

TO: Mayor and City Council Members

FROM: Rob Hunt, City Manager

SUBJECT: October 6, 2020 Agenda Items

DATE: October 1, 2020

6:00 p.m.

I. CALL TO ORDER CLOSED SESSION

II. CITIZEN COMMENTS - Comments from the public are limited to items listed on the agenda (GC 54954.3a). Speakers will be allowed three minutes. Please begin your comments by stating and spelling your name and providing your city of residence.

III. ADJOURN TO CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION(S):

- (a) 54957.6b Conference with Labor Negotiators
Represented/Unrepresented Employee(s): Fire Unions
Negotiators: Rob Hunt, Janice Avila, Darlene Thompson, Mario Zamora
[Submitted by: J. Avila; M. Zamora]

- (b) 54956.9(d)(2) & (e)(2) Conference with Legal Counsel – Anticipated Litigation
One (1) item of anticipated litigation [Submitted by: M. Jeffcoach]
[This involves the Agreement and Undertaking between the City and Del Lago Place LLC, the status of the improvement and a potential claim on bond.]

IV. RECONVENE CLOSED SESSION

V. CLOSED SESSION REPORT (if any)

VI. ADJOURN CLOSED SESSION

7:00 p.m. (or immediately following Closed Session)

VII. CALL TO ORDER REGULAR SESSION

VIII. PLEDGE OF ALLEGIANCE AND INVOCATION

IX. CITIZEN COMMENTS

This is the time for citizens to comment on subject matters, not on the agenda within the jurisdiction of the Tulare City Council. The Council Members ask that you keep your comments brief and positive. Creative criticism, presented with appropriate courtesy, is welcome. The Council cannot legally discuss or take official action on citizen request items that are introduced tonight.

This is also the time for citizens to comment on items listed under the Consent Calendar or to request an item from the Consent Calendar be pulled for discussion purposes. Comments related to general business/city manager items or public hearing items will be heard at the time the item is discussed or at the time the Public Hearing is opened for comment.

*In fairness to all who wish to speak, each speaker will be allowed **three minutes**, with a maximum time of 15 minutes per item, unless otherwise extended by Council. Please begin your comments by stating and spelling your name and providing your city of residence.*

X. COMMUNICATIONS

*Communications are to be submitted to the City Manager's Office 10 days prior to a Council Meeting to be considered for this section of the Agenda. No action will be taken on matters listed under communications; however, the Council may direct staff to schedule issues raised during communications for a future agenda. Citizen comments will be limited to **three minutes**, per topic, unless otherwise extended by Council.*

XI. 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 to be discussed and voted upon by a separate motion.

- (1) Authorization to read ordinances by title only.**
- (2) Approve minutes of September 15, 2020 special/regular meeting.**
[Submitted by: R. Yoder] The minutes of September 15, 2020 special/regular meeting are submitted for your approval. **Staff recommends Council approve as presented.**
- (3) Approve the Parcel Map filed by Cornelius Vander Eyk for the division of land located at the southwest corner of Paige Avenue and Blackstone Street for recordation, and accept all easements and dedications offered to the City. [Submitted by: M. Miller]** Tentative Parcel Map No. 2020-06 filed by Cornelius Vander Eyk is for the division of land located at the southwest corner of Paige Avenue and Blackstone Street, and was approved by the Parcel Map Committee on August 10, 2020. This parcel map comprises approximately 18.85 acres to be subdivided into 2 parcels. Parcel 1 is 11.14 acres and Parcel 2 is 6.76 acres. The map requires an irrevocable offer of dedication and a 6-foot public utility easement along the parcels' Paige Avenue and Blackstone Street frontages. A copy of the Parcel Map is attached. **Staff recommends Council**

approve the Parcel Map filed by Cornelius Vander Eyk for the division of land located at the southwest corner of Paige Avenue and Blackstone Street for recordation, and accept all easements and dedications offered to the City, as presented.

- (4) **Receive the monthly investment report for August 2020. [Submitted by: D. Thompson]** The investment report for the period ending August 31, 2020, is submitted for review and acceptance. **Staff recommends Council receive, review, and file the Monthly Investment Report for August 2020, as presented.**
- (5) **Authorize the donation of a surplus fire engine to Municipio de Loreto Baja California Sur H. Cuerpo de Bomberos, Baja California Sur, México. [Submitted by: L. Nevarez]** The City of Tulare Fire Department, through adopted fleet replacement procedures has replaced unit #113, a 1996 Central States fire engine. The associated costs to maintain the unit in a serviceable, reserve capacity is not economically feasible; therefore, the vehicle has exceeded its useful service life for the City of Tulare.

Many Fire Departments throughout the nation commonly donate apparatus and equipment that no longer meet standards or serviceability benchmarks to cities in Mexico whose departments cannot otherwise afford to purchase the equipment due to limited funding. The Fire Department seeks to donate, to Municipio de Loreto Baja California Sur H. Cuerpo de Bomberos, Baja California Sur, México.

<i>Unit #</i>	<i>Year</i>	<i>Make</i>	<i>Model</i>
113	1996	Central States	Triple Combination Pumper (Fire Engine)

Staff recommends Council authorize the donation of a surplus fire engine to Municipio de Loreto Baja California Sur H. Cuerpo de Bomberos, Baja California Sur, México, as requested.

- (6) **Reject the liability claim filed by Ted Harvell in an amount in excess of \$25,000 for economic and non-economic damages resulting in a vehicle accident in an uncontrolled residential intersection. [Submitted by: J. Avila]** Mr. Ted Harvell, through his attorney Berg Injury Lawyers, filed the attached claim for damages on September 8, 2020. Mr. Harvell and Gabriela Baez were involved in a vehicle accident on May 6, 2020 at an uncontrolled residential intersection at Los Angeles and Elm Street in Tulare. Mr. Harvell, alleges design defects as well as other allegations based mostly on verbiage of negligence, which does not apply in this case, instead of dangerous conditions.

Both parties were listed at-fault in this accident with the Police Report listing "Speed could have been a factor for both drivers." Both parties in this accident

were exceeding the speed limit per the Vehicle Code for uncontrolled intersections that reduces the speed to fifteen (15) mph as both stated they did not see the other driver and were exceeding this speed. The accident history of this intersection was reviewed. In the past five (5) years there have been four (4) accidents. Two (2) were the cause of failure to yield the right of way to a vehicle approaching a different road and two were undetermined. There was no pattern as to day and time for these accidents.

The claim has been submitted Central San Joaquin Valley Risk Management Authority (RMA) who conducted a preliminary review. The City's adjuster has recommended that the claim be rejected and staff be directed to notify the claimant's attorney through a Notice of Rejection of Claim. **Staff recommends Council reject the liability claim filed by Ted Harvell in an amount in excess of \$25,000 for economic and non-economic damages resulting in a vehicle accident in an uncontrolled residential intersection, as presented.**

- (7) **Authorize the City Manager to sign a contract with AMS.net, utilizing the Merced County FOCUS contract in the amount of \$57,970.94 subject to minor conforming changes acceptable to the City Manager and City Attorney to provide and install additional security cameras to Tulare Police Department and City Hall. Authorize the City Manager or designee to approve contract change orders in an amount not to exceed 10% (\$5,797.09). [Submitted by: J. Bowling]** Included in the FY2020-2021 Capital Improvement Project budget is a project to add additional video security cameras to the Tulare Police Department and City Hall. Included in this contract is the installation and configuration of multiple additional security cameras. Department heads and managers in the Police Department and City Hall have reviewed and discussed the locations and functions of the additional cameras included in this contract.

AMS.net is an experienced technology solution provider that has been in business over 30 years and work primarily with governmental and educational agencies in California. They are very experienced in reporting requirements for the improvements of public facilities. AMS.net has previously performed work on the existing video security systems for the City of Tulare.

The Fast-Open Contracts Utilization Services (FOCUS) program established under State of California procurement guidelines (Gov. Code 25330-25338), is a competitively bid procurement vehicle for counties, cities, schools, to use in the direct purchase of technology needs through established public entity (County) contracts. The purpose of this FOCUS program is to provide the means for counties, cities, schools, special districts and other government entities in California and nationally to purchase needed technology solutions through a formally bid contractual relationship. FOCUS also provides the means for governments to reduce their costs of procurement while leveraging their dollars

with other governments to achieve greater buying power. **Staff recommends Council authorize the City Manager to sign a contract with AMS.net, utilizing the Merced County FOCUS contract in the amount of \$57,970.94 subject to minor conforming changes acceptable to the City Manager and City Attorney to provide and install additional security cameras to Tulare Police Department and City Hall. Authorize the City Manager or designee to approve contract change orders in an amount not to exceed 10% (\$5,797.09), as presented.**

- (8) **Authorize the expenditure of State Department of Motor Vehicle Funds (DMV-Fund 37) in the amount of \$55,125.00 for the purchase of three (3) Automated License Plate Readers (ALPR) as well as associated software, licenses and hardware, including installation of same on existing Tulare Police Department patrol vehicles, from Lehr/Vigilant Solutions (Sacramento, CA). [Submitted by: W. Hensley]** In accordance with the City of Tulare purchasing policy staff sought three quotes for the purchase of three ALPR systems. Following the review of these quotes staff has selected Lehr/Vigilant Solutions as a sole source vender, with whom we have an existing contract, for the purchase of the three ALPR systems, including software, licenses, hardware and installation of same.

This equipment is utilized to scan vehicles entered into the system as stolen or other Department of Justice (DOJ) entries such as at-risk missing persons or Amber Alerts. The data collected from this system is also shared with other agencies. With full implementation we will reduce the amount of stolen vehicle car chases and recover tens of thousands of dollars' worth of stolen property, as well as, increase officer safety.

These systems are funded through the DMV Auto Thefts Funds (Fund 37) and have been approved by its governing Board for expenditure and subsequent approval by the Tulare City Council in accordance with existing purchasing policies. **Staff recommends Council authorize the expenditure of State Department of Motor Vehicle Funds (DMV-Fund 37) in the amount of \$55,125.00 for the purchase of three (3) Automated License Plate Readers (ALPR) as well as associated software, licenses and hardware, including installation of same on existing Tulare Police Department patrol vehicles, from Lehr/Vigilant Solutions (Sacramento, CA), as presented./**

XII. SCHEDULED CITIZEN OR GROUP PRESENTATIONS

XIII. MAYOR'S REPORT

XIV. GENERAL BUSINESS

Comments related to General Business Items are limited to three minutes per speaker, for a maximum of 30 minutes per item, unless otherwise extended by the Council.

(1) Public Hearing:

a. Public Hearing to adopt Resolution 2020-46 ordering improvements for Assessment District 2020-01 for the Farrar Estates subdivision located north of Tulare Avenue and west of Morrison Street. [Submitted by: M. Miller] The proposed Resolution is to establish a new assessment district. This new district will provide for maintenance of landscaping, irrigation systems, park and playground equipment, pedestrian sidewalks and block walls associated with common lot areas, maintenance of local streets, and maintenance of the storm drainage basin serving the area within the district boundaries. This includes repairs or nuisance abatement to common lot and storm drain basin improvements due to accidents, ground settlement, tree damage or vandalism. Assessments are subject to annual increases based upon the Consumer Pricing Index (CPI). The attached engineers report outlines the procedural costs and location of the district. **Staff recommends Council adopt Resolution 2020-46 ordering improvements for Assessment District 2020-01 for the Farrar Estates subdivision located north of Tulare Avenue and west of Morrison Street, as presented.**

b. Public Hearing to adopt Resolution 2020-47 designating “no commercial parking” zones on segments of Prosperity Avenue and West Street, and authorizing the installation of corresponding signage. [Submitted by: M. Miller] The City has received citizen complaints regarding the parking of large, commercial trucks along the south side of Prosperity Avenue in the vicinity of Lampe Street. There have been numerous occasions when the drivers of these vehicles have started them up and allowed them to idle for an extended period of time in the pre-dawn hours. This creates a noise nuisance for adjacent residences backing up to Prosperity Avenue.

The City’s existing parking ordinance prohibits the idling of parked commercial vehicles for longer than 5 minutes. However, enforcement of this regulation is difficult due to a lack of available resources, and the difficulty of catching offenders in the act. In response, the Police Department and Engineering Division are recommending the creation of a “no commercial vehicle” parking zone along the south side of Prosperity Avenue across the affected residential frontage as the most effective approach to addressing the noise nuisance. The City has a similar “no commercial parking” designation on Leland Avenue between Hillman Street and De Le Vina. In that instance,

the issue being addressed was semi-trucks along Leland Avenue reducing available parking for customers of the adjacent commercial offices.

In an effort to prevent commercial vehicles from simply migrating to the residential frontage along the west side of West Street, it is recommended that a “no commercial vehicle” parking zone be established there as well. **Staff recommends Council adopt Resolution 2020-47 designating “no commercial parking” zones on segments of Prosperity Avenue and West Street, and authorizing the installation of corresponding signage, as presented.**

(2) Engineering:

- a. **Receive an update and presentation by Caltrans, and consider the adoption of Resolution 2020-48 approving a Resolution of Change to the City of Tulare-State of California Freeway Agreement for State Route 99 from 0.5 miles south of Rankin Road to Cartmill Avenue, subject only to minor conforming and clarifying changes acceptable to the City Attorney and City Manager. [Submitted by: N. Bartsch]** The City Council adopted Resolution 14-65 at the October 21, 2014 regular City Council meeting, which allocated portions of the City’s **Regional Surface Transportation Program (RSTP)** funding to be utilized on projects along State Route 137 (Tulare Avenue) and State Route 63 (Mooney Boulevard) within City limits. The highest priority project identified for potential use of these funds was the signalization of the State Route 99 and State Route 137 ramp intersections. This funding provided by the City has successfully been utilized to leverage additional Caltrans resources and funds for the design, right-of-way acquisition, and construction of the project.

On September 6, 2016, City Staff and Caltrans presented an update to the City Council, describing the scope of work and timeline for the project. As a part of Caltrans’ environmental review process and public outreach, a public notice was published in the newspaper on March 20, 2017, which provided a summary of identified project impacts, and gave contact information for those interested or concerned about those impacts. Since that time, final project plans have been developed and are nearly ready for bidding and construction.

In conjunction with the State Route 99 and State Route 137 Ramp Signalization Project, the existing Freeway Agreement between the City and the State of California dated August 6, 2013 needs to be updated. Caltrans has revised the agreement to reflect changes to State Route 99 freeway access, and State Route 137 access resulting from the Project’s improvements. Specifically, the Project improvements propose the elimination of access to the State Route 99 southbound ramps from San

Joaquin Avenue, and to the State Route 99 northbound ramps from Sierra Avenue. The agreement further describes that the proposed improvements will include construction of a hammerhead turnaround at the east end of San Joaquin Avenue at its previous point of connection point to the southbound ramps, and a cul-de-sac at the west end of Sierra Avenue at its previous point of connection to the northbound ramps. Finally, the agreement also identifies that the City agrees to accept those improvements constructed by the Project that will be within City ROW, or will otherwise be City owned/maintained.

Approval of the revisions to the Freeway Agreement is necessary for the State Route 99 and State Route 137 Ramp Signalization Project to proceed to construction. The attached copy of Exhibit A provides a map showing the limits of State Route 99 subject to the agreement. **Staff recommends Council receive an update and presentation by Caltrans, and consider the adoption of Resolution 2020-48 approving a Resolution of Change to the City of Tulare-State of California Freeway Agreement for State Route 99 from 0.5 miles south of Rankin Road to Cartmill Avenue, subject only to minor conforming and clarifying changes acceptable to the City Attorney and City Manager, as requested.**

(3) Finance:

- a. **Adopt Resolution 2020-49 authorizing the issuance of City of Tulare Sewer Revenue Refunding Bonds, Series 2020 in an amount not to exceed \$45 million in order to refinance a) the City's outstanding 2012 Sewer Revenue Refunding Notes (the "Series 2012 Notes"), b) a portion of the outstanding Sewer Revenue Refunding Bonds, Series 2015 (the "Series 2015 Bonds"), and c) all or a portion of the outstanding Sewer Revenue Refunding Bonds, Series 2013 (the "Series 2013 Bonds") in order to reduce debt service and achieve savings; and approve the form of various bond documents, authorizing certain staff members to execute final versions of documents, direct certain officers of the City to take actions for the sale and delivery of the bonds, approve key members of the financing team, and authorize the sale of the bonds subject to certain provisions. [Submitted by: D. Thompson]** The City currently has three outstanding sewer debt issues that can be fully or partially refunded to achieve savings and result in lower annual debt service, including:
1. The Series 2012 Notes have \$4,990,565 of outstanding principal through November 15, 2026 at a current interest rate of 3.29%.
 2. The Series 2013 Bonds have \$18,460,000 of outstanding principal through November 15, 2041 at interest rates ranging from 3.00% to 5.00%.

3. The Series 2015 Bonds have a \$20,000,000 term bond with principal payments due November 15, 2036 through 2041. The interest rates the City would pay on these bonds range from 4.00% to 5.65% if held to maturity.

Analysis indicates that these outstanding debt obligations can be refunded for savings at current interest rates, which are very low compared to historical rates. The refunding bonds will generate savings every fiscal year through final maturity on November 15, 2041, which corresponds with the final maturity of the outstanding bonds to be refunded.

Savings Estimates

- Gross Savings: \$12 million of reduced payments over the term of the refunding bonds
- Present Value Savings: \$8.5 million
- Present Value Savings %: 20% of refunded bond principal
- Annual Debt Service Reduction: \$825,000 per year

It is recommended that the City move forward with the sale of refunding bonds in order to achieve savings and reduce annual sewer bond debt service payments.

If authorized, the City would adopt a Resolution that a) authorizes the issuance of Sewer Revenue Refunding Bonds, Series 2020 in a principal amount not to exceed \$45 million, b) authorizes certain officers of the City to take actions necessary for the sale and delivery of the bonds, c) authorizes the negotiated sale of the bonds to an underwriter subject to certain provisions, d) approved key members of the financing team, e) approves the form of various documents required for issuance of the bonds (listed below), and f) authorizes certain staff members to execute final versions of documents:

- Eighth Supplemental Bond Indenture – This supplemental bond indenture along with a Master Indenture originally adopted in 2003 provide the terms of the bonds and the legal requirements and responsibilities of the City and the trustee for the bonds.
- Preliminary Official Statement – The Preliminary Official Statement is an offering document that will be circulated to prospective investors prior to the bond sale. This document describes the bonds, the City's sewer enterprise and its finances, and material information regarding the financial capacity for debt repayment. A Final Official Statement will be completed after the bond pricing and will also include information about final principal amounts, interest rates, and related information.

- Continuing Disclosure Agreement – This Agreement is included as an appendix to the Official Statement and details the City’s obligations to provide annual updates of information related to the bonds, such as audited financial statements, and ongoing obligations to provide timely disclosure of “material events” regarding the bonds and their repayment security.

Staff recommends Council adopt Resolution 2020-49 authorizing the issuance of City of Tulare Sewer Revenue Refunding Bonds, Series 2020 in an amount not to exceed \$45 million in order to refinance a) the City’s outstanding 2012 Sewer Revenue Refunding Notes (the “Series 2012 Notes”), b) a portion of the outstanding Sewer Revenue Refunding Bonds, Series 2015 (the “Series 2015 Bonds”), and c) all or a portion of the outstanding Sewer Revenue Refunding Bonds, Series 2013 (the “Series 2013 Bonds”) in order to reduce debt service and achieve savings; and approve the form of various bond documents, authorizing certain staff members to execute final versions of documents, direct certain officers of the City to take actions for the sale and delivery of the bonds, approve key members of the financing team, and authorize the sale of the bonds subject to certain provisions, as presented.

(4) Police:

- a. **Receive a presentation regarding the current process and procedures for Code Enforcement complaints, in particular as they relate to vehicle parking in residential zoning districts in the City and receive direction, if any, related thereto. [Submitted by: R. Guerrero]** On June 16, 2020, the City Council requested an agenda item for discussion regarding current Code Enforcement complaint processing procedures and City Municipal Code (Code) requirements related to general nuisances and parking in residential zones, and whether changes needed to be made to the Code or procedures.

Currently the following chapters and sections of the Tulare Municipal Code address current residential parking requirements and policies in the City. The referenced chapters in the Code are attached and relevant sections highlighted below:

- Chapter 4.36 addresses abandoned, wrecked vehicles in that they are declared to be a public nuisance, and addresses current abatement procedures.
- Chapter 7.28 addresses nuisances generally, with Sections 7.28.030(P)(5)(c) and 7.28.030(P)(5)(d) specifically addressing parking of operable vehicles and abandoned inoperative vehicles respectively, as follows:

“(c) All operable vehicles, recreational vehicles, motor homes, trailers, campers or camper shells and boats shall be parked or stored and in accordance with § [10.192.050](#) of Tulare City Code, as adopted by the city; none of the above shall be occupied for the purpose of human habitation; nor shall any person sleep in, inhabit, live in or use any such vehicle for any purpose while the same is parked in the public right-of-way; nor shall extension cords, electrical cords or any type of power cords extend from any such vehicle to a permanent structure for the purpose of receiving power to the vehicle for the purpose of maintaining human habitation.

“(d) Abandoned, dismantled, wrecked, inoperative vehicles, or parts thereof, on private property shall be stored in a completely enclosed building or structure. The exceptions provided by this section shall not be construed to authorize the maintenance of a public or private nuisance, as such nuisance may be defined under any provisions of law commencing with Cal. Vehicle Code § 22650 and may be subject to the abatement procedure contained within [Chapter 4.36](#) of this code.”

- Chapter 10.192 addresses parking and loading standards, specifically with regard to the design of parking lots.
- Section 10.32.060(I)(1) provides the requirement for off-street parking in a single-family residential, as follows:

“For single-family dwellings, a minimum of two covered parking spaces shall be provided on-site. Each space shall measure a minimum of nine feet in width and 20 feet in depth. All parking spaces and driveways shall be surfaced with asphalt concrete, chip seal or other suitable all-weather surfacing. Where a carport or garage is open to a public street, a driveway length of at least 20 feet shall be provided between the parking structure.”

Upon Council discussion, staff is seeking Council input regarding the adequacy of the existing requirements in the Code and procedures for non-compliance, as well as direction on any proposed revisions to the attached sections of the Code. **Staff recommends receive a presentation regarding the current process and procedures for Code Enforcement complaints, in particular as they relate to vehicle parking in residential zoning districts in the City and provide direction, if any, related thereto**

(5) City Manager:

- a. Update, discussion and receive direction, if necessary, regarding COVID-19, etc. [Submitted by: R. Hunt]**

XV. COUNCIL/STAFF UPDATES, REPORTS OR ITEMS OF INTEREST – GC 54954.2(3)

XVI. ADJOURN REGULAR MEETING

**ACTION MINUTES OF TULARE
CITY COUNCIL, CITY OF TULARE**

September 15, 2020

A closed session of the City Council, City of Tulare was held on Tuesday, September 15, 2020, at 6:30 p.m., in the Tulare Public Library & Council Chambers, 491 North "M" Street.

COUNCIL PRESENT: Jose Sigala, Dennis A. Mederos, Greg Nunley

COUNCIL PRESENT VIA ZOOM/TELECONFERENCE: Terry Sayre, Carlton Jones

STAFF PRESENT: Rob Hunt, Josh McDonnell, Megan Dodd, Wes Hensley, Janice Avila, Darlene Thompson, Jason Bowling, Clay Roberts, Roxanne Yoder

I. CALL TO ORDER CLOSED SESSION

Mayor Sigala called the closed session to order at 6:35 p.m.

II. CITIZEN COMMENTS - Comments from the public are limited to items listed on the agenda (GC 54954.3a). Speakers will be allowed three minutes. Please begin your comments by stating and spelling your name and providing your city of residence.

There were no public comments.

III. ADJOURN TO CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION(S):

Mayor Sigala adjourned to closed session for items as noted by Assistant City Attorney Megan Dodd at 6:37 p.m.

- (a) 54957.6b Conference with Labor Negotiators
Represented/Unrepresented Employee(s): Fire Unions
Negotiators: Rob Hunt, Janice Avila, Megan Dodd obo Mario Zamora [Submitted by: J. Avila; M. Zamora]

IV. RECONVENE CLOSED SESSION

Mayor Sigala reconvened from closed session at 7:03 p.m.

V. CLOSED SESSION REPORT (if any)

Assistant City Attorney Megan Dodd advised there was no reportable action.

VI. ADJOURN CLOSED SESSION

Mayor Sigala adjourned closed session at 7:03 p.m.

A regular session of the City Council, City of Tulare was held on Tuesday, September 15, 2020, at 7:00 p.m., in the Tulare Public Library & Council Chambers, 491 North "M" Street.

COUNCIL PRESENT: Jose Sigala, Dennis A. Mederos, Greg Nunley

COUNCIL PRESENT VIA ZOOM/TELECONFERENCE: Terry Sayre, Carlton Jones

STAFF PRESENT: Rob Hunt, Josh McDonnell, Megan Dodd, Traci Myers, Michael Miller, Trisha Whitfield, Craig Miller, Luis Nevarez, Janice Avila, Wes Hensley, Nick Bartsch, Jason Bowling, Clay Roberts, Roxanne Yoder

VII. CALL TO ORDER REGULAR SESSION

Mayor Sigala called the regular session to order at 7:05 p.m.

VIII. PLEDGE OF ALLEGIANCE AND INVOCATION

Mayor Sigala led the Pledge of Allegiance and a moment of silence.

IX. CITIZEN COMMENTS

Mayor Sigala requested those who wish to speak on matters not on the agenda within the jurisdiction of the Council, or to address or request a matter be pulled from the consent calendar to do so at this time. He further stated comments related to general business matters would be heard at the time that matter is addressed on the agenda.

Donnette Silva-Carter addressed the Council on various activities and events.

Sonny Silva addressed the Council with concerns over a convenience store (i.e. liquor store) to be built on the southeast corner of West and Prosperity.

Jason Bender addressed the Council thanking Trisha Whitfield and Art Avila for their assistance at the blood drive.

X. COMMUNICATIONS

There were no items for this section of the agenda.

XI. CONSENT CALENDAR:

It was moved by Council Member Nunley, seconded by Vice Mayor Mederos, and unanimously carried that the items on the Consent Calendar be approved as presented.

- (1) Authorization to read ordinances by title only.
- (2) Approve minutes of September 1, 2020 special/regular meeting. [Submitted by: R. Yoder]
- (3) Approve the cancellation of Tulare City Council meeting scheduled for Tuesday, November 3, 2020, due to a lack of business and Election Night activities. [Submitted by: R. Hunt]
- (4) Adopt Ordinance 2020-09, an Ordinance revising Chapter 5.96 of the City of Tulare Municipal Code allowing businesses to sell non-inhalable or non-edible forms of cannabidiol (CBD) products without a cannabis license, and subject to additional restrictions on marketing and packaging. [Submitted by: M. Zamora]
- (5) Adopt Resolution 2020-45 initiating proceedings and intention to set a public hearing for Landscape Maintenance District 2020-01 for the Farrar Estates subdivision. [Submitted by: M. Miller]
- (6) Award and authorize the City Manager or designee to sign a contract with Talley Oil, Inc. of Madera, CA, for a total amount of \$211,275.60 for the turnkey supply, delivery and application of asphaltic pavement preservation rejuvenating agent; subject only to minor conforming or clarifying changes acceptable to the City Attorney; and authorize the City Manager or designee to approve contract change orders in an amount not to exceed 10% (\$21,127.56) of the contract award amount. [Submitted by: A. Bettencourt]

XII. SCHEDULED CITIZEN OR GROUP PRESENTATIONS

There were no items for this section of the agenda.

XIII. MAYOR'S REPORT

Mayor Sigala yielded some of his time to Vice Mayor Mederos who commented on the passing of long time retired City Employee Pete Chavez who passed away at the age of 96.

Mayor Sigala commented on the Mask-Up Central Valley Gift Card Program.

XIV. GENERAL BUSINESS

Comments related to General Business Items are limited to three minutes per speaker, for a maximum of 30 minutes per item, unless otherwise extended by the Council.

(1) Economic Development:

- a. **Council consideration and direction to staff on the request by Applicant GGH, 1, LLC, a project specific entity owned by John Roberts and Kent McNiece, for an economic development assistance grant in the sum of \$21,357 as a contribution to the installation of public improvements associated with a four-acre retail development on Prosperity Avenue in the City of Tulare. [Submitted by: T. Myers]** Per applicant's request this item was continued to the meeting of October 6, 2020.
- b. **Census Update PowerPoint. [Submitted by: M. Roache]** Librarian Mollie Roache provided a PowerPoint update for the Council on the recent efforts of promoting the U.S. Census.

(2) Police:

- a. **Presentation on the Tulare Police Department's Trespass Enforcement Program (TEP). [Submitted by: W. Hensley]** Police Chief Hensley introduced the item and Captain Fred Ynclan who provided a PowerPoint presentation on the Department's after hours Trespass Enforcement Program for commercial property pursuant to Penal Code 602. Questions and comments posed by Council addressed by Chief Hensley and Captain Ynclan.

(3) City Manager:

- a. **Update, discussion and receive direction, if necessary, regarding COVID-19, etc. [Submitted by: R. Hunt]** City Manager Rob Hunt provided an update for the Council's review and consideration. Comments by Council.

XV. COUNCIL/STAFF UPDATES, REPORTS OR ITEMS OF INTEREST – GC 54954.2(3)

Council Member Nunley requested an update on the Economic Development Program and on the former Redevelopment properties that were sold and what the return on investment has been. It was clarified that this was not an agenda item, rather an informational report.

Council requested an item to prohibit truck parking in specified areas be reviewed by the Transportation Management Team. City Engineer Michael Miller advised that he could bring that back to Council via a Resolution. Council concurred that item is to be considered at the October 6, 2020 meeting.

Mayor Sigala requested the City Manager provide a follow up to the County's response for a request to match Cares Act Funding.

XVI. ADJOURN REGULAR MEETING

Mayor Sigala adjourned the regular meeting at 8:19 p.m.

President of the Council and Ex-Officio
Mayor of the City of Tulare

ATTEST:

Chief Deputy City Clerk and Clerk of the
Council of the City of Tulare

**CITY OF TULARE
AGENDA ITEM TRANSMITTAL SHEET**

Submitting Department: Engineering Services – Engineering

For Council Meeting of: October 6, 2020

Documents Attached: Ordinance Resolution Staff Report Other None

AGENDA ITEM:

Approve the Parcel Map filed by Cornelius Vander Eyk for the division of land located at the southwest corner of Paige Avenue and Blackstone Street for recordation, and accept all easements and dedications offered to the City.

IS PUBLIC HEARING REQUIRED: Yes No

BACKGROUND/EXPLANATION:

Tentative Parcel Map No. 2020-06 filed by Cornelius Vander Eyk is for the division of land located at the southwest corner of Paige Avenue and Blackstone Street, and was approved by the Parcel Map Committee on August 10, 2020. This parcel map comprises approximately 18.85 acres to be subdivided into 2 parcels. Parcel 1 is 11.14 acres and Parcel 2 is 6.76 acres. The map requires an irrevocable offer of dedication and a 6-foot public utility easement along the parcels' Paige Avenue and Blackstone Street frontages. A copy of the Parcel Map is attached.

STAFF RECOMMENDATION:

Approve the Parcel Map filed by Cornelius Vander Eyk for the division of land located at the southwest corner of Paige Avenue and Blackstone Street for recordation, and accept all easements and dedications offered to the City.

CITY ATTORNEY REVIEW/COMMENTS: Yes N/A

The parcel map will be reviewed for compliance with applicable legal requirements prior to recordation.

IS ADDITIONAL (NON-BUDGETED) FUNDING REQUIRED: Yes No N/A

(If yes, please submit required budget appropriation request)

FUNDING SOURCE/ACCOUNT NUMBER: N/A

Submitted by: Michael Miller

Title: City Engineer

Date: September 28, 2020

City Manager Approval: _____

OWNER'S STATEMENT

I (WE) HEREBY STATE THAT I (AM (WE ARE) THE LEGAL OWNER(S) OF, (OR HAVE SOME RIGHT, TITLE OR INTEREST IN AND TO) THE REAL PROPERTY INCLUDED WITHIN THE BOUNDARIES OF THE SUBDIVISION SHOWN UPON THIS PARCEL MAP, AND THAT I (AM (WE ARE) THE ONLY PERSON(S) WHOSE CONSENT IS NECESSARY TO PASS A CLEAR TITLE TO SAID PROPERTY, AND I (WE) CONSENT TO THE MAKING AND FILING OF SAID PARCEL MAP AS SHOWN WITHIN THE BOLD BORDER LINES HEREON.

I (WE) HEREBY OFFER TO DEDICATE AND DO HEREBY DEDICATE THE FOLLOWING, AS SHOWN WITHIN THE BOUNDARIES OF THE MAP HEREON, FOR THE SPECIFIED PURPOSES:

1. PUBLIC EASEMENTS FOR THE INSTALLATION AND MAINTENANCE OF GAS LINES AND CONDUITS FOR ELECTRIC, CABLE AND TELEPHONE SERVICES, TOGETHER WITH ANY AND ALL APPURTENANCES PERTAINING THEREAS, AS SHOWN HEREON AND DESIGNATED AS "PUE", IN EASEMENT.

I (WE) HEREBY OFFER TO DEDICATE THE IRREVOCABLE OFFER FOR STREET RIGHT OF WAY DEDICATION AS SHOWN WITHIN THE BOUNDARIES OF THE MAP HEREON, FOR THE SPECIFIED PURPOSES:

1. STREET RIGHT OF WAY FOR BLACKSTONE AVENUE AND PAIGE AVENUE
 BY: CORNELIUS VANDER EYK AND SHERRY L. VANDER EYK, TRUSTEES UNDER THE CORNELIUS AND SHERRY L. VANDER EYK FAMILY LIVING TRUST DATED 11/19/97

Cornelius Vander Eyk
 BY: CORNELIUS VANDER EYK, TRUSTEE

Sherry L. Vander Eyk
 BY: SHERRY L. VANDER EYK, TRUSTEE

A NOTARY PUBLIC OR OTHER OFFICER COMPLETING THIS CERTIFICATE VERIFIES ONLY THE IDENTITY OF THE INDIVIDUAL WHO SIGNED THE DOCUMENT TO WHICH THIS CERTIFICATE IS ATTACHED, AND NOT THE TRUTHFULNESS, ACCURACY, OR VALIDITY OF THAT DOCUMENT.

STATE OF CALIFORNIA/COUNTY OF Santa Barbara TULARE

ON Sept 15, 2020, BEFORE ME Manly L. Ortega, A NOTARY PUBLIC PERSONALLY APPEARED, Cornelius Vander Eyk and Sherry L. Vander Eyk

WHO PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE THE PERSON(S) WHOSE NAME(S) I HAVE SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED TO ME THAT HEM/THAT THEY EXECUTED THE SAME IN THEIR/HER AUTHORIZED CAPACITIE(S), AND THAT BY THEM/HER SIGNATURE(S) ON THE INSTRUMENT, THE PERSON(S), OR THE ENTITY UPON BEHALF OF WHICH THE PERSON(S) ACTED, EXECUTED THE INSTRUMENT.

I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE FOREGOING PARAGRAPH IS TRUE AND CORRECT.

WITNESS MY HAND.

SIGNATURE Manly L. Ortega PRINT NAME Manly L. Ortega

MY COMMISSION EXPIRES Dec. 17, 2022 COMMISSION NO. 2268151

PRINCIPAL PLACE OF BUSINESS Santa Barbara COUNTY

RIGHT TO FARM NOTICE

IN ACCORDANCE WITH SECTION 7-201075(A) OF THE TULARE COUNTY ORDINANCE CODE AND AS A CONDITION OF APPROVAL OF THIS FINAL MAP SHALL BE ACKNOWLEDGED THAT:

IT IS THE DECLARED POLICY OF THE COUNTY TO CONSERVE, ENHANCE AND ENCOURAGE AGRICULTURAL OPERATIONS WITHIN THE COUNTY. RESIDUES OF PROPERTY OR NEAR AGRICULTURAL LAND SHOULD BE PREPARED TO ACCEPT THE INCONVENIENCES AND DISCOMFORT ASSOCIATED WITH AGRICULTURAL OPERATIONS, INCLUDING, BUT NOT NECESSARILY LIMITED TO: NOISE, ODORS, FUMES, DUST, SMOKE, INSECTS, OPERATION OF MACHINERY (INCLUDING AIRCRAFT), DURING ANY 24 HOUR PERIOD, STORAGE AND DISPOSAL OF MANURE, AND THE APPLICATION BY SPRINKLING OR OTHERWISE OF CHEMICAL FERTILIZERS, SOIL AMENDMENTS, HERBICIDES AND PESTICIDES. CONSISTENT WITH THIS POLICY, CALIFORNIA CIVIL CODE SECTION 3402.3 PROVIDES THAT NO AGRICULTURAL OPERATION, AS DEFINED AND LIMITED BY THAT SECTION, CONDUCTED AND MAINTAINED FOR COMMERCIAL PURPOSES, AND IN A MANNER CONSISTENT WITH PROPER AND ACCEPTED CUSTOMS AND STANDARDS, AS ESTABLISHED AND FOLLOWED BY SIMILAR AGRICULTURAL OPERATIONS IN THE SAME LOCALITY, SHALL BE OR BECOME A NUISANCE, PRIVATE OR PUBLIC, DUE TO ANY CHANGED CONDITION IN OR ABOUT THE LOCALITY, AFTER THE SAME HAS BEEN IN OPERATION FOR MORE THAN THREE YEARS IF IT WAS NOT A NUISANCE AT THE TIME IT BEGAN.

COMMUNITY DEVELOPMENT DIRECTOR STATEMENT

I HEREBY CERTIFY ON BEHALF OF THE PARCEL MAP COMMITTEE THAT THIS PARCEL MAP CONFORMS TO THE APPROVED TENTATIVE PARCEL MAP NUMBER 2020-08 BY THE CITY OF TULARE PLANNING COMMISSION AT THE REGULAR MEETING HELD ON THE 10TH DAY OF AUGUST, 2020.

DATE: _____ BY: TRACI MYERS
 DIRECTOR OF COMMUNITY AND ECONOMIC DEVELOPMENT

CITY SURVEYOR'S STATEMENT

I HEREBY STATE THAT I HAVE CAREFULLY EXAMINED THIS MAP AND AM SATISFIED THAT THIS MAP IS TECHNICALLY CORRECT, PURSUANT TO THE PROVISIONS OF THE SUBDIVISION MAP ACT.

DATE: _____ TIMOTHY M. COOK, PLS 8468

LEGEND

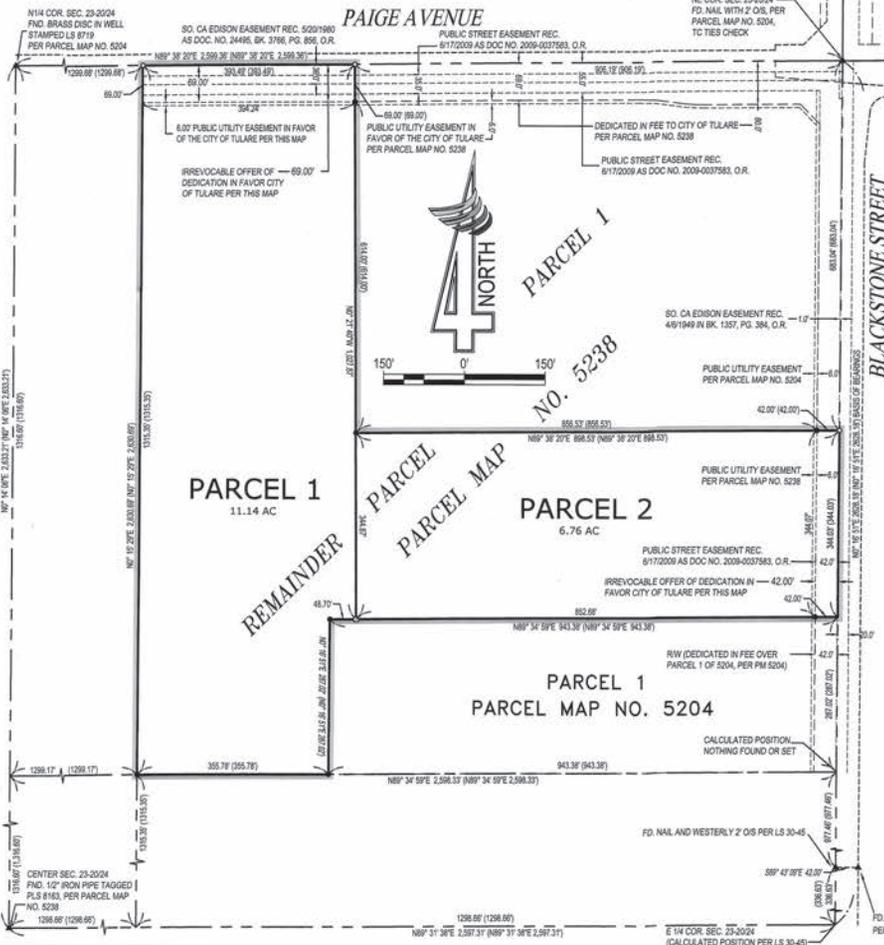
- ▲ FOUND AND ACCEPTED MONUMENT AS DESCRIBED (UNLESS OTHERWISE NOTED)
- FOUND 3/4" IRON PIPE TAGGED PLS 8163
- FOUND NAIL TAGGED WITH PLS 8163
- SET 3/4" IRON PIPE TAGGED PLS 8163
- ① RECORD DATA PER PARCEL MAP 5204 RECORDED IN BOOK 53 OF PARCEL MAPS AT PG. 43, T.C.R. (OR CALCULATED THEREFROM)
- LINE INDICATES SUBDIVISION BOUNDARY
- BORDER INDICATES PROPERTY TO BE SUBDIVIDED

BASIS OF BEARINGS

CENTERLINE OF BLACKSTONE STREET, PER PARCEL MAP NO. 5238, RECORDED IN BOOK 11 OF PARCEL MAPS AT PAGE 43, OF T.C.R. TAKEN AS 000°49'51"E

NOTICE

CERTAIN OFF-SITE AND/OR ON-SITE IMPROVEMENTS ARE REQUIRED IN CONNECTION WITH THESE LOTS (CITY OF TULARE PARCEL MAP COMMITTEE RESOLUTION NO. 822). NO PERSON MAY OBTAIN A BUILDING PERMIT FOR ANY LOT ON THIS MAP UNTIL THE REQUIRED IMPROVEMENTS ARE COMPLETED OR FINANCIAL SECURITY HAS BEEN POSTED WITH THE CITY TO ASSURE COMPLETION PRIOR TO BUILDING OCCUPANCY.



1/4" COR. SEC. 23-2024
 PND. BRASS DISC IN WELL
 STAMPED LS 8718
 PER PARCEL MAP NO. 5204

1/4" COR. SEC. 23-2024
 PND. 1/2" IRON PIPE TAGGED
 PLS 8165, PER PARCEL MAP
 NO. 5238

1/4" COR. SEC. 23-2024
 CALCULATED POSITION PER LS 30-45

1/4" COR. SEC. 23-2024
 CALCULATED POSITION PER LS 30-45

PARCEL MAP NO.

BEING A DIVISION OF THE REMAINDER PARCEL OF PARCEL MAP NO. 5238 IN THE CITY OF TULARE, COUNTY OF TULARE, STATE OF CALIFORNIA, AS PER MAP RECORDED DECEMBER 17, 2018 IN BOOK 53, PAGE 45 OF PARCEL MAPS, T.C.R.

SITUATED IN SECTION 23 TOWNSHIP 20 SOUTH, RANGE 24 EAST, M.D.B.&M.

AUGUST 2020

PREPARED FOR: CORNELIUS VANDER EYK AND SHERRY L. VANDER EYK

PREPARED BY: 4CREEKS

324 S. SANTA FE ST., STE. A
 P.O. BOX 7503
 VISALIA, CA 93291
 TEL: 559.802.3052
 FAX: 559.802.3215



SURVEYOR'S STATEMENT

THIS MAP WAS PREPARED BY ME, OR UNDER MY DIRECTION, AND IS BASED UPON A FIELD SURVEY IN CONFORMANCE WITH THE REQUIREMENTS OF THE SUBDIVISION MAP ACT AND LOCAL ORDINANCE AT THE REQUEST OF CORNELIUS VANDER EYK, IN AUGUST, 2020. I HEREBY STATE THAT THIS PARCEL MAP SUBSTANTIALLY CONFORMS TO THE APPROVED OR CONDITIONALLY APPROVED TENTATIVE MAP, IF ANY. ALL MONUMENTS ARE OF THE CHARACTER AND OCCUPY THE POSITIONS INDICATED AND ARE SUFFICIENT TO ENABLE THE SURVEY TO BE RETRACED. THE MONUMENTS NOT YET SET, WILL BE SET WITHIN ONE YEAR OF RECORDED OF THIS MAP.

DATE: 7/9/2020
 RANDY D. WAINICK, PLS. 8163

CITY ENGINEER'S STATEMENT

I HEREBY STATE THAT I HAVE EXAMINED THIS MAP, THAT THE SUBDIVISION AS SHOWN IS SUBSTANTIALLY THE SAME AS IT APPEARED ON THE TENTATIVE MAP AND ANY APPROVED ALTERATIONS THEREOF, AND THAT ALL PROVISIONS OF THE SUBDIVISION MAP ACT AND ANY LOCAL ORDINANCES APPLICABLE AT THE TIME OF APPROVAL OF THE TENTATIVE MAP HAVE BEEN COMPLIED WITH. I FURTHER CERTIFY THAT ALL REQUIRED OFF-SITE AND ON-SITE IMPROVEMENTS HAVE EITHER ALREADY BEEN INSTALLED, HAVE BEEN DEFERRED UNTIL FUTURE DEVELOPMENT, OR ADEQUATE BONDS OR OTHER SUITABLE SURETIES HAVE BEEN PROVIDED.

DATE: _____ MICHAEL W. MILLER, CITY ENGINEER, RICE 53462

CITY CLERK'S STATEMENT

THIS IS TO CERTIFY THAT AT A REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF TULARE HELD ON THE _____ DAY OF _____, 20____, AN ORDER WAS OBTAINED AND ENTERED APPROVING THIS PARCEL MAP AND ACCEPTING ON BEHALF THE PUBLIC, THE PUBLIC UTILITY EASEMENTS AND THE OFFER OF DEDICATION DOWN AS AN IRREVOCABLE OFFER OF DEDICATION FOR RIGHT OF WAY IN FEE, INCLUDED WITHIN THE BOUNDARIES AS SHOWN UPON THIS MAP.

WITNESS MY HAND AND OFFICIAL SEAL OF THE CITY OF TULARE THIS _____ DAY OF _____, 20____.

ROB HUNT, CITY MANAGER/CITY CLERK

BOARD OF SUPERVISORS'S STATEMENT

JASON T. BRITT, COUNTY ADMINISTRATIVE OFFICER/CLERK OF THE BOARD OF SUPERVISORS OF THE COUNTY OF TULARE, STATE OF CALIFORNIA, DO HEREBY CERTIFY THAT SAID BOARD OF SUPERVISORS HAS APPROVED THE PROVISIONS MADE FOR THE PAYMENT OF TAXES AS PROVIDED IN DIVISION 2, OF TITLE 1 OF THE GOVERNMENT CODE OF THE STATE OF CALIFORNIA.

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

DATED THIS _____ DAY OF _____, 20____.

BY: _____ DEPUTY

COUNTY RECORDER'S STATEMENT

DOCUMENT NO. _____
 FEE PAID: _____
 FILED THIS _____ DAY OF _____, 20____ AT _____ M.,
 IN BOOK _____ OF PARCEL MAPS, AT PAGE _____, TULARE COUNTY RECORDS,
 AT THE REQUEST OF 4 CREEKS INC.
 RANDY P. HILL
 TULARE COUNTY ASSESSOR/CLERK-RECORDER
 BY: _____ DEPUTY



**CITY OF TULARE
SUMMARY TREASURER'S REPORT
SUMMARY OF ALL INVESTMENTS
AUGUST 31, 2020**

TYPE OF INVESTMENT	BOOK VALUE	MARKET VALUE	CURRENT YIELD	BOOK VALUE % OF TOTAL
UNRESTRICTED INVESTMENTS - SEE PAGE 2	144,239,947	144,545,643	0.811%	84.06%
RESTRICTED INVESTMENTS - SEE PAGE 4	27,348,597	27,348,597	N/A	15.94%
TOTAL INVESTMENTS	171,588,544	171,894,240	N/A	100.00%

Note: The City's financial statements will report market values, not book values, at June 30 each year.

I certify that this report reflects all City investments and complies with the investment policy of the City of Tulare as approved by City Council. Furthermore, I certify that sufficient investment liquidity and anticipated revenues are available to meet the City's budgeted expenditures for the next six months.

Presented to the City Council on September 14, 2020. Presented to the Board of Public Utility Commissioners on September 14, 2020.

Respectfully submitted, Darlene J. Thompson, CPA, Finance Director/Treasurer

 9-14-2020
Date

CITY OF TULARE
SUMMARY TREASURER'S REPORT, CONTINUED
SUMMARY OF UNRESTRICTED INVESTMENTS
AUGUST 31, 2020

TYPE OF INVESTMENT	ISSUER OF INVESTMENT	DATES:		INTEREST RATES:		PAR VALUE	BOOK VALUE		UNREALIZED GAIN/(LOSS):		ESTIMATED EARNINGS:		BOOK VALUE % OF U/I~
		ACQUISITION MATURITY	STATED CURRENT YIELD	CURRENT YIELD	MARKET VALUE		THIS MONTH LAST MONTH	ANNUAL THIS MONTH					
Petty Cash	N/A	N/A	N/A	N/A	None	N/A	11,800	11,800	N/A	N/A	N/A	N/A	0.01%
Checking Account - City	Wells Fargo Bank	N/A	N/A	N/A	None	N/A	1,332,339	1,332,339	N/A	N/A	N/A	N/A	0.92%
		On Demand					Balance per bank is \$1,864,638						
Local Agency Investment Fund (LAIF)	State of California	Various	N/A	N/A	0.784%	N/A	48,500,000	48,500,000	238,271	238,271	380,240	380,240	33.62%
		On Demand					*	48,738,271	169,491	169,491	31,687	31,687	
Sub-Total													
Fixed Income Investments	Various (See page 4-7)		N/A	N/A	0.759%	N/A	49,844,139	49,844,139	238,271	238,271	380,240	380,240	34.56%
Investments in Safekeeping With BNY Western Trust Company			0.840%				50,082,410	50,082,410	169,491	169,491	31,687	31,687	
							Per BNY WTC						
								94,395,808	67,425	67,425	791,839	791,839	65.44%
								94,463,233	114,971	114,971	65,987	65,987	
TOTAL UNRESTRICTED INVESTMENTS								144,239,947	305,696	305,696	1,172,079	1,172,079	100.00%
								144,545,643	284,462	284,462	97,673	97,673	

* LAIF market values are based on the most currently available amortized cost information - June, 2020:

1.004912795

~ U/I = Unrestricted Investments

CITY OF TULARE
SUMMARY TREASURER'S REPORT, CONTINUED
SUMMARY OF RESTRICTED INVESTMENTS
AUGUST 31, 2020

TYPE OF INVESTMENT	ISSUER OF INVESTMENT	ACQUISITION DATE	MATURITY DATE	STATED INTEREST RATE	PAR VALUE	BOOK VALUE	MARKET VALUE	BALANCES AS-OF DATE
Bond Funds (All are Managed by U.S. Bank Trust Except LAIF):								
2018 Lease Revenue and Refunding Bonds (Account No. 244938000)	U.S. Bank Trust	Various	On Demand	Various Reserve Fund	N/A	1,701,600	1,701,600	08-31-20
2012 Sewer Revenue Refunding Bonds (Account No. 162033000)	U.S. Bank Trust	Various	On Demand	Various Reserve Fund	N/A	235,496	235,496	08-31-20
U S Bk Mmkt	U.S. Bank Trust	Various	On Demand	Various Reserve Fund	N/A	923,380	923,380	08-31-20
U S Bk Mmkt	U.S. Bank Trust	Various	On Demand	Various Reserve Fund	N/A	1,158,876	1,158,876	08-31-20
2013 Sewer Revenue Refunding Bonds (Account No. 203701000)	U.S. Bank Trust	Various	On Demand	Various	N/A	95,119	95,119	08-31-20
First American Govt Fd	U.S. Bank Trust	08-01-13	11-15-22	2.310%	N/A	2,745,126	2,745,126	08-31-20
Guarantee Invest. Cont.	Bayerische Landesbank					2,840,245	2,840,245	
2015 Sewer Revenue Refunding Bonds (Account No. 2615940000)	U.S. Bank Trust	Various	On Demand	Various	N/A	13	13	08-31-20
First American Govt Fd	U.S. Bank Trust	11-15-15	11-15-25	1.960%	N/A	6,670,067	6,670,067	08-31-20
Investment Repurchase GIC	Bayerische Landesbank			Reserve Fund		6,670,080	6,670,080	
2016 Sewer Revenue Refunding Bonds (Account No. 260)	U.S. Bank Trust	Various	On Demand	Various	N/A	837	837	08-31-20
U S Bk Mmkt	U.S. Bank Trust					837	837	
2020 Water Revenue Bonds (Account No. XXX)	U.S. Bank Trust	Various	On Demand	Various	N/A	14,918,020	14,918,020	08-31-20
U S Bk Mmkt	U.S. Bank Trust					14,918,020	14,918,020	
2017 Successor Agency Tax Allocation Bonds - Series A & B (Account No. 24534600)	U.S. Bank Trust	Various	On Demand	Various	N/A	1	1	08-31-20
U S Bk Mmkt	U.S. Bank Trust					1	1	
TOTAL BOND FUNDS						27,289,659	27,289,659	
Restricted Insurance Deposits Managed by Fiscal Agents:								
Employee Welfare Fund (60)	Various	N/A	N/A	Various	N/A	14,413	14,413	08-31-20
Workers' Comp. Fund (61)	Various	N/A	N/A	Various	N/A	0	0	06-30-19
General Insurance Fund (62)	Various	N/A	N/A	Various	N/A	44,525	44,525	06-30-19
				* Adjusted annually		58,938	58,938	
TOTAL RESTRICTED INVESTMENTS				15.94%		27,348,597	27,348,597	
								=
								Book Value % of Total Investments

* NOTE: Reported as information is made available.

CITY OF TULARE
SUMMARY TREASURER'S REPORT, CONTINUED
FIXED INCOME INVESTMENTS
AUGUST 31, 2020

TYPE OF FIXED INCOME INVESTMENT	CUSIP NUMBER	DATES: ACQUISITION MATURITY	INTEREST RATES: STATED CURRENT YIELD	PAR VALUE	BOOK VALUE MARKET VALUE	UNREALIZED		ESTIMATED	
						GAIN/(LOSS): THIS MONTH LAST MONTH	EARNINGS: ANNUAL THIS MONTH		
U.S. GOVERNMENT AGENCY OBLIGATIONS									
Federal Farm Credit Banks	3133EJAW9	01-29-18 01-29-21 C	2.250% 2.230%	1,500,000	1,497,825 1,513,065	15,240 17,715	33,750 2,813		
Federal Farm Credit Bks Funding Corp	3133ELN75	06-23-20 12-23-21 C	0.230% 0.230%	2,000,000	2,000,000 1,993,180	(6,820) 40	4,600 383		
Federal Home Loan Bks	3130AJPJ2	06-11-20 12-11-23 C	0.580% 0.580%	2,000,000	2,000,000 2,000,020	20 140	11,600 967		
Federal National Mortgage Assn	3136G4XE8	06-22-20 12-22-23 C	0.520% 0.520%	5,000,000	5,000,000 5,003,050	3,050 4,400	26,000 2,167		
Federal Home Ln Mfg Corp	3134GV4F2	06-03-20 12-29-23 C	0.500% 0.500%	2,000,000	2,000,000 2,000,180	180 400	10,000 833		
Federal Farm Credit Bks Funding Corp	3133ELP57	03-25-20 03-25-24 C	0.590% 0.590%	2,500,000	2,500,000 2,496,175	(3,825) 175	14,750 1,229		
Federal Farm Credit Bks Funding Corp	3133ELJ47	06-17-20 06-17-24 C	0.580% 0.580%	2,000,000	2,000,000 2,002,180	2,180 3,920	11,600 967		
Federal Farm Credit Bks Funding Corp	3133ELL85	06-17-20 06-17-24 C	0.680% 0.680%	2,000,000	2,000,000 2,001,200	1,200 2,080	13,600 1,133		
Federal Farm Credit Bks Funding Corp	3133ELE83	06-15-20 12-03-24 C	0.730% 0.730%	3,000,000	2,997,750 3,000,000	2,250 2,370	21,900 1,825		
Federal Home Loan Banks	3130AJ4Q9	02-12-20 02-12-25 C	1.800% 1.790%	2,000,000	2,000,000 2,010,940	10,940 13,220	36,000 3,000		
Federal Farm Credit Bks Funding Corp	3133ELA46	05-29-20 02-20-25 C	0.720% 0.720%	2,000,000	2,000,000 2,000,000	0 40	14,400 1,200		
Federal National Mortgage Assn	3136G4T52	08-25-20 02-25-25 C	0.520% 0.520%	2,000,000	2,000,000 2,001,720	1,720 0	10,400 867		
Federal Farm Credit Bks Funding Corp	3133ELQE7	03-03-20 03-03-25 C	1.640% 1.630%	2,500,000	2,500,000 2,517,900	17,900 21,200	41,000 3,417		

Per BNY WTC

**

- CONTINUED ON PAGE 5 -

CITY OF TULARE
SUMMARY TREASURER'S REPORT, CONTINUED
FIXED INCOME INVESTMENTS, CONTINUED
AUGUST 31, 2020

TYPE OF FIXED INCOME INVESTMENT	CUSIP NUMBER	DATES:		INTEREST RATES:		PAR VALUE	BOOK VALUE	UNREALIZED	ESTIMATED
		ACQUISITION	MATURITY	STATED	CURRENT YIELD				
							MARKET VALUE	THIS MONTH	ANNUAL
							LAST MONTH	THIS MONTH	THIS MONTH
							Per BNY WTC		
Federal Home Loan Mtg Corp	3134GVGB8	03-17-20		1.150%		1,500,000	1,500,000	210	17,250
		03-17-25	C	1.150%		1,500,210	1,500,210	630	1,438
Federal Home Loan Mtg Corp	3134GVGG7	03-17-20		1.000%		2,500,000	2,500,000	150	25,000
		03-17-25	C	1.000%		2,500,150	2,500,150	550	2,083
Federal Home Loan Mtg Corp	3134GVHH4	03-24-20		1.350%		2,000,000	2,000,000	2,340	27,000
		03-24-25	C	1.350%		2,002,340	2,002,340	3,220	2,250
Federal Home Loan Banks	3130AJF79	03-25-20		1.200%		1,500,000	1,500,000	3,600	18,000
		03-25-25	C	1.200%		1,503,600	1,503,600	4,500	1,500
Federal Farm Credit Bks Funding Corp	3133ELUK8	03-25-20		1.200%		2,000,000	2,000,000	9,340	24,000
		03-25-25	C	1.190%		2,009,340	2,009,340	11,120	2,000
Federal Home Loan Banks	3130AJDQ9	04-02-20		1.100%		1,500,000	1,500,000	90	16,500
		04-02-25	C	1.100%		1,500,090	1,500,090	285	1,375
Federal Home Loan Mtg Corp	3134GVNR5	04-28-20		1.030%		1,400,000	1,400,000	196	14,420
		04-28-25	C	1.030%		1,400,196	1,400,196	434	1,202
Federal Home Loan Mtg Corp	3134GVNQ7	04-29-20		1.020%		1,500,000	1,500,000	315	15,300
		04-29-25	C	1.020%		1,500,315	1,500,315	615	1,275
Federal Home Loan Mtg Corp	3134GVZU5	05-29-20		0.800%		2,000,000	2,000,000	400	16,000
		05-27-25	C	0.800%		2,000,400	2,000,400	800	1,333
Federal National Mortgage Assn	3136G4U50	08-27-20		0.600%		2,000,000	2,000,000	80	12,000
		05-27-25	C	0.600%		2,000,080	2,000,080	0	1,000
Federal Home Loan Mtg Corp	3134GVVX3	06-03-20		0.750%		2,000,000	2,000,000	1,940	15,000
		05-28-25	C	0.750%		2,001,940	2,001,940	2,840	1,250
Federal Home Loan Mtg Corp	3134GVJ74	06-09-20		0.850%		2,500,000	2,500,000	125	21,250
		06-09-25	C	0.850%		2,500,125	2,500,125	675	1,771
Federal Home Loan Mtg Corp	3134GVBS6	06-10-20		0.700%		2,000,000	2,000,000	1,560	14,000
		06-10-25	C	0.700%		2,001,560	2,001,560	2,440	1,167

- CONTINUED ON PAGE 6 -

CITY OF TULARE
SUMMARY TREASURER'S REPORT, CONTINUED
FIXED INCOME INVESTMENTS, CONTINUED
AUGUST 31, 2020

TYPE OF FIXED INCOME INVESTMENT	CUSIP NUMBER	DATES:		INTEREST RATES:		PAR VALUE	BOOK VALUE MARKET VALUE	UNREALIZED GAIN/(LOSS):		ESTIMATED EARNINGS:	
		ACQUISITION MATURITY	STATED CURRENT YIELD	THIS MONTH LAST MONTH	ANNUAL THIS MONTH			THIS MONTH LAST MONTH	ANNUAL THIS MONTH		
**											
Federal Home Loan Banks	3130AJPD5	06-11-20	0.860%	2,000,000	2,000,000	20	17,200				
Federal Home Loan Mtg Corp	3134GVG77	06-11-25 C	0.860%	2,000,000	2,000,020	160	1,433				
Federal Home Loan Mtg Corp	3134GVL30	06-11-20	0.800%	2,000,000	2,000,000	1,000	16,000				
Federal Home Loan Mtg Corp	3134GVL22	06-11-25 C	0.800%	2,001,000	2,001,000	1,580	1,333				
Federal Home Loan Banks	3130AJPX1	06-11-20	0.750%	2,000,000	2,000,000	880	15,000				
Federal Home Loan Mtg Corp	3134GVM96	06-11-25 C	0.750%	2,000,880	2,000,880	1,720	1,250				
Federal National Mortgage Assn	3136G4WK5	06-16-20	0.850%	2,000,000	2,000,000	1,100	17,000				
Federal Home Loan Banks	3130AJRE1	06-16-25 C	0.850%	2,001,100	2,001,100	1,700	1,417				
Federal Home Loan Mtg Corp	3134GVM96	06-17-20	0.800%	2,000,000	2,000,000	520	16,000				
Federal Home Loan Mtg Corp	3136G4WM1	06-17-25 C	0.800%	2,000,520	2,000,520	980	1,333				
Federal Home Loan Banks	3130AJRE1	06-17-20	0.810%	2,000,000	2,000,000	2,720	16,200				
Federal National Mortgage Assn	3134GVU48	06-17-25 C	0.810%	2,002,720	2,002,720	3,740	1,350				
Federal Home Loan Banks	3130AJRE1	06-17-20	0.770%	2,000,000	2,000,000	540	15,400				
Federal National Mortgage Assn	3134GVU48	06-17-25 C	0.770%	2,000,540	2,000,540	1,340	1,283				
Federal Home Loan Banks	3130AJRE1	06-24-20	0.750%	2,500,000	2,500,000	300	18,750				
Federal National Mortgage Assn	3136G4WM1	06-24-25	0.750%	2,500,300	2,500,300	800	1,563				
Federal Home Loan Mtg Corp	3134GVU48	06-24-20	0.800%	2,500,000	2,500,000	1,275	20,000				
Federal Home Loan Mtg Corp	3134GVK31	06-24-25 C	0.800%	2,501,275	2,501,275	2,100	1,667				
Federal Home Loan Mtg Corp	3134GVU48	06-25-20	0.800%	2,000,000	2,000,000	80	16,000				
Federal Home Loan Mtg Corp	3134GVK31	06-25-25 C	0.800%	2,000,080	2,000,080	300	1,333				
Federal Home Loan Mtg Corp	3134GVK31	06-30-20	0.875%	3,000,000	3,000,000	90	26,250				
Federal Home Loan Mtg Corp	3134GVR83	06-30-25 C	0.870%	3,000,090	3,000,090	360	2,188				
Federal Home Loan Mtg Corp	3134GVR83	06-30-20	0.800%	3,000,000	3,000,000	600	24,000				
Federal Home Loan Mtg Corp	3134GVT65	06-30-25 C	0.800%	3,000,600	3,000,600	1,260	2,000				
Federal Home Loan Mtg Corp	3134GVT65	06-30-20	0.800%	2,000,000	2,000,000	1,140	16,000				
Federal Home Loan Mtg Corp	3134GVT65	06-30-25 C	0.800%	2,001,140	2,001,140	1,860	1,333				

- CONTINUED ON PAGE 7 -

CITY OF TULARE
SUMMARY TREASURER'S REPORT, CONTINUED
FIXED INCOME INVESTMENTS, CONTINUED
AUGUST 31, 2020

TYPE OF FIXED INCOME INVESTMENT	CUSIP NUMBER	DATES:		INTEREST RATES:		PAR VALUE	BOOK VALUE	UNREALIZED GAIN/(LOSS):	ESTIMATED EARNINGS:
		ACQUISITION	MATURITY	STATED	CURRENT YIELD				
U.S. GOVERNMENT AGENCY OBLIGATIONS, CONTINUED									
							Per BNY WTC		
Federal Home Loan Banks		07-08-20		0.730%		1,500,000	1,500,000	(3,090)	10,950
	3130AJS17	07-08-25	C	0.730%		1,496,910	1,496,910	0	913
Federal Home Loan Mig Corp		07-15-20		0.750%		1,500,000	1,500,000	60	11,250
	3134GV414	07-15-25	C	0.750%		1,500,060	1,500,060	375	938
Federal Home Loan Mig Corp		07-15-20		0.770%		2,000,000	2,000,000	740	15,400
	3134GV6S2	07-15-25	C	0.770%		2,000,740	2,000,740	880	1,283
Federal Home Loan Mig Corp		07-15-20		0.730%		2,000,000	2,000,000	260	14,600
	3136G4YU1	07-15-25	C	0.730%		2,000,260	2,000,260	1,120	1,217
Federal Home Loan Mig Corp		07-23-20		0.700%		1,500,000	1,500,000	240	10,500
	3136G4YV9	07-23-25	C	0.700%		1,500,240	1,500,240	900	875
Federal National Mortgage Assn		08-26-20		0.500%		2,000,000	2,000,000	(5,420)	10,000
	3136G42E2	08-26-25	C	0.500%		1,994,580	1,994,580	0	833
Government National Mortgage Association II Pool		01-24-94		8.500%		N/A	233	(11)	19
	36202AHH3	09-20-22		8.390%			222	(13)	2
TOTAL FIXED INCOME INVESTMENTS									
All are in safekeeping with BNY Western Trust Company									
				N/A		N/A	94,395,808	67,425	791,839
				0.840%			94,463,233	114,971	65,987

**CITY OF TULARE
TREASURER'S EXECUTIVE SUMMARY
AUGUST 31, 2020**

**BOOK VALUE
MARKET VALUE
DIFFERENCE**

CHANGES IN BALANCES AND YIELDS:

CATEGORY	BOOK VALUE			MARKET VALUE			AVERAGE STATED YIELD		
	AUGUST	JULY	CHANGE	AUGUST	JULY	CHANGE	AUGUST	JULY	CHANGE
Total Investments	171,588,544	168,870,809	2,717,735	N/A	N/A	N/A	N/A	N/A	N/A
	<u>171,894,240</u>	<u>169,160,766</u>	<u>2,733,474</u>						
	305,696	289,957	15,739						
Unrestricted Investments	144,239,947	140,187,267	4,052,680	0.811%	0.946%	-0.135%			
	<u>144,545,643</u>	<u>140,477,224</u>	<u>4,068,419</u>						
	305,696	289,957	15,739						
Restricted Investments	27,348,597	28,683,542	(1,334,945)	N/A	N/A	N/A	N/A	N/A	N/A
	<u>27,348,597</u>	<u>28,683,542</u>	<u>(1,334,945)</u>						
	0	0	0						
Local Agency Investment Fund (LAIF)	48,500,000	34,500,000	14,000,000	0.784%	0.920%	-0.136%			
	<u>48,738,271</u>	<u>34,669,491</u>	<u>14,068,780</u>						
	238,271	169,491	68,780						
Fixed Income Investments (Total)	94,395,808	103,895,822	(9,500,014)	0.840%	0.970%	-0.130%			
	<u>94,463,233</u>	<u>104,016,288</u>	<u>(9,553,055)</u>						
	67,425	120,466	(53,041)						
Commerical Paper	0	0	0	0.000%	0.000%	0.000%			
	<u>0</u>	<u>0</u>	<u>0</u>						
	0	0	0						

TRANSACTIONS (BOOK VALUE): *

CATEGORY	PURCHASES	SALES / CALLS
Fixed Income Investments		Fixed Income Investments
Federal National Mortgage Assn, .52%	2,000,000	Government National Mortgage Assn. Pool 14
Federal National Mortgage Assn, .60%	2,000,000	Federal Home Ln Mortgage Corp, 1.625% 2,500,000
Federal National Mortgage Assn, .50%	2,000,000	Federal Home Ln Mortgage Corp, 1.75% 2,000,000
		Federal Home Ln Mortgage Corp, 1.625% 2,000,000
		Federal Home Ln Mortgage Corp, 1.875% 2,000,000
		Federal Home Loan Banks, 1.850% 2,000,000
		Federal Home Ln Mortgage Corp, 1.70% 3,000,000
		Federal Home Ln Mortgage Corp, .90% 2,000,000
	<u>6,000,000</u>	<u>15,500,014</u>

**CITY OF TULARE
INVESTMENTS BALANCE AND YIELD HISTORY FOR EIGHT MONTHS
AUGUST 31, 2020**

**BOOK VALUE
MARKET VALUE
DIFFERENCE**

BALANCES:

CATEGORY	JULY 2020	JUNE 2020	MAY 2020	APRIL 2020	MARCH 2020	FEBRUARY 2020	JANUARY 2020	DECEMBER 2019
Total Investments	168,870,809 <i>169,160,766</i>	170,861,038 <i>171,296,394</i>	165,843,005 <i>166,437,308</i>	166,642,140 <i>167,185,686</i>	160,802,823 <i>161,042,532</i>	158,825,720 <i>159,013,585</i>	159,460,643 <i>159,569,550</i>	141,352,789 <i>141,298,362</i>
	289,957	435,356	594,303	543,546	239,709	187,865	108,907	(54,427)
Unrestricted Investments	140,187,267 <i>140,477,224</i>	143,578,103 <i>144,013,459</i>	137,990,790 <i>138,585,093</i>	138,181,071 <i>138,724,617</i>	130,789,038 <i>131,028,747</i>	130,548,781 <i>130,736,646</i>	127,672,437 <i>127,781,344</i>	128,223,897 <i>128,169,470</i>
	289,957	435,356	594,303	543,546	239,709	187,865	108,907	(54,427)
Restricted Investments	28,683,542 <i>28,683,542</i>	27,282,935 <i>27,282,935</i>	27,852,215 <i>27,852,215</i>	28,461,069 <i>28,461,069</i>	30,013,785 <i>30,013,785</i>	28,276,939 <i>28,276,939</i>	31,788,206 <i>31,788,206</i>	13,128,892 <i>13,128,892</i>
	0	0	0	0	0	0	0	0
Local Agency Investment Fund (LAIF)	34,500,000 <i>34,669,491</i>	44,000,000 <i>44,329,165</i>	63,000,000 <i>63,471,304</i>	51,800,000 <i>52,187,517</i>	24,500,000 <i>24,543,372</i>	42,000,000 <i>42,074,353</i>	43,000,000 <i>43,076,123</i>	36,500,000 <i>36,564,616</i>
	169,491	329,165	471,304	387,517	43,372	74,353	76,123	64,616
Fixed Income Investments (Total)	103,895,822 <i>104,016,288</i>	97,395,835 <i>97,502,026</i>	64,898,098 <i>65,021,097</i>	77,398,111 <i>77,554,140</i>	90,750,624 <i>90,946,961</i>	77,748,862 <i>77,862,374</i>	73,747,374 <i>73,780,158</i>	77,247,387 <i>77,128,344</i>
	120,466	106,191	122,999	156,029	196,337	113,512	32,784	(119,043)
Commerical Paper	0 <i>0</i>	0 <i>0</i>	7,761,100 <i>7,761,100</i>	7,761,100 <i>7,761,100</i>	7,761,100 <i>7,761,100</i>	8,100,000 <i>8,100,000</i>	7,900,000 <i>7,900,000</i>	7,900,000 <i>7,900,000</i>
	0	0	0	0	0	0	0	0

AVERAGE STATED YIELDS:

Unrestricted Investments	0.946%	1.162%	1.672%	1.858%	1.833%	2.020%	2.064%	2.030%
Restricted Investments	N/A							
Local Agency Investment Fund (LAIF)	0.920%	1.217%	1.363%	1.648%	1.787%	1.912%	1.967%	2.043%
Fixed Income Investments (Total)	0.970%	1.020%	1.530%	1.620%	1.650%	1.740%	1.790%	1.790%
Commerical Paper			6.000%	6.000%	6.000%	6.000%	6.000%	6.000%

AGENDA ITEM: Consent 5

**CITY OF TULARE, CA
AGENDA ITEM TRANSMITTAL SHEET**

Submitting Department: Fire Department

For Board Meeting of: October 6, 2020

Documents Attached: Ordinance Resolution Staff Report Other None

AGENDA ITEM:

Authorize the donation of a surplus fire engine to Municipio de Loreto Baja California Sur H. Cuerpo de Bomberos, Baja California Sur, México.

