



## CITY COUNCIL

Bruce T. Roundy, Mayor  
Jeffrey A. Tolley, Vice-Mayor  
Dennis Hoffman  
William "Billy" Irvin  
Chris Dobbs

## CITY OFFICIALS

Janet Wackerman  
City Clerk

Leticia Espinosa  
City Treasurer

# CITY OF ORLAND

INCORPORATED 1909

815 Fourth Street  
ORLAND, CALIFORNIA 95963  
Telephone (530) 865-1600  
Fax (530) 865-1632

## CITY MANAGER

Peter R. Carr

## AGENDA REGULAR MEETING, ORLAND CITY COUNCIL

**Monday, August 16, 2021**

**This meeting will be conducted pursuant to the provisions of the Governor's Executive Orders N-25-20 and N-29-20 which suspends certain requirements of the Ralph M. Brown Act.**

**This City Council meeting will be held at Carnegie Center, 912 Third Street, Orland and teleconferenced using Zoom technology in compliance with current Executive Orders. All Councilmembers and City staff will be participating in person.**

**The public may participate in the meeting at Carnegie Center, by telephone or access the video via Zoom.**

**Please call: 1 (669) 900-9128 Webinar ID#: 833 8226 9447**

1. CALL TO ORDER – 6:00 P.M.
2. PLEDGE OF ALLEGIANCE
3. ROLL CALL
4. ORAL AND WRITTEN COMMUNICATIONS

A. Citizen Comments:

Members of the public wishing to address the Council on any item(s) not on the agenda may do so at this time when recognized by the Mayor. However, no formal action or discussion will be taken unless placed on a future agenda. Public is advised to limit discussion to one presentation per individual. While not required, please state your name and address for the record. Please direct your comments to the Mayor or Vice Mayor.  
**(Oral communications will be limited to three minutes).**

5. **CONSENT CALENDAR**

- A. Approve Warrant List (payable obligations).
- B. Approve City Council minutes for August 6, 2021.
- C. Receive and file Public Works & Safety Commission minutes of April 13, 2021
- D. Second Reading, Ordinance 2021-03 Amending Section 2.04.010 of the Orland Municipal Code Regarding Regular Council Meetings.
- E. Adopt Resolution 2021-17 to Approve an Amendment to the Joint Powers Agreement to Provide Transportation Services.

**Comments from the public are welcomed. The Mayor will announce the opportunity for comments related to each action item on the agenda. Please limit your comments to three minutes per topic, and one comment per person per topic. Once the public comment period is closed, please allow the Council the opportunity to continue its consideration of the item without interruption.**

**6. ADMINISTRATIVE BUSINESS**

- A. Designate voting delegate for Cal Cities Annual Conference and Determine the City's Position on Resolutions to be Considered at the Conference to be Held September 22-24, 2021, Sacramento CA – Pete Carr, City Manager
- B. Request by Arts Commission for Park Fixture Maintenance (Discussion/Action)- Pete Carr, City Manager
- C. Verbal Update on Drought Conditions (Discussion/Direction)- Pete Carr, City Manager
- D. Well Drilling Moratorium (Discussion/Direction) – Pete Carr, City Manager

**7. CITY COUNCIL COMMUNICATIONS AND REPORTS**

**8. ADJOURN to CLOSED SESSION**

**9. CITIZEN COMMENTS ON CLOSED SESSION ITEMS**

**10. CLOSED SESSION** – Pursuant to Government Code Section 54956.8: Conference with Real Property Negotiators, the City Council will hold a Closed Session. More specific information regarding this meeting is indicated below.

PROPERTY: Review potential sites for City infrastructure; no specific site identified.

AGENCY NEGOTIATOR: Pete Carr, City Manager.

NEGOTIATING PARTIES: Not applicable.

UNDER NEGOTIATION: Review potential sites and property values for City infrastructure; no specific site identified.

**11. RECONVENE TO REGULAR SESSION.**

**12. REPORT FROM CLOSED SESSION.**

**CERTIFICATION:** Pursuant to Government Code Section 54954.2(a), the agenda for this meeting was properly posted on August 12, 2021.

A complete agenda packet is available for public inspection during normal business hours at City Hall, 815 Fourth Street, in Orland or on the City's website at [www.cityoforland.com](http://www.cityoforland.com) where meeting minutes and audio recordings are also available.

In compliance with the Americans with Disabilities Act, the City of Orland will make available to members of the public any special assistance necessary to participate in this meeting. The public should contact the City Clerk's Office 865-1601 to make such a request. Notification 72 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.



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Peter R. Carr

## WARRANT LIST

August 16, 2021

Warrant	8/11/21	\$	144,810.02
Payroll Compensation	7/29/21	\$	142,033.75
		\$	286,843.77

**APPROVED BY**

\_\_\_\_\_  
Bruce T. Roundy, Mayor

\_\_\_\_\_  
Jeffrey A. Tolley, Vice-Mayor

\_\_\_\_\_  
Dennis Hoffman, Councilmember

\_\_\_\_\_  
William "Billy" Irvin, Councilmember

\_\_\_\_\_  
Chris Dobbs, Councilmember



REPORT.: Aug 11 21 Wednesday  
 RUN...: Aug 11 21 Time: 15:50  
 Run By.: Detsy Guerrero

CITY OF ORLAND  
 Cash Disbursement Detail Report  
 Check Listing for 08-21 thru 08-21 Bank Account.: 1001

PAGE: 001  
 ID #: PY-DP  
 CTL.: ORL

Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
054032	08/11/21	MIL00	MILLER GLASS, INC.	-55.00	346507u	Ck# 054032 Reversed
054060	08/11/21	4LE00	4 LEAF INC.	278.36	21A	BD/Plan Review (400 & 402 Walker St.)
054061	08/11/21	ABD00	ADVANCED DOCUMENT	183.50 48.83 167.23 90.00	INV50862 INV50863 INV50864 INV51908	BD-PLAN/COPIES PD/COPIER OVERAGE MULTI-DEPTS/COPIES MULTI-DEPT/STAPLES
			Check Total.....:	489.56		
054062	08/11/21	AFF00	Affordable Computer Solut	1833.74	6218	LIB/COMPUTER REPLACEMENT & INSTALLATION
054063	08/11/21	AIR01	Airgas-USA, LLC	45.90	724266	FD MEASURE A/MEDICAL OXYGEN
054064	08/11/21	AME01	AMERIPRIDE UNIFORM SVCS	1131.45	7/30/2021	PW/UNIFORM CLEANING 7/2021
054065	08/11/21	AND06	EDGAR ANDRADE	100.00	AUG 2021	Measure A UNIFORMS
054066	08/11/21	AND07	EDGAR ANDRADE	629.44	8/2/2021	PD/MILEAGE REIMBURSEMENT
054067	08/11/21	AQU03	Aqua Metric	2287.00	83894	PW/WATER PARTS
054068	08/11/21	ATT06	A T & T	138.54	8/17/21	AC/PHONE LINE
054069	08/11/21	BAS00	Basic Laboratory, Inc	268.80	8/10/21	PW/WATER LAB SERVICES
054070	08/11/21	BOO00	BOOT BARN INC.	300.00	PAI;PUN22	PW/BOOTS
054071	08/11/21	CAL25	California Air Resources	735.00	P-054971	PW/PORTABLE EQUIPMENT REGISTRATION
054072	08/11/21	CAR02	CARDMEMBER SERVICE	3051.85 1451.94 2810.35 343.03 944.55 637.72	21JULY 7/28/21 7282021 2021JULY JULY2021 2021/28/7	MULTI DEPTS/MISC LIB/OFFICE SUPPLIES, CHILDRENS SVCS SUPPLIES FD MEASURE A/TRUCK SUPPLIES, COMPUTER STORAGE PLAN REC/POOL SUPPLIES PD/ADOBE ACROPRO, LODGING, OFFICER SUPPLIES PW-FD/SUPPLIES AND LIVESCAN
			Check Total.....:	9239.44		
054073	08/11/21	CAR03	GRANT CARMON	100.00	AUG 2021	Measure A UNIFORMS
054074	08/11/21	CES00	Kyle Cessna	100.00	AUG 2021	Measure A UNIFORMS
054075	08/11/21	CHI12	Chico Immediate Care Medi	207.00	8/1/2021	PW/DMV PHYSICAL
054076	08/11/21	CIT01	City of Corning	4167.45	7262021	FD MEASURE A/DISPATCH
054077	08/11/21	COM02	Comcast	804.65 289.78	7222021 AUG2021	FD/INTERNET FOR FIREHOUSE MULTI-DEPTS/INTERNET CONNECTION
			Check Total.....:	1094.43		
054078	08/11/21	COR05	Corning Ford	51516.99	6/25/2021	PW/NEW SERVIE TRUCK F350
054079	08/11/21	DEP00	DEPT OF TRANSPORTATION	1910.54	SL220105	PW/SIGNAL AND LIGHTING MAINTENANCE
054080	08/11/21	ECL00	ECLECTIC HORSEMAN COMM.,	255.00	55198	AC/WEBSITE HOSTING
054081	08/11/21	EIN02	Gregory P. Einhorn	3850.00	14432	CA/PROFESSIONAL SERVICES
054082	08/11/21	ELLO6	STEVE ELLIOTT	100.00	MAY-JUL21	AC/GALLERY
054083	08/11/21	FAR03	Farwest Steel Corporation	4246.85	1797968	PW/SHOP MATERIALS
054084	08/11/21	FLE04	FLEMING, JOHN	1188.00	7/28-8/10	BD/Inspection Services
054085	08/11/21	FLO03	JOSE FLORES	100.00	AUG 2021	Measure A UNIFORMS
054086	08/11/21	FUL00	KRISTOPHER FULLMORE	100.00	AUG 2021	Measure A UNIFORMS
054087	08/11/21	GAN00	Gandy & Staley Oil Co.	1544.97	108	PW/LUBE OILS & DIESEL
054088	08/11/21	GRO00	Ferguson Enterprises Inc	7016.40	7/30/21	PW/WATER MATERIALS
054089	08/11/21	HEI01	VIRGIL HEISE	100.00	7/1/2021	FD/JANITORIAL
054090	08/11/21	HOU05	HOUSING TOOLS	18741.00	2112	HOUSING ELEMENT UPDATE
054091	08/11/21	JOH02	SEAN JOHNSON	100.00	AUG 2021	Measure A UNIFORMS
054092	08/11/21	KIM00	CHRISTINA KIMBRELL	75.00	643	REC/REFUND FOR PICNIC AREA RESERVATION
054093	08/11/21	LOW00	Katherine Lowery	100.00	AUG 2021	Measure A UNIFORMS
054094	08/11/21	MAR17	MARTINDALE, RYAN	100.00	AUG 2021	Measure A UNIFORMS



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Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
054095	08/11/21	MAT04	MATSON & ISOM	628.75	79746	PD/MDT Implementation
054096	08/11/21	MEJ00	Lilia Mejia-Aparicio	100.00	AUG 2021	Measure A UNIFORMS
054097	08/11/21	MEZ00	JODY MEZA	200.00	JULY 2021	LIB/MILEAGE
054098	08/11/21	MIL07	MILLS, DARYL	100.00	AUG 2021	Measure A UNIFORMS
054099	08/11/21	MJB00	MJB WELDING SUPPLY, INC	10.85	7/30/2021	PW/CYLINDER RENTAL
054100	08/11/21	MME00	Municipal Maintenance Equ	253.01	161562	SEWER/VACCPM PARTS
054101	08/11/21	NAP00	NAPA AUTO PARTS	2370.49	7/25/2021	PW/FLEET & SHOP MATERIALS
054102	08/11/21	NOR22	NorthNet Library System	605.00	2011	LIB/COOP MEMBERSHIP FEE
054103	08/11/21	NOR35	Northern Tool & Equipment	226.24	8/5/2021	PW/EQUIPMENT FOR TRUCK
054104	08/11/21	OAC00	Orland Area Chamber of Co	40.00	25588518	AC/MEMBERSHIP DUES 2021-2022
054105	08/11/21	ORE00	O'REILLY AUTO	77.84 430.07	7/28/21 781170507	PW-REC/PARTS AND MATERIALS FD/PARTS FOR TRUCK #40
			Check Total.....:	507.91		
054106	08/11/21	ORH00	ORLAND HARDWARE	21.53 3243.06	472944 6/27/21	PD/CAR WASH SUPPLIES PW/MISC SUPPLIES
			Check Total.....:	3264.59		
054107	08/11/21	ORL15	Orland Saw & Mower	33.96 159.84	41592 1578;1587	PW/PARKS SUPPLIES FD MEASURE A/SHOP SUPPLIES
			Check Total.....:	193.80		
054108	08/11/21	PET10	MIKE PETERSON	110.00	8/10/21	REC/FAST PITCH UMPIRE
054109	08/11/21	PIN01	EDGAR PINEDO	100.00	AUG 2021	Measure A UNIFORMS
054110	08/11/21	PON00	PONCI'S WELDING	105.60	76344	PW/SHOP SUPPLIES
054111	08/11/21	R&B00	R&B A CORE & MAIN COMPANY	1314.63	542,515	PW/WATER PARTS
054112	08/11/21	RED00	REDDING-EUREKA FREIGHTLIN	142.91	1047525;1	FLEET/PW TRUCK PARTS
054113	08/11/21	RIP00	RIPALOG, LLC	7800.00	021070118	PD/SOFTWARE LICENSE
054114	08/11/21	ROE02	Thomas Roenspie	100.00	AUG 2021	Measure A UNIFORMS
054115	08/11/21	SEI00	ROY R SEILER, C.P.A	2201.00	30367	ACCOUNTING PROFESSIONAL SERVICES
054116	08/11/21	STO04	Jeffrey G. Dunn	213.00	8/2/2021	PEST CONTROL SERVICES
054117	08/11/21	SUN05	Sun Life Financial	4528.51	JULY 2021	GAP INSURANCE
054118	08/11/21	T-M00	T-MOBILE	59.85	7/21/21	LIB/WIFI HOTSPOT
054119	08/11/21	TEH06	TEHAMA TIRE SERVICE	1689.95	10043059	FLEET/PD TAHOE'S
054120	08/11/21	TIA00	TIAA COMMERCIAL FINANCE,	246.93	8329460	PD/COPIER LEASE
054121	08/11/21	TUR01	Rae Turnbull	45.00	7/13/21	AC/WEBSITE NEWSLETTER
054122	08/11/21	USA00	Underground Service Alert	309.30	DIG122999	PW/STATE FEES
054123	08/11/21	VAN00	VANTAGE POINT TRANSFER AG	1675.86	072921	DEFERRED COMPENSATION PAY
054124	08/11/21	VER03	Verizon Wireless	186.00	884262414	FD MEASURE A/RESPONSE SERVICES
054125	08/11/21	VLA00	RAYMOND J. VLACH	100.00	AUG 2021	Measure A UNIFORMS
054126	08/11/21	WES04	WESTERN READY MIX	831.31	4162;4093	PW/STREETS
054127	08/11/21	WEX00	WEX BANK	263.67	3031583FD	FD/FUEL
054128	08/11/21	ZAM01	MARIA DEL CARMEN ZAMARRIP	20.00	8/9/21	PW/WATER PURCHASE REIMBURSEMENT
054129	08/11/21	\A002	TAMMY ANDERTON	130.00	000C10801	MQ CUSTOMER REFUND FOR AND0018
			Cash Account Total.....:	144810.02		
			Total Disbursements.....:	144810.02		

REPORT.: 07/29/21  
 RUN....: 07/29/21 Time: 15:31  
 Run By.: Leticia Espinosa

CITY OF ORLAND  
 Warrant Register

Warrant Number	Date	Payroll Date	**Employee** Num	Name	Actual Period	Fiscal Period	Gross Amount
14231	07/29/21	07/28/21	CLO00	CLOYD, RILEY J	07-21	01-22	395.13
14232	07/29/21	07/28/21	CLO01	CLOYD, HANNAH	07-21	01-22	392.00
14233	07/29/21	07/28/21	COM01	COMBS, DANIEL T	07-21	01-22	1065.75
14234	07/29/21	07/28/21	COM02	COMBS, ALLIE	07-21	01-22	70.00
14235	07/29/21	07/28/21	FIC00	FICHTER, QUENTIN	07-21	01-22	1722.15
14236	07/29/21	07/28/21	FOS00	FOSTER, EMILY	07-21	01-22	637.00
14237	07/29/21	07/28/21	KAR00	KARLE, CARSON	07-21	01-22	805.00
14238	07/29/21	07/28/21	KRA01	KRAEMER, KATHERINE	07-21	01-22	850.50
14239	07/29/21	07/28/21	ORO02	OROZCO, EVVEN	07-21	01-22	1151.50
14240	07/29/21	07/28/21	RUB00	RUBIO, JENNIFER	07-21	01-22	570.50
14241	07/29/21	07/28/21	SIL01	SILVA, SOPHIA MARIE	07-21	01-22	168.00
14242	07/29/21	07/28/21	TES00	TESTERMAN, RUBY	07-21	01-22	535.50
14243	07/29/21	07/28/21	VLA01	VLACH, ETHAN	07-21	01-22	819.00
14244	07/29/21	07/28/21	WAT01	WATHEN, CELESTINA S	07-21	01-22	273.00
14245	07/29/21	07/28/21	WAT03	WATHEN, AIDEN	07-21	01-22	266.00
14246	07/29/21	07/28/21	WAT04	WATHEN, MIDASIA	07-21	01-22	42.00
Z04054	07/29/21	07/28/21	ALV00	ALVARADO, ENRIQUE	07-21	01-22	959.00
Z04055	07/29/21	07/28/21	ALV01	ALVA, MICHAELA	07-21	01-22	1885.98
Z04056	07/29/21	07/28/21	AND00	ANDRADE, EDGAR	07-21	01-22	2835.17
Z04057	07/29/21	07/28/21	BAL00	BALDRIDGE, THEA	07-21	01-22	581.00
Z04058	07/29/21	07/28/21	BEL00	BELTER, ANNIE	07-21	01-22	584.50
Z04059	07/29/21	07/28/21	CAR02	CARMON, GRANT E	07-21	01-22	4259.13
Z04060	07/29/21	07/28/21	CAR03	CARR, PETER R	07-21	01-22	5962.11
Z04061	07/29/21	07/28/21	CES00	CESSNA, KYLE A	07-21	01-22	3877.35
Z04062	07/29/21	07/28/21	CHA01	CHANEY, JUSTIN	07-21	01-22	3938.27
Z04063	07/29/21	07/28/21	CON00	CONTRERAS, ISAAC	07-21	01-22	532.00
Z04064	07/29/21	07/28/21	CRA00	CRANDALL, JEREMY	07-21	01-22	545.96
Z04065	07/29/21	07/28/21	ESP00	ESPINOSA, LETICIA	07-21	01-22	2067.05
Z04066	07/29/21	07/28/21	ESP01	ESPELAND, JACOB	07-21	01-22	1120.00
Z04067	07/29/21	07/28/21	FEN03	FENSKE, JOSEPH H	07-21	01-22	3373.10
Z04068	07/29/21	07/28/21	FLO00	FLORES, JOSE D	07-21	01-22	3004.52
Z04069	07/29/21	07/28/21	FUL00	FULLMORE, KRISTOPHER	07-21	01-22	3353.86
Z04070	07/29/21	07/28/21	GAM00	GAMBOA, YADIRA	07-21	01-22	276.26
Z04071	07/29/21	07/28/21	GUE01	GUERRERO, DEYSY D	07-21	01-22	2538.20
Z04072	07/29/21	07/28/21	GUE02	GUERRERO, JORGE	07-21	01-22	2227.04
Z04073	07/29/21	07/28/21	HAR00	ZOLLERHARRIS, TRAVIS	07-21	01-22	2047.89
Z04074	07/29/21	07/28/21	JOH01	JOHNSON, SEAN KARL	07-21	01-22	4651.00
Z04075	07/29/21	07/28/21	KOC00	KOCHEMS, ALISON	07-21	01-22	367.50
Z04076	07/29/21	07/28/21	KOC01	KOCHEMS, EMMA	07-21	01-22	280.00
Z04077	07/29/21	07/28/21	LAN00	LANDEROS, LORENZO A	07-21	01-22	140.00
Z04078	07/29/21	07/28/21	LED00	LEDAY, JESSICA E	07-21	01-22	3115.20
Z04079	07/29/21	07/28/21	LOW00	LOWERY, KATHERINE	07-21	01-22	3054.97
Z04080	07/29/21	07/28/21	MAR02	MARTINDALE, RYAN EUGENE	07-21	01-22	2200.06
Z04081	07/29/21	07/28/21	MEJ00	APARICIO, LILIA MEJIA	07-21	01-22	2254.81
Z04082	07/29/21	07/28/21	MEZ00	MEZA, JODY L	07-21	01-22	4185.95
Z04083	07/29/21	07/28/21	MIL00	MILLS, DARYL A	07-21	01-22	3124.60
Z04084	07/29/21	07/28/21	MYE00	MYERS, KEVIN	07-21	01-22	621.30
Z04085	07/29/21	07/28/21	ORO03	OROZCO, ETHAN	07-21	01-22	462.00
Z04086	07/29/21	07/28/21	ORO04	OROZCO, JORDAN	07-21	01-22	917.00
Z04087	07/29/21	07/28/21	OVA00	OVARD, CONNOR	07-21	01-22	133.00
Z04088	07/29/21	07/28/21	PAI01	PAILLON, MICHAEL	07-21	01-22	2119.96
Z04089	07/29/21	07/28/21	PAN00	PANIAGUA, BLANCA A	07-21	01-22	659.30
Z04090	07/29/21	07/28/21	PEN01	PENDERGRASS, REBECCA A	07-21	01-22	4442.88
Z04091	07/29/21	07/28/21	PER00	PEREZ, MARGARITA T	07-21	01-22	2092.03
Z04092	07/29/21	07/28/21	PHI00	PHILLIPS, AMELIA	07-21	01-22	311.50
Z04093	07/29/21	07/28/21	PIN00	PINEDO, EDGAR ESTEBAN	07-21	01-22	2686.62
Z04094	07/29/21	07/28/21	POR00	PORRAS, ESTEL	07-21	01-22	1956.06
Z04095	07/29/21	07/28/21	PUN00	PUNZO, GUILLERMO	07-21	01-22	1978.24
Z04096	07/29/21	07/28/21	PUR01	PURCHASE, HEATHER	07-21	01-22	1415.49
Z04097	07/29/21	07/28/21	RIC01	RICE, GERALD W	07-21	01-22	2194.63
Z04098	07/29/21	07/28/21	ROD00	RODRIGUES, ANTHONY	07-21	01-22	3767.28
Z04099	07/29/21	07/28/21	ROE00	ROENSPIE, THOMAS LUKE	07-21	01-22	4056.71
Z04100	07/29/21	07/28/21	ROM00	ROMERO, ARNULFO	07-21	01-22	2883.65
Z04101	07/29/21	07/28/21	SCH03	SCHMITKE, JENNIFER	07-21	01-22	1933.30
Z04102	07/29/21	07/28/21	SHA01	SHANNON, TREVOR C	07-21	01-22	252.00
Z04103	07/29/21	07/28/21	SOE00	SOETH, MATTHEW A	07-21	01-22	1360.00
Z04104	07/29/21	07/28/21	STE01	STEWART, ROY E	07-21	01-22	2917.45
Z04105	07/29/21	07/28/21	SUA02	SUAREZ, BRYAN E	07-21	01-22	2113.45
Z04106	07/29/21	07/28/21	SWI00	SWINHART, ROBERT	07-21	01-22	1963.18
Z04107	07/29/21	07/28/21	VAL00	VALENZUELA, BRENDA	07-21	01-22	316.54
Z04108	07/29/21	07/28/21	VLA00	VLACH, RAYMOND JOSEPH	07-21	01-22	9664.75
Z04109	07/29/21	07/28/21	VLA02	VLACH, ZOE	07-21	01-22	248.50
Z04110	07/29/21	07/28/21	VON00	VONASEK, EDWARD J	07-21	01-22	6261.84
Z04111	07/29/21	07/28/21	WAC00	WACKERMAN, JANET	07-21	01-22	3199.58

142033.75

**MINUTES OF THE ORLAND CITY COUNCIL**  
**REGULAR MEETING HELD AUGUST 2, 2021**

**CALL TO ORDER**

Meeting called to order by Mayor Roundy at 6:03 p.m.

