattoo & Body Art, etc.	• Open at full capacity. • Implement social distancing measures for all customers. • Employees screened daily and must wear face covering if unable to continuously maintain 6 ft social distancing from co-workers and the public.
Gyms, Fitness Centers, Public Pools, Community Pools, Interactive Water Features (e.g., splash pad), etc.	• Open at full capacity. • Implement social distancing measures for all customers. • Employees screened daily and must wear face covering if unable to continuously maintain 6 ft social distancing from co-workers and the public.
Close Contact Sports	• Open at full capacity
Bars, Entertainment Venues, etc.	• Open at full capacity. • Implement social distancing measures for all customers. • Employees screened daily and must wear face covering if unable to continuously maintain 6 ft social distancing from co-workers and the public.
Community Events (health fairs, cook-offs, etc.	• Open at full capacity • Implement social distancing measures. •

Faith Based Institutions	• Open at full capacity. • Implement social distancing measures. • Wear face covering if unable to continuously maintain 6 ft social distancing from co-workers and the public.
Senior Facilities (Skilled Nursing, Assisted Living, Long-term Living, etc.)	• Follow all established CDPH guidelines for all types of senior facilities • Implement social distancing measures. • Employees screened daily and must wear face covering if unable to continuously maintain 6 ft social distancing from co-workers and the public.
Educational Institutions, schools and organized youth activities (day camp, summer camp)	• Open • Implement social distancing measures. • Wear face covering if unable to continuously maintain 6 ft social distancing when in public.
All Employers	• Resume unrestricted staffing of worksites
All Residents	• Age 65+ and individuals with underlying conditions can resume public interactions, but should practice social distancing, minimize social settings where distancing may not be practiced. Wear face covering if unable to continuously maintain 6 ft social distancing when in public. Social gatherings should be in accordance with State guidance.

Conclusion

The threat of COVID-19 will be with us for the foreseeable future. There is a high probability that Tulare County will experience continued outbreaks that will force us to revert to earlier stages at some point during the reopening process. Now is the time to build capacity and create partnerships, across our county with employers, nonprofits, and community groups, to respond effectively to this challenge. This is also the time to provide clear guidance and an evidence-based framework for reopening our local economy.

Discussions with the state and federal government will continue with the purpose of redefining essential v. nonessential sectors. Instead of classifying businesses and industries as essential vs. non-essential, moving towards the terminology of “lower risk” vs “higher risk” operations may be more viable. This will allow all businesses to begin working on plans that focus on safety and are designed to lower the risk of COVID-19 transmission to their workers and customers. Examples of “low-risk” activities that are currently deemed non-essential: 1) Bookstores: could be lower risk if they limited the number of people that enter the store and took precautions to protect the clerks; Examples of “higher-risk” activities could include hair salons and tattoo shops where there is longer close personal contact.

**County of Tulare
Health & Human Services Agency
Public Health Branch**

Health Officer
5957 South Mooney Blvd.
Visalia, CA 93277 559-624-8480



**AMENDED EMERGENCY ORDER FOR THE PREVENTION OF
NOVEL CORONAVIRUS (COVID-19) TRANSMISSION**

WHEREAS, on March 4, 2020, the Governor of the State of California proclaimed a state of Emergency now exists in the State of California due to the presence of and threat posed by the novel coronavirus ("COVID-19"); and

WHEREAS, on March 11, 2020, the County Health Officer of the County of Tulare proclaimed and declared that a local health emergency now exists in the County of Tulare due to the presence of and threat posed by COVID-19; and

WHEREAS, the Tulare County Board of Supervisors ratified said proclamation at its regular meeting of March 17, 2020; and

WHEREAS, said proclamation shall remain in effect until further notice; and

WHEREAS, on March 19, 2020, the Governor of the State of California issued Executive Order N-33-20, in conjunction with the ORDER OF THE STATE PUBLIC HEALTH ORDER dated the same day, ordering that all Californians shelter in place to preserve public health and safety ("Shelter in Place Order"); and

WHEREAS, the Shelter in Place Order has been successful in slowing the transmission and infection rate of COVID-19 in the State of California; and

WHEREAS, on March 19, 2020 the County Health Officer of the County of Tulare issued an EMERGENCY ORDER FOR THE PREVENTION OF NOVEL CORONAVIRUS (COVID-19) TRANSMISSION IN OR ABOUT RESTAURANTS, BARS, FOOD TRUCKS, GROCERY STORES, AND OTHER RETAIL FOOD AND BEVERAGE SERVICE VENUES, ENTERTAINMENT AND RECREATIONAL VENUES, GYMS, HEALTH CLUBS, THEATERS, CHURCHES, OTHER SOCIAL GATHERINGS, AND OUTDOOR RECREATIONAL ACTIVITIES, which order was extended on April 8, 2020, and amended on May 5, 2020 (the "Emergency Order Amended May 5, 2020"); and

WHEREAS, on April 14, 2020, the State of California presented the Pandemic Roadmap, a four-stage plan for modifying the Shelter in Place Order, and defining the statewide current status under the plan as being at Stage 1; and

WHEREAS, on May 4, 2020, the State announced that entry into Stage 2 of the plan would begin on May 8, 2020 for all Counties, subject to certain conditions and certain guidance; and

WHEREAS, advancement within the Pandemic Roadmap by an individual County can be accomplished by meeting certain State-defined criteria and procedures; and

WHEREAS, the Pandemic Roadmap is designed to prevent the spread of COVID-19 in California while allowing parts of our state to safely reopen; and

WHEREAS, compliance with the State criteria, procedures, and guidance for the stages of the Pandemic Roadmap is mandatory in the incorporated and unincorporated areas of County of Tulare.

NOW, THEREFORE, pursuant to Tulare County Ordinance Code sections 1-15-1033 (b) and 1-15-1040 (b),

and California Health and Safety Code sections 101040, 101085, and 120175, the Health Officer of the County of Tulare hereby orders as follows, which shall be effective immediately and remain in effect until such a time that it is terminated or modified by the County Public Health Officer in writing:

1. **The Emergency Order Amended May 5, 2020** is hereby terminated. Any previous Public Health Orders, other than the Emergency Declaration dated March 11, 2020, not previously terminated by the Emergency Order Amended May 5, 2020, are hereby terminated.
2. **The Shelter in Place Order**, the emergency orders of the State Public Health Director related to the COVID-19 pandemic, and the State's Pandemic Roadmap and guidance issued with respect to the roadmap, as they may be amended, modified, or supplemented from time-to-time by their makers, are hereby adopted as emergency orders of the County Health Officer of the County of Tulare and enforceable as such.
3. **Only** the activities and businesses authorized by the current stage of the State's Pandemic Roadmap shall be allowed. The current stage of the Pandemic Roadmap and current guidance related to the Pandemic Roadmap can be found at: <https://covid19.tularecounty.ca.gov/covid-19-updates-and-situation-in-tulare-county/>.
4. **Bars, wineries, breweries and pubs** shall follow all restrictions, closures, and guidelines under the current stage of the State's Pandemic Roadmap.
5. **Restaurants** shall follow all restrictions, closures, and guidelines under the current stage of the State's Pandemic Roadmap.
6. **Food Trucks** shall follow all restrictions, closures, and guidelines under the current stage of the State's Pandemic Roadmap.
7. **Certified Farmers' Markets** shall follow all restrictions, closures, and guidelines under the current stage of the State's Pandemic Roadmap.
8. **Gambling venues** shall follow all restrictions, closures, and guidelines under the current stage of the State's Pandemic Roadmap.
9. **Entertainment and recreational venues**, including, but not limited to, theme parks, amusement parks, attractions, theaters, museums, roller rinks, skate parks, sports stadiums, bowling alleys, and the like, shall follow all restrictions, closures, and guidelines under the current stage of the State's Pandemic Roadmap.
10. **Gyms and health clubs** shall follow all restrictions, closures, and guidelines under the current stage of the State's Pandemic Roadmap.
11. **All social gatherings**, including, but not limited to church services, meetings of service and social clubs, conferences, conventions, and the like, shall be postponed or cancelled until allowed under the current stage of the State's Pandemic Roadmap.
12. **Outdoor recreational activities** shall be permissible as long as it is feasible to maintain a safe physical distance of six feet and gather only with members of the same household at all times during said activity(ies). Individual outdoor recreational activities are permissible as long as it is feasible to maintain a safe physical distance of six feet at all times during said activity. Any outdoor group sports or activities shall be postponed or cancelled unless the sport or activity can be done individually or

with members of the same household only. There should be no shared equipment between persons who are not members of the same household. Visit <https://covid19.ca.gov/stay-home-except-for-essential-needs/#top>, Outdoor Recreation section for a list of requirements, specifically allowed activities, and further guidance from the state of California. These social distancing requirements shall remain in place as they relate to Outdoor Recreation Activities until abolished under the current stage of the State's Pandemic Roadmap.

13. For those businesses closed under the current stage of the State's Pandemic Roadmap, business owners, managers, and supervisory staff are allowed to be on site to conduct minimum basic operations, provided they follow all guidance from public health officials to reduce the spread of COVID-19, including social distancing and hand washing with soap and water for at least 20 seconds.
14. No County permits for special events shall be granted, all County permits for special events previously issued are revoked or postponed, and no temporary ABC licenses shall be authorized by the County until social gatherings are permitted under the current stage of the State's Pandemic Roadmap.
15. For personal and public health and safety purposes, all residents of and visitors to Tulare County are strongly urged to practice social distancing of six feet per person when able to do so, wash their hands often with soap and water for at least 20 seconds, wear face coverings, such as scarves (dense fabric, without holes), bandanas, neck gaiters, or other fabric face coverings, at all times while inside of or waiting to enter any business or facility, while riding or waiting to ride any public or shared transportation, and at any other time when it is impossible to maintain a distance of six-feet between persons who are not members of a shared household and follow all other guidance from public health officials with regard to the threat posed by COVID-19.
16. This Order may be enforced pursuant to California law, including, but not limited to Government Code sections 26602, 41601, and 8665 to prevent the spread of Covid-19.
17. Each incorporated city within Tulare County is permitted to take such actions, if any, as may be reasonably necessary to permit this Order to be fully enforced within its respective jurisdiction. Pursuant to California Government Code section 41601, the chiefs of the police departments of the Cities of Visalia, Tulare, Porterville, Dinuba, Exeter, Lindsay, Woodlake, and Farmersville may enforce this Order within their respective jurisdictions to prevent the spread of COVID-19.
18. The Public Health Branch of the Tulare County Health and Human Services Agency, the Tulare County District Attorney's office, the Tulare County Counsel's office, and all other applicable County of Tulare Agencies, Departments, and Divisions are permitted to enforce this Order within their respective jurisdictions.
19. Pursuant to California Health and Safety Code sections 101029 and 120280, and Tulare County Ordinance Code sections 1-15-1040(b) and 125, violations of this Order may be punishable as a misdemeanor upon conviction by a fine of not exceeding one thousand dollars or by imprisonment for a term of not exceeding six months, or by both such fine and imprisonment.
20. Pursuant to Tulare County Ordinance Code sections 4-01-1070 and 4-01-1315, violations of this Order may be considered a public nuisance.
21. Pursuant to Tulare County Ordinance Code sections 1-23-1000 and 1-23-1015 violations of this Order may be subject to an administrative fine or penalty.

22. The Order shall be subject to amendment or repeal at any time and shall not be deemed to confer any contractual obligations, property rights, or assume any County or other public agency liability.
23. If any provision of this Order or its application to any person or circumstance is held to be invalid, then the remainder of the Order, including the application of such part or provision to other persons or circumstances, shall not be affected and shall continue in full force and effect. To this end, the provisions of this Order are severable.
24. This Order shall be immediately translated into Spanish, and accommodations made for disabled persons to read its contents; it shall also be distributed to all local media and made prominently available at <https://covid19.tularecounty.ca.gov/>.
25. All open businesses, facilities, retail food, and other venues shall ensure social distancing of six feet per person between those who are not members of the same household, limit the number of customers at any given time as necessary to reduce outdoor/indoor crowding and lines to meet social distancing guidance, increase cleaning and sanitizing frequency of all contact areas, encourage use of online ordering with curbside pickup or delivery options in lieu of indoor shopping, and remind employees of guidance from public health officials to reduce the spread of COVID-19, including washing their hands often with soap and water for at least 20 seconds and wearing appropriate face covering when necessary. Any business, facility, retail food, and other venue may create an individual policy restricting entry of patrons not wearing masks.

IT IS SO ORDERED.

Time: 8:00am
Date: May 18, 2020

Issued by: 

Karen Haught, MD
County Health Officer
County of Tulare
Health & Human Services Agency
Public Health Branch

Approved as to Form:
COUNTY COUNSEL

By 
Deputy County Counsel

Matter No. 2020217

Roadmap to Recovery

STAGE ONE

- Stay at Home Order
- Planning for Recovery

STAGE TWO (Low Risk Businesses)

- Curbside retail:
 - Bookstores
 - Jewelry stores
 - Clothing stores
 - Shoe stores
 - Home furnishing
 - Sporting goods
 - Florists
- Car washes
- Pet grooming
- Landscape gardening
- Shopping malls
- Dine-in restaurants
- Schools
- Office-based businesses
- Childcare facilities
- Outdoor museums and open gallery spaces
- Outdoor recreational activities
 - Parks
 - Trails
 - Golf Courses
 - Lakes

STAGE THREE (High Risk Businesses)

- Personal services such as: nail salons, tattoo parlors, gyms and fitness studios
- Bars and lounges
- Indoor museums, gallery spaces, zoos, and libraries
- Community centers, public pools, playgrounds, and picnic areas
- Religious services and cultural ceremonies
- Hotels/lodging for leisure and tourism

STAGE FOUR (End of Stay at Home Order)

LATER

- Entertainment venues
- Large conventions
- Sporting and spectator events
- Concerts
- Convention Centers

For more information please visit
covid19.tularecounty.ca.gov and
covid19.ca.gov



HHSA
www.tchhsa.org
May 20, 2020



SONIA Y. ANGELL, MD, MPH
State Public Health Officer & Director

State of California—Health and Human Services Agency California Department of Public Health



GAVIN NEWSOM
Governor

June 18, 2020

GUIDANCE FOR THE USE OF FACE COVERINGS

Because of our collective actions, California has limited the spread of COVID-19 and associated hospitalizations and deaths in our state. Still, the risk for COVID-19 remains and the increasing number of Californians who are leaving their homes for work and other needs, increases the risk for COVID-19 exposure and infection.

Over the last four months, we have learned a lot about COVID-19 transmission, most notably that people who are infected but are asymptomatic or pre-symptomatic play an important part in community spread. The use of face coverings by everyone can limit the release of infected droplets when talking, coughing, and/or sneezing, as well as reinforce physical distancing.

This document updates existing [CDPH guidance](#) for the use of cloth face coverings by the general public when outside the home. It mandates that face coverings be worn state-wide in the circumstances and with the exceptions outlined below. It does not substitute for existing guidance about social distancing and handwashing.

Guidance

People in California must wear face coverings when they are in the high-risk situations listed below:

- Inside of, or in line to enter, any indoor public space;¹
- Obtaining services from the healthcare sector in settings including, but not limited to, a hospital, pharmacy, medical clinic, laboratory, physician or dental office, veterinary clinic, or blood bank;²
- Waiting for or riding on public transportation or paratransit or while in a taxi, private car service, or ride-sharing vehicle;
- Engaged in work, whether at the workplace or performing work off-site, when:
 - Interacting in-person with any member of the public;
 - Working in any space visited by members of the public, regardless of whether anyone from the public is present at the time;

¹ Unless exempted by state guidelines for specific public settings (e.g., school or childcare center)

² Unless directed otherwise by an employee or healthcare provider



- Working in any space where food is prepared or packaged for sale or distribution to others;
- Working in or walking through common areas, such as hallways, stairways, elevators, and parking facilities;
- In any room or enclosed area where other people (except for members of the person's own household or residence) are present when unable to physically distance.
- Driving or operating any public transportation or paratransit vehicle, taxi, or private car service or ride-sharing vehicle when passengers are present. When no passengers are present, face coverings are strongly recommended.
- While outdoors in public spaces when maintaining a physical distance of 6 feet from persons who are not members of the same household or residence is not feasible.

The following individuals are exempt from wearing a face covering:

- Persons age two years or under. These very young children must not wear a face covering because of the risk of suffocation.
- Persons with a medical condition, mental health condition, or disability that prevents wearing a face covering. This includes persons with a medical condition for whom wearing a face covering could obstruct breathing or who are unconscious, incapacitated, or otherwise unable to remove a face covering without assistance.
- Persons who are hearing impaired, or communicating with a person who is hearing impaired, where the ability to see the mouth is essential for communication.
- Persons for whom wearing a face covering would create a risk to the person related to their work, as determined by local, state, or federal regulators or workplace safety guidelines.
- Persons who are obtaining a service involving the nose or face for which temporary removal of the face covering is necessary to perform the service.
- Persons who are seated at a restaurant or other establishment that offers food or beverage service, while they are eating or drinking, provided that they are able to maintain a distance of at least six feet away from persons who are not members of the same household or residence.
- Persons who are engaged in outdoor work or recreation such as swimming, walking, hiking, bicycling, or running, when alone or with household members, and when they are able to maintain a distance of at least six feet from others.

- Persons who are incarcerated. Prisons and jails, as part of their mitigation plans, will have specific guidance on the wearing of face coverings or masks for both inmates and staff.

Note: Persons exempted from wearing a face covering due to a medical condition who are employed in a job involving regular contact with others should wear a non-restrictive alternative, such as a face shield with a drape on the bottom edge, as long as their condition permits it.

Background

What is a cloth face covering?

A cloth face covering is a material that covers the nose and mouth. It can be secured to the head with ties or straps or simply wrapped around the lower face. It can be made of a variety of materials, such as cotton, silk, or linen. A cloth face covering may be factory-made or sewn by hand or can be improvised from household items such as scarfs, T-shirts, sweatshirts, or towels.

How well do cloth face coverings work to prevent spread of COVID-19?

There is scientific evidence to suggest that use of cloth face coverings by the public during a pandemic could help reduce disease transmission. Their primary role is to reduce the release of infectious particles into the air when someone speaks, coughs, or sneezes, including someone who has COVID-19 but feels well. Cloth face coverings are not a substitute for physical distancing, washing hands, and staying home when ill, but they may be helpful when combined with these primary interventions.

When should I wear a cloth face covering?

You should wear face coverings when in public places, particularly when those locations are indoors or in other areas where physical distancing is not possible

How should I care for a cloth face covering?

It's a good idea to wash your cloth face covering frequently, ideally after each use, or at least daily. Have a bag or bin to keep cloth face coverings in until they can be laundered with detergent and hot water and dried on a hot cycle. If you must re-wear your cloth face covering before washing, wash your hands immediately after putting it back on and avoid touching your face. Discard cloth face coverings that:

- No longer cover the nose and mouth
- Have stretched out or damaged ties or straps
- Cannot stay on the face
- Have holes or tears in the fabric

ORDINANCE NO. 1874

**AN URGENCY ORDINANCE OF THE CITY COUNCIL
OF THE CITY OF PORTERVILLE REQUIRING THE USE OF
FACE COVERINGS IN CONFORMITY WITH THE REQUIREMENTS SET
BY THE CALIFORNIA DEPARTMENT OF PUBLIC HEALTH**

WHEREAS, the novel coronavirus (COVID-19) is a respiratory disease which the Centers for Disease Control and Prevention (CDC) considers to be a very serious public health threat with outcomes ranging from mild to severe sickness and death;

WHEREAS, COVID-19 has been found to be easily transmissible from person to person;

WHEREAS, on January 31, 2020, the United States Department of Public Health and Human Services declared a public emergency for COVID-19 beginning on January 27, 2020;

WHEREAS, on March 4, 2020, Governor Gavin Newsom declared a state of emergency in the State of California due to the number of confirmed cases of COVID-19 in the State;

WHEREAS, on March 21, 2020, Tulare County declared an emergency, thus enabling the County to take extraordinary measures;

WHEREAS, on March 17, 2020, due the actions of the Federal and State Governments, and due to the presence of confirmed cases in Tulare County and the Porterville area, the Porterville City Council adopted Resolution No. 22-2020, a Resolution of the City Council of the City of Porterville to Proclaim the Existence of a Local Emergency;

WHEREAS, on June 18, 2020, the California Department of Public Health issued Guidance for the Use of Face Coverings, which mandates that face coverings be worn state-wide in certain settings and circumstances;

WHEREAS, as of July 7, 2020, Tulare County remains on the State of California Covid-19 “watch list,” due to continuing spread of the disease in the County, including in the Porterville area;

WHEREAS, on July 7, 2020, the Porterville City Council ordered that the face covering requirements of the State be enforced within the City via the City’s administrative citation regulations and through aggressive education efforts, and directed that an urgency ordinance be prepared consistent with the order;

WHEREAS, the City of Porterville is authorized to enforce the state-wide order concerning Face Coverings pursuant to the California Constitution, Porterville City Charter Section 4, and applicable State laws and City regulations; and

WHEREAS, substantial scientific evidence shows that when combined with physical distancing and other health and safety practices such as hand washing and the regular disinfection of surfaces, wearing Face Coverings will assist in allowing additional business and other activities

to be resumed in the safest way possible, and will help protect Porterville's community members and in particular those that are most vulnerable due to age or health conditions;

THE CITY COUNCIL OF THE CITY OF PORTERVILLE does ordain as follows:

Section 1. The provisions of this urgency ordinance are necessary for the immediate preservation of the health and safety of the public; will help protect all community members who live, work and are present in the City of Porterville; and will assist in state-wide efforts to mitigate the spread of Covid-19.

Section 2. Individuals, while in the City of Porterville, are required to comply with all guidance within the California Department of Public Health's "Guidance for the Use of Face Coverings," (hereinafter "Face Covering Requirements") as currently set forth and as may be further revised by the State of California. A copy of the Face Covering Requirements, released June 18, 2020, and revised on June 29, 2020, is attached hereto as Exhibit "A."

Section 3. Businesses operating in the City of Porterville are required to comply with all applicable Industry Guidance issued by the California Department of Public Health, which incorporate the Face Covering Requirements.

Section 4. The City is authorized to utilize education efforts in any effort to gain cooperation and compliance with the Face Covering Requirements;

Section 5. City staff is further authorized to engage in code enforcement efforts to remedy violations of the Face Covering Requirements. Violations of these requirements are punishable as permitted by State law. Furthermore, the City is hereby authorized to enforce violations of the requirements pursuant to its Administrative Citation regulations set forth in Chapter 2, Article 14, Sections 2-141 through 2-155 of the Porterville Municipal Code.

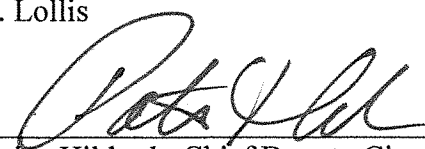
Section 6. This Ordinance is exempt from the requirements of CEQA pursuant to California Public Resources Code Section 21080(b) (4).

Section 7. This Ordinance shall take effect immediately upon adoption by at least a 4/5 vote of the all members of the Porterville City Council, pursuant to Section 13 of the Porterville City Charter.

THE FOREGOING ORDINANCE was approved by the City Council of the City of Porterville, State of California, on July 21, 2020 at a regular meeting of said Council duly and regularly convened.


Martha A. Flores, Mayor

ATTEST:
John D. Lollis

By: 
Patrice Hildreth, Chief Deputy City Clerk

STATE OF CALIFORNIA)
CITY OF PORTERVILLE) (SS)
COUNTY OF TULARE)

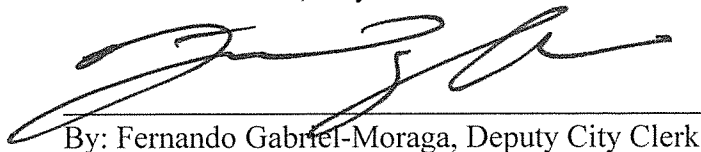
I, JOHN D. LOLLIS, the duly qualified City Clerk of the City of Porterville do hereby certify:

THAT the foregoing ordinance is a true and correct copy of Urgency Ordinance No. 1874, passed and adopted by the Council of the City of Porterville at a regular meeting held on the 21st day of July, 2020, that said ordinance has been duly published pursuant to law, and that by the terms and provisions of the Charter of the City of Porterville, said ordinance to be in full force and effect immediately upon adoption.

THAT said ordinance was introduced by Council and the same was duly passed and adopted by the following vote:

COUNCIL:	PEÑALOZA	REYES	FLORES	STOWE	GURROLA
AYES:	X	X	X	X	X
NOES:					
ABSTAIN:					
ABSENT:					

JOHN D. LOLLIS, City Clerk



By: Fernando Gabriel-Moraga, Deputy City Clerk



SONIA Y. ANGELL, MD, MPH
State Public Health Officer & Director

State of California—Health and Human Services Agency
California Department of Public Health



GAVIN NEWSOM
Governor

Released June 18, 2020

- Revised on June 29, 2020 to clarify that children under two years old are exempt from wearing face coverings due to risk of suffocation

GUIDANCE FOR THE USE OF FACE COVERINGS

Because of our collective actions, California has limited the spread of COVID-19 and associated hospitalizations and deaths in our state. Still, the risk for COVID-19 remains and the increasing number of Californians who are leaving their homes for work and other needs, increases the risk for COVID-19 exposure and infection.

Over the last four months, we have learned a lot about COVID-19 transmission, most notably that people who are infected but are asymptomatic or pre-symptomatic play an important part in community spread. The use of face coverings by everyone can limit the release of infected droplets when talking, coughing, and/or sneezing, as well as reinforce physical distancing.

This document updates existing CDPH guidance for the use of cloth face coverings by the general public when outside the home. It mandates that face coverings be worn state-wide in the circumstances and with the exceptions outlined below. It does not substitute for existing guidance about social distancing and handwashing.

Guidance

People in California must wear face coverings when they are in the high-risk situations listed below:

- Inside of, or in line to enter, any indoor public space;¹
- Obtaining services from the healthcare sector in settings including, but not limited to, a hospital, pharmacy, medical clinic, laboratory, physician or dental office, veterinary clinic, or blood bank;²
- Waiting for or riding on public transportation or paratransit or while in a taxi, private car service, or ride-sharing vehicle;
- Engaged in work, whether at the workplace or performing work off-site, when:
 - Interacting in-person with any member of the public;
 - Working in any space visited by members of the public, regardless of whether anyone from the public is present at the time;

¹ Unless exempted by state guidelines for specific public settings

² Unless directed otherwise by an employee or healthcare provider



- Working in any space where food is prepared or packaged for sale or distribution to others;
- Working in or walking through common areas, such as hallways, stairways, elevators, and parking facilities;
- In any room or enclosed area where other people (except for members of the person's own household or residence) are present when unable to physically distance.
- Driving or operating any public transportation or paratransit vehicle, taxi, or private car service or ride-sharing vehicle when passengers are present. When no passengers are present, face coverings are strongly recommended.
- While outdoors in public spaces when maintaining a physical distance of 6 feet from persons who are not members of the same household or residence is not feasible.

The following individuals are exempt from wearing a face covering:

- Persons younger than two years old. These very young children must not wear a face covering because of the risk of suffocation.
- Persons with a medical condition, mental health condition, or disability that prevents wearing a face covering. This includes persons with a medical condition for whom wearing a face covering could obstruct breathing or who are unconscious, incapacitated, or otherwise unable to remove a face covering without assistance.
- Persons who are hearing impaired, or communicating with a person who is hearing impaired, where the ability to see the mouth is essential for communication.
- Persons for whom wearing a face covering would create a risk to the person related to their work, as determined by local, state, or federal regulators or workplace safety guidelines.
- Persons who are obtaining a service involving the nose or face for which temporary removal of the face covering is necessary to perform the service.
- Persons who are seated at a restaurant or other establishment that offers food or beverage service, while they are eating or drinking, provided that they are able to maintain a distance of at least six feet away from persons who are not members of the same household or residence.
- Persons who are engaged in outdoor work or recreation such as swimming, walking, hiking, bicycling, or running, when alone or with household members, and when they are able to maintain a distance of at least six feet from others.

- Persons who are incarcerated. Prisons and jails, as part of their mitigation plans, will have specific guidance on the wearing of face coverings or masks for both inmates and staff.

Note: Persons exempted from wearing a face covering due to a medical condition who are employed in a job involving regular contact with others should wear a non-restrictive alternative, such as a face shield with a drape on the bottom edge, as long as their condition permits it.

Background

What is a cloth face covering?

A cloth face covering is a material that covers the nose and mouth. It can be secured to the head with ties or straps or simply wrapped around the lower face. It can be made of a variety of materials, such as cotton, silk, or linen. A cloth face covering may be factory-made or sewn by hand or can be improvised from household items such as scarfs, T-shirts, sweatshirts, or towels.

How well do cloth face coverings work to prevent spread of COVID-19?

There is scientific evidence to suggest that use of cloth face coverings by the public during a pandemic could help reduce disease transmission. Their primary role is to reduce the release of infectious particles into the air when someone speaks, coughs, or sneezes, including someone who has COVID-19 but feels well. Cloth face coverings are not a substitute for physical distancing, washing hands, and staying home when ill, but they may be helpful when combined with these primary interventions.

When should I wear a cloth face covering?

You should wear face coverings when in public places, particularly when those locations are indoors or in other areas where physical distancing is not possible

How should I care for a cloth face covering?

It's a good idea to wash your cloth face covering frequently, ideally after each use, or at least daily. Have a bag or bin to keep cloth face coverings in until they can be laundered with detergent and hot water and dried on a hot cycle. If you must re-wear your cloth face covering before washing, wash your hands immediately after putting it back on and avoid touching your face. Discard cloth face coverings that:

- No longer cover the nose and mouth
- Have stretched out or damaged ties or straps
- Cannot stay on the face
- Have holes or tears in the fabric

City of Porterville

Guidelines for Expanded Outdoor Dining During Covid-19



Preface

The City of Porterville has developed these guidelines for outdoor dining to assist our restaurant businesses in providing expanded seating capacity in the public right-of-way and on private spaces for in-person restaurant dining as allowed for by the State of California and Tulare County COVID-19 Health Orders (Health Orders). These guidelines are temporary in nature and will only be in place during this time of restricted restaurant operations or up until January 31, 2021, *whichever occurs earlier*.

The City of Porterville will be allowing restaurants to utilize sidewalks, public parking spaces, and/or in parking spaces in privately owned shopping centers, for the purposes of providing outdoor dining areas. Specific restrictions and guidelines for each of these locations are outlined in this guidebook.

State of California

Effective as of June 6, 2020, the State of California is permitting outdoor dining. General requirements include, but are not limited to:

- The establishment a written, workplace-specific COVID-19 prevention plan. State of California COVID-19 Industry Guidelines for Dine-In Restaurants can be currently found at <https://files.covid19.ca.gov/pdf/guidance-outdoor-restaurants--en.pdf>. Facilities that open for outdoor dining must offer curbside pickup, takeaway, and/or delivery service alternatives. Lines for pickup or takeaway must be in a separate area from the outdoor dining area to prohibit patrons from unnecessarily accessing the outdoor dining area.
- *Pursuant to State licensing*, alcohol may be sold to patrons in conjunction with a meal, but it may not be sold independently, and bar areas must remain closed to customers.
- Patrons are required to wear a face covering except when sitting at a table.

Temporary Outdoor Restaurant Dining Permit

The City has developed a no-fee streamlined encroachment permit application for temporary outdoor dining. The intent of this permit is to be temporary in nature and to be in place only during the Health Orders restrictions on restaurant operations or up until January 31, 2021, *whichever occurs earlier*.

The following documents are required in order to process a permit for outdoor seating in the City of Porterville:

- Temporary Outdoor Restaurant Dining Permit Application
- Certificate of Liability Insurance and Endorsements
- Site Plan diagram of proposed outdoor dining lay-out

The Temporary Outdoor Restaurant Dining Permit application is available on the City's website (<https://www.ci.porterville.ca.us>).

General Guidelines for all Outdoor Dining Areas

The following general guidelines apply to all areas:

- **Adequate Clearance for Social Distancing.** Any outdoor table and seating must maintain a minimum sidewalk clearance and/or pedestrian through zone of 6-feet from any physical obstruction to allow pedestrians to maintain adequate social distancing when passing by patrons seated at a table. The physical obstruction includes light poles, fire hydrants, trees, or other barriers and entryways or display window of adjacent businesses, unless authorized by the adjacent business.
- **Seating Area Allowance for Social Distancing.** The seating provided shall allow for patrons to maintain a minimum 6-foot social distance from the nearest group of other patrons seated in the same area.
- In addition to the cleaning and sanitary measures, tables must be arranged to ensure that no customer is sitting within six feet of any other customer at a separate table.
- Patrons at a single table are limited to no more than six, and they must be from the same household or living unit.
- **ADA Compliance.** Outdoor seating areas must comply with all requirements of the California Building Code, Americans with Disabilities Act (ADA), and provide sufficient clearance and walkway space to allow safe access and egress. Restaurants must ensure that a minimum 3-foot ADA path of travel is maintained throughout the areas for patrons to access tables provided.
- **Temporary Fixtures.** Tables, seating, umbrellas, heating lamps, planters, platforms or flooring shall achieve California Building Code and ADA compliance, and any approved physical barriers to mark the seating area are the only items permitted in the public right-of-way. These items must be designed to be weighted down for wind protection, removable, and minimize tripping hazards.
- **Alcohol Service.** Restaurants and food establishments licensed by the State of California will be permitted to sell and allow on-premise consumption of alcoholic beverages. Alcohol service is only allowed under full-service conditions and alcoholic beverages consumed in the outdoor dining premises are not allowed to be provided in to-go containers. Establishments that serve alcoholic beverages in the outdoor dining area shall be required to meet all requirements of the Alcoholic Beverage Control Board and any other federal, state, or local laws and regulations governing the sale and consumption of alcoholic beverages. Visit the ABC website for their specific COVID-19 regulatory updates.
- **No Outdoor Food Preparation.** Outdoor food preparation is not permitted. No heating, cooking or open flames are permitted in the outdoor dining space or public rights-of-way.
- **Amplification of noise.** Amplification of music or other sounds is generally prohibited for these temporary uses, and for any proposed use of amplified music or an intercom system, if allowed an amplification permit will be required. The application may be found at the following location: <http://www.ci.porterville.ca.us/depts/ParksandLeisure/documents/OutsideAmplifierPermit.pdf>

Music volume must be adjusted so that workers can maintain social distance from customers to hear orders.

- **Site Maintenance.** Outdoor seating areas shall be maintained free of litter, refuse and debris. The area shall be scrubbed and mopped to remove any food or drink stains on a daily basis by the permittee. Such cleaning shall be in accordance with the City's Storm Water Management and Discharge Control Program, which prohibits any discharge other than storm water into the storm water drainage system.

- **Tents or Shade Structures.** Umbrellas and other decorative material shall be fire-retardant, pressure-treated or manufactured of fire-resistant material. No portion of an umbrella shall be less than six (6) feet, eight (8) inches (eighty (80) inches) above the sidewalk. Tents or any structures shall be installed in an *approved* manner that is inspected by both the Fire Department and the Building Division prior to being occupied. The use of tents or shade structures in excess of 400 square feet will require coordination with and approval from the Porterville Fire Department. To request more information contact (559) 782-7526.
- **Space Heaters.** Space heaters are permitted if they are an outdoor approved type, are located in accordance with the manufacturer's recommendations and California Fire Code, and are located at least two (2) feet from the edge of any umbrella canvas, any foliage, or any other flammable object or material. Use will require coordination with and approval from the Porterville Fire Department. To request more information contact (559) 782-7526.
- **Hours of Operation.** The outdoor dining areas shall adhere to the same approved hours of operation as the existing restaurant
- **Lighting.** Temporary outdoor lighting in compliance with the Porterville Development Ordinance is allowed. Lighting shall be turned off whenever the restaurant is closed and/or the outdoor dining area is not in use.
- **Removal of Items.** All items installed to support outdoor dining shall be temporary in nature and removed at such the time the City so orders. Upon removal of these items, the site shall be restored to its previous condition within 48 hours.
- **Restrooms.** Restaurant patrons shall have access to the restroom(s) affiliated with the subject restaurant.

Sidewalk Dining Areas

Sidewalk dining involves the placement of tables and chairs in the public sidewalk area. Businesses may request the closure of sidewalk immediately adjacent to the restaurant with Temporary Outdoor Restaurant Dining Permit. Furthermore, Businesses may request the closure of on-street public parking spots directly adjacent to the business frontage, for use as a buffer or extended entrance area (no dining in on-street parking spots is permitted).

The following specific conditions apply to these areas:

Restaurants using these areas will need to provide their own furniture for use of by the patrons and will be responsible for securing their furniture when not in use.

Restaurants that are providing alcohol service must meet all requirements of the Alcoholic Beverage Control Board and any other federal, state, or local laws and regulations governing the sale and consumption of alcoholic beverages.

- **Signage** – when sidewalk and/or on-street parking closure is requested, the applicant shall provide detour signage to ensure pedestrians are made aware of alternative routes.
- The applicant shall notify all residents and businesses that will be affected by the sidewalk or on-street parking closure.
- **Barricades** - All parking stalls adjacent to the sidewalk dining areas shall be closed and have barricades as provided by the City of Porterville.

Public Parking Dining Areas

The City is providing the opportunity to restaurants in the Downtown District to request outdoor dining in portions of the public parking lots located near restaurants.

The following specific conditions apply to these areas:

- Restaurants using these areas will need to provide their own furniture for use by the patrons and will be responsible for securing their furniture when not in use.
- Barricades must be used to protect patrons from vehicular traffic and shall be provided by the City of Porterville.
- Restaurants that are providing alcohol service must meet all requirements of the Alcoholic Beverage Control Board and any other federal, state, or local laws and regulations governing the sale and consumption of alcoholic beverages.

Private Parking Lot Dining Areas

Private parking lot areas refer to shopping centers, strip malls, and stand-alone commercial properties that have their own designated parking areas. The City of Porterville is temporarily suspending requirements restricting the provision of outdoor dining, minimum parking standards as codified in Municipal Code **, and planning application conditions of approval related to parking and outdoor dining with an approved Temporary Outdoor Restaurant Dining Permit. Suspending these requirements will temporarily allow restaurants to provide outdoor dining in their respective private parking lots. Arrangements for outdoor dining must be worked out with and agreed to by the property owner for each location. The City shall not be a party to discussions or arrangements concerning the leasing or use of outdoor space on private property.

The following specific conditions apply to these areas:

- Restaurants must have the written permission of the property owner in order to use the parking space areas.
- The parking lots must still comply with all California Building Code and ADA standards, including ADA paths of travel and adequate provision of handicapped parking spaces pursuant to California Building Code Section 11B.
- Restaurants that are providing alcohol service must meet all requirements of the Alcoholic Beverage Control Board and any other federal, state, or local laws and regulations governing the sale and consumption of alcoholic beverages.
- Access to fire hydrants, fire hose connections for sprinkler systems, and entrances and exits of all buildings shall not be obstructed at any time by barriers or seating. The twenty (20) feet fire lane shall not be obstructed at any time. There shall be a minimum of forty (40) inches in distance separating the edge of a table or chair to a fire department connection.
- Consideration should be given to maintaining adequate parking supply on-site to prevent spillover parking in adjacent residential areas
- Seating areas shall occupy a specifically approved and defined location that does not disrupt the normal function of the site or its circulation. The area shall be located outside of any fire lane or fire access way.

For More Information:

For Questions or additional information regarding these Outdoor Dining Guidelines or the Temporary Outdoor Restaurant Dining Encroachment Permit application, please contact:

Jason Ridenour, Economic Development and Housing Manager

jridenour@ci.porterville.ca.us (559) 782-7460



Sandra Shewry
Acting Director

State of California—Health and Human
Services Agency
**California Department of
Public Health**



GAVIN NEWSOM
Governor

September 28, 2020

AFL 17-__

TO: All Californians

SUBJECT: Outdoor Playgrounds and other Outdoor Recreational Facilities

Summary

COVID-19 continues to pose a severe risk to communities and requires all people in California to follow necessary precautions and to adapt the way they live and function in light of this ongoing risk. This guidance provides direction on usage of outdoor playgrounds and outdoor recreational facilities (hereafter facilities), to support a safe environment for children and families. It applies to outdoor playgrounds located in parks, campgrounds, and other publicly accessible locations. This guidance does not apply to indoor playgrounds or family entertainment centers.

Outdoor Playground Definition:

- Fully outdoors
- Publicly accessible
- Free to enter and use
- Operated by a city, state, county, or federal government
- Designed primarily to serve nearby residents within a half a mile
- Can provide State-mandated outdoor space for preschools (which could be scheduled in advance to avoid overlapping use)
- Typically includes recreational equipment, like play structures, slides, swings, etc. intended to enrich children's physical health and development

Visitors to outdoor community playgrounds must comply with the following requirements:

1. Face masks over the mouth and nose are required for everyone 2 years of age or older with caregiver supervision at all times to ensure face mask use.
2. Do not use the playground when different households are unable to maintain a physical distance of 6 feet or when the capacity limit has been reached.
3. Caregivers must monitor to keep adults and children from different households at least 6 feet apart.
4. Consider coming on different times or days to avoid wait times and potential crowded times.
5. No eating or drinking in playground, to ensure face masks are worn at all times.
6. Wash or sanitize hands before and after using the playground.
7. Elderly and persons with underlying medical conditions should avoid playground when others are present.

8. Limit visit to 30 min per day when others are present

Note: Facility operators should download and print this flyer to post at all outdoor playgrounds.

All playground facilities operators should review and follow these recommendations:

1. An adult must actively supervise each child at all times to make sure that children two years of age or older keep their face covering over their nose and mouth and stay 6 feet away from adults and children outside their household.
 - a. Children who are supervised by the same adult must stay together in the same play area or play structure at all times, to allow active supervision.
 - b. If an infant or child requires attention (nursing, diapering) that precludes an adult from actively supervising other children using the playground, the adult should ask the other children to leave the play structure/area and stay by the adult's side until needed care is complete.
2. People standing outside the playground, including people waiting to enter the playground, should remain 6 feet away from areas of the playground used by children and adults.
3. Maintain six-foot distancing between children and adults from different households including children using or waiting to use play structures or play areas, and families waiting to enter the playground.
4. Increase cleaning of frequently touched surfaces, daily as practicable.
5. To the extent feasible, provide handwashing stations or sanitizer to facilitate hand hygiene, especially during times of heavy usage. Use a hand sanitizer containing (60% ethanol or 70% isopropanol). Never use hand sanitizers with methanol due to its high toxicity to both children and adults.
6. Post the maximum number of children allowed at the entrance of each playground.
 - a. Determine and post the maximum occupancy of each play structure, (e.g., climbing structures, slides, swings, spinning structures, and sand areas) with 6 foot vertical and horizontal distancing.
 - b. Determine and post the maximum occupancy for supervising adults to ensure that each adult can maintain six feet of distance from other adults and children.
 - c. Provide directions on how to wait in line when maximum playground occupancy has been reached.
7. Mark playgrounds to help children and adults maintain 6 foot distancing.
 - a. Mark spaces for families to stand while waiting to enter the playground. The spaces should be far enough apart to allow 6 feet of distance between households.
 - b. For play structures or play areas that can hold more than one child while allowing 6 foot distancing:
 - i. Post the maximum number of children allowed on each structure/in each area to allow 6 foot distancing vertically and horizontally.
 - ii. For play structures or areas that can hold more than 1 child, consider marking with tape or other visual indicators to help children assess whether they are 6 feet apart.

- c. Mark designated spaces 6 feet apart for children to stand while waiting to use a play structure/area.

Additional Considerations

If there is a pre-scheduled activity that will access the playground, the playground must be closed to the broader public during that time.

Child care programs, schools, out-of-school time programs and other programs for children and youth where children must remain in cohorts may not use playgrounds during times when they are open to the public. However, if the playground operator permits, the childcare, school or other program may reserve a time for the exclusive use of the playground by the program. While on the playground, cohorts should maintain separation and avoid mixing.

California Department of Public Health
PO Box, 997377, MS 0500, Sacramento, CA 95899-7377
Department Website (cdph.ca.gov)



Page Last Updated : September 29, 2020

CALIFORNIA

ALL

Your Actions
Save Lives
covid19.ca.gov

Play It Safe



Due to the ongoing spread of COVID-19 in our communities, please follow these simple steps to help keep our outdoor playgrounds safe, open and fun.

✓ **WEAR A MASK**

Everyone 2 years and older should wear a mask covering their face.

✓ **MAINTAIN DISTANCE**

Maintain physical distance of 6 feet between individuals from different households and prevent crowding of children.

✓ **NO FOOD OR DRINK**

Do not eat or drink in playground to ensure face masks are worn at all times.

✓ **WASH HANDS**

Wash or sanitize your hands before and after you visit

✓ **PLAN AHEAD**

Visit the park at different times or days to avoid crowds and waits.

✓ **KNOW WHEN TO STAY HOME**

Elderly individuals and people with underlying medical conditions should avoid playgrounds when others are present.

✓ **SHARE OUR SPACE**

To avoid crowding and allow everyone to use this space, please limit your visit to 30 minutes when others are waiting.



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Save Lives
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Actué con Precaución



Debido a la propagación continua de Covid-19 en nuestras comunidades, siga estos pasos sencillos para ayudar a mantener nuestros parques infantiles al aire libre seguros, abiertos y divertidos.

✓ **USE UNA MASCARILLA**

Todas las personas mayores de dos años deben usar una mascarilla que cubra su cara.

✓ **MANTENGA DISTANCIA**

Mantén una distancia física de 6 pies entre personas de diferentes hogares y evite que se amontonen los niños.

✓ **NADA DE COMIDA NI BEBIDA**

No coma ni beba en el parque infantil para asegurarse que se usen mascarillas en todo momento.

✓ **LAVE MANOS**

Lávese y desinfecte sus manos antes y después de su visita.

✓ **PLANEA CON ANTICIPACIÓN**

Visite el parque en diferentes horarios o días para evitar demasiadas personas y esperas.

✓ **SEPA CUANDO QUEDARSE EN CASA**

Las personas mayores y las personas con condiciones médicas subyacentes deben evitar parques infantiles cuando hay otros presentes.

✓ **COMPARTE EL ESPACIO**

Para evitar aglomeraciones y permitir que todos usen el espacio, por favor limite su visita a 30 minutos cuando otros están esperando.



BEFORE THE BOARD OF SUPERVISORS COUNTY OF TULARE, STATE OF CALIFORNIA

IN THE MATTER OF ADOPT A)
RESOLUTION DEMANDING CLARITY,) Resolution No. 2020-0694
CONSISTENCY, AND CONTINUITY FROM)
GOVERNOR NEWSOM REGARDING)
COVID-19 DIRECTIVES TO COUNTIES)

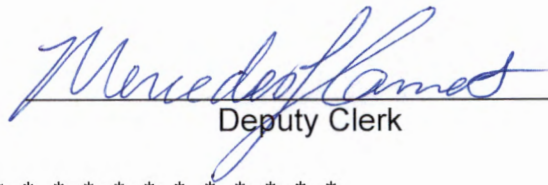
UPON MOTION OF SUPERVISOR TOWNSEND, SECONDED BY SUPERVISOR
SHUKLIAN, THE FOLLOWING WAS ADOPTED BY THE BOARD OF SUPERVISORS,
AT AN OFFICIAL MEETING HELD OCTOBER 6, 2020, BY THE FOLLOWING VOTE:

AYES: SUPERVISORS CROCKER, VANDER POEL, SHUKLIAN, VALERO AND
TOWNSEND
NOES: NONE
ABSTAIN: NONE
ABSENT: NONE



ATTEST: JASON T. BRITT
COUNTY ADMINISTRATIVE OFFICER/
CLERK, BOARD OF SUPERVISORS

BY:


Deputy Clerk

* * * * *

Adopted the attached resolution demanding that Governor Newsom work more closely
with counties to increase the clarity, consistency, and continuity of direction regarding the
COVID-19 pandemic.

CAO

10/06/2020
ML

**BEFORE THE BOARD OF SUPERVISORS
COUNTY OF TULARE, STATE OF CALIFORNIA**

IN THE MATTER OF DEMANDING)
GOVERNOR NEWSOM PROVIDE) Resolution No. 2020-0695
CLARITY, CONSISTENCY, AND)
CONTINUITY REGARDING COVID-19)
DIRECTIVES TO COUNTIES)

WHEREAS, the Tulare County Board of Supervisors recognizes the seriousness of COVID-19 and the public health impact it is having in the country, the State, and the County; and

WHEREAS, the Tulare County Board of Supervisors recognizes and appreciates the tremendous difficulty and work associated with managing the country, the State, and the County through this extraordinary public health emergency; and

WHEREAS, the Tulare County Board of Supervisors believes that public health best practices, such as washing hands, social distancing, wearing a mask, disinfecting surfaces, and staying far away from others when sick, are essential for slowing the spread of COVID-19; and

WHEREAS, the Tulare County Board of Supervisors believes that slowing the spread of COVID-19 is critical to maintaining local hospital capacity and avoiding the catastrophic failure of the County's hospital and medical acute care systems; and

WHEREAS, the Tulare County Board of Supervisors believes that the biggest threat to slowing the spread of COVID-19 is large private and public gatherings, for extended periods of time, where basic public health guidelines and best practices are not being implemented or are ignored; and

WHEREAS, the Tulare County Board of Supervisors believes that government, while critical to helping slow the spread of COVID-19 and promoting best practices, cannot take the place of personal responsibility and individual decision-making when it comes to exercising public health best practices or voluntary testing; and

WHEREAS, on March 19, 2020, in response to the COVID-19 pandemic, California Governor Gavin Newsom issued Executive Order N-33-20, ordering all individuals in California to stay in their place of residence except as needed to maintain continuity of operations of federal critical infrastructure sectors; and

WHEREAS, California counties are required to adhere to Governor Newsom's orders, directives, criteria, requirements, and guidelines for COVID-19; and

WHEREAS, Tulare County, as a State mandated condition to receive CARES Act funding (i.e. federal funding allocated to local governments under the Corona Virus Aid, Relief, and Economic Security Act [H.R. 748]) from the State's federal allocation, certified that it will continue to adhere to the Governor's "stay-at-home requirements and other health requirements as directed in gubernatorial Executive Order N-33-20, and subsequent Executive Orders or statutes, and all California Department of Public Health orders, directives, and guidance in response to the COVID-19 emergency;" and

WHEREAS, on July 10, 2020, as a State condition to receiving CARES Act funding, Tulare County submitted a certification agreeing to adhere to the State's orders and guidance; and

WHEREAS, since March 19, 2020, Governor Newsom and the California Department of Public Health have modified state COVID-19 orders, directives, criteria, requirements, and guidelines for COVID-19, impacting all Californians, all California counties, all economic activity and other public and private activities on multiple occasions and without collaboration or consultation with the entities such orders impact; and

WHEREAS, California's counties are responsible for the implementation of state orders, directives, criteria, requirements, and guidelines, and are critical to the State's achievement of its goals and objectives related to COVID-19; and

WHEREAS, Governor Newsom continues to modify orders, directives, criteria, requirements, and guidelines, and goals and objectives related to COVID-19, with little to no collaboration with counties prior to announcement; and

WHEREAS, Governor Newsom's changes to COVID-19 goals and objectives have complicated the management of this crisis, forcing counties like Tulare to change course, and re-prioritize at great time and expense, straining local personnel and resources, often with little to no clarification regarding how these new goals and objectives prevent or slow the spread of COVID-19; and

WHEREAS, on August 28, 2020, Governor Newsom issued a new framework entitled "Blueprint for a Safer Economy" ("Blueprint"), to allow for the "safe progression of opening more businesses in each county so impacts of any given change can be fully evaluated;" and

WHEREAS, this Blueprint originally, and specifically, required California's counties to meet stated and simple benchmarks in overall Case Rates and Testing Positivity Rates in order to move into less restrictive tiers that would allow for a measured reopening of businesses, schools and other activities; and

WHEREAS, on Monday, September 7, 2020 Governor Newsom announced an adjustment to this Blueprint to include a Case Rate Adjustment Factor for counties with an overall Testing Rate lower than the state median, a complicated additional criteria that counties must meet for the measured reopening of businesses, schools and other activities; and

WHEREAS, Governor Newsom is now arbitrarily inflating overall Case Rate numbers in those counties who have an overall Testing Rate below the statewide average, further slowing and complicating a county's move into a less restrictive tier; and

WHEREAS the median statewide testing rate is a moving target and the relevance of using this measure to adjust county case rates is unclear; and

WHEREAS, this new criterion unnecessarily burdens Tulare County residents by slowing business and school reopening, and it penalizes counties, which have little to no control over individual decision-making related to COVID-19 testing, and

WHEREAS, due to the constantly changing orders and metrics, Tulare County continues to bear the increasing burden and expense of adjusting its pandemic response strategies and tracking mechanisms so that it may continue to receive the CARES Act funding it has been allocated; and

WHEREAS, Tulare County and its residents have been especially hindered by these changing metrics as other counties begin to move through the tiers that allow for reopening of in person education, leaving Tulare County behind in the education of its youth and lead to significant emotional, nutritional, and physical harm; and

WHEREAS, the Governor's newly-established health equity measures will have a disproportionally negative impact on Tulare County's agricultural community, low-income residents, disadvantaged students and other community groups; and

WHEREAS, Tulare County is slowing the spread of COVID-19, has continued to locally reinforce all directives of the State; has made critical investments in testing and contact tracing capacity; has made critical investments in testing, tracing and containment at State-regulated skilled nursing facilities; has made critical investments in support of local business, non-profits, and disadvantaged communities; has lowered local hospitalization rates; and has increased and sustained local hospital capacity.

NOW, THEREFORE, IT IS RESOLVED, by the Board of Supervisors of the County of Tulare, State of California, as follows:

1. Tulare County demands that Governor Newsom provide increased clarity, consistency and continuity in his directives to counties, business communities, and residents regarding the COVID-19 pandemic.
2. Tulare County demands that the Governor and his administration work more closely with all counties, including Tulare, to develop a pathway for increased business activity and school reopening, ensuring it is done safely and responsibly.
3. Tulare County demands that State and local actions related to COVID-19 focus on maintaining hospital and medical system capacity, which was the primary

objective in "flattening the curve" at the start of the pandemic in March.

4. Tulare County demands that the State use hospital and medical system capacity as the primary criteria for increased, but measured, reopening of businesses and schools in all counties.
5. Tulare County demands that Governor Newsom not continue to modify the criteria and metrics used by the State to determine when businesses can begin to reopen in each county.
6. Tulare County demands that Governor Newsom track and utilize each county's actual Case Rate and Testing Positivity Rate, without a Case Rate Adjustment Factor, to determine a county's movement through the "Blueprint for a Safer Economy" risk tier framework.
7. Tulare County demands that Governor Newsom not penalize counties for not achieving new State goals and objectives that are not directly related to flattening the curve and maintaining hospital and medical system capacity; and
8. Tulare County demands that Governor Newsom follow through with his commitments to the Central Valley and provide Tulare County with the necessary contracts and infrastructure development to meet the State's metrics for testing volume.
9. Tulare County demands that Governor Newsom not continue to burden California's small business community and families by linking business and school reopening to any requirements beyond what was outlined in the original Blueprint, announced on August 28, 2020.
10. Tulare County demands that California counties be judged on simple, consistent, achievable, and measurable objectives related to maintaining hospital and medical system capacity, and slowing the spread of COVID-19.
11. Tulare County demands that due to the increasing burden and expense to Tulare County that these changing orders have presented, the State distribute in its entirety, the remaining CARES Act funding allocated to Tulare County under the State Budget Act of 2020.
12. The Clerk of the Board of Supervisors shall transmit copies of this to the following:

County Administrative Office

County Counsel

The Honorable Gavin Newsom
Governor of California

State Capitol
Sacramento, CA 95814

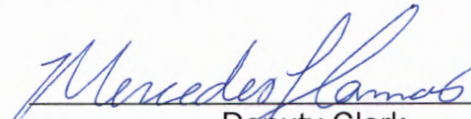
UPON MOTION OF SUPERVISOR TOWNSEND, SECONDED BY SUPERVISOR SHUKLIAN, THE FOLLOWING WAS ADOPTED BY THE BOARD OF SUPERVISORS, AT AN OFFICIAL MEETING HELD OCTOBER 6, 2020, BY THE FOLLOWING VOTE:

AYES: SUPERVISORS CROCKER, VANDER POEL, SHUKLIAN, VALERO AND TOWNSEND
NOES: NONE
ABSTAIN: NONE
ABSENT: NONE



ATTEST: JASON T. BRITT
COUNTY ADMINISTRATIVE OFFICER/
CLERK, BOARD OF SUPERVISORS

BY:


Deputy Clerk



State of California—Health and Human
Services Agency
**California Department of
Public Health**



October 9, 2020

TO: All Californians

SUBJECT: Guidance for Private Gatherings

Summary

This guidance provides an updated plan for Californians to gather outside their household and replaces the prior gatherings guidance issued on September 12, 2020 and March 16, 2020. It applies to private gatherings, and all other gatherings not covered by existing sector guidance are prohibited. Gatherings are defined as social situations that bring together people from different households at the same time in a single space or place. When people from different households mix, this increases the risk of transmission of COVID-19.

Mandatory Requirements for All Gatherings

All persons planning to host or participate in a private gathering, as defined above, must comply with the following requirements. Local health jurisdictions may be more restrictive than this guidance. Refer to your local guidance for what is allowed in your area.

1. Attendance

- *Gatherings that include more than **3 households are prohibited**. This includes everyone present, including hosts and guests. Remember, the smaller the number of people, the safer.*
- *Keep the households that you interact with stable over time. By spending time with the same people, risk of transmission is reduced. Participating in multiple gatherings with different households or groups is strongly discouraged.*
- *The host should collect names of all attendees and contact information in case contact tracing is needed later.*

2. *Gather Outdoors*

- Gatherings that occur outdoors are significantly safer than indoor gatherings. All gatherings must be held outside. Attendees may go inside to use restrooms as long as the restrooms are frequently sanitized.
- Gatherings may occur in outdoor spaces that are covered by umbrellas, canopies, awnings, roofs, and other shade structures provided that at least three sides of the space (or 75%) are open to the outdoors.
- A gathering of no more than three households is permitted in a public park or other outdoor space, even if unrelated gatherings of other groups up to three households are also occurring in the same park or other outdoor space. If multiple such gatherings are occurring, mixing between group gatherings is not allowed. Additionally, multiple gatherings of three households cannot be jointly organized or coordinated to occur in the same public park or other outdoor space at the same time – this would constitute a gathering exceeding the permitted size.

3. *Don't Attend Gatherings If You Feel Sick or You Are in a High-Risk Group*

- Anyone with any COVID-19-like symptoms (fever, cough, shortness of breath, chills, night sweats, sore throat, nausea, vomiting, diarrhea, tiredness, muscle or body aches, headaches, confusion, or loss of sense of taste/smell), **must stay home and not come into contact with anyone outside their household.**
- Anyone who develops COVID-19 within 48 hours after attending a gathering should notify the other attendees as soon as possible regarding the potential exposure.
- People at higher risk of severe illness or death from COVID-19 (such as older adults and people with chronic medical conditions) are strongly urged not to attend any gatherings.

4. *Practice Physical Distancing and Hand Hygiene at Gatherings*

- For any gatherings permitted under this guidance, the space must be large enough so that everyone at a gathering can maintain at least a 6-foot physical distance from others (not including their own household) at all times.
- Seating must provide at least 6 feet of distance (in all directions—front-to-back and side-to-side) between different households.
- Everyone at a gathering should frequently wash their hands with soap and water, or use hand sanitizer if soap and water are not available. A place to wash hands or hand sanitizer must be available for participants to use.
- Shared items should not be used during a gathering. As much as possible, any food or beverages at outdoor gatherings must be in single-serve disposable containers. If providing single-serve containers is not possible, food and beverages must be served by a person who washes or sanitizes their hands frequently, and wears a face covering. Self-serve items from communal containers should not be used.

5. *Wear a Face Covering to Keep COVID-19 from Spreading*

- When gathering, face coverings must be worn in accordance with the CDPH Guidance on the Use of Face Coverings (PDF), unless an exemption is applicable.
- People at gatherings may remove their face coverings briefly to eat or drink as long as they stay at least 6 feet away from everyone outside their own household, and put their face covering back on as soon as they are done with the activity.
- Face coverings can also be removed to meet urgent medical needs (for example, to use an asthma inhaler, take medication, or if feeling light-headed).

6. *Keep it short*

- Gatherings should be two hours or less. The longer the duration, the risk of transmission increases.

7. *Rules for Singing, Chanting, and Shouting at Outdoor Gatherings*

- Singing, chanting, shouting, and physical exertion significantly increases the risk of COVID-19 transmission because these activities increase the release of respiratory droplets and fine aerosols into the air. Because of this, singing, chanting, and shouting are strongly discouraged, but if they occur, the following rules and recommendations apply:
 - All people who are singing or chanting should wear a face covering at all times while singing or chanting, including anyone who is leading a song or chant. Because these activities pose a very high risk of COVID-19 transmission, face coverings are essential to reduce the spread of respiratory droplets and fine aerosols;
 - People who are singing, shouting, chanting, or exercising are strongly encouraged to maintain physical distancing beyond 6 feet to further reduce risk.
 - People who are singing or chanting are strongly encouraged to do so quietly (at or below the volume of a normal speaking voice).
- Instrumental music is allowed as long as the musicians maintain at least 6-foot physical distancing. Musicians must be from one of the three households. Playing of wind instruments (any instrument played by the mouth, such as a trumpet or clarinet) is strongly discouraged.

Context

COVID-19 continues to pose a severe risk to communities and requires all people in California to follow necessary precautions and to adapt the way they live and function in light of this ongoing risk. The safest way to gather is to spend time with people in the same household or to gather virtually.

In general, the **more people from different households** a person interacts with at a gathering, the **closer** the physical interaction is, and the **longer** the interaction lasts, the higher the risk that a person with a COVID-19 infection, symptomatic or asymptomatic, may spread it to others. Public health studies have also shown that the risk of transmission is increased **in indoor spaces**, particularly when there isn't appropriate ventilation.[1] Unlike indoor spaces, wind and air in outdoor spaces can help reduce spread of the virus from one person to another.

Planning scenarios published by the CDC estimate that, on average, a person with COVID-19 goes on to infect between 2-4 people, with a best estimate of 2.5 when there are no preventive measures.[2] For example, if each infected person spreads the virus to two people, who in turn spread it to two others each; those four will spread the

virus to eight others; those eight will spread the virus to 16; and so on. As a result, after 10 transmission cycles, one person could be responsible for 1,024 other people contracting the virus.[3] Additionally, there is broad agreement that people who are not experiencing symptoms can still spread COVID-19[4]. The fact that COVID-19 can be spread by people who don't have symptoms or aren't showing symptoms yet is one of the aspects of the COVID-19 that makes it difficult to control.

All gatherings pose a higher risk of transmission and spread of COVID-19 when people mix from different households and communities. The likelihood of transmission and spread increases with laughing, singing, loud talking and difficulty maintaining physical distance. Limiting attendance at gatherings is a way to reduce the risk of spread as it lowers the number of different people who are interacting. Additionally, by limiting attendance there is an improved ability to perform effective contact tracing if there is a positive case discovered, which can help to slow the spread of COVID-19[5]. People who do choose to attend gatherings should discuss and agree upon the specific group rules before convening together.

[1] See, e.g., Hiroshi Nishiura, et al., Closed environments facilitate secondary transmission of coronavirus disease 2019 (COVID-19) (PDF), (www.medrxiv.org/content/10.1101/2020.02.28.20029272v2.full.pdf); Hu Qian, et al., "Indoor transmission of SARS-CoV-2" (www.medrxiv.org/content/10.1101/2020.04.04.20053058v1) [pre-print] published in medRxiv on April 4, 2020.

[2] See the CDC COVID-19 Pandemic Planning Scenarios web page

[3] See, e.g., Report 3: Natsuko Imai et al, WHO Collaborating Centre for Infectious Disease Modelling, MRC Centre for Global Infectious Disease Analysis, J-IDEA, "Imperial college London, UK. Transmissibility of 2019 -n-CoV)." See also Inglesby T B JAMA Public Health Measures and the Reproduction Number of SARS-CoV-2. JAMA Network.2020.7878 (May 1, 2020).

[4] World Health Organization (WHO) Transmission of SARS-CoV-2: implications for infection prevention precautions

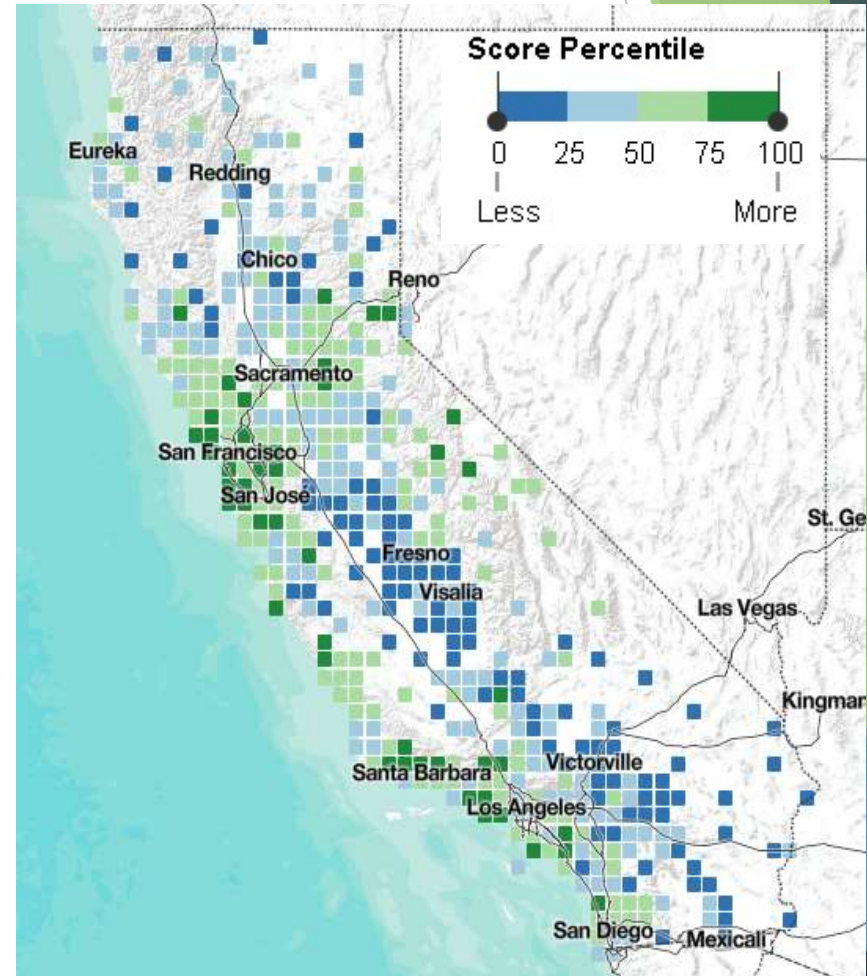
[5] See Harvard Health Preventing the spread of the coronavirus Social distancing, hand washing, and other preventive measures

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PO Box, 997377, MS 0500, Sacramento, CA 95899-7377
Department Website (cdph.ca.gov)



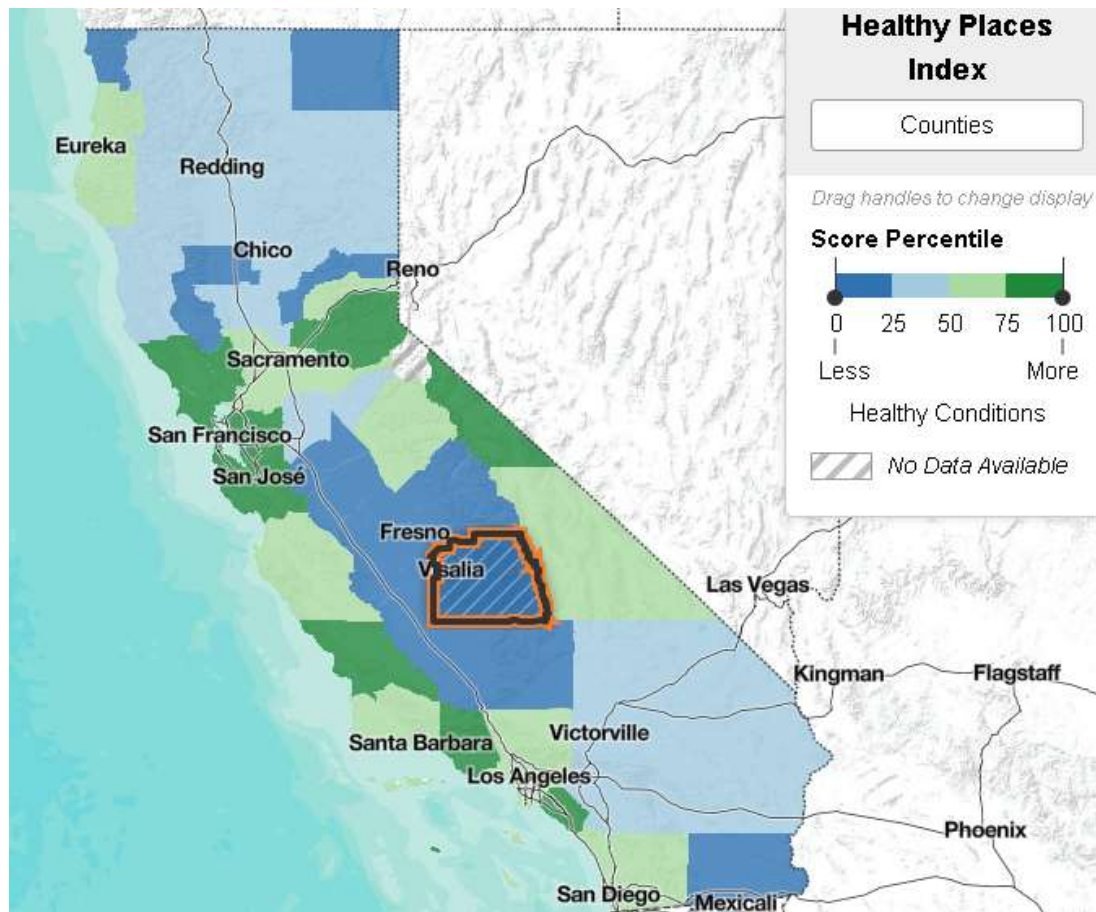
Healthy Places Index

- ▶ Public Health Alliance of Southern California
- ▶ HPI Map
- ▶ Created a composite score from a number of indicators in categories such as economy, education, transportation, clean environment, housing, healthcare access and more
- ▶ Counties and census tracts are ranked by their composite score percentile statewide
- ▶ 264 of 8,057 tracts are not scored



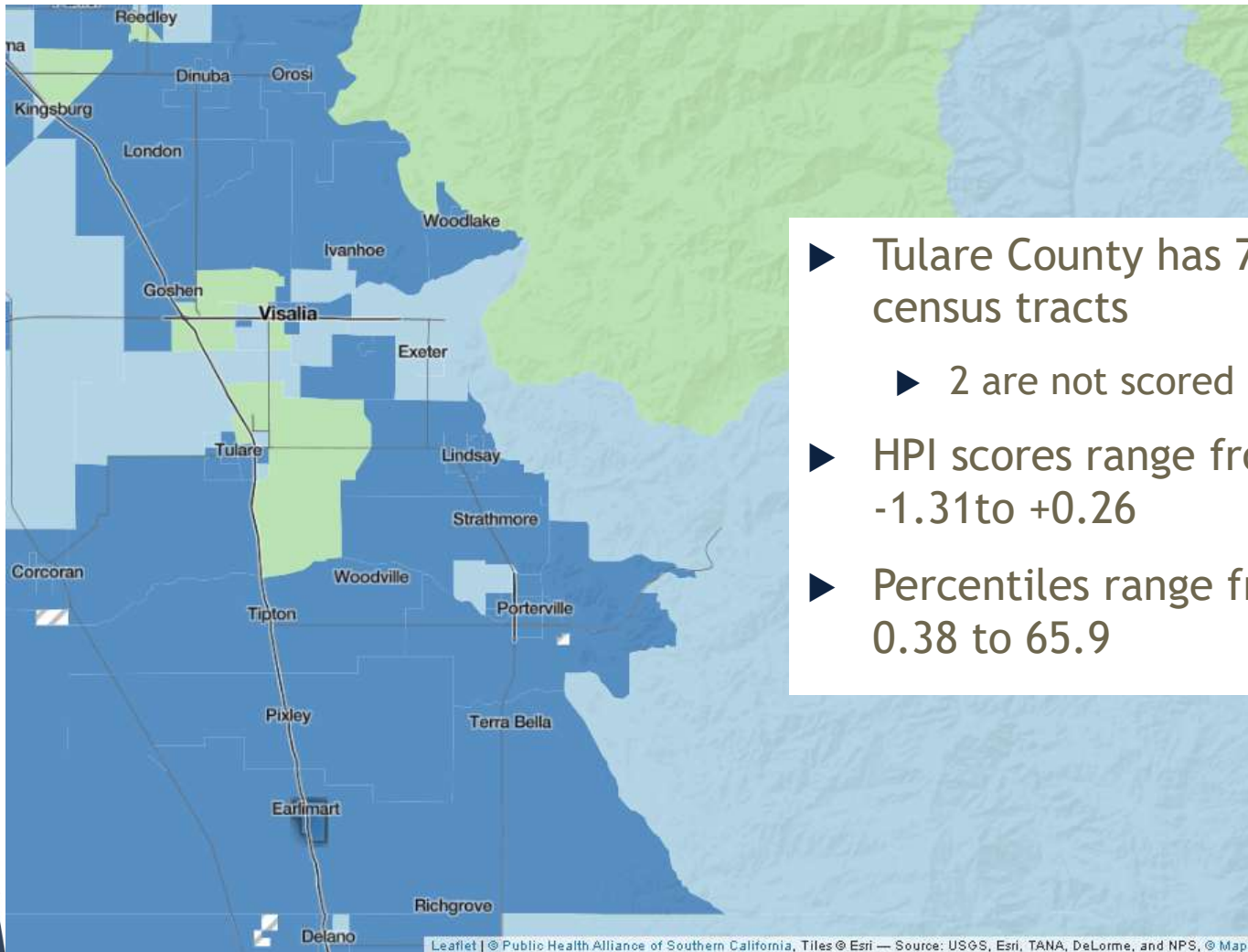
URL: <https://map.healthyplacesindex.org/>

Ranking Counties Across the State



San Joaquin Valley county percentiles range from 1.8 (Merced) to 32.1 (San Joaquin) with Tulare at 5.4.