IS PUBLIC HEARING REQUIRED: Yes No

BACKGROUND/EXPLANATION:

The City of Tulare Fire Department, through adopted fleet replacement procedures has replaced unit #113, a 1996 Central States fire engine. The associated costs to maintain the unit in a serviceable, reserve capacity is not economically feasible; therefore, the vehicle has exceeded its useful service life for the City of Tulare.

Many Fire Departments throughout the nation commonly donate apparatus and equipment that no longer meet standards or serviceability benchmarks to cities in Mexico whose departments cannot otherwise afford to purchase the equipment due to limited funding. The Fire Department seeks to donate, to Municipio de Loreto Baja California Sur H. Cuerpo de Bomberos, Baja California Sur, México.

<i>Unit #</i>	<i>Year</i>	<i>Make</i>	<i>Model</i>
113	1996	Central States	Triple Combination Pumper (Fire Engine)

STAFF RECOMMENDATION:

Authorize the donation of a surplus fire engine to Municipio de Loreto Baja California Sur H. Cuerpo de Bomberos, Baja California Sur, México.

CITY ATTORNEY REVIEW/COMMENTS: Yes N/A

IS ADDITIONAL (NON-BUDGETED) FUNDING REQUIRED: Yes No N/A

Submitted by: Luis Nevarez

Title: Fire Chief

Date: September 22, 2020

City Manager Approval: _____

**CITY OF TULARE, CA
AGENDA ITEM TRANSMITTAL SHEET**

Submitting Department: Human Resources

For Council Meeting of: October 6, 2020

Documents Attached: Ordinance Resolution Staff Report

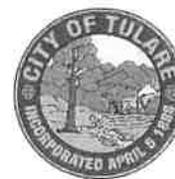
**CENTRAL SAN JOAQUIN VALLEY RISK MANAGEMENT AUTHORITY
CLAIM FORM**

Return completed form to: Risk Management
City of Tulare
411 E. Kern Avenue
Tulare, CA 93274
(559) 684-4202

(Please Type Or Print)

RECEIVED

SEP 08 2020



CLAIM AGAINST City of Tulare
(Name of Entity)

Claimant's name: Ted Harvell

SS#: XXX-XX-2316 DOB: 01/17/1958 Gender: Male Female

Claimant's address: 2120 S. Sante Fe Space J10, Visalia, CA 93292 Telephone: (559) 210-1820

Address where notices about claim are to be sent, if different from above: Berg injury Lawyers
1317 Oakdale Rd., Suite 500, Modesto, CA 95355

Date of incident/accident: 05/06/2020

Date injuries, damages, or losses were discovered: 05/06/2020

Location of incident/accident: See Page 3

What did entity or employee do to cause this loss, damage, or injury? See Pages 3 and 4

(Use back of this form or separate sheet if necessary to answer this question in detail.)

What are the names of the entity's employees who caused this injury, damage, or loss (if known)? City of Tulare and
all of its departments, and/or agents, servants, employees, and independent contractors.

What specific injuries, damages, or losses did claimant receive? See Page 4

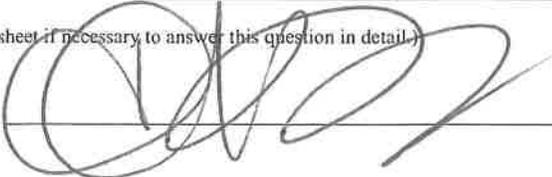
(Use back of this form or separate sheet if necessary to answer this question in detail.)

What amount of money is claimant seeking or, if the amount is in excess of \$10,000, which is the appropriate court of jurisdiction. Note: If Superior and Municipal Courts are consolidated, you must represent whether it is a "limited civil case" [see Government Code 910(f)]

In excess of \$25,000.00, unlimited jurisdiction

How was this amount calculated (please itemize)?
economic and non economic damages

(Use back of this form or separate sheet if necessary to answer this question in detail.)

Date Signed: 08/31/2020 Signature: 

If signed by representative:
Representative's Name Harmandeep Kaur Address 1317 Oakdale Rd, Suite 500, Modesto, CA 95355
Telephone # (209) 575-3600
Relationship to Claimant Attorney

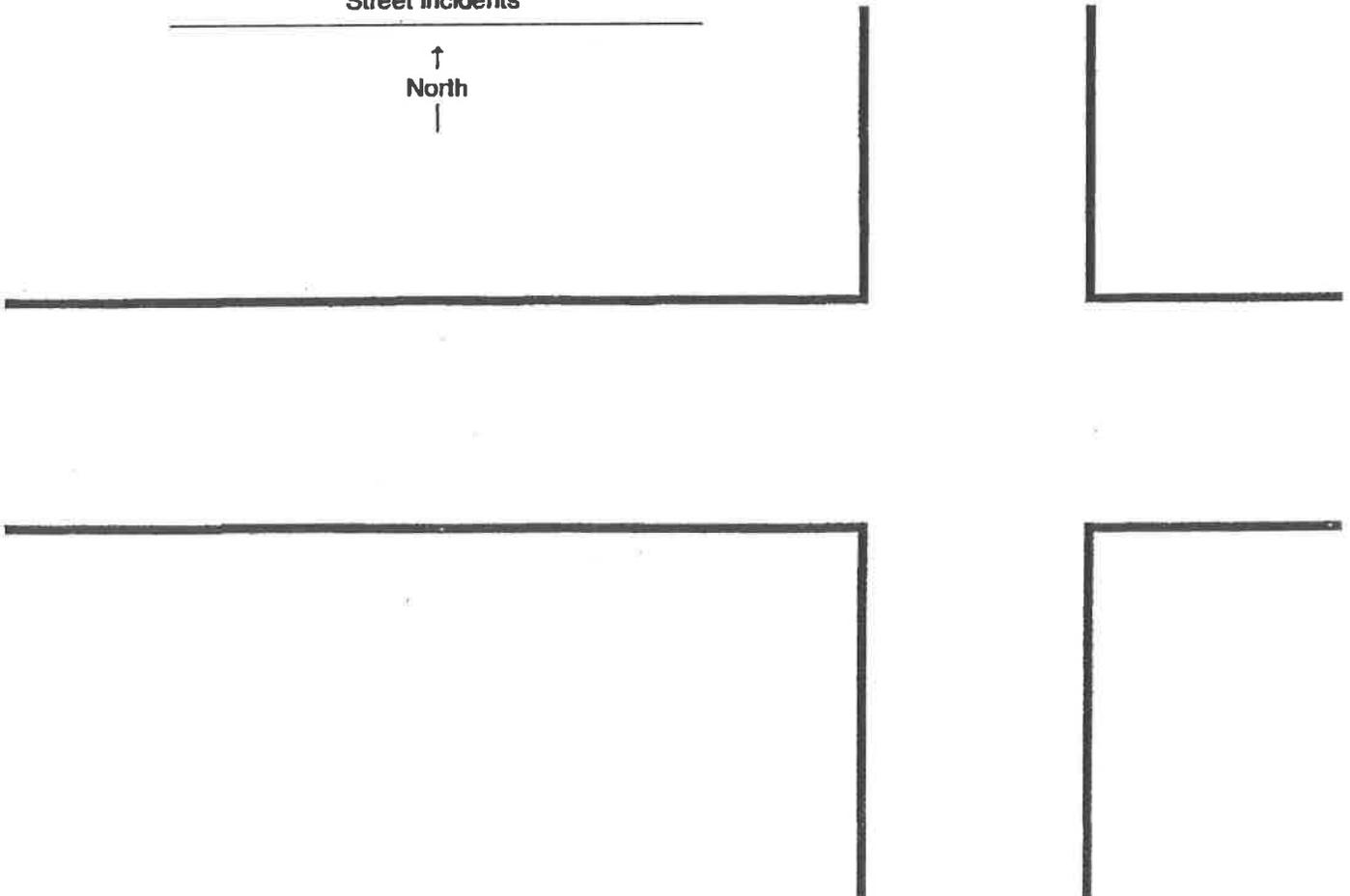
DIAGRAMS

General Diagram

↑
North
|

Street Incidents

↑
North
|



Location of incident/accident?

Los Angeles Street, at or near its intersection with Elm Street, in the City of Tulare, County of Tulare, State of California.

What did Entity or employee do to cause this loss, damage, or injury:

On May 6, 2020, at approximately 1:31 p.m. Claimant, Ted Harvell was operating a motor vehicle traveling southbound on Los Angeles Street approaching the intersection with Elm Street, in the City of Tulare, County of Tulare, State of California, when said vehicle was struck by a motor vehicle operated by Salas Gabriela, traveling westbound on Elm Street. (See Tulare Police Department Traffic Collision Report TA2002217 attached hereto).

On May 6, 2020, and for some time prior thereto, the City of Tulare, by and through its departments, and/or agents, servants, employees, and independent contractors, (hereinafter referenced to collectively as "Defendants") negligently and carelessly planned, constructed, owned, operated, controlled, maintained, inspected, regulated, repaired, warned, and equipped Los Angeles Street, at its intersection with Elm Street, Tulare, CA, and the traffic controls, structures, shoulders, curb, areas next to the shoulder, landscape and foliage, signs, warnings, striping, delineation, cross-sections, speed limits, alignment and other things, upon, adjacent, and appurtenant thereto, and the approaches to the accident location such that the same were caused and allowed to be, and were, in a dangerous and/or defective condition, constituting, in certain respects, a concealed trap for motorists thereon, in that, among other things: the traffic control devices or lack thereof, speed advisory signs or lack thereof, structures, alignment, grade, the shoulder, shoulder width, shoulder consistency, curb, roadway striping marking, delineation, roadway edge, shoulder edge and lane width were in a dangerous and/or defective condition. Further said public entity failed to provide an adequate and safe clear zone, failed to provide an adequate and safe recovery area, failed to remove foliage, and structures located in clear zone next to roadway, failed to provide traffic control devices, failed to provide speed reduction and speed advisory signs, failed to provide adequate, safe useable shoulders, failed to keep shoulders clear of visual obstructions, failed to provide travel path free of obstructions causing a traffic hazard, failed to provide adequate warnings and failed to provide safe, adequate protection from vehicles entering the roadway and/or intersection, and failed to prevent vehicles from colliding with objects, structures, and/or obstacles next to the roadway. Other conditions as yet unknown may have contributed to the dangerous and defective character of said public property, and to its concealed traps, and Claimant will pray leave to assert same as they become known. By reason of the foregoing, said public property was in a dangerous and defective condition, constituting, in various respects, a concealed trap for motorists using same, and creating a substantial risk of harm to persons using same, and the property adjacent thereto, with due care in a manner in which it was reasonably foreseeable said public property would be used. Also, said Defendants were further negligent and careless in that, by and through their agents, servants, employees, and independent contractors, they knew, or in the exercise of ordinary care should have known, of the

dangerous condition of said public property, of the concealed traps thereby created for those using same, and of the risk of injury created thereby, and nevertheless failed to remedy said condition, although having a reasonable opportunity to do so. Defendants further negligently trained, supervised, and/or hired the employees who designed, engineered, planned, landscaped, lighted, maintained, tested, and/or otherwise worked on the subject roadway and/or intersection. As the employer of negligent employees, Defendants are vicariously liable for all damages caused by said negligence.

Defendants' said actions/inactions were the actual and proximate cause of Claimant Ted Harvell's injuries. As a direct and proximate result of said actions/inactions of Defendants, Claimant, Ted Harvell, sustained physical injuries and damages as herein alleged.

What specific injury, damages, or losses did claimant received?

Claimant Ted Harvell, suffered trauma to his head and laceration to his scalp, requiring staples and hospitalization, loss of consciousness, fractured spine, multiple contusion and abrasions, permanent scarring, and trauma to his neck and shoulders, as well as damages to his mind and spirit in general. Claimant also suffered property damage, and future potential wage loss.

AGENDA ITEM: Consent 7

**CITY OF TULARE, CA
AGENDA ITEM TRANSMITTAL SHEET**

Submitting Department: Information Technology

For Council Meeting of: October 6, 2020

Documents Attached: Ordinance Resolution Staff Report Other None

AGENDA ITEM:

Authorize the City Manager to sign a contract with AMS.net, utilizing the Merced County FOCUS contract in the amount of \$57,970.94 subject to minor conforming changes acceptable to the City Manager and City Attorney to provide and install additional security cameras to Tulare Police Department and City Hall. Authorize the City Manager or designee to approve contract change orders in an amount not to exceed 10% (\$5,797.09).

IS PUBLIC HEARING REQUIRED: Yes No

BACKGROUND/EXPLANATION:

Included in the FY2020-2021 Capital Improvement Project budget is a project to add additional video security cameras to the Tulare Police Department and City Hall. Included in this contract is the installation and configuration of multiple additional security cameras. Department heads and managers in the Police Department and City Hall have reviewed and discussed the locations and functions of the additional cameras included in this contract.

AMS.net is an experienced technology solution provider that has been in business over 30 years and work primarily with governmental and educational agencies in California. They are very experienced in reporting requirements for the improvements of public facilities. AMS.net has previously performed work on the existing video security systems for the City of Tulare.

The Fast-Open Contracts Utilization Services (FOCUS) program established under State of California procurement guidelines (Gov. Code 25330-25338), is a competitively bid procurement vehicle for counties, cities, schools, to use in the direct purchase of technology needs through established public entity (County) contracts. The purpose of this FOCUS program is to provide the means for counties, cities, schools, special districts and other government entities in California and nationally to purchase needed technology solutions through a formally bid contractual relationship. FOCUS also provides the means for governments to reduce their costs of procurement while leveraging their dollars with other governments to achieve greater buying power.

STAFF RECOMMENDATION:

Authorize the City Manager to sign a contract with AMS.net, utilizing the Merced County FOCUS contract in the amount of \$57,970.94 subject to minor conforming changes acceptable to the city manager and city attorney to provide and install additional security cameras to Tulare police de-

partment and City hall. Authorize the City Manager or designee to approve contract change orders in an amount not to exceed 10% (\$5,797.09).

IS ADDITIONAL (NON-BUDGETED) FUNDING REQUIRED: **Yes** **No** **N/A**

Submitted by: Jason Bowling

Title: IT Manager

Date: September 23, 2020

City Manager Approval:_____

PROFESSIONAL SERVICES AGREEMENT

IT0046 – City Hall / Police Department Video Cameras

This Agreement, entered into this [REDACTED] day of [REDACTED], 2020, by and between the City of Tulare, hereinafter referred to as the "CITY", and AMS.net hereinafter referred to as the "CONSULTANT".

W I T N E S S E T H

WHEREAS, the CITY is authorized and empowered to employ consultants and specialists in the performance of its duties and functions; and

WHEREAS, the CITY has the desire to secure certain technical and professional services to assist in the preparation and completion of the items of work that will be described in project specific Task Orders; and

WHEREAS, the CONSULTANT represents it is licensed, qualified and willing to provide such services pursuant to terms and conditions of this Agreement.

NOW, THEREFORE, CITY and CONSULTANT agree as follows:

I. SERVICES TO BE PERFORMED BY THE CONSULTANT

A. Authorized Scope of Work

The CONSULTANT agrees to pay for and perform all work necessary to complete in a manner consistent with prevailing professional practice those tasks described in Exhibit "A", attached hereto and incorporated herein by this reference. Any conflict between Exhibit "A" and any exhibit attached thereto, and the provisions of this Agreement shall be construed in favor of the provisions provided herein.

B. Additional Services

Incidental work related to the PROJECT and not provided for in Exhibit "A" may be needed during the performance of this Agreement. The rate for such additional service will be agreed to by CITY and CONSULTANT prior to commencement of work. Such additional services shall not be performed by CONSULTANT without the express written consent of CITY.

B. TIME OF PERFORMANCE

The CONSULTANT shall commence performance of this Agreement on or about October 15th 2020 The various tasks involved in the PROJECT shall be completed no later than January 1st 2021 provided Customer has completed benchmarks as required and delineated in Scope of Work.

Time extensions shall be granted only for good cause as determined at the sole discretion of the CITY.

If the CONSULTANT fails to complete the PROJECT within the time specified, plus any extensions of time which may be granted, the CITY shall determine the percent of each work item completed and shall pay the CONSULTANT on that basis.

C. COMPENSATION

A. Total Compensation

For equipment and services performed pursuant to this Agreement, the CITY agrees to pay and the CONSULTANT agrees to accept, as payment in full, Fifty Seven Thousand nine hundred seventy and ninety four cents (\$57,970.94) for all hours worked.

B. Equipment and Software

CITY agrees to pay and CONSULTANT agrees to accept payment for billing invoices for equipment and software provided under this Agreement according to the following: 50% shall be invoiced on contract signing. The remaining 50% shall be invoiced to the CITY concurrently with the delivery of equipment and software to City of Tulare. Payment by CITY shall be within thirty (30) days following the first of the month for which payment is due, subject to CITY accounting procedures. CITY shall pay any and all taxes based on or in any way computed with reference to the equipment being provided under this Agreement, including but not limited to sales taxes but excluding taxes based on the CONSULTANT's net income.

C. Services

CITY agrees to pay and CONSULTANT agrees to accept payment for services for each order independently in Exhibit "A" once, work on that order is completed and accepted. Payment by CITY shall be within thirty (30) days following the first of the month for which payment is due, subject to CITY accounting procedures.

D. AUTHORIZED REPRESENTATIVE

- A. CITY: The IT Manager of the City of Tulare, Jason Bowling shall represent the CITY in all matters pertaining to the services to be rendered under this Agreement, except where approval of the City Council of the City of Tulare is specifically required.
- B. CONSULTANT: Sean Harrington shall represent and act as principle for CONSULTANT in all matters pertaining to the services to be rendered by it under this Agreement.

E. TERMINATION

The right to terminate this Agreement, with or without cause, may be exercised without prejudice to any other right or remedy to which the terminating party may be entitled at law or under this Agreement.

- A. Termination By Either Party Without Cause: The CITY or CONSULTANT may terminate this Agreement at any time by giving written notice to the other of such termination and specifying the effective date thereof, at least fifteen (15) days before the effective date of such termination.
- B. Termination of Agreement for Cause: The CITY may by written notice to the CONSULTANT specifying the effective date thereof, at least fifteen (15) days before the effective date of such termination, terminate the whole or any part of this Agreement in any of the following circumstances:
 - 1. If the CONSULTANT fails to perform the services called for by this Agreement within time(s) specified herein or any extension thereof; or

2. If the CONSULTANT fails to make progress under this Agreement as to endanger performance of this Agreement in accordance with its terms, and does not correct such failure within a period of ten (10) days (or longer period as the CITY may authorize in writing) after receipt of notice from the CITY specifying such failure.

C. Post-Termination:

1. In the event the CITY terminates this Agreement with or without cause, the CITY may procure, upon such terms and such manner as it may determine appropriate, services similar to those terminated.
2. Except with respect to defaults of sub consultants, the CONSULTANT shall not be liable for any excess costs if the failure to perform this Agreement arises out of causes beyond the control and without the fault or negligence of the CONSULTANT. Such causes include, but are not limited to, acts of God or of the public enemy, floods, epidemics, quarantine restrictions, strikes, and unusually severe weather; but in the event the failure to perform is caused by the default of a sub consultant, the CONSULTANT shall not be liable for failure to perform, unless the services to be furnished by the sub consultant were obtainable from other sources in sufficient time and within budgeted resources to permit the CONSULTANT to meet the required delivery schedule or other performance requirements.
3. Should the Agreement be terminated with or without cause, the CONSULTANT shall provide the CITY with all finished and unfinished documents, data, studies, services, drawings, maps, models, photographs, reports, etc., prepared by the CONSULTANT pursuant to this Agreement.
4. Upon termination, with or without cause, CONSULTANT will be compensated for the services satisfactorily completed to the date of termination according to compensation provisions contained herein. In no event, shall the total compensation paid CONSULTANT exceed the total compensation agreed to herein.
5. If, after notice of termination of this Agreement, as provided for in this article, it is determined for any reason that the CONSULTANT was not in default under the provisions of this article, then the rights and obligations of the parties shall be the same as if the Agreement was terminated without cause.
6. Termination of this Agreement shall not terminate any obligation to indemnify, to maintain and make available any records pertaining to the Agreement, to cooperate with any audit, to be subject to offset, or to make any reports of pre-termination activities.

F. INTEREST OF OFFICIALS AND THE CONSULTANT

- A. No officer, member, or employee of the CITY who exercises any functions or responsibilities in the review or approval of this Agreement shall:
1. Participate in any decision relating to this Agreement which effects his personal interest or the interest of any corporation, partnership, or association in which he has, directly or indirectly, any interest; or
 2. Have any interest, direct or indirect, in this Agreement or the proceeds thereof during his tenure or for one year thereafter.

- B. The CONSULTANT hereby covenants that he has, at the time of the execution of this Agreement, no interest, and that he shall not acquire any interest in the future, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed pursuant to this Agreement. The CONSULTANT further covenants that in the performance of this work, no person having any such interest shall be employed.

G. NO PERSONNEL AGENCY, COMMISSION, OR CONTINGENT FEE

The CONSULTANT warrants, by execution of this Agreement, that no personnel agency has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, excepting bona fide established commercial or selling agencies maintained by the CONSULTANT for the purpose of securing business. For breach or violation of this warranty, the CITY shall have the right to annul this Agreement without liability or, in its discretion, to deduct from this Agreement price or consideration, or otherwise recover, the full amount of such fee, commission, percentage, brokerage fee, gift, or contingent fee.

H. SUBCONTRACTING

- A. The CONSULTANT shall not subcontract or otherwise assign any portion of the work to be performed under this Agreement without the prior written approval of the CITY.
- B. In no event shall the CONSULTANT subcontract work in excess of 50% of the contract amount, excluding specialized services. Specialized services are those items not ordinarily furnished by a consultant performing the particular type of project.
- C. All subcontracts exceeding \$25,000 shall contain all provisions required of the prime contract.

I. INDEPENDENT CONTRACTOR

In the performance of the services herein provided for, the CONSULTANT shall be, and is, an independent contractor and is not an agent or employee of the CITY. The CONSULTANT has and shall retain the right to exercise full control and supervision of all persons assisting the CONSULTANT in the performance of said services hereunder. The CONSULTANT shall be solely responsible for all matters relating to the payment of its employees including compliance with social security and income tax withholding and all other regulations governing such matters.

J. SPECIFICATIONS

All specifications, manuals, standards, etc., either attached to this Agreement or incorporated by reference, are binding as to the performance of the work specified in this Agreement unless they are changed by written amendment to this Agreement modified in writing to incorporate such changes.

K. DOCUMENTS/DATA

- A. Ownership of Documents: All original papers and documents, produced as a result of this Agreement, shall become the property of the CITY. In addition, CITY shall be provided with access and use of any other papers and documents consistent with the purpose and scope of services covered by this Agreement. Any additional copies, not otherwise provided for herein, shall be the responsibility of the CITY.

Documents, including drawings and specifications, prepared by CONSULTANT pursuant to this Agreement, are not intended or represented to be suitable for reuse by CITY or others on extensions of the PROJECT or on any other project. Any use of the completed documents for other projects and any use of incomplete documents without the specific written authorization from CONSULTANT will be at CITY's sole risk and without liability to CONSULTANT. Further, any and all liability arising out of changes made to CONSULTANT's deliverables under this Agreement by CITY or persons other than CONSULTANT is waived as against CONSULTANT, and the CITY assumes full responsibility for such changes unless the CITY has given CONSULTANT prior notice and has received from CONSULTANT written consent for such changes.

- B. Publication: No report, information, or other data given or prepared or assembled by the CONSULTANT pursuant to this Agreement, shall be made available to any individual or organization by the CONSULTANT without the prior written approval of the CITY. Notwithstanding the foregoing, however, the CONSULTANT shall not be required to protect or hold in confidence and confidential information which (1) is or becomes available to the public with the prior written consent of the CITY; (2) must be disclosed to comply with law; or (3) must be disclosed in connection with any legal proceedings.
- C. Copyrights: The CONSULTANT shall be free to copyright material developed under this Agreement with the provision that the CITY (and any funding agency) be given a nonexclusive and irrevocable license to reproduce, publish or otherwise use, and to authorize others to use the material for government or public purposes.
- D. Patent Rights: Applicable patent rights provisions described in 41 CFR 1-9.1 regarding rights to inventions shall apply to this agreement.

L. INDEMNIFICATION AND INSURANCE

- A. When the law establishes a professional standard of care for Consultant's Services, to the fullest extent permitted by law, Consultant shall indemnify, protect, defend, and hold harmless City and any and all of its officials, employees and agents from and against any and all losses, liabilities, damages, costs, and expenses, including legal Consultant's fees and costs but only to the extent the Consultant (and its SubConsultants), are responsible for such damages, liabilities and costs on a comparative basis of fault between the Consultant (and its SubConsultants) and the City in the performance of professional services under this agreement.
- B. Other than in the performance of professional services and to the full extent permitted by law, Consultant shall indemnify, defend, and hold harmless City, and any and all of its employees, officials and agents from and against any liability (including liability for claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including legal Consultant's fees and costs, court costs, interest, defense costs, and expert witness fees), where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, the performance of this Agreement by Consultant or by any individual or City for which Consultant is legally liable, including, but not limited to officers, agents, employees, or subcontractors of Consultant.
- C. Without limiting CITY's right to indemnification, it is agreed that CONSULTANT shall secure prior to commencing any activities under this Agreement, and maintain during the term of this Agreement, insurance coverage as follows:
 - 1. Workers' compensation insurance: Consultant shall maintain Workers' Compensation Insurance (Statutory Limits) and Employer's Liability Insurance with limits of at least one million dollars (\$1,000,000). Consultant shall submit to City, along with the certificate of insurance, a Waiver of Subrogation endorsement in favor of City, its officers, agents, employees, and volunteers

2. General liability insurance: Consultant shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office form CG 00 01, in an amount not less than one million dollars (\$1,000,000) per occurrence for bodily injury, personal injury, and property damage, including without limitation, blanket contractual liability. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit. Consultant's general liability policies shall be primary and shall not seek contribution from the City's coverage, and be endorsed using Insurance Services Office form CG 20 10 (or equivalent) to provide that City and its officers, officials, employees, and agents shall be additional insureds under such policies.
 3. Professional liability insurance: Consultant shall maintain professional liability insurance that insures against professional errors and omissions that may be made in performing the Services to be rendered in connection with this Agreement, in the minimum amount of two million dollars (\$2,000,000) per claim and in the aggregate. Any policy inception date, continuity date, or retroactive date must be before the effective date of this agreement, and Consultant agrees to maintain continuous coverage through a period no less than three years after completion of the services required by this agreement.
 4. Auto liability insurance: Consultant shall provide auto liability coverage for owned, non-owned, and hired autos using ISO Business Auto Coverage form CA 00 01, or the exact equivalent, with a limit of no less than one million dollars (\$1,000,000) per accident.
- D. CITY'S Risk Manager is hereby authorized to reduce the requirements set forth above in the event he/she determines that such reduction is in the CITY'S best interest.
- E. Each insurance policy required by this Agreement shall contain the following clause:

"This insurance shall not be canceled, limited in scope or coverage, or non-renewed until after thirty (30) days prior written notice has been given to the City Clerk, City of Tulare, 411 East Kern Avenue, Tulare, CA 93274."

In addition, the commercial general liability and comprehensive automobile liability policies required by this Agreement shall contain the following clauses:

"It is agreed that any insurance maintained by the City of Tulare shall apply in excess of and not contribute with insurance provided by this policy."

"The City of Tulare, its officers, agents, employees, representatives and volunteers are added as additional insured as respects operations and activities of, or on behalf of the named insured, performed under contract with the City of Tulare."

- F. Prior to commencing any work under this Agreement, CONSULTANT shall deliver to CITY insurance certificates confirming the existence of the insurance required by this Agreement, and including the applicable clauses referenced above. Within thirty (30) days of the execution date of this Agreement, CONSULTANT shall provide to CITY endorsements to the above-required policies, which add to these policies the applicable clauses referenced above. Said endorsements shall be signed by an authorized representative of the insurance company and shall include the signatory's company affiliation and title. Should it be deemed necessary by CITY, it shall be CONSULTANT's responsibility to see that CITY receives documentation acceptable to CITY which sustains that the individual signing said endorsements is indeed authorized to do so by the insurance company. CITY has the right to demand, and to receive within a reasonable time period, copies of any insurance policies required under this Agreement.

- G. In addition to any other remedies CITY may have if CONSULTANT fails to provide or maintain any insurance policies or policy endorsements to the extent and within the time herein required, CITY may, at its sole option:
1. Obtain such insurance and deduct and retain the amount of the premiums for such insurance from any sums due under the Agreement; or
 2. Order CONSULTANT to stop work under this Agreement and/or withhold any payment(s) which become due to CONSULTANT hereunder until CONSULTANT demonstrates compliance with the requirements hereof; or
 3. Terminate this Agreement.

Exercise of any of the above remedies, however, is an alternative to other remedies CITY may have and is not the exclusive remedy for CONSULTANT's failure to maintain insurance or secure appropriate endorsements.

Nothing herein contained shall be construed as limiting in any way the extent to which CONSULTANT may be held responsible for payments of damages to persons or property resulting from CONSULTANT's or its sub-consultant's performance of the work covered under this Agreement.

M. NON-DISCRIMINATION

CONSULTANT and all sub-consultants shall not discriminate against any employee or applicant for employment on the basis of race, color, national origin, or sex in the performance of this Agreement. The CONSULTANT shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of DOT-assisted contracts. Failure by the consultant to carry out these requirements is a material breach of this Agreement, which may result in the termination of this Agreement.

N. MISCELLANEOUS PROVISIONS

- A. Asbestos and Hazardous Materials: In providing its services hereunder, CONSULTANT shall not be responsible for identification, handling, containment, abatement, or in any other respect, for any asbestos or hazardous material if such is present in connection with the PROJECT. In the event the CITY becomes aware of the presence of asbestos or hazardous material at the jobsite, CITY shall be responsible for complying with all applicable federal and state rules and regulations, and shall immediately notify CONSULTANT, who shall then be entitled to cease any of its services that may be affected by such presence, without liability to CONSULTANT arising there from.
- B. Successors and Assigns: This Agreement shall be binding upon and shall inure to the benefit of any successors to or assigns of the parties.
- C. Prohibition of Assignment: Neither the CITY nor CONSULTANT shall assign, delegate or transfer their rights and duties in this Agreement without the written consent of the other party.
- D. Dispute/Governing Law: Any dispute not resolvable by informal arbitration between the parties to this Agreement shall be adjudicated in a Court of Law under the laws of the State of California.
- E. Notices: Notice shall be sufficient hereunder if personally served upon the City Clerk of the CITY or an officer or principal of the CONSULTANT, or if sent via the United States Postal Service, postage prepaid, addressed as follows:

CITY OF TULARE:

CONSULTANT:

411 East Kern Avenue
Tulare, CA 93274
Attention: City Clerk

Attention: _____

- F. Jurisdiction/Venue/Waiver Of Removal: This Agreement shall be administered and interpreted under the laws of the State of California. Jurisdiction of litigation arising from this Agreement shall be in that State. Any action brought to interpret or enforce this Agreement, or any of the terms or conditions hereof, shall be brought in Tulare County, California. The CONSULTANT hereby expressly waives any right to remove any action to a county other than Tulare County as permitted pursuant to Section 394 of the California Code of Civil Procedure.
- G. Integration/Modification: This Agreement and each of the exhibits referenced herein, which are incorporated by reference, represents the entire understanding of the CITY and the CONSULTANT as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered hereunder. This Agreement may not be modified or altered except in writing signed by the CITY and the CONSULTANT.
- H. Conflict With Law: If any part of this Agreement is found to be in conflict with applicable laws, such part shall be inoperative, null and void insofar as it is in conflict with said law, but the remainder of the Agreement shall be in full force and effect.
- I. Attorney's Fees: In the event either party commences any action, arbitration or legal proceedings for the enforcement of this Agreement, the prevailing party, as determined by the court or arbitrator, shall be entitled to recovery of its attorney's fees and court costs incurred in the action brought thereon.
- J. Construction: This Agreement is the product of negotiation and compromise on the part of each party and the parties agree, notwithstanding Civil Code Section 1654 that in the event of uncertainty the language will not be construed against the party causing the uncertainty to exist.
- K. Authority: Each signatory to this Agreement represents that it is authorized to enter into this Agreement and to bind the party to which its signature represents.
- L. Headings: Section headings are provided for organizational purposes only and do not in any manner affect the scope or intent of the provisions there under.

O. ADDITIONAL MISCELLANEOUS PROVISIONS

- A. Record Retention: The City, State, or their duly authorized representatives shall have access to any documents, books, papers, and records of the consultant (which are directly pertinent to the project) for the purpose of making an audit, examination, excerpts, and transcripts. The consultant shall maintain all required records for at least three (3) years after final payment on the project and all pending matters are closed. This also applies to all subcontracts in excess of \$25,000.
- B. Cost Principles: Contract Cost Principles and Procedures, 48 CFR, Federal Acquisition Regulations System, Chapter 1, Part 31 et seq., are the governing factors regarding allowable elements of cost. Administrative requirements are set forth in 49 CFR, Part 18 Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments. This also applies to all subcontracts in excess of \$25,000.
- C. Changes in Work: If changes in scope, character, or complexity become desirable or necessary as work progresses, adjustments to the agreement may be made in writing signed by the CITY and CONSULTANT. In special cases, where it is essential that extra work be performed immediately, execution of the supplemental agreement covering the changes will be accomplished as soon as possible. This agreement shall provide for the preparation and submittal of contract change orders when applicable. There shall be no charge to the City when the change order is required to correct errors or omissions by the Service Provider

- D. General Compliance with Laws and Wage Rates: CONSULTANT shall be required to comply with all federal, state, and local laws and ordinances applicable to the work. This includes compliance with prevailing wage rates and their payment in accordance with California Labor Code, Section 1775.
- E. Compliance with the Copland "Anti-Kickback" Act (18 USC 874): CONSULTANT is prohibited from inducing, by any means, any person involved in the construction, completion, or repair of public work, to give up any part of the compensation to which he/she is otherwise entitled (all suspected or reported violations shall be reported to the City).
- F. Consultant's Endorsement: The responsible CONSULTANT shall sign plans, specifications, and estimates and engineering data furnished by him/her and where appropriate, indicate his/her California engineering registration number.
- G. Clean Air and Water: Applicable to Contracts in Excess of \$100,000.
1. Definition. "Facility" means an building, plant, installation, structure, mine, vessel, or other floating craft, location, or site of operations, owned, leased, or supervised by the Consultant or and sub-consultant, used in the performance of the Contract or any subcontract. When a location or site of operations includes more than one building, plant, installation, or structure, the entire location or site shall be deemed a facility except when the Administrator, or a designee, of the United States Environmental Protection Agency (EPA) determines that independent facilities are collocated in one geographical area.
 2. In compliance with regulations issued by the EPA, 2 C.F.R, part 1532, pursuant to the Clean Air Act, as amended (42 U.S.C. §. 7401 *et seq.*); the Federal Water Pollution Control Act, as amended (33 U.S.C. § 1251 *et seq.*); and Executive Order 11738, the Consultant agrees to:
 - a. Not utilize any facility in the performance of this contract or any subcontract which is listed on the EPA List of Violating Facilities pursuant to 2 C.F.R. part 1532 for the duration of time that the facility remains on the list;
 - b. Promptly notify the Owner if a facility the Consultant intends to use in the performance of this contract is on the EPA List of Violating Facilities of the Consultant knows that it has been recommended to be placed on the List;
 - c. Comply with all requirements of the Clean Air Act and the Federal Water Pollution Control Act, including the requirements of section 114 of the Clean Air Act and section 308 of the Federal Water Pollution control Act, and all applicable clean air and clean water standards.
- H. Equal Employment Opportunity: The Consultant shall be required to comply with Executive Order 11246, entitled "Equal Employment Opportunity," as amended by Executive Order 11375, and as supplemented in Department of Labor regulations (41 CFR Part 60).
1. The Recipient hereby agrees that it will incorporate or cause to be incorporated into any contract for construction work, or modification thereof, as defined in the regulations of the Secretary of Labor at 41 C.F.R. chapter 60, the following equal opportunity clause:

During the performance of this contract, the Consultant agrees as follows:

 - a. The Consultant will not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. The Consultant will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training including apprenticeship. The Consultant

- agrees to post in conspicuous places available to employees and applicants for employment notices to be provided setting forth the provisions of this nondiscrimination clause.
- b. The Consultant will, in all solicitations or advertisements for employees placed by or on behalf of the Consultant state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.
 - c. The Consultant will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding a notice to be provided advising the said labor union or workers representatives of the Consultant's commitments hereunder, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
 - d. The Consultant will comply with all provisions of Executive Order 11246 of September 24, 1965 and of the rules, regulations, and relevant orders of the Secretary of Labor.
 - e. The Consultant will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and pursuant to rules, regulations, and orders of the Secretary of Labor and will permit access to its books, records, and accounts by the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
 - f. In the event of the Consultant's noncompliance with the nondiscrimination clauses of this Contract or with any of the said rules, regulations, or orders, this Contract may be canceled, terminated, or suspended in whole or in part and the Consultant may be declared ineligible for further Government contracts or federally-assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulations or order of the Secretary of Labor, or as otherwise provided by law.
 - g. The Consultant will include the portion of the sentence immediately preceding paragraph 17(a) (1) and the provisions of paragraphs 17(a)(1) through (6) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each sub-consultant or vendor. The Consultant will take such action with respect to any subcontract or purchase order as EDA or the Secretary of Labor may direct as a means of enforcing such provisions, including sanctions for noncompliance. Provided, however, that in the event the Consultant becomes involved in or is threatened with litigation with or by a sub-consultant or vendor as a result of such direction by the Secretary of Labor, the Consultant may request the United States to enter into such litigation to protect the interests of the United States.
 - h. The Recipient further agrees that it will be bound by the above equal opportunity clause with respect to its own employment practices when it participates in federally-assisted construction work. Provided, however, that if the Recipient so participating is a State or local government, the above equal opportunity clause is not applicable to any agency, instrumentality, or subdivision of such government that does not participate in work on or under the Contract.
 - i. The Recipient agrees that it will assist and cooperate actively with the Secretary of Labor in obtaining the compliance of consultants and sub-consultants with the equal opportunity clause and the rules, regulations, and relevant orders of the Secretary of Labor, that it will furnish the Secretary of Labor such information as they may require for the supervision of such compliance, and that it will otherwise assist in securing compliance.
 - j. The Recipient further agrees that it will refrain from entering into any contract or contract modification subject to Executive Order 11246 of September 24, 1965, with a Consultant debarred from, or who has not demonstrated eligibility for, Government contracts and federally assisted construction contracts pursuant to the Executive order and will carry out such sanctions and penalties for violation of the equal opportunity clause as may be imposed upon consultants and sub-consultants by the Secretary of Labor pursuant to Part II, Subpart D of the Executive order.

2. Exemptions to Above Equal Opportunity Clause (41 C.F.R. chapter 60):

- a. Contracts and subcontracts not exceeding \$10,000 (other than Government bills of lading) are exempt. The amount of the Contract, rather than the amount of the federal financial assistance, shall govern in determining the applicability of this exemption.
 - b. Except in the case of sub-consultants for the performance of construction work at the site of construction, the clause shall not be required to be inserted in subcontracts below the second tier.
 - c. Contracts and subcontracts not exceeding \$10,000 for standard commercial supplies or raw materials are exempt.
- I. Monthly Reporting: The Contractor/Consultant shall submit a report on a monthly basis to the City covering the general progress of the job and describing any problems or factors being experienced.
- J. Federal Non-Discrimination Statutes: The Service Provider must comply with all Federal statutes relating to non-discrimination. These include but are not limited to:
1. Title VI of the Civil Rights Act of 1964 (P.L.88-352) which prohibits discrimination on the basis of race, color, or national origin;
 2. Section 112 of PL 92-45 and Title IX of the Education Amendments of 1972, as amended (20 U.S.C. 1681-1683, and 1685-1686) which prohibits discrimination on the basis of sex;
 3. Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C.794) which prohibits discrimination on the basis of handicaps;
 4. The Age Discrimination Act of 1975, as amended (42 U.S.C.6101-6107) which prohibits discrimination because of age;
 5. The Drug Abuse Office and Treatment Act of 1972 (P.L. 93-255), as amended, relating to non-discrimination on the basis of drug abuse;
 6. The Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L.91-616), as amended, relating to non-discrimination on the basis of alcohol abuse or alcoholism;
 7. Sections 523 and 527 of the Public Health Service Act of 1912 (42U.S.C. 290 dd-3 and 290ee-3), as amended, relating to confidentiality of alcohol and drug abuse patient records;
 8. Title VIII of the Civil Rights Act of 1968 (42 U.S.C. 3601 et. seq.), as amended, relating to non-discrimination in the sale, rental or financing of housing;
 9. Any other non-discrimination provisions in the specific statute(s) under which the application for Federal assistance is being made; and
 10. The requirements of any other non-discrimination statute(s) which may apply.

IN WITNESS WHEREOF, this Agreement is executed on the day and year first above written.

CITY OF TULARE:

CONSULTANT:

City Manager

By: _____
Authorized Signature

Attest:

Title: _____

Chief Deputy City Clerk

Approved as to Form:

Number: _____
Federal Employer Identification

City Attorney

Attachments:

Exhibit "A": Solution Proposal City of Tulare- Police Dept - Video Surveillance Upgrade - 92429

AGENDA ITEM: Consent 8

**CITY OF TULARE, CA
AGENDA ITEM TRANSMITTAL SHEET**

Submitting Department: Police Department

For Council Meeting of: October 6, 2020

Documents Attached: Ordinance Resolution Staff Report Other None

AGENDA ITEM:

Authorize the expenditure of State Department of Motor Vehicle Funds (DMV-Fund 37) in the amount of \$55,125.00 for the purchase of three (3) Automated License Plate Readers (ALPR) as well as associated software, licenses and hardware, including installation of same on existing Tulare Police Department patrol vehicles, from Lehr/Vigilant Solutions (Sacramento, CA).

IS PUBLIC HEARING REQUIRED: Yes No

BACKGROUND/EXPLANATION:

In accordance with the City of Tulare purchasing policy staff sought three quotes for the purchase of three ALPR systems. Following the review of these quotes staff has selected Lehr/Vigilant Solutions as a sole source vender, with whom we have an existing contract, for the purchase of the three ALPR systems, including software, licenses, hardware and installation of same.

This equipment is utilized to scan vehicles entered into the system as stolen or other Department of Justice (DOJ) entries such as at-risk missing persons or Amber Alerts. The data collected from this system is also shared with other agencies. With full implementation we will reduce the amount of stolen vehicle car chases and recover tens of thousands of dollars' worth of stolen property, as well as, increase officer safety.

These systems are funded through the DMV Auto Thefts Funds (Fund 37) and have been approved by its governing Board for expenditure and subsequent approval by the Tulare City Council in accordance with existing purchasing policies.

STAFF RECOMMENDATION:

Authorize the expenditure of State Department of Motor Vehicle Funds (DMV-Fund 37) in the amount of \$55,125.00 for the purchase of three (3) Automated License Plate Readers (ALPR) as well as associated software, licenses and hardware, including installation of same on existing Tulare Police Department patrol vehicles, from Lehr/Vigilant Solutions (Sacramento, CA).

CITY ATTORNEY REVIEW/COMMENTS: Yes N/A

IS ADDITIONAL (NON-BUDGETED) FUNDING REQUIRED: Yes No N/A

FUNDING SOURCE/ACCOUNT NUMBER: Fund #37 – State DMV Auto Theft Funds

Signed: Wes Hensley

Title: Chief of Police

Date: 9/28/2020

City Manager Approval: _____

Tulare Police Dept.

Memo

To: Auto Theft Funds Board

From: Fred Ynclan, Capt.

Date: 04/22/2020

Re: Auto Theft Funds request

Gentlemen,

Attached you will find a quote for 3) ALPR systems from Vigilant Solutions including installation. This is a four camera hi-def system that will replace existing cameras of the same brand. The current model installed on Tulare PD marked units are 7 years old and have become impossible to fix due to lack of parts. Also the age of the cameras make it difficult for firmware updates. We have had to take two systems out of service due to this reason.

The purpose for this equipment is to continuously scan our jurisdiction for vehicles entered into the system as stolen or other DOJ entries such as at-risk missing persons or Amber Alerts. The data collected from this system and its software is also shared with other agencies. With full implementation we will reduce the amount of stolen vehicle car chases and recover tens of thousands of dollars' worth of stolen property and increase officer safety. This is a sole source system as it will work in conjunction with already installed and upgraded software also provided by Vigilant Solutions.

Your consideration in this matter is greatly appreciated.

Respectfully Submitted,



Fred Ynclan, Capt.



Quote For:

**Tulare Police Department
Attn: Dave Hastings**

**Reference:
Mobile ALPR**

Quote By:

**Lehr
Steve Adair**

Date: 04-22-20



Be Smart. Be Safe. Be Vigilant.



Lehr
 4707 Northgate Blvd.
 Sacramento, California 95834
 (P) 916-267-5547



Issued To:	Tulare Police Department - Attention: Dave Hastings	Date:	04-22-20
Project Name:	Mobile ALPR	Quote ID:	STA-0856-01

PROJECT QUOTATION

We at Lehr are pleased to quote the following systems for the above referenced project:

Qty	Item #	Description
(3)	Mobile LPR SYS-1 CDM-4-2345RHD	Mobile LPR 4-Camera Reaper High-Definition System <u>Hardware:</u> <ul style="list-style-type: none"> • Qty=1 8mm lens package • Qty=1 12mm lens package • Qty=1 16mm lens package • Qty=1 25mm lens package • VLP-5200 Processing Unit • Wiring harness w/ ignition control (Direct to Battery) <ul style="list-style-type: none"> ◦ Single point power connection • Field installed GPS antenna <u>Software:</u> <ul style="list-style-type: none"> • CarDetector Mobile LPR software application for MDC unit <ul style="list-style-type: none"> ◦ LPR vehicle license plate scanning / real time alerting ◦ Full suite of LPR tools including video tool set
Subtotal Price (Excluding sales tax)		\$46,275.00

Qty	Item #	Description
(3)	SSUPSYS-COM	Vigilant System Start Up & Commissioning of 'In Field' LPR system <ul style="list-style-type: none"> • Vigilant technician to visit customer site • Includes system start up, configuration and commissioning of LPR system • Applies to mobile (1 System) and fixed (1 Camera) LPR systems
Subtotal Price (Excluding sales tax)		\$2,625.00

Qty	Item #	Description
(3)	VS-LBB-02-E	LPR Camera Mounting Brackets - Light Bar Mounting Style - Complete Set <ul style="list-style-type: none"> LPR Camera Mounting Bracket - Rooftop under light bar Compatible with most Whelen, Code3, TOMAR, Federal Signal, Arjent S2 Light Bars Mounts up to four (4) LPR cameras
Subtotal Price (Excluding sales tax)		\$3,285.00

Qty	Item #	Description
(3)	Installation	Installation of a Four Camer LPR System on a Patrol Vehicle. <ul style="list-style-type: none"> Installation at Lehr Sacramento Location
Subtotal Price (Excluding sales tax)		\$2,550.00

Qty	Item #	Description
(3)	VS-SHP-01	Vigilant Shipping Charges <ul style="list-style-type: none"> Applies to each Mobile LPR System Shipping Method is FOB Shipping
Subtotal Price (Excluding sales tax)		\$390.00

Quote Notes:

- All prices are quoted in USD and will remain firm and in effect for 60 days.
- Returns or exchanges will incur a 15% restocking fee.
- Orders requiring immediate shipment may be subject to a 15% QuickShip fee.
- No permits, start-up, installation, and or service included in this proposal unless explicitly stated above.
- Start Up and Training services are exclusive of travel costs - Cost to be borne BY OTHERS.
- Central compute resource hardware sold separately unless explicitly stated above.
- All hardware components to have standard One (1) year hardware warranty.
- All software to have standard one (1) year warranty for manufacturer defects.
- Compatibility with Vigilant Solutions hardware/software to be confirmed prior to sale.
- Software is manufactured under strict Vigilant Solutions standard.
- This Quote does not include anything outside the above stated bill of materials.
- Lehr is a Vigilant Solutions Sole Source provider for Tulare Police Department.

Quoted by: **Steve Adair - 916-267-5547 - steve@lehrauto.com**

Total Price (Excluding sales tax)	\$55,125.00
--	--------------------



Vigilant Solutions is about protecting officers, families and communities. Vigilant is about saving lives – creating innovative and essential intelligence solutions for law enforcement that enhance policing efforts. Intelligence can solve crimes, prevent crimes before they occur, and improve safety for officers and the public that they serve and protect. Vigilant’s solutions are designed to collect, organize and share data to credentialed law enforcement personnel, making intelligence actionable and readily accessible.

WHAT WE DO:



**REDUCE
CRIME RATES**



**OFFICER
SAFETY**



**INCREASE
EFFICIENCY &
PRODUCTIVITY**



**REVENUE
DISCOVERY/
RECOVERY**

OUR PRODUCTS:

- License Plate Recognition (LPR) Data and Analytics
- Fixed and Mobile LPR Cameras
- Facial Recognition
- Ballistics Analysis
- Crime Mapping and Analytics
- Campus Safety Solutions
- Parking Enforcement Solutions
- Corporate Security Solutions

BE SAFE. BE SMART. BE VIGILANT.

VIGILANTSOLUTIONS.COM • 925-398-2079

AB286/AB183/DMV Auto Theft Funds Board Approval
2020

Request received from: Tulare Police Department

Amount Requested: \$55,125.00

Funds will be used for:

To replace the existing cameras mounted on older marked units. The existing cameras are outdated and repairs are unable to be made due to parts being obsolete.

TCCA DMV Auto Theft Funds Board Approval:



Chief Popovich, Dinuba PD

8-31-2020

Date

✓

Chief Hall, Exeter PD

Date

✓

Captain Gilmore, CHP Visalia

Date

Reviewed by TCCA President:

Chief Kroutil, Porterville PD

Date

AB286/AB183/DMV Auto Theft Funds Board Approval
2020

Request received from: Tulare Police Department

Amount Requested: \$55,125.00

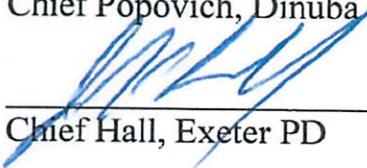
Funds will be used for:

To replace the existing cameras mounted on older marked units. The existing cameras are outdated and repairs are unable to be made due to parts being obsolete.

TCCA DMV Auto Theft Funds Board Approval:

Chief Popovich, Dinuba PD

Date



Chief Hall, Exeter PD

Date

8/31/20

Captain Gilmore, CHP Visalia

Date

Reviewed by TCCA President:

Chief Kroutil, Porterville PD

Date

**AB286/AB183/DMV Auto Theft Funds Board Approval
2020**

Request received from: Tulare Police Department

Amount Requested: \$55,125.00

Funds will be used for:

To replace the existing cameras mounted on older marked units. The existing cameras are outdated and repairs are unable to be made due to parts being obsolete.

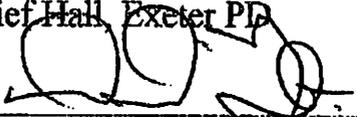
TCCA DMV Auto Theft Funds Board Approval:

Chief Popovich, Dinuba PD

Date

Chief Hall, Exeter PD

Date



Captain Gilmore, CHP Visalia

9/01/2020

Date

Reviewed by TCCA President:

Chief Kroutil, Porterville PD

Date

AGENDA ITEM: Gen Bus PH 1a

**CITY OF TULARE
AGENDA ITEM TRANSMITTAL SHEET**

Submitting Department: Engineering Services

For Council Meeting of: October 6, 2020

Documents Attached: Ordinance Resolution Staff Report Other None

AGENDA ITEM:

Public Hearing to adopt Resolution 2020-___ ordering improvements for Assessment District 2020-01 for the Farrar Estates subdivision located north of Tulare Avenue and west of Morrison Street.

IS PUBLIC HEARING REQUIRED: Yes No

BACKGROUND/EXPLANATION:

The proposed Resolution is to establish a new assessment district. This new district will provide for maintenance of landscaping, irrigation systems, park and playground equipment, pedestrian sidewalks and block walls associated with common lot areas, maintenance of local streets, and maintenance of the storm drainage basin serving the area within the district boundaries. This includes repairs or nuisance abatement to common lot and storm drain basin improvements due to accidents, ground settlement, tree damage or vandalism. Assessments are subject to annual increases based upon the Consumer Pricing Index (CPI).

The attached engineers report outlines the procedural costs and location of the district.

STAFF RECOMMENDATION:

Adopt Resolution 2020-___ ordering improvements for Landscape Maintenance District 2020-01 for the Farrar Estates subdivision located north of Tulare Avenue and west of Morrison Street.

CITY ATTORNEY REVIEW/COMMENTS: Yes N/A

IS ADDITIONAL (NON-BUDGETED) FUNDING REQUIRED: Yes No N/A
(If yes, please submit required budget appropriation request)

FUNDING SOURCE/ACCOUNT NUMBER: N/A

Submitted by: Michael Miller

Title: City Engineer

Date: September 28, 2020

City Manager Approval: _____

RESOLUTION 2020- _____

**A RESOLUTION OF INTENTION OF THE COUNCIL OF THE CITY OF TULARE TO
ORDER IMPROVEMENTS AND SET PUBLIC HEARING FOR ASSESSMENT
DISTRICT NO. 2020-01
(Pursuant to the Landscaping and Lighting Act of 1972)**

Be it resolved by the Council of the City of Tulare, as follows, to wit:

1. The City Council intends to levy and collect assessments within Assessment District No. 2020-01 commencing in fiscal year 2021-2022. The area of land is located within the City of Tulare, County of Tulare.
2. The improvements to be made in this assessment district are generally described as follows:

2020-01: maintenance of landscaping, irrigation systems, park and playground equipment, pedestrian sidewalks and block walls associated with common lot areas, maintenance of local streets, and maintenance of the storm drainage basin serving the area within the district boundaries.
3. In accordance with this Council's Resolution No. 20-__ directing the filing of an annual report, Michael W. Miller, City Engineer, will file with the City Clerk a report in accordance with Article 4, Chapter 1 of the Landscaping and Lighting Act of 1972. All interested persons are referred to that report for a full and detailed description of the improvements, the boundaries of the assessment district, and the proposed assessments on assessable lots and parcels of land within the assessment district.
4. On October 6, 2020, at the hour of 7:00 p.m., or shortly thereafter, the City Council will consider the resolution to order improvements and finalize the formation of Assessment District No. 2020-01. A public hearing will be held at the meeting place of the City Council located at the Tulare Public Library and Council Chambers, 491 North "M" Street, Tulare, California.

Passed, approved, and adopted this 6th day of October, 2020.

President of the Council and
Ex-Officio Mayor of the City of
Tulare

ATTEST:

STATE OF CALIFORNIA)
COUNTY OF TULARE) ss
CITY OF TULARE)

I, Rob Hunt, City Clerk of the City of Tulare, certify that the foregoing is the full and true Resolution 2020-___ passed and adopted by the Council of the City of Tulare at a regular meeting held on the 6th day of October, 2020 by the following vote:

Aye(s) _____

Noe(s) _____ Abstention(s) _____

ROB HUNT, CITY CLERK

BY: Roxanne Yoder, Chief Deputy

ENGINEER'S REPORT

LANDSCAPE MAINTENANCE DISTRICT NO. 2020-01 (Pursuant to Landscaping and Lighting Act of 1972)

Michael W. Miller, Engineer of Work for Landscape Maintenance District No. 2020-01, City of Tulare, Tulare County, California makes this report, as directed by the City Council, pursuant to Sections 22586 and 22623 of the Streets and Highway Code (Landscaping and Lighting Act of 1972).

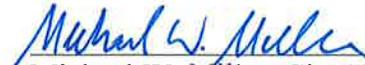
The improvements which are subject of this report are briefly described as follows:

Landscaping, irrigation systems, park improvements, pedestrian sidewalks and block walls associated with common area lots, and street maintenance costs associated with local streets within the Farrar Estates subdivision.

This report consists of the four parts, as follows:

- Part A - Plans and specifications for the improvements are filed with the City Clerk. Although separately bound, the plans and specifications are a part of this report and are included in it by reference.
- Part B - An estimate of the cost of the improvement.
- Part C - Diagrams of the landscape maintenance assessment district.
- Part D - An assessment of the estimated cost of the improvement.

Respectfully submitted,


Michael W. Miller, City Engineer

PART A

(Assessment District 2020-01 Improvements)

Detailed landscape plans and specifications will be filed with the Community and Economic Development Department and are incorporated in this report by reference. The following improvements are within this proposed assessment district:

- Seven foot tall block wall along common lots dedicated for landscaping purposes.
- Landscaping and irrigation systems within common lots dedicated for landscaping purposes.
- Public sidewalks along frontages of common lots dedicated for landscaping purposes.
- Neighborhood park and trail improvements.
- A storm drainage basin to serve the area within the district boundaries, including security fence (6-8 foot tall chain link fence), street frontage improvements, and landscaping and irrigation systems.
- Preventative maintenance of local streets.

PART B

(Assessment District 2020-01 Estimate of Cost)

Total cost of maintenance for the purposes of district formation are based upon the following factors:

- Assessments are subject to yearly increases in accordance with the CPI (Consumer Price Index) for the Los Angeles – Anaheim area.
- Funding for the replacement of park and trail amenities based on an estimated 20-year life cycle.
- Assessments to include maintenance of the storm drainage basin serving the area within the district boundaries to address erosion and weed control, and other required activities associated with regulatory compliance and its continued operation.
- Assessments include supplemental preventative maintenance of local streets located within the district boundaries.
- Assessments also include repairs due to vandalism or accidents; cost of supplying water and electricity; annual county and city administrative charges; contract maintenance charges; graffiti abatement; and miscellaneous charges such as public hearing notices.