Meeting opened with the pledge of allegiance.

**ROLL CALL**

Councilmembers present:	Councilmembers Dennis Hoffman, Billy Irvin, Chris Dobbs, Vice Mayor Jeffrey A. Tolley and Mayor Bruce T. Roundy
Councilmembers absent:	None
Staff present:	City Manager Pete Carr, City Engineer Paul Rabo, City Attorney Greg Einhorn, City Planner Scott Friend, Public Works Director Ed Vonasek, Police Chief Joe Vlach, Fire Chief Justin Chaney, Administrative Technician Jennifer Schmitke, and City Clerk/Administrative Services Manager Janet Wackerman

**ORAL AND WRITTEN COMMUNICATIONS**

Citizen Comments: Barbara Crain, resident, informed Councilmembers of the Orland Raceway Kids Bike Night that will be held at the Glenn County Fairgrounds August 7, 2021. She added there will be bikes to give away and trophies to be handed out to division race winners.

**CONSENT CALENDAR**

- A. Approve Warrant List (payable obligations).
- B. Approve City Council minutes for July 19, 2021.
- C. Adopt Resolution 2021-16, Approving and Adopting the Annual Appropriations Limit for Fiscal Year 2021-2022.

Vice Mayor Tolley pointed out that the outline letters identifying the items in the minutes were incorrect. City Clerk Wackerman stated she will correct the letters before the minutes are transferred to the official record book.

Upon motion made by Vice Mayor Tolley and seconded by Councilmember Dobbs, the minutes were approved as corrected and the consent calendar was approved. The motion carried 5-0.

**ADMINISTRATIVE BUSINESS**

**A. Introduce first reading by title only and consider passage of Ordinance No. 2021-03 Amending Section 2.04.010 of the Orland Municipal Code Regarding Regular Council Meetings (Discussion/Action) – Greg Einhorn, City Attorney**

Mr. Einhorn presented Ordinance 2021-03 for its first reading by title only. No comments were received regarding the Ordinance.



Action: Councilmember Irvin moved, seconded by Councilmember Dobbs to accept the first reading of Ordinance No. 2021-03. The motion carried unanimously by the following roll call vote:

AYES: Councilmembers Irvin, Dobbs, Hoffman, Vice Mayor Tolley and Mayor Roundy

NOES: None

ABSENT: None

ABSTAIN: None

**B. Development Considerations Adjacent to Irrigation Canals (Discussion/Direction) – Scott Friend, City Planner**

Mr. Friend stated the City of Orland currently operates under and implements a Council-adopted policy requiring that all new development occurring on a site or parcel having an un-covered irrigation lateral canal on or adjacent to it, to place the ditch underground in a buried pipe. He added that the implementation of this policy makes development in the City more difficult, time consuming and more expensive. Mr. Friend recommended the City Council formally reconsider its policy requiring the placement of irrigation lateral canals underground and direct staff to return to the Council at a later date with specific information concerning methods and application.

City Manager Carr stated the policy as set forth was in the interest of public safety however, since it is so cost prohibitive to cover the canals, a majority are still exposed and not safe. Cyclone fencing would provide a barrier and would allow see-thru ability for law enforcement.

City Engineer Rabo stated undergrounding canals comes at a considerable cost. His experience with Lateral 40 is that Orland Unit Water User Association's system is supposed to be gravity not pressurized.

Mr. Friend stated the policy of California is pro-growth and producing more housing. The State is pushing very hard for jurisdictions to take away any discretionary measures that impede housing. The City has a lot of usable infill land adjacent to canals.

Rick Massa, OUWUA Manager, stated prior to 1990 the City pushed for health and safety as a reason for covering the canals. This has created "hopscotching" and is concerned with the transition from open ditches to closed ditches. The grates that need to be present for the transition have caused water to spill over onto private property. He added that fences provide an area for adjoining residents to dump yard waste or other materials onto OUWUA property.

Dwight Foltz, resident, asked how high the fence would have to be and where would it be placed. He did not want developers to pay for something on someone else's property.

Byron Denton, resident, noted that the ditch problem has been going on for a long time and something needs to be done.

Jim Paschall, resident, would like to see a cost for the fencing or maintenance and added that there is more to think about instead of just putting up fencing.

Cindy Wright, resident, asked if more growth was needed since Orland does not have a hospital and infrastructure to handle more people. Not covering the canals would serve as a gatekeeper to slow the population growth process down.

Councilmember Irvin asked Mr. Massa what the best way would be to handle the canals for public safety. Mr. Massa stated underground pipeline was the best. Councilmember Irvin asked him why OUWUA didn't find a way to underground their pipeline. Mr. Massa answered that their job is to provide water, not to bring in more people.

Vice Mayor Tolley stated he would like a dialogue, not a monologue and agreed with Mr. Massa that health and safety is very important.

Councilmember Hoffman agreed also that a dialogue is needed, and he cares about safety. He stated undergrounding is beneficial to OUWUA and they should assist developers with the cost of undergrounding. OUWUA will have lower maintenance costs if their laterals are placed underground. He stated costs and how a fence will be maintained need to be brought forward.

Councilmember Dobbs agreed with Councilmember Hoffman and added he would like to review other alternatives that would be best for the City and OUWUA.

Mayor Roundy recalled the history of irrigation and Orland and stated there are different pressures at present than were in the '90's. He asked Mr. Massa if his Board had thought about fencing. Mr. Massa stated they do not want to deviate from undergrounding.

Councilmember Irvin and Vice Mayor Tolley suggested asking the community to vote on a tax measure to pay for costs to underground the open canals. Mr. Einhorn advised since the canals are not City property, there is no legal basis to tax.

Mr. Carr stated Staff will talk with OUWUA to consider more details about fencing and how they should be maintained and bring forward to City Council.

#### **C. Verbal Update on Drought Conditions (Discussion/Direction)– Pete Carr, City Manager**

Mr. Carr reported well production for 2020 was around 30% less than 2013, but July 2021 is equal to July 2020. Well levels are lower than last year at this time but are not continuing to drop. As of last Friday, approximately 100,000 gallons of bulk water have been sold to residents with dry wells, which is not a significant issue for the City. Countywide there are 100 wells dry or at risk. The County has expressed an interest in connecting the airport well to the City system.

He stated there may be a need to expand our thinking about more sources of water than just wells. Mayor Roundy added the City will have to pivot to the future about getting other water resources, protecting levels of water and development, and creating a water budget.

#### **CITY COUNCIL COMMUNICATIONS AND REPORTS**

Councilmember Dobbs:

- Noted that long time Orland Volunteer Fire Department member Mark Rubie has moved to Florida.

Vice Mayor Tolley:

- Nothing to report.

Councilmember Hoffman:

- National Night Out will be Tuesday, August 3<sup>rd</sup>.
- Chamber of Commerce is looking for Board members.

Councilmember Irvin:

- Attended Waste Management meeting.

Mayor Roundy:

- Art Gallery's new show begins August 6<sup>th</sup>.
- LAFCO will meet August 9<sup>th</sup>.
- Glenn Groundwater Authority will meet August 9<sup>th</sup>.

Meeting adjourned at 7:55 p.m.

Janet Wackerman, City Clerk

Bruce T. Roundy, Mayor



# **PUBLIC WORKS & SAFETY COMMISSION**

## **Meeting Minutes**

April 13, 2021

**1. Call to Order**

The meeting was called to order by Chairperson Paschall at 4:01 pm.

**2. Pledge of Allegiance – led by Chairperson Paschall**

**3. Roll Call**

Present: James Paschall Sr., Byron Denton, Monica Rossman, Emil Cavagnolo and J.C. Tolle

Councilmembers: None

Staff: Justin Chaney, Fire Chief; Joe Vlach, Police Chief; Ed Vonasek, Director of Public Works and Jennifer Schmitke, Secretary

**4. Oral and Written Communications**

A. Citizen Business:

None

**5. Consent Calendar**

A. Approval of March 9, 2021 minutes

Moved by Commissioner Denton, seconded by Chairperson Paschall, motion carried to approve March 9, 2021, minutes as presented. Motion carried. 4-0-1-0  
Ayes: Cavagnolo, Denton, Paschall and Rossman; Noes: None; Abstain: Tolle.

**6. Public Safety**

A. Updates

Chief Chaney reported that he will be going to Council next week to talk about the new engine scheduled for 2022/2023 fiscal year. Chief Chaney reminded the Commission that the money for this engine has been set aside since 2017 and is being funded by Measure A.

**7. Public Works**

A. Updates

Public Works Director Vonasek reported that the sewer project on Road MM should be complete in about two months. The contractor is currently waiting on bypass pumps to arrive so that they can continue construction. Director Vonasek also reported that the Public Works crew has completed work on a new water main on East Mill Street, the Public Works Department is waiting on water sample results. Director Vonasek stated that construction on 95 houses will be starting soon, 31 houses in Linwood II and 64 houses in Orland Park. Once this project is complete Hambright will connect to Hwy 32 and eventually all the way to the Rec Center.

## **PUBLIC WORKS & SAFETY COMMISSION MINUTES**

April 13, 2021

Page 2

### **8. Commissioner Projects**

#### A. Discussion

Commissioner Cavagnolo asked Director Vonasek how the wells are doing and asked if they are as low as they were back in 2015 during the drought. Director Vonasek stated that the wells are doing ok, and they are not as low as 2015. Director Vonasek said that he would have the Public Works Secretary Jennifer Schmitke email the monthly well level report out so that Commissioner Cavagnolo could see the difference between each year. Director Vonasek reported that once funding becomes available in July of 2021 there is a plan for a new above ground water tank that will be placed behind the old Bucke's building on Sixth Street. Commissioner Cavagnolo stated that perhaps the Glenn Ground Water Authority could be of assistance if there was anything the City needed.

### **9. General**

#### A. Schedule of Next Meeting

The next regularly scheduled Commission meeting will take place at 4 pm via Zoom on June 08, 2021.

### **10. Commissioner Communications**

Chairperson Paschall stated that he knows the Public Works Department and Police Department are working with limited staff and he hopes things start picking up in the community so that we can get staffing levels back to normal.

### **11. ADJOURNMENT – 4:22 PM**

Respectfully submitted,



Jennifer Schmitke, Secretary

James Paschall Sr., Chair

**CITY OF ORLAND  
CITY COUNCIL ORDINANCE NO. 2021-03**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ORLAND  
AMENDING SECTION 2.04.010  
OF THE ORLAND MUNICIPAL CODE  
REGARDING REGULAR COUNCIL MEETINGS**

**WHEREAS**, the City Council of the City of Orland hereby intends to and does amend the days and the starting time of its regular meetings, such amendment for the benefit of Orland's citizens.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF ORLAND DOES ORDAIN AS FOLLOWS:**

**Section 1.** The above-listed findings and statements of intent are true and correct.

**Section 2.** Section 2.04.010 of the Orland Municipal Code is amended as follows:

2.04.010 - Council meetings.

The regular meetings of the Orland City Council shall be held at six-~~thirty~~ p.m. on the first and third ~~Monday~~ Tuesday in each month, in the Carnegie Community Center, in the City of Orland; provided, however, that when a first ~~and~~ or a third ~~Monday~~ Tuesday falls on a legal holiday, then the regular meeting for that date shall be held on the next business day not a holiday, following such legal holiday. The City Council may schedule closed session matters prior to or following that start time.

**Section 3. Severability.**

If any section, subsection, phrase or clause of this Ordinance is for any reason held to be unconstitutional, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have passed this and each section, subsection, phrase or clause thereof irrespective of the fact that any one or more sections, subsections, phrase or clauses be declared unconstitutional on their face or as applied.

**Section 4.** This Ordinance shall take effect thirty (30) days after passage and approval by the City Council.

**Section 5.** The City Clerk is directed to publish or post this Ordinance within 15 days following adoption indicating votes cast.



I HEREBY CERTIFY that the above and foregoing Ordinance was duly and regularly introduced and read at a regular meeting held on the 2nd day of August, 2021, and was passed and adopted by the City Council of the City of Orland at a regular meeting thereof duly held on the 16th day of August, 2021, by the following vote, to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

\_\_\_\_\_  
Bruce Roundy, Mayor

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
Janet Wackerman, City Clerk

\_\_\_\_\_  
Gregory Einhorn, City Attorney

# ***GLENN COUNTY REGIONAL TRANSIT COMMITTEE***

*Gary Hansen, City of Willows, Chair*  
*Paul Barr, County of Glenn, Vice Chair*

*Dennis Hoffman, City of Orland*

*Keith Corum, County of Glenn*

*Bruce Roundy, City of Orland*

*Kerri Warren, City of Willows*

*Joe Flesher, City of Willows (Alternate)*

*Grant Carmon, County of Glenn (Alternate)*

**225 N. Tehama Street**  
**Willows, California 95988**

*Donald Rust*  
*Executive Director*

**(530) 934-6540**

**FAX (530) 934-6103**

**[transit@countyofglenn.net](mailto:transit@countyofglenn.net)**

---

## **CITY OF ORLAND BOARD REPORT**

**Submitted on behalf of the Glenn County Regional Transit Committee**

### **EXECUTIVE SUMMARY**

The Glenn County Regional Transit Committee (Glenn Transit Service) is requesting ratification of an amendment to the Joint Powers Agreement (JPA) for transportation services to formally recognize the administrative shift from the Public Works Agency to the Planning and Community Development Services Agency.

### **RECOMMENDATION(S):**

Adopt Resolution to "Approve an Amendment to the Joint Powers Agreement to Provide Transportation Services" and authorize the Mayor to execute Joint Powers Agreement, Amendment No. 2, transferring the administration of the County's public transportation services from the Public Works Agency to the Planning and Community Development Services Agency.

### **HISTORY AND BACKGROUND:**

The Regional Transit Committee was formed through a JPA between the City of Willows, the City of Orland and the County of Glenn to provide transit service to the county region.

The JPA was previously amended in 2012 to allow for the appointment of alternates to the Committee.

### **FISCAL/PERSONNEL IMPACT(S):**

None at this time.

### **ANALYSIS/DISCUSSION**

Section 11 of the JPA requires any amendments be approved in writing by an appointed representative from each jurisdiction.

**RESOLUTION NO. 2021-17**  
**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ORLAND, STATE OF**  
**CALIFORNIA, TO APPROVE AN AMENDMENT TO THE JOINT POWERS**  
**AGREEMENT TO PROVIDE TRANSPORTATION SERVICES**

\* \* \*

WHEREAS, the Joint Powers Agreement to Provide Transportation Services, which created Glenn Transit Service/Regional Transit Committee, was established on October 20, 1987; and

WHEREAS, the City of Orland is a recipient of Transportation Development Act funds under California Government Code section 29530 et seq.; and

WHEREAS, the City of Orland is desirous to continue the development of public transportation serving the Glenn County region.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ORLAND AS FOLLOWS:

1. The Orland City Council approves Amendment #2 to the Joint Powers Agreement to Provide Transportation Services to formally recognize the shift in administration from the Glenn County Public Works Agency to the Glenn County Planning and Development Services Agency; and
2. The Orland City Council authorizes the mayor to sign the agreement to amend the Joint Powers Agreement to Provide Transportation Services.



THE FOREGOING RESOLUTION WAS PASSED AND ADOPTED by the Orland City Council of the County of Glenn, State of California, at a regular meeting held on the \_\_\_\_ day of \_\_\_\_\_ 2021, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

**APPROVED:**

---

**BRUCE ROUNDY, MAYOR  
CITY OF ORLAND**

**ATTEST:**

---

**JANET WACKERMAN, CITY CLERK  
CITY OF ORLAND**

## **JOINT POWERS AGREEMENT TO PROVIDE TRANSPORTATION SERVICES**

### **AMENDMENT #2**

This AMENDMENT, is authorized by the Regional Transit Committee, made the \_\_\_\_\_ day of \_\_\_\_\_, 2021, by and between the COUNTY OF GLENN, a political subdivision of the State of California, hereinafter referred to as "County," and the Cities of Willows and Orland, hereinafter referred to as "Cities," to the original agreement made October 20, 1987.

### **WITNESSETH:**

WHEREAS, the Transportation Development Act of 1971 (Government Code Section 29530 et seq.) provides for the transfer of transportation funds to local governmental entities; and

WHEREAS, both the County and the Cities are recipients of such funds; and

WHEREAS, The County and the Cities seek to amend the Joint Powers Agreement to reflect the change in the administration of the Glenn Transit Service.

NOW, THEREFORE, the parties hereto mutually agree to amend Paragraph 5 as follows:

5. ADMINISTRATION. The administration of the Glenn Transit Service may be provided by the Glenn County Department of Planning & Community Development Services. While engaged in such administration all personnel of the Glenn County Department of Planning & Community Development Services shall be considered and remain County Employees. The powers and duties related to administration shall include, but not be limited to:

- a. Maintenance of records and files.
- b. Communication and coordination with contractors.
- c. Advertising and coordination with the Public.
- d. Preparation of proposed annual budget.
- e. Negotiate contracts on behalf of the Glenn Transit Service for transportation services; all contracts shall be submitted to the board of the GTS for approval.
- f. Serve as staff to the RTC.
- g. Prepare quarterly fiscal reports showing receipts, disbursements, and fund balance.

In WITNESS WHEREOF, the parties have executed this agreement on the date written above.

COUNTY OF GLENN:

ATTEST:

\_\_\_\_\_  
Thomas Arnold, Chair  
Glenn County Board of Supervisors

\_\_\_\_\_  
Clerk of the Board of Supervisors  
Glenn County

APPROVED AS TO FORM:

\_\_\_\_\_  
William J. Vanasek  
County Counsel, Glenn County

CITY OF ORLAND:

APPROVED AS TO FORM:

\_\_\_\_\_  
Bruce Roundy  
Mayor, City of Orland

\_\_\_\_\_  
Gregory P. Einhorn  
City Attorney

CITY OF WILLOWS:

APPROVED AS TO FORM:

\_\_\_\_\_  
Larry Domenighini  
Mayor, City of Willows

\_\_\_\_\_  
David Ritchie  
City Attorney

Glenn County Clerk's Copy

Cont #100

10-88  
4R

JOINT POWERS AGREEMENT TO PROVIDE TRANSPORTATION SERVICES

\* \* \*

THIS AGREEMENT is made this 20th day of October, 1987,  
by and between the COUNTY OF GLENN, a political subdivision of the  
State of California, hereinafter referred to as "County", and the  
Cities of Willows and Orland, hereinafter referred to as "Cities."

WITNESSETH:

WHEREAS, the Transportation Development Act of 1971 (Govern-  
ment Code Section 29530 et seq.) provides for the transfer of  
transportation funds to local governmental entities; and

WHEREAS, both the County and the Cities are recipients of  
such funds; and

WHEREAS, the County and the Cities are desirous of developing  
a public transportation system that will serve the needs of the  
people within the region of Glenn County;

NOW, THEREFORE, the parties hereto mutually agree as follows:

1. PURPOSE. The purpose of this agreement is to provide for  
a joint exercise of powers for the purpose of providing and main-  
taining a public transportation system within the County of Glenn,  
including the Cities.

2. GLENN TRANSIT SERVICE / REGIONAL TRANSIT COMMITTEE.  
There is hereby established, the Glenn Transit Service (GTS). The  
governing body of the GTS shall consist of a committee of six  
representatives, known as the Regional Transit Committee (RTC).  
Each party agrees to appoint two representatives to the RTC. The  
RTC shall have the following powers and duties:



- 1 a. Establish fares.
- 2 b. Approve level of Service.
- 3 c. Monitor public response.
- 4 d. Oversee and review the operation of the service.
- 5 e. Adopt annual budget.
- 6 f. Seek appropriate funding for the service.
- 7 g. Make and enter into contracts for transportation
- 8 services.
- 9 h. Incur debts, liabilities, and obligations which
- 10 shall be solely the debts, liabilities, and obligations of
- 11 the Glenn Transit Service.

12 3. OPERATION. The operation of GTS may be provided by  
13 private parties under contract with GTS.

14 4. INSURANCE. Each contractor shall provide to GTS admini-  
15 strative staff, a certificate or certificates of insurance or  
16 other such form of documentation, evidencing coverage for compre-  
17 hensive automobile liability insurance for all operations con-  
18 ducted under contract with GTS, in limits of not less than those  
19 provided in the contract. In addition each contractor shall  
20 provide similar evidence of coverage for worker's compensation  
21 insurance (pursuant to statutory limit requirements) and employers  
22 liability insurance (as required by contract) in connection with  
23 operations contracted.

24 5. ADMINISTRATION. The administration of the Glenn Transit  
25 Service may be provided by the Glenn County Department of Public  
26 Works. While engaged in such administration all personnel of the

1 Glenn County Department of Public Works shall be considered and  
2 remain County Employees. The powers and duties related to admini-  
3 stration shall include, but not be limited to:

- 4 a. Maintenance of records and files.
- 5 b. Communication and coordination with contractors.
- 6 c. Advertising and coordination with the Public.
- 7 d. Preparation of proposed annual budget.
- 8 e. Negotiate contracts on behalf of the Glenn Transit  
9 Service for transportation services, all contracts  
10 shall be submitted to the board of the GTS for approval.
- 11 f. Serve as staff to the RTC.
- 12 g. Prepare quarterly fiscal reports showing receipts,  
13 disbursements, and fund balance.

14 6. BUDGET. Staff shall submit a proposed budget for the  
15 ensuing fiscal year by January 1 of each year. The RTC shall  
16 consider and act upon the proposed budget by March 1 of any year.  
17 The annual budget may be modified during the fiscal year by  
18 approval of a majority of the RTC.

19 7. FUNDING. Funding for the 1987-88 fiscal year shall be  
20 those funds currently held in the enterprise fund known as Glenn  
21 County Transit Service (Fund #428). Funding for subsequent years  
22 shall be contributed by the parties to this agreement, utilizing  
23 Transportation Development Act funds requested from the Glenn  
24 County Transportation Commission. Requests for funds shall be  
25 made on an annual basis and the parties shall request sufficient  
26 funds to maintain and operate the Glenn Transit Service within the

1 assigned areas.

2 8. FINANCE. The Treasurer of the County of Glenn shall act  
3 as Treasurer for the GTS and shall be the depository and have  
4 custody of all moneys of the GTS. The Auditor of the County of  
5 Glenn shall have authority to draw warrants to pay demands against  
6 GTS upon approval by the RTC. The Auditor shall provide for  
7 accountability of all funds.

8 9. EFFECTIVE DATE. After this agreement has been executed  
9 by all parties, GTS shall commence operation as an agency on  
10 October 10, 1987.

11 10. TERMINATION.

12 a. Any party hereto may terminate this agreement at  
13 the end of any fiscal year by giving 90 days written notice  
14 thereof to the other parties and to the Glenn County Trans-  
15 portation Commission.