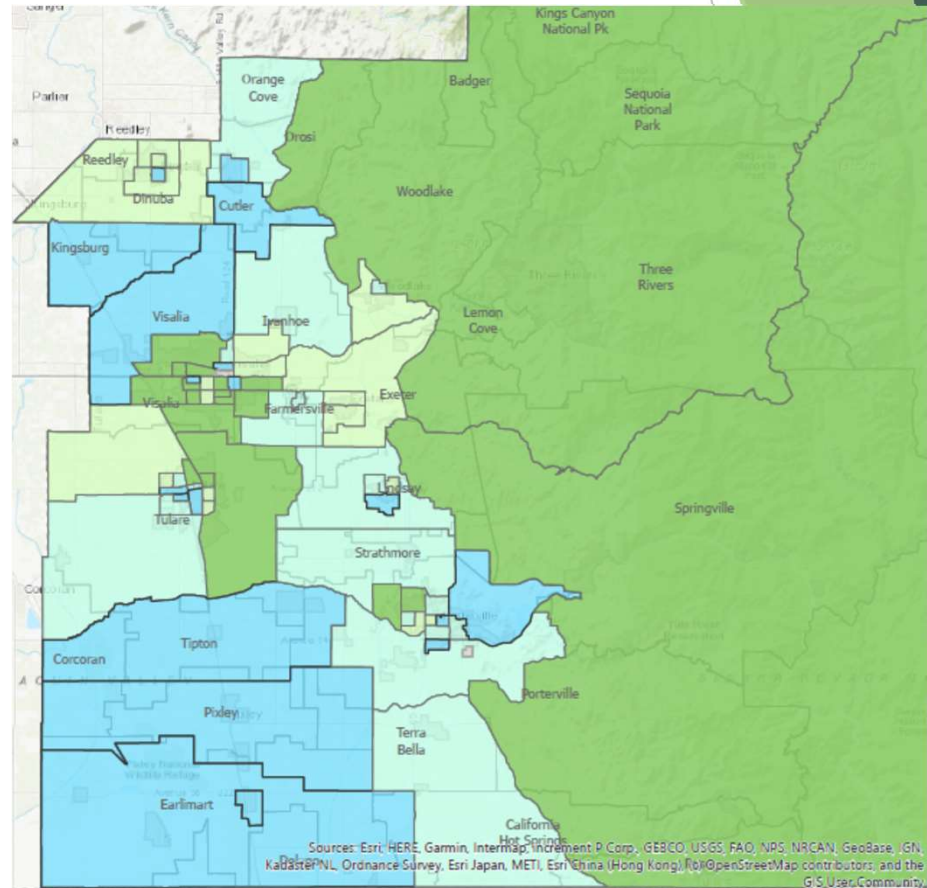
Tulare County Census Tracts - HPI Ranking is Statewide



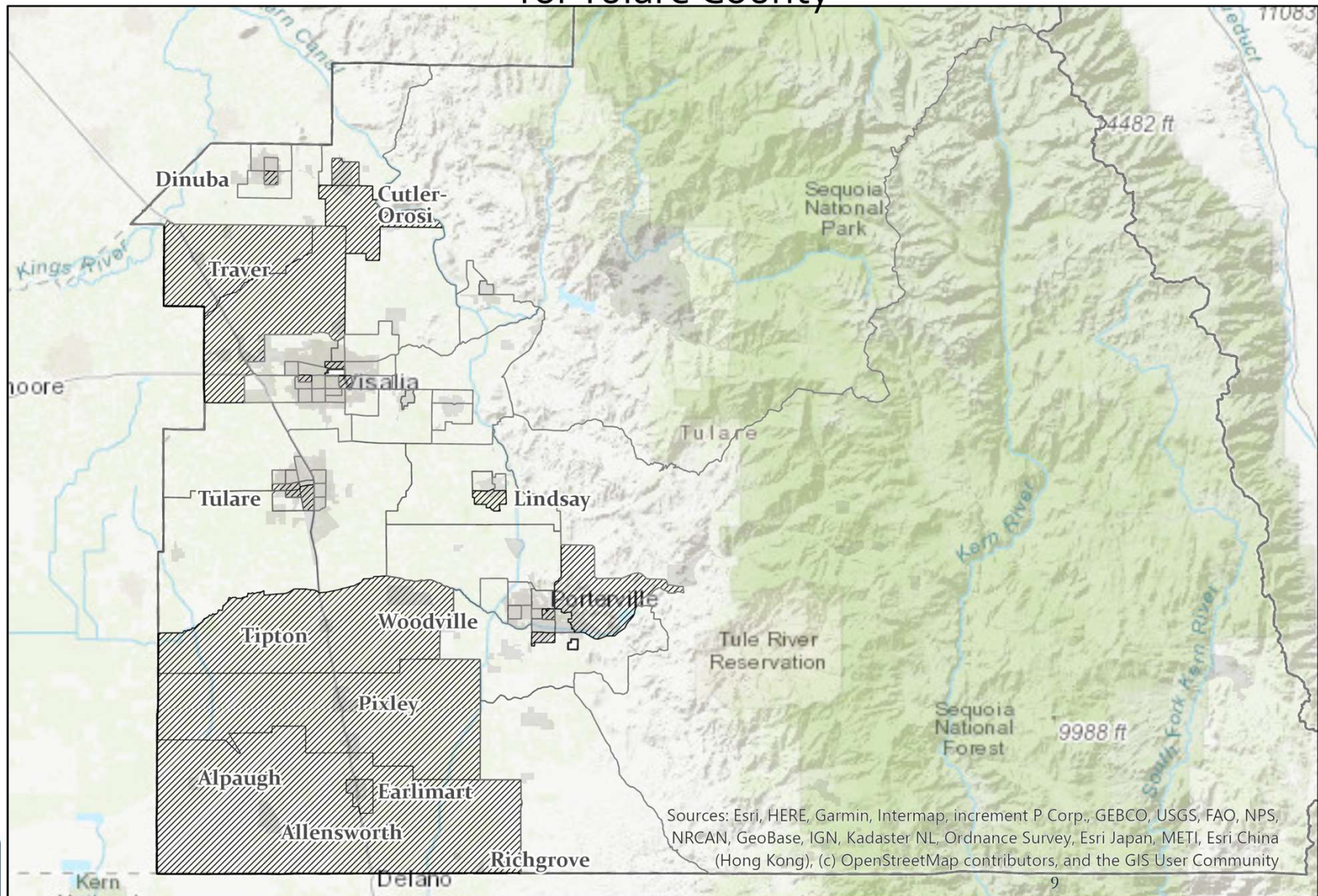
- ▶ Tulare County has 78 census tracts
 - ▶ 2 are not scored
- ▶ HPI scores range from -1.31 to +0.26
- ▶ Percentiles range from 0.38 to 65.9

Health Equity Metric - Census Tracts are *Ranked within Counties*

- ▶ All census tracts with HPI scores are ranked
- ▶ Tracts are divided into 4 groups, quartiles
- ▶ In Tulare County, 76 tracts are divided into 4 quartiles of 19 census tracts each
- ▶ The quartile with the lowest HPI scores is our Low HPI Quartile - the bright blue census tracts on this map



Census Tracts in the Lowest Quartile of the Healthy Places Index for Tulare County



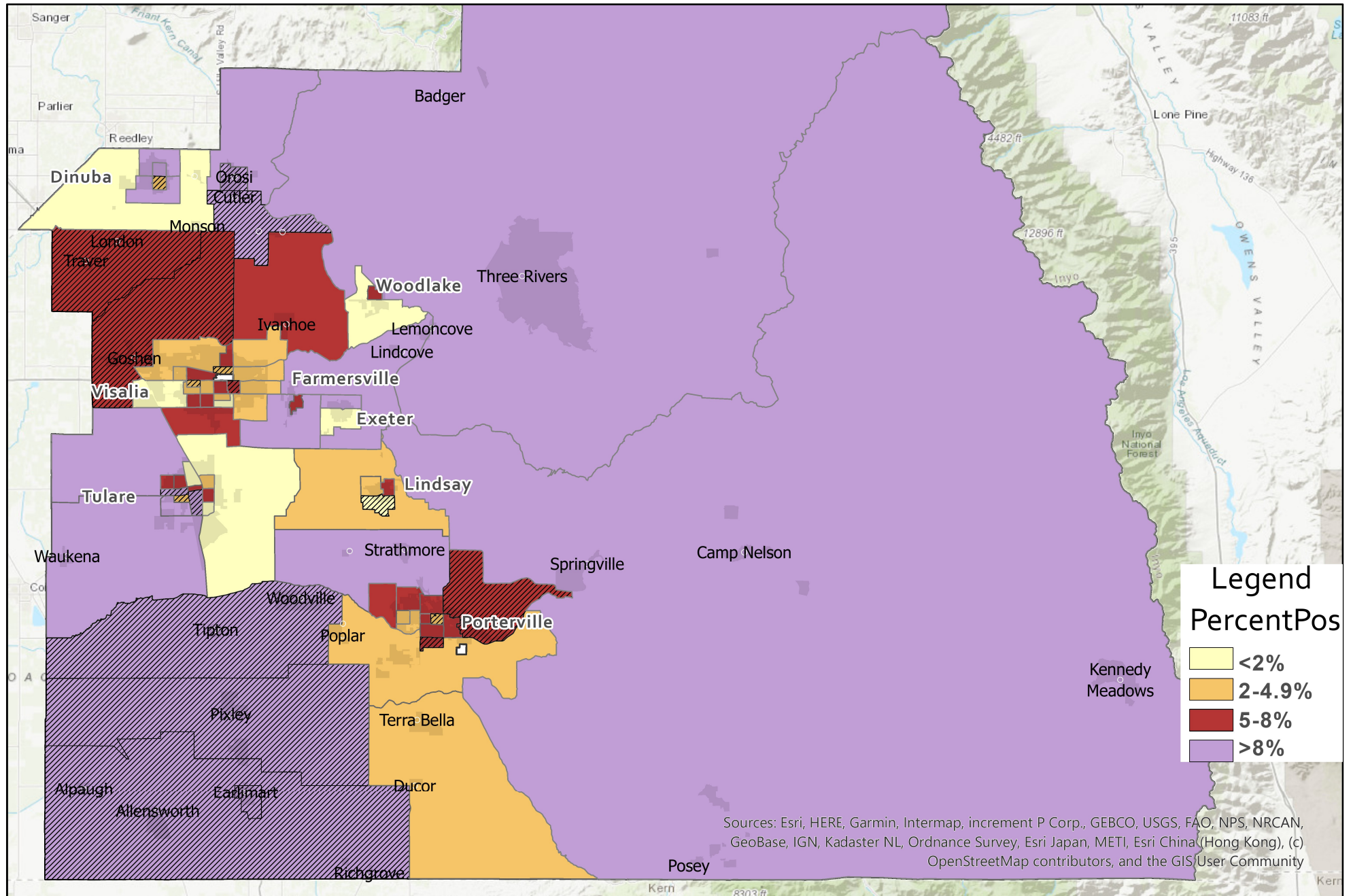
Health Equity Blueprint Metric

- ▶ Lowest HPI quartile test positivity rate must meet the specified threshold for the less restrictive tier before a county can move to that tier
 - ▶ For counties entering the red tier, their lowest quartile HPI census tracts' test positivity must also be $\leq 8\%$
 - ▶ For counties entering the orange tier, their lowest quartile HPI census tracts' test positivity must be within 5% of the orange tier threshold, or $\leq 5.2\%$
 - ▶ For counties entering the yellow tier, their lowest quartile HPI census tracts must be within 10% of the yellow tier threshold, or $\leq 2.1\%$

Tier assignment updated October 13

- Tulare County's overall positivity rate was 5.8% and
- Positivity in the lowest HPI quartile was 8.0%
- Both were in Tier 2 "substantial" category
- However, we were assigned Tier 1 due to case rate > 7.0

Positivity by Census Tract 10/13 Specimens Collected 9/27-10/3



Tulare County Census Tracts with > 8.0% Positivity - Specimens collected 9/27-10/3

Census Tract	HPI Quartile	% Positive	Continuous Weeks > 8%	Population (2014-2018)	Place
0600	Q1 - Low HPI	24.4	2	7,068	Cutler/Yettem
4200	Q1 - Low HPI	18.9	1	6,643	Pixley/Teviston
0202	Q2	17.9	1	2,522	Rural north of Orosi
3300	Q2	16.0	3	7,848	Strathmore/Plainview
4400	Q1 - Low HPI	15.6	3	7,607	Earlimart
4300	Q1 - Low HPI	15.4	1	7,487	Alpaugh/Allensworth/Richgrove
0100	Q4 - High HPI	15.2	1	4,715	Three Rivers/Badger
2901	Q1 - Low HPI	13.3	2	4,088	South-central Tulare
3200	Q1 - Low HPI	12.5	1	7,420	Tipton/Woodville
0502	Q3	12.2	2	4,321	South-west Dinuba
2202	Q1 - Low HPI	11.8	1	6,076	West-central Tulare
0401	Q3	10.5	3	6,188	North Dinuba
0402	Q3	10.3	3	7,337	North-Central Dinuba
1400	Q3	9.5	2	5,202	N. Farmersville/Lindcove/Lemoncove
3100	Q2	9.4	1	3,502	Waukena/SW of Tulare
2100	Q3	9.4	2	2,559	Rural area NW of Tulare
3002	Q2	9.3	1	3,434	South-west Tulare
1602	Q2	9.3	1	5,725	Rural area south of Farmersville
1501	Q3	9.0	1	5,398	North Exeter
0201	Q1 - Low HPI	8.9	3	8,607	Orosi
2700	Q4 - High HPI	8.3	2	5,164	Springville/Camp Nelson/Posey

- 21 census tracts have positivity > 8.0%
- 25 tracts have positivity between 5 and 8%
- 21 tracts have positivity between 2 and 5%
- 9 tracts have positivity < 2.0%

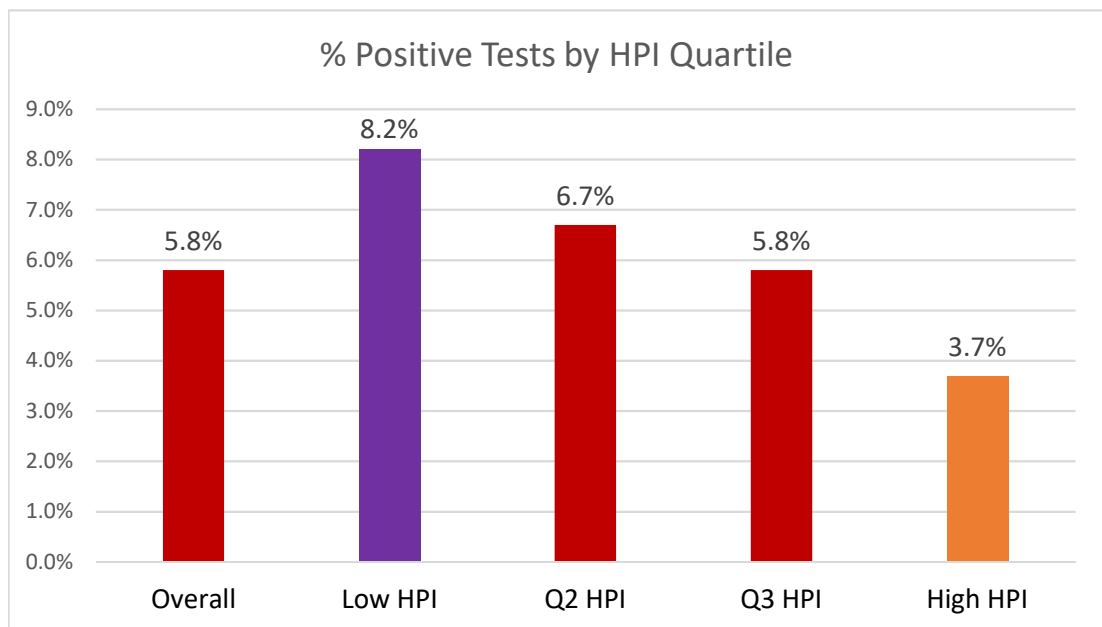
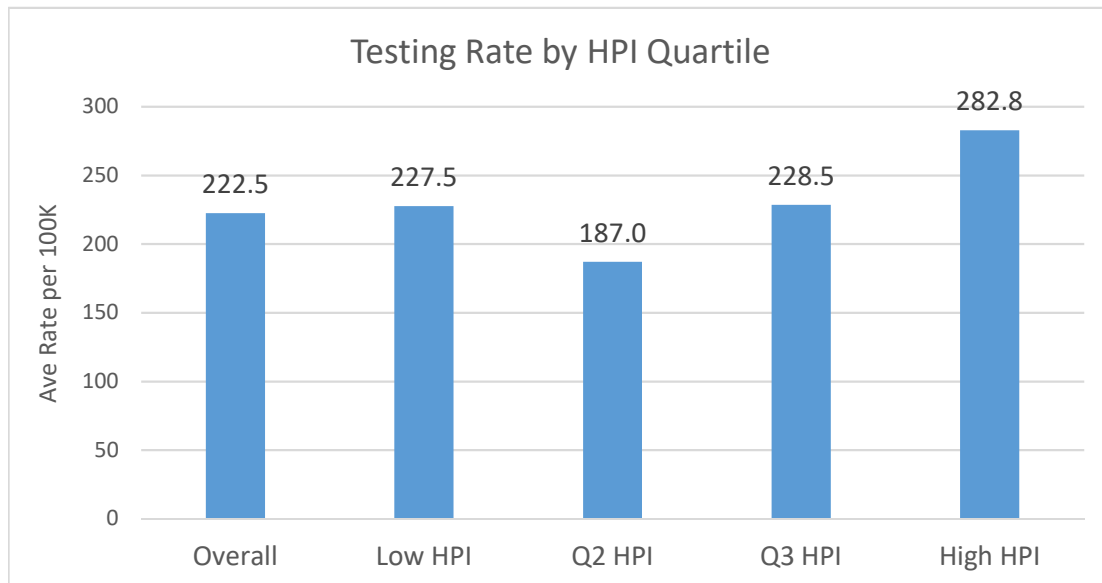
Note that for small areas such as individual census tracts, data shifts from week to week.

The health equity metric is calculated for all low quartile tracts aggregated together.

Census tracts highlighted have had positivity > 8% for 3 weeks in a row.

Population estimates are from the 5 year American Community Survey (2014-2018), US Census Bureau

Health Equity Metric updated 10/13
Data is for specimens collected 9/27-10/3



COVID-19 INDUSTRY GUIDANCE: Expanded Personal Care Services

October 20, 2020

This guidance is designed to address sectors and activities opening statewide. However, local health officers may implement more stringent rules tailored to local epidemiological conditions, so employers should also confirm relevant local opening policies.

OVERVIEW

On March 19, 2020, the State Public Health Officer and Director of the California Department of Public Health issued an order requiring most Californians to stay at home to disrupt the spread of COVID-19 among the population.

The impact of COVID-19 on the health of Californians is not yet fully known. Reported illness ranges from very mild (some people have no symptoms) to severe illness that may result in death. Certain groups, including people aged 65 or older and those with serious underlying medical conditions, such as heart or lung disease or diabetes, are at higher risk of hospitalization and serious complications. Transmission is most likely when people are in close contact or in a poorly ventilated area with an infected person, even if that person does not have any symptoms or has not yet developed symptoms.

Precise information about the number and rates of COVID-19 by industry or occupational groups, including among critical infrastructure workers, is not available at this time. There have been multiple outbreaks in a range of workplaces, indicating that workers are at risk of acquiring or transmitting COVID-19 infection. Examples of these workplaces include hospitals, long-term care facilities, prisons, food production, warehouses, meat processing plants, restaurants, and grocery stores.

As stay-at-home orders are modified, it is essential that all possible steps be taken to ensure the safety of workers and the public.

Key prevention practices include:

- ✓ physical distancing to the maximum extent possible,
- ✓ use of face coverings by workers (where respiratory protection is not required) and customers/clients,
- ✓ frequent handwashing and regular cleaning and disinfection,
- ✓ training workers on these and other elements of the COVID-19 prevention plan.

In addition, it will be critical to have in place appropriate processes to identify new cases of illness in workplaces and, when they are identified, to intervene quickly and work with public health authorities to halt the spread of the virus.

PURPOSE

This document provides guidance for expanded personal care services, which includes personal care that requires touching a client's face, e.g. facials, electrolysis, and waxing. This guidance applies to esthetic, skin care, electrology, nail services, body art professionals, tattoo parlors, and piercing shops, and massage therapy (in non-healthcare settings). Businesses in these industries are open across all tiers but must follow the modifications in this guidance.

For the most updated information on county tier status, visit [Blueprint for a Safer Economy](#). Please note that local health departments can have more restrictive criteria and different closures. Find [your county's local information](#).

This guidance is intended to support a safe, clean environment for workers and customers. Establishment license holders must acknowledge that renters or lessees should only resume operations when they are ready and able to implement the necessary safety measures to provide for their safety and that of their customers.

The guidance is not intended to revoke or repeal any worker rights, either statutory, regulatory, or collectively bargained and is not exhaustive, as it does not include county health orders, nor is it a substitute for any existing safety and health-related regulatory requirements such as those of Cal/OSHA or the California Board of Barbering and Cosmetology.¹ Stay current on changes to public health guidance and state/local orders, as the COVID-19 situation continues. Cal/OSHA has more comprehensive guidance on their [Cal/OSHA General Guidelines on Protecting Workers from COVID-19 webpage](#). CDC has additional requirements in their [guidance](#) for businesses and employers.

Required Use of Face Coverings

On June 18, CDPH issued [Guidance on the Use of Face Coverings](#), which broadly requires the use of face coverings for both members of the public and workers in all public and workplace settings where there is a high risk of exposure. Complete details, including all requirements and exemptions to these rules, can be found in the [guidance](#).

The [CDPH Face Covering Guidance](#) is subject to additional updates based on the current scientific understanding of transmission of the virus causing COVID-19. Please check the CDPH website for any revisions.



Workplace Specific Plan

- Establish a written, workplace-specific COVID-19 prevention plan at every location, perform a comprehensive risk assessment of all work areas and work tasks and designate a person at each facility to implement the plan.
- Incorporate the [CDPH Face Covering Guidance](#) into the Workplace Specific Plan and include a policy for handling exemptions.
- Identify contact information for the local health department where the facility is located for communicating information about COVID-19 outbreaks among workers or customers.
- Train and communicate with workers and worker representatives on the plan and make the plan available to workers and their representatives.
- Regularly evaluate the workplace for compliance with the plan and document and correct deficiencies identified.
- Investigate any COVID-19 illness and determine if any work-related factors could have contributed to risk of infection. Update the plan as needed to prevent further cases.
- Implement the necessary processes and protocols when a workplace has an outbreak, in accordance with [CDPH guidelines](#) and orders or guidance from the local health department.
- Identify close contacts (within six feet for 15 minutes or more) of an infected worker and take steps to isolate COVID-19 positive worker(s) and close contacts.
- Notify all employees in writing, and employers of subcontracted employees, who may have been exposed to COVID-19 and report workplace outbreaks to the local health department. For additional information on employer responsibilities under [AB 685](#) (Chapter 84, Statutes of 2020), refer to the [Enhanced Enforcement and Employer Reporting Requirements](#) from Cal/OSHA and the [Employer Questions about AB 685](#) from CDPH.
- Adhere to the guidelines below. Failure to do so could result in workplace illnesses that may cause operations to be temporarily closed or limited.



Topics for Worker Training

- Information on [COVID-19](#), how to prevent it from spreading, and [people who are at higher risk](#) for severe illness or death.
- Self-screening at home, including temperature and/or symptom checks using [CDC guidelines](#).

- The importance of not coming to work:
 - If a worker has symptoms of COVID-19 as [described by the CDC](#), such as a fever or chills, cough, shortness of breath or difficulty breathing, fatigue, muscle or body aches, headache, new loss of taste or smell, sore throat, congestion or runny nose, nausea, vomiting, or diarrhea, OR
 - If a worker was diagnosed with COVID-19 and has not yet been released from isolation, OR
 - If, within the past 14 days, a worker has had contact with someone who has been diagnosed with COVID-19 and is considered potentially infectious (i.e. still on isolation).
- To return to work after a worker receives a COVID-19 diagnosis only after meeting [CDPH Guidance on Returning to Work or School Following COVID-19 Diagnosis](#).
- To seek medical attention if their symptoms become severe, including persistent pain or pressure in the chest, confusion, or bluish lips or face. Updates and further details are available on [CDC's webpage](#).
- The importance of frequent handwashing with soap and water, including scrubbing with soap for 20 seconds (or using hand sanitizer with at least 60% ethanol (preferred) or 70% isopropanol (if the product is inaccessible to unsupervised children) when workers cannot get to a sink or handwashing station, per [CDC guidelines](#)). Never use hand sanitizers with [methanol](#) due to its high toxicity to both children and adults.
- The importance of physical distancing, both at work and off work time (see Physical Distancing section below).
- Proper use of face coverings, including:
 - Face coverings are not personal protective equipment (PPE).
 - Face coverings do not replace the need for physical distancing and frequent handwashing.
 - Face coverings must cover the nose and mouth.
 - Workers should wash or sanitize hands before and after using or adjusting face coverings.
 - Avoid touching eyes, nose, and mouth.
 - Face coverings must not be shared and should be washed or discarded after each shift.
- Information contained in the [CDPH Guidance for the Use of Face Coverings](#), which mandates the circumstances in which face coverings must be worn and the exemptions, as well as any policies, work rules, and

practices the employer has adopted to ensure the use of face coverings. Training should also include the employer's policies on how people who are exempted from wearing a face covering will be handled.

- Ensure any independent contractors, temporary, or contract workers at the facility are also properly trained in COVID-19 prevention policies and have necessary supplies and PPE. Discuss these responsibilities ahead of time with organizations supplying temporary and/or contract workers.
- Information on paid leave benefits the worker may be entitled to receive that would make it financially easier to stay at home. See additional information on [government programs supporting sick leave and workers' compensation for COVID-19](#), including workers' sick leave rights under the [Families First Coronavirus Response Act](#).



Individual Control Measures and Screening

- Provide temperature and/or symptom screenings for all workers at the beginning of their shift and any vendors or contractors entering the establishment. Make sure the temperature/symptom screener avoids close contact with workers to the extent possible.
- If requiring self-screening at home, which is an appropriate alternative to providing it at the establishment, ensure that screening was performed prior to the worker leaving the home for their shift and follows [CDC guidelines](#), as described in the Topics for Worker Training section above.
- Encourage workers and customers who are sick or exhibiting symptoms of COVID-19 to stay home.
- Employers must provide and ensure workers use all required protective equipment, including eye protection, gloves, and face shields where necessary.
- Employers should consider where disposable glove use may be helpful to supplement frequent handwashing or use of hand sanitizer; examples are for workers who are screening others for symptoms or handling commonly touched items. Workers should wear gloves when handling items contaminated by body fluids.
- Disposable gloves should be worn for services that require them. Wearing gloves should be done in conjunction with regular hand washing and is not a substitute for regular hand washing.
- Workers who consistently must be within six feet of customers or co-workers must wear a secondary barrier (e.g., face shield or safety goggles) in addition to a face covering. All employees should minimize the amount of time spent within six feet of customers.

- Contact customers before visits to confirm appointments and ask if they or someone in their household is exhibiting any COVID-19 symptoms. If the customer answers in the affirmative, reschedule the appointment. Such communication can be done via phone, app, email, or text to remind customers that they should only come to the facility for their appointment if they do not pose a health risk to other customers or workers. In order to implement pre-screening protocols and ensure physical distancing protocols, consider suspending walk-in appointment availability.
- Tell customers that no additional friends or family will be permitted in the facility, except for a parent or guardian accompanying a minor.
- Customers should be screened for temperature and/or symptoms upon arrival, asked to use hand sanitizer, and to wear a face covering unless exempted per the [CDPH Face Covering Guidance](#). Employers have the right to refuse entry to symptomatic customers or visitors.
- Display a set of guidelines for customers that are to be a condition of entry. The guidelines must include instructions to wear face coverings, use hand sanitizer, maintain physical distance from other customers, and they should communicate changes to service offerings. The guidelines should be posted in clearly visible locations, including at entrances, include pictograms, and be made available digitally (e.g. through email).



Ventilation, Cleaning, and Disinfecting Protocols

- Consider opening treatment room windows, if feasible and within security protocols.
- Where possible, install portable high-efficiency air cleaners, upgrade the building's air filters to the highest efficiency possible, and make other modifications to increase the quantity of outside air and ventilation in all working areas.
- Check the [CDPH website](#) periodically for updates on indoor air quality and ventilation guidance for airborne diseases in indoor settings.
- Ensure that coworkers, fellow tenants, booth renters, and/or staff have coordinated and put a plan in place for cleaning and disinfection at the beginning and end of each shift and in between customers. Perform thorough cleaning in high traffic areas, such as reception areas, and areas of ingress and egress including stairways, stairwells, and handrails.
- Frequently disinfect commonly used surfaces including credit card terminals, counters, reception area seating, door handles, light switches, phones, toilets, and handwashing facilities.
- Evaluate existing ventilation, hygiene, and sanitation protocols and

cleaning processes and update where necessary. Use hospital grade, [Environmental Protection Agency \(EPA\)-approved products](#) to clean and disinfect anything the client came in contact with, including treatment tables, face cradles, stools, bolsters, door knobs, side tables, chairs, etc. Follow the product manufacturer's recommendations for contact time. Use disinfectants labeled to be effective against emerging viral pathogens, diluted household bleach solutions (5 tablespoons per gallon of water), or alcohol solutions with at least 70% alcohol that are appropriate for the surface. Provide workers training on the chemical hazards, manufacturer's directions for use, ventilation requirements, and Cal/OSHA requirements for safe use. Workers using cleaners or disinfectants should wear gloves and other protective equipment as required by the product. Follow the [asthma-safer cleaning methods](#) recommended by the California Department of Public Health and ensure proper ventilation.

- Since porous surfaces such as chair seats cannot be easily disinfected, consider covering with a plastic or disposable liner and cleaning or disposing of the liner after each customer.
- All appliances at work stations and in treatment rooms should be properly disinfected between each customer.
 - For non-porous implements, such as tweezers or scissors, clean the item with hot, soapy water to remove any physical debris. Rinse and dry the implement completely. Follow by immersing the implement in an EPA-registered liquid disinfectant that is labeled as a bactericide, fungicide, and virucide for the full contact time as stated by the manufacturer's directions. Items should be removed at the end of contact time, rinsed, and dried with a clean paper towel.
 - For electrical implements such as magnifying LED lamps, hot towel warmers, and esthetic devices, clean the implement with a spray or wipe to remove any physical debris. Follow with an EPA-registered disinfectant spray or wipe for the full contact time as noted by the manufacturer's directions. Use caution when using a spray and be sure your device is unplugged and do not spray into the motor. For electronics such as tablets, touch screens, keyboards, remote controls, and ATM machines, remove visible contamination if present. Follow the manufacturer's instructions for all cleaning and disinfection products. Consider use of wipeable covers for electronics. If no manufacturer guidance is available, consider the use of alcohol-based wipes or sprays containing at least 60% alcohol to disinfect touch screens. Dry surfaces thoroughly to avoid pooling of liquids.
- To minimize the risk of [Legionnaires' disease](#) and other diseases associated with water, [take steps](#) to ensure that all water systems (e.g., drinking fountains) are safe to use after a prolonged facility shutdown.

- Where linens are used, even if the customer does not get under them, the linens should still be removed and the bed or table properly disinfected. Treatment tables must be covered with either clean treatment table paper, a clean towel, or a clean sheet after each use.
- Workers should wear disposable gloves when removing used linens, towels, and other draping, including blankets and client draping for each treatment. Do not shake the dirty laundry. Place used linens in a lined, lidded receptacle positioned outside the treatment space, if possible, to minimize the possibility of dispersing virus in the air. Dirty linens should not be used again until properly laundered either by a commercial laundering service or a laundering process which includes immersion in water of at least 160 degrees Fahrenheit for at least 25 minutes. Store all clean linens in a clean, covered place.
- Where possible, do not clean floors by sweeping or other methods that can disperse pathogens into the air unless all persons in the area have appropriate PPE. Use a vacuum with a HEPA filter wherever possible.
- Do not allow food or beverages to be at stations or in treatment rooms.
- Thoroughly clean any product display areas, including all shelving and display cases. Remove and discard any open "test" products and discontinue this practice to help reduce contamination. Add signage to this area to let customers know it is cleaned and disinfected daily.
- Encourage the use of credit cards and contactless payment systems. If electronic or card payment is not possible, customers should come with exact cash payment or check.
- Consider upgrading to touchless faucets, soap and paper towel dispensers, and adding touchless, automatic hand sanitizer dispensers. Ensure soap dispensers and paper towel dispensers are regularly filled.
- Equip reception areas and workstations with proper sanitation products, including hand sanitizer and sanitizing wipes.
- Provide time for workers to implement cleaning practices during their shift. Cleaning assignments should be assigned during working hours as part of the worker's job duties.
- Workers should avoid sharing phones, tablets, laptops, desks, pens, and other work supplies, wherever possible. Never share PPE.
- In addition to the above cleaning and disinfecting protocols, businesses must follow the existing [California Board of Barbering and Cosmetology rules](#). Additional rules may also apply for businesses at the local, county-level.



Physical Distancing Guidelines

- **WARNING:** physical distancing alone is insufficient to prevent transmission of COVID-19.
- Implement measures to ensure physical distancing of at least six feet between and among workers and customers, except while providing the services that require close contact. This can include use of physical partitions or visual cues (e.g., floor markings, colored tape, or signs to indicate to where workers and/or customers should stand).
- Maintain at least six feet of physical distance between each work station area, and/or use impermeable barriers between work stations to protect customers from each other and workers.
- Stagger appointments to reduce reception congestion and ensure adequate time for proper cleaning and disinfection between each customer visit. Consider servicing fewer customers each day or expanding operating hours to allow for more time between customers and suspending walk-in appointments.
- If possible, implement virtual check-in technology to ensure that workers are notified when a customer arrives. Ask customers to wait outside or in their cars rather than congregating in reception areas. Reception areas should only have one customer at a time or the area should be modified to support adequate physical distancing, including removing chairs and sofas or spacing them further apart.
- For outdoor operations, establish an outdoor reception area where customers can check in while still following physical distancing guidelines. Take measures at reception desks or other areas where physical distancing cannot be maintained to minimize exposure between workers and customers, such as Plexiglas or other barriers.
- For outdoor operations, create outdoor break areas with shade covers and seating that ensures physical distancing, where possible.
- Take measures at reception desks or other areas where physical distancing cannot be maintained to minimize exposure between workers and customers, such as Plexiglas or other barriers.
- Consider offering workers who request modified duties options that minimize their contact with customers and other workers (e.g., managing inventory or managing administrative needs through telework).
- Require workers to avoid handshakes, fist bumps, hugs, or similar greetings that break physical distance.
- Do not allow people to congregate in high traffic areas such as bathrooms, hallways, bar areas, reservation, and credit card terminals, etc.

- Ensure workers can maintain physical distance in breakrooms, using barriers, increasing distance between tables/chairs to separate workers, etc. Where possible, create outdoor break areas with shade coverings and seating arrangements that ensures physical distancing. Discourage workers from congregating during breaks and ensure they are not eating or drinking without face coverings within six feet of each other.
- Adjust any staff meetings to ensure physical distancing. Hold meetings over the phone or via webinar for workers wherever possible.



Additional Considerations for Esthetic and Skin Care Services

- Workers should wear a face shield for eye protection (with a face covering) when they are providing clients treatment on facial or neck areas that do not enable the client to wear a face covering.
- Disposable gloves should be worn throughout the entire esthetic service and while performing cleaning and disinfection of all implements and surfaces after each client session.
- Before leaving the treatment room or area, remove and dispose of gloves, apply proper hand sanitizer or wash hands with soap and water, and use a previously readied disposable barrier, such as a paper towel or sanitizer wipe, to open and close the treatment room door while leaving the room.
- Single use applicators must be used and disposed of immediately after use in a lined trash bin. The trash bin should have a lid and should be lined with a disposable plastic bag.



Additional Considerations for Electrology Services

- Electrology services must not be provided in the outdoor setting because they are invasive procedures that require a controlled hygienic environment to be performed safely.
- Electrologists must use disposable gloves during the client's entire treatment. Electrologists should wear a face shield for eye protection (with a face covering) when they are providing clients treatment on facial or neck areas that do not enable the client to wear a face covering.
- Clients having any other areas treated should be required to wear a face covering throughout the service, if able to wear one per the [CDPH Face Covering Guidance](#).

- Tweezers, rollers, and needle holder caps should be properly cleaned and sterilized between each client. This could include the use of an autoclave or placing the items in a sealed pouch and sterilizing them in a dry heat sterilizer. The pouch should not be reopened until the next client's treatment session begins.
- Where possible, use disposable probes that do not require a probe tip or cap, which will reduce exposure points. If not using disposable probe tips or caps, the removable tip or cap of the epilator needle/probe holder must be cleaned and disinfected after each client.
- Needles used for electrolysis must be single-use, disposable, pre-packaged, and sterile and disposed of in an approved sharps container immediately after use. Sharps containers must be discarded in accordance with biomedical waste regulation.
- Heat produced by the electrical current passing through an electrolysis needle is not sufficient to sterilize it.
- Ultrasonic cleaning units, forceps, and all containers, including their removable parts, must be cleaned and disinfected between each client according to the manufacturer's instructions.



Additional Considerations for Nail Services

- Clients must wash their hands before nail services are provided.
- Workers must wear face coverings at all times, or a respirator where required. Respirators are required where ventilation is insufficient to reduce exposure below permissible exposure limits established in title 8 [section 5155](#). In cases of chemical exposure, only elastomeric respirators with the correct chemical cartridge combined with a particulate filter are appropriate for use.
- Disposable gloves should be worn throughout the entire service and while performing cleaning and disinfection of all implements and surfaces after each client. Once cleaning is finished, remove and dispose of gloves and apply proper hand sanitizer or wash hands with soap and water.
- Pedicures done outside shall be limited to portable tubs/bowls and must be disinfected with an EPA-registered liquid disinfectant that is labeled as a bactericide, fungicide and virucide. Refer to manufacturer's instructions on concentration. The disinfection should occur inside the nail salon and not in the temporary outdoor setting.
- Pedicure bowls must be disinfected with an EPA-registered liquid disinfectant that is labeled as a bactericide, fungicide and virucide. Refer to manufacturer's instructions on concentration. For whirlpool foot spas, air-jet basins or pipeless foot spas, disinfectant must be circulated for at least

10 minutes. For non-whirlpool foot basins and tubs, soak disinfectant in the basin or tub for at least 10 minutes. Foot-spas, basins and pedicure bowls must be properly cleaned and disinfected after every client even if a disposable plastic liner is used.

- Nail salons should use disposable supplies whenever possible. Any non-disposable supplies must be fully disinfected between customers according to the California Board of Barbering and Cosmetology guidelines.
- All single use items, such as cardboard files, sand-bands for drills and buffers, disposable sandals, toe separators, and applicators, must be used once and immediately thrown away in a lined, lidded trash can.
- To reduce the number of touchpoints, remove the nail polish displays. In the absence of a nail polish display, use a color palette, which is to be cleaned and disinfected after each client use. If the nail polish display is not removed, nail polishes should be cleaned and disinfected before being returned to the display.
- Consider whether it is feasible to install a plastic partition between the worker and client with ample space cut out where hands or feet can be slid underneath to conduct the manicure or pedicure.
- Allow only one manicurist to work at each station and do not allow clients to get multiple services at the same time, such as a manicure and pedicure.
- If fans, such as pedestal fans or hard-mounted fans, are used in the salon, take steps to minimize air from fans blowing directly from one person toward another. If fans are disabled or removed, employers should remain aware of possible heat hazards and take steps to mitigate them.
- Nail salons should consider upgrading existing ventilation to include locally exhausted nail tables.



Additional Considerations for Body Art Professionals, Tattoo Parlors, and Piercing Shops

- Disposable gloves are required throughout the tattooing or piercing service and while performing cleaning and disinfection of all implements and surfaces after each customer session.
- Workers should ensure they wash their hands thoroughly with soap and water or use hand sanitizer immediately before putting on and after removing gloves.

- Suspend piercing and tattooing services for the mouth/nose area.
- Chairs should be arranged to ensure at least six feet of space between customers. Establishments should consider additional divider shields or other impermeable barriers where appropriate.
- Workers should provide tattooing or piercing services for only one customer at a time.



Additional Considerations for Massage Services (Non-Healthcare Settings)

- Clients must wash their hands before any services are provided.
- Consider alterations to the treatment table setup to support the required cleaning and disinfecting protocols. This could include using disposable face cradle covers and/or protecting the table, table warmers, bolsters, and other items with washable barriers like pillowcases that can be removed and replaced between each client. Barriers are not a substitution for the required cleaning and disinfecting protocols.
- Evaluate whether facial massages or other hands-on work to the face will be offered. If providing such services, use non-latex gloves for this part of the treatment. Facial massages should not be performed if it requires removal of the client's face covering.
- Provide any hand treatments as the last part of the service.
- Workers should wash their hands immediately upon finishing massage services.

¹ Additional requirements must be considered for vulnerable populations. Personal care providers must comply with all [Cal/OSHA](#) standards and be prepared to adhere to its guidance as well as guidance from the [Centers for Disease Control and Prevention \(CDC\)](#) and the [California Department of Public Health \(CDPH\)](#). Additionally, employers should be prepared to alter their operations as those guidelines change.





Sandra Shewry
Acting Director
Erica S. Pan, MD, MPH
Acting State Health Officer

State of California—Health and Human
Services Agency
**California Department of
Public Health**



GAVIN NEWSOM
Governor

November 19, 2020

TO: All Californians

SUBJECT: Limited Stay At Home Order

Upon assessment of the recent, unprecedented rate of rise in increase in COVID-19 cases across California, the California Department of Public Health (CDPH) is taking immediate actions to prevent the spread of the virus. These immediate actions will help reduce community spread, protect individuals at higher risk of severe illness or death from COVID-19, and prevent the state's health care delivery system from becoming overwhelmed. Reducing movement and mixing of individual Californians is critical to decreasing transmission, hospitalizations, and deaths.

Therefore, as the State Public Health Officer, I am issuing a Limited Stay at Home order, effective in counties under Tier One (Purple) of California's Blueprint for a Safer Economy, requiring that all gatherings with members of other households and all activities conducted outside the residence, lodging, or temporary accommodation with members of other households cease between 10:00pm PST and 5:00am PST, except for those activities associated with the operation, maintenance, or usage of critical infrastructure[1] or required by law. This order does not apply to persons experiencing homelessness. Nothing in this order prevents any number of persons from the same household from leaving their residence, lodging, or temporary accommodation, as long as they do not engage in any interaction with (or otherwise gather with) any number of persons from any other household, except as specifically permitted herein.

This Limited Stay at Home Order will reduce opportunities for disease transmission with the goal of decreasing the number of hours individuals are in the community and mixing with individuals outside of their household. Every intervention to decrease mixing of households is critical during this unparalleled increase in case rate rise of about 50 percent during the first week in November. In particular, activities conducted during 10:00pm to 5:00am are often non-essential and more likely related to social activities and gatherings that have a higher likelihood of leading to reduced inhibition and reduced likelihood to adhere to COVID-19 preventive measures (e.g., wearing face coverings and maintaining physical distance).

This order shall take effect on November 21, 2020, at 10:00pm PST.

For counties that move into Tier One (Purple) after the effective date of this Order, the terms of this Order shall apply at 10:00pm PST on day two after the county is assigned to Tier One (Purple). For the purpose of counting days, day one shall be the first full day following the date of the tier assignment.

This order remains in effect until 5:00am PST on December 21, 2020, and may be extended or revised as needed.

This order is issued pursuant to Health and Safety Code sections 120125, 120130(c), 120135, 120140, 120145, 120175, 120195 and 131080; EO N-60-20, N-25-20, and other authority provided for under the Emergency Services Act; and other applicable law.



Erica S. Pan, MD, MPH
Acting State Public Health Officer
California Department of Public Health

[1] See the [COVID19.ca.gov](https://www.covid19.ca.gov) Essential Workforce web page for full list of California's Critical Infrastructure workforce.

California Department of Public Health
PO Box, 997377, MS 0500, Sacramento, CA 95899-7377
Department Website ([cdph.ca.gov](https://www.cdph.ca.gov))



Page Last Updated : November 19, 2020



CITY COUNCIL AGENDA – DECEMBER 1, 2020

SUBJECT: Considering Resolutions Approving the Form and Authorizing and Directing the Execution of Certain Installment Sale Financing Documents to Finance the Acquisition and Construction of Additions, Betterments, Extensions and Improvements to the City's Municipal Water Enterprise, and Authorizing and Directing Distribution of a Preliminary Official Statement in Connection with the Offering and Sale of Certificates of Participation

SOURCE: City Manager's Office

COMMENT: Due to a variety of economic factors, including the current COVID-19 pandemic, bond yields are at near-records lows and will likely remain so through into the next calendar year, creating a very favorable environment to issue debt for capital improvement projects. As the City Council is aware, the City has recently completed its feasibility study regarding the development of tertiary treatment recycled water facilities, including the development of a facility in partnership with the Tule River Tribe as a component of the Eagle Mountain Casino relocation project, as well as necessary upgrades to existing wastewater treatment facilities. In addition, there are significant street reconstruction projects that are currently under construction (e.g. Henderson Avenue) and are currently under design that include significant water main improvements, including also the installation of recycled water lines in preparation for tertiary treatment in accordance with the feasibility study.

Further, in preparation and conformance with the Sustainable Groundwater Management Act (SGMA), the City has and will acquire property to serve as storm drain and groundwater recharge basins (including a new storm drain recharge basin in partnership with the Tule River Tribe), which will necessitate improvements.

As both appropriated and proposed projects progress, at its meeting on June 16, 2020, the Council approved a Resolution of intent for financing up to \$50 million, making bond funding eligible for the secured reimbursement of costs up to the previous sixty (60) days prior to the approval of a Resolution.

As the Council is aware, the City Council Ad Hoc Committee - Provision of Local Water Services (comprised of Council Members Gurrola and Peñaloza) have met periodically to review prospective City water infrastructure projects, as well as the City's water enterprise debt service capacity. A conservative financial analysis of the City's Water Fund indicates debt service capacity of approximately \$44.5 million, providing significant capacity to meet debt service coverage requirements in providing prospective funding for the estimated \$35

million in projects.

In coordination with the Ad Hoc Committee and the City's financial advisors and bond counsel, all necessary Resolutions and documents have been prepared to proceed with the issuance and sale of revenue bonds not to exceed \$36 million, with the pricing of bonds anticipated to occur the second week of January 2021 and close by January 27, 2021.

RECOMMENDATION: That the City Council, also meeting as the Board of Directors of the Porterville Public Improvement Corporation:

1. Approve the draft Resolutions to approve the form and authorize and direct the execution of Installment sale financing documents;
2. Authorize and direct distribution of a Preliminary Official Statement in connection with the offering and sale of Certificates of Participation; and
3. Authorize the Mayor/President, City Manager/Executive Director and Finance Director/Treasurer to execute all necessary documents.

ATTACHMENTS:

1. Water Revenue Financing Presentation
2. City Council Resolution
3. City Council Resolution - Exhibit A
4. PPIC Board of Directors Resolution
5. Installment Sale Agreement
6. Assignment Agreement
7. Trust Agreement
8. Continuing Disclosure Certificate
9. Certificate Purchase Agreement
10. Preliminary Official Statement

Appropriated/Funded:

Review By:

Department Director:

Final Approver: John Lollis, City Manager

CITY OF PORTERVILLE
WATER REVENUE CERTIFICATES OF PARTICIPATION
(2021 Water System Financing Project)



The following summary of the Project has been provided by the City of Porterville:

The City of Porterville (City) serves as the municipal utility provider for potable water services and owns and operates the City of Porterville's Wastewater Treatment Facility (WWTF). The City of Porterville has been impacted by aging well infrastructure and groundwater pumping restrictions imposed by the Sustainability Groundwater Management Act (SGMA). Like most other water purveyors subject to the SGMA, the City is investigating potential water supply alternatives that would augment the City's existing supply in response to anticipated groundwater pumping restrictions and contribute to water supply reliability.

A growing emphasis has been placed on opportunities for the use of reclaimed water. Currently, the City uses wastewater effluent for groundwater percolation and restricted crop irrigation. Other potential uses for recycled water include large landscape irrigation throughout the service area and the opportunity to exchange recycled water for future surface water recharge. Consistent efforts have been made to acknowledge the objectives of implementing recycled water to determine the feasibility of developing a recycled water system that could help reduce demands on groundwater and support the City's sustainability goals. The City currently discharges undisinfected secondary treated effluent to the City-owned reclamation area located near the Porterville Municipal Airport.

The City of Porterville is working with the Tule River Tribe of California, on a Casino Relocation Project, located within a 40 acre site that it owns near the Porterville Airport and the City's reclamation area. The proposed project would take the City's sustainability goals into consideration and offset environmental impacts on new construction with recycled water obligations. The casino resort will rely on the City to provide potable water, with the use of disinfected tertiary



Continued from previous page

recycled water to offset water demands for landscape irrigation within the casino resort and at the City's Sports Complex. The potable water demand reduction at the Sports Complex will offset the potable water demand of the casino resort. **The Project Funds will be used to construct a tertiary treatment plant (TTP) that would be built on a parcel of City property adjacent to the Sports Complex and near the casino resort at an estimated cost of 15 million dollars.** The City will deliver undisinfected secondary effluent from the City's Wastewater Treatment Facility (WWTF) via the City's effluent distribution pipeline to the TTP, where it would be treated to Title 22 standards and distributed for use. The project design is that the TTP will be sized to treat 0.31 million gallons per day (mgd) of undisinfected secondary effluent with additional considerations for WWTF projects that enhance water quality, and tertiary production to encourage future growth in demands for recycled water. The initial project is sized with full expectation to expand recycled water capacity as additional users are identified within this funding cycle. **In addition, the Project Funds will be used to construct a groundwater recharge basin at an additional estimated cost of 15 million dollars.** The basin project with piping infrastructure will provide collection of surface water runoff and a location for ground water recharge operations. **Project funds will also be utilized to fund phased improvements to the Waste Water Treatment Plant to further full tertiary treatment of plant effluent, in an approximate amount of 5 million dollars. The estimated total costs of the complete projects described are 35 million dollars.**

Updated Financing Estimates



City of Porterville Water Revenue Certifications of Participation (2021 Water System Financing Project)	
Projected Sources & Uses	
Sources	
Par Amount	30,745,000
Premium	4,902,782
Total Sources	35,647,782
Uses	
Project Fund	35,000,000
Cost of Issuance	250,000
Underwriter's Discount	207,529
Bond Insurance (25 bps)	134,108
Surety (3.00%)	53,703
	645,339
Total Uses	35,645,339
Dated Date	1/27/2021
Delivery Date	1/27/2021

*All figures are preliminary, estimated, and subject to change
Numbers are estimated per market rates as of November 24, 2020 by Brandis Tallman*

Updated Financing Estimates



City of Porterville Water Revenue Certificates of Participation (2021 Water System Financing Project)					
Projected Debt Service					
Fiscal Year	Water Revenue Certificates of Participation				
	Principal	Coupon Rate	Yield	Interest	Projected Debt Service
2021-22	435,000	4.00%	0.66%	1,354,515	1,789,515
2022-23	515,000	4.00%	0.70%	1,270,600	1,785,600
2023-24	540,000	4.00%	0.73%	1,246,800	1,786,800
2024-25	570,000	4.00%	0.76%	1,219,050	1,789,050
2025-26	600,000	4.00%	0.81%	1,189,800	1,789,800
2026-27	630,000	4.00%	0.93%	1,159,050	1,789,050
2027-28	660,000	4.00%	1.04%	1,126,800	1,786,800
2028-29	695,000	4.00%	1.16%	1,092,925	1,787,925
2029-30	730,000	4.00%	1.29%	1,057,300	1,787,300
2030-31	770,000	4.00%	1.39%	1,019,800	1,789,800
2031-32	805,000	4.00%	1.49%	980,425	1,785,425
2032-33	850,000	4.00%	1.59%	939,050	1,789,050
2033-34	890,000	4.00%	1.86%	900,000	1,790,000
2034-35	925,000	4.00%	1.98%	863,700	1,788,700
2035-36	960,000	4.00%	2.05%	826,000	1,786,000
2036-37	1,000,000	4.00%	2.09%	786,800	1,786,800
2037-38	1,040,000	4.00%	2.13%	746,000	1,786,000
2038-39	1,085,000	4.00%	2.17%	703,500	1,788,500
2039-40	1,130,000	4.00%	2.21%	659,200	1,789,200
2040-41	1,175,000	4.00%	2.25%	613,100	1,788,100
2041-42	1,220,000	4.00%	2.52%	565,200	1,785,200
2042-43	1,270,000	4.00%	2.52%	515,400	1,785,400
2043-44	1,325,000	4.00%	2.52%	463,500	1,788,500
2044-45	1,380,000	4.00%	2.52%	409,400	1,789,400
2045-46	1,435,000	4.00%	2.52%	353,100	1,788,100
2046-47	1,495,000	4.00%	2.57%	294,500	1,789,500
2047-48	1,555,000	4.00%	2.57%	233,500	1,788,500
2048-49	1,620,000	4.00%	2.57%	170,000	1,790,000
2049-50	1,685,000	4.00%	2.57%	103,900	1,788,900
2050-51	1,755,000	4.00%	2.57%	35,100	1,790,100
Total:	30,745,000			22,898,015	53,643,015

All figures are preliminary, estimated,
and subject to change

Numbers are estimated per market
rates as of November 24, 2020 by
Brandis Tallman



GOVERNMENT CODE SECTION 5852.1 DISCLOSURE

The following information consists of estimates that have been provided by the City's municipal advisor and underwriter which has been represented to have been provided in good faith:

(A) True Interest Cost of the Certificates: 3.01%

(B) Finance Charges:

Costs of issuance:	\$250,000.00
Underwriter's discount:	210,000.00
Bond insurance, surety bond and fees:	<u>190,000.00</u>
Total	<u>\$650,000.00</u>

(C) Net Proceeds to be Received \$35,000,000.00
(net of finance charges)

(D) Total Payment Amount through Maturity: \$55,000,000.00

The foregoing estimates constitute good faith estimates only.

The principal amount of the Certificates, the true interest cost of the Certificates, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to (a) the actual date of the sale of the Certificates being different than the date assumed for purposes of such estimates, (b) the actual principal amount of Certificates sold being different from the estimated amount used for purposes of such estimates, (c) the actual amortization of the Certificates being different than the amortization assumed for purposes of such estimates, (d) the actual market interest rates at the time of sale of the Certificates being different than those estimated for purposes of such estimates, (e) other market conditions, or (f) alterations in the City's financing plan, or a combination of such factors. The actual date of sale of the Certificates and the actual principal amount of Certificates sold will be determined by the City based on the timing of the need for proceeds of the Certificates and other factors. The actual interest rates with respect to the Certificates will depend on market interest rates at the time of sale thereof. The actual amortization of the Certificates will also depend, in part, on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the City.



CITY OF PORTERVILLE
Revenues, Expenses and Debt Service Coverage Calculations
Built From CAFRs - Prepared by Brandis Tallman November 23, 2020
Draft - For Discussion Purposes Only

WATER FUND	Audited FYE 2016	Audited FYE 2017	Audited FYE 2018	Audited FYE 2019	Unaudited F/S FYE 2020	Projected (5) FYE 2021	Projected (5) FYE 2022	Projected (5) FYE 2023	Projected (5) FYE 2024	Projected (5) FYE 2025
Description										
GROSS REVENUES (1):										
Charges for Services	\$5,600,342	\$10,653,296	\$11,310,080	\$11,383,497	\$12,022,433					
Connection Fees	\$46,429	\$16,107	\$18,189	\$16,567	\$10,662					
Other Revenues	\$119,367	\$187,108	\$228,955	\$239,275	\$160,617					
Investment Earnings	\$111,876	\$75,259	\$74,701	\$552,063	\$678,891					
TOTAL GROSS REVENUES	\$5,878,014	\$10,931,770	\$11,631,925	\$12,191,402	\$12,872,603	\$13,094,655	\$13,168,673	\$13,168,673	\$13,168,673	\$13,168,673
LESS: OPER & MAINTENANCE COST (2)	\$4,170,653	\$5,785,387	\$5,730,683	\$6,363,411	\$6,513,909	\$6,709,326	\$6,910,606	\$7,117,924	\$7,331,462	\$7,551,406
NET REVENUES	\$1,707,361	\$5,146,383	\$5,901,242	\$5,827,991	\$6,358,694	\$6,385,329	\$6,258,067	\$6,050,749	\$5,837,211	\$5,617,267
DEBT SERVICE										
CIEDB Loan - B14-092 (\$6,757,500) (3)	\$398,283	\$398,091	\$397,892	\$397,685	\$397,470	\$397,248	\$397,016	\$396,776	\$396,527	\$396,268
CIEDB Loan - BC05 - 094 (\$1,500,000) (3)	\$84,757	\$84,629	\$84,497	\$84,360	\$84,219	\$84,074	\$83,294	\$83,768	\$83,608	\$83,443
2021 Water Revenue Bonds							\$1,789,515	\$1,785,600	\$1,786,800	\$1,789,050
TOTAL DEBT SERVICE	\$483,040	\$482,720	\$482,389	\$482,045	\$481,689	\$481,322	\$2,269,825	\$2,266,144	\$2,266,935	\$2,268,761
DEBT SERVICE COVERAGE	3.53	10.66	12.23	12.09	13.20	13.27	2.76	2.67	2.57	2.48
AVAILABLE DEBT SERVICE CAPACITY - 1.25X (4)					\$4,012,125					\$2,225,053
AVAILABLE BONDING CAPACITY - 1.25X (4)					\$44,579,163					\$24,722,810
AVAILABLE DEBT SERVICE CAPACITY - 1.50X (4)					\$3,263,156					\$1,476,084
AVAILABLE BONDING CAPACITY - 1.50X (4)					\$36,257,286					\$16,400,933

(1) Excludes state grants and reimbursements.

(2) Excludes depreciation, capital expenditures, and debt service.

(3) Debt Service schedule includes 0.3% annual fees on outstanding principal amount.

(4) Bonding capacity is estimated assuming an average annual debt service equal to 9% of the par amount.

(5) For FYE 2021 - FYE 2025, operating and maintenance expenses are projected to increase by 3% per year. Charges for services, connection fees and other revenues are projected to increase 2.3% on October 1, 2020.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PORTERVILLE,
APPROVING THE FORM AND AUTHORIZING AND DIRECTING THE
EXECUTION OF CERTAIN INSTALLMENT SALE FINANCING DOCUMENTS TO
FINANCE THE ACQUISITION AND CONSTRUCTION OF ADDITIONS,
BETTERMENTS, EXTENSIONS AND IMPROVEMENTS TO ITS MUNICIPAL
WATER ENTERPRISE, AND AUTHORIZING AND DIRECTING DISTRIBUTION OF
A PRELIMINARY OFFICIAL STATEMENT IN CONNECTION WITH THE
OFFERING AND SALE OF CERTIFICATES OF PARTICIPATION RELATING
THERE TO, AND DIRECTING CERTAIN ACTIONS WITH RESPECT THERETO

RESOLVED, by the City Council (the "Council") of the City of Porterville (the
"City"), as follows:

WHEREAS, the City proposes to finance the acquisition and construction of
additions, betterments, extensions and improvements to its municipal water enterprise
(the "Project");

WHEREAS, the City, working together with the Porterville Public Improvement
Corporation (the "Corporation"), proposes to finance the Project, as more particularly
described in the hereinafter defined Installment Sale Agreement, and it is in the public
interest and for the public benefit that the City authorize and direct execution of the
Installment Sale Agreement and certain other financing documents in connection
therewith;

WHEREAS, a certificate purchase agreement and preliminary official statement
containing information material to the offering and sale of the Certificates described
below have been prepared; and

WHEREAS, the documents below specified have been filed with the City and the
members of the Council, with the aid of its staff, have reviewed said documents; and

WHEREAS, pursuant to Section 5852.1 of the Government Code, which became
effective on January 1, 2018 by the enactment of Senate Bill 450, certain information
relating to the Certificates is set forth in Exhibit A attached to this Resolution, as such
information is hereby disclosed and make public;

NOW, THEREFORE, it is hereby DECLARED and ORDERED, as follows:

Section 1. Water Revenue Certificates of Participation (2021 Water System Financing Project) (the "Certificates") are hereby authorized to be executed and delivered pursuant to the provisions of the Trust Agreement, as hereinafter defined.

Section 2. The below-enumerated documents, in the forms on file with the City Clerk, be and are hereby approved, and the Mayor, the City Manager or the Finance Director, or the designee thereof (each, a "Designated Officer"), are hereby authorized and directed to execute said documents, with such changes, insertions and omissions as may be approved by such officials, and the City Clerk is hereby authorized and directed to attest to such official's signature:

- (a) an installment sale agreement, relating to the Project, by and between the Corporation, as seller, and the City, as purchaser (the "Installment Sale Agreement"), so long as the total principal amount of the Certificates does not exceed \$36,000,000, so long as the average interest rate to be paid with respect to the Certificates does not exceed 3.95%, and so long as the maturity of the Certificates does not extend beyond August 15, 2050;
- (b) a trust agreement, by and among the Corporation, the City and U.S. Bank National Association, as trustee (the "Trust Agreement"), relating to the financing, and the execution and delivery of the Certificates; and
- (c) a continuing disclosure certificate.

Section 3. A certificate purchase agreement, by and between Oppenheimer & Co. Inc. (the "Underwriter") and the City, relating to the purchase by the Underwriter of the Certificates, in the form on file with the City Clerk, be and is hereby approved, and any Designated Officer is hereby authorized and directed to execute said document, with such changes, insertions and omissions as may be approved by such official, so long as the Underwriter's discount does not exceed 0.700% of the principal amount of the Certificates.

Section 4. The Council hereby approves the Preliminary Official Statement, in the form on file with the City Clerk, together with any changes therein or additions thereto deemed advisable by any Designated Officer. The Council authorizes and directs any Designated Officer to deem the Preliminary Official Statement "final" pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule").

Section 5. Any Designated Officer is authorized and directed to cause the Preliminary Official Statement to be brought into the form of a final official statement (the "Final Official Statement") and to execute said Final Official Statement, dated as of the date of the sale of the Certificates, and a statement that the facts contained in the Final Official Statement, and any supplement or amendment thereto (which shall be

deemed an original part thereof for the purpose of such statement) were, at the time of sale of the Certificates, true and correct in all material aspects and that the Final Official Statement did not, on the date of the sale of the Certificates, and does not, as of the date of the delivery of the Certificates, contain any untrue statement of a material fact with respect to the City or omit to state material facts with respect to the City required to be stated where necessary to make any statement made therein not misleading in the light of circumstances under which it was made. The Designated Officers shall take such further actions prior to the signing of the Final Official Statement as are deemed necessary or appropriate to verify the accuracy thereof. The execution of the Final Official Statement, which shall include such changes and additions thereto deemed advisable by any Designated Officer and such information permitted to be excluded from the Preliminary Official Statement pursuant to the Rule, shall be conclusive evidence of the approval of the Final Official Statement by the City.

Section 6. The Final Official Statement, when prepared, is approved for distribution in connection with the offering and sale of the Certificates.

Section 7. The Mayor, the City Manager, the Finance Director, the City Clerk and any and all other officers of the City are hereby authorized and directed to execute such other agreements, documents and certificates as may be necessary to effect the purposes of this Resolution and the financing herein authorized.

Section 8. This Resolution shall take effect upon its adoption by this Council.

PASSED, APPROVED, AND ADOPTED this 1st day of December, 2020.

Martha A. Flores, Mayor

ATTEST:

John D. Lollis, City Clerk

By: _____
Patrice Hildreth, Chief Deputy City Clerk

EXHIBIT A

GOVERNMENT CODE SECTION 5852.1 DISCLOSURE

The following information consists of estimates that have been provided by the City's municipal advisor and underwriter which has been represented to have been provided in good faith:

(A) True Interest Cost of the Certificates: 3.01%

(B) Finance Charges:

Costs of issuance:	\$250,000.00
Underwriter's discount:	210,000.00
Bond insurance, surety bond and fees:	<u>190,000.00</u>
Total	<u>\$650,000.00</u>

(C) Net Proceeds to be Received \$35,000,000.00
(net of finance charges)

(D) Total Payment Amount through Maturity: \$55,000,000.00

The foregoing estimates constitute good faith estimates only.

The principal amount of the Certificates, the true interest cost of the Certificates, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to (a) the actual date of the sale of the Certificates being different than the date assumed for purposes of such estimates, (b) the actual principal amount of Certificates sold being different from the estimated amount used for purposes of such estimates, (c) the actual amortization of the Certificates being different than the amortization assumed for purposes of such estimates, (d) the actual market interest rates at the time of sale of the Certificates being different than those estimated for purposes of such estimates, (e) other market conditions, or (f) alterations in the City's financing plan, or a combination of such factors. The actual date of sale of the Certificates and the actual principal amount of Certificates sold will be determined by the City based on the timing of the need for proceeds of the Certificates and other factors. The actual interest rates with respect to the Certificates will depend on market interest rates at the time of sale thereof. The actual amortization of the Certificates will also depend, in part, on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the City.

RESOLUTION NO. _____

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE PORTERVILLE PUBLIC IMPROVEMENT CORPORATION, APPROVING THE FORM AND AUTHORIZING AND DIRECTING EXECUTION OF CERTAIN INSTALLMENT SALE FINANCING DOCUMENTS TO FINANCE THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS, EXTENSIONS AND IMPROVEMENTS TO CITY OF PORTERVILLE'S MUNICIPAL WATER ENTERPRISE, AND AUTHORIZING AND DIRECTING CERTAIN ACTIONS WITH RESPECT THERETO

RESOLVED, by the Board of Directors (the "Board") of the Porterville Public Improvement Corporation (the "Corporation"), as follows:

WHEREAS, the City of Porterville (the "City") proposes to finance the acquisition and construction of additions, betterments, extensions and improvements to its municipal water enterprise (the "Project");

WHEREAS, the City, working together with the Corporation, proposes to finance the Project, as more particularly described in the hereinafter defined Installment Sale Agreement, and it is in the public interest and for the public benefit that the Corporation authorize and direct execution of the Installment Sale Agreement and certain other financing documents in connection therewith; and

WHEREAS, the documents below specified have been filed with the Corporation and the members of the Corporation, with the aid of its staff, have reviewed said documents;

NOW, THEREFORE, it is hereby DECLARED and ORDERED, as follows:

Section 1. Water Revenue Certificates of Participation (2020 Water System Financing Project) (the "Certificates") are hereby authorized to be executed and delivered pursuant to the provisions of the Trust Agreement, as hereinafter defined.

Section 2. The below-enumerated documents, in the forms on file with the Secretary, be and are hereby approved, and the President, the Executive Director or the Treasurer or the designee thereof (each, a "Designated Officer"), is hereby authorized and directed to execute said documents, with such changes, insertions and omissions as may be approved by such officials, and the Secretary is hereby authorized and directed to attest to such official's signature:

- (a) an installment sale agreement, relating to the Project, by and between the Corporation, as seller, and the City, as purchaser (the "Installment Sale Agreement");
- (b) an assignment agreement, by and between the Corporation and U.S. Bank National Association, as trustee (the "Trustee") pursuant to which the Corporation will assign certain of its rights under the Installment Sale Agreement, including its right to receive installment payments thereunder, to the Trustee; and
- (c) a trust agreement, by and among the Corporation, the City and the Trustee, relating to the financing, and the execution and delivery of the Certificates.

Section 3. The President, the Executive Director, the Treasurer, the Secretary and other officials of the Corporation are hereby authorized and directed to execute such other agreements, documents and certificates as may be necessary to effect the purposes of this Resolution and the installment sale financing herein authorized.

Section 8. This Resolution shall take effect upon its adoption by the Board.

PASSED, APPROVED, AND ADOPTED this 1st day of December, 2020.

Martha A. Flores, President

ATTEST:

John D. Lollis, Executive Director

By: _____
Patrice Hildreth, Secretary

INSTALLMENT SALE AGREEMENT

Dated as of January 1, 2021

by and between the

PORTERVILLE PUBLIC IMPROVEMENT CORPORATION, as Seller

and the

CITY OF PORTERVILLE, as Purchaser

(2021 Water System Financing Project)

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INSTALLMENT SALE AGREEMENT

THIS INSTALLMENT SALE AGREEMENT, dated as of January 1, 2021, by and between the PORTERVILLE PUBLIC IMPROVEMENT CORPORATION, a nonprofit public benefit corporation organized and existing under the laws of the State of California, as seller (the "Corporation"), and the CITY OF PORTERVILLE, a municipal corporation and chartered city, organized and existing under the Constitution and laws of the State of California, as purchaser (the "City");

W I T N E S S E T H :

WHEREAS, the City wishes to finance the construction of certain improvements (the "Project") to its municipal water enterprise (the "Enterprise");

WHEREAS, the City Council of the City has determined that in order to accomplish such financing it is necessary and desirable to purchase the Project from the Corporation pursuant to this Installment Sale Agreement; and

WHEREAS, the City will agree to make installment payments pursuant to this Installment Sale Agreement in order to purchase the Project from the Corporation;

NOW, THEREFORE, in consideration of the above premises and of the mutual covenants hereinafter contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS AND EXHIBITS

Section 1.01. Definitions. Unless the context otherwise requires, the terms defined in Exhibit A attached hereto shall, for all purposes of this Installment Sale Agreement, have the meanings specified therein.