Number of single-family equivalents/assessments: 358

Total Landscape/Park Area: 211,680 square feet

Postage	\$350.00
Repairs and Maintenance (Common Lot & Park Areas)	\$21,168.00
Contract Maintenance	\$48,038.00
Local Street Preventative Maintenance & Materials	\$20,150.00
Park and Trail Equipment Replacement	\$13,750.00
Ponding Basin Maintenance & Regulatory Compliance	\$5,100.00
General Supplies	\$11,000.00
Utilities	\$8,000.00
Printing, Copying, Advertising	\$600.00
City Administrative Fees	\$8,971.00
Tulare County Administrative Fees	\$1,274.00
Total Annual Expenses For Assessment District 2020-01	\$138,401.00

PART C

(Assessment District 2020-01 Diagrams)

- Exhibit A – Assessment District Boundaries and Vicinity Map
- Exhibit B – Lot Numbering and Subdivision Phasing Map
- Exhibit C – Local Streets Within District
- Exhibit D – Common Lot and Park Areas Within District
- Exhibit E – Storm Drain Basin Area Serving District
- Exhibit F – Common Lot Block Wall



ASSESSMENT DISTRICT 2020-01

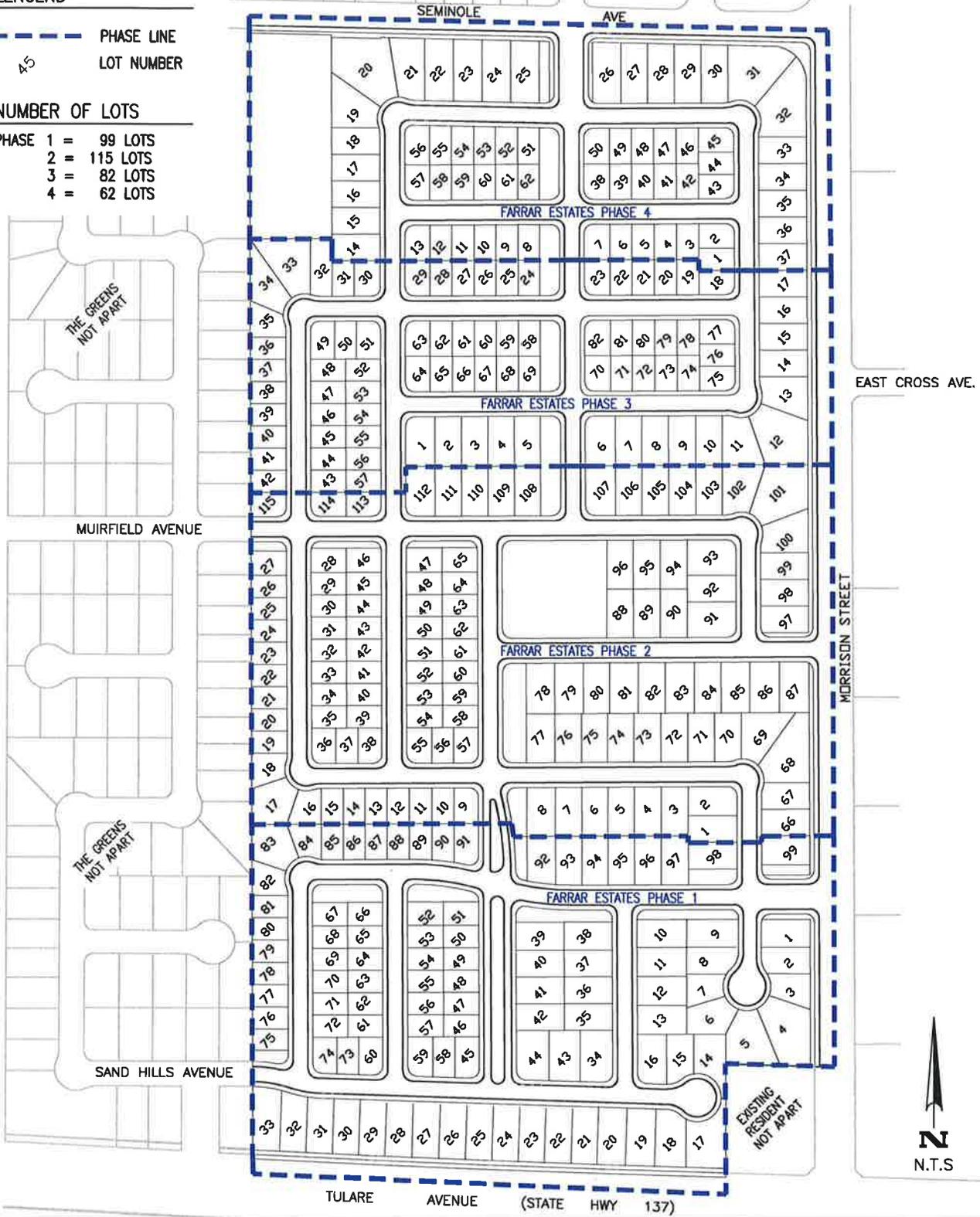
EXHIBIT A: VICINITY MAP

LENGEND

--- PHASE LINE
 NS LOT NUMBER

NUMBER OF LOTS

- PHASE 1 = 99 LOTS
- 2 = 115 LOTS
- 3 = 82 LOTS
- 4 = 62 LOTS



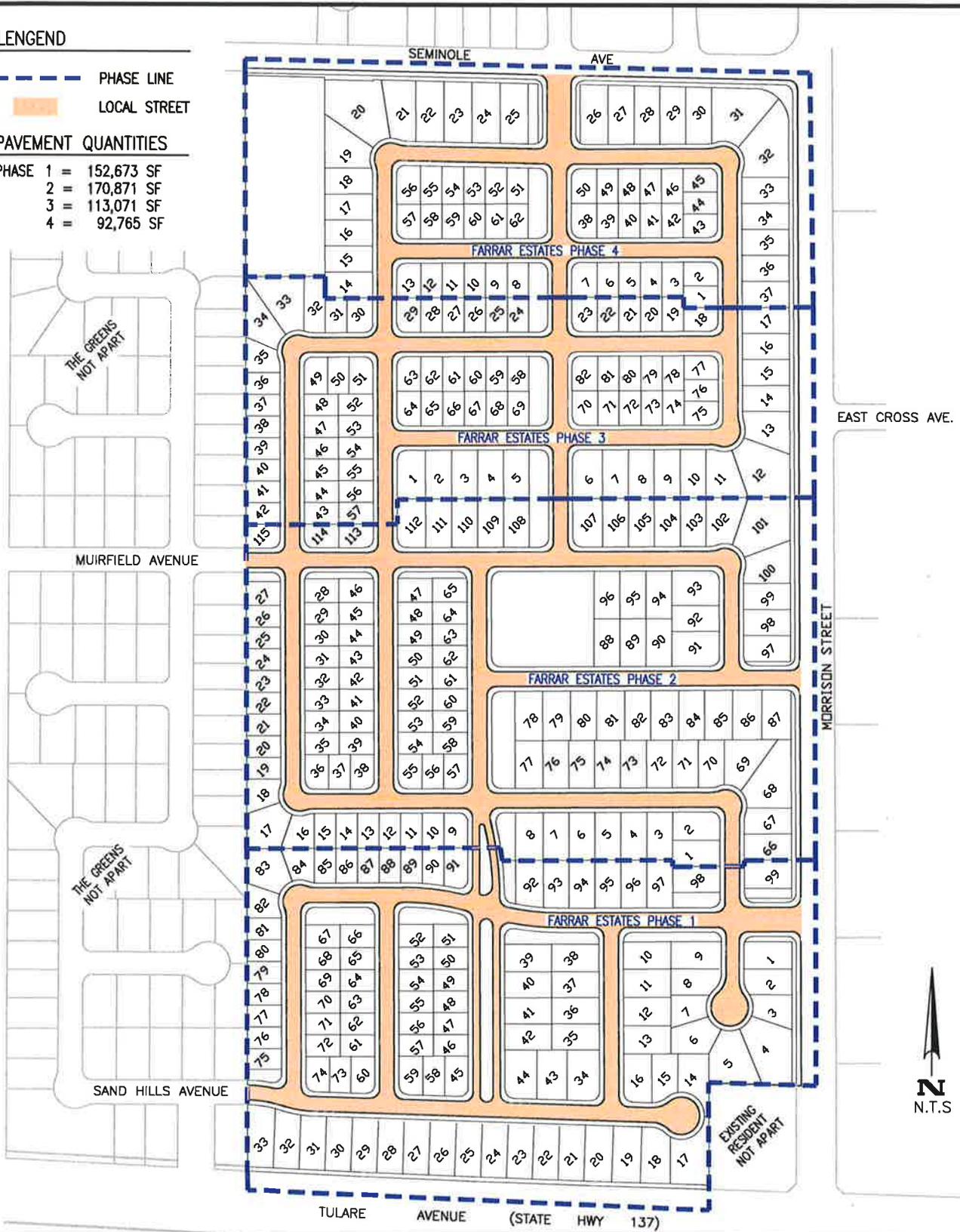
ASSESSMENT DISTRICT 2020-01
 EXHIBIT B: LOT NUMBER AND PHASING MAP

LENGEND

- PHASE LINE
- LOCAL STREET

PAVEMENT QUANTITIES

- PHASE 1 = 152,673 SF
- 2 = 170,871 SF
- 3 = 113,071 SF
- 4 = 92,765 SF



ASSESSMENT DISTRICT 2020-01

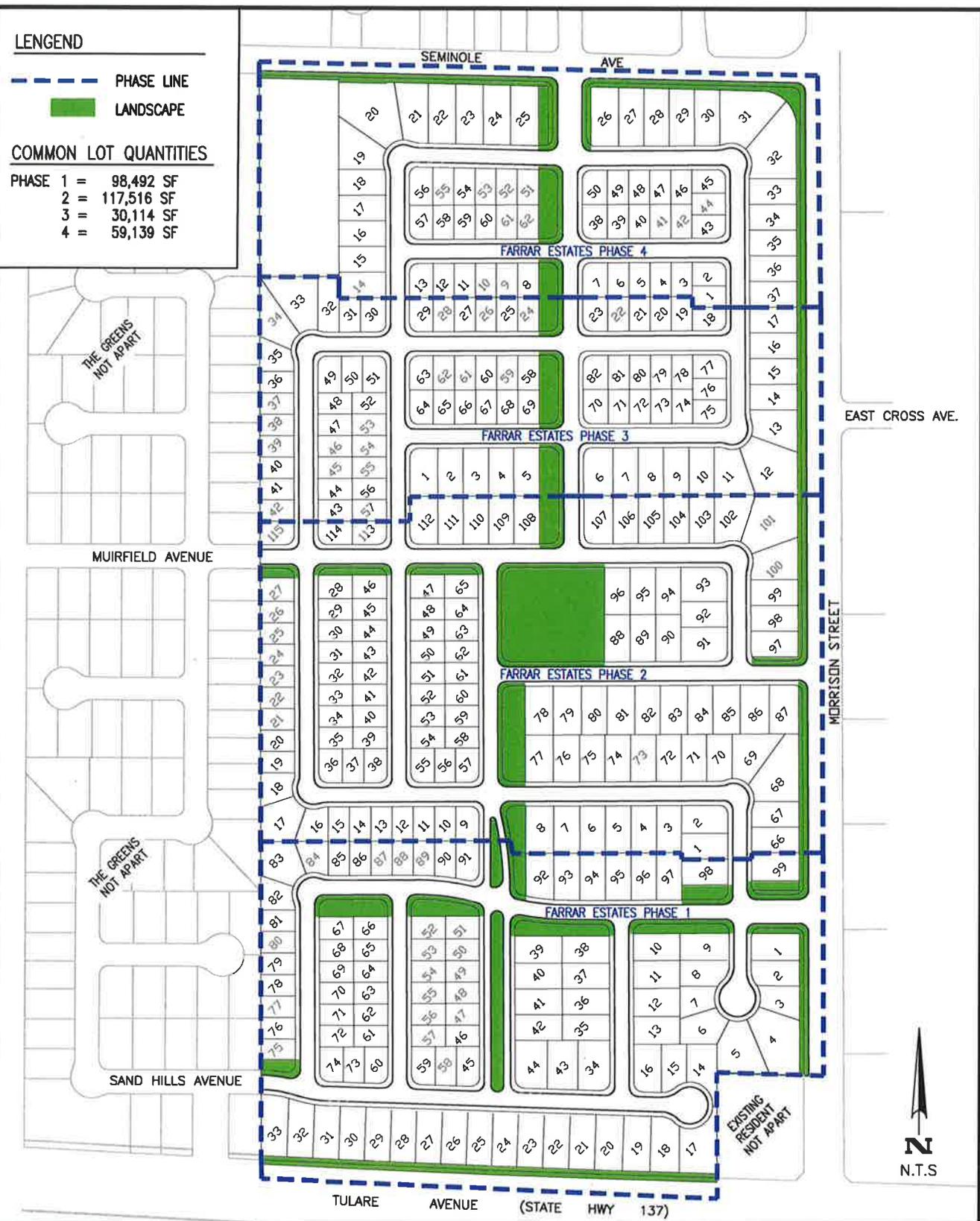
EXHIBIT C LOCAL STREETS

LENGEND

- PHASE LINE
- LANDSCAPE

COMMON LOT QUANTITIES

- PHASE 1 = 98,492 SF
- 2 = 117,516 SF
- 3 = 30,114 SF
- 4 = 59,139 SF



ASSESSMENT DISTRICT 2020-01
EXHIBIT D: COMMON LOT AREAS

LENGEND

-  PHASE LINE
-  STORM DRAIN BASIN

BASIN QUANTITIES

BASIN AREA = 85,996 SF



ASSESSMENT DISTRICT 2020-01

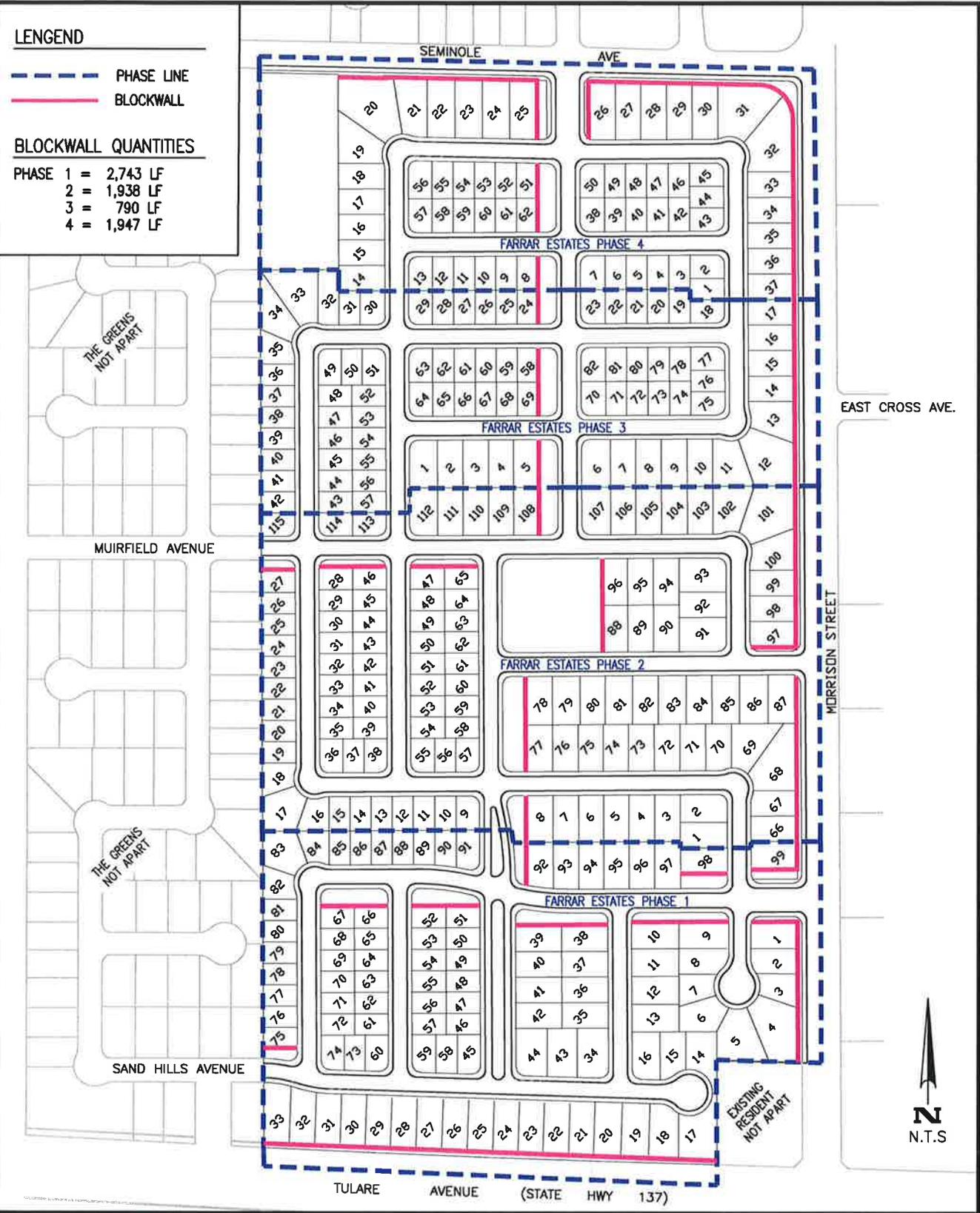
EXHIBIT E: STORM DRAIN BASIN AREA SERVING DISTRICT

LENGEND

- PHASE LINE
- BLOCKWALL

BLOCKWALL QUANTITIES

- PHASE 1 = 2,743 LF
- 2 = 1,938 LF
- 3 = 790 LF
- 4 = 1,947 LF



ASSESSMENT DISTRICT 2020-01

EXHIBIT F: BLOCK WALL

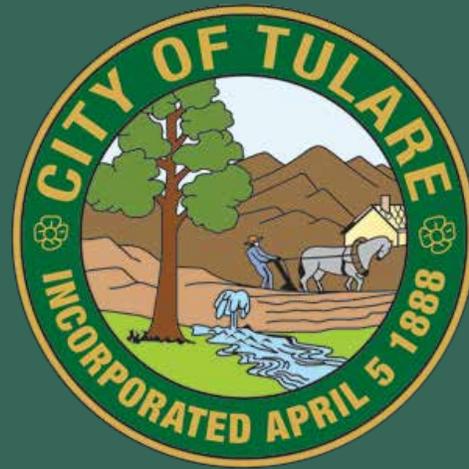
PART D

(Assessment District 2020-01 Assessment of the Estimated Cost of the Improvement)

- a) Total acreage subject to assessment = 76.5 acres
- b) Single-family residential (SFR) acreage = 76.5 acres
- c) Single-family residential (SFR) density = # SFR Units / SFR Acreage = $358 / 76.5 = 4.7$
DU / acre
- d) Total number of SFR equivalent units subject to assessment = 358
- e) Proposed assessment per SFR equivalent at time of formation = $\$138,401 / 358 =$
 $\$387.00$.
- f) Proposed single-family lot assessment at time of formation = $\$387.00$

LMD 2020-01 Formation

City Council
October 6, 2020





Background

- | Farrar Estates is a subdivision of 76.5 acres located at the northwest corner of Tulare Avenue and Morrison Street.
- | Will result in 358 single-family lots developed in four phases.
- | Development includes:
 - | Common lot areas with landscaping and block wall along Tulare Avenue, Morrison Street, and certain interior streets within the subdivision
 - | A neighborhood park,
 - | A class 1 bike path along Morrison Street, and
 - | Ponding basin improvements to serve the development.

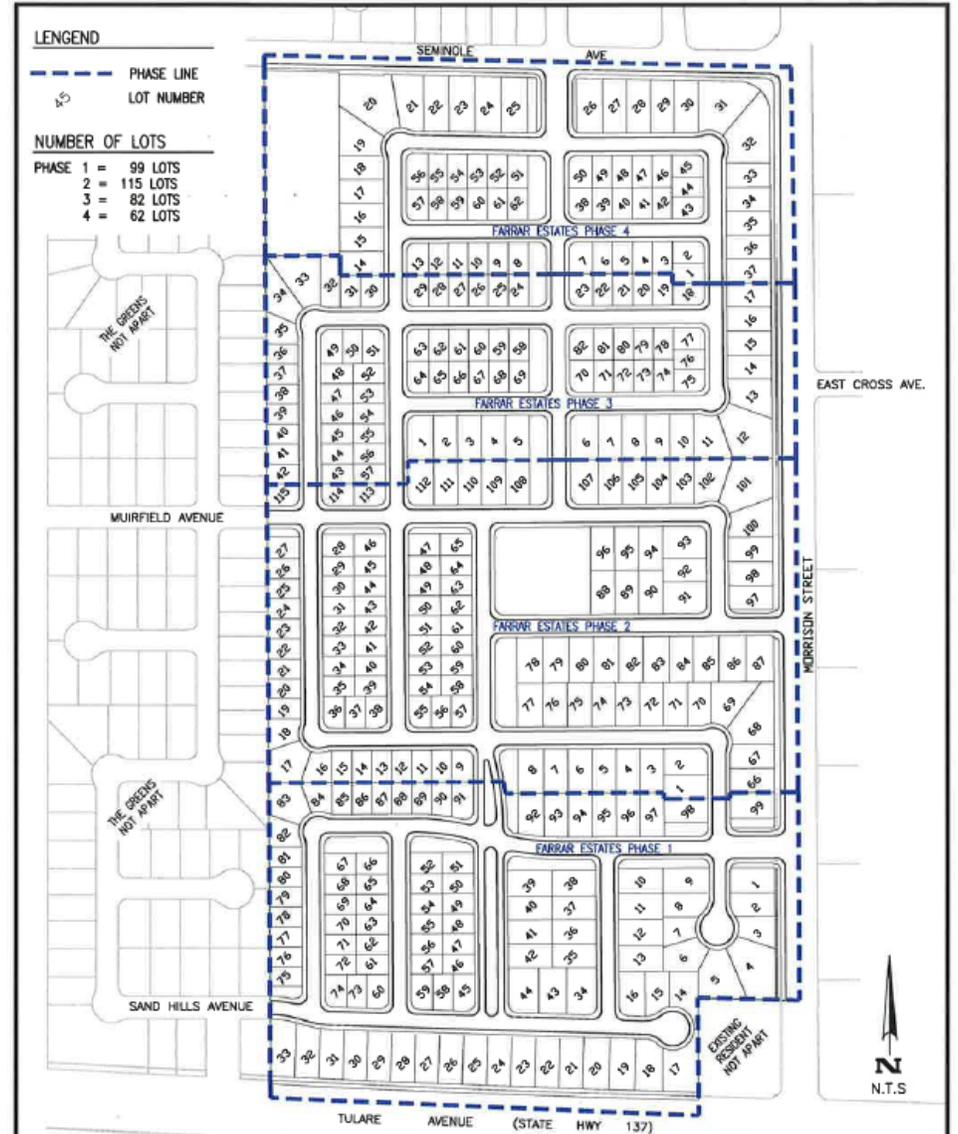


LMD 2020-01 Formation

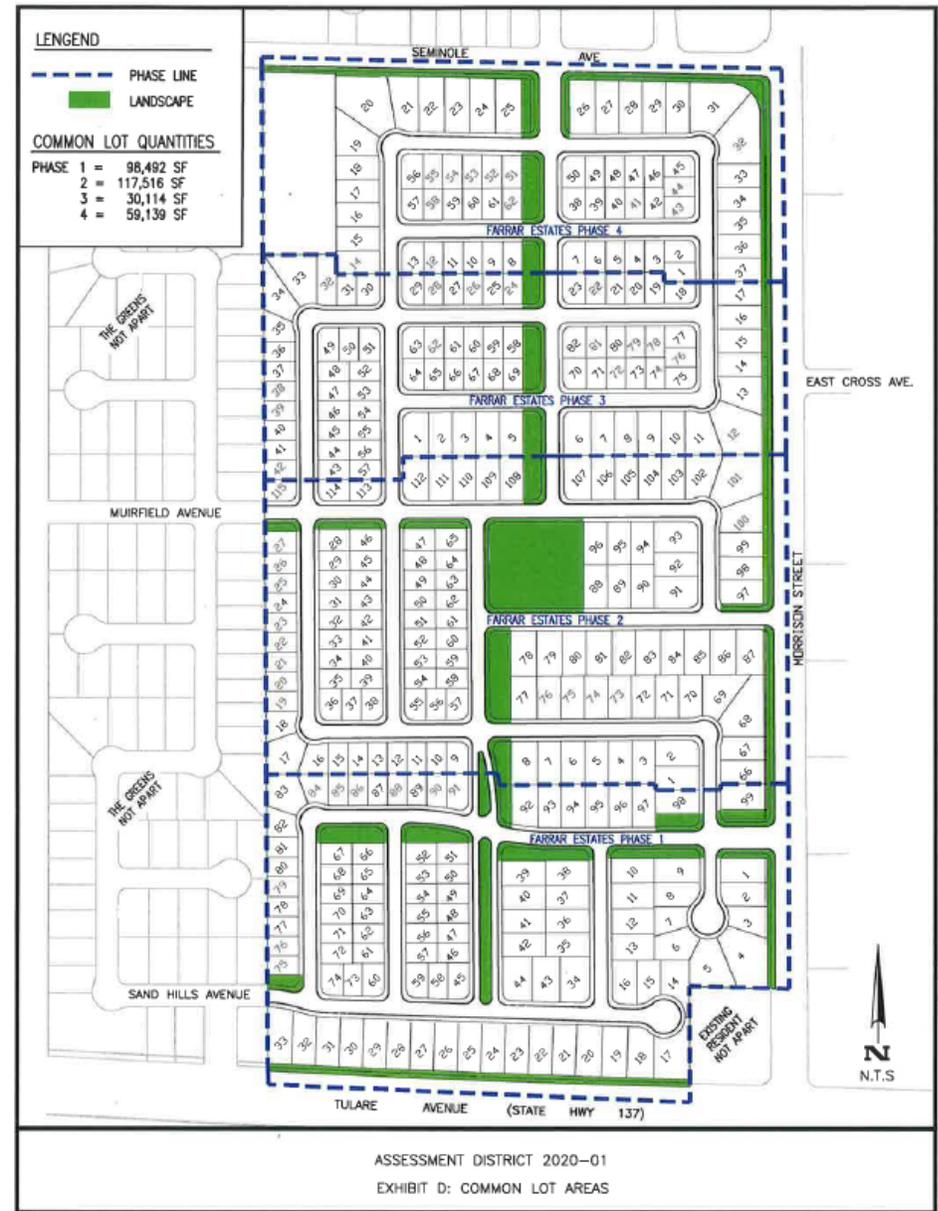
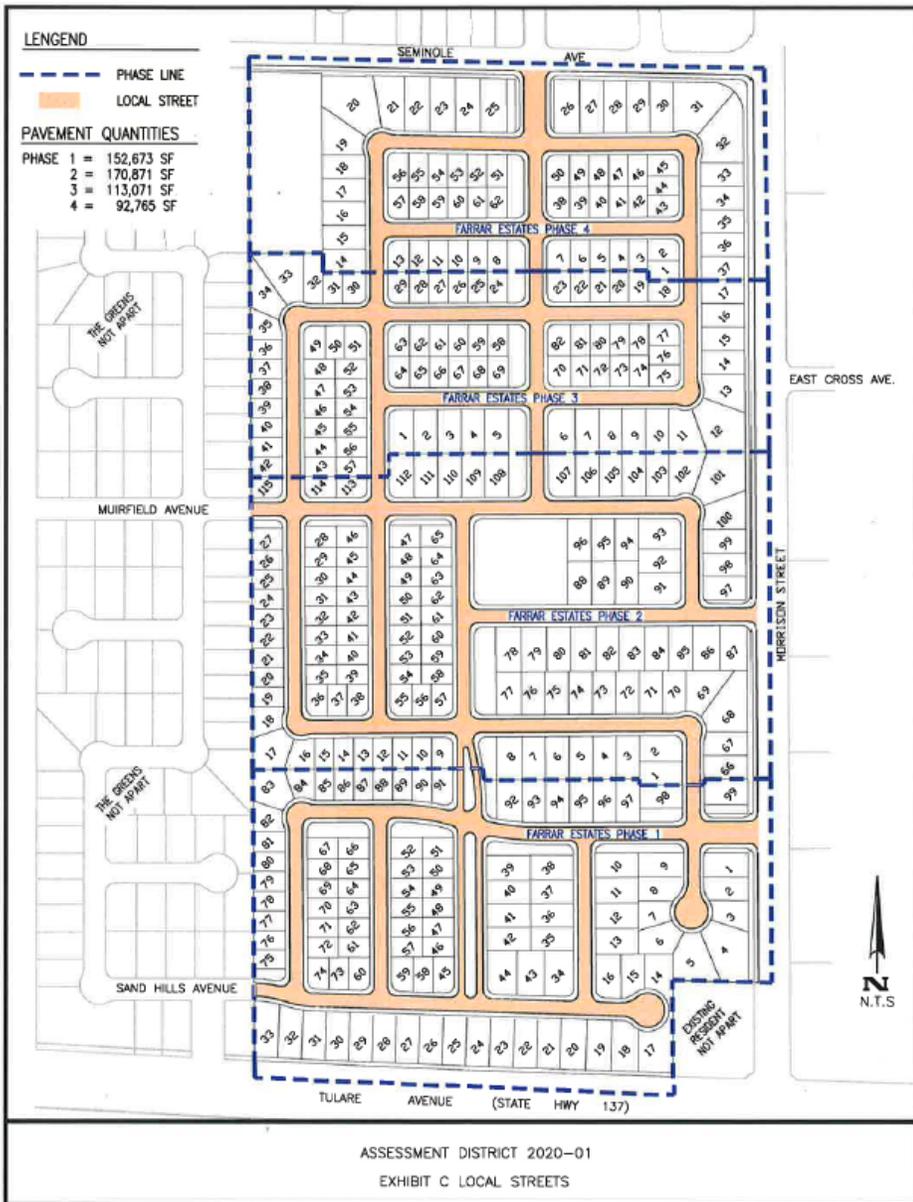
- | The property owners within the proposed District boundaries submitted an Application For Landscape & Lighting Act Assessment District
- | Only properties within the boundaries of the Farrar Estates tentative subdivision map are included in the district boundaries
- | Improvements and maintenance costs for the following are included in the proposed assessment:
 - | Contractual costs for routine maintenance of common lot landscaping
 - | Funding for supplies and repairs associated with the maintenance of common lot sidewalk, curb and gutter, and irrigation systems
 - | Costs associated with maintaining and ensuring continued regulatory compliance for the ponding basin serving the area within the district boundaries
 - | Maintenance and material costs to provide supplemental preventative maintenance on local streets within the district boundaries
 - | Funding for the future replacement of park and trail equipment as it reaches the end of it's projected service life.
 - | City and County administrative costs

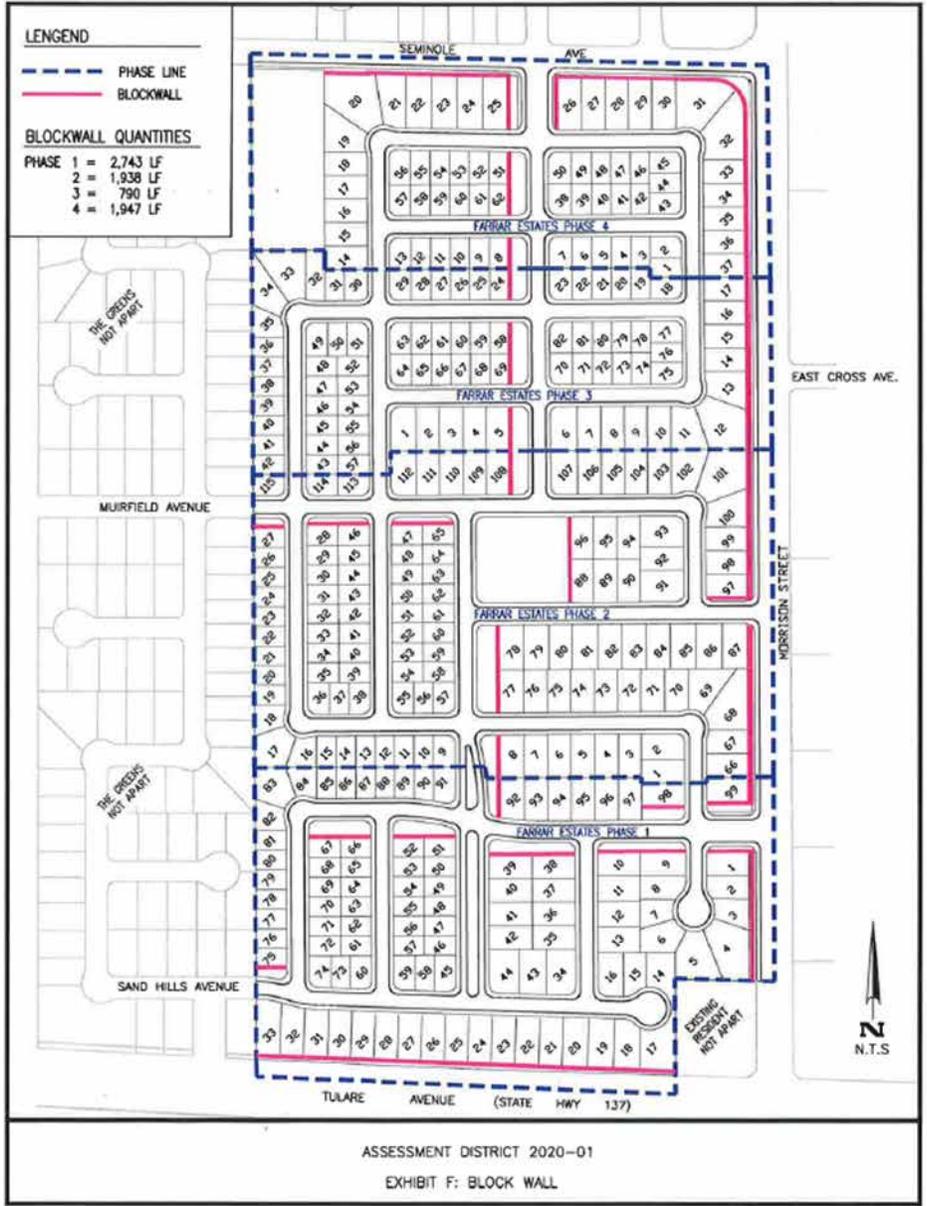


ASSESSMENT DISTRICT 2020-01
EXHIBIT A: VICINITY MAP



ASSESSMENT DISTRICT 2020-01
EXHIBIT B: LOT NUMBER AND PHASING MAP







LMD 2020-01 Annual Assessment

- ⌘ An Engineers Report has been prepared for the formation of Landscape Maintenance District 2020-01, a copy of which was provided with the staff transmittal for this item. Based upon estimated costs at full build-out of the subdivision, the maximum assessment has been set at \$387 per lot.
- ⌘ The District does allow for an annual adjustment based upon the Consumer Price Index (CPI) should future costs result in an assessment greater than the maximum established at this time.



Recommendation

- i Hold public hearing to receive input regarding the formation of Landscape Maintenance District 2020-01 for the Farrar Estates subdivision.
- i Adopt the proposed Resolution ordering improvements for Landscape Maintenance District 2020-01 for the Farrar Estates subdivision.

AGENDA ITEM: Gen Bus PH 1b

**CITY OF TULARE, CA
AGENDA ITEM TRANSMITTAL SHEET**

Submitting Department: Engineering Services - Engineering

For Council Meeting of: October 6, 2020

Documents Attached: Ordinance Resolution Staff Report Other None

AGENDA ITEM:

Public Hearing to adopt Resolution 2020- _____ designating “no commercial parking” zones on segments of Prosperity Avenue and West Street, and authorizing the installation of corresponding signage.

IS PUBLIC HEARING REQUIRED: Yes No

BACKGROUND/EXPLANATION:

The City has received citizen complaints regarding the parking of large, commercial trucks along the south side of Prosperity Avenue in the vicinity of Lampe Street. There have been numerous occasions when the drivers of these vehicles have started them up and allowed them to idle for an extended period of time in the pre-dawn hours. This creates a noise nuisance for adjacent residences backing up to Prosperity Avenue.

The City’s existing parking ordinance prohibits the idling of parked commercial vehicles for longer than 5 minutes. However, enforcement of this regulation is difficult due to a lack of available resources, and the difficulty of catching offenders in the act. In response, the Police Department and Engineering Division are recommending the creation of a “no commercial vehicle” parking zone along the south side of Prosperity Avenue across the affected residential frontage as the most effective approach to addressing the noise nuisance. The City has a similar “no commercial parking” designation on Leland Avenue between Hillman Street and De Le Vina. In that instance, the issue being addressed was semi-trucks along Leland Avenue reducing available parking for customers of the adjacent commercial offices.

In an effort to prevent commercial vehicles from simply migrating to the residential frontage along the west side of West Street, it is recommended that a “no commercial vehicle” parking zone be established there as well.

STAFF RECOMMENDATION:

Adopt Resolution 2020- _____ designating “no commercial parking” zones on segments of Prosperity Avenue and West Street, and authorizing the installation of corresponding signage.

CITY ATTORNEY REVIEW/COMMENTS: Yes No N/A

IS ADDITIONAL (NON-BUDGETED) FUNDING REQUIRED: Yes No N/A

FUNDING SOURCE/ACCOUNT NUMBER:

Funding is budgeted to cover the estimated \$1,200 expense through the Street Department's Maintenance Materials account.

Submitted by: Michael Miller

Title: City Engineer

Date: September 18, 2020

City Manager Approval: _____

RESOLUTION 2020- _____

RESOLUTION OF THE COUNCIL OF THE CITY OF TULARE RESTRICTING THE PARKING OF COMMERCIAL VEHICLES ALONG SEGMENTS OF PROSPERITY AVENUE AND WEST STREET.

WHEREAS, citizens has expressed concerns regarding a nuisance that exists due to commercial vehicles parking adjacent to residential properties along the south side of Prosperity Avenue between a point approximately 130 feet west of Mathias Street to a point approximately 290 feet east of Lakewood Street; and

WHEREAS, the City of Tulare Police Department and Engineering Division have determined that it would be necessary to restrict the parking of commercial vehicle traffic along the south side of Prosperity Avenue in the immediate vicinity of adjacent residential properties; and

WHEREAS, the City of Tulare Police Department and Engineering Division have determined that similar commercial parking restrictions should also be designated along the west side of West Street from a point approximately 642 feet south of Martinho Avenue to a point approximately 445 feet north of Martinho Avenue due to similar conditions and to deter migration of the nuisance; and

WHEREAS, a public hearing was held and comments were received; and

WHEREAS, it is in the best interest of the public to restrict the parking of commercial vehicles adjacent to or in the immediate vicinity of residential properties.

NOW, THEREFORE, BE IT RESOLVED as follows, to wit:

That the parking of commercial vehicles, as they are defined in Chapter 9.48.120 of the City of Tulare Municipal Code, shall be prohibited along the public street frontages listed below, and the Public Works Director of the City of Tulare, or his designee, is hereby authorized to install the necessary signs to enact this Resolution.

Street	From	To	Restriction
Prosperity Avenue	130 feet west of Mathias Street	290 feet east of Lakewood Street	No Parking of Commercial Vehicles
West Street	642 feet south of Martinho Avenue	445 feet north of Martinho Avenue	No Parking of Commercial Vehicles

PASSED, ADOPTED, AND APPROVED this 6th day of October, 2020.

President of the Council and Ex-Officio
Mayor of the City of Tulare

ATTEST:

STATE OF CALIFORNIA)
COUNTY OF TULARE) ss.
CITY OF TULARE)

I, Rob A. Hunt, City Clerk of the City of Tulare, certify the foregoing is the full and true Resolution 2020-___ passed and adopted by the Council of the City of Tulare at a regular meeting held on October 6, 2020, by the following vote:

Aye(s) _____

Noe(s) _____ Absent/Abstention(s) _____.

Dated:

ROB A. HUNT, CITY CLERK

By Roxanne Yoder, Chief Deputy

AGENDA ITEM: Gen Bus Eng 2a

**CITY OF TULARE
AGENDA ITEM TRANSMITTAL SHEET**

Submitting Department: Engineering Services / Project Management

For Council Meeting of: October 6, 2020

Documents Attached: Ordinance Resolution Staff Report Other None

AGENDA ITEM:

Receive an update and presentation by Caltrans, and consider the adoption of Resolution 2020-___ approving a Resolution of Change to the City of Tulare-State of California Freeway Agreement for State Route 99 from 0.5 miles south of Rankin Road to Cartmill Avenue, subject only to minor conforming and clarifying changes acceptable to the City Attorney and City Manager.

IS PUBLIC HEARING REQUIRED: Yes No

BACKGROUND/EXPLANATION:

The City Council adopted Resolution 14-65 at the October 21, 2014 regular City Council meeting, which allocated portions of the City's **Regional Surface Transportation Program (RSTP)** funding to be utilized on projects along State Route 137 (Tulare Avenue) and State Route 63 (Mooney Boulevard) within City limits. The highest priority project identified for potential use of these funds was the signalization of the State Route 99 and State Route 137 ramp intersections. This funding provided by the City has successfully been utilized to leverage additional Caltrans resources and funds for the design, right-of-way acquisition, and construction of the project.

On September 6, 2016, City Staff and Caltrans presented an update to the City Council, describing the scope of work and timeline for the project. As a part of Caltrans' environmental review process and public outreach, a public notice was published in the newspaper on March 20, 2017, which provided a summary of identified project impacts, and gave contact information for those interested or concerned about those impacts. Since that time, final project plans have been developed and are nearly ready for bidding and construction.

In conjunction with the State Route 99 and State Route 137 Ramp Signalization Project, the existing Freeway Agreement between the City and the State of California dated August 6, 2013 needs to be updated. Caltrans has revised the agreement to reflect changes to State Route 99 freeway access, and State Route 137 access resulting from the Project's improvements. Specifically, the Project improvements propose the elimination of access to the State Route 99 southbound ramps from San Joaquin Avenue, and to the State Route 99 northbound ramps from Sierra Avenue. The agreement further describes that the proposed improvements will include construction of a hammerhead turnaround at the east end of San Joaquin Avenue at its previous point of connection point to the southbound ramps, and a cul-de-sac at the west end of Sierra Avenue at its previous point of connection to the northbound ramps. Finally, the agreement also identifies that the City agrees to accept those improvements constructed by the Project that will be within City ROW, or will otherwise be City owned/maintained.

Approval of the revisions to the Freeway Agreement is necessary for the State Route 99 and State Route 137 Ramp Signalization Project to proceed to construction. The attached copy of Exhibit A provides a map showing the limits of State Route 99 subject to the agreement.

STAFF RECOMMENDATION:

Receive an update and presentation by Caltrans, and consider the adoption of Resolution 2020-___ approving a Resolution of Change to the City of Tulare-State of California Freeway Agreement for State Route 99 from 0.5 miles south of Rankin Road to Cartmill Avenue, subject only to minor conforming and clarifying changes acceptable to the City Attorney and City Manager.

CITY ATTORNEY REVIEW/COMMENTS: Yes N/A

IS ADDITIONAL (NON-BUDGETED) FUNDING REQUIRED: Yes No N/A

FUNDING SOURCE/ACCOUNT NUMBER:

EN0056-050-0601

Submitted by: Nick Bartsch

Title: Sr. Project Manager

Date: September 25, 2020

City Manager Approval: _____

RESOLUTION 2020-____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TULARE APPROVING A
RESOLUTION OF CHANGE TO THE CITY OF TULARE-STATE OF CALIFORNIA
FREEWAY AGREEMENT FOR ROUTE 99 TO REFLECT ACCESS CLOSURES TO
ROUTE 99 AT SAN JOAQUIN AVENUE AND SIERRA AVENUE**

WHEAREAS, the California Department of Transportation (“Caltrans”) and the City of Tulare (“City”) entered into a Freeway Agreement dated August 6, 2013, relating to all or portion of the State Route 99 (SR 99) Freeway at or near its intersection with State Route 137 (SR 137); and

WHEREAS, CALTRANS currently proposes to reconfigure the northbound and southbound SR 99 Freeway ramps at SR 137 by eliminating the connection of San Joaquin Avenue to the southbound ramps, and by eliminating the connection of Sierra Avenue to the northbound ramps; and

WHEREAS, the proposed construction will create a hammerhead turnaround at the former connection of San Joaquin Avenue to the southbound ramps, and a cul-de-sac at the former connection of Sierra Avenue to the northbound ramps; and

WHEREAS, the closing of mid-ramp access points from local streets to the SR 99 Freeway ramps will eliminate potential high-speed conflicts at those intersections; and

WHEREAS, the revisions to the existing freeway include those described above and those shown on Exhibit A, which is attached hereto and incorporated herein by this reference; and

WHEREAS, Caltrans has a programmed project, EA 06-48950_, to widen SR 99 from Avenue 200 to Prosperity Avenue in the City of Tulare from an existing 4-lane facility to a 6-lane or 8-lane facility with project delivery currently scheduled for the 2024 Fiscal Year; and

WHEREAS, at time of said future widening project, a new Freeway Agreement between the City and Caltrans will be developed incorporating the revisions to the existing freeway as approved by the Resolution of Change to the City of Tulare-State of California Freeway Agreement for Route 99, as herein described.

NOW, THEREFORE, the City Council of the City of Tulare hereby resolves as follows:

1. The proposed Resolution of Change to the SR 99 Freeway ramps, as described hereinabove and within Exhibit A, are approved.
2. The approval of the above-described revisions is conditioned upon the execution of a Freeway Agreement which will incorporate those revisions at some future date.

3. The City agrees to accept those collateral facilities constructed as the result of the Project eliminating access from San Joaquin Avenue and Sierra Avenue to the SR 99 Freeway ramps, and waives the "90-day notice of intent to relinquish" as described in Section 73 of the Streets and Highways Code.

PASSED, ADOPTED, AND APPROVED this 6th day of October, 2020.

President of the Council and Ex-Officio
Mayor of the City of Tulare

ATTEST:

STATE OF CALIFORNIA)
COUNTY OF TULARE) ss.
CITY OF TULARE)

I, Rob A. Hunt, City Clerk of the City of Tulare, certify the foregoing is the full and true Resolution 2020-___ passed and adopted by the Council of the City of Tulare at a regular meeting held on October 6, 2020, by the following vote:

Aye(s) _____

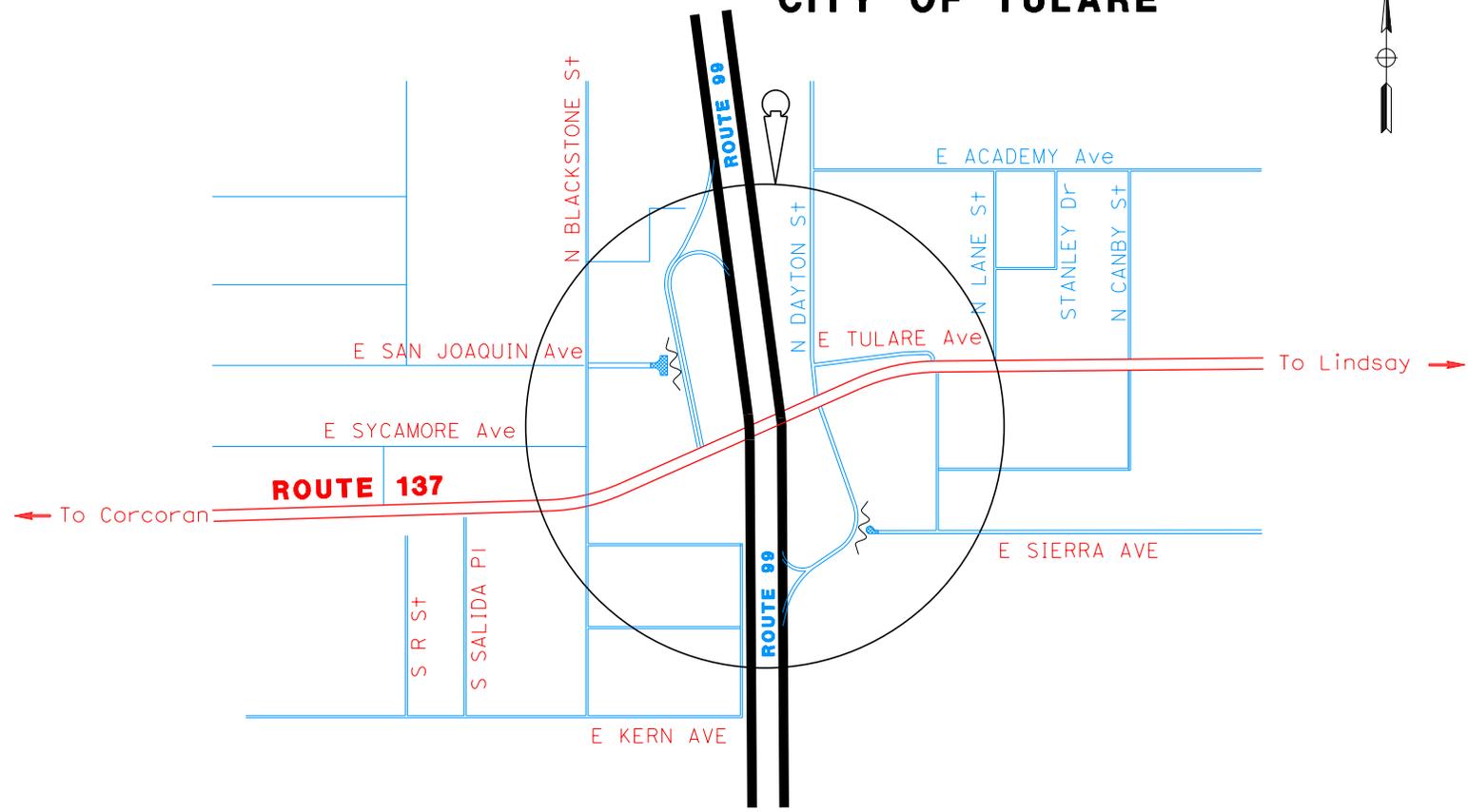
Noe(s) _____ Absent/Abstention(s) _____.

Dated:

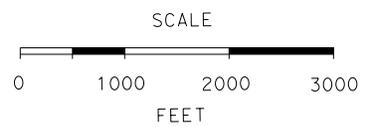
ROB A. HUNT, CITY CLERK

By Roxanne Yoder, Chief Deputy

CITY OF TULARE



- LEGEND**
- FREEWAY
 - ROAD TO BE CONSTRUCTED AND RELINQUISHED TO COUNTY
 - INTERCHANGE
 - ROAD CLOSURE & TERMINUS CONSTRUCTION AS NECESSARY



**CITY OF TULARE, CA
AGENDA ITEM TRANSMITTAL SHEET**

Submitting Department: Finance

For Council Meeting of: October 6, 2020

Documents Attached: Ordinance Resolution Staff Report Other None

AGENDA ITEM:

Adopt Resolution 2020-_____ authorizing the issuance of City of Tulare Sewer Revenue Refunding Bonds, Series 2020 in an amount not to exceed \$45 million in order to refinance a) the City's outstanding 2012 Sewer Revenue Refunding Notes (the "Series 2012 Notes"), b) a portion of the outstanding Sewer Revenue Refunding Bonds, Series 2015 (the "Series 2015 Bonds"), and c) all or a portion of the outstanding Sewer Revenue Refunding Bonds, Series 2013 (the "Series 2013 Bonds") in order to reduce debt service and achieve savings; and approve the form of various bond documents, authorizing certain staff members to execute final versions of documents, direct certain officers of the City to take actions for the sale and delivery of the bonds, approve key members of the financing team, and authorize the sale of the bonds subject to certain provisions.

IS PUBLIC HEARING REQUIRED: Yes No

BACKGROUND/EXPLANATION:

The City currently has three outstanding sewer debt issues that can be fully or partially refunded to achieve savings and result in lower annual debt service, including:

- The Series 2012 Notes have \$4,990,565 of outstanding principal through November 15, 2026 at a current interest rate of 3.29%.
- The Series 2013 Bonds have \$18,460,000 of outstanding principal through November 15, 2041 at interest rates ranging from 3.00% to 5.00%.
- The Series 2015 Bonds have a \$20,000,000 term bond with principal payments due November 15, 2036 through 2041. The interest rates the City would pay on these bonds range from 4.00% to 5.65% if held to maturity.

Analysis indicates that these outstanding debt obligations can be refunded for savings at current interest rates, which are very low compared to historical rates. The refunding bonds will generate savings every fiscal year through final maturity on November 15, 2041, which corresponds with the final maturity of the outstanding bonds to be refunded.

Savings Estimates

- Gross Savings: \$12 million of reduced payments over the term of the refunding bonds
- Present Value Savings: \$8.5 million
- Present Value Savings %: 20% of refunded bond principal
- Annual Debt Service Reduction: \$825,000 per year

It is recommended that the City move forward with the sale of refunding bonds in order to achieve savings and reduce annual sewer bond debt service payments.

If authorized, the City would adopt a Resolution that a) authorizes the issuance of Sewer Revenue Refunding Bonds, Series 2020 in a principal amount not to exceed \$45 million, b) authorizes certain officers of the City to take actions necessary for the sale and delivery of the bonds, c) authorizes the negotiated sale of the bonds to an underwriter subject to certain provisions, d) approved key members of the financing team, e) approves the form of various documents required for issuance of the bonds (listed below), and f) authorizes certain staff members to execute final versions of documents:

- Eighth Supplemental Bond Indenture – This supplemental bond indenture along with a Master Indenture originally adopted in 2003 provide the terms of the bonds and the legal requirements and responsibilities of the City and the trustee for the bonds.
- Preliminary Official Statement – The Preliminary Official Statement is an offering document that will be circulated to prospective investors prior to the bond sale. This document describes the bonds, the City’s sewer enterprise and its finances, and material information regarding the financial capacity for debt repayment. A Final Official Statement will be completed after the bond pricing and will also include information about final principal amounts, interest rates, and related information.
- Continuing Disclosure Agreement – This Agreement is included as an appendix to the Official Statement and details the City’s obligations to provide annual updates of information related to the bonds, such as audited financial statements, and ongoing obligations to provide timely disclosure of “material events” regarding the bonds and their repayment security.

STAFF RECOMMENDATION:

Adopt Resolution 2020-____ authorizing the issuance of City of Tulare Sewer Revenue Refunding Bonds, Series 2020 in an amount not to exceed \$45 million in order to refinance a) the City’s outstanding 2012 Sewer Revenue Refunding Notes (the “Series 2012 Notes”), b) a portion of the outstanding Sewer Revenue Refunding Bonds, Series 2015 (the “Series 2015 Bonds”), and c) all or a portion of the outstanding Sewer Revenue Refunding Bonds, Series 2013 (the “Series 2013 Bonds”) in order to reduce debt service and achieve savings; and approve the form of various bond documents, authorizing certain staff members to execute final versions of documents, direct certain officers of the City to take actions for the sale and delivery of the bonds, approve key members of the financing team, and authorize the sale of the bonds subject to certain provisions.

CITY ATTORNEY REVIEW/COMMENTS: Yes N/A

Review by Bond Counsel

IS ADDITIONAL (NON-BUDGETED) FUNDING REQUIRED: Yes No N/A

Submitted by: Darlene Thompson **Title:** Finance Director

Date: September 28, 2020

City Manager Approval: _____

RESOLUTION 2020-__

**A RESOLUTION OF THE COUNCIL OF
THE CITY OF TULARE AUTHORIZING
THE SALE OF SEWER REVENUE REFUNDING BONDS AND
APPROVING A BOND INDENTURE, BOND PURCHASE AGREEMENT,
OFFICIAL STATEMENT AND OTHER DOCUMENTS
RELATING TO SUCH BONDS**

WHEREAS, the Council (the “Council”) of the City of Tulare (the “City”) on October 6, 2020, has for consideration this resolution (the “Resolution”) approving the issuance of sewer revenue bonds; and

WHEREAS, in accordance with Articles 10 and 11 of Chapter 3 of Part 1 of Division 2 (commencing with Section 53570) of the Government Code of the State of California, this Council finds it necessary and desirable to authorize the negotiated sale of its Sewer Revenue Refunding Bonds (the “Bonds”) in one or more series, and to approve certain documents in connection therewith; and

WHEREAS, the City has previously approved and executed a Master Indenture, dated as of December 1, 2003 (the “Master Indenture”), by and between the City and U.S. Bank National Association, as bond trustee, to provide for the terms and condition of the issuance of series of sewer revenue bonds from time to time;

WHEREAS, the City proposes to issue the Bonds to refinance all or portion of its 2012 Sewer Revenue Refunding Notes (the “Senior 2012 Notes”), its Sewer Revenue Refunding Bonds, Series 2013 Bonds (the “Series 2013 Bonds”) and its Sewer Revenue Refunding Bonds, Series 2015 (the “Series 2015 Bonds,” and together with the Senior 2012 Notes and the Series 2013 Bonds, the “Bonds to be Refunded”), the proceeds of which were used to refinance improvements to the City’s municipal sewer system;

WHEREAS, pursuant to a Bond Purchase Agreement, to be dated the date of sale of the Bonds (the “Bond Purchase Agreement”), between Morgan Stanley & Co., LLC, as underwriter (the “Underwriter”) and the City, the Bonds will be sold to the Underwriter, and the proceeds of such sale will be used to refinance the Bonds to be Refunded for interest rate savings, and to pay costs incurred in connection with the issuance of the Bonds; and

WHEREAS, pursuant to Section 5852.1 of the Government Code of the State of California, the City has received certain representations and good faith estimates from the municipal advisor and the City has disclosed such good faith estimates as set forth on Exhibit A attached hereto;

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED BY THE COUNCIL OF THE CITY OF TULARE AS FOLLOWS:

Section 1. Approval of Bond Indenture. The security for and the terms and conditions of the Bonds will be provided for under the existing Master Indenture and an Eighth Supplemental Indenture (the “Eighth Supplemental Indenture”), to be entered into by the City and a trustee bank named therein, as Trustee. The Eighth Supplemental Indenture is hereby approved, in substantially the form as presented to the Council and on file with the City Clerk and Clerk of the Council. The

President of the Council and Ex-Officio Mayor of the City and/or City Manager and/or Finance Director/Treasurer of the City are hereby authorized and directed to execute the Eighth Supplemental Indenture and the City Clerk and Clerk of the Council and/or the Chief Deputy City Clerk and Clerk of the Council is hereby authorized and directed to attest and attach the seal of the City to the Eighth Supplemental Indenture, such Eighth Supplemental Indenture to be in substantially the form presented to this meeting and on file with the City Clerk and Clerk of the Council, together with such changes therein or additions thereto as may be deemed advisable to such officers, upon the advice of Hawkins Delafield & Wood LLP, Bond Counsel, such execution to be conclusive evidence of the approval of such Eighth Supplemental Indenture.

Section 2. Approval of Negotiated Bond Sale; Underwriter. The City approves the sale of the Bonds to the Underwriter. The City Manager and/or Finance Director/Treasurer is hereby authorized and directed, for and on behalf of the City, to negotiate, execute and deliver the Bond Purchase Agreement, in such form as such officer may approve, such approval to be conclusively evidenced by the execution and delivery thereof, provided that the principal amount of the Bonds shall not exceed \$45,000,000, the average interest rate on the Bonds issued shall not exceed 3.5%, the underwriter's takedown shall not exceed 0.5% of the principal amount of the Bonds, and the refinancing of the Bonds to be Refunded shall result in at least 5% aggregate present value interest savings.

Section 3. Approval of Official Statement. The Preliminary Official Statement describing the Bonds and the financing is hereby approved, in substantially the form as presented to the Council and on file with the City Clerk and Clerk of the Council. The City Manager and/or Finance Director/Treasurer is hereby authorized to deem the Preliminary Official Statement "final" within the meaning of Rule 15c2-12(b) under the Securities Exchange Act of 1934.

The President of the Council and Ex-Officio Mayor of the City and/or the City Manager and/or the Finance Director/Treasurer, as the case may be, shall take such further actions and execute such additional documents as he or she may deem necessary or appropriate to verify the accuracy of both the Preliminary Official Statement and the Final Official Statement.

The City Manager and Finance Director/Treasurer of the City are further authorized and directed, upon the advice of Bond Counsel, to cause the Preliminary Official Statement to be brought into the form of a Final Official Statement, to be dated as of the date of sale of the Bonds, and one or more of such officers, and/or the President of the Council and Ex-Officio Mayor of the City, are hereby authorized and directed to execute the Final Official Statement in the name of and on behalf of the City, such execution to be conclusive evidence of the approval of such Final Official Statement.

The Underwriter is hereby authorized to distribute the Official Statement in preliminary form, to persons who may be interested in the purchase of the Bonds and to deliver the Official Statement in final form to the purchasers of the Bonds, in each case with such changes as may be approved as aforesaid.

Section 3. Approval of Continuing Disclosure Certificate. A Continuing Disclosure Certificate providing for ongoing disclosure of information concerning the Bonds in order to allow the underwriter of the Bonds to comply with Rule 15c2-12(b)(5) of the Securities Exchange Act of 1934 is hereby approved, in substantially the form attached to the Preliminary Official Statement as presented to the Council and on file with the City Clerk and Clerk of the Council. The City Manager

and/or Finance Director/Treasurer are hereby authorized and directed to execute such Continuing Disclosure Certificate, together with such changes therein or additions thereto as may be deemed advisable to such officers, upon the advice of Hawkins Delafield & Wood LLP, Bond Counsel, such execution to be conclusive evidence of the approval of such Continuing Disclosure Certificate.

Section 5. Approval of Bond Counsel and Financial Advisor. The employment of Hawkins Delafield & Wood LLP to serve as the City’s Bond Counsel is hereby approved and authorized. The employment of Bartle Wells Associates to serve as the City’s financial advisor is hereby approved and authorized.

Section 6. Approval of Related Actions. The President of the Council and Ex-Officio Mayor of the City, the City Manager, the Finance Director/Treasurer of the City, the City Clerk and Clerk of the Council and Chief Deputy City Clerk and Clerk of the Council, and any other officers of the City as may be appropriate under the circumstances, are hereby authorized and directed to execute and deliver any and all papers and instruments, including but not limited to escrow documents, and to do and cause to be done any and all acts and things necessary or proper for carrying out the delivery of the Bonds to the Underwriter, as contemplated by this Resolution, and to cause all of the proceedings relating hereto to conform to such transactions as more particularly described in the Official Statement.

Section 6. Ratification of Prior Actions. All actions and proceedings heretofore taken by the President of the Council and Ex-Officio Mayor of the City, the City Manager, the Finance Director/Treasurer of the City, the City Clerk and Clerk of the Council and Chief Deputy City Clerk and Clerk of the Council, and any other officers of the City in the authorization, issuance and sale of the Bonds are hereby ratified and confirmed.

PASSED, ADOPTED AND APPROVED this ____ day of _____, 2020

President of the Council and Ex-Officio Mayor
of the City of Tulare

ATTEST:

STATE OF CALIFORNIA)
COUNTY OF TULARE)
CITY OF TULARE)

I, Rob A. Hunt, City Clerk of the City of Tulare, certify the foregoing is the full and true Resolution 2020-__ passed and adopted by the City Council of the City of Tulare at a regular meeting held on October 6, 2020, by the following vote:

Aye(s) _____

Noes(s) _____ Absent _____

Dated: ROB A. HUNT, CITY CLERK

BY: _____, Chief Deputy

EXHIBIT A
CITY OF TULARE SEWER REVENUE REFUNDING BONDS, SERIES 2020

GOOD FAITH ESTIMATES

Pursuant to Section 5852.1 of the Government Code of the State of California, the following information was obtained from Bartle Wells Associates, as the municipal advisor of the bonds defined above (the “Bonds”), for consideration prior to the authorization in the foregoing Resolution of the proposed Bonds:

1. *True Interest Cost of the Bonds.* Assuming an aggregate principal amount of an estimated \$38,500,000, plus an estimated \$1,800,000 in original issue premium, is sold to effectuate the financing with annual debt service savings and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the true interest cost of the Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Bonds, is 2.5%.

2. *Finance Charge of the Bonds.* Assuming such a principal amount of the proposed Bonds is sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the Finance Charge of the Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the issuance of the Bonds), is \$500,000 including costs of issuance, underwriter charges, bond insurance premium and reserve surety bond premium.

3. *Amount of Proceeds to be received.* Assuming such aggregate principal amount of the proposed Bonds required to effectuate the financing is sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the amount of proceeds expected to be received by the City for sale of the Bonds less the Finance Charge of the Bonds described in 2 above and any reserves or capitalized interest paid or funded with proceeds of the Bonds, is \$39,800,000.

4. *Total Payment Amount.* Assuming such aggregate principal amount of the proposed Bonds are sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the total payment amount, which means the sum total of all payments the issuer will make to pay debt service on the Bonds plus the Finance Charge of the Bonds described in paragraph 2 above not paid with the proceeds of the Bonds, calculated to the final maturity of the Bonds, is \$52,200,000.

Attention is directed to the fact that the foregoing information constitutes good faith estimates only. The actual interest cost, finance charges, amount of proceeds and total payment amount may vary from the estimates above due to variations from these estimates in the timing of Bond sales, the amount of Bonds sold, the amortization of the Bonds sold and market interest rates at the time of each sale. The date or dates of sale and the amount of Bonds sold will be determined by the City based on need for funds and other factors. The actual interest rates at which the Bonds will be sold will depend on the bond market at the time of sale. The actual amortization of the Bonds will also depend, in part, on market interest rates at the time of each sale. Market interest rates are affected by economic and other factors beyond the City’s control.

EIGHTH SUPPLEMENTAL INDENTURE

by and between

CITY OF TULARE

and

U.S. BANK NATIONAL ASSOCIATION

as Trustee

Dated as of [____ 1, 2020]

Relating to the

**CITY OF TULARE
SEWER REVENUE REFUNDING BONDS**

**SERIES 2020A
(Tax-Exempt)**

**SERIES 2020B
(Federally Taxable)**

ARTICLE I

DEFINITIONS; EQUAL SECURITY

Section 1.1. Definitions.....