16 b. In the event of termination, and after all monetary  
17 obligations have been met, any remaining funds shall be  
18 returned to the Glenn County Transportation Commission and  
19 credit shall be given to each party hereto in proportion to  
20 such party's contribution of allocated funds to the program  
21 during the current fiscal year.

22 11. AMENDMENT. This agreement may be amended only by a  
23 written amendment signed by an authorized representative of each  
24 of the parties to the agreement.

25 //

26 //

1 12. EXECUTION BY COUNTERPART. This agreement may be exe-  
2 cuted in any number of counterparts and when so executed, each  
3 such counterpart shall be deemed to be an original hereof.

4 IN WITNESS WHEREOF, the parties have executed this agreement  
5 on the date written above.

6 APPROVED AS TO FISCAL  
7 AND BUDGETARY CONTROL:

8 Joseph W. Sites  
9 JOSEPH W. SITES  
\*GLENN COUNTY AUDITOR-CONTROLLER

COUNTY OF GLENN  
BY: James E. Mann  
JAMES E. MANN,  
CHAIRMAN, BOARD OF SUPERVISORS

October 20, 1987

10 ATTEST:

11 Milton E. Walker  
12 MILTON E. WALKER  
13 COUNTY CLERK-RECORDER

14 APPROVED AS TO FORM:

15 Devon L. Workman  
16 DEVON L. WORKMAN  
17 COUNTY COUNSEL, GLENN COUNTY

18 APPROVED AS TO FORM:

19 CITY ATTORNEY

CITY OF WILLOWS

BY: R. J. J.

20 APPROVED AS TO FORM:

21 CITY ATTORNEY

CITY OF ORLAND

BY: \_\_\_\_\_



1 12. EXECUTION BY COUNTERPART. This agreement may be exe-  
2 cuted in any number of counterparts and when so executed, each  
3 such counterpart shall be deemed to be an original hereof.

4 IN WITNESS WHEREOF, the parties have executed this agreement  
5 on the date written above.

6 APPROVED AS TO FISCAL  
AND BUDGETARY CONTROL:

COUNTY OF GLENN


7  
8 JOSEPH W. SITES,  
9 GLENN COUNTY AUDITOR-CONTROLLER

BY:  
JAMES E. MANN,  
CHAIRMAN, BOARD OF SUPERVISORS

10 ATTEST:

11 MILTON E. WALKER  
12 COUNTY CLERK-RECORDER

13 APPROVED AS TO FORM:

14   
DEVON L. WORKMAN  
15 COUNTY COUNSEL, GLENN COUNTY

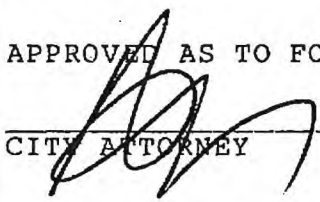
16 APPROVED AS TO FORM:

CITY OF WILLOWS

17 CITY ATTORNEY

BY:

18 APPROVED AS TO FORM:

19   
20 CITY ATTORNEY

CITY OF ORLAND

BY: 

MINUTE ORDER  
BOARD OF SUPERVISORS  
GLENN COUNTY, CALIFORNIA

(October 20, 1987)

24. TRANSPORTATION PROGRAM

(Glenn Transit Service - Executed Agreement with Cities of Willows and Orland Establishing Service and the Regional Transit Committee; and Regional Transit Committee - Appointed Members)

---

Also Present: Daniel B. Landon, Glenn County Transportation Commission  
Executive Director

Matter Under Consideration:

Recommendation of the Glenn County Transportation Commission Executive Director Daniel B. Landon, on behalf of the Commission, to execute Joint Powers Agreement between the County of Glenn and the Cities of Willows and Orland to provide and maintain public transportation system within the County of Glenn, including the cities, which Agreement would:

- a. Establish the Glenn Transit Service (GTS), to commence operation as an agency on October 10, 1987, which shall be administered by the Glenn County Department of Public Works, with funding for 1987-88 fiscal year from Glenn County Transit Service enterprise funds, and subsequent years utilizing Transportation Development Act Funds requested by the Glenn County Transportation Commission;
- b. Establish the Regional Transit Committee (RTC) as the governing body of the Glenn Transit Service to consist of 6 members (2 representing the County and 2 each representing the cities);

and if Agreement is approved, consider recommendation to appoint 2 of the current Glenn County Transportation Commission members (currently Supervisors Mann, Edwards, and Cooper) to serve on the Regional Transit Committee.

Proceedings:

On motion of Supervisor Pride, seconded by Supervisor Overton, it was unanimously ordered to:

- a. Execute the aforesaid Joint Powers Agreement;
- b. Appoint Supervisors Mann and Cooper to serve on the Regional Transit Committee.

**CITY OF ORLAND**  
**CITY COUNCIL AGENDA ITEM #: 6.A.**  
**MEETING DATE: August 16, 2021**

**TO:** Honorable Mayor and Council  
**FROM:** Pete Carr, City Manager  
**SUBJECT:** Designate Voting Delegate and Determine City's Position on Resolutions for Cal Cities 2021 Annual Conference

---

City Council is asked to designate a voting delegate and alternate for the Cal Cities' conference and determine a city position on the resolutions that will be presented during the conference.

**BACKGROUND**

At the Cal Cities' 2021 Annual Conference, two resolutions will be considered. To vote on these resolutions at the Annual Business meeting, voting delegates and alternates must be designated by City Council.

**DISCUSSION**

Cal Cities encourages City Councils to consider the resolutions and determine a city position so the voting delegate can represent this position on the resolution(s) during the September conference.

Attachments:

- A. Designation of Voting Delegates and Alternates
- B. Annual Conference Resolutions Packet

**RECOMMENDATION**

Designate a voting delegate and alternate and recommend City's position on the presented resolutions.

**Fiscal Impact of Recommendation:** None.


**Council Action Advised by August 31, 2021**

June 16, 2021

**TO: City Managers and City Clerks**

**RE: DESIGNATION OF VOTING DELEGATES AND ALTERNATES  
League of California Cities Annual Conference & Expo – September 22-24, 2021**

Cal Cities 2021 Annual Conference & Expo is scheduled for September 22-24, 2021 in Sacramento. An important part of the Annual Conference is the Annual Business Meeting (during General Assembly) on Friday, September 24. At this meeting, Cal Cities membership considers and acts on resolutions that establish Cal Cities policy.

In order to vote at the Annual Business Meeting, your city council must designate a voting delegate. Your city may also appoint up to two alternate voting delegates, one of whom may vote if the designated voting delegate is unable to serve in that capacity.

**Please complete the attached Voting Delegate form and return it to Cal Cities office no later than Wednesday, September 15. This will allow us time to establish voting delegate/alternate records prior to the conference.**

**Please note:** Our number one priority will continue to be the health and safety of participants. We are working closely with the Sacramento Convention Center to ensure that important protocols and cleaning procedures continue, and if necessary, are strengthened. Attendees can anticipate updates as the conference approaches.

- **Action by Council Required.** Consistent with Cal Cities bylaws, a city's voting delegate and up to two alternates must be designated by the city council. When completing the attached Voting Delegate form, please attach either a copy of the council resolution that reflects the council action taken, or have your city clerk or mayor sign the form affirming that the names provided are those selected by the city council. Please note that designating the voting delegate and alternates **must** be done by city council action and cannot be accomplished by individual action of the mayor or city manager alone.
- **Conference Registration Required.** The voting delegate and alternates must be registered to attend the conference. They need not register for the entire conference; they may register for Friday only. Conference registration will open mid-June at [www.cacities.org](http://www.cacities.org). In order to cast a vote, at least one voter must be present at the Business Meeting and in possession of the voting delegate card. Voting delegates and alternates need to pick up their conference badges before signing in and picking up the voting delegate card at the Voting Delegate Desk. This will enable them to receive the special sticker on their name badges that will admit them into the voting area during the Business Meeting.
- **Transferring Voting Card to Non-Designated Individuals Not Allowed.** The voting delegate card may be transferred freely between the voting delegate and alternates, but



*only* between the voting delegate and alternates. If the voting delegate and alternates find themselves unable to attend the Business Meeting, they may *not* transfer the voting card to another city official.

- **Seating Protocol during General Assembly.** At the Business Meeting, individuals with the voting card will sit in a separate area. Admission to this area will be limited to those individuals with a special sticker on their name badge identifying them as a voting delegate or alternate. If the voting delegate and alternates wish to sit together, they must sign in at the Voting Delegate Desk and obtain the special sticker on their badges.

The Voting Delegate Desk, located in the conference registration area of the Sacramento Convention Center, will be open at the following times: Wednesday, September 22, 8:00 a.m. – 6:00 p.m.; Thursday, September 23, 7:00 a.m. – 4:00 p.m.; and Friday, September 24, 7:30 a.m. – 11:30 a.m. The Voting Delegate Desk will also be open at the Business Meeting on Friday, but will be closed during roll calls and voting.

The voting procedures that will be used at the conference are attached to this memo. Please share these procedures and this memo with your council and especially with the individuals that your council designates as your city's voting delegate and alternates.

Once again, thank you for completing the voting delegate and alternate form and returning it to the League's office by Wednesday, September 15. If you have questions, please call Darla Yacub at (916) 658-8254.

Attachments:

- Annual Conference Voting Procedures
- Voting Delegate/Alternate Form



**CITY:** \_\_\_\_\_

**2021 ANNUAL CONFERENCE  
VOTING DELEGATE/ALTERNATE FORM**

**Please complete this form and return it to Cal Cities office by Wednesday, September 15, 2021. Forms not sent by this deadline may be submitted to the Voting Delegate Desk located in the Annual Conference Registration Area. Your city council may designate one voting delegate and up to two alternates.**

To vote at the Annual Business Meeting (General Assembly), voting delegates and alternates must be designated by your city council. Please attach the council resolution as proof of designation. As an alternative, the Mayor or City Clerk may sign this form, affirming that the designation reflects the action taken by the council.

**Please note:** Voting delegates and alternates will be seated in a separate area at the Annual Business Meeting. Admission to this designated area will be limited to individuals (voting delegates and alternates) who are identified with a special sticker on their conference badge. This sticker can be obtained only at the Voting Delegate Desk.

**1. VOTING DELEGATE**

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**2. VOTING DELEGATE - ALTERNATE**

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**3. VOTING DELEGATE - ALTERNATE**

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**PLEASE ATTACH COUNCIL RESOLUTION DESIGNATING VOTING DELEGATE AND ALTERNATES OR**

**ATTEST: I affirm that the information provided reflects action by the city council to designate the voting delegate and alternate(s).**

Name: \_\_\_\_\_

Email: \_\_\_\_\_

Mayor or City Clerk \_\_\_\_\_  
(circle one) (signature)

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

**Please complete and return by Wednesday, September 15, 2021 to:**

Darla Yacub, Assistant to the Administrative Services Director

E-mail: [dyacub@cacities.org](mailto:dyacub@cacities.org)

Phone: (916) 658-8254





## Annual Conference Voting Procedures

1. **One City One Vote.** Each member city has a right to cast one vote on matters pertaining to Cal Cities policy.
2. **Designating a City Voting Representative.** Prior to the Annual Conference, each city council may designate a voting delegate and up to two alternates; these individuals are identified on the Voting Delegate Form provided to the Cal Cities Credentials Committee.
3. **Registering with the Credentials Committee.** The voting delegate, or alternates, may pick up the city's voting card at the Voting Delegate Desk in the conference registration area. Voting delegates and alternates must sign in at the Voting Delegate Desk. Here they will receive a special sticker on their name badge and thus be admitted to the voting area at the Business Meeting.
4. **Signing Initiated Resolution Petitions.** Only those individuals who are voting delegates (or alternates), and who have picked up their city's voting card by providing a signature to the Credentials Committee at the Voting Delegate Desk, may sign petitions to initiate a resolution.
5. **Voting.** To cast the city's vote, a city official must have in their possession the city's voting card and be registered with the Credentials Committee. The voting card may be transferred freely between the voting delegate and alternates, but may not be transferred to another city official who is neither a voting delegate or alternate.
6. **Voting Area at Business Meeting.** At the Business Meeting, individuals with a voting card will sit in a designated area. Admission will be limited to those individuals with a special sticker on their name badge identifying them as a voting delegate or alternate.
7. **Resolving Disputes.** In case of dispute, the Credentials Committee will determine the validity of signatures on petitioned resolutions and the right of a city official to vote at the Business Meeting.

## Janet Wackerman

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**From:** Peter Carr  
**Sent:** Thursday, June 17, 2021 6:20 PM  
**To:** Janet Wackerman  
**Subject:** FW: [City\_managers] Voting Delegates for Cal Cities Annual Conference  
**Attachments:** Voting Delegate Packet.pdf; ATT00001.txt

Sent via the Samsung Galaxy S20 FE 5G, an AT&T 5G smartphone

----- Original message -----

**From:** Zachary Seals <zseals@cacities.org>  
**Date:** 6/17/21 1:25 PM (GMT-08:00)  
**To:** city\_managers@lists.cacities.org, city\_clerks@lists.cacities.org  
**Subject:** [City\_managers] Voting Delegates for Cal Cities Annual Conference

### **Voting Delegates for Cal Cities Annual Conference**

The attached Voting Delegate letter is being mailed to all City Managers and City Clerks. This letter requests the designation of a voting delegate by your agency for the Annual Conference General Assembly (Friday, September 24). Please complete and email the form to Darla Yacub at [dyacub@cacities.org](mailto:dyacub@cacities.org).

**Please Note: Voting Delegates and alternates must be registered for the Annual Conference.**

If you have any questions, please don't hesitate to contact Meg Desmond.

Warm Regards,

**Meg Desmond**

*Legislative and Policy Development Specialist*

League of California Cities

Direct: 916-658-8224 | Cell: 916-837-6822

[mdesmond@cacities.org](mailto:mdesmond@cacities.org) | [www.cacities.org](http://www.cacities.org)



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*Annual Conference  
Resolutions Packet*

*2021 Annual Conference Resolutions*



*September 22 - 24, 2021*

## INFORMATION AND PROCEDURES

**RESOLUTIONS CONTAINED IN THIS PACKET:** The League of California Cities (Cal Cities) bylaws provide that resolutions shall be referred by the president to an appropriate policy committee for review and recommendation. Resolutions with committee recommendations shall then be considered by the General Resolutions Committee at the Annual Conference.

This year, two resolutions have been introduced for consideration at the Annual Conference and referred to Cal Cities policy committees.

**POLICY COMMITTEES:** Three policy committees will meet virtually one week prior to the Annual Conference to consider and take action on the resolutions. The sponsors of the resolutions have been notified of the time and location of the meetings.

**GENERAL RESOLUTIONS COMMITTEE:** This committee will meet at 1:00 p.m. on Thursday, September 23, to consider the reports of the policy committees regarding the resolutions. This committee includes one representative from each of Cal Cities regional divisions, functional departments, and standing policy committees, as well as other individuals appointed by the Cal Cities president. Please check in at the registration desk for room location.

**CLOSING LUNCHEON AND GENERAL ASSEMBLY:** This meeting will be held at 12:30 p.m. on Friday, September 24, at the SAFE Credit Union Convention Center.

**PETITIONED RESOLUTIONS:** For those issues that develop after the normal 60-day deadline, a petition resolution may be introduced at the Annual Conference with a petition signed by designated voting delegates of 10 percent of all member cities (48 valid signatures required) and presented to the Voting Delegates Desk at least 24 hours prior to the time set for convening the Closing Luncheon & General Assembly. This year, that deadline is 12:30 p.m., Thursday, September 23. Resolutions can be viewed on Cal Cities Web site: [www.cacities.org/resolutions](http://www.cacities.org/resolutions).

Any questions concerning the resolutions procedures may be directed to Meg Desmond [mdesmond@calcities.org](mailto:mdesmond@calcities.org).

## **GUIDELINES FOR ANNUAL CONFERENCE RESOLUTIONS**

Policy development is a vital and ongoing process within Cal Cities. The principal means for deciding policy on the important issues facing cities is through Cal Cities seven standing policy committees and the board of directors. The process allows for timely consideration of issues in a changing environment and assures city officials the opportunity to both initiate and influence policy decisions.

Annual conference resolutions constitute an additional way to develop Cal Cities policy. Resolutions should adhere to the following criteria.

### **Guidelines for Annual Conference Resolutions**

1. Only issues that have a direct bearing on municipal affairs should be considered or adopted at the Annual Conference.
2. The issue is not of a purely local or regional concern.
3. The recommended policy should not simply restate existing Cal Cities policy.
4. The resolution should be directed at achieving one of the following objectives:
  - (a) Focus public or media attention on an issue of major importance to cities.
  - (b) Establish a new direction for Cal Cities policy by establishing general principals around which more detailed policies may be developed by policy committees and the board of directors.
  - (c) Consider important issues not adequately addressed by the policy committees and board of directors.

**KEY TO ACTIONS TAKEN ON RESOLUTIONS**

Resolutions have been grouped by policy committees to which they have been assigned.

Number	Key Word Index	Reviewing Body Action		
		1	2	3
		1 - Policy Committee Recommendation to General Resolutions Committee		
		2 - General Resolutions Committee		
		3 - General Assembly		

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**HOUSING, COMMUNITY & ECONOMIC DEVELOPMENT POLICY COMMITTEE**

		1	2	3
2	Securing Railroad Property Maintenance			

**REVENUE & TAXATION POLICY COMMITTEE**

		1	2	3
1	Online Sales Tax Equity			

**TRANSPORTATION, COMMUNICATION & PUBLIC WORKS POLICY COMMITTEE**

		1	2	3
2	Securing Railroad Property Maintenance			

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### KEY TO ACTIONS TAKEN ON RESOLUTIONS *(Continued)*

Resolutions have been grouped by policy committees to which they have been assigned.

#### **KEY TO REVIEWING BODIES**

1. Policy Committee
2. General Resolutions Committee
3. General Assembly

#### **KEY TO ACTIONS TAKEN**

- |     |   |
|-----|---|
| A   | Approve   |
| D   | Disapprove  |
| N   | No Action   |
| R   | Refer to appropriate policy committee for study             |
| a   | Amend+  |
| Aa  | Approve as amended+   |
| Aaa | Approve with additional amendment(s)+                       |
| Ra  | Refer as amended to appropriate policy committee for study+ |
| Raa | Additional amendments and refer+                            |
| Da  | Amend (for clarity or brevity) and Disapprove+              |
| Na  | Amend (for clarity or brevity) and take No Action+          |
| W   | Withdrawn by Sponsor  |

#### **ACTION FOOTNOTES**

\* Subject matter covered in another resolution

\*\* Existing League policy

\*\*\* Local authority presently exists

#### **Procedural Note:**

The League of California Cities resolution process at the Annual Conference is guided by the Cal Cities Bylaws.



**1. RESOLUTION OF THE LEAGUE OF CALIFORNIA CITIES (“CAL CITIES”) CALLING ON THE STATE LEGISLATURE TO PASS LEGISLATION THAT PROVIDES FOR A FAIR AND EQUITABLE DISTRIBUTION OF THE BRADLEY BURNS 1% LOCAL SALES TAX FROM IN-STATE ONLINE PURCHASES, BASED ON DATA WHERE PRODUCTS ARE SHIPPED TO, AND THAT RIGHTFULLY TAKES INTO CONSIDERATION THE IMPACTS THAT FULFILLMENT CENTERS HAVE ON HOST CITIES BUT ALSO PROVIDES A FAIR SHARE TO CALIFORNIA CITIES THAT DO NOT AND/OR CANNOT HAVE A FULFILLMENT CENTER WITHIN THEIR JURISDICTION**

Source: City of Rancho Cucamonga

Concurrence of five or more cities/city officials:

Cities: Town of Apple Valley; City of El Cerrito; City of La Canada Flintridge; City of La Verne; City of Lakewood; City of Moorpark; City of Placentia; City of Sacramento

Referred to: Revenue and Taxation Policy Committee

**WHEREAS**, the 2018 U.S. Supreme Court decision in *Wayfair v. South Dakota* clarified that states could charge and collect tax on purchases even if the seller does not have a physical presence in the state; and

**WHEREAS**, California cities and counties collect 1% in Bradley Burns sales and use tax from the purchase of tangible personal property and rely on this revenue to provide critical public services such as police and fire protection; and

**WHEREAS**, in terms of “siting” the place of sale and determining which jurisdiction receives the 1% Bradley Burns local taxes for online sales, the California Department of Tax and Fee Administration (CDTFA) determines “out-of-state” online retailers as those with no presence in California that ship property from outside the state and are therefore subject to use tax, not sales tax, which is collected in a countywide pool of the jurisdiction where the property is shipped from; and

**WHEREAS**, for online retailers that have a presence in California and have a stock of goods in the state from which it fulfills orders, CDTFA considers the place of sale (“situs”) as the location from which the goods were shipped such as a fulfillment center; and

**WHEREAS**, in early 2021, one of the state's largest online retailers shifted its ownership structure so that it is now considered both an in-state and out-of-state retailer, resulting in the sales tax this retailer generates from in-state sales now being entirely allocated to the specific city where the warehouse fulfillment center is located as opposed to going into a countywide pool that is shared with all jurisdictions in that County, as was done previously; and

**WHEREAS**, this all-or-nothing change for the allocation of in-state sales tax has created winners and losers amongst cities as the online sales tax revenue from the retailer that was once spread amongst all cities in countywide pools is now concentrated in select cities that host a fulfillment center; and

**WHEREAS**, this has created a tremendous inequity amongst cities, in particular for cities that are built out, do not have space for siting a 1 million square foot fulfillment center, are not located along a major travel corridor, or otherwise not ideally suited to host a fulfillment center; and

**WHEREAS**, this inequity affects cities statewide, but in particular those with specific circumstances such as no/low property tax cities that are extremely reliant on sales tax revenue as well as cities struggling to meet their RHNA obligations that are being compelled by the State to rezone precious commercial parcels to residential; and

**WHEREAS**, the inequity produced by allocating in-state online sales tax revenue exclusively to cities with fulfillment centers is exasperated even more by, in addition to already reducing the amount of revenue going into the countywide pools, the cities with fulfillment centers are also receiving a larger share of the dwindling countywide pool as it is allocated based on cities' proportional share of sales tax collected; and

**WHEREAS**, while it is important to acknowledge that those cities that have fulfillment centers experience impacts from these activities and deserve equitable supplementary compensation, it should also be recognized that the neighboring cities whose residents are ordering product from that center now receive no revenue from the center's sales activity despite also experiencing the impacts created by the center, such as increased traffic and air pollution; and

**WHEREAS**, the COVID-19 pandemic greatly accelerated the public's shift towards online purchases, a trend that is unlikely to be reversed to pre-pandemic levels; and

**NOW, THEREFORE, BE IT RESOLVED** that Cal Cities calls on the State Legislature to pass legislation that provides for a fair and equitable distribution of the Bradley Burns 1% local sales tax from in-state online purchases, based on data where products are shipped to, and that rightfully takes into consideration the impacts that fulfillment centers have on host cities but also provides a fair share to California cities that do not and/or cannot have a fulfillment center within their jurisdiction.