Section 1.02. Content of Written Certificates. Every certificate provided for in this Installment Sale Agreement with respect to compliance with any provision hereof shall include (a) a statement that the person making or giving such certificate or opinion has read such provision and the definitions herein relating thereto; (b) a brief statement as to the nature and scope of the examination or investigation upon which the certificate is based; (c) a statement that, in the opinion of such person, he has made or caused to be made such examination or investigation as is necessary to enable him to express an informed opinion with respect to the subject matter referred to in the instrument to which his signature is affixed; (d) a statement of the assumptions upon which such certificate is based, and that such assumptions are reasonable; and (e) a statement as to whether, in the opinion of such person, such provision has been complied with.

Any such certificate made or given by a City Representative may be based, insofar as it relates to legal or accounting matters, upon a certificate or opinion of or representation by counsel or an accountant, unless such City Representative knows, or in the exercise of reasonable care should have known, that the certificate, opinion or representation with respect to the matters upon which such certificate or statement may be based, as aforesaid, is erroneous. Any such certificate or opinion made or given by counsel or an accountant may be based, insofar as it relates to factual matters (with respect to which information is in the possession of the City, as the case may be) upon a certificate or opinion of or representation by a City Representative, unless such counsel or accountant knows, or in the exercise of reasonable care should have known, that the certificate or opinion or representation with respect to the matters upon which such person's certificate or opinion or representation may be based, as aforesaid, is erroneous. The same City Representative, or the same counsel or accountant, as the case may be, need not certify to all of the matters required to be certified under any provision of this Installment Sale Agreement, but different officers, counsel or accountants may certify to different matters, respectively.

Section 1.03. Exhibits. The following Exhibits are attached to, and by this reference are made a part of, this Installment Sale Agreement:

- | | |
|------------|--|
| Exhibit A: | Definitions |
| Exhibit B: | Project Description |
| Exhibit C: | The schedule of Installment Payments to be paid by the City to the Corporation, showing the Installment Payment Date and amount of each Installment Payment. |

ARTICLE II
REPRESENTATIONS, COVENANTS AND
WARRANTIES

Section 2.01. Representations, Covenants and Warranties of the City. The City represents, covenants and warrants to the Corporation and the Municipal Bond Insurer as follows:

(a) The City is a municipal corporation and chartered city, duly organized and existing under the Constitution and laws of the State.

(b) The Constitution and the laws of the State authorize the City to enter into this Installment Sale Agreement and the Trust Agreement and to enter into the transactions contemplated by and to carry out its obligations under each of the aforesaid agreements, and the City has duly authorized and executed each of the aforesaid agreements.

(c) Neither the execution and delivery of this Installment Sale Agreement or the Trust Agreement, nor the fulfillment of or compliance with the terms and conditions hereof or thereof, nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a material breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the City is now a party or by which the City is bound or constitutes a default under any of the foregoing.

(d) The City has duly authorized and executed this Installment Sale Agreement in accordance with the laws of the State.

Section 2.02. Representations, Covenants and Warranties of the Corporation. The Corporation represents, covenants and warrants to the City and the Municipal Bond Insurer as follows:

(a) The Corporation is a nonprofit public benefit corporation duly organized, existing and in good standing under and by virtue of the laws of the State; has power to enter into this Installment Sale Agreement, the Assignment Agreement and the Trust Agreement; is possessed of full power to own and hold real and personal property, and to sell the same; and has duly authorized the execution and delivery of all of the aforesaid agreements.

(b) The Corporation will not pledge the Installment Payments or other amounts derived from the Project and from its other rights under this Installment Sale Agreement, and will not mortgage or encumber the Project, except as provided under the terms of this Installment Sale Agreement, the Assignment Agreement and the Trust Agreement.

(c) Neither the execution and delivery of, this Installment Sale Agreement, the Assignment Agreement or the Trust Agreement, nor the fulfillment of or compliance with the terms and conditions hereof or thereof, nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a material breach of the terms, conditions or provisions of any restriction or any agreement, instrument, regulation or law to which the Corporation is now a party or by which the Corporation is bound, or constitutes a default under any of the foregoing.

(d) Except as provided herein, the Corporation will not assign this Installment Sale Agreement, its right to receive Installment Payments from the City or its duties and obligations hereunder to any other person, firm or corporation so as to impair or violate the representations, covenants and warranties contained in this Section 2.02.

ARTICLE III

DEPOSIT OF MONEYS

Section 3.01. Deposit of Moneys. On the Closing Date, the Corporation shall cause to be deposited with the Trustee the net proceeds of sale of the Certificates, net of amounts paid by the Original Purchaser to the Municipal Bond Insurer as an accommodation to the City for the premiums relating to the Municipal Bond Insurance Policy and the Reserve Policy. Amounts required to pay Delivery Costs shall be deposited in the Delivery Costs Fund and the amount estimated to be required to pay Project Costs shall be deposited in the Project Fund.

Section 3.02. Acquisition and Construction of the Project. The Corporation hereby appoints the City as its agent to acquire and construct the Project.

Section 3.03. Payment of Project Costs and Delivery Costs. Payment of the Project Costs shall be made from the moneys deposited with the Trustee in the Project Fund, which moneys shall be disbursed for such purpose in accordance and upon compliance with Section 3.02 of the Trust Agreement. Payment of Delivery Costs shall be made from the moneys deposited with the Trustee in the Delivery Costs Fund, which moneys shall be disbursed for such purpose in accordance and upon compliance with Section 3.04 of the Trust Agreement. The City hereby covenants to pay necessary Project Costs and Delivery Costs in excess of amounts available from Certificate proceeds from any legally available source of funds.

Section 3.04. Unexpended Proceeds. In accordance with Section 3.05 of the Trust Agreement, all excess moneys remaining in the Project Fund and not required for payment of Project Costs shall be transferred to the Installment Payment Fund for application to payment of the Installment Payments as the same become due and payable.

ARTICLE IV

SALE OF PROJECT; TITLE TO THE PROJECT; TERM OF THE INSTALLMENT SALE AGREEMENT; INSTALLMENT PAYMENTS

Section 4.01. Sale. The Corporation hereby sells, bargains and conveys the Project to the City, and the City hereby purchases the Project from the Corporation upon the terms and conditions set forth in this Installment Sale Agreement.

Section 4.02. Title. The City and the Corporation agree that title to the Project shall be deemed conveyed to and vested in the City on the Closing Date, subject only to Permitted Encumbrances. The Corporation and its officers shall take all actions necessary to vest in the City all of the Corporation's rights in and title to the Project.

Section 4.03. Term of the Installment Sale Agreement. The Term of this Installment Sale Agreement shall commence on the Closing Date, and shall end on the date on which the City shall have paid all of the Installment Payments and all other amounts due and payable hereunder, including any Policy Costs due and owing to the Municipal Bond Insurer under Section 6.02 of the Trust Agreement and any Insurer Reimbursement Amounts or other amounts due and owing to the Municipal Bond Insurer under Article 14.07 of the Trust Agreement.

Notwithstanding the foregoing, the Term of the Installment Sale Agreement shall not end so long as any amounts are owed to the Municipal Bond Insurer with respect to the Municipal Bond Insurance Policy, the Reserve Policy or the Insurance Agreement.

Section 4.04. Installment Payments.

(a) *Obligation to Pay*. The City agrees to pay to the Corporation, its successors and assigns, as the purchase price of the Project, the Installment Payments, consisting of components of principal and interest, on the Installment Payment Dates and in the amounts specified in Section 4.06(b) hereof, except that such amounts shall be reduced by moneys on deposit in the Installment Payment Fund and credited to the payment of Installment Payments next due. The Installment Payments shall be payable solely from Net Revenues as hereinafter provided. The first Installment Payment shall be due on February 1, 2021.

(b) *Reduction Upon Partial Prepayment*. In the event the City prepays less than all of the remaining principal components of the Installment Payments pursuant to Sections 10.02 and 10.03 hereof, the amount of such prepayment shall be applied to reduce the principal component of the subsequent remaining Installment Payments in inverse order of Installment Payment Date and the interest component of each subsequent remaining Installment Payment shall be reduced by the aggregate corresponding amount of interest which would otherwise be payable with respect to the Certificates redeemed as a result of such prepayment. The City shall provide the Trustee with a revised Installment Payment schedule. The obligations to repay the Municipal Bond Insurer under Section 6.02 and Article XIV of the Trust Agreement shall survive prepayment.

(c) *Rate on Overdue Payments*. In the event the City should fail to make any of the payments required in this Section 4.04 so that there are insufficient moneys on hand in the Installment Payment Fund to pay any Installment Payment in full on an Installment Payment

Date, the Installment Payment in default shall continue as an obligation of the City until the amount in default shall have been fully paid and the City agrees to pay the same with interest thereon, to the extent permitted by law, from the date thereof at the rate of interest payable with respect to the Certificates.

(d) *Assignment*. The City understands and agrees that the Corporation has assigned its right, title and interest (but not its duties or obligations) in this Installment Sale Agreement to the Trustee pursuant to the Assignment Agreement for the benefit of the Owners and the City assents to such assignment. The Corporation hereby directs the City, and the City hereby agrees, to pay to the Trustee at the Trustee's principal corporate trust office or at such other place as the Trustee shall direct in writing, all payments payable by the City pursuant to this Section 4.04 and all amounts payable by the City pursuant to Article X hereof.

Section 4.05. Special Obligation of the City. The City's obligation to pay the Installment Payments shall be a special obligation limited solely to Net Revenues. Under no circumstances shall the City be required to advance any moneys derived from any source of income other than the Net Revenues and other sources specifically identified herein for the payment of the Installment Payments, nor shall any other funds or property of the City be liable for the payment of the Installment Payments.

The obligations of the City to make the Installment Payments from Net Revenues and to perform and observe the other agreements contained herein shall be absolute and unconditional and shall not be subject to any defense or any right of set-off, counterclaim or recoupment arising out of any breach of the City, the Corporation or the Trustee of any obligation to the City or otherwise with respect to the Project, whether hereunder or otherwise, or out of indebtedness or liability at any time owing to the City by the Corporation or the Trustee. Until such time as all of the Installment Payments shall have been fully paid or prepaid, the City (a) will not suspend, abate, or discontinue any payments provided for in Section 4.04 hereof, (b) will perform and observe all other agreements contained in this Installment Sale Agreement, and (c) will not terminate the Term of the Installment Sale Agreement for any cause, including, without limiting the generality of the foregoing, the occurrence of any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, destruction of or damage to the Project, the taking by eminent domain of title to or temporary use of any or all of the Project, commercial frustration of purpose, any change in the tax or other laws of the United States of America or of the State or any political subdivision of either thereof or any failure of the Corporation or the Trustee to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with the Trust Agreement, the Assignment Agreement or this Installment Sale Agreement.

Nothing contained in this Section 4.05 shall be construed to release the Corporation from the performance of any of the agreements on its part herein contained, and in the event the Corporation shall fail to perform any such agreements on its part, the City may institute such action against the Corporation as the City may deem necessary to compel performance so long as such action does not abrogate the obligations of the City contained in the first sentence of the preceding paragraph. The City may, however, at the City's own cost and expense and in the City's own name or in the name of the Corporation prosecute or defend any action or proceeding or take any other action involving third persons which the City deems reasonably necessary in order to secure or protect the City's right of possession, occupancy and use hereunder, and in such event the Corporation hereby agrees to cooperate fully with the City and to take such action necessary to effect the substitution of the City for the Corporation in such action or proceeding if the City shall so request.

Section 4.06. Pledge of Net Revenues; Deposits to Pay Installment Payments; Release from Lien.

(a) *Pledge of Net Revenues.* The City hereby agrees that the payment of the Installment Payments shall be secured by a pledge, charge and first and prior lien upon Net Revenues, and Net Revenues sufficient to pay the Installment Payments as they become due and payable are hereby pledged, charged, assigned, transferred and set over by the City to the Corporation and its assigns for the purpose of securing payment of the Installment Payments. The Net Revenues shall constitute a trust fund for the security and payment of the Installment Payments.

(b) *Transfer to Pay Installment Payments.* In order to provide for the payment of Installment Payments when due, the City shall, on or before each Installment Payment Date, transfer to the Trustee for deposit into the Installment Payment Fund the amount indicated in Exhibit C attached hereto as required for the next occurring Interest Payment Date. Notwithstanding Exhibit C attached hereto, the City shall be obligated to make Installment Payments sufficient to pay all principal and interest due with respect to the Certificates.

(c) *Release from Lien.* Following the transfer described in paragraph (b) of this Section 4.06 with respect to the August 1 Installment Payment Date, Net Revenues in excess of amounts required for the payment of Installment Payments and any Parity Obligations in that Fiscal Year shall be released from the lien of this Installment Sale Agreement and shall be available for any lawful purpose of the City.

(d) *Limitation on Use of Net Revenues for Capital Improvements.* The City hereby agrees that Net Revenues shall not be applied for the payment of capital improvements relating to the Enterprise until such Net Revenues have been released from the lien of this Installment Sale Agreement as described in paragraph (c) of this Section 4.06.

Section 4.07. Rate Covenant.

(a) The City hereby covenants that it shall prescribe, revise and collect such charges for the services and facilities of the Enterprise which, after allowances for contingencies and error in the estimates, shall produce Gross Revenues sufficient in each Fiscal Year to provide Net Revenues equal to at least 1.25 times (i) the Installment Payments coming due and payable during such Fiscal Year, and (ii) all payments required with respect to Parity Obligations coming due in such Fiscal Year.

(b) If, in any Fiscal Year, charges for the services and facilities of the Enterprise which, after allowances for contingencies and error in the estimates, shall produce Gross Revenues insufficient in such Fiscal Year to provide Net Revenues equal to at least 1.25 times (i) the Installment Payments coming due and payable during such Fiscal Year, and (ii) all payments required with respect to Parity Obligations coming due in such Fiscal Year, the City covenants and agrees to notify the Trustee of such fact and to employ an independent consultant to make recommendations as to a revision of the rates, fees and charges of the Enterprise or the methods of operation of the Enterprise that will result in producing Net Revenues equal to at least 1.25 times (i) the Installment Payments coming due and payable during such Fiscal Year, and (ii) all payments required with respect to Parity Obligations.

(c) The City covenants and agrees that it shall, promptly upon its receipt of such recommendations from such consultant, subject to applicable requirements or restrictions imposed by law, and subject to a good faith determination of the City Council that such recommendations, in whole or in part, are in the best interests of the City, revise its rates, fees

and charges or its methods of operation or collections and shall take such other action as shall be in conformity with such recommendations. In the event that the City fails to comply with such recommendations, subject to the applicable requirements or restrictions imposed by law and to the determination of the City Council of the City that such recommendations are in the best interests of the City, the Corporation, or its assignee, may, in addition to the rights and remedies elsewhere set forth in this Installment Sale Agreement, and shall, upon the written request of the Owners of a majority in principal amount of the Certificates then Outstanding, and being indemnified to its satisfaction therefor, institute and prosecute an action or proceeding in a court of competent jurisdiction to compel the City to comply with the recommendations and requirements of this paragraph (c). If the City complies in all material respects with the reasonable recommendations of the consultant in respect to said rates, fees, charges and methods of operation or collection, the City will be deemed to have complied with the covenants described above notwithstanding that Net Revenues shall be less than the amount required under this Installment Sale Agreement for such Fiscal Year; provided, however, that such rates, fees, charges and methods of operation or collection shall produce Net Revenues equal to at least 100% of (i) the Installment Payments coming due and payable during such Fiscal Year, and (ii) all payments required with respect to Parity Obligations coming due in such Fiscal Year; provided further, that this sentence shall not be construed as in any way excusing the City from taking any action or performing any duty required under this Installment Sale Agreement or be construed as constituting a waiver of any other Event of Default.

Section 4.08. Limitations on Future Obligations Secured by Net Revenues.

(a) *No Obligations Superior to Installment Payments.* In order to protect further the availability of the Net Revenues and the security for the Installment Payments and any Parity Obligations, the City hereby agrees that the City shall not, so long as any Certificates are outstanding, issue or incur any obligations payable from Gross Revenues or Net Revenues superior to the Installment Payments or such Parity Obligations.

(b) *Parity Obligations.* The City further covenants that, except for obligations issued or incurred to prepay the Installment Payments in full pursuant to Section 10.02 hereof, the City shall not issue or incur any Parity Obligations unless:

(i) The City is not in default under the terms of this Installment Sale Agreement;

(ii) Net Revenues, calculated on sound accounting principles, as shown by the books of the City for the latest Fiscal Year or any more recent twelve (12) month period selected by the City ending not more than sixty (60) days prior to the adoption of the resolution pursuant to which instrument such Parity Obligations is issued or incurred, as shown by the books of the City, plus, at the option of the City, the additional allowance described below, shall have amounted to at least 1.25 times the sum of the maximum Installment Payments coming due and payable in any future Fiscal Year and the maximum annual debt service on all Parity Obligations outstanding immediately subsequent to the incurring of such additional obligations.

Either or both of the following items may be added to such Net Revenues for the purpose of applying the restriction contained in this subsection (b)(ii):

(A) An allowance for revenues from any additions to or improvements or extensions of the Enterprise to be constructed with the proceeds of such additional obligations, and also for net revenues from any such additions,

improvements or extensions which have been from moneys from any source but which, during all or any part of such Fiscal Year, were not in service, all in an amount equal to 70% of the estimated additional average annual Net Revenues to be derived from such additions, improvements and extensions for the first 36-month period following closing of the proposed Parity Obligations, all as shown by the certificate or opinion of a qualified independent consultant employed by the City, may be added to such Net Revenues for the purpose of applying the restriction contained in this subsection (b)(ii).

(B) An allowance for earnings arising from any increase in the charges made for service from the Enterprise which has become effective prior to the incurring of such additional obligations but which, during all or any part of such Fiscal Year, was not in effect, in an amount equal to 100% of the amount by which the Net Revenues would have been increased if such increase in charges had been in effect during the whole of such Fiscal Year and any period prior to the incurring of such additional obligations, as shown by the certificate or opinion of a qualified independent engineer employed by the City.

(iii) A reserve fund may, but shall not be required to be, funded for such Parity Obligations.

(iv) Interest with respect to such Parity Obligations shall be paid on the Installment Payment Dates.

(v) Principal with respect to such Parity Obligations shall be paid on August 1.

(c) *Subordinate Obligations.* The City further covenants that the City shall not issue or incur any Subordinate Obligations unless:

(i) Net Revenues, calculated on sound accounting principles, as shown by the books of the City for the latest Fiscal Year or any more recent twelve (12) month period selected by the City ending not more than sixty (60) days prior to the adoption of the resolution pursuant to which instrument such Subordinate Obligations is issued or incurred, as shown by the books of the City shall, after deducting all amounts required for the payment of Installment Payments and any Parity Obligations, have amounted to at least 1.00 times the sum of the maximum annual debt service on all Subordinate Obligations outstanding immediately subsequent to the incurring of such additional obligations. An allowance for earnings arising from any increase in the charges made for service from the Enterprise which has become effective prior to the incurring of such additional obligations but which, during all or any part of such Fiscal Year, was not in effect, may be added in an amount equal to 100% of the amount by which the Net Revenues would have been increased if such increase in charges had been in effect during the whole of such Fiscal Year and any period prior to the incurring of such additional obligations, as shown by the certificate or opinion of a qualified independent engineer employed by the City.

(ii) Interest with respect to such Subordinate Obligations shall be paid fifteen dates after the Interest Payment Dates.

(iii) Principal with respect to such Subordinate Obligations shall be paid on fifteen days after each August 1.

(d) *Calculating Debt Service on Variable Rate Debt.* For all purposes, variable rate indebtedness shall be assumed to bear interest at the highest of: (i) the actual rate on the date of calculation, or if the indebtedness is not yet outstanding, the initial rate (if established and binding), (ii) if the indebtedness has been outstanding for at least twelve months, the average rate over the twelve months immediately preceding the date of calculation, and (iii) (A) if interest on the indebtedness is excludable from gross income under the applicable provisions of the Code, the most recently published *Bond Buyer "Revenue Bond Index"* (or comparable index if no longer published) plus 50 basis points, or (B) if interest is not so excludable, the interest rate on direct U.S. Treasury Obligations with comparable maturities plus 50 basis points; provided, however, that for purposes of any rate covenant measuring actual debt service coverage during a test period, variable rate indebtedness shall be deemed to bear interest at the actual rate per annum applicable during the test period.

Section 4.09. Additional Payments. In addition to the Installment Payments, the City shall pay, from Net Revenues, when due the following Additional Payments:

(a) Any amounts due to the Trustee pursuant to the Trust Agreement for all services rendered under the Trust Agreement and for all reasonable expenses, charges, costs, liabilities, legal fees and other disbursements incurred in and about the performance of its powers and duties under the Trust Agreement.

(b) Any reasonable fees and expenses of such accountants, consultants, attorneys and other experts as may be engaged by the City, the Corporation or the Trustee to prepare audits, financial statements, reports, opinions or provide such other services required under this Installment Sale Agreement or the Trust Agreement.

(c) Any reasonable out-of-pocket expenses of the City in connection with the execution and delivery of this Installment Sale Agreement or the Trust Agreement, or in connection with the execution and delivery of the Certificates, including any and all expenses incurred in connection with the authorization, execution, sale and delivery of the Certificates, or incurred by the Corporation in connection with any litigation which may at any time be instituted involving this Installment Sale Agreement, the Trust Agreement, the Certificates or any of the other documents contemplated hereby or thereby, or incurred by the Corporation in connection with the Continuing Disclosure Certificate, or otherwise incurred in connection with the administration thereof.

(e) The City agrees to pay (i) in trust, any Insurer Advances (as more fully described in Article XIV of the Trust Agreement), (ii) any amounts owed to the Municipal Bond Insurer pursuant to Article XIV of the Trust Agreement and (iii) any other amounts payable to the Municipal Bond Insurer pursuant to the Trust Agreement. The City's obligation to pay such amounts shall expressly survive payment in full of the Certificates.

ARTICLE V
MAINTENANCE; TAXES; INSURANCE; AND
OTHER MATTERS

Section 5.01. Maintenance, Utilities, Taxes and Assessments. The City covenants to operate the Enterprise in an efficient and economical manner and operate, maintain and preserve the Enterprise in good repair and working order.

The City shall also pay or cause to be paid all taxes and assessments of any type or nature charged to the Corporation or the City or levied, assessed or charged against the Enterprise or the respective interests or estates therein; provided that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the City shall be obligated to pay only such installments as are required to be paid during the Term of the Installment Sale Agreement as and when the same become due. The City shall not be required to pay any federal, state or local income, inheritance, estate, succession, transfer, gift, franchise, gross receipts, profit, excess profit, capital stock, corporate, or other similar tax payable by the Corporation, its successors or assigns, unless such tax is made in lieu of or as a substitute for any real estate or other tax upon property.

The City may, at the City's expense and in its name, in good faith contest any such taxes, assessments, utility and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Corporation or the Municipal Bond Insurer shall notify the City that, in the opinion of Independent Counsel, by nonpayment of any such items, the interest of the Corporation in the Property will be materially endangered or the Property or any part thereof will be subject to loss or forfeiture, in which event the City shall promptly pay such taxes, assessments or charges or provide the Corporation and the Municipal Bond Insurer with full security against any loss which may result from nonpayment, in form satisfactory to the Corporation. The City shall provide the Corporation and the Municipal Bond Insurer with written notice of any such contest and shall provide such updates on the contest as the Corporation or the Municipal Bond Insurer may reasonably request.

Section 5.02. Modification of Project. The City shall, at its own expense, have the right to remodel the Project or to make additions, modifications and improvements thereto. All such additions, modifications and improvements shall thereafter comprise part of the Project and be subject to the provisions of this Installment Sale Agreement. Such additions, modifications and improvements shall not in any way damage the Project or cause it to be used for purposes other than those authorized under the provisions of state and federal law; and the Project, upon completion of any additions, modifications and improvements made pursuant to this Section 5.02, shall be of a value which is not substantially less than the value of the Project immediately prior to the making of such additions, modifications and improvements.

Section 5.03. Public Liability and Property Damage Insurance. The City shall maintain or cause to be maintained, throughout the Term of the Installment Sale Agreement, insurance policies, including a standard comprehensive general insurance policy or policies in protection of the City and the Trustee and the Municipal Bond Insurer and their respective members, officers, agents and employees. Said policy or policies shall provide for indemnification of said parties against direct or contingent loss or liability for damages for bodily and personal injury, death or property damage occasioned by reason of the construction or operation of the Enterprise (but only if such insurance is available at reasonable cost on the open market from

reputable insurance companies). Said policy or policies shall provide coverage in the minimum liability limits of \$1,000,000 for personal injury or death of each person and \$3,000,000 for personal injury or deaths of two or more persons in each accident or event, and in a minimum amount of \$250,000 (subject to a deductible clause of not to exceed \$300,000) for damage to property resulting from each accident or event. Such public liability and property damage insurance may, however, be in the form of a single limit policy in the amount of \$3,000,000 covering all such risks. Such liability insurance may be maintained as part of or in conjunction with any other liability insurance coverage carried by the City and may be maintained in the form of insurance maintained through a nonprofit public benefit corporation created for such purpose or in the form of self-insurance by the City. If the City shall maintain self-insurance, it shall supply to the Trustee a statement of sufficiency by an independent insurance consultant or the City's risk manager on an annual basis as described in Section 5.05 hereof. The Net Proceeds of such liability insurance shall be applied toward extinguishment or satisfaction of the liability with respect to which the insurance proceeds shall have been paid.

Section 5.04. Fire and Extended Coverage Insurance. The City shall procure and maintain, or cause to be procured and maintained, throughout the Term of the Installment Sale Agreement, insurance against loss or damage to any structures constituting any part of the Enterprise (excluding transmission and distribution pipelines and equipment in public and private rights-of-way) by fire and lightning, with extended coverage insurance. Such insurance shall be in an amount equal to the greater of 100% of the replacement cost of the Project or the then Outstanding principal amount of Certificates. Such insurance may be subject to a deductible clause of not to exceed ten percent of said replacement cost for any one loss. Such insurance may be maintained as part of or in conjunction with any other fire and extended coverage insurance carried or required to be carried by the City, and may be maintained in the form of insurance maintained through a nonprofit public benefit corporation created for such purpose or in the form of self-insurance by the City. If the City shall maintain self-insurance, it will supply to the Trustee a statement of sufficiency by an independent insurance consultant or the City's risk manager on an annual basis as described in Section 5.05 hereof. The Net Proceeds of such insurance shall be applied as provided in Section 6.01(a) hereof.

Section 5.05. Insurance Net Proceeds; Form of Policies. The insurance required by Section 5.04 hereof shall provide that all proceeds thereunder shall be payable to the Trustee as and to the extent required hereunder, shall name the Trustee and the Municipal Bond Insurer as an additional insured and shall be applied as provided in Section 6.01 hereof. Insurance must be provided by an insurer rated "A" or better by S&P or A.M. Best Company, unless waived by the Municipal Bond Insurer (and notified the Trustee in writing). The City shall pay or cause to be paid when due the premiums for all insurance policies required by this Installment Sale Agreement. All policies evidencing required insurance shall provide thirty (30) days' prior written notice to the Corporation, the City, the Trustee and the Municipal Bond Insurer of any cancellation, reduction in amount or material change in coverage. The Trustee shall not be responsible for the sufficiency of any insurance herein required, including any forms of self-insurance and shall be fully protected in accepting payment on account of such insurance or any adjustment, compromise or settlement of any loss. The City shall cause to be delivered annually on or before each July 1 to the Trustee and the Municipal Bond Insurer a certification, signed by a City Representative, stating compliance with the provisions of Sections 5.03 through 5.05 of this Installment Sale Agreement. The Trustee shall be entitled to rely on such certification without independent investigation. The City shall have the adequacy of any insurance reserves maintained by the City or by a nonprofit public benefit corporation, if applicable, for purposes of the insurance required by Sections 5.03 through 5.05 of this Installment Sale Agreement reviewed at least annually, on or before each July 1, by an independent insurance consultant

and shall maintain reserves in accordance with the recommendations of such consultant to the extent moneys are available for such purpose and not otherwise appropriated.

Section 5.06. Advances. If the City shall fail to perform any of its obligations under this Article V, the Corporation may, but shall not be obligated to, take such action as may be necessary to cure such failure, including the advancement of money, and the City shall be obligated to repay all such advances as soon as possible, with interest at the rate of interest with respect to the Certificates from the date of the advance to the date of repayment.

Section 5.07. Installation of City's Equipment. The City may at any time and from time to time, in its sole discretion and at its own expense, install or permit to be installed other items of equipment or other personal property in or upon the Project. All such items shall remain the sole property of the City, in which neither the Corporation nor the Trustee shall have any interest, and may be modified or removed by the City at any time provided that the City shall repair and restore any and all damage to the Project resulting from the installation, modification or removal of any such items. Nothing in this Installment Sale Agreement shall prevent the City from purchasing items to be installed pursuant to this Section 5.07 under a conditional sale or lease purchase contract, or subject to a vendor's lien or security agreement, as security for the unpaid portion of the purchase price thereof.

Section 5.08. Operation of the Enterprise. The City covenants to operate, or cause to be operated, the Enterprise in accordance with customary standards and practices applicable to similar facilities.

Section 5.09. Private Activity Bond Limitation. The City shall assure that proceeds of the Certificates are not so used as to cause the Certificates or the Installment Sale Agreement to satisfy the private business tests of section 141(b) of the Code or the private loan financing test of section 141(b) of the Code.

Section 5.10. Private Loan Financing Limitation. The City shall assure that proceeds of the Certificates are not so used as to cause the Certificates or the Installment Sale Agreement to satisfy the private loan financing test of section 141(c) of the Code.

Section 5.11. Federal Guarantee Prohibition. The City shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause any of the Certificates or the Installment Sale Agreement to be "federally guaranteed" within the meaning of section 149(b) of the Code.

Section 5.12. Maintenance of Tax-Exemption. The City and the Corporation shall take all actions necessary to assure the exclusion of interest with respect to the Certificates from the gross income of the Owners of the Certificates to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the Closing Date.

Section 5.13. Eminent Domain. Any amounts received as awards as a result of the taking of all or any part of the Enterprise by the lawful exercise of eminent domain, if and to the extent that such right can be exercised against such property of the City, shall either (a) be used for the acquisition or construction of improvements and extension or replacement facilities of the Enterprise, or (b) be applied to prepay or redeem the Installment Payments and any Parity Obligations, on a pro rata basis, in the manner provided in Section 10.03 herein and in the instruments authorizing such Parity Obligations.

If such eminent domain proceedings have had no effect, or at most an immaterial effect, upon the Net Revenues and the ability of the City to pay the Installment Payments under this Installment Sale Agreement and the Parity Obligations, and a Certificate of the City to such effect has been filed with the Corporation, then the City shall be permitted to deposit such proceeds in the Installment Payment Fund.

Section 5.14. Collection of Rates and Charges. The City will have in effect at all times by-laws, rules and regulations requiring each customer to pay the rates and charges applicable to the services and facilities furnished by the Enterprise to such land and providing for the billing thereof and for a due date and a delinquency date for each bill. In each case where such bill remains unpaid in whole or in part after it becomes delinquent, the City may discontinue such service from the Enterprise, and such service shall not thereafter be recommenced except in accordance with the City laws or rules and regulations governing such situations of delinquency.

ARTICLE VI

APPLICATION OF NET PROCEEDS

Section 6.01. Application of Net Proceeds.

(a) *From Insurance Award.* The Net Proceeds of any insurance award resulting from any damage to or destruction of the Project by fire or other casualty shall be deposited in the Insurance and Condemnation Fund by the Trustee promptly upon receipt thereof and, if the City Representative notifies the Trustee in writing of the City's determination that the replacement, repair, restoration, modification or improvement of the Project is not economically feasible or in the best interest of the City, then such Net Proceeds shall be promptly transferred by the Trustee to the Installment Payment Fund to be applied as provided in Section 10.03 hereof. All Net Proceeds deposited in the Insurance and Condemnation Fund and not so transferred shall be applied to the prompt replacement, repair, restoration, modification or improvement of the Project by the City, upon receipt of a requisition, signed by the City Representative stating with respect to each payment to be made (i) the requisition number, (ii) the name and address of the person, firm or corporation to whom payment is due, (iii) the amount to be paid and (iv) that each obligation mentioned therein has been properly incurred, is a proper charge against the Insurance and Condemnation Fund, has not been the basis of any previous withdrawal, and specifying in reasonable detail the nature of the obligation. Each such requisition of the City shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts. Any balance of the Net Proceeds remaining after such work has been completed shall be transferred to the Installment Payment Fund. The City covenants that it will commence such replacement, repair, restoration, modification or improvement or indicate that such replacement, repair, restoration, modification or improvement is not economically feasible within 180 days of receipt of such Net Proceeds.

(b) *From Eminent Domain Award.* The Net Proceeds of any eminent domain award shall be deposited in the Insurance and Condemnation Fund to be held and applied by the Trustee pursuant to Article VII of the Trust Agreement.

ARTICLE VII

DISCLAIMER OF WARRANTIES; ACCESS

Section 7.01. Disclaimer of Warranties. THE AUTHORITY MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR FITNESS FOR THE USE CONTEMPLATED BY THE CITY FOR THE PROJECT OR ANY ITEM THEREOF, OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE PROJECT OR ANY ITEM THEREOF. IN NO EVENT SHALL THE AUTHORITY AND ITS ASSIGNS BE LIABLE FOR INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES, IN CONNECTION WITH OR ARISING OUT OF THIS INSTALLMENT SALE AGREEMENT OR THE TRUST AGREEMENT FOR THE EXISTENCE, FURNISHING, FUNCTIONING OR CITY'S USE OF THE PROJECT.

Section 7.02. Access to the Enterprise and Records. To the extent permitted by law, the City agrees that the Corporation, any Corporation Representative, the Corporation's successors or assigns and the Municipal Bond Insurer, shall have the right at all reasonable times to enter upon and to examine and inspect the Enterprise. The City further agrees that the Corporation, any Corporation Representative, the Corporation's successors or assigns and the Municipal Bond Insurer, shall have such rights of access to the Enterprise as may be reasonably necessary to cause the proper maintenance of the Enterprise in the event of failure by the City to perform its obligations hereunder. In addition, the City agrees that the Corporation, any Corporation Representative, the Corporation's successors or assigns and the Municipal Bond Insurer, shall have the right at all reasonable times to inspect and examine all books, papers and records of the Corporation and the City pertaining to the Enterprise and the Certificates, to make copies thereof and to take non-privileged memoranda therefrom or with respect thereto as may be desired.

Section 7.03. Release and Indemnification Covenants. The City shall and hereby agrees to indemnify and save the Corporation, the Municipal Bond Insurer and the Trustee and their respective officers, agents, successors and assigns harmless from and against all claims, losses and damages, including legal fees and expenses, arising out of (a) the use, maintenance, condition or management of, or from any work or thing done on the Enterprise by the City, (b) any breach or default on the part of the City in the performance of any of its obligations under this Installment Sale Agreement, (c) any negligence or willful misconduct of the City or of any of its agents, contractors, servants, employees or licensees with respect to the Enterprise, (d) any act or negligence of any sublessee of the City with respect to the Enterprise, (e) the acquisition and construction of the Project or the authorization of payment of the Project Costs, (f) the performance by the Trustee of its duties and obligations under the Trust Agreement, (g) the presence on, under or about, or release from, the Enterprise of any substance, material or waste which is, or which becomes, regulated or classified as hazardous or toxic under State, federal or local law, or (h) the offer, sale and delivery of the Certificates. No indemnification is made under this Section 7.03 or elsewhere in this Installment Sale Agreement for adjudicated willful misconduct or negligence by the Corporation, the Municipal Bond Insurer or the Trustee, or their respective officers, employees, successors or assigns. The rights of the Trustee and the obligations of the City under this Section 7.03 shall survive the termination of this Installment Sale Agreement and the resignation or removal of the Trustee.

ARTICLE VIII

ASSIGNMENT, SALE AND AMENDMENT

Section 8.01. Assignment by the Corporation. The Corporation's right, title and interest in this Installment Sale Agreement, including the right to receive and enforce payment of the Installment Payments to be made by the City under this Installment Sale Agreement, have been assigned to the Trustee, subject to certain exceptions, pursuant to the Assignment Agreement, to which assignment the City hereby consents.

Section 8.02. Assignment, Sale and Disposition by the City. This Installment Sale Agreement may not be assigned by the City, and the Enterprise may not be sold by the City during the Term of this Installment Sale Agreement.

The City may lease the Project, or any portion thereof, subject to all of the following conditions:

(a) This Installment Sale Agreement and the obligation of the City to make Installment Payments hereunder shall remain obligations of the City;

(b) The City shall, within thirty (30) days after the delivery thereof, furnish or cause to be furnished to the Corporation, the Trustee and the Municipal Bond Insurer a true and complete copy of the documents accomplishing such lease;

(c) No such lease by the City shall cause the Enterprise to be used for a purpose other than a governmental or proprietary function authorized under the provisions of the Constitution and laws of the State; and

(d) No such lease shall cause the interest component of the Installment Payments to become subject to federal or State personal income taxes.

Section 8.03. Amendment of Installment Sale Agreement. The City and the Corporation shall have the right to modify or amend this Installment Sale Agreement without the consent of any of the Owners, but with the prior written consent of the Municipal Bond Insurer, or any of the owners of Parity Obligations, but only if such amendment or modification does not cause interest component of the Certificates to be includable in gross income for federal income tax purposes in the opinion of Special Counsel, and only if such amendment or modification does not materially adversely affect the interests of the Owners in the opinion of Special Counsel, and only if such amendment or modification is for any one or more of the following purposes:

(a) to provide for the issuance of Parity Obligations pursuant to Section 4.08(b);

(b) to add to the covenants and agreements of the City contained in this Installment Sale Agreement, other covenants and agreements thereafter to be observed, or to limit or surrender any rights or power herein reserved to or conferred upon the City;

(c) to cure any ambiguity, or to cure, correct or supplement any defective provision contained herein, or in any other respect whatsoever as the Corporation and the City may deem necessary or desirable; or

(d) to amend any provision thereof for the purpose of complying with the applicable requirements of the Code.

ARTICLE IX

EVENTS OF DEFAULT AND REMEDIES

Section 9.01. Events of Default Defined. The following shall be “events of default” under this Installment Sale Agreement and the terms “events of default” and “default” shall mean, whenever they are used in this Installment Sale Agreement, any one or more of the following events:

(a) Failure by the City to pay any Installment Payment by the Installment Payment Date or failure to make any other payment required to be paid hereunder at the time specified herein; or

(b) Failure by the City to observe and perform any covenant, condition or agreement on its part to be observed or performed in this Installment Sale Agreement or the Trust Agreement, other than as referred to in clause (a) of this Section 9.01, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied has been given to the City by the Corporation, the Trustee, the Municipal Bond Insurer or the Owners of not less than twenty-five percent (25%) in aggregate principal amount of Certificates then Outstanding; *provided, however*, if the failure stated in the notice cannot be corrected within the applicable period, the Corporation, the Trustee or such Owners, as applicable, shall not unreasonably withhold their consent to an extension of such time if corrective action is instituted by the City within the applicable period and diligently pursued until the default is corrected; or

(c) The filing by the City of a petition or answer seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or the approval by a court of competent jurisdiction of a petition filed with or without the consent of the City seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction assumes custody or control of the City or of the whole or any substantial part of its property; or

(d) An event of default shall have occurred and be continuing with respect to any Parity Obligations.

Section 9.02. Remedies on Default. Whenever any event of default referred to in Section 9.01 hereof shall have happened and be continuing, the Corporation shall have the right, at its option and without any further demand or notice, to:

(a) declare all principal components of the unpaid Installment Payments, together with accrued interest at the rate or rates specified in the respective Outstanding Certificates from the immediately preceding Installment Payment Date on which payment was made, to be immediately due and payable, whereupon the same shall become due and payable; and

(b) take whatever action at law or in equity may appear necessary or desirable to collect the Installment Payments then due or thereafter to become due during the Term of the Installment Sale Agreement, or enforce performance and observance of any obligation, agreement or covenant of the City under this Installment Sale Agreement.

Section 9.03. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Corporation is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Installment Sale Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Corporation to exercise any remedy reserved to it in this Article IX it shall not be necessary to give any notice, other than such notice as may be required in this Article IX or by law.

Section 9.04. Prosecution and Defense of Suits. The City shall promptly, upon request of the Corporation or its assignee, from time to time take or cause to be taken such action as may be necessary or proper to remedy or cure any defect in or cloud upon the title to the Project whether now existing or hereafter developing and shall prosecute all such suits, actions and other proceedings as may be appropriate for such purpose and, to the extent permitted by law, shall indemnify or cause to be indemnified the Corporation and its assignee for all loss, cost, damage and expense, including attorneys' fees, which they or any of them may incur by reason of any such defect, cloud, suit, action or proceedings.

To the extent permitted by law, the City shall defend, or cause to be defended, against every suit, action or proceeding at any time brought against the Corporation or its assignee upon any claim arising out of the receipt, application or disbursement of any of the Net Revenues or involving the rights or duties of the Corporation or its assignee under this Installment Sale Agreement or the Trust Agreement; provided, that the Corporation and its assignee at their election may appear in and defend any such suit, action or proceeding. The City shall indemnify or cause to be indemnified the Corporation and its assignee against any and all liability claimed or asserted by any person, arising out of such receipt, application or disbursement. Notwithstanding any contrary provision hereof, this covenant shall remain in full force and effect, even though all Installment Payments have been fully paid and satisfied, until a date which is three (3) years following the payment of the last of said Installment Payments.

Section 9.05. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Installment Sale Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

Section 9.06. Application of the Proceeds. The Trustee, as assignee of the Corporation, shall apply all amounts received under this Article IX as set forth in Section 2.07 of the Trust Agreement.

Section 9.07. Liability Limited to Net Revenues. Notwithstanding any provision of this Installment Sale Agreement, the City's liability to pay the Installment Payments and other amounts hereunder shall be limited solely to Net Revenues as provided in Sections 4.05 and 4.06 hereof. In the event that Net Revenues shall be insufficient at any time to pay an Installment Payment in full, the City shall not be liable to pay or prepay such Installment Payment other than from Net Revenues.

Section 9.08. Trustee and Certificate Owners to Exercise Rights. Such rights and remedies as are given to the Corporation under this Article IX have been assigned by the Corporation to the Trustee under the Assignment Agreement, to which assignment the City

hereby consents. Such rights and remedies shall be exercised by the Trustee and the Owners of the Certificates as provided in the Trust Agreement.

Section 9.09. Pro Rata Application of Net Revenues. If, at any time, there is a deficiency in Net Revenues available to pay the Installment Payments and any amounts due with respect to Parity Obligations, available Net Revenues shall be applied on a *pro rata* basis to the payment of such Installment Payments and to the payment of amounts due with respect to such Parity Obligations.

ARTICLE X

PREPAYMENT OF INSTALLMENT PAYMENTS

Section 10.01. Prepayment. The City shall have the right to prepay the Installment Payments, but only in the manner, at the times and in all respects in accordance with the provisions of this Article X.

Section 10.02. Optional Prepayment. Subject to the terms and conditions of this Section 10.02, the Corporation hereby grants an option to City to prepay the Installment Payments in full, by paying the total unpaid principal component of the Installment Payments as set forth in Exhibit C or in part, but not in an amount of less than \$5,000 or any integral multiple thereof, at any one time. Said option may be exercised with respect to Installment Payments due on and after August 1, ____, in whole or in part on any date on or after August 1, ____. Said option shall be exercised by City by giving written notice to the Corporation and the Trustee of the exercise of such option at least sixty (60) days prior to said Installment Payment Date. Such option shall be exercised in the event of prepayment in full, by depositing by the applicable date of prepayment listed below cash in the amount sufficient to pay the total unpaid principal component of the Installment Payments as set forth in Exhibit C on said Installment Payment Date, together with any Installment Payments then due but unpaid, or, in the event of prepayment in part, by depositing by the applicable date of prepayment listed below, an amount divisible by \$5,000 equal to the amount desired to be prepaid together with any Installment Payments then due but unpaid. The obligations to repay the Municipal Bond Insurer under Section 6.02 and Article XIV of the Trust Agreement shall survive prepayment.

Section 10.03. Mandatory Prepayment from Net Proceeds of Insurance or Condemnation. The City shall be obligated to prepay the Installment Payments in whole or in part on any Installment Payment Date, from and to the extent of any Net Proceeds of any insurance or condemnation award theretofore deposited in the Installment Payment Fund for such purpose pursuant to Section 6.01 hereof or pursuant to Section 4.01(b) of the Trust Agreement. The City and the Corporation hereby agree that such Net Proceeds shall be credited towards the City's obligations under this Section 10.03. Except in the case of such prepayment of the Installment Payments in full, such payment shall be in addition to the Installment Payment required to be paid by the City on such date.

Section 10.04. Credit for Amounts on Deposit. In the event the City elects or is required to prepay the Installment Payments in full under this Article X, such that the Trust Agreement shall be discharged by its terms as a result of such prepayment, all amounts then on deposit in the Installment Payment Fund or the Project Fund shall be credited towards the amounts required to be so prepaid.

Section 10.05. Security Deposit. Notwithstanding any other provision of this Installment Sale Agreement, the City may, on any date, secure the payment of Installment Payments by a deposit with the Trustee, as escrow holder under an escrow deposit and trust agreement as referenced in Section 13.01(d) of the Trust Agreement, of:

(a) in the case of a security deposit relating to all Installment Payments, either (i) an amount which, together with amounts on deposit in the Installment Payment Fund, is sufficient to pay all unpaid Installment Payments, including the principal and interest components thereof, in accordance with the Installment Payment schedule set forth in Exhibit C attached hereto, or (ii) Federal Securities, together with cash, if required, in such amount as will, in the

opinion of nationally-recognized bond counsel and of an independent certified public accountant, together with interest to accrue thereon and, if required, all or a portion of moneys or Federal Securities then on deposit in the Installment Payment Fund, be fully sufficient to pay all unpaid Installment Payments on their Installment Payment Date; or

(b) in the case of a security deposit relating to a portion of the Installment Payments both (i) a certificate executed by a City Representative designating the portion of the Installment Payments to which the deposit pertains, and (ii) cash or Federal Securities , in such amount as will, together with interest to be received thereon, if any, and an allocable portion of amounts on deposit in the Installment Payment Fund, be fully sufficient in the opinion of an independent certified public accountant, to pay the portion of the Installment Payments designated in the aforesaid City Representative's certificate.

In the event of a deposit pursuant to this Section 10.05, all obligations of the City under this Installment Sale Agreement pertaining to the portion of the Project for which the deposit has been made shall cease and terminate, excepting only the obligation of the City to make, or cause to be made, all Installment Payments, or the portion of Installment Payments to which the deposit pertains, from the deposit made by City pursuant to this Section 10.05. Said deposit shall be deemed to be and shall constitute a special fund for the payment of Installment Payments in accordance with the provisions of this Installment Sale Agreement; and further provided that any security deposit relating to the Project shall not affect the covenant of the City contained in Section 4.07 hereof in the event such security deposit is insufficient to pay or prepay all Installment Payments relating to the Project when and as the same become due and payable. Upon said deposit, the Corporation will execute or cause to be executed any and all documents as may be necessary to release the security provided hereby to the extent of such deposit.

ARTICLE XI
MISCELLANEOUS

Section 11.01. Notices. All written notices to be given under this Installment Sale Agreement shall be given by facsimile or by mail first class, postage prepaid, to the party entitled thereto at its address set forth below, or at such address as the party may provide to the other parties in writing from time to time. Any such notice shall be deemed to have been received 48 hours after deposit in the United States mail, with postage fully prepaid.

If to the Corporation: Porterville Public Improvement Corporation
c/o City of Porterville
291 North Main Street
Porterville, CA 93257
Attention: City Manager
Telephone: (559) 782-7466

If to the City: City of Porterville
291 North Main Street
Porterville, CA 93257
Attention: City Manager
Telephone: (559) 782-7466

If to the Trustee: U.S. Bank National Association
633 West Fifth Street, 24th Floor
Los Angeles, CA 90071
Attention: Global Corporate Trust
Telephone: (213) 615-6051

If to the Municipal Bond Insurer: _____

Attention: _____
Re: Policy No. ____ and Reserve Policy No. ____
Phone: (212) ____-____

The Corporation, the City, the Municipal Bond Insurer or the Trustee may, by written notice to the other parties, from time to time modify the address or number to which communications are to be given hereunder.

Section 11.02. Information to be Given to the Municipal Bond Insurer. In addition to the provisions of Section 14.01 of the Trust Agreement, to which the City acknowledges and agrees:

(a) The City shall provide the Municipal Bond Insurer with the following information:

 (i) the fiscal year budget of the City within thirty (30) days after adoption of such budget;

 (ii) not later than nine months after the end of the fiscal year, audited financial statements of the City prepared by an independent certified public accountant, together with a certificate of the City stating that no event of default has occurred or is continuing under this Installment Sale Agreement or the Trust Agreement;

(iii) prior to the incurrence of additional Parity Obligations, any disclosure document or financing agreement pertaining to such additional obligations, which disclosure document or financing agreement shall include, without limitation, the applicable maturity schedule, interest rate or rates, redemption and security provisions pertaining to any such additional obligations;

(iv) within thirty (30) days following any litigation or investigation that may have a material adverse effect on the financial position of the City of such litigation;

(v) immediate notice of any draw on the Reserve Fund to make delinquent Installment Payments;

(vi) notice of any Event of Default known to the City within five (5) Business Days after knowledge thereof;

(vii) prior notice of the advance refunding or redemption of any of the Certificates, including the principal amount, maturities and CUSIP numbers thereof;

(viii) notice of the resignation or removal of the Trustee and the appointment of, and acceptance of duties by, any successor thereto;

(ix) notice of the commencement of any proceeding by or against the Corporation or the City commenced under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "Insolvency Proceeding");

(x) notice of the making of any claim in connection with any insolvency proceeding seeking the avoidance as a preferential transfer of any payment of principal or interest with respect to the Certificates;

(xi) a full original transcript of all proceedings relating to the execution of any amendment, supplement, or waiver to the Trust Agreement and/or this Installment Sale Agreement; and

(xii) (A) all notices and other information the City is obligated to provide under its Continuing Disclosure Certificate and (B) all reports, notices and correspondence to be delivered to Owners under the terms of the Trust Agreement and/or this Installment Sale Agreement.

(b) The City will permit the Municipal Bond Insurer to discuss the affairs, finances and accounts of the City or any information the Municipal Bond Insurer may reasonably request regarding the security for the Installment Payments with appropriate officers of the City. The City will permit the Municipal Bond Insurer to have access to and to make copies of all books and records relating to the Certificates at any reasonable time upon reasonable notice on any Business Day.

The Municipal Bond Insurer shall have the right to direct an accounting, at the City's expense, and the City's failure to comply with such direction within thirty (30) days after receipt of written notice of the direction from the Municipal Bond Insurer shall be deemed an Event of Default hereunder; provided, however, that if compliance cannot occur within such period, then such period will be extended so long as compliance is begun within such period

and diligently pursued, but only if such extension would not materially adversely affect the interests of any Owner.

Section 11.03. Amendments Require the Municipal Bond Insurer Consent. This Installment Sale Agreement may not be amended or supplemented without the prior written consent of the Municipal Bond Insurer.

Section 11.04. Limitation on Additional Debt. Notwithstanding the satisfaction of the other conditions to the incurrence of Parity Obligations hereunder, no such incurrence may occur (a) if an Event of Default (or any event which, once all notice or grace periods have passed, would constitute an Event of Default) exists unless such default shall be cured upon such incurrence, and (b) unless the Reserve Fund is fully funded at the Reserve Requirement (including the proposed issue) upon the incurrence of such Parity Obligations, in either case unless otherwise permitted by the Municipal Bond Insurer.

Section 11.05. Municipal Bond Insurer as Third Party Beneficiary. To the extent that this Installment Sale Agreement confers upon or gives or grants to the Municipal Bond Insurer any right, remedy or claim under or by reason of this Installment Sale Agreement, the Municipal Bond Insurer is explicitly recognized as being a third party beneficiary hereunder and may enforce any such right, remedy or claim conferred, given or granted hereunder.

Section 11.06. Binding Effect. This Installment Sale Agreement shall inure to the benefit of and shall be binding upon the Corporation and the City and their respective successors and assigns.

Section 11.07. Severability. In the event any provision of this Installment Sale Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 11.08. Amendments, Changes and Modifications. Subject to the provisions of Section 8.03 hereof, this Installment Sale Agreement may be amended or any of its terms modified with the written consent of the City and the Corporation.

Section 11.09. Net Contract. This Installment Sale Agreement shall be deemed and construed to be a "net contract" and the City hereby agrees that the Installment Payments shall be an absolute net return to the Corporation, free and clear of any expenses, charges or set-offs whatsoever.

Section 11.10. Further Assurances and Corrective Instruments. The Corporation and the City agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Project hereby sold or intended so to be or for carrying out the expressed intention of this Installment Sale Agreement.

Section 11.11. Execution in Counterparts. This Installment Sale Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 11.12. Applicable Law. This Installment Sale Agreement shall be governed by and construed in accordance with the laws of the State.

Section 11.13. Corporation and City Representatives. Whenever under the provisions of this Installment Sale Agreement the approval of the Corporation or the City is required, or the Corporation or the City is required to take some action at the request of the other, such approval or such request shall be given for the Corporation by an Corporation Representative and for the City by a City Representative, and any party hereto shall be authorized to rely upon any such approval or request.

Section 11.14. Captions. The captions or headings in this Installment Sale Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provision, Article or Section of this Installment Sale Agreement.

IN WITNESS WHEREOF, the Corporation has caused this Installment Sale Agreement to be executed in its corporate name by its duly authorized officers; and the City has caused this Installment Sale Agreement to be executed in its name by its duly authorized officers, as of the date first above written.

PORTERVILLE PUBLIC IMPROVEMENT
CORPORATION

By _____
John D. Lollis
Executive Director

Attest:

Patrice Hildreth
Deputy Secretary

CITY OF PORTERVILLE

By _____
John D. Lollis
City Manager

Attest:

Patrice Hildreth
Chief Deputy City Clerk

EXHIBIT B
DESCRIPTION OF THE PROJECT

EXHIBIT C

SCHEDULE OF INSTALLMENT PAYMENTS

Installment Payment Date	Principal Component	Interest Component	Total Installment Payment
2/1/21			
8/1/21			
2/1/22			
8/1/22			
2/1/23			
8/1/23			
2/1/24			
8/1/24			
2/1/25			
8/1/25			
2/1/26			
8/1/26			
2/1/27			
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2/1/40			
8/1/40			
2/1/41			
8/1/41			
2/1/42			
8/1/42			
2/1/43			
8/1/43			
2/1/44			
8/1/44			
2/1/45			
8/1/45			

Installment Payment Date	Principal Component	Interest Component	Total Installment Payment
2/1/46			
8/1/46			
2/1/47			
8/1/47			
2/1/48			
8/1/48			
2/1/49			
8/1/49			
2/1/50			
8/1/50			
Total			

ASSIGNMENT AGREEMENT

by and between the

PORTERVILLE PUBLIC IMPROVEMENT CORPORATION, as Assignor

and

U.S. BANK NATIONAL ASSOCIATION, as Trustee

Dated as of January 1, 2021

(2020 Water System Financing Project)

ASSIGNMENT AGREEMENT

This ASSIGNMENT AGREEMENT, dated as of January 1, 2021, by and between the PORTERVILLE PUBLIC IMPROVEMENT CORPORATION, a nonprofit public benefit corporation organized and existing under the laws of the State of California (the "Corporation"), and U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, as trustee under the hereinafter defined Trust Agreement (the "Trustee");

W I T N E S S E T H :

In the joint and mutual exercise of their powers, in consideration of the mutual covenants herein contained, and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto recite and agree as follows:

Section 1. Recitals.

(a) The Corporation and the City of Porterville, California (the "City"), have entered into an installment sale agreement, by and between the Corporation and the City, dated as of January 1, 2021 (together with any amendments or supplements thereto, the "Installment Sale Agreement"), whereby the Corporation has agreed to sell to the City, and the City has agreed to purchase from the Corporation, certain improvements to the City's municipal water enterprise, as more particularly described in the Installment Sale Agreement (as amended or modified from time to time, the "Project"), in the manner and on the terms set forth in the Installment Sale Agreement.

(b) Under the Installment Sale Agreement, the Corporation is required to deposit or cause to be deposited with the Trustee certain moneys to be credited, held and applied in accordance with a trust agreement by and among the Trustee, the Corporation and the City, dated as of January 1, 2021 (together with any amendments or supplements thereto, the "Trust Agreement").

(c) Upon delivery of the Installment Sale Agreement and the deposit of moneys by the Corporation with respect thereto, the City is obligated to pay certain installment payments to the Corporation or its assignee. For the purpose of obtaining the moneys required to be deposited with the Trustee, the Corporation is willing to assign and transfer its right, title and interest under the Installment Sale Agreement to the Trustee for the benefit of the owners of the certificates of participation (the "Certificates") to be executed and delivered under the Trust Agreement, and in consideration of such assignment, the Trustee is executing and delivering the Certificates to the initial purchasers thereof, the proceeds of which sale are anticipated by the Corporation to be sufficient to provide the moneys required to be deposited by the Corporation pursuant to the Installment Sale Agreement.

(d) Each of the parties hereto has authority to enter into this Assignment Agreement and has taken all actions necessary to authorize its officers to enter into it.

(e) The capitalized terms used but not otherwise defined herein shall have the meanings ascribed thereto in the Installment Sale Agreement.

Section 2. Assignment. The Corporation, for good and valuable consideration, does hereby irrevocably assign and transfer to the Trustee, for the benefit of the Owners of the Certificates, all of its rights and interest in the Installment Sale Agreement (excepting only its

rights under Sections 5.06, 7.03 and 9.04 thereof), including, without limitation, its rights to receive and collect Installment Payments from City under the Installment Sale Agreement, its rights to the pledge of Net Revenues, the right to receive and collect any proceeds of any insurance maintained thereunder, or of any condemnation award rendered with respect to the Project and the right to exercise such rights and remedies as are conferred on the Corporation by the Installment Sale Agreement as may be necessary to enforce payment of the Installment Payments when due or otherwise to protect its interests in the event of a default by the City. The Installment Payments shall be applied, and the rights so assigned shall be exercised, by the Trustee as provided in the Trust Agreement for the benefit of the Owners of the Certificates.

Section 3. Acceptance. The Trustee hereby accepts such assignment in trust for the purpose of securing, equally and proportionately, such payments and rights to the Owners of the Certificates delivered pursuant to the Trust Agreement, all subject to the provisions of the Trust Agreement.

Section 4. Conditions. This Assignment Agreement shall confer no rights and impose no duties upon the Trustee beyond those expressly provided in the Trust Agreement. The Trustee does not warrant the accuracy of the recitals in Section 1 hereof.

IN WITNESS WHEREOF, the parties hereto have executed this Assignment Agreement by their officers thereunto duly authorized as of the day and year first written above.

PORTERVILLE PUBLIC IMPROVEMENT
CORPORATION, as Assignor

By _____
John D. Lollis
Executive Director

Attest:

Patrice Hildreth
Deputy Secretary

U.S. BANK NATIONAL ASSOCIATION, as
Assignee

By _____
Authorized Officer

TRUST AGREEMENT

Dated as of January 1, 2021

by and among

U.S. BANK NATIONAL ASSOCIATION, as Trustee,

the

PORTERVILLE PUBLIC IMPROVEMENT CORPORATION

and the

CITY OF PORTERVILLE

(2021 Water System Financing Project)

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EXHIBIT A - DEFINITIONS

EXHIBIT B - FORM OF CERTIFICATE OF PARTICIPATION

TRUST AGREEMENT

This TRUST AGREEMENT, dated as of January 1, 2021, by and among U.S. BANK NATIONAL ASSOCIATION, a national banking association duly organized and existing under the laws of the United States of America, as trustee (the "Trustee"), the PORTERVILLE PUBLIC IMPROVEMENT CORPORATION, a nonprofit public benefit corporation organized and existing under the laws of the State of California, as seller under the Installment Sale Agreement hereinafter referred to (the "Corporation"), and the CITY OF PORTERVILLE, a municipal corporation and chartered city organized and existing under the Constitution and laws of the State of California, as purchaser under said Installment Sale Agreement (the "City");

W I T N E S S E T H

WHEREAS, the City and the Corporation have entered into an installment sale agreement (the "Installment Sale Agreement"), dated as of the date hereof, whereby the Corporation has agreed to sell certain improvements (the "Project") to the City's municipal water enterprise to the City and the City has agreed to purchase the Project from the Corporation; and

WHEREAS, for the purpose of obtaining the moneys required to be deposited by it with the Trustee for financing the construction of the Project, the Corporation proposes to assign and transfer certain of its rights under the Installment Sale Agreement to the Trustee and, in consideration of such assignment and the execution of this Trust Agreement, the Trustee has agreed to execute and deliver certificates of participation, each evidencing a direct, undivided fractional interest in the Installment Payments and Prepayments (each as hereinafter defined) to be made by the City, to provide the moneys required herein to be deposited by the Corporation;

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, the parties hereto hereby agree as follows:

ARTICLE I

DEFINITIONS; AUTHORIZATION; EXHIBITS

Section 1.01. Definitions. Unless the context otherwise requires, the terms defined in Exhibit A attached hereto shall, for all purposes of this Trust Agreement, have the meanings therein specified.

Section 1.02. Authorization. Each of the parties hereby represents and warrants that it has full legal authority and is duly empowered to enter into this Trust Agreement and has taken all actions necessary to authorize the execution of this Trust Agreement by the officers and persons signing it.

Section 1.03. Content of Written Certificates. Every certificate provided for in this Trust Agreement with respect to compliance with any provision hereof, except the certificate of destruction pursuant to Section 15.07, shall include (a) a statement that the person making or giving such certificate or opinion has read such provision and the definitions herein relating thereto; (b) a brief statement as to the nature and scope of the examination or investigation upon which the certificate is based; (c) a statement that, in the opinion of such person, he has made or caused to be made such examination or investigation as is necessary to enable him to express an informed opinion with respect to the subject matter referred to in the instrument to which his signature is affixed; (d) a statement of the assumptions upon which such certificate is based, and that such assumptions are reasonable; and (e) a statement as to whether, in the opinion of such person, such provision has been complied with.

Any such certificate made or given by a City Representative may be based, insofar as it relates to legal or accounting matters, upon a certificate or opinion of or representation by counsel or an accountant, unless such City Representative knows, or in the exercise of reasonable care should have known, that the certificate, opinion or representation with respect to the matters upon which such certificate or statement may be based, as aforesaid, is erroneous. Any such certificate or opinion made or given by counsel or an accountant may be based, insofar as it relates to factual matters (with respect to which information is in the possession of the City, as the case may be) upon a certificate or opinion of or representation by a City Representative, unless such counsel or accountant knows, or in the exercise of reasonable care should have known, that the certificate or opinion or representation with respect to the matters upon which such person's certificate or opinion or representation may be based, as aforesaid, is erroneous. The same City Representative, or the same counsel or accountant, as the case may be, need not certify to all of the matters required to be certified under any provision of this Trust Agreement, but different officers, counsel or accountants may certify to different matters, respectively.

Section 1.04. Exhibits. The following Exhibits are attached to, and by this reference are made a part of, this Trust Agreement:

EXHIBIT A: DEFINITIONS

EXHIBIT B: FORM OF CERTIFICATE OF PARTICIPATION

ARTICLE II

THE CERTIFICATES OF PARTICIPATION

Section 2.01. Authorization. The Trustee is hereby authorized and directed upon written request from the Corporation to execute and deliver, to the Original Purchaser, Certificates in an aggregate principal amount of \$_____ dollars (\$_____) evidencing undivided fractional interests in the Installment Payments and the Prepayments.

Section 2.02. Date. Each Certificate shall be dated as of the Closing Date.

Section 2.03. Maturity; Interest Rates. The Certificates shall mature on August 15 in the years and in the principal amounts, and interest with respect thereto shall be computed at the rates, as shown below:

Maturity Date (August 15)	Principal Amount	Interest Rate
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Section 2.04. Interest. Interest with respect to the Certificates shall be payable semiannually on each Interest Payment Date, commencing August 15, 2021, to and including the date of final principal payment (or provision therefor pursuant to Section 15.01 hereof) or redemption, whichever is earlier, computed on the basis of a 360-day year comprised of twelve 30-day months. Said interest shall represent the portion of Installment Payments designated as interest and coming due during the six-month period preceding each Interest Payment Date with respect to the Certificates. The portion of Installment Payments designated as interest with respect to any Certificate shall be computed by multiplying the portion of Installment Payments designated as principal with respect to such Certificate by the rate of interest applicable to such Certificate.

Interest with respect to any Certificate shall be payable from the Interest Payment Date next preceding the date of execution thereof, unless (i) such Certificate is executed on an Interest Payment Date, in which event interest shall be payable from such Interest Payment Date, or (ii)

such Certificate is executed after the close of business on the first (1st) day of the month in which an Interest Payment Date falls and prior to such Interest Payment Date, in which event interest shall be payable from such Interest Payment Date, or (iii) such Certificate is executed on or before August 1, 2021, in which event interest shall be payable from the Closing Date; *provided, however*, that if at the time of execution of any Certificate, interest with respect thereto is in default, interest with respect thereto shall be payable from the Interest Payment Date to which interest has previously been paid or made available for payment. Payment of interest with respect to any Certificate shall be made to the person appearing on the registration books of the Trustee as the Owner thereof as of the first (1st) day of the month in which an Interest Payment Date falls, such interest to be paid by check or draft mailed by first class mail to such Owner at his address as it appears on such registration books.

Section 2.05. Form of Certificates; Legends. The Certificates shall be delivered in the form of fully registered Certificates, without coupons, in the denomination of \$5,000 each or any integral multiple thereof, except that no Certificate may have principal maturing in more than one year. The Certificates shall be numbered in such manner as the Trustee deems appropriate. The Certificates shall be substantially in the form set forth in Exhibit B attached hereto and by this reference incorporated herein. The Certificates may contain or have endorsed thereon such provisions, specifications and descriptive words not inconsistent with the provisions of this Trust Agreement as may be necessary or desirable to comply with custom, or otherwise.

Section 2.06. Execution. The Certificates shall be executed by and in the name of the Trustee, at the written direction of the Corporation, by the manual signature of an authorized signatory of the Trustee.

Section 2.07. Application of Proceeds. The proceeds received by the Trustee from the sale of the Certificates in the amount of \$_____ (being the principal amount of the Certificates of \$_____, less the underwriter's discount of \$_____ plus original issue premium of \$_____, less \$_____ paid by the underwriter to the Municipal Bonds Insurer, as an accommodation to the City, being the premium for the Municipal Bond Insurance Policy, and less \$_____ paid by the underwriter to the Municipal Bonds Insurer, as an accommodation to the City, being the premium for the Reserve Policy) shall forthwith be set aside by the Trustee in the following respective funds and accounts:

(a) The Trustee shall deposit in the Delivery Costs Fund an amount equal to \$_____; and

(b) The Trustee shall deposit the remainder of the proceeds (\$_____) in the Project Fund.

The Trustee may, in its discretion, establish a temporary fund or account in its books and records to facilitate such transfers.

Section 2.08. Transfer and Exchange.

(a) *Transfer of Certificates.* Any Certificate may, in accordance with its terms, be transferred upon the books required to be kept pursuant to the provisions of Section 2.12 hereof by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Certificate for cancellation, accompanied by delivery of a written instrument of transfer in a form approved by the Trustee, duly executed. Whenever any Certificate shall be surrendered for transfer, the Trustee shall deliver a new Certificate or Certificates of the same maturity, interest rate and aggregate principal amount to the transferee thereof. The Trustee

may require the payment by the Certificate Owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer.

No transfer of Certificates shall be required to be made during the fifteen (15) days prior to the date of selection of Certificates for redemption, or of any Certificate selected for redemption.

(b) *Exchange of Certificates.* Certificates may be exchanged at the Principal Corporate Trust Office, for a like aggregate principal amount of Certificates of other authorized denominations of the same maturity. The Trustee may require the payment by the Certificate Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

No exchange of Certificates shall be required to be made during the fifteen (15) days prior to the date of selection of Certificates for redemption, or of any Certificate selected for redemption.

Section 2.09. Certificates Mutilated, Lost, Destroyed or Stolen. If any Certificate shall become mutilated, the Trustee, at the expense of the Owner of said Certificate, shall execute and deliver a new Certificate of like maturity and principal amount in exchange and substitution for the Certificate so mutilated, but only upon surrender to the Trustee of the Certificate so mutilated. Every mutilated Certificate so surrendered to the Trustee shall be canceled by it and destroyed in accordance with Section 15.07 hereof, and the Trustee shall deliver a certificate of destruction to the City. If any Certificate shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence is satisfactory to the Trustee and if an indemnity satisfactory to the Trustee shall be given, the Trustee, at the expense of the Certificate Owner, shall execute and deliver a new Certificate of like tenor and maturity and numbered as the Trustee shall determine in lieu of and in substitution for the Certificate so lost, destroyed or stolen. The Trustee may require payment of an appropriate fee for each new Certificate delivered under this Section 2.09 and of the expenses which may be incurred by the Trustee in carrying out the duties under this Section 2.09. Any Certificate delivered under the provisions of this Section 2.09 in lieu of any Certificate alleged to be lost, destroyed or stolen shall be equally and proportionately entitled to the benefits of this Trust Agreement with all other Certificates secured by this Trust Agreement. The Trustee shall not be required to treat both the original Certificate and any substitute Certificate as being Outstanding for the purpose of determining the principal amount of Certificates which may be executed and delivered hereunder or for the purpose of determining any percentage of Certificates Outstanding hereunder; the Trustee shall consider only the substitute Certificate as Outstanding for such purpose. Notwithstanding any other provision of this Section 2.09, in lieu of delivering a new Certificate which has been mutilated, lost, destroyed or stolen, and which has matured, the Trustee may make payment with respect to such Certificate upon receipt of indemnity satisfactory to the Trustee.

Section 2.10. Payment. Except as otherwise provided herein, payment of interest due with respect to any Certificate on any Interest Payment Date shall be made to the person appearing on the Registration Books as the Owner thereof as of the Regular Record Date immediately preceding such Interest Payment Date, such interest to be paid by check or draft mailed on the Interest Payment Date by first class mail to such Owner at his address as it appears on the Registration Books as of such Regular Record Date or, upon written request filed with the Trustee prior to the Regular Record Date by an Owner of at least \$1,000,000 in aggregate principal amount of Certificates, by wire transfer in immediately available funds to an account in the United States designated by such Owner in such written request. Any such written request shall remain in effect until rescinded in writing by the Owner. The principal and

redemption price with respect to the Certificates at maturity or upon prior redemption shall be payable by check or draft denominated in lawful money of the United States of America upon surrender of the Certificates at the Principal Corporate Trust Office.

Section 2.11. Execution of Documents and Proof of Ownership. Any request, direction, consent, revocation of consent, or other instrument in writing required or permitted by this Trust Agreement to be signed or executed by Certificate Owners may be in any number of concurrent instruments of similar tenor, and may be signed or executed by such Owners in person or by their attorneys or agents appointed by an instrument in writing for that purpose, or by any bank, trust company or other depository for such Certificates. Proof of the execution of any such instrument, or of any instrument appointing any such attorney or agent, and of the holding and ownership of Certificates shall be sufficient for any purpose of this Trust Agreement (except as otherwise herein provided), if made in the following manner:

(a) The fact and date of the execution by any Owner or his attorney or agent of any such instrument and of any instrument appointing any such attorney or agent, may be proved by a certificate, which need not be acknowledged or verified, of an officer of any bank or trust company located within the United States of America, or of any notary public, or other officer authorized to take acknowledgments of deeds to be recorded in such jurisdictions, that the persons signing such instruments acknowledged before him the execution thereof. Where any such instrument is executed by an officer of a corporation or association or a member of a partnership on behalf of such corporation, association or partnership, such certificate shall also constitute sufficient proof of the authority of such officer or member.