ARTICLE II

ISSUANCE OF THE SERIES 2020 BONDS; CREATION OF FUNDS

Section 2.1. Authorization and Terms of Series 2020A Bonds.....
Section 2.2. Form of Series 2020A Bonds.....
Section 2.3. Application of Proceeds of Sale of Series 2020A Bonds and Other Funds
held under the Indenture
Section 2.4. [Series 2020A Reserve Account.....
Section 2.5. Series 2020A Costs of Issuance Fund.....
Section 2.6. Redemption of Series 2020A Bonds.....
Section 2.7. Terms of Series 2020A Bonds Subject to the Master Indenture.....
Section 2.8. Authorization and Terms of Series 2020B Bonds.....
Section 2.9. Form of Series 2020B Bonds.....
Section 2.10. Application of Proceeds of Sale of Series 2020B Bonds and Other Funds
held under the Indenture
Section 2.11. [Series 2020B Reserve Account.....
Section 2.12. Series 2020B Costs of Issuance Fund.....
Section 2.13. Redemption of Series 2020B Bonds.....
Section 2.14. Terms of Series 2020B Bonds Subject to the Master Indenture.....

ARTICLE III

[PROVISIONS RELATING TO THE SERIES 2020 MUNICIPAL BOND INSURANCE
POLICY AND THE SERIES 2020 RESERVE POLICIES]

Section 3.1. Certain Provisions relating to the Series 2020 Bonds.....
Section 3.2. Claims Upon the Series 2020 Municipal Bond Insurance Policy and
Payments by and to the Series 2020 Bond Insurer
Section 3.3. Notices to the Series 2020 Bond Insurer.....
Section 3.4. Series 2020 Bond Insurer Information Requests.....
Section 3.5. Provisions Relating to the Series 2020 Reserve Policies.....

ARTICLE IV

AMENDMENT TO MASTER INDENTURE

Section 4.1. Amendment of Defined Term in the Master Indenture.....

EIGHTH SUPPLEMENTAL INDENTURE

This EIGHTH SUPPLEMENTAL INDENTURE dated as of [_____] 1, 2020] (the “Supplemental Indenture”), by and between the CITY OF TULARE, a municipal corporation, duly organized and existing under and by virtue of the Freeholders’ Charter of the City of Tulare and the laws of the State of California (the “City”), and U.S. Bank National Association, a national banking association duly organized and existing under and by virtue of the laws of the United States of America, as Trustee (the “Trustee”);

WITNESSETH:

WHEREAS, the City and the Trustee duly authorized the execution and delivery of a Master Indenture, dated as December 1, 2003 (the “Master Indenture”), to provide for the terms and conditions of the issuance by the City of series of Sewer Revenue Bonds from time to time;

WHEREAS, the City and the Trustee duly authorized the execution and delivery of this Supplemental Indenture to provide for the issuance of its Sewer Revenue Refunding Bonds, Series 2020A (Tax Exempt) (the “Series 2020A Bonds”) in the aggregate principal amount of \$[_____] and its Sewer Revenue Refunding Bonds, Series 2020B (Federally Taxable) (the “Series 2020B Bonds,” and together with the Series 2020A Bonds, the “Series 2020 Bonds”) in the aggregate principal amount of \$[_____] , each under and secured by the Master Indenture;

WHEREAS, the City is authorized under Articles 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California to issue the refunding bonds to refinance all or portions of obligations theretofore entered into by it;

WHEREAS, the City has determined that it is in the best interests of the City and its sewer customers and is necessary and proper for City purposes that the City issue the Series 2020 Bonds to refinance all or a portion of the City’s Senior 2012 Notes, Series 2013 Bonds and Series 2015 Bonds, (all as herein defined); and

WHEREAS, the City has determined that all things necessary to cause the Series 2020 Bonds, when duly executed by the City and authenticated and delivered by the Trustee as provided herein, to be legal and valid special obligations of the City enforceable in accordance with their terms and to constitute the Indenture a valid agreement for the purposes and uses herein set forth in accordance with its terms, have been done and taken, and the execution and delivery hereof and the execution, authentication and delivery of the Series 2020 Bonds, subject to the terms hereof, have in all respects been duly authorized;

NOW THEREFORE, THIS INDENTURE WITNESSETH, that in order to secure the payment of the interest on and principal of and redemption premiums, if any, on all Series 2020 Bonds at any time issued and delivered hereunder according to their tenor, and to secure the observance and performance of all the agreements, conditions, covenants and terms therein and herein set forth, and to declare the conditions and terms upon and subject to which the Series 2020 Bonds are to be issued, and in consideration of the premises and of the mutual agreements and covenants herein contained and of the purchase and acceptance of the Series 2020 Bonds by the respective Registered Owners thereof from time to time, and for other valuable

considerations, the receipt whereof is hereby acknowledged, the City does hereby agree and covenant with the Trustee, for the benefit of the respective Registered Owners from time to time of the Series 2020 Bonds, as follows:

ARTICLE I

DEFINITIONS; EQUAL SECURITY

Section 1.1. Definitions. Unless the context otherwise requires, the terms defined in the Master Indenture and this Section shall for all purposes hereof and of the Series 2020 Bonds and of any certificate, opinion, report, request or other document herein or therein mentioned have the meanings herein specified, the following definitions to be equally applicable to both the singular and plural forms of any of the terms defined herein:

Closing Date

“Closing Date” means, with respect to the Series 2020 Bonds, [_____, 2020].

Indenture

“Indenture” means collectively the Master Indenture, this Supplemental Indenture and any other supplemental indentures entered into pursuant to the Master Indenture.

Master Indenture

“Master Indenture” means that certain Master Indenture dated as of December 1, 2003, by and between the City and the Trustee.

Senior 2012 Notes

“Senior 2012 Notes” means the City of Tulare 2012 Sewer Revenue Refunding Notes.

Series 2013 Bonds

“Series 2013 Bonds” means the City of Tulare Sewer Revenue Refunding Bonds, Series 2013.

Series 2013 Escrow Agent

“Series 2013 Escrow Agent” means U.S. Bank National Association.

Series 2013 Escrow Agreement

“Series 2013 Escrow Agreement” means that certain Escrow Agreement, dated as of [_____, 2020], by and between the City and the Series 2013 Escrow Agent.

Series 2015 Bonds

“Series 2015 Bonds” means the City of Tulare Sewer Revenue Refunding Bonds, Series 2015.

Series 2020 Bonds

“Series 2020 Bonds” means, collectively, the Series 2020A Bonds and the Series 2020B Bonds.

[Series 2020 Bond Insurer]

[“Series 2020 Bond Insurer” means [_____], or any successor thereto or assignee thereof.]

Series 2020 Continuing Disclosure Certificate

“Series 2020 Continuing Disclosure Certificate” means that certain Continuing Disclosure Certificate or Certificates executed by the City with respect to the Series 2020 Bonds.

[Series 2020 Municipal Bond Insurance Policy]

[“Series 2020 Municipal Bond Insurance Policy” means the insurance policy issued by the Series 2020 Bond Insurer guaranteeing the scheduled payment of principal of and interest on the Series 2020 Bonds when due.]

Series 2020 Reserve Accounts

“Series 2020 Reserve Accounts” means, collectively, the Series 2020A Reserve Account and the Series 2020B Reserve Account.

[Series 2020 Reserve Policies]

[“Series 2020 Reserve Policies” means, collectively, the Series 2020A Reserve Policy and the Series 2020B Reserve Policy.]

Series 2020A Bonds

“Series 2020 Bonds” means the City of Tulare Sewer Revenue Refunding Bonds, Series 2020A (Tax-Exempt) authorized, executed and delivered hereunder.

Series 2020A Costs of Issuance

“Series 2020A Costs of Issuance” means all items of expense directly or indirectly payable by or reimbursable to the City and related to the authorization, execution, sale and delivery of the Series 2020A Bonds, including but not limited to advertising and printing costs, costs of preparation and reproduction of documents, filing and recording fees, travel expenses and costs relating to rating agency meetings and other meetings concerning the Series 2020A Bonds, initial fees and charges of any Trustee, legal fees and charges, fees and disbursements of

consultants, lawyers and other professionals, financial advisor fees and expenses, rating agency fees, fees and charges for preparation, execution, transportation and safekeeping of Series 2020A Bonds, surety, insurance and credit enhancement costs, and any other cost, charge or fee in connection with the delivery of the Series 2020A Bonds.

Series 2020A Costs of Issuance Fund

“Series 2020A Costs of Issuance Fund” means the Fund established pursuant to Section 2.5 hereof.

Series 2020A Reserve Account

“Series 2020A Reserve Account” means the debt service reserve account created by Section 2.4 held within the Reserve Fund.

[Series 2020A Reserve Policy]

[“Series 2020A Reserve Policy” means the municipal bond debt service reserve insurance policy issued by the Series 2020 Bond Insurer and held within the Series 2020A Reserve Account. The 2020A Reserve Policy constitutes a permitted “Reserve Policy” under the Indenture.]

Series 2020B Bonds

“Series 2020 Bonds” means the City of Tulare Sewer Revenue Refunding Bonds, Series 2020B (Federally Taxable) authorized, executed and delivered hereunder.

Series 2020B Costs of Issuance

“Series 2020B Costs of Issuance” means all items of expense directly or indirectly payable by or reimbursable to the City and related to the authorization, execution, sale and delivery of the Series 2020B Bonds, including but not limited to advertising and printing costs, costs of preparation and reproduction of documents, filing and recording fees, travel expenses and costs relating to rating agency meetings and other meetings concerning the Series 2020B Bonds, initial fees and charges of any Trustee, legal fees and charges, fees and disbursements of consultants, lawyers and other professionals, financial advisor fees and expenses, rating agency fees, fees and charges for preparation, execution, transportation and safekeeping of Series 2020B Bonds, surety, insurance and credit enhancement costs, and any other cost, charge or fee in connection with the delivery of the Series 2020B Bonds.

Series 2020B Costs of Issuance Fund

“Series 2020B Costs of Issuance Fund” means the Fund established pursuant to Section 2.12 hereof.

Series 2020B Reserve Account

“Series 2020B Reserve Account” means the debt service reserve account created by Section 2.11 held within the Reserve Fund.

[Series 2020B Reserve Policy]

[“Series 2020B Reserve Policy” means the municipal bond debt service reserve insurance policy issued by the Series 2020 Bond Insurer and held within the Series 2020B Reserve Account. The 2020B Reserve Policy constitutes a permitted “Reserve Policy” under the Indenture.]

Supplemental Indenture

“Supplemental Indenture” means this Eighth Supplemental Indenture.

ARTICLE II

ISSUANCE OF THE SERIES 2020 BONDS; CREATION OF FUNDS

Section 2.1. Authorization and Terms of Series 2020A Bonds. The Series 2020A Bonds in a principal amount of \$[_____] are hereby authorized to be issued by the City in order to current refund all or a portion of the City’s Senior 2012 Notes and Series 2015 Bonds. The Series 2020A Bonds shall be designated the “City of Tulare Sewer Revenue Refunding Bonds, Series 2020A (Tax-Exempt)”.

The Series 2020A Bonds shall be dated their initial date of delivery, shall bear interest (computed on the basis of a 360-day year consisting of twelve 30-day months) at the rates per annum (payable semiannually on May 15 and November 15 in each year, commencing on [____ 15, 20__]) and shall mature and become payable on November 15 in each of the years in the principal amounts set forth in the following schedule:

	<u>Maturity Date</u> <u>(November 15)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
2021		\$ -	-%
2022		-	-

The Series 2020A Bonds shall be issued as fully registered bonds in denominations of five thousand dollars (\$5,000) or any integral multiple of five thousand dollars (\$5,000) (not exceeding the principal amount of Series 2020A Bonds maturing at any one time). The Series 2020A Bonds shall be numbered sequentially beginning with “RA-1”. Each Series 2020A Bond shall bear interest from the Interest Payment Date next preceding the date of registration thereof, unless such date of registration is during the period from and including the Record Date next preceding an Interest Payment Date to and including such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or unless such date of registration is on or before the Record Date next preceding the first Interest Payment Date, in which event it shall bear interest from its date of delivery; *provided*, that if at the time of registration of any Series 2020A Bond interest is then in default on the Outstanding Series 2020A Bonds, such Series 2020A Bond shall bear interest from the Interest Payment Date to which interest previously has been paid or made available for payment on the Outstanding Series 2020A Bonds. Payment of interest on the Series 2020A Bonds due on or before the maturity or prior redemption of the Series 2020A Bonds shall be made to the person whose name appears in the registration books maintained under Section 2.8 of the Master Indenture as the Owner thereof as of the close of

business on the Record Date next preceding each Interest Payment Date, such interest to be paid by check mailed by first class mail, postage prepaid, on each Interest Payment Date to such Owner at his address as it appears in the registration books maintained under such Section 2.8 of the Master Indenture, or, upon written request received prior to the Record Date next preceding an Interest Payment Date of an Owner of at least one million dollars (\$1,000,000) in aggregate principal amount of Series 2020A Bonds, by wire transfer in immediately available funds to an account within the continental United States of America designated by such Owner.

The principal of and redemption premiums, if any, on the Series 2020A Bonds shall be payable upon the surrender thereof at maturity or the prior redemption thereof at the Corporate Trust Office of the Trustee. The interest on and principal of and redemption premiums, if any, on the Series 2020A Bonds shall be paid in lawful money of the United States of America.

Section 2.2. Form of Series 2020A Bonds. The Series 2020A Bonds, the authentication and registration endorsement and the assignment to appear thereon shall be substantially in the forms attached hereto as Exhibit A, which is incorporated herein and made a part hereof, with necessary or appropriate variations, omissions and insertions as permitted or required hereby.

Section 2.3. Application of Proceeds of Sale of Series 2020A Bonds and Other Funds held under the Indenture. Upon receipt of payment for the Series 2020A Bonds (the "Series 2020A Bond Proceeds") from the underwriter in the net amount of \$[_____] (equal to the principal amount of the Series 2020A Bonds of \$[_____] plus original issue premium of \$[_____] less underwriter's discount of \$[_____] [less Series 2020A Municipal Bond Insurance Policy premium of \$[_____] wired by the underwriter to the Series 2020 Bond Insurer on behalf of the City]), the Trustee shall deposit or transfer the Series 2020A Bond Proceeds and other available moneys as described below:

[Application of proceeds to be updated]

(a) \$[_____] of Series 2020A Bond Proceeds to the redeem all of the outstanding Senior 2012 Notes.

(b) \$[_____] of Series 2020A Bond Proceeds to the redeem CUSIP 899124KQ3 relating to the Series 2015 Bonds.

(c) [\$[_____] of Series 2020A Bond Proceeds to be deposited into the Series 2020A Reserve Account.]

(d) \$[_____] of Series 2020A Bond Proceeds into the Series 2020A Costs of Issuance Fund.

The Trustee may establish a temporary fund or account to facilitate such transfers and deposits.

Section 2.4. Series 2020A Reserve Account. The Series 2020A Reserve Account is hereby created within the Reserve Fund. Amounts in or available to the Series 2020A Reserve

Account shall only be available to pay the interest on and principal of the Series 2020A Bonds. [On the Closing Date, the Series 2020A Reserve Policy will be deposited in the Series 2020A Reserve Account, in an amount equal to the Reserve Fund Requirement for the Series 2020A Bonds as of the Closing Date.]

Section 2.5. Series 2020A Costs of Issuance Fund. There shall be established a separate fund with the Trustee to be known as the “Series 2020A City of Tulare Costs of Issuance Fund,” which fund shall be referred to herein as the “Series 2020A Costs of Issuance Fund”. On the Closing Date, \$[_____] of Bond Proceeds will be deposited in the Costs of Issuance Fund.

Before any payment of money is made from any of the Series 2020A Costs of Issuance Fund, the City shall file with the Trustee a Written Request of the City substantially in the form of Exhibit B which contains the following items:

- (a) the name and address of the person to whom payment is due;
- (b) the amount of money to be paid and the Series 2020A Costs of Issuance Fund from which such payment is to be made; and
- (c) the purpose for which the obligation to be paid was incurred.

Each such Written Request of the City shall state and shall be conclusive evidence to the Trustee of the following:

- (a) that such payment complies with the requirements of this Indenture and any Supplemental Indentures; and
- (b) that an obligation in the stated amount has been properly incurred and that such obligation is a proper charge against the Fund.

Upon receipt of each Written Request described above the Trustee shall pay the amount set forth therein as directed by the terms thereof. Upon the earlier of (i) when all moneys have been expended in the Series 2020 Costs of Issuance Fund or (i) [_____, 2020], such fund shall be closed by the Trustee and any remaining amounts, if any, in the fund shall be transferred to the Interest Account for the Series 2020 Bonds.

Section 2.6. Redemption of Series 2020A Bonds.

(a) Optional Redemption. The Series 2020A Bonds maturing by their terms on or after [November 15, 20__], are subject to optional redemption prior to their respective stated maturity dates by the City on any date on or after [November 15, 20__], as a whole or in part in such principal amounts and from such maturity dates as selected by the City, from funds derived by the City from any lawful source and deposited with the Trustee not less than five (5) days prior to the date of redemption, upon mailed notice as provided in Section 2.4 of the Master Indenture, at a redemption price equal to the principal amount of the Bonds or the portions thereof redeemed, without premium, together with interest accrued thereon to the date fixed for redemption. The Trustee shall distribute notice of optional redemption upon receipt of a Written

Request of the City received by the Trustee at least five (5) days prior to the date of such notice of optional redemption, [and such notice may be conditional].

(b) Mandatory Redemption. Subject to Article II of the Master Indenture, the Series 2020A Bonds described below are subject to mandatory redemption prior to maturity in part, by lot, on each November 15 on or after [November 15, 20__] from Sinking Fund Account Installments deposited into the Sinking Fund Account pursuant to Section 3.1 of the Master Indenture at the principal amount thereof together with interest accrued thereon to the date fixed for redemption, without premium, as follows:

\$[_____] Term Bond maturing November 15, 20__

Sinking Fund Account Payment Dates (November 15)	Sinking Fund Account Installment
20__	\$-
20__	-
20__*	-

* Maturity.

\$[_____] Term Bond maturing November 15, 20__

Sinking Fund Account Payment Dates (November 15)	Sinking Fund Account Installment
20__	\$-
20__	-
20__*	-

* Maturity.

\$[_____] Term Bond maturing November 15, 20__

Sinking Fund Account Payment Dates (November 15)	Sinking Fund Account Installment
20__	\$-
20__	-
20__*	-

* Maturity.

Section 2.7. Terms of Series 2020A Bonds Subject to the Master Indenture. Except as in the Supplemental Indenture expressly provided, every term and condition contained in the Master Indenture shall apply to the Supplemental Indenture to the Series 2020A Bonds with the same force and effect as if the same were herein set forth at length, with such omissions, variations and modifications thereof as may be appropriate to make the same conform to this Supplemental Indenture.

Section 2.8. Authorization and Terms of Series 2020B Bonds. The Series 2020B Bonds in a principal amount of \$[_____] are hereby authorized to be issued by the City in order to advance refund all or a portion of the City’s Series 2013 Bonds. The Series 2020B Bonds shall be designated the “City of Tulare Sewer Revenue Refunding Bonds, Series 2020B (Federally Taxable).”

The Series 2020B Bonds shall be dated their initial date of delivery, shall bear interest (computed on the basis of a 360-day year consisting of twelve 30-day months) at the rates per annum (payable semiannually on May 15 and November 15 in each year, commencing on [____ 15, 20__]) and shall mature and become payable on November 15 in each of the years in the principal amounts set forth in the following schedule:

<u>Maturity Date</u> <u>(November 15)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
-	\$ -	-%
-	-	-

The Series 2020B Bonds shall be issued as fully registered bonds in denominations of five thousand dollars (\$5,000) or any integral multiple of five thousand dollars (\$5,000) (not exceeding the principal amount of Series 2020B Bonds maturing at any one time). The Series 2020B Bonds shall be numbered sequentially beginning with “RB-1”. Each Series 2020B Bond shall bear interest from the Interest Payment Date next preceding the date of registration thereof, unless such date of registration is during the period from and including the Record Date next preceding an Interest Payment Date to and including such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or unless such date of registration is on or before the Record Date next preceding the first Interest Payment Date, in which event it shall bear interest from its date of delivery; *provided*, that if at the time of registration of any Series 2020B Bond interest is then in default on the Outstanding Series 2020B Bonds, such Series 2020B Bond shall bear interest from the Interest Payment Date to which interest previously has been paid or made available for payment on the Outstanding Series 2020B Bonds. Payment of interest on the Series 2020B Bonds due on or before the maturity or prior redemption of the Series 2020B Bonds shall be made to the person whose name appears in the registration books maintained under Section 2.8 of the Master Indenture as the Owner thereof as of the close of business on the Record Date next preceding each Interest Payment Date, such interest to be paid by check mailed by first class mail, postage prepaid, on each Interest Payment Date to such Owner at his address as it appears in the registration books maintained under such Section 2.8 of the Master Indenture, or, upon written request received prior to the Record Date next preceding an Interest Payment Date of an Owner of at least one million dollars (\$1,000,000) in aggregate

principal amount of Series 2020B Bonds, by wire transfer in immediately available funds to an account within the continental United States of America designated by such Owner.

The principal of and redemption premiums, if any, on the Series 2020B Bonds shall be payable upon the surrender thereof at maturity or the prior redemption thereof at the Corporate Trust Office of the Trustee. The interest on and principal of and redemption premiums, if any, on the Series 2020B Bonds shall be paid in lawful money of the United States of America.

Section 2.9. Form of Series 2020B Bonds. The Series 2020B Bonds, the authentication and registration endorsement and the assignment to appear thereon shall be substantially in the forms attached hereto as Exhibit A, which is incorporated herein and made a part hereof, with necessary or appropriate variations, omissions and insertions as permitted or required hereby.

Section 2.10. Application of Proceeds of Sale of Series 2020B Bonds and Other Funds held under the Indenture. Upon receipt of payment for the Series 2020B Bonds (the "Series 2020B Bond Proceeds") from the underwriter in the net amount of \$[_____] (equal to the principal amount of the Series 2020B Bonds of \$[_____] plus original issue premium of \$[_____] less underwriter's discount of \$[_____] [less Series 2020B Municipal Bond Insurance Policy premium of \$[_____] wired by the underwriter to the Series 2020 Bond Insurer on behalf of the City]), the Trustee shall deposit or transfer the Series 2020B Bond Proceeds and other available moneys as described below:

[Application of proceeds to be updated]

(a) \$[_____] of Series 2020B Bond Proceeds to the Series 2013 Escrow Agent to be applied as described in the Series 2013 Escrow Agreement.

(b) [\$[_____] of Series 2020B Bond Proceeds to be deposited into the Series 2020B Reserve Account.]

(c) \$[_____] of Series 2020B Bond Proceeds into the Series 2020B Costs of Issuance Fund.

The Trustee may establish a temporary fund or account to facilitate such transfers and deposits. Any moneys remaining in the accounts for the Series 2013 Bonds shall be deposited in Interest Account for the Series 2020B Bonds.

Section 2.11. Series 2020B Reserve Account. The Series 2020B Reserve Account is hereby created within the Reserve Fund. Amounts in or available to the Series 2020B Reserve Account shall only be available to pay the interest on and principal of the Series 2020B Bonds. [On the Closing Date, the Series 2020B Reserve Policy will be deposited in the Series 2020B Reserve Account, in an amount equal to the Reserve Fund Requirement for the Series 2020B Bonds as of the Closing Date.]

Section 2.12. Series 2020B Costs of Issuance Fund. There shall be established a separate fund with the Trustee to be known as the "Series 2020B City of Tulare Costs of

Issuance Fund,” which fund shall be referred to herein as the “Series 2020B Costs of Issuance Fund”. On the Closing Date, \$[_____] of Bond Proceeds will be deposited in the Costs of Issuance Fund.

Before any payment of money is made from any of the Series 2020B Costs of Issuance Fund, the City shall file with the Trustee a Written Request of the City substantially in the form of Exhibit B which contains the following items:

- (a) the name and address of the person to whom payment is due;
- (b) the amount of money to be paid and the Series 2020B Costs of Issuance Fund from which such payment is to be made; and
- (c) the purpose for which the obligation to be paid was incurred.

Each such Written Request of the City shall state and shall be conclusive evidence to the Trustee of the following:

- (a) that such payment complies with the requirements of this Indenture and any Supplemental Indentures; and
- (b) that an obligation in the stated amount has been properly incurred and that such obligation is a proper charge against the Fund.

Upon receipt of each Written Request described above the Trustee shall pay the amount set forth therein as directed by the terms thereof. Upon the earlier of (i) when all moneys have been expended in the Series 2020B Costs of Issuance Fund or (i) [_____, 2020], such fund shall be closed by the Trustee and any remaining amounts, if any, in the fund shall be transferred to the Interest Account for the Series 2020B Bonds.

Section 2.13. Redemption of Series 2020B Bonds.

(a) Optional Redemption. The Series 2020B Bonds maturing by their terms on or after [November 15, 20__], are subject to optional redemption prior to their respective stated maturity dates by the City on any date on or after [November 15, 20__], as a whole or in part in such principal amounts and from such maturity dates as selected by the City, from funds derived by the City from any lawful source and deposited with the Trustee not less than five (5) days prior to the date of redemption, upon mailed notice as provided in Section 2.4 of the Master Indenture, at a redemption price equal to the principal amount of the Bonds or the portions thereof redeemed, without premium, together with interest accrued thereon to the date fixed for redemption. The Trustee shall distribute notice of optional redemption upon receipt of a Written Request of the City received by the Trustee at least five (5) days prior to the date of such notice of optional redemption, [and such notice may be conditional.]

(b) Mandatory Redemption. Subject to Article II of the Master Indenture, the Series 2020B Bonds described below are subject to mandatory redemption prior to maturity in part, by lot, on each November 15 on or after [November 15, 20__] from Sinking Fund Account Installments deposited into the Sinking Fund Account pursuant to Section 3.1 of the Master

Indenture at the principal amount thereof together with interest accrued thereon to the date fixed for redemption, without premium, as follows:

\$[_____] Term Bond maturing November 15, 20__

Sinking Fund Account Payment Dates (November 15)	Sinking Fund Account Installment
20__	\$-
20__	-
20__*	-

* Maturity.

\$[_____] Term Bond maturing November 15, 20__

Sinking Fund Account Payment Dates (November 15)	Sinking Fund Account Installment
20__	\$-
20__	-
20__*	-

* Maturity.

\$[_____] Term Bond maturing November 15, 20__

Sinking Fund Account Payment Dates (November 15)	Sinking Fund Account Installment
20__	\$-
20__	-
20__*	-

* Maturity.

Section 2.14. Terms of Series 2020B Bonds Subject to the Master Indenture. Except as in the Supplemental Indenture expressly provided, every term and condition contained in the Master Indenture shall apply to the Supplemental Indenture to the Series 2020B Bonds with the same force and effect as if the same were herein set forth at length, with such omissions, variations and modifications thereof as may be appropriate to make the same conform to this Supplemental Indenture; provided that the Series 2020B Bonds are being issued as obligations the interest on which will be subject to federal income taxation.

ARTICLE III

[PROVISIONS RELATING TO THE SERIES 2020 MUNICIPAL BOND INSURANCE POLICY AND THE SERIES 2020 RESERVE POLICIES]

[To be updated]

Section 3.1. Certain Provisions relating to the Series 2020 Bonds. [So long as the Series 2020 Municipal Bond Insurance Policy is outstanding and the Series 2020 Bond Insurer is not in default of its obligations thereunder, the following provisions shall govern:

(a) The prior written consent of the Series 2020 Bond Insurer shall be a condition precedent to the deposit of any credit instrument provided in lieu of a cash deposit into the Series 2020 Reserve Accounts. Notwithstanding anything to the contrary set forth in the Indenture, amounts on deposit in the Series 2020 Reserve Accounts shall be applied solely to the payment of debt service due on the Series 2020 Bonds.

(b) The Series 2020 Bond Insurer shall be deemed to be the sole holder of the Series 2020 Bonds for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the holders of the Series 2020 Bonds are entitled to take pursuant to the Indenture pertaining to (i) defaults and remedies and (ii) the duties and obligations of the Trustee. In furtherance thereof and as a term of the Indenture and each Series 2020 Bond, the Trustee (solely with respect to the Series 2020 Bonds) and each Bondholder appoint the Series 2020 Bond Insurer as their agent and attorney-in-fact and agree that the Series 2020 Bond Insurer may at any time during the continuation of any proceeding by or against the City under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "Insolvency Proceeding") direct all matters relating to such Insolvency Proceeding, including without limitation, (A) all matters relating to any claim or enforcement proceeding in connection with an Insolvency Proceeding (a "Claim"), (B) the direction of any appeal of any order relating to any Claim, (C) the posting of any surety, supersedes or performance bond pending any such appeal, and (D) the right to vote to accept or reject any plan of adjustment. In addition, the Trustee (solely with respect to the Series 2020 Bonds) and each Bondholder delegate and assign to the Series 2020 Bond Insurer, to the fullest extent permitted by law, the rights of the Trustee and each Bondholder in the conduct of any Insolvency Proceeding, including, without limitation, all rights of any party to an adversary proceeding or action with respect to any court order issued in connection with any such Insolvency Proceeding. Remedies granted to the Bondholders shall expressly include mandamus.

(c) If acceleration is permitted under the Indenture, the maturity of Series 2020 Bonds shall not be accelerated without the consent of the Series 2020 Bond Insurer and in the event the maturity of the Series 2020 Bonds is accelerated, the Series 2020 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 Series 2020 Bond Insurer's obligations under the Series

2020 Municipal Bond Insurance Policy with respect to such Series 2020 Bonds shall be fully discharged.

(d) No grace period for a covenant default shall exceed 30 days or be extended for more than 60 days, without the prior written consent of the Series 2020 Bond Insurer. No grace period shall be permitted for payment defaults.

(e) The Series 2020 Bond Insurer shall be included as a third party beneficiary to the Indenture.

(f) Upon the occurrence of an extraordinary optional, special or extraordinary mandatory redemption in part, the selection of Series 2020 Bonds to be redeemed shall be subject to the approval of the Series 2020 Bond Insurer. The exercise of any provision of the Indenture which permits the purchase of Series 2020 Bonds in lieu of redemption shall require the prior written approval of the Series 2020 Bond Insurer if any Bond so purchased is not cancelled upon purchase.

(g) Any amendment, supplement, modification to, or waiver of, the Indenture or any other transaction document, including any underlying security agreement (each a "Related Document"), that requires the consent of Bondholders or adversely affects the rights and interests of the Series 2020 Bond Insurer shall be subject to the prior written consent of the Series 2020 Bond Insurer.

(h) The rights granted to the Series 2020 Bond Insurer under the Indenture or any other Related Document to request, consent to or direct any action are rights granted to the Series 2020 Bond Insurer in consideration of its issuance of the Series 2020 Municipal Bond Insurance Policy. Any exercise by the Series 2020 Bond Insurer of such rights is merely an exercise of the Series 2020 Bond Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit, or on behalf, of the Bondholders and such action does not evidence any position of the Series 2020 Bond Insurer, affirmative or negative, as to whether the consent of the Bondholders or any other person is required in addition to the consent of the Series 2020 Bond Insurer.

(i) Only (1) cash, (2) non-callable direct obligations of the United States of America ("Treasuries"), (3) evidences of ownership of proportionate interests in future interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated, (4) subject to the prior written consent of the Series 2020 Bond Insurer, pre refunded municipal obligations rated "AAA" and "Aaa" by S&P and Moody's, respectively, or (5) subject to the prior written consent of the Series 2020 Bond Insurer, securities eligible for "AAA" defeasance under then existing criteria of S&P or any combination thereof, shall be used to effect defeasance of the Series 2020 Bonds unless the Series 2020 Bond Insurer otherwise approves.

(j) To accomplish defeasance, the City shall cause to be delivered to the Series 2020 Bond Insurer (i) a report of an independent firm of nationally recognized certified

public accountants or such other accountant as shall be acceptable to the Series 2020 Bond Insurer (“Accountant”) verifying the sufficiency of the escrow established to pay the Series 2020 Bonds in full on the maturity or redemption date (“Verification”), (ii) an Escrow Deposit Agreement (which shall be acceptable in form and substance to the Series 2020 Bond Insurer), (iii) an opinion of nationally recognized bond counsel to the effect that the Series 2020 Bonds are no longer “Outstanding” under the Indenture and (iv) a certificate of discharge of the Trustee with respect to the Series 2020 Bonds; each Verification and defeasance opinion shall be acceptable in form and substance to the Series 2020 Bond Insurer and the City, and addressed, to the City, Trustee and Series 2020 Bond Insurer. The Series 2020 Bond Insurer shall be provided with final drafts of the above referenced documentation not less than five business days prior to the funding of the escrow.

(k) Series 2020 Bonds shall be deemed “Outstanding” under the Indenture unless and until they are in fact paid and retired or the above criteria are met.

(l) Amounts paid by the Series 2020 Bond Insurer under the Series 2020 Municipal Bond Insurance Policy shall not be deemed paid for purposes of the Indenture and the Series 2020 Bonds relating to such payments shall remain Outstanding and continue to be due and owing until paid by the City in accordance with the Indenture. The Indenture shall not be discharged unless all amounts due or to become due to the Series 2020 Bond Insurer have been paid in full or duly provided for.

(m) The City covenants and agrees to take such action (including, as applicable, filing of UCC financing statements and continuations thereof) as is necessary from time to time to preserve the priority of the pledge of the System Net Revenues under applicable law. No such filing is required as of the Closing Date.

(n) The Series 2020 Bond Insurer shall, to the extent it makes any payment of principal of or interest on the Series 2020 Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Series 2020 Municipal Bond Insurance Policy (which subrogation rights shall also include the rights of any such recipients in connection with any Insolvency Proceeding). Each obligation of the City to the Series 2020 Bond Insurer under the Related Documents shall survive discharge or termination of such Related Documents.

(o) The City shall pay or reimburse the Series 2020 Bond Insurer any and all charges, fees, costs and expenses that the Series 2020 Bond Insurer may reasonably pay or incur in connection with (i) the administration, enforcement, defense or preservation of any rights or security in any Related Document; (ii) the pursuit of any remedies under the Indenture or any other Related Document or otherwise afforded by law or equity, (iii) any amendment, waiver or other action with respect to, or related to, the Indenture or any other Related Document whether or not executed or completed, or (iv) any litigation or other dispute in connection with the Indenture or any other Related Document or the transactions contemplated thereby, other than costs resulting from the failure of the Series 2020 Bond Insurer to honor its obligations under the Series 2020 Municipal Bond Insurance Policy. The Series 2020 Bond Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of the Indenture or any other Related Document.

(p) After payment of reasonable expenses of the Trustee, the application of funds realized upon default shall be applied to the payment of expenses of the City or rebate only after the payment of past due and current debt service on the Series 2020 Bonds and amounts required to restore the Series 2020 Reserve Accounts to the Reserve Fund Requirement.

(q) The Series 2020 Bond Insurer shall be entitled to pay principal of or interest on the Series 2020 Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the City (as such terms are defined in the Series 2020 Municipal Bond Insurance Policy) and any amounts due on the Series 2020 Bonds as a result of acceleration of the maturity thereof in accordance with the Indenture, whether or not the Series 2020 Bond Insurer has received a Notice of Nonpayment (as such terms are defined in the Series 2020 Municipal Bond Insurance Policy) or a claim upon the Series 2020 Municipal Bond Insurance Policy.

(r) Notwithstanding satisfaction of the other conditions to the issuance of Additional Bonds set forth in the Indenture, no such issuance may occur (1) 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 issuance and (2) unless the Series 2020 Bonds Reserve Accounts are fully funded at the Reserve Fund Requirement upon the issuance of such Additional Bonds, in either case unless otherwise permitted by the Series 2020 Bond Insurer.

(s) In determining whether any amendment, consent, waiver or other action to be taken, or any failure to take action, under the Indenture would adversely affect the security for the Series 2020 Bonds or the rights of the Bondholders, the Trustee shall consider the effect of any such amendment, consent, waiver, action or inaction as if there were no Series 2020 Municipal Bond Insurance Policy.

(t) No contract shall be entered into or any action taken by which the rights of the Series 2020 Bond Insurer or security for or sources of payment of the Series 2020 Bonds may be impaired or prejudiced in any material respect except upon obtaining the prior written consent of the Series 2020 Bond Insurer.

(u) Any interest rate exchange agreement (“Swap Agreement”) entered into by the City, secured by and payable from System Net Revenues, shall meet the following conditions: (i) the Swap Agreement must be entered into to manage interest costs related to, or a hedge against (a) assets then held, or (b) debt then outstanding, or (iii) debt reasonably expected to be issued within the next twelve (12) months, and (ii) the Swap Agreement shall not contain any leverage element or multiplier component greater than 1.0x unless there is a matching hedge arrangement which effectively off-sets the exposure from any such element or component. Unless otherwise consented to in writing by the Series 2020 Bond Insurer, any uninsured net settlement, breakage or other termination amount then in effect shall be subordinate to debt service on the Series 2020 Bonds and on any debt on parity with the Series 2020 Bonds. The City shall not terminate a Swap Agreement unless it demonstrates to the satisfaction of the Series 2020 Bond Insurer prior to the payment of any such termination amount that such payment will not cause the City to be in default under the Indenture, including but not limited to, any monetary obligations thereunder. All counterparties or guarantors to any Swap Agreement must have a

rating of at least “A-” and “A3” by Standard & Poor’s (“S&P”) and Moody’s Investors Service (“Moody’s”). If the counterparty or guarantor’s rating falls below “A-” or “A3” by either S&P or Moody’s, the counterparty or guarantor shall execute a credit support annex to the Swap Agreement, which credit support annex shall be acceptable to the Series 2020 Bond Insurer. If the counterparty or the guarantor’s long term unsecured rating falls below “Baa1” or “BBB+” by either Moody’s or S&P, a replacement counterparty or guarantor, acceptable to the Series 2020 Bond Insurer, shall be required.

Section 3.2. Claims Upon the Series 2020 Municipal Bond Insurance Policy and Payments by and to the Series 2020 Bond Insurer.

If, on the third Business Day prior to the related scheduled interest payment date or principal payment date (“Payment Date”) there is not on deposit with the Trustee, after making all transfers and deposits required under the Indenture, moneys sufficient to pay the principal of and interest on the Bonds due on such Payment Date, the Trustee shall give notice to the Series 2020 Bond Insurer and to its designated agent (if any) (the “Series 2020 Bond Insurer's Fiscal Agent”) by telephone or teletype of the amount of such deficiency by 12:00 noon, New York City time, on such Business Day. If, on the second Business Day prior to the related Payment Date, there continues to be a deficiency in the amount available to pay the principal of and interest on the Bonds due on such Payment Date, the Trustee shall make a claim under the Series 2020 Municipal Bond Insurance Policy and give notice to the Series 2020 Bond Insurer and the Series 2020 Bond Insurer's Fiscal Agent (if any) by telephone of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest on the Series 2020 Bonds and the amount required to pay principal of the Series 2020 Bonds, confirmed in writing to the Series 2020 Bond Insurer and the Series 2020 Bond Insurer's Fiscal Agent by 12:00 noon, New York City time, on such second Business Day by filling in the form of Notice of Claim and Certificate delivered with the Series 2020 Municipal Bond Insurance Policy.

The Trustee shall designate any portion of payment of principal of the Series 2020 Bonds paid by the Series 2020 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 Series 2020 Bonds registered to the then current Bondholder, whether DTC or its nominee or otherwise, and shall issue a replacement Series 2020 Bond to the Series 2020 Bond Insurer, registered in the name of [INSURANCE PROVIDER], 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 Series 2020 Bond shall have no effect on the amount of principal or interest payable by the City on any Series 2020 Bond or the subrogation rights of the Series 2020 Bond Insurer.

The Trustee shall keep a complete and accurate record of all funds deposited by the Series 2020 Bond Insurer into the Policy Payments Account (defined below) and the allocation of such funds to payment of interest on and principal of any Series 2020 Bond. The Series 2020 Bond Insurer shall have the right to inspect such records at reasonable times upon reasonable notice to the Trustee.

Upon payment of a claim under the Series 2020 Municipal Bond Insurance Policy, the Trustee shall establish a separate special purpose trust account for the benefit of Bondholders

referred to herein as the “Policy Payments Account” and over which the Trustee shall have exclusive control and sole right of withdrawal. The Trustee shall receive any amount paid under the Series 2020 Municipal Bond Insurance Policy in trust on behalf of Bondholders and shall deposit any such amount in the Policy Payments Account and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the Trustee to Bondholders in the same manner as principal and interest payments are to be made with respect to the Bonds under the sections hereof regarding payment of Bonds. It shall not be necessary for such payments to be made by checks or wire transfers separate from the check or wire transfer used to pay debt service with other funds available to make such payments. Notwithstanding anything herein to the contrary, the City agrees to pay to the Series 2020 Bond Insurer (i) a sum equal to the total of all amounts paid by the Series 2020 Bond Insurer under the Series 2020 Municipal Bond Insurance Policy (the “Series 2020 Bond Insurer Advances”); and (ii) interest on such Series 2020 Bond Insurer Advances from the date paid by the Series 2020 Bond Insurer until payment thereof in full, payable to the Series 2020 Bond Insurer at the Late Payment Rate per annum (collectively, the “Series 2020 Bond Insurer Reimbursement Amounts”). “Late Payment Rate” means the lesser of (a) 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 (any change in such rate of interest 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 on the Bonds and (b) 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. The City hereby covenants and agrees that the Series 2020 Bond Insurer Reimbursement Amounts are secured by a lien on and pledge of the System Net Revenues and payable from such System Net Revenues on a parity with debt service due on the Series 2020 Bonds.

Funds held in the Policy Payments Account shall not be invested by the Trustee and may not be applied to satisfy any costs, expenses or liabilities of the Trustee. Any funds remaining in the Policy Payments Account following a Series 2020 Bond Payment Date shall promptly be remitted to the Series 2020 Bond Insurer.

Section 3.3. Notices to the Series 2020 Bond Insurer. The notice address of the Series 2020 Bond Insurer is: [INSURANCE PROVIDER] [INSURANCE PROVIDER CONTACT INFORMATION]. In each case in which notice or other 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 [Deputy General Counsel – Public Finance] and shall be marked to indicate “URGENT MATERIAL ENCLOSED.” The Series 2020 Bond Insurer shall be provided with the following information by the City or Trustee, as the case may be:

(a) From the City, annual audited financial statements within 150 days after the end of the City's fiscal year (together with a certification of the City that it is not aware of any default or Event of Default under the Indenture), and the City's annual budget within 30 days after the approval thereof together with such other information, data or reports as the Series 2020 Bond Insurer shall reasonably request from time to time;

(b) Notice of any draw upon the Series 2020 Bonds Reserve Accounts within two Business Days after knowledge thereof other than (i) withdrawals of amounts in excess of the Reserve Fund Requirement and (ii) withdrawals in connection with a refunding of Bonds;

(c) Notice of any default known to the Trustee or City within five Business Days after knowledge thereof;

(d) Prior notice of the advance refunding or redemption of any of the Series 2020 Bonds, including the principal amount, maturities and CUSIP numbers thereof;

(e) Notice of the resignation or removal of the Trustee and Bond Registrar and the appointment of, and acceptance of duties by, any successor thereto;

(f) Notice of the commencement of any proceeding by or against the City commenced under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "Insolvency Proceeding");

(g) 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 of, or interest on, the Bonds;

(h) A full original transcript of all proceedings relating to the execution of any amendment, supplement, or waiver to the Related Documents; and

(i) All reports, notices and correspondence to be delivered to Bondholders under the terms of the Related Documents.

(j) All information furnished pursuant to any continuing disclosure agreement, covenant or undertaking with respect to the Series 2020 Bonds, shall also be provided to the Series 2020 Bond Insurer, simultaneously with the furnishing of such information.

Section 3.4. Series 2020 Bond Insurer Information Requests. The Series 2020 Bond Insurer shall have the right to receive such additional information as it may reasonably request. The City will permit the Series 2020 Bond Insurer to discuss the affairs, finances and accounts of the City or any information the Series 2020 Bond Insurer may reasonably request regarding the security for the Bonds with appropriate officers of the City and will use commercially reasonable efforts to enable the Series 2020 Bond Insurer to have access to the facilities, books and records of the City on any business day upon reasonable prior notice. The Trustee shall notify the Series 2020 Bond Insurer of any failure of the City to provide notices, certificates and other information to the Trustee under the transaction documents.

Section 3.5. Provisions Relating to the Series 2020 Reserve Policies. Notwithstanding anything herein or in the Indenture to the contrary, so long as the Series 2020 Reserve Policies are in effect or amounts are owed to the Series 2020 Bond Insurer as issuer of the Series 2020 Reserve Policies the following provisions shall govern:

(a) The City shall repay any draws under the Series 2020 Reserve Policies and pay all related reasonable expenses incurred by the Series 2020 Bond Insurer and shall pay interest thereon from the date of payment by the Series 2020 Bond Insurer at the Late Payment Rate. “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 on the Bonds 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 Series 2020 Bond Insurer shall specify. If the interest provisions of this subparagraph (a) 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 herein, 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 hereto, be applied as additional interest for any later periods of time when amounts are outstanding hereunder to the extent that interest otherwise due hereunder 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 Series 2020 Bond Insurer, with the same force and effect as if the City had specifically designated such extra sums to be so applied and the Series 2020 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 herein 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.

Repayment of draws and payment of expenses and accrued interest thereon at the Late Payment Rate (collectively, “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 Policy Costs related to such draw.

Amounts in respect of Policy Costs paid to the Series 2020 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 Series 2020 Bond Insurer on account of principal due, the coverage under the Series 2020 Reserve Policies will be increased by a like amount, subject to the terms of the Series 2020 Reserve Policies. The obligation to pay Policy Costs shall be secured by a valid lien on all revenues and other collateral pledged as security for the Bonds (subject only to the priority of payment provisions set forth under the Indenture).

All cash and investments in the Series 2020 Reserve Accounts shall be transferred to the Interest Account or the Principal Account, as applicable, for payment of debt service on the Series 2020 Bonds before any drawing may be made on the Series 2020 Reserve Policies or any other credit facility credited to the Series 2020 Reserve Funds in lieu of cash (“Credit Facility”). Payment of any Policy Costs shall be made prior to replenishment of any such cash amounts. Draws on all Credit Facilities (including the Series 2020 Reserve Policies) 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 Series 2020 Reserve Accounts. Payment of 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 Series 2020 Reserve Accounts. 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.

(b) If the City shall fail to pay any Policy Costs in accordance with the requirements of subparagraph (a) hereof, the Series 2020 Bond Insurer shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided under the Indenture other than (i) acceleration of the maturity of the Series 2020 Bonds or (ii) remedies which would adversely affect owners of the Series 2020 Bonds.

(c) The Indenture shall not be discharged until all Policy Costs owing to the Series 2020 Bond Insurer shall have been paid in full. The City's obligation to pay such amounts shall expressly survive payment in full of the Series 2020 Bonds.

(d) The City shall include any Policy Costs then due and owing the Series 2020 Bond Insurer in the calculation of the additional bonds test and the rate covenant in the Indenture.

(e) The Trustee shall ascertain the necessity for a claim upon the Series 2020 Reserve Policies in accordance with the provisions of subparagraph (a) hereof shall provide notice to the Series 2020 Bond Insurer in accordance with the terms of the Series 2020 Reserve Policies at least five business days prior to each date upon which interest or principal is due on the Series 2020 Bonds. Where deposits are required to be made by the City with the Trustee to the debt service fund for the Series 2020 Bonds more often than semi-annually, the Trustee shall be instructed to give notice to the Series 2020 Bond Insurer of any failure of the City to make timely payment in full of such deposits within two business days of the date due.]

ARTICLE IV

AMENDMENT TO MASTER INDENTURE

Section 4.1. Amendment of Defined Term in the Master Indenture. For the Series 2020 Bonds and future Parity Debt, the term “Reserve Fund Requirement” shall be amended and restated as follows:

“Reserve Fund Requirement” shall mean, with respect to the Series 2020 Bonds, “Reserve Fund Requirement” shall mean the aggregate amount, as calculated from time to time with respect to the Series 2020 Bonds, equal to the least of (i) maximum annual debt service on the Series 2020 Bonds (based on a year ending June 30), (ii) 125% of average annual debt service on the Series 2020 Bonds (based on a year ending June 30) or (iii) 10% of the original principal amount of the Series 2020 Bonds or, if more than a de minimis of original issue discount or premium on such Series of Bonds under the Code, 10% of the issue price of the

Series 2020 Bonds; provided, that if the City utilizes a common Reserve Fund for two or more Series of the Bonds hereunder, then the City at its option may substitute for clause (i) above the amount necessary to be added to such common Reserve Fund to equal the maximum annual aggregate debt service for such Series of the Bonds; provided further that notwithstanding any provision hereof to the contrary, with the prior written consent of the Bond Insurer, all or any portion of the Reserve Fund Requirement may be satisfied by the provision of a policy of insurance, a surety bond, a letter of credit or other comparable credit facility, or a combination thereof, which, together with money on deposit in such Reserve Fund, provide an aggregate amount equal to the Reserve Fund Requirement, so long as (i) the provider of any such policy of insurance, surety bond, letter of credit or other comparable credit facility is rated in one of the two highest rating categories (at the time of issuance) by Moody's, S&P or another nationally recognized rating agency, (ii) in the case of a substitution of cash for a credit facility, the Trustee has received an opinion of counsel of recognized standing in the field of law relating to municipal bonds substantially to the effect that such substitution is authorized or permitted under this Indenture and will not adversely affect the exclusion from gross income of interest on the Bonds for federal income tax purposes, and (iii) the Trustee has received an opinion of counsel to the effect that the credit facility to be substituted is a valid, binding and legally enforceable obligation; and provided further, that in the event that any previously funded cash portion of the Reserve Fund Requirement is satisfied by the provision of such a policy of insurance, surety bond, letter of credit or other comparable credit facility, or a combination thereof, the amount of money then in such Reserve Fund equal to the portion of the Reserve Fund Requirement then being satisfied by such credit facility shall (upon receipt of a Written Request of the City) be withdrawn by the Trustee from the Reserve Fund and transferred to the City.

IN WITNESS WHEREOF, the City of Tulare has caused the Supplemental Indenture to be signed in its name by the President of the Council and Ex-Officio Mayor of the City of Tulare and its seal to be hereunto affixed and to be attested by the Chief Deputy City Clerk and Clerk of the Council of the City of Tulare, and U.S. Bank National Association, as Trustee, in token of its acceptance of the trusts created hereunder, has caused the Indenture to be signed in its corporate name by its officer thereunto duly authorized, all as of the date and year first above written.

CITY OF TULARE

By: _____
President of the Council and
Ex-Officio Mayor of the City of Tulare

ATTEST:

Chief Deputy City Clerk and Clerk of the
Council of the City of Tulare

[SEAL]

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By _____
Authorized Officer

**EXHIBIT A
FORM OF BONDS**

No. _____

\$ _____

**CITY OF TULARE
SEWER REVENUE REFUNDING BONDS, SERIES 2020[A]/[B]**

<u>INTEREST RATE:</u>	<u>MATURITY DATE:</u>	<u>DATED DATE:</u>	<u>CUSIP</u>
_____ %	November 15, 20__	[_____, 2020]	

Registered Owner: CEDE & CO.

Principal Amount: _____ DOLLARS

The City of Tulare, a municipal corporation, duly organized and existing under and pursuant to the Freeholders' Charter of the City of Tulare and the laws of the State of California (the "City"), for value received hereby promises to pay (but only from the System Net Revenues and other funds hereinafter referred to) to the registered owner specified above, or registered assigns, on the maturity date specified above, the principal amount specified above, together with interest thereon from the interest payment date next preceding the date of registration of this Series 2020[A]/[B] Bond (unless this Series 2020[A]/[B] Bond is registered during the period from and including the Record Date (as that term is defined in the Indenture hereinafter referred to, and herein a "Record Date") next preceding an interest payment date to and including such interest payment date, in which event it shall bear interest from such interest payment date, or unless this Series 2020[A]/[B] Bond is registered on or before the Record Date next preceding the first interest payment date, in which event it shall bear interest from its date of delivery) until the principal hereof shall have been paid, at the rate of interest specified above, payable semiannually on May 15 and November 15 in each year, commencing on [_____, 20__]. Both the interest hereon and principal hereof and redemption premium, if any, hereon are payable in lawful money of the United States of America. The interest hereon is payable by check mailed by first class mail, postage prepaid, on each interest payment date to the person in whose name this Series 2020[A]/[B] Bond is registered at the close of business on the Record Date next preceding the applicable interest payment date at such person's address as it appears on the registration books of the Trustee kept at the Corporate Trust Office (as that term is defined in the Indenture) or upon written request of an owner received prior to the Record Date preceding an interest payment date of at least one million dollars (\$1,000,000) in aggregate principal amount of Series 2020[A]/[B] Bonds, by wire transfer in immediately available funds to an account designated by such owner within the continental United States of America, and the principal (or redemption price) hereof is payable upon surrender hereof at maturity or the earlier redemption hereof at the Corporate Trust Office of the Trustee.

This Series 2020[A]/[B] Bond is one of a duly authorized issue of City of Tulare Sewer Revenue Refunding Bonds, Series 2020[A]/[B] (the "Series 2020[A]/[B] Bonds"), limited in

aggregate principal amount to \$[____], all of like tenor and date (except for such variations, if any, as may be required to designate varying numbers, maturities, interest rates or redemption provisions), all issued under the provisions of relevant laws of the State of California including Articles 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California and all laws amendatory thereof or supplemental thereto (collectively, the “Relevant Law”), and pursuant to the provisions of the Master Indenture dated as of December 1, 2003, as supplemented and amended from time to time, including by the Eighth Supplemental Indenture, dated as of [____] 1, 2020], (collectively, the “Indenture”), and each by and between the City and U.S. Bank National Association, as trustee (the “Trustee”). All the Series 2020[A]/[B] Bonds are equally and ratably secured in accordance with the terms and conditions of the Indenture, and reference is hereby made to the Indenture, to any indentures supplemental thereto and to the Relevant Law for a description of the terms on which the Series 2020[A]/[B] Bonds are issued, for the provisions with regard to the nature and extent of the security provided for the Series 2020[A]/[B] Bonds and of the nature, extent and manner of enforcement of such security, and for a statement of the rights of the Registered Owners of the Series 2020[A]/[B] Bonds; and all the terms of the Indenture are hereby incorporated herein and constitute a contract between the City and the registered owner from time to time of this Series 2020[A]/[B] Bond, and to all the provisions thereof the registered owner of this Series 2020[A]/[B] Bond, by his acceptance hereof, consents and agrees; and each registered owner hereof shall have recourse to all the provisions of the Indenture and shall be bound by all the terms and conditions thereof.

The Series 2020[A]/[B] Bonds are limited obligations of the City and are payable, as to interest thereon and principal thereof and redemption premiums, if any, thereon, exclusively from the System Net Revenues (as that term is defined in the Indenture) and such other funds as provided hereunder, and the City is not obligated to pay them except from the System Net Revenues and such other funds. The obligation of the City to pay interest on, principal of and redemption premiums, if any, on the Series 2020[A]/[B] Bonds is a special obligation of the City payable solely from the System Net Revenues, and does not constitute a debt of the City or of the State of California or of any political subdivision thereof in contravention of any constitutional or statutory debt limitation or restriction.

[[INSURANCE PROVIDER] has delivered its municipal bond insurance policy (the “Policy”) with respect to the scheduled payments due of principal of and interest on this Series 2020[A]/[B] Bond to U.S. Bank National Association, Los Angeles, California, or its successor, as paying agent for the Bonds (the “Paying Agent”). Said Policy is on file and available for inspection at the principal office of the Paying Agent and a copy thereof may be obtained from [____] or the Paying Agent. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. The owner of this Series 2020[A]/[B] Bond acknowledges and consents to the subrogation rights of [INSURANCE PROVIDER] as more fully set forth in the Policy.]

The Series 2020[A]/[B] Bonds are subject to redemption as provided in the Indenture.

As provided in the Indenture, notice of redemption of this Series 2020[A]/[B] Bond or any portion thereof shall be mailed by first class mail, postage prepaid, not less than thirty (30) days nor more than sixty (60) days before the redemption date to the registered owner hereof and to those information services and securities depositories required by the Indenture, but failure to

receive such notice shall not affect the sufficiency of such proceedings for redemption. If notice of redemption has been duly given as aforesaid and money for payment of the above-described redemption price is held by the Trustee, then such Series 2020[A]/[B] Bonds or such portions thereof shall, on the redemption date designated in such notice, become due and payable at the above-described redemption price; and from and after the date so designated interest on such Series 2020[A]/[B] Bonds or such portions thereof so called for redemption shall cease to accrue and Registered Owners of such Series 2020[A]/[B] Bonds or such portions thereof shall have no rights in respect thereof except to receive payment of such redemption price thereof.

If an event of default, as defined in the Indenture, shall occur, the principal of all Series 2020[A]/[B] Bonds may be declared due and payable upon the conditions, in the manner and with the effect provided in the Indenture; except that the Indenture provides that in certain events such declaration and its consequences may be rescinded by the Registered Owners of at least a majority in aggregate principal amount of the Series 2020[A]/[B] Bonds then outstanding.

The Series 2020[A]/[B] Bonds are issuable only in the form of fully registered Series 2020[A]/[B] Bonds in denominations of five thousand dollars (\$5,000) or any integral multiple of five thousand dollars (\$5,000) (not exceeding the principal amount of Series 2020[A]/[B] Bonds maturing at any one time). The owner of any Series 2020[A]/[B] Bond or Series 2020[A]/[B] Bonds may surrender the same at the Corporate Trust Office of the Trustee, in exchange for an equal aggregate principal amount of Series 2020[A]/[B] Bonds of any other authorized denominations and of the same maturity date, in the manner, subject to the conditions and upon the payment of the charges provided in the Indenture.

This Series 2020[A]/[B] Bond is transferable, as provided in the Indenture, only upon a register to be kept for that purpose at the Corporate Trust Office of the Trustee, by the registered owner hereof in person, or by his duly authorized attorney, upon surrender of this Series 2020[A]/[B] Bond together with a written instrument of transfer in substantially the form attached hereto duly executed by the registered owner or his duly authorized attorney, and thereupon a new Series 2020[A]/[B] Bond or Series 2020[A]/[B] Bonds, in the same aggregate principal amount and of the same maturity date, shall be issued to the transferee in exchange therefor as provided in the Indenture, and upon payment of the charges therein prescribed. The City and the Trustee may deem and treat the person in whose name this Series 2020[A]/[B] Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the interest hereon and principal hereof and redemption premium, if any, hereon and for all other purposes.

The rights and obligations of the City and of the Registered Owners of the Series 2020[A]/[B] Bonds may be amended at any time in the manner, to the extent and upon the terms provided in the Indenture.

This Series 2020[A]/[B] Bond shall not be entitled to any benefits under the Indenture or become valid or obligatory for any purpose until the certificate of authentication and registration hereon endorsed shall have been signed by the Trustee upon receipt of a Written Request of the City.

It is hereby certified that all of the acts, conditions and things required to exist, to have happened or to have been performed precedent to and in the issuance of this Series 2020[A]/[B] Bond do exist, have happened and have been performed in due time, form and manner as required by law and that the amount of this Series 2020[A]/[B] Bond, together with all other indebtedness of the City, does not exceed any limit prescribed by the Constitution or laws of the State of California.

IN WITNESS WHEREOF, said City of Tulare has caused this Bond to be signed by the President of the Council and Ex-officio Mayor of the City and the Finance Director of said City by their manual or facsimile signatures, countersigned by the Chief Deputy City Clerk and Clerk of the Council of said City by her manual or facsimile signature, and the corporate seal of said City to be imprinted hereon all as of the __th day of [_____], 2020

CITY OF TULARE

President of the Council and Ex-Officio
Mayor of the City of Tulare

Finance Director of the City of Tulare

COUNTERSIGNED:

Chief Deputy City Clerk and Clerk of the
Council of the City of Tulare

(SEAL)

(FORM OF CERTIFICATE OF AUTHENTICATION AND REGISTRATION)

This is one of the Series 2020[A]/[B] Bonds described in the within-mentioned Indenture.

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

Dated: _____

By _____
Authorized Officer

(FORM OF ASSIGNMENT)

For value received the undersigned do(es) hereby sell, assign and transfer unto ___ the within-mentioned registered Series 2020[A]/[B] Bond and hereby irrevocably constitutes and appoint(s) attorney to transfer the same on the books of the Trustee, with full power of substitution in the premises.

Dated: _____

SIGNATURE GUARANTEED BY:

Note: The signatures to this Assignment must correspond with the name(s) as written on the face of the within Series 2020[A]/[B] Bond in every particular, without alteration or enlargement or any change whatsoever, and the signatures must be guaranteed by an eligible guarantor institution.

Social Security Number, Taxpayer Identification Number or other Identifying Number of Assignee:

Unless this Series 2020[A]/[B] Bond 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 Series 2020[A]/[B] Bond 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.

EXHIBIT B

FORM OF SERIES 2020[A]/[B] COSTS OF ISSUANCE FUND REQUISITION

U.S. Bank National Association
633 West Fifth Street, 24th Floor
Los Angeles, CA 90071
Attention: Corporate Trust Services

Re: Series 2020[A]/[B] Cost of Issuance Fund (“Series 2020[A]/[B] Cost of Issuance Fund”) held under Indenture (the “Indenture”) relating to the City of Tulare (the “City”) Sewer Revenue Refunding Bonds, Series 2020[A]/[B] (the “Series 2020[A]/[B] Bonds”)

You are hereby instructed to transfer moneys from the Series 2020[A]/[B] Cost of Issuance Fund as follows:

Payee Name: _____
Payee Address: _____
Payee Wiring Instructions: _____
Amount: \$ _____
Purpose of Expenditure: _____

The undersigned as a duly authorized representative of the City hereby certifies as follows:

- (1) that above payment complies with the requirements of the Indenture; and
- (2) that an obligation in the stated amount has been properly incurred and that such obligation is a proper charge against the Series 2020[A]/[B] Costs of Issuance Fund.

Date: _____

CITY OF TULARE

Authorized Officer

\$ _____
CITY OF TULARE
SEWER REVENUE REFUNDING BONDS

\$ _____
SERIES 2020A
(Tax-Exempt)

\$ _____
SERIES 2020B
(Federally Taxable)

BOND PURCHASE AGREEMENT

October ____, 2020

City of Tulare
411 East Kern Avenue
Tulare, California 93274

Ladies and Gentlemen:

The undersigned Morgan Stanley & Co. LLC (the “Underwriter”), acting not as a fiduciary or agent for you, but on behalf of itself, offers to enter into this Bond Purchase Agreement (which, together with Exhibit A, is referred to as this “Purchase Agreement”) with the City of Tulare, California (the “City”), which, upon the acceptance by the City, will be binding upon the parties hereto. By execution of this Purchase Agreement, the City and the Underwriter acknowledge the terms hereof and recognize that they will be bound by certain of the provisions hereof, and to the extent binding thereupon, acknowledge and agree to such terms. This offer is made subject to acceptance by the City by the execution of this Purchase Agreement and delivery of the same to the Underwriter prior to 11:59 P.M., Pacific 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 the acceptance hereof by the City. Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Indenture (defined herein).

The City acknowledges and agrees that: (i) the primary role of the Underwriter, as underwriter, is to purchase securities, for resale to investors, in an arm’s length commercial transaction between the City and the Underwriter and the Underwriter has financial and other interests that differ from those of the City; (ii) the Underwriter is acting solely as a principal and 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 other services or is currently providing other services to the City on other matters); (iii) other than as imposed by law, the only contractual obligations the Underwriter has to the City with respect to the transaction contemplated hereby expressly are set forth in this Purchase Agreement; and (iv) the City has consulted its own financial and/or municipal, legal, accounting and other advisors, as applicable, to the extent it has deemed appropriate.

The City hereby acknowledges receipt from the Underwriter of disclosures required by 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. For example, the Underwriter, as recognized in MSRB Rule G-17, has a duty to purchase securities from an issuer at a fair and reasonable price, but must balance that duty with its duty to sell municipal securities to investors at prices that are fair and reasonable.

The Underwriter agrees to comply with all applicable Securities and Exchange Commission rules and rules of the Municipal Securities Rulemaking Board (the "MSRB") governing the offering, sale and delivery of the Bonds (defined herein) to the ultimate purchasers.

Section 1. Purchase and Sale. Upon the terms and conditions and upon the basis of the representations, warranties and agreements herein set forth, the Underwriter hereby agrees to purchase from the City, and the City hereby agrees to issue, sell and deliver to the Underwriter all (but not less than all) of its Sewer Revenue Refunding Bonds, Series 2020A (Tax Exempt) (the "Series 2020A Bonds") and Sewer Revenue Refunding Bonds, Series 2020B (Federally Taxable) (the "Series 2020B Bonds" and, together with the Series 2020A Bonds, the "Bonds"). The Bonds will be dated as of their date of delivery. Interest on the Bonds shall be payable semiannually on May 15 and November 15, in each year (each an "Interest Payment Date") commencing _____ 15, 2021 and will bear interest at the rates and on the dates as set forth in Exhibit A hereto. The purchase price for the Series 2020A Bonds shall be \$_____ (which represents the principal amount of the Series 2020A Bonds in the amount of \$_____, plus a [net] original issue [premium/discount] in the amount of \$_____, less an Underwriter's discount of \$_____). The purchase price for the Series 2020B Bonds shall be \$_____ (which represents the principal amount of the Series 2020B Bonds in the amount of \$_____, plus a [net] original issue [premium/discount] in the amount of \$_____, less an Underwriter's discount of \$_____). At the request of the City, on the day of Closing, the Underwriter will wire a portion of the purchase prices in the aggregate amount of \$_____ to _____ (the "Insurer") for the bond insurance premium and the surety premium.

The Underwriter agrees to make a *bona fide* public offering of the Bonds at the initial offering yields set forth in the Official Statement (defined herein). Subsequent to the initial public offering, the Underwriter reserves the right to change the public offering prices (or yields) as it deems necessary in connection with the marketing of the Bonds, provided that the Underwriter shall not change the interest rates set forth on Exhibit A. The Bonds may be offered and sold to certain dealers at prices lower than such initial public offering prices. The Underwriter agrees that, in connection with the public offering and initial delivery of the Bonds to the purchasers thereof from the Underwriter, the Underwriter will deliver or cause to be delivered to each purchaser a copy of the final Official Statement prepared in connection with the Bonds, for the time period required under Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"). Terms defined in the Official Statement are used herein as so defined.