## Background Information to Resolution

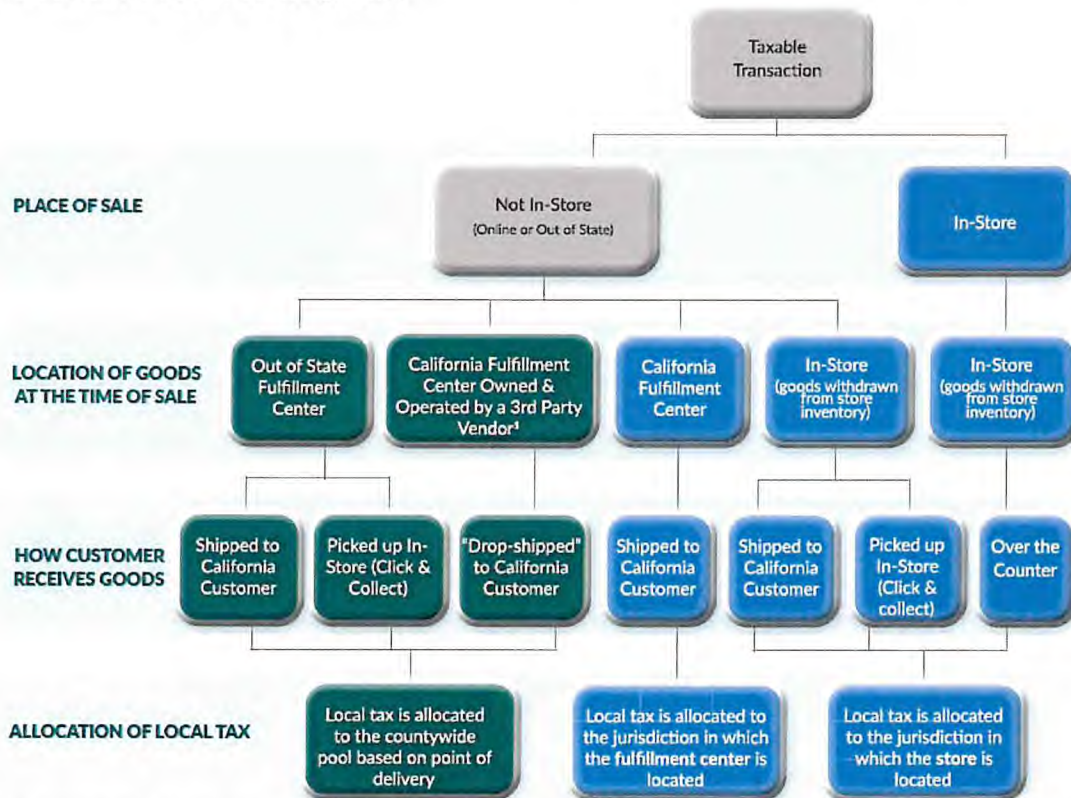
**Source:** City of Rancho Cucamonga

### **Background:**

Sales tax is a major revenue source for most California cities. Commonly known as the local 1% Bradley-Burns tax, since the 1950's, cities have traditionally received 1 cent on every dollar of a sale made at the store, restaurant, car dealer, or other location within a jurisdiction's boundaries.

Over the years, however, this simple tax structure has evolved into a much more complex set of laws and allocation rules. Many of these rules relate to whether or not a given transaction is subject to sales tax, or to use tax – both have the same 1% value, but each applies in separate circumstances. The California Department of Tax and Fee Administration (CDTFA) is responsible for administering this system and issuing rules regarding how it is applied in our state.

The following chart created by HdL Companies, the leading provider of California sales tax consulting, illustrates the complex structure of how sales and use tax allocation is done in California, depending on where the transaction starts, where the goods are located, and how the customer receives the goods:



<sup>1</sup> In this scenario the retailer does not own a stock of goods in California and sales orders are negotiated/processed out of state. An out of state company is not required to hold a seller's permit for an in-state third party warehouse if they do not own a stock of goods at the time of sale.

With the exponential growth of online sales and the corresponding lack of growth, and even decline, of shopping at brick and mortar locations, cities are seeing much of their sales tax



growth coming from the countywide sales tax pools, since much of the sales tax is now funneled to the pools.

Recently, one of the world's largest online retailers changed the legal ownership of its fulfillment centers. Instead of having its fulfillment centers owned and operated by a third-party vendor, they are now directly owned by the company. This subtle change has major impacts to how the 1% local tax is allocated. Following the chart above, previously much of the sales tax would have followed the green boxes on the chart and been allocated to the countywide pool based on point of delivery. Now, much of the tax is following the blue path through the chart and is allocated to the jurisdiction in which the fulfillment center is located. (It should be noted that some of the tax is still flowing to the pools, in those situations where the fulfillment center is shipping goods for another seller that is out of state.)

This change has created a situation where most cities in California – more than 90%, in fact – are experiencing a sales tax revenue loss that began in the fourth quarter of calendar year 2021. Many cities may not be aware of this impact, as the fluctuations in sales tax following the pandemic shutdowns have masked the issue. But this change will have long-term impacts on revenues for all California cities as all these revenues benefiting all cities have shifted to just a handful of cities and counties that are home to this retailer's fulfillment centers.

This has brought to light again the need to address the issues in how sales and use taxes are distributed in the 21<sup>st</sup> century. Many, if not most cities will never have the opportunity have a warehouse fulfillment center due to lack of space or not being situated along a major travel corridor. These policies especially favor retailers who may leverage current policy in order to negotiate favorable sales tax sharing agreements, providing more money back to the retailer at the expense of funding critical public services.

With that stated, it is important to note the many impacts to the jurisdictions home to the fulfillment centers. These centers do support the ecommerce most of us as individuals have come to rely on, including heavy wear and tear on streets – one truck is equal to about 8,000 cars when it comes to impact on pavement – and increased air pollution due to the truck traffic and idling diesel engines dropping off large loads. However, it is equally important that State policies acknowledge that entities without fulfillment centers also experience impacts from ecommerce and increased deliveries. Cities whose residents are ordering products that are delivered to their doorstep also experience impacts from traffic, air quality and compromised safety, as well as the negative impact on brick-and-mortar businesses struggling to compete with the sharp increase in online shopping. These cities are rightfully entitled to compensation in an equitable share of sales and use tax. We do not believe that online sales tax distribution between fulfillment center cities and other cities should be an all or nothing endeavor, and not necessarily a fifty-fifty split, either. But we need to find an equitable split that balances the impacts to each jurisdiction involved in the distribution of products purchased online.

Over the years, Cal Cities has had numerous discussions about the issues surrounding sales tax in the modern era, and how state law and policy should be revisited to address these issues. It is a heavy lift, as all of our cities are impacted a bit differently, making consensus difficult. We believe that by once again starting the conversation and moving toward the development of laws and policies that can result in seeing all cities benefit from the growth taxes generated through online sales, our state will be stronger.

It is for these reasons, that we should all aspire to develop an equitable sales tax distribution for online sales.

**LETTERS OF CONCURRENCE**  
Resolution No. 1



July 19, 2021

Cheryl Viegas Walker, President  
League of California Cities  
1400 K Street, Suite 400  
Sacramento, CA 95814

Dear President Walker:

The Town of Apple Valley strongly supports the City of Rancho Cucamonga's effort to submit a resolution for consideration by the General Assembly at Cal Cities 2021 Annual Conference in Sacramento.

Current policies by the California Department of Tax and Fees (CDTFA) require that the one percent Bradley Burns local tax revenue from in-state online retailers be allocated to the jurisdiction from which the package was shipped from, as opposed to going into a countywide pool as is the practice with out-of-state online retailers. Earlier this year, one of the largest online retailers shifted its ownership structure and now operates as an in-state online retailer as well as out-of-state online retailer. Whereas, all sales tax revenue generated by this retailer's sales previously went into a countywide pool and was distributed amongst the jurisdictions in the pool. Now the revenue from in-state sales goes entirely to the city where the fulfillment center is located, and the packages shipped from. Cities that do not have a fulfillment center now receive no revenue from this retailer's online in-state sales transactions, even when the packages are delivered to locations within the cities' borders and paid for by residents in those locations. Cities that border jurisdictions with fulfillment centers also experience its impacts such as increased truck traffic, air pollution and declining road conditions.

This all-or-nothing practice has created clear winners and losers amongst cities as the online sales tax revenue from large online retailers that was once spread amongst all cities in countywide pools is now concentrated in select cities fortunate enough to host a fulfillment center. This has created a growing inequity amongst California cities, which only benefits some and is particularly unfair to cities who have no chance of ever obtaining a fulfillment center, such as those that are built out or are not situated along major travel corridors. No/low property tax cities that rely on sales tax revenue are especially impacted as well as cities struggling to meet their RHNA allocations that are being pressured by Sacramento to rezone precious commercial parcels to residential.

The current online sales tax distribution policies are inherently unfair and exasperate the divide between the winners and losers. Ultimately, the real winners may be the retailers, who leverage these policies to negotiate favorable sales tax sharing agreements from a small group of select cities understandably wanting to host fulfillment centers. The current online sales tax distribution policies unfairly divide local agencies, exacerbate already difficult municipal finances, and in the end result in a net loss of local government sales tax proceeds that simply serve to make private sector businesses even more profitable at the expense of everyone's residents.

We can do better than this. And we should all aspire to develop an equitable sales tax distribution of online sales that addresses the concerns noted above.

For these reasons, the Town of Apple Valley concurs that the resolution should go before the General Assembly. If you have any questions regarding the Town's position in this matter, please do not hesitate to contact the Town Manager at 760-240-7000 x 7051.

Sincerely,

A handwritten signature in cursive script, appearing to read "Curt Emick".

Curt Emick  
Mayor

July 21, 2021

Cheryl Viegas Walker, President  
League of California Cities  
1400 K Street, Suite 400  
Sacramento, CA 95814

**RE: Letter of Support for the City of Rancho Cucamonga's Resolution for Fair and Equitable Distribution of the Bradley Burns 1% Local Sales Tax**

Dear President Walker:

The City of El Cerrito supports the City of Rancho Cucamonga's effort to submit a resolution for consideration by the General Assembly at the Cal Cities 2021 Annual Conference in Sacramento.

Current policies by the California Department of Tax and Fees (CDTFA) require that the 1 percent Bradley Burns local tax revenue from in-state online retailers be allocated to the jurisdiction from which the package was shipped from, as opposed to going into a countywide pool as is the practice with out-of-state online retailers. Earlier this year, one of the largest online retailers shifted its ownership structure and now operates as an in-state online retailer as well as out-of-state online retailer. Previously, all sales tax revenue generated by this retailer's sales went into a countywide pool and was distributed amongst the jurisdictions in the pool; now the revenue from in-state sales goes entirely to the city where the fulfillment center is located and the packages are shipped from. Cities that do not have a fulfillment center now receive no revenue from this retailer's online in-state sales transactions, even when the packages are delivered to locations within the cities' borders and paid for by residents in those locations. Cities that border jurisdictions with fulfillment centers also experience its impacts such as increased truck traffic, air pollution, and declining road conditions.

This all-or-nothing practice has created clear winners and losers amongst cities as the online sales tax revenue from large online retailers that was once spread amongst all cities in countywide pools is now concentrated in select cities fortunate enough to host a fulfillment center. This has created a growing inequity amongst California cities, which only benefits some and is particularly unfair to cities such as El Cerrito who have no chance of ever obtaining a fulfillment center as we are a built out, four square mile, small city. Additionally, cities not situated along major travel corridors and no/low property tax cities that rely on sales tax revenue are especially impacted, as well as cities struggling to build much needed affordable housing that may require rezoning commercial parcels in order to meet their RHNA allocations.

The current online sales tax distribution policies are inherently unfair and exasperate the divide between the winners and losers. Ultimately, the real winners may be the retailers, who leverage these policies to negotiate favorable sales tax sharing agreements from a small group of select cities understandably wanting to host fulfillment centers. The current online sales tax distribution policies serve to divide local agencies, exacerbate already difficult municipal finances, and in the end results in a net loss of local government sales tax proceeds that simply serve to make private sector businesses even more profitable at the expense of everyone's residents. We can do better, and we should all aspire to develop an equitable sales tax distribution of online sales that addresses the concerns noted above.

For these reasons, the City of El Cerrito concurs that the resolution should go before the General Assembly.

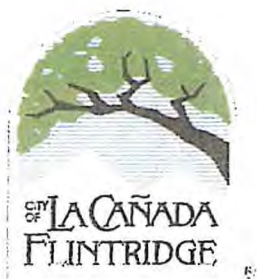
Sincerely,



Paul Fadelli, Mayor  
City of El Cerrito

cc: El Cerrito City Council  
City of Rancho Cucamonga





City Council  
Terry Walker, Mayor  
Keith Eich, Mayor Pro Tem  
Jonathan C. Curtis  
Michael T. Davitt  
Richard B. Gunter III

July 14, 2021

Ms. Cheryl Viegas Walker, President  
League of California Cities  
1400 K Street, Suite 400  
Sacramento, CA 95814

Dear President Walker:

The City of La Cañada Flintridge strongly supports the City of Rancho Cucamonga's effort to introduce a resolution for consideration by the General Assembly at CalCITIES' 2021 Annual Conference in Sacramento.

Current policies by the California Department of Tax and Fees (CDTFA) require that the 1% Bradley Burns local tax revenue (sales tax) from in-state online retailers be allocated to the jurisdiction from which the package was shipped, as opposed to going into a countywide pool, as is the practice with out-of-state online retailers. Earlier this year, one of the largest online retailers shifted its ownership structure and now operates as an in-state online retailer as well as an out-of-state online retailer. Whereas all sales tax revenue generated by this retailer's sales previously went into a countywide pool and was distributed amongst the jurisdictions in the pool, now the revenue from in-state sales goes entirely to the jurisdiction where the fulfillment center is located and the packages shipped from. Cities that do not have a fulfillment center now receive no revenue from this retailer's online in-state transactions even though their packages are delivered to locations within those cities' borders and paid for by residents in those locations. Cities that abut jurisdictions with fulfillment centers experience fulfillment centers' impacts just as much, such as increased truck traffic, air pollution and declining road conditions.

This all-or-nothing practice has created clear winners and losers amongst cities as the online sales tax revenue from large online retailers, that was once spread amongst all cities in countywide pools, is now concentrated in select cities fortunate enough to host a fulfillment center. This benefits only those few hosting jurisdictions and is particularly unfair to cities who have no chance of ever hosting a fulfillment center, such as those that are built out or are not situated along major travel corridors. No/low property tax cities that rely heavily on sales tax revenue are especially impacted as well as cities struggling to meet their RHNA allocations that are being pressured by Sacramento to rezone precious commercial parcels to residential.

The current online sales tax distribution policies are inherently unfair and exasperate the divide between the winners and losers. Ultimately, the real winners may be the retailers who leverage these policies to negotiate favorable sales tax sharing agreements from a small group of select cities understandably eager to host fulfillment centers. The current online sales tax distribution policies unfairly divide local agencies, exacerbate already difficult municipal finances and, in the end, result in a net loss of local government sales tax proceeds that simply serve to make private



Ms. Cheryl Viegas Walker, President

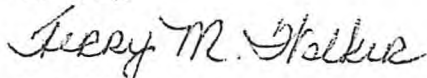
July 14, 2021

Page 2

sector businesses even more profitable at the expense of cities' residents. We should all aspire to develop an equitable sales tax distribution of online sales that addresses the concerns noted above.

For these reasons, the City of La Cañada Flintridge concurs that the proposed resolution should go before the General Assembly.

Sincerely,

A handwritten signature in cursive script that reads "Terry M. Walker".

Terry Walker

Mayor



# CITY OF LA VERNE CITY HALL

3660 "D" Street, La Verne, California 91750-3599  
[www.cityoflaverne.org](http://www.cityoflaverne.org)

July 19, 2021

Cheryl Viegas Walker, President  
League of California Cities  
1400 K Street, Suite 400  
Sacramento, CA 95814

Dear President Walker:

The City of La Verne strongly supports the City of Rancho Cucamonga's effort to submit a resolution for consideration by the General Assembly at the League's 2021 Annual Conference in Sacramento.

Current policies by the California Department of Tax and Fees (CDTFA) require that the 1 percent Bradley Burns local tax revenue from in-state online retailers be allocated to the jurisdiction from which the package was shipped from, as opposed to going into a countywide pool as is the practice with out-of-state online retailers. Earlier this year, one of the largest online retailers shifted its ownership structure and now operates as an in-state online retailer as well as out-of-state online retailer. Whereas all sales tax revenue generated by this retailer's sales previously went into a countywide pool and was distributed amongst the jurisdictions in the pool, now the revenue from in-state sales goes entirely to the city where the fulfillment center is located, and the packages shipped from. Cities that do not have a fulfillment center now receive no revenue from this retailer's online in-state sales transactions, even when the packages are delivered to locations within the cities' borders and paid for by residents in those locations. Cities that border jurisdictions with fulfillment centers also experience its impacts such as increased truck traffic, air pollution, and declining road conditions.

This all-or-nothing practice has created clear winners and losers amongst cities as the online sales tax revenue from large online retailers that was once spread amongst all cities in countywide pools is now concentrated in select cities fortunate enough to host a fulfillment center. This has created a growing inequity amongst California cities, which only benefits some and is particularly unfair to cities which have no chance of ever obtaining a fulfillment center, such as those that are built out or are not situated along major travel corridors. No/low property tax cities that rely on sales tax revenue are



General Administration 909/596-8726 • Water Customer Service 909/596-8744 • Community Services 909/596-8700  
Public Works 909/596-8741 • Finance 909/596-8716 • Community Development 909/596-8706 • Building 909/596-8713  
Police Department 909/596-1913 • Fire Department 909/596-5991 • General Fax 909/596-8737

especially impacted as well as cities struggling to meet their RHNA allocations that are being pressured by Sacramento to rezone precious commercial parcels to residential.

The current online sales tax distribution policies are inherently unfair and exacerbate the divide between the winners and losers. Ultimately, the real winners may be the retailers, who leverage these policies to negotiate favorable sales tax sharing agreements from a small group of select cities understandably wanting to host fulfillment centers. The current online sales tax distribution policies unfairly divide local agencies, exacerbate already difficult municipal finances, and in the end, result in a net loss of local government sales tax proceeds that simply serve to make private sector businesses even more profitable at the expense of everyone's residents. We can do better than this. And we should all aspire to develop an equitable sales tax distribution of online sales that addresses the concerns noted above.

For these reasons, the City of La Verne concurs that the resolution should go before the General Assembly.

Sincerely,

A handwritten signature in blue ink, appearing to read "Bob Russi", with a stylized flourish at the end.

Bob Russi  
City Manager  
City of La Verne



Steve Croft  
Vice Mayor

Vicki L. Stuckey  
Council Member

Ariel Pe  
Council Member

Todd Rogers  
Council Member



July 15, 2021

Cheryl Viegas Walker, President  
League of California Cities  
1400 K Street, Suite 400  
Sacramento, CA 95814

Dear President Walker:

The City of Lakewood strongly supports the City of Rancho Cucamonga's effort to submit a resolution for consideration by the General Assembly at the League's 2021 Annual Conference in Sacramento.

Current policies by the California Department of Tax and Fees (CDTFA) require that the 1 percent Bradley Burns local tax revenue from in-state online retailers be allocated to the jurisdiction from which the package was shipped from, as opposed to going into a countywide pool as is the practice with out-of-state online retailers. Earlier this year, one of the largest online retailers shifted its ownership structure and now operates as an in-state online retailer as well as out-of-state online retailer. Whereas, all sales tax revenue generated by this retailer's sales previously went into a countywide pool and was distributed amongst the jurisdictions in the pool, now the revenue from in-state sales goes entirely to the city where the fulfillment center is located, and the packages shipped from. Cities that do not have a fulfillment center now receive no revenue from this retailer's online in-state sales transactions, even when the packages are delivered to locations within the cities' borders and paid for by residents in those locations. Cities that border jurisdictions with fulfillment centers also experience its impacts such as increased truck traffic, air pollution and declining road conditions.

This all-or-nothing practice has created clear winners and losers amongst cities as the online sales tax revenue from large online retailers that was once spread amongst all cities in countywide pools is now concentrated in select cities fortunate enough to host a fulfillment center. This has created a growing inequity amongst California cities, which only benefits some and is particularly unfair to cities that have no chance of ever obtaining a fulfillment center, such as those that are built out or are not situated along major travel corridors. No/low property tax cities that rely on sales tax revenue are especially impacted as well as cities struggling to meet their RHNA allocations that are being pressured by Sacramento to rezone precious commercial parcels to residential.

The current online sales tax distribution policies are inherently unfair and exasperate the divide between the winners and losers. Ultimately, the real winners may be the retailers, who leverage these policies to negotiate favorable sales tax sharing agreements from a small group of select cities understandably wanting to host fulfillment centers. The current online sales tax distribution policies unfairly divide local agencies, exacerbate already difficult municipal finances, and in the end result in a net loss of local government sales tax proceeds that simply serve to make private sector businesses even more profitable at the expense of everyone's residents. We can do better than this. And we should all aspire to develop an equitable sales tax distribution of online sales that addresses the concerns noted above.

For these reasons, the City of Lakewood concurs that the resolution should go before the General Assembly.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jeff Wood", is written over the word "Sincerely,".

Jeff Wood  
Mayor

# Lakewood





# CITY OF MOORPARK

799 Moorpark Avenue, Moorpark, California 93021

Main City Phone Number (805) 517-6200 | Fax (805) 532-2205 | [moorpark@moorparkca.gov](mailto:moorpark@moorparkca.gov)

July 14, 2021

**TRANSMITTED ELECTRONICALLY**

Cheryl Viegas-Walker, President  
League of California Cities  
1400 K Street, Suite 400  
Sacramento, CA 95814

Dear President Walker:

The City of Moorpark strongly supports the City of Rancho Cucamonga's effort to submit a resolution for consideration by the General Assembly at the League's 2021 Annual Conference in Sacramento.

Current policies of the California Department of Tax and Fees (CDTFA) require that the one percent Bradley Burns local tax revenue from in-state online retailers be allocated to the jurisdiction from which the package was shipped, as opposed to going into a countywide pool as is the practice with out-of-state online retailers. Earlier this year, one of the largest online retailers shifted its ownership structure and now operates both as an in-state online retailer and as an out-of-state online retailer. Whereas all sales tax revenues generated by this retailer's sales previously went into countywide pools and were distributed amongst the jurisdictions in the pool, sales tax revenues from in-state sales now go entirely to the city where the fulfillment center is located and the package is shipped from. Cities that do not have a fulfillment center now receive no sales tax revenue from this retailer's online in-state sales transactions, even when the packages are delivered to locations within the cities' borders and paid for by residents in those locations. Cities that border jurisdictions with fulfillment centers also experience its impacts such as increased truck traffic, air pollution, and deteriorating road conditions.

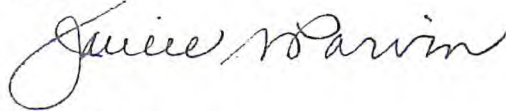
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cities struggling to meet their RHNA allocations that are being pressured by Sacramento to rezone limited commercial properties for residential land uses.

The current online sales tax distribution policies are inherently unfair and exasperate the divide between the winners and losers. Ultimately, the real winners may be the retailers, who leverage these policies to negotiate favorable sales tax sharing agreements from a small group of select cities understandably wanting to host fulfillment centers. The current online sales tax distribution policies unfairly divide local agencies, exacerbate already difficult municipal finances, and ultimately result in a net loss of local government sales tax proceeds that simply serve to make private sector businesses more profitable at the expense of everyone's residents. We can do better than this, and we should all aspire to develop an equitable sales tax distribution of online sales that addresses the concerns noted above.

For these reasons, the City of Moorpark concurs that the resolution should go before the General Assembly at the 2021 Annual Conference in Sacramento.

Sincerely,

A handwritten signature in black ink, reading "Janice S. Parvin". The signature is fluid and cursive, with the first name "Janice" being more prominent than the last name "Parvin".