(b) The fact of the holding of Certificates by any Owner and the amount, the maturity and the numbers of such Certificates and the date of his holding the same may be proved by reference to the Certificate Register maintained by the Trustee provided for in Section 2.12 hereof. The Trustee may conclusively assume that such ownership continues until transfer as provided in Section 2.08(a) hereof.

Nothing contained in this Article II shall be construed as limiting the Trustee to such proof, it being intended that the Trustee may accept any other evidence of the matters herein stated which the Trustee may deem sufficient. Any request or consent of the Owner of any Certificate shall bind every future Owner of the same Certificate in respect of anything done or suffered to be done by the Trustee in pursuance of such request or consent.

Section 2.12. Certificate Register. The Trustee will keep or cause to be kept, at the Principal Corporate Trust Office, sufficient books for the registration and transfer of the Certificates which shall be open at all reasonable times with reasonable prior notice during normal business hours of the Trustee to inspection by the City and the Corporation; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said books, Certificates as hereinbefore provided.

Section 2.13. CUSIP Numbers. The Trustee, the City and the Corporation shall not be liable for any defect or inaccuracy in the CUSIP number that appears on any Certificate or in any redemption notice. The Trustee may, in its discretion, include in any redemption notice a statement to the effect that the CUSIP numbers on the Certificates have been assigned by an independent service and are included in such notice solely for the convenience of the Owners and that neither the Trustee, the City nor the Corporation shall be liable for any inaccuracies in such numbers.

Section 2.14. Use of Depository. Notwithstanding any provision of this Trust Agreement to the contrary:

(a) At the request of the Original Purchaser, the Certificates shall be initially executed and delivered registered in the name of "Cede & Co.," as nominee of The Depository Trust Company, the depository designated by the Original Purchaser, and shall be evidenced by one Certificate maturing on each of the maturity dates set forth in Section 2.03 hereof to be in a denomination corresponding to the total principal therein designated to mature on such date. Registered ownership of such Certificates, or any portions thereof, may not thereafter be transferred except:

(i) to any successor of The Depository Trust Company or its nominee, or of any substitute depository designated pursuant to paragraph (ii) of this subsection (a) ("substitute depository"); provided that any successor of The Depository Trust Company or substitute depository shall be qualified under any applicable laws to provide the service proposed to be provided by it;

(ii) to any substitute depository designated in a written request of the City, upon (i) the resignation of The Depository Trust Company or its successor (or any substitute depository or its successor) from its functions as depository or (ii) a determination by the City that The Depository Trust Company or its successor is no longer able to carry out its functions as depository; provided that any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

(iii) to any person as provided below, upon (A) the resignation of The Depository Trust Company or its successor (or any substitute depository or its successor) from its functions as depository or (B) a determination by the City that The Depository Trust Company or its successor is no longer able to carry out its functions as depository; provided that no substitute depository which is not objected to by the City and the Trustee can be obtained.

(b) In the case of any transfer pursuant to paragraph (i) or paragraph (ii) of subsection (a) of this Section 2.14, upon receipt of all Outstanding Certificates by the Trustee, together with a written request of a City Representative to the Trustee, a single new Certificate shall be executed and delivered for each maturity of such Certificate then outstanding, registered in the name of such successor or such substitute depository or their nominees, as the case may be, all as specified in such written request of a City Representative. In the case of any transfer pursuant to paragraph (iii) of subsection (a) of this Section 2.14, upon receipt of all Outstanding Certificates by the Trustee together with a written request of a City Representative, new Certificates shall be executed and delivered in such denominations and registered in the names of such persons as are requested in a written request of the City provided the Trustee shall not be required to deliver such new Certificates within a period less than sixty (60) days from the date of receipt of such a written request of a City Representative.

(c) In the case of partial redemption or an advance refunding of any Certificates evidencing all of the principal maturing in a particular year, The Depository Trust Company shall, at the City's expense, deliver the Certificates to the Trustee for cancellation and re-registration to reflect the amounts of such reduction in principal.

(d) The City and the Trustee shall be entitled to treat the person in whose name any Certificate is registered as the absolute Owner thereof for all purposes of this Trust Agreement and any applicable laws, notwithstanding any notice to the contrary received by the Trustee or

the City and the City and the Trustee shall have no responsibility for the accuracy of any records maintained by DTC or any participant in DTC or transmitting payments to, communication with, notifying or otherwise dealing with any beneficial owners of the Certificates. Neither the City nor the Trustee will have any responsibility or obligations, legal or otherwise, to the beneficial owners or to any other party including The Depository Trust Company or its successor (or substitute depository or its successor), except for the registered owner of any Certificate.

(e) So long as all outstanding Certificates are registered in the name of Cede & Co. or its registered assign, the City and the Trustee shall reasonably cooperate with Cede & Co., as sole registered Owner, or its registered assign in effecting payment of the principal and redemption premium, if any, and interest due with respect to the Certificates by arranging for payment in such manner that funds for such payments are properly identified and are made immediately available on the date they are due.

(f) So long as all Outstanding Certificates are registered in the name of Cede & Co. or its registered assigns (hereinafter, for purposes of this paragraph (f), the "Owner"):

(i) All notices and payments addressed to the Owners shall contain the Certificates' CUSIP number.

(ii) Notices to the Owner shall be forwarded in the manner set forth in the form of Blanket Issuer Letter of Representations executed by the City and received and accepted by The Depository Trust Company.

ARTICLE III

PROJECT FUND; DELIVERY COSTS FUND

Section 3.01. Project Fund. The Trustee shall establish a special fund designated as the "Project Fund"; shall keep such fund separate and apart from all other funds and moneys held by the Trustee; and shall administer such fund as provided herein. There shall be deposited in the Project Fund the proceeds of sale of the Certificates required to be deposited therein pursuant to Section 2.07(b) hereof and any other funds from time to time deposited with the Trustee for such purpose.

Section 3.02. Payment of Project Costs.

(a) Amounts in the Project Fund shall be disbursed for Project Costs. Disbursements from the Project Fund shall be made by the Trustee upon receipt of a sequentially numbered requisition requesting disbursement executed by a City Representative. Each such requisition shall:

(i) set forth the amounts to be disbursed for payment or reimbursement of previous payments of Project Costs and the person or persons to whom said amounts are to be disbursed;

(ii) state that the amounts to be disbursed constitute Project Costs, that said amounts are required to be disbursed pursuant to a contract entered into therefor by or on behalf of the Corporation or the City, or were necessarily and reasonably incurred, and that said amounts are not being paid in advance of the time, if any, fixed for payment;

(iii) state that no amount set forth in the requisition was included in any requisition requesting disbursement previously filed with the Trustee pursuant to this Section 3.02;

(iv) state that there has been compliance with Section 5.09 of the Installment Sale Agreement relating to the private business use limitation and the private loan limitation;

(v) state that the amount remaining in the Project Fund, together with interest earnings thereon or deposited therein, will, after payment of the amount set forth in the requisition requesting disbursement, be sufficient to pay all remaining Project Costs as then estimated;

(vi) if such requisition relates to disbursement for a construction portion of the Project, state that (A) insofar as such requisition relates to payment for work, materials, equipment or supplies, such work was actually performed, or such materials, equipment or supplies were actually installed in furtherance of the construction of the Project or delivered to the appropriate site for such purpose, or delivered for storage or fabrication at a place approved by the City, and (B) that an identified percentage of the Project has been completed; and

(vii) if such requisition relates to payment to a contractor, state that no liens have been imposed on the Project as a result of said construction except liens that have not yet ripened or that would attach by operation of law.

The Trustee shall be responsible for the safekeeping and investment (in accordance with Section 8.02 hereof) of the moneys held in the Project Fund and the payment thereof in accordance with this Section 3.02, but the Trustee shall not be responsible for such requisitions.

Section 3.03. Delivery Costs Fund. The Trustee shall establish a special fund designated as the "Delivery Costs Fund"; shall keep such fund separate and apart from all other funds and moneys held by it; and shall administer such fund as provided herein. There shall be deposited in the Delivery Costs Fund the proceeds of sale of the Certificates required to be deposited therein pursuant to Section 2.07(a) hereof and any other funds from time to time deposited with the Trustee for such purpose and identified in writing to the Trustee.

Section 3.04. Payment of Delivery Costs.

(a) The moneys in the Delivery Costs Fund shall be disbursed by the Trustee to pay the Delivery Costs.

(b) The Trustee shall disburse moneys in the Delivery Costs Fund only upon a receipt of a sequentially numbered requisition, with bills, invoices or statements attached, signed by a City Representative setting forth the amounts to be disbursed for payment or reimbursement of Delivery Costs and the name and address of the person or persons to whom said amounts are to be disbursed, stating that the amounts to be disbursed are for Delivery Costs properly chargeable to the Delivery Costs Fund.

(c) The Trustee shall be responsible for the safekeeping and investment (in accordance with Section 8.02 hereof) of the moneys held in the Delivery Costs Fund and the payment thereof in accordance with this Section 3.04, but the Trustee shall not be responsible for such requisitions.

(d) Upon written notice from a City Representative that all Delivery Costs have been paid, but in no event later than March 30, 2021, the Trustee shall transfer any moneys then remaining in the Delivery Costs Fund to the Project Fund, the Delivery Costs Fund shall be closed and the Trustee shall no longer be obligated to make payments for Delivery Costs.

Section 3.05. Transfers of Unexpended Proceeds. The Trustee is hereby directed that all unexpended moneys remaining in the Project Fund and not identified in writing by a City Representative to be required for payment of Project Costs or other capital improvements to the Water System shall, on the date of notification by the City to the Trustee of completion of the Project, be transferred to the Installment Payment Fund and applied to pay the Installment Payments as the same become due and payable.

ARTICLE IV
REDEMPTION OF CERTIFICATES

Section 4.01. Redemption.

(a) *Generally.* The Certificates shall not be subject to redemption prior to maturity, except in the manner, at the times and in all respects in accordance with the provisions of this Article IV.

(b) *Redemption from Net Proceeds of Insurance and Condemnation.* The Certificates are subject to redemption in whole or in part on any Interest Payment Date from the Net Proceeds of any insurance or condemnation award deposited in the Installment Payment Fund and credited towards the Prepayment made by the City pursuant to Section 10.03 of the Installment Sale Agreement, at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium.

(c) *Optional Redemption.* In addition, Certificates maturing on or after August 15, ____, are subject to redemption in whole or in part on any date on or after August 15, ____, at the principal amount with respect thereto, together with accrued interest to the date fixed for redemption from the proceeds of optional Prepayments made by the City pursuant to the Installment Sale Agreement, without premium.

(d) *Mandatory Redemption.*

(i) The Certificates maturing on August 15, ____, are subject to mandatory redemption in part on August 15, ____, and on each August 15 thereafter to and including August 15, ____, from the principal components of scheduled Installment Payments required to be paid by the City pursuant to Section 4.04 of the Installment Sale Agreement with respect to each such redemption date, at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date fixed for redemption, without premium, as follows:

Year (August 15)	Principal Amount of Certificates to be Redeemed

†Maturity.

In the event that the Trustee shall redeem Certificates maturing on August 15, ____, in part but not in whole pursuant to subsections (b) or (c) of this Section 4.01, the amount of the Certificates to be redeemed in each subsequent year pursuant to this subsection (d)(i) shall be reduced to correspond to the principal components of the Installment Payments prevailing following such redemption as determined pursuant to Section 4.04(b) of the Installment Sale Agreement.

(ii) The Certificates maturing on August 15, ____, are subject to mandatory redemption in part on August 15, ____, and on each August 15 thereafter to and including August 15, ____, from the principal components of scheduled Installment

Payments required to be paid by the City pursuant to Section 4.04 of the Installment Sale Agreement with respect to each such redemption date, at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date fixed for redemption, without premium, as follows:

Year (August 15)	Principal Amount of Certificates to be Redeemed

†Maturity.

In the event that the Trustee shall redeem Certificates maturing on August 15, ____, in part but not in whole pursuant to subsections (b) or (c) of this Section 4.01, the amount of the Certificates to be redeemed in each subsequent year pursuant to this subsection (d)(i) shall be reduced to correspond to the principal components of the Installment Payments prevailing following such redemption as determined pursuant to Section 4.04(b) of the Installment Sale Agreement.

Section 4.02. Selection of Certificates for Redemption. Whenever provision is made in this Trust Agreement for the redemption of Certificates and less than all Outstanding Certificates are called for redemption, the Trustee shall select Certificates for redemption in any order of maturity selected by the City (and if not selected by the City, *pro rata* among maturities) and by lot within a maturity. The Trustee shall promptly notify the City and the Corporation in writing of the Certificates so selected for redemption. Upon the occurrence of a redemption in part, the maturities to be redeemed shall be subject to the approval of the Municipal Bond Insurer.

Section 4.03. Notice of Redemption. Notice of any such redemption shall be given by the Trustee on behalf and at the expense of the City by mailing a copy of a redemption notice by first class mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to such Owner of the Certificate or Certificates to be redeemed at the address shown on the Certificate Register maintained by the Trustee; *provided, however*, that neither the failure to receive such notice nor any defect in any notice shall affect the sufficiency of the proceedings for the redemption of the Certificates.

All notices of redemption shall be dated and shall state: (i) the redemption date, (ii) the redemption price, (iii) if less than all Outstanding Certificates are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Certificates to be redeemed, (iv) that on the redemption date the redemption price will become due and payable with respect to each such Certificate or portion thereof called for redemption, and that interest with respect thereto shall cease to accrue from and after said date, (v) the place where such Certificates are to be surrendered for payment of the redemption price, which place of payment shall be the Principal Corporate Trust Office.

Notwithstanding the foregoing, in the case of any optional redemption of the Certificates, the notice of redemption shall state that the redemption is conditioned upon receipt by the Trustee of sufficient moneys to redeem the Certificates on the anticipated redemption date, and that the optional redemption shall not occur if, by no later than the scheduled redemption date, sufficient moneys to redeem the Certificates have not been deposited with the Trustee. In the event that the Trustee does not receive sufficient funds by the scheduled optional

redemption date to so redeem the Certificates to be optionally redeemed, such event shall not constitute an Event of Default; the Trustee shall send written notice to the Owners and to an Information Services to the effect that the redemption did not occur as anticipated, and the Certificates for which notice of optional redemption was given shall remain Outstanding for all purposes of this Trust Agreement.

Notice of redemption having been given as aforesaid, the Certificates or portions of Certificates so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the City shall default in the payment of the redemption price) interest with respect to such Certificates or portions of Certificates shall cease to be payable. Upon surrender of such Certificates for redemption in accordance with said notice, such Certificates shall be paid by the Trustee at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Certificate, there shall be executed and delivered for the Owner a new Certificate or Certificates of the same maturity in the amount of the unredeemed principal. All Certificates which have been redeemed shall be canceled by the Trustee, shall not be reissued and shall be destroyed pursuant to Section 15.07.

In addition to the foregoing notice, notice shall be given by the Trustee by telecopy, registered, certified or overnight mail, to an Information Service on the date such notice is mailed to the Owners, which shall state the information set forth above, but no defect in said notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed above.

The Trustee shall have no responsibility for a defect in the CUSIP number that appears on any Certificate or in the redemption notice. The redemption notice may provide that the CUSIP numbers have been assigned by an independent service and are included in the notice solely for the convenience of Certificate Owners and that the Trustee and the City shall not be liable in any way for inaccuracies in said numbers.

Section 4.04. Partial Redemption of Certificate. Upon surrender of any Certificate redeemed in part only, the Trustee shall execute and deliver to the Owner thereof, at the expense of the City, a new Certificate or Certificates of authorized denominations equal in aggregate principal amount to the unredeemed portion of the Certificate surrendered and of the same interest rate and the same maturity.

Section 4.05. Effect of Notice of Redemption. Notice having been given as aforesaid, and the moneys for the redemption, including interest to the applicable Interest Payment Date and premium, if any, having been set aside in the Installment Payment Fund, the Certificates to be redeemed shall become due and payable on said Interest Payment Date, and, upon presentation and surrender thereof at the office or offices specified in said notice, said Certificates shall be paid at the unpaid principal amount with respect thereto, plus redemption premium, if any, and any unpaid and accrued interest to said Interest Payment Date.

If, on said Interest Payment Date, moneys for the redemption of all the Certificates to be redeemed, together with interest to said Interest Payment Date, shall be held by the Trustee so as to be available therefor on such Interest Payment Date, and, if notice of redemption thereof shall have been given as aforesaid, then, from and after said Interest Payment Date, interest with respect to the Certificates to be redeemed shall cease to accrue and become payable. If said moneys shall not be so available on said Interest Payment Date, interest with respect to such Certificates shall continue to be payable at the same rates as it would have been payable had the Certificates not been called for redemption. All moneys held by or on behalf of the Trustee for

the redemption of particular Certificates shall be held in trust for the account of the Owners of the Certificates so to be redeemed. The Trustee shall not be liable for any interest earned on the amounts so held.

ARTICLE V

INSTALLMENT PAYMENTS; INSTALLMENT PAYMENT FUND

Section 5.01. Assignment of Rights in Installment Sale Agreement. The Corporation has, pursuant to the Assignment Agreement, transferred, assigned and set over to the Trustee all of its rights, title and interest in the Installment Sale Agreement (excepting only its rights under Sections 5.06, 8.03 and 9.03 thereof), including but not limited to all of the Corporation's rights to receive and collect all of the Installment Payments, the Prepayments and all other amounts required to be deposited in the Installment Payment Fund pursuant to the Installment Sale Agreement or pursuant hereto. All Installment Payments, Prepayments and such other amounts which the Corporation may at any time be entitled to shall be paid directly to the Trustee and all Installment Payments collected or received by the Corporation shall be deemed to be held or to have been collected or received by the Corporation as agent of the Trustee.

Section 5.02. Establishment of Installment Payment Fund. The Trustee shall establish a special fund designated as the "Installment Payment Fund". All moneys at any time deposited by the Trustee in the Installment Payment Fund shall be held by the Trustee in trust for the benefit of the Owners of the Certificates. So long as any Certificates are Outstanding, neither the City nor the Corporation shall have any beneficial right or interest in the Installment Payment Fund or the moneys deposited therein, except only as provided in this Trust Agreement, and such moneys shall be used and applied by the Trustee as hereinafter set forth.

Section 5.03. Deposits. There shall be deposited in the Installment Payment Fund all Installment Payments and Prepayments received by the Trustee, including any moneys received by the Trustee for deposit therein pursuant to Sections 4.06, 5.05, 6.01 or Article X of the Installment Sale Agreement, and any other moneys required to be deposited therein pursuant to the Installment Sale Agreement or pursuant to this Trust Agreement.

Section 5.04. Application of Moneys. All amounts in the Installment Payment Fund shall be used and withdrawn by the Trustee solely for the purpose of paying principal, interest and redemption premiums (if any) with respect to the Certificates as the same shall become due and payable, in accordance with the provisions of Article II hereof.

Section 5.05. Surplus. Any surplus remaining in the Installment Payment Fund, after redemption and payment of all Certificates, including premiums, if any, and accrued interest (if any) and payment of any applicable fees, costs and expenses to the Trustee, or provision for such redemption or payment having been made to the satisfaction of the Trustee, shall be withdrawn by the Trustee and remitted to the City for deposit in the Water Fund of the City.

ARTICLE VI
RESERVE FUND

Section 6.01. Establishment of Reserve Fund. The Trustee shall establish a special fund designated as the "Reserve Fund." All moneys, equal to the Reserve Requirement, at any time on deposit in the Reserve Fund shall be held by the Trustee in trust for the benefit of the Owners of the Certificates and applied solely as provided herein.

Section 6.02. Deposits. On the Closing Date, the Reserve Policy shall be delivered to the Trustee by the Municipal Bond Insurer. The prior written consent of the Municipal Bond Insurer shall be a condition precedent to the deposit of any credit instrument (other than the Reserve Policy) provided in lieu of a cash deposit into the Reserve Fund. Notwithstanding anything to the contrary set forth in the Trust Agreement, amounts on deposit in the Reserve Fund shall be applied solely to the payment of principal and interest due with respect to the Certificates.

The Trustee shall, on or before each January 15 and July 15, value investments in the Reserve Fund at market value and transfer any moneys in the Reserve Fund then in excess of the Reserve Requirement; *provided, however*, that the Trustee shall not liquidate an investment to make such transfer of excess unless so directed in writing by a City Representative.

If, on any Interest Payment Date, the moneys available in the Installment Payment Fund do not equal the amount of the principal, interest and redemption premium (if any) with respect to the Certificates then coming due and payable, the Trustee shall apply the moneys available in the Reserve Fund to make delinquent Installment Payments by transferring the amount necessary for this purpose to the Installment Payment Fund or shall draw on the Reserve Policy and apply amounts received from such draw to make delinquent Installment Payments by transferring the amount necessary for this purpose to the Installment Payment Fund. To the extent there is cash or investments on deposit in the Reserve Fund, such cash or investments shall be applied first before there is any draw on the Reserve Policy or any other credit facility credited to the Reserve Fund in lieu of cash (a "Credit Facility"). Payment of any Reserve Policy Costs (as defined below) shall be made prior to replenishment of any such cash amounts. Draws on all Credit Facilities (including the Reserve Policy) on which there is available coverage shall be made on a pro rata basis (calculated by reference to the coverage then available thereunder) after applying all available cash and investments in the Reserve Fund. Payment of Reserve Policy Costs and reimbursement of amounts with respect to other Credit Facilities shall be made on a pro rata basis prior to replenishment of any cash drawn from the Reserve Fund. For the avoidance of doubt, "available coverage" means the coverage then available for disbursement pursuant to the terms of the applicable alternative credit instrument without regard to the legal or financial ability or willingness of the provider of such instrument to honor a claim or draw thereon or the failure of such provider to honor any such claim or draw. Upon receipt of any delinquent Installment Payment with respect to which moneys have been advanced from the Reserve Fund or there has been a draw on the Reserve Policy, such Installment Payment shall be deposited in the Reserve Fund to the extent of such advance and first applied to reimburse a draw on the Reserve Policy and then to replenish any cash drawn therefrom. If the interest provisions of this paragraph shall result in an effective rate of interest which, for any period, exceeds the limit of the usury or any other laws applicable to the indebtedness created in the Trust Agreement, then all sums in excess of those lawfully collectible as interest for the period in question shall, without further agreement or notice between or by any party to the Trust Agreement, be applied as additional interest for any later periods of time when amounts are outstanding under the Trust Agreement to the extent that

interest otherwise due under the Trust Agreement for such periods plus such additional interest would not exceed the limit of the usury or such other laws, and any excess shall be applied upon principal immediately upon receipt of such moneys by the Municipal Bond Insurer, with the same force and effect as if the City had specifically designated such extra sums to be so applied and the Municipal Bond Insurer had agreed to accept such extra payment(s) as additional interest for such later periods. In no event shall any agreed-to or actual exaction as consideration for the indebtedness created in the Trust Agreement exceed the limits imposed or provided by the law applicable to this transaction for the use or detention of money or for forbearance in seeking its collection

The Trustee shall ascertain the necessity for a claim upon the Reserve Policy and to provide notice to the Municipal Bond Insurer in accordance with the terms of the Reserve Policy at least five (5) business days prior to each date upon which interest or principal is due with respect to the Certificates.

The City agrees to repay any draws under the Reserve Policy and pay all related reasonable expenses incurred by the Municipal Bond Insurer. Interest shall accrue and be payable on such draws and expenses from the date of payment by the Municipal Bond Insurer at the Late Payment Rate.

Repayment of draws and payment of expenses and accrued interest thereon at the Late Payment Rate (collectively, "Reserve Policy Costs") shall commence in the first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12 of the aggregate of Reserve Policy Costs related to such draw.

Amounts in respect of Reserve Policy Costs paid to the Municipal Bond Insurer shall be credited first to interest due, then to the expenses due and then to principal due. As and to the extent that payments are made to the Municipal Bond Insurer on account of principal due, the coverage under the Reserve Policy will be increased by a like amount, subject to the terms of the Reserve Policy.

If the City shall fail to pay any Reserve Policy Costs in accordance with the requirements of the Trust Agreement, the Municipal Bond Insurer shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided under the Trust Agreement, other than (i) acceleration of the maturity of the Certificates, or (ii) remedies which would adversely affect Owners.

The City shall include any Reserve Policy Costs then due and owing the Municipal Bond Insurer in the calculation of the additional Parity Obligations test and the rate covenant in the Installment Sale Agreement.

Neither the Trust Agreement nor the Installment Agreement shall be discharged until all amounts due to the Municipal Bond Insurer shall have been paid in full. The City's obligation to pay such amounts shall expressly survive payment in full of the Certificates.

Section 6.03. Transfers of Excess. The Trustee shall, on or before each January 15 and July 15, value investments in the Reserve Fund at market value and transfer any moneys in the Reserve Fund then in excess of the Reserve Requirement in accordance with Section 8.02; *provided, however*, that the Trustee shall not liquidate an investment to make such transfer of excess unless so directed in writing by a City Representative. The Trustee shall transfer any amount in excess of such sum to the Installment Payment Fund to be applied as a credit against amounts owed by the City for the payment of Installment Payments on each Installment Payment Date thereafter, until depleted.

Section 6.04. Application in Event of Deficiency in the Installment Payment Fund. If, on any Interest Payment Date, the moneys on deposit in the Reserve Fund and the Installment Payment Fund (excluding amounts required for payment of principal and interest with respect to Certificates not presented for payment) are sufficient to pay all Outstanding Certificates, including all principal and interest, the Trustee shall transfer all amounts then on deposit in the Reserve Fund to the Installment Payment Fund to be applied to the payment of the Installment Payments, and such moneys shall be distributed to the Owners of Certificates in accordance with the Trust Agreement. Any amounts remaining in the Reserve Fund upon payment in full of all Outstanding Certificates and all amounts due the Municipal Bond Insurer and the Trustee under the Trust Agreement, or upon provision for such payment as provided in the Trust Agreement, shall be withdrawn by the Trustee and paid to the City.

Section 6.05. Transfer To Make All Installment Payments. If, on any Interest Payment Date, the moneys on deposit in the Reserve Fund and the Installment Payment Fund (excluding amounts required for payment of principal and interest with respect to Certificates not presented for payment) are sufficient to pay all Outstanding Certificates, including all principal and interest, the Trustee shall transfer all amounts then on deposit in the Reserve Fund to the Installment Payment Fund to be applied to the payment of the Installment Payments, and such moneys shall be distributed to the Owners of Certificates in accordance with Article II and IV of this Trust Agreement. Any amounts remaining in the Reserve Fund upon payment in full of all Outstanding Certificates and all amounts due the Trustee hereunder, or upon provision for such payment as provided in Section 15.01, shall be withdrawn by the Trustee and paid to the City.

ARTICLE VII

INSURANCE AND CONDEMNATION FUND; INSURANCE; EMINENT DOMAIN

Section 7.01. Establishment of Insurance and Condemnation Fund. Any Net Proceeds of insurance against accident to or destruction of any structure constituting any part of the Project collected by the City in the event of any such accident or destruction shall be transferred by the City to the Trustee pursuant to Section 6.01 of the Installment Sale Agreement and the Trustee shall deposit such moneys in a special fund designated as the "Insurance and Condemnation Fund" to be applied and disbursed by the Trustee as provided in Section 6.01(a) of the Installment Sale Agreement.

Section 7.02. Application of Net Proceeds of Eminent Domain Award. If all or any part of the Project shall be taken by eminent domain (or sold to a government threatening to exercise the power of eminent domain) the Net Proceeds therefrom shall be transferred by the City to the Trustee for deposit in the Insurance and Condemnation Fund pursuant to Section 6.01(b) of the Installment Sale Agreement and shall be applied and disbursed by the Trustee as follows:

(a) If the City determines that such eminent domain proceedings have not materially affected the operation of the Project, or the ability of the City to meet any of its obligations under the Installment Sale Agreement, and if the City determines that such proceeds are: (i) not needed for repair, replacement or rehabilitation of the Project, upon receipt of a written certificate from the City the Trustee shall transfer such proceeds to the Installment Payment Fund to be credited towards the Prepayments required to be paid pursuant to Section 10.03 of the Installment Sale Agreement and applied to the redemption of Certificates in the manner provided in Article IV hereof, or (ii) needed for repair or rehabilitation of the Project, upon receipt of a written certificate from the City the Trustee shall pay to the City, or to its order, from said proceeds such amounts as the City may expend for such repair or rehabilitation, upon the filing with the requisitions of the City Representative, substantially in the form described in Section 3.02 in connection with the payment of Project Costs.

(b) If (i) less than all of the Project shall have been taken in such eminent domain proceedings, and if the City determines that such eminent domain proceedings have materially affected the operation of the Project or the ability of the City to meet any of its obligations under the Installment Sale Agreement or (ii) all of the Project shall have been taken in such eminent domain proceedings, then upon receipt of written instruction from the City the Trustee shall transfer such proceeds to the Installment Payment Fund to be credited toward the Prepayment required to be paid pursuant to Section 10.03 of the Installment Sale Agreement and applied to the redemption of Certificates in the manner provided in Article IV hereof.

Section 7.03. Excess Net Proceeds. After all of the Certificates have been retired and the entire amount of principal, interest and any redemption premiums with respect to the Certificates and any remaining fees and expenses of the Trustee have been paid in full, the Trustee shall transfer any remaining funds to the City.

Section 7.04. Cooperation. The Corporation shall cooperate with the City at the expense of the City in filing any proof of loss with respect to any insurance policy maintained pursuant to Article V of the Installment Sale Agreement and in the prosecution or defense of any prospective or pending condemnation proceeding with respect to the Project or any part thereof.

ARTICLE VIII

MONEYS IN FUNDS; INVESTMENT

Section 8.01. Held in Trust. The moneys and investments held by the Trustee under this Trust Agreement are irrevocably held in trust for the benefit of the Owners of the Certificates, and for the purposes herein specified, and such moneys, and any income or interest earned thereon, shall be expended only as provided in this Trust Agreement, and shall not be subject to levy or attachment or lien by or for the benefit of any creditor of either the Corporation, the Trustee (except as provided in Section 8.03 below) or the City or any Owner of Certificates, or any of them until after the Certificates have been paid in full.

Section 8.02. Investments Authorized. Moneys held by the Trustee hereunder with respect to a City shall, upon written order of a City Representative received by the Trustee at least two (2) Business Days prior to investment, be invested and reinvested by the Trustee in Permitted Investments. If a City Representative shall fail to so direct investments, the Trustee shall invest the affected moneys in Permitted Investments described in paragraph (g) of the definition thereof; *provided, however*, that any such investment shall be made by the Trustee only if, prior to the date on which such investment is to be made, the Trustee shall have received a written direction from the City specifying a specific money market fund and, if no such a written direction from the City is so received, the Trustee shall hold such moneys uninvested. Such investments, if registrable, shall be registered in the name of and held by the Trustee or its nominee. The Trustee may purchase or sell to itself or any affiliate, as principal or agent, investments authorized by this Section 8.02. Such investments and reinvestments shall be made giving full consideration to the time at which funds are required to be available. Investments, if registrable, shall be registered in the name of and held by the Trustee or its nominee. The Trustee may purchase or sell to itself or any affiliate, as principal or agent, investments authorized by this Section 8.02. Such investments and reinvestments shall be made giving full consideration to the time at which funds are required to be available. The Trustee or any of its affiliates may act as principal or agent in the making or disposing of any investment. The Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with this Article VIII. The Trustee shall be entitled to rely conclusively upon the written instructions of a City Representative directing investments as to the fact that each investment is permitted by the laws of the State and constitutes a Permitted Investment hereunder, and the Trustee shall not be required to make further investigation with respect thereto. To the extent that any of the requirements concerning any Permitted Investment embodies a legal conclusion, the Trustee shall be entitled to conclusively rely upon a certificate from the appropriate party or an opinion of counsel to such party that such requirement has been met.

The City acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the City the right to receive brokerage confirmations of security transactions as they occur, the City specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the City periodic cash transaction statements which include detail for all investment transactions made by the Trustee hereunder.

Section 8.03. Accounting. The Trustee shall furnish to the City a monthly accounting in statement form of all investments, transactions and disbursements made by the Trustee. The Trustee may commingle, at its sole discretion, any of the funds held by it pursuant to this Trust Agreement into a separate fund or funds for investment purposes only; *provided, however*, that all funds or accounts held by the Trustee hereunder shall be accounted for separately notwithstanding such commingling by the Trustee.

Section 8.04. Allocation of Earnings. All interest or income received by the Trustee on investment of the Installment Payment Fund shall, prior to completion of the Project, be transferred to the Project Fund and thereafter shall be retained in the Installment Payment Fund and be applied as a credit against Installment Payments. All interest or income in the Project Fund shall be retained in the Project Fund until the Project Fund is closed pursuant to Section 3.05 hereof. All interest or income in the Delivery Costs Fund shall be retained in the Delivery Costs Fund until the Delivery Costs Fund is closed pursuant to Section 3.04 hereof.

Section 8.05. Acquisition, Disposition and Valuation of Investments.

(a) Except as otherwise provided in subsection (b) of this Section 8.05, the City covenants that all investments of amounts deposited in any fund or account created by or pursuant to this Trust Agreement, or otherwise containing gross proceeds of the Certificates (within the meaning of section 148 of the Code) shall be acquired, disposed of, and valued (as of the date that valuation is required by this Trust Agreement or the Code) at Fair Market Value.

(b) Investments in funds or accounts (or portions thereof) that are subject to a yield restriction under applicable provisions of the Code; provided that the City shall inform the Trustee which funds are subject to a yield restriction.

(c) For the purpose of determining the amount in any fund, the value of Permitted Investments credited to such fund shall be valued by the Trustee at least semiannually at the market value thereof. The Trustee may sell or present for prepayment, any Permitted Investment so purchased by the Trustee whenever it shall be necessary in order to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund to which such Permitted Investment is credited, and the Trustee shall not be liable or responsible for any loss resulting from any such Permitted Investment.

ARTICLE IX
THE TRUSTEE

Section 9.01. Appointment of Trustee. The Trustee is hereby appointed trustee, registrar and paying agent by the Corporation and the City for the purpose of receiving all moneys required to be deposited with the Trustee hereunder and to allocate, use and apply the same as provided in this Trust Agreement. The Corporation and the City agree that they will maintain a Trustee which shall be a corporation or association organized and doing business under the laws of any state of the United States of America or the District of Columbia or under federal law of the United States, authorized under such laws to exercise corporate trust powers, which shall have (or, in the case of a corporation included in a bank holding company system, the related bank holding company shall have) a combined capital and surplus of at least fifty million dollars (\$50,000,000), and subject to supervision or examination by federal or State authority, so long as any Certificates are Outstanding. If such corporation or association publishes a report of condition at least annually pursuant to law or to the requirements of any supervising or examining authority above referred to then for the purpose of this Section 9.01, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section 9.01, the Trustee shall resign immediately in the manner and with the effect specified in Section 9.07.

The Trustee is hereby authorized to pay the Certificates when duly presented for payment at maturity, or on redemption and to cancel all Certificates upon payment thereof. The Trustee shall keep records in accordance with corporate trust industry standards of all funds administered by it and of all Certificates paid and discharged. The Trustee shall be compensated for its services rendered pursuant to the provisions of this Trust Agreement.

Section 9.02. Acceptance of Trusts. The Trustee hereby accepts the trusts imposed upon it by this Trust Agreement and agrees to perform said trusts, but only upon and subject to the following express terms and conditions:

The Trustee, prior to the occurrence of an Event of Default and after the curing or waiver of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Trust Agreement and no implied duties or obligations, fiduciary or otherwise, shall be read into this Trust Agreement against the Trustee. In case an Event of Default has occurred (which has not been cured or waived) the Trustee may exercise such of the rights and powers vested in it by this Trust Agreement and shall use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

No provision in this Trust Agreement shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers. The Trustee shall be entitled to interest on any amounts advanced at its or of its affiliates' prime rate then in effect plus two percent (2%).

The Trustee may execute any of the trusts or powers hereof and perform the duties required of it hereunder either directly or by or through attorneys or agents and shall be entitled to advice of counsel concerning all matters of trust and its duty hereunder. The Trustee shall not be liable for any action taken or not taken in reliance upon the opinion or advice of counsel.

The Trustee shall not be responsible for any recital herein, in the Assignment Agreement or in the Certificates, or for any of the supplements thereto or instruments of further assurance, or for the sufficiency of the security for the Certificates delivered hereunder or intended to be secured hereby and the Trustee shall not be bound to ascertain or inquire as to the observance or performance of any covenants, conditions or agreements on the part of the Corporation or the City hereunder or under the Installment Sale Agreement.

The Trustee shall not be accountable for the use of any Certificates delivered hereunder or the proceeds thereof. The Trustee, in its individual or any other capacity, may become the Owner or pledgee of Certificates secured hereby with the same rights which it would have if it were not the Trustee; may acquire and dispose of other bonds or evidence of indebtedness of the City with the same rights it would have if it were not the Trustee; and may act as a depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Owners of Certificates, whether or not such committee shall represent the Owners of the majority in principal amount of the Certificates then Outstanding.

In the absence of bad faith on its part, the Trustee shall be protected in acting or refraining from acting upon any notice, request, consent, requisition, Written Certificate, order, affidavit, letter, telegram or other paper or document, whether received by mail, telecopy or personal delivery, reasonably believed by it to be genuine and to have been signed or sent by the proper person or persons. The Trustee shall not be responsible for the representations made in requisitions and may conclusively rely thereon and shall be under no duty to investigate or verify any statements made therein. Any action taken or omitted to be taken by the Trustee in good faith pursuant to this Trust Agreement upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the Owner of any Certificate, shall be conclusive and binding upon all future Owners of the same Certificate and upon Certificates executed and delivered in exchange therefor or in place thereof. The Trustee shall not be bound to recognize any person as an Owner of any Certificate or to take any action at his request unless such Certificate shall be deposited with the Trustee or satisfactory evidence of the ownership of such Certificate in accordance with the terms of this Trust Agreement shall be furnished to the Trustee.

As to the existence or non-existence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee shall be entitled to rely upon a Written Certificate signed by an Corporation Representative or a City Representative as sufficient evidence of the facts therein contained and except during the existence of an Event of Default of which the Trustee has been given notice or is deemed to have notice as provided in Section 9.02(i), shall also be at liberty to accept a similar Written Certificate to the effect that any particular dealing, transaction or action is necessary or expedient. The Trustee may accept a Written Certificate of an Corporation Representative or a City Representative to the effect that an authorization in the form therein set forth has been adopted by the Corporation or the City, as the case may be, as conclusive evidence that such authorization has been duly adopted, and is in full force and effect.

The permissive right of the Trustee to do things enumerated in this Trust Agreement shall not be construed as a duty and it shall not be answerable for other than its negligence or willful misconduct. The immunities and exceptions from liability of the Trustee shall extend to its officers, directors, employees, agents and attorneys.

The Trustee shall not be required to take notice or be deemed to have notice of any Event of Default hereunder except failure by the City to make any of the Installment Payments

to the Trustee required to be made by the City pursuant to the Installment Sale Agreement, unless the Trustee shall be specifically notified in writing of such default by the Corporation, the City or by the Owners of at least twenty-five percent (25%) in aggregate principal amount of Certificates then Outstanding and all notices or other instruments required by this Trust Agreement to be delivered to the Trustee must, in order to be effective, be delivered at the Principal Corporate Trust Office, and in the absence of such notice so delivered the Trustee may conclusively assume there is no Event of Default except as aforesaid.

The Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises.

Notwithstanding anything elsewhere in this Trust Agreement with respect to the execution of any Certificates, the withdrawal of any cash, the release of any property, or any action whatsoever within the purview of this Trust Agreement, the Trustee shall have the right, but shall not be required, to demand any showings, Written Certificates, opinions, appraisals or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required as a condition of such action, by the Trustee deemed desirable for the purpose of establishing the right of the City to the withdrawal of any cash, or the taking of any other action by the Trustee.

All moneys received by the Trustee shall, until used or applied or invested as herein provided, be held in trust for the purposes for which they were received but need not be segregated from other funds except to the extent required by law. The Trustee shall not be responsible or liable for any loss suffered in connection with any investment of moneys made by it in accordance with Article VII of this Trust Agreement.

The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of a majority in aggregate principal amount of the Outstanding Certificates relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Trust Agreement.

Before taking any action under Article XII hereof or this Section 9.02 at the request or direction of the Certificate Owners, the Trustee may require that an indemnity bond satisfactory to it for the reimbursement of all expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from its own negligence or willful misconduct in connection with any action so taken. Before being required to take any action, the Trustee may require an opinion of Independent Counsel acceptable to the Trustee, which counsel may be counsel to any of the parties hereto, or a verified Written Certificate of any party hereto, or both, concerning the proposed action. If it does so in good faith, the Trustee shall be absolutely protected in relying thereon.

Under no circumstances shall the Trustee be liable in its individual capacity for the obligations evidenced by the Certificates.

The Trustee shall not be accountable for the use or application by the City or the Corporation or any other party of any funds which the Trustee has released in accordance with the terms of this Trust Agreement.

The Trustee makes no representation or warranty, express or implied, as to the title, value, design, compliance with specifications or legal requirements, quality, durability, operation, condition, merchantability or fitness for any particular purpose or fitness for the use contemplated by the City or the Corporation of the Project. In no event shall the Trustee be

liable for incidental, indirect, special or consequential damages in connection with or arising from the Installment Sale Agreement or this Trust Agreement for the existence, furnishing or use of the Project.

The Trustee makes no representations as to the validity or sufficiency of the Certificates and shall incur no responsibility in respect thereof, other than in connection with the duties or obligations herein or in the Certificates assigned to or imposed upon it. The Trustee shall not be responsible for the validity or sufficiency of the Installment Sale Agreement or the assignment under the Assignment Agreement, the sufficiency of this Trust Agreement or the creation or perfection of any security interest purported to be created by this Trust Agreement or the Installment Sale Agreement. The Trustee shall not be liable for the sufficiency or collection of any Installment Payments or other moneys required to be paid to it or to the Owners under the Installment Sale Agreement (except as provided in this Trust Agreement), its right to receive moneys pursuant to the Installment Sale Agreement, or the value of or title to the premises upon which the Project is located or the Project. The Trustee makes no representations and shall have no responsibility for any official statement or other offering material prepared or distributed with respect to the Certificates.

In accepting the trust hereby created, the Trustee acts solely as Trustee for the Owners and not in its individual capacity and all persons, including without limitation the Owners and the City or the Corporation having any claim against the Trustee arising from this Trust Agreement shall look only to the funds and accounts held by the Trustee hereunder for payment except as otherwise provided herein.

The Trustee shall not be personally liable, in case of entry by it, the Corporation upon the Project, for debts contracted or liabilities or damages incurred in the management or operation of the Project by the Corporation or it.

Whether or not therein expressly so provided, every provision of this Trust Agreement, the Installment Sale Agreement and the Assignment Agreement relating to the conduct or affecting the liability of the Trustee shall be subject to the provisions of this Article IX.

The Trustee is authorized and directed to execute, in its capacity as Trustee, the Assignment Agreement.

The Trustee agrees to accept and act upon instructions or directions pursuant to this Trust Agreement sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that, the Trustee shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the City elects to give the Trustee e-mail or facsimile instructions (or instructions by a similar electronic method) and the Trustee in its discretion elects to act upon such instructions, the Trustee's understanding of such instructions shall be deemed controlling. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The City agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

The Trustee shall not be liable in connection with the performance of its duties hereunder except for its own negligence or willful misconduct.

Whenever in the administration of the trusts imposed upon it by this Trust Agreement the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a certificate of the City, and such certificate shall be full warrant to the Trustee for any action taken or suffered in good faith under the provisions of this Trust Agreement in reliance upon such certificate, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as it may deem reasonable.

Section 9.03. Fees, Charges and Expenses of Trustee. The Trustee shall be entitled to payment and reimbursement for reasonable fees for its services rendered hereunder and all advances, counsel fees and expenses (including the allocated costs of in-house counsel) and other expenses reasonably and necessarily made or incurred by the Trustee in connection with such services, which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust, and the Trustee shall have a first and prior lien on the funds held hereunder to secure the same. The Trustee's rights hereunder, including its rights under Section 13.03 hereof, shall survive its resignation or removal and final payment of the Certificates.

Section 9.04. Notice to Certificate Owners of Default. If an Event of Default occurs of which the Trustee has been given or is deemed to have notice pursuant to Section 9.02, then the Trustee shall, within ninety (90) days of the occurrence thereof, give written notice thereof by first class mail to the Owner of each Certificate, unless such Event of Default shall have been cured before the giving of such notice.

Section 9.05. Intervention by Trustee. In any judicial proceeding to which the Corporation or the City is a party which, in the opinion of the Trustee and its counsel, has a substantial bearing on the interests of Owners of the Certificates, the Trustee may intervene on behalf of the Certificate Owners, and shall do so if requested in writing by the Owners of at least twenty-five percent (25%) of the aggregate principal amount of Certificates then Outstanding, provided the Trustee shall have no duty to take such action unless it has been indemnified to its satisfaction against all risk or liability arising from such action.

Section 9.06. Removal of Trustee. Upon thirty (30) days' written notice, the City (so long as no Event of Default shall have occurred and be continuing) or the Owners of at least a majority of the aggregate principal amount of Certificates then Outstanding may, with the consent of the Corporation, remove the Trustee initially appointed, and any successor thereto, by an instrument or concurrent instruments in writing delivered to the Trustee and the Corporation, and may appoint a successor or successors thereto; provided that any such successor shall be a corporation or association meeting the requirements set forth in Section 9.01 hereof.

Section 9.07. Resignation by Trustee. The Trustee and any successor Trustee may, at any time, resign by giving thirty (30) days' written notice by registered or certified mail to the City and the Corporation.

Section 9.08. Appointment of Successor Trustee. In the event of the removal or resignation of the Trustee pursuant to Sections 9.06 or 9.07 hereof, the City shall promptly appoint a successor Trustee. In the event the City shall, for any reason whatsoever, fail to appoint a successor Trustee within thirty (30) days following the delivery to the Trustee of the instrument described in Section 9.06 hereof or within thirty (30) days following the receipt of notice by the City pursuant to Section 9.07 hereof, the Trustee may apply to a court of

competent jurisdiction at the expense of the City for the appointment of a successor Trustee meeting the requirements of Section 9.01 hereof. Any such successor Trustee appointed by such court shall become the successor Trustee hereunder notwithstanding any action by the City purporting to appoint a successor Trustee following the expiration of such thirty (30) day period. The resignation or removal of the Trustee shall not become effective until the appointment and acceptance of the successor Trustee pursuant to Section 9.10 below.

Section 9.09. Merger or Consolidation. Any company or association into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company or association to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided that such company or association shall be eligible under Section 9.01 hereof, shall be the successor to the Trustee and vested with all of the title to the trust estate and all of the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding.

Section 9.10. Concerning any Successor Trustee. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its or his predecessor and also the Corporation and the City an instrument in writing accepting such appointment hereunder and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessors; but such predecessor shall, nevertheless, on the written request of the City, or of its successor, execute and deliver an instrument transferring to such successor all the estates, properties, rights, powers and trusts of such predecessor hereunder; and every predecessor Trustee shall deliver all securities and moneys held by it as the Trustee hereunder to its successor. Upon such acceptance, the City shall mail, or cause the mailing of, notice thereof to the Certificate Owners at their respective addresses set forth on the Certificate Register. Should any instrument in writing from the City be required by any successor Trustee for more fully and certainly vesting in such successor the estate, rights, powers and duties hereby vested or intended to be vested in the predecessor, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the City. The resignation of any Trustee and the instrument or instruments removing any Trustee and appointing a successor hereunder, together with all other instruments provided for in this Article IX, shall be filed or recorded by the successor Trustee in each recording office where the Assignment Agreement shall have been filed or recorded, if applicable.

ARTICLE X
MODIFICATION OR AMENDMENT OF
AGREEMENTS

Section 10.01. Amendments Permitted. This Trust Agreement and the rights and obligations of the Owners of the Certificates and the Installment Sale Agreement and the rights and obligations of the parties thereto, may be modified or amended at any time by a supplemental agreement which shall become effective when the written consent of the Owners of at least sixty percent (60%) in aggregate principal amount of the Certificates then Outstanding, exclusive of Certificates disqualified as provided in Section 10.03, shall have been filed with the Trustee. No such modification or amendment shall (1) extend or have the effect of extending the fixed maturity of any Certificate or reducing the interest rate with respect thereto or extending the time of payment of interest, or reducing the amount of principal thereof or reducing any premium payable upon the redemption thereof, without the express consent of the Owner of such Certificate, or (2) reduce or have the effect of reducing the percentage of Certificates required for the affirmative vote or written consent to an amendment or modification of the Installment Sale Agreement, or (3) modify any of the rights or obligations of the Trustee without its written assent thereto. Any such supplemental agreement shall become effective as provided in Section 10.02.

This Trust Agreement and the rights and obligations of the Owners of the Certificates and the Installment Sale Agreement and the rights and obligations of the parties thereto, may be modified or amended at any time by a supplemental agreement, without the consent of any such Owners, but only to the extent permitted by law and only (1) to add to the covenants and agreements of the Corporation or the City, (2) to cure, correct or supplement any ambiguous or defective provision contained herein or therein and which shall not, in the opinion of nationally recognized bond counsel, adversely affect the interests of the Owners of the Certificates, (3) in regard to questions arising hereunder or thereunder, as the parties hereto or thereto may deem necessary or desirable and which shall not, in the opinion of nationally recognized bond counsel, adversely affect the interests of the Owners of the Certificates; (4) to make such additions, deletions or modifications as may be necessary or appropriate to assure the exclusion from gross income for federal income tax purposes of the interest component of Installment Payments and the interest payable with respect to the Certificates, (5) to add to the rights of the Trustee, or (6) to maintain the rating or ratings assigned to the Certificates. Any such supplemental agreement shall become effective upon its execution and delivery by the parties hereto or thereto as the case may be.

This Trust Agreement and the Installment Sale Agreement may not be modified or amended at any time by a supplemental agreement which would modify any of the rights and obligations of the Trustee without its written assent thereto.

The Trustee may require an opinion of Independent Counsel that any amendment entered into hereunder complies with the provisions of this Article X and the Trustee may rely conclusively on such opinion.

Section 10.02. Procedure for Amendment with Written Consent of Certificate Owners. This Trust Agreement or the Installment Sale Agreement may be amended by supplemental agreement as provided in this Section 10.02 in the event the consent of the Owners of the Certificates is required pursuant to Section 10.01. A copy of such supplemental agreement, together with a request to the Certificate Owners for their consent thereto, shall be mailed by the Trustee to the Owner of each Certificate at his address as set forth in the Certificate Register,

but failure to mail copies of such supplemental agreement and request shall not affect the validity of the supplemental agreement when assented to as provided in this Section 10.02.

Such supplemental agreement shall not become effective unless there shall be filed with the Trustee the written consent of the Owners of at least sixty percent (60%) in aggregate principal amount of the Certificates then Outstanding (exclusive of Certificates disqualified as provided in Section 10.03) and a notice shall have been mailed as hereinafter provided in this Section 10.02. Each such consent shall be effective only if accompanied by proof of ownership of the Certificates for which such consent is given, which proof shall be such as is permitted by Section 2.11. Any such consent shall be binding upon the Owner of the Certificate giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereof) unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner by filing such revocation with the Trustee within five (5) Business Days of the date when the notice of consent hereinafter in this Section 10.02 provided for has been mailed. Any revocation received by the Trustee later than five (5) Business Days after such notice has been mailed shall be of no force and effect.

After the Owners of the required percentage of Certificates shall have filed their consents to such supplemental agreement, the Trustee shall mail a notice to the Owners of the Certificates in the manner hereinbefore provided in this Section 10.02 for the mailing of such supplemental agreement at the notice of adoption thereof, stating in substance that such supplemental agreement has been consented to by the Owners of the required percentage of Certificates and will be effective as provided in this Section 10.02 (but failure to mail copies of said notice shall not affect the validity of such supplemental agreement or consents thereto). A record, consisting of the papers required by this Section 10.02 to be filed with the Trustee, shall be conclusive proof of the matters therein stated until the contrary is proved. Such supplemental agreement shall be deemed conclusively binding upon the parties hereto and the Owners of all Certificates at the expiration of sixty (60) days after such filing, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding for such purpose commenced within such sixty (60) day period.

Section 10.03. Disqualified Certificates. Certificates owned or held by or for the account of the City or by any person directly or indirectly controlled or controlled by, or under direct or indirect common control with the City (except any Certificates held in any pension or retirement fund) shall not be deemed Outstanding for the purpose of any vote, consent, waiver or other action or any calculation of Outstanding Certificates provided for in this Trust Agreement, and shall not be entitled to vote upon, consent to, or take any other action provided for in this Trust Agreement; *provided, however,* that the Trustee shall not be liable for determining whether Certificates are owned or held by the City or any such other person unless such Certificates are registered in the name of the City or such other person on the Registration Books.

Section 10.04. Effect of Supplemental Agreement. From and after the time any supplemental agreement becomes effective pursuant to this Article X, this Trust Agreement or the Installment Sale Agreement, as the case may be, shall be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations of the parties hereto or thereto and all Owners of Certificates Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any supplemental agreement shall be deemed to be part of the terms and conditions of this Trust Agreement or the Installment Sale Agreement, as the case may be, for any and all purposes.

The City may adopt appropriate regulations to require each Certificate Owner, before his consent provided for in this Article X shall be deemed effective, to reveal the Certificates as to which such consent is given are disqualified as provided in Section 10.03.

Section 10.05. Endorsement or Replacement of Certificates Delivered After Amendments. The City may determine that Certificates delivered after the effective date of any action taken as provided in this Article X shall bear a notation, by endorsement or otherwise, in form approved by the Trustee, as to such action. In that case, upon demand of the Owner of any Certificate Outstanding at such effective date and presentation of his Certificate for the purpose at the Principal Corporate Trust Office, a suitable notation shall be made on such Certificate. The City may determine that new Certificates, so modified as in the opinion of the City is necessary to conform to such Certificate Owners' action, shall be prepared, executed and delivered. In that case, upon demand of the Owner of any Certificate then Outstanding, such new Certificate shall be exchanged in the Principal Corporate Trust Office, without cost to such Owner, for a Certificate of the same character then Outstanding, upon surrender of such Certificate.

Section 10.06. Amendatory Endorsement of Certificates. The provisions of this Article X shall not prevent any Certificate Owner from accepting any amendment as to the particular Certificates held by him, provided that due notification thereof is made on such Certificates.

ARTICLE XI
COVENANTS

Section 11.01. Compliance With and Enforcement of Installment Sale Agreement. The City and the Corporation covenant and agree with the Owners of the Certificates to perform all obligations and duties imposed on them under the Installment Sale Agreement and this Trust Agreement.

The City or the Corporation, immediately upon receiving or giving any notice or communication or other document in any way relating to or affecting their respective interests in the Project which may or can in any manner affect such interest, will deliver the same, or a copy thereof, to the Trustee.

The City will not do or permit anything to be done, or omit or refrain from doing anything, in any case where any such act done or permitted to be done, or any such omission of or refraining from action, would or might be a ground for cancellation or termination of the Installment Sale Agreement by the Corporation thereunder.

Section 11.02. Payment of Taxes. The City will, subject to any right of challenge thereof, pay or cause to be paid all taxes, assessments and other governmental charges, if any, that may be levied, assessed or charged upon the Project or any part thereof, promptly as and when the same shall become due and payable; and the City will keep the Trustee advised in writing of such payments. The City will not suffer the Project, or any part thereof, to be sold for any taxes, assessments or other charges whatsoever, or to be forfeited therefor.

Section 11.03. Observance of Laws and Regulations. The City will well and truly keep, observe and perform all valid and lawful obligations or regulations now or hereafter imposed on it with respect to the Water System by contract, or prescribed by any law of the United States, or of the State, or by any officer, board or commission having jurisdiction or control, as a condition of the continued enjoyment of any and every right, privilege or franchise now owned or hereafter acquired by the City with respect to the Water System to the end that such rights, privileges and franchises shall be maintained and preserved, and shall not become abandoned, forfeited or in any manner impaired.

Section 11.04. Prosecution and Defense of Suits. The City shall promptly, upon request of the Trustee or any Certificate Owner holding at least 25% in principal amount of the Certificates from time to time, take such action as may be necessary or proper to remedy or cure any defect in or cloud upon the title to the Project, whether now existing or hereafter developing and shall, to the extent permitted by law, prosecute all such suits, actions and other proceedings as may be appropriate for such purpose and shall indemnify and save the Trustee and every Certificate Owner harmless from all loss, cost, damage and expense, including attorneys' fees, which they or any of them may incur by reason of any such defect, cloud, suit, action or proceeding.

Section 11.05. Further Assurances. The Corporation, the City and the Trustee (at the cost and request of the City or the Corporation) will make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Trust Agreement, and for the better assuring and confirming unto the Owners of the Certificates the rights and benefits provided herein.

Section 11.06. Filing. The City shall be responsible for the filing of any supplemental instruments or documents of further assurance as may be required by law in order to perfect or renew the security interests created by this Trust Agreement. Neither the Trustee nor the Corporation shall be responsible for such filing.

Section 11.07. Continuing Disclosure. The City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificates. Notwithstanding any other provision of this Trust Agreement, failure of the City to comply with the Continuing Disclosure Certificate shall not be considered an Event of Default; however, the Trustee, at the written direction of any Participating Underwriter or the holders of at least 25% aggregate principal amount of Outstanding Certificates, shall, but only to the extent moneys or other indemnity, satisfactory to the Trustee, has been furnished to the Trustee to hold it harmless from any loss, costs, liability or expense, including fees and expenses of its attorneys and any additional fees of the Trustee or any holder or beneficial owner of the Certificates may, take such actions as may be necessary and appropriate to compel performance, including seeking mandate or specific performance by court order.

Section 11.08. No Arbitrage. The City shall not take, or permit or suffer to be taken by the Trustee or otherwise, any action with respect to the proceeds of the Certificates which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the Closing Date would have caused the Certificates or the Installment Sale Agreement to be "arbitrage bonds" within the meaning of section 148 of the Code.

Section 11.09. Maintenance of Tax-Exemption. The City shall take all actions necessary to assure the exclusion of interest with respect to the Certificates from the gross income of the Owners of the Certificates to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the Closing Date.

Section 11.10. Rebate Requirement. The City shall take any and all actions necessary to assure compliance with section 148(f) of the Code, relating to the rebate of excess investment earnings, if any, to the federal government. The trustee shall not be responsible to enforce compliance by the City with such rebate requirements.

ARTICLE XII

LIMITATION OF LIABILITY

Section 12.01. Limited Liability of City. Except for the payment of Installment Payments and Prepayments when due in accordance with the Installment Sale Agreement and the performance of the other covenants and agreements of the City contained in said Agreement, the City shall have no pecuniary obligation or liability to any of the other parties or to the Owners of the Certificates with respect to this Trust Agreement or the terms, execution, delivery or transfer of the Certificates, or the distribution of Installment Payments to the Owners by the Trustee except as expressly set forth herein.

Section 12.02. No Liability of the Corporation for Trustee Performance. Neither the City nor the Corporation shall have any obligation or liability to the other party or to the Owners of the Certificates with respect to the performance by the Trustee of any duty imposed upon the Trustee under this Trust Agreement.

Section 12.03. Indemnification of Trustee. The City shall to the extent permitted by law indemnify and save the Trustee, its officers, employees, directors and agents harmless from and against all claims, losses, costs, expenses, liability and damages, including legal fees and expenses (including allocated costs of in-house counsel), arising out of (i) the use, maintenance, condition or management of, or from any work or thing done on, the Project by the Corporation or the City, (ii) any breach or default on the part of the Corporation or the City in the performance of any of their respective obligations under the Installment Sale Agreement, this Trust Agreement and any other agreement made and entered into for purposes of the Project, (iii) any act of the Corporation or the City or of any of their respective agents, contractors, servants, employees or licensees with respect to the Project, (iv) any act of any assignee of, or purchaser from the Corporation or the City or of any of its or their respective agents, contractors, servants, employees or licensees with respect to the Project, (v) the acquisition, construction, installation and equipping of the Project or the authorization of payment of Project Costs or Delivery Costs, (vi) the actions of any other party, including but not limited to the ownership, operation or use of the Project by the Corporation or the City, (vii) the Trustee's exercise and performance of its powers and duties hereunder or pursuant to the Assignment Agreement and the Installment Sale Agreement, (viii) the offering and sale of the Certificates, or (ix) any untrue statement or alleged untrue statement of any material fact or omission or alleged omission to state a material fact necessary to make the statements made, in the light of the circumstances under which they were made, not misleading, in any official statement or other offering document utilized in connection with the sale of the Certificates. No indemnification will be made under this Section 12.03 or elsewhere in this Trust Agreement for willful misconduct or negligence under this Trust Agreement by the Trustee, its officers or employees. The City's obligations hereunder shall remain valid and binding notwithstanding maturity and payment of the Certificates or resignation or removal of the Trustee.

Section 12.04. Limitation of Rights to Parties and Certificate Owners. Nothing in this Trust Agreement or in the Certificates expressed or implied is intended or shall be construed to give any person other than the City, the Corporation, the Trustee, the Municipal Bond Insurer and the Owners of the Certificates, any legal or equitable right, remedy or claim under or in respect of this Trust Agreement or any covenant, condition or provision hereof; and all such covenants, conditions and provisions are and shall be for the sole and exclusive benefit of the City, the Corporation, the Trustee, the Municipal Bond Insurer and said Owners.

ARTICLE XIII

EVENTS OF DEFAULT AND REMEDIES OF CERTIFICATE OWNERS

Section 13.01. Assignment of Rights. Pursuant to the Assignment Agreement, the Corporation transfers, assigns and sets over to the Trustee all of the Corporation's rights under the Installment Sale Agreement (excepting only the Corporation's rights under Sections 5.06, 8.03 and 10.04 thereof), including without limitation the Corporation's rights to exercise such rights and remedies conferred on the Corporation pursuant to the Installment Sale Agreement as may be necessary or convenient (i) to enforce payment of the Installment Payments, Prepayments and any other amounts required to be deposited in the Installment Payment Fund or the Insurance and Condemnation Fund, and (ii) otherwise to exercise the Corporation's rights and take any action to protect the interests of the Trustee or the Certificate Owners in an Event of Default.

Section 13.02. Remedies. If an Event of Default shall happen, then and in each and every such case during the continuance of such Event of Default, the Trustee may exercise any and all remedies available hereunder pursuant to law or granted pursuant to the Installment Sale Agreement.

Upon the occurrence of an Event of Default, the Trustee may, and shall, at the written direction of the Owners of a majority of the principal amount of Certificates then Outstanding, by written notice to the City, declare the principal of the Installment Payments to be immediately due and payable, whereupon that portion of the principal of the Installment Sale Agreement thereby coming due and the interest thereon accrued to the date of payment shall, without further action, become and be immediately due and payable, anything in this Trust Agreement or in the Installment Payments to the contrary notwithstanding.

Remedies shall be cumulative with respect to the Trustee and the Owners. If any remedial action is discontinued or abandoned, the Trustee and the Owners shall be restored to their former positions.

Section 13.03. Application of Funds. All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article XIII or of Article VIII of the Installment Sale Agreement, shall be applied by the Trustee in the order following upon presentation of the several Certificates and the stamping thereon of the payment if only partially paid or upon the surrender thereof if fully paid -

First, to the payment of the costs and expenses of the Trustee hereunder (including, but not limited to, the fees, costs and expenses of itself and its counsel) and, after such payment to the Trustee, of the Certificate Owners in declaring such Event of Default, including reasonable compensation to its or their agents, attorneys and counsel (including the allocated costs of in-house counsel), together with interest on all such amounts advanced as provided in Section 9.02;

Second, to the payment of the whole amount then owing and unpaid with respect to the Certificates for principal and interest, with interest on the overdue principal and installments of interest at the rate or rates specified in the respective Certificates (but such interest on overdue installments of interest shall be paid only to the extent funds are available therefor following payment of principal and interest and interest on overdue principal, as aforesaid), and in case such moneys shall be insufficient to pay in full the whole amount so owing and unpaid with

respect to the Certificates, then to the payment of such principal and interest without preference or priority of principal over interest, or of interest over principal, or of any installment of interest over any other installment of interest, ratably to the aggregate of such principal and interest.

Third: To the payment of amounts due to the Municipal Bond Insurer not payable pursuant to *First* or *Second* above.

Section 13.04. Institution of Legal Proceedings. If one or more Events of Default shall happen and be continuing, the Trustee in its discretion may, and upon the written request of the Owners of a majority in principal amount of the Certificates then Outstanding, and upon being indemnified to its satisfaction therefor, shall, proceed to protect or enforce its rights or the rights of the Owners of Certificates by a suit in equity or action at law, for the specific performance of any covenant or agreement contained herein, or in aid of the execution of any power herein granted, or by mandamus or other appropriate proceeding for the enforcement of any other legal or equitable remedy as the Trustee shall deem most effectual to enforce any of its rights or duties hereunder.

Section 13.05. Non-waiver. Nothing in this Article XIII or in any other provision of this Trust Agreement, or in the Certificates, shall affect or impair the obligation of the City, which is absolute and unconditional subject to Section 4.05 of the Installment Sale Agreement, to pay or prepay the Installment Payments as provided in the Installment Sale Agreement, or affect or impair the right of action, which is also absolute and unconditional, of the Certificate Owners to institute suit to enforce such payment. No delay or omission of the Trustee or of any Owner of any of the Certificates to exercise any right or power arising upon the happening of any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or an acquiescence therein, and every power and remedy given by this Article XIII to the Trustee or to the Owners of Certificates may be exercised from time to time and as often as shall be deemed expedient by the Trustee or the Certificate Owners.

Section 13.06. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Trustee or to the Certificate Owners is intended to be exclusive of any other remedy, and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing, at law or in equity or by statute or otherwise.

Section 13.07. Power of Trustee to Control Proceedings. In the event that the Trustee, upon the happening of an Event of Default, shall have taken any action, by judicial proceedings or otherwise, pursuant to its duties hereunder, whether upon its own discretion or upon the request of the Owners of a majority in principal amount of the Certificates then Outstanding, it shall have full power, in the exercise of its discretion for the best interests of the Owners of the Certificates, with respect to the continuance, discontinuance, withdrawal, compromise, settlement or other disposal of such action; *provided, however,* that the Trustee shall not, unless there no longer continues an Event of Default hereunder, discontinue, withdraw, compromise or settle, or otherwise dispose of any litigation pending at law or in equity, if at the time there has been filed with it a written request signed by the Owners of at least a majority in principal amount of the Certificates Outstanding hereunder opposing such discontinuance, withdrawal, compromise, settlement or other disposal of such litigation.

Section 13.08. Limitation on Certificate Owners' Right to Sue. No Owner of any Certificate shall have the right to institute any suit, action or proceeding at law or in equity, for any remedy under or upon this Trust Agreement, unless (a) such Owner shall have previously given to the Trustee written notice of the occurrence of an Event of Default hereunder; (b) the Owners of at least a majority in aggregate principal amount of all the Certificates then

Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name; (c) said Owners shall have tendered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; and (d) the Trustee shall have refused or omitted to comply with such request for a period of sixty (60) days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of Certificates of any remedy hereunder; it being understood and intended that no one or more Owners of Certificates shall have any right in any manner whatever by his or their action to enforce any right under this Trust Agreement, except in the manner herein provided, and that all proceedings at law or in equity with respect to an Event of Default shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all Owners of the Outstanding Certificates.

The right of any Owner of any Certificate to receive payment of said Owner's proportionate interest in the Installment Payments as the same become due, or to institute suit for the enforcement of such payment, shall not be impaired or affected without the consent of such Owner, notwithstanding the foregoing provisions of this Section 13.08 or any other provision of this Trust Agreement.

Section 13.09. Parties Interested Herein. Nothing in this Trust Agreement expressed or implied is intended or shall be construed to confer upon, or to give to, any person or entity, other than the City, the Corporation, the Trustee, the Municipal Bond Insurer, their officers, employees and agents, and the Owners any right, remedy or claim under or by reason of this Trust Agreement, or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Trust Agreement contained by and on behalf of the City shall be for the sole and exclusive benefit of the City, the Corporation, the Trustee, the Municipal Bond Insurer, their officers, employees and agents, and the Owners.

ARTICLE XIV

PROVISIONS RELATING TO THE MUNICIPAL BOND INSURER AND THE MUNICIPAL BOND INSURANCE POLICY

Section 14.01. Notices and Other Information.

(a) The City will provide the Municipal Bond Insurer with all notices and other information it is obligated to provide (i) under its Continuing Disclosure Certificate and (ii) to the Owners or the Trustee under this Trust Agreement or the Installment Sale Agreement.

The notice address of the Municipal Bond Insurer is: _____, Attention: _____, Re: Municipal Bond Insurance Policy No. _____ and Reserve Policy No. _____. If such communication refers to an Event of Default, then a copy of such notice or other communication shall also be sent to the attention of the General Counsel of the Municipal Bond Insurer and shall be marked to indicate "URGENT MATERIAL ENCLOSED."

(b) The Municipal Bond Insurer shall have the right to receive such additional information as it may reasonably request.

(c) The City will permit the Municipal Bond Insurer to discuss the affairs, finances and accounts of the City or any information the Municipal Bond Insurer may reasonably request regarding the security for the Certificates with appropriate officers of the City, and the City will use best efforts to enable the Municipal Bond Insurer to have access to the facilities, books and records of the City on any Business Day upon reasonable prior notice.

(d) The Trustee shall notify the Municipal Bond Insurer of any failure of the City to provide notices, certificates and other information required to be provided under this Trust Agreement or the Installment Sale Agreement.

Section 14.02. Defeasance.

(a) The investments in any defeasance escrow relating to the Certificates shall be limited to non-callable, direct obligations of the United States of America and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, or as otherwise may be authorized under State law and approved by the Municipal Bond Insurer.

(b) At least three (3) Business Days prior to any defeasance with respect to the Certificates, the City shall deliver to the Municipal Bond Insurer and the Trustee draft copies of an escrow agreement, an opinion of bond counsel regarding the validity and enforceability of the escrow agreement and the defeasance of the Certificates, and a verification report (a "Verification Report") prepared by a nationally recognized independent financial analyst or firm of certified public accountants regarding the sufficiency of the escrow fund. Such opinion and Verification Report shall be addressed to the Municipal Bond Insurer and shall be in form and substance satisfactory to the Municipal Bond Insurer. In addition, the escrow agreement shall provide that any substitution of securities following the execution and delivery of the escrow agreement shall require the delivery of a Verification Report and the prior written consent of the Municipal Bond Insurer, which consent will not be unreasonably withheld.

(c) The City will not exercise any prior optional redemption of the Certificates secured by the escrow agreement or any other redemption other than mandatory sinking fund redemptions unless (i) the right to make any such redemption has been expressly reserved in the escrow agreement and such reservation has been disclosed in detail in the official statement for the refunding bonds, and (ii) as a condition to any such redemption there shall be provided to the Municipal Bond Insurer a Verification Report as to the sufficiency of escrow receipts without reinvestment to meet the escrow requirements remaining following any such redemption.

(d) The City shall not amend the escrow agreement or enter into a forward purchase agreement or other agreement with respect to rights in the escrow without the prior written consent of the Municipal Bond Insurer.

Section 14.03. Trustee-Related Provisions.