Section 2. The Bonds and Related Documents. The Bonds will be issued under a Master Indenture, dated as of December 1, 2003 (the "Master Indenture"), as supplemented and amended from time to time, including by the Eighth Supplemental Indenture, dated as of November 1, 2020 (the "Eighth Supplemental Indenture" and, together with the Master Indenture, as supplemented and amended from time to time, the "Indenture") by and between the City and U.S. Bank National Association, as trustee (the "Trustee").

The Bonds will mature and bear interest at the interest rates as shown in Exhibit A hereto and will be subject to redemption according to the terms set forth in the Indenture. The Bonds will be issued pursuant to Articles 10 and 11 of Chapter 3, Part 1, Division 2 of Title 5 of the California Government Code and other applicable laws of the State of California, as amended (the “Law”); Resolution No. 20-___, adopted by the City Council on October 6, 2020; Resolution No. 20-___, adopted by the Board of Public Utilities Commissioners of the City of Tulare on _____, 2020. The Bonds shall be as described in the Indenture and the Official Statement dated the date hereof relating to the Bonds (which, together with all exhibits and appendices included therein or attached thereto and such amendments or supplements thereto which shall be approved by the Underwriter, is hereinafter called the “Official Statement”).

The proceeds of the Bonds, together with other funds of the City, will be used to provide funds to (i) current refund all of the outstanding principal amount of the City of Tulare 2012 Sewer Revenue Refunding Notes, (ii) current refund a portion of the outstanding amount of the City of Tulare Sewer Revenue Refunding Bonds, Series 2015, (iii) advance refund all of the outstanding principal amount of the City of Tulare Sewer Revenue Refunding Bonds, Series 2013, (iv) fund a debt service reserve fund for the Bonds [through the deposit of a reserve fund surety policy], and (v) pay for the costs of issuing the Bonds.

The City will undertake pursuant to the provisions of a Continuing Disclosure Certificate, to be dated the date of the Closing (the “Disclosure Certificate”) to provide certain annual information and notices of the occurrence of certain enumerated events. A description of the undertaking is set forth in the Preliminary Official Statement (as defined below) and will also be set forth in the Official Statement.

The Indenture, the Disclosure Certificate and this Purchase Agreement are sometimes collectively referred to herein as the “Legal Documents.”

Section 3. Establishment of Issue Price.

(a) The Underwriter agrees to assist the City in establishing the issue price of the Series 2020A Bonds 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 Hawkins Delafield & Wood LLP (“Bond Counsel”), to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Series 2020A Bonds. All actions to be taken by the City under this section to establish the issue price of the Series 2020A Bonds may be taken on behalf of the City by the City’s Municipal Advisor identified in the Official Statement and any notice or report to be provided to the City may be provided to the Municipal Advisor.

(b) The City will treat the first price at which 10% of each maturity of the Series 2020A Bonds (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 Series 2020A Bonds.

(c) The Underwriter confirms that it has offered the Series 2020A Bonds 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 Exhibit A attached hereto, except as otherwise set forth therein. Exhibit A also sets forth, as of the date of this Purchase Agreement, the maturities, if any, of the Series 2020A Bonds 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 Series 2020A Bonds, the Underwriter will neither offer nor sell unsold Series 2020A Bonds 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 Series 2020A Bonds 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 Series 2020A Bonds 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 retail distribution agreement (to which it is a party) relating to the initial sale of the Series 2020A Bonds 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 (1) report the prices at which it sells to the public the unsold Series 2020A Bonds of each maturity allotted to it until it is notified by the Underwriter that either the 10% test has been satisfied as to the Series 2020A Bonds of that maturity or all Series 2020A Bonds of that maturity have been sold to the public and (2) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Underwriter.

(e) The Underwriter acknowledges that sales of any Series 2020A Bonds 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 Series 2020A Bonds 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 Series 2020A Bonds 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 Series 2020A Bonds to the public),
- (iii) a purchaser of any of the Series 2020A Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) 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), (B) 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 (C) 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 the City and the Underwriter.

Section 4. The Official Statement. By its acceptance of this Purchase Agreement, the City ratifies, confirms and approves of the use and distribution by the Underwriter prior to the date hereof of the Preliminary Official Statement relating to the Bonds, dated October ___, 2020 (including the cover page, all appendices and all information incorporated therein and any supplements or amendments thereto and as disseminated in its printed physical form or in electronic form in all respects materially consistent with such physical form, the “Preliminary Official Statement”) that authorized officers of the City deemed “final” as of its date, for purposes of Rule 15c2-12 except for certain omissions 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 (7) business days of the date hereof, copies of the final Official Statement in such quantity as the Underwriter shall reasonably request to comply with Securities and Exchange Commission Rule 15c2-12 and the rules of the Municipal Securities Rulemaking Board (the “MSRB”).

The Underwriter hereby agrees that it will not request that payment be made by any purchaser of the Bonds prior to delivery by the Underwriter to the purchaser of a copy of the Official Statement. The Underwriter agrees to (i) provide the City with final pricing information on the Bonds on a timely basis and (ii) promptly file a copy of the final Official Statement, including any supplements prepared by the City with the MSRB on its Electronic Municipal Market Access (“EMMA”) system at <http://emma.msrb.org>. The City hereby approves of the use and distribution by the Underwriter of the final Official Statement in connection with the offer and sale of the Bonds. The City will cooperate with the Underwriter in the filing by the Underwriter of the Official Statement with EMMA.

Section 5. Closing. At 8:30 a.m., California time, on November ___, 2020, or at such other time or date as the City and the Underwriter agree upon, the City shall deliver or cause to be delivered to the Trustee, and the Trustee shall deliver or cause to be delivered through the facilities of The Depository Trust Company, New York, New York (“DTC”), the Bonds in definitive form, duly executed and authenticated. Concurrently with the delivery of the Bonds, the City shall deliver the documents hereinafter mentioned at the offices of Bond Counsel in San Francisco, California or another place to be mutually agreed upon by the City and the Underwriter. The Underwriter will accept such delivery and pay the purchase price of the Bonds as set forth in Section 1 hereof by wire transfer in immediately available funds. This payment for and delivery of the Bonds, together with the delivery of the aforementioned documents referenced herein, is called the “Closing.”

The Bonds shall be registered in the name of Cede & Co., as nominee of DTC in denominations of \$5,000 or any integral multiple thereof, and shall be made available to the Underwriter at least one (1) business day before the Closing for purposes of inspection and packaging. The City acknowledges that the services of DTC will be used initially by the Underwriter to permit the issuance of the Bonds in book-entry form, and agree to cooperate fully with the Underwriter in employing such services.

Section 6. Representations, Warranties and Agreements of the City. The City hereby represents, warrants and agrees as follows:

(a) The City is and will be at the date of Closing a charter city and a municipal corporation duly organized and existing pursuant to and under the Constitution and laws of the State and has all necessary power and authority to enter into and perform its duties under the Legal Documents and has by official action duly authorized and approved the execution and delivery of, and the performance by the City of the obligations on its part contained in the Legal Documents for the purposes of financing and refinancing capital improvements to the City's sewer system;

(b) The City has full legal right, power and authority to issue the Bonds, secure the Bonds in the manner contemplated by the Indenture and enter into the Legal Documents and carry out and consummate the transactions contemplated by the Legal Documents;

(c) By all necessary official action of the City prior to or concurrently with the acceptance hereof, the City has duly authorized and approved the distribution of the Preliminary Official Statement and the Official Statement (including the electronic form), and has duly authorized and approved the execution and delivery of, and the performance of its obligations contained in, the Legal Documents. When executed and delivered, each of the Legal Documents will constitute the legal, valid and binding obligation of the City, enforceable in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors' rights generally;

(d) The Preliminary Official Statement heretofore delivered to the Underwriter is hereby deemed final by the City as of its date and as of the date hereof, except for the omission of such information as is permitted to be omitted in accordance with Rule 15c2-12. The Preliminary Official Statement, at the date thereof, did not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein (other than the information relating to DTC and its book-entry system, as to which no view is expressed), in the light of the circumstances under which they were made, not misleading. At the date hereof and on the Closing, the final Official Statement did not and will not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein (other than the information relating to DTC and its book-entry system, as to which no view is expressed), in the light of the circumstances under which they were made, not misleading;

(e) The City is not in any material respect in breach of or default under any applicable constitutional provision, law or administrative regulation to which it is subject or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement (including, without limitation, the Indenture) 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 and is continuing which with the passage of time or the giving of notice, or both, would constitute such a default or event of default under any such instrument; and the execution and delivery of the Legal Documents, the approval by the City of the Official Statement and compliance with the provisions on the City's part contained in the Legal Documents and the Official Statement, will not conflict with or constitute a breach of or default under any law, administrative regulation, judgment, decree, loan agreement, indenture, trust agreement, bond, note, resolution, agreement or other instrument to which the City is a party or is otherwise subject to, which conflict, breach or default has or may have a material adverse effect on the ability of the City to carry out its obligations under the Legal Documents, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any material

lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets of City under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, trust agreement, bond, note, resolution, agreement or other instrument, except as provided by the Indenture;

(f) The financial statements relating to the receipts, expenditures and cash balances of the City as of June 30, 2019 as set forth in the Official Statement fairly represent the revenues, expenditures and fund balances of the General Fund. The estimated final results for the Fiscal Year ending June 30, 2019 relating to the revenues, expenditures and fund balances of the City as set forth in the Official Statement are an accurate depiction of the estimated revenues, expenditures and fund balances of the General Fund in all material respects. Except as disclosed in the Preliminary Official Statement, the Official Statement or otherwise disclosed in writing to the Underwriter, there has not been any materially adverse change in the financial condition of the General Fund or in its operations since June 30, 2019 and, except as disclosed in the Preliminary Official Statement, the Official Statement or otherwise disclosed in writing to the Underwriter;

(g) Between the date of this Purchase Agreement and the date of the Closing, the City will not, without the prior written consent of the Underwriter, offer or issue any bonds, notes or other obligations for borrowed money, or incur any material liabilities, direct or contingent, payable from System Net Revenues (as defined in the Indenture);

(h) As of the time of acceptance hereof and as of the date of Closing, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, is pending or, to the knowledge of the officers of the City, threatened (i) in any way questioning the corporate existence of the City or the titles of the officers of the City to their respective offices; (ii) affecting, contesting or seeking to prohibit, restrain or enjoin the execution or delivery of any of the Bonds, or in any way contesting or affecting the validity of the Bonds or the Legal Documents or the consummation of the transactions contemplated thereby, or contesting the exclusion of the interest on the Bonds from gross income for federal income tax purposes or contesting the power of the City to enter into the Legal Documents; (iii) which may result in any material adverse change to the financial condition or the System Net Revenues of the City; or (iv) contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserting that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and there is no basis for any action, suit, proceeding, inquiry or investigation of the nature described in clause (i) through (iv) of this sentence;

(i) As of the date of the Closing, except as disclosed in the Official Statement, the City will not have outstanding any indebtedness which indebtedness is secured by a lien on the System Net Revenues of the City superior to or on a parity with the lien provided for in the Indenture on the System Net Revenues;

(j) the City will advise the Underwriter promptly of any proposal to amend or supplement the Official Statement and will not effect or consent to any such amendment or supplement without the consent of the Underwriter, which consent will not be unreasonably withheld. The City will advise the Underwriter promptly of the institution of any proceedings known to it by any governmental Authority prohibiting or otherwise affecting the use of the Official Statement in connection with the offering, sale or distribution of the Bonds;

(k) If the information contained in the Official Statement is amended or supplemented pursuant to paragraph (j) hereof, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such subparagraph) at all times subsequent thereto up to and including the date which is 25 days after the “End of the Underwriting Period” (as defined in Rule 15c2-12) for the Bonds, 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 required to be stated therein or necessary to make such information therein in the light of the circumstances under which it was presented, not misleading;

(l) After the Closing, the City will not participate in the issuance of any amendment of or supplement to the Official Statement to which, after being furnished with a copy, the Underwriter shall reasonably object in writing or which shall be disapproved by counsel for the Underwriter;

(m) Any certificate signed by any officer of the City authorized to execute such certificate in connection with the issuance, sale and delivery of the Bonds and delivered to the Underwriter shall be deemed a representation and warranty of the City to the Underwriter as to the statements made therein but not of the person signing such certificate;

(n) The City will apply the proceeds from the sale of the Bonds for the purposes specified in the Official Statement;

(o) The City will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter, at the expense of the Underwriter, as it may reasonably request in order to qualify the Bonds for offer and sale under the “blue sky” or other securities laws and regulations of such states and other jurisdictions of the United States of America as the Underwriter may designate; provided, however, that the City will not be required to execute a special or general consent to service of process or qualify as a foreign corporation in connection with any such qualification in any jurisdiction;

(p) The City will refrain from taking any action with regard to which the City may exercise control that results in the inclusion in gross income for federal income tax purposes of the interest on the Bonds or State income tax purposes of the interest on the Bonds; and

(q) The City will undertake, pursuant to the Disclosure Certificate, to provide annual reports and notices of certain events. A description of this undertaking is set forth in Appendix D to the Preliminary Official Statement and will also be set forth in the final Official Statement. Except as otherwise disclosed in the Preliminary Official Statement and the Official Statement, the City has not failed to comply in all material respects with any previous undertakings with regard to the Rule 15c2-12 to provide annual reports or notices of enumerated events with respect to the last five years.

Section 7. Closing Conditions. 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 Bonds on the date of the Closing shall be subject, at the option of the Underwriter, to the accuracy in all material respects of the statements of the officers and other officials of the City, as well as authorized representatives of Bond Counsel, the Trustee, Disclosure Counsel and the Municipal Advisor made in any Bonds or other documents furnished pursuant to the provisions hereof; to the performance by the City of its obligations

to be performed hereunder at or prior to the date of the Closing; and to the following additional conditions:

(a) The representations, warranties and covenants of the City contained herein shall be true, complete and correct at the date hereof and at the time of the Closing, as if made on the date of the Closing;

(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 Bond Counsel, shall reasonably deem necessary in connection with the transactions contemplated hereby;

(c) At the time of the Closing, no default shall have occurred or be existing under the Legal Documents, or any other agreement or document pursuant to which any of the City's financial obligations were executed and delivered, and the City shall not be in default in the payment of principal or interest with respect to any of its financial obligations;

(d) The Underwriter may terminate this Purchase Agreement by notification to the City, if at any time after the date hereof and prior to the Closing any of the following events occur and, in the reasonable judgment of the Underwriter (A) materially affects the market price or marketability of the Bonds, or (B) the ability of the Underwriter to enforce contracts for the sale of the Bonds, at the contemplated offering prices (or yields) of the Bonds:

(i) any event shall occur or facts are discovered which causes any statement contained in the Official Statement to be materially misleading or results in a failure of the Official Statement to state a material fact necessary in order to make the statements in the Official Statement, in the light of the circumstances under which they were made, not misleading, provided, however, the Underwriter shall not terminate this Purchase Agreement if prior to the Closing and prior to the distribution of the Official Statement to any public investor the City and the Underwriter agree to and shall have amended or supplemented the Official Statement so that the Official Statement as so amended or supplemented will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made in the light of the circumstances in which they were made, not misleading; or

(ii) any of an amendment to the Constitution of the United States or any legislation in or by the Congress of the United States or the State, or the amendment of legislation pending as of the date of this 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, which in any case has a materially adverse effect on the federal or State tax status of the City, or the interest on bonds or notes or obligations of the general character of the Bonds shall have occurred; or

- (iii) 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 Bonds, or the Bonds, including any or all underlying arrangements, are not exempt from registration under the Securities Act of 1933, as amended, or that the Indenture is not exempt from qualification under the Trust Indenture Act of 1939, as amended; or (ii) the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, 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; or
- (iv) legislation shall be enacted by the Congress of the United States of America, or a decision by a court of the United States shall be rendered, or a stop order, ruling, regulation or official statement by, or on behalf of, the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter of the Bonds shall be issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, including all underlying obligations, as contemplated hereby or by the Official Statement, is in violation or would be in violation of, or that obligations of the general character of the Bonds, or the Bonds, are not exempt from registration under, any provision of the federal securities laws, including the Securities Act and as then in effect, or that the Indenture needs to be qualified under the Trust Indenture Act of 1939, as amended and as then in effect; or
- (v) there shall have occurred any outbreak or escalation of hostilities or terrorist activities or other local, national or international calamity or crisis, financial or otherwise, the effect of such outbreak, calamity or crisis being such as, in the reasonable opinion of the Underwriter, would affect materially and adversely the ability of the Underwriter to market the Bonds; or
- (vi) any withdrawal, downgrading or placement on credit watch negative of any underlying rating of any securities of the City by a national municipal bond rating agency that, in the reasonable opinion of the Underwriter, adversely affects the market price of the Bonds; or
- (vii) the commencement of any action, suit or proceeding described in Section 6(h) hereof; or

- (viii) the declaration of a general banking moratorium by federal, New York or California authorities, the general suspension of trading on any national securities exchange or a material disruption in securities settlement, payment or clearance services; or
 - (ix) 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 obligations of the general character of the Bonds 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 net capital requirements of, the Underwriter; or
 - (x) there shall have been any materially adverse change in the affairs of the City which requires an amendment to the Official Statement;
- (e) 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 resolution relating to the Bonds adopted by the City and certified by an authorized official of the City authorizing the execution and delivery of the Legal Documents and the delivery of the Bonds and the Official Statement;
 - (ii) 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;
 - (iii) the approving opinion of Bond Counsel, dated the date of Closing and addressed to the City, in substantially the form attached as Appendix C to the Official Statement, and a reliance letter thereon addressed to the Underwriter;
 - (iv) a supplemental opinion of Bond Counsel dated the date of Closing and addressed to the Underwriter, to the effect that:
 - (A) the statements under the captions “INTRODUCTION – The Series 2020 Bonds” and “– Security for the Series 2020 Bonds,” “THE SERIES 2020 BONDS,” “SECURITY FOR THE SERIES 2020 BONDS,” and “TAX MATTERS” and in “APPENDIX B – DEFINITIONS AND SUMMARY OF LEGAL DOCUMENTS” and “APPENDIX C – PROPOSED FORM OF FINAL OPINION,” insofar as such statements purport to summarize certain provisions of the Bonds, the Indenture and the opinion of Bond Counsel, are accurate in all material respects;
 - (B) the City has duly and validly executed the Purchase Agreement, and the Purchase Agreement constitutes the legal, valid and binding agreement of the City, respectively, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and to the exercise of judicial discretion in appropriate cases;

- (C) the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Indenture is exempt from qualification under the Trust Indenture Act of 1939, as amended;
- (vi) the Official Statement, executed on behalf of the City;
- (vii) evidence that the ratings on the Bonds are as described in the Official Statement;
- (viii) a certificate, dated the date of Closing, signed by a duly authorized officer of the City satisfactory in form and substance to the Underwriter to the effect that: (i) the representations, warranties and covenants of the City contained in this Purchase Agreement are true and correct in all material respects on and as of the date of Closing with the same effect as if made on the date of the Closing by the City, and the City has complied with all of the terms and conditions of this Purchase Agreement required to be complied with by the City at or prior to the date of Closing; (ii) to such officer's knowledge, no event affecting the City has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purposes for which it is to be used or which is necessary to disclose therein in order to make the statements and information therein not misleading in any material respect; (iii) the information and statements contained in the Official Statement (other than information relating to the DTC and its book entry system) did not as of its date and do not as of the Closing contain an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading in any material respect; (iv) to its knowledge after reasonable investigation, 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 or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the City is a party or is otherwise subject, which would have a material adverse impact on the City's ability to perform its obligations under the Legal 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 instrument; (v) no further consent is required for inclusion of its audited financial statements in the Official Statement; and (vi) the City has adopted a local debt policy that includes at a minimum all of the items required by Section 8855(i) of the Government Code of the State;
- (ix) an opinion dated the date of Closing and addressed to the Underwriter, the Trustee, the Insurer and Bond Counsel, of the Office of the City Attorney of the City of Tulare, to the effect that:
 - (A) the City is a charter city duly organized and validly existing under the Constitution and laws of the State;
 - (B) the resolution of the City approving and authorizing the execution and delivery of the Legal Documents and approving and authorizing the issuance of the Bonds and the delivery of the Official Statement and other actions of the City was duly adopted at a meeting of the governing body 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 the resolution is now in full force and effect and has not been amended or superseded in any way;

- (C) the Legal Documents are valid, legal and binding agreements of the City enforceable against the City (assuming due authorization, execution and delivery by and validity against the other parties thereto);
 - (D) there is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court or public body pending with respect to which the City or, to the best of such City Attorney's knowledge, threatened against or affecting the City, except as may be disclosed in the Official Statement, which would materially adversely impact the City's ability to complete the transactions contemplated by the Legal Documents, the Official Statement or any other document or certificate related to such transactions, or in any way contesting or affecting the validity of the Bonds, the Official Statement or the Legal Documents;
 - (E) the execution and delivery of the Legal Documents and compliance with the provisions thereof, do not and will not in any material respect conflict with or constitute on the part of the City a breach of or default under any agreement or other instrument to which the City is a party or by which it is bound or any existing law, regulation, court order or consent decree to which the City is subject, which breach or default has or may have a material adverse effect on the ability of the City to perform its obligations under the Legal Documents;
 - (F) no authorization, approval, consent, or other order of the State or any other governmental body within the State is required for the valid authorization, execution and delivery of the Legal Documents or the consummation by the City of the transactions on its part contemplated therein, except such as have been obtained and except such as may be required under state securities or blue sky laws in connection with the purchase and distribution of the Bonds by the Underwriter; and
 - (G) based on the information made available to City Attorney, and without having undertaken to determine independently or assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Official Statement, nothing has come to its attention which would lead it to believe that the Official Statement as of its date and as of the date of Closing (excluding therefrom the financial and statistical data and forecasts included therein, as to which no opinion is expressed and information relating to DTC and its book entry system) 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, not misleading;
- (xi) an opinion of Hawkins Delafield & Wood LLP, Disclosure Counsel to the City dated the date of Closing and addressed to the City and the Underwriter in form set forth hereto as Exhibit C;

- (xii) an opinion of counsel to the Trustee, addressed to the Underwriter and dated the date of the Closing, to the effect that:
 - (A) the Trustee is a national banking association duly organized and validly existing under the laws of the United States, having full corporate power to undertake the trust created under the Indenture;
 - (B) the Indenture has been duly authorized, executed and delivered by the Trustee and, assuming due authorization, execution and delivery by the other parties thereto, the Indenture constitutes the valid, legal and binding obligations of the Trustee enforceable in accordance with their terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles, if equitable remedies are sought;
 - (C) the Trustee has duly authenticated the Bonds upon the order of City;
 - (D) the Trustee's actions in executing and delivering the Indenture are in full compliance with, and do not conflict with any applicable law or governmental regulation and, to the best of such counsel's knowledge, after reasonable inquiry with respect thereto, do not conflict with or violate any contract to which the Trustee is a party or any administrative or judicial decision by which the Trustee is bound; and
 - (E) no consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the banking or trust powers of the Trustee that has not been obtained is or will be required for the execution and delivery of the Bonds or the consummation by the Trustee of its obligations under the Indenture;
- (xiii) a certificate, dated the date of Closing, signed by a duly authorized officer of the Trustee satisfactory in form and substance to the Underwriter, to the effect that:
 - (A) the Trustee is duly organized and existing as a national banking association under the laws of the United States of America, having the full corporate power and authority to enter into and perform its duties under the Indenture;
 - (B) the Trustee is duly authorized to enter into the Indenture and has duly executed and delivered the Indenture, and assuming due authorization and execution by the other parties thereto, the Indenture are legal, valid and binding upon the Trustee and enforceable against such party in accordance with its terms;
 - (C) the Trustee has duly authenticated the Bonds under the Indenture and delivered the Bonds to or upon the order of the Underwriter; and
 - (D) no consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the banking or trust powers of

the Trustee that has not been obtained is required for the execution and delivery of the Bonds or the consummation by the Trustee of its obligations under the Indenture;

- (xv) a certificate, dated the date of Closing, signed by a duly authorized officer of the Escrow Agent satisfactory in form and substance to the Underwriter, to the effect that:
 - (A) the Escrow Agent is duly organized and existing as a national banking association under the laws of the United States of America, having the full corporate power and authority to enter into and perform its duties under the Escrow Agreement; and
 - (B) the Escrow Agent is duly authorized to enter into the Escrow Agreement and has duly executed and delivered the Escrow Agreement, and assuming due authorization and execution by the other parties thereto, the Escrow Agreement is legal, valid and binding upon the Escrow Agent and enforceable against such party in accordance with its terms;
 - (C) no consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the banking or trust powers of the Escrow Agent that has not been obtained is required for the execution and delivery of the Bonds or the consummation by the Escrow Agent of its obligations under the Escrow Agreement;
- (xvi) the preliminary and final Statement of Sale required to be delivered to the California Debt and Investment Advisory Commission pursuant to Section 53583 of the California Government Code and Section 8855(g) of the Government Code;
- (xvii) a copy of the executed Blanket Issuer Letter of Representations by and between the City and DTC relating to the book-entry system;
- (xviii) the tax certificate by the City relating to the Series 2020A Bonds in form and substance to the reasonable satisfaction of Bond Counsel and the Underwriter;
- (xix) an opinion of Norton Rose Fulbright US LLP (“Underwriter’s Counsel”) in form and substance acceptable to the Underwriter;
- (xx) a certificate, dated the date of the Preliminary Official Statement, of the City, as required under Rule 15c2-12;
- (xxi) [a copy of the Insurance Policy and Surety Policy to be delivered in connection with the Bonds, together with such certificates and opinions as required by Bond Counsel and the Underwriter; and]
- (xxii) such additional legal opinions, Bonds, proceedings, instruments or other documents as the Underwriter or Underwriter’s Counsel may reasonably request.

Section 8. Expenses. The Underwriter shall be under no obligation to pay, and the City shall pay or cause to be paid the expenses incident to the performance of the obligations of the City hereunder including but not limited to (a) the costs of the preparation and printing, or other

reproduction (for distribution on or prior to the date hereof) of the Legal Documents and the cost of preparing, printing, issuing and delivering the definitive Bonds, (b) the fees and disbursements of any counsel, financial or municipal advisors, accountants, verification agents or other experts or consultants retained by the City, (c) the fees and disbursements of Bond Counsel and Disclosure Counsel, (d) the fees and disbursements of Municipal Advisor, (e) the fees and disbursements of the Trustee, (f) the cost of preparation and distribution of the Preliminary Official Statement and any supplements and amendments thereto and the cost of preparation and distribution of the Official Statement and any supplements and amendments thereto, (g) charges of rating agencies for the rating of the Bonds, and (h) charges for municipal bond insurance and a reserve surety bond. The City and the Underwriter intend that the City will pay all expenses of the City's officers and employees that are incidental to implementing this Purchase Agreement, including, but not limited to, meals, transportation, and lodging, of those employees, and the City shall reimburse the Underwriter if the Underwriter pays for any of such expenses on behalf of the City.

All out-of-pocket expenses of the Underwriter incident to the performance of the Underwriter's obligations hereunder, including the California Debt and Investment Advisory Commission fee, fees of Underwriter's counsel, CUSIP fees, DTC fees, and other expenses (except as provided above), shall be paid by the Underwriter from the Underwriter's discount set forth in Section 1 hereof, excluding MSRB Underwriting and Transaction Assessment fees, SIFMA Municipal Assessment fees and GASB fees.

Section 9. Changes to the Official Statement. Within 90 days after the Closing or within 25 days following the "End of the Underwriting Period" (as defined in Rule 15c2-12), whichever occurs first, if any event 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 the EMMA. The Underwriter acknowledges that the "End of the Underwriting" will be the date of Closing unless the Underwriter otherwise notifies the City in writing that it still owns some or all of the Bonds.

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 Morgan Stanley & Co. LLC, 1999 Avenue of the Stars, Suite 2400 Los Angeles, California 90067, Attention: Adam C. Aranda, Executive Director. All notices or communications hereunder by any party shall be given and served upon each other party. Any notice or communication to be given the City under this Purchase Agreement may be given by delivering the same in writing to the City of Tulare, 411 East Kern Avenue, Tulare, California 93274, Attention: Darlene J. Thompson, Finance Director/Treasurer.

Section 11. Parties in Interest. This Purchase Agreement is made solely for the benefit of 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 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 for the Bonds.

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. Entire Agreement. This Purchase Agreement, when accepted by the City, shall constitute the entire agreement between the City and the Underwriter.

Section 14. Headings. The headings of the sections of this Purchase Agreement are inserted for convenience only and shall not be deemed to be a part hereof.

Section 15. Governing Law. This Purchase Agreement shall be governed and construed in accordance with the laws of the State.

Very truly yours,

MORGAN STANLEY & CO. LLC

By: _____
Adam C. Aranda
Executive Director

Accepted:

CITY OF TULARE

By: _____
Darlene J. Thompson
Finance Director/Treasurer

Time of Execution: ___ p.m. Pacific Time

EXHIBIT A

\$ _____
CITY OF TULARE
SEWER REVENUE REFUNDING BONDS
SERIES 2020A (TAX-EXEMPT)

Maturity Date (November 15)	Principal Amount	Interest Rate	Yield	Price	10% Test Satisfied	10% Test Not Satisfied	Subject to Hold-The- Offering- Price Rule
--	-----------------------------	--------------------------	--------------	--------------	-------------------------------	---------------------------------------	--

\$ _____ % Term Bonds due November 15, 20__ - Yield _____%; Price _____

\$ _____
CITY OF TULARE
SEWER REVENUE REFUNDING BONDS
SERIES 2020 B (FEDERALLY TAXABLE)

Maturity Date (November 15)	Principal Amount	Interest Rate	Yield	Price
--	-----------------------------	--------------------------	--------------	--------------

\$ _____ % Term Bonds due November 15, 20__ - Yield _____%; Price _____

REDEMPTION TERMS

Optional Redemption of the Series 2020A Bonds. The Series 2020A Bonds maturing by their terms on or after November 15, 20__, are subject to optional redemption by the City on any date on or after November 15, 20__ to their respective stated maturity dates, as a whole or in part in such principal amounts and from such maturity dates as selected by the City, from funds derived by the City from any lawful source and deposited with the Trustee on or before the date of redemption, upon mailed notice as provided in the Indenture, at a redemption price equal to the principal amount of the Series 2020A Bonds or the portions thereof called for redemption, together with interest accrued thereon to the date fixed for redemption, without premium.

Mandatory Sinking Fund Redemption of the Series 2020A Bonds. The Series 2020A Bonds maturing on November 15, 20__, 20__ and 20__ are also subject to redemption prior to their stated maturities, in part, from mandatory sinking fund account payments, on each November 15 specified below, at a redemption price equal to the principal plus accrued interest thereon to the date fixed for redemption, without premium.

\$_____ Term Bond maturing November 15, 20__
CUSIP _____

Payment Date <u>(November 15)</u>	Principal Amount <u>to be Redeemed</u>
\$	

\$_____ Term Bond maturing November 15, 20__
CUSIP _____

Payment Date <u>(November 15)</u>	Principal Amount <u>to be Redeemed</u>
\$	

\$_____ Term Bond maturing November 15, 20__
CUSIP _____

Payment Date <u>(November 15)</u>	Principal Amount <u>to be Redeemed</u>
\$	

Optional Redemption of the Series 2020B Bonds. The Series 2020B Bonds maturing by their terms on or after November 15, 20__, are subject to optional redemption by the City on any date on or after November 15, 20__ to their respective stated maturity dates, as a whole or in part in such principal amounts and from such maturity dates as selected by the City, from funds derived by the City from any lawful source and deposited with the Trustee on or before the date of redemption, upon mailed notice as provided in the Indenture, at a redemption price equal to the principal amount of the Series 2020B Bonds or the portions thereof called for redemption, together with interest accrued thereon to the date fixed for redemption, without premium.

Mandatory Sinking Fund Redemption of the Series 2020B Bonds. The Series 2020B Bonds maturing on November 15, 20__, 20__ and 20__ are also subject to redemption prior to their stated maturities, in part, from mandatory sinking fund account payments, on each November 15 specified below, at a redemption price equal to the principal plus accrued interest thereon to the date fixed for redemption, without premium.

\$_____ Term Bond maturing November 15, 20__
CUSIP _____

Payment Date <u>(November 15)</u>	Principal Amount <u>to be Redeemed</u>
	\$

\$_____ Term Bond maturing November 15, 20__
CUSIP _____

Payment Date <u>(November 15)</u>	Principal Amount <u>to be Redeemed</u>
	\$

\$_____ Term Bond maturing November 15, 20__
CUSIP _____

Payment Date <u>(November 15)</u>	Principal Amount <u>to be Redeemed</u>
	\$

EXHIBIT B
FORM OF ISSUE PRICE CERTIFICATE

The undersigned, on behalf of MORGAN STANLEY & CO. LLC (“Morgan Stanley”) hereby certifies as set forth below with respect to the sale and issuance of the above-captioned bonds (the “Series 2020A Bonds”).

1. ***Sale of the Series 2020A Bonds.*** As of the date of this certificate, for each Maturity of the Series 2020A Bonds, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A hereto.

2. ***Defined Terms.***

(a) *Issuer* means the City of Tulare.

(b) *Maturity* means Series 2020A Bonds with the same credit and payment terms. Series 2020A Bonds with different maturity dates, or Series 2020A Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(c) *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. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(d) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2020A Bonds 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 Series 2020A Bonds 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 Series 2020A Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Morgan Stanley’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 the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Series 2020A Bonds, and by Hawkins Delafield & Wood LLP, in connection with rendering its opinion that the interest on the Series 2020A Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Series 2020A Bonds.

MORGAN STANLEY & CO. LLC

By: _____

—

Name: _____

—

Dated: _____, 2020

Schedule A to Issue Price Certificate

EXHIBIT C

FORM OF DISCLOSURE COUNSEL OPINION

_____, 2020

City of Tulare
Tulare, California

Morgan Stanley & Co. LLC
San Francisco, California

Re: City of Tulare Sewer Revenue Refunding Bonds, Series 2020A (Tax-Exempt)
City of Tulare Sewer Revenue Refunding Bonds, Series 2020B (Federally Taxable)

Ladies and Gentlemen:

We have acted as special Disclosure Counsel to the City of Tulare (the “City”) in connection with its Preliminary Official Statement dated _____, 2020 (the “Preliminary Official Statement”) and its Final Official Statement dated _____, 2020 (the “Official Statement”) relating to the above-named bonds (the “Series 2020 Bonds”). The Series 2020 Bonds are being issued pursuant Articles 10 and 11 of Chapter 3, Part 1, Division 2 of Title 5 of the California Government Code (the “Law”), Resolution No. 20-____, adopted by the Board of Public Utilities of the City of Tulare on _____, 2020 (the “BPUC Resolution”), Resolution No. 20-____, adopted by the City Council on _____, 2020 (the “City Resolution”), a Master Indenture, dated as of December 1, 2003 (the “Master Indenture”), by and between the City and U.S. Bank National Association, as trustee (the “Trustee”), as amended or supplemented from time to time, including by the Eighth Supplemental Indenture, dated as of _____, 2020 (the “Eight Supplemental Indenture” and, collectively with the Master Indenture, as supplemented or amended from time to time, the “Indenture”), by and between the City and the Trustee. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Indenture.

The Preliminary Official Statement and the Official Statement are the City’s documents and as such the City is responsible for their content. The statements made and the information contained in the Preliminary Official Statement and the Official Statement were reviewed for their accuracy, completeness, and materiality by representatives of the City. The purpose of our engagement was not to independently establish, confirm, or verify the factual matters set forth in the Preliminary Official Statement and the Official Statement and we have not done so. Moreover, many of the determinations required to be made in the preparation of the Preliminary Official Statement and the Official Statement involve wholly or partially matters of a non-legal character. We do not, therefore, take any responsibility for the factual matters set forth in the Preliminary Official Statement and the Official Statement and we undertake herein only to express certain limited negative assurances regarding the same.

The purpose of our engagement by you as the City was to provide certain limited negative assurances. In requesting and accepting this letter, you recognize and acknowledge that: (i) the scope of those activities performed by us were inherently limited and do not encompass all activities that you as the City may be responsible to undertake in preparing the Preliminary Official Statement and the Official Statement; (ii) those activities performed by us relied substantially on representations, warranties,

certifications and opinions made by representatives of the City and others, and are otherwise subject to the matters set forth in this letter; and (iii) while such statements of negative assurance are customarily given to underwriters of municipal bonds to assist them in discharging their responsibilities under the federal securities laws, the responsibilities of the City under those laws may differ from those of the underwriter for the Series 2020 Bonds (the “Underwriter”) in material respects, and this letter may not serve the same purpose or provide the same utility to you as the City as it would to the Underwriter.

In giving the limited assurances hereinafter expressed, we are not expressing any opinion or view on, but have ourselves assumed and relied upon, the validity, accuracy and sufficiency of the records, documents, certificates and opinions executed and delivered in connection with the issuance of the Series 2020 Bonds. Without limiting the foregoing statement, we have relied, without independently opining upon the legal conclusions expressed and without independently verifying the factual matters represented, on the legal opinions that we have reviewed.

Also, this letter does not address: (i) CUSIP numbers; (ii) the information contained in Appendix C – “Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2019”; (iii) any financial, demographic, statistical or economic data, estimates, projections, numbers, assumptions, charts, graphs, tables, or expressions of opinion contained in the Preliminary Official Statement and the Official Statement; (iv) information relating to the book-entry-only system, including information in Appendix F – “DTC and the Book-Entry Only System”; and (v) information concerning any bond insurer, bond insurance or the reserve policy included therein.

In our capacity as special Disclosure Counsel, we participated in meetings and conference calls with representatives of the City, Bartle Wells Associates, as municipal advisor to the City, Morgan Stanley & Co. LLC, as Underwriter, counsel to the Underwriter, Griswold, Lasalle, Cobb, Dowd & Gin, LLP, as City Attorney, the Trustee, counsel to the Trustee, and others, during which the contents of the Preliminary Official Statement and the Official Statement were discussed and reviewed. Based upon such participation, and information disclosed to us in the course of our representation of the City as special Disclosure Counsel, considered in light of our understanding of the applicable law and the experience we have gained through our practice of law, and subject to all of the foregoing in this letter including the qualifications respecting the scope and nature of our engagement, we advise you, as a matter of fact but not opinion, that, during the course of our engagement as special Disclosure Counsel with respect to the Preliminary Official Statement and the Official Statement, no facts came to the attention of the attorneys of our firm rendering legal services in connection with this matter that caused them to believe that the Preliminary Official Statement, as of its date, and the Official Statement, as of its date or as of the date of the Closing, contained or contains any untrue statement of a material fact or omitted or omits to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. During the period from the date of the Official Statement to the date of this letter, except for our review of the transcript of proceedings relating to the issuance of the Series 2020 Bonds and the certificates and opinions regarding the Series 2020 Bonds and the Official Statement delivered on the date hereof, we have not undertaken any procedures or taken any actions which were intended to or likely to elicit information concerning the accuracy, completeness or fairness of any of the statements contained in the Official Statement.

We assume no obligation to update, revise or supplement this letter to reflect any action hereafter taken or not taken, or any facts or circumstances that may hereafter come to our attention, or for any other reason.

This letter is furnished by us solely for your benefit and may not be relied upon by any other person or entity, except as may be expressly authorized by us in writing. This letter is not to be used, circulated, quoted or otherwise referred to in connection with the offering of the Series 2020 Bonds, except that reference may be made in any list of closing documents pertaining to the issuance of the Series 2020 Bonds. No attorney-client relationship has existed or exists between the Underwriter and our firm in connection with the Series 2020 Bonds or by virtue of this letter.

Very truly yours,

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2020

CONSTITUTE A DEBT OF THE CITY OR OF THE STATE OF CALIFORNIA OR OF ANY POLITICAL SUBDIVISION THEREOF IN CONTRAVENTION OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION.

This cover page contains information for general reference only. It is not a summary of the security or terms of this issue. Investors must read the entire Official Statement, including the section entitled "RISK FACTORS," for a discussion of special factors which should be considered, in addition to the other matters set forth herein, in considering the investment quality of the Series 2020 Bonds. Capitalized terms used on this cover page and not otherwise defined shall have the meanings set forth herein.

**MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, PRICES AND
YIELDS ARE SHOWN ON INSIDE FRONT COVER.**

The Series 2020 Bonds are offered, when, as and if issued and received by the Underwriter, subject to the approval of legality by Hawkins Delafield & Wood LLP, San Francisco, California, Bond Counsel. Certain legal matters will be passed upon for the City by Griswold, Lasalle, Cobb, Dowd & Gin, LLP, Hanford, California, City Attorney, and Hawkins Delafield & Wood LLP, San Francisco, California, Bond Counsel. The Underwriter has been represented by its counsel, Norton Rose Fulbright US LLP, Los Angeles, California. It is expected that the Series 2020 Bonds, in book-entry form, will be available for delivery through the facilities of DTC on or about _____, 2020.

Morgan Stanley

Dated: _____, 2020

This Preliminary Official Statement and the information contained herein are subject to completion or amendment without notice. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

MATURITY SCHEDULE
CITY OF TULARE
SEWER REVENUE REFUNDING BONDS

[\$[PAR AMOUNT A]*
Series 2020A
(Tax-Exempt)

<u>Maturity</u> <u>(November 15)</u>	<u>Principal</u> <u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Price</u>	<u>Yield</u>	<u>CUSIP</u> <u>(_____)</u>
---	------------------------------------	--------------------------------	--------------	--------------	--------------------------------

\$ _____ % Term Bond due November 15, 20__, priced at _____ to yield _____%
 CUSIP No. _____

[\$[PAR AMOUNT B]*
Series 2020B
(Federally Taxable)

<u>Maturity</u> <u>(November 15)</u>	<u>Principal</u> <u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Price</u>	<u>Yield</u>	<u>CUSIP</u> <u>(_____)</u>
---	------------------------------------	--------------------------------	--------------	--------------	--------------------------------

\$ _____ % Term Bond due November 15, 20__, priced at _____ to yield _____%
 CUSIP No. _____

* Preliminary, subject to change.

... CUSIP is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by S&P Capital IQ. Copyright© 2020 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience and reference only. None of the City, the Underwriter or their agents or counsel assume responsibility for the accuracy of such numbers.

City of Tulare
411 East Kern Avenue
Tulare, California 93274
Incorporated 1888

City Council Members

Jose Sigala, District 1, *Mayor*
Dennis Mederos, District 4, *Vice Mayor*
Terry Sayre, District 2, *Council Member*
Carlton Jones, District 3, *Council Member*
Greg Nunley, District 5, *Council Member*

Board of Public Utilities

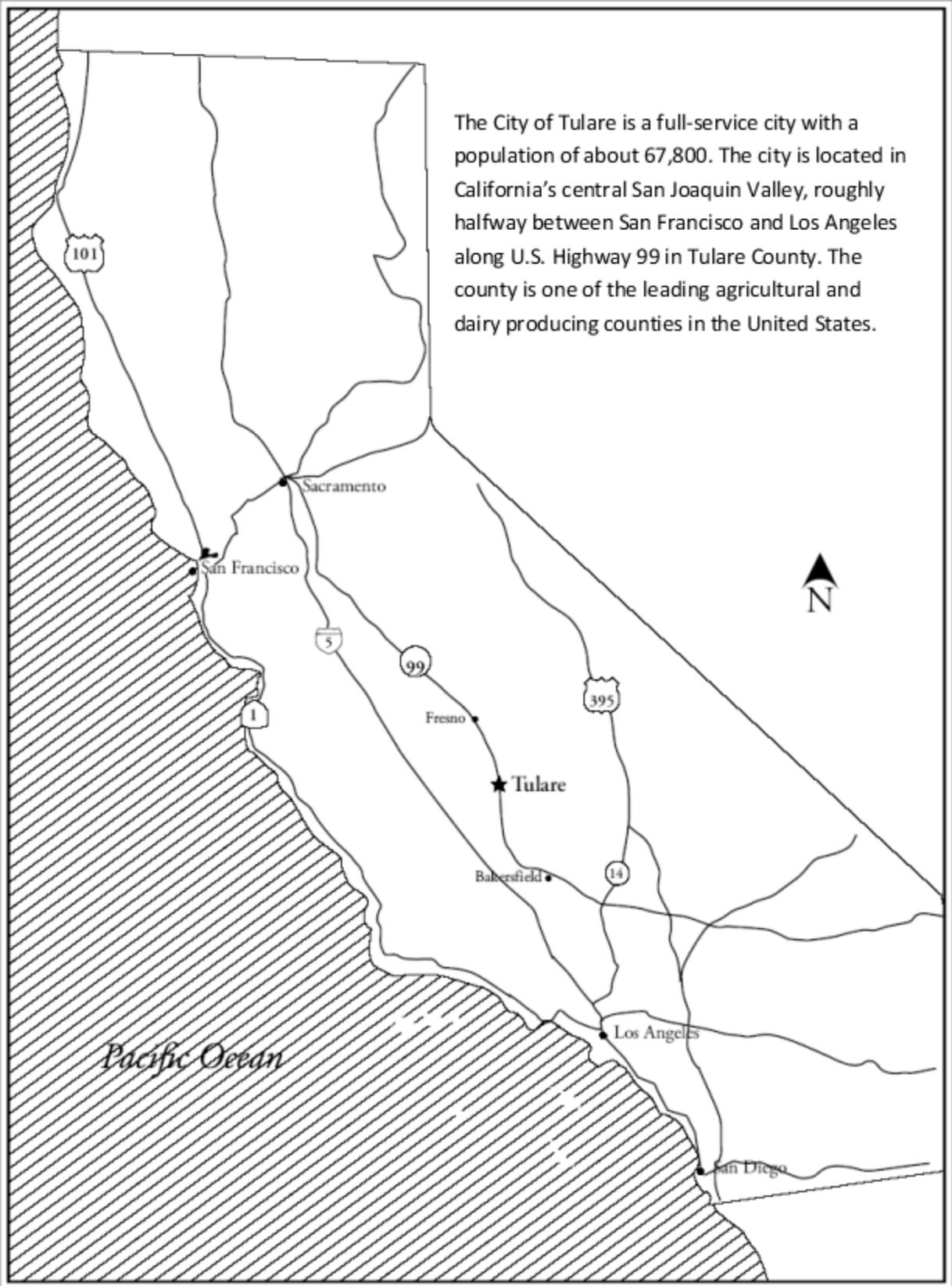
Chris Harrell, *President*
Howard Stroman, *Vice President*
Thomas Griesbach, *Board Member*
Ray Fonseca, *Board Member*
Renee Soto, *Board Member*

City Staff

Rob Hunt, *City Manager*
Darlene J. Thompson, *Finance Director/Treasurer*
Trisha Whitfield, *Public Works Director*

Professional Services

Hawkins Delafield & Wood LLP, San Francisco, California, *Bond Counsel*
Bartle Wells Associates, Berkeley, California, *Municipal Advisor*
Griswold, Lasalle, Cobb, Dowd & Gin, LLP, Hanford, California, *City Attorney*
U.S. Bank National Association, Los Angeles, California, *Trustee*
[Causey Demgen & Moore P.C., Denver, Colorado, *Verification Agent*]



No dealer, broker, salesperson or other person has been authorized by the City of Tulare (the “City”) or the Underwriter to give any information or to make any representations other than those contained herein and, if given or made, such other information or representations must not be relied upon as having been authorized by the City or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Series 2020 Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale. This Official Statement is not to be construed as a contract with the purchasers of the Series 2020 Bonds.

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 fact. This Official Statement is submitted in connection with the sale of the Series 2020 Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

The information set forth herein has been obtained from the City and other sources which are believed to be reliable. The Underwriter has submitted 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 under 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 and expressions of opinions herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there have not been any changes in the affairs of the City since the date hereof. All summaries of the documents are made subject to the provisions of such documents, respectively, and do not purport to be complete statements of any or all of such provisions.

IN CONNECTION WITH THE OFFERING OF THE SERIES 2020 BONDS, THE UNDERWRITER MAY EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2020 BONDS 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 SERIES 2020 BONDS TO CERTAIN DEALERS AND DEALER BANKS AND BANKS ACTING AS AGENT AT PRICES LOWER THAN THE PUBLIC OFFERING PRICE STATED ON THE COVER PAGE HEREOF. THE PUBLIC OFFERING PRICE MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.

The City maintains a website; however, the information presented therein is not part of this Official Statement and should not be relied upon in making an investment decision with respect to the Series 2020 Bonds. References to website addresses presented herein are for informational purposes only. Such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined in, S.E.C. Rule 15c2-12.

[[INSURANCE PROVIDER] makes no representation regarding the Series 2020 Bonds or the advisability of investing in the Series 2020 Bonds. In addition, [INSURANCE PROVIDER] 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 [INSURANCE PROVIDER] supplied by [INSURANCE PROVIDER] and presented under the heading “BOND INSURANCE” and APPENDIX G – “BOND INSURANCE & SPECIMEN MUNICIPAL BOND INSURANCE POLICY.”]

TABLE OF CONTENTS

Page

INTRODUCTION

- General
- The City
- The Series 2020 Bonds
- Security for the Series 2020 Bonds
- Reserve Fund
- Forward-Looking Statements
- Summary of Terms

PLAN OF REFUNDING

- The Series 2020A Bonds
- The Series 2020B Bonds

ESTIMATED SOURCES AND USES OF FUNDS

DEBT SERVICE SCHEDULE

THE SERIES 2020 BONDS

- General Provisions
- Book-Entry System
- Redemption
- Outstanding Parity Debt

SECURITY FOR THE SERIES 2020 BONDS

- General
- Pledge of System Net Revenues
- Rate Covenant
- Reserve Fund
- Issuance of Bonds and Parity Debt
- [Bond Insurance Policy]
- Rate Stabilization Fund

[BOND INSURANCE]

THE CITY AND THE SYSTEM

- The City
- Form of Government & Management
- Residential, Educational, Commercial, and Industrial Growth
- The System
- Water Pollution Control Facilities
- Wastewater Flow
- Compliance with Waste Discharge Requirements & Other Regulations
- Future Wastewater System Capital Improvements
- Hydrological Enterprise Fund Program
- Service Area and Sewer Customers
- Industrial System Customers
- Economics of the Dairy Industry in the City
- Sewer Service Charges
- Billing & Collection
- Comparative Utility Rates
- Connection Fees for New Development

SYSTEM FINANCES

- General
- System Net Revenues, Debt Service Coverage and Cash & Investments
- Impacts of Drought on Sewer System
- Pension and Post-Employment Benefits
- Post-Employment Benefits

RISK FACTORS

- Constitutional Limitations on Rates and Charges
- Revenues; Rate Covenant
- Enterprise Expenses
- Existing and Future Parity Debt
- Change in Law
- Loss of Tax Exemption
- IRS Audit of Tax-Exempt Issues
- Regulatory Compliance
- COVID-19
- Climate Change
- Cybersecurity
- Seismic and Other Natural Conditions
- Wastewater Facility Maintenance
- Concentration of Wastewater Accounts
- Limitations on Remedies and Bankruptcy
- Secondary Market for the Series 2020 Bonds

TAX MATTERS

- The Series 2020A Bonds
- The Series 2020B Bonds

[VERIFICATION OF MATHEMATICAL COMPUTATIONS]

ABSENCE OF LITIGATION

LEGAL OPINIONS

MUNICIPAL ADVISOR

UNDERWRITING

RATINGS

AUDITED FINANCIAL STATEMENTS

CONTINUING DISCLOSURE

MISCELLANEOUS

APPENDIX A – AREA STATISTICAL INFORMATION

APPENDIX B – DEFINITIONS AND SUMMARY OF LEGAL DOCUMENTS

APPENDIX C – COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR
ENDED JUNE 30, 2019

APPENDIX D – FORM OF CONTINUING DISCLOSURE CERTIFICATE

APPENDIX E – FORM OF BOND COUNSEL OPINION

APPENDIX F – DTC AND THE BOOK-ENTRY ONLY SYSTEM

[APPENDIX G – BOND INSURANCE & SPECIMEN MUNICIPAL BOND INSURANCE POLICY]

INTRODUCTION

General

This Official Statement, including the cover page and appendices hereto, is provided to furnish certain information in connection with the offering of the City of Tulare Sewer Revenue Refunding Bonds, Series 2020A (Tax Exempt) (the “Series 2020A Bonds”) in the aggregate principal amount of \$[_____] and the City of Tulare Sewer Revenue Refunding Bonds, Series 2020B (Federally Taxable) (the “Series 2020B Bonds,” and together with the Series 2020A Bonds, the “Series 2020 Bonds”) in the aggregate principal amount of \$[_____] .

Proceeds of the Series 2020 Bonds will be used to provide funds to (i) current refund all of the outstanding principal amount of the City of Tulare 2012 Sewer Revenue Refunding Notes (the “Series 2012 Notes”), (ii) current refund a portion of the outstanding amount of the City of Tulare Sewer Revenue Refunding Bonds, Series 2015 (the “Series 2015 Bonds”), (iii) [advance refund a portion of the outstanding principal amount of the City of Tulare Sewer Revenue Refunding Bonds, Series 2013 (the “Series 2013 Bonds”),] (iv) fund a debt service reserve fund for the Series 2020 Bonds [through the deposit of a reserve fund surety policy, as further described herein], and (v) pay for the costs of issuing the Series 2020 Bonds. See “PLAN OF REFUNDING” and “ESTIMATED SOURCES AND USES OF FUNDS.”

This Introduction is designed to give an overview of the transaction and serve as a guide to the contents of this Official Statement. The references to any legal documents, instruments and the Bonds in this Official Statement do not purport to be comprehensive or definitive, and reference is made to each such document for complete details of all terms and conditions. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in APPENDIX B – “DEFINITIONS AND SUMMARY OF LEGAL DOCUMENTS.”

The City

The City is located in Tulare County, approximately halfway between the cities of Fresno and Bakersfield in central California. The City is approximately 175 miles north of Los Angeles and 200 miles southeast of San Francisco. The City is the second most populous in Tulare County, with an estimated population of approximately 67,834 as of January 1, 2020. The City encompasses about 16 square miles within its corporate limits. See “THE CITY AND THE SYSTEM – The City” herein.

The City is a full-service city that provides police and fire protection; general administrative services; parks and community services; water, solid waste, and sewer utilities; public works and capital improvements; street maintenance, sweeping, and construction; planning, zoning, and building inspection; public transit; municipal airport; library; and housing and community development services. For other information concerning the City, the City’s finances and the City’s wastewater system (as further described herein, the “System”), see “THE CITY AND THE SYSTEM – The System” herein. A copy of the audited financial statements of the City for the year ended June 30, 2019 is attached hereto as APPENDIX C – “COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR FISCAL YEAR ENDED JUNE 30, 2019.”

The Series 2020 Bonds

The Series 2020 Bonds are being issued pursuant to Articles 10 and 11 of Chapter 3, Part 1, Division 2 of Title 5 of the California Government Code and other applicable laws, as amended (the “Law”); Resolution No. 20-[___], adopted by the City Council on [_____, 2020]; Resolution No. 20-[___], adopted by the Board of Public Utilities Commissioners of the City of Tulare on [_____, 2020]; and that certain Master Indenture, dated as of December 1, 2003 (the “Master Indenture”), as supplemented and amended from time to time,

* Preliminary, subject to change.

including by the Eighth Supplemental Indenture, dated as of November 1, 2020 (the “Eighth Supplemental Indenture,” and together with the Master Indenture, as supplemented and amended from time to time, the “Indenture”) by and between the City and the Trustee.

Interest on the Series 2020 Bonds will be payable at the rates set forth in the Maturity Schedule on the inside cover hereof, and on the Interest Payment Dates as described herein. Principal of the Series 2020 Bonds will be paid on the dates as shown on the Maturity Schedule on the inside cover hereof. The Series 2020 Bonds are subject to redemption prior to maturity as described herein. See “THE SERIES 2020 BONDS – Redemption” herein.

The Series 2020 Bonds, when delivered, will be in book-entry form and registered in the name of the partnership nominee of The Depository Trust Company (“DTC”). The Series 2020 Bonds will be delivered in denominations of \$5,000 or any integral multiple of \$5,000 in excess thereof. While the Series 2020 Bonds are in the Book-Entry System, the information under the caption “THE SERIES 2020 BONDS” is subject in its entirety to the provisions described in APPENDIX F – “DTC AND THE BOOK-ENTRY ONLY SYSTEM.”

Security for the Series 2020 Bonds

The Series 2020 Bonds will be payable from, and will be secured by a lien on, System Net Revenues of the City and certain interest and other income derived from certain funds and accounts held under the Indenture. See “SECURITY FOR THE SERIES 2020 BONDS – Pledge of System Net Revenues” herein. The City may issue additional obligations secured by System Net Revenues on parity with the Series 2020 Bonds, provided the City complies with certain provisions in the Indenture. See “SECURITY FOR THE SERIES 2020 BONDS – Issuance of Bonds and Additional Parity Debt.” Pursuant to the Indenture, the City has covenanted to set rates and charges for service provided by the System at certain levels as described herein. See “SECURITY FOR THE SERIES 2020 BONDS – Rate Covenant” herein.

THE SERIES 2020 BONDS ARE LIMITED OBLIGATIONS OF THE CITY AND ARE PAYABLE, AS TO INTEREST THEREON AND PRINCIPAL THEREOF, EXCLUSIVELY FROM THE SYSTEM NET REVENUES AND SUCH OTHER FUNDS AS PROVIDED UNDER THE INDENTURE, AND THE CITY IS NOT OBLIGATED TO PAY THEM EXCEPT FROM THE SYSTEM REVENUES AND SUCH OTHER FUNDS. THE OBLIGATION OF THE CITY TO PAY INTEREST ON AND PRINCIPAL OF THE SERIES 2020 BONDS IS A SPECIAL OBLIGATION OF THE CITY PAYABLE SOLELY FROM THE SYSTEM NET REVENUES, AND DOES NOT CONSTITUTE A DEBT OF THE CITY OR OF THE STATE OF CALIFORNIA (THE “STATE”) OR OF ANY POLITICAL SUBDIVISION THEREOF IN CONTRAVENTION OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION.

[The City has obtained a policy of municipal bond insurance (the “Policy”) insuring payment of debt service on the Series 2020 Bonds. See “BOND INSURANCE” herein.]

Reserve Fund

The City has agreed to establish and maintain so long as any Series 2020 Bonds are outstanding a separate debt service reserve fund, to be held by the Trustee for and on behalf of the City (the “Reserve Fund”). [The City has purchased a reserve fund insurance policy (the “Reserve Policy”), the draws on which will be available to fund the Reserve Fund.] See “SECURITY FOR THE SERIES 2020 BONDS – Reserve Fund.”

Forward-Looking Statements

This Official Statement contains forward-looking statements, including (i) statements containing projections of proceeds of the System Net Revenues and other financial items, (ii) statements of future economic

performance of the System, and (iii) statements of the assumptions underlying or relating to statements described in (i) and (ii) above (collectively, the “Forward-Looking Statements”). All statements other than statements of historical facts included in this Official Statement, including without limitation statements under “SECURITY FOR THE SERIES 2020 BONDS” and “THE CITY AND THE SYSTEM” regarding the financial position, capital resources and status of the City and the System, are Forward-Looking Statements. Although the City believes that the expectations reflected in such Forward-Looking Statements are reasonable, no assurance can be given that such expectations will prove to be correct. Important factors which could cause actual results to differ materially from expectations of the City (collectively, the “Cautionary Statements”) are disclosed in this Official Statement. All Forward-Looking Statements attributable to the City are expressly qualified in their entirety by the Cautionary Statements.

Summary of Terms

Brief descriptions of the Series 2020 Bonds, the Indenture, the City and the System are included in this Official Statement. Such descriptions do not purport to be comprehensive or definitive. All references herein to the Indenture, the Law and the Constitution and the laws of the State, as well as the proceedings of the City with respect to the System and the Series 2020 Bonds, are qualified in their entirety by reference to such documents. References herein to the Series 2020 Bonds are qualified in their entirety by reference to the form thereof included in the Indenture. Copies of the proceedings of the City referred to above and the documents described in this Official Statement are available for inspection at the offices of the City of Tulare, 411 East Kern Avenue, Tulare, California 93274.

PLAN OF REFUNDING

The Series 2020A Bonds

Proceeds of the Series 2020A Bonds will be used to defease and current refund on [_____, 2020] all of the City’s Senior 2012 Notes. Upon defeasance of the Senior 2012 Notes, the City will no longer have any senior lien indebtedness payable from System Net Revenues. See “THE SERIES 2020 BONDS – Outstanding Parity Debt,” below.

Proceeds of the Series 2020A Bonds will also be used to defease and current refund certain maturities of the Series 2015 Bonds as identified in the table below. See “THE SERIES 2020 BONDS – Outstanding Parity Debt,” below.

Refunded Series 2015 Bonds

Maturities to be Refunded (November 15)	CUSIP	Principal Amount to be Redeemed	Redemption Date	Redemption Price
2041	899124KQ3	\$20,000,000	[November 15, 2020]	100%

... CUSIP is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by S&P Capital IQ. Copyright© 2020 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience and reference only. None of the City, the Underwriter or their agents or counsel assume responsibility for the accuracy of such numbers.

The Series 2020B Bonds

[Proceeds of the Series 2020B Bonds will be used to defease and advance refund on [_____, 2020] a portion of the City’s Series 2013 Bonds. See “THE SERIES 2020 BONDS – Outstanding Parity Debt,” below.]

[Proceeds of the 2020B Bonds that will be used to defease and redeem the Series 2013 Bonds will be deposited into an Escrow Account (the “2013 Escrow Account”) with the Escrow Agent pursuant to an Escrow Agreement, to be dated as of [November 1, 2020] (the “2013 Escrow Agreement”). Moneys deposited into the 2013 Escrow Account will be invested in escrow securities that mature in such amounts and at such times and bear interest at such rates as to provide amounts sufficient to pay the principal of and interest on the Series 2013 Bonds, through [_____]. See “VERIFICATION OF MATHEMATICAL COMPUTATIONS” herein. Upon the deposit of such proceeds into the 2013 Escrow Account, the Series 2013 Bonds will no longer be deemed outstanding. The moneys and securities to be applied to defease and redeem the Series 2013 will not be available to pay debt service on the Bonds.]

[Sufficiency of the deposits in the 2013 Escrow Agreement for those purposes will be verified by [Causey Demgen & Moore P.C., Denver, Colorado] (the “Verification Agent”).]

ESTIMATED SOURCES AND USES OF FUNDS

The following table sets forth the estimated sources and uses of funds with respect to the Series 2020 Bonds.

SOURCES

Principal Amount of Bonds	\$
[Net] Original Issue Premium	
Fund Releases from Refunded Bond Accounts	_____
TOTAL SOURCES	\$

USES

Refund Series 2012 Notes	\$
Refund portion of Series 2015 Bonds	
[Escrow Deposit to refund portion of Series 2013 Bonds]	
[Bond Insurance and Reserve Surety Premium]	
Costs of Issuance ⁽¹⁾	_____
TOTAL USES	\$

⁽¹⁾ Includes fees of Bond and Disclosure Counsel, the Trustee and the Municipal Advisor, [Verification Agent,] printing costs, Underwriter’s discount, rating fees, additional proceeds and other costs of issuing the Series 2020 Bonds and rounding amounts.

[Remainder of page intentionally left blank]

DEBT SERVICE SCHEDULE

The table on the following page shows annual debt service schedule for the City's outstanding bonded indebtedness. The table includes all mandatory Sinking Fund Account Payments. Amounts are rounded to the nearest dollar.

Year Ending June 30	Annual Debt Service					Total
	Senior 2012 Notes*	Series 2013 Bonds*	Series 2015 Bonds*	Series 2016 Bonds	Series 2020 Bonds	
2021	923,355	2,371,900	4,923,750	2,747,850		10,966,855
2022	923,355	2,373,150	4,923,250	2,746,300		10,966,055
2023	923,355	1,447,000	5,799,750	2,773,950		10,944,055
2024	923,355	1,448,825	5,814,125	2,771,650		10,957,955
2025	923,355	1,449,900	5,807,625	2,773,250		10,954,130
2026	923,355	1,445,300	5,851,750	2,772,800		10,993,205
2027	923,355	1,448,875	5,843,875	2,771,950		10,988,055
2028	-	2,417,650	5,827,875	2,748,175		10,993,700
2029	-	2,415,775	5,860,000	2,695,800		10,971,575
2030	-	2,414,025	5,835,125	2,697,800		10,946,950
2031	-	2,417,025	5,854,875	2,722,175		10,994,075
2032	-	2,417,075	5,864,750	2,696,425		10,978,250
2033	-	1,205,625	5,873,125	2,951,700		10,030,450
2034	-	1,202,125	5,883,000	2,940,900		10,026,025
2035	-	-	5,971,875	4,075,500		10,047,375
2036	-	-	5,969,500	4,069,400		10,038,900
2037	-	-	5,958,119	4,071,200		10,029,319
2038	-	-	5,941,603	4,086,900		10,028,503
2039	-	-	5,908,671	4,109,500		10,018,171
2040	-	-	5,869,293	4,142,000		10,011,293
2041	-	-	5,842,651	4,164,200		10,006,851
2042	-	-	5,759,296	4,240,000		9,999,296
2043	-	-	535,000	9,654,775		10,189,775
2044	-	-	535,000	9,638,475		10,173,475
2045	-	-	535,000	9,614,200		10,149,200
2046	-	-	10,967,500	-		10,967,500

TOTALS TO COME

* The Series 2020 Bonds are being issued to refund the Senior 2012 Notes, [a portion of the Series 2013 Bonds,] and a portion of the Series 2015 Bonds.