Janice S. Parvin  
Mayor

cc: City Council  
City Manager

*The People are the City*

**Mayor**

CRAIG S. GREEN

**Mayor Pro Tem**

CHAD P. WANKE

**Councilmembers:**

RHONDA SHADER

WARD L. SMITH

JEREMY B. YAMAGUCHI



**City Clerk:**

ROBERT S. MCKINNELL

**City Treasurer**

KEVIN A. LARSON

**City Administrator**

DAMIEN R. ARRULA

*401 East Chapman Avenue – Placentia, California 92870*

July 14, 2021

Cheryl Viegas Walker, President  
League of California Cities  
1400 K Street, Suite 400  
Sacramento, CA 95814

Dear President Walker:

The City of Placentia strongly supports the City of Rancho Cucamonga's effort to submit a resolution for consideration by the General Assembly at the League's 2021 Annual Conference in Sacramento.

Current policies by the California Department of Tax and Fees (CDTFA) require that the 1 percent (1%) Bradley Burns local tax revenue from in-state online retailers be allocated to the jurisdiction from which the package was shipped from, as opposed to going into a countywide pool as is the practice with out-of-state online retailers. Earlier this year, one of the largest online retailers shifted its ownership structure and now operates as an in-state online retailer as well as out-of-state online retailer. Whereas, all sales tax revenue generated by this retailer's sales previously went into a countywide pool and was distributed amongst the jurisdictions in the pool, now the revenue from in-state sales goes entirely to the city where the fulfillment center is located, and the packages shipped from. Cities that do not have a fulfillment center now receive no revenue from this retailer's online in-state sales transactions, even when the packages are delivered to locations within the cities' borders and paid for by residents in those locations. Cities that border jurisdictions with fulfillment centers also experience its impacts such as increased truck traffic, air pollution and declining road conditions.

This all-or-nothing practice has created clear winners and losers amongst cities as the online sales tax revenue from large online retailers that was once spread amongst all cities in countywide pools is now concentrated in select cities fortunate enough to host a fulfillment center. This has created a growing inequity amongst California cities, which only benefits some and is particularly unfair to cities who have no chance of ever obtaining a fulfillment center, such as those that are built out or are not situated along major travel corridors. No/low property tax cities that rely on sales tax revenue are especially impacted as well as cities struggling to meet their RHNA allocations that are being pressured by Sacramento to rezone precious commercial parcels to residential.

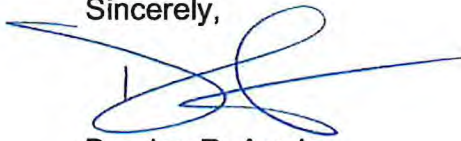
The current online sales tax distribution policies are inherently unfair and exasperate the divide between the winners and losers. Ultimately, the real winners may be the retailers, who leverage these policies to negotiate favorable sales tax sharing agreements from a small group of select cities understandably wanting to host fulfillment centers. The



current online sales tax distribution policies unfairly divide local agencies, exacerbate already difficult municipal finances, and in the end result in a net loss of local government sales tax proceeds that simply serve to make private sector businesses even more profitable at the expense of everyone's residents. We can do better than this. And we should all aspire to develop an equitable sales tax distribution of online sales that addresses the concerns noted above.

For these reasons, the City of Placentia concurs that the resolution should go before the General Assembly. Should you have any questions regarding this letter, please contact me at (714) 993-8117 or via email at [administration@placentia.org](mailto:administration@placentia.org).

Sincerely,



Damien R. Arrula  
City Administrator



*City of*  
**SACRAMENTO**  
Office of the City Manager

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*Leyne Milstein*  
*Assistant City Manager*

*City Hall*  
*915 I Street, Fifth Floor*  
*Sacramento, CA 95814-2604*  
*916-808-5704*

July 19, 2021

Cheryl Viegas Walker, President  
League of California Cities  
1400 K Street, Suite 400  
Sacramento, CA 95814

Dear President Walker:

The City of Sacramento strongly supports the City of Rancho Cucamonga's effort to submit a resolution for consideration by the General Assembly at the League's 2021 Annual Conference in Sacramento.

Current policies by the California Department of Tax and Fees (CDTFA) require that the one percent Bradley Burns local tax revenue from in-state online retailers be allocated to the jurisdiction from which the package was shipped from, as opposed to going into a countywide pool as is the practice with out-of-state online retailers. Earlier this year, one of the largest online retailers shifted its ownership structure and now operates as an in-state online retailer as well as out-of-state online retailer. Whereas all sales tax revenue generated by this retailer's sales previously went into a countywide pool and was distributed amongst the jurisdictions in the pool, now the revenue from in-state sales goes entirely to the city where the fulfillment center is located, and the packages shipped from. Cities that do not have a fulfillment center now receive no revenue from this retailer's online in-state sales transactions, even when the packages are delivered to locations within the cities' borders and paid for by residents in those locations. Cities that border jurisdictions with fulfillment centers also experience its impacts such as increased truck traffic, air pollution and declining road conditions.

This all-or-nothing practice has created clear winners and losers amongst cities as the online sales tax revenue from large online retailers that was once spread amongst all cities in countywide pools is now concentrated in select cities fortunate enough to host a fulfillment center. This has created a growing inequity amongst California cities, which only benefits some and is particularly unfair to cities who have no chance of ever obtaining a fulfillment

*City of*  
**SACRAMENTO**  
Office of the City Manager

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*Leyne Milstein*  
*Assistant City Manager*

*City Hall*  
*915 I Street, Fifth Floor*  
*Sacramento, CA 95814-2604*  
*916-808-5704*

center, such as those that are built out or are not situated along major travel corridors. No/low property tax cities that rely on sales tax revenue are especially impacted as well as cities struggling to meet their Regional Housing Needs Allocation (RHNA) that are being pressured by Sacramento to rezone precious commercial parcels to residential.

The current online sales tax distribution policies are inherently unfair and exasperate the divide between the winners and losers. Ultimately, the real winners may be the retailers, who leverage these policies to negotiate favorable sales tax sharing agreements from a small group of select cities understandably wanting to host fulfillment centers. The current online sales tax distribution policies unfairly divide local agencies, exacerbate already difficult municipal finances, and in the end, result in a net loss of local government sales tax proceeds that simply serve to make private sector businesses even more profitable at the expense of everyone's residents. We can do better than this. And we should all aspire to develop an equitable sales tax distribution of online sales that addresses the concerns noted above.

For these reasons, the City of Sacramento concurs that the resolution should go before the General Assembly.

Sincerely,

  
Leyne Milstein (Jul 19, 2021 14:48 PDT)

Leyne Milstein  
Assistant City Manager

## League of California Cities Staff Analysis on Resolution No. 1

Staff: Nicholas Romo, Legislative Affairs, Lobbyist

Committee: Revenue and Taxation

### **Summary:**

This Resolution calls on the League of California Cities (Cal Cities) to request the Legislature to pass legislation that provides for a fair and equitable distribution of the Bradley Burns 1% local sales tax from in-state online purchases, based on data where products are shipped to, and that rightfully takes into consideration the impacts that fulfillment centers have on host cities but also provides a fair share to California cities that do not and/or cannot have a fulfillment center within their jurisdiction.

### **Background:**

The City of Rancho Cucamonga is sponsoring this resolution to *“address the issues in how sales and use taxes are distributed in the 21st century.”*

The City notes that *“sales tax is a major revenue source for most California cities. Commonly known as the local 1% Bradley-Burns tax, since the 1950's, cities have traditionally received 1 cent on every dollar of a sale made at the store, restaurant, car dealer, or other location within a jurisdiction's boundaries. Over the years, however, this simple tax structure has evolved into a much more complex set of laws and allocation rules. Many of these rules relate to whether or not a given transaction is subject to sales tax, or to use tax – both have the same 1% value, but each applies in separate circumstances.*

*Recently, one of the world's largest online retailers changed the legal ownership of its fulfillment centers. Instead of having its fulfillment centers owned and operated by a third-party vendor, they are now directly owned by the company. This subtle change has major impacts to how the 1% local tax is allocated.*

*This change has created a situation where most cities in California – more than 90%, in fact – are experiencing a sales tax revenue loss that began in the fourth quarter of calendar year 2021. Many cities may not be aware of this impact, as the fluctuations in sales tax following the pandemic shutdowns have masked the issue. But this change will have long-term impacts on revenues for all California cities as all these revenues benefiting all cities have shifted to just a handful of cities and counties that are home to this retailer's fulfillment centers.”*

The City's resolution calls for action on an unspecified solution that *“rightfully takes into consideration the impacts that fulfillment centers have on host cities but also provides a fair share to California cities that do not and/or cannot have a fulfillment center within their jurisdiction,”* which aims to acknowledge the actions taken by cities to alleviate poverty, catalyze economic development, and improve financial stability within their communities through existing tax sharing and zoning powers.



Ultimately, sponsoring cities believe *“that by once again starting the conversation and moving toward the development of laws and policies that can result in seeing all cities benefit from the growth taxes generated through online sales, our state will be stronger.”*

### **Sales and Use Tax in California**

The Bradley-Burns Uniform Sales Tax Act allows all local agencies to apply its own sales and use tax on the same base of tangible personal property (taxable goods). This tax rate currently is fixed at 1.25% of the sales price of taxable goods sold at retail locations in a local jurisdiction, or purchased outside the jurisdiction for use within the jurisdiction. Cities and counties use this 1% of the tax to support general operations, while the remaining 0.25% is used for county transportation purposes.

In California, all cities and counties impose Bradley-Burns sales taxes. California imposes the sales tax on every retailer engaged in business in this state that sells taxable goods. The law requires businesses to collect the appropriate tax from the purchaser and remit the amount to the California Department of Tax and Fee Administration (CDTFA). Sales tax applies whenever a retail sale is made, which is basically any sale other than one for resale in the regular course of business. Unless the person pays the sales tax to the retailer, they are liable for the use tax, which is imposed on any person consuming taxable goods in the state. The use tax rate is the same rate as the sales tax rate.

Generally, CDTFA distributes Bradley-Burns tax revenue based on where a sale took place, known as a *situs-based system*. A retailer’s physical place of business—such as a retail store or restaurant—is generally the place of sale. “Sourcing” is the term used by tax practitioners to describe the rules used to determine the place of sale, and therefore, which tax rates are applied to a given purchase and which jurisdictions are entitled to the local and district taxes generated from a particular transaction.

California is primarily an origin-based sourcing state – meaning tax revenues go to the jurisdiction in which a transaction physically occurs if that can be determined. However, California also uses a form of destination sourcing for the local use tax and for district taxes (also known as “transactions and use taxes” or “add-on sale and use taxes”). That is, for cities with local add-on taxes, they receive their add-on rate amount from remote and online transactions.

Generally, allocations are based on the following rules:

- The sale is sourced to the place of business of the seller - whether the product is received by the purchaser at the seller’s business location or not.
- If the retailer maintains inventory in California and has no other in state location, the source is the jurisdiction where the warehouse is situated. *This resolution is concerned with the growing amount of online retail activity being sourced to cities with warehouse/fulfillment center locations.*
- If the business’ sales office is located in California but the merchandise is shipped from out of state, the tax from transactions under \$500,000 is allocated



via the county pools. The tax from transactions over \$500,000 is allocated to the jurisdiction where the merchandise is delivered.

- When a sale cannot be identified with a permanent place of business in the state, the sale is sourced to the allocation pool of the county where the merchandise was delivered and then distributed among all jurisdictions in that county in proportion to ratio of sales. *For many large online retailers, this has been the traditional path.*

#### Online Sales and Countywide Pools

While the growth of e-commerce has been occurring for more than two decades, led by some of the largest and most popular retailers in the world, the dramatic increase in online shopping during the COVID-19 pandemic has provided significant revenue to California cities as well as a clearer picture on which governments enjoy even greater benefits.

In the backdrop of booming internet sales has been the steady decline of brick-and-mortar retail and shopping malls. For cities with heavy reliance on in-person retail shopping, the value of the current allocation system has been diminished as their residents prefer to shop online or are incentivized to do so by retailers (during the COVID-19 pandemic, consumers have had no other option but to shop online for certain goods). All the while, the demands and costs of city services continue to grow for cities across the state.

As noted above, the allocation of sales tax revenue to local governments depends on the location of the transaction (or where the location is ultimately determined). For in-person retail, the sales tax goes to the city in which the product and store are located - a customer purchasing at a register. For online sales, the Bradley Burns sales tax generally goes to a location other than the one where the customer lives – either to the city or county where an in-state warehouse or fulfillment center is located, the location of in-state sales office (ex. headquarters) or shared as use tax proceeds amongst all local governments within a county based on their proportionate share of taxable sales.

Under current CDTFA regulations, a substantial portion of local use tax collections are allocated through a countywide pool to the local jurisdictions in the county where the property is put to its first functional use. The state and county pools constitute over 15% of local sales and use tax revenues. Under the pool system, the tax is reported by the taxpayer to the countywide pool of use and then distributed to each jurisdiction in that county on a pro-rata share of taxable sales. If the county of use cannot be identified, the revenues are distributed to the state pool for pro-rata distribution on a statewide basis.

#### Concentration of Online Sales Tax Revenue and Modernization

Sales tax modernization has been a policy goal of federal, state, and local government leaders for decades to meet the rapidly changing landscape of commercial activity and ensure that all communities can sustainably provide critical services.

For as long as remote and internet shopping has existed, policy makers have been concerned about their potential to disrupt sales and use tax allocation procedures that underpin the funding of local government services. The system was designed in the early twentieth century to ensure that customers were paying sales taxes to support local government services within the community where the transactions occurred whether they resided there or not. This structure provides benefit to and recoupment for the public resources necessary to ensure the health and safety of the community broadly.

City leaders have for as long been concerned about the loosening of the nexus between what their residents purchase and the revenues they receive. Growing online shopping, under existing sourcing rules, has led to a growing concentration of sales tax revenue being distributed to a smaller number of cities and counties. As more medium and large online retailers take title to fulfillment centers or determine specific sales locations in California as a result of tax sharing agreements in specific cities, online sales tax revenue will be ever more concentrated in a few cities at the control of these companies. Furthermore, local governments are already experiencing the declining power of the sales tax to support services as more money is being spent on non-taxable goods and services.

*For more on sales and use tax sourcing please see Attachment A.*

#### State Auditor Recommendations

In 2017, the California State Auditor issued a report titled, "[The Bradley-Burns Tax and Local Transportation Funds](#)", noting that:

*"Retailers generally allocate Bradley Burns tax revenue based on the place of sale, which they identify according to their business structure. However, retailers that make sales over the Internet may allocate sales to various locations, including their warehouses, distribution center, or sales offices. This approach tends to concentrate Bradley Burns tax revenue into the warehouses' or sales offices' respective jurisdictions. Consequently, counties with a relatively large amount of industrial space may receive disproportionately larger amounts of Bradley Burns tax, and therefore Local Transportation Fund, revenue.*

*The State could make its distribution of Bradley Burns tax revenue derived from online sales more equitable if it based allocations of the tax on the destinations to which goods are shipped rather than on place of sale."*

The Auditor's report makes the following recommendation:

*"To ensure that Bradley-Burns tax revenue is more evenly distributed, the Legislature should amend the Bradley-Burns tax law to allocate revenues from Internet sales based on the destination of sold goods rather than their place of sale."*



In acknowledgement of the growing attention from outside groups on this issue, Cal Cities has been engaged in its own study and convening of city officials to ensure pursued solutions account for the circumstances of all cities and local control is best protected. These efforts are explored in subsequent sections.

#### Cal Cities Revenue and Taxation Committee and City Manager Working Group

In 2015 and 2016, Cal Cities' Revenue and Taxation Policy Committee held extensive discussions on potential modernization of tax policy affecting cities, with a special emphasis on the sales tax. The issues had been identified by Cal Cities leadership as a strategic priority given concerns in the membership about the eroding sales tax base and the desire for Cal Cities to take a leadership role in addressing the associated issues. The policy committee ultimately adopted a series of policies that were approved by the Cal Cities board of directors. Among its changes were a recommended change to existing sales tax sourcing (determining where a sale occurs) rules, so that the point of sale (*situs*) is where the customer receives the product. The policy also clarifies that specific proposals in this area should be carefully reviewed so that the impacts of any changes are fully understood. See "Existing Cal Cities Policy" section below.

#### Cal Cities City Manager Sales Tax Working Group Recommendations

In the Fall of 2017, the Cal Cities City Managers Department convened a working group (Group) of city managers representing a diverse array of cities to review and consider options for addressing issues affecting the local sales tax.

The working group of city managers helped Cal Cities identify internal common ground on rapidly evolving e-commerce trends and their effects on the allocation of local sales and use tax revenue. After meeting extensively throughout 2018, the Group made several recommendations that were endorsed unanimously by Cal Cities' Revenue and Taxation Committee at its January, 2019 meeting and by the board of directors at its subsequent meeting.

The Group recommended the following actions in response to the evolving issues associated with e-commerce and sales and use tax:

#### Further Limiting Rebate Agreements: The consensus of the Group was that:

- Sales tax rebate agreements involving online retailers should be prohibited *going forward*. They are inappropriate because they have the effect of encouraging revenue to be shifted away from numerous communities and concentrated to the benefit of one.
- Any type of agreement that seeks to lure a retailer from one community to another within a market area should also be prohibited *going forward*. Existing law already prohibits such agreements for auto dealers and big box stores.

#### Shift Use Tax from Online Sales, including from the South Dakota v. Wayfair Decision

Out of County Pools: The Group's recommendation is based first on the principle of "*situs*" and that revenue should be allocated to the jurisdiction where the use occurs. Each city and county in California imposed a Bradley Burns sales and use tax rate

under state law in the 1950s. The use tax on a transaction is the rate imposed where the purchaser resides (the destination). These use tax dollars, including new revenue from the South Dakota v. Wayfair decision, should be allocated to the destination jurisdiction whose Bradley Burns tax applies and not throughout the entire county.

- Shift of these revenues, from purchases from out of state retailers including transactions captured by the South Dakota v. Wayfair decision, out of county pools to full destination allocation on and after January 1, 2020.
- Allow more direct reporting of use taxes related to construction projects to jurisdiction where the construction activity is located by reducing existing regulatory threshold from \$5 million to \$100,000.

Request/Require CDTFA Analysis on Impacts of Sales Tax Destination Shifts: After discussion of numerous phase-in options for destination sourcing and allocation for sales taxes, the Group ultimately decided that a more complete analysis was needed to sufficiently determine impacts. Since the two companies most cities rely on for sales tax analysis, HdL and MuniServices, were constrained to modeling with transaction and use tax (district tax) data, concerns centered on the problem of making decisions without adequate information. Since the CDTFA administers the allocation of local sales and use taxes, it is in the best position to produce an analysis that examines:

- The impacts on individual agencies of a change in sourcing rules. This would likely be accomplished by developing a model to examine 100% destination sourcing with a report to the Legislature in early 2020.
- The model should also attempt to distinguish between business-to-consumer transactions versus business-to-business transactions.
- The model should analyze the current number and financial effects of city and county sales tax rebate agreements with online retailers and how destination sourcing might affect revenues under these agreements.

Conditions for considering a Constitutional Amendment that moves toward destination allocation: Absent better data on the impacts on individual agencies associated with a shift to destination allocation of sales taxes from CDTFA, the Group declined to prescribe if/how a transition to destination would be accomplished; the sentiment was that the issue was better revisited once better data was available. In anticipation that the data would reveal significant negative impacts on some agencies, the Group desired that any such shift should be accompanied by legislation broadening of the base of sales taxes, including as supported by existing Cal Cities policy including:

- Broadening the tax base on goods, which includes reviewing existing exemptions on certain goods and expanding to digital forms of goods that are otherwise taxed; and
- Expanding the sales tax base to services, such as those commonly taxed in other states.

This Resolution builds upon previous work that accounts for the impacts that distribution networks have on host cities and further calls on the organization to advocate for changes to sales tax distribution rules.



The Resolution places further demands on data collected by CDTFA to establish a “fair and equitable distribution of the Bradley Burns 1% local sales tax from in-state online purchases.” Such data is proposed to be collected by [SB 792 \(Glazer, 2021\)](#). More discussion on this topic can be found in the “Staff Comments” section.

#### **Staff Comments:**

##### **Proposed Resolution Affixes Equity Based, Data Driven Approach to Existing Cal Cities Policy on Sales Tax Sourcing**

The actions resulting from this resolution, if approved, would align with existing policy and efforts to-date to modernize sales tax rules. While not formalized in existing Cal Cities policy or recommendations, city managers and tax practitioners generally have favored proposals that establish a sharing of online sales tax revenues rather than a full destination shift. City leaders and practitioners across the state have acknowledged during Cal Cities Revenue and Taxation and City Manager’s working group meetings that the hosting of fulfillment centers and ancillary infrastructure pose major burdens on local communities including detrimental health and safety impacts. This acknowledgement has moved mainstream proposals such as this one away from full revenue shifts towards an equity-based, data driven approach that favors revenue sharing. This Resolution would concretely affix this approach as Cal Cities policy.

##### **More Data is Needed to Achieve Equity Based Approach**

A major challenge is the lack of adequate data to model the results of shifting in-state online sale tax revenues. Local government tax consultants and state departments have limited data to model the effects of changes to sales tax distribution because their information is derived only from cities that have a local transactions and use tax (TUT). Tax experts are able to model proposed tax shifts using TUTs since they are allocated on a destination basis (where a purchaser receives the product; usually a home or business). However, more than half of all cities, including some larger cities, do not have a local TUT therefore modeling is constrained and incomplete.

Efforts to collect relevant sales tax information on the destination of products purchased online are ongoing. The most recent effort is encapsulated in [SB 792 \(Glazer, 2021\)](#), which would require retailers with online sales exceeding \$50 million a year to report to CDTFA the gross receipts from online sales that resulted in a product being shipped or delivered in each city. The availability of this data would allow for a much more complete understanding of online consumer behavior and the impacts of future proposed changes to distribution. SB 792 (Glazer) is supported by Cal Cities following approval by the Revenue and Taxation Committee and board of directors.

##### **Impact of Goods Movement Must Be Considered**

As noted above, city leaders and practitioners across the state acknowledge that the hosting of fulfillment centers and goods movement infrastructure pose major burdens on local communities including detrimental health, safety, and infrastructure impacts. Not least of which is the issue of air pollution from diesel exhaust. According to California Environmental Protection Agency (Cal EPA):



*“Children and those with existing respiratory disease, particularly asthma, appear to be especially susceptible to the harmful effects of exposure to airborne PM from diesel exhaust, resulting in increased asthma symptoms and attacks along with decreases in lung function (McCreanor et al., 2007; Wargo, 2002). People that live or work near heavily-traveled roadways, ports, railyards, bus yards, or trucking distribution centers may experience a high level of exposure (US EPA, 2002; Krivoshto et al., 2008). People that spend a significant amount of time near heavily-traveled roadways may also experience a high level of exposure. Studies of both men and women demonstrate cardiovascular effects of diesel PM exposure, including coronary vasoconstriction and premature death from cardiovascular disease (Krivoshto et al., 2008). A recent study of diesel exhaust inhalation by healthy non-smoking adults found an increase in blood pressure and other potential triggers of heart attack and stroke (Krishnan et al., 2013) Exposure to diesel PM, especially following periods of severe air pollution, can lead to increased hospital visits and admissions due to worsening asthma and emphysema-related symptoms (Krivoshto et al., 2008). Diesel exposure may also lead to reduced lung function in children living in close proximity to roadways (Brunekreef et al., 1997).”*

The founded health impacts of the ubiquitous presence of medium and heavy-duty diesel trucks used to transport goods to and from fulfillment centers and warehouses require host cities to meet increased needs of their residents including the building and maintenance of buffer zones, parks, and open space. While pollution impacts may decline with the introduction of zero-emission vehicles, wide scale adoption by large distribution fleets is still in its infancy. Furthermore, the impacts of heavy road use necessitate increased spending on local streets and roads upgrades and maintenance. In addition, many cities have utilized the siting of warehouses, fulfillment centers, and other heavy industrial uses for goods movements as key components of local revenue generation and economic development strategies. These communities have also foregone other land uses in favor of siting sales offices and fulfillment networks.