(a) The Municipal Bond Insurer shall receive written notice of any name change of the Trustee or the resignation or removal of the Trustee. Any successor trustee must be (i) a national banking association that is supervised by the Office of the Comptroller of the Currency and has at least \$250 million of assets, (ii) a state-chartered commercial bank that is a member of the Federal Reserve System and has at least \$1 billion of assets, or (c) otherwise approved by the Municipal Bond Insurer in writing.

(b) No removal, resignation or termination of the Trustee shall take effect until a successor, acceptable to the Municipal Bond Insurer, shall be qualified and appointed.

(c) The Trustee may be removed at any time at the request of the Municipal Bond Insurer for any breach of its obligations under this Trust Agreement.

Section 14.04. Amendments and Supplements. The Municipal Bond Insurer's prior written consent is required for all amendments and supplements to the Installment Sale Agreement and this Trust Agreement, with the exceptions noted below. The City shall send copies of any such amendments or supplements to the Municipal Bond Insurer and the rating agencies which have assigned a rating to the Certificates.

(a) *Consent of the Municipal Bond Insurer.* Any amendments or supplements to the Installment Sale Agreement or this Trust Agreement shall require the prior written consent of the Municipal Bond Insurer with the exception of amendments or supplements:

(i) to cure any ambiguity or formal defect or omissions or to correct any inconsistent provisions in the therein or in any supplement thereto, or

(ii) to grant or confer upon the Owners any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Owners, or

(iii) to add to the covenants and agreements of the City in the Installment Sale Agreement other covenants and agreements thereafter to be observed by the City or to surrender any right or power therein reserved to or conferred upon the City.

(b) *Consent of the Municipal Bond Insurer in Addition to Owner Consent.* Any amendment, supplement, modification to, or waiver of, any of the Installment Sale Agreement or this Trust Agreement that requires the consent of Owners or adversely affects the rights or interests of the Municipal Bond Insurer shall be subject to the prior written consent of the Municipal Bond Insurer.

(c) *Consent of the Municipal Bond Insurer in the Event of Insolvency.* Any reorganization or liquidation plan with respect to the City must be acceptable to the Municipal Bond Insurer. In the event of any reorganization or liquidation of the City, the Municipal Bond Insurer shall have the right to vote on behalf of all Owners absent a continuing failure by the Municipal Bond Insurer to make a payment under the Municipal Bond Insurance Policy.

(d) *Consent of the Municipal Bond Insurer Upon Default.* Anything in the Installment Sale Agreement and this Trust Agreement to the contrary notwithstanding, upon the occurrence and continuance of a default or an Event of Default, the Municipal Bond Insurer shall be entitled to control and direct the enforcement of all rights and remedies granted to the Owners or the Trustee for the benefit of the Owners under the Installment Sale Agreement and this Trust Agreement. No default or Event of Default may be waived without the Municipal Bond Insurer's written consent. The maturity of Certificates shall not be accelerated without the consent of the Municipal Bond Insurer and in the event the maturity of the Certificates is accelerated, the Municipal Bond Insurer may elect, in its sole discretion, to pay accelerated principal, and interest accrued on such principal, to the date of acceleration (to the extent unpaid by the City) and the Trustee shall be required to accept such amounts. Upon payment of such accelerated principal and interest accrued to the acceleration date as provided above, the Municipal Bond Insurer's obligations under the Municipal Bond Insurance Policy with respect to such Certificates shall be fully discharged.

(e) *The Municipal Bond Insurer as Owner.* Upon the occurrence and continuance of a default or an Event of Default, the Municipal Bond Insurer shall be deemed to be the sole owner of the Certificates for all purposes, including, without limitations, for purposes of exercising remedies and approving amendments.

(f) *Grace Period for Payment Defaults.* No grace period shall be permitted for payment defaults under the Installment sale Agreement. No grace period for a covenant default shall exceed 30 days without the prior written consent of the Municipal Bond Insurer.

(g) *Special Provisions for Insurer Default.* If an Insurer Default (hereinafter defined) shall occur and be continuing, then, notwithstanding anything in paragraphs (a)-(e) above to the contrary, (i) if at any time prior to or following an Insurer Default, the Municipal Bond Insurer has made payment under the Municipal Bond Insurance Policy, to the extent of such payment the Municipal Bond Insurer shall be treated like any other Owner for all purposes, including giving of consents, and (ii) if the Municipal Bond Insurer has not made any payment under the Municipal Bond Insurance Policy, the Municipal Bond Insurer shall have no further consent rights until the particular Insurer Default is no longer continuing or the Municipal Bond Insurer makes a payment under of the Municipal Bond Insurance Policy, in which event, the foregoing clause (i) shall control. For purposes of this paragraph, "Insurer Default" means: (1) the Municipal Bond Insurer has failed to make any payment under the Municipal Bond Insurance Policy when due and owing in accordance with its terms; or (2) the Municipal Bond Insurer shall (A) voluntarily commence any proceeding or file any petition seeking relief under the United States Bankruptcy Code or any other Federal, state or foreign bankruptcy, insolvency or similar law, (B) consent to the institution of or fail to controvert in a timely and appropriate manner, any such proceeding or the filing of any such petition, (C) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator or similar official for such party or for a substantial part of its property, (D) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (E) make a general assignment for the benefit of creditors, or (F) take action for the purpose of effecting any of the foregoing; or (3) any state or federal agency or instrumentality shall order the suspension of payments on the Municipal Bond Insurance Policy or shall obtain an order or grant approval for the rehabilitation,

liquidation, conservation or dissolution of the Municipal Bond Insurer (including without limitation under the New York Insurance Law).

(h) *Reserve Fund.*

(i) The prior written consent of the Municipal Bond Insurer shall be a condition precedent to the deposit of any credit instrument provided in lieu of a cash deposit into the Reserve Fund, if any. Amounts on deposit in the Reserve Fund shall be applied solely to the payment of principal and interest due with respect to the Certificates.

(ii) Unless the Municipal Bond Insurer otherwise directs, upon the occurrence and continuance of an Event of Default or an event which with notice or lapse of time would constitute an Event of Default, amounts on deposit in the Project Fund shall not be disbursed, but shall instead be applied to the payment of payment of the principal, interest or redemption price due with respect to the Certificates.

(i) *Exercise of Rights by the Municipal Bond Insurer.* The rights granted to the Municipal Bond Insurer under the Installment Sale Agreement and/or this Trust Agreement to request, consent to or direct any action are rights granted to the Municipal Bond Insurer in consideration of its issuance of the Municipal Bond Insurance Policy. Any exercise by the Municipal Bond Insurer of such rights is merely an exercise of the Municipal Bond Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit, or on behalf, of the Owners of the Certificates and such action does not evidence any position of the Municipal Bond Insurer, affirmative or negative, as to whether the consent of the Owners of the Certificates or any other person is required in addition to the consent of the Municipal Bond Insurer.

The Municipal Bond Insurer shall be entitled to pay principal or interest with respect to the Certificates that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer (as such terms are defined in the Municipal Bond Insurance Policy), and any amounts due on the Certificates as a result of acceleration of the maturity thereof, whether or not the Municipal Bond Insurer has received a claim upon the Municipal Bond Insurance Policy.

Section 14.05. Municipal Bond Insurer as Third Party Beneficiary. The Municipal Bond Insurer is explicitly recognized as being a third party beneficiary hereunder and may enforce such right, remedy or claim conferred, given or granted hereunder.

Section 14.06. Payment Procedure Under the Municipal Bond Insurance Policy.

(a) In the event that principal and/or interest due with respect to the Certificates shall be paid by the Municipal Bond Insurer pursuant to the Municipal Bond Insurance Policy, the Certificates shall remain outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the City, the assignment and pledge of the trust estate and all covenants, agreements and other obligations of the City to the Owners shall continue to exist and shall run to the benefit of the Municipal Bond Insurer, and the Municipal Bond Insurer shall be subrogated to the rights of such registered owners including, without limitation, any rights that such owners may have in respect of securities law violations arising from the offer and sale of the Certificates.

(b) In the event that on the second (2nd) Business Day prior to any Interest Payment Date, the Trustee has not received sufficient moneys to pay all principal of and interest due with respect to the Certificates on such Interest Payment Date, the Trustee shall immediately notify the Municipal Bond Insurer or its designee on the same Business Day, by telephone or electronic

mail, of the amount of the deficiency. If any deficiency is made up in whole or in part prior to or on the Interest Payment Date, the Trustee shall so notify the Municipal Bond Insurer or its designee.

(c) In addition, if the Trustee has received written notice that any holder of the Certificates has been required to disgorge payments of principal of or interest on the Certificates pursuant to a final, non-appealable order by a court of competent jurisdiction that such payment constitutes an avoidable preference to such holder within the meaning of any applicable bankruptcy law, then the Trustee shall notify the Municipal Bond Insurer or its designee of such fact by telephone or electronic mail, or by overnight or other delivery service as to which a delivery receipt is signed by a person authorized to accept delivery on behalf of the Municipal Bond Insurer.

(d) The Trustee shall irrevocably be designated, appointed, directed and authorized to act as attorney-in-fact for the Owners as follows:

(i) If there is a deficiency in amounts required to pay interest and/or principal with respect to the Certificates, the Trustee shall (A) execute and deliver to the Municipal Bond Insurer, in form satisfactory to the Municipal Bond Insurer, an instrument appointing the Municipal Bond Insurer as agent and attorney-in-fact for such Owners in any legal proceeding related to the payment and assignment to the Municipal Bond Insurer of the claims for interest with respect to the Certificates, (B) receive, as designee of the respective Owners (and not as Trustee), in accordance with the tenor of the Municipal Bond Insurance Policy, payment from the Municipal Bond Insurer with respect to the claims for interest so assigned, and (C) disburse the same to such respective Owners; and

(ii) If there is a deficiency in amounts required to pay principal with respect to the Certificates, the Trustee shall (A) execute and deliver to the Municipal Bond Insurer, in form satisfactory to the Municipal Bond Insurer, an instrument appointing the Municipal Bond Insurer as agent and attorney-in-fact for such Owner in any legal proceeding related to the payment of such principal and an assignment to the Municipal Bond Insurer of the Certificates surrendered to the Municipal Bond Insurer, (B) receive, as designee of the respective Owners (and not as Trustee), in accordance with the tenor of the Municipal Bond Insurance Policy, payment therefore from the Municipal Bond Insurer, and (C) disburse the same to such Owners. The Trustee shall designate any portion of payment of principal with respect to Certificates paid by the Municipal Bond Insurer, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Certificates registered to the then current Owner, whether DTC or its nominee or otherwise, and shall issue a replacement Bond to the Municipal Bond Insurer, registered in the name directed by the Municipal Bond Insurer, in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Trustee's failure to so designate any payment or issue any replacement Bond shall have no effect on the amount of principal or interest payable by the City or the City with respect to any Bond or the subrogation or assignment rights of the Municipal Bond Insurer.

Payments with respect to claims for interest and principal with respect to Certificates disbursed by the Trustee from proceeds of the Municipal Bond Insurance Policy shall not be considered to discharge the obligation of the City with respect to such Certificates, and the Municipal Bond Insurer shall become the owner of such unpaid Certificates and claims for the

interest in accordance with the tenor of the assignment made to it under the provisions of the preceding paragraphs or otherwise.

(e) Irrespective of whether any such assignment is executed and delivered, the City and the Trustee agree for the benefit of the Municipal Bond Insurer that:

(i) They recognize that to the extent the Municipal Bond Insurer makes payments directly or indirectly (e.g., by paying through the Trustee), on account of principal or interest with respect to the Certificates, the Municipal Bond Insurer will be subrogated to the rights of such Owners to receive the amount of such principal and interest from the City, with interest thereon, as provided and solely from the sources stated in the Installment Sale Agreement and this Trust Agreement; and

(ii) They will accordingly pay to the Municipal Bond Insurer the amount of such principal and interest, with interest thereon as provided in the Installment Sale Agreement and this Trust Agreement, but only from the sources and in the manner provided therein for the payment of principal and interest with respect to the Certificates to Owners, and will otherwise treat the Municipal Bond Insurer as the owner of such rights to the amount of such principal and interest.

Section 14.07. Additional Payments. The City agrees unconditionally that it will pay or reimburse the Municipal Bond Insurer on demand any and all reasonable charges, fees, costs, losses, liabilities and expenses that the Municipal Bond Insurer may pay or incur, including, but not limited to, fees and expenses of the Municipal Bond Insurer's agents, attorneys, accountants, consultants, appraisers and auditors and reasonable costs of investigations, in connection with the administration (including waivers and consents, if any), enforcement, defense, exercise or preservation of any rights and remedies in respect of the Installment Sale Agreement and this Trust Agreement ("Administrative Costs"). For purposes of the foregoing, costs and expenses shall include a reasonable allocation of compensation and overhead attributable to the time of employees of the Municipal Bond Insurer spent in connection with the actions described in the preceding sentence. The City agrees that failure to pay any Administrative Costs on a timely basis will result in the accrual of interest on the unpaid amount at the Late Payment Rate, compounded semi-annually, from the date that payment is first due to the Municipal Bond Insurer until the date the Municipal Bond Insurer is paid in full.

Notwithstanding anything herein to the contrary, the City agrees to pay to the Municipal Bond Insurer (i) a sum equal to the total of all amounts paid by the Municipal Bond Insurer under the Municipal Bond Insurance Policy (the "Municipal Bond Insurer Policy Payments"); and (ii) interest on such the Municipal Bond Insurer Policy Payments from the date paid by the Municipal Bond Insurer until payment thereof in full by the City, payable to the Municipal Bond Insurer at the Late Payment Rate per annum (collectively, "the Municipal Bond Insurer Reimbursement Amounts") compounded semi-annually. The City hereby covenants and agrees that the Municipal Bond Insurer Reimbursement Amounts are payable from and secured by a lien on and pledge of the same revenues and other collateral pledged to the payment of Installment Payments on a parity with the Installment Payments.

ARTICLE XV

MISCELLANEOUS

Section 15.01. Defeasance. If all Outstanding Certificates shall be paid and discharged in any one or more of the following ways:

(a) by well and truly paying or causing to be paid the principal with respect to and interest with respect to all Certificates Outstanding, as and when the same become due and payable;

(b) by depositing with the Trustee or an escrow agent, in trust, at or before maturity, money which, together with the amounts then on deposit in the Installment Payment Fund, is fully sufficient to pay all Certificates Outstanding, including all principal and interest;

(c) by irrevocably depositing with the Trustee or an escrow agent (on terms satisfactory to the Trustee), in trust, cash or Defeasance Obligations in such amount as an independent nationally recognized certified public accountant shall determine in a written report delivered to the Trustee or escrow agent will, together with the interest to accrue thereon and moneys then on deposit in the Installment Payment Fund, if required, together with the interest to accrue thereon, be fully sufficient to pay and discharge all Certificates (including all principal and interest) at or before their respective maturity dates; or

(d) by depositing with the Trustee or an escrow agent, under an escrow deposit and trust agreement, security for the payment of Installment Payments as more particularly described in Section 10.05 of the Installment Sale Agreement, said security to be held by the Trustee, as agent for City, and to be applied by the Trustee to Installment Payments representing the obligation of the City under the Installment Sale Agreement, as described in Section 10.05 of the Installment Sale Agreement;

notwithstanding that any Certificates shall not have been surrendered for payment, all rights hereunder of the Owners of the Certificates and all obligations of the Corporation, the Trustee and the City under this Trust Agreement with respect to all Outstanding Certificates shall cease and terminate, except only the obligation of the Trustee to pay or cause to be paid, from Installment Payments paid by or on behalf of the City from deposits pursuant to paragraphs (b) through (d) of this Section 15.01, to the Owners of the Certificates not so surrendered and paid all sums due with respect thereto, and in the event of deposits pursuant to paragraphs (b) through (d) of this Section 15.01, the Certificates shall continue to represent direct, undivided and fractional interests of the Owners thereof in Installment Payments under the Installment Sale Agreement.

Any funds held by the Trustee or an escrow agent, at the time of one of the events described above in subsections (a) through (d) above, which are not required for the payment to be made to Owners, or for payments to be made to the Trustee by the City (including attorneys' fees, including those allocated to in-house counsel), shall be paid over to the City.

Section 15.02. Records. The Trustee shall keep complete and accurate records of all moneys received and disbursed under this Trust Agreement, which shall be available for inspection by the City, the Corporation, and the Owners of not less than 10% in aggregate principal amount of the Certificates Outstanding, or the agent of any of them, upon reasonable prior notice and during regular business hours.

Section 15.03. Notices. All written notices to be given under this Trust Agreement shall be given by facsimile or by mail first class, postage prepaid, to the party entitled thereto at its address set forth below, or at such address as the party may provide to the other parties in writing from time to time. Any such notice shall be deemed to have been received 48 hours after deposit in the United States mail, with postage fully prepaid.

If to the Corporation: Porterville Public Improvement Corporation
c/o City of Porterville
291 North Main Street
Porterville, CA 93257
Attention: City Manager
Telephone: (559) 782-7466

If to the City: City of Porterville
291 North Main Street
Porterville, CA 93257
Attention: City Manager
Telephone: (559) 782-7466

If to the Trustee: U.S. Bank National Association
633 West Fifth Street, 24th Floor
Los Angeles, CA 90071
Attention: Global Corporate Trust
Telephone: (213) 615-6051

If to the Municipal Bond Insurer: See Section 14.01

The City, the Corporation, the Municipal Bond Insurer and the Trustee, by notice given hereunder, may designate different addresses to which subsequent notices, certificates or other communications will be sent.

Notwithstanding the foregoing provisions of this Section 15.03, the Trustee shall not be deemed to have received, and shall not be liable for failing to act upon the contents of, any notice unless and until the Trustee actually receives such notice.

Section 15.04. Governing Law. This Trust Agreement shall be construed and governed in accordance with the laws of the State.

Section 15.05. Binding Effect; Successors. This Trust Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Whenever in this Trust Agreement the Corporation, the City or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Trust Agreement contained by or on behalf of the Corporation, the City or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 15.06. Execution in Counterparts. This Trust Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same agreement.

Section 15.07. Destruction of Canceled Certificates. Whenever in this Trust Agreement provision is made for the surrender to or cancellation by the Trustee and the delivery to the City of any Certificates, the Trustee may, in lieu of such cancellation and delivery, destroy such Certificates and, upon request of the City, deliver a certificate of such destruction to the City.

Section 15.08. Headings. The headings or titles of the several Articles and Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Trust Agreement. All references herein to "Articles," "Sections," and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Trust Agreement; and the words "herein," "hereof,"

“hereunder” and other words of similar import refer to this Trust Agreement as a whole and not to any particular Article, Section or subdivision hereof.

Section 15.09. Limitation of Rights to Parties and Certificates Owners. Nothing in this Trust Agreement or in the Certificates expressed or implied is intended or shall be construed to give to any person other than the Corporation, the City, the Trustee, the Municipal Bond Insurer and the Owners of the Certificates, any legal or equitable right, remedy or claim under or in respect of this Trust Agreement or any covenant, condition or provision therein or herein contained; and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of the Corporation, the City, the Trustee, the Municipal Bond Insurer and the Owners of the Certificates delivered hereunder.

Section 15.10. Waiver of Notice. Whenever in this Trust Agreement the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Section 15.11. Payment of Unclaimed Moneys. Notwithstanding any provisions of this Trust Agreement, any moneys held by the Trustee in trust for the payment of the principal or interest due with respect to any Certificates and remaining unclaimed after two (2) years, shall, on such date, be repaid to the City free from the trusts created by this Trust Agreement and all liability of the Trustee with respect to such moneys shall thereupon cease; *provided, however*, that before the repayment of such moneys to the City as aforesaid, the Trustee may (at the cost and request of the City) first mail to the Owners to whom such amounts have not yet been paid, at the addresses shown on the Registration Books, a notice, in such form as may be deemed appropriate by the Trustee with respect to the amounts so payable and with respect to the provisions relating to the repayment to the City of the moneys held for the payment thereof. The Trustee shall not be liable for any interest on funds held by it. The City shall not be liable for any interest on the sums paid to it pursuant to this Section 15.11 and shall not be regarded as a trustee of such money.

Section 15.12. Separability of Invalid Provisions. In case any one or more of the provisions contained in this Trust Agreement or in the Certificates shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such invalidity, illegality or unenforceability shall not affect any other provision of this Trust Agreement, and this Trust Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The parties hereto hereby declare that they would have entered into this Trust Agreement and each and every other section, paragraph, sentence, clause or phrase hereof and authorized the delivery of the Certificates pursuant thereto irrespective of the fact that any one or more sections, paragraphs, sentences, clauses or phrases of this Trust Agreement may be held illegal, invalid or unenforceable.

IN WITNESS WHEREOF, the parties have executed this Trust Agreement as of the date and year first above written.

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

By _____
Authorized Officer

PORTERVILLE PUBLIC IMPROVEMENT
CORPORATION

By _____
John D. Lollis
Executive Director

Attest:

Patrice Hildreth
Deputy Secretary

CITY OF PORTERVILLE

By _____
John D. Lollis
City Manager

Attest:

Patrice Hildreth
Chief Deputy City Clerk

EXHIBIT A

DEFINITIONS

"Assignment Agreement" means the agreement by that name, dated as of January 1, 2021, by and between the Corporation and the Trustee, together with any amendments or supplements thereto.

"Business Day" means a day which is not a Saturday, Sunday or legal holiday on which banking institutions in the state in which the Principal Corporate Trust Office is located are closed or are required to close or a day on which the New York Stock Exchange is closed.

"Certificate Register" means the registration books relating to the Certificates maintained by the Trustee in accordance with Section 2.12 of the Trust Agreement.

"Certificates" means the certificates of participation executed and delivered pursuant to the Trust Agreement.

"City" means the City of Porterville, California, a municipal corporation and chartered city duly organized and existing under the Constitution and laws of the State.

"City Representative" means the Mayor, the City Manager, the Finance Director, or the designee of any such official, or any other person authorized by resolution delivered to the Trustee to act on behalf of the City under or with respect to the Installment Sale Agreement and the Trust Agreement.

"Closing Date" means January 27, 2021, the date upon which there is a physical delivery of the Certificates in exchange for the amount representing the purchase of the Certificates by the Original Purchaser.

"Code" means the Internal Revenue Code of 1986 as in effect on the Closing Date or (except as otherwise referenced in the Installment Sale Agreement or the Trust Agreement) as it may be amended to apply to obligations issued on the Closing Date, together with applicable temporary and final regulations promulgated under the Code.

"Debt Service" means the scheduled amount of interest and amortization of principal payable with respect to the Certificates during the period of computation, excluding amounts scheduled during such period which relate to principal which has been retired before the beginning or during such period.

"Defeasance Obligations" means:

- (a) cash;
- (b) non-callable Federal Securities (including State and Local Government Securities);
- (c) direct obligations of the United States of America which have been stripped by the Department of the Treasury of the United States of America;

(d) CATS, TIGRS and similar securities;

(e) bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America: (i) direct obligations or fully guaranteed certificates of beneficial ownership of the U.S. Export-Import Bank; (ii) certificates of beneficial ownership of the Farmers Home Administration; (iii) obligations of the Federal Financing Bank; (iv) participation certificates of the General Services Administration; (v) guaranteed Title XI financings of the U.S. Maritime Administration; (vi) New Communities debentures; (vii) U.S. government guaranteed public housing notes and bonds; and (viii) project notes and local authority bonds of the U.S. Department of Housing and Urban Development; and

(f) pre-refunded municipal bonds rated "Aaa" by Moody's and "AAA" by S&P; provided, however, pre-refunded municipal bonds rated by S&P only (i.e., no Moody's rating) are acceptable if such pre-refunded municipal bonds were pre-refunded with cash, direct U.S. or U.S. guaranteed obligations or AAA rated pre-refunded municipal bonds.

"Delivery Costs" means all items of expense directly or indirectly payable by or reimbursable to the City or the Corporation relating to the execution and delivery of the Installment Sale Agreement, the Trust Agreement and the Assignment Agreement or the execution, sale and delivery of the Certificates, including but not limited to filing and recording costs, settlement costs, printing costs, reproduction and binding costs, costs for statistical data, initial fees and charges of the Trustee (including the fees and expenses of its counsel), financing discounts, legal fees and charges, insurance fees and charges (including title insurance), financial and other professional consultant fees, costs of rating agencies for credit ratings, fees for execution, transportation and safekeeping of the Certificates, the premiums for the Municipal Bond Insurance Policy and the Reserve Policy and charges and fees in connection with the foregoing.

"Delivery Costs Fund" means the fund by that name established pursuant to Article III of the Trust Agreement and held by the Trustee.

"Enterprise" means any and all facilities, properties and improvements at any time controlled or operated by the City used or pertaining to the supply of water, consisting of the entire water production and distribution enterprise of the City, including all additions, extensions, expansions, improvements and betterments thereto and equipments thereof and any necessary lands, rights of way and other real and personal property useful in connection therewith, but exclusive of any portion of the existing system not required for the continued operation thereof; provided, however, that to the extent the City is not the sole owner of an asset or property, or lessee thereof from the City, only the City's ownership interest in such asset or property or leasehold interest therein from the City, shall be considered a part of the Enterprise.

"Event of Default" means an event of default under the Installment Sale Agreement, as defined in Section 9.01 thereof.

"Fair Market Value" means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of section 1273 of the Code) and, otherwise, the term "Fair Market Value" means the acquisition price in a bona fide arm's length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (ii) the investment is an agreement

with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code, (iii) the investment is a United States Treasury Security—State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (iv) any commingled investment fund in which the City and related parties do not own more than a ten percent (10%) beneficial interest therein if the return paid by the fund is without regard to the source of the investment.

“Federal Securities” means direct general obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury) or obligations the payment of principal of and interest on which are unconditionally guaranteed by, the United States of America.

“Fiscal Year” means any period of twelve (12) consecutive months established by the City as its fiscal year and shall initially mean the period commencing July 1 of one year and ending on June 30 of the following year.

“Gross Revenues” means all gross charges received for, and all other gross income and receipts derived by the City from, the ownership and operation of the Enterprise or otherwise arising from the Enterprise, including but not limited to investment earnings thereon; but excluding (a) the proceeds of any *ad valorem* property taxes levied for the purpose of paying general obligation bonds of the City relating to the Enterprise, (b) the proceeds of any special assessments or special taxes levied upon real property within any improvement district for the purpose of paying special assessment bonds or special tax obligations of the City relating to the Enterprise; and (c) customers' deposits or any other deposits subject to refund until such deposits have become the property of the City, or contributions in aid of construction.

“Independent Counsel” means an attorney or a firm of attorneys duly admitted to the practice of law before the highest court of the state in which he or such firm maintains an office and who is not an employee of the Corporation, the Trustee or the City.

“Information Services” means the Electronic Municipal Market Access System (referred to as “EMMA”), a facility of the Municipal Securities Rulemaking Board (at <http://emma.msrb.org>) or, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other national information services providing information or disseminating notices of redemption of obligations similar to the Certificates.

“Installment Payment” means any payment required to be paid by the City to the Corporation pursuant to Section 4.04 of the Installment Sale Agreement.

“Installment Payment Date” means the 1st day of each February and August, commencing August 1, 2021.

“Installment Payment Fund” means the fund by that name established and held by the Trustee pursuant to Article V of the Trust Agreement.

“Installment Sale Agreement” means the agreement by that name, dated as of January 1, 2021, by and between the Corporation and the City, and any duly authorized and executed amendment or supplement thereto.

"Insurance and Condemnation Fund" means the fund by that name established pursuant to Article VII of the Trust Agreement and held by the Trustee.

"Interest Payment Date" means February 15 and August 15 of each year, commencing August 15, 2021.

"Late Payment Rate" means the lesser of (x) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in the City of New York, as its prime or base lending rate ("Prime Rate") (any change in such Prime Rate to be effective on the date such change is announced by JPMorgan Chase Bank) plus 3%, and (ii) the then applicable highest rate of interest with respect to the Certificates and (y) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. In the event JPMorgan Chase Bank ceases to announce its Prime Rate publicly, Prime Rate shall be the publicly announced prime or base lending rate of such national bank as the Municipal Bond Insurer shall specify.

"Moody's" means Moody's Investors Service, New York, New York, or its successors.

"Municipal Bond Insurance Policy" means the municipal bond insurance policy issued by the Municipal Bond Insurer guaranteeing the payment, when due, of the principal and interest with respect to the Certificates.

"Municipal Bond Insurer" means _____, or any successor thereto or assigns thereof.

"Net Proceeds" means any insurance proceeds or condemnation award paid with respect to the Project, remaining after payment therefrom of all expenses incurred in the collection thereof.

"Net Revenues" means Gross Revenues less Operation and Maintenance Expenses.

"Operation and Maintenance Costs" means the reasonable and necessary costs and expenses paid by the City for maintaining and operating the Enterprise, including but not limited to (a) costs of electricity and other forms of energy supplied to the Enterprise, (b) the reasonable expenses of management and repair and other costs and expenses necessary to maintain and preserve the Enterprise in good repair and working order, and (c) the reasonable administrative costs of the City attributable to the operation and maintenance of the Enterprise; but in all cases excluding (i) debt service payable on all other obligations incurred by the City with respect to the Enterprise including but not limited to any Parity Obligations, (ii) depreciation, replacement and obsolescence charges or reserves therefor and other noncash expenses, and (iii) amortization of intangibles or other bookkeeping entries of a similar nature.

"Original Purchaser" means the first purchaser of the Certificates upon their delivery by the Trustee on the Closing Date.

"Outstanding", when used as of any particular time with respect to Certificates, means (subject to the provisions of Section 9.03 of the Trust Agreement) all Certificates theretofore executed and delivered by the Trustee under the Trust Agreement except:

(a) Certificates theretofore canceled by the Trustee or surrendered to the Trustee for cancellation;

(b) Certificates for the payment or redemption of which funds or eligible securities in the necessary amount, including accrued interest thereon, shall have theretofore been deposited with the Trustee (whether upon or prior to the maturity or redemption date of such Certificates), provided that, if such Certificates are to be redeemed prior to maturity, notice of such redemption shall have been given as provided in Section 4.03 of the Trust Agreement or provision satisfactory to the Trustee shall have been made for the giving of such notice; and

(c) Certificates in lieu of or in exchange for which other Certificates shall have been executed and delivered by the Trustee pursuant to Section 2.09 of the Trust Agreement.

"Owner" or *"Certificate Owner"* or *"Owner of a Certificate"*, or any similar term, means the person in whose name a Certificate shall be registered.

"Parity Obligations" means any leases, loan agreements, installment sale agreements, bonds, notes or other obligations of the City payable from and secured by a pledge of and lien upon any of the Net Revenues on a parity with the Installment Payments, entered into or issued pursuant to and in accordance with Section 4.08 of the Installment Sale Agreement. For all purposes of this Installment Sale Agreement, the 2010 CIEDB Agreement and the 2014 CIEDB Agreement shall constitute Parity Obligations

"Permitted Encumbrances" means, as of any particular time: (a) liens for general ad valorem taxes and assessments, if any, not then delinquent, or which the City may, pursuant to provisions of Article V of the Installment Sale Agreement, permit to remain unpaid; (b) the Installment Sale Agreement and the assignment of the Corporation's interests in the Installment Sale Agreement pursuant to the Assignment Agreement; (c) any right or claim of any mechanic, laborer, materialman, supplier or vendor filed or perfected in the manner prescribed by law and (d) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions which exist of record as of the date of the Installment Sale Agreement.

"Permitted Investments" means any of the following, but only to the extent that the same are acquired at Fair Market Value, provided that the Trustee is entitled to rely upon any investment direction received by it hereunder as a certification that such investment constitutes a Permitted Investment hereunder:

(a) direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America) or obligations the timely payment of which are fully guaranteed by the United States of America or any certificates, receipts, securities or other obligations evidencing ownership or the right to receive a specified portion of payments to be made on any such security;

(b) obligations, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following: Banks for Cooperatives, Federal Intermediate Credit Banks, Federal Farm Credit Bank, Federal Home Loan Bank System, Export-Import Bank of the United States, Federal Financing Bank, Federal Land Banks, Government National Mortgage Association, Farmer's Home Administration, Federal Home Loan Mortgage Corporation or Federal Housing Administration; or by any agency, department or instrumentality of the United States if such obligations are rated within the top two ratings of a nationally recognized rating service;

(c) bonds of the State or of any county or city or other political subdivision of the State, and other obligations the interest on which is excluded from gross income for federal income

tax purposes, for which a nationally recognized rating service is maintaining a rating within the top two ratings of such rating service;

(d) repurchase agreements with banks (including the Trustee), lead banks of parent holding companies, or savings and loan associations, with a combined capital and surplus aggregating at least fifty million dollars (\$50,000,000) and the unsecured securities of which are rated by a nationally recognized rating service within the top two ratings of such rating service, or secured by a letter of credit issued by such bank, lead bank or savings and loan association, or the underlying securities of which are obligations described in clause (a) or (b) of this definition provided that such collateral security continuously has a market value (valued at least quarterly) at least equal to the repurchase price from time to time payable with respect thereto, so long as such underlying obligations or securities are in the possession of the Trustee and provided further that, as evidenced by an opinion of counsel, the Trustee shall have a perfected security interest in such collateral security, free and clear of any third-party claims;

(e) interest-bearing banker's acceptances, investment agreements, demand or time deposits (including certificates of deposit) and guaranteed investment contracts in or with banks (including the Trustee and its affiliates), and savings and loan associations, provided such deposits are either (i) secured at all times, in the manner and to the extent provided by law, by collateral security (described in clauses (a) or (b) of this definition) of a market value of no less than the amount of moneys so invested or (ii), in or with banks (including the Trustee) or savings and loan associations having a combined capital and surplus of at least fifty million dollars (\$50,000,000) and whose rating, or the rating of its parent holding company, is within the top two ratings of a nationally recognized rating service or (iii) fully insured by the Federal Deposit Insurance Corporation;

(f) Investment agreements with any nationally or state-chartered bank, financial institution, insurance company, trust company, or any other publicly traded corporation which has long-term debt obligations rated in one of the two highest rating categories of a nationally recognized rating service;

(g) taxable money market funds rated in the highest rating category by S&P or whose portfolios are restricted to (i) obligations with maturities of one year or less, issued or guaranteed as to payment of principal and interest by the full faith and credit of the United States of America, or consisting of securities designated in clause (b) of this definition, or (ii) such obligations or repurchase agreements fully collateralized by obligations with an average maturity of one year or less issued or guaranteed as to payment of principal by the full faith and credit of the United States of America if, in the case of this clause (g) only, such portfolio is rated in the top rating category of a national rating agency, including such funds for which the Trustee, its affiliates or subsidiaries provide investment advisory or other management services or for which the Trustee or an affiliate of the Trustee serves as investment administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (A) the Trustee or an affiliate of the Trustee receives fees from funds for services rendered, (B) the Trustee collects fees for services rendered pursuant to this Trust Agreement, which fees are separate from the fees received from such funds, and (C) services performed for such funds and pursuant to this Trust Agreement may at times duplicate those provided to such funds by the Trustee or an affiliate of the Trustee;

(h) obligations the interest on which is excludable from gross income for purposes of federal income taxation and the timely payment of the principal of and interest on which is fully provided for by the deposit in trust or escrow of cash or obligations described in clause (a), (b) or (e) of this definition (not callable by the issuer thereof prior to maturity) and the trust or escrow instructions for which cannot be amended to provide for redemption of such obligations

prior to the date set forth in the trust or escrow agreement governing such deposit and are rated by each rating agency then rating the Bonds in its highest rating category; and

(i) the Local Agency Investment Fund of the State created pursuant to section 16429.1 of the California Government Code, to the extent the Trustee is authorized to register such investment in its name.

"Prepayment" means any payment applied towards the prepayment of the Installment Payments, in whole or in part, pursuant to Article X of the Installment Sale Agreement.

"Principal Corporate Trust Office" means the corporate trust office of the Trustee at Los Angeles, California, or at such other address designated by the Trustee by written notice filed with the City and the Corporation, except that with respect to presentation of Certificates for payment or for registration of transfer and exchange such term shall mean the office or agency of the Trustee at which, at any particular time, its corporate trust agency business shall be conducted.

"Principal Payment Date" means August 15 of each year, commencing August 15, 2021.

"Proceeds," when used with reference to the Certificates, means the face amount of the Certificates, plus accrued interest and premium, if any, less original issue discount, if any.

"Project" means the improvements to the Enterprise described in Exhibit B to the Installment Sale Agreement.

"Project Costs" means the costs of the acquisition, construction, rehabilitation, equipping, improvement or financing of improvements to, or part of, the Enterprise constituting the Project.

"Project Fund" means the fund by that name established pursuant to Article III of the Trust Agreement and held by the Trustee.

"Rating Category" means, with respect to any Permitted Investment, one or more of the generic categories of rating by Moody's and/or S&P applicable to such Permitted Investment, without regard to any refinement or gradation of such rating category by a plus or minus sign.

"Regular Record Date" means the close of business on the first (1st) day of the month in which an Interest Payment Date occurs, whether or not such first (1st) day is a Business Day.

"Reserve Fund" means the fund by that name established and held by the Trustee pursuant to Section 6.01 of the Trust Agreement.

"Reserve Policy" means the Municipal Bond Debt Service Reserve Insurance Policy issued by the Municipal Bond Insurer for deposit in the Reserve Fund in an amount equal to the Reserve Requirement.

"Reserve Requirement" means an amount equal to the least of maximum annual Installment Payments, 125% of average annual Installment Payments and 10% of the principal amount of the Certificates, which amount shall be \$_____ on the Closing Date. The amount of the Reserve Requirement shall not be reduced unless the Certificates are partially refunded, in which such amount shall be reduced to an amount equal to maximum annual Installment Payments relating to the Certificates not so refunded, as specified in a certificate of a City Representative delivered to the Trustee.

"S&P" means S&P Global Ratings, a Standard & Poor's Financial Services LLC business, New York, New York, or its successors.

"Securities Depositories" means The Depository Trust Company, 55 Water Street, 50th Floor, New York, NY 10041 Attention: Call Notification Department; or to such other addresses and/or such other registered securities depositories holding substantial amounts of obligations of types similar to the Certificates.

"State" means the State of California.

"Subordinate Obligations" means the obligations of the City under the I-Bank Agreement and any other leases, loan agreements, installment sale agreements, notes or other obligations of the City payable from and secured by a pledge of a lien upon any of the Net Revenue subordinate to the Installment Payments.

"Term of the Installment Sale Agreement" means the time during which the Installment Sale Agreement is in effect, as provided in Section 4.03 of the Installment Sale Agreement.

"Trustee" means U.S. Bank National Association, or any successor thereto, acting as Trustee pursuant to the Trust Agreement.

"Trust Agreement" means the agreement by that name, dated as of January 1, 2021, by and among the Trustee, the Corporation and the City, together with any amendments or supplements thereto permitted to be made thereunder.

"2010 CIEDB Agreement" means the Enterprise Fund Installment Sale Agreement, dated as of April 1, 2010, between the Corporation and the California Infrastructure and Economic Development Bank, which provided funding for improvements to the Enterprise.

"2014 CIEDB Agreement" means the Enterprise Fund Installment Sale Agreement, dated as of March 1, 2014, between the Corporation and the California Infrastructure and Economic Development Bank, which provided funding for improvements to the Enterprise.

"Written Certificate" of the City means a written certificate signed in the name of the City by a City Representative. Any such certificate or request may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument. If and to the extent required by Section 1.03 of the Trust Agreement or Section 1.02 of the Installment Sale Agreement, each such certificate shall include the statements provided for in Section 1.03 of the Trust Agreement or Section 1.02 of the Installment Sale Agreement.

EXHIBIT B**FORM OF CERTIFICATE OF PARTICIPATION**

CERTIFICATE OF PARTICIPATION
(2021 Water System Financing Project)
Evidencing a Direct, Undivided Fractional Interest of the
Owner Hereof in Installment Payments to be Made by the
CITY OF PORTERVILLE
(Tulare County, California)
As the Purchase Price for Certain Property Pursuant to an
Installment Sale Agreement with the
Porterville Public Improvement Corporation

INTEREST RATE	MATURITY DATE	DATED DATE	CUSIP
_____%	August 15, ____	January 27, 2021	____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

This is to certify that this Certificate of Participation (the "Certificate") evidences a direct, undivided fractional interest in the right to receive certain installment payments (the "Installment Payments") under, and as defined in, that certain Installment Sale Agreement, dated as of January 1, 2021 (the "Installment Sale Agreement"), by and between the Porterville Public Improvement Corporation, a nonprofit public benefit corporation organized and existing under the laws of the State of California (the "Corporation"), and the City of Porterville, a municipal corporation and chartered city organized and existing under the Constitution and laws of the State of California (the "City"). The Installment Payments to be made under the Installment Sale Agreement have been assigned to U.S. Bank National Association, as trustee (the "Trustee"), having an office at which it conducts its corporate trust business in Los Angeles, California, or such other office designated by the Trustee from time to time (said office being herein referred to as the "Principal Office"). The Registered Owner stated above, or registered assigns (the "Owner"), is entitled to receive, on the Maturity Date stated above, the Principal Amount stated above, subject to the terms of the Installment Sale Agreement, which represents a portion of the Installment Payments designated as principal coming due on the Installment Payment Date (as defined in the Installment Sale Agreement) immediately preceding the Maturity Date. The Owner is also entitled to receive, subject to the terms of the Installment Sale Agreement, semiannually on each February 15 and August 15, commencing August 15, 2021 (the "Interest Payment Dates"), to and including the Maturity Date or the date of redemption, whichever is earlier, the Owner's fractional share of the Installment Payments designated as interest coming due with respect to each of the Interest Payment Dates; provided, however, that interest with respect to such principal amount shall be payable from the Interest Payment Date next preceding the date of execution of this Certificate unless (i) this Certificate is executed on a

Interest Payment Date, in which event interest shall be payable from such Interest Payment Date, or (ii) this Certificate is executed after the close of business on the first (1st) day of the month in which an Interest Payment Date occurs (the "Record Date") and prior to such Interest Payment Date, in which event interest shall be payable from such Interest Payment Date, or (iii) this Certificate is executed on or before August 1, 2021, in which event interest shall be payable from the Dated Date. Said fractional share of the portion of the Installment Payments designated as interest is the result of the multiplication of the Principal Amount by the Interest Rate per annum stated above. Interest is calculated on the basis of a 360-day year comprised of twelve 30-day months.

Said amounts are payable in lawful money of the United States of America, which at the time of payment is legal tender for the payment of public and private debts. The amounts representing principal are payable upon presentation and surrender of this Certificate at the Principal Office and the amounts representing interest are payable by check of the Trustee mailed first class, postage prepaid, on each Interest Payment Date to the Owner of record at the close of business on the Record Date, or by wire transfer at the written request of the Owner of not less than \$1,000,000 principal amount of Certificates received by the Trustee prior to the Record Date.

The City is authorized to enter into the Installment Sale Agreement pursuant to the laws of the State of California and Resolution No. _____ of the City adopted on December 1, 2020. The Corporation has assigned its rights to receive Installment Payments to the Trustee pursuant to an Assignment Agreement, dated as of January 1, 2021, by and between the Corporation and the Trustee (the "Assignment Agreement"), and a Trust Agreement, dated as of January 1, 2021, by and among the Trustee, the Corporation and the City (the "Trust Agreement").

This Certificate has been executed by the Trustee pursuant to the terms of the Trust Agreement. Copies of the Installment Sale Agreement, the Assignment Agreement and the Trust Agreement are on file at the office of the City and at the Principal Office, and reference to the Trust Agreement, the Installment Sale Agreement, the Assignment Agreement and any and all amendments to said agreements is made for a description of the pledges and covenants of the City securing the Installment Payments, the nature, extent and manner of enforcement of such pledges and covenants, the rights and remedies of the registered owners of the Certificates with respect thereto and the terms and conditions upon which the Certificates are delivered thereunder. To the extent and in the manner permitted by the terms thereof, the provisions of the Installment Sale Agreement and the Trust Agreement may be amended by the parties thereto with the written consent of the registered owners of at least sixty percent (60%) in principal amount with respect to the Certificates then outstanding, or without such consent with respect to an amendment not adversely affecting the interests of the registered owners of the Certificates.

The City is obligated under the Installment Sale Agreement to pay Installment Payments from Net Revenues of the Enterprise (as such terms are defined in the Installment Sale Agreement) and certain other sources, all as provided in the Installment Sale Agreement. The obligation of the City to pay the Installment Payments does not constitute an obligation of the City for which the City is obligated to levy or pledge any form of taxation or for which the City has levied or pledged any form of taxation. The obligation of the City to pay Installment Payments does not constitute a debt of the City, the State of California or any of its political subdivisions within the meaning of any constitutional or statutory debt limitation or restriction.

The registration of this Certificate shall be transferable only upon the Certificate registration books, which shall be kept for that purpose at the Principal Office, upon surrender hereof together with a written instrument of transfer satisfactory to the Trustee duly executed

by the Owner of this Certificate or his duly authorized attorney. Upon the registration of the transfer and the surrender of this Certificate, the Trustee shall provide, in the name of the transferee, a new fully registered Certificate or Certificates of the same aggregate principal amount and Maturity Date as the surrendered Certificate.

The Certificates are delivered in the form of fully registered Certificates in denominations of \$5,000 each or any integral multiple thereof and upon surrender thereof at the Principal Office with a written request for exchange satisfactory to the Trustee duly executed by the registered owner thereof or his attorney duly authorized in writing, may, at the option of such registered owner thereof, be exchanged for an equal aggregate principal amount of Certificates of any other authorized denominations and of the same Maturity Date.

No transfer or exchange of Certificates shall be required to be made during the fifteen (15) days prior to the date of selection of Certificates for redemption or of any Certificate selected for redemption.

Certificates maturing on or after August 15, ____, are subject to redemption in whole or in part on any date on or after August 15, ____, at the principal amount with respect thereto, together with accrued interest to the date fixed for redemption from the proceeds of optional prepayments made by the City pursuant to the Installment Sale Agreement, without premium.

The Certificates maturing on August 15, ____, are subject to mandatory redemption in part on August 15 in each year on and after August 15, ____, to and including August 15, ____, from the principal components of scheduled Installment Payments required to be paid by the City pursuant to the Installment Sale Agreement with respect to each such redemption date (subject to abatement, as set forth in the Installment Sale Agreement), at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date fixed for redemption, without premium, as follows:

<u>Year</u> <u>(August 15)</u>	<u>Principal Amount of</u> <u>Certificates to be Redeemed</u>
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†Maturity.

The Certificates maturing on August 15, ____, are subject to mandatory redemption in part on August 15 in each year on and after August 15, ____, to and including August 15, ____, from the principal components of scheduled Installment Payments required to be paid by the City pursuant to the Installment Sale Agreement with respect to each such redemption date (subject to abatement, as set forth in the Installment Sale Agreement), at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date fixed for redemption, without premium, as follows:

Year
(August 15)

Principal Amount of
Certificates to be Redeemed

†Maturity.

The Certificates are subject to redemption in whole or in part on any Interest Payment Date from the Net Proceeds of any insurance or condemnation award deposited in the Installment Payment Fund and credited towards the Prepayment made by the City pursuant to the Installment Sale Agreement, at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium.

Notice of redemption, unless waived, is to be given by the Trustee by mailing a redemption notice by first class mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to the registered owner of the Certificate or Certificates to be redeemed at the address shown on the Certificate registration books maintained by the Trustee. Notice of redemption having been given as aforesaid, the Certificates or portions of Certificates so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the City shall default in the payment of the redemption price) interest with respect to such Certificates or portions of Certificates shall cease to be payable.

The Trustee has no obligation or liability to the registered owners of the Certificates to make payments of principal or interest with respect to the Certificates, except from funds held by the Trustee under the Trust Agreement. The Trustee's primary obligations are to administer, for the benefit of the registered owners of the Certificates, the various funds and accounts established under the Trust Agreement. The Trustee is not responsible for the recitals of fact in this Certificate.

The City has certified, recited and declared that all acts, conditions and things required by the Constitution and statutes of the State of California, the Installment Sale Agreement and the Trust Agreement to exist, to have happened and to have been performed precedent to and in the delivery of this Certificate, exist, have happened and have been performed in due time, form and manner as required by law.

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York Corporation ("DTC"), to the City or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

IN WITNESS WHEREOF, this Certificate has been executed by the manual signature of the Trustee as of the date set forth below.

Execution Date: _____

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

By _____
Authorized Signatory

FORM OF ASSIGNMENT

For value received, the undersigned do(es) hereby sell, assign and transfer unto

(Name, Address and Tax Identification or Social Security Number of Assignee)

the within Certificate and do(es) hereby irrevocably constitute and appoint

attorney, to transfer the same on the registration books of the Trustee, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an eligible guarantor.

NOTICE: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Certificate in every particular, without alteration or enlargement or any change whatsoever.

STATEMENT OF INSURANCE

CONTINUING DISCLOSURE CERTIFICATE

This CONTINUING DISCLOSURE CERTIFICATE (the "Disclosure Certificate") is executed and delivered by the CITY OF PORTERVILLE (the "City") in connection with the execution and delivery of \$_____ City of Porterville Water Revenue Certificates of Participation (2021 Water System Financing Project) (the "Certificates"). The Certificates are being executed and delivered pursuant to a Trust Agreement, dated as of January 1, 2021, by and among U.S. Bank National Association, as trustee (the "Trustee"), the City and the Porterville Public Improvement Corporation (the "Trust Agreement"). Pursuant to Section 11.07 of the Trust Agreement, the City covenants and agree as follows:

Section 1. Definitions. In addition to the definitions set forth above and in the Indenture which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section 1, the following capitalized terms shall have the following meanings:

"Annual Report" means any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Annual Report Date" means the date that is nine months after the end of the City's fiscal year (currently March 31 based on the City's Fiscal Year end of June 30).

"Dissemination Agent" shall mean, initially, the City or any successor Dissemination Agent designed in writing by the City and which has been filed with the then current Dissemination Agent a written acceptance of such designation.

"Fiscal Year" means any twelve-month period beginning on July 1 in any year and extending to the next succeeding June 30, both dates inclusive, or any other twelve-month period selected and designated by the City as its official Fiscal Year period under a Certificate of the City filed with the Trustee.

"MSRB" means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

"Official Statement" means the final official statement executed by the City in connection with the issuance of the Certificates.

"Participating Underwriter" means the original underwriter of the Certificates.

"Rule" means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as it may be amended from time to time.

"Significant Events" means any of the events listed in Section 5(a) of this Disclosure Certificate.

Section 2. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the City for the benefit of the holders and beneficial owners of the Certificates and in order to assist the Participating Underwriter in complying with the Rule.

Section 3. Provision of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing March 31, 2021, with the report for Fiscal Year 2019-20 provide to the MSRB, in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than 15 Business Days prior to the Annual Report Date, the City shall provide the Annual Report to the Dissemination Agent (if other than the City). If by 15 Business Days prior to the Annual Report Date the Dissemination Agent (if other than the City) has not received a copy of the Annual Report, the Dissemination Agent shall contact the City to determine if the City is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package and may include by reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the City's Fiscal Year changes, it shall give notice of such change in the same manner as for a Significant Event under Section 5(b). The City shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by the City hereunder.

(b) If the City does not provide (or cause the Dissemination Agent to provide) an Annual Report by the Annual Report Date, the City in a timely manner shall provide (or cause the Dissemination Agent to provide) to the MSRB, in an electronic format as prescribed by the MSRB, a notice in substantially the form attached as Exhibit A.

(c) With respect to each Annual Report, the Dissemination Agent shall:

(i) determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and

(ii) if the Dissemination Agent is other than the City, file a report with the City certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

Section 4. Content of Annual Reports. The City's Annual Report shall contain or incorporate by reference the following:

(a) The City's audited financial statements prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the City's audited financial statements are not available by the Annual Report Date, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) Unless otherwise provided in the audited financial statements filed on or prior to the annual filing deadline for Annual Reports provided for in Section 3 above, financial information

and operating data with respect to the City for the preceding Fiscal Year, substantially similar to that provided in the Official Statement, as follows:

- (i) Customer Accounts;
- (ii) Ten Largest Rate Payers; and
- (iii) Historical Operating Results and debt service coverage.

(c) In addition to any of the information expressly required to be provided under this Disclosure Certificate, the City shall provide such further material information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

(d) Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the City or related public entities, which are available to the public on the MSRB's Internet web site or filed with the Securities and Exchange Commission. The City shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

(a) The City shall give, or cause to be given, notice of the occurrence of any of the following Significant Events with respect to the Certificates:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
- (vii) Modifications to rights of security holders, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances;
- (x) Release, substitution, or sale of property securing repayment of the securities, if material;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership or similar event of the City or other obligated person;

(xiii) The consummation of a merger, consolidation, or acquisition involving the City or an obligated person, or the sale of all or substantially all of the assets of the City or an obligated person (other than in the ordinary course of business), the entry into a definitive agreement to undertake such an action, or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

(xv) The incurrence of a financial obligation of the City or other obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the City or other obligated person, any of which affect security holders, if material; or

(xvi) A default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the City or other obligated person, any of which reflect financial difficulties.

(b) Whenever the City obtains knowledge of the occurrence of a Significant Event, the City shall, or shall cause the Dissemination Agent (if not the City) to, file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the Significant Event. Notwithstanding the foregoing, notice of Significant Events described in subsection (a)(viii) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Certificates under the Indenture.

(c) The City acknowledges that the events described in subparagraphs (a)(ii), (a)(vii), (a)(viii) (if the event is a bond call), (a)(x), (a)(xiii), (a)(xiv) and (a)(xv) of this Section 5 contain the qualifier “if material.” The City shall cause a notice to be filed as set forth in paragraph (b) above with respect to any such event only to the extent that the City determines the event’s occurrence is material for purposes of U.S. federal securities law. The City intends that the words used in paragraphs (xv) and (xvi) and the definition of “financial obligation” to have the meanings ascribed thereto in SEC Release No. 34-83885 (August 20, 2018).

(d) For purposes of this Disclosure Certificate, any event described in paragraph (a)(xii) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

Section 6. Identifying Information for Filings with the MSRB. All documents provided to the MSRB under this Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The City’s obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Certificates. If such termination occurs prior to the final maturity of the

Certificates, the City shall give notice of such termination in the same manner as for a Significant Event under Section 5(b).

Section 8. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any Dissemination Agent, with or without appointing a successor Dissemination Agent. Any Dissemination Agent may resign by providing 30 days' written notice to the City.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the City may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Certificates, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Certificates, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver either (i) is approved by holders of the Certificates in the manner provided in the Indenture for amendments to the Indenture with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Certificates.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first annual financial information filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the City to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative.

The Dissemination Agent shall not be obligated to enter into any amendment increasing or affecting its duties or obligations hereunder.

A notice of any amendment made pursuant to this Section 9 shall be filed in the same manner as for a Significant Event under Section 5(b).

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or

including any other information in any Annual Report or notice of occurrence of a Significant Event, in addition to that which is required by this Disclosure Certificate. If the City chooses to include any information in any Annual Report or notice of occurrence of a Significant Event in addition to that which is specifically required by this Disclosure Certificate, the City shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Significant Event.

Section 11. Default. If the City fails to comply with any provision of this Disclosure Certificate, the Participating Underwriter or any holder or beneficial owner of the Certificates may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Certificate in the event of any failure of the City to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent.

(a) Article VIII of the Indenture is hereby made applicable to this Disclosure Certificate as if this Disclosure Certificate were (solely for this purpose) contained in the Indenture. The Dissemination Agent shall be entitled to the protections and limitations from liability afforded to the Trustee thereunder. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the City agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall have no duty or obligation to review any information provided to it by the City hereunder and shall not be deemed to be acting in any fiduciary capacity for the City, the Bond holders or any other party. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Certificates.

(b) The Dissemination Agent shall be paid compensation by the City for its services provided hereunder in accordance with its schedule of fees as amended from time to time, and shall be reimbursed for all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriter and the holders and beneficial owners from time to time of the Certificates and shall create no rights in any other person or entity.

Section 14. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be regarded as an original, and all of which shall constitute one and the same instrument.

Date: January 27, 2021

CITY OF PORTERVILLE

By _____
John D. Lollis
City Manager

EXHIBIT A

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Obligor: City of Porterville

Name of Issue: \$_____ Water Revenue Certificates of Participation (2021 Water System Financing Project) Evidencing Direct, Undivided Fractional Interests of the Owners Thereof in Installment Payments to be made by the City of Porterville, as the Purchase Price for Certain Property Pursuant to an Installment Sale Agreement with the Porterville Public Improvement Corporation

Date of Issuance: January 27, 2021

NOTICE IS HEREBY GIVEN that the Obligor has not provided an Annual Report with respect to the above-named Issue as required by the Continuing Disclosure Certificate, dated January 27, 2021, furnished by the Obligor in connection with the Issue. The Obligor anticipates that the Annual Report will be filed by _____.

Date: _____

CITY OF PORTERVILLE

By _____
Authorized Officer

\$ _____
WATER REVENUE CERTIFICATES OF PARTICIPATION
(2021 Water System Financing Project)
Evidencing Direct, Undivided Fractional Interests of the
Owners Thereof in Installment Payments to be Made by the
CITY OF PORTERVILLE
(Tulare County, California)
as the Purchase Price for Certain Property Pursuant to an Installment
Sale Agreement with the Porterville Public Improvement Corporation

CERTIFICATE PURCHASE AGREEMENT

January 13, 2021

City of Porterville
291 North Main Street
Porterville, CA 93257

Ladies and Gentlemen:

The undersigned, Oppenheimer & Co. Inc., as underwriter (the "Underwriter"), hereby offers to enter into this Certificate Purchase Agreement (this Certificate Purchase Agreement, together with the exhibits hereto, being herein called the "Purchase Agreement") with the City of Porterville (the "City"), which, upon acceptance, will be binding upon the City and the Underwriter. This offer is made subject to the acceptance by the City by execution of this Purchase Agreement and its delivery to the Underwriter prior to 11:59 P.M., Pacific Standard time, on the date hereof, and, if not so accepted, will be subject to withdrawal by the Underwriter upon notice delivered to the City at any time prior to such acceptance.

Capitalized terms used in this Purchase Agreement and not otherwise defined herein shall have the meanings given to such terms as set forth in the Trust Agreement, dated as of January 1, 2021 (the "Trust Agreement") by and among the City, the Porterville Public Improvement Corporation (the "Corporation") and U.S. Bank National Association, as trustee (the "Trustee").

The City hereby acknowledges and agrees that (a) the Underwriter has financial and other interests that differ from those of the City, (b) the primary role of the Underwriter is to purchase securities for sale to investors in an arm's-length commercial transaction between the City and the Underwriter, (c) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as a principal and is not acting as the agent or fiduciary of the City, (d) the Underwriter is not acting as a municipal advisor, financial advisor or fiduciary to the City and has not assumed any advisory or fiduciary responsibility to the City with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided or is currently providing other services to the City on other matters), (e) the only obligations the Underwriter has to the City

with respect to the transaction contemplated hereby are expressly set forth in this Certificate Purchase Agreement, and (f) the City has consulted its own financial, municipal, legal, accounting, tax and/or other advisors, as applicable, to the extent it has deemed appropriate in connection with the issuance of the Certificates and the other matters contemplated by this Certificate Purchase Agreement. The City has a municipal advisor in this transaction that has legal fiduciary duties to the City.

The City hereby acknowledges receipt from the Underwriter of disclosures required by the Municipal Securities Rulemaking Board ("MSRB") Rule G-17 (as set forth in MSRB Notice 2012-25 (May 7, 2012), relating to disclosures concerning the Underwriter's role in the transaction, disclosures concerning the Underwriter's compensation, conflict disclosures, if any, and disclosures concerning complex municipal securities financing, if any.

Section 1. **Purchase and Sale.** Upon the terms and conditions and upon the basis of the representations, warranties and agreements herein set forth, the City and the Corporation hereby agree to sell and deliver to the Underwriter all of the \$_____ aggregate principal amount of City of Porterville Water Revenue Certificates of Participation (2021 Water System Financing Project) (the "Certificates"), evidencing the direct, undivided fractional interests of the owners thereof in installment payments (the "Installment Payments") to be made by the City pursuant to an Installment Sale Agreement, dated as of January 1, 2021 (the "Installment Sale Agreement"), with the Corporation. The purchase price of the Certificates shall be \$_____ (representing an aggregate principal amount of the Certificates of \$_____, plus an original issue premium of \$_____, less an Underwriter's discount of \$_____).

As an accommodation to the City, the Underwriter will pay, from the purchase price of the Certificates, the sum of \$_____ to _____ (the "Municipal Bond Insurer") as the premium for the Municipal Bond Insurer's municipal bond insurance policy issued for the Certificates (the "Municipal Bond Insurance Policy") and the sum of \$_____ to the Municipal Bond Insurer as the premium for the Municipal Bond Insurer's reserve fund municipal bond insurance policy issued for the Certificates (the "Reserve Fund Policy").

Section 2. **The Certificates.** The Certificates will be dated their date of delivery and will be substantially in the form described in, shall be authorized, executed and delivered under the provisions of, and shall be payable as provided in, the Trust Agreement. The Certificates are being executed and delivered to provide funds to (a) finance the acquisition and construction of additions, betterments, extensions and improvements (the "Project") to its municipal water enterprise (the "Enterprise"); (b) purchase the Municipal Bond Insurance Policy and the Reserve Fund Insurance Policy, and (c) pay costs incurred in connection with executing and delivering the Certificates.

The City is legally required under the Installment Sale Agreement to make Installment Payments from a first and prior lien on the Net Revenues of the Water System. "Net Revenues" are the gross revenues of the Enterprise less operating and maintenance expenses of the Water System. Installment Payments are scheduled in an amount sufficient to pay, when due, the annual principal and interest with respect to the Certificates. The City has covenanted under the Installment Sale Agreement to prescribe, revise and collect such charges from the services and facilities of the Water System which will produce gross revenues sufficient in each fiscal year to provide Net Revenues equal to at least 1.25 times the aggregate annual payment requirements with respect to the Installment Sale Agreement and any parity obligations in such fiscal year, as required by the Installment Sale Agreement. The City's obligation to pay the Installment Payments is on a parity with its obligations under the Enterprise Fund Installment Sale Agreement, dated as of April 1, 2010, between the City and the California Infrastructure and Economic Development Bank, and the Enterprise Fund Installment Sale Agreement, dated as of March 1, 2014, between the City and the California Infrastructure and Economic Development Bank and any additional parity obligations incurred by the City in the future.

The Corporation will assign its right to receive Installment Payments from the City under the Installment Sale Agreement to the Trustee pursuant to an Assignment Agreement, dated as of January 1, 2021 (the "Assignment Agreement").

The City will also enter into a Continuing Disclosure Certificate, dated the Closing Date (the "Continuing Disclosure Certificate"). The Trust Agreement, the Installment Sale Agreement, the Assignment Agreement, the Continuing Disclosure Certificate and this Purchase Agreement are hereinafter referred to as the "Legal Documents."

Section 3. Public Offering and Establishment of Issue Price.

(a) The Underwriter agrees to assist the City in establishing the issue price of the Certificates and shall execute and deliver to the City at Closing an "issue price" or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the City and Special Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Certificates.

(b) Except as otherwise set forth in Schedule I to Exhibit B, the City will treat the first price at which 10% of each maturity of the Certificates (the "10% test") is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). At or promptly after the execution of this Purchase Agreement, the Underwriter shall report to the City the price or prices at which it has sold to the public each maturity of Certificates. If at that time the 10% test has not been satisfied as to any maturity of the Certificates, the Underwriter agrees to promptly report to the City the prices at which it sells the unsold Certificates of that maturity to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% test has been satisfied as to the Certificates of that maturity or until all Certificates of that maturity have been sold to the public.

(c) The Underwriter confirms that it has offered the Certificates to the public on or before the date of this Purchase Agreement at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in Schedule I to Exhibit B, except as otherwise set forth therein. Schedule I to Exhibit B also sets forth, as of the date of this Purchase Agreement, the maturities, if any, of the Certificates for which the 10% test has not been satisfied and for which the City and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the City to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the "hold-the-offering-price rule"). So long as the hold-the-offering-price rule remains applicable to any maturity of the Certificates, the Underwriter will neither offer nor sell unsold Certificates of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

(i) the close of the fifth (5th) business day after the sale date; or

(ii) the date on which the Underwriter has sold at least 10% of that maturity of the Certificates to the public at a price that is no higher than the initial offering price to the public.

The Underwriter shall promptly advise the City when it has sold 10% of that maturity of the Certificates to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

(d) The Underwriter confirms that any selling group agreement and any retail distribution agreement relating to the initial sale of the Certificates to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Certificates of each maturity allotted to it until it is notified by the Underwriter that either the 10% test has been satisfied as to the Certificates of that maturity or all Certificates of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Underwriter. The City acknowledges that, in making the representation set forth in this subsection, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the Certificates to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, if applicable, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a retail distribution agreement was employed in connection with the initial sale of the Certificates to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, if applicable, as set forth in the retail distribution agreement and the related pricing wires. The City further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement, to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Certificates.

(e) The Underwriter acknowledges that sales of any Certificates to any person that is a related party to the Underwriter shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(i) “public” means any person other than an underwriter or a related party,

(ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Certificates to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Certificates to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Certificates to the public),

(iii) a purchaser of any of the Certificates is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) “sale date” means the date of execution of this Purchase Agreement by all parties.

Section 4. **The Official Statement.**

(a) By its acceptance of this proposal, the City ratifies, confirms and approves of the use and distribution by the Underwriter prior to the date hereof of the preliminary official statement, dated January 5, 2021, relating to the Certificates (including the cover page, all appendices and all information incorporated therein, the "Preliminary Official Statement"). The City hereby certifies that such Preliminary Official Statement is deemed final as of its date, for purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 ("Rule 15c2-12") except for certain omissions with respect to the pricing of the Certificates permitted to be omitted therefrom by Rule 15c2-12.

The City hereby agrees to deliver or cause to be delivered to the Underwriter, within seven business days of the date hereof, copies of the final official statement, dated the date hereof, relating to the Certificates (including all information previously permitted to have been omitted by Rule 15c2-12, the cover page, all appendices, all information incorporated therein and any amendments or supplements as have been approved by the City and the Underwriter, the "Official Statement") in such quantity as the Underwriter shall reasonably request. The City has approved the use and distribution by the Underwriter of the Official Statement, and the City hereby authorizes the use by the Underwriter of the Legal Documents in connection with the offer and sale of the Certificates.

Section 5. **Closing.** At 8:00 A.M., Pacific Standard time, on January 27, 2021, or at such other time and date as may be agreed upon by the City and the Underwriter (the "Closing Date"), (i) the City will cause to be delivered to the Underwriter the Certificates in definitive form, bearing CUSIP numbers and fully registered, through the book-entry system of The Depository Trust Company ("DTC"); and (ii) the City will cause to be delivered to the Underwriter the other documents herein mentioned at the offices of Special Counsel in Larkspur, California, or another place to be agreed upon by the Corporation, the City and the Underwriter. The Underwriter will accept such delivery and pay the purchase price of the Certificates as set forth in Section 1 hereof in immediately available funds to the order of the Trustee on behalf of the City. This payment and delivery, together with the delivery of the aforementioned documents, is herein called the "Closing." Notwithstanding the foregoing, neither the failure to print CUSIP numbers on any Certificate nor any error with respect thereto shall constitute cause for a failure or refusal by the Underwriter to accept delivery of and pay for the Certificates on the Closing Date in accordance with the terms of this Purchase Agreement.

Section 6. **Representation, Warranties and Covenants of the City.** The City represents, warrants and covenants to the Underwriter that:

(a) The City is a municipal corporation and chartered city, duly organized and validly existing under the Constitution and laws of the State of California (the "State"). The City has all necessary power and authority and has taken all official action necessary to enter into and perform its duties under the Trust Agreement, the Installment Sale Agreement, the Continuing Disclosure Certificate and this Purchase Agreement (collectively, the "City Documents"). The City Documents and the Official Statement have been duly executed and delivered by the City and, assuming the due authorization, execution and delivery by the other respective parties thereto, the City Documents to the best knowledge of the City will constitute legally valid and binding obligations of the City enforceable against the City in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or other similar laws or equitable principles relating to or limiting creditors' rights generally.

(b) To the best of its knowledge, except as may be required under Blue Sky or other securities laws of any state (as to which no representation is made), there is no consent, approval, authorization or other order of, or filing with, or certification by, any regulatory authority having jurisdiction over the City required for the execution, delivery and sale of the Certificates or the consummation by the City of the transactions contemplated by the City

Documents and by the Official Statement, which has not been duly obtained or made on or prior to the date hereof.

(c) There is no action, suit, proceeding, inquiry or investigation at law or in equity, before or by any court or governmental or public entity pending, or to the best knowledge of the City, threatened against the City which affects or seeks to prohibit, restrain or enjoin the execution or delivery of the Certificates, or contesting the powers of the City to enter into or perform its obligations under any of the City Documents or the existence or powers of the City.

(d) the distribution of the Preliminary Official Statement and the Official Statement have been duly authorized by the City and as of the date hereof and at all times subsequent thereto up to and including the time of the Closing, the statements and information contained in the Official Statement (excluding statements under the captions "THE CORPORATION," "UNDERWRITING," information relating to the Municipal Bond Insurer, the Municipal Bond Insurance Policy, the Reserve Fund Insurance Policy, DTC and the book-entry only system and information as to bond prices on the cover of the Official Statement, as to which no opinion or view is expressed) are and will be true, correct and complete in all material respects and the Official Statement does not and will not omit to state a material fact required to be stated therein or necessary to make such statements and information therein, in the light of the circumstances under which they were made, not misleading in any material respect;

(e) The City agrees that, if at any time before the Closing Date any event of which it has knowledge occurs, as a result of which the Official Statement as then in effect would include any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein not misleading, the City shall promptly prepare or cooperate in the preparation of an amendment or supplement to the Official Statement if in the opinion of the City and the Underwriter or their respective counsel, such event requires the preparation and publication of a supplement or amendment to the Official Statement. The City shall advise the Underwriter promptly of any proposal to so amend or supplement the Official Statement and shall effect such amendment or supplement in a form and manner approved by the Underwriter. The City shall promptly advise the Underwriter of the institution of any action, suit, proceeding, inquiry or investigation seeking to prohibit, restrain or otherwise affect the use of the Official Statement in connection with the offering, sale or distribution of the Certificates.

If any information relating to the City contained in the Official Statement is amended or supplemented pursuant to the immediately preceding subparagraph, at the time of each supplement or amendment thereto and (unless subsequently supplemented or amended pursuant to such subparagraph) at all times subsequent thereto up to and including the date of the Closing, the portions of the Official Statement so supplemented or amended (including any financial and statistical data contained therein) will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make such information therein concerning the City or the City's affairs, in the light of the circumstances under which it was presented, not misleading.

(f) The City shall furnish or cause to be furnished to the Underwriter, in such quantities as shall be reasonably required by the Underwriter, copies of the Official Statement and all amendments and supplements thereto, in each case as soon as available.

(g) The proceeds from the sale to the Underwriter of the Certificates will be applied in the manner and for the purposes specified in the Trust Agreement.

(h) The resolution of the City approving the execution and delivery of the City Documents and the Official Statement has been duly adopted by the City, has not been amended, modified or repealed and is in full force and effect on the date hereof.

(i) To the best of its knowledge, neither the execution and delivery by the City of the City Documents nor the City's adoption of the resolution, nor the City's compliance with such

documents or such resolution, nor the consummation of the transactions contemplated by such documents, such resolution or the Official Statement, conflicts with or constitutes a breach of or default under, or will conflict with or constitute a breach of or default under, any term or provision of any applicable law or any administrative rule or regulation of the State or the United States or any applicable judgment, decree, order, license, permit, agreement or instrument to which the City is subject or is otherwise bound has or will have a material adverse effect on the ability of the City to perform its obligations under the City Documents, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instruments.