THE SERIES 2020 BONDS

General Provisions

The Series 2020 Bonds will be delivered in the form of fully registered Series 2020 Bonds, without coupons, in denominations of \$5,000 or any integral multiple thereof, and will be dated the date of initial delivery thereof. The Series 2020 Bonds will mature on the dates and in the amounts set forth on the inside front cover

of this Official Statement. The Series 2020 Bonds, when issued, will be registered in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company (“DTC”). So long as DTC, or Cede & Co. as its nominee, is the registered owner of all Series 2020 Bonds, all payments on the Series 2020 Bonds will be made directly to DTC, and disbursement of such payments to the DTC Participants (defined below) will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners (defined in APPENDIX F – “DTC AND THE BOOK-ENTRY ONLY SYSTEM” hereto) will be the responsibility of the DTC Participants, as more fully described hereinafter. See “Book-Entry System” below and APPENDIX F – “DTC AND THE BOOK-ENTRY ONLY SYSTEM” herein.

Interest on the Series 2020 Bonds is payable on May 15 and November 15 of each year, commencing May 15, 2021, and continuing to and including the date of maturity or prior redemption, whichever is earlier. Principal of the Series 2020 Bonds will become payable on November 15 in each of the years and in the amounts set forth in the Maturity Schedule on the inside cover page of this Official Statement. Principal and premium, if any, of the Series 2020 Bonds will become payable upon presentation and surrender thereof at the corporate trust office of the Trustee. Interest on the Series 2020 Bonds will be based on a 360-day year composed of twelve 30-day months.

The Series 2020 Bonds are issued as fully registered Series 2020 Bonds in denominations of five thousand dollars (\$5,000) or any integral multiple of five thousand dollars (\$5,000) (not exceeding the principal amount of Series 2020 Bonds maturing at any one time). Each Series 2020 Bond will bear interest from the Interest Payment Date next preceding the date of registration thereof, unless such date of registration is during the period from and including the Record Date next preceding an Interest Payment Date to and including such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or unless such date of registration is on or before the Record Date next preceding the first Interest Payment Date, in which event it shall bear interest from its date of delivery; provided, that if at the time of registration of any Series 2020 Bond interest is then in default on the Outstanding Series 2020 Bonds, such Series 2020 Bond shall bear interest from the Interest Payment Date to which interest previously has been paid or made available for payment on the Outstanding Series 2020 Bonds. Payment of interest on the Series 2020 Bonds due on or before the maturity or prior redemption of the Series 2020 Bonds will be made to the person whose name appears in the registration books maintained by the Trustee pursuant to the Indenture as the Owner thereof as of the close of business on the Record Date next preceding each Interest Payment Date, such interest to be paid by check mailed by first class mail, postage prepaid, on each Interest Payment Date to such Owner at his address as it appears in the registration books maintained by the Trustee, or, upon written request received prior to the Record Date next preceding an Interest Payment Date of an Owner of at least one million dollars (\$1,000,000) in aggregate principal amount of Series 2020 Bonds, by wire transfer in immediately available funds to an account within the continental United States of America designated by such Owner.

The principal of and redemption premiums, if any, on the Series 2020 Bonds shall be payable upon the surrender thereof at maturity or the prior redemption thereof at the Corporate Trust Office of the Trustee. The interest on and principal of and redemption premiums, if any, on the Series 2020 Bonds shall be paid in lawful money of the United States of America.

Book-Entry System

DTC will act as securities depository for the Series 2020 Bonds. The Series 2020 Bonds will be issued as fully-registered bonds registered in the name of Cede & Co., (DTC’s partnership nominee). One fully-registered bond will be issued for each maturity of the bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC. See APPENDIX F – “DTC AND THE BOOK-ENTRY ONLY SYSTEM” herein. While the Series 2020 Bonds are in the Book-Entry System, the information under the caption “THE SERIES 2020 BONDS” is subject in its entirety to the provisions described in APPENDIX F – “DTC AND THE BOOK-ENTRY ONLY SYSTEM”

The City and the Trustee cannot and do not give any assurances that DTC, DTC Participants or others will distribute payments of principal, interest or premium on the Series 2020 Bonds paid to DTC or its nominee as the registered owner, or will distribute any redemption notices or other notices, to the Beneficial Owners, or that they will do so on a timely basis or will serve and act in the manner described in this Official Statement. The City and the Trustee are not responsible or liable for the failure of DTC or any DTC Participant to make any payment or give any notice to a Beneficial Owner with respect to the Series 2020 Bonds or an error or delay relating thereto.

Redemption*

Optional Redemption of the Series 2020A Bonds. The Series 2020A Bonds maturing by their terms on or after November 15, 20__, are subject to optional redemption by the City on any date on or after November 15, 20__ to their respective stated maturity dates, as a whole or in part in such principal amounts and from such maturity dates as selected by the City, from funds derived by the City from any lawful source and deposited with the Trustee on or before the date of redemption, upon mailed notice as provided in the Indenture, at a redemption price equal to the principal amount of the Series 2020A Bonds or the portions thereof called for redemption, together with interest accrued thereon to the date fixed for redemption, without premium.

Mandatory Sinking Fund Redemption of the Series 2020A Bonds. The Series 2020A Bonds maturing on November 15, 20__, 20__ and 20__ are also subject to redemption prior to their stated maturities, in part, from mandatory sinking fund account payments, on each November 15 specified below, at a redemption price equal to the principal plus accrued interest thereon to the date fixed for redemption, without premium.

\$ _____ **Term Bond maturing November 15, 20__**
CUSIP _____

Payment Date (November 15)	Principal Amount to be Redeemed
\$	

\$ _____ **Term Bond maturing November 15, 20__**
CUSIP _____

Payment Date (November 15)	Principal Amount to be Redeemed
\$	

\$ _____ **Term Bond maturing November 15, 20__**
CUSIP _____

Payment Date (November 15)	Principal Amount to be Redeemed
\$	

* Preliminary, subject to change.

Optional Redemption of the Series 2020B Bonds. The Series 2020B Bonds maturing by their terms on or after November 15, 20__, are subject to optional redemption by the City on any date on or after November 15, 20__ to their respective stated maturity dates, as a whole or in part in such principal amounts and from such maturity dates as selected by the City, from funds derived by the City from any lawful source and deposited with the Trustee on or before the date of redemption, upon mailed notice as provided in the Indenture, at a redemption price equal to the principal amount of the Series 2020B Bonds or the portions thereof called for redemption, together with interest accrued thereon to the date fixed for redemption, without premium.

Mandatory Sinking Fund Redemption of the Series 2020B Bonds. The Series 2020B Bonds maturing on November 15, 20__, 20__ and 20__ are also subject to redemption prior to their stated maturities, in part, from mandatory sinking fund account payments, on each November 15 specified below, at a redemption price equal to the principal plus accrued interest thereon to the date fixed for redemption, without premium.

\$ _____ **Term Bond maturing November 15, 20__**
CUSIP _____

Payment Date <u>(November 15)</u>	Principal Amount <u>to be Redeemed</u>
\$	

\$ _____ **Term Bond maturing November 15, 20__**
CUSIP _____

Payment Date <u>(November 15)</u>	Principal Amount <u>to be Redeemed</u>
\$	

\$ _____ **Term Bond maturing November 15, 20__**
CUSIP _____

Payment Date <u>(November 15)</u>	Principal Amount <u>to be Redeemed</u>
\$	

Notice of Redemption. The Trustee will mail notice of any redemption to the respective Owners of any Series 2020 Bonds designated for redemption at their respective addresses appearing on the registration books, to the Securities Depositories, to the Municipal Securities Rulemaking Board, and to the Bond Insurer (if any) at least 30 but not more than 60 days prior to the date fixed for redemption; *provided, however*, that neither failure to receive any such notice so mailed nor any immaterial defect therein will affect the validity of the proceedings for the redemption of such Series 2020 Bonds or the cessation of the accrual of interest thereon. Such notice of redemption may be made conditional, provided that the City shall deposit with the Trustee moneys sufficient to redeem any outstanding bonds not later than five days prior to the redemption date of the Bonds to be redeemed.

Manner of Redemption of Series 2020 Bonds of the Same Maturity. Whenever less than all of the Series 2020 Bonds maturing on the same date are called for redemption, the Trustee will select the Series 2020 Bonds to be redeemed by lot in any manner which the Trustee in its sole discretion deems fair, provided, that if less than all outstanding term bonds maturing on any one maturity date are called for redemption from proceeds

other than Sinking Fund Account Installment Payments at any one time, the City shall specify in a Certificate of the City filed with the Trustee, a reduction in Sinking Fund Account Installment Payments in the year or years specified by the City.

Outstanding Parity Debt

Upon issuance of the Series 2020 Bonds, the City will no longer have any senior lien indebtedness payable from System Net Revenues and the following bonds will be outstanding and payable on a parity basis with the Series 2020 Bonds from System Net Revenues:

Series 2013 Bonds. \$32,855,000 original principal amount of the Series 2013 Bonds were issued to refund prior outstanding sewer debt. The Series 2013 Bonds have a dedicated, cash-funded debt service reserve fund and are insured by Assured Guaranty Municipal Corp. (formerly Financial Security Assurance Inc.) The Series 2013 Bonds currently have \$20,060,000 of outstanding principal through final maturity on November 15, 2033. [Proceeds of the Series 2020B Bonds will be used to defease and advance refund a portion of the Series 2013 Bonds. After partial defeasance, the Series 2013 Bonds will have \$4,010,000 of outstanding principal.]

Series 2015 Bonds. \$84,555,000 original principal amount of the Series 2015 Bonds were issued to refund the City's Sewer Revenue Bonds, Series 2006, and refund a portion of the City's Sewer Revenue Bonds, Series 2010 (the "Series 2010 Bonds"). The Series 2015 Bonds have a dedicated, cash-funded debt service reserve fund and are insured by Assured Guaranty Municipal Corp. (formerly Financial Security Assurance Inc.). The outstanding principal amount of the Series 2015 Bonds is \$80,490,000 through final maturity on November 15, 2045. Proceeds of the Series 2020A Bonds will be used, in part, to defease and current refund certain maturities of the Series 2015 Bonds. After partial defeasance, the Series 2015 Bonds will have \$60,490,000 of outstanding principal.

Series 2016 Bonds. \$58,265,000 original principal amount of City of Tulare, California Sewer Revenue Refunding Bonds, Series 2016 (the "Series 2016 Bonds") were issued to refund the City's Sewer Revenue Bonds, Series 2009, and defease and advance refund the City's Series 2010 Bonds. The Series 2016 Bonds are insured by Assured Guaranty Municipal Corp. (formerly Financial Security Assurance Inc.) and have a dedicated debt service reserve fund with reserve fund surety policy. The Series 2016 Bonds currently have \$57,910,000 of outstanding principal through final maturity on November 15, 2044.

SECURITY FOR THE SERIES 2020 BONDS

General

THE SERIES 2020 BONDS ARE LIMITED OBLIGATIONS OF THE CITY AND ARE PAYABLE, AS TO INTEREST THEREON AND PRINCIPAL THEREOF, EXCLUSIVELY FROM THE SYSTEM NET REVENUES AND SUCH OTHER FUNDS AS PROVIDED UNDER THE INDENTURE, AND THE CITY IS NOT OBLIGATED TO PAY THEM EXCEPT FROM THE SYSTEM REVENUES AND SUCH OTHER FUNDS. THE OBLIGATION OF THE CITY TO PAY INTEREST ON AND PRINCIPAL OF THE SERIES 2020 BONDS IS A SPECIAL OBLIGATION OF THE CITY PAYABLE SOLELY FROM THE SYSTEM NET REVENUES, AND DOES NOT CONSTITUTE A DEBT OF THE CITY OR OF THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF IN CONTRAVENTION OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION.

Pledge of System Net Revenues

General. All System Net Revenues (as described below) and all amounts on deposit in the System Revenue Fund and in the funds or accounts established by the Indenture (except the Rebate Fund), are irrevocably pledged by the City to the punctual payment of the principal of and interest on the Series 2015 Bonds, Series 2016 Bonds and Series 2020 Bonds and any additional bonds issued under the Indenture (collectively,

the “Bonds”) and any Parity Obligations (along with the Bonds, “Parity Debt”). The System Net Revenues and the other pledged assets may not be used for any other purpose while any of the Bonds remain Outstanding, except as otherwise provided in the Indenture. The City has agreed under the Indenture not to issue any other obligations secured by System Net Revenues that are senior to the Parity Debt.

Defined Terms. The Indenture defines System Net Revenues and other relevant terms as follows:

“System Revenues” means all gross income and revenue received or receivable by the City from the ownership or operation of the System, determined in accordance with Generally Accepted Accounting Principles, including all fees, rates, charges and all amounts paid under any contracts received by or owed to the City in connection with the operation of the System and all proceeds of insurance relating to the System and all other income and revenue howsoever derived by the City from the ownership or operation of the System or arising from the System.

“Operation and Maintenance Costs” means all management, operation and maintenance costs of the System, determined in accordance with Generally Accepted Accounting Principles, including all incidental costs, fees and expenses properly chargeable thereto and all amounts properly chargeable thereto by the general fund of the City, but excluding in all cases (i) payment of Parity Debt and Subordinate Obligations, (ii) costs of capital additions, replacements, betterments, extensions or improvements which under are chargeable to a capital account, and (iii) depreciation, replacement and obsolescence charges or reserves therefor and amortization of intangibles or other bookkeeping entries of a similar nature.

“System Net Revenues” means for any period System Revenues less Operation and Maintenance Costs for such period; provided that certain adjustments in the amount of System Net Revenue deemed collected during a Fiscal Year may be made in connection with amounts deposited in the Rate Stabilization Fund as provided in the Indenture.

Under the Indenture, the City is required to deposit funds with the Trustee in the amount necessary to pay principal of and interest on the Bonds and any other Parity Debt that is due and owing on any Interest Payment Date or Principal Payment date three business days in advance of the Interest Payment Date or the Principal Payment Date. See APPENDIX B – “DEFINITIONS AND SUMMARY OF LEGAL DOCUMENTS” for a summary of the flow of funds under the Indenture.

Rate Covenant

The City covenants under the Indenture that, at all times while any of the Bonds remain Outstanding, to the maximum extent permitted by law, it will fix, prescribe and collect rates, fees and charges and manage the operation of the System for each Fiscal Year so as to yield System Revenues at least sufficient, after making reasonable allowances for contingencies and errors in the estimates, to pay the following amounts during such Fiscal Year:

- (i) All current Operation and Maintenance Costs.
- (ii) The interest on and principal and Sinking Fund Account Installments of the Bonds and the payments for the other Parity Debt and the Repayment Obligations and the payment of the Subordinate Obligations as they become due and payable.
- (iii) All payments required for compliance with the terms of the Indenture, including restoration of the Reserve Fund to an amount equal to the Reserve Fund Requirement, and of any Supplemental Indenture.

- (iv) All payments to meet any other obligations of the City which are charges, liens or encumbrances upon, or payable from, the System Net Revenues.

In addition to the foregoing requirements, the City will, at all times while any of the Bonds remain Outstanding, to the maximum extent permitted by law, fix, prescribe and collect rates, fees and charges and manage the operation of the System for each Fiscal Year so as to yield System Net Revenues during such Fiscal Year equal to at least 125% of the Annual Debt Service in such Fiscal Year; *provided*, an adjustment will be made to the amount of System Net Revenues for deposits to or withdrawals from the Rate Stabilization Fund as provided in the Indenture.

Reserve Fund

Series 2020A Reserve Account. Pursuant to the Eighth Supplemental Indenture, a Series 2020A Reserve Account is created with respect to the Series 2020A Bonds (the “Series 2020A Reserve Account”). The Reserve Requirement for the Series 2020A Bonds as of the date of issuance of the Series 2020A Bonds is \$[_____].

Amounts in or available to the Series 2020A Reserve Account are only available to pay the principal of and interest on the Series 2020A Bonds. Similarly, amounts within the reserve accounts with respect to other Parity Debt are only available to pay debt service on such Parity Debt.

Pursuant to the Indenture, and as described more completely in Appendix B, on or before the first Business Day of each month, the City is required, from available moneys in the System Revenue Fund, to transfer to the Trustee for deposit in the various reserve accounts relating to Parity Debt (including the Series 2020A Reserve Account) amounts necessary to restore each account to an amount equal to the “Reserve Fund Requirement” (as defined in Appendix B) for the applicable series of Bonds; provided that payments to restore the various Reserve Accounts after a withdrawal may be made in monthly installments equal to one-twelfth of the aggregate amount needed to restore the reserve accounts to the Reserve Fund Requirement as of the date of the withdrawal. See APPENDIX B – “DEFINITIONS AND SUMMARY OF LEGAL DOCUMENTS.”

[The City will satisfy the Reserve Fund Requirement for the Series 2020A Bonds with a reserve surety bond to be issued concurrently with the delivery of the Series 2020A Bonds by [INSURANCE PROVIDER] Information provided by the insurer is included in APPENDIX G – “BOND INSURANCE & SPECIMEN MUNICIPAL BOND INSURANCE POLICY.”]

Series 2020B Reserve Account. Pursuant to the Eighth Supplemental Indenture, a Series 2020B Reserve Account is created with respect to the Series 2020B Bonds (the “Series 2020B Reserve Account”). The Reserve Requirement for the Series 2020B Bonds as of the date of issuance of the Series 2020B Bonds is \$[_____].

Amounts in or available to the Series 2020B Reserve Account are only available to pay the principal of and interest on the Series 2020B Bonds. Similarly, amounts within the reserve accounts with respect to other Parity Debt are only available to pay debt service on such Parity Debt.

Pursuant to the Indenture, and as described more completely in Appendix B, on or before the first Business Day of each month, the City is required, from available moneys in the System Revenue Fund, to transfer to the Trustee for deposit in the various reserve accounts relating to Parity Debt (including the Series 2020B Reserve Account) amounts necessary to restore each account to an amount equal to the “Reserve Fund Requirement” (as defined in Appendix B) for the applicable series of Bonds; provided that payments to restore the various Reserve Accounts after a withdrawal may be made in monthly installments equal to one-twelfth of the aggregate amount needed to restore the reserve accounts to the Reserve Fund Requirement as of the date of the withdrawal. See APPENDIX B – “DEFINITIONS AND SUMMARY OF LEGAL DOCUMENTS.”

[The City will satisfy the Reserve Fund Requirement for the Series 2020B Bonds with a reserve surety bond to be issued concurrently with the delivery of the Series 2020B Bonds by [INSURANCE PROVIDER] Information provided by the insurer is included in APPENDIX G – “BOND INSURANCE & SPECIMEN MUNICIPAL BOND INSURANCE POLICY.”]

Issuance of Bonds and Parity Debt

The City may at any time issue additional Bonds and Parity Debt; provided it complies with the following requirements:

1. The City must be in compliance with all agreements, conditions, covenants and terms contained in the Indenture required to be observed or performed by it, and a Certificate of the City to that effect must have been filed with the Trustee (with the consent of the Bond Insurer, this condition will not apply where the purpose of the proposed Bonds and/or Parity Debt is to cure non-compliance).

The Bonds and/or Parity Debt must have been duly authorized pursuant to the Law and all applicable laws, and the issuance of a Series of the Bonds must have been provided for by a Supplemental Indenture duly adopted by the City that specifies the requirements contained in the Indenture and a reserve account held by an independent trustee is required to be established in an amount equal to the lesser of the maximum annual debt service of such Parity Debt (calculated on the basis of a year ending on the principal payment date of such Parity Debt) or the maximum amount permitted under the Code; provided further that, if such Parity Debt is a loan from a governmental agency, then a reserve account will be established in the amount required or permitted by such governmental agency and provided further, the Bond Insurer may waive the requirements in this paragraph relating to funding the Reserve Fund or other reserve account if the Parity Debt proposed to be issued is irrevocably guaranteed by a credit provider in at least the second highest rating category of Moody’s or S&P.

2. The System Net Revenues for the last completed Fiscal Year or for any 12 consecutive months within the last 18 months preceding the date of incurrence of such Parity Debt, as shown by a Certificate of the City on file with the Trustee, plus an allowance for increased System Net Revenues arising from any increase in the rates, fees and charges of the System which was duly adopted by the governing board of the City prior to the date of the incurrence of such Parity Debt (including rates that are scheduled to go into effect during the next three Fiscal Years) but which, during all or any part of such 12-month period, was not in effect, in an amount equal to the amount by which the System Net Revenues would have been increased if such increase in rates, fees and charges had been in effect during the whole of such 12-month period, as shown by a Certificate of the City on file with the Trustee, must have produced a sum equal to at least 125% of the Maximum Annual Debt Service as calculated after the incurrence of such Parity Debt; *provided*, that in the event that all or a portion of such Parity Debt is to be issued for the purpose of refunding and retiring any Parity Debt then outstanding, principal and interest payments on the Parity Debt to be so refunded and retired from the proceeds of such Parity Debt being issued may be excluded from the foregoing computation of Maximum Annual Debt Service; *provided further*, that the City may at any time issue Parity Debt without compliance with the foregoing conditions if the Annual Debt Service for each Fiscal Year during which such Parity Debt is outstanding will not be increased by reason of the issuance of the Parity Debt; and *provided further*, an adjustment will be made in the amount of System Net Revenues for deposit to or withdrawals from the Rate Stabilization Fund as provided in the Indenture (see “Rate Stabilization Fund” below). The Indenture provides that Annual Debt Service will be reduced by the amount of Refundable Credits deposited in the Interest Account and that, for purposes of computing Maximum Annual Debt Service in connection with issuing Parity Debt,

Annual Debt Service shall be reduced by the amount of Refundable Credits the City projects it will receive during each Fiscal Year.

Nothing contained in the tests listed above limits the issuance of any Subordinate Obligation. See APPENDIX B – “DEFINITIONS AND SUMMARY OF LEGAL DOCUMENTS.”

[Bond Insurance Policy]

[Concurrently with the issuance of the Bonds, [INSURANCE PROVIDER] will issue its Series 2020 Municipal Bond Insurance Policy for the Bonds. The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Series 2020 Municipal Bond Insurance Policy included as Appendix G to this Official Statement. See APPENDIX G – “BOND INSURANCE & SPECIMEN MUNICIPAL BOND INSURANCE POLICY.” attached hereto for certain information about [INSURANCE PROVIDER] and the Series 2020 Municipal Bond Insurance Policy. See “BOND INSURANCE” herein.]

[The Reserve Fund Requirement for the Series 2020 Bonds will be satisfied by depositing the Series 2020 Reserve Policies in the Series 2020 Reserve Accounts.]

Rate Stabilization Fund

The Indenture creates a Rate Stabilization Fund which is held by the City. The City may, during or within 210 days after a Fiscal Year, deposit System Net Revenues attributable to such Fiscal Year (on the basis of Generally Accepted Accounting Principles) into the Rate Stabilization Fund. The City may at any time withdraw moneys from the Rate Stabilization Fund. System Net Revenues deposited into the Rate Stabilization Fund will not be taken into account as System Net Revenues for purposes of the calculations required by the covenants in the Indenture summarized under the headings “Rate Covenant” and “Issuance of Bonds and Parity Debt” above in the Fiscal Year to which such deposit is attributable, and amounts withdrawn from the Rate Stabilization Fund, during or within 210 days after a Fiscal Year, may be taken into account as System Revenues for purposes of the calculations required by such covenants in such Fiscal Year, provided that, for purposes of the calculation summarized under “Issuance of Bonds and Parity Debt” above, the amount of System Net Revenues before any credits for withdrawals from the Rate Stabilization Fund may not be less than 100% of Maximum Annual Debt Service for outstanding Parity Debt and the proposed additional Parity Debt. As of [_____, 2020], the City has \$[_____] in the Rate Stabilization Fund.

[BOND INSURANCE]

[To come]

THE CITY AND THE SYSTEM

The City

The City is located in Tulare County, approximately halfway between the cities of Fresno and Bakersfield in central California. The City is approximately 175 miles north of Los Angeles and 200 miles southeast of San Francisco. The City is the second most populous in Tulare County, with an estimated population of approximately 67,834 as of January 1, 2020. The City encompasses about 16 square miles within its corporate limits.

The City is located along State Route 99 and is about 55 miles east of Interstate 5. The ports of Stockton, Sacramento, Los Angeles, and San Francisco are all within approximately 200 miles of the City. The main line of Union Pacific Railroad runs through the City.

The City is a full-service city that provides police and fire protection; general administrative services; parks and community services; water, solid waste, and sewer utilities; public works and capital improvements; street maintenance, sweeping, and construction; planning, zoning, and building inspection; public transit; municipal airport; library; and housing and community development services.

The City is situated in the Central San Joaquin Valley, an area of approximately 1,800 square miles that contains some of the most intensive and productive agricultural development in the world. Tulare County has consistently ranked as one of the top counties in the United States for agricultural production. Milk is the leading agricultural product in Tulare County, which has ranked number one in total dairy production in the nation for more than five years running. Based on the latest available Tulare Crop & Livestock Report, in 2018 Tulare County had a total agricultural production and crop value of \$7.2 billion, representing an approximately 2.5% increase compared to 2017. In 2018, the gross value of milk production was of almost \$1.7 billion, representing a 5.2% decrease from 2017 due to a decline in commodity prices despite a 1% increase in milk production. The dairy industry has concentrated in and around Tulare County due to range of regional economic advantages and favorable production conditions.

Tulare County dairy farms are concentrated around the City, which serves as a regional hub for processing local milk supplies. A number of industrial dairy processing facilities are located in the City. Most of the local milk supply is processed in these facilities and used to create value-added dairy products such as cheese, powdered milk, ice-cream, yogurt, and butter.

Form of Government & Management

The City was incorporated as a general law city on April 5, 1888 and became a charter city on May 1, 1923. The City is governed by a five-member City Council whose members are elected by district for four-year overlapping terms. The current Council members are:

<u>City Council Member</u>	<u>Title</u>	<u>Term Expires</u>
Jose Sigala	Mayor, District 1	November 2020
Dennis Mederos	Vice Mayor, District 4	November 2022
Terry Sayre	Council Member, District 2	November 2022
Carlton Jones	Council Member, District 3	November 2020
Greg Nunley	Council Member, District 5	November 2020

The City operates under a council-manager form of government. The City Council appoints a City Manager who is responsible for day-to-day management of the City under policy guidelines set by the Council.

Rob Hunt was appointed as Tulare’s City Manager in June 2019. Mr. Hunt has over 28 years of experience with the City, starting as Parks Supervisor and assuming various other roles including Planner, Parks, Recreation & Library Director, Community Development Director, Community Services Director and Interim City Manager. Mr. Hunt holds a Bachelor’s Degree in Industrial Arts from California State University – Fresno and an Associate Degree in Liberal Arts from College of the Sequoias – Visalia.

Darlene Thompson has served as the City’s Finance Director/Treasurer since March 2003 and oversees the finances of the City including the finances of the System. She has worked for the City’s Finance Department since 1997. Prior to joining the City, she worked at a private accounting firm for approximately 20 years. She has been a Certified Public Accountant since 1992.

Trisha Whitfield was appointed as the Public Works Director in July 2017. She has over 20 years of experience in Public Works operations and management. Ms. Whitfield started with the City of Tulare in January 2011 as the Field Services Manager in Public Works and transitioned to a Project Manager under the City

Manager’s office in November 2015. Prior to joining the City, she worked for the City of Dinuba for 10 years, serving as the Assistant Public Works Director/Operations Manager during her last 3 years with Dinuba. She has worked in local government for over 19 years.

The water, sewer, and solid waste utilities operate as separate enterprises under direction of the Board of Public Utilities (the “Board”). The Board was established by the Freeholder’s Charter of the City of Tulare and consists of five commissioners appointed by the City Council to four-year terms. The Board sets rates and charges for the City’s utility enterprises, subject to the approval of the City Council by resolution or ordinance. The current Board members are:

Board of Member	Title	Term Expires
Chris Harrell	<i>President</i>	December 31, 2023
Howard Stroman	<i>Vice President</i>	December 31, 2021
Thomas Griesbach	<i>Board Member</i>	December 31, 2023
Ray Fonseca	<i>Board Member</i>	December 31, 2021
Renee Soto	<i>Board Member</i>	December 31, 2023

Residential, Educational, Commercial, and Industrial Growth

Below is a summary of certain statistical and economic for the City and the surrounding area. See also Appendix A for additional statistical and economic data.

Residential. The City’s population increased from approximately 59,278 in 2010 to 67,834 in 2020.

The City issued 202 building permits for new single family homes in 2014; 277 permits in 2015, 304 in 2016, 309 in 2017, 341 in 2018 and 324 in 2019, and 240 as of September 10, 2020.

In January 2020, the City approved a 358-lot single-family subdivision located on the northwest corner of Morrison Street and Tulare Avenue. Construction is expected to begin in early 2021. In 2020, construction continued within 7 single-family subdivisions throughout the City.

Phase one of a 164-unit multi-family development located on Hillman Street south of Cartmill Avenue was completed in 2020. Phase two is currently under construction and expected to be completed by early 2021.

A 65-unit multi-family development located on Morrison Street south of Bardsley Avenue was completed in 2020.

Educational. In January 2013, the College of the Sequoias opened a new \$82 million campus, the Tulare Center for Agriculture and Technology. The Campus is located on a 500-acre site adjacent to the City that includes 220 acres of farmland. The Center currently has approximately 3,000 students in attendance.

To serve the City’s student population there are 15 K-8th grade schools, 8 high schools (9th-12th grade), including 2 charter high schools and 1 technical preparatory high school located in the City.

Commercial. The City has also experienced significant commercial growth over the past five years, partly due to the City’s strategic location along State Route 99. In May 2020, the City completed the annexation of approximately 127-acres located on the northeast corner of the State Route 99 and Cartmill Avenue interchange. The City anticipates additional commercial development along both sides of State Route 99. In December 2019, the City completed a widening and reconfiguration of the Cartmill Avenue/State Route 99 freeway interchange to enhance access to and from State Route 99. The interchange improvements are expected

to facilitate approximately 1,000,000 square feet of new commercial and/or mixed-use development projects. Some commercial projects recently completed or currently underway include the following:

- In 2019 Adventist Health received approval to construct a 17,015 sq. ft. medical clinic that will provide outpatient medical and dental services to the community. The building was nearing completion as of September 2020.
- In February 2020 Kaweah Delta District Hospital received approval to occupy a 10,810 sq. ft. commercial space that will provide outpatient medical services to the Community. The clinic is expected to be completed in early 2021.
- Multiple commercial establishments including Starbucks, Taco Bell, Jack-in-the-Box, Subway and the Human Bean Coffee, located on the northeast and southwest corners of Bardsley Avenue and Mooney Blvd. were approved in 2020 and were in varying stages of development as of September 2020.
- Multiple commercial establishments including Starbucks, Deli Delicious and O'Reilly Auto Parts located on 'J' Street between Cross and San Joaquin Avenues were approved and are in varying stages of development as of September 2020.
- Three drive-thru restaurants and approximately 7,000 square feet of commercial retail space were approved on the south side of Prosperity Avenue east of Brentwood Street has been approved and is in varying stages of plan check review.
- Approximately 92,000 square feet of new commercial and retail development has been approved at the northeast corner of Prosperity Avenue and Mooney Blvd.
- In 2019 Altura Health received approval to construct a 100,000 square foot medical campus at the northeast corner of Cartmill Avenue and Hillman Avenue.
- A new Pilot Flying J Travel Center opened in June 2019 on a 12-acre site off State Route 99 and Paige Avenue. The center maintains a restaurant, convenience store, and fueling stations for cars and trucks. Pilot Flying J is the largest operator of travel centers and travel plazas in North America.
- A Ross store and DD's Discounts store opened in place of the formerly vacant Kmart store building.

Industrial. The City's new industrial wastewater treatment plant was designed so that it could be substantially expanded to handle wastewater flows from new industrial development. The City is hoping to expand its industrial base in future years.

- In May 2019, a 17,224 sq. ft. warehouse/office space for Paragon Pharmaceuticals was approved. Construction is expected to be completed in early 2021.
- CNS Steel constructed two 36,000 square foot warehouse facilities in the City's Industrial park.
- To accommodate increased truck traffic throughout the City, two new truck wash facilities have been constructed in the City's industrial park.
- In April 2019, a new 8,000 square foot space for diesel exhaust fluid manufacturing was approved and is currently under construction.

- Supreme Construction developed an 11,050 square foot contractor's warehouse in the City's industrial park.

The System

The City owns and operates a wastewater collection, treatment, and effluent disposal system. The System operates under direction of the Board and is managed by the City's Public Works Director. The wastewater system has historically had two divisions: a sewer division and a wastewater division. Starting in fiscal year 2015-16, the City began breaking out operations in five divisions including: a sewer division, a domestic wastewater treatment division, an industrial wastewater treatment division, a pretreatment division, and a wastewater treatment energy division. The wastewater system is staffed by approximately 36 Full Time Equivalents.

The sewer division operates, maintains, expands, cleans, and repairs the City's sanitary sewer pipelines, lift stations, and pumps. This division also performs inspection services to ensure that installation of new sewer facilities is in conformance with the City's plans and specifications. The sewer division maintains approximately 240 miles of sewer lines with City equipment.

The City's wastewater division operates and maintains the City's water pollution control facilities. This includes physical maintenance of wastewater treatment structures, such as sedimentation tanks, digesters, filters, pumps, and control buildings; and laboratory analysis of waste samples to ensure compliance with the discharge requirements set by the California Regional Water Quality Control Board Central Valley Region ("RWQCB").

The System consists of two separate collection systems and wastewater treatment facilities:

- **Domestic System:** A domestic collection system and treatment facility that collects and treats wastewater from most of the City's residential, commercial, and public customers. The domestic sewer system began operating in the early 1920s and has been expanded over the years as growth occurred. The domestic sewer pipelines serve approximately 16 square miles of service area.
- **Industrial System:** An industrial collection system and treatment facility that collects and treats wastewater predominantly from areas of the City zoned for major industrial uses. The industrial collection system was originally constructed in the early 1940s, primarily to segregate the higher-strength wastewater discharge from the City's major dairy processing facilities. The industrial system serves a number of dairy processing facilities, including four large cheese and ice cream producing plants, and a number of commercial and residential customers located in or adjacent to the industrially-zoned areas of the City. The dairy processing facilities produce large volumes of higher-strength wastewater that can be more economically treated via a different treatment process than that used for standard, domestic-strength wastewater.

Water Pollution Control Facilities

General. The City's Water Pollution Control Facilities ("WPCF") are located approximately 2½ miles southwest of the City on a site that includes both the domestic and industrial wastewater treatment plants. The City owns the WPCF and approximately 880 acres of land used for sewage treatment and effluent disposal.

The WPCF operates under a single Waste Discharge Permit issued by the California Regional Water Quality Control Board, Central Valley Region. The City's waste discharge permit requires both the domestic and industrial treatment facilities to each meet the permit requirements independently.

Domestic Treatment Facility. The domestic treatment plant consists of a dual process of activated biofiltration and activated sludge. The industrial plant effluent is combined with the domestic plant effluent

prior to disposal via percolation and irrigation on approximately 3,200 acres of farmland permitted for effluent disposal. The City currently owns about 880 acres and leases about 2,245 acres of farmland for effluent disposal, which includes percolation ponds and irrigation on land used for agricultural purposes.

The WPCF was originally constructed in the early 1920s and was remodeled in 1948 to consist of a trickling filter secondary treatment facility. In 1998, the domestic wastewater plant was expanded to its current permit capacity of six million gallons per day (“mgd”). Wastewater effluent from the City’s domestic wastewater treatment facility had previously periodically exceeded the City’s permit levels for nitrate limits. Proceeds of the Series 2010 Bonds were used to construct a new, expanded headworks at the domestic treatment plant. The new headworks was designed with 8.0 mgd of capacity and was designed so that flows in excess of the domestic plant’s current operational treatment capacity can be conveyed to the City’s industrial wastewater treatment plant for additional treatment after first going through the domestic plant’s headworks.

Industrial Wastewater Treatment Facility. The City finished construction of a new industrial wastewater treatment plant in 2009. The industrial plant treatment process includes anaerobic Bulk Volume Fermenter (BVF), aerated lagoons for flow equalization, Sequential Batch Reactors (SBR), and denitrification filters. Waste activated sludge is anaerobically digested and dried in solar ponds. The new industrial plant is the largest Sequential Batch Reactor facility in the United States and fourth largest in the world. The new industrial plant has a design capacity of up to 12.0 mgd of average dry weather flow capacity and is designed to be expandable up to 24.0 mgd.

Additionally, the City has eight storage ponds that function as flow equalization basins and are used to help mitigate peak wastewater flows into the City’s treatment facilities. Each of these storage ponds has approximately 2.5 million gallons of capacity resulting in a total storage capacity of approximately 20 million gallons. Currently, the City uses all eight storage ponds to temporarily retain wastewater from the City’s domestic and industrial customers. The storage basins are aerated lagoons that also provide partial wastewater pretreatment prior to intake to the City’s treatment facilities. Use of these storage ponds has reduced the peak flows coming in to the City’s treatment facilities.

The following table shows the wastewater treatment capacities and flows of the City’s domestic and industrial treatment facilities from calendar year 2019 in mgd.

Wastewater Treatment Plant Capacity & Flow (mgd)

	Domestic Treatment Facility	Industrial Treatment Facility
Plant Capacity		
Permit Capacity, Average Dry Weather Flow ¹	6.00	12.00
Design Capacity	6.00	12.00
Peak Wet Weather Flow Capacity	9.00	18.00
Wastewater Flows		
Average Dry Weather Flw ¹	4.24	7.45
Peak Monthly Flow ¹	5.91	14.25

¹ Based on wastewater flow from January through December 2019
Source: City of Tulare.

[Remainder of page intentionally left blank]

Wastewater Flow

The following table shows a history by calendar year of the average daily wastewater flow as measured in mgd for both the City's domestic and industrial wastewater treatment plants.

Average Daily System Flow (mgd)

<u>Year</u>	<u>Domestic Plant</u>	<u>Industrial Plant</u>	<u>Total</u>	<u>Annual Increases</u>
2015	3.63	7.47	11.10	-4.30%
2016	3.63	7.49	11.12	0.03
2017	3.79	7.58	11.37	0.25
2018	4.00	7.68	11.68	0.31
2019	4.17	7.48	11.65	-0.03

Source: City of Tulare.

Compliance with Waste Discharge Requirements & Other Regulations

The City's wastewater system operates pursuant to Waste Discharge Requirements Order R5 2013-0019 issued on April 11, 2013 by the Regional Water Quality Control Board Central Valley Region. The City is currently in full compliance with its Waste Discharge Requirements and anticipates that it will continue meeting its permit requirements for the foreseeable future. The City anticipates that its current Waste Discharge Requirements will remain in effect for roughly 10 years, at which time they could change.

The City also operates under permits issued by the San Joaquin Air Pollution Control District for a) various generators and motors at its wastewater treatment facilities, and b) gas produced and flared at the City's wastewater treatment facilities.

The State of California Storm Water Program regulates storm water discharges from municipal storm sewer systems. This Program requires that the City to keep its storm water system separate from its sewer collection system.

The City is currently in compliance with all of its permits and regulatory requirements and anticipates it will remain in compliance with its regulatory requirements for the foreseeable future.

Future Wastewater System Capital Improvements

General. Over the past five years, the City implemented a new, more rigorous, planning process for future wastewater system capital improvement projects. Under the new planning process, potential capital projects are rated on factors such as criticality, permit compliance, safety, and potential for failure, in order to prioritize projects for funding.

Repairs, Replacements and Other Near-Term Capital Needs. The City's wastewater capital improvement program identifies approximately \$35 million of wastewater system capital improvements targeted over roughly the next five years, primarily for repairs and replacements. The City plans to fund these projects on a pay-as-you-go basis and does not anticipate issuing any new debt.

The City's capital improvement program includes replacement of five miles of sewer mains per year at an estimated cost of approximately \$3.75 million per year. These replacements would occur concurrently with the City's planned rehabilitation of streets. The City is also phasing in funding for ongoing upgrades and

rehabilitation of sewer lift stations and manholes, slip lining of older pipelines, and ongoing maintenance and rehabilitation at its wastewater treatment facilities. Costs for these ongoing projects are estimated at roughly \$1.0 to \$1.2 million per year. Other infrastructure improvement projects are funded as revenues become available.

The following table shows a breakdown of the City’s five-year wastewater system capital improvement program for the fiscal year ending June 30, 2020 through June 30, 2024.

Five-Year Wastewater System Capital Improvement Program

	<u>2019/20</u>	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>Total</u>
Sewer/Wastewater CIP Projects						
Sewer Pipeline Replacements	3,898,000	4,211,500	4,940,800	3,192,700	5,000,000	21,243,000
Alley Sewer Line Replacement	431,000	431,000	431,000	431,000	431,000	2,155,000
Electrical Control System Upgrade	150,000	150,000	150,000	150,000	150,000	750,000
Lift Station Upgrades	502,500	502,500	441,500			1,446,500
Pumps for Replacement or Backup	168,000	168,000				336,000
New High Solids System	950,000					950,000
WWTP Facility Upgrade		250,000	500,000	500,000	500,000	1,750,000
WWTP Electrical Rm No. 1 Relocation	1,725,000					1,725,000
Industrial Dewatering Expn Project				550,000		550,000
Domestic Dewatering				150,000	1,000,000	1,150,000
Facility Digester Rehab & Resurfacing	360,000	180,000	180,000	180,000		900,000
Blower System Rehab				200,000		200,000
Aeration Decanting System Rehab	60,000					60,000
Sandblasting & Painting	120,000					120,000
Gravity Belt Thickener Rehab	75,000					75,000
Influent Pump Rehab	180,000					180,000
Aeration Lagoon Evaluation		250,000				250,000
Septage Station Rehab		170,000				170,000
Grit System Rehab		100,000				100,000
Anoxic Tank Inspection & Resurfacing			375,000			375,000
Fog Daft System Rehab & Resurfacing					300,000	300,000
Total	8,619,500	6,413,000	7,018,300	5,353,700	7,381,000	34,785,500

Source: City of Tulare

Wastewater Treatment Capacity and Future Expansion. The City’s wastewater treatment facilities have a combined capacity of approximately 18 mgd. In 2019, combined domestic and industrial wastewater flows totaled approximately 11.69 mgd; resulting in over six mgd of treatment capacity available for future expansion. This City estimates that expansion capacity in its wastewater treatment facilities is adequate to handle the flows from the equivalent of over 15,000 new single family homes.

Over the longer term, the City may eventually need to expand its domestic and/or industrial wastewater treatment facilities beyond their current capacities. The City’s new 12 mgd industrial treatment plant was designed to be expandable up to 24 mgd to accommodate future expansion in the City’s industrial base. The cost of any potential future expansion of the industrial treatment plant is not currently known.

The domestic treatment plant currently has a firm operational capacity of approximately six mgd. However, the domestic plant’s new headworks were oversized to facilitate future expansion and have a design capacity of eight mgd. The City estimates that it would cost approximately \$30 million to bring the operational capacity of the domestic plant up to eight mgd. Due to continued, strong residential growth within the City, and some capital improvements needed on the domestic plant, planning for the next expansion is expected to begin within the next two years with an estimated construction of four to five years. If needed, the domestic plant

expansion could be deferred if expansion capacity is available in the City's industrial plant because domestic plant wastewater can be sent to the industrial treatment plant for treatment after first going through the domestic plant's headworks.

Potential Recycled Water Project. The City's wastewater treatment facilities produce high-quality secondary effluent that is currently disposed of via percolation and irrigation on farmland. The City currently provides its treated effluent for farmland irrigation at no cost. Based on the current level of treatment, effluent can only be used for limited purposes such as irrigation of non-edible crops.

In the future, the City may pursue construction of a tertiary wastewater treatment process to produce recycled water that meets the California Department of Health's Title 22 requirements. The City anticipates that it would need to spend an additional \$10 to \$15 million in capital improvements to add a disinfection process that would bring the City's treated effluent into compliance with Title 22 Code of Regulations requirements established by the California Department of Health. Recycled water treated to the more-stringent Title 22 standards can be used for expanded purposes, such as irrigation of higher-value edible crops, and has a higher value to end users. The City anticipates that it could generate future revenues by selling recycled water treated to Title 22 standards.

The City has no immediate plans to pursue this project, but anticipates that it will continue evaluating the potential for tertiary treatment and would likely only pursue the project if it provides a financial benefit to the City. The City anticipates it would likely need to pursue debt financing if it eventually moves forward with the project.

10-Year Energy Plan Projects. In 2015, City hired an independent energy consulting firm to work with the City to develop a 10 year energy plan. The objective of the plan is to identify the most cost-effective approaches for meeting the energy requirements of the City's wastewater treatment facilities with the goal of reducing long-term energy costs. The City recently completed the following two energy projects:

- **Power Purchase Agreement with FuelCell Energy, Inc.** – The City has a power purchase agreement with FuelCell Energy, Inc. for approximately 2.8 megawatts of power generated from new fuel cells that are operated at the City's wastewater treatment facilities. The fuel cells are owned, installed, operated, and maintained by FuelCell Energy, Inc. Electricity produced by the fuel cells is sold to the City pursuant to a power purchase agreement. The new fuel cells, which run on purchased natural gas, replaced the City's old fuel cells, and are sized to offset all of the energy needs at the City's wastewater treatment facilities. The new power purchase agreement with FuelCell Energy, Inc. was estimated to save the City \$500,000 to \$750,000 per year in reduced utility costs. The fuel cells received its Notice of Commercial Operation in May 2018.
- **Sale of Methane Gas Produced by the City to Fuel Cell Energy** – In June 2017, the Board of Public Utilities approved a 20-year Digester Gas Purchase Agreement (“DGPA”) with FuelCell Energy, Inc. for the construction of a 2.8 megawatt biogas fuel cell at the City's wastewater treatment plant. Per the agreement, FuelCell Energy, Inc. is to design, build, own, operate and maintain the fuel cell and the City is to provide (sell) the fuel cell with the biogas that it produced through the operations at the City's wastewater treatment plant. Construction of the fuel cell began in May 2018, and while the project experienced some delays, it began conditioning on November 19, 2019. The fuel cell received its Notice of Commercial Operation, which it received in late-December 2019. Per the DGPA, the City sells biogas to FuelCell Energy, Inc. at a rate of \$5.00 per million British Thermal Units, with an annual revenue estimate of \$900,000 per year.

Hydrological Enterprise Fund Program

In January 2016, the Board of Public Utilities Commissioners adopted a Hydrological Enterprise Fund Program for the City’s water, wastewater, and storm water utilities. The program is a strategic plan that a) establishes goals and objectives for excellence in operational and financial management, b) identifies strategies and tactics for improving long-term operational and financial performance, and c) defines key performance measures. The City is in the process of implementing program recommendations.

Service Area and Sewer Customers

The City provides sewer services to customers located within an approximately 21 square mile service area consisting primarily of the City of Tulare. All City residents, including commercial and industrial companies located within City limits, are required to connect to the City’s wastewater system. The following table shows the historical number of sewer accounts and the number of net new sewer connections by year. Most of the new connections are residential customers.

Historical Sewer Accounts & New Connections

<u>Fiscal Year</u>	<u>Sewer Accounts</u>	<u>New Connections</u>	<u>Annual Increase %</u>
2015/16	16,634	280	1.68%
2016/17	17,014	380	2.23
2017/18	17,423	409	2.35
2018/19	17,683	382	2.16
2019/20	17,999	394	2.23

Source: City of Tulare.

The following table shows a breakdown of sewer accounts by customer class.

Sewer Accounts by Customer Class

<u>User Group</u>	<u>2018/19</u>		<u>2019/20</u>	
	<u>Accounts</u>	<u>% of Total</u>	<u>Accounts</u>	<u>% of Total</u>
Single Family Residential	15,962	90.27%	16,257	90.33%
Multi-Family Residential*	731	4.13	746	4.15
Commercial/Public	<u>956</u>	<u>5.41</u>	<u>973</u>	<u>5.41</u>
Subtotal	17,649	99.81%	17,976	99.89%
Industrial	<u>34</u>	<u>0.19</u>	<u>21</u>	<u>0.11</u>
Total	17,683	100.00%	17,997	100.00%

Source: City of Tulare.

* Includes mobile homes.

[Remainder of page intentionally left blank]

The following table shows a breakdown of sewer service charge revenues by customer class for fiscal year ended June 30, 2019 and June 30, 2020.

Sewer Service Charge Revenues by Customer Class

	2018/19		2019/20	
	Revenues	% of Total	Revenues	% of Total
Domestic				
Single Family Residential	\$9,414,774	29.41%	\$9,999,911	29.87%
Multi-Family Residential*	1,815,079	5.67	1,916,440	5.72
Commercial/Public	<u>1,417,710</u>	<u>4.43</u>	<u>1,476,469</u>	<u>4.41</u>
Subtotal	\$12,647,564	39.50%	\$13,392,820	40.01%
Industrial	<u>\$19,369,532</u>	<u>60.50%</u>	<u>\$20,083,536</u>	<u>59.99%</u>
Total	\$32,017,096	100.00%	\$33,476,357	100.00%

Source: City of Tulare.

* Includes mobile homes.

The following table shows the 10 largest customers by revenue along with sewer service charge revenues through fiscal year ended June 30, 2019 and June 30, 2020

10 Largest Customers by Service Charge Revenue

Customer	Sewer Service Charge Revenues		% of Gross Revenues
	2018/19	2019/20	
Saputo Cheese	\$8,540,327	\$8,457,199	25.26%
Land O'Lakes, Inc.	5,917,369	6,405,767	19.14
Kraft Foods Group	3,364,775	3,905,186	11.67
Nestle Ice Cream	729,354	696,190	2.08
Sunmet Juice Company	620,314	448,625	1.34
Tulare City School District	104,245	108,993	0.33
Ruiz Foods	87,049	80,618	0.24
Oaks Estate Mobile Home Park*	51,299	53,174	0.16
Oak Valley*	51,097	52,961	0.16
Tulare Apartments*	<u>45,472</u>	<u>47,130</u>	<u>0.14</u>
Total	\$32,068,362	\$33,476,355	100.00%

* Denotes Multi-Family Housing.

Source: City of Tulare

Industrial System Customers

The City has compiled the following information on its three largest industrial customers from publicly available sources and makes no representation as to the accuracy or completeness thereof. There can be no assurance that such customers will continue to utilize sewage treatment capacity in the future at the levels historically experienced.

The City's three largest industrial customers are major industrial dairy processors. These three customers accounted for approximately 56% of the System's sewer service charge revenues in fiscal year ending June 30, 2020. Due to the City's strategic location and access to fresh milk from local dairies, a number of large dairy processing facilities are located in the City. Tulare County has ranked as the top county in the United States for milk production.

Saputo. Saputo Inc. is the City's largest System customer and operates three major dairy processing facilities in the City. Saputo is a Canadian-based company that produces, markets, and distributes a wide array of dairy products including cheese, milk, extended shelf-life milk and cream products, cultured products and dairy ingredients. Saputo is one of the top ten dairy processors in the world. In the USA, Saputo ranks among the top three cheese producers and is one of the largest producers of extended shelf-life and cultured dairy products. Saputo Inc. is a publicly traded company and its shares are listed on the Toronto Stock Exchange. According to the company's website, Saputo operates 65 cheese and dairy production facilities worldwide and has approximately 17,200 employees.

Based on financial results for fiscal year ending March 31, 2020, Saputo reported total revenues of \$14,943 billion in Canadian dollars (approximately \$11.5 billion in US dollars), up 10.7% from the prior year; net earnings at \$582.8 million in Canadian dollars (approximately \$450 million in US dollars), down 22.8% from the prior year; and adjusted net earnings of \$653.7 million Canadian dollars (approximately \$500 million in US dollars), up 4.8% from the prior year.

Saputo historically operated one of the major dairy processing facilities in Tulare. Saputo has made substantial investments in its facilities in the City. In 2007, Saputo purchased a second facility when it acquired Land O'Lakes, Inc.'s Cheese & Protein International operations in Tulare for approximately \$216 million. The transaction included a long-term milk supply agreement. The main products produced at Saputo's facilities in the City include mozzarella and shredded cheese, predominantly for American markets, and whey powder, much of which is exported internationally.

In January 2013, Saputo completed the acquisition of Morningstar Foods LLS, previously a subsidiary of Dean Foods Company, for a purchase price of \$1.45 billion. Morningstar Foods has operated one the City's industrial dairy processing facilities for many years. With this acquisition, Saputo now operates three dairy-producing facilities in the City. There is a substantial amount of land adjacent to Saputo's Tulare facilities that can accommodate additional expansion.

Land O'Lakes. The City's second largest System customer, Land O'Lakes, Inc., was founded in 1921 and is a national farmer-owned food and agricultural cooperative with approximately 9,000 employees and almost \$14 billion of sales in 2019. Based on information from the company's 2019 annual report, membership includes 1,711 dairy producers, 744 other agricultural producers, and 989 agricultural retailers.

Land O'Lakes merged with Dairyman's Cooperative Creamery Association of Tulare in July 1998. The Dairyman's facility in the City, now owned and operated through Land O'Lakes Dairyman's Division, is the largest single-site dairy complex in the United States, according to the company. The Tulare plant is a multiple-function dairy facility that produces cheese, butter, powdered milk, and other dairy-based products. Approximately one-third of the total butter and powdered milk produced in California is manufactured annually at this facility.

Kraft Heinz. The Kraft Heinz Company is one of the largest global food and beverage companies, with 2019 net sales of approximately \$25 billion. The Company was formed by a merger of the Kraft Foods Group and the H.J. Heinz Co. in 2015, resulting in the world's fifth-largest food and beverage company. Kraft Heinz is a major producer and distributor of dairy products and previously expanded its operations in the City due to a transfer of cheese production lines from its Visalia plant to its facility in the City.

Economics of the Dairy Industry in the City

Tulare County is one of the top agricultural counties in the United States and has ranked number one in total dairy product in each of the past five years. According to data provided the Tulare County Agricultural Commissioner's 2018 Tulare County Annual Crop and Livestock Report, the latest report available, the County had a total agricultural production value of approximately \$7.2 billion in 2018, representing a 2.5% increase from 2017. Milk is the leading agricultural product in the County. In 2018, the County reported a total milk value of approximately \$1.7 billion, representing a 5.2% decrease from 2017.

Tulare County dairy farms are concentrated around the City, which serves as a regional hub for processing local milk supplies. Most of the local milk supply is processed in a handful of major industrial dairy-processing facilities that are located in the City and used to create value-added dairy products such as cheese, powdered milk, ice-cream, yogurt, and butter.

The dairy industry has been operating in the County since approximately 1860. In 1890, the first creamery was built to process local milk. Growth in the industry was spurred by access to railroad lines, expansion of local operations and development of new regional dairies, including companies that transferred operations from the urbanizing areas of Southern and Northern California. By the mid-1990s, Tulare had become the largest dairy producing county in the nation. Tulare County has remained a national leader in the production of milk and value-added dairy products ever since.

The dairy industry developed in and around the City due to range of regional economic advantages and favorable production conditions including the local climate, access to low-cost land and labor, water, locally developed technical and managerial expertise, and access to major markets in both northern and southern California. Favorable dairy production conditions include:

- Local climate. The local climate is ideal for efficient year-round milk production. Temperate winter temperatures allow local dairies to keep herds outside year-round, unlike some other dairy regions in the United States (such as the Northeast and upper Midwest) where cows must be housed during winter months. Higher summer temperatures can be more cost-effectively mitigated using outdoor shaded rest areas. With year-round operations, individual cow production in the region is about 10% higher than the national average.
- Access to low-cost land and labor. Relatively low regional land prices and access to low cost farm labor have helped facilitate expansion of the local dairy industry and regional milk supplies.
- Water supply. Farms and dairies in Tulare County rely on groundwater as their source of water supply and do not rely on imported water. While local groundwater supplies within the City and surrounding areas are adequate to meet current water supply needs, any potential future restrictions on groundwater production could impact water supplies to regional farms and dairies. Regional dairy farmers have already made substantial investments and efforts to reduce water consumption and other regional agricultural producers have transitioned to less-water-intensive crops. At this time, the City does not anticipate that future potential groundwater restrictions would have a substantially adverse impact on the volume of milk production at regional dairies. For additional information see "SYSTEM FINANCES – Impacts of Sustainable Groundwater Management Act".
- Large local herd sizes. The average herd sizes in Tulare County are substantially higher than the national average.

- Local technical and managerial dairy industry expertise. Most of the regional dairies are incorporated family businesses, with many being second- and third-generation family operations.
- Transportation. For dairy product distribution, the City is strategically located in central California with easy access to major markets and international shipping ports in both northern and southern California. Tulare County has good highway and railway access. State Route 99, which bisects the City, provides ready access to Northern and Southern California. The Union Pacific rail line, which also traverses the City, provides bulk shipping alternatives for local dairy operations. The County is centrally located between a number of major ports including, the Ports of Long-Beach, Los Angeles, Oakland, and Stockton.

Sewer Service Charges

Rates for sewer service are set by resolution of the City's appointed Board of Public Utilities based on recommendations of City Staff. Rates are subject to the approval of the City Council by resolution or ordinance but are not subject to review by any other state or local government agency.

In 2016 the City engaged Willdan Financial Services to conduct a Water and Sewer Rate Study for the City's water and sewer utilities. The Rate Study proposed rates designed to provide revenues sufficient to fund projected operating, maintenance, debt service and capital improvement costs necessary to operate the City's water and sewer utilities, while meeting the financial requirements and goals set forth by the City for the water and sewer enterprise funds.

In July 2016, the Board of Public Utilities adopted Resolution 16-15 approving sewer rates for five years – effective October 1, 2016 through October 1, 2020 – based on recommendations from the rate study. The rates were subsequently ratified by the Tulare City Council. The rates were adopted pursuant to the procedural requirements of Article 13D, Section 6 of the California Constitution (established by Proposition 218).

[Remainder of page intentionally left blank]

The following table shows a five-year history of the City’s sewer rates. The City recently implemented the fifth and final year of the sewer rate increases that were adopted in 2016.

User Group	Sewer Rates				
	Sewer Rates Effective October 1				
	2016	2017	2018	2019	2020
Residential (monthly charge)					
Single family dwelling	\$43.60	\$47.53	\$51.80	\$52.84	\$53.90
Multiple unit (each unit)	33.57	36.59	39.89	40.69	41.50
Mobile home parks (each space)	26.63	29.06	31.63	32.27	32.91
Senior dwelling unit (discount)	21.80	23.76	25.90	26.42	26.95
Commercial (per 1,000 gallons)					
Class I	2.79	3.04	3.31	3.38	3.45
Class II	2.67	2.91	3.17	3.23	3.30
Class III	2.64	2.88	3.13	3.20	3.26
Class IV	4.06	4.42	4.82	4.92	5.02
Class V & VI: Major Commercial/Industrial & Food Processing					
Flow (per 1,000 gallons)	2.79	3.04	3.31	3.38	3.45
Total BOD (per 100 pounds)	16.05	17.49	19.07	19.45	19.84
Total SS (per 100 pounds)	23.44	23.44	25.54	26.06	26.58
Class VII: Schools					
Per student per month	0.771	0.841	0.917	0.935	0.954
Septic Tank Haulers (per 1,000 gallons)	93.45	93.45	93.45	93.45	93.45
Fats, Oil and Grease (per 1,000 gallons)	93.45	93.45	93.45	93.45	93.45

Source: City of Tulare

Residential. Residential customers pay flat monthly charged for sewer service. The City offers a discounted rate to low-income senior citizens.

Commercial. Commercial customers pay volumetric wastewater rates that are based on metered water consumption. The rates vary by customer class, with higher rates for customer classes with higher strength wastewater. A list of commercial sewer customer classes and the types of businesses in each class is listed below.

[Remainder of page intentionally left blank]

City of Tulare Commercial Sewer Customer Classes

Class I	Auto dealers Barber and beauty shops Bars without dining facilities Churches Department & retail stores Hospitals & convalescent homes Markets without garbage grinders Miscellaneous offices	Motels without dining facilities Professional offices Public transportation Repair shows & service stations Schools (with separate irrigation meters) Service clubs Storage facilities Truck repair facilities
Class II	Car washes	
Class III	Laundromats and fairgrounds	
Class IV	Auto steam cleaning Retail bakeries Butcher shops Industrial/commercial laundries Dry cleaners	Markets with garbage disposal Motels with dining facilities Mortuaries Restaurants and drive-ins

Source: City of Tulare

Major Commercial & Industrial / Food Processing Plants. Major commercial and industrial customers and food processing plants including major dairy processing facilities pay charges based on measured flow and estimated wastewater strength as measured by biological oxygen demand (“BOD”) and total suspended solids (“TSS”). The City also charges penalties for exceeding permitted levels of various wastewater constituents including BOD, TSS, and electrical conductivity (“EC”).

Schools. Schools without independent landscape irrigation meters or sub-meters are billed a flat charge per student. Schools with separate irrigation meters are billed

Other. The City also levies wastewater charges per 1,000 gallons for a) septic tank waste and b) fats, oils, grease, grit and sand collected from system traps. Septic tank waste is only accepted if the waste source is within Tulare County. Fats, oil, grease, grit and sand collected from system traps is only accepted if the waste source is located within the Tulare City limits.

Billing & Collection

The City bills sewer service charges on a combined utility bill that also includes bills for water and solid waste services. The City typically sends out bills on the first day of each month. Bills are due by the 20th of each month. If an account has not been paid in full by the 21st of the month, the City adds a 10% penalty to the account and sends a delinquent notice to the customer and the property owner stating that payment is due by the end of the month. Accounts that remain delinquent by the following bill are notified that they have 48 hours to pay the delinquent amount or service will be disconnected. Delinquent accounts are typically given until the second Friday of the month to make payment. The City begins shutting off service to delinquent accounts few days later. To restore service, a customer must pay off the delinquent balance, the 10% penalty, and a \$30 service fee, or enter into a payment agreement with the City.

The City implemented a new utility billing system in 2012, which facilitated a more proactive and aggressive effort by the City to contact delinquent accounts prior to shut-off. The City periodically sends delinquent utility bills to a private collection agency for collection. Amounts not recovered are ultimately written off.

In early 2020, the City revised its delinquency and shutoff policies to comply with California Senate Bill 998, which became effective on February 1, 2020. Key aspects of the City’s new policy include:

- Service may only be shut off after a bill is delinquent for at least 60 days.
- Service will not be shut off if all of the following apply: 1) a primary care provider certifies that shutting off water service will be life threatening or pose a serious threat to a residents’ health and safety, 2) the customer demonstrates they are financially unable to pay under the normal billing cycle, including if any member of the household is a beneficiary of certain public assistance program or if the household is below 200 percent of the federal poverty level, and 3) the customer is willing to enter into an alternative payment plan.
- The law also includes various noticing requirements and limits fees for reconnection of service.

Comparative Utility Rates

The following table compares monthly utility charges for a typical single family residence located in a number of cities in the region. The table shows sewer, water, and garbage service charges effective October 2020. The water charges shown assume service from a 3/4-inch meter and 15 hundred cubic feet of monthly water use.

Monthly Single Family Residential Utility Charges

	Sewer	Water	Garbage	Total
Hanford	\$22.90	\$35.51	\$25.20	\$83.61
Visalia	26.45	39.63	23.85	89.93
Fresno	25.75	39.60	25.37	90.72
Porterville	26.87	47.49	17.85	92.21
Delano	36.19	47.60	15.25	99.04
Kingsburg	36.37	31.95	32.20	100.52
Corcoran	18.25	53.35	32.50	104.10
Tulare	53.90	28.11	25.30	107.31
Selma	38.87	60.14	26.50	125.51

Source: Bartle Wells Associates based on information provided by each agency.

[Remainder of page intentionally left blank]

The following table shows comparative industrial sewer rates as of October 2020 for other regional agencies that serve large industrial accounts. Large industrial customers are charged rates for volume of discharged wastewater and wastewater strength, as measured by Biological Oxygen Demand (BOD) and either Suspended Solids (SS) or Total Suspended Solids (TSS).

Comparative Industrial Sewer Rates

	<u>Wastewater Flow per 1,000 gallons</u>	<u>BOD per 100 pounds</u>	<u>SS or TSS per 100 pounds</u>
Tulare	\$ 3.45	\$ 19.84	\$ 26.58
Fresno	0.75	26.10	29.60
Visalia*	1.44	25.00	35.00
Selma-Kingsburg-Fowler-County Sanitation District**	2.71	22.74	40.79

* Wastewater flow charge for metered wastewater discharge.

** Includes capital surcharges which are actually based on peak use.

Note: Rates shown are rounded to nearest \$0.01.

Source: Prepared by Bartle Wells Associates based on information provided by each agency.

Connection Fees for New Development

The City levies Sewer Connection Fees on new or expanded connections to the wastewater system to cover the oversized cost of pipelines, regional facilities, and treatment plant expansions. After many years of no adjustments, the City updated its Development Impact fees in 2019/2020. The fee for connections to the City's domestic wastewater system decreased from \$10.20 per gallon to \$9.10 per gallon. The fee for connections to the City's industrial wastewater system increased from \$2.70 per gallon to \$2.96 per gallon.

In addition, the City also charges a Sewer Main Front Footage Fee to recover costs for the non-oversize component of sewer collection pipelines based upon one-half of the cost to install an 8" sewer main. The fee is currently set at \$25 per linear foot of the property fronting the sewer collection pipeline that serves that property, and is payable upon issuance of a building permit.

SYSTEM FINANCES

General

The City accounts for the System as an independent enterprise fund. System operations and capital improvements are financed with sewer service charges, fees, and other System revenues, without reliance on any other City funds. The sewer enterprise fund is accounted for on the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when the liability is incurred.

The City's financial policies and procedures include:

Rate Adjustments. Sewer rates and charges are reviewed and adjusted periodically with the goal of providing adequate revenues to fund operations, maintenance, capital programs, and debt service requirements. Historically, the City increased sewer service charges every year from fiscal years 1996-97 to 2011-12, and subsequently every year from fiscal years 2016-17 to 2020-21. All sewer rate increases since 2008

have been adopted pursuant to the procedural requirements of Article 13D of the California Constitution, which was established by Proposition 218. See “THE CITY AND THE SYSTEM – Sewer Service Charges” above.