All said, however, it is important to acknowledge that disadvantaged communities (DACs) whether measured along poverty, health, environmental or education indices exist in cities across the state. For one example, see: [California Office of Environmental Health Hazard Assessment \(OEHHA\) CalEnviroScreen](#). City officials may consider how cities without fulfillment and warehouse center revenues are to fund efforts to combat social and economic issues, particularly in areas with low property tax and tourism-based revenues.

The Resolution aims to acknowledge these impacts broadly (this analysis does not provide an exhaustive review of related impacts) and requests Cal Cities to account for them in a revised distribution formula of the Bradley Burns 1% local sales tax from in-state online purchases. The Resolution does not prescribe the proportions.

### **Clarifying Amendments**

Upon review of the Resolution, Cal Cities staff recommends technical amendments to provide greater clarity. *To review the proposed changes, please see Attachment B.*

**Fiscal Impact:**

Significant but unknown. The Resolution on its own does not shift sales tax revenues. In anticipation and mitigation of impacts, the Resolution requests Cal Cities to utilize online sales tax data to identify a fair and equitable distribution formula that accounts for the broad impacts fulfillment centers involved in online retail have on the cities that host them. The Resolution does not prescribe the revenue distribution split nor does it prescribe the impacts, positive and negative, of distribution networks.

**Existing Cal Cities Policy:**

- Tax proceeds collected from internet sales should be allocated to the location where the product is received by the purchaser.
- Support as Cal Cities policy that point of sale (situs) is where the customer receives the product. Specific proposals in this area should be carefully reviewed so that the impacts of any changes are fully understood.
- Revenue from new regional or state taxes or from increased sales tax rates should be distributed in a way that reduces competition for situs-based revenue. (Revenue from the existing sales tax rate and base, including future growth from increased sales or the opening of new retail centers, should continue to be returned to the point of sale.)
- The existing situs-based sales tax under the Bradley Burns 1% baseline should be preserved and protected.
- Restrictions should be implemented and enforced to prohibit the enactment of agreements designed to circumvent the principle of situs-based sales and redirect or divert sales tax revenues from other communities, when the physical location of the affected businesses does not change. Sales tax rebate agreements involving online retailers are inappropriate because they have the effect of encouraging revenue to be shifted away from numerous communities and concentrated to the benefit of one. Any type of agreement that seeks to lure a retailer from one community to another within a market area should also be prohibited going forward.
- Support Cal Cities working with the state California Department of Tax and Fee Administration (CDTFA) to update the county pool allocation process to ensure that more revenues are allocated to the jurisdiction where the purchase or first use of a product occurs (usually where the product is delivered). Use Tax collections from online sales, including from the South Dakota v Wayfair Decision, should be shifted out of county pools and allocated to the destination jurisdiction whose Bradley Burns tax applies and not throughout the entire county.

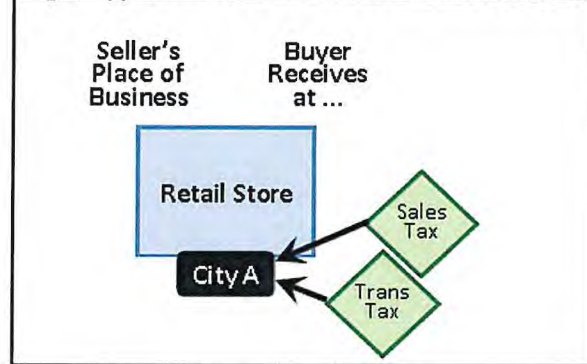
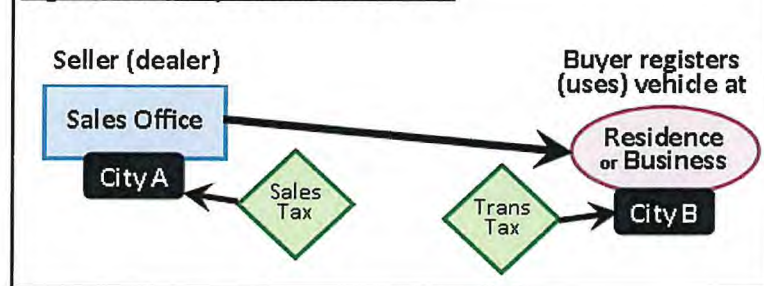
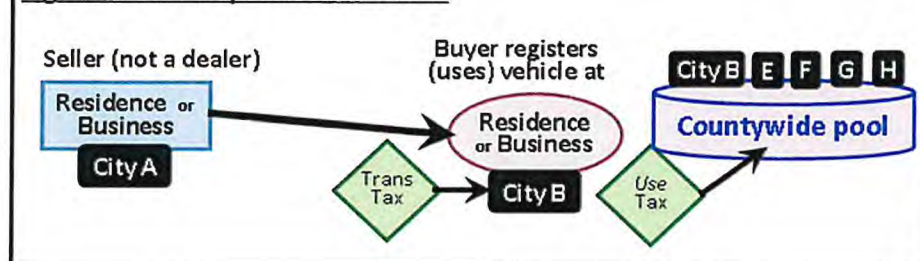
**Support:**

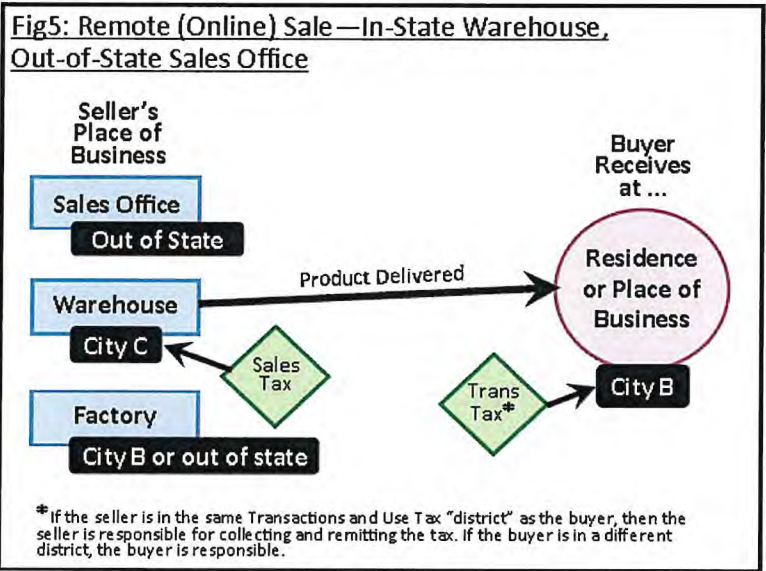
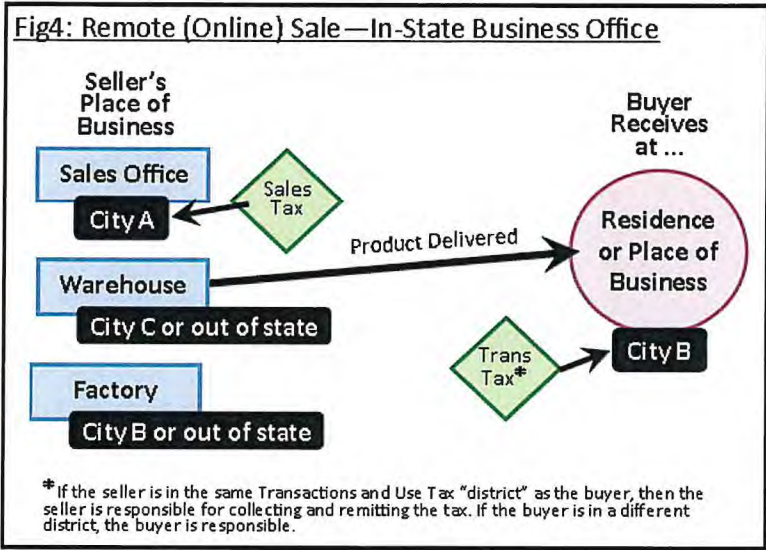
The following letters of concurrence were received:

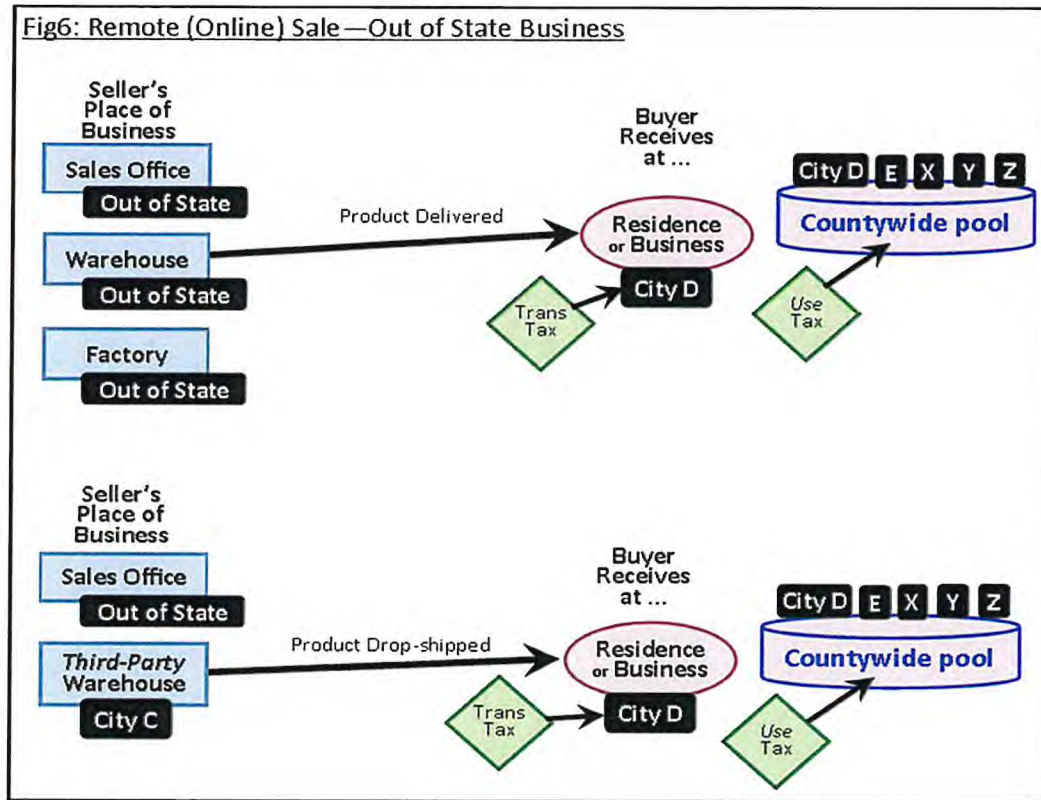
Town of Apple Valley  
City of El Cerrito  
City of La Canada Flintridge  
City of La Verne  
City of Lakewood

City of Moorpark  
City of Placentia  
City of Sacramento



**Fig1: Typical "Over the Counter" Transaction****Fig2: Dealership Automobile Sale****Fig3: Private Party Automobile Sale**



**Fig6: Remote (Online) Sale—Out of State Business**

GUIDELINES FOR ALLOCATION OF LOCAL TAX - ONLINE AND IN-STORE			
Place of Sale	Location of Goods at the Time of Sale	How Customer Receives Goods	Allocation of Tax
Online – Order is placed or downloaded outside California	California Fulfillment Center	Shipped to California Customer	Local tax is allocated to the jurisdiction in which the fulfillment center is located
Online – Order is placed or downloaded in California	California Fulfillment Center	Shipped to California Customer	Per CDTFA Regulation 1802, local tax is allocated to the jurisdiction where the order is placed
Online	Out of State Fulfillment Center	Shipped to California Customer	Local tax is allocated to the countywide pool based on point of delivery
Online	Out of State Fulfillment Center	Picked Up In-Store (Click & Collect)	Local tax is allocated to the countywide pool based on point of delivery
Online	California Fulfillment Center Owned and Operated by Third Party Vendor	Drop-Shipped to California Customer	Local tax is allocated to the countywide pool based on point of delivery
Online	In-Store (Goods withdrawn from store inventory)	Shipped to California Customer	Local Tax is allocated to the jurisdiction where the store is located
Online	In-Store (Goods withdrawn from store inventory)	Picked Up In-Store (Click & Collect)	Local Tax is allocated to the jurisdiction where the store is located
In-Store	In-Store (Goods withdrawn from store inventory)	Over the Counter	Local Tax is allocated to the jurisdiction where the store is located

Courtesy of HdL Companies

CaliforniaCityFinance.com



## Tax Incentive Programs, Sales Tax Sharing Agreements

In recent years, especially since Proposition 13 in 1978, local discretionary (general purpose revenues) have become more scarce. At the same time, options and procedures for increasing revenues have become more limited. One outcome of this in many areas has been a greater competition for sales and use tax revenues. This has brought a rise in arrangements to encourage certain land use development with rebates and incentives which exploit California's odd origin sales tax sourcing rules.

The typical arrangement is a sales tax sharing agreement in which a city provides tax rebates to a company that agrees to expand their operations in the jurisdiction of the city. Under such an arrangement, the company generally agrees to make a specified amount of capital investment and create a specific number of jobs over a period of years in exchange for specified tax breaks, often property tax abatement or some sort of tax credit. In some cases, this has simply taken the form of a sales office, while customers and warehouses and the related economic activity are disbursed elsewhere in the state. In some cases the development takes the form of warehouses, in which the sales inventory, owned by the company, is housed.<sup>6</sup>

Current sales tax incentive agreements in California rebate amounts ranging from 50% to 85% of sales tax revenues back to the corporations.

Today, experts familiar with the industry believe that between 20% to 30% of local Bradley-Burns sales taxes paid by California consumers is diverted from local general funds back to corporations; over \$1 billion per year.

### The Source of Origin Based Sourcing Problems

Where other than over-the-counter sales are concerned origin sourcing often causes a concentration of large amounts of tax revenue in one location, despite the fact that the economic activity and service impacts are also occurring in other locations.

The large amounts of revenue concentrated in a few locations by California's "warehouse rule" origin sourcing causes a concentration of revenue far in excess of the service costs associated with the development.

In order to lure jobs and tax revenues to their communities, some cities have entered into rebate agreements with corporations. This has grown to such a problem, that 20% to 30% of total local taxes paid statewide are being rebated back to corporations rather than funding public services.

## Moving to Destination Sourcing: The Concept<sup>7</sup>

A change from origin sourcing rules to destination sourcing rules for the local tax component of California's sales tax would improve overall revenue collections and distribute these revenues more equitably among all of the areas involved in these transactions.

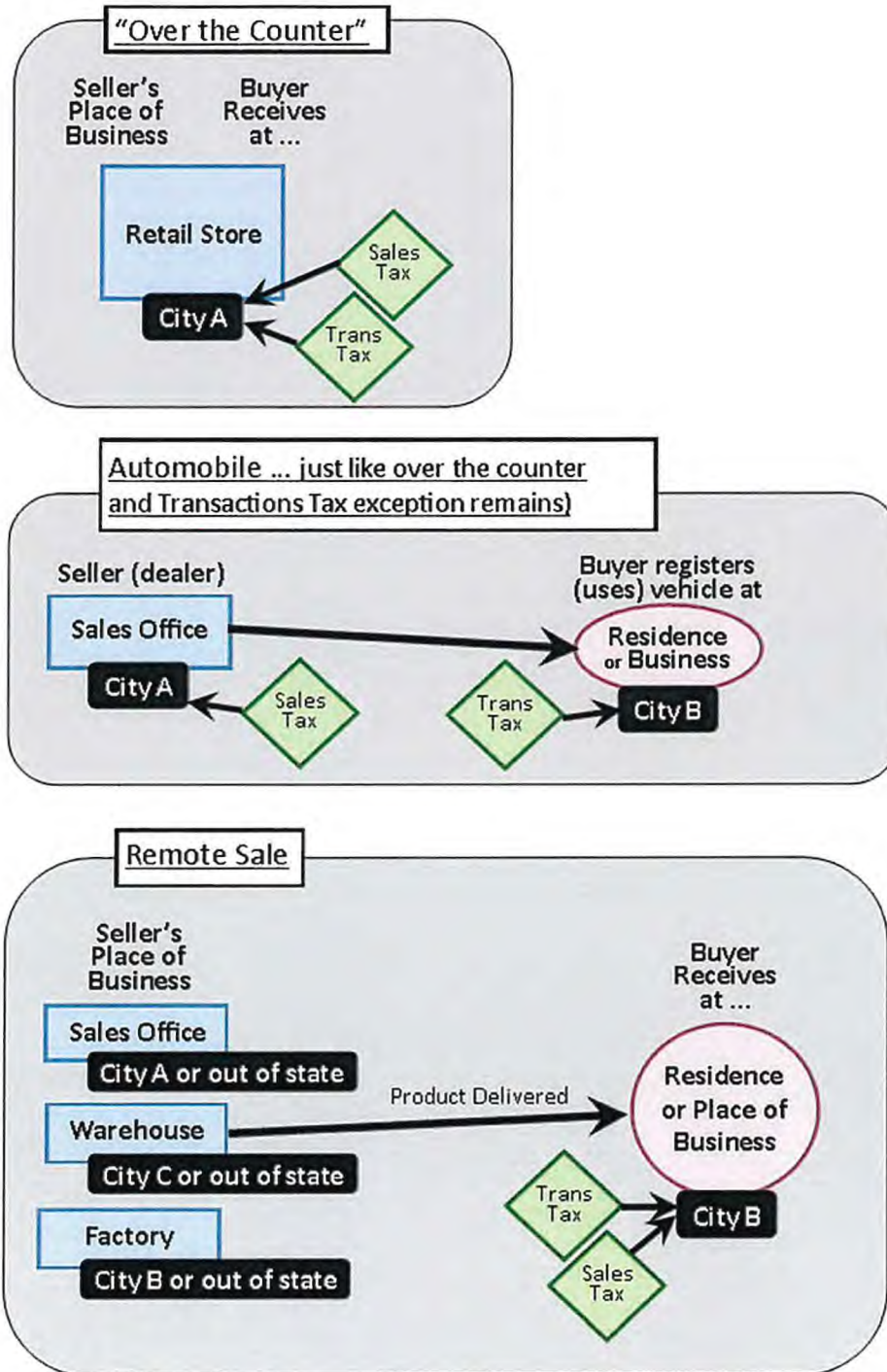
A change from origin based sourcing to destination based sourcing would have no effect on state tax collections. However, it would alter the allocations of local sales and use tax revenues among local agencies. Most retail transactions including dining, motor fuel purchases, and in-store purchases would not be affected. But in cases where the property is received by the purchaser in a different jurisdiction than where the sales agreement was negotiated, there would be a different allocation than under the current rules.

<sup>6</sup> See Jennifer Carr, "Origin Sourcing and Tax Incentive Programs: An Unholy Alliance" Sales Tax Notes; May 27, 2013.

<sup>7</sup> The same issues that are of concern regarding the local sales tax do not apply to California's Transactions and Use Taxes ("Add-on sales taxes") as these transactions, when not over the counter, are generally allocated to the location of use or, as in the case of vehicles, product registration. There is no need to alter the sourcing rules for transactions and use taxes.

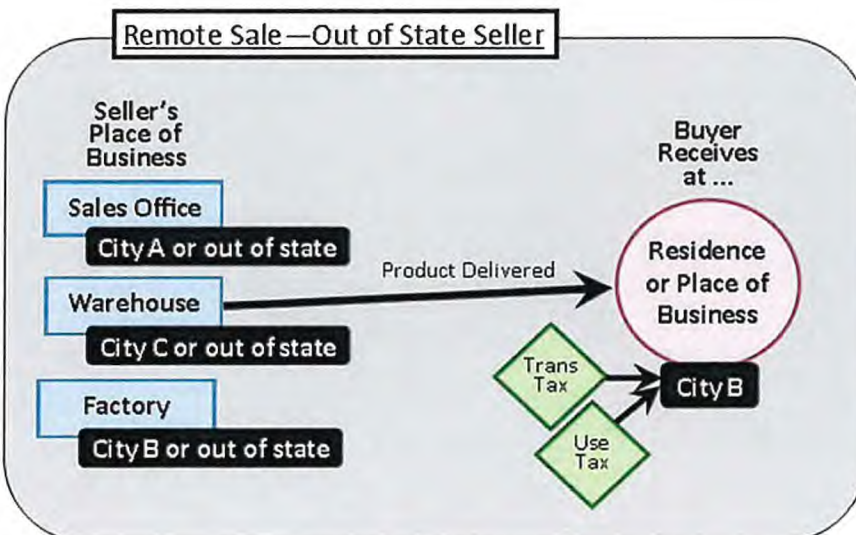
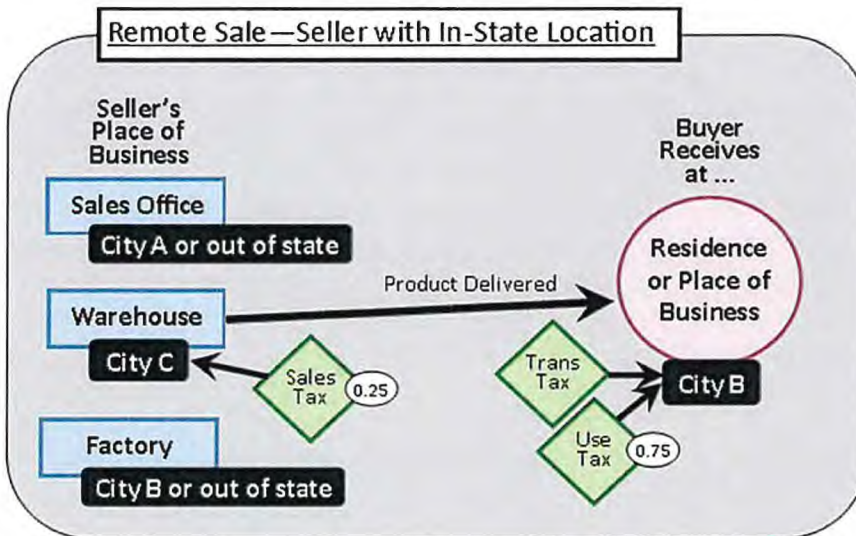


## Destination Sourcing Scenario 1: Full-On



## Destination Sourcing Scenario 2: Split Source

- Same as now for “over the counter” and automobile.
- Leave 0.25% on current seller if instate (origin)
- Could be phased in.



mjgc

*CaliforniaCityFinance.com*



RESOLUTION OF THE LEAGUE OF CALIFORNIA CITIES ("CAL CITIES")  
CALLING ON THE STATE LEGISLATURE TO PASS LEGISLATION THAT PROVIDES  
FOR A FAIR AND EQUITABLE DISTRIBUTION OF THE BRADLEY BURNS 1% LOCAL  
SALES TAX FROM IN-STATE ONLINE PURCHASES, BASED ON DATA WHERE  
PRODUCTS ARE SHIPPED TO, AND THAT RIGHTFULLY TAKES INTO  
CONSIDERATION THE IMPACTS THAT FULFILLMENT CENTERS HAVE ON HOST  
CITIES BUT ALSO PROVIDES A FAIR SHARE TO CALIFORNIA CITIES THAT DO NOT  
AND/OR CANNOT HAVE A FULFILLMENT CENTER WITHIN THEIR JURISDICTION