(j) The City agrees to cooperate with the Underwriter in endeavoring to qualify the Certificates for offer and sale under the securities or Blue Sky laws of as many jurisdictions of the states of the United States as the Underwriter may request; provided, however, that the City will not be required to expend any of its own funds in connection with such qualifications and will not be required to consent to service of process in any such jurisdiction in which it is not now subject to service of process or to qualify as a broker or a foreign corporation in connection with any such qualification in any jurisdiction.

(k) The City covenants that it will not take any action which would cause interest payable with respect to the Certificates to be subject to federal income taxation or State personal income taxation.

(l) Other than as described in the Preliminary Official Statement and the Official Statement, the City has not failed to comply with any previous continuing disclosure undertaking within the prior 5 years.

Section 7. Conditions to the Obligations of the Underwriter. The Underwriter has entered into this Purchase Agreement in reliance upon the representations and warranties of the City contained herein. The obligations of the Underwriter to accept delivery of and pay for the Certificates on the Closing Date shall be subject, at the option of the Underwriter, to the performance by the City of its obligations, to be performed hereunder and to the performance by the City and the Corporation of their obligations, to be performed under the Legal Documents, at or prior to the Closing Date and the following additional conditions:

(a) The representations, warranties and covenants of the City contained herein shall be true and correct at the date hereof and at the time of the Closing, as if made on the Closing Date;

(b) At the time of Closing, the Legal Documents shall be in full force and effect as valid and binding agreements between or among the various parties thereto and the Legal Documents and the Official Statement shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Underwriter, and all such reasonable actions as, in the opinion of Special Counsel or counsel to the Underwriter, shall reasonably deem necessary in connection with the transactions contemplated hereby;

(c) Between the date hereof and the Closing Date, the market price or marketability, at the initial public offering prices set forth on the inside cover page of the Official Statement, of the Certificates shall not have been materially adversely affected, in the reasonable judgment of the Underwriter, by reason of any of the following:

(i) the marketability of the Certificates or the market price thereof, in the opinion of the Underwriter, has been materially adversely affected by an amendment to the Constitution of the United States or by any legislation in or by the Congress of the United States or by the State, or the amendment of legislation pending as of the date of the Purchase Agreement in the Congress of the United States, or the recommendation to Congress or endorsement for passage (by press release, other form of notice or otherwise) of legislation by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on

Ways and Means of the United States House of Representatives, or the proposal for consideration of legislation by either such Committee or by any member thereof, or the presentment of legislation for consideration as an option by either such Committee, or by the staff of the Joint Committee on Taxation of the Congress of the United States, or the favorable reporting for passage of legislation to either House of the Congress of the United States by a Committee of such House to which such legislation has been referred for consideration, or any decision of any federal or state court or any ruling or regulation (final, temporary or proposed) or official statement on behalf of the United States Treasury Department, the Internal Revenue Service or other federal or state authority affecting the federal or state tax status of the Corporation or the City, or the interest with respect to bonds or notes (including the Certificates);

(ii) the declaration of war or engagement in major military hostilities by the United States or the occurrence or escalation of any other national emergency or calamity relating to the normal operation of the government of or the financial community in the United States;

(iii) the declaration of a general banking moratorium by federal, New York or California authorities, or the general suspension of trading on any national securities exchange;

(iv) the imposition by the New York Stock Exchange or other national securities exchange, or any governmental authority, of any material restrictions not now in force with respect to the Certificates or obligations of the general character of the Certificates or securities generally, or the material increase of any such restrictions now in force, including those relating to the extension of credit by, or the charge to the net capital requirements of, underwriters;

(v) an order, decree or injunction issued by any court of competent jurisdiction, or order, ruling, regulation (final, temporary or proposed), official statement or other form of notice or communication issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that (i) obligations of the general character of the Certificates, or the Certificates, including any or all underlying arrangements, are not exempt from registration under the Securities Act of 1933, as amended, or that the Trust Agreement is not exempt from qualification under the Trust Indenture Act of 1939, as amended, or (ii) the execution and delivery, offering or sale of obligations of the general character of the Certificates, or the execution and delivery, offering or sale of the Certificates, including any or all underlying obligations, as contemplated hereby or by the Official Statement, is or would be in violation of the federal securities laws as amended and then in effect;

(vi) any event shall occur which makes untrue any material statement or results in an omission to state a material fact that is necessary to make the statements in the Official Statement, in the light of the circumstances under which they were made, not misleading, which event, in the reasonable opinion of the Underwriter would materially or adversely affect the ability of the Underwriter to market the Certificates

(vii) any legislation, ordinance, rule or regulation shall be enacted by any governmental body, department or authority of the State, or a decision by any court of competent jurisdiction within the State shall be rendered which materially adversely affects the market price of the Certificates;

(viii) legislation shall be enacted by the Congress of the United States, or a decision by a court of the United States shall be rendered, to the effect that obligations of the general character of the Certificates, or the Certificates, are not exempt from registration under or other requirements of the Securities Act of 1933, as amended and as then in effect, or the Securities Exchange Act of 1934, as amended and as then in

effect, or that the Trust Agreement is not exempt from qualification under or other requirements of the Trust Indenture Act of 1939, as amended and as then in effect;

(ix) any rating of the Certificates or the rating of any obligations of the City shall have been downgraded or withdrawn by a national rating service, which, in the opinion of the Underwriter, materially adversely affects the market price of the Certificates; or

(x) the commencement of any action, suit or proceeding described in Section 6(c).

(d) At or prior to the Closing, the Underwriter shall receive the following documents, in each case to the reasonable satisfaction in form and substance of the Underwriter:

(i) the Legal Documents duly executed and delivered by the respective parties thereto, with only such amendments, modifications or supplements as may have been agreed to in writing by the Underwriter;

(ii) the approving opinion of Special Counsel, dated the Closing Date and addressed to the City, in substantially the form attached as Appendix F to the Official Statement, together with reliance letters addressed to the Underwriter and the Trustee;

(iii) a supplemental opinion of Special Counsel dated the Closing Date and addressed to the Underwriter and the City, in form and substance acceptable to each of them to the effect that:

(A) the statements in the Official Statement under the captions, "INTRODUCTION," "THE CERTIFICATES," "SOURCE OF PAYMENT FOR THE CERTIFICATES," "CONTINUING DISCLOSURE," "TAX MATTERS," APPENDIX F-FORM OF OPINION OF SPECIAL COUNSEL, APPENDIX A-SUMMARY OF PRINCIPAL LEGAL DOCUMENTS, AND APPENDIX D-FORM OF CONTINUING DISCLOSURE CERTIFICATE insofar as such statements purport to summarize certain provisions of the Certificates, security for the Certificates, the Trust Agreement, the Installment Sale Agreement, the Assignment Agreement, the Continuing Disclosure Certificate and the legal opinion of Special Counsel with respect thereto concerning the validity and tax status of interest with respect to the Certificates, are accurate in all material respects; but excluding therefrom information about DTC and the book-entry only system;

(B) the Purchase Agreement has been duly authorized, executed and delivered by the Corporation and the City and, assuming due authorization, execution and delivery by the other respective parties thereto, constitute valid and binding agreements of the Corporation and the City and are enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or other similar laws affecting enforcement of creditors' rights and by the application of equitable principles if equitable remedies are sought; and

(C) the Certificates are exempt from registration pursuant to the Securities Act of 1933, as amended, and the Trust Agreement is exempt from qualification as an indenture pursuant to the Trust Indenture Act of 1939, as amended;

(iv) the letter of Quint & Thimmig LLP, in its capacity as Disclosure Counsel, dated the Closing Date and addressed to the City and the Underwriter, to the effect that, based upon its participation in the preparation of the Official Statement as Disclosure Counsel and upon the information made available to it in the course of the foregoing, but without having undertaken to determine or verify independently or assuming any

responsibility for the accuracy, completeness or fairness of the statements contained in the Official Statement (except to the extent expressly set forth in the opinion referred to in Section 7(c)(iii) above), nothing has come to the attention of the personnel directly involved in rendering legal advice and assistance in connection with the preparation of the Official Statement that causes them to believe that the Official Statement as of its date or as of the Closing Date contained or contains any untrue statement of a material fact or omitted or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, are not misleading (except for the description of any litigation, any information relating to information relating to the Municipal Bond Insurer, the Municipal Bond Insurance Policy, the Reserve Fund Insurance Policy, DTC, Cede & Co., the book-entry system, any financial statements, forecasts, projections, estimates, assumptions and expressions of opinions and the other financial and statistical data included therein, as to all of which they express no view);

(v) the opinion of the City Attorney, dated the Closing Date, and addressed to the Underwriter, to the effect:

(A) the City is a municipal corporation and chartered city organized and existing under and by virtue of the laws and the Constitution of the State and has full legal power and lawful authority to execute and deliver and perform all obligations under the Legal Documents to which the City is a party (the "City Documents") and to participate in the transactions contemplated by the Official Statement;

(B) the resolution adopted by the City Council of the City approving the form and authorizing the execution of the City Documents has been duly adopted at a meeting of the City Council of the City, which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout and such Resolution is in full force and effect and has not been modified, amended or rescinded;

(C) the City has duly authorized, executed and delivered the City Documents and, assuming due authorization, execution and delivery by the parties thereto other than the City, the City Documents constitute the legally valid and binding obligations of the City enforceable against the City in accordance with their respective terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles, if equitable remedies are sought.

(D) there is no action, suit, proceeding, inquiry or investigation at law or in equity, before or by any court, government agency, public board or body, pending or, to our knowledge after reasonable investigation, threatened: (1) which would materially adversely affect the financial position of the City; (2) affecting, contesting or seeking to prohibit, restrain or enjoin the execution and delivery of any of the Certificates or the City Documents, or in any way contesting or affecting the validity of or security for the Certificates or the City Documents or the consummation of the transactions contemplated thereby, or contesting the powers of the City or its authority to execute and deliver the City Documents or perform its obligations thereunder; or (3) contesting the completeness or accuracy of the Official Statement or asserting that the Official Statement contains any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and to our knowledge there is no basis for any action, suit, proceeding, inquiry or investigation of the nature described in subparagraphs (1) through (3) of this paragraph (D);

(E) the City is not in material breach of or default under any applicable constitutional provision, law or administrative regulation of the State or the United States of America or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the City is a party or to which the City or any of its property or assets is otherwise subject, and no event has occurred or is continuing which with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument; and the execution and delivery of the City Documents and compliance with the provisions thereof by the City, will not result in a violation of, a breach of, or a default under the articles of incorporation or bylaws of the City or any statute, indenture, mortgage, deed of trust, note agreement, or other agreement or instrument to which the City is a party or by which it or any of its property is bound, or any order, rule, law or regulation of any court or other governmental body having jurisdiction of the City;

(F) no authorization, approval, consent or order of the State or any other governmental authority or agency within the State, other than the governing body of the City, is required for the valid authorization, execution and delivery by the City of the City Documents and the performance by the City of its obligations thereunder.

(G) as of the date hereof, nothing has come to such attorney's attention causing us to believe that the information contained in the Official Statement relating to the City under the caption "THE CITY" as of its date or as of the date hereof contained any untrue statement of material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(vi) the opinion of the City Attorney, as counsel to the Corporation, dated the Closing Date and addressed to the Underwriter and the Corporation, in form and substance acceptable to each of them, to the effect that:

(A) the Corporation is a nonprofit public benefit corporation organized and existing under and by virtue of the laws and the Constitution of the State and has full legal power and lawful authority to execute and deliver and perform all obligations under the Legal Documents to which the Corporation is a party (the "Corporation Documents") and to participate in the transactions contemplated by the Official Statement;

(B) the resolution adopted by the Board of Directors of the Corporation approving the form and authorizing the execution of the Corporation Documents has been duly adopted at a meeting of the Board of Directors of the Corporation, which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout and such Resolution is in full force and effect and has not been modified, amended or rescinded;

(C) the Corporation has duly authorized, executed and delivered the Corporation Documents and, assuming due authorization, execution and delivery by the parties thereto other than the Corporation, the Corporation Documents constitute the legally valid and binding obligations of the Corporation enforceable against the Corporation in accordance with their respective terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws affecting the

enforcement of creditors' rights generally and by the application of equitable principles, if equitable remedies are sought.

(D) there is no action, suit, proceeding, inquiry or investigation at law or in equity, before or by any court, government agency, public board or body, pending or, to our knowledge after reasonable investigation, threatened: (1) which would materially adversely affect the financial position of the Corporation; (2) affecting, contesting or seeking to prohibit, restrain or enjoin the execution and delivery of any of the Certificates or the Corporation Documents, or in any way contesting or affecting the validity of or security for the Certificates or the Legal Documents or the consummation of the transactions contemplated thereby, or contesting the powers of the Corporation or its authority to execute and deliver the Legal Documents or perform its obligations thereunder; or (3) contesting the completeness or accuracy of the Official Statement or asserting that the Official Statement contains any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and to our knowledge there is no basis for any action, suit, proceeding, inquiry or investigation of the nature described in subparagraphs (1) through (3) of this paragraph (D);

(E) the Corporation is not in material breach of or default under any applicable constitutional provision, law or administrative regulation of the State or the United States of America or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Corporation is a party or to which the Corporation or any of its property or assets is otherwise subject, and no event has occurred or is continuing which with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument; and the execution and delivery of the Legal Documents and compliance with the provisions thereof by the Corporation, will not result in a violation of, a breach of, or a default under the articles of incorporation or bylaws of the Corporation or any statute, indenture, mortgage, deed of trust, note agreement, or other agreement or instrument to which the Corporation is a party or by which it or any of its property is bound, or any order, rule, law or regulation of any court or other governmental body having jurisdiction of the Corporation;

(F) no authorization, approval, consent or order of the State or any other governmental authority or agency within the State, other than the governing body of the Corporation, is required for the valid authorization, execution and delivery by the Corporation of the Legal Documents and the performance by the Corporation of its obligations thereunder; and

(G) as of the date hereof, nothing has come to such attorney's attention causing us to believe that the information contained in the Official Statement relating to the Corporation under the caption "THE CORPORATION" as of its date or as of the date hereof contained any untrue statement of material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(vii) a certificate, dated the Closing Date, signed by a duly authorized official of the City satisfactory in form and substance in the reasonable judgment of the Underwriter to the effect that:

(A) the City is a municipal corporation and chartered city, duly organized and existing under the laws of the State and has all necessary power and authority to enter into and perform its duties under the City Documents;

(B) by official action of the City, the City has approved the execution and delivery of and the performance by the City of the obligations on its part contained in the City Documents;

(C) the execution and delivery of the City Documents to which it is a party, compliance with the provisions thereof and performance of its duties thereunder, will not conflict with or constitute a breach of or default under the City's duties under any law, administrative regulation, judgment, decree, note, resolution, charter, by-law or other agreement to which the City is a party or is otherwise subject or by which its properties may be affected;

(D) the information relating to the City contained in the Official Statement does not contain any untrue or misleading statement of a material fact or omit to state any material fact which is necessary to make such statements therein, in the light of the circumstances under which they were made, not misleading;

(E) to the best knowledge of the City, there is no consent, approval, authorization or other order of, or filing with, or certification by, any regulatory authority having jurisdiction over the City required for the execution, delivery and sale of the Certificates or the consummation by the City of the transactions on its part contemplated by the City Documents;

(F) to the best knowledge of the City, the City is not in breach of or default under any applicable law or administrative regulation of the State or the United States or any applicable judgment or decree, agreement or other instrument to which the City is a party or is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument, which breach or default has or may have a material adverse effect on the ability of the City to perform its obligations under the City Documents;

(G) there is no action, suit, proceeding, inquiry or investigation, at law or in equity before or by any court or governmental agency or body, pending or, to the best knowledge of the City, threatened against the City, except as disclosed in the Official Statement, to restrain or enjoin the execution or delivery of the Certificates, or in any way contesting or affecting the validity or enforceability of the Certificates or the City Documents or contesting the powers of the City to enter into or perform its obligations under any of the foregoing; and

(H) the City covenants that it will not take any action which would cause interest with respect to the Certificates to be subject to federal income taxation or California personal income taxes;

(viii) a certificate, dated the Closing Date, signed by a duly authorized official of the Corporation satisfactory in form and substance in the reasonable judgment of the Underwriter to the effect that:

(A) the Corporation is nonprofit, public benefit corporation, duly organized and validly existing under the laws of the State;

(B) the Corporation has all necessary power and authority and has taken all official actions necessary to execute, deliver and perform its duties under each of the Corporation Documents and each of the Legal Documents has been duly authorized, executed and delivered by the Corporation and, assuming the due authorization, execution and delivery by the other respective parties thereto, will constitute legally valid and binding obligations of the Corporation enforceable

against the Corporation in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or limiting creditors' rights generally or principles of equity involving judicial discretion;

(C) the Corporation is not in material breach of, or default under, any applicable constitutional provision, law or administrative rule or regulation of the State or the United States of America material to the conduct of its functions or any applicable judgment or decree or any loan agreement, indenture, bond, certificate, note, resolution or other agreement or instrument to which the Corporation is a party or to which the Corporation or any of its properties is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any of the foregoing; and the authorization, execution and delivery of the Legal Documents, and compliance with the provisions thereof, will not conflict with or constitute a breach of or default under any constitutional provision, law, administrative rule or regulation, or any judgment, decree, license, permit, loan agreement, indenture, bond, certificate, note, resolution, agreement or other instrument to which the Corporation (or any of its officers in their respective capacities as such) is subject or by which it or any of its properties is bound, nor will any such authorization, execution, delivery or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of its assets or properties or under the terms of any such law, regulation or instrument except as may be provided by the Legal Documents;

(D) there is no consent, approval, authorization or other order of, or filing with, or certification by, any regulatory entity having jurisdiction over the Corporation required for the execution and delivery of the Legal Documents, or the consummation by the Corporation of the transactions contemplated in the Official Statement or in the Legal Documents, which has not been duly obtained or made on or prior to the date hereof;

(E) there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court or governmental or public entity pending or, to the knowledge of the Corporation, threatened against the Corporation which affects or seeks to prohibit, restrain or enjoin the execution or delivery of the Certificates or any of the Legal Documents, or contesting the validity of the Certificates or any of the Legal Documents or the powers of the Corporation to enter into or perform its obligations under the Legal Documents or the existence or powers of the Corporation;

(F) no event affecting the Corporation has occurred since the date of the Official Statement which either makes untrue or incorrect in any material respect as of the Closing Date the statements or information regarding the Corporation contained in the Official Statement or is not reflected in the Official Statement but should be reflected therein in order to make the statements and information therein regarding the Corporation not misleading in any material respect;

(ix) a certificate of the Trustee, dated the Closing Date, signed by a duly authorized officer of the Trustee, and in form and substance satisfactory to the Underwriter, to the effect that:

(A) the Trustee is a national banking association duly organized and existing under and by virtue of the laws of the United States of America authorized to carry out corporate trust powers and has all necessary power and authority to enter into and perform its duties under the Trust Agreement and the Assignment Agreement and to execute the Certificates;

(B) the representations of the Trustee in the Trust Agreement and the Assignment Agreement are true and correct in all material respects as of the Closing Date;

(C) to the best of its knowledge, no litigation is pending or threatened (either in state or federal courts) (1) to restrain or enjoin the execution or delivery of any of the Certificates or the collection of revenues pledged under the Installment Sale Agreement, or (2) in any way contesting or affecting any authority for the execution or delivery of the Certificates or the validity or enforceability of the Trust Agreement or the Assignment Agreement;

(D) the Trustee is duly authorized to execute and deliver the Certificates to the Underwriter upon instruction by the City pursuant to the terms of the Trust Agreement, and the Trust Agreement and the Assignment Agreement constitute legal, valid and binding obligations of the Trustee enforceable in accordance with its respective terms;

(E) to the best of its knowledge, the execution and delivery of the Trust Agreement and the Assignment Agreement, and compliance with the provisions thereof, will not conflict with, or constitute a breach of or default under, the Trustee's duties under said documents or any law, administrative regulation, court decree, resolution, charter, bylaws or other agreement to which the Trustee is subject or by which it is bound; and

(F) the Certificates have been validly executed and delivered by the Trustee;

(x) the opinion of counsel to the Trustee, addressed to the Underwriter and the City, dated the Closing Date, to the effect that;

(A) the Trustee has been duly organized and is validly existing in good standing as a national banking association under the laws of the United States of America, with full corporate power to enter into the Trust Agreement and the Assignment Agreement and to accept the trust as provided therein, and to perform its obligations under the Trust Agreement and the Assignment Agreement;

(B) the Trustee has duly authorized, executed and delivered the Trust Agreement and the Assignment Agreement and by all proper corporate action has authorized the acceptance of the trust of the Trust Agreement;

(C) assuming the due authorization, execution and delivery by the other party to the Trust Agreement and the Assignment Agreement, the Trust Agreement and the Assignment Agreement, constitute legally valid and binding agreements of the Trustee, enforceable against the Trustee in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, moratorium or other similar laws or equitable principles relating to or limiting creditors' rights generally;

(D) the Certificates have been validly executed by the Trustee; and

(E) to the best of such counsel's knowledge, no authorization, approval, consent or order of any governmental agency or any other person or corporation is required for the valid authorization, execution and delivery of the Trust Agreement and the Assignment Agreement by the Trustee or the authentication by the Trustee of the Certificates;

| (xi) the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, as counsel to the Underwriter, dated the Closing Date and addressed to the Underwriter, in form and substance acceptable to the Underwriter.

(xii) a copy of the Official Statement, executed on behalf of the City;

(xiii) a copy of the general resolution of the Trustee authorizing the execution and delivery of the Trust Agreement and the Assignment Agreement;

(xiv) copies of all resolutions relating to the Certificates, the Official Statement and the Legal Documents adopted by the Corporation and the City, as applicable, and certified by an authorized official of the Corporation and the City;

(xv) a tax certificate by the City in form and substance acceptable to Special Counsel;

(xvi) a copy of the Municipal Bond Insurance Policy;

(xvii) a copy of the Reserve Fund Insurance Policy;

(xviii) an opinion of counsel to the Municipal Bond Insurer, addressed to the City and the Underwriter to the effect that:

(A) the descriptions of the Municipal Bond Insurer, the Municipal Bond Insurance Policy and the Reserve Fund Insurance Policy included in the Official Statement are accurate;

(B) the Municipal Bond Insurance Policy and the Reserve Fund Insurance Policy constitute legal, valid and binding obligations of the Municipal Bond Insurer, enforceable in accordance with their respective terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditor's rights generally and by the application of equitable principles if equitable remedies are sought, and

(C) as to such other matters as the City or the Underwriter may reasonably request;

(xix) a certificate of the Municipal Bond Insurer, signed by an authorized officer of the Municipal Bond Insurer, to the effect that:

(A) the information contained in the Official Statement relating to the Municipal Bond Insurer, the Municipal Bond Insurance Policy and the Reserve Fund Insurance Policy is true and accurate and

(B) as to such other matters as the City or the Underwriter may reasonably request;

(xx) letters from S&P Global Ratings, a Standard & Poor's Financial Services LLC business, indicating that the Certificates have been assigned an insured rating of "AA" and an underlying rating of "___."

(xxi) evidence of good standing of the Corporation with the State; and

(xxii) such additional legal opinions, certificates, proceedings, instruments or other documents as Special Counsel and counsel to the Underwriter, if any, may reasonably request to evidence compliance by the Corporation and the City with legal requirements, the truth and accuracy, as of the Closing Date, of the representations and

warranties of the Corporation and the City contained herein, and the due performance or satisfaction by the Corporation and the City at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the Corporation and the City.

Section 8. Changes in Official Statement. After the Closing, the City will not adopt any amendment of or supplement to the Official Statement to which the Underwriter shall object in writing. Within 90 days after the Closing or within 25 days following the end of the underwriting period, whichever occurs first, if any event relating to or affecting the Certificates, the Trustee, the Corporation or the City shall occur as a result of which it is necessary, in the opinion of the Underwriter, to amend or supplement the Official Statement in order to make the Official Statement not misleading in any material respect in the light of the circumstances existing at the time it is delivered to a purchaser, the City will forthwith prepare and furnish to the Underwriter an amendment or supplement that will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to purchaser, not misleading. The City shall cooperate with the Underwriter in the filing by the Underwriter of such amendment or supplement to the Official Statement with a nationally recognized municipal securities repository. For the purposes of this section the Trustee, the Corporation and the City will each furnish such information with respect to itself as the Underwriter may reasonably request from time to time during such period.

Section 9. Expenses. Whether or not the transactions contemplated by this Purchase Agreement are consummated, the Underwriter shall be under no obligation to pay, and the City shall pay from the proceeds of the Certificates or otherwise, all expenses and costs of the City and the Corporation incident to the performance of their obligations in connection with the authorization, execution, sale and delivery of the Certificates to the Underwriter, including, without limitation, printing costs, rating agency fees and charges, CUSIP Bureau fees, initial fees of the Trustee, including fees and disbursements of its counsel, if any, fees and disbursements of the City's municipal advisor, Special Counsel, Disclosure Counsel, Underwriter's counsel and other professional advisors employed by the City or the Corporation and costs of preparation, printing, signing, transportation, delivery and safekeeping of the Certificates. The Underwriter shall pay all out-of-pocket expenses of the Underwriter, including, without limitation, advertising expenses, the California Debt and Investment Advisory Commission fee, regulatory fees imposed on new securities issuers and any and all other expenses incurred by the Underwriter in connection with the public offering and distribution of the Certificates, including the fees and disbursements of its counsel.

Section 10. Notices. Any notice or other communication to be given to the Underwriter under this Purchase Agreement may be given by delivering the same in writing to Oppenheimer & Co. Inc., 580 California Street, Suite 2300, San Francisco, CA 94104, Attention: _____. Any notice or communication to be given to the Corporation or the City under this Purchase Agreement may be given by delivering the same in writing to the Corporation's and the City's addresses, respectively set forth above, Attention: Finance Director.

The approval of the Underwriter when required hereunder or the determination of the Underwriter's satisfaction as to any document referred to herein shall be in writing signed by the Underwriter and delivered to you.

Section 11. Parties in Interest. This Purchase Agreement is made solely for the benefit of the Corporation, the City and the Underwriter (including the successors or assigns thereof) and no other person shall acquire or have any right hereunder or by virtue hereof. All representations, warranties and agreements of the Corporation and the City in this Purchase Agreement shall remain operative and in full force and effect regardless of any investigation made by or on behalf of the Underwriter and shall survive the delivery of and payment of the Certificates.

Section 12. **Counterparts.** This Purchase Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

Section 13. **Governing Law.** This Purchase Agreement shall be governed by the laws of the State.

OPPENHEIMER & CO. INC., as
Underwriter

By _____
By _____
By _____

Accepted and Agreed to:

CITY OF PORTERVILLE

By _____
John D. Lollis
City Manager

Time of Execution: _____ Pacific Standard time

EXHIBIT A

MATURITY SCHEDULE AND REDEMPTION PROVISIONS

\$ _____
WATER REVENUE CERTIFICATES OF PARTICIPATION
(2021 Water System Financing Project)
Evidencing Direct, Undivided Fractional Interests of the
Owners Thereof in Installment Payments to be Made by the
CITY OF PORTERVILLE
(Tulare County, California)
as the Purchase Price for Certain Property Pursuant to an Installment
Sale Agreement with the Porterville Public Improvement Corporation

MATURITY SCHEDULE

<u>Maturity Date</u> <u>(August 15)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>Price</u>
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Optional Redemption. The Certificates maturing on and after August 15, ____, are subject to optional redemption in whole or in part on any date on and after August 15, ____, in such order of maturity as shall be designated by the City (or, if the City shall fail to so designate the order of redemption, in *pro rata* among maturities) and by lot within a maturity, at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium, from the proceeds of the optional prepayment of Installment Payments made by the City pursuant to the Installment Sale Agreement.

Extraordinary Redemption. The Certificates are subject to extraordinary redemption, in whole or in part, on any Interest Payment Date, in an order of maturity determined by the City, from the Net Proceeds of insurance or eminent domain proceedings credited towards the redemption of the Installment Payments pursuant to the Installment Sale Agreement, at a redemption price equal to 100% of the principal amount to be redeemed, together with accrued interest represented thereby to the date fixed for redemption, without premium.

Sinking Fund Redemption. The Certificates maturing on August 15, ____, are subject to mandatory redemption in part on August 15 in each year on and after August 15, ____, to and including August 15, ____, from the principal components of scheduled Installment Payments required to be paid by the City pursuant to the Installment Sale Agreement with respect to each such redemption date (subject to abatement, as set forth in the Installment Sale Agreement), at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date fixed for redemption, without premium, as follows:

<u>Year</u> <u>(August 15)</u>	<u>Principal Amount of</u> <u>Certificates to be Redeemed</u>
-----------------------------------	--

†Maturity.

The Certificates maturing on August 15, ____, are subject to mandatory redemption in part on August 15 in each year on and after August 15, ____, to and including August 15, ____, from the principal components of scheduled Installment Payments required to be paid by the City pursuant to the Installment Sale Agreement with respect to each such redemption date (subject to abatement, as set forth in the Installment Sale Agreement), at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date fixed for redemption, without premium, as follows:

<u>Year</u> <u>(August 15)</u>	<u>Principal Amount of</u> <u>Certificates to be Redeemed</u>
-----------------------------------	--

†Maturity.

EXHIBIT B

FORM OF ISSUE PRICE CERTIFICATE

\$ _____
WATER REVENUE CERTIFICATES OF PARTICIPATION
(2021 Water System Financing Project)
Evidencing Direct, Undivided Fractional Interests of the
Owners Thereof in Installment Payments to be Made by the
CITY OF PORTERVILLE
(Tulare County, California)
as the Purchase Price for Certain Property Pursuant to an Installment
Sale Agreement with the Porterville Public Improvement Corporation

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of Oppenheimer & Co. Inc. ("Oppenheimer"), based on the information available to it, hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the "Certificates").

I. General

1. Oppenheimer and the City of Porterville (the "Issuer") have executed a certificate purchase agreement in connection with the Certificates on the Sale Date. Oppenheimer has not modified the certificate purchase agreement since its execution on the Sale Date.

II. Price

1. Oppenheimer offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule I (the "Initial Offering Prices") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Certificates is attached to this certificate as Schedule II.

2. As set forth in the certificate purchase agreement, Oppenheimer has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Certificates of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule"), and (ii) any selling group agreement would contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement would contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule.

3. No Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity during the Holding Period.

III. Defined Terms

1. *General Rule Maturities* means those Maturities of the Certificates not listed in Schedule I hereto as the "Hold-the-Offering-Price Maturities."

2. *Hold-the-Offering-Price Maturities* means those Maturities of the Certificates listed in Schedule I hereto as the "Hold-the-Offering-Price Maturities."

3. *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which the Underwriter has sold at least 10% of such Hold-the-Offering-Price

Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

4. *Maturity* means Certificates with the same credit and payment terms. Certificates with different maturity dates, or Certificates with the same maturity date but different stated interest rates, are treated as separate maturities.

5. *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to an Underwriter.

6. A person is a “*Related Party*” to an Underwriter if the Underwriter and the person are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

7. *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Certificates. The Sale Date of the Certificates is January 13, 2021.

8. *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with Oppenheimer to form an underwriting syndicate) to participate in the initial sale of the Certificates to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Certificates to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Certificates to the Public).

All terms not defined herein shall have the same meanings as in the Tax Exemption Certificate and Agreement with respect to the Certificates, to which this Certificate is attached. The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Oppenheimer’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in its documents and with respect to compliance with the federal income tax rules affecting the Certificates, and by Quint & Thimmig LLP in connection with rendering its opinion that the interest on the Certificates is excluded from gross income for federal income tax purposes, the preparation of Internal Revenue Service Form 8038-G, and other federal income tax advice it may give to the Issuer from time to time relating to the Certificates.

IV. Credit

Oppenheimer has calculated that the present value of the amounts paid to obtain the _____ (the “Municipal Bond Insurer”) municipal bond insurance and reserve fund municipal bond insurance policies (the “Policies”) is less than the present value of the debt service reasonably expected to be saved as a result of having the Policies, using as the discount factor for this purpose the expected Yield with respect to the Certificates treating the fees paid as interest with respect to the Certificates.

To the best of Oppenheimer's knowledge, the fees paid to obtain the Policies were determined in arm's-length negotiations and were required as a condition to the issuance by the Municipal Bond Insurer of the Policies.

| Dated: January 27, 2021

OPPENHEIMER & CO. INC., as Underwriter

By _____
Authorized Officer

SCHEDULE I TO ISSUE PRICE CERTIFICATE

\$ _____
WATER REVENUE CERTIFICATES OF PARTICIPATION
(2021 Water System Financing Project)
Evidencing Direct, Undivided Fractional Interests of the
Owners Thereof in Installment Payments to be Made by the
CITY OF PORTERVILLE
(Tulare County, California)
as the Purchase Price for Certain Property Pursuant to an Installment
Sale Agreement with the Porterville Public Improvement Corporation

Hold-the- Offering Price Maturities (if Marked)	General Rule Maturities (if Marked)	Maturity Date (August 15)	Principal Amount	Interest Rate	Price
--	--	--------------------------------------	-----------------------------	--------------------------	--------------

SCHEDULE II TO ISSUE PRICE CERTIFICATE

\$ _____
WATER REVENUE CERTIFICATES OF PARTICIPATION
(2021 Water System Financing Project)
Evidencing Direct, Undivided Fractional Interests of the
Owners Thereof in Installment Payments to be Made by the
CITY OF PORTERVILLE
(Tulare County, California)
as the Purchase Price for Certain Property Pursuant to an Installment
Sale Agreement with the Porterville Public Improvement Corporation

PRICING WIRE OR EQUIVALENT COMMUNICATION

RATINGS:
S&P: "AA" (___-insured)
S&P: "___" (Underlying)
See "RATINGS" herein

Due: August 15, as shown on the Inside Cover



WULFF, HANSEN & Co.
ESTABLISHED 1931

[INSURER LOGO]

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES AND PRICES OR YIELDS

SEE THE INSIDE COVER

The Certificates will be offered when, as and if delivered and received by the Underwriter subject to approval by Quint & Thimmig LLP, San Francisco, California, as Special Counsel. Certain matters will be passed upon for the City by Quint & Thimmig LLP, San Francisco, California, as Disclosure Counsel, and for the Underwriter by Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California. It is anticipated that the Certificates will be available for delivery to DTC in New York, New York, on or about January 27, 2021.



Dated: January, 2021

*Preliminary, subject to change.

\$ _____ *

WATER REVENUE CERTIFICATES OF PARTICIPATION
(2021 Water System Financing Project)
Evidencing the Direct, Undivided Fractional Interests
of the Owners Thereof in Installment Payments
to be Made by the
CITY OF PORTERVILLE
(Tulare County, California)
As the Purchase Price for Certain Property
Pursuant to an Installment Sale Agreement with the
Porterville Public Improvement Corporation

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES AND PRICES OR YIELDS*

\$ _____ **Serial Bonds**

CUSIP† Prefix: _____

Maturity (August 15)	Principal Amount	Interest Rate	Yield	Price	CUSIP† Suffix
-------------------------	---------------------	------------------	-------	-------	------------------

\$ _____ % **Term Certificates Maturing August 15, _____**; **Price: _____, to Yield _____%—CUSIP†: _____**

\$ _____ % **Term Certificates Maturing August 15, _____**; **Price: _____, to Yield _____%—CUSIP†: _____**

*Preliminary, subject to change.

† Copyright 2021, American Bankers Association. CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, operated by S&P Capital IQ. This data is not intended to create a database and does not serve in any way as a substitute for CUSIP Global Services. CUSIP numbers have been assigned by an independent company not affiliated with the City and are included solely for the convenience of the registered owners of the Certificates. Neither the City nor the Underwriter is responsible for the selection or uses of these CUSIP numbers and no representation is made as to their correctness on the Certificates or as included herein. The CUSIP number for a specific maturity is subject to being changed after the delivery of the Certificates as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Certificates.

For purposes of compliance with Rule 15c2-12 of the United States Securities and Exchange Commission, as amended ("Rule 15c2-12"), this Preliminary Official Statement constitutes an "official statement" of the City with respect to the Certificates that has been deemed "final" by the City as of its date except for the omission of no more than the information permitted by Rule 15c2-12.

No dealer, broker, salesperson or other person has been authorized to give any information or to make any representation other than those contained herein and, if given or made, such other information or representation must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or the solicitation of any offer to buy nor shall there be any sale of the Certificates by a person in any jurisdiction in which it is unlawful for such person to make an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers of the Certificates. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of facts.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

The information set forth herein has been obtained from the City and from other sources and is believed to be reliable but is not guaranteed as to accuracy or completeness. The information and expressions of opinions herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof. This Official Statement is submitted in connection with the sale of the Certificates referred to herein and may not be reproduced or used, in whole or in part, for any other purpose, unless authorized in writing by the City. All summaries of the Certificates, the Installment Sale Agreement, the Trust Agreement, the Assignment Agreement, or other documents, are made subject to the provisions of such documents and do not purport to be complete statements of any or all of such provisions. Reference is hereby made to such documents on file with the Finance Director for further information. See "INTRODUCTION—Other Information."

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE CERTIFICATES AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITER MAY OFFER AND SELL THE CERTIFICATES TO CERTAIN DEALERS, INSTITUTIONAL INVESTORS AND OTHERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE COVER PAGE HEREOF AND SUCH PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.

The execution, sale and delivery of the Certificates has not been registered under the Securities Act of 1933 or the Securities Exchange Act of 1934, both as amended, in reliance upon exemptions provided thereunder by Sections 3(a)(2) and 3(a)(12), respectively, for the issuance and sale of municipal securities.

_____ (the "Municipal Bond Insurer") makes no representation regarding the Certificates or the advisability of investing in the Certificates. In addition, the Municipal Bond Insurer has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding the Municipal Bond Insurer supplied by the Municipal Bond Insurer and presented under the heading "MUNICIPAL BOND INSURANCE" and "APPENDIX H—SPECIMEN MUNICIPAL BOND INSURANCE POLICY".

The City maintains a website. Unless specifically indicated otherwise, the information presented on such website is *not* incorporated by reference as part of this Official Statement and should not be relied upon in making investment decisions with respect to the Certificates.

CITY OF PORTERVILLE LOCATION MAP

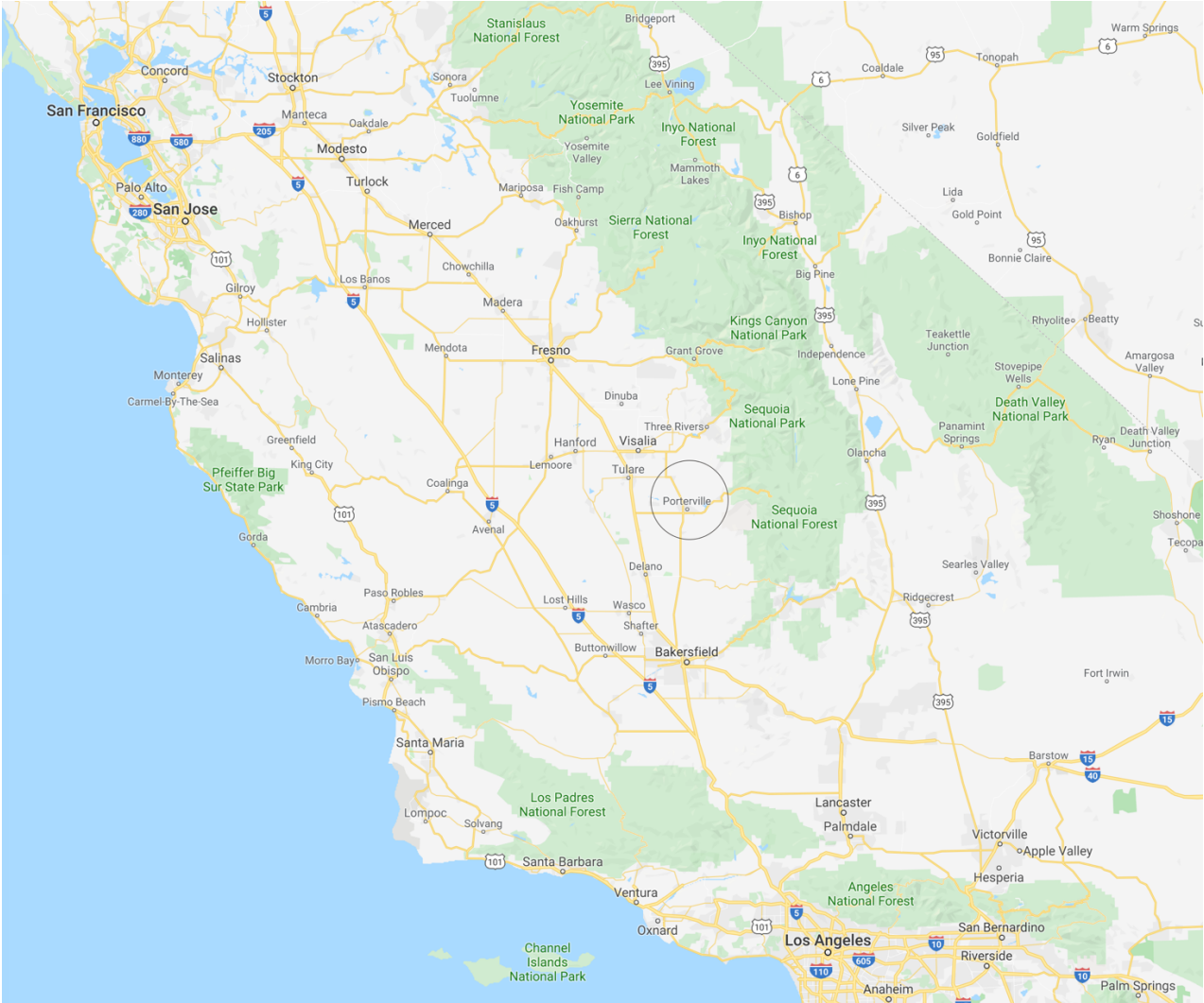


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CITY OF PORTERVILLE

291 North Main Street
Porterville, CA 93257
(559) 782-7499
<http://www.ci.porterville.ca.us>

City Council

Martha A. Flores, *Mayor*
Monte Reyes, *Vice Mayor*
Milt Stowe, *Councilmember*
Daniel Peñaloza, *Councilmember*
Virginia Gurrola, *Councilmember*

City Staff and Officials

John D. Lollis, *City Manager*
Maria Bemis, *Director of Finance*
Patrice Hildreth, *Administrative Services Director*
Michael Knight, *Public Works Director*
Javier Sanchez, *City Engineer*
Julia M. Lew, Esq., *City Attorney*

Special Services

Wulff Hansen, & Co.
San Rafael, California
Municipal Advisor

Quint & Thimmig LLP
Larkspur, California
Special Counsel and Disclosure Counsel

U.S. Bank National Association
Los Angeles, California
Trustee

OFFICIAL STATEMENT

\$ _____ *

WATER REVENUE CERTIFICATES OF PARTICIPATION
(2021 Water System Financing Project)
Evidencing the Direct, Undivided Fractional Interests of the
Owners Thereof in Installment Payments to be Made by the
CITY OF PORTERVILLE
(Tulare County, California)
As the Purchase Price For Certain Property Pursuant to an
Installment Sale Agreement with the
Porterville Public Improvement Corporation

INTRODUCTION

This introduction does not purport to be complete and reference is made to the body of this Official Statement, appendices and the documents referred to herein for more complete information with respect to matters concerning the captioned Certificates. Potential investors are encouraged to read this entire Official Statement. Capitalized terms used and not defined in this Introduction shall have the meanings assigned to them elsewhere in this Official Statement and in APPENDIX A—SUMMARY OF PRINCIPAL LEGAL DOCUMENTS—DEFINITIONS.

General

The purpose of this Official Statement, which includes the cover page, Table of Contents and Appendices (the “Official Statement”), is to provide certain information concerning the sale and delivery of Water Revenue Certificates of Participation (2021 Water System Financing Project) (the “Certificates”), in aggregate principal amount of \$ _____* representing the direct, undivided fractional interests of the registered owners thereof (the “Owners”) in installment payments (the “Installment Payments”) to be made by the City of Porterville, California (the “City”), as the purchase price for certain additions, betterments, extensions and improvements (the “Project”) to the City’s municipal water system (the “Enterprise”), pursuant to an Installment Sale Agreement, dated as of January 1, 2021 (the “Installment Sale Agreement”), by and between the City and the Porterville Public Improvement Corporation (the “Corporation”). The Corporation will sell the Project to the City pursuant to the Installment Sale Agreement. The Certificates are being executed and delivered to (a) finance the Project, (b) pay the cost of purchasing a municipal bond insurance policy for the Certificates, (c) pay the cost of purchasing a reserve fund municipal bond insurance policy in lieu of cash funding a reserve fund for the Certificates, and (d) pay costs of the execution, sale and delivery of the Certificates.

The Certificates are being executed and delivered pursuant to a Trust Agreement, dated as of January 1, 2021 (the “Trust Agreement”), by and among the City, the Corporation and U.S. Bank National Association, Los Angeles, California, as trustee (the “Trustee”), and constitute direct, undivided fractional interests of the Owners in the Installment Payments. Pursuant to an Assignment Agreement, dated as of January 1, 2021, between the Corporation and the Trustee (the “Assignment Agreement”) the Corporation will assign to the Trustee, for the benefit of the Owners, its rights under the Installment Sale Agreement,

* Preliminary, subject to change.

including (i) its right to receive Installment Payments, and (ii) its right to enforce amounts payable upon default.

Source of Payment for the Certificates

In general, the City is required to pay to the Trustee, from a first and prior lien on the Net Revenues of the Enterprise, Installment Payments which are designed to be sufficient in both time and amount to pay, when due, the principal and interest with respect to the Certificates.

“Gross Revenues” means all gross charges received for, and all other gross income and receipts derived by the City from, the ownership and operation of the Enterprise or otherwise arising from the Enterprise, including but not limited to investment earnings thereon; but excluding (a) the proceeds of any *ad valorem* property taxes levied for the purpose of paying general obligation bonds of the City relating to the Enterprise, (b) the proceeds of any special assessments or special taxes levied upon real property within any improvement district for the purpose of paying special assessment bonds or special tax obligations of the City relating to the Enterprise; and (c) customers' deposits or any other deposits subject to refund until such deposits have become the property of the City, or contributions in aid of construction.

“Operation and Maintenance Costs” means the reasonable and necessary costs and expenses paid by the City for maintaining and operating the Enterprise, including but not limited to (a) costs of electricity and other forms of energy supplied to the Enterprise, (b) the reasonable expenses of management and repair and other costs and expenses necessary to maintain and preserve the Enterprise in good repair and working order, and (c) the reasonable administrative costs of the City attributable to the operation and maintenance of the Enterprise; but in all cases excluding (i) debt service payable on all other obligations incurred by the City with respect to the Enterprise including but not limited to any Parity Obligations, (ii) depreciation, replacement and obsolescence charges or reserves therefor and other noncash expenses, and (iii) amortization of intangibles or other bookkeeping entries of a similar nature.

“Net Revenues” means Gross Revenues less Operation and Maintenance Expenses.

The City has covenanted in the Installment Sale Agreement to prescribe, revise and collect such charges from the services and facilities of the Enterprise which will produce Gross Revenues sufficient in each Fiscal Year to provide Net Revenues equal to at least 1.25 times the aggregate annual payment requirements with respect to the Installment Sale Agreement and any parity obligations in such Fiscal Year.

The City entered into the Enterprise Fund Installment Sale Agreement, dated as of April 1, 2010 (the “2010 CIEDB Agreement”), with the California Infrastructure and Economic Development Bank (the “CIEDB”), which provided funding for improvements to the Enterprise. The City also entered into the Enterprise Fund Installment Sale Agreement, dated as of March 1, 2014 (the “2014 CIEDB Agreement”), with the CIEDB, which provided funding for improvements to the Enterprise.

The City's obligation to make the Installment Payments will be on a parity with the City's obligation to make the payments under the 2010 CIEDB Agreement and the 2014 CIEDB Agreement.

THE OBLIGATION OF THE CITY TO MAKE INSTALLMENT PAYMENTS CONSTITUTES A SPECIAL OBLIGATION OF THE CITY PAYABLE SOLELY FROM NET REVENUES AND DOES NOT CONSTITUTE AN OBLIGATION OF THE CITY FOR WHICH THE CITY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE

CITY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. THE OBLIGATION OF THE CITY TO MAKE INSTALLMENT PAYMENTS DOES NOT CONSTITUTE AN INDEBTEDNESS OF THE CITY, THE STATE OF CALIFORNIA, OR ANY OF ITS POLITICAL SUBDIVISIONS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION.

The Enterprise

The Enterprise provides potable water service to both the residents of the City and a portion of Tulare County residents located outside the City's borders but within the City's urban development boundaries. The City's Public Works Department operates and maintains the Enterprise's water distribution system, which consists of production, storage, and transmission facilities. The Enterprise also operates a small water system west of the City and outside the City's urban development boundaries known as Jones Corner, which consists of one main well and one backup well and services 118 customers. See "THE ENTERPRISE" and "ENTERPRISE FINANCIAL INFORMATION."

The City

The City of Porterville, incorporated on May 7, 1902, is located midway between San Francisco and Los Angeles, an hour from Fresno and Bakersfield. The City is situated in the southeastern portion of California's San Joaquin Valley on the Tule River. The City currently occupies a land area of 18.73 square miles and serves a population of approximately 59,700. The City is the third largest city in the County in terms of population. The City serves as a gateway to Sequoia National Forest, Giant Sequoia National Monument and Kings Canyon National Park.

The City was incorporated on May 7, 1902, and became a Charter City in 1926. The City Council members are elected for overlapping four-year terms. The policies of the City Council are carried out by the appointed City Manager. For certain information with respect to the City, see "THE CITY" and APPENDIX E—GENERAL INFORMATION REGARDING THE CITY OF PORTERVILLE AND TULARE COUNTY.

Tax Matters

In the opinion of Quint & Thimmig LLP, San Francisco, California, Special Counsel, subject to compliance by the City with certain covenants, interest with respect to the Certificates is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals. In addition, in the opinion of Special Counsel, interest with respect to the Certificates is exempt from personal income taxation imposed by the State of California. See "TAX MATTERS."

Municipal Bond Insurance Policy; Reserve Policy

The scheduled payment of the principal and interest with respect to the Certificates when due will be guaranteed under a municipal bond insurance policy (the "Municipal Bond Insurance Policy") to be issued by _____ (the "Municipal Bond Insurer") simultaneously with the delivery of the Certificates. See "MUNICIPAL BOND INSURANCE." In addition, the Municipal Bond Insurer has made a commitment to issue a municipal bond insurance policy for the Reserve Fund (the "Reserve

Policy”) in an amount equal to the Reserve Requirement. See “SOURCE OF PAYMENT FOR THE CERTIFICATES—Reserve Fund.”

Continuing Disclosure

The City will covenant in a Continuing Disclosure Certificate to prepare and deliver an annual report to the Municipal Securities Rulemaking Board (the “MSRB”) through the MSRB’s Electronic Municipal Market Access system. See “CONTINUING DISCLOSURE” and APPENDIX D—FORM OF CONTINUING DISCLOSURE CERTIFICATE.

Summaries of Documents

This Official Statement contains descriptions of the Certificates, the Trust Agreement, the Installment Sale Agreement, the Assignment Agreement and various other agreements and documents. The descriptions and summaries of documents herein do not purport to be comprehensive or definitive and reference is made to each such document for the complete details of all terms and conditions. All statements herein are qualified in their entirety by reference to each such document and, with respect to certain rights and remedies, to laws and principles of equity relating to or affecting creditors’ rights generally. Copies of the various documents described herein are available for inspection during business hours at the corporate trust office of the Trustee at 633 West Fifth Street, 24th Floor, Los Angeles, CA 90071.

Forward-Looking Statements

This Official Statement, and particularly the information contained under the headings entitled “THE PROJECT,” “THE ENTERPRISE,” “~~ENTERPRISE FINANCIAL INFORMATION~~,” “RISK FACTORS RELATING TO THE CERTIFICATES” and APPENDIX E—GENERAL INFORMATION REGARDING THE CITY OF PORTERVILLE AND TULARE COUNTY, contain statements relating to future results that are “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 2000. When used in this Official Statement, the words “estimate,” “forecast,” “intend,” “expect” and similar expressions identify forward-looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material. The City is not obligated to issue any updates or revisions to the forward-looking statements if or when its expectations, or events, conditions or circumstances on which such statements are based occur. See “RISK FACTORS RELATING TO THE CERTIFICATES” and “CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND FEES.”

Other Information

This Official Statement speaks only as of its date as set forth on the cover hereof, the information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the City since the date hereof.

Unless otherwise expressly noted, all references to internet websites in this Official Statement, including without limitation, the City’s website, are shown for reference and convenience only and none of

their content is incorporated herein by reference. The information contained within such websites has not been reviewed by the City and the City makes no representation regarding the accuracy or completeness of the information therein.

ESTIMATED SOURCES AND USES OF FUNDS

The proceeds to be received from the sale of Certificates are anticipated to be applied as follows:

SOURCES:

Par Amount of Certificates

Plus: Original Issue Premium

Total Sources of Funds

USES:

Deposit to Project Fund ⁽¹⁾

Deposit to Delivery Costs Fund ⁽²⁾

Total Uses of Funds

-
- (1) Amounts deposited in the Project Fund will be applied to the acquisition and construction of the Project. See “THE PROJECT” herein.
- (2) Delivery Costs include the Underwriter’s discount, fees and expenses of the Municipal Advisor, special counsel, disclosure counsel, and the Trustee, printing expenses, rating fees, premiums for the Municipal Bond Insurance Policy and the Reserve Policy and other costs.

THE PROJECT

Proceeds of the Certificates will be used to (a) finance the Project and (b) pay delivery costs incurred in connection with the execution, delivery and sale of the Certificates.

A growing emphasis has been placed on opportunities for the use of reclaimed water. Currently, the City uses wastewater effluent for groundwater percolation and restricted crop irrigation. Other potential uses for recycled water include large landscape irrigation throughout the service area and the opportunity to exchange recycled water for future surface water recharge. Consistent efforts have been made to acknowledge the objectives of implementing recycled water to determine the feasibility of developing a recycled water system that could help reduce demands on groundwater and support the City’s sustainability goals. The City currently discharges undisinfected secondary treated effluent to the City-owned reclamation area located near the Porterville Municipal Airport.

The City is working with the Tule River Tribe of California on a Casino Relocation Project located within a 40 acre site that it owns near the Porterville Airport and the City’s reclamation area. The proposed project would take the City’s sustainability goals into consideration and offset environmental impacts on new construction with recycled water obligations. The casino resort will rely on the City to provide potable water, with the use of disinfected tertiary recycled water to offset water demands for landscape irrigation within the casino resort and at the City’s Sports Complex. The potable water demand reduction at the Sports Complex will offset the potable water demand of the casino resort. The Project Funds will be used to construct a tertiary treatment plant (the “TTP”) that would be built on a parcel of City property adjacent to the Sports Complex and near the casino resort at an estimated cost of \$15,000,000. The City will deliver undisinfected secondary effluent from the City’s Wastewater Treatment Facility (the “WWTF”) via the

City's effluent distribution pipeline to the TTP, where it would be treated to Title 22 standards and distributed for use.

The project design is that the TTP will be sized to treat 0.31 million gallons per day (mgd) of undisinfected secondary effluent with additional considerations for WWTF projects that enhance water quality, and tertiary production to encourage future growth in demands for recycled water. The initial project is sized with full expectation to expand recycled water capacity as additional users are identified within this funding cycle.

In addition, the Project Funds will be used to construct a groundwater recharge basin at an additional estimated cost of \$15,000,000. The basin project with piping infrastructure will provide collection of surface water runoff and a location for ground water recharge operations.

Project funds will also be utilized to fund phased improvements to the WWTF to further full tertiary treatment of plant effluent, in an approximate amount of \$5,000,000.

The estimated total costs of the Project is \$35,000,000.

DEBT SERVICE REQUIREMENTS

The following table shows the scheduled annual debt service for the Certificates (assuming no redemptions other than sinking fund redemptions) is presented below:

Year Ending August 15	Principal ⁽¹⁾	Interest	Total
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
2048			
2049			
2050			
TOTAL			

⁽¹⁾ Includes mandatory sinking fund installments.

THE CERTIFICATES

General

The Certificates will be executed and delivered in the aggregate principal amount and will mature on the dates and interest with respect thereto will be payable at the rates per annum as set forth on the cover of this Official Statement. The Certificates will be delivered in the form of fully registered Certificates without coupons in the denomination of \$5,000 or any integral multiple thereof. Interest with respect to the Certificates will be calculated on the basis of a 360-day year of twelve 30-day months and will be payable on

February 15 and August 15 of each year, commencing August 15, 2021 (each an “Interest Payment Date”), until maturity or earlier redemption thereof. The Certificates will be initially executed, delivered and registered in the name of “Cede & Co.” as nominee of DTC and will be evidenced by one Certificate maturing on each of the maturity dates in a denomination corresponding to the total principal therein designated to mature on such date. See “THE CERTIFICATES—Book-Entry Only System.”

Interest with respect to the Certificates will be payable from the Interest Payment Date next preceding the date of execution thereof, unless: (i) it is executed as of an Interest Payment Date, in which event interest with respect thereto shall be payable from such Interest Payment Date; or (ii) it is executed after a Regular Record Date (i.e., the close of business on the 1st day of the month in which an Interest Payment Date occurs, whether or not such 1st day is a Business Day) and before the following Interest Payment Date, in which event interest with respect thereto shall be payable from such Interest Payment Date; or (iii) it is executed on or before February 1, 2021, in which event interest with respect thereto will be payable from its dated date; *provided, however*, that if, as of the date of execution of any Certificate, interest is in default with respect to any Outstanding Certificates, interest represented by such Certificate shall be payable from the Interest Payment Date to which interest has previously been paid or made available for payment with respect to the Outstanding Certificates. Payment of defaulted interest shall be paid by check mailed to the Owners as of a special record date to be fixed by the Trustee in its sole discretion, notice of which shall be given to the Owners not less than ten (10) days prior to such special record date.

Payment of interest due with respect to any Certificate on any Interest Payment Date will be made to the person appearing on the Registration Books as the Owner thereof as of the Regular Record Date immediately preceding such Interest Payment Date, such interest to be paid by check mailed on the Interest Payment Date by first class mail to such Owner at his or her address as it appears on the Registration Books as of such Regular Record Date or, upon written request filed with the Trustee prior to the Regular Record Date by an Owner of at least \$1,000,000 in aggregate principal amount of Certificates, by wire transfer in immediately available funds to an account in the United States designated by such Owner in such written request. Any such written request shall remain in effect until rescinded in writing by the Owner. The principal and redemption price with respect to the Certificates at maturity or upon prior redemption shall be payable by check denominated in lawful money of the United States of America upon surrender of the Certificates at the Principal Corporate Trust Office.

Redemption

Optional Redemption. The Certificates maturing on or before August 15, ____, are not subject to optional redemption prior to maturity. The Certificates maturing on and after August 15, ____, are subject to optional redemption in whole or in part on any date in such order of maturity as shall be designated by the City (or, if the City shall fail to so designate the order of redemption, in *pro rata* among maturities) and by lot within a maturity, on or after August 15, ____, at a redemption price equal to the principal amount of the Certificates to be redeemed, together with accrued interest, without premium, to the date fixed for redemption, from the proceeds of the optional prepayment of Installment Payments made by the City pursuant to the Installment Sale Agreement.

Mandatory Sinking Fund Redemption. The Certificates maturing on August 15, ____, are subject to mandatory redemption in part on August 15 in each year on and after August 15, ____, to and including August 15, ____, from the principal components of scheduled Installment Payments required to be paid by the City pursuant to the Installment Sale Agreement with respect to each such redemption date, at a

redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date fixed for redemption, without premium, as follows:

<u>Year</u> <u>(August 15)</u>	<u>Principal Amount of</u> <u>Certificates to be Redeemed</u>
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†Maturity.

The Certificates maturing on August 15, _____, are subject to mandatory redemption in part on August 15 in each year on and after August 15, _____, to and including August 15, _____, from the principal components of scheduled Installment Payments required to be paid by the City pursuant to the Installment Sale Agreement with respect to each such redemption date, at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date fixed for redemption, without premium, as follows:

<u>Year</u> <u>(August 15)</u>	<u>Principal Amount of</u> <u>Certificates to be Redeemed</u>
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†Maturity.

Extraordinary Redemption from Net Proceeds of Insurance, Condemnation or Eminent Domain Award. The Certificates are subject to extraordinary redemption in whole or in part on any Interest Payment Date from the Net Proceeds of an insurance, condemnation or eminent domain award, to the extent credited towards the prepayment of the Installment Sale Agreement Payments by the City pursuant to the Installment Sale Agreement, in such order of maturity as shall be designated by the City (or, if the City shall fail to so designate the order of redemption, in *pro rata* among maturities) and by lot within a maturity, at a redemption price equal to the principal amount of the Certificates to be redeemed, together with accrued interest to the date fixed for redemption, without premium.

Selection of Certificates for Redemption. Whenever provision is made in the Trust Agreement for the redemption of Certificates and less than all of the Outstanding Certificates are to be redeemed, the Trustee will select Certificates for redemption from the Outstanding Certificates not previously called for redemption in such order of maturity as will be designated by the City (and, in lieu of such designation, *pro rata* among maturities) and by lot within a maturity. The Trustee will select Certificates for redemption within a maturity by lot in any manner which the Trustee, in its sole discretion, deems appropriate. For purposes of such selection, Certificates will be deemed to be composed of \$5,000 portions and any such portion may be separately redeemed. The Trustee will promptly notify the City in writing of the Certificates so selected for redemption. Selection by the Trustee of Certificates for redemption will be final and conclusive.

Notice of Redemption. Unless waived in writing by any Owner of a Certificate to be redeemed, notice of any such redemption will be given by the Trustee on behalf and at the expense of the City, by mailing a copy of a redemption notice by first class mail, postage prepaid, at least 30 days and not more than 60 days prior to the date fixed for redemption, to such Owner of the Certificate or Certificates to be redeemed at the address shown on the Registration Books or at such other address as is furnished in writing by such Owner to the Trustee; *provided, however*, that neither the failure to receive such notice nor any defect in any notice will affect the sufficiency of the proceedings for the redemption of the Certificates.

Effect of Redemption. If notice of redemption has been given as described above, the Certificates or portions of Certificates so to be redeemed will, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date, interest with respect to such Certificates or portions of Certificates will cease to be payable.

Partial Redemption of Certificate. Upon surrender of any Certificate redeemed in part only, the Trustee will execute and deliver to the Owner thereof a new Certificate or Certificates of authorized denominations equal in aggregate principal amount to the unredeemed portion of the Certificate surrendered and of the same interest rate and the same maturity.

Transfer and Exchange of Certificates

The registration of any Certificate may, in accordance with its terms, be transferred upon the Registration Books by the person in whose name it is registered, in person or by his or her attorney duly authorized in writing upon surrender of such Certificate for cancellation at the Principal Corporate Trust Office, accompanied by delivery of a written instrument of transfer in a form approved by the Trustee, duly executed. Whenever any Certificate or Certificates shall be surrendered for registration of transfer, the Trustee shall execute and deliver a new Certificate or Certificates for like aggregate principal amount in authorized denominations. The City shall pay any costs of the Trustee incurred in connection with such transfer, except that the Trustee may require the payment by the Certificate Owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer. The Trustee shall not be required to transfer (i) any Certificates or portion thereof during the period between the date fifteen (15) days prior to the date of selection of Certificates for redemption and such date of selection, or (ii) any Certificates selected for redemption.

Certificates may be exchanged, upon surrender thereof, at the Principal Corporate Trust Office for a like aggregate principal amount of Certificates of other authorized denominations of the same maturity. Whenever any Certificate or Certificates shall be surrendered for exchange, the Trustee shall execute and deliver a new Certificate or Certificates for like aggregate principal amount in authorized denominations. The City shall pay any costs of the Trustee incurred in connection with such exchange, except that the Trustee may require the payment by the Certificate Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange. The Trustee shall not be required to exchange (i) any Certificate or any portion thereof during the period between the date fifteen (15) days prior to the date of selection of Certificates for redemption and such date of selection, or (ii) any Certificate selected for redemption.

Book-Entry Only System

The Certificates will be initially executed, delivered and registered as one fully registered certificate for each maturity, without coupons, in the name of Cede & Co., as nominee of DTC. DTC will act as

securities depository of the Certificates. Individual purchases may be made in book-entry form only, in the principal amount of \$5,000 and integral multiples thereof. Purchasers will not receive physical certificates representing their interest in the Certificates purchased. Principal and interest will be paid to DTC which will in turn remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of the Certificates as described herein. So long as DTC's book-entry system is in effect with respect to the Certificates, notices to Owners of the Certificates by the City or the Trustee will be sent to DTC. Notices and communication by DTC to its participants, and then to the beneficial owners of the Certificates, will be governed by arrangements among them, subject to then effective statutory or regulatory requirements. See APPENDIX G—BOOK-ENTRY ONLY SYSTEM.

In the event that such book-entry system is discontinued with respect to the Certificates, the City will cause the Trustee to execute and deliver replacements in the form of registered certificates and, thereafter, the Certificates will be transferable and exchangeable on the terms and conditions provided in the Trust Agreement. In addition, the following provisions would then apply: Payment of interest due with respect to any Certificate on any Interest Payment Date will be made to the person appearing on the Registration Books as the Owner thereof as of the Regular Record Date immediately preceding such Interest Payment Date, such interest to be paid by check mailed on the Interest Payment Date by first class mail to such Owner at his or her address as it appears on the Registration Books as of such Regular Record Date or, upon written request filed with the Trustee prior to the Regular Record Date by an Owner of at least \$1,000,000 in aggregate principal amount of Certificates, by wire transfer in immediately available funds to an account in the United States designated by such Owner in such written request. Any such written request will remain in effect until rescinded in writing by the Owner. The principal and redemption price with respect to the Certificates at maturity or upon prior redemption shall be payable by check denominated in lawful money of the United States of America upon surrender of the Certificates at the Principal Corporate Trust Office.

SOURCE OF PAYMENT FOR THE CERTIFICATES

General

Each Certificate represents a direct, undivided fractional interest in Installment Payments to be made by the City to the Corporation under the Installment Sale Agreement. The Corporation, pursuant to the Assignment Agreement, will assign certain of its rights under the Installment Sale Agreement to the Trustee for the benefit of the Owners, including its right to receive Installment Payments and prepayments made under the Installment Sale Agreement and its rights to enforce payment of the Installment Payments when due in the event of a default by the City. The obligation of the City to make Installment Payments constitutes a special obligation of the City payable solely from a first and prior lien on the Net Revenues, certain net proceeds of insurance or condemnation proceedings pertaining to the Project to the extent that such net proceeds are not used for the repair, reconstruction or replacement of the Project pursuant to the Installment Sale Agreement, and certain interest and other income derived from the investment of moneys held in funds and accounts held by the Trustee for the City pursuant to the Trust Agreement. The City's obligation to make the Installment Payments will be on a parity with the City's obligation to make the payments under the 2010 CIEDB Agreement and the 2014 CIEDB Agreement as described herein and "Parity Obligations" shall be deemed to include the City's obligation to make the payments under the 2010 CIEDB Agreement and the 2014 CIEDB Agreement. See "—Limitation on Future Obligations Secured by Net Revenues—Parity Obligations."

Special Obligation of the City

The City's obligation to pay the Installment Payments shall be a special obligation limited solely to Net Revenues. Under no circumstances shall the City be required to advance any moneys derived from any source of income other than the Net Revenues and other sources specifically identified herein for the payment of the Installment Payments, nor shall any other funds or property of the City be liable for the payment of the Installment Payments.

The obligation of the City to make the Installment Payments from Net Revenues and to perform and observe the other agreements contained in the Installment Sale Agreement shall be absolute and unconditional and shall not be subject to any defense or any right of set-off, counterclaim or recoupment arising out of any breach of the City, the Corporation or the Trustee of any obligation to the City or otherwise with respect to the Enterprise, whether under the Installment Sale Agreement or otherwise, or out of indebtedness or liability at any time owing to the City by the Corporation or the Trustee. Until such time as all of the Installment Payments shall have been fully paid or prepaid, the City (a) will not suspend, abate, or discontinue any payments provided for in the Installment Sale Agreement, (b) will perform and observe all other agreements contained in the Installment Sale Agreement, and (c) will not terminate the Term of the Installment Sale Agreement for any cause, including, without limiting the generality of the foregoing, the occurrence of any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, destruction of or damage to the Enterprise, the taking by eminent domain of title to or temporary use of any or all of the Enterprise, commercial frustration of purpose, any change in the tax or other laws of the United States of America or of the State or any political subdivision of either thereof or any failure of the Corporation or the Trustee to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with the Trust Agreement, the Assignment Agreement or the Installment Sale Agreement.

Nothing shall be construed to release the Corporation from the performance of any of the agreements on its part contained in the Installment Sale Agreement, and in the event the Corporation shall fail to perform any such agreements on its part, the City may institute such action against the Corporation as the City may deem necessary to compel performance so long as such action does not abrogate the obligations of the City contained in the first sentence of the preceding paragraph. The City may, however, at the City's own cost and expense and in the City's own name or in the name of the Corporation prosecute or defend any action or proceeding or take any other action involving third persons which the City deems reasonably necessary in order to secure or protect the City's right of possession, occupancy and use hereunder, and in such event the Corporation has agreed to cooperate fully with the City and to take such action necessary to effect the substitution of the City for the Corporation in such action or proceeding if the City shall so request.

Pledge of Net Revenues; Deposits to Pay Installment Payments; Release from Lien

Pledge of Net Revenues. The City has agreed that the payment of the Installment Payments shall be secured by a pledge, charge and first and prior lien upon Net Revenues, and Net Revenues sufficient to pay the Installment Payments as they become due and payable, are pledged, charged, assigned, transferred and set over by the City to the Corporation and its assigns for the purpose of securing payment of the Installment Payments. The Net Revenues shall constitute a trust fund for the security and payment of the Installment Payments.

Transfer to Pay Installment Payments. In order to provide for the payment of Installment Payments when due, the City shall, on or before each February 1 and August 1 (each, an "Installment Payment Date"), transfer to the Trustee for deposit into the Installment Payment Fund the amount required for the next occurring Installment Payment Date. The City shall be obligated to make Installment Payments sufficient to pay all principal and interest due with respect to the Certificates.

Release from Lien. Following the transfer described above with respect to the August 15 Installment Payment Date, Net Revenues in excess of amounts required for the payment of Installment Payments and any Parity Obligations, in that Fiscal Year shall be released from the lien of this Installment Sale Agreement and shall be available for any lawful purpose of the City.

Rate Covenant

The City covenants that it shall prescribe, revise and collect such charges for the services and facilities of the Enterprise which, after allowances for contingencies and error in the estimates, shall produce Gross Revenues sufficient in each Fiscal Year to provide Net Revenues equal to at least 1.25 times (i) the Installment Payments coming due and payable during such Fiscal Year, and (ii) all payments required with respect to Parity Obligations coming due and payable during such Fiscal Year.

If, in any Fiscal Year, charges for the services and facilities of the Enterprise which, after allowances for contingencies and error in the estimates, shall produce Gross Revenues insufficient in each Fiscal Year to provide Net Revenues equal to at least 1.25 times (i) the Installment Payments coming due and payable during such Fiscal Year, and (ii) all payments required with respect to Parity Obligations coming due and payable during such Fiscal Year, the City covenants and agrees to notify the Trustee of such fact and to employ an independent consultant to make recommendations as to a revision of the rates, fees and charges of the Enterprise or the methods of operation of the Enterprise that will result in producing Net Revenues equal to at least 1.25 times (i) the Installment Payments coming due and payable during such Fiscal Year, and (ii) all payments required with respect to Parity Obligations coming due and payable during such Fiscal Year.