Budget Process. The City Manager, Finance Director, and Public Works Director annually update projections of revenues, operating expenses, capital expenses, and fund reserves for the sewer enterprise. The update is prepared as part of the City’s annual budget process and is presented to the City Council and the Board for approval.

Monthly Financial Reporting. Every month, the City analyzes and monitors its revenues, expenses, and overall financial position with respect to the budget. This analysis is presented in monthly financial reports which are provided to all department heads.

Monthly Approval of Expenditures. All wastewater system expenditures are reviewed and approved by the City Council and the Board each month.

Billing and Collection. As described above, the City bills customers monthly for sewer service on a combined utility bill and has a process for addressing delinquencies.

Investment Policy. The City has adopted a conservative investment policy. The general objective of the policy is to obtain the highest yield possible while assuring that all investments are safe from loss. The “prudent person” policy of safety, liquidity and yield prevails at all times.

Investment Review Committee. The City has an Investment Review Committee that reviews investments, formulates investment strategy, and ensures adherence to the City’s investment policy. The committee reviews monthly investment reports and meets at least quarterly, or more frequently when deemed necessary.

Monthly Investment Report Approval. Monthly investment reports are presented to the City Council and the Board for review and approval.

Awards for Financial Reporting. The City has received Government Finance Officers Association (GFOA) Awards of Financial Reporting Achievement in each of the past 10 years.

Audited Financial Statements. The City’s audited financial statements for the fiscal year ending June 30, 2019 are attached as APPENDIX C – “COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR FISCAL YEAR ENDED JUNE 30, 2019.” The City has not requested nor received the consent of its independent auditor, Brown Armstrong Accountancy Corporation, to include the audited financial statements in this Official Statement.

System Net Revenues, Debt Service Coverage and Cash & Investments

Historical Revenues, Operating & Maintenance Expenses, Debt Service Coverage and Cash & Investments

The following table shows historical revenues, operating & maintenance expenses, debt service coverage and cash & investments based on information provided in the City’s audited financial statements. This table has not been reviewed by the City’s auditor.

[Remainder of page intentionally left blank]

Historical Revenues, Expenses, Debt Service Coverage and Cash & Investments

Fiscal Year Ending June 30	2015	2016	2017	2018	2019
System Revenues					
Service Charges ⁽¹⁾	\$24,397,949	\$25,182,633	\$27,115,120	\$29,455,455	\$33,760,882
Interest Income	575,994	477,225	803,877	1,046,071	1,975,615
Other Revenues ⁽²⁾	<u>1,049,543</u>	<u>2,648,135</u>	<u>1,636,660</u>	<u>1,148,500</u>	<u>1,909,227</u>
Total Revenues	26,023,486	28,307,993	29,555,657	31,650,026	37,645,724
Operating & Maintenance Expenses⁽³⁾	8,450,100	11,682,248	12,950,044	10,668,678	11,070,506
Net Revenues⁽⁴⁾	17,573,386	16,625,745	16,605,613	20,981,348	26,575,218
Debt Service					
Senior 2012 Notes ⁽⁵⁾	923,355	923,355	923,355	923,355	923,355
Series 2006 Bonds	3,965,225	0	0	0	0
Series 2009 Bonds ⁽⁶⁾	4,792,813	4,792,813	4,792,813	4,792,813	4,792,813
Less 2009 Bonds Refundable Credit	(1,556,706)	(1,563,415)	(1,562,577)	(1,564,254)	(1,575,655)
Series 2010 Bonds	1,155,678	0	0	0	0
Series 2013 Bonds	2,870,600	2,871,075	2,869,900	2,872,000	2,872,500
Series 2015 Bonds	0	3,995,432	4,249,200	4,245,800	4,246,500
Series 2016 Bonds ⁽⁷⁾	<u>0</u>	<u>0</u>	<u>267,876</u>	<u>326,900</u>	<u>326,900</u>
Subtotal	12,150,965	11,019,260	11,540,567	11,596,614	11,586,413
Debt Service Coverage	1.45	1.51	1.44	1.81	2.29
Net Income After Parity Debt Service	\$ 5,422,421	\$ 5,606,485	\$ 5,065,046	\$ 9,384,734	\$ 14,988,805
Cash & Investments	\$ 9,903,075	\$11,860,420	\$17,325,795	\$23,804,588	\$ 27,514,686

(1) Include sewer rate revenues, development impact fees, and other miscellaneous fees and charges.

(2) Excludes Federal Reimbursements for Build America Bonds.

(3) Excludes depreciation and amortization.

(4) Net Revenues equal total System Revenues less Operating and Maintenance Expenses.

(5) The Senior 2012 Notes are secured via a senior lien but are included to show coverage on all debt secured by net revenues on this table.

(6) Gross debt service shown for the Series 2009 Bonds which were issued as Build America Bonds.

(7) Net of capitalized interest.

Source: Based on audited financial information from the City of Tulare's Comprehensive Annual Financial Reports.

[Remainder of page intentionally left blank]

Projected Revenues, Expenditures, Debt Service Coverage and Cash & Investments

The following table shows projected system revenues, operating expenses, debt service coverage and cash & investments. This table has not been reviewed by the City's auditor.

Projected Revenues, Expenses, Debt Service Coverage and Cash & Investments

Fiscal Year Ending June 30	2020	2021	2022	2023	2024	2025
System Revenues						
Sewer Service Charges ⁽¹⁾	\$33,834,000	\$34,010,000	\$34,010,000	\$34,010,000	\$34,010,000	\$34,010,000
Development/Connection Fees	1,586,000	500,000	500,000	500,000	500,000	500,000
Other Revenues ⁽²⁾	<u>2,571,000</u>	<u>1,600,000</u>	<u>1,600,000</u>	<u>1,600,000</u>	<u>1,600,000</u>	<u>1,600,000</u>
Total	37,991,000	36,110,000	36,110,000	36,110,000	36,110,000	36,110,000
Operating Expenses⁽³⁾						
Personnel Services	3,483,000	3,878,000	4,014,000	4,154,000	4,299,000	4,449,000
Maintenance/Supplies/Utilities	<u>7,470,000</u>	<u>8,553,000</u>	<u>8,853,000</u>	<u>9,162,000</u>	<u>9,482,000</u>	<u>9,814,000</u>
Total	10,953,000	12,431,000	12,867,000	13,316,000	13,781,000	14,263,000
Net Revenues	27,038,000	23,679,000	23,243,000	22,794,000	22,329,000	21,847,000
Debt Service						
Senior 2012 Notes ⁽⁴⁾	923,000	462,000	0	0	0	0
Series 2009 Bonds ⁽⁵⁾	1,583,000	0	0	0	0	0
Series 2013 Bonds	2,369,000	1,998,000	0	0	0	0
Series 2015 Bonds	4,920,000	4,524,000	4,123,000	5,000,000	5,014,000	5,008,000
Series 2016 Bonds	1,584,000	2,748,000	2,746,000	2,774,000	2,772,000	2,773,000
Series 2020 Bonds	<u>0</u>	<u>500,000</u>	<u>1,600,000</u>	<u>1,600,000</u>	<u>2,400,000</u>	<u>2,400,000</u>
Total	11,379,000	10,232,000	8,469,000	9,374,000	10,186,000	10,181,000
Debt Service Coverage	2.38	2.31	2.74	2.43	2.19	2.15
Net Revenues After Debt Service	\$15,659,000	\$13,447,000	\$14,774,000	\$13,420,000	\$12,143,000	\$11,666,000
Cash & Investments	\$34,359,360	<i>tbd</i>	<i>tbd</i>	<i>tbd</i>	<i>tbd</i>	<i>tbd</i>

(1) Accounts for previously adopted rate increase of 2% effective October 1, 2020 and 2% effective October 1, 2021 and assumes no additional future rate increases; assumes a reduction in service charge revenues from industrial customers starting fiscal year ending June 30, 2021.

(2) Includes revenues from biogas sales, rents and concessions, interest earnings and other miscellaneous revenues.

(3) Projected operating expenses are based on the 2020/21 Budget assuming full staffing with no vacancies and escalate at the annual rate of 3.5%.

(4) The Senior 2012 Notes are secured via a senior lien but are included to show coverage on all debt secured by net revenues on this table.

(5) Debt service for the Series 2009 Bonds accounts for a federal reimbursement of \$813,431 in fiscal year ending June 30, 2020. Note: Unaudited year-end estimates are shown for fiscal year ending June 30, 2020; projections for future years are shown on a cash basis.

[Remainder of page intentionally left blank]

The following table shows Monthly Sewer Service Charge Billings from March through August for years 2018, 2019 and 2020.

Monthly Sewer Service Charge Billings*

	2018	2019	2020
March	\$2,290,534	\$2,778,992	\$2,927,375
April	2,464,803	2,666,077	2,859,932
May	2,455,916	2,536,227	2,689,769
June	2,503,551	2,678,319	3,026,380
July	2,568,099	2,534,204	2,758,094
August	<u>2,620,534</u>	<u>2,701,979</u>	<u>2,949,681</u>
Total	\$14,903,436	\$15,895,797	\$17,213,251
Increase %		6.7%	8.3%

Source: City of Tulare

* Monthly billing totals, not revenues

Impacts of Drought on Sewer System

Hydrological conditions in California can vary widely from year to year. The State has historically experienced droughts that have lasted several years, including most recently in years 2015 to 2017. Future droughts could affect the availability of water which is derived from a series of deep wells that are scattered throughout the community. The recent drought led to several executive orders mandating reductions in water usage. Such executive orders, or additional actions or legislation could be implemented again when the next prolonged drought occurs.

Pension and Post-Employment Benefits

The City provides pension and other post-employment health care benefits to qualified retirees. A portion of these costs are funded by the City’s System. Costs for the System include retirement benefit costs for System employees, as well as a portion of retirement benefit costs for other City employees performing functions – such as finance, billing, engineering, and administration – that provide benefits to the System.

Pension. The City participates in the Public Agency portion of the California Public Employees’ Retirement System (CalPERS), which acts as a common investment and administrative agent for participating public employers within the State of California. Benefit provisions and other requirements are established by State Statutes within the Public Employees’ Retirement Law. The City of Tulare selects optional benefit provisions by contract with CalPERS and adopts those benefits through local ordinance.

City employees, other than public safety personnel, currently contribute a portion of their annual covered salaries through payroll withholding. In addition, the City is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration.

The employees of the City’s Sewer and Wastewater Divisions are participants in the City’s pension plan for Miscellaneous Employees. In fiscal year 2019-20, the City had the equivalent of approximately 36 full-time

employees (FTEs) in the Wastewater Division. This represents approximately 15% of the City's total Miscellaneous Plan employee FTEs.

The following table shows the CalPERS employer contributions for Miscellaneous Plan employees (other than public safety personnel) for fiscal years ending June 30, 2020 and 2021, and CalPERS' projected contributions for fiscal years ending June 30, 2022 through 2027.

City of Tulare CalPERS Projected Required Employer Contribution Miscellaneous Plan Employees Fiscal Years 2019-20 to 2026-27								
Fiscal Year	Current Required Contributions			Projected Future Employer Contributions				
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Normal Cost %	10.972%	11.566%	11.03%	10.8%	10.5%	10.2%	9.9%	9.6%
Annual Unfunded Accrued Liability Contribution in \$	\$2,896,119	\$3,210,591	\$3,637,296	\$3,955,000	\$4,181,000	\$4,412,000	\$4,164,000	\$3,707,000

Source: CalPERS Miscellaneous Plan of the City of Tulare, Annual Report as of June 30, 2019.

The contribution requirements of plan members are established by State statute and the employer contribution rate is established and may be amended by CalPERS. The table on the following page shows the City's required employer contribution for Miscellaneous Plan employees. The amounts paid by the City include the employer contribution amount of 8% for Miscellaneous Plan employees.

City of Tulare CalPERS Required Employer Contribution Miscellaneous Plan Employees			
	Fiscal Year 2019-20	Fiscal Year 2020-21	Fiscal Year 2021-22
Normal Cost Contribution as a Percentage of Payroll			
Total Normal Cost	18.539%	19.051%	18.67%
Employee Contribution ¹	7.567%	7.485%	7.64%
Employer Normal Cost	10.972%	11.566%	11.03%
Projected Annual Payroll for Contribution Year	\$ 12,961,194	\$ 13,646,752	\$ 14,651,973
Estimated Employer Contributions Based On Projected Payroll			
Total Normal Cost	\$ 2,402,876	\$ 2,599,843	\$ 2,735,523
Less: Employee Contribution ¹	<u>980,774</u>	<u>1,021,459</u>	<u>1,119,411</u>
Employer Normal Cost ²	1,422,102	1,578,384	1,616,112

Unfunded Liability Contribution	2,896,119	3,210,591	3,637,296
	\$	\$	
Estimated Total Employer Contribution	4,318,221	4,788,975	\$ 5,253,408

Source: CalPERS Miscellaneous Plan of the City of Tulare, Annual Report as of June 30, 2019.

¹ For classic members, this is the percentage specified in the Public Employees Retirement Law, net of any reduction from the use of a modified formula or other factors. For PEPRA members, the member contribution rate is based on 50 percent of the normal cost.

² The Employer Normal Cost is a blended rate for all benefit groups in the plan.

As reported in the City’s most recent Comprehensive Annual Financial Report, the net pension liability of the City’s sewer enterprise was \$4,435,495 as of June 30, 2019.

Based on the City’s CalPERS Annual Valuation Reports for Miscellaneous Employees, the following table shows the recent history of the actuarial accrued liability, the market value of assets, actuarial value of assets, funded ratios, unfunded accrued liabilities, and the annual covered payroll. The Actuarial Value of Assets is used to establish funding requirements and the funded ratio on this basis represents the progress toward fully funding future benefits for current plan participants. The funded ratio based on the Market Value of Assets is an indicator of the short-term solvency of the plan.

The table below shows the recent history of the actuarial accrued liability, the market value or assets, the funded ratio and the annual covered payroll.

**City of Tulare
CalPERS Required Employer Contribution
Miscellaneous Plan Employees
Funded Status**

Valuation Date	Accrued Liability	Market Value of Assets (MVA)	Unfunded Liability	Funded Ratio	Annual Covered Payroll
06/30/13	91,867,116	65,916,390	25,950,726	71.8	10,601,684
06/30/14	100,333,754	76,140,781	24,192,973	75.9	10,599,340
06/30/15	105,634,671	76,406,771	29,227,900	72.3	10,676,869
06/30/16	110,366,739	75,281,071	35,085,668	68.2	11,864,577
06/30/17	117,260,789	82,425,695	34,835,094	70.3	11,909,618
06/30/18	127,641,579	87,996,497	39,645,082	68.9	12,580,092
06/30/19	133,174,943	92,269,542	40,905,401	69.3	13,506,742

Source: CalPERS Miscellaneous Plan of the City of Tulare, Annual Report as of June 30, 2019.

For additional information about the City’s pension obligations, see “Note 7” and “Required Supplementary Information” in APPENDIX C – “COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR FISCAL YEAR ENDED JUNE 30, 2019.”

Post-Employment Benefits

The City provides health care insurance benefits to qualified retired employees under an agreement with City employee bargaining units. The City is self-insured and has a third party administrator that reviews and administers payments. The City also currently has a coinsurance policy that limits the City’s medical payment liabilities to approximately \$80,000 per year per covered individual, with the exception that the coinsurance

policy may require a higher stop-loss level for some individuals. The City currently has a stop-loss payment liability that exceeds this level for one individual currently covered by the City's health insurance plan.

The cost of the retiree health care insurance benefit is recognized as an expenditure as insurance premiums are paid on a monthly basis in advance. For the fiscal years ended June 30, 2019 and 2020, the City paid net amounts of \$196,480 and \$103,196 for eligible health care expenditures above the premiums paid to the City on behalf of approximately 29 retired employees.

For additional information about the City's other post-employment benefit obligations, see "Note 10" in APPENDIX C – "COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR FISCAL YEAR ENDED JUNE 30, 2019."

RISK FACTORS

The following section describes special considerations and risk factors that may affect the payment of and security for the Series 2020 Bonds. The following discussion is not meant to be an exhaustive list of all risks associated with the purchase of the Series 2020 Bonds and does not necessarily reflect the relative importance of the risk factors. Potential investors are advised to consider the following special factors, along with all other information in this Official Statement, in evaluating the Series 2020 Bonds. There can be no assurance that other risk factors will not become material in the future.

Constitutional Limitations on Rates and Charges

Proposition 218. 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").

On November 2, 2010, California voters approved Proposition 26, the so-called "Supermajority Vote to Pass New Taxes and Fees Act." Section 1 of Proposition 26 declares that Proposition 26 is intended to limit the ability of the State Legislature and local government to circumvent existing restrictions on increasing taxes by defining the new or expanded taxes as "fees." Proposition 26 amended Articles XIII A and XIII C of the State Constitution. The amendments to Article XIII A limit the ability of the State Legislature to impose higher taxes (as defined in Proposition 26) without a two-thirds vote of the Legislature. Proposition 26's amendments to Article XIII C broadly define "tax," but specifically exclude, among other things:

- 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.
- 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.
- A charge imposed as a condition of property development.
- Assessments and property-related fees imposed in accordance with the provisions of Article XIII D.

Property-Related Fees and Charges. Under Article XIII D, before a local agency 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 local agency 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 local agency 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.

Initiative Power. In addition, Article XIIC states 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 Articles XIIC and XIID. After Proposition 218 was enacted in 1996, appellate court cases and an Attorney General's 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, three recent cases have held that certain types of water and wastewater charges could be subject to the requirements of Article XIID under certain circumstances.

In *Richmond v. Shasta Community Services District* (2004) 32 Cal.4th 409, 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 capacity 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* (2005) 127 Cal.App.4th 914, 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* (2006) 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 delivery 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.

Conclusion. It is not possible to predict how courts will further interpret Article XIII C and Article XIII D 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 District'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, as is the case with respect to the Bonds.

The City's current sewer rates were approved by the Board of Public Utilities on July 21, 2016 and ratified by the City Council on August 15, 2016. Before approving the rates, the City sent notices to property owners at least 45 days prior to a protest hearing. The City will continue to comply with the provisions of Proposition 218 in connection with future rate increases.

There can be no assurance that the courts will not further interpret, or the voters will not amend, Article XIII C and Article XIII D 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.

Additionally, in the event the City fails to comply with its covenants under the Indenture, including its covenants to generate adequate System Net Revenues or to pay debt service due on the Bonds, there can be no assurance that the District will be able to increase rates and charges if a majority of the property owners of the identified parcels submit written protests against the proposal.

Revenues; Rate Covenant

System Net Revenues are dependent upon the demand for sewer services, which can be affected by population factors, concentration of demand, more stringent regulation, or problems with the City's collection and treatment facilities. There can be no assurance that demand will be consistent with the levels contemplated in this Official Statement. A decrease in the demand for services could require an increase in rates or charges in order to comply with the rate covenant. The City's ability to meet its rate covenant is dependent upon its capacity to increase rates without driving down demand to a level insufficient to meet debt service on the Series 2020 Bonds and other Parity Debt.

Enterprise Expenses

There can be no assurance that expenses of the City will be consistent with the levels contemplated in this Official Statement. Changes in technology, changes in treatment standards and increases in the cost of operation or other expenses could require increases in rates or charges in order to comply with the rate covenant in the Indenture. Such rate increases could drive down demand for related services or otherwise increase the possibility of nonpayment of the Series 2020 Bonds.

Existing and Future Parity Debt

The payment of principal of and interest on the Series 2020 Bonds, along with debt service on other Parity Debt, are payable solely from and secured solely by a pledge of System Net Revenues under the Indenture, together with amounts on deposit in certain funds and accounts held by the Trustee. As described in "SECURITY FOR THE SERIES 2020 BONDS - Issuance of Bonds and Parity Debt" above, the Indenture

permits the City to issue additional Parity Debt that would be payable from System Net Revenues on a parity with the payment of debt service on the Series 2020 Bonds and other parity obligations. No assurance can be made that System Net Revenues, estimated or otherwise, will be realized in an amount sufficient to pay the principal of and interest on the Series 2020 Bonds and other Parity Debt. The realization of future System Net Revenues is subject to, among other things, the capabilities of management of the City, the ability of the City to provide sewer collection, treatment, and disposal services to its customers, and the ability of the City to establish and maintain charges sufficient to provide the required debt service coverage and to pay for operating and maintenance expenses.

Among other matters, general and local economic conditions and changes in law and government regulations (including initiatives and moratoriums on growth) could adversely affect the amount of System Revenues realized by the City and ultimately the ability of the City to pay principal of and interest on the Series 2020 Bonds and Parity Debt.

Change in Law

In addition to the other limitations described herein, the State electorate or the California State Legislature could adopt a constitutional or legislative property tax decrease or an initiative with the effect of reducing revenues payable to or collected by the City. There is no assurance that the State electorate or the California State Legislature will not at some future time approve additional limitations that could have the effect of reducing the System Net Revenues and adversely affecting the security of the Bonds.

Loss of Tax Exemption

As discussed in this Official Statement under the caption “TAX MATTERS – The Series 2020A Bonds,” interest on the Series 2020A Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date the Series 2020A Bonds were issued, as a result of future acts or omissions of the City in violation of their respective covenants in the Indenture. Should such an event of taxability occur, the Series 2020A Bonds are not subject to a special redemption and will remain outstanding until maturity or until prepaid under one of the other redemption provisions contained in the Indenture.

IRS Audit of Tax-Exempt Issues

The IRS has initiated an expanded program for the auditing of tax-exempt issues, including both random and targeted audits. It is possible that the Series 2020A Bonds will be selected for audit by the IRS. It is also possible that the market value of the Series 2020A Bonds might be affected as a result of such an audit of the Series 2020A Bonds (or by an audit of similar obligations).

Regulatory Compliance

The City’s water and wastewater system operations are subject to numerous environmental regulations enforced by multiple governmental entities. Programs are in place for compliance with drinking water regulations, water discharge regulations, underground and aboveground fuel storage tank regulations, hazardous materials management plans, hazardous waste regulations, air quality permitting requirements, wastewater discharge limitations, and employee safety issues relating to hazardous materials and other conditions. The City expects environmental regulation to increase, resulting in higher capital and operating costs in the future, which may have a material effect on the finances of the System.

COVID-19

COVID-19, a respiratory disease caused by a novel strain of coronavirus, has spread around the world, including in the State. The World Health Organization has declared it a pandemic and, since the Centers for Disease Control and Prevention confirmed the spread of the disease to the United States in February 2020, federal

and state governments have declared a state of emergency. The rapid spread of COVID-19 has altered the behavior of people and businesses in a manner that is resulting in significant negative effects on global, federal, state, and local economies and presents unique challenges. Nearly all industries and businesses, have encountered and expect to further encounter significant disruption in their operations and the resulting deterioration of their financial condition. COVID-19 developments and related governmental and regulatory responses are rapidly changing.

The COVID-19 pandemic has resulted in substantial volatility in global financial markets, U.S. domestic debt and equity capital markets, travel and commerce generally. State and national economies continue to be materially adversely impacted by the COVID-19 pandemic, which may materially adversely impact the operations and financial condition of the City. Financial results, generally, and liquidity, in particular, may be materially diminished.

While the City's overall finances have been materially and adversely impacted by the COVID-19 pandemic, to date the finances and operations of the System have not been materially adversely impacted. Because of the evolving nature of the COVID-19 pandemic and the uncertainty of its duration, the ultimate impact of the pandemic on the City and the System's financial condition and operations cannot be predicted at this time.

Climate Change

The issue of climate change has become an important factor in water resources planning in the State, and it is being considered during planning for water supplies and systems. Many studies cite evidence that increasing concentrations of greenhouse gases have caused and will continue to cause a rise in temperatures around the world, which will result in a wide range of changes in climate patterns. Moreover, many of these studies cite evidence that a warming trend occurred during the latter part of the 20th century and will likely continue through the 21st century. These changes could have a direct effect on water resources in the State of California, and numerous studies on climate and water in the State of California have been conducted to determine the potential impacts. Based on these studies, global warming could result in the following types of water resources impacts in the State of California, including impacts on water supplies and systems:

- Sea level rise and an increase in saltwater intrusion into groundwater,
- Changes in the timing, intensity, and variability of precipitation, and an increased amount of precipitation falling as rain instead of as snow,
- Reductions in the average annual snowpack due to a rise in the snowline and a shallower snowpack in the low- and medium-elevation zones, and a shift in snowmelt runoff to earlier in the year,
- Long-term changes in watershed vegetation and increased incidence of wildfires that could affect water quality,
- Increased water temperatures with accompanying adverse effects on some fisheries,
- Increases in evaporation and concomitant increased irrigation need, and
- Changes in urban and agricultural water demand.

Other than the general trends listed above, there is no specific information on exactly how global warming will quantitatively affect water supplies with respect to the City or customer water conservation. However, there can be no assurance that climate change will not affect the City's water sources or customer demand.

Cybersecurity

The City, like many other large public and private entities, relies on a large and complex technology environment to conduct its operations, and faces multiple cybersecurity threats including, but not limited to, hacking, viruses, malware and other attacks on its computing and other digital networks and systems

(collectively, “Systems Technology”). As a recipient and provider of personal, private, or sensitive information, the City can be subject to cybersecurity incidents that can result in adverse consequences to the City’s Systems Technology.

Cybersecurity incidents could result from unintentional events, or from deliberate attacks by unauthorized entities or individuals attempting to gain access to the City’s Systems Technology for the purposes of misappropriating assets or information or causing operational disruption and damage. To mitigate the risk of business operations impact and/or damage from cybersecurity incidents or cyber-attacks, the City invests in multiple forms of cybersecurity and operational safeguards. The City has implemented a defense in-depth cyber security posture against ransomware and other cyber threats. It also employs a next generation firewall on the edge of the network that performs deep packet inspection, advanced malware protection, and uniform resource locator filtering. Additional layers of cyber security include internal network segmentation, use of virtual local area networks, domain name system filtering, automatic patching on workstations, and endpoint protection on all endpoints. Comprehensive backups include hourly storage area network level snapshots, mid-day cloud-based critical database backups, nightly off-site backups, nightly cloud-based replication and quarterly tape-based off-premise backups.

The City performs weekly external vulnerability assessments, monthly internal vulnerability assessments, and successfully completed a thorough external penetration test in July 2018. All City information technology employees have full DOJ backgrounds. All employees with computer logins are trained annually on cybersecurity, employees with access to PII information are trained on protecting PII and employees who handle credit cards are trained on credit card security.

While City cybersecurity and operational safeguards are periodically tested, no assurances can be given by the City that such measures will ensure against other cybersecurity threats and attacks. Cybersecurity breaches could damage the City’s Systems Technology and cause material disruption to the City’s operations and the provision of City services. The costs of remedying any such damage or protecting against future attacks could be substantial. Further, cybersecurity breaches could expose the City to material litigation and other legal risks, which could cause the City to incur material costs related to such legal claims or proceedings.

Seismic and Other Natural Conditions

The ability of the City to generate revenues is contingent upon the ability of the City to sewer and wastewater services to its customers. The financial stability of the City can be adversely affected by geologic conditions (such as earthquakes), topographic conditions (such as earth movements, wildfires and floods) and climatic conditions (such as droughts and tornadoes).

The City is located, is a seismically active geological area. The City does not carry earthquake insurance on its facilities. Occurrence of earthquakes could cause an interruption of water service until repairs could be effected, thus possibly negatively impacting the operations and finances of the System.

Wastewater Facility Maintenance

The operation of the City’s wastewater and sewer facilities and physical condition of the City’s wastewater and sewer facilities are subject to a number of risk factors that could adversely affect the reliability of sewer service or increase the operating expenses of the City. Prolonged damage to the City’s facilities could interrupt the ability of the City to realized revenues sufficient to pay principal of and interest on the Series 2020 Bonds. Certain facilities are aging and in need of repair or replacement. Long-lived facilities result in decreased reliability due to unplanned outages and place a greater maintenance burden on City operations. There can be no assurance that operation and maintenance expenses of the City’s wastewater and sewer facilities will be consistent with the levels contemplated in this Official Statement

Concentration of Wastewater Accounts

Approximately 56% of the System's sewer service charge revenues to be generated from three major dairy-processing companies during the fiscal year ending June 30, 2020. See "THE CITY AND THE SYSTEM - Service Area and Sewer Customers." If one or more of these companies were to relocate or otherwise reduce wastewater flow, the finances of the System would be materially impacted. In such event, the City would have the legal authority to raise sewer rates to make up any shortfall if needed, and it could be obligated to do so under the Indenture, although any such rates could adversely impact the attractiveness of the City to existing and future industrial customers. The City has covenanted under the Indenture to maintain rates at certain levels. See "SECURITY FOR THE SERIES 2020 BONDS – Rate Covenant" and "THE CITY AND THE SYSTEM – Industrial System Customers."

Limitations on Remedies and Bankruptcy

The rights and remedies provided in the Indenture may be limited by and are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws affecting creditors' rights, to the application of equitable principles if equitable remedies are sought, and 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 such documents, including the opinion of Bond Counsel (the form of which is attached as APPENDIX E – "FORM OF BOND COUNSEL OPINION"), will be similarly qualified.

The enforcement of the remedies provided in the Indenture could prove both expensive and time consuming. In the event of a default, the Trustee is not empowered to sell any part of the System in order to pay debt service on the Series 2020 Bonds. In addition, the rights and remedies provided in the Indenture may be limited by and are subject to provisions of the federal bankruptcy laws, as now or hereafter enacted, and to other laws or equitable principles that may affect creditors' rights. If the City were to file a petition under Chapter 9 of the Bankruptcy Code (Title 11, United States Code), the Bondholders and the Trustee could be prohibited or severely restricted from taking any steps to enforce their rights under the Indenture and from taking any steps to collect amounts due from the City under the Indenture.

Secondary Market for the Series 2020 Bonds

There can be no guarantee that there will be a secondary market for the Series 2020 Bonds or, if a secondary market exists, that any Series 2020 Bonds 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.

TAX MATTERS

The Series 2020A Bonds

Opinion of Bond Counsel. In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the City, under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (i) interest on the Series 2020A Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Series 2020A Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code. In rendering its opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the City in connection with the Series 2020A Bonds, and Bond Counsel has assumed compliance by the City with certain ongoing covenants to comply with

applicable requirements of the Code to assure the exclusion of interest on the Series 2020A Bonds from gross income under Section 103 of the Code.

In addition, in the opinion of Bond Counsel to the City, under existing statutes, interest on the Series 2020A Bonds is exempt from is exempt from personal income taxes imposed by the State of California.

Bond Counsel expresses no opinion as to any other federal, state or local tax consequences arising with respect to the Series 2020A Bonds, or the ownership or disposition thereof, except as stated above. Bond Counsel renders its opinion under existing statutes and court decisions as of the issue date, and assumes no obligation to update, revise or supplement its opinion to reflect any action thereafter taken or not taken, any fact or circumstance that may thereafter come to its attention, any change in law or interpretation thereof that may thereafter occur, or for any other reason. Bond Counsel expresses no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Series 2020A Bonds.

Certain Ongoing Federal Tax Requirements and Covenants. The Code establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the Series 2020A Bonds in order that interest on the Series 2020A Bonds be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the Series 2020A Bonds, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the federal government. Noncompliance with such requirements may cause interest on the Series 2020A Bonds to become included in gross income for federal income tax purposes retroactive to their issue date, irrespective of the date on which such noncompliance occurs or is discovered. The City has covenanted to comply with certain applicable requirements of the Code to assure the exclusion of interest on the Series 2020A Bonds from gross income under Section 103 of the Code.

Certain Collateral Federal Tax Consequences. The following is a brief discussion of certain collateral federal income tax matters with respect to the Series 2020A Bonds. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner of a Series 2020A Bond. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Series 2020A Bonds.

Prospective owners of the Series 2020A Bonds should be aware that the ownership of such obligations may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for federal income tax purposes. Interest on the Series 2020A Bonds may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

Original Issue Discount. “Original issue discount” (“OID”) is the excess of the sum of all amounts payable at the stated maturity of a Series 2020A Bond (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates) over the issue price of that maturity. In general, the “issue price” of a maturity (a bond with the same maturity date, interest rate, and credit terms) means the first price at which at least 10 percent of such maturity was sold to the public, i.e., a purchaser who is not, directly or indirectly, a signatory to a written contract to participate in the initial sale of the Series 2020A Bonds. In general, the issue price for each maturity of Series 2020A Bonds is expected to be the initial public offering price set forth on the cover page of the Official Statement. Bond Counsel further is of the opinion that, for any Series 2020A Bonds having OID (a “Tax-Exempt Discount Bond”), OID that has accrued and is properly allocable to

the owners of the Tax-Exempt Discount Bonds under Section 1288 of the Code is excludable from gross income for federal income tax purposes to the same extent as other interest on the Series 2020A Bonds.

In general, under Section 1288 of the Code, OID on a Tax-Exempt Discount Bond accrues under a constant yield method, based on periodic compounding of interest over prescribed accrual periods using a compounding rate determined by reference to the yield on that Tax-Exempt Discount Bond. An owner's adjusted basis in a Tax-Exempt Discount Bond is increased by accrued OID for purposes of determining gain or loss on sale, exchange, or other disposition of such Series 2020A Bond. Accrued OID may be taken into account as an increase in the amount of tax-exempt income received or deemed to have been received for purposes of determining various other tax consequences of owning a Tax-Exempt Discount Bond even though there will not be a corresponding cash payment.

Owners of Tax-Exempt Discount Bonds should consult their own tax advisors with respect to the treatment of original issue discount for federal income tax purposes, including various special rules relating thereto, and the state and local tax consequences of acquiring, holding, and disposing of Tax-Exempt Discount Bonds.

Bond Premium. In general, if an owner acquires a bond for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the bond after the acquisition date (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates), that premium constitutes "bond premium" on that bond (a "Tax-Exempt Premium Bond"). In general, under Section 171 of the Code, an owner of a Tax-Exempt Premium Bond must amortize the bond premium over the remaining term of the Tax-Exempt Premium Bond, based on the owner's yield over the remaining term of the Tax-Exempt Premium Bond determined based on constant yield principles (in certain cases involving a Tax-Exempt Premium Bond callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such bond). An owner of a Tax-Exempt Premium Bond must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner's regular method of accounting against the bond premium allocable to that period. In the case of a Tax-Exempt Premium Bond, if the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Tax-Exempt Premium Bond may realize a taxable gain upon disposition of the Tax-Exempt Premium Bond even though it is sold or redeemed for an amount less than or equal to the owner's original acquisition cost. Owners of any Tax-Exempt Premium Bonds should consult their own tax advisors regarding the treatment of bond premium for federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, amortization of bond premium on, sale, exchange, or other disposition of Tax-Exempt Premium Bonds.

Information Reporting and Backup Withholding. Information reporting requirements apply to interest paid on tax-exempt obligations, including the Series 2020A Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number and Certification," or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Series 2020A Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Series 2020A Bonds from gross income for federal income tax purposes. Any amounts withheld pursuant to backup

withholding would be allowed as a refund or a credit against the owner's federal income tax once the required information is furnished to the Internal Revenue Service.

Miscellaneous. Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Series 2020A Bonds under federal or state law or otherwise prevent beneficial owners of the Series 2020A Bonds from realizing the full current benefit of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) and such decisions could affect the market price or marketability of the Series 2020A Bonds.

Prospective purchasers of the Series 2020A Bonds should consult their own tax advisors regarding the foregoing matters.

The Series 2020B Bonds

In the opinion of Bond Counsel to the City, interest on the Series 2020B Bonds (i) is included in gross income for federal income tax purposes and (ii) is exempt, under existing statutes, from personal income taxes imposed by the State of California.

The following discussion is a brief summary of the principal United States federal income tax consequences of the acquisition, ownership and disposition of Series 2020B Bonds by original purchasers of the Series 2020B Bonds who are "U.S. Holders," as defined herein. This summary (i) is based on the Code, Treasury Regulations, revenue rulings and court decisions, all as currently in effect and all subject to change at any time, possibly with retroactive effect; (ii) assumes that the Series 2020B Bonds will be held as "capital assets"; and (iii) does not discuss all of the United States federal income tax consequences that may be relevant to a U.S. Holder in light of its particular circumstances or to U.S. Holders subject to special rules, such as insurance companies, financial institutions, tax-exempt organizations, dealers in securities or foreign currencies, persons holding the Series 2020B Bonds as a position in a "hedge" or "straddle," U.S. Holders whose functional currency (as defined in Section 985 of the Code) is not the United States dollar, U.S. Holders who acquire Series 2020B Bonds in the secondary market, or individuals, estates and trusts subject to the tax on unearned income imposed by Section 1411 of the Code.

Certain taxpayers that are required to prepare certified financial statements and file financial statements with certain regulatory or governmental agencies may be required to recognize income, gain and loss with respect to the Series 2020B Bonds at the time that such income, gain or loss is taken into account on such financial statements instead of under the rules described below.

U.S. Holders of Series 2020B Bonds should consult with their own tax advisors concerning the United States federal income tax and other consequences with respect to the acquisition, ownership and disposition of the Series 2020B Bonds as well as any tax consequences that may arise under the laws of any state, local or foreign tax jurisdiction.

Original Issue Discount. In general, if Original Issue Discount ("OID") is greater than a statutorily defined *de minimis* amount, a U.S. Holder of a Series 2020B Bond [having a maturity of more than one year from its date of issue] must include in federal gross income (for each day of the taxable year, or portion of the taxable year, in which such U.S. Holder holds such Series 2020B Bond) the daily portion of OID, as it accrues (generally on a constant-yield method) and regardless of the U.S. Holder's method of accounting. "OID" is the excess of (i) the "stated redemption price at maturity" over (ii) the "issue price." For purposes of the foregoing: "issue price" means the first price at which a substantial amount of the Series 2020B Bond is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers); "stated redemption price at maturity" means the sum of all payments, other than "qualified stated interest," provided by such Series 2020B Bond; "qualified stated interest" is stated interest that is unconditionally payable in cash or property (other than debt instruments of the issuer) at least annually at

a single fixed rate; and “*de minimis* amount” is an amount equal to 0.25 percent of the Series 2020B Bond’s stated redemption price at maturity multiplied by the number of complete years to its maturity. A U.S. Holder may irrevocably elect to include in gross income all interest that accrues on a Series 2020B Bond using the constant-yield method, subject to certain modifications.

Bond Premium. In general, if a Series 2020B Bond is originally issued for an issue price (excluding accrued interest) that reflects a premium over the sum of all amounts payable on the Series 2020B Bond other than “qualified stated interest” (a “Taxable Premium Bond”), that Taxable Premium Bond will be subject to Section 171 of the Code, relating to bond premium. In general, if the U.S. Holder of a Taxable Premium Bond elects to amortize the premium as “amortizable bond premium” over the remaining term of the Taxable Premium Bond, determined based on constant-yield principles (in certain cases involving a Taxable Premium Bond callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the highest yield on such bond), the amortizable premium is treated as an offset to interest income; the U.S. Holder will make a corresponding adjustment to the U.S. Holder’s basis in the Taxable Premium Bond. Any such election is generally irrevocable and applies to all debt instruments of the U.S. Holder (other than tax-exempt bonds) held at the beginning of the first taxable year to which the election applies and to all such debt instruments thereafter acquired. Under certain circumstances, the U.S. Holder of a Taxable Premium Bond may realize a taxable gain upon disposition of the Taxable Premium Bond even though it is sold or redeemed for an amount less than or equal to the U.S. Holder’s original acquisition cost.

Disposition and Defeasance. Generally, upon the sale, exchange, redemption, or other disposition (which would include a legal defeasance) of a Series 2020B Bond, a U.S. Holder generally will recognize taxable gain or loss in an amount equal to the difference between the amount realized (other than amounts attributable to accrued interest not previously includable in income) and such U.S. Holder’s adjusted tax basis in the Series 2020B Bond.

The City may cause the deposit of moneys or securities in escrow in such amount and manner as to cause the Series 2020B Bonds to be deemed to be no longer outstanding under the Indenture (a “defeasance”). For federal income tax purposes, such defeasance could result in a deemed exchange under Section 1001 of the Code and a recognition by such owner of taxable income or loss, without any corresponding receipt of moneys. In addition, the character and timing of receipt of payments on the Series 2020B Bonds subsequent to any such defeasance could also be affected.

Information Reporting and Backup Withholding. In general, information reporting requirements will apply to non-corporate U.S. Holders of the Series 2020B Bonds with respect to payments of principal, payments of interest, and the accrual of OID on a Series 2020B Bond and the proceeds of the sale of a Series 2020B Bond before maturity within the United States. Backup withholding may apply to U.S. Holders of Series 2020B Bonds under Section 3406 of the Code. Any amounts withheld under the backup withholding rules from a payment to a beneficial owner, and which constitutes over-withholding, would be allowed as a refund or a credit against such beneficial owner’s United States federal income tax provided the required information is furnished to the Internal Revenue Service.

U.S. Holders. The term “U.S. Holder” means a beneficial owner of a Series 2020B Bond that is: (i) a citizen or resident of the United States, (ii) a corporation, partnership or other entity created or organized in or under the laws of the United States or of any political subdivision thereof, (iii) an estate the income of which is subject to United States federal income taxation regardless of its source or (iv) a trust whose administration is subject to the primary jurisdiction of a United States court and which has one or more United States fiduciaries who have the authority to control all substantial decisions of the trust.

Miscellaneous. Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Series 2020B Bonds under state law and could affect the market price or marketability of the Series 2020B Bonds.

Prospective purchasers of the Series 2020B Bonds should consult their own tax advisors regarding the foregoing matters.

[VERIFICATION OF MATHEMATICAL COMPUTATIONS]

[In connection with the issuance of the Series 2020 Bonds and the advance refunding of the Series 2013 Bonds, the Verification Agent will verify the mathematical accuracy of certain computations demonstrating the sufficiency of the 2013 Escrow Account to pay the principal or redemption price of and interest on the Series 2013 Bonds when due. Such verification will be based in part on schedules and information provided by the Underwriter with respect to the foregoing computations.]

ABSENCE OF LITIGATION

There is no claim, action, suit or proceeding known to be pending or threatened, restraining or enjoining the issuance or delivery of the Series 2020 Bonds or the Indenture or in any way contesting or affecting the validity of the foregoing or any proceedings of the City taken with respect to any of the foregoing. The City is not aware of any litigation pending or threatened, questioning the existence or powers of the City or the ability of the City to pay debt service on the Bonds.

Although the City has been subject to a number of lawsuits in the ordinary conduct of its affairs, there are no claims or actions, threatened or pending which, if determined against the City, either individually or in the aggregate, are expected to have a material adverse effect on the financial conditions of the City.

LEGAL OPINIONS

The validity of the Series 2020 Bonds and certain other legal matters are subject to the approving opinion of Hawkins Delafield & Wood LLP, San Francisco, California, as Bond Counsel and Disclosure Counsel. A copy of the form of the proposed opinion of Bond Counsel is contained in APPENDIX E – “FORM OF BOND COUNSEL OPINION” hereto. Certain matters will be passed upon for the City by Griswold, Lasalle, Cobb, Dowd & Gin, LLP, Hanford, California, City Attorney. The Underwriter is being represented by its counsel, Norton Rose Fulbright US LLP, Los Angeles, California. Bond Counsel will receive compensation from the City contingent upon the sale and delivery of the Bonds.

MUNICIPAL ADVISOR

The City has retained Bartle Wells Associates, Berkeley, California, to serve as Municipal Advisor in connection with the authorization, issuance, sale and delivery of the Series 2020A Bonds. Bartle Wells Associates is a registered municipal advisor.

UNDERWRITING

The City has agreed to sell the Series 2020 Bonds to Morgan Stanley & Co. LLC (the “Underwriter”), and the Underwriter has agreed, subject to certain conditions, to purchase the Series 2020A Bonds at a purchase price of \$_____, being the principal amount of the Series 2020A Bonds, plus [net] original issue premium of \$_____, and less an Underwriter’s discount of \$_____ and to purchase the Series 2020B Bonds at a purchase price of \$_____, being the principal amount of the Series 2020B Bonds, plus [net] original issue premium of \$_____, and less an Underwriter’s discount of \$_____. The obligations of the Underwriter are subject to certain conditions precedent, and it will be obligated to purchase all such Series 2020 Bonds if any such Series 2020 Bonds are purchased. The Underwriter intends to offer the Series 2020 Bonds to the public initially at the prices and/or yield set forth on the inside cover page of this Official Statement, which prices or yields may subsequently change without any requirement of prior notice.

The Underwriter reserves the right to join with dealers and other underwriters in offering the Series 2020 Bonds to the public. The Underwriter may offer and sell Series 2020 Bonds to certain dealers (including dealers depositing Series 2020 Bonds into investment trusts) at prices lower than the public offering prices, and such dealers may reallow any such discounts on sales to other dealers. In reoffering Series 2020 Bonds to the public, the Underwriter may overallocate or effect transactions which stabilize or maintain the market prices for Series 2020 Bonds at levels above those which might otherwise prevail. Such stabilization, if commenced, may be discontinued at any time.

Morgan Stanley & Co. LLC, the Underwriter, has entered into a retail distribution arrangement with its affiliate Morgan Stanley Smith Barney LLC. As part of the distribution arrangement, Morgan Stanley & Co. LLC may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Series 2020 Bonds.

RATINGS

[S&P Global Ratings, a division of Standard & Poor's Financial Services, LLC ("S&P") has assigned a municipal bond rating of "___" to the Series 2020 Bonds, with the understanding that [INSURANCE PROVIDER] will issue its policy with respect to the Series 2020 Bonds on the closing date. S&P has assigned the Series 2020 Bonds an underlying rating of "___". These ratings reflect only the views of such organization and an explanation of the significance of the ratings may be obtained from S&P. There is no assurance that any rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency, if, in the judgment of such rating agency, circumstances so warrant. The City undertakes no responsibility to oppose any downward revision or withdrawal of any rating obtained. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Series 2020 Bonds.]

AUDITED FINANCIAL STATEMENTS

The financial statements of the City for the year ended June 30, 2019, have been audited by Brown Armstrong, Certified Public Accountants. A copy of the auditor's report, the financial statements and the notes to the financial statements is attached hereto as APPENDIX C – "COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR FISCAL YEAR ENDED JUNE 30, 2019." The auditor has not performed any review of such financial statements in connection with the inclusion in this Official Statement.

CONTINUING DISCLOSURE

The City has covenanted, pursuant to a Continuing Disclosure Agreement, dated as of November 1, 2020, for the benefit of holders and beneficial owners of the Series 2020 Bonds, to provide, or cause to be provided, certain financial information and operating data relating to the City (the "Operating Data") and a copy of the City's final Comprehensive Annual Financial Report ("CAFR," and together with the Operating Data, the "Annual Report") by not later than March 1 of each year, commencing with the report for the Fiscal Year ended June 30, 2020, and to provide notices of the occurrence of certain enumerated events. The Annual Report and notices of enumerated events will be filed by the City with the Municipal Securities Rulemaking Board (the "MSRB"). The specific nature of the information to be contained in the Annual Report or the notices of enumerated events is summarized in 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) (the "Rule").

In connection with the issuance of the City's Sewer Revenue Bonds Series 2003, Series 2006, Series 2009, and Series 2010 Bonds (the "2003-2010 Bonds"), the City executed continuing disclosure undertakings (the "2003-2010 Agreements") for the benefit of the holders of such 2003-2010 Bonds. Under the 2003-2010 Agreements, the City covenanted to provide to the MSRB an Annual Report within 210 days after the end of the City's fiscal year and notices of the occurrence of certain enumerated events. Within the past five years, the City

did not file within 210 days after the end of the City's fiscal year its CAFR for the fiscal years ended June 30, 2015 and June 30, 2018 and its Annual Report for the fiscal year ended June 30, 2017. In each of these instances, the City did not receive its final CAFR for the relevant fiscal years from its auditor until after the filing deadline under the 2003-2010 Agreements. In each of these instances, the City timely filed with the MSRB a notice to the holders of the 2003-2010 Bonds of its failure to file the CAFR or the Annual Report within the timeframe required by the 2003-2010 Agreements. The City subsequently filed the CAFR for the relevant fiscal years as soon as it was available.

The City also executed continuing disclosure undertakings (the "2013-2015 Agreements") in connection with the issuance of the City's Sewer Revenue Refunding Bonds Series 2013 and Series 2015 (the "2013-2015 Bonds"), for the benefit of the holders of such 2013-2015 Bonds. Under the 2013-2015 Agreements, the City covenanted to provide to the MSRB an Annual Report within eight months after the end of the City's fiscal year and notices of the occurrence of certain enumerated events. Within the past five years, the City timely filed its Annual Report as required by the 2013-2015 Agreements; however, the City inadvertently failed to link its Annual Report for the fiscal year ended June 30, 2015 with the CUSIP numbers for the City's Series 2015 Bonds at the time of filing of such Annual Report. The City subsequently linked the Annual Report for the fiscal year ended June 30, 2015 with the CUSIP numbers for the Series 2015 Bonds.

The City also executed a continuing disclosure undertaking (the "2017 Agreement") in connection with the issuance of the City's Water Revenue Bonds, Series 2017 (the "Series 2017 Water Bonds"), for the benefit of the holders of such Series 2017 Water Bonds. Under the 2017 Agreement, the City covenanted to provide to the MSRB an Annual Report within eight months after the end of the City's fiscal year and notices of the occurrence of certain enumerated events. The City linked its Annual Report for the fiscal year ended June 30, 2017 with the CUSIP numbers for its outstanding sewer revenue bonds, lease revenue bonds and tax allocation bonds for the redevelopment successor agency, but inadvertently failed to link such Annual Report with the CUSIP numbers for its Series 2017 Water Bonds at the time of filing such Annual Report. The City subsequently linked the Annual Report for the fiscal year ended June 30, 2017 with the CUSIP numbers for the Series 2017 Water Bonds.

As of the date of this Official Statement, the City has made all required filings and has implemented procedures to help ensure it meets its continuing disclosure obligations on a timely basis in the future. The City's Finance Director/Treasurer is responsible for making annual continuing disclosure filings and is aware of the specific dates by which such filings are required to be made. To ensure the City's continuing disclosure filings are made on a timely basis in future years, the City's Finance Director has permanently scheduled the disclosure filings to be made on or before the dates at which such filings are required to be made. Additionally, the City has developed and adopted a written policy to help ensure future compliance with the City's continuing disclosure obligations. The City is committed to meeting all of its continuing disclosure requirements on time and anticipates making future continuing disclosure filings on a timely basis in future years.

[Remainder of page intentionally left blank]

MISCELLANEOUS

All of the descriptions of the California Government Code or any other applicable legislation, the Indenture, the wastewater system, the City, agreements and other documents are made subject to the provisions of such legislation and documents respectively 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 City for further information in connection therewith.

Any statements made in this Official Statement involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

The execution and delivery of this Official Statement has been duly authorized by the City.

CITY OF TULARE

By: _____
Finance Director/Treasurer

APPENDIX A

AREA STATISTICAL INFORMATION

The following information is provided to give prospective investors an overview of the City of Tulare and the general economic condition of the City and Tulare County. Debt service on the 2019 Bonds is payable from the City's System Net Revenues.

Population

The City of Tulare is the second largest city in the Tulare County with an estimated population of 67,834 as of January 1, 2020.

City of Tulare Population

Calendar Year	Population	Annual Percent Increase
2015	62,251	1.01%
2016	62,856	0.97
2017	63,868	1.61
2018	65,021	1.82
2019	66,457	2.19
2020	67,834	2.07

Source: State of California, Department of Finance.

Assessed Valuation

All property in Tulare County is assessed by the County Assessor, except public utility property and railroads, which are assessed by the State Board of Equalization. Under the California Constitution, property is assessed at 100% of full cash value. Property is assessed at its market value when constructed or upon change of ownership. The value of property that does not change ownership may be adjusted annually by not more than 2% to account for inflation. Assessed valuations do not reflect market value. The following table shows a history of assessed valuation for the City.

City of Tulare Assessed Value

Fiscal Year Ended June 30,	Secured	Utility	Unsecured	Total Assessed Value (Net of Exemptions)
2015	\$3,593,640,822	\$2,859,722	\$134,753,531	\$3,731,254,075
2016	3,789,718,353	2,859,722	143,801,821	3,936,379,896
2017	3,962,134,430	2,859,722	151,219,467	4,115,943,619
2018	4,096,151,430	3,323,768	208,318,421	4,307,793,619
2019	4,275,737,413	3,323,768	209,716,581	4,488,777,762
2020	4,517,255,501	3,323,768	214,038,086	4,734,617,255

Source: County of Tulare, Office of the Auditor-Controller.

Direct and Overlapping Debt

[To be updated] The statement of direct and overlapping debt (the “Debt Report”) set forth below was prepared by California Municipal Statistics, Inc., and is dated as of June 30, 2019. The Debt Report includes only such information as has been reported to California Municipal Statistics, Inc. by the issuers of the debt described therein and by others. The Debt Report is included for general information purposes only. The City has not independently verified its completeness or accuracy and makes no representations in connection therewith.

CITY OF TULARE

2018-19 Assessed Valuation: \$4,488,777,762

<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	Total Debt	City’s Share of
	<u>6/30/19</u>	<u>% Applicable (1)</u>
College of Sequoias Tulare School Facilities Improvement District	\$32,041,093	48.784%
\$15,630,927		
Tulare Union High School District	21,235,532	63.202
Liberty School District	604,691	8.861
Buena Vista School District	80,000	0.401
Tulare Local Health Care District	82,855,000	61.441
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT	<u>50,906,941</u>	
		\$80,013,052

<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
Tulare County General Fund Obligations	\$ 32,315,000	12.831%	\$ 4,146,338
Tulare County Pension Obligation Bonds	242,115,000	12.831	31,065,776
Tulare County Board of Education Certificates of Participation	33,885,000	12.831	4,347,784
College of Sequoias General Fund Obligations	5,015,000	13.902	697,185
Tulare School District General Fund Obligations	8,401,632	94.726	7,958,530
Liberty School District General Fund Obligations	2,410,000	8.861	213,550
City of Tulare General Fund Obligations	25,635,000	100.	<u>25,635,000</u>
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$74,064,163

<u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u>	\$19,990,000	100.	%
\$19,990,000			

TOTAL DIRECT DEBT	\$25,635,000
TOTAL OVERLAPPING DEBT	\$148,432,215
 COMBINED TOTAL DEBT	 \$174,067,215 (2)

- (1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district’s assessed value that is within the boundaries of the city divided by the district’s total taxable assessed value.
- (2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2018-19 Assessed Valuation:
 Total Overlapping Tax and Assessment Debt 1.78%
Total Direct Debt (\$25,635,000) 0.57%
 Combined Total Debt 3.88%

Ratios to Redevelopment Successor Agency Incremental Valuation (\$658,839,511):
 Total Overlapping Tax Increment Debt 3.03%

Source: California Municipal Statistics, Inc.

Median Household Income and Per Capita Income

According to the United States Census Bureau, the median household income and the per capita income for the last twelve months in the City, Tulare County, the State of California and the United States are as follows (values are shown in 2018 dollars):

	Median Household Income	Per Capita Income
City of Tulare	\$52,546	\$20,186
Tulare County	47,518	20,421
State of California	71,228	35,021
United States	60,293	32,621

Source: United States Census Bureau

Building Activity

[To be updated] The following table summarizes building permit valuations and the number of new single family and multi-family residential permits for the City of Tulare in recent calendar years. The table includes year-to-date data for 2019 from January 1 through October 30, 2019.

City of Tulare Building Valuation and Permits					
	2015	2016	2017	2018	2019*
Building Valuation					
New Residential Single Family	\$49,009,982	\$52,945,655	\$56,756,832	\$61,175,565	\$57,593,546
New Residential Multi-Family	0	1,152,000	5,095,000	13,877,440	8,000,480
Subtotal	49,009,982	54,097,655	61,851,832	75,053,005	65,594,026
All Other	31,620,566	28,733,321	31,871,073	41,817,510	41,321,598
Total	\$80,630,548	\$82,830,976	\$93,722,905	\$116,870,515	\$106,915,624
Number of Residential Permits					
New Residential Single Family	277	303	309	341	292
New Residential Multi-Family	0	1	23	30	22
Total	277	304	332	371	314

*Year-to-date data, January 1, 2019 to October 30, 2019.

Source: City of Tulare

[Remainder of page intentionally left blank.]

Employment and Unemployment

The City is part of the Visalia-Tulare-Porterville Standard Metropolitan Statistical Area which encompasses Tulare County. The following tables summarize historical labor force and employment information for the City and the County.

City of Tulare Employment (as of July)

	2015	2016	2017	2018	2019	2020
Labor Force	27,700	27,300	27,900	27,800	27,900	26,700
Employment	24,900	25,400	26,000	26,200	26,300	22,800
Unemployment	2,700	1,900	1,800	1,700	1,700	3,900
Unemployment Rate	9.80%	7.00%	6.50%	6.10%	5.90%	14.60%

Source: California Employment Development Department; not seasonally adjusted.

Tulare County Employment (Not Seasonally Adjusted) (as of July)

	2015	2016	2017	2018	2019	2020
Labor Force	202,000	27,200	204,600	203,300	204,000	191,100
Employment	178,500	25,300	183,200	183,300	184,400	160,200
Unemployment	23,500	1,900	21,400	20,000	19,600	30,900
Unemployment Rate	11.60%	7.00%	10.40%	9.80%	9.60%	16.20%

Source: California Employment Development Department; not seasonally adjusted.

Tulare County Employment by Industry (2019)

Industry Type	Employment	% of Total
Total Farm	38,400	23.0%
Government	33,000	19.8
Trade, Transportation & Utilities	27,800	16.6
Educational and Health Services	17,100	10.2
Manufacturing	12,800	7.7
Leisure and Hospitality	12,100	7.2
Professional and Business Services	11,100	6.6
Natural Resources, Mining, Const.	6,300	3.8
Financial Activities & Insurance	4,000	2.4
Other Services	4,400	2.6
Total	167,100	100.0%

* Total may not sum due to rounding.

Source: California Employment Development Department

Major Employers

The following tables list the principal commercial and governmental employers located within the City from 2018, the most recent year available.

City of Tulare Principal Commercial Employers 2018

Employer Name	Employees (Approx.)	Industry
Land O'Lakes.	600	Dairy Products
Saputo Cheese USA, Inc.	530	Cheese & Dairy Services
J.D. Heiskell & Company	350	Grain Products
Haagen-Dazs (formerly Nestle)	300	Ice Cream
Kraft USA Tulare	250	Cheese & Dairy Services
Wal-Mart	225	Retail
U.S. Cold Storage of California	200	Cold Food Storage
Morris Levin & Sons Hardware	200	Hardware
Ruan, Inc.	180	Transportation Services
Southern California Edison	120	Utility Services

Source: City of Tulare

Retail Sales

The following table shows taxable sales within the City for each quarter in the five most recent years. Taxable sales increased by approximately 13.8% from 2015 to 2020.

City of Tulare Taxable Sales (Total All Outlets)

	2015	2016	2017	2018	2019	2020
Quarter 1	\$202,116,501	\$203,879,707	\$209,222,262	\$219,538,405	\$230,811,255	\$217,717,745
Quarter 2	223,840,788	221,589,310	228,793,244	234,944,004	247,606,361	-
Quarter 3	226,700,447	223,646,007	237,708,883	237,052,815	255,193,658	-
Quarter 4	217,731,308	222,104,503	236,453,388	248,812,093	256,510,413	-
Total	870,389,044	871,219,527	912,177,777	940,347,317	990,121,687	-
Annual Increase %		0.10%	4.70%	3.09%	5.29%	-

Source: California Department of Tax and Fee Administration

Agriculture

Tulare County is situated in the Central San Joaquin Valley, an area of approximately 1,800 square miles that contains some of the most intensive and productive agricultural development in the world. The strategic location makes Tulare very attractive to food processors and distributors because of the central location and abundant supply of locally grown products. Tulare has consistently ranked as one of the top counties in the United States for both milk production and total agricultural production.

World Ag Expo

In February of each year, the City of Tulare hosts the World Ag Expo (formerly the California Farm Equipment Show and International Exposition). This massive trade show is the largest annual farm equipment show in the world. The three-day show began in 1968 and has grown over the years to encompass 95 acres of exhibits with 100 acres of parking. Exhibitors and growers come from all over the world to participate in this show.

Transportation

The City is located along State Route 99 and is about 55 miles east of Interstate 5. State Routes 63 and 137 also pass through the City. The ports of Stockton, Sacramento, Los Angeles, and San Francisco are all within approximately 200 miles of the City. The main line of the Union Pacific Railroad runs through Tulare, offering rail access to major cities throughout the United States. Amtrak offers passenger rail service from nearby Corcoran and Hanford. Domestic and international flights are available at Fresno/Yosemite International Airport and Bakersfield's Meadows Field Airport. Visalia Municipal Airport, nine miles to the north, provides scheduled passenger and air freight services.

Recreation

More than half of Tulare County's 4,935 square miles is mountainous. A number of high mountain resorts and recreational areas, including Sequoia National Forest and Sequoia National Park are located in the County. The combined acreage of Sequoia National Forest and Sequoia National Park constitutes about 55% of the County's total area. Sequoia National Park attracts more than one million visitors annually.

[Remainder of page intentionally left blank]

APPENDIX B

DEFINITIONS AND SUMMARY OF LEGAL DOCUMENTS

APPENDIX C
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by City of Tulare (the “City”) in connection with the issuance of its Sewer Revenue Refunding Bonds, Series 2020A (Tax Exempt) (the “Series 2020A Bonds”) and its Sewer Revenue Refunding Bonds, Series 2020B (Federally Taxable) (the “Series 2020B Bonds,” and together with the Series 2020A Bonds, the “Series 2020 Bonds”). The Series 2020 Bonds are being issued pursuant to the Master Indenture, dated as of December 1, 2003 (the “Master Indenture”), by and between City and U.S. Bank National Association, as trustee (the “Trustee”), as supplemented and amended from time to time, including by the Eighth Supplemental Indenture, dated as of November 1, 2020 (the “Eighth Supplemental Indenture” and, collectively with the Master Indenture, as supplemented and amended from time to time, the “Indenture”), by and between City and the Trustee. The City covenants and agrees as follows:

SECTION 1. 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 Series 2020 Bonds and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2 12.

SECTION 2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined herein, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Beneficial Owner” shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2020 Bonds (including persons holding Series 2020 Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Series 2020 Bonds for federal income tax purposes.

“Financial Obligation” shall mean “financial obligation” as such term is defined in the Rule.

“Dissemination Agent” shall mean the City, or any successor Dissemination Agent designated in writing by the City and which has filed with the Trustee a written acceptance of such designation.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board.

“Official Statement” shall mean the Official Statement relating to the Series 2020 Bonds, dated [_____, 2020].

“Participating Underwriter” shall mean the original purchaser of the Series 2020 Bonds required to comply with the Rule in connection with offering of the Series 2020 Bonds.

“Rule” shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“State” shall mean the State of California.

SECTION 3. Provision of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent to, not later than March 1 of each year after the end of the City's fiscal year, commencing with the report for the fiscal year ending June 30, 2020, provide to the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-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 date required above for the filing of the Annual Report if they are 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 Listed Event under Section 5(c).

(b) Not later than fifteen (15) Business Days prior to said date, the City shall provide the Annual Report to the Dissemination Agent (if other than the City). If the City is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the City shall send a notice to the MSRB in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall (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, stating the date it was provided to the MSRB.

SECTION 4. Content of Annual Reports. The City's Annual Report shall contain or include by reference the:

1. The audited financial statements of the City for the prior fiscal year, 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 time the Annual Report is required to be filed pursuant to Section 3(a), 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.

2. A table showing the number of accounts for the City's sewer system by user group for the last fiscal year presented in a similar format as the table titled "Sewer Accounts by Customer Class" and a table showing sewer service charge revenues by user group in a similar format as the table titled "Sewer Service Charge Revenues by Customer Class" in the Official Statement.

3. The number of accounts and new connections for the City's sewer system for the last fiscal year.

4. A table of the top ten customers of the City's sewer system showing the amount of sewer service charges collected from each customers and percentage of gross revenues represented by such charges presented in a similar format as the table titles "10 Largest Customers by Service Charge Revenue" in the Official Statement.

5. The average daily flow of the City's sewer system in the last fiscal year.

6. A table showing the rates of the City's sewer system as of June 30 of the last fiscal year presented in a similar format as the table titled "Current and Historical Sewer Rates" in the Official Statement.

7. A table showing System Net Revenues of the City's sewer system and debt service coverage on the Series 2020 Bonds and any Parity Debt for the last fiscal year presented in a similar

format as the table titled “Historical Revenues, Expenses, and Debt Service Coverage” in the Official Statement.

8. A table showing balances in the funds held for the benefit of the City’s sewer system as of June 30 of the last fiscal year.

9. Principal amount of Series 2020 Bonds and Parity Bonds outstanding and balance in [Series 2020 Reserve Accounts] as of June 30 of the last fiscal year, to the extent not included in the audited financial statements described in (1) above.

10. A description of any ongoing non-compliance with wastewater discharge permits, any pending remedial regulatory action and the City’s plan of compliance, if any.

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 have been submitted to each of the MSRB or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB. The City shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the City shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Indenture or its obligations in relation to the Series 2020 Bonds:

- (1) Principal and interest payment delinquencies;
- (2) Nonpayment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) 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 of determinations with respect to the tax status of the Series 2020A Bonds, or other material events affecting the tax status of the Series 2020A Bonds;
- (7) Modifications to the rights of Bondholders, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Series 2020 Bonds, if material;
- (11) Rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the City;

(13) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, 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; and

(14) appointment of a successor or additional trustee or the change of name of a trustee, if material.

(15) incurrence of a Financial Obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affect security holders, if material; and

(16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties.

(c) If a Listed Event occurs, the City shall provide, in a timely manner and in no event in excess of ten (10) Business Days after the occurrence of such Listed Event, notice of such Listed Event with the MSRB.

SECTION 6. 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 Installment Payments. If such termination occurs prior to the final maturity of the Series 2020 Bonds, the City shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

SECTION 7. Dissemination Agent. The City shall serve as the Dissemination Agent hereunder. 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 such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the City pursuant to this Disclosure Certificate.