**WHEREAS**, the 2018 U.S. Supreme Court decision in *Wayfair v. South Dakota* clarified that states could charge and collect tax on purchases even if the seller does not have a physical presence in the state; and

**WHEREAS**, California cities and counties collect 1% in Bradley Burns sales and use tax from the purchase of tangible personal property and rely on this revenue to provide critical public services such as police and fire protection; and

**WHEREAS**, in terms of "siting" the place of sale and determining which jurisdiction receives the 1% Bradley Burns local taxes for online sales, the California Department of Tax and Fee Administration (CDTFA) determines "out-of-state" online retailers as those with no presence in California that ship property from outside the state and are therefore subject to use tax, not sales tax, which is collected in a countywide pool of the jurisdiction where the property is shipped from; and

**WHEREAS**, for online retailers that have a presence in California and have a stock of goods in the state from which it fulfills orders, CDTFA considers the place of sale ("situs") as the location from which the goods were shipped such as a fulfillment center; and

**WHEREAS**, in early 2021, one of the state's largest online retailers shifted its ownership structure so that it is now considered both an in-state and out-of-state retailer, resulting in the sales tax this retailer generates from in-state sales now being ~~entirely~~ allocated to ~~the specific city~~ cities where ~~the~~ warehouse fulfillment centers ~~is~~ are located as opposed to going into ~~a~~ countywide pools that ~~is~~ are shared with all jurisdictions in those counties ~~that County~~, as was done previously; and

**WHEREAS**, this all-or-nothing ~~change for the~~ allocation of in-state sales tax has created winners and losers amongst cities as the online sales tax revenue ~~from the retailer~~ that was once spread amongst all cities in countywide pools is now concentrated in select cities that host ~~a~~ fulfillment centers; and

**WHEREAS**, this has created a tremendous inequity amongst cities, in particular for cities that are built out, do not have space for siting ~~a 1 million square foot~~ fulfillment centers, are not located along a major travel corridor, or otherwise not ideally suited to host a fulfillment center; and

**WHEREAS**, this inequity affects cities statewide, but in particular those with specific circumstances such as no/low property tax cities that are extremely reliant on sales tax revenue as well as cities struggling to meet their Regional Housing Needs Allocation (RHNA) obligations that are being compelled by the State to rezone precious commercial parcels to residential; and

**WHEREAS**, the inequity produced by allocating in-state online sales tax revenue exclusively to cities with fulfillment centers is exasperated even more by, in addition to already reducing the amount of revenue going into the countywide pools, the cities with fulfillment centers are also receiving a larger share of the dwindling countywide pool as it is allocated based on cities' proportional share of sales tax collected; and

**WHEREAS**, while it is important to acknowledge that those cities that have fulfillment centers experience impacts from these activities and deserve equitable supplementary compensation, it should also be recognized that the neighboring cities whose residents are ordering products from ~~those that~~ centers now receive no Bradley Burns revenue ~~from the center's sales activity~~ despite also experiencing the impacts created by the ~~m~~ center, such as increased traffic and air pollution; and

**WHEREAS**, the COVID-19 pandemic greatly accelerated the public's shift towards online purchases, a trend that is unlikely to be reversed to pre-pandemic levels; and

**NOW, THEREFORE, BE IT RESOLVED** that Cal Cities calls on the State Legislature to pass legislation that provides for a fair and equitable distribution of the Bradley Burns 1% local sales tax from in-state online purchases, based on data where products are shipped to, and that rightfully takes into consideration the impacts that fulfillment centers have on host cities but also provides a fair share to California cities that do not and/or cannot have a fulfillment center within their jurisdiction.



**2. A RESOLUTION CALLING UPON THE GOVERNOR AND THE LEGISLATURE TO PROVIDE NECCESARY FUNDING FOR CUPC TO FUFILL ITS OBLIGATION TO INSPECT RAILROAD LINES TO ENSURE THAT OPERATORS ARE REMOVING ILLEGAL DUMPING, GRAFFITI AND HOMELESS ENCAMPMENTS THAT DEGRADE THE QAULITY OF LIFE AND RESULTS IN INCREASED PUBLIC SAFETLY CONCERNS FOR COMMUNITIES AND NEIGHBORHOODS THAT ABUTT THE RAILROAD RIGHT-OF-WAY.**

Source: City of South Gate

Concurrence of five or more cities/city officials:

Cities: City of Bell Gardens; City of Bell; City of Commerce; City of Cudahy; City of El Segundo; City of Glendora; City of Huntington Park; City of La Mirada; City of Long Beach; City of Lynwood; City of Montebello; City of Paramount; City of Pico Rivera

Referred to: Housing, Community and Economic Development; and Transportation, Communications and Public Works

**WHEREAS**, ensuring the quality of life for communities falls upon every local government including that blight and other health impacting activities are addressed in a timely manner by private property owners within its jurisdictional boundaries for their citizens, businesses and institutions; and

**WHEREAS**, Railroad Operators own nearly 6,000 miles of rail right-of-way throughout the State of California which is regulated by the Federal Railroad Administration and/or the California Public Utilities Commission for operational safety and maintenance; and

**WHEREAS**, the California Public Utilities Commission (CPUC) is the enforcing agency for railroad safety in the State of California and has 41 inspectors assigned throughout the entire State to inspect and enforce regulatory compliance over thousands of miles of rail line; and

**WHEREAS**, areas with rail line right-of-way within cities and unincorporated areas are generally located in economically disadvantaged zones and/or disadvantaged communities of color where the impact of blight further lowers property values and increases the likelihood of unsound sanitary conditions and environmental impacts upon them; and

**WHEREAS**, many communities are seeing an increase in illegal dumping, graffiti upon infrastructure and homeless encampments due to the lax and inadequate oversight by regulatory agencies; and

**WHEREAS**, local governments have no oversight or regulatory authority to require operators to better maintain and clean their properties as it would with any other private property owner within its jurisdictional boundaries. Thus such local communities often resort to spending their local tax dollars on cleanup activities or are forced to accept the delayed and untimely response by operators to cleaning up specific sites, and;

**WHEREAS**, that railroad operators should be able to provide local communities with a fixed schedule in which their property will be inspected and cleaned up on a reasonable and regular schedule or provide for a mechanism where they partner with and reimburse local governments for an agreed upon work program where the local government is enabled to remove items like illegal dumping, graffiti and encampments; and

**WHEREAS**, the State has made it a priority to deal with homeless individuals and the impacts illegal encampments have upon those communities and has a budgetary surplus that can help fund the CPUC in better dealing with this situation in both a humane manner as well a betterment to rail safety.

**RESOLVED**, at the League of California Cities, General Assembly, assembled at the League Annual Conference on September 24, 2021, in Sacramento, that the League calls for the Governor and the Legislature to work with the League and other stakeholders to provide adequate regulatory authority and necessary funding to assist cities with these railroad right-of-way areas so as to adequately deal with illegal dumping, graffiti and homeless encampments that proliferate along the rail lines and result in public safety issues. The League will work with its member cities to educate federal and state officials to the quality of life and health impacts this challenge has upon local communities, especially those of color and/or environmental and economic hardships.

## **Background Information to Resolution**

**Source:** City of South Gate

**Background:**

The State of California has over 6,000 miles of rail lines, with significant amount running through communities that are either economically disadvantaged and/or disadvantaged communities of color. While the Federal Railroad Administration (FRA) has primary oversight of rail operations, they delegate that obligation to the State of California for lines within our State. The administration of that oversight falls under the California Public Utilities Commission (CPUC). The CPUC has only 41 inspectors covering those 6,000 miles of railroad lines in the State of California. Their primary task is ensuring equipment, bridges and rail lines are operationally safe.

The right-of-way areas along the rail lines are becoming increasingly used for illegal dumping, graffiti and homeless encampments. Rail operators have admitted that they have insufficient funds set aside to clean up or sufficiently police these right-of-way areas, despite reporting a net income of over \$13 billion in 2020. CPUC budget does not provide the resources to oversee whether rail operators are properly managing the right-of-way itself.

The City of South Gate has three rail lines traversing through its city limits covering about 4 miles. These lines are open and inviting to individuals to conduct illegal dumping, graffiti buildings and structures along with inviting dozens of homeless encampments. As private property, Cities like ourselves cannot just go upon them to remove bulky items, trash, clean graffiti or remove encampments. We must call and arrange for either our staff to access the site or have the rail operator schedule a cleanup. This can take weeks to accomplish, in the meantime residents or businesses that are within a few hundred feet of the line must endure the blight and smell. Trash is often blown from the right-of-way into residential homes or into the streets. Encampments can be seen from the front doors of homes and businesses.

South Gate is a proud city of hard working-class residents, yet with a median household income of just \$50,246 or 65% of AMI for Los Angeles County, it does not have the financial resources to direct towards property maintenance of any commercial private property. The quality of life of communities like ours should not be degraded by the inactions or lack of funding by others. Cities such as South Gate receive no direct revenue from the rail operators, yet we deal with environmental impacts on a daily basis, whether by emissions, illegal dumping, graffiti or homeless encampments.

The State of California has record revenues to provide CPUC with funding not only for safety oversight but ensuring right-of-way maintenance by operators is being managed properly. Rail Operators should be required to set aside sufficient annual funds to provide a regular cleanup of their right-of-way through the cities of California.





**LETTERS OF CONCURRENCE**  
Resolution No. 2



City of  
**BELL GARDENS**

7100 Garfield Avenue • Bell Gardens, CA 90201 • 562-806-7700 • [www.bellgardens.org](http://www.bellgardens.org)

## CITY OF SOUTH GATE ANNUAL CONFERENCE RESOLUTION

July 21, 2021

Cheryl Viegas Walker  
President  
League of California Cities  
1400 K Street, Suite 400  
Sacramento, CA 95814

### **RE: City of South Gate Annual Conference Resolution**

President Walker:

The City of Bell Gardens supports the City of South Gate's effort to submit a resolution for consideration by the General Assembly at the League's 2021 Annual Conference in Sacramento.

The City's resolution seeks to address a critical issue within communities, especially those of economic disadvantage and disadvantage communities of color that are home to the State's freight rail lines. While supportive of the economic base the industry serves to the State, their rail lines have often become places where illegal dumping is a constant problem and our growing homeless population call home. These impact of these activities further erode the quality of life for our communities, increase blight, increase unhealthy sanitation issues and negatively impact our ability to meet State water quality standards under the MS4 permits.

As members of the League our city values the policy development process provided to the General Assembly. We appreciate your time on this issue. Please feel free to contact Marco Barcena at 562-7761 if you have any questions.

Sincerely,

Marco Barcena  
Mayor

CC: Blanca Pacheco, President, Los Angeles County Division c/o  
Jennifer Quan, Executive Director, Los Angeles County Division, [jquan@cacities.org](mailto:jquan@cacities.org)





City of  
**BELL GARDENS**

7100 Garfield Avenue • Bell Gardens, CA 90201 • 562-806-7700 • [www.bellgardens.org](http://www.bellgardens.org)

## CITY OF SOUTH GATE ANNUAL CONFERENCE RESOLUTION

July 20, 2021

Cheryl Viegas Walker  
President  
League of California Cities  
1400 K Street, Suite 400  
Sacramento, CA 95814

### **RE: City of South Gate Annual Conference Resolution**

President Walker:

As a Councilwoman with the City of Bell Gardens, I support the City of South Gate's effort to submit a resolution for consideration by the General Assembly at the League's 2021 Annual Conference in Sacramento.

The City of South Gate's resolution seeks to address a critical issue within communities, especially those of economic disadvantage and disadvantage communities of color that are home to the State's freight rail lines. While supportive of the economic base the industry serves to the State, their rail lines have often become places where illegal dumping is a constant problem and our growing homeless population call home. These impact of these activities further erode the quality of life for our communities, increase blight, increase unhealthy sanitation issues and negatively impact our ability to meet State water quality standards under the MS4 permits.

As members of the League our city values the policy development process provided to the General Assembly. We appreciate your time on this issue. Please feel free to contact Lisseth Flores at (562) 806-7763 if you have any questions.

Sincerely,

*Lisseth Flores*

Lisseth Flores  
Councilwoman

CC: Blanca Pacheco, President, Los Angeles County Division c/o  
Jennifer Quan, Executive Director, Los Angeles County Division, [jquan@cacities.org](mailto:jquan@cacities.org)



## CITY OF SOUTH GATE ANNUAL CONFERENCE RESOLUTION

July 15, 2021

Cheryl Viegas Walker  
President  
League of California Cities  
1400 K Street, Suite 400  
Sacramento, CA 95814

### RE: City of South Gate Annual Conference Resolution

President Walker:

The city of Bell supports the City of South Gate's effort to submit a resolution for consideration by the General Assembly at the League's 2021 Annual Conference in Sacramento.

The City's resolution seeks to address a critical issue within communities, especially those of economic disadvantage and disadvantage communities of color that are home to the State's freight rail lines. While supportive of the economic base the industry serves to the State, their rail lines have often become places where illegal dumping is a constant problem and our growing homeless population call home. These impact of these activities further erode the quality of life for our communities, increase blight, increase unhealthy sanitation issues and negatively impact our ability to meet State water quality standards under the MS4 permits.

As members of the League our city values the policy development process provided to the General Assembly. We appreciate your time on this issue. Please feel free to contact Paul Philips, City Manager at 323-588-6211, if you have any questions.

Sincerely,

Alicia Romero  
Mayor

CC: Blanca Pacheco, President, Los Angeles County Division c/o  
Jennifer Quan, Executive Director, Los Angeles County Division,



## CITY OF COMMERCE

July 20, 2021

Cheryl Viegas Walker  
President  
League of California Cities  
1400 K Street, Suite 400  
Sacramento, CA 95814

**RE: Railroad Oversight Annual Conference Resolution**

President Walker:

The City of Commerce supports the City of South Gate's effort to submit a resolution for consideration by the General Assembly at the League of California Cities' ("League") 2021 Annual Conference in Sacramento.

The City's resolution seeks to address a critical issue within communities, especially disadvantaged communities of color that are home to the State's freight rail lines. While I am supportive of the economic base the railroad industry serves to the State, their rail lines have often become places where illegal dumping is a constant problem and our growing homeless population call home. The impact of these activities further erode the quality of life for our communities, increase blight, increase unhealthy sanitation issues and negatively impact our ability to meet State water quality standards under the MS4 permits.

As members of the League, our City values the policy development process provided to the General Assembly. We appreciate your time on this issue. Please feel free to contact Edgar Cisneros, City Manager, via email at [ecisneros@ci.commerce.ca.us](mailto:ecisneros@ci.commerce.ca.us) or at 323-722-4805, should you have any questions.

Sincerely,



Mayor Leonard Mendoza

CC: Blanca Pacheco, President, Los Angeles County Division c/o  
Jennifer Quan, Executive Director, Los Angeles County Division, [jquan@cacities.org](mailto:jquan@cacities.org)





# CITY OF CUDAHY CALIFORNIA

*Incorporated November 10, 1960*

5220 Santa Ana Street  
Cudahy, California 90201  
(323)773-5143

July 21, 2021

Cheryl Viegas Walker  
President  
League of California Cities  
1400 K Street, Suite 400  
Sacramento, CA 95814

RE: City of South Gate Annual Conference Resolution

Dear President Walker:

The City of Cudahy supports the City of South Gate's effort to submit a resolution for consideration by the General Assembly at the League's 2021 Annual Conference in Sacramento.

The City of South Gate's resolution seeks to address a critical issue within communities, especially those of economic disadvantage and disadvantage communities of color that are home to the State's freight rail lines. While supportive of the economic base the industry serves to the State; their rail lines have often become places where illegal dumping is a constant problem and our growing homeless population call home. These impacts of these activities further erode the quality of life for our communities, increase blight, increase unhealthy sanitation issues and negatively impact our ability to meet State water quality standards under the MS4 permits.

As members of the League our city values the policy development process provided to the General Assembly. We appreciate your time on this issue. If you have any questions, please do not hesitate to call my office at 323-773-5143.

Sincerely,



Jose Gonzalez  
Mayor

CC: Chris Jeffers, City Manager, City of South Gate



# City of El Segundo

## Office of the Mayor

July 16, 2021

### Elected Officials:

Drew Boyles,  
Mayor  
Chris Pimentel  
Mayor Pro Tem  
Carol Pirsztuk,  
Council Member  
Scot Nicol,  
Council Member  
Lance Groux,  
Council Member  
Tracy Weaver,  
City Clerk  
Matthew Robinson,  
City Treasurer

### Appointed Officials:

Scott Mitnick,  
City Manager  
Mark D. Hensley,  
City Attorney

### Department Directors:

Barbara Voss  
Deputy City Manager  
Joseph Lillo,  
Finance  
Chris Donovan,  
Fire Chief  
Charles Mallory,  
Information Technology  
Services  
Melissa McCollum,  
Community Services  
Rebecca Redyk,  
Human Resources  
Doris Cook,  
Interim Development Services  
Jamie Bermudez,  
Interim Police Chief  
Elias Sassoon,  
Public Works

[www.elsegundo.org](http://www.elsegundo.org)  
[www.elsegundobusiness.com](http://www.elsegundobusiness.com)  
[www.elsegundo100.org](http://www.elsegundo100.org)

Cheryl Viegas Walker  
President  
League of California Cities  
1400 K Street, Suite 400  
Sacramento, CA 95814

### RE: City of South Gate Annual Conference Resolution

President Walker:

The City of El Segundo supports the Los Angeles County Division's City of South Gate's effort to submit a resolution for consideration by the General Assembly at the League's 2021 Annual Conference in Sacramento.

The City's resolution seeks to address a critical issue within communities, especially those of economic disadvantage and disadvantage communities of color that are home to the State's freight rail lines. While supportive of the economic base the industry serves to the State, their rail lines have often become places where illegal dumping is a constant problem and our growing homeless population call home. The impact of these activities further erodes the quality of life for our communities, increases blight, increases unhealthy sanitation issues, and negatively impacts our ability to meet State water quality standards under the MS4 permits.

As members of the League, our City values the policy development process provided to the General Assembly. We appreciate your time on this issue. Please feel free to contact El Segundo Public Works Director Elias Sassoon at 310-524-2356, if you have any questions.

Sincerely,

Drew Boyles  
Mayor of El Segundo

CC: City Council, City of El Segundo  
Blanca Pacheco, President, Los Angeles County Division c/o  
Jennifer Quan, Executive Director, Los Angeles County Division, [jquan@cacities.org](mailto:jquan@cacities.org)  
Jeff Kiernan, League Regional Public Affairs Manager (via email)

350 Main Street, El Segundo, California 90245-3813  
Phone (310) 524-2302 Fax (310) 322-7137



**CITY OF GLENDORA** CITY HALL

(626) 914-8200

116 East Foothill Blvd., Glendora, California 91741  
[www.ci.glendora.ca.us](http://www.ci.glendora.ca.us)

July 14, 2021

Cheryl Viegas Walker, President  
League of California Cities  
1400 K Street, Suite 400  
Sacramento, CA 95814

**SUBJECT: SUPPORT FOR THE CITY OF SOUTH GATE'S ANNUAL  
CONFERENCE RESOLUTION**

Dear President Walker:

The City of Glendora is pleased to support the City of South Gate's effort to submit a resolution for consideration by the General Assembly at the League of California Cities' 2021 Annual Conference in Sacramento.

The City of South Gate's resolution seeks to address a critical issue that many communities, small and large, are experiencing along active transportation corridors, particularly rail lines. Given the importance and growth of the ports and logistics sector, and the economic support they provide, we need to do more to ensure that conflicts are appropriately addressed and mitigated to ensure they do not become attractive nuisances. Our cities are experiencing increasing amounts of illegal dumping (trash and debris) and the establishment of encampments by individuals experiencing homelessness along roadways, highways and rail lines. Such situations create unsafe conditions – safety, health and sanitation – that impact quality of life even as we collectively work to address this challenge in a coordinated and responsible manner.

As members of the League of California Cities, Glendora values the policy development process provided to the General Assembly and strongly support consideration of this issue. Your attention to this matter is greatly appreciated. Should you have any questions, please feel free to contact Adam Raymond, City Manager, at [araymond@cityofglendora.org](mailto:araymond@cityofglendora.org) or (626) 914-8201.

Sincerely,

Karen K. Davis  
Mayor

C: Blanca Pacheco, President, Los Angeles County Division c/o  
Jennifer Quan, Executive Director, Los Angeles County Division, [jquan@cacities.org](mailto:jquan@cacities.org)

**PRIDE OF THE FOOTHILLS**





July 21, 2021

Cheryl Viegas Walker  
President  
League of California Cities  
1400 K Street, Suite 400  
Sacramento, CA 95814

**Re: Resolution No. 2021-18 Supporting City of South Gate Annual Conference Resolution**

President Walker:

The City of Huntington Park (City) supports the City of South Gate's effort to submit a resolution for consideration by the General Assembly at the League's 2021 Annual Conference in Sacramento. Enclosed is Resolution No. 2021-18 adopted by the City Council of the City of Huntington Park.

The City's resolution seeks to address a critical issue within communities, especially those of economic disadvantage and disadvantage communities of color that are home to the State's freight rail lines. While supportive of the economic base the industry serves to the State, their rail lines have often become places where illegal dumping is a constant problem and our growing homeless population call home. These impacts of these activities further erode the quality of life for our communities, increase blight, increase unhealthy sanitation issues and negatively affect our ability to meet State water quality standards under the MS4 permits.

As members of the League, our City values the policy development process provided to the General Assembly. We appreciate your time on this issue. Please feel free to contact our City Manager, Ricardo Reyes, at 323-582-6161, if you have any questions.

Sincerely,

Graciela Ortiz  
Mayor, City of Huntington Park

CC: Blanca Pacheco, President, Los Angeles County Division c/o  
Jennifer Quan, Executive Director, Los Angeles County Division, [jquan@cacities.org](mailto:jquan@cacities.org)

Enclosure(s)



**CITY OF LA MIRADA**  
*DEDICATED TO SERVICE*

13700 La Mirada Boulevard  
La Mirada, California 90638  
P.O. Box 828  
La Mirada, California 90637-0828  
Phone: (562) 943-0131 Fax: (562) 943-1464  
[www.cityoflamirada.org](http://www.cityoflamirada.org)

July 19, 2021

Cheryl Viegas Walker  
President  
League of California Cities  
1400 K Street, Suite 400  
Sacramento, California 95814

**SUBJECT: LETTER OF SUPPORT FOR CITY OF SOUTH GATE'S PROPOSED  
RESOLUTION AT CALCITIES ANNUAL CONFERENCE**

President Walker:

The City of La Mirada supports the City of South Gate's effort to submit a resolution for consideration by the General Assembly at the League's 2021 Annual Conference in Sacramento.

The City of South Gate's resolution seeks to address a critical issue within communities that are home to the State's freight rail lines. While the City of La Mirada is supportive of the economic base the railroad industry serves to the State, the rail lines have become places where illegal dumping and a growing homeless population are significant problems. The negative impact of these illegal activities decreases the quality of life for the La Mirada community, increases blight and unhealthy sanitation issues, and negatively impacts the City's ability to meet State water quality standards under the MS4 permits.

As members of the League, the City of La Mirada values the policy development process provided to the General Assembly. We appreciate your consideration on this issue. Please feel free to contact Assistant City Manager Anne Haraksin at (562) 943-0131 if you have any questions.