The City covenants and agrees that it shall, promptly upon its receipt of such recommendations from such consultant, subject to applicable requirements or restrictions imposed by law, and subject to a good faith determination of the City Council that such recommendations, in whole or in part, are in the best interests of the City, revise its rates, fees and charges or its methods of operation or collections and shall take such other action as shall be in conformity with such recommendations. In the event that the City fails to comply with such recommendations, subject to the applicable requirements or restrictions imposed by law and to the determination of the City Council of the City that such recommendations are in the best interests of the City, the Corporation, or its assignee, may, in addition to the rights and remedies elsewhere set forth in this Installment Sale Agreement, and shall, upon the written request of the Owners of a majority in principal amount of the Certificates then Outstanding, and being indemnified to its satisfaction therefor, institute and prosecute an action or proceeding in a court of competent jurisdiction to compel the City to comply with the recommendations and requirements of this paragraph (c). If the City complies in all material respects with the reasonable recommendations of the consultant in respect to said rates, fees, charges and methods of operation or collection, the City will be deemed to have complied with the covenants described above notwithstanding that Net Revenues shall be less than the amount required under this Installment Sale Agreement for such Fiscal Year; provided, however, that such rates, fees, charges and methods of operation or collection shall produce Net Revenues equal to at least 100% of (i) the Installment Payments coming due and payable during such Fiscal Year, and (ii) all payments required with respect to

Parity Obligations coming due and payable during such Fiscal Year; provided further, that this sentence shall not be construed as in any way excusing the City from taking any action or performing any duty required under this Installment Sale Agreement or be construed as constituting a waiver of any other Event of Default.

Limitations on Future Obligations Secured by Net Revenues

No Obligations Superior to Installment Payments. In order to protect further the availability of the Net Revenues and the security for the Installment Payments and any Parity Obligations, the City hereby agrees that the City shall not, so long as any Certificates are outstanding, issue or incur any obligations payable from Gross Revenues or Net Revenues superior to the Installment Payments or such Parity Obligations.

Parity Obligations. The City further covenants that, except for obligations issued or incurred to prepay the Installment Payments in full pursuant to the Installment Sale Agreement or to prepay Parity Obligations, the City shall not issue or incur any Parity Obligations unless:

(i) The City is not in default under the terms of this Installment Sale Agreement;

(ii) Net Revenues, calculated on sound accounting principles, as shown by the books of the City for the latest Fiscal Year or any more recent twelve (12) month period selected by the City ending not more than sixty (60) days prior to the adoption of the resolution pursuant to which instrument such Parity Obligations is issued or incurred, as shown by the books of the City, plus, at the option of the City, the additional allowance described below, shall have amounted to at least 1.25 times the sum of the maximum Installment Payments coming due and payable in any future Fiscal Year and the maximum annual debt service on all Parity Obligations outstanding immediately subsequent to the incurring of such additional obligations.

Either or both of the following items may be added to such Net Revenues for the purpose of applying the restriction contained in this subsection (b)(ii):

(A) An allowance for revenues from any additions to or improvements or extensions of the Enterprise to be constructed with the proceeds of such additional obligations, and also for net revenues from any such additions, improvements or extensions which have been from moneys from any source but which, during all or any part of such Fiscal Year, were not in service, all in an amount equal to 70% of the estimated additional average annual Net Revenues to be derived from such additions, improvements and extensions for the first 36-month period following closing of the proposed Parity Obligations, all as shown by the certificate or opinion of a qualified independent consultant employed by the City, may be added to such Net Revenues for the purpose of applying the restriction contained in this subsection (b)(ii).

(B) An allowance for earnings arising from any increase in the charges made for service from the Enterprise which has become effective prior to the incurring of such additional obligations but which, during all or any part of such Fiscal Year, was not in effect, in an amount equal to 100% of the amount by which the Net Revenues would have been increased if such increase in charges had been in effect during the whole of such Fiscal Year and any period prior to the incurring of such additional obligations, as shown by the certificate or opinion of a qualified independent engineer employed by the City.

(iii) A reserve fund may, but shall not be required to be, funded for such Parity Obligations.

(iv) Interest with respect to such Parity Obligations shall be paid on the Installment Payment Dates.

(v) Principal with respect to such Parity Obligations shall be paid on August 1.

Subordinate Obligations. The City further covenants that the City shall not issue or incur any Subordinate Obligations unless:

(i) Net Revenues, calculated on sound accounting principles, as shown by the books of the City for the latest Fiscal Year or any more recent twelve (12) month period selected by the City ending not more than sixty (60) days prior to the adoption of the resolution pursuant to which instrument such Subordinate Obligations is issued or incurred, as shown by the books of the City shall, after deducting all amounts required for the payment of Installment Payments and any Parity Obligations, have amounted to at least 1.00 times the sum of the maximum annual debt service on all Subordinate Obligations outstanding immediately subsequent to the incurring of such additional obligations. An allowance for earnings arising from any increase in the charges made for service from the Enterprise which has become effective prior to the incurring of such additional obligations but which, during all or any part of such Fiscal Year, was not in effect, may be added in an amount equal to 100% of the amount by which the Net Revenues would have been increased if such increase in charges had been in effect during the whole of such Fiscal Year and any period prior to the incurring of such additional obligations, as shown by the certificate or opinion of a qualified independent engineer employed by the City.

(ii) Interest with respect to such Subordinate Obligations shall be paid fifteen dates after the Interest Payment Dates.

(iii) Principal with respect to such Subordinate Obligations shall be paid on fifteen days after each August 1.

Additional Payments

In addition to the Installment Payments, the City shall pay, from Net Revenues, when due, all costs and expenses incurred by the Corporation to comply with the provisions of the Trust Agreement and this Installment Sale Agreement, including, without limitation all Delivery Costs (to the extent not paid from amounts on deposit in the Delivery Costs Fund), compensation due to the Trustee for its fees, costs and expenses incurred under the Trust Agreement and the Assignment Agreement, compensation due to the Corporation for its fees, costs and expenses incurred under the Trust Agreement and all costs and expenses of attorneys, auditors, engineers and accountants.

Installment Payments

Installment Payments are required to be made by the City under the Installment Sale Agreement on the first (1st) day of each February and August (each a "Installment Payment Date"). The Trust Agreement requires that Installment Payments be deposited in the Installment Payment Fund maintained by the Trustee. Pursuant to the Trust Agreement, the Trustee will apply such amounts in the Installment

Payment Fund as are necessary to make principal and interest payments due with respect to the Certificates on February 15 and August 15 of each year sufficient to meet the following semi-annual payment schedule (assuming no optional prepayment or mandatory prepayment from the net proceeds of insurance or condemnation):

<u>Installment Payment Date</u>	<u>Principal Component</u>	<u>Interest Component</u>	<u>Installment Payment</u>	<u>Installment Payment Date</u>	<u>Principal Component</u>	<u>Interest Component</u>	<u>Installment Payment</u>
2/1/21				2/1/36			
8/1/21				8/1/36			
2/1/22				2/1/37			
8/1/22				8/1/37			
2/1/23				2/1/38			
8/1/23				8/1/38			
2/1/24				2/1/39			
8/1/24				8/1/39			
2/1/25				2/1/40			
8/1/25				8/1/40			
2/1/26				2/1/41			
8/1/26				8/1/41			
2/1/27				2/1/42			
8/1/27				8/1/42			
2/1/28				2/1/43			
8/1/28				8/1/43			
2/1/29				2/1/44			
8/1/29				8/1/44			
2/1/30				2/1/45			
8/1/30				8/1/45			
2/1/31				2/1/46			
8/1/31				8/1/46			
2/1/32				2/1/47			
8/1/32				8/1/47			
2/1/33				2/1/48			
8/1/33				8/1/48			
2/1/34				2/1/49			
8/1/34				8/1/49			
2/1/35				2/1/50			
8/1/35				8/1/50			

Flow of Funds

Pursuant to the terms of the Installment Sale Agreement, on the first (1st) day of each February and August, the City is legally required to make Installment Payments to the Trustee from Net Revenues, designed to be equal to the amount necessary for the Trustee to pay the principal and interest with respect to the Certificates due and payable on each February 15 and August 15. Pursuant to the terms of the Trust Agreement, (i) all Installment Payments received by the Trustee from the City, (ii) certain net proceeds awarded in insurance or eminent domain proceedings to the extent not used to repair or replace the Project, and (iii) any other moneys required to be deposited pursuant to the Installment Sale Agreement or the Trust Agreement, shall be deposited in the Installment Payment Fund.

The Trustee shall promptly distribute, on each Interest Payment Date, the moneys on deposit in the Installment Payment Fund to the Owners in payment of principal and interest then due with respect to the Certificates.

Any surplus remaining in the Installment Payment Fund after redemption and payment of all Certificates, including accrued interest, if any, and payment of any applicable fees to the Trustee, or provision for such redemption or payment having been made to the satisfaction of the Trustee, shall then be remitted to the City.

Limitations on Remedies Available to Owners of the Certificates and the Trustee

The enforceability of the rights and remedies of the Owners of the Certificates and the Trustee, and the obligations incurred by the City, may be subject to the following: the Federal bankruptcy code and applicable bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect; usual equity principles which may limit the specific enforcement under state law of certain remedies; the exercise by the United States of America of the powers delegated to it by the Federal Constitution; and the reasonable and necessary exercise, in certain exceptional situations, of the police power inherent in the sovereignty of the State of California and its governmental bodies in the interest of serving a significant and legitimate public purpose. Bankruptcy proceedings, or the exercise of powers by the federal or state government, if initiated, could subject the Owners of the Certificates to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitations, or modification of their rights. Remedies may be limited since the Project serves an essential public purpose.

Reserve Fund

The Trust Agreement provides that the Trustee will establish and maintain a reserve fund (the "Reserve Fund") equal to the "Reserve Requirement." On the date of delivery of the Certificates, in lieu of a cash deposit to the Reserve Fund, the Municipal Bond Insurer will issue the Reserve Policy, in an amount equal to the Reserve Requirement. "Reserve Requirement" means an amount equal to the least of maximum annual Installment Payments, 125% of average annual Installment Payments and 10% of the principal amount of the Certificates, which amount shall be \$_____ (based on the City's fiscal year) on the Closing Date. The amount of the Reserve Requirement shall not be reduced unless the Certificates are partially refunded, in which such amount shall be reduced to an amount equal to the maximum annual Installment Payments relating to the Certificates not so refunded.

Optional Prepayment

Pursuant to the Installment Sale Agreement, the City has an option to prepay the principal components of the Installment Payments in full, by paying the aggregate unpaid principal components of the Installment Payments, or in part, in a prepayment amount equal to the principal amount of Installment Payments to be prepaid, together with accrued interest to the date fixed for prepayment, together with the premium set forth for the redemption of Certificates. See "THE CERTIFICATES—Redemption—Optional Redemption."

Said option may be exercised with respect to Installment Payments due on and after August 1, _____, in whole or in part on any Installment Payment Date, commencing August 1, _____. Said option shall be exercised by the City by giving written notice to the Corporation and the Trustee of the exercise of such option at least forty-five (45) days prior to said prepayment date (or such fewer number of days as shall be acceptable to the Trustee). In the event of prepayment in part, the partial prepayment will be applied against Installment Payments in such order of payment date as will be selected by the City. Installment Payments due after any such partial prepayment will be in the amounts set forth in a revised Installment

Payment schedule which will be provided by, or caused to be provided by, the City to the Trustee and which will represent an adjustment to the schedule set forth in the Installment Sale Agreement taking into account said partial prepayment. The Trustee agrees to notify the Corporation in the event of any prepayment of Installment Payments, as provided in the Trust Agreement.

MUNICIPAL BOND INSURANCE

[TO COME]

THE CORPORATION

The Corporation is a nonprofit, public benefit corporation duly organized and existing under the laws of the State and is entitled to purchase personal and real property and to sell or lease such property, to contract for construction and improvements and to execute operating agreements regarding such property. The Corporation was formed in 1988 for the purpose of providing financial assistance to the City by acquiring, constructing, developing and refinancing certain facilities for the use and benefit of the public. The Corporation has no liability to the Owners of the Certificates.

THE CITY

The City, incorporated on May 7, 1902, is located midway between San Francisco and Tulare, an hour from Fresno and Bakersfield. The City is situated in the southeastern portion of California's San Joaquin Valley on the Tule River. The City currently occupies a land area of 18.73 square miles and serves a population of approximately 59,700. The City is the third largest city in the County in terms of population. The City serves as a gateway to Sequoia National Forest, Giant Sequoia National Monument and Kings Canyon National Park.

The City became a Charter City in 1926. The City Council members are elected for overlapping four-year terms. The policies of the City Council are carried out by the appointed City Manager. The City Council also directly hires the City Attorney who serves as the City's primary legal advisor. Members of the Council and key administrative personnel of the City and the Authority are listed at the front of this Official Statement.

The current members of the City Council are as follows:

Name and Office	Current Term Expires
Martha A. Flores, <i>Mayor</i>	November 2020
Monte Reyes, <i>Vice Mayor</i>	November 2020
Milt Stowe, <i>Councilmember</i>	November 2022
Daniel Peñaloza, <i>Councilmember</i>	November 2022
Virginia Gurrola, <i>Councilmember</i>	November 2020

See APPENDIX E—GENERAL INFORMATION REGARDING THE CITY OF PORTERVILLE AND TULARE COUNTY for a general description of the City as well as certain demographic and statistical information.

THE ENTERPRISE

General

The Enterprise provides potable water service to both the residents of the City and a portion of Tulare County residents located outside the City's borders but within the City's urban development boundaries. The City's Public Works Department operates and maintains the Enterprise's water distribution system, which consists of production, storage, and transmission facilities. The Enterprise also operates a small water system west of the City and outside the City's urban development boundaries known as Jones Corner, which consists of one main well and one backup well and services 118 customers.

The Enterprise relies on pumped groundwater to supply potable water to its customers. The Enterprise's current water system includes supply, distribution and storage components, consisting of six (6) reservoirs, 37 groundwater wells, 11 pump station facilities, 275.83 miles of pipeline ranging from 4 inch to 18 inches in main diameter, 25 pressure reducing valves, 120 pressure relief valves, 4 pressure sustaining valves, and emergency connections between pressure zones.

The Enterprise currently has approximately 16,790 metered connections, of which approximately 15,363 are residential meters, as well as 271 unmetered connections.

Management

The Enterprise is operated by the City's Public Works Department and is under the responsibility of the Director of Public Works. The Director of Public Works supervises 70 staff members who collectively operate the Enterprise, the City's wastewater system, refuse collection and recycling, maintenance of streets, sewer, storm drainage systems, water utilities, traffic signal systems, environmental laboratory, public transportation, and equipment maintenance and warehousing. Enterprise staff members perform administrative, engineering, construction and maintenance, water production, water treatment, water quality, preventative maintenance, and customer service activities.

Michael Knight, Director of Public Works. As the Director of Public Works, Mr. Knight oversees the Enterprise, as well as the City's wastewater system, refuse collection and recycling, maintenance of streets, sewer, storm drainage systems, water utilities, traffic signal systems, environmental laboratory, public transportation, and equipment maintenance and warehousing. Mr. Knight has over 15 years of experience at the City. Mr. Knight is a Grade 5 Water Distribution Operator and professional licensing in cross-connection control and backflow prevention.

Javier Sanchez, Director of Engineering and Project Management. Mr. Sanchez is responsible for planning, design, and overseeing the construction and maintenance of public infrastructure improvement projects. Mr. Sanchez has over 15 years of engineering experience, including 10 years at the City. Mr. Sanchez is a licensed Professional Engineer and has a Bachelor's Degree in Engineering from California State University, Fresno.

Richard Tree, Field Services Manager. Mr. Tree is responsible the City's field services which include solid waste collection and recycling, maintenance of street, traffic signal systems, environmental laboratory, public transportation, and fleet operations. Mr. Tree has over 20 years of management experience, including one year of field services experience at the City. Mr. Tree has a master's degree in Transportation Management from San Jose State University and a bachelor's Degree in Business Administration from California State University, Bakersfield.

David Payne, Water Utility Superintendent. Mr. Payne is responsible for planning, design, and overseeing the collection, disinfection and distribution of potable water, and ensures maintenance of related equipment and facilities. Mr. Payne has over 18 years of management experience, including 13 years of water utility experience at the City. Mr. Payne is a Grade 5 Water Distribution Operator and professional licensing in cross-connection control and backflow prevention.

Robert Alvarez, Wastewater Utilities Superintendent. Mr. Alvarez is responsible for planning, design, and overseeing the maintenance and repair of sewer mains, lift stations, storm drain system lines, lagoon, and operation and maintenance of the City's wastewater treatment facility.

Employee Relations

The Porterville City Employees Association represents the Enterprise's non-management employees as a collective bargaining unit. The current contract expires on June 30, 2021. The Enterprise has not experienced a labor stoppage or an interruption in service since its inception.

Service Area

The Enterprise's service area comprises the City boundaries, as well as a portion of unincorporated Tulare County located outside the City's borders but within the City's urban development boundaries and a small water system west of the City and outside the City's urban development boundaries known as Jones Corner. Jones Corner consists of one main well and one backup well and services 118 customers.

All of the residents and businesses residing within the Enterprise's service area receive potable water from the Enterprise, with the exception of the Porterville Development Center which houses approximately 360 residents and has its own well system for potable water.

East Porterville Water Infrastructure Project. The Enterprise is currently constructing new water mains to connect the area of unincorporated Tulare County community of East Porterville to the Enterprise's water distribution system. Once completed, the East Porterville water infrastructure project will add an estimated 1,800 households to the Enterprise's water system. Homes in East Porterville currently rely on individual wells as their water source.

Future Growth in the Service Area. Other than the East Porterville Water Infrastructure Project, the City estimates that future growth within the Enterprise's service area will follow the most recent 15-year average and a growth rate of 2.5 percent is used to estimate future customer demand.

Service Area Map. A map of the Enterprise's water service area and the City's boundaries is provided on the following page.

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Water Supply

Overview. The Enterprise's potable water comes from local groundwater resources. The Enterprise's groundwater wells pump from the Tule Subbasin of the Tulare Lake Hydrologic Region of the San Joaquin Valley Groundwater Basin. The City is a member of the Eastern Tule Groundwater Sustainability Agency, one of seven (7) groundwater sustainability agencies which operate in the Tule Subbasin.

San Joaquin Valley Groundwater Basin. The San Joaquin Valley Groundwater Basin lies within the San Joaquin River and Tulare Lake Hydrologic Regions ("HRs") of California's central valley. The northern portion of the San Joaquin Valley Groundwater Basin is within the San Joaquin River HR and consists of nine subbasins. These subbasins are the Cosumnes, Eastern San Joaquin, Tracy, Modesto, Turlock, Merced, Delta-Mendota, Chowchilla, and Madera. The southern portion of the San Joaquin Valley Groundwater Basin lies in the Tulare Lake HR and consists of seven groundwater subbasins. These subbasins are the Kings, Westside, Kaweah, Tulare Lake, Pleasant Valley, Tule, and Kern. The Enterprise's potable water is pumped from the Tule Subbasin of the Tulare Lake HR.

The aquifers are generally quite thick in the San Joaquin Valley Groundwater Basin's subbasins with groundwater wells commonly exceeding 1,000 feet in depth. The maximum thickness of freshwater-bearing deposits (4,400 feet) occurs at the southern end of the San Joaquin Valley. Typical well yields in the San Joaquin Valley range from 300 gallons per minute ("gpm") to 2,000 gpm with yields of 4,000 gpm possible. The smaller basins in the mountains surrounding the San Joaquin Valley have thinner aquifers and generally lower well yields averaging less than 500 gpm. The extensive use of groundwater in the San Joaquin Valley Groundwater Basin has historically caused subsidence of the land surface primarily along the west side and south end of the valley.

Tulare Lake HR. The Tulare Lake HR covers approximately 10.9 million acres (17,000 square miles) and includes all of Kings and Tulare counties and most of Fresno and Kern counties. Significant geographic features include the southern half of the San Joaquin Valley, the Temblor Range to the west, the Tehachapi Mountains to the south, and the southern Sierra Nevada to the east. Major population centers in the Tulare Lake HR include Fresno, Bakersfield, Visalia, and Porterville. The cities of Fresno, Visalia and Porterville are each entirely dependent on groundwater for their supply, with Fresno being the second largest city in the United States reliant solely on groundwater.

This map illustrates the San Joaquin River Basin, divided into subbasins and hydrologic regions. The basin is shaded in light gray, with subbasins labeled with numbers such as 5 22.07, 5 22.08, 5 22.09, 5 22.10, 5 22.11, 5 22.12, 5 22.13, 5 22.14, 5 23, 5 71, 5 25, 5 26, 5 27, 5 28, 5 80, 5 84, 5 85, 5 83, and 5 82. The map includes a north arrow and a scale bar (0 to 50 Miles). An inset map shows the location of the basin within the state of California. A legend in the bottom right corner defines the symbols used: 124 for Basin Number, 12.01 for Subbasin Number, a light gray square for Basin, a wavy line for Hydrologic Region Boundary, and a solid line for County Lines.

Basin/subbasin	Basin name
5-22	San Joaquin Valley
5-22.08	Kings
5-22.09	Westside
5-22.10	Pleasant Valley
5-22.11	Kaweah
5-22.12	Tulare Lake
5-22.13	Tule
5-22.14	Kern County
5-23	Panoche Valley
5-25	Kern River Valley
5-26	Walker Basin Creek Valley
5-27	Cummings Valley
5-28	Tehachapi Valley West
5-29	Castaic Lake Valley
5-71	Vallecitos Creek Valley
5-80	Brite Valley
5-82	Cuddy Canyon Valley
5-83	Cuddy Ranch Area
5-84	Cuddy Valley
5-85	Mil Potrero Area

Tule Subbasin. The Tule Subbasin within the Tulare Lake HR comprises an area of approximately 467,000 acres (733 mi²) in Tulare County. The largest urban area in the subbasin is the City of Porterville. The Tule Subbasin is one of the top producing agriculture regions in California, with fertile soils and wide diversity of crops. The Tule subbasin is bordered on the north by the Kaweah Subbasin, on the south by the Kern Subbasin, on the west by the Tulare Lake Subbasin, and on the east by crystalline bedrock of the Sierra Nevada foothills.

The Tule Subbasin is currently considered to be in a state of overdraft. Overdraft refers to the condition of a groundwater basin in which the amount of water withdrawn by pumping exceeds the amount of water that recharges the basin over a period of years during which water supply conditions approximate average conditions. The Tule Subbasin is underlain by an unconfined aquifer which receives groundwater recharge from the Sierra Nevada Mountains and seepage from the Tule River and irrigation ditches. The

alluvial fans of the Tule River provide highly permeable area in which groundwater is readily replenished. Annual rainfall in Porterville and the surrounding area usually ranges from eight to 12 inches; however, there is no estimate of what percentage of rainfall reaches the groundwater supply.

Groundwater recharge for the Tule Subbasin occurs primarily from rainfall, stream recharge and from deep percolation of applied irrigation water. The natural recharge into the Tule Subbasin is estimated at 34,400 acre-feet per year. Approximately 201,000 acre-feet of recharge from applied water occurs annually in the subbasin. Annual urban and agricultural extractions are estimated to be 19,300 and 641,000 acre-feet, respectively. Groundwater flow is generally westward. Recharge to the confined aquifer below the Corcoran Clay occurs as subsurface flow from the east.

The Sustainable Groundwater Management Act (“SGMA”), which went into effect January 1, 2015, requires that local water agencies within all medium and high-priority sub-basins form one or more Groundwater Sustainability Agencies (“GSAs”) to prepare a Groundwater Sustainability Plan (“GSP”). The Tule Subbasin includes seven (7) GSAs that have coordinated efforts per the adopted SGMA regulations through a common Coordination Agreement.

Public water entities within the Tule Groundwater Sub basin include: Alpaugh Irrigation District, Angiola Water District, Atwell Island Water District, Delano-Earlimart Irrigation District, Ducor Irrigation District, Kern-Tulare Water District, Lower Tule River Irrigation District, Pixley Irrigation District, Porterville Irrigation District, Rag Gulch Water District, Saucelito Irrigation District, Teapot Dome Water District, Terra Bella Irrigation District, and Vandalia Irrigation District.

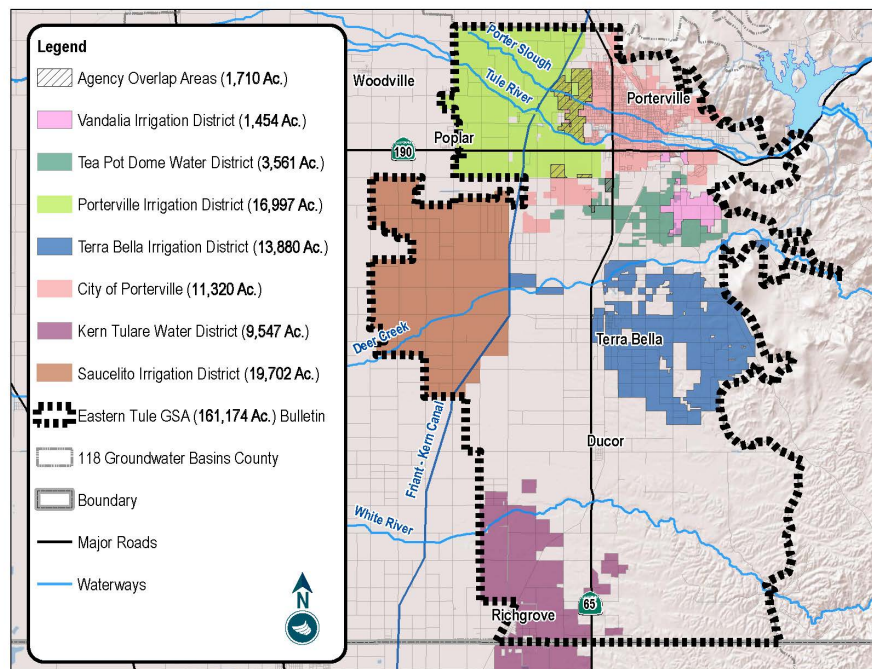
The City and a number of the districts mentioned above are members of the Eastern Tule Groundwater Sustainability Agency.

Eastern Tule Groundwater Sustainability Agency. The City of Porterville, Porterville Irrigation District, Saucelito Irrigation District, Teapot Dome Water District, Vandalia Water District, Terra Bella Irrigation District, Kern-Tulare Water District, and Tulare County collectively have formed the Eastern Tule Groundwater Sustainability Agency (“ETGSA”). The Boards and Council of the County, the City and districts each approved a Memorandum of Understanding (Tulare County Agreement No. 27537) in early 2016 with the intent of forming the ETGSA. Thereafter, these agencies approved a Joint Powers Agreement (Tulare County Agreement No. 27912) to officially form the agency on December 6, 2016.

ETGSA adopted a GSP in late 2019 following a 90-day public notice and public hearing.

ETGSA’s boundaries encompass 160,867 acres in the southeastern portion of Tulare County. The area is mostly highly developed agriculture on prime farmland, with other major land uses including rural rangeland and urban development. The jurisdictional extent of each of ETGSA’s member agencies is fully included within the boundaries of ETGSA, to the extent that each member agency’s jurisdiction overlies the Tule Subbasin.

EASTERN TULARE GROUNDWATER SUSTAINABILITY AGENCY BOUNDARY MAP



Several percolation ponds and groundwater recharge sites are maintained across ETGSA's jurisdiction. These sites generally recharge water from the Tule River, Deer Creek, Friant-Kern Canal, or from a treatment facility.

Groundwater Quality in the San Joaquin Valley Groundwater Basin. In general, groundwater quality throughout the Tule Subbasin is suitable for most urban and agricultural uses with only local impairments. The primary constituents of concern are high total dissolved solids ("TDS"), nitrate, arsenic, and organic compounds. The areas of high TDS content are primarily along the west side of the San Joaquin Valley Groundwater Basin and in the trough of the valley. High TDS content of west-side water is due to recharge of stream flow originating from marine sediments in the Coast Range. High TDS content in the trough of the valley is the result of concentration of salts because of evaporation and poor drainage. In the central and west-side portions of the valley, where the Corcoran Clay confining layer exists, water quality is generally better beneath the clay than above it.

Nitrates may occur naturally or as a result of disposal of human and animal waste products and fertilizer. Areas of high nitrate concentrations are known to exist near the town of Shafter and other isolated areas in the San Joaquin Valley. High levels of arsenic occur locally and appear to be associated with lakebed areas. Elevated arsenic levels have been reported in the Tulare Lake, Kern Lake and Buena Vista Lake bed areas.

Organic contaminants can be broken into two categories, agricultural and industrial. Agricultural pesticides and herbicides have been detected throughout the valley, but primarily along the east side where soil permeability is higher and depth to groundwater is shallower. The most notable agricultural contaminant is DBCP, a now-banned soil fumigant and known carcinogen once used extensively on grapes. Industrial organic contaminants include TCE, DCE, and other solvents. They are found in groundwater near airports, industrial areas, and landfills.

PFOS and PFOA are manmade compounds used prevalently in firefighting foams and to make carpets, clothing, fabrics for furniture, paper packaging for food, cookware, and other items resistant to water, grease, fire, or stains. They are also used in a number of industrial processes. They are part of a larger group of chemicals referred to as per- and poly-fluoroalkyl substances (“PFAS”). PFAS compounds have been identified and tested in pumped water From the San Joaquin Valley Groundwater Basin.

Water Production

Historical Water Production. The Enterprise produces potable water from its 37 wells located primarily on the western side of the City which it in turn supplies to its customers. In addition to pumping groundwater, the Enterprise also purchases water primarily for groundwater recharge. All active wells produce water that meets State and Federal drinking water quality standards. The Enterprise does not currently treat any groundwater supply well.

Historical Enterprise water production and water purchases for Fiscal Years 2009-10 through 2019-20 are described in the table below.

Table 1
HISTORICAL WATER PRODUCTION and PURCHASES
(Amounts in Acre-feet)⁽¹⁾

Fiscal Year Ending June 30,	Potable Water Pumped (in AF ⁽¹⁾)	Water Purchased ⁽²⁾ (in AF ⁽¹⁾)
<u>2010</u>	<u>12,410</u>	<u>=</u>
<u>2011</u>	<u>12,152</u>	<u>510</u>
<u>2012</u>	<u>13,015</u>	<u>185</u>
<u>2013</u>	<u>13,104</u>	<u>43</u>
<u>2014</u>	<u>11,916</u>	<u>88</u>
<u>2015</u>	<u>9,581</u>	<u>2,029</u>
<u>2016</u>	<u>9,887</u>	<u>531</u>
<u>2017</u>	<u>10,267</u>	<u>10,911</u>
<u>2018</u>	<u>10,805</u>	<u>1,869</u>
<u>2019</u>	<u>10,502</u>	<u>8,598</u>
<u>2020</u>	<u>10,909</u>	<u>1,914</u>

Source: City of Porterville

(1) One acre-foot (“AF”) equals 325,851 gallons, approximately equal to 436 billing units (hundred cubic feet).

(2) Purchased water is used primarily for groundwater recharge.

Water Recharge/Purchased. The Enterprise has purchase rights for about 900 AF annually of surface water from the Pioneer Ditch Company and Porter Slough Ditch Company. Some of this surface water is used for a small pond at Murry Park in Porterville, but most of this water is used for groundwater recharge within the Enterprise’s detention basins. The Enterprise does not use surface water for its supply source.

In addition to purchasing surface water, the City of Porterville also participates in recharge efforts with percolation of treated wastewater effluent in six percolation ponds and maintenance of ~25 stormwater detention basins that provide groundwater recharge.

Alternative Water Sources Available. The Enterprise has not experienced any water supply deficiencies although alternative water sources are available. Surface water could potentially be utilized from the Pioneer Water Company (PWC, of which the City currently owns 468 shares, approximately 12.94%). Another potential surface water partner is Porterville Irrigation District (“PID”). PID has several surface water supplies including appropriative water rights on the Tule River and Central Valley Project Friant Division water. PID has stated that due to the seasonal nature of water there are points in time when more water is available than their landowners can reasonably use. It is during these times that PID would be able to sell water to the City.

Other surface water supplies could be available to the City, if needed. With access to the Friant-Kern Canal, the City could buy water from anywhere in the State through an exchange. In addition, the City could feasibly purchase canal company stock from the various stockholders. These water sources will be pursued in the future if necessary, but it is believed that groundwater pumping, surface water purchases from PWC, and water conservation efforts will allow the Enterprise to meet its customers’ water demands through 2040.

Water Use

The Enterprise’s average daily demand during the 2019-20 fiscal year was approximately 9.73 million gallons. The highest recent daily demand during the 2019-20 fiscal year was 14.45 million gallons.

Water use varies due to changes in weather patterns, temperatures, and rainfall. Water demand increases during summer months and decreases during winter months. In the aftermath of recent drought conditions throughout the state of California, the Enterprise’s customers have become more “water wise” with their selection of gardens and indoor water use units. Water conservation mandates such as the Governor’s executive orders in 2014 and 2015 and the City’s drought prevention measures have been effective in reducing water usage. Other recent initiatives that have contributed to declining water use have included new standards for plumbing fixtures, new landscape ordinances, and new green building standards. See “Water Conservation and Supply Shortage Contingency Measures.”

The Enterprise’s local groundwater wells can currently provide two times the maximum daily demand of the system. The groundwater wells have a total design capacity of over 16,962 gallons per minute (“gpm”), and current capacity of 13,685 gpm. Daily, monthly, weekly, and hourly water system demand and peaking factor for the 2019-20 fiscal year are described in the table below.

Table 2
ENTERPRISE DEMANDS and PEAKING FACTORS
Fiscal Year 2019-20

Demand Description	Existing Demand			Peaking Factor
	(gpm)	(mgd)	(AF/yr)	
Average Day	<u>6,510</u>	<u>9.38</u>	<u>10,502</u>	<u>1.0 x ADD</u>
Max Month	<u>9,766</u>	<u>14.45</u>	<u>16,186</u>	<u>1.5 x ADD</u>
Max Week				
Max Day				
Peak Hour				

Source: City of Porterville

Note: Peaking factor measures the ratio of the maximum flow to the average daily flow in the Enterprise.

Historical Water Production and Consumption. The table below is a five-year history of the Enterprise's total water production and billed consumption. Water consumption is not equal to the water production. This is due to water meter inaccuracy, water loss during system maintenance, and leakage throughout the water distribution system. Water meter inaccuracies can be linked to the calibration, maintenance, and age of the device. The on-going operation and maintenance of the infrastructure is also a source of water loss due to water main flushing and fire hydrant testing. Continuous water leakage can also occur at pipe joints and fittings from several factors.

Table 3
WATER CONSUMPTION and WATER PRODUCTION

Fiscal Year Ending June 30,	Production (in AF)	Consumption (in AF)	Unaccounted (in AF)	% Unaccounted
2016	<u>9887</u>	<u>8933</u>	<u>954</u>	<u>9.6%</u>
2017	<u>10265</u>	<u>9182</u>	<u>1083</u>	<u>10.5</u>
2018	<u>10784</u>	<u>9676</u>	<u>1108</u>	<u>10.2</u>
2019	<u>10501</u>	<u>9375</u>	<u>1126</u>	<u>10.7</u>
2020	<u>10909</u>	<u>9719</u>	<u>1190</u>	<u>10.9</u>

Source: City of Porterville

Note: The Enterprise also serves a small number of unmetered customers who are being transitioned towards metered use in the future.

Water Consumption by Customer Type. The following table shows the sources of water consumed by customer type during the most recent five fiscal years.

Table 4
WATER CONSUMPTION BY SOURCE
(Amounts in CCF)

Customer Type	Fiscal Year Ending June 30,				
	2016	2017	2018	2019	2020
Single Family Residential	<u>2,271,244</u>	<u>2,362,076</u>	<u>2,544,313</u>	<u>1,974,167</u>	<u>2,474,439</u>
Multi-Family Residential	<u>487,043</u>	<u>503,318</u>	<u>484,304</u>	<u>405,241</u>	<u>449,777</u>
Commercial	<u>558,903</u>	<u>570,647</u>	<u>606,507</u>	<u>511,233</u>	<u>595,593</u>
Industrial	<u>23,547</u>	<u>22,068</u>	<u>21,077</u>	<u>12,372</u>	<u>13,880</u>
Institutional/Governmental	<u>130,248</u>	<u>165,205</u>	<u>180,099</u>	<u>154,824</u>	<u>457,657</u>
Other	<u>3,710,767</u>	<u>3,864,617</u>	<u>4,116,044</u>	<u>3,288,268</u>	<u>3,991,346</u>
Total Water Use	<u>2,271,244</u>	<u>2,362,076</u>	<u>2,544,313</u>	<u>1,974,167</u>	<u>2,474,439</u>

Source: City of Porterville

Enterprise Facilities

Transmission mains deliver water from the Enterprise's pumps to the Enterprise's Pumping Plant and subsequently to Enterprise customers. The Enterprise's groundwater wells have a total design capacity of over 16,962 gpm, and current capacity of 13,685 gpm. The Enterprise's local groundwater wells can provide 2 times the maximum day demand of the system which has been estimated to be _____ gpm (based on historical production and consumption data).

The Enterprise's current water system includes supply, distribution and storage components, consisting of six (6) reservoirs, 37 wells, 11 pump station facilities, 275.83 miles of pipeline ranging from 4 to 18-inches in main diameter, 25 pressure reducing valves, 120 pressure relief valves, 4 pressure sustaining valves, and 25 emergency connections between pressure zones.

Distribution System. The Enterprise includes 275.83 miles of water distribution and transmission mains. The service area is divided into 3 main pressure zones. Pump stations are typically used by the Enterprise to boost water supplies from a pressure zone of a lower hydraulic gradient to one of a higher hydraulic gradient. Pump stations can also be used to supplement gravity storage to meet fire flow demands during an emergency or provide fire flow if no gravity storage exists in a pressure zone.

A pressure zone is an area of service supplied by a source, or a number of sources, that provides supply at a nominal hydraulic gradient. Typically, this hydraulic gradient is provided by the high water level of the reservoir serving the pressure zone. In the distribution system, some pressure zones have multiple reservoirs with different high water levels, and therefore the nominal hydraulic gradient for each pressure zone is considered to be the lowest high water level. For pressure zones with no gravity storage, the hydraulic gradient may be provided by pressure reducing valve settings or in some cases by pumping. Each pressure zone in the water system receives pressure from some combination of reservoirs, booster pump stations, and interconnections.

Water Storage. Typical water utility emergency storage standards do not apply to the Enterprise because the Enterprise does not use purchased water (other than purchased water that is used to recharge groundwater). The only requirement would be that the Enterprise facilities be capable of pumping the water needed during an emergency from the wells to the higher zones. The operational storage criterion is one maximum day demand plus the fire flow storage required for each zone.

The Enterprise includes six (6) reservoirs with a total constructed volume of 10.1 million gallons. The available capacity (nominal capacity) in each reservoir is considered to be 75 percent of the reservoir volume below the high water elevation due to the fact that the lower portions of the reservoirs cannot be used because air would be drawn into the system, and they cannot always be maintained full prior to an emergency.

Future Planned Enterprise Facilities. The City is planning to construct a tertiary treatment plant ("TTP") on a parcel of City property adjacent to the City's Sports Complex and near the casino resort at a cost of 15 million dollars. The City will deliver undisinfected secondary effluent from the City's Wastewater Treatment Facility ("WWTF") via the City's effluent distribution pipeline to the TTP, where it would be treated to Title 22 standards and distributed for use. The TTP will be sized to treat 0.31 mgd of undisinfected secondary effluent with additional considerations for WWTF projects that enhance water quality, and tertiary production to encourage future growth in demands for recycled water. The City is also planning to construct a groundwater recharge basin at a cost of 15 million dollars. The basin project with piping infrastructure will collect surface water runoff for ground water recharge operations.

Historical and Planned Capital Improvements

The capital improvements completed from fiscal year 2015-16 to fiscal year 2019-20 are shown in the following table.

Table 5
HISTORICAL CAPITAL EXPENDITURES

<u>Project Name</u>	<u>Fiscal Year Ending June 30,</u>					<u>Total</u>
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	
<u>Lime St/Laurel Ave water main</u>	<u>\$ 13,618</u>	<u>\$ 197,116</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 210,734</u>
<u>Well no. 32</u>	<u>843,303</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>843,303</u>
<u>Well no. 34</u>	<u>33,662</u>	<u>13,248</u>	<u>=</u>	<u>3,048</u>	<u>2,394</u>	<u>52,352</u>
<u>Rehabilitate wells</u>	<u>17,025</u>	<u>=</u>	<u>=</u>	<u>22,344</u>	<u>7,177</u>	<u>46,546</u>
<u>East Porterville water project</u>	<u>14,157</u>	<u>832,700</u>	<u>301,614</u>	<u>25,028</u>	<u>12,013</u>	<u>1,185,512</u>
<u>Scranton water main relocation</u>	<u>10,960</u>	<u>216,532</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>227,492</u>
<u>Morton Ave-Newcomb to Plano water main</u>	<u>=</u>	<u>23,776</u>	<u>4,734</u>	<u>=</u>	<u>=</u>	<u>28,510</u>
<u>SGMA compliance</u>	<u>=</u>	<u>521,364</u>	<u>384,341</u>	<u>750,789</u>	<u>173,263</u>	<u>1,829,757</u>
<u>Masterplan update</u>	<u>=</u>	<u>16,979</u>	<u>126,792</u>	<u>99,974</u>	<u>45,231</u>	<u>288,976</u>
<u>East Porterville reservoir</u>	<u>=</u>	<u>=</u>	<u>60,250</u>	<u>46,536</u>	<u>32,723</u>	<u>139,509</u>
<u>Household tank removal program</u>	<u>=</u>	<u>=</u>	<u>20,877</u>	<u>913,895</u>	<u>1,127,744</u>	<u>2,062,516</u>
<u>Well no. 36</u>	<u>=</u>	<u>=</u>	<u>93,883</u>	<u>=</u>	<u>=</u>	<u>93,883</u>
<u>Well no. 37</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>16,506</u>	<u>729,567</u>	<u>746,073</u>
<u>Plano water main replacement</u>	<u>=</u>	<u>=</u>	<u>319,746</u>	<u>165,399</u>	<u>23,796</u>	<u>508,941</u>
<u>Totals</u>	<u>932,725</u>	<u>1,821,715</u>	<u>1,312,237</u>	<u>2,043,519</u>	<u>2,153,908</u>	<u>8,264,104</u>

Source: City of Porterville

The Enterprise expects to spend another \$103,230,937 in capital projects over the next five fiscal years which is expected to be funded on a pay-as-you go basis. The table below shows the next five years of planned capital improvements.

Table 6
PROJECTED CAPITAL EXPENDITURES

<u>Project Name</u>	<u>Fiscal Year Ending June 30,</u>					<u>Total</u>
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	
<u>Rehabilitate wells</u>	<u>\$ 150,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>150,000</u>
<u>Electrical upgrades</u>	<u>400,000</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>400,000</u>
<u>Disadvantaged community water consolidation</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>10,000,000</u>
<u>Downtown pipe replacement</u>	<u>150,000</u>	<u>150,000</u>	<u>154,875</u>	<u>159,908</u>	<u>165,105</u>	<u>779,888</u>
<u>CV-SALTS nitrate control plan and recycled water reuse project</u>	<u>450,087</u>	<u>19,150,000</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>19,600,087</u>
<u>Casino JPA tertiary treatment plan project</u>	<u>900,000</u>	<u>17,000,000</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>17,900,000</u>
<u>Well no. 36</u>	<u>1,048,874</u>	<u>1,600,000</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>2,648,874</u>
<u>Well no. 37</u>	<u>=</u>	<u>2,400,000</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>2,400,000</u>
<u>Well no. 38</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>2,500,000</u>	<u>=</u>	<u>2,500,000</u>
<u>Alternative water capacity sources</u>	<u>1,000,000</u>	<u>1,032,500</u>	<u>1,066,056</u>	<u>1,100,703</u>	<u>1,136,476</u>	<u>5,335,735</u>
<u>Monitoring wells</u>	<u>=</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>=</u>	<u>1,500,000</u>
<u>South recharge basin</u>	<u>1,047,684</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>1,047,684</u>
<u>DR#23 dual-recharge basin</u>	<u>783,003</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>783,003</u>
<u>North recharge basin</u>	<u>1,064,668</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>1,064,668</u>
<u>DR#28 dual-recharge basin</u>	<u>135,000</u>	<u>650,000</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>785,000</u>
<u>DR#30 dual-recharge basin</u>	<u>175,000</u>	<u>10,000,000</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>10,175,000</u>
<u>Tule River/Jaye St dual-recharge basin</u>	<u>175,000</u>	<u>800,000</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>975,000</u>
<u>Rails to Trails/Vandalia recharge basin</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>600,000</u>	<u>=</u>	<u>600,000</u>
<u>DR#58</u>	<u>97,399</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>97,399</u>
<u>DR#59</u>	<u>20,000</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>20,000</u>
<u>Stormwater capture & recharge</u>	<u>680,000</u>	<u>680,000</u>	<u>680,000</u>	<u>680,000</u>	<u>680,000</u>	<u>3,400,000</u>
<u>EP booster pumps</u>	<u>100,000</u>	<u>450,000</u>	<u>1,900,000</u>	<u>=</u>	<u>=</u>	<u>2,450,000</u>
<u>Well #34</u>	<u>2,994,558</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>2,994,558</u>
<u>Well #35</u>	<u>1,493,630</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>1,493,630</u>
<u>EP water 1.5MG reservoir</u>	<u>2,467,277</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>2,467,277</u>
<u>EP-West to Central booster pump</u>	<u>350,000</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>350,000</u>
<u>Hillcrest water main</u>	<u>=</u>	<u>1,600,000</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>1,600,000</u>
<u>Household tank removal program</u>	<u>750,431</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>750,431</u>
<u>D St water main upgrade</u>	<u>279,703</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>279,703</u>
<u>Martin Hill booster pump</u>	<u>350,000</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>350,000</u>
<u>Pioneer Ave - pipe & casing</u>	<u>=</u>	<u>168,000</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>168,000</u>
<u>Putnam Ave water line</u>	<u>195,000</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>195,000</u>
<u>Scenic Heights 3MG tank coating and repair</u>	<u>500,000</u>	<u>2,000,000</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>2,500,000</u>
<u>Scenic Heights 3MG tank overflow</u>	<u>150,000</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>150,000</u>
<u>Radio read water meter replacement program</u>	<u>1,400,000</u>	<u>480,000</u>	<u>480,000</u>	<u>480,000</u>	<u>480,000</u>	<u>3,320,000</u>
<u>SCADA system</u>	<u>2,000,000</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>2,000,000</u>
<u>Totals</u>	<u>23,307,314</u>	<u>60,660,500</u>	<u>6,780,931</u>	<u>8,020,611</u>	<u>4,461,581</u>	<u>103,230,937</u>

Source: City of Porterville

Enterprise Customers

The Enterprise's water service area continues to develop and new customers continue to join the Enterprise's water system. The Enterprise is currently constructing new water mains to connect the area of unincorporated Tulare County community of East Porterville to the Enterprise's water distribution system. Once completed, the East Porterville water infrastructure project will add an estimated 1,800 households to the Enterprise's water system.

The Enterprise estimates that future growth within its service area will generally follow the most recent 15-year average and a growth rate of 2.5 percent is used to estimate future customer demand.

Customer Accounts. The table below contains a breakdown of the Enterprise's metered accounts by customer classes for the past five fiscal years. Over 83% of the Enterprise's metered accounts are for residential customers.

Table 7
WATER METERS BY CUSTOMER TYPE

Customer Type	Fiscal Year Ending June 30,				
	2016	2017	2018	2019	2020
Single-Family Residential	<u>13,056</u>	<u>14,175</u>	<u>13,916</u>	<u>14,342</u>	<u>14,439</u>
Multi-Family Residential	<u>774</u>	<u>763</u>	<u>780</u>	<u>770</u>	<u>882</u>
Commercial	<u>1,006</u>	<u>1,028</u>	<u>1,057</u>	<u>1,036</u>	<u>1,035</u>
Industrial	<u>16</u>	<u>17</u>	<u>16</u>	<u>17</u>	<u>17</u>
Other	<u>424</u>	<u>433</u>	<u>437</u>	<u>444</u>	<u>456</u>
Total Water Meters	<u>15,276</u>	<u>16,416</u>	<u>16,206</u>	<u>16,609</u>	<u>16,829</u>

Source: City of Porterville

Top 10 Enterprise Customers. The ten largest water users for the 2019-20 fiscal year, accounted for approximately 366,455 hundred cubic feet ("CCF") or approximately 6.11% of the Enterprise's total annual water consumption. The following table shows the top ten water users by consumption and by revenues for the 2019-20 fiscal year.

Table 8
TEN LARGEST USERS of WATER by CONSUMPTION
Fiscal Year 2019-20

	Customer	2019-20 Consumption (ccf)	2019-20 Revenues	% of Total Revenues
1.	Foster Farms	<u>132,658</u>	<u>\$ 248,918</u>	<u>2.19%</u>
2.	City of Porterville Sports Complex	<u>56,582</u>	<u>106,868</u>	<u>.94</u>
3.	City of Porterville Golf Course	<u>35,968</u>	<u>68,108</u>	<u>.60</u>
4.	<u>Granite Hills High School</u>	<u>26,212</u>	<u>49,716</u>	<u>.44</u>
5.	<u>Porterville High School</u>	<u>24,396</u>	<u>46,892</u>	<u>.41</u>
6.	<u>Monache High School</u>	<u>24,571</u>	<u>46,647</u>	<u>.41</u>
7.	<u>Kent Junior College</u>	<u>17,996</u>	<u>35,051</u>	<u>.31</u>
8.	<u>Sierra View District Hospital</u>	<u>18,002</u>	<u>34,512</u>	<u>.30</u>
9.	<u>Golden Hills MHP LLC</u>	<u>15,547</u>	<u>29,772</u>	<u>.26</u>
10.	<u>CB CDT Mountain View LP</u>	<u>14,523</u>	<u>27,859</u>	<u>.25</u>
	Total Top 10	<u>366,455</u>	<u>694,342</u>	<u>6.11%</u>
	Total System	<u>4,056,118</u>	<u>11,351,576</u>	

Source: City of Porterville.

Water Rates

Prior to July 1 of each calendar year, the City Council adopts a budget for the forthcoming fiscal year covering the anticipated revenues and expenses of the Enterprise. The water rates for the entire Enterprise are set by the City Council by resolution and are not subject to review by any state or local government agency.

On July 18, 2016 the City Council adopted Resolution No. 47-2016, which, upon becoming effective as of August 1, 2016, set the current water rates for the Enterprise for fiscal years effective as of October 1, 2020. The Enterprise's water rates include a variable consumption commodity charge based on use and a fixed service charge component. The fixed charge is based on the size of the meter serving the customer. The Enterprise services a small number of unmetered customers who are charged a flat monthly charge and who are being transitioned to metered service.

The following tables outline the historical structure for all Enterprise users for the most recent five fiscal years.

Table 9
RATES FOR WATER SERVICE

COMMODITY CHARGES (*per ccf*)

Rates effective July 1,				
2016 ⁽¹⁾	2017	2018	2019	2020 ⁽²⁾
\$ 1.75	\$ 1.79	\$ 1.83	\$ 1.87	\$ 1.91

MONTHLY METER CHARGE (*by meter size*)

Meter Size	Rates effective July 1,				
	2016 ⁽¹⁾	2017	2018	2019	2020 ⁽²⁾
< 1"	\$ 16.50	\$ 16.88	\$ 17.27	<u>\$ 17.67</u>	<u>\$ 18.08</u>
1"	18.15	18.57	19.00	19.44	19.89
1-1/4"	22.28	22.79	23.31	<u>23.85</u>	<u>24.40</u>
1-1/2"	26.40	27.01	27.63	<u>28.27</u>	<u>28.92</u>
2"	33.00	33.76	34.54	<u>35.33</u>	<u>36.14</u>
3"	44.55	45.57	46.62	<u>47.69</u>	<u>48.79</u>
4"	54.45	55.70	56.98	<u>58.29</u>	<u>59.63</u>
6"	66.00	67.52	69.07	<u>70.66</u>	<u>72.29</u>
8"	82.50	84.40	86.34	<u>88.32</u>	<u>90.36</u>

UNMETERED SERVICE (*flat charge per month*)

Rates effective July 1,				
2016 ⁽¹⁾	2017	2018	2019	2020 ⁽²⁾
\$ 79.01	\$ 80.83	\$ 82.69	\$ 84.59	\$ 86.54

Source: City of Porterville

Note: Unmetered customers are being transitioned to metered use in the future.

(1) Rates effective August 1, 2016.

(2) Rates effective October 1, 2020.

Drought Prevention Measure Rate Increases. The City's Water Conservation Plan raises water rates by 20% during droughts. The higher unit rate is intended to discourage use and to offset the revenue lost from selling a lower volume of water.

Billing Collection and Procedures. The City bills customers for water service every 30 days with payments due 30 days from the billing date. Delinquency reminder notices are mailed 30 days after billing date and shut-off notices are distributed 60 days after the billing date. The City charges a 10% late fee and a re-connection fee is required following a shut-off. The average annual delinquency rate has historically been below 3%. Customers may pay their bills either by mail, in person at City Hall, or online at the City's website. The City bills customers for wastewater and solid waste removal services on the same bill.

SB 998. The City is in compliance with SB 998, the Water Shutoff Protection Act, regarding policies relating to the discontinuation of water service, which became effective on February 1, 2020. The City does not believe that the restriction imposed on residential water service for delinquent payments under SB 998, and as adopted by the City, will have a material adverse effect on the Enterprise's ability to make the scheduled Installment Payments on the Certificates.

In response to the recent novel coronavirus outbreak described under the caption "RISK FACTORS—COVID-19 Pandemic," on April 2, 2020, Governor Newsom signed Executive Order N- 42-20 ("Order N-42-20"), which, among other things, (i) suspends the authority of water systems, such as the Enterprise, from suspending water service for non-payment, (ii) orders that residential service to occupied residences that has been discontinued for nonpayment since March 4, 2020 be restored and (iii) provides that the State Water Resources Control Board ("SWRCB") will identify best practices, guidelines, or both to be implemented during the COVID-19 emergency (a) to address non-payment or reduced payments, (b) to promote and to ensure continuity of service by water systems and wastewater systems, and (c) to provide measures such as the sharing of supplies, equipment and staffing to relieve water systems under financial distress. Order N-42-20 does not eliminate the obligation of water customers to pay for water service, prevent a water system, such as the Enterprise, from charging a customer for such service, or reduce the amount a customer already may owe to a water system, such as the Enterprise.

The Enterprise has reviewed Order N-42-20 and does not believe that such order will materially adversely affect the Enterprise's operating results or the Enterprise's ability to make the scheduled Installment Payments on the Certificates.

Financial Statements

The Enterprise's audited financial statements for the 2018-19 fiscal year are attached hereto as APPENDIX B—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE CITY FOR THE FISCAL YEAR ENDED JUNE 30, 2019.

The following table presents the Statement of Net Position prepared by the Enterprise for the five most recent fiscal years.

Table 10
WATER ENTERPRISE FUND
STATEMENT OF NET POSITION

	Fiscal Year Ending June 30,				
	2015 Audited	2016 Audited	2017 Audited	2018 Audited	2019 Audited
ASSETS					
Current Assets:					
Cash and investments	\$ 5,025,562	\$ 5,399,036	\$ 7,972,885	\$ 12,248,285	\$ 16,376,098
Receivables-utility	673,109	839,264	1,660,607	1,942,730	1,738,956
Receivables-misc	40,173	106,818	82,957	58,875	47,131
Intergovernmental receivables	-	-	874,238	445,630	955,611
Total Current Assets	5,738,844	6,345,118	10,590,687	14,695,520	19,117,798
Noncurrent Assets:					
Advances receivable	266,851	266,851	266,851	266,851	266,851
Land	318,092	318,092	803,217	1,203,905	1,758,963
Construction in progress	631,681	34,578	10,000	495,916	1,801,355
Buildings	-	-	296,688	296,688	296,688
Machinery and equipment	2,445,885	2,459,028	2,213,788	2,583,798	2,645,757
Distribution and collection systems	39,556,426	41,018,001	41,456,226	41,456,226	41,757,005
Less Accumulated depreciation	(18,515,766)	(19,451,886)	(20,526,502)	(21,577,784)	(22,633,759)
Investments - Restricted	1,689,639	780,194	728,155	741,778	
Total Noncurrent Assets	26,392,808	25,424,858	25,248,423	25,467,378	25,892,860
Total Assets	32,131,652	31,769,976	35,839,110	40,162,898	45,010,658
DEFERRED FLOWS OF RESOURCES					
Deferred amount from pension plans, net	167,371	15,519	(730,023)	(648,252)	(422,989)
Deferred amount from OPEB, net	-	-	-	17,014	9,818
Deferred charge on refunding	(120,108)	(83,175)	(46,242)	(9,309)	-
Total Deferred Flows of Resources	47,263	(67,656)	(776,265)	(640,547)	(413,171)
LIABILITIES					
Current Liabilities:					
Accounts payable	287,204	200,585	413,074	237,672	328,547
Payroll payable	47,970	52,029	58,290	70,365	62,187
Retainage payable	3,410	-	-	17,222	68,148
Compensated absences payable	29,764	29,898	34,553	43,872	47,913
Accrued interest payable	148,954	137,384	124,903	111,417	97,813
Loans and bonds payable	747,147	784,526	830,310	877,932	230,825
Total Current Liabilities	1,264,449	1,204,422	1,459,130	1,358,480	835,433
Noncurrent Liabilities:					
Compensated absences payable	16,846	15,549	19,331	22,163	16,231
Loans and bonds payable	9,218,495	8,425,318	7,522,598	6,636,015	6,403,011
Net pension liability	2,182,433	2,260,554	2,764,467	2,839,896	2,683,054
OPEB liability	-	-	-	652,739	715,853
Total Noncurrent Liabilities	11,417,774	10,701,421	10,306,396	10,150,813	9,818,149
Total Liabilities	12,682,223	11,905,843	11,765,526	11,509,293	10,653,582
NET POSITION					
Net investment in capital assets	15,569,323	15,314,904	15,946,751	16,954,111	18,992,173
Restricted for debt service	711,099	716,435	728,147	741,603	-
Unrestricted	3,121,744	3,900,450	8,174,951	11,598,438	15,778,074
Total Net Position	19,402,166	19,931,789	24,849,849	29,294,152	34,770,247

Source: City of Porterville FY2015-19 Comprehensive Annual Financial Reports

The estimated unrestricted net assets of the Water Enterprise Fund as of June 30, 2019, of \$15,778,074 are comprised of the following:

Reserved for emergency capital repairs	
Reserved for operating capital	
Reserved for inventory	
Reserved for lease payment	
Reserved for encumbrance, continuing appropriation & other	
Unrestricted, unreserved & undesignated	-
Total	=

Source: City of Porterville. Data is unaudited.

The following table presents the audited Statement of Revenues, Expenses and Changes in Net Position prepared by the City for Enterprise for the three most recent fiscal years and budgeted projections for the 2020-21 fiscal year. Audited totals are provided for the 2016-17 through 2018-19 fiscal years, unaudited actuals are provided for the 2019-20 fiscal year, and budgeted projections are provided for fiscal year 2020-21. See “Historical and Projected Operating Results” for a five-year historical comparison of revenues and expenses of the Water Fund and a projection of the revenues and expenses, including projected debt service coverage.

Table 11
WATER ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	Fiscal Year Ending June 30,				
	2017 Audited	2018 Audited	2019 Audited	2020 Unaudited	2021 Budgeted
OPERATING REVENUES					
Charges for services	\$ 10,653,296	\$ 11,310,060	\$ 11,383,497	<u>\$ 12,022,433</u>	<u>\$ 12,220,233</u>
Connection fees	16,107	18,189	16,567	<u>10,661</u>	<u>10,662</u>
Other revenues	187,108	228,955	239,275	<u>160,617</u>	<u>185,000</u>
Total Operating Revenues	10,856,511	11,557,204	11,639,339	<u>12,193,711</u>	<u>12,415,895</u>
OPERATING EXPENSES					
Cost of sales and services	2,461,261	3,248,598	3,813,969	<u>3,639,347</u>	<u>4,437,924</u>
General and administrative	3,324,126	2,482,085	2,549,442	<u>2,761,126</u>	<u>2,918,229</u>
Depreciation	1,065,723	1,051,596	1,129,574	<u>1,119,496</u>	<u>=</u>
Total Operating Expenses	6,851,110	6,782,279	7,492,985	<u>7,519,969</u>	<u>7,356,153</u>
OPERATING INCOME	4,005,401	4,774,925	4,146,354	<u>4,673,742</u>	<u>5,059,742</u>
NONOPERATING REVENUE					
State grants and reimbursements	902,235	445,630	-	<u>=</u>	<u>=</u>
Investment earnings	75,259	74,701	552,063	<u>678,991</u>	<u>380,000</u>
Interest expense	(370,254)	(322,512)	(252,853)	<u>(227,259)</u>	<u>(222,348)</u>
Total Nonoperating Revenues	607,240	197,819	299,210	<u>451,722</u>	<u>157,652</u>
CAPITAL CONTRIBUTIONS AND TRANSFERS					
Capital contributions, developer fees	303,278	97,643	74,518	<u>139,275</u>	<u>135,000</u>
Capital contributions, federal and state grants	-	-	949,155	<u>417,177</u>	<u>18,055,896</u>
Transfers, net	2,141	5,438	6,858	<u>3,629</u>	<u>=</u>
Total Capital Contributions and Transfers	305,419	40,441	1,030,531	<u>560,081</u>	<u>18,190,896</u>
CHANGES IN NET POSITION	4,918,060	522,872	5,476,095	<u>5,685,545</u>	<u>23,250,638</u>
NET POSITION, Beginning of Year	19,931,789	24,218,695 ⁽¹⁾	29,294,152	<u>34,770,247</u>	<u>40,455,492</u>
NET POSITION, End of Year	24,849,849	29,294,152	34,770,247	<u>40,455,792</u>	<u>63,706,430</u>

Source: City of Porterville FY2015-19 Comprehensive Annual Financial Reports

(1) Includes a prior period adjustment of \$(631,154).

Historical and Projected Operating Results and Debt Service Coverage

The following two tables provide a history and projection of the Gross Revenues and Maintenance and Operation Costs for ten fiscal years as prepared by the Enterprise.

The following table presents the Historical Summary of Gross Revenues, Maintenance and Operation Costs and debt service coverage for the five most recent fiscal years. Data for fiscal years 2015-16 through 2018-19 are based on figures from the City's audited financial statements and data for fiscal year 2019-20 is unaudited.

Table 12
HISTORICAL SUMMARY OF GROSS REVENUES,
MAINTENANCE AND OPERATION COSTS AND DEBT SERVICE COVERAGE⁽¹⁾

	Fiscal Year Ending June 30,				
	2016	2017	2018	2019	2020
Gross Revenues					
Water sales	<u>\$ 5,440,758</u>	<u>\$ 10,526,676</u>	<u>\$ 11,184,150</u>	<u>\$ 11,244,302</u>	<u>\$ 11,953,269</u>
Meter installation charges	<u>29,218</u>	<u>18,876</u>	<u>19,802</u>	<u>31,072</u>	<u>6,679</u>
Water service charges	<u>130,366</u>	<u>107,744</u>	<u>106,108</u>	<u>108,123</u>	<u>62,485</u>
Connection fees	<u>46,429</u>	<u>16,107</u>	<u>18,188</u>	<u>16,567</u>	<u>10,661</u>
Other revenues	<u>119,367</u>	<u>187,108</u>	<u>228,956</u>	<u>239,275</u>	<u>160,617</u>
Investment earnings	<u>111,876</u>	<u>75,259</u>	<u>74,701</u>	<u>552,063</u>	<u>678,981</u>
Total Gross Revenues	<u>5,878,014</u>	<u>10,931,770</u>	<u>11,631,925</u>	<u>12,191,402</u>	<u>12,872,692</u>
Maintenance and Operation Costs ⁽³⁾					
Employee services	<u>1,207,589</u>	<u>1,347,903</u>	<u>1,548,433</u>	<u>1,699,681</u>	<u>1,813,035</u>
Other maintenance and operations	<u>2,963,064</u>	<u>4,437,484</u>	<u>4,182,250</u>	<u>4,663,730</u>	<u>4,587,438</u>
Total Maintenance and Operation Costs	<u>4,170,653</u>	<u>5,785,387</u>	<u>5,730,683</u>	<u>6,363,411</u>	<u>6,400,473</u>
Net Revenues Available for Debt Service	<u>1,707,361</u>	<u>5,146,383</u>	<u>5,901,242</u>	<u>5,827,991</u>	<u>6,472,219</u>
Debt Service					
2002 Water System Refunding Project	<u>683,875</u>	<u>678,280</u>	<u>675,638</u>	<u>675,632</u>	<u>--</u>
CIEDB Loan - BC4-092	<u>379,772</u>	<u>380,064</u>	<u>382,916</u>	<u>383,324</u>	<u>383,206</u>
CIEDB Loan - BC05-094	<u>80,655</u>	<u>80,635</u>	<u>80,616</u>	<u>80,594</u>	<u>80,572</u>
Total Debt Service	<u>1,144,302</u>	<u>1,138,979</u>	<u>1,139,170</u>	<u>1,139,550</u>	<u>463,778</u>
Debt Service Coverage	<u>1.49x</u>	<u>4.52x</u>	<u>5.18x</u>	<u>5.11x</u>	<u>13.96x</u>
Net Revenues After Debt Service	<u>563,059</u>	<u>4,007,404</u>	<u>4,762,072</u>	<u>4,688,441</u>	<u>6,008,441</u>

Source: City of Porterville

The following table presents the Projected Summary of Gross Revenues, Maintenance and Operation Costs and debt service coverage for the fiscal years 2020-21 through 2024-25. Projections for fiscal year 2020-21 are based on projected revenues for the Enterprise from the City's 2020-21 Budget, adopted October 6, 2020.

While the Enterprise believes that these assumptions are reasonable, the Enterprise cannot guarantee that its actual results will not differ. The projections in the following table do not include any capital projects planned by the Enterprise.

Table 13
PROJECTED SUMMARY OF GROSS REVENUES, MAINTENANCE AND
OPERATION COSTS AND DEBT SERVICE COVERAGE⁽¹⁾

	Fiscal Year Ending June 30,				
	2021	2022	2023	2024	2025
Gross Revenues					
Water sales					
Meter installation charges					
Water service charges					
Connection fees					
Other revenues					
Total Gross Revenues	—	—	—	—	—
Maintenance and Operation Costs ⁽³⁾					
Employee services					
Other maintenance and operations					
Total Maintenance and Operation Costs	—	—	—	—	—
Net Revenues Available for Debt Service					
Debt Service					
Total Debt Service	—	—	—	—	—
Debt Service Coverage					
Net Revenues After Debt Service					

Source: City of Porterville

The City's Director of Public Works have been authorized by resolution of the City Council to adjust water rates to insure that Enterprise revenues are sufficient to cover the total expenses of providing water, including depreciation, administration, debt service coverage levels, and required capital outlay. For additional information, see "WATER RATES" above.

Water Conservation and Supply Shortage Contingency Measures

City of Porterville Drought Prevention Measures. During drought years, water use patterns typically change. Outdoor water use will typically increase as irrigation is used to replace the decrease in precipitation. However, the increase in outdoor use can be offset, in part, by increasing mandatory

conservation measures. The City has a Water Conservation Plan (“WCP”) that outlines policies and procedures to help reduce water demands during droughts.

The WCP addresses the following stages of action. Actions in each phase would be undertaken by the City or the general public. When staff determines that water supply conditions warrant a phase change they present the request to the City Council for their approval. The Enterprise’s production capacity is monitored to determine recommendations for moving from one phase to the next. Any decision to change phases will be based on a combination of surface water supplies, weather conditions, and trends in water usage, groundwater levels, and well yields. Conservation measures gradually increase with each phase.

Phase 1 applies during periods when a normal water supply is available. The public are given opportunities to voluntarily reduce consumption in Phase 1. If these efforts are not sufficient, then Phase 2 is implemented, which includes mandatory measures with a target reduction of 10%. If these are not sufficient then Phase 3 is implemented, which includes more stringent mandatory regulations with a target reduction of 10-25%. If these are not sufficient then Phase 4 is implemented, which includes more increasingly stringent, mandatory regulations with a target reduction of 25-50%.

Water Conservation Act of 2009 (SBx7-7). The Water Conservation Act of 2009 set forth in State Senate Bill x7-7 (“SBx7-7”), was signed by the Governor in 2009 and became effective in February 2010. Among other things, SBx7-7 seeks to achieve a State-wide 20% reduction in urban per capita water use by December 31, 2020. SBx7-7 requires each urban retail water supplier (such as the Enterprise) to develop urban water use targets to help meet the 20% reduction goal by 2020, with an interim 10% reduction goal by 2015. An urban water retail supplier that fails to meet its water use target by December 31, 2020 will be ineligible for a water grant or loan administered by the State until the supplier complies with the provisions of SBx7-7, unless the State Department of Water Resources determines that the supplier is eligible for a water grant or loan after the supplier’s submission of a schedule, financing plan, and budget for achieving the required per capita reductions.

Under SBx7-7, a retail water agency may comply with the reduction requirements as an individual or as part of a regional alliance. The Enterprise complies with SBx7-7 as in individual water agency. The Enterprise has a 2015 weighted target of 145 gallons per capita per day (“GPCD”) and a 2020 weighted target of 134 GPCD. The actual 2015 water use was reported to be 124 GPCD, well below the 2015 interim target and the 2020 target. The Enterprise has fully met the 20% mandated water reduction goal.

California 2011-17 Drought; State Emergency Measures and Continuing Efforts. California has a highly variable climate, and often experiences very wet years followed by extremely dry ones. During the last thirty-five years, the State experienced drought periods between 1986 and 1992, between 2007 and 2009, and between 2011 and 2017.

The drought from December 2011 to March 2017 was considered one of the worst in the State’s recorded history, with 2012 through 2015 having the driest four-year statewide precipitation on record. Between 2014 and 2015, the Governor issued two emergency proclamations (on January 14, 2014 and April 25, 2014) and four executive orders (Executive Orders B-26-14, B-28-14, B-29-15 and B-36-15). During this period, the SWRCB adopted and implemented regulations for water use reductions and restrictions. Among such actions, the SWRCB adopted emergency regulations in 2015 to achieve a 25% reduction in the overall potable urban production statewide in accordance with directives set forth in Executive Order B-29-15. It was reported that, overall, the State saved an average of more than 24% during the twelve months that the mandate was in place. In addition, the Sustainable Groundwater Management Act of 2014 was

enacted. The State developed a five-year California Water Action Plan, with the stated goals of more reliable water supplies, the restoration of important species and habitat, and a more resilient, sustainably managed water resources system (water supply, water quality, flood protection, and environment). The Sustainable Groundwater Management Act of 2014 applies to unregulated areas. ~~Since the Central Basin and the Main San Gabriel Basin are adjudicated, Sustainable Groundwater Management Act of 2014 is inapplicable to the Central Basin and the Main San Gabriel Basin.~~

On May 16, 2016, the Governor issued Executive Order B-37-16, which among other things, directed: (i) the State Department of Water Resources to work with the SWRCB to develop new water use targets as part of a permanent framework for urban water agencies, (ii) the permanent requirement of urban water suppliers to issue monthly reports of their water usage, conservation amounts and enforcement efforts, (iii) the prohibition of wasteful potable water practices (such as hosing of sidewalks, watering lawns in a manner that causes runoff); (iv) California Energy Commission's certification of innovative water conservation and water loss detection and control technologies that also increase energy efficiency; and (v) consultation by the State Department of Water Resources with urban water suppliers, local governments, environmental groups and other partners to update requirements for water shortage contingency plans.

On April 7, 2017, Governor Brown issued Executive Order B-10-17, rescinding the two emergency proclamations from January and April 2014 and the four drought related Executive Orders issued in 2014 and 2015. However, Executive Order B-37-16 was largely left in place.