SECTION 8. 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 Listed 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 Listed Event in addition to that which is specifically required by this Disclosure Certificate, the City shall have no obligation under this Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

The City acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the City, and that under some circumstances compliance with this Disclosure Certificate, without additional disclosures or other action, may not fully discharge all duties and obligations of the City under such laws.

SECTION 9. Default. In the event of a failure of the City to comply with any provision of this Disclosure Certificate, the sole legal remedy of any Holder or Beneficial Owner of the Series 2020 Bonds or the Participating Underwriter shall be an action to compel performance. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Indenture.

No Bondholder or Beneficial Owner may institute such action, suit or proceeding to compel performance unless they shall have first delivered to the City satisfactory written evidence of their status as such, and a written notice of and request to cure such failure, and the City shall have refused to comply therewith within a reasonable time.

SECTION 10. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the City agrees, to the extent permitted by law, to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it 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 obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Series 2020 Bonds.

SECTION 11. 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, in the opinion of nationally recognized bond counsel, such amendment or waiver is permitted by the Rule. In the event of any amendment or waiver of a provision of this Disclosure Certificate, the City shall describe such amendment in the same manner as for a Listed Event under Section 5(c). The City shall obtain the consent of the Dissemination Agent for any amendment of the Disclosure Certificate that affects the duties or obligations of the Dissemination Agent.

SECTION 12. Transmission of Notices, Documents and Information.

(a) Unless otherwise required by the MSRB, all notices, documents and information provided to the MSRB shall be provided to the MSRB's Electronic Municipal Markets Access (EMMA) system, the current Internet Web address of which is www.emma.msrb.org.

(b) All notices, documents and information provided to the MSRB shall be provided in an electronic format as prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

SECTION 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Series 2020 Bonds, and shall create no rights in any other person or entity.

Dated as of November 1, 2020

CITY OF TULARE

By
Finance Director/Treasurer

EXHIBIT A

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Obligated Party: City of Tulare

Name of Bond Issue: \$[_____]
 City of Tulare, California
 Sewer Revenue Refunding Bonds, Series 2020A (Tax-Exempt)

\$[_____]
 City of Tulare, California
 Sewer Revenue Refunding Bonds, Series 2020B (Federally Taxable)

Date of Issuance: [_____]

NOTICE IS HEREBY GIVEN that an Annual Report with respect to the above-named Bonds was not released by the City by the date required in the Continuing Disclosure Certificate. [The City anticipates that the Annual Report will be filed by _____.]

Dated: _____

CITY OF TULARE

By: [form only; no signature required]

APPENDIX E

FORM OF BOND COUNSEL OPINION

[To come]

APPENDIX F

DTC AND THE BOOK-ENTRY ONLY SYSTEM

The information in this Appendix F concerning The Depository Trust Company (“DTC”) and DTC’s book entry system has been obtained from DTC and the City, the Underwriter and the Trustee take 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 interest, principal or premium, if any, with respect to the Series 2020 Bonds, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Series 2020 Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Series 2020 Bonds, 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. 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.

The Depository Trust Company (“DTC”) will act as securities depository for the Series 2020 Bonds. The Series 2020 Bonds 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 Bond certificate will be issued for each Series of Series 2020 Bonds, each in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC 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 is rated “AA+” by Standard & Poor’s. 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; nothing contained in such websites is incorporated into this Official Statement.

Purchases of Series 2020 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2020 Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“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 Series 2020 Bonds 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 Series 2020 Bonds, except in the event that use of the book entry system for the Series 2020 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2020 Bonds 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 Series 2020 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2020 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2020 Bonds 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.

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 Series 2020 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2020 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Series 2020 Bonds may wish to ascertain that the nominee holding the Series 2020 Bonds for their benefit has agreed to obtain and transmit 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.

Redemption notices shall be sent to DTC. If less than all of the Series 2020 Bonds 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.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2020 Bonds 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 Series 2020 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of principal of, premium, if any, and interest on the Series 2020 Bonds 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 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, the Trustee, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal of, premium, if any, and interest on the Series 2020 Bonds 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 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.

THE CITY, THE UNDERWRITER AND THE TRUSTEE WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATION TO DTC PARTICIPANTS, INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS WITH RESPECT TO THE PAYMENTS OR THE PROVIDING OF NOTICE TO DTC PARTICIPANTS, INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS OR THE SELECTION OF SERIES 2020 BONDS FOR PREPAYMENT.

None of the City, the Underwriter or the Trustee can give any assurances that DTC, DTC Participants, Indirect Participants or others will distribute payments of principal of, premium, if any, and interest on the Series 2020 Bonds paid to DTC or its nominee, as the registered Owner, or any redemption or other notice, to the Beneficial Owners or that they will do so on a timely basis or that DTC will serve and act in a manner described in this Official Statement.

DTC may discontinue providing its services as depository with respect to the Series 2020 Bonds at any time by giving reasonable notice to the City or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book entry system has been obtained from sources that the City, the Trustee and the Underwriter believe to be reliable, but the City, the Trustee and the Underwriter take no responsibility for the accuracy thereof.

APPENDIX G

BOND INSURANCE & SPECIMEN MUNICIPAL BOND INSURANCE POLICY

[To come]

AGENDA ITEM: Gen Bus PD 4a

**CITY OF TULARE
AGENDA ITEM TRANSMITTAL SHEET**

Submitting Department: Police Department

For Council Meeting of: October 6, 2020

Documents Attached: Ordinance Resolution Other None

AGENDA ITEM:

Receive a presentation regarding the current process and procedures for Code Enforcement complaints, in particular as they relate to vehicle parking in residential zoning districts in the City and receive direction, if any, related thereto.

IS PUBLIC HEARING REQUIRED: Yes No

BACKGROUND/EXPLANATION:

On June 16, 2020, the City Council requested an agenda item for discussion regarding current Code Enforcement complaint processing procedures and City Municipal Code (Code) requirements related to general nuisances and parking in residential zones, and whether changes needed to be made to the Code or procedures.

Currently the following chapters and sections of the Tulare Municipal Code address current residential parking requirements and policies in the City. The referenced chapters in the Code are attached and relevant sections highlighted below:

- Chapter 4.36 addresses abandoned, wrecked vehicles in that they are declared to be a public nuisance, and addresses current abatement procedures.

Chapter 7.28 addresses nuisances generally, with Sections 7.28.030(P)(5)(c) and 7.28.030(P)(5)(d) specifically addressing parking of operable vehicles and abandoned inoperative vehicles respectively, as follows:

“(c) All operable vehicles, recreational vehicles, motor homes, trailers, campers or camper shells and boats shall be parked or stored and in accordance with § [10.192.050](#) of Tulare City Code, as adopted by the city; none of the above shall be occupied for the purpose of human habitation; nor shall any person sleep in, inhabit, live in or use any such vehicle for any purpose while the same is parked in the public right-of-way; nor shall extension cords, electrical cords or any type of power cords extend from any such vehicle to a permanent structure for the purpose of receiving power to the vehicle for the purpose of maintaining human habitation.

(d) Abandoned, dismantled, wrecked, inoperative vehicles, or parts thereof, on private property shall be stored in a completely enclosed building or structure. The exceptions provided by this section shall not be construed to authorize the maintenance of a public or private nuisance, as such nuisance may be defined under any provisions of law commencing with Cal. Vehicle Code § 22650 and may be subject to the abatement procedure contained within [Chapter 4.36](#) of this code.”

- Chapter 10.192 addresses parking and loading standards, specifically with regard to the design of parking lots.
- Section 10.32.060(l)(1) provides the requirement for off-street parking in a single-family residential, as follows:

“For single-family dwellings, a minimum of two covered parking spaces shall be provided on-site. Each space shall measure a minimum of nine feet in width and 20 feet in depth. All parking spaces and driveways shall be surfaced with asphalt concrete, chip seal or other suitable all-weather surfacing. Where a carport or garage is open to a public street, a driveway length of at least 20 feet shall be provided between the parking structure.”

Upon Council discussion, staff is seeking Council input regarding the adequacy of the existing requirements in the Code and procedures for non-compliance, as well as direction on any proposed revisions to the attached sections of the Code.

STAFF RECOMMENDATION:

Receive a presentation regarding the current process and procedures for Code Enforcement complaints, in particular as they relate to vehicle parking in residential zoning districts in the City and provide direction, if any, related thereto.

CITY ATTORNEY REVIEW/COMMENTS: Yes N/A

IS ADDITIONAL (NON-BUDGETED) FUNDING REQUIRED: Yes No N/A

FUNDING SOURCE/ACCOUNT NUMBER:

Submitted by: Ray Guerrero

Title: Sergeant

Date: 9/25/2020

City Manager Approval: _____

CITY OF TULARE CODE ENFORCEMENT

Processes related to Vehicle Nuisance Abatement



VEHICLE ABATEMENT ORDINANCE

§ 4.36.010 Nuisance declared.

In addition to and in accordance with the determination made and the authority granted by the State of California, under Cal. Vehicle Code § 22660, to remove abandoned, wrecked, dismantled or inoperative vehicles or parts thereof as public nuisances, the City Council makes the following declarations: The accumulation and storage of abandoned, wrecked, dismantled or inoperative vehicles or parts thereof on private or public property including highways is hereby found to create a condition tending to reduce the value of private property, to promote blight and deterioration, to invite plundering, to create fire hazards, to constitute an attractive nuisance creating a hazard to the health and safety of minors, to create a harborage for rodents and insects and to be injurious to the health, safety and general welfare. Therefore, the presence of an abandoned, wrecked, dismantled or inoperative vehicle or part thereof, on private or public property including highways, except as expressly herein permitted, is hereby declared to constitute a public nuisance which may be abated as such in accordance with the provisions of this chapter.

(1995 Code, § 4.36.010)

Code Enforcement Receives a Citizen Request Form Submission or Officer Initiated Activity.

Code Enforcement Responds to a Citizen Complaint Location to Investigate if a Violation is Occurring.

Page 1

Report Your Concerns
If you live, work or are visiting in Tulare and spot a physical problem, you can fill out the following form and send it to us on the Internet. We will forward it to the appropriate City department for action.

Date & Time
Please enter the date and time that the problem was noticed in the space below.

Date 08/24/2020
Time 8:30 am

Location
Please enter the location where the problem was noticed in the space below.

The retention basin behind Mission Valley School. Under a weeping willow near the corner of the school:

Problem Noticed
Please select the problem noticed from the list below.

(c) Other

Details
Please enter any further details (such as street light/utility pole number) you may have on the problem that will help us identify where the problem is located or why it might be occurring.

A tent was set up in the retention basin near the school. I don't know if the tent was occupied. I called and reported but because I was outside it was difficult to hear so I wanted to follow up.

Contact Information

Your Name [REDACTED]
Address [REDACTED]
City, State, Zip [REDACTED]
Daytime Phone [REDACTED]
Email Address [REDACTED]

We appreciate your help in keeping Tulare in top condition by sending us your comments on this form!

-- City Manager





POLICE DEPARTMENT - CODE ENFORCEMENT SERVICES



Owner: |

Date:

Site:

APN: **168-035-001-000**



NOTICE OF INTENT TO ABATE AND REMOVE ABANDONED, WRECKED, DISMANTLED, OR INOPERATIVE VEHICLE(S) OR PARTS THERE OF AS A PUBLIC NUISANCE

The Ordinance Code of the City of Tulare, in accordance with State Law, states that abandoned, wrecked, dismantled or inoperative vehicles constitute a public nuisance. An inspection of the property located at **781 N. Lamar Street**, was made and the following vehicle (or parts thereof) is deemed to be in violation of Tulare's Ordinance Code as per Section 4.36.010 (formerly 4 9 1):

<u>Case #</u>	<u>Year</u>	<u>Make</u>	<u>Model</u>	<u>Color</u>	<u>License #</u>	<u>Vehicle ID # (VIN)</u>
CEV-18-06022	2000	Toyota	Sienna	Gold		

DATE VEHICLE WILL BE REMOVED: March 06, 2018

*Car covers are no longer accepted as compliance.

As the last registered owner of record of the above vehicle(s) or the owner of the property/tenant, you are hereby notified to abate said nuisance by removing said vehicle within 10 days from the date of the mailing of this notice. You are also hereby notified that you may, within 10 days after the mailing of this notice of intention, request a public hearing or may submit a sworn statement to the Police Chief/his or her designee indicating no responsibility for the vehicle and not require the presence of the owner. The procedure for applying for a hearing is set forth in more detail in Sections 4.36.090 and 4.36.120 (formerly 4 9 8 and 4 9 11) of the City Ordinance Code.

If you do not voluntarily dispose of said vehicle, store the vehicle in an approved manner, and have not applied for a hearing within said ten (10) day period, the Police Chief/his or her designee will remove and dispose of said vehicle as required under the Ordinance Code without further notice to you.

If you have any questions regarding this matter, please contact me at (559) 687-2288.

James Ussery #104
Code Enforcement Officer

§ If a violation exists, photos will be taken and a Notice of Violation will be issued to the resident, placed on the vehicle, or placed on the front door of the residence. This Notice gives the property owner/resident ten(10) calendar days to voluntarily abate (remove or properly store) the vehicle.

§ On the specified date for follow up, the officer will revisit the property to follow up and see if the vehicle is in compliance. If the vehicle has been removed or is in compliance, the case will closed as complied.

VEHICLE ABATEMENT PURSUANT TO TMC 4.36

cont'd

- § If the vehicle is still in violation, the process of abatement continues. A Title Search, to determine legal ownership of the property, is requested from Chicago Title. Vehicle registration information is requested from Tulare PD Dispatch to determine registered owner and legal ownership of the vehicle. City of Tulare utility billing is referenced to determine who resides at the residence. Letters are mailed to all parties who have a vested interest in the property or vehicle.
- § Once the letter is mailed, 10 business days from the date of the letter are given for compliance, and that specific date for compliance is when Code Enforcement may remove the vehicle from the property pursuant to TMC 4.36.
- § If the property owner/resident allow entry to remove the vehicle, the vehicle is removed and a junk slip is issued to the tow company. (Approximately 25-30 days from initial Notice)

VEHICLE ABATEMENT PURSUANT TO TMC 4.36

- § If refusal to allow Code Enforcement on the property to tow the vehicle occurs, an Inspection Warrant will be requested from the court to enter the property and have the vehicle removed. This adds additional time to the overall timeline of the case. It can add three(3) to fifteen(15) days. If Code Enforcement removes a vehicle pursuant to this section, there is NO COST to the citizens.
- § At any time during the process, anyone with vested interest in the vehicle and/or property may request an extension of time to be in compliance. If there is good cause to grant an extension, we will work with the requestor to ultimately gain compliance without having to abate the vehicle.
- § There is no cost recovery if this section is used, as we are reimbursed quarterly by the Tulare County Association of Governments for participation in the State Vehicle Abatement Program.

NUISANCE CASE PURSUANT TO TMC 7.28

- § Respond to investigate complaint.
- § If a violation(s) exist(s), photos are taken and either a Notice of Violation is issued, posted, or mailed to the property owner. Ten(10) days are typically given for compliance, but it may vary case to case depending on severity of the violation(s).
- § A follow up is conducted on/after the date on the Notice. If the property is in compliance, the case will be closed.
- § If the property is not in compliance, but the owner has made significant progress in cleanup, an extension may be granted to complete the voluntary abatement.
- § If the property is not in compliance and there has been no progress, a citation, fine, and officer service fees will be assessed (\$100 fine for the first offense, plus officer service fees for the initial and follow up visits, and a report fee) in the amount of \$497. This gives ten(10) days for compliance.

NUISANCE CASE PURSUANT TO TMC 7.28

- § Upon the next follow up, if complied, the case will be closed. If non-compliant and no progress , and additional citation is issued for total of \$560 and an additional ten(10) days is given to comply.
- § If the next follow up is non-compliant, fines and fees totaling \$860 will be issued and can be issued everyday at that rate until the property is in compliance, or Code Enforcement may request an Inspection Warrant from the courts. The property is cleaned up by the City Contractor, and the actual cost of the abatement and an additional \$525 in Administrative Fees are assessed as a conventional lien against the property. This does not have to be repaid to the City of Tulare until the property sells .

NUISANCES GENERALLY, PURSUANT TO TMC 7.28.030 (P) (5) (C) & (D)

- § Chapter 7.28 addresses nuisances generally, with Sections 7.28.030(P)(5)(c) and 7.28.030(P)(5)(d) specifically addressing parking of operable vehicles and abandoned inoperative vehicles respectively, as follows:
- § *“(c) All operable vehicles, recreational vehicles, motor homes, trailers, campers or camper shells and boats shall be parked or stored and in accordance with § 10.192.050 of Tulare City Code, as adopted by the city; none of the above shall be occupied for the purpose of human habitation; nor shall any person sleep in, inhabit, live in or use any such vehicle for any purpose while the same is parked in the public right-of-way; nor shall extension cords, electrical cords or any type of power cords extend from any such vehicle to a permanent structure for the purpose of receiving power to the vehicle for the purpose of maintaining human habitation.*
- § *(d) Abandoned, dismantled, wrecked, inoperative vehicles, or parts thereof, on private property shall be stored in a completely enclosed building or structure. The exceptions provided by this section shall not be construed to authorize the maintenance of a public or private nuisance, as such nuisance may be defined under any provisions of law commencing with Cal. Vehicle Code § 22650 and may be subject to the abatement procedure contained within Chapter 4.36 of this code.”*

CHAPTER 10 : ZONING

- § Chapter 10.192 addresses parking and loading standards, specifically with regard to the design of parking lots.
- § Section 10.32.060(I)(1) provides the requirement for off-street parking in a single-family residential, as follows:
- § *“For single-family dwellings, a minimum of two covered parking spaces shall be provided on-site. Each space shall measure a minimum of nine feet in width and 20 feet in depth. All parking spaces and driveways shall be surfaced with asphalt concrete, chip seal or other suitable all-weather surfacing. Where a carport or garage is open to a public street, a driveway length of at least 20 feet shall be provided between the parking structure.”*

CHAPTER 4.36: ABANDONED, WRECKED VEHICLES

Section

- 4.36.010 Nuisance declared.
- 4.36.020 Definitions.
- 4.36.030 Exceptions.
- 4.36.040 Chapter not exclusive.
- 4.36.050 Enforcement.
- 4.36.060 Entering property.
- 4.36.070 Voluntary compliance.
- 4.36.080 Notice of intention to abate.
- 4.36.090 Request for hearing.
- 4.36.100 Failure to request hearing— Removal—Costs.
- 4.36.110 Public hearing.
- 4.36.120 Conduct of hearing.
- 4.36.130 Decision by Police Chief or his or her designee.
- 4.36.140 Appeal.
- 4.36.150 Removal of vehicle.
- 4.36.160 Reconstruction of vehicles.
- 4.36.170 Notice to Department of Motor Vehicles.
- 4.36.180 Collection of costs.
- 4.36.190 Costs—Payment by state.

§ 4.36.010 Nuisance declared.

In addition to and in accordance with the determination made and the authority granted by the State of California, under Cal. Vehicle Code § 22660, to remove abandoned, wrecked, dismantled or inoperative vehicles or parts thereof as public nuisances, the City Council makes the following declarations: The accumulation and storage of abandoned, wrecked, dismantled or inoperative vehicles or parts thereof on private or public property including highways is hereby found to create a condition tending to reduce the value of private property, to promote blight and deterioration, to invite plundering, to create fire hazards, to constitute an attractive nuisance creating a hazard to the health and safety of minors, to create a harborage for rodents and insects and to be injurious to the health, safety and general welfare. Therefore, the presence of an abandoned, wrecked, dismantled or inoperative vehicle or part thereof, on private or public property including highways, except as expressly herein permitted, is hereby declared to constitute a public nuisance which may be abated as such in accordance with the provisions of this chapter.

(1995 Code, § 4.36.010)

§ 4.36.020 Definitions.

Except where the context otherwise requires, the following definitions shall govern the construction of this chapter.

ADMINISTRATIVE COSTS. The costs to the city, and to the county when acting on behalf of the city pursuant to an agreement of performing the acts required under this chapter, except the actual removal of the vehicle. The City Council may, from time to time, by resolution, determine the administrative costs for the removal of each vehicle removed by the city if the vehicle is removed without a hearing pursuant to § 4.36.100 of this chapter. When the acts required by this chapter are performed by the county acting on behalf of the city, the administrative costs, if the vehicle is removed without a hearing, shall be that amount to be determined from time to time by the Board of Supervisors to be the administrative costs of removal of abandoned vehicles from unincorporated areas of Tulare County rather than the amount determined by the City Council. In those cases in which the Fire Marshal conducts a hearing pursuant to § 4.36.110 of this chapter, he or she shall fix and determine the administrative costs which shall be the actual cost of performing acts pertaining to the specific vehicle which is the subject of the hearing.

COST OF REMOVAL. The actual cost to the city of having the vehicle removed. The City Council may, from time to time, by resolution, determine the cost of removal.

HIGHWAY. A way or place of whatever nature, publicly maintained and open to the use of the public for purposes of vehicular travel. The term **HIGHWAY** includes **STREETS**.

PUBLIC PROPERTY. Includes **HIGHWAY**.

VEHICLE. A device by which any person or property may be propelled, moved or drawn upon a highway, except a device moved by human power or used exclusively upon stationary rails or tracks. The term **VEHICLE** also includes any part or portion of a vehicle which is less than a whole vehicle, and all of the provisions of this chapter apply to a part or portion of a vehicle which is less than a whole vehicle.

(1995 Code, § 4.36.020)

§ 4.36.030 Exceptions.

This chapter shall not apply to:

(A) A vehicle or part thereof which is completely enclosed within a building in a lawful manner where it is not visible from the street or other public or private property; or

(B) A vehicle or part thereof which is stored or parked in a lawful manner on private property in connection with the business of a licensed dismantler, licensed vehicle dealer, a junk dealer, or when such storage or parking is necessary to the operation of a lawfully conducted business or commercial enterprise. Nothing in this section shall authorize the maintenance of a public or private nuisance as defined under provisions of law other than Cal. Vehicle Code Chapter 10 (Commencing with § 22650) of Division 11.

(1995 Code, § 4.36.030)

§ 4.36.040 Chapter not exclusive.

This chapter is not the exclusive regulation of abandoned, wrecked, dismantled or inoperative vehicles within the city. It shall supplement and be in addition to the other regulatory codes, statutes and ordinances heretofore or hereafter enacted by the city, the state or any other legal entity or agency having jurisdiction.

(1995 Code, § 4.36.040)

§ 4.36.050 Enforcement.

Except as otherwise provided herein, the provisions of this chapter shall be administered and enforced by the Police Chief or his or her designee and the employees in his or her Department or other persons authorized by him or her to administer and enforce this chapter.

(1995 Code, § 4.36.050) (Ord. 14-02, passed 3-18-2014)

§ 4.36.060 Entering property.

(A) The Police Chief or his or her designee, or the employees in his or her Department and other persons authorized by him or her, may enter upon private or public property to examine a vehicle and to obtain information as to the ownership and identity of a vehicle when enforcing this chapter.

(B) If the city enters into a contract with any person to remove or cause the removal of vehicles which have been declared to be public nuisances pursuant to this chapter, the person may enter upon private or public property to remove the vehicles.

(C) Every person is guilty of a misdemeanor who in any way denies, obstructs or hampers the entrance of the persons mentioned in this section upon private or public property to carry out the aforementioned duties or who denies, obstructs or hampers the performance of the duties by the persons after they have entered the property.

(1995 Code, § 4.36.060) (Ord. 14-02, passed 3-18-2014)

§ 4.36.070 Voluntary compliance.

If it appears to the Police Chief or his or her designee that an abandoned, wrecked, dismantled or inoperative vehicle is located on private or public property, he or she may follow such administrative procedures to secure voluntary removal of the vehicle as appear advisable in each individual case prior to giving a notice of intention to abate pursuant to § 4.36.080 of this chapter.

(1995 Code, § 4.36.070) (Ord. 14-02, passed 3-18-2014)

§ 4.36.080 Notice of intention to abate.

If the Police Chief or his or her designee cannot secure voluntary removal of the vehicle, pursuant to § 4.36.070 of this chapter, he or she shall give written notice of intention to abate and remove the vehicle. The notice shall contain a statement of the hearing rights of the owner of the property on which the vehicle is located and the owner of the vehicle. The statement shall include notice to the property owner that he or she may appear in person at a hearing or may present a sworn written statement denying responsibility for the presence of the vehicle on the land with the reasons for the denial, in lieu of appearing. The notice of intention to abate shall be mailed, by certified mail, to the owner of the land as shown on the last equalized assessment roll and to the last registered and legal owners of record of the vehicle unless the vehicle is in such condition that identification numbers are not available to determine ownership.

(1995 Code, § 4.36.080) (Ord. 14-02, passed 3-18-2014)

§ 4.36.090 Request for hearing.

The registered or legal owner of the vehicle or the owner of the land on which the vehicle is located may request a hearing on the question of abatement and removal of the abandoned, wrecked, dismantled or inoperative vehicle and on the question of assessment of the administrative costs and cost of removal against the property on which it is located. The request for a hearing shall be in writing and shall be filed with the Police Chief or his or her designee not more than ten days after the date on which the notice of intention described in § 4.36.080 of this chapter was mailed by the Police Chief or his or her designee. If the owner of the land on which the vehicle is located files with the Police Chief or his or her designee a sworn statement denying responsibility for the presence of the vehicle on his or her land within the ten-day period, the statement shall be construed as a request for a hearing which does not require the presence of the owner submitting the request.

(1995 Code, § 4.36.090) (Ord. 14-02, passed 3-18-2014)

§ 4.36.100 Failure to request hearing— Removal—Costs.

If no hearing is requested within the time limit specified in §4.36.090 of this chapter, the Police Chief or his or her designee shall cause the vehicle to be removed and taken to a junk yard, automobile dismantling yard or refuse disposal site. Except as otherwise provided in § 4.36.190 of this chapter, when no hearing has been requested, the owner shall be required to pay the administrative costs, as determined by the City Council or the Board of Supervisors, and the cost of removal, as determined by the City Council in accordance with § 4.36.020 of this chapter. The Police Chief or his or her designee shall send a request for payment of the costs to the owner of the property by regular mail and if he or she does not pay the costs within 30 days after the date on which the letter was mailed, the procedure set forth in § 4.36.180(C) of this chapter shall be followed.

(1995 Code, § 4.36.100) (Ord. 14-02, passed 3-18-2014)

§ 4.36.110 Public hearing.

If a public hearing has been requested in accordance with the provisions of §4.36.090 of this chapter, a public hearing shall be held on the question of abatement and removal of a vehicle as an abandoned, wrecked, dismantled or inoperative vehicle and the assessment of the administrative costs and cost of removal against the property on which it is located. The Police Chief or his or her designee shall cause notices of the time and place of the hearing to be sent by regular mail to the owner of the land as shown on the last equalized county assessment roll, and to the last registered and legal owners of record of the vehicle unless the vehicle is in such condition that identification numbers are not available to determine ownership. The notices shall be mailed at least ten days before the date of the hearing.

(1995 Code, § 4.36.110) (Ord. 14-02, passed 3-18-2014)

§ 4.36.120 Conduct of hearing.

The public hearings under this chapter shall be conducted by the Police Chief or his or her designee. The Police Chief or his or her designee shall hear all pertinent evidence offered by all interested persons, including testimony on the condition of the vehicle and the circumstances concerning its location on private property or public property. The technical rules of evidence shall not be applicable to the hearing. The owner of the land on which the vehicle is located may appear in person at the hearing or present a sworn written statement for consideration at the hearing. The owner of the land may deny responsibility for the presence of the vehicle on the land, with his or her reasons for the denial.

(1995 Code, § 4.36.120) (Ord. 14-02, passed 3-18-2014)

§ 4.36.130 Decision by Police Chief or his or her designee.

(A) At the conclusion of the public hearing, the Police Chief or his or her designee may find that a vehicle has been abandoned, wrecked, dismantled or is inoperative on private or public property and order the same removed from the property as a public nuisance and disposed of as hereinafter provided. He or she may also determine the amount of the administrative costs, in accordance with §§ 4.36.020 and 4.36.190 of this chapter, and may determine that all or a portion of the administrative costs and the cost of removal are to be charged against the owner of the land on which the vehicle is located.

(B) If it is determined by the Police Chief or his or her designee that the vehicle was placed on the land without the consent of the landowner and that he or she was not subsequently acquiesced in its presence, the Police Chief or his or her designee shall not assess administrative costs or the cost of removal of the vehicle against the property upon which the vehicle is located or otherwise attempt to collect the costs from the landowner.

(C) The Police Chief or his or her designee may impose such conditions and take such other action as he or she deems appropriate under the circumstances to carry out the purposes of this chapter. He or she may delay the time for removal of the vehicle if, in his or her opinion, the circumstances justify it.

(D) The Police Chief or his or her designee shall give written notice of his or her decision to all of the interested persons to whom the notice of hearing was mailed.

(1995 Code, § 4.36.130) (Ord. 14-02, passed 3-18-2014)

§ 4.36.140 Appeal.

Within ten days, excluding Saturdays, Sundays and legal holidays, after notice of the decision of the Police Chief or his or her designee has been mailed to the interested parties, any person affected by the decision may file with the City Clerk, a written notice of appeal from the decision. The City Council shall thereafter set the matter for hearing. The City Clerk shall give written notice of the hearing to all of the persons mentioned in § 4.36.110 of this chapter. At the time and place set for the hearing, the City Council shall hear the matter de novo and all of the provisions of § 4.36.120 of this chapter shall be applicable to the hearing. The decision of the City Council after the hearing upon the appeal is final and conclusive as to all things involved in the matter. The City Clerk shall give written notice of the decision of the City Council to all of the persons to whom notice of the hearing was mailed.

(1995 Code, § 4.36.140) (Ord. 14-02, passed 3-18-2014)

§ 4.36.150 Removal of vehicle.

(A) At any time after the Police Chief or his or her designee orders an abandoned, wrecked, dismantled or inoperative vehicle to be removed, pursuant to § 4.36.130 of this chapter, any interested party may cause the vehicle to be removed. If the Police Chief or his or her designee has assessed administrative costs and the cost of removal against the property on which the vehicle is located, and the vehicle is voluntarily removed without cost to the city, only the administrative costs shall thereafter be collected from the owner of the land.

(B) If no appeal has been filed, and the vehicle has not been removed within ten days, excluding Saturdays, Sundays and legal holidays, after the notice of the decision of the Police Chief or his or her designee was mailed to the interested parties, the Police Chief or his or her designee shall cause the vehicle to be removed and taken to a junk yard, automobile dismantling yard or refuse disposal site.

(C) If an appeal has been filed, and the vehicle had not been removed within ten days, excluding Saturdays, Sundays and legal holidays, after the notice of the decision of the City Council was mailed to the interested parties, the Police Chief or his or her designee shall cause the vehicle to be removed and taken to a junk yard, automobile dismantling yard or refuse disposal site.

(1995 Code, § 4.36.150) (Ord. 14-02, passed 3-18-2014)

§ 4.36.160 Reconstruction of vehicles.

After a vehicle has been removed pursuant to the provisions of this chapter, it shall not thereafter be reconstructed or made operable.

(1995 Code, § 4.36.160)

§ 4.36.170 Notice to Department of Motor Vehicles.

Within five days after the date of removal of the vehicle pursuant to the provisions of this chapter, the Police Chief or his or her designee shall give notice of the removal to the Department of Motor Vehicles of the State of California identifying the vehicle removed and transmit to the Department any evidence of registration available, including, but not limited to, registration certificates, certificates of title and license plates.

(1995 Code, § 4.36.170) (Ord. 14-02, passed 3-18-2014)

§ 4.36.180 Collection of costs.

(A) If the Police Chief or his or her designee has caused the vehicle to be removed from the property, and he or she has assessed administrative costs and the cost of removal against the owner of the property on which the vehicle is located, he or she shall mail a notice to the owner of the property of the total costs to be paid by the owner of the property.

(B) If any interested party has caused the vehicle to be removed from the property without cost to the city and the Police Chief or his or her designee has previously assessed administrative costs and the cost of removal against the owner of the property on which the vehicle is located, the Police Chief or his or her designee shall mail a notice to the owner of the property of the administrative costs to be paid by the owner of the property.

(C) If the costs referred to in divisions (A) and (B) above are not paid within 30 days after the date on which the notice referred to therein is mailed to the owner of the property, the City Council may direct the County Auditor to place the unpaid costs on the city tax roll as a special assessment against the property pursuant to Cal. Gov't Code § 38773-5.

(1995 Code, § 4.36.180) (Ord. 14-02, passed 3-18-2014)

§ 4.36.190 Costs—Payment by state.

(A) The City Council may, from time to time, enter into agreements with the State of California, through the California Highway Patrol, or such other agency of the state as shall be designated by the state, providing that the state shall pay all, or any portion, of the administrative costs. The City Council may, from time to time, determine, by resolution, whether the payment agreed upon is sufficient to pay all, or only a portion, of the costs of administration.

(B) Whenever the city has entered into an agreement with the county for the performance by the county of such acts as under this chapter may be delegated to the county, the county may contract with the state for the payment to the county of such administrative costs for the removal of vehicles removed within the city. In such case if the county makes a determination whether payments received from the state for removal of abandoned vehicles are sufficient to pay all, or only a portion, of the administrative cost, that determination shall apply also to payments of administrative costs of removal of vehicles within the city.

(C) Except where administrative costs are determined by the Police Chief or his or her designee at a hearing, the amount assessed against an owner of land pursuant to §§ 4.36.130 and 4.36.180 of this chapter shall be limited to the portion of the administrative cost found to be not covered by such an agreement with the State of California and the cost of removal. This limitation on the assessment shall apply to all cases assessed while such a resolution is in effect. However, the limitation shall not apply to cases in which the written notice of intention to remove was mailed prior to the effective date of the resolution and the resolution increases the amount assessable.

(D) Any cost of removal incurred shall be paid by the city out of its general fund.

(1995 Code, § 4.36.190) (Ord. 14-02, passed 3-18-2014)

§ 7.28.030 Declaration of nuisance.

It is unlawful and is declared a nuisance when any person owning, leasing, renting, occupying, charged with the management of or having charge or possession of any property in the city who maintains or fails to maintain the property in such a manner that any of the following conditions are present.

(A) An unsafe building or structure, as defined in § 283 of the Uniform Building Code, as adopted and in force within the city;

(B) To maintain any building or structure in a condition such that it would constitute a “dangerous building”, as defined in § 302 of the Uniform Code for the Abatement of Dangerous Buildings, or as prepared by the International Conference of Building Officials and adopted in force within the city;

(C) To maintain any building or structure in a condition that would constitute a substandard building as defined in Chapter 10 of the Uniform Housing Code;

(D) To abandon or permanently vacate, or cause to be abandoned or permanently vacated, any building or structure, so that it becomes accessible to unauthorized persons including, but not limited to, juveniles and vagrants, for unlawful or hazardous use;

(E) To maintain property containing attractive nuisances in the form of:

(1) Abandoned or broken equipment or machinery, other than implements of husbandry kept on a lot in the R-A zone, the U-R zone or the A zone, which are stored as provided for in this chapter.; and

(2) Unfenced or otherwise unprotected wells, swimming pools, spas, ponds or excavations.

(F) To maintain property, including any sidewalks and parkways adjacent thereto, containing weeds, dry grasses, dead trees, dead shrubs or any other material which bear seeds of a wingy or downy nature or which by reason of their size, manner of growth, or location constitute a fire hazard or a threat to public health, or containing weeds, vegetation, grasses, trees or shrubs, including but not limited to sagebrush, chaparral and Russian Thistle (tumbleweed) which, when dry, will in reasonable probability constitute a fire hazard or be blown onto adjoining property by prevailing winds; except, as otherwise exempted by Chapter 8.20 of this Code;

(G) To maintain property containing refuse, rubbish, broken or discarded furniture or household equipment visible from the public right-of-way or adjoining properties. This includes, but is not limited to, the keeping of or disposing of or the scattering over the property or premises of any of the following:

(1) Junk, trash or debris; and

(2) Abandoned or discarded objects or equipment such as automobiles, furniture, stoves, refrigerators, freezers, cans, boxes or other containers.

(H) To maintain property containing stagnant water, refuse, rubbish, garbage, offal, animal excrement or other waste materials which emit odors that are unreasonably offensive to the physical senses of a normal person(s), or which may cause or attract the migration of insects;

(I) To maintain premises with garbage or trash containers stored in front yards and visible from the public right-of-way. Except when in places of collection, refuse must be placed at a designated location by 6:00 a.m. on the day set for collection. Empty containers shall be removed the same day, as permitted by § 7.16.080 of this code. Where the property is a corner lot, this division shall apply to storage of garbage and trash containers within those side-yard setbacks, which are adjacent to the street;

(J) To operate or maintain, any device, instrument, vehicle or machinery in such a manner as to create loud or unusual noise, cause vibrations, or unreasonable light spillage or glare which cause discomfort or annoyance to reasonable persons of normal sensitivity, or which endangers the comfort, repose, health or peace of the public or of any person using or occupying other property in the vicinity;

(K) The existence of hazardous substances and waste unlawfully released, discharged or deposited upon any premises or onto any city property, storm drain, gutter or public right-of-way;

(L) To maintain property in such a manner as to cause a hazard to the public by obscuring visibility of or at any public right-of-way, road intersection or pedestrian walkway;

(M) To maintain any building or structure, or any part thereof, which has been constructed or is maintained in violation of any applicable state or local law or regulation relating to the condition, use or maintenance of buildings;

(N) To maintain property in such condition as to create a detriment or hazard to the public health, safety or general welfare or in such manner as to constitute a public nuisance as defined by Cal. Civil Code § 3490;

(O) To allow or perform the maintenance, repair, restoration or dismantling of any vehicle, large machinery or large equipment upon any residential property, walkway or easement visible from a public street or sidewalk or from adjoining property. This prohibition shall not apply to work which is specifically authorized by state or local law or regulation and shall not apply to minor repair or maintenance of vehicles, machinery or equipment belonging to the person who resides on the property, and which is performed inside an enclosed structure such as a garage or which is performed outside but is not

visible for longer than 72 consecutive hours;

(P) To maintain any property or structure in such a manner as to cause or allow the property or structure to become defective, unsightly or in such other condition of deterioration or disrepair as the same may cause substantial depreciation of the property values of, or similar detriment to surrounding properties, as well as an adverse affect on the health, safety and welfare of the citizens of the city. This includes but is not limited to any of the following:

(1) Any improvement on the property, including but not limited to buildings, garages, carports, or roofs or gutters when the condition of the patio, stucco, siding or other exterior coating, has become so deteriorated as to permit decay, weathered woodwork, peeling paint, excessive checking, cracking, broken windows or warping, rendering the building unsightly and in a state of disrepair;

(2) Buildings or structures which are abandoned, boarded up, partially destroyed or left in a state of partial construction or repair for an unreasonable time; a period of 90 days shall serve as a guide in determining whether an unreasonable time has gone by;

(3) Maintenance of property containing abandoned or broken equipment or machinery, visible from a public street or sidewalk or from adjoining property;

(4) Property with excessive trash and debris, visible from a public street or sidewalk or from adjoining property; and

(5) Property, which is not in compliance with the following minimum standard requirements:

(a) Front and visible side yards, except for lots in the R-A zones, one acre or larger, shall be landscaped (except for improved surfaces including but not limited to walks and driveways) with ground cover, plant material, decorative rock, redwood bark and/or lawn, so as to prevent excessive dust, accumulation of debris, or depreciated values of adjacent properties. Lots in the R-A zones, five acres or larger, shall comply with the provisions of Chapter 8.20 of this code relating to the abatement of seasonal and recurrent weeds.

(b) Trees, shrubs, lawns and other landscaping shall be maintained, including regular irrigation, pruning of trees, trimming of shrubs and cutting of lawns. Parcels in the R-A zones shall comply with the weed abatement standards in Chapter 8.20 of this code; and, in any case, dead, decayed, diseased, overgrown or hazardous trees, weeds and vegetation, cultivated or uncultivated, which is likely to harbor rats or vermin, or constitute an unsightly appearance, or is detrimental to neighboring properties or property values, shall be abated.

(c) All operable vehicles, recreational vehicles, motor homes, trailers, campers or camper shells and boats shall be parked or stored and in accordance with § 10.192.050 of Tulare City Code, as adopted by the city; none of the above shall be occupied for the purpose of human habitation; nor shall any person sleep in, inhabit, live in or use any such vehicle for any purpose while the same is parked in the public right-of-way; nor shall extension cords, electrical cords or any type of power cords extend from any such vehicle to a permanent structure for the purpose of receiving power to the vehicle for the purpose of maintaining human habitation.

(d) Abandoned, dismantled, wrecked, inoperative vehicles, or parts thereof, on private property shall be stored in a completely enclosed building or structure. The exceptions provided by this section shall not be construed to authorize the maintenance of a public or private nuisance, as such nuisance may be defined under any provisions of law commencing with Cal. Vehicle Code § 22650 and may be subject to the abatement procedure contained within Chapter 4.36 of this code.

(e) Walkways on private property, driveways and other improved surfaces shall be maintained in good repair free from unsightly stains and in safe condition, free from accumulation of pooled oil or grease or other hazardous material on paved or unpaved surfaces, buildings, walls or fences. Parking lot striping and handicapped markings shall be maintained in good condition, and clearly visible to all motorists.

(f) Buildings, structures, sidewalks and driveways shall be free of graffiti. The graffiti shall be removed according to the graffiti code in § 6.52.060 of the city code.

(g) Property shall be free from infestation of termites, insects, vermin or rodents.

(h) Improved property shall be properly connected to sewage disposal system or sanitary sewer and free from sewage seepage.

(i) Interiors of all buildings shall be maintained in good repair, sanitary condition and in compliance with all applicable building codes.

(j) Swimming pools, ponds, or other bodies of water shall be filtered or maintained so as to not result in the water becoming polluted. Polluted water means water which contains bacterial growth, algae, remains of insects, remains of deceased animal life, rubbish, dirt, debris, papers, chemicals or other matter or material which, because of the magnitude, nature or location, constitutes an unhealthy or unsafe condition.

(Q) To maintain residentially zoned property by storing or permitting the storage of household items customarily used in the interior of a dwelling, including appliances, equipment, construction materials or machinery in any front yard setback or driveway area;

(R) To store or place equipment, construction materials or machinery upon public property or public right-of-way (this prohibition shall not apply to otherwise permissible parking of vehicles, nor to permitted temporary placements such as for purposes of loading or unloading a vehicle or for permitted waste collections, or for authorized public equipment or vehicles

during necessary work or repairs, or similar authorized uses);

(S) To maintain, place or otherwise display upon any fence, wall, tree, bush or any other structure or portion thereof, any linens, rugs, fabrics, nylon or any other item of clothing or similar items except upon a recognized clothes line facility. For the purpose of this section, the placement of clothes line(s) shall be prohibited within any required front yard setback area or required street side yard setback area; and

(T) The maintenance of properties, so out of harmony or conformity with the maintenance standards of abutting, or adjacent properties in the surrounding vicinity, as to cause substantial diminution of the enjoyment, use or property values of the surrounding properties.

(1995 Code, § 7.28.030) (Ord. 14-02, passed 3-18-2014; Ord. 02-1909, passed - -2002)

§ 10.32.060 Development standards.

(A) *Site area.* The minimum parcel area shall be as follows:

District	Minimum Parcel Size
R-1-5	5,000 square feet
R-1-6	6,000 square feet
R-1-7	7,000 square feet
R-1-8	8,000 square feet
R-1-12.5	12,500 square feet
R-1-20	20,000 square feet
City water well site:	1,000 square feet

(B) *Frontage, width and depth.* Each site shall have not less than 40 feet of frontage on a public street. The minimum width and depth of newly created parcels shall be as follows, however, all parcels shall contain the minimum area required in § 10.32.060(A), site area.

District	Interior Lot Width	Corner Lot Width	All Lots Depth
R-1-5	50 feet	60 feet	100 feet
R-1-6	60 feet	70 feet	100 feet
R-1-7	65 feet	75 feet	100 feet
R-1-8	70 feet	80 feet	100 feet
R-1-12.5	90 feet	100 feet	100 feet
R-1-20	100 feet	110 feet	100 feet

(1) Any parcels backing onto a railroad right-of-way, freeway or arterial street shall have a depth of not less than 120 feet.

(2) Cul-de-sac lots shall have a minimum street frontage of 40 feet, and shall have a minimum width shown in the table above, at a point along both side property lines, midway between the front and rear property lines.

(3) City water well sites need not exceed 20 feet in width in any residential zone district.

(C) *Density.* Not more than one dwelling shall be located on each site unless otherwise allowed for in this chapter.

(D) *Lot coverage.* The maximum site area covered by structures shall be 50% for all uses.

(E) *Yards.*

(1) *Front yard.*

(a) Minimum:

District	Front Yard
R-1-5	20 feet
R-1-6	20 feet
R-1-7	20 feet
R-1-8	25 feet
R-1-12.5	30 feet
R-1-20	30 feet

(b) For single-family dwellings that include a usable front porch measuring at least ten feet in width by five feet in depth, the front yard setback may be reduced by five feet.

(2) *Side yard.* The minimum side yard shall be five feet in the R-1-5, R-1-6, R-1-7, R-1-8 and districts, and seven and one-half feet in the R-1-12.5 and R-1-20 districts. The side yard on the street side of a corner lot shall be a minimum of ten feet.

(3) *Rear yard.* The minimum rear yard shall be five feet in the R-1-5, R-1-6, R-1-7 and R-1-8 districts and seven and one-half feet in the R-1-12.5 and R-1-20 districts.

(4) *Garage setback.* A garage or carport facing the street shall be set back at least 20 feet from the property line. If the garage does not face the street, the garage may be set back the required minimum distance listed in divisions (E)(1) through (3) above.

(5) *Exceptions.*

(a) Architectural features, including eaves, sills, chimneys and cornices may extend up to 30 inches into a required side yard or space between structures and up to 36 inches into a required front or rear yard.

(b) Uncovered, unenclosed porches, platforms or landing places that do not extend above the level of the first floor of the building may extend up to six feet into a required front, side or rear yard, or into a space between buildings. Railing up to 30 inches tall may be installed on any such porch, platform or landing.

(F) *Distance between structures.* The minimum distance between a structure used for human habitation and another structure (including a detached garage, carport, or storage shed) shall be ten feet.

(G) *Building height.* The maximum height of a permitted use and its accessory structures shall be 30 feet. A maximum height of 50 feet may be approved through a conditional use permit.

(H) *Fences, walls and hedges.*

(1) *Front yards.* Fences, walls and hedges shall not exceed four feet in height in a required front yard, and in the street side-yard of a corner lot, provided that the top one foot shall be of a see-through material such as wrought-iron. Hedges up to three feet tall are also permitted in a required front yard.

(2) *Rear and side yards.* Fences and walls shall not exceed seven feet in height in any rear or side yard, or other areas outside a required front yard.

(3) *Corner lots.* On corner lots, a fence may not exceed four feet in height in the street corner area of the parcel formed by a right triangle with the right angle at the street corner property lines and its right-angle sides measuring 25 feet. The top one foot of the fence shall be of a see-through material (such as wrought-iron).

(4) *Walls; height.* Walls greater than seven feet in height may be permitted, if approved by the Planning Commission to mitigate noise impacts identified in the Tulare General Plan.

(I) *Off-street parking and loading facilities.*

(1) For single-family dwellings, a minimum of two covered parking spaces shall be provided on-site. Each space shall measure a minimum of nine feet in width and 20 feet in depth. All parking spaces and driveways shall be surfaced with asphalt concrete, chip seal or other suitable all-weather surfacing. Where a carport or garage is open to a public street, a driveway length of at least 20 feet shall be provided between the parking structure.

(2) Other uses shall provide parking facilities as required in Chapter 10.192, Parking and Loading.

(J) *Signs.* Signs shall be designed consistent with the requirements contained in Chapter 10.188, Signs.

(K) *Public improvements.* New development may be required to install public infrastructure necessary to adequately serve the project, based on requirements of the City Engineer, including sewer, water, storm drainage facilities lines, curbs, gutters, sidewalks, street paving and street lighting. These improvements shall be constructed consistent with requirements shown in the City of Tulare standards and specifications and shall be installed prior to occupancy of any structures on the site.

(1995 Code, § 10.32.060) (Ord. 00-1854, passed - -2000)

CHAPTER 10.192: PARKING AND LOADING

Section

- 10.192.010 Purpose.
- 10.192.020 Objectives.
- 10.192.030 General requirements.
- 10.192.040 Number of parking spaces required.
- 10.192.050 Parking lot design standards.
- 10.192.060 Loading facilities.

§ 10.192.010 Purpose.

The purpose of this chapter is to provide parking and loading regulations for new development and uses that are established in Tulare.

(1995 Code, § 10.192.010) (Ord. 07-27, passed 12-18-2007; Ord. 00-1854, passed - -2000)

§ 10.192.020 Objectives.

The objectives of this chapter are:

- (A) To provide for accessible, attractive, secure, properly lighted, and well-maintained and screened off-street parking facilities and off-street loading facilities;
- (B) To provide for parking and loading facilities that are designed to reduce traffic congestion and hazards;
- (C) To minimize the impact of new development on parking and loading facilities on surrounding properties;
- (D) To ensure the maneuverability of emergency vehicles in parking facilities; and
- (E) To provide for loading and delivery services in proportion to the needs generated by the proposed land use which are clearly compatible with adjacent parcels and the surrounding neighborhood.

(1995 Code, § 10.192.020) (Ord. 07-27, passed 12-18-2007; Ord. 00-1854, passed - -2000)

§ 10.192.030 General requirements.

(A) *New construction or establishment of a new use.* No structure or use shall be permitted or constructed unless off-street parking and loading spaces are provided in accordance with the requirements of this chapter.

(B) *Change in use or increase of use area.* When an existing use is changed to a use that requires additional parking or when an existing structure is increased in size, additional parking and loading spaces shall be provided in accordance with the requirements of this chapter.

(C) *Uses not listed.* For uses not listed under this chapter, the Planning and Building Director shall determine parking and loading space requirements based upon the standards for comparable uses and based upon the particular characteristics of the subject use.

(D) *Parking space calculations.* Fractional space requirements shall be rounded up or down to the next whole number. For example parking calculations that result in one-half or more spaces shall be rounded up while calculations resulting in less than one-half will be rounded down.

(1995 Code, § 10.192.030) (Ord. 07-27, passed 12-18-2007; Ord. 00-1854, passed - -2000)

§ 10.192.040 Number of parking spaces required.

The following minimum number of parking spaces shall be provided for each use. (s.f. refers to "square feet" and gfa refers to "gross floor area")

(A) *Residential uses.*

- (1) Single-family residences: two covered spaces per dwelling unit.
- (2) Multiple-family residential:
 - (a) Studio and one bedroom: one and one-half covered spaces per dwelling unit plus one uncovered guest space per five dwelling units.
 - (b) Two or more bedrooms: two covered spaces per unit plus one uncovered guest space per five dwelling units.
- (3) Senior citizen apartments: one covered space per unit, plus one uncovered guest space per five units.

(4) Planned residential developments, including single family dwellings and condominiums: two covered spaces per unit plus one uncovered guest space per five dwelling units.

(5) Large residential day care: two uncovered spaces in addition to those required for the primary residence.

(6) Hotel/motel: one space per room, plus one space per employee on evening shift, plus 50% of the parking requirements for associated on-site uses, such as restaurants and banquet rooms. For facilities located within 300 feet of State Route 99, as a guideline on-site truck parking for large trucks may be recommended at a ratio of one or more spaces per 25 rooms.

(B) *Commercial uses.*

(1) General commercial uses:

(a) General retail stores and service establishments: one space per 300 square feet of gross floor area (gfa).

(b) Furniture and appliance stores: one space per 500 square feet of for gross sales floor area, plus one space each 2,500 s.f. of gfa of warehouse storage.

(2) Eating and drinking establishments:

(a) Restaurants, cafes, bars and similar establishments: one space per 100 s.f. of gfa.

(b) Restaurant with drive-thru or drive-up service: one space per 125 s.f. of gfa. Drive-thru shall have stacking space for at least six vehicles.

(c) Donut shop/delicatessen: one space per 100 s.f. of gfa.

(3) Auto-related commercial uses:

(a) Auto repair/garage: one space per 200 s.f. of gfa, plus five spaces.

(b) Service stations, convenience store mini-markets: one space per 250 s.f. of gfa. Spaces at pump islands may be counted, but not to exceed four spaces, provided that at least five on-site spaces are not located at pump islands.

(c) Quick oil change: one space per employee.

(d) Vehicle sales: one space for each 400 s.f. of gfa for showroom and office, plus one space for each 2,000 s.f. of outdoor display area, plus one space for each 500 s.f. of gfa for vehicle repair, plus one space per 300 s.f. of gfa for the parts department.

(e) Carwash (full service): one space per employee on the maximum shift, in addition to appropriate stacking space.

(f) Carwash (self service): two parking spaces per stall (for drying, polishing, etc.).

(4) Personal services:

(a) Banks, savings and loan: one space per 300 s.f. of gfa.

(b) Barber shops/beauty parlor: one space per 250 s.f. of gfa.

(5) Offices:

(a) Medical/dental offices: ten spaces for first 2,000 s.f. plus one space for each additional 175 s.f.

(b) Other offices: one space per 300 s.f. of gfa.

(c) Medical clinic: one space per employee and two spaces per exam room.

(6) Recreational:

(a) Health clubs: one space per 200 s.f. of gfa.

(b) Bowling alleys: one space per lane, plus one space per 300 square feet of net area for other recreational use such as billiards and arcades.

(c) Video arcade/go cart/amusement parks: one space per 1,000 s.f. of outdoor public use area.

(d) Dance/martial arts/art studios: one space per employee, plus one space per two students at maximum occupancy.

(e) Golf course: six spaces per hole plus as required for incidental uses.

(f) Driving range: three spaces plus one space per tee.

(g) Miniature golf course: one space per hole, plus one space per 75 s.f. of gfa.

(h) Tennis/racquetball courts: three spaces per court, plus as required for incidental uses.

(i) Stadiums, arenas, racetracks or other outdoor public assembly uses: one space per four seats or one space per 75 s.f. of non-fixed seating area. Outdoor assemblies with seating capacity greater than 5,000 shall be required to have an approved traffic management plan (TPM). A TPM at minimum shall include on-site and off-site locations for parking and

transit use for special events, and shall provide off-street parking at one space per six seats.

(7) Miscellaneous commercial:

(a) Retail nursery/garden shop: one space per 500 s.f. of indoor display area, plus one space for each 2,500 s.f. of outdoor display area.

(b) Other commercial uses not listed above: one space per 200 s.f. of gfa.

(C) *Industrial uses.* Note: parking requirements for industrial uses may be reviewed for potential to convert to other uses in the future.

(1) General industrial uses: one space per 1,000 s.f. of gfa. or a conditional use permit may be granted providing one and two-tenths spaces per employee during maximum shift.

(2) Storage and warehouse: one space per 1,500 s.f. of gfa.

(3) Mini storage establishments: one space per 100 storage units, but not less than three spaces.

(D) *Institutional uses.*

(1) Churches, conference halls, mortuaries, theaters, auditoriums: one space per four fixed seats; or one space for each 35 s.f. of non-fixed seating area in the principal sanctuary, conference space or auditorium, whichever is greater.

(2) Schools:

(a) Nursery/pre school: one space per staff member, plus one space per ten children.

(b) Elementary, middle and high schools: two spaces per classroom plus one space for each employee, plus the number of additional spaces prescribed by the Planning and Building Director.

(c) Post-secondary schools/ business/ professional trade schools: five spaces per classroom plus 1 space per 300 s.f. of administrative office use plus additional parking for either stadium (10.192.04(B)(6)(i) or auditorium (10.192.04(D)(1).

(3) Libraries, museums, art galleries: one space per 300 s.f. of gfa.

(4) Hospitals: 3.5 spaces per 1,000 s.f. of gfa.

(5) Nursing homes/sanitariums: one space per every six beds, plus one space per employee on the largest shift, plus one space for each staff doctor.

(6) Retirement homes: one space per one and one-half living units.

(7) Congregate care: one space per employee on the maximum shift, plus one space per five resident units.

(8) Downtown District: The Planning Commission may waive on-site parking requirements for non-residential uses in the Downtown District.

(E) *Service commercial uses.* One space per 500 s.f. of gfa.

(1995 Code, § 10.192.040) (Ord. 13-03, passed 5-7-2013; Ord. 07-27, passed 12-18-2007; Ord. 00-1854, passed - -2000)

§ 10.192.050 Parking lot design standards.

(A) *Design dimensions.* Parking lots shall be designed consistent with the following standards:

Parking Lot Design Standards

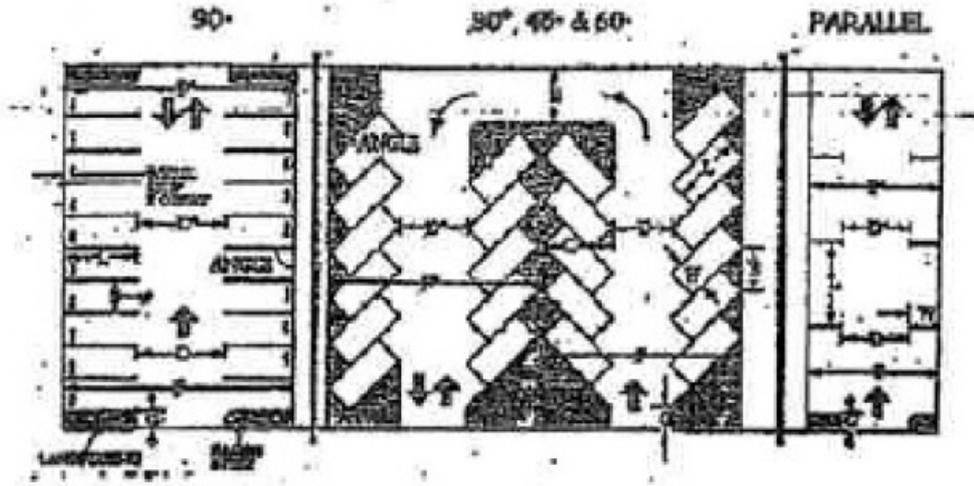


TABLE OF DIMENSIONS (in feet)

Angle	W	L	B	C	D	D	E	F	F	G
90°	9.0	20.0	9.0	-	25.0	25.0	20.0	61.0	61.0	5.0
45°	9.0	20.0	12.7	19.1	15.0	24.0	16.0	50.2	62.2	5.0
60°	9.0	20.0	10.4	20.0	15.0	24.0	17.0	58.0	64.0	5.0
30°	8.5	20.0	17.0	16.5	15.0	24.0	-	45.0	57.0	5.0
Parallel	8.0	22.0	-	-	15.0	24.0	-	28.0	40.0	5.0

* = dimensions for two-way circulation system

Note: The figures in the table above correspond to the dimensions shown in the parking diagram above. For example "W" in the table corresponds to the width of an individual parking space. The table shows that for lots with 90-degree, 45-degree, and 60-degree parking, this measurement is nine feet. As another example, dimension "D" is the aisle width. For a parking lot with 60-degree angle parking and one-way circulation, this measurement is 12.0 feet, minimum.

(B) *Circulation.* Parking lots shall be designed so that backing onto a public street is avoided. This standard does not apply to single-family dwelling units or duplexes.

(C) *Paving, slope and drainage.* All parking lots and driveways shall be surfaced with a minimum thickness of two inches of asphalt concrete, concrete or other material acceptable to the City Engineer, over a minimum thickness of four inches of an aggregate base material. Parking lots shall be designed to facilitate proper drainage and shall not drain over any sidewalk or adjacent property.

(D) *Curbing and wheel stops.* Concrete curbing at least six inches tall and six inches wide shall be provided around all perimeter areas and around all landscape areas to define the edges of the parking lot and to protect landscaping. Wheel stops are required to protect buildings and walkways.

(E) *Striping.* Parking spaces shall be clearly marked with paint striping a minimum of four inches in width. Other markings and signage shall be provided to show circulation patterns. All paint striping shall be maintained by the property owner.

(F) *Lighting.* Parking areas shall have lighting capable of providing adequate illumination for security and safety. Lighting standards shall be in scale with the height and use of the structure. Lighting shall be installed so as not to cause a nuisance to adjoining properties. Off-site illumination shall be limited to 0.5 foot candles where adjacent property is residential.

(G) *Driveways for commercial/industrial/ multiple family residential uses.*

(1) *Minimum width.*

(a) One-way circulation: 15 feet.

(b) Two-way circulation: 25 feet.

(2) *Location.* The location of driveways to and from the public right-of-way shall be determined by the Planning and Building Director. For corner lots, driveways shall be no closer than five feet to the street radius. (See commercial district design standards for specific driveways locations for commercial properties, § 10.60.020(H)).

(H) *Landscaping.* All parking lots shall be landscaped in accordance with the requirements contained in Chapter 10.196, Landscaping.

(I) *Parking lot location.* Parking lots shall be located on the same site or within 300 feet of the business to which the parking pertains except for uses in the Downtown Commercial (D) district.

(J) *Shared on-site parking reduction.* Where two or more non-residential uses share a single parking lot, the total number of parking spaces may be reduced by the Planning Commission in accordance with the following schedule:

- (1) A 5% reduction in the total number of parking spaces where the building square footage exceeds 50,000.
- (2) A 10% reduction in the total number of parking spaces where the building square footage exceeds 100,000.
- (3) A 15% reduction in the total number of parking spaces where the building square footage exceed 150,000.
- (4) A 20% reduction in the total number of parking spaces where the building square footage exceeds 200,000.
- (5) Reductions greater than 20% are prohibited unless a variance is approved pursuant to Chapter 10.128, Variances.

(K) *Shared off-site parking agreement.* Where two nearby uses have distinct and differing peak parking demands (for example, a use that operates only during the day and a use that operates only at night) or where it can be demonstrated that one site has an excess supply of parking spaces that will not be used in the foreseeable future, the required number of parking spaces may be reduced through minor deviation, provided that the parking lots of each use are located within 300 feet of each other (as measured along the most direct pedestrian path). The amount of reduction may be up to 75% of the amount of spaces required for the most intensive of the two uses sharing the parking.

(L) *Planning and Building Director modification.* Parking space requirements of this chapter may be modified through minor deviation approval based upon specific findings that the characteristics of a use or its immediate vicinity do not necessitate the number of parking spaces required, and that reduced parking will be adequate to accommodate all parking needs generated by the use. To grant a modification, the Planning and Building Director must make the following findings:

(1) That neither present nor anticipated future traffic volumes generated by the use of the site in the vicinity reasonably require strict or literal interpretation and enforcement of the specified regulation;

(2) That the granting of the variance will not create a safety hazard or loading of vehicles on public streets in such a manner as to interfere with the free flow of traffic on the streets;

(3) That the granting of the variance will not create a safety hazard or any other condition inconsistent with the objectives of this title.

(M) *Bicycle racks.* Lots with 40 or more spaces may substitute a bicycle rack providing space for at least five bicycles at a ratio of one bicycle rack for each 40 spaces. One parking space may be subtracted for each five-space bicycle rack.

(N) *Handicapped parking.* Handicapped parking spaces shall be provided and designed per requirements contained in the California Building Code.

(O) *Tandem spaces.* Tandem parking is allowed in the following:

- (1) Mobile home parks.
- (2) Commercial parking structures with valet parking.

(P) *Compact parking spaces.* Compact parking spaces may be allowed by the Planning Commission to accommodate parking lot landscape planters. Compact spaces shall be 9 feet by 16 feet with a two-foot overhang. Compact spaces may not exceed 10% of the overall required on-site parking.

(Q) This section is not intended to allow the storage of abandoned, dismantled, wrecked, inoperative vehicles or parts thereof on the side yard, set back areas and back yards.

(R) All vehicle parking areas within single-family zones shall occur on approved paved surfaces such as concrete or asphalt, except for vehicles parked in side yard setback areas and back yards which are enclosed by a six-foot high solid fence, such that the vehicles are not visible from the adjacent street or alley. Any request to use alternative surfaces such as gravel or turf stone shall be approved by the Planning and Building Director under Administrative Approval (Chapter 10.136).

(1995 Code, § 10.192.050) (Ord. 14-02, passed 3-18-2014; Ord. 10-12, passed 4-6-2010; Ord. 07-27, passed 12-18-2007; Ord. 00-1854, passed - -2000)

§ 10.192.060 Loading facilities.

This section contains standards to regulate the number, design and location of off-street loading areas, to ensure the following:

(A) *Applicability.* Off-street loading areas shall be consistent with the following requirements:

(B) *Number of loading spaces required.*

(1) *Commercial, industrial, office, institutional, hospital, hotel, schools.*

	<i>Loading Spaces Required</i>
Less than 5,000 square feet of gross floor area	0
5,000 to 25,000 square feet of gross floor area	1
Over 25,000 square feet of gross floor area	1 + as required by the Planning and Building Director

(2) *Design standards.*

(a) *Location.* To the extent possible, loading facilities should be located at the rear of the building which they serve.

(b) *Access.* All loading spaces shall be accessible from a public street or alley, but shall be designed to preclude the need to use any public streets for maneuvering or backing trailers into the loading space.

(c) *Dimensions.*

1. Minimum length: 25 feet.
2. Minimum width: 12 feet.
3. Minimum overhead clearance: 14 feet.

(d) *Surfacing.* The loading area, aisles and access drives shall be paved to provide a durable, dustless surface and shall be graded to properly dispose of surface water.

(e) *Lighting.* Loading areas shall be lighted to provide adequate illumination for security and safety. Lighting fixtures shall be in scale with the size and use of the structure. Any illumination shall be installed so as not to cause a nuisance to adjoining properties.

(f) *Noise reduction.* Where a loading facility will be in close proximity to residential or other noise-sensitive uses, noise reduction measures (such as a seven-foot tall masonry wall combined with landscaping) may be required.

(1995 Code, § 10.192.060) (Ord. 07-27, passed 12-18-2007; Ord. 00-1854, passed - -2000)