Executive Order B-10-17 terminated the drought state of emergency for all counties in the State, except for the counties of Fresno, Kings, Tulare and Tuolumne with directives for those particular counties. The Enterprise is located in Tulare County.

The City cannot predict if and when California will experience another drought, and the actions that the State will have to take in response. The State is continuing to implement the directives of Executive Order B-37-16, dubbed "Making Water Conservation a California Way of Life." The implementation of the Sustainable Groundwater Management Act of 2014 and the additional directives under Executive Order B-10-17 for the counties of Fresno, Kings, Tulare and Tuolumne also continues.

PFAS

The City is monitoring and responding to developing legislation, laws and regulations regarding per- and poly-fluoroalkyl substances ("PFAS"). PFAS are substances widely used in consumer and industrial products such as fabrics, carpets, firefighting foams, food packaging and nonstick cookware and are known for their nonstick, waterproof and heat and stain resistant properties. Starting in the early 2000s, manufacturers began phasing out the use of PFAS chemicals, most of which are no longer manufactured in the United States. PFAS chemicals have been linked to cancer, liver and kidney damage, low birth weight and other health problems.

California's current response level for the combined values of perfluorooctane sulfonate ("PFOS") and perfluorooctanoic acid ("PFOA") (the two most common synthetic organic chemicals in the group of compounds referred to as PFAS) is 70 parts per trillion ("ppt"), but the California Division of Drinking Water ("DDW") is expected to lower the response level to 10 ppt in 2020. Response levels are thresholds at which the DDW recommends water systems remove a water source from use. If an agency does not remove the source, the DDW requires the agency notify its local governing body, notify all customers directly explaining the reasons for the continued use of the source, issue a press release, and conduct regular sampling.

In August 2019, the DDW lowered the notification levels for PFOS from 13 ppt to 6.5 ppt and for PFOA from 14 ppt to 5.1 ppt. Notification levels are non-regulatory, precautionary health-based measures for concentrations of chemicals in drinking water that warrant notification and further monitoring and assessment. On July 31, 2019, Governor Newsom signed Assembly Bill 756 into law which increased PFAS notification and now imposes additional reporting requirements on public water systems, including the Enterprise.

The Enterprise is assessing whether PFOA and PFOS are present in its groundwater supplies and, if so, to what extent. The Enterprise's groundwater is potentially impacted based on its geographic location. The Enterprise is working to seek testing of the Enterprise's groundwater sources. To the extent that PFOA and PFOS contamination is found in the City's water supplies, the Enterprise plans to blend uncontaminated water to dilute PFOA and PFOS concentrations below notification levels, though additional treatment may be needed. Due to uncertainty of future PFOA and PFOS-related impacts to the Enterprise's water sources it is difficult to estimate the impact on the Enterprise's finances as a result of the costs of PFOA and PFOS-related mitigation measures. This type of shift in local supply could prompt the Enterprise to revisit its current costs of service and consider, if needed, an increase to the water rates to cover the additional expense. Any water rate increases will be subject to Proposition 218 process, including City Council approval.

Employee Pension Plans

The Enterprise pays an allocable portion of the City's administrative expenses, including employee compensation and benefits from the Net Revenues. Under the Installment Sales Agreement, Net Revenues (which are pledged to the payment of the Installment Payments) is defined as Gross Revenues for a Fiscal Year, less Maintenance and Operation Costs for a Fiscal Year. Maintenance and Operation Costs include, among other things, administrative costs of the Enterprise attributable to the operation and maintenance of the Enterprise, such as salaries and wages of employees, overhead, taxes (if any), the cost of permits and licenses to operate the Enterprise and insurance premiums. The table below shows the City's contribution to the CalPERS Miscellaneous plans (discussed below), and the amounts allocated to the Enterprise for the years shown:

Table 14
CITY OF PORTERVILLE
CONTRIBUTION TO CALPERS MISCELLANEOUS PLANS AND ALLOCATION TO ENTERPRISE

Fiscal Year Ended June 30,	City Contribution To CalPERS Misc Plans	Amount Allocated To Enterprise	Allocation %
2015	\$ 2,291,778	<u>\$ 166,647</u>	<u>7.27%</u>
2016	2,545,784	<u>177,398</u>	<u>6.97</u>
2017	2,750,175	<u>204,678</u>	<u>7.44</u>
2018	2,911,663	<u>253,091</u>	<u>8.69</u>
2019	2,967,905	<u>295,450</u>	<u>9.95</u>

Source: City of Porterville Finance Department.

General Information about the City's CalPERS Plans. All qualified permanent and probationary employees are eligible to participate in either (1) the City's Miscellaneous Plan, an agent multiple-employer defined benefit pension plan administered by the California Public Employees' Retirement System

(“CalPERS”), which acts as a common investment and administrative agent for its participating member employers, or (2) the City’s Safety Plan, a cost-sharing multiple employer defined benefit pension plan administered by CalPERS. They may be collectively referred to as the “Plans” or individually as a “Plan”. Benefit provisions under the Plans are established by State statute and City resolutions. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 to 62 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after five (5) years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

Contributions. Section 20814(c) of the California Public Employees’ Retirement Law (“PERL”) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS’ annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions.

Net Pension Liability. The City’s net pension liability for both Plans is measured as the total pension liability, less the plan’s fiduciary net position. As of June 30, 2019, the City reported a net pension liability for its Miscellaneous plans of \$33,577,088 and a net pension liability for its Safety Plans of \$15,485,991. The Enterprise’s portion of the City’s total net pension liability as of June 30, 2019, is approximately \$2,683,054.

For more information, including actuarial assumptions, a discussion of the discount rate used, and schedules of funding progress for the Enterprise’s various pension plans, see APPENDIX B—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE CITY FOR THE FISCAL YEAR ENDED JUNE 30, 2019—Notes to Basic Financial Statements—NOTE 6F.

Recent Actions Taken by CalPERS. At its April 17, 2013, meeting, CalPERS’ Board of Administration (the “Board of Administration”) approved a recommendation to change the CalPERS amortization and smoothing policies. Prior to this change, CalPERS employed an amortization and smoothing policy that spread investment returns over a 15-year period with experience gains and losses paid for over a rolling 30-year period. As a result, CalPERS now employs an amortization and smoothing policy that will pay for all gains and losses over a 20-year period with a five-year ramp-up, and five-year ramp-down, period. The new amortization and smoothing policy was used for the first time in the June 30, 2013 actuarial valuations in setting employer contribution rates for fiscal year 2015-16.

On February 18, 2014, the Board of Administration approved new demographic actuarial assumptions based on a 2013 study of recent experience. The largest impact, applying to all benefit groups,

is a new 20-year mortality projection reflecting longer life expectancies and that longevity will continue to increase. Because retirement benefits will be paid out for more years, the cost of those benefits will increase as a result. The Board of Administration also assumed earlier retirements for Police 3%@50, Fire 3%@55, and Miscellaneous 2.7%@55 and 3%@60, which will increase costs for those groups. As a result of these changes, rates increased beginning in fiscal year 2016-17 (based on the June 30, 2014 valuation) with full impact in fiscal year 2020-21.

On November 18, 2015, the Board of Administration adopted a funding risk mitigation policy intended to incrementally lower its discount rate – its assumed rate of investment return – in years of good investment returns, help pay down the pension fund’s unfunded liability, and provide greater predictability and less volatility in contribution rates for employers. The policy establishes a mechanism to reduce the discount rate by a minimum of 0.05 percentage points to a maximum of 0.25 percentage points in years when investment returns outperform the existing discount rate, currently 7.5%, by at least four percentage points. CalPERS staff modeling anticipates the policy will result in a lowering of the discount rate to 6.5% in about 21 years, improve funding levels gradually over time and cut risk in the pension system by lowering the volatility of investment returns. More information about the funding risk mitigation policy can be accessed through CalPERS’ web site at the following website address: <https://www.calpers.ca.gov/page/newsroom/calpers-news/2015/adopts-funding-risk-mitigation-policy>. *The reference to this Internet website is provided for reference and convenience only. The information contained within the website may not be current, has not been reviewed by the City or the Underwriter and is not incorporated in this Official Statement by reference.*

On December 21, 2016, the Board of Administration voted to lower its discount rate from the current 7.5% to 7.0% over the next three years according to the following schedule.

Fiscal Year	Discount Rate
2017-18	7.375%
2018-19	7.250
2019-20	7.000

For public agencies like the City, the new discount rate took effect on July 1, 2019. As the discount rate is decreased employers that contract with CalPERS to administer their pension plans will see increases in their normal costs and unfunded actuarial liabilities. Active members hired after January 1, 2013, under the Public Employees’ Pension Reform Act will also see their contribution rates rise. The three-year reduction of the discount rate will result in average employer rate increases of about 1% to 3% of normal cost as a percent of payroll for most miscellaneous retirement plans, and a 2% to 5% increase for most safety plans. Additionally, many CalPERS employers will see a 30 to 40% increase in their current unfunded accrued liability payments. These payments are made to amortize unfunded liabilities over 20 years to bring the pension fund to a fully funded status over the long-term.

PERS Amortization Period Reform. On February 13, 2018 the CalPERS Board voted to shorten the period over which actuarial gains and losses are amortized from 30 years to 20 years for new pension liabilities. The new 20-year amortization period begins with new gains or losses accrued starting with the June 30, 2019 actuarial valuations. The first payments on the new 20-year amortization schedule will take place in 2021.

A shorter amortization period will increase annual Unfunded Accrued Liability (“UAL”) contributions for cities that participate in CalPERS so long as CalPERS remains underfunded. The

shortened amortization period will also lead to reductions of periods of negative amortization of the UAL, interest cost savings, and faster recoveries of funded status after market downturns.

Cities that participate in CalPERS will also see additional volatility in their future UAL contributions due to market performance as gains or losses will be amortized faster under the new amortization period.

The City cannot currently estimate the impact the shorter amortization period will have on its required contributions to CalPERS.

COVID-19 Impacts on CalPERS Contributions. The outbreak of COVID-19 has caused volatility in the financial markets in the United States and globally resulting in significant declines and speculation of a national and global recession. The City expects that the impacts of Coronavirus will cause its required CalPERS contributions to increase in future years.

Other Post-Employment Benefits

Plan Description. The City's single-employer defined benefit OPEB plan, administered by the City, provides medical, prescription drug, dental, and vision insurance benefits. The post-retirement health benefits are basically continuations of the coverages for active employees, with the general exception that upon becoming eligible for Medicare Parts A and B, retirees either leave the plan entirely, or in limited situations, the City plan become the secondary payor to Medicare.

Membership of the OPEB Plan as of June 30, 2019 consisted of 51 inactive employees or beneficiaries currently receiving benefits, 19 inactive employees or beneficiaries entitled to but not yet currently receiving benefits and 288 active employees.

The Enterprise pays an allocable portion of the City's OPEB expenses from the Net Revenues.

Annual OPEB Cost and Net OPEB Obligation. The following table shows the amount contributed to the plan, and changes in the City's net OPEB obligation:

Table 16
CITY OF PORTERVILLE
OPEB LIABILITY
As of June 30, 2019
(Dollars in Thousands)

Service cost	\$ 589,097
Interest on OPEB Liability	429,914
Diff. btwn. Expected and Actual Experience	(368,922)
Changes in Assumptions	456,546
Benefits payments	(10,163)
Net Change	<u>1,096,472</u>
Balance at June 30, 2018	<u>10,623,890</u>
Balance at June 30, 2019	<u>11,720,362</u>

Source: City of Porterville 2018-19 CAFR.

For additional information about the City's Plan, see APPENDIX B— COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE CITY FOR THE FISCAL YEAR ENDED JUNE 30, 2019— Notes to Basic Financial Statements—NOTE 6G.

INVESTMENT OF CITY FUNDS

Revenues collected by the City will be held and invested by the City in accordance with the provisions of the Trust Agreement.

Funds held by the City, including Enterprise moneys, are invested in accordance with the City's Statement of Investment Policy (the "Investment Policy") prepared by the City Treasurer as authorized by section 53601 of the California Government Code. The Investment Policy is submitted to the City Council annually. The Investment Policy allows for the purchase of a variety of securities and provides for limitations as to exposure, maturity and rating which vary with each security type. The composition of the portfolio will change over time as old investments mature, or are sold, and as new investments are made. Invested funds are managed to insure preservation of capital through high quality investments, maintenance of liquidity and then yield. Further, operating funds may not be invested in any investment with a maturity greater than five years. The City has never invested in derivatives or reverse repurchase agreements and such investments and instruments are not allowed by City policy.

For more information about the City's investment policy, see APPENDIX C—CITY INVESTMENT POLICY.

CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND FEES

Under the California Constitution, the power of initiative is reserved to the voters for the purpose of enacting statutes and constitutional amendments. In the past, the voters have exercised this power from time to time, including through the adoption of Propositions 13 and 218.

From time to time other State and local initiative measures could be adopted, affecting the ability of the City to increase revenues and to increase appropriations.

Article XIII A

On June 6, 1978, California voters approved Proposition 13, which added Article XIII A to the California Constitution ("Article XIII A"). Article XIII A limits the maximum ad valorem tax on real property to 1% of full cash value thereof, except that additional ad valorem taxes may be levied to pay debt service on indebtedness approved by voters prior to July 1, 1978 and (as a result of an amendment to Article XIII A approved by California voters on June 3, 1986) on bonded indebtedness for the acquisition or improvement of real property which has been approved on or after July 1, 1978 by two-thirds of the voters voting on such indebtedness. Article XIII A defines full cash value to mean "the County Assessor's valuation of real property as shown on the 1975-76 tax bill under "full cash value," or, thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment." This full cash value may be increased at a rate not to exceed 2% per year to account for inflation.

Article XIII A has subsequently been amended to permit reduction of the full cash value based in the event of declining property values caused by damage, destruction, or other factors and to provide that there would be no increase in the full cash value base in the event of reconstruction of property damaged or destroyed in a disaster and in other minor or technical ways.

Article XIII B

Article XIII B of the California State Constitution limits the annual appropriations of the State and of any city, county, school district, authority or other political subdivision of the State to the level of appropriations of the particular governmental entity for the prior fiscal year, as adjusted for changes in the cost of living and population. The “base year” for establishing such appropriations limit is the 1978-79 fiscal year and the limit is to be adjusted annually to reflect changes in population and consumer prices. Adjustments in the appropriations limit of an entity may also be made if (i) the financial responsibility for a service is transferred to another public entity or to a private entity, (ii) the financial sources for the provision of services is transferred from taxes to other revenues, or (iii) the voters of the entity approve a change in the limit for a period of time not to exceed four years.

Appropriations subject to Article XIII B generally include the proceeds of taxes levied by the State or other entity of local government, exclusive of certain State subventions and refunds of taxes. “Proceeds of taxes” include, but are not limited to, all tax revenues and the proceeds to an entity of government from (i) regulatory licenses, user charges, and user fees (but only to the extent such proceeds exceed the cost of providing the service or regulation), and (ii) the investment of tax revenues. Article XIII B includes a requirement that if an entity’s revenues in any year exceed the amounts permitted to be spent, the excess would have to be returned by revising tax rates or fee schedules over the subsequent two years. Certain expenditures are excluded from the appropriations limit including payments of indebtedness existing or legally authorized as of January 1, 1979, or of bonded indebtedness thereafter approved by the voters and payments required to comply with court or federal mandates which without discretion require an expenditure for additional services or which unavoidably make the providing of existing services more costly.

Proposition 218

General. On November 5, 1996, California voters approved Proposition 218, the so-called “Right to Vote on Taxes Act.” Proposition 218 added Articles XIII C and XIII D to the State Constitution, which affect the ability of local governments to levy and collect both existing and future taxes, assessments, and property-related fees and charges. Proposition 218, which generally became effective on November 6, 1996, changed, among other things, the procedure for the imposition of any new or increased property-related “fee” or “charge,” which is defined as “any levy other than an *ad valorem* tax, a special tax or an assessment, imposed by a [local government] upon a parcel or upon a person as an incident of property ownership, including user fees or charges for a property related service” (and referred to in this section as a “property-related fee or charge”).

Specifically, under Article XIII D, before a municipality may impose or increase any property-related fee or charge, the entity must give written notice to the record owner of each parcel of land affected by that fee or charge. The municipality must then hold a hearing upon the proposed imposition or increase at least 45 days after the written notice is mailed, and, if a majority of the property owners of the identified parcels present written protests against the proposal, the municipality may not impose or increase the property-related fee or charge.

Further, under Article XIID, revenues derived from a property-related fee or charge may not exceed the funds required to provide the “property-related service” and the entity may not use such fee or charge for any purpose other than that for which it imposed the fee or charge. The amount of a property-related fee or charge may not exceed the proportional cost of the service attributable to the parcel, and no property-related fee or charge may be imposed for a service unless that service is actually used by, or is immediately available to, the owner of the property in question.

In addition, Article XIIC provides that “the initiative power shall not be prohibited or otherwise limited in matters of reducing or repealing any local tax, assessment, fee or charge. The power of initiative to affect local taxes, assessments, fees and charges shall be applicable to all local governments and neither the Legislature nor any local government charter shall impose a signature requirement higher than that applicable to statewide statutory initiatives.”

Judicial Interpretation of Proposition 218. After Proposition 218 was enacted in 1996, appellate court cases and an Attorney General opinion initially indicated that fees and charges levied for water and wastewater services would not be considered property-related fees and charges, and thus not subject to the requirements of Article XIID regarding notice, hearing and protests in connection with any increase in the fees and charges being imposed. However, at least three cases have held that certain types of water and wastewater charges could be subject to the requirements of Proposition 218 under certain circumstances.

In *Richmond v. Shasta Community Services District* (9 Cal. Rptr. 3rd 121), the California Supreme Court addressed the applicability of the notice, hearing and protest provisions of Article XIID to certain charges related to water service. In *Richmond*, the Court held that connection charges are not subject to Proposition 218. The Court also indicated in dictum that a fee for ongoing water service through an existing connection could, under certain circumstances, constitute a property-related fee and charge, with the result that a local government imposing such a fee and charge must comply with the notice, hearing and protest requirements of Article XIID.

In *Howard Jarvis Taxpayers Association v. City of Fresno* (March 23, 2005), the California Court of Appeal, Fifth District, concluded that water, sewer and trash fees are property-related fees subject to Proposition 218 and a municipality must comply with Article XIID before imposing or increasing such fees. The California Supreme Court denied the City of Fresno’s petition for review of the Court of Appeal’s decision on June 15, 2005.

In July 2006 the California Supreme Court, in *Bighorn-Desert View Water Agency v. Verjil* (39 Cal. 4th 205), addressed the validity of a local voter initiative measure that would have (a) reduced a water agency’s rates for water consumption (and other water charges), and (b) required the water agency to obtain voter approval before increasing any existing water rate, fee, or charge, or imposing any new water rate, fee, or charge. The court adopted the position indicated by its statement in *Richmond* that a public water agency’s charges for ongoing water delivery are “fees and charges” within the meaning of Article XIID, and went on to hold that charges for ongoing water delivery are also “fees” within the meaning of Article XIIC’s mandate that the initiative power of the electorate cannot be prohibited or limited in matters of reducing or repealing any local tax, assessment, fee or charge. Therefore, the court held, Article XIIC authorizes local voters to adopt an initiative measure that would reduce or repeal a public agency’s water rates and other water charges. (However, the court ultimately ruled in favor of the water agency and held that the entire initiative measure was invalid on the grounds that the second part of the initiative measure,

which would have subjected future water rate increases to prior voter approval, was not supported by Article XIIC and was therefore invalid.)

The court in *Bighorn* specifically noted that it was not holding that the initiative power is free of all limitations; the court stated that it was not determining whether the electorate's initiative power is subject to the statutory provision requiring that water service charges be set at a level that will pay for operating expenses, provide for repairs and depreciation of works, provide a reasonable surplus for improvements, extensions, and enlargements, pay the interest on any bonded debt, and provide a sinking or other fund for the payment of the principal of such debt as it may become due.

Current Practice Regarding Rates and Charges. The City's practice has been to provide public notice of proposed water rate increases through means that include, among others, holding informational presentations at community group meetings, mailings to residential and commercial customers of public hearings on rate increases, and press releases and media campaigns regarding rate increases, followed by public hearings conducted by the City Council. The most recent rate increase was enacted by the City in strict compliance with the procedures mandated by Proposition 218 and *Bighorn*.

Conclusion. It is not possible to predict how courts will further interpret Article XIIC and Article XIID in future judicial decisions, and what, if any, further implementing legislation will be enacted. Under the *Bighorn* case, local voters could adopt an initiative measure that reduces or repeals the City's rates and charges, though it is not clear whether (and California courts have not decided whether) any such reduction or repeal by initiative would be enforceable in a situation in which such rates and charges are pledged to the repayment of bonds or other indebtedness. There can be no assurance that the courts will not further interpret, or the voters will not amend, Article XIIC and Article XIID to limit the ability of local agencies to impose, levy, charge and collect increased fees and charges for wastewater, or to call into question previously adopted wastewater rate increases.

Effect of Proposition 218 on the City; Possible Limitations on Enforcement Remedies.

The general financial condition of the City may be affected by provisions of Article XIIC and Article XIID. In particular, provisions of Article XIIC (i) require taxes for general governmental purposes to be approved by a majority vote and taxes for specific purposes, even if deposited into the General Fund, to be approved by two-thirds vote, (ii) require any general purpose tax which the City imposed, extended or increased, without voter approval, after December 31, 1994, to be approved by majority vote on November 5, 1998 and (iii) provide that all taxes, assessments, fees and charges are subject to reduction or repeal at any time through the initiative process, subject to overriding constitutional principles relating to the impairment of contracts. Provisions of Article XIID that affect the ability of the City to fund certain services or programs that it may be required or choose to fund include (i) adding notice, hearing, protest and, in some cases, voter approval requirements to impose, increase or extend certain assessments, fees and charges and (ii) adding stricter requirements for finding individualized benefits associated with such levies.

The ability of the City to comply with its covenants under the Installment Sale Agreement and to generate Net Revenues sufficient to pay the principal and interest with respect to the Certificates may be adversely affected by actions and events outside of the control of the City and may be adversely affected by actions taken (or not taken) under Article XIIC or Article XIID by voters, property owners, taxpayers or payers of assessments, fees and charges. Furthermore, any remedies available to the owners of the Certificates upon the occurrence of an event of default under the Installment Sale Agreement are in many respects dependent upon judicial actions which are often subject to discretion and delay and could prove

both expensive and time consuming to obtain. In addition to the possible limitations on the ability of the City to comply with its covenants under the Installment Sale Agreement, the rights and obligations under the Certificates and the Installment Sale Agreement may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against cities in the State of California.

Based on the foregoing, in the event the City fails to comply with its covenants under the Installment Sale Agreement, including its covenants to generate sufficient Net Revenues, as a consequence of the application of Article XIIC and Article XIID, or to pay principal or interest with respect to the Certificates, there can be no assurance that available remedies will be adequate to fully protect the interests of the holders of the Certificates.

Proposition 26

On November 2, 2010, State voters approved Proposition 26 which amended certain sections of Article XIIC. The proposition attempts to define "tax" as used within Article XIIC as "any levy, charge, or exaction of any kind imposed by a local government, *except* the following: (1) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege; (2) a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (3) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; (4) a charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property; (5) a fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government, as a result of a violation of law; (6) a charge imposed as a condition of property development; and (7) assessments and property-related fees imposed in accordance with the provisions of Article XIII D." The local government bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity.

The foregoing discussion of Article XIII, Proposition 218 and Proposition 26 should not be considered an exhaustive or authoritative treatment of the provisions of such propositions or the possible effects of Proposition 218 and Proposition 26. Interim rulings, final decisions, legislative proposals and legislative enactments affecting Proposition 218 and Proposition 26 may impact the City's ability to make debt service payments on the Certificates. The City does not expect to be in a position to control the consideration or disposition of these issues and cannot predict the timing or outcome of any judicial or legislative activity related to these issues.

Future Initiatives

Articles XIIC, XIID and Proposition 26 were adopted as measures that qualified for the ballot pursuant to California's initiative process. From time to time other initiatives could be proposed and adopted affecting Net Revenues or the City's ability to increase its rates for water service. See "Proposition

218” above. The California constitution, Article XIIIID, Section 5(c), specifically recognizes that any assessment existing on the effective date (of Article XIIIID) shall be exempt from the procedures and approval process set forth in Article 4, to wit: “....(c) Any assessment the proceeds of which are exclusively used to repay bonded indebtedness of which the failure to pay would violate the Contract Impairment Clause of the Constitution of the United States.”

RISK FACTORS RELATING TO THE CERTIFICATES

The following section describes certain special considerations and risk factors affecting the risk of nonpayment or the security for the Certificates. The following discussion is not meant to be an exhaustive or definitive description of the risks associated with a purchase of the Certificates and does not necessarily reflect the relative importance of the various risks. Potential investors are advised to consider the following special factors regarding the Certificates, together with all other information in this Official Statement, in order to make an informed investment decision with respect to the Certificates. There can be no assurance that other risk factors are not or will not become material in the future.

General

Payment of principal and interest with respect to the Certificates depends primarily upon the revenues derived from operation of the Enterprise. Some of the events which could affect the revenues received by the Enterprise are set forth below. The following discussion of risks is not meant to be an exhaustive list of the risks associated with the purchase of the Certificates and the order in which the risks are discussed does not necessarily reflect the relative importance of the various risks.

Limited Obligations

The Installment Payments are special, limited obligations of the Enterprise. The Certificates shall not be deemed to constitute a debt or liability of the Enterprise, the City, the State of California or of any political subdivision thereof within the meaning of any constitutional or statutory provision, or a pledge of the faith and credit of the Enterprise, the City, the State of California or of any political subdivision thereof, but shall be payable, except to the extent of certain amounts held under the Installment Sale Agreement pledged therefor, solely from Net Revenues. Neither the faith and credit nor the taxing power of the City, the State of California or of any political subdivision thereof is pledged to the payment of principal and interest with respect to the Certificates. The Certificates shall not directly or indirectly or contingently obligate the City, the State of California or any political subdivision thereof to levy or to pledge any form of taxation whatsoever therefor or to make any appropriation for their payment. The Enterprise has no taxing power.

Demand and Usage; Drought

There can be no assurance that the local demand for services provided by the Enterprise will continue according to historical levels. In addition, drought conditions and voluntary or mandatory water conservation measures could decrease usage of the services of the Enterprise. Reductions in the level of demand could require an increase in rates or charges in order to produce Net Revenues sufficient to comply with the City’s rate covenant in the Installment Sale Agreement. There can be no assurance that any other entity with regulatory authority over the Enterprise will not adopt further restrictions on operation of the Enterprise.

Climate Change

The State has historically been susceptible to wildfires and hydrologic variability. As greenhouse gas emissions continue to accumulate in the atmosphere as a result of economic activity, climate change is expected to intensify, increasing the frequency, severity and timing of extreme weather events such as coastal storm surges, drought, wildfires, floods and heat waves and raising sea levels. The future fiscal impact of climate change on the Enterprise is difficult to predict but it could be significant and it could have a material adverse effect on the Enterprise's finances by requiring greater expenditures to counteract the effects of climate change or by changing the business and activities of Enterprise customers. While the Enterprise has plans in place to mitigate the foreseeable effects of future climate change, no assurance can be given that such plans will be sufficient and future climate change could have unpredictable material adverse effects on the Enterprise's finances. No climate change studies have been performed.

Enterprise Expenses

There can be no assurance that the City's expenses for the Enterprise will be consistent with the descriptions in this Official Statement. Changes in technology, changes in quality standards, loss of large customers, increased or decreased development, increases in the cost of operation, or other expenses could require increases in rates or charges in order to comply with the City's rate covenant in the Installment Sale Agreement. See "CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND FEES."

Physical Condition of Enterprise Facilities/Operation and Maintenance Costs

The reliability of the Enterprise is affected by a number of factors including physical and operational vulnerabilities of their facilities. Certain Enterprise facilities are near the end of their useful life. Long-lived facilities result in decreased reliability due to unplanned outages and place a greater maintenance burden on operations. The City budgets for the maintenance and operations of its facilities; however, the City gives no assurance that any future significant diminished physical status of its facilities would not materially adversely affect the operations of the Enterprise. Partial or complete failure of components of the Enterprise could cause a material increase in costs for repairs or a corresponding material adverse impact on the Net Revenues.

There can be no assurance that the City's expenses for the Enterprise will be consistent with the descriptions in this Official Statement. Changes in technology, changes in quality standards, loss of large customers, increased or decreased development, increases in the cost of operation, or other expenses could require increases in rates or charges in order to comply with the City's rate covenant in the Installment Sale Agreement.

Insurance

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees. The City established a self-insurance program, the Risk Management Fund, to account for and finance its uninsured risks of loss. Under this program, the Risk Management Fund provides coverage for up to a maximum of \$750,000 for each miscellaneous claim, \$1,000,000 for each safety workers' compensation claim, and \$300,000 for each general liability claim. The City purchases commercial insurance for claims in excess of coverage provided by the Risk Management Fund and for all other risks of loss. Settled claims have not exceeded this commercial coverage in any of the

past three years. All funds of the City participate in the program and make payments to the Self-Insurance Funds based on actuarial estimates of amounts needed to pay claims.

The fund establishes claims liabilities based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled and of claims that have been incurred but not reported. The City has accrued for its anticipated liability with respect to claims filed and claims incurred but not reported to the City as of year-end.

The City's risk management program includes both self-insured and insured coverages; however, the program does not provide for every conceivable risk of loss. Damage attributable to seismic events and environmental pollution are excluded. In situations where the City has not purchased commercial coverage, the City has a 'self-retention' program that is administered and retains budgeted resources internally to provide coverage for loss liabilities. The City is not required to either insure against or self-insure against every potential risk of loss, and there is a risk that damage or destruction of property and equipment comprising the Enterprise could occur for which no insurance or self-insurance funds will be available. There can be no assurance that insurance providers will pay claims under any policies promptly or at all, should a claim be made under such policies in connection with property loss or damage. It is possible that an insurance provider will refuse to pay a claim, especially if it is substantial, and force the City to sue to collect on or settle the insurance claim. Further, there can be no assurances that any insurance proceeds will be sufficient to rebuild or replace any damaged property.

Limited Recourse on Default

Failure by the City to make the Installment Payments constitutes an event of default under the Installment Sale Agreement and the Trustee, as assignee, is permitted to pursue remedies at law or in equity to enforce the City's obligation to make such payments. Although the Trustee has the right to accelerate the total unpaid principal amount of the Certificates, there is no assurance that the City would have sufficient funds to pay the accelerated amounts. See also "Proposition 218" above.

Limitations on Remedies

The ability of the City to comply with its covenants under the Installment Sale Agreement and to generate Net Revenues sufficient to pay principal and interest with respect to the Certificates may be adversely affected by actions and events outside of the control of the City and may be adversely affected by actions taken (or not taken) by voters, property owners, taxpayers or persons obligated to pay assessments, fees and charges. See "CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND FEES—Articles XIIC and XIID." Furthermore, the remedies available to the owners of the Certificates upon the occurrence of an event of default under the Installment Sale Agreement are in many respects dependent upon judicial actions which are often subject to discretion and delay and could prove both expensive and time consuming to obtain.

In addition to the limitations on remedies contained in the Installment Sale Agreement, the rights and obligations under the Installment Sale Agreement may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against cities in the State of California. The opinions to be delivered by Special Counsel concurrently with the delivery of the Certificates will be subject to such limitations and the various other legal opinions to be delivered concurrently with the delivery of the

Certificates will be similarly qualified. See APPENDIX F—FORM OF OPINION OF SPECIAL COUNSEL. If the City fails to comply with its covenants in the Installment Sale Agreement or fails to pay the Installment Payments, there can be no assurance of the availability of remedies adequate to protect the interest of the holders of the Certificates.

Rate Process

The passage of Proposition 218 by the California electorate potentially affects the City's ability to impose future rate increases, and no assurance can be given that future rate increases will not encounter majority protest opposition under Proposition 218. See "CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND FEES—Proposition 218" and "—Effect of Proposition 218 and of Possible General Limitations on Enforcement Remedies."

Initiatives

In recent years several initiative measures have been proposed or adopted which affect the ability of local governments to increase taxes and rates. There is no assurance that the electorate or the State legislature will not at some future time approve additional limitations which could affect the ability of the City to implement rate increases which could reduce Net Revenues and adversely affect the security for the Certificates. See "CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND FEES—Articles XIII C and XIII D."

Bankruptcy

The rights and remedies provided in the Installment Sale Agreement may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws or equitable principles that may affect the enforcement of creditors' rights, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against public agencies in the State of California. The various opinions of counsel to be delivered with respect to the Certificates and the Installment Sale Agreement, including the opinion of Special Counsel, will be similarly qualified. If the City were to file a petition under Chapter 9 of the Bankruptcy Code, the Owners of the Certificates and the City could be prohibited from taking any steps to enforce their rights under the Installment Sale Agreement.

Tax Exemption

The City has covenanted in the Installment Sale Agreement that it will take all actions necessary to assure the exclusion of interest with respect to the Certificates from the gross income of the Owners of the Certificates. See "TAX MATTERS."

Additional Obligations

The Installment Sale Agreement permits obligations secured by Net Revenues on a parity basis or a subordinate basis to the Installment Sale Agreement. Such additional obligations would increase debt service payable from Net Revenues and, in the case of obligations issued or incurred on a parity basis, could adversely affect debt service coverage with respect to the Certificates. In such event, however, the Rate Covenant will remain in effect. See "SOURCE OF PAYMENT FOR THE CERTIFICATES —Rate Covenant."

Environmental Regulations

The kind and degree of water treatment which is effected through the Enterprise is regulated, to a large extent, by the federal government and the State of California. Treatment standards set forth in federal and state law control the operations of the Enterprise and mandate its use of technology. In the event that the federal government, acting through the Environmental Protection Agency, or the State of California, acting through the Department of Health Services, or additional federal or state legislation, should impose stricter water quality standards upon the Enterprise, the City's expenses could increase accordingly and rates and charges would have to be increased to offset those expenses. It is not possible to predict the direction federal or state regulation will take with respect to drinking water quality standards, although it is likely that both will impose more stringent standards with attendant higher costs.

Risk of Contamination

Except as discussed under the "PFAS" section above, the water sourced from Enterprise's wells is currently not known to be contaminated. There can be no assurance that such sources will not experience contamination in the future or that such contamination will not have a material adverse effect on the Enterprise's ability to pay the Installment Payments.

Natural Disasters

Any natural disaster or other physical calamity, including earthquake, may have the effect of reducing Net Revenues through damage to the Enterprise and/or adversely affecting the economy of the surrounding area. The Installment Sale Agreement requires the City to maintain insurance or self-insurance, but only if and to the extent available from responsible insurers at reasonable rates. In the event of material damage to Enterprise facilities, there can be no assurance that insurance proceeds will be adequate to repair or replace such facilities. See "THE ENTERPRISE."

Impacts of COVID-19 Pandemic

The spread of the novel strain of coronavirus and the disease it causes (now known as "COVID-19") is having significant negative impacts throughout the world, including in Southern California. The World Health Organization has declared the COVID-19 outbreak to be a pandemic and states of emergency have been declared by the United States, the State, and numerous counties throughout the State, including the County. The purpose behind these declarations is to coordinate and formalize emergency actions and across federal, state and local governmental agencies, and to proactively prepare for a wider spread of the virus. To date there have been significant numbers of confirmed cases of COVID-19 in the State, including thousands in the County, and health officials are expecting the number of confirmed cases to grow. The outbreak has resulted in the imposition of restrictions on mass gatherings and widespread temporary closings of businesses, universities and schools. The United States is restricting certain non-United States citizens and permanent residents from entering the country. In addition, financial markets in the United States and globally have been volatile, with significant declines attributed to coronavirus concerns.

Potential impacts to the Enterprise associated with the COVID-19 outbreak include, but are not limited to, increasing costs and challenges to the public health system in and around the Enterprise's service area, cancellations of public events, disruption of the regional and local economy with corresponding decreases in Enterprise revenues, and temporary reductions in Gross Revenues due to late payments from Enterprise customers.

The United States, the State, the County and the City have each declared a “state of emergency” or equivalent. Additionally, the State, the County and the City have issued “stay at home” or “shelter in place” orders that severely restrict the movement of residents and generally mandate that residents remain in their home and, in effect, prohibit non-essential workers from working outside their homes. Due to these orders, the City has closed its offices except to employees, has put staff on alternating schedules to allow for more physical separation and has encouraged staff members to work from home when possible. While many services the City provides have been reduced, essential services, like those provided by the Enterprise, have continued to operate without interruption.

Additionally, the COVID-19 pandemic and resulting restrictions have resulted in volatility in the global and national stock markets, closure of businesses, worker layoffs and furloughs and a surge in unemployment claims. As a result, the COVID-19 pandemic may result in a decreased ability of customers of the Enterprise to pay bills for services provided by the Enterprise. On April 2, 2020, Governor Gavin Newsom signed Executive Order N-42-20 which universally enacts an immediate moratorium on such shutoffs.

The COVID-19 outbreak is ongoing and the ultimate geographic spread of the virus, the duration and the severity of the outbreak and economic impact it has is currently uncertain. The City continues to analyze the effects the COVID-19 pandemic will have on the Enterprise. The Enterprise believes that it will have the ability to delay the implementation of certain capital improvement plans, if necessary, in order to meet the cash flow needs of the Enterprise, including the payment of the Installment Payments.

Secondary Market

There can be no guarantee that there will be a secondary market for the Certificates or, if a secondary market exists, that any Certificates can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices in connection with a particular issue are suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon then-prevailing circumstances. Such prices could be substantially different from the original purchase price.

Risks Related to Cyber Security

The City and the Enterprise face various cyber security threats, including, but not limited to, hacking, viruses, malware, ransomware and other attacks on their computers and their networks. No assurance can be given that the City’s and the Enterprise’s efforts to manage cyber threats and attacks will be successful in all cases, or that any such attack will not materially impact the operations or finances of the City or the Enterprise or the ability of the Enterprise to make timely payments on the Certificates. The Enterprise is also reliant on other entities and service providers. No assurance can be given that the City, the Enterprise and these other entities will not be adversely affected by cyber threats and attacks in a manner that may affect owners of the Certificates. Neither the City nor the Enterprise has experienced any material cyber threats.

Risks Relating to the Municipal Bond Insurance Policy

In the event of default of the payment of principal or interest with respect to the Certificates when all or some becomes due, any owner of the Certificates shall have a claim under the Municipal Bond

Insurance Policy for such payments. The Municipal Bond Insurance Policy does not insure against redemption premium, if any. The payment of principal and interest in connection with mandatory sinking fund or optional prepayment of the Certificates by the City which is recovered by the City from the Owner as a voidable preference under applicable bankruptcy law is covered by the Municipal Bond Insurance Policy, however, such payments will be made by the Municipal Bond Insurer at such time and in such amounts as would have been due absence such prepayment by the City unless the Municipal Bond Insurer chooses to pay such amounts at an earlier date.

The Municipal Bond Insurer may direct and must consent to any remedies and the Municipal Bond Insurer's consent may be required in connection with amendments to any applicable legal documents.

In the event the Municipal Bond Insurer is unable to make payment of principal and interest as such payments become due under the Municipal Bond Insurance Policy, the Certificates are payable solely from the moneys received pursuant to the applicable legal documents. In the event the Municipal Bond Insurer becomes obligated to make payments with respect to the Certificates, no assurance is given that such event will not adversely affect the market price of the Certificates or the marketability (liquidity) for the Certificates.

The long-term ratings on the Certificates are dependent in part on the financial strength of the Municipal Bond Insurer and its claim paying ability. The financial strength and claims paying ability of the Municipal Bond Insurer are predicated upon a number of factors which could change over time. No assurance is given that the long-term ratings of the Municipal Bond Insurer and of the ratings on the Certificates will not be subject to downgrade and such event could adversely affect the market price of the Certificates or the marketability (liquidity) for the Certificates. See "RATINGS" herein.

The obligations of the Municipal Bond Insurer are general obligations of the Municipal Bond Insurer and in an event of default by the Municipal Bond Insurer, the remedies available may be limited by applicable bankruptcy law or other similar laws related to insolvency.

Neither the City nor the Underwriter ~~have~~has made independent investigation into the claims paying ability of the Municipal Bond Insurer and no assurance or representation regarding the financial strength or projected financial strength of the Municipal Bond Insurer is given. Thus, when making an investment decision, potential investors should carefully consider the ability of the City to pay principal and interest on the Certificates and the claims paying ability of the Municipal Bond Insurer, particularly over the life of the investment.

Pension Benefit Liability

Many factors influence the amount of the City's pension benefit liabilities, including, without limitation, inflationary factors, changes in statutory provisions of CalPERS retirement system laws, changes in the level of benefits provided or in the contribution rates of the City, increases or decreases in the number of covered employees, changes in actuarial assumptions or methods (including but not limited to the assumed rate of return), and differences between actual and anticipated investment experience of CalPERS. Any of these factors could give rise to additional liability of the City to its pension plans as a result of which the City would be obligated to make additional payments to its pension plans in order to fully fund the City's obligations to its pension plans. It is expected that required contributions to CalPERS will go up in future years.

Changes in Law

There can be no assurance that the electorate of the State will not at some future time adopt additional initiatives or that the Legislature will not enact legislation that will amend the laws or the Constitution of the State resulting in a reduction of the Enterprise revenues and consequently, having an adverse effect on the security for the Certificates.

TAX MATTERS

Federal tax law contains a number of requirements and restrictions which apply to the Certificates, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and the facilities financed therewith, and certain other matters. The City has covenanted to comply with all requirements that must be satisfied in order for the interest with respect to the Certificates to be excludable from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest with respect to the Certificates to become includable in gross income for federal income tax purposes retroactively to the date of delivery of the Certificates.

Subject to the City's compliance with the above referenced covenants, under present law, in the opinion of Quint & Thimmig LLP, Special Counsel, interest with respect to the Certificates is excludable from the gross income of the owners thereof for federal income tax purposes, and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals.

In rendering its opinion, Special Counsel will rely upon certifications of the City with respect to certain material facts within its knowledge. Special Counsel's opinion represents its legal judgment based upon its review of the law and the facts that it deems relevant to render such opinion and is not a guarantee of a result.

Ownership of the Certificates may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the Certificates should consult their tax advisors as to applicability of any such collateral consequences.

The issue price (the "Issue Price") for each maturity of the Certificates is the price at which a substantial amount of such maturity of the Certificates is first sold to the public. The Issue Price of a maturity of the Certificates may be different from the price set forth, or the price corresponding to the yield set forth, on the inside cover page hereof.

Owners of Certificates who dispose of Certificates prior to the stated maturity (whether by sale, redemption or otherwise), purchase Certificates in the initial public offering, but at a price different from the Issue Price, or purchase Certificates subsequent to the initial public offering, should consult their own tax advisors.

If a Certificate is purchased at any time for a price that is less than the Certificate's stated redemption price at maturity (the "Revised Issue Price"), the purchaser will be treated as having purchased

a Certificate with market discount subject to the market discount rules of the Internal Revenue Code of 1986, as amended (unless a statutory de minimis rule applies). Accrued market discount is treated as taxable ordinary income and is recognized when a Certificate is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser's election, as it accrues. Such treatment would apply to any purchaser who purchases a Certificate for a price that is less than its Revised Issue Price. The applicability of the market discount rules may adversely affect the liquidity or secondary market price of such Certificate. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the Certificates.

An investor may purchase a Certificate at a price in excess of its stated principal amount. Such excess is characterized for federal income tax purposes as "bond premium" and must be amortized by an investor on a constant yield basis over the remaining term of the Certificate in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized bond premium relating to a tax-exempt bond. The amortized bond premium is treated as a reduction in the tax-exempt interest received. As bond premium is amortized, it reduces the investor's basis in the Certificate. Investors who purchase a Certificate at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the Certificate's basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the Certificate.

There are or may be pending in the Congress of the United States legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to above or affect the market value of the Certificates. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to Certificates delivered prior to enactment. Prospective purchasers of the Certificates should consult their own tax advisors regarding any pending or proposed federal tax legislation. Special Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

The Internal Revenue Service (the "Service") has an ongoing program of auditing tax exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the Service will commence an audit of the Certificates. If an audit is commenced, under current procedures the Service may treat the City as a taxpayer and the Certificate Owners may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Certificates until the audit is concluded, regardless of the ultimate outcome.

Payments of interest with respect to, and proceeds of the sale, redemption or maturity of, tax exempt obligations, including the Certificates, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any Certificate Owner who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any Certificate Owner who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest from gross income for federal tax purposes.

In the further opinion of Special Counsel, interest with respect to the Certificates is exempt from California personal income taxes.

Ownership of the Certificates may result in other state and local tax consequences to certain taxpayers. Special Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Certificates. Prospective purchasers of the Certificates should consult their tax advisors regarding the applicability of any such state and local taxes.

The complete text of the final opinion that Special Counsel expects to deliver upon the delivery of the Certificates is set forth in APPENDIX F— FORM OF OPINION OF SPECIAL COUNSEL.

CERTAIN LEGAL MATTERS

Quint & Thimmig LLP, Larkspur, California, as Special Counsel, will render an opinion with respect to the validity of the Certificates, the form of which opinion is set forth in APPENDIX F—FORM OF OPINION OF SPECIAL COUNSEL. Certain legal matters will be passed upon for the City by Quint & Thimmig LLP, Larkspur, California, as Disclosure Counsel, and by McCormick, Kobot, Jenner & Lew, Visalia, California, City Attorney. Certain matters will be passed upon for the Underwriter by Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California. *Payment of the fees and expenses of Special Counsel, Disclosure Counsel, and Underwriter's Counsel is contingent upon delivery of the Certificates.*

LITIGATION

To the best knowledge of the City, there is no action, suit, proceeding or investigation at law or in equity before or by any court or governmental agency or body pending or threatened against the City to restrain or enjoin the authorization, execution or delivery of the Certificates, or the pledge of the Net Revenues or the collection of the payments to be made pursuant to the Installment Sale Agreement, or in any way contesting or affecting validity of the Certificates, the Installment Sale Agreement, the Trust Agreement or the agreement for the sale of the Certificates, or in any way contesting or affecting the transactions described in this Official Statement.

RATINGS

S&P is expected to assign the rating of “___” (stable outlook) to the Certificates based on the issuance of the Municipal Bond Insurance Policy by the Municipal Bond Insurer at the time of delivery of the Certificates. See “MUNICIPAL BOND INSURANCE.” In addition, S&P has assigned the underlying rating of “AA-” to the Certificates without regard to the issuance of the Municipal Bond Insurance Policy. These ratings reflect only the views of S&P and an explanation of the significance of such ratings may be obtained from S&P. There is no assurance that such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by S&P, if in the judgment of the S&P, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Certificates.

The City has covenanted in the Continuing Disclosure Certificate to file on the EMMA website notices of any rating changes on the Certificates. See APPENDIX D—FORM OF CONTINUING DISCLOSURE CERTIFICATE. Notwithstanding such covenant, information relating to rating changes on the Certificates may be publicly available from S&P prior to such information being provided to the City

and prior to the date the City is obligated to file a notice of a rating change on EMMA. Purchasers of the Certificates are directed to S&P, its website and official media outlet for the most current rating changes with respect to the Certificates after the initial issuance of the Certificates. However, neither the City nor the Underwriter takes any responsibility for the accuracy of such information on such websites or outlets.

MUNICIPAL ADVISOR

The City has entered into an agreement with Wulff, Hansen, & Co., San Rafael, California (the “Municipal Advisor”), whereunder the Municipal Advisor is providing municipal advisory services to the City with respect to preparation and sale of the Certificates. The Municipal Advisor has read and participated in the drafting of certain portions of this Official Statement. The Municipal Advisor has not audited, authenticated or otherwise verified the information set forth in the Official Statement, or any other related information available to the City with respect to accuracy and completeness of disclosure of such information, and the Municipal Advisor makes no guaranty, warranty or other representation respecting accuracy and completeness of the Official Statement or any other matter related to the Official Statement. The compensation of the Municipal Advisor is contingent upon the sale of the Certificates.

CONTINUING DISCLOSURE

The City has covenanted for the benefit of owners and beneficial owners of the Certificates to provide certain financial information and operating data relating to the Enterprise by not later than nine months following the end of the City’s fiscal year (currently ending June 30) (the “Annual Report”), commencing with the report for the fiscal year ended June 30, ~~2019~~2020, which is due not later than March 31, ~~2020~~2021, and to provide notices of the occurrence of certain enumerated events. The Annual Report and the notices of enumerated events will be filed by the City with the Municipal Securities Rulemaking Board through the Electronic Municipal Access (EMMA) System. The specific nature of the information to be contained in the Annual Report or the notices of enumerated events is summarized below under the caption APPENDIX D—FORM OF CONTINUING DISCLOSURE CERTIFICATE. These covenants have been made in order to assist the Underwriter in complying with S.E.C. Rule 15c2-12(b)(5), as amended.

Within the last five years, the City and its related entities filed certain audited financial statements and annual reports late but the City was otherwise compliant in its continuing disclosure obligations. The City failed to post certain operating data in 2015 and 2017 relating to 2002 water system certificates of participation but that issue is no longer outstanding.

UNDERWRITING

The Certificates are being purchased by Oppenheimer & Co. Inc. (the “Underwriter”). The Underwriter has agreed to purchase the Certificates at a price of \$_____ (representing an aggregate principal amount of the Certificates of \$_____.00, plus an original issue premium of \$_____, less an Underwriter’s discount of \$_____). The Underwriter will purchase all of the Certificates if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in a certificate purchase agreement, the approval of certain legal matters by counsel and certain other conditions. The Underwriter may offer and sell Certificates to certain dealers and others

at prices lower than the offering prices stated on the inside cover page hereof. The offering prices may be changed from time to time by the Underwriter.

MISCELLANEOUS

So far as any statements made in this Official Statement involve matters of opinion, assumptions, projections, anticipated events or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact, and actual results may differ substantially from those set forth herein. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the owners of the Certificates.

The summaries of certain provisions of the Certificates, statutes and other documents or agreements referred to in this Official Statement do not purport to be complete, and reference is made to each of them for a complete statement of their provisions. Copies are available for review by making requests to the City.

The Appendices are an integral part of this Official Statement and must be read together with all other parts of this Official Statement. The audited financial statements of the City, including a summary of significant accounting policies, for the fiscal year ended June 30, 2019, are contained in APPENDIX B—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE CITY FOR THE FISCAL YEAR ENDED JUNE 30, 2019.

The execution of this Official Statement and its delivery have been authorized by the City Council of the City.

CITY OF PORTERVILLE

By _____
City Manager

APPENDIX A

SUMMARY OF PRINCIPAL LEGAL DOCUMENTS

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APPENDIX B

**COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE
CITY FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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APPENDIX C

CITY INVESTMENT POLICY

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APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This CONTINUING DISCLOSURE CERTIFICATE (the “Disclosure Certificate”) is executed and delivered by the CITY OF PORTERVILLE (the “City”) in connection with the execution and delivery of \$ _____* City of Porterville Water Revenue Certificates of Participation (~~2020~~2021 Water System Financing Project) (the “Certificates”). The Certificates are being executed and delivered pursuant to a Trust Agreement, dated as of ~~December~~January 1, ~~2020~~2021, by and among U.S. Bank National Association, as trustee (the “Trustee”), the City and the Porterville Public Improvement Corporation (the “Trust Agreement”). Pursuant to Section 11.07 of the Trust Agreement, the City covenants and agree as follows:

Section 1. Definitions. In addition to the definitions set forth above and in the Trust Agreement which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section 1, the following capitalized terms shall have the following meanings:

“*Annual Report*” means any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“*Annual Report Date*” means the date that is nine months after the end of the City’s ~~fiscal year~~Fiscal Year (currently March 31 based on the City’s ~~fiscal year~~Fiscal Year end of June 30).

“*Dissemination Agent*” shall mean, initially, the City or any successor Dissemination Agent designed in writing by the City and which has been filed with the then current Dissemination Agent a written acceptance of such designation.

“*Fiscal Year*” means any twelve-month period beginning on July 1 in any year and extending to the next succeeding June 30, both dates inclusive, or any other twelve-month period selected and designated by the City as its official ~~fiscal year~~Fiscal Year period under a Certificate of the City filed with the Trustee.

“*MSRB*” means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

“*Official Statement*” means the final official statement executed by the City in connection with the delivery of the Certificates.

“*Participating Underwriter*” means the original underwriter of the Certificates.

“*Rule*” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as it may be amended from time to time.

“*Significant Events*” means any of the events listed in Section 5(a) of this Disclosure Certificate.

Section 2. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the City for the benefit of the holders and beneficial owners of the Certificates and in order to assist the Participating Underwriter in complying with ~~S.E.C. Rule 15c2-12(b)(5)~~the Rule.

* Preliminary, subject to change.

Section 3. Provision of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing March 31, 2021, with the report for ~~fiscal year~~Fiscal Year 2019-20 provide to the MSRB, in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than 15 Business Days prior to the Annual Report Date, the City shall provide the Annual Report to the Dissemination Agent (if other than the City). If by 15 Business Days prior to the Annual Report Date the Dissemination Agent (if other than the City) has not received a copy of the Annual Report, the Dissemination Agent shall contact the City to determine if the City is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package and may include by reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the City's ~~fiscal year~~Fiscal Year changes, it shall give notice of such change in the same manner as for a Significant Event under Section 5(b). The City shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by the City hereunder.

(b) If the City does not provide (or cause the Dissemination Agent to provide) an Annual Report by the Annual Report Date, the City in a timely manner shall provide (or cause the Dissemination Agent to provide) to the MSRB, in an electronic format as prescribed by the MSRB, a notice in substantially the form attached as Exhibit A.

(c) With respect to each Annual Report, the Dissemination Agent shall:

(i) determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and

(ii) if the Dissemination Agent is other than the City, file a report with the City certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

Section 4. Content of Annual Reports. The City's Annual Report shall contain or incorporate by reference the following:

(a) The City's audited financial statements prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the City's audited financial statements are not available by the Annual Report Date, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) Unless otherwise provided in the audited financial statements filed on or prior to the annual filing deadline for Annual Reports provided for in Section 3 above, financial information and operating data with respect to the City for preceding ~~fiscal year~~Fiscal Year, substantially similar to that provided in the Official Statement, as follows:

(i) Customer Accounts;

(ii) Ten Largest Rate Payers; and

(iii) Historical Operating Results and debt service coverage.

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(c) In addition to any of the information expressly required to be provided under this Disclosure Certificate, the City shall provide such further material information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

(d) Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the City or related public entities, which are available to the public on the MSRB's Internet web site or filed with the Securities and Exchange Commission. The City shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

(a) The City shall give, or cause to be given, notice of the occurrence of any of the following Significant Events with respect to the Certificates:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
- (vii) Modifications to rights of security holders, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances;
- (x) Release, substitution, or sale of property securing repayment of the securities, if material;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership or similar event of the City or other obligated person;
- (xiii) The consummation of a merger, consolidation, or acquisition involving the City or an obligated person, or the sale of all or substantially all of the assets of the City or an obligated person (other than in the ordinary course of business), the entry into a definitive agreement to undertake such an action, or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (xv) The incurrence of a financial obligation of the City or other obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the City or other obligated person, any of which affect security holders, if material; or

(xvi) A default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the City or other obligated person, any of which reflect financial difficulties.

(b) Whenever the City obtains knowledge of the occurrence of a Significant Event, the City shall, or shall cause the Dissemination Agent (if not the City) to, file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the Significant Event. Notwithstanding the foregoing, notice of Significant Events described in subsection (a)(viii) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Certificates under the Trust Agreement.

(c) The City acknowledges that the events described in subparagraphs (a)(ii), (a)(vii), (a)(viii) (if the event is a bond call), (a)(x), (a)(xiii), (a)(xiv) and (a)(xv) of this Section 5 contain the qualifier “if material.” The City shall cause a notice to be filed as set forth in paragraph (b) above with respect to any such event only to the extent that the City determines the event’s occurrence is material for purposes of U.S. federal securities law. The City intends that the words used in paragraphs (xv) and (xvi) and the definition of “financial obligation” to have the meanings ascribed thereto in SEC Release No. 34-83885 (August 20, 2018).

(d) For purposes of this Disclosure Certificate, any event described in paragraph (a)(xii) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

Section 6. Identifying Information for Filings with the MSRB. All documents provided to the MSRB under this Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The City’s obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Certificates. If such termination occurs prior to the final maturity of the Certificates, the City shall give notice of such termination in the same manner as for a Significant Event under Section 5(b).

Section 8. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any Dissemination Agent, with or without appointing a successor Dissemination Agent. Any Dissemination Agent may resign by providing 30 days’ written notice to the City.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the City may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Certificates, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Certificates, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver either (i) is approved by holders of the Certificates in the manner provided in the Trust Agreement for amendments to the Trust Agreement with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Certificates.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first annual financial information filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the City to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative.

The Dissemination Agent shall not be obligated to enter into any amendment increasing or affecting its duties or obligations hereunder.

A notice of any amendment made pursuant to this Section 9 shall be filed in the same manner as for a Significant Event under Section 5(b).

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Significant Event, in addition to that which is required by this Disclosure Certificate. If the City chooses to include any information in any Annual Report or notice of occurrence of a Significant Event in addition to that which is specifically required by this Disclosure Certificate, the City shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Significant Event.

Section 11. Default. If the City fails to comply with any provision of this Disclosure Certificate, the Participating Underwriter or any holder or beneficial owner of the Certificates may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Trust Agreement, and the sole remedy under this Disclosure Certificate in the event of any failure of the City to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent.

(a) The Trust Agreement is hereby made applicable to this Disclosure Certificate as if this Disclosure Certificate were (solely for this purpose) contained in the Trust Agreement. The Dissemination Agent shall be entitled to the protections and limitations from liability afforded to the Trustee thereunder. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the City agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall have no duty or obligation to review any information provided to it by the City hereunder and shall not be deemed to be acting in any fiduciary capacity for the City, the Certificate holders or any other party. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Certificates.

(b) The Dissemination Agent shall be paid compensation by the City for its services provided hereunder in accordance with its schedule of fees as amended from time to time, and shall be reimbursed for all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriter and the holders and beneficial owners from time to time of the Certificates and shall create no rights in any other person or entity.

Section 14. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be regarded as an original, and all of which shall constitute one and the same instrument.

Date: [Closing Date]

CITY OF PORTERVILLE

By _____
City Manager

EXHIBIT A

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Obligor: City of Porterville

Name of Issue: Water Revenue Certificates of Participation (~~2020~~2021 Water System Financing Project) Evidencing Direct, Undivided Fractional Interests of the Owners Thereof in Installment Payments to be made by the City of Porterville, as the Purchase Price for Certain Property Pursuant to an Installment Sale Agreement with the Porterville Public Improvement Corporation

Date of Issuance: [Closing Date]

NOTICE IS HEREBY GIVEN that the Obligor has not provided an Annual Report with respect to the above-named Issue as required by the Continuing Disclosure Certificate, dated [Closing Date], furnished by the Obligor in connection with the Issue. The Obligor anticipates that the Annual Report will be filed by _____.

Date: _____

CITY OF PORTERVILLE, as Dissemination Agent

By _____
Authorized Officer

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APPENDIX E

GENERAL INFORMATION REGARDING THE CITY OF PORTERVILLE AND TULARE COUNTY

The information in this section of the Official Statement is presented as general background data. The Installment Payments (and therefore the Certificates) are payable solely from the net revenues of the Enterprise and other sources as described in the Official Statement. The taxing power of the City, the State of California, or any political subdivision thereof is not pledged to the payment of the Certificates.

Although reasonable efforts have been made to include up-to-date information in this Appendix E, some of the information is not current due to delays in reporting of information by various sources. It should not be assumed that the trends indicated by the following data would continue beyond the specific periods reflected herein.

Introduction

Porterville. The City of Porterville, incorporated on May 7, 1902, is located midway between San Francisco and Tulare, an hour from Fresno and Bakersfield. The City is situated in the southeastern portion of California's San Joaquin Valley on the Tule River. The City currently occupies a land area of 18.73 square miles and serves a population of approximately 59,700. The City is the third largest city in Tulare County (the "County") in terms of population. The City serves as a gateway to Sequoia National Forest, Giant Sequoia National Monument and Kings Canyon National Park.

The City was incorporated on May 7, 1902, and became a Charter City in 1926. The City Council members are elected for overlapping four-year terms. The policies of the City Council are carried out by the appointed City Manager.

The City of Porterville's economy is a mixture of agri-business, light industry and commercial enterprise. Local businesses produce a variety of products such as electronic medical instruments, printed forms and specialty documents, food products, machine products, aircraft parts, and lumber. Several public facilities are also located here including the Porterville Developmental Center, Sequoia National Forest Headquarters, the Army Corps of Engineers Lake Success Facility, and the Porterville College campus of the Kern Community College District.

Tulare County. Founded in 1852, Tulare County is located in California's San Joaquin Valley, a large agriculturally rich basin that runs through the center of the State. The County seat is Visalia. The County is named for Tulare Lake, once the largest freshwater lake west of the Great Lakes. Drained for agricultural development, the site is now in Kings County, which was created in 1893 from the western portion of the formerly larger Tulare County.

The County is the top agricultural producing county in the nation. It is surrounded by Fresno County to the north, Inyo County to the east, Kern County to the south and Kings County to the west. Almost half of the entire County area is devoted to national parks and forests, including the famous Sequoia and Kings Canyon National Parks, Inyo and Sequoia National Forests. These natural resources provide year-round recreational opportunities for hiking, fishing, skiing and camping.

Population

The table below summarizes population of the City, the County, and the State of California for the last five years.

CITY OF PORTERVILLE, TULARE COUNTY, and CALIFORNIA Population

<u>Year</u>	<u>City of Porterville</u>	<u>Tulare County</u>	<u>State of California</u>
2016	58,720	465,544	39,131,307
2017	58,680	468,735	39,398,702
2018	59,475	472,915	39,586,646
2019	59,490	476,588	39,695,376
2020	59,655	479,977	39,782,870

Source: California Department of Finance, E-4 Population Estimate for Cities, Counties, and the State, 2011-20, with 2010 Census Benchmark.

Employment

The following table summarizes historical employment and unemployment for the County, the State of California and the United States:

TULARE COUNTY, CALIFORNIA, and UNITED STATES Civilian Labor Force, Employment, and Unemployment (Annual Averages)

Year	Area	Labor Force	Employment	Unemployment	Unemployment Rate ⁽¹⁾
2015	Tulare County	203,400	179,700	23,700	11.7%
	California	18,981,800	17,798,600	1,183,200	6.2
	United States	157,130,000	148,834,000	8,296,000	5.3
2016	Tulare County	205,900	183,300	22,600	11.0
	California	19,102,700	18,065,000	1,037,700	5.4
	United States	159,187,000	151,436,000	7,751,000	4.9
2017	Tulare County	205,500	184,100	21,400	10.4
	California	19,312,000	18,393,100	918,900	4.8
	United States	160,320,000	153,337,000	6,982,000	4.4
2018	Tulare County	204,600	184,900	19,600	9.6
	California	19,398,200	18,582,800	815,400	4.2
	United States	162,075,000	155,761,000	6,314,000	3.9
2019 ⁽²⁾	Tulare County	204,000	184,400	19,600	9.6
	California	19,411,600	18,627,400	784,200	4.0
	United States	163,539,000	157,538,000	6,001,000	3.7

Source: California Employment Development Department, Monthly Labor Force Data for Counties, Annual Average 2010-19, and US Department of Labor.

(1) The unemployment rate is computed from unrounded data; therefore, it may differ from rates computed from rounded figures available in this table.

(2) Latest available full-year data.

Major Industries in the County

The table below sets forth the ten largest industries by employment in Tulare County in 2019.

TULARE COUNTY Top 10 Industries as of June 30, 2019

Employer	Employees	% of Total County Employment
County of Tulare	5,034	2.68%
Visalia Unified School District	3,014	1.60
Kaweah Delta Health Care	2,000	1.06
Sierra View District Hospital	1,800	.96
Ruiz Food Production, Inc.	1,800	.96
Wal-Mart Distribution Center	1,692	.90
Porterville Development Center	1,240	.66
College of the Sequoias	817	.44
Jostens	720	.38
City of Visalia	642	.34
Total Top 10	18,759	9.98%

Source: Tulare County 2018-19 CAFR.

Construction Activity

The following table reflects the five-year history of building permit valuation for the City and the County:

CITY OF PORTERVILLE Building Permits and Valuation (Dollars in Thousands)

	2015	2016	2017	2018	2019 ⁽¹⁾
<u>Permit Valuation:</u>					
New Single-family	\$ 12,767	\$ 9,260	\$ 9,544	\$ 17,396	\$ 25,586
New Multi-family	-	-	1,270	2,081	12,375
Res. Alterations/Additions	1,161	2,535	1,386	1,578	1,547
Total Residential	13,929	11,795	12,201	21,056	39,509
Total Nonresidential	11,833	9,925	22,815	27,732	16,909
Total All Building	<u>25,763</u>	<u>21,721</u>	<u>35,017</u>	<u>48,789</u>	<u>56,418</u>
<u>New Dwelling Units:</u>					
Single Family	57	43	38	72	117
Multiple Family	-	-	8	13	52
Total	<u>57</u>	<u>43</u>	<u>46</u>	<u>85</u>	<u>169</u>

TULARE COUNTY Building Permits and Valuation (Dollars in Thousands)

	2015	2016	2017	2018	2019 ⁽¹⁾
<u>Permit Valuation:</u>					
New Single-family	\$ 242,048	\$ 435,293	\$ 246,860	\$ 253,174	\$ 334,633
New Multi-family	14,041	13,595	30,428	36,987	54,029
Res. Alterations/Additions	14,690	19,569	14,274	27,136	20,579
Total Residential	270,780	468,458	291,564	317,298	409,243
Total Nonresidential	148,963	285,431	157,553	189,463	206,478
Total All Building	<u>419,743</u>	<u>753,890</u>	<u>449,118</u>	<u>506,761</u>	<u>615,721</u>
<u>New Dwelling Units:</u>					
Single Family	1,129	1,159	1,136	1,173	1,612
Multiple Family	132	156	220	347	427
Total	<u>1,261</u>	<u>2,315</u>	<u>1,356</u>	<u>1,520</u>	<u>2,039</u>

Source: Construction Industry Research Board: "Building Permit Summary."

Note: Columns may not sum to totals due to independent rounding.

(1) Latest available full year data.

Median Household Income

The following table summarizes the median household effective buying income for the City, the County, the State of California and the nation for the past five years.

**CITY OF PORTERVILLE, TULARE COUNTY,
STATE OF CALIFORNIA AND UNITED STATES
Median Household Effective Buying Income**

	2016	2017	2018	2019	2020
Porterville	\$ 38,564	\$ 37,480	\$ 40,561	\$ 40,960	\$ 40,219
Tulare County	40,423	41,277	43,691	45,271	45,662
California	55,681	59,646	62,637	65,870	67,956
United States	48,043	50,735	52,841	55,303	56,790

Source: Nielsen, Inc.

APPENDIX F

FORM OF OPINION OF SPECIAL COUNSEL

[Closing Date]

City Council of the
City of Porterville
291 North Main Street
Porterville, California 93257

OPINION: \$ _____ * Water Revenue Certificates of Participation (~~2020~~2021 Water System Financing Project), Evidencing Direct, Undivided Fractional Interests of the Owners Thereof in Installment Payments to be Made by the City of Porterville (Tulare County, California), as the Purchase Price for Certain Property Pursuant to an Installment Sale Agreement with the Porterville Public Improvement Corporation

Members of the City Council:

We have acted as special counsel in connection with the delivery by the City of Porterville (the "City"), of its \$ _____ * Installment Sale Agreement, dated as of ~~December~~January 1, ~~2020~~2021, by and between the Porterville Public Improvement Corporation (the "~~Authority Corporation~~") and the City (the "Installment Sale Agreement"), pursuant to the California Government Code. The ~~Authority Corporation~~ has, pursuant to the Assignment Agreement, dated as of ~~December~~January 1, ~~2020~~2021 (the "Assignment Agreement"), by and between the ~~Authority Corporation~~ and U.S. Bank National Association, as trustee (the "Trustee"), assigned certain of its rights under the Installment Sale Agreement, including its right to receive installment payments made by the City thereunder (the "Installment Payments"), to the Trustee. Pursuant to the Trust Agreement, dated as of ~~December~~January 1, ~~2020~~2021, by and among the Trustee, the ~~Authority Corporation~~ and the City (the "Trust Agreement"), the Trustee has executed and delivered certificates of participation (the "Certificates") evidencing direct, undivided fractional interests of the owners thereof in the Installment Payments. We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the City contained in the Installment Sale Agreement and the Trust Agreement and in the certified proceedings and certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based upon our examination, we are of the opinion, under existing law, as follows:

1. The City is duly created and validly existing as a municipal corporation and general law city with the power to enter into the Installment Sale Agreement and the Trust Agreement and to perform the agreements on its part contained therein.
2. The Installment Sale Agreement has been duly authorized, executed and delivered by the City and is an obligation of the City valid, binding and enforceable against the City in accordance with its terms.
3. The Trust Agreement and the Assignment Agreement are valid, binding and enforceable in accordance with their terms.

* Preliminary, subject to change.

4. Subject to the terms and provisions of the Installment Sale Agreement, the Installment Payments to be made by the City are payable from a first and prior lien on Net Revenues of the Enterprise (as such terms are defined in the Installment Sale Agreement) on a parity with certain outstanding obligations. By virtue of the Assignment Agreement, the owners of the Certificates are entitled to receive their fractional share of the Installment Payments in accordance with the terms and provisions of the Trust Agreement.

5. Subject to the City's compliance with certain covenants, interest with respect to the Certificates is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the alternative minimum tax for individuals under the Internal Revenue Code of 1986, as amended. Failure to comply with certain of such covenants could cause interest with respect to the Certificates to be includable in gross income for federal income tax purposes retroactively to the date of delivery of the Certificates.

6. The portion of the Installment Payments designated as and comprising interest and received by the owners of the Certificates is exempt from personal income taxation imposed by the State of California.

Ownership of the Certificates may result in other tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Certificates.

The rights of the owners of the Certificates and the enforceability of the Trust Agreement and the Installment Sale Agreement may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and also may be subject to the exercise of judicial discretion in accordance with general principles of equity.

With respect to the opinions expressed herein, the enforceability of the Installment Sale Agreement is subject to the limitations on the imposition of certain fees and charges by the City related to the Enterprise under Articles XIII C and XIII D of the California Constitution. In addition, the rights of the owners of the Certificates and the enforceability of the Trust Agreement and the Installment Sale Agreement may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and also may be subject to the exercise of judicial discretion in accordance with general principles of equity.

In rendering this opinion, we have relied upon certifications of the City and others with respect to certain material facts. Our opinion represents our legal judgment based upon such review of the law and the facts that we deem relevant to render our opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

APPENDIX G

BOOK-ENTRY ONLY SYSTEM

The information in this Appendix G, concerning The Depository Trust Company, New York, New York (“DTC”), and DTC’s book-entry system, has been furnished by DTC for use in official statements and the City takes no responsibility for the completeness or accuracy thereof. The City cannot and does not give any assurances that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of principal of or interest with respect to the Certificates, (b) certificates representing ownership interest in or other confirmation of ownership interest in the Certificates, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Certificates, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix G. The current “Rules” applicable to DTC are on file with the Securities and Exchange Commission and the current “Procedures” of DTC to be followed in dealing with DTC Participants are on file with DTC. Information Furnished by DTC Regarding its Book-Entry Only System

1. The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Certificates (as used in this Appendix G, the “Securities”). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each maturity of the Securities, in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.

2. DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC’s records. The ownership interest of each actual purchaser of each Security (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit the notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the paying agent or bond trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the paying agent or bond trustee, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the paying agent or bond trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the City or the paying agent or bond trustee. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

10. The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

APPENDIX H
SPECIMEN MUNICIPAL BOND INSURANCE POLICY

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