Sincerely,

**CITY OF LA MIRADA**

Ed Eng  
Mayor

cc: Blanca Pacheco, President, Los Angeles County Division c/o  
Jennifer Quan, Executive Director, Los Angeles County Division, [jquan@cacities.org](mailto:jquan@cacities.org)

Ed Eng, EdD  
Mayor

Anthony A. Otero, DPPD  
Mayor Pro Tem

Steve De Ruse, D. Min.  
Councilmember 5

John Lewis, Esq.  
Councilmember

Andrew Sarega  
Councilmember

Jeff Boynton  
City Manager

July 22, 2021

Cheryl Viegas Walker  
President  
League of California Cities  
1400 K Street, Suite 400  
Sacramento, CA 95814

**RE: Support for City of South Gate Resolution—Cleanup Activities on Rail Operator Properties**

Dear President Walker,

On behalf of the City of Long Beach, I write to support the City of South Gate's proposed resolution for the League of California Cities' (League) 2021 Annual Conference. This resolution seeks to direct the League to adopt a policy urging State and federal governments to increase oversight of rail operators' land maintenance. The City is a proponent of increased maintenance along railways and believes a League advocacy strategy would help expedite regional responses.

The COVID-19 pandemic has exacerbated the public health and safety concerns on rail rights-of-way, as trash, debris, and encampments have increased exponentially. These challenges erode the quality of life for our communities, increase blight, and contribute to public health and sanitation issues. To address these concerns, the City has engaged directly with regional partners to prioritize ongoing maintenance and cleanups, and has invested \$4 million in the Clean Long Beach Initiative as part of the City's Long Beach Recovery Act to advance economic recovery and public health in response to the COVID-19 pandemic.

The City of South Gate's proposed resolution would further advance these efforts for interjurisdictional coordination. The increased oversight proposed by the resolution will help support better coordination and additional resources to address illegal dumping and encampments along private rail operator property. This is a critical measure to advance public health and uplift our most vulnerable communities. For these reasons, the City supports the proposed League resolution.

Sincerely,



THOMAS B. MODICA  
City Manager

cc: Blanca Pacheco, President, Los Angeles County Division c/o  
Jennifer Quan, Executive Director, Los Angeles County Division, [jquan@cacities.org](mailto:jquan@cacities.org)





OFFICE OF THE  
MAYOR  
MARISELA SANTANA

City of  
**LYNWOOD**

Incorporated 1921

11330 Bullis Road, Lynwood, CA 90262  
(310) 603-0220 x 200



## CITY OF SOUTH GATE ANNUAL CONFERENCE RESOLUTION

July 20, 2021

Cheryl Viegas Walker  
President  
League of California Cities  
1400 K Street, Suite 400  
Sacramento, CA 95814

### **RE: City of South Gate Annual Conference Resolution**

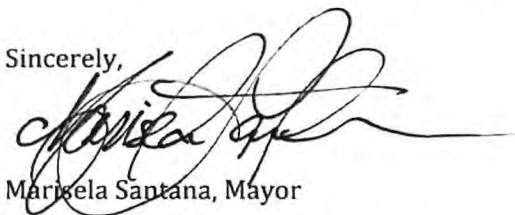
President Walker:

The City of Lynwood supports the City of South Gate's effort to submit a resolution for consideration by the General Assembly at the League's 2021 Annual Conference in Sacramento.

The City's resolution seeks to address a critical issue within communities, especially those of economic disadvantage and disadvantage communities of color that are home to the State's freight rail lines. While supportive of the economic base the industry serves to the State, their rail lines have often become places where illegal dumping is a constant problem and our growing homeless population call home. These impact of these activities further erode the quality of life for our communities, increase blight, increase unhealthy sanitation issues and negatively impact our ability to meet State water quality standards under the MS4 permits.

As members of the League our city values the policy development process provided to the General Assembly. We appreciate your time on this issue. Please feel free to contact Ernie Hernandez at (310) 603-0220 ext. 200, if you have any questions.

Sincerely,



Marisela Santana, Mayor

CC: Blanca Pacheco, President, Los Angeles County Division c/o  
Jennifer Quan, Executive Director, Los Angeles County Division, [jquan@cacities.org](mailto:jquan@cacities.org)



July 19, 2021

Cheryl Viegas Walker  
President  
League of California Cities  
1400 K Street, Suite 400  
Sacramento, CA 95814

**RE: Resolution in Support of City of South Gate Annual Conference Resolution**

President Walker:

The City of Montebello (City) supports the City of South Gate's effort to submit a resolution for consideration by the General Assembly at the League's 2021 Annual Conference in Sacramento. Attached is the Resolution to be considered for adoption by the City Council of the City of Montebello at our July 28, 2021, City Council meeting.

The City's resolution seeks to address a critical issue within communities, especially those of economic disadvantage and disadvantage communities of color that are home to the State's freight rail lines. While supportive of the economic base the industry serves to the State, their rail lines have often become places where illegal dumping is a constant problem and our growing homeless population call home. The impact of these activities further erodes the quality of life for our communities, increase blight, increase unhealthy sanitation issues and negatively impact our ability to meet State water quality standards under the MS4 permits.

As members of the League, our City values the policy development process provided to the General Assembly. We appreciate your time on this issue. Please feel free to contact our City Manager, René Bobadilla, at 323-887-1200, if you have any questions.

Sincerely,

Kimberly Cobos-Cawthorne  
Mayor, City of Montebello

CC: Blanca Pacheco, President, Los Angeles County Division c/o  
Jennifer Quan, Executive Director, Los Angeles County Division, [jquan@cacities.org](mailto:jquan@cacities.org)





BRENDA OLMOS  
Mayor

VILMA CUELLAR STALLINGS  
Vice Mayor

ISABEL AGUAYO  
Councilmember

LAURIE GUILLEN  
Councilmember

PEGGY LEMONS  
Councilmember

July 19, 2021

Cheryl Viegas Walker  
President  
League of California Cities  
1400 K Street, Suite 400  
Sacramento, CA 95814

**RE: SUPPORT FOR ANNUAL LEAGUE OF CITIES CONFERENCE GENERAL  
ASSEMBLY RESOLUTION**

President Walker:

The City of Paramount supports the City of South Gate's effort to submit a resolution for consideration by the General Assembly at the League's 2021 Annual Conference in Sacramento. The proposed resolution is attached

South Gate's resolution seeks to address a critical issue within communities, especially those of economic disadvantage and disadvantage communities of color that are home to the State's freight rail lines. While supportive of the economic boon the freight industry serves to the State, their rail line rights of way have often become places where illegal dumping is a constant problem and where our growing homeless populations reside. The impact of these activities further erode the quality of life for our communities, increase blight, increase unhealthy sanitation issues and negatively impact our ability to meet State water quality standards under the MS4 permits.

As a member of the California League of Cities, the City of Paramount values the policy development process provided to the General Assembly. We appreciate your time on this issue. Please feel free to contact City Manager John Moreno at (562) 220-2222 if you have any questions.

---

*Dedicated to providing fiscally responsible services that maintain a vibrant community.*

16400 Colorado Avenue • Paramount, CA 90723-5012 • Ph: 562-220-2000 • [paramountcity.com](http://paramountcity.com)  
 [facebook.com/CityofParamount](https://facebook.com/CityofParamount) | [instagram.com/paramount\\_posts](https://instagram.com/paramount_posts) | [youtube.com/CityofParamount](https://youtube.com/CityofParamount)





**Steve Carmona**  
City Manager

**City of Pico Rivera**  
**OFFICE OF THE CITY MANAGER**  
6615 Passons Boulevard · Pico Rivera, California 90660  
**(562) 801-4371**

Web: [www.pico-rivera.org](http://www.pico-rivera.org) e-mail: [scastra@pico-rivera.org](mailto:scastra@pico-rivera.org)

**City Council**

Raul Elias  
*Mayor*  
Dr. Monica Sánchez  
*Mayor Pro Tem*  
Gustavo V. Camacho  
*Councilmember*  
Andrew C. Lara  
*Councilmember*  
Erik Lutz  
*Councilmember*

**CITY OF SOUTH GATE ANNUAL CONFERENCE RESOLUTION**

July 14, 2021

Cheryl Viegas Walker  
President  
League of California Cities  
1400 K Street, Suite 400  
Sacramento, CA 95814

**RE: City of South Gate Annual Conference Resolution**

President Walker:

The City of Pico Rivera supports the City of South Gate's effort to submit a resolution for consideration by the General Assembly at the League's 2021 Annual Conference in Sacramento.

The City's resolution seeks to address a critical issue within communities, especially those of economic disadvantage and disadvantaged communities of color that are home to the State's freight rail lines. While supportive of the economic base the industry serves to the State; their rail lines have often become places where illegal dumping is a constant problem and our growing homeless population call home. The impact of these activities further erodes the quality of life for our communities, increases blight, increases unhealthy sanitation issues, and negatively impacts our ability to meet State water quality standards under the MS4 permits.

As members of the League, our City values the policy development process provided to the General Assembly. We appreciate your time on this issue. Please feel free to contact Steve Carmona at (562) 801-4405 if you have any questions.

Sincerely,

City Manager  
City of Pico Rivera

CC: Blanca Pacheco, President, Los Angeles County Division c/o  
Jennifer Quan, Executive Director, Los Angeles County Division, [jquan@cacities.org](mailto:jquan@cacities.org)

## **League of California Cities Staff Analysis on Resolution No. 2**

Staff: Damon Conklin, Legislative Affairs, Lobbyist  
Jason Rhine, Assistant Director, Legislative Affairs  
Caroline Cirrincione, Policy Analyst

Committees: Transportation, Communications, and Public Works  
Housing, Community, and Economic Development

### **Summary:**

The City of South Gate submits this resolution, which states the League of California Cities should urge the Governor and the Legislature to provide adequate regulatory authority and necessary funding to assist cities with railroad right-of-way areas to address illegal dumping, graffiti, and homeless encampments that proliferate along the rail lines and result in public safety issues.

### **Background:**

#### **California Public Utilities Commission (CPUC) Railroad Oversight**

The CPUC's statewide railroad safety responsibilities are carried out through its Rail Safety Division (RSD). The Railroad Operations and Safety Branch (ROSB), a unit of RSD, enforces state and federal railroad safety laws and regulations governing freight and passenger rail in California.

The ROSB protects California communities and railroad employees from unsafe practices on freight and passenger railroads by enforcing rail safety laws, rules, and regulations. The ROSB also performs inspections to identify and mitigate risks and potential safety hazards before they create dangerous conditions. ROSB rail safety inspectors investigate rail accidents and safety-related complaints and recommend safety improvements to the CPUC, railroads, and the federal government as appropriate.

Within the ROSB, the CPUC employs 41 inspectors who are federally certified in the five Federal Railroad Administration (FRA) railroad disciplines, including hazardous materials, motive power and equipment, operations, signal and train control, and track. These inspectors perform regular inspections, focused inspections, accident investigations, security inspections, and complaint investigations. In addition, the inspectors address safety risks that, while not violations of regulatory requirements, pose potential risks to public or railroad employee safety.

#### **CPUC's Ability to Address Homelessness on Railroads**

Homeless individuals and encampments have occupied many locations in California near railroad tracks. This poses an increased safety risk to these homeless individuals of being struck by trains. Also, homeless encampments often create unsafe work environments for railroad and agency personnel.

While CPUC cannot compel homeless individuals to vacate railroad rights-of-way or create shelter for homeless individuals, it has the regulatory authority to enforce measures that can reduce some safety issues created by homeless encampments. The disposal of waste materials or other disturbances of walkways by homeless individuals can create tripping hazards in the vicinity of railroad rights-of-way. This would cause violations of [Commission GO 118-A](#), which sets standards for walkway surfaces alongside railroad tracks. Similarly, tents, wooden structures, and miscellaneous debris in homeless encampments can create violations of



[Commission GO 26-D](#), which sets clearance standards between railroad tracks, and structures and obstructions adjacent to tracks.

#### Homelessness in California

According to the [2020 Annual Homeless Assessment Report \(AHAR\)](#) to Congress, there has been an increase in unsheltered individuals since 2019. More than half ([51 percent or 113,660 people](#)) of all unsheltered homeless people in the United States are found in California, about four times as high as their share of the overall United States population.

Many metro areas in California lack an adequate supply of affordable housing. This housing shortage has contributed to an increase in homelessness that has spread to railroad rights-of-way. Homeless encampments along railroad right-of-way increase the incidents of illegal dumping and unauthorized access and trespassing activities. Other impacts include train service reliability with debris strikes, near-misses, and trespasser injuries/fatalities. As of April 2021, there have been 136 deaths and 117 injuries reported by the [Federal Railroad Administration](#) over the past year. These casualties are directly associated with individuals who trespassed on the railroad.

Cities across the state are expending resources reacting to service disruptions located on the railroad's private property. It can be argued that an increase in investments and services to manage and maintain the railroad's right-of-way will reduce incidents, thus enhancing public safety, environmental quality, and impacts on the local community.

#### State Budget Allocations – Homelessness

The approved State Budget includes a homelessness package of \$12 billion. This consists of a commitment of \$1 billion per year for direct and flexible funding to cities and counties to address homelessness. While some details related to funding allocations and reporting requirements remain unclear, Governor Newsom signed AB 140 in July, which details key budget allocations, such as:

- \$2 billion in aid to counties, large cities, and Continuums of Care through the Homeless Housing, Assistance and Prevention grant program (HHAP);
- \$50 million for Encampment Resolution Grants, which will help local governments resolve critical encampments and transitioning individuals into permanent housing; and
- \$2.7 million in onetime funding for Caltrans Encampment Coordinators to mitigate safety risks at encampments on state property and to coordinate with local partners to connect these individuals to services and housing.

The Legislature additionally provided \$2.2 billion specifically for Homekey with \$1 billion available immediately. This funding will help local governments transition individuals from Project Roomkey sites into permanent housing to minimize the number of occupants who exit into unsheltered homelessness.

With regards to this resolution, the State Budget also included \$1.1 billion to clean trash and graffiti from highways, roads, and other public spaces by partnering with local governments to pick up trash and beautify downtowns, freeways, and neighborhoods across California. The program is expected to generate up to 11,000 jobs over three years.

#### Cities Railroad Authority

A city must receive authorization from the railroad operator before addressing the impacts made by homeless encampments because of the location on the private property. Additionally, the city



must coordinate with the railroad company to get a flagman to oversee the safety of the work crews, social workers, and police while on the railroad tracks.

A city may elect to declare the encampment as a public nuisance area, which would allow the city to clean up the areas at the railroad company's expense for failing to maintain the tracks and right-of-way. Some cities are looking to increase pressure on railroad operators for not addressing the various homeless encampments, which are presenting public safety and health concerns.

Courts have looked to [compel railroad companies](#) to increase their efforts to address homeless encampments on their railroads or [grant a local authority's application](#) for an Inspection and Abatement Warrant, which would allow city staff to legally enter private property and abate a public nuisance or dangerous conditions.

In limited circumstances, some cities have negotiated Memoranda of Understandings (MOU) with railroad companies to provide graffiti abatement, trash, and debris removal located in the right-of-way, and clean-ups of homeless encampments. These MOUs also include local law enforcement agencies to enforce illegally parked vehicles and trespassing in the railroad's right-of-way. MOUs also detailed shared responsibility and costs of providing security and trash clean-up. In cases where trespassing or encampments are observed, the local public works agency and law enforcement agency are notified and take the appropriate measures to remove the trespassers or provide clean-up with the railroad covering expenses outlined in the MOU.

Absent an MOU detailing shared maintenance, enforcement, and expenses, cities do not have the authority to unilaterally abate graffiti or clean-up trash on a railroad's right-of-way.

#### **Fiscal Impact:**

If the League of California Cities were to secure funding from the state for railroad clean-up activities, cities could potentially save money in addressing these issues themselves or through an MOU, as detailed above. This funding could also save railroad operators money in addressing concerns raised by municipalities about illegal dumping, graffiti, and homeless encampments along railroads.

Conversely, if the League of California Cities is unable to secure this funding through the Legislature or the Governor, cities may need to consider alternative methods, as detailed above, which may include significant costs.

#### **Existing League Policy:**

##### **Public Safety:**

###### ***Graffiti***

The League supports increased authority and resources devoted to cities for abatement of graffiti and other acts of public vandalism.

##### **Transportation, Communications, and Public Works**

###### ***Transportation***

The League supports efforts to improve the California Public Utilities Commission's ability to respond to and investigate significant transportation accidents in a public and timely manner to improve rail shipment, railroad, aviation, marine, highway, and pipeline safety

## Housing, Community, and Economic Development

### Housing for Homeless

Homelessness is a statewide problem that disproportionately impacts specific communities. The state should make funding and other resources, including enriched services, and outreach and case managers, available to help assure that local governments have the capacity to address the needs of the homeless in their communities, including resources for regional collaborations.

Homeless housing is an issue that eludes a statewide, one-size-fits-all solution, and collaboration between local jurisdictions should be encouraged.

### **Staff Comments:**

#### Clarifying Amendments

Upon review of the Resolution, Cal Cities staff recommends technical amendments to provide greater clarity. To review the proposed changes, please see Attachment A.

The committee may also wish to consider clarifying language around regulatory authority and funding to assist cities with these efforts. The resolution asks that new investments from the state be sent to the CPUC to increase their role in managing and maintaining railroad rights-of-ways and potentially to cities to expand their new responsibility.

The committee may wish to specify MOUs as an existing mechanism for cities to collaborate and agree with railroad operators and the CPUC on shared responsibilities and costs.

### **Support:**

The following letters of concurrence were received:

City of Bell Gardens  
City of Bell  
City of Commerce  
City of Cudahy  
City of El Segundo  
City of Glendora  
City of La Mirada  
City of Paramount  
City of Pico Rivera  
City of Huntington Park  
City of Long Beach  
City of Lynwood  
City of Montebello



## ATTACHMENT A

2. A RESOLUTION CALLING UPON THE GOVERNOR AND THE LEGISLATURE TO PROVIDE ~~NECCESARY~~ **NECESSARY** FUNDING FOR ~~CUPC~~ **THE CALIFORNIA PUBLIC UTILITIES COMMISSION (CPUC)** TO FUFILL ITS OBLIGATION TO INSPECT RAILROAD LINES TO ENSURE THAT OPERATORS ARE REMOVING ILLEGAL DUMPING, GRAFFITI AND HOMELESS ENCAMPMENTS THAT DEGRADE THE ~~QAULITY~~ **QUALITY** OF LIFE AND RESULTS IN INCREASED PUBLIC ~~SAFETLY~~ **SAFETY** CONCERNS FOR COMMUNITIES AND NEIGHBORHOODS THAT ABUT~~T~~ THE RAILROAD RIGHT-OF-WAY.

Source: City of South Gate

Concurrence of five or more cities/city officials

Cities: City of Bell Gardens; City of Bell; City of Commerce; City of Cudahy; City of El Segundo; City of Glendora; City of Huntington Park; City of La Mirada; City of Long Beach; City of Lynwood; City of Montebello; City of Paramount; City of Pico Rivera

Referred to: Housing, Community and Economic Development; and Transportation, Communications and Public Works

**WHEREAS**, ensuring the quality of life for communities falls upon every local government including that blight and other health impacting activities are addressed in a timely manner by private property owners within its jurisdictional boundaries for their citizens, businesses and institutions; and

**WHEREAS**, Railroad Operators own nearly 6,000 miles of rail right-of-way throughout the State of California which is regulated by the Federal Railroad Administration and/or the ~~California Public Utilities Commission~~ **CPUC** for operational safety and maintenance; and

**WHEREAS**, the ~~California Public Utilities Commission (CPUC)~~ is the enforcing agency for railroad safety in the State of California and has 41 inspectors assigned throughout the entire State to inspect and enforce regulatory compliance over thousands of miles of rail line; and

**WHEREAS**, areas with rail line right-of-way within cities and unincorporated areas are generally located in economically disadvantaged zones and/or disadvantaged communities of color where the impact of blight further lowers property values and increases the likelihood of unsound sanitary conditions and environmental impacts upon them; and

**WHEREAS**, many communities are seeing an increase in illegal dumping, graffiti upon infrastructure and homeless encampments due to the lax and inadequate oversight by regulatory agencies; and

**WHEREAS**, local governments have no oversight or regulatory authority to require operators to better maintain and clean their properties as it would with any other private property owner within its jurisdictional boundaries. Thus such local communities often resort to spending their local tax dollars on cleanup activities or are forced to accept the delayed and untimely response by operators to cleaning up specific sites, and;

**WHEREAS**, that railroad operators should be able to provide local communities with a fixed schedule in which their property will be inspected and cleaned up on a reasonable and regular schedule or provide for a mechanism where they partner with and reimburse local governments for an agreed upon work program where the local government is enabled to remove items like illegal dumping, graffiti and encampments; and



**WHEREAS**, the State has made it a priority to deal with homeless individuals and the impacts illegal encampments have upon those communities and has a budgetary surplus that can help fund the CPUC in better dealing with this situation in both a humane manner as well as a betterment to rail safety.

**RESOLVED**, at the League of California Cities, General Assembly, assembled at the League Cal Cities Annual Conference on September 24, 2021, in Sacramento, that ~~the~~ Cal Cities League calls for the Governor and the Legislature to work with ~~the~~ Cal Cities League and other stakeholders to provide adequate regulatory authority and necessary funding to assist cities with these railroad right-of-way areas so as to adequately deal with illegal dumping, graffiti and homeless encampments that proliferate along the rail lines and result in public safety issues. ~~The~~ Cal Cities League will work with its member cities to educate federal and state officials to the quality of life and health impacts this challenge has upon local communities, especially those of color and/or environmental and economic hardships.

**CITY OF ORLAND**  
**CITY COUNCIL AGENDA ITEM #: 6.B.**  
**MEETING DATE: August 16, 2021**

**TO:** Honorable Mayor and Council  
**FROM:** Pete Carr, City Manager  
**SUBJECT:** Request by Arts Commission for Park Fixture Maintenance (Discussion/Action)

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City Council will consider a request for surfacing of the lampposts in Library Park.

**BACKGROUND**

Per OMC 2.18.070.H, any expenditure of \$1000 or more from the Public Arts Fund, other than from donated funds, requires prior approval by the City Council.

The decorative lampposts along the walking path bisecting Library Park were installed in 2007 as an Arts Commission project – an attractive amenity and safety feature for the park. The factory powder-coated lampposts, warranted not to “peel, crack, blister or craze” for one year, were purchased with funds donated for that purpose, installed on concrete foundations and accepted by the City Council.

Generally, assets constructed by or accepted by the City become liabilities of the City including the obligation for necessary ongoing maintenance. The Public Works Department plans and carries out maintenance of parks facilities with the objective to balance resources with priorities.

**DISCUSSION**

Over the course of a decade of use, the lampposts have become water-spotted by park irrigation. Some have paint chipped from their base. The Arts Commission suggests that the exterior surface of the posts can and should be repaired and improved with a special coating to reduce current and future water spotting. The proposed contractor indicates his intention to address the post foundation paint cracking, too.

Arts Commission chair Rae Turnbull suggests that the City parks maintenance budget share the cost 50-50 with the Public Arts Fund, thus \$1000 each. The City did not have plans to resurface the posts and thus had not budgeted for this work.

Attachments (2):  
1. Recent photo of a Library Park lamppost  
2. Resurfacing price quote

**RECOMMENDATION:**

Option A: Approve proposed resurfacing of the Library Park lampposts are presented, cost to be shared 50-50 between the Public Arts Fund and the General Fund.

Option B: Approve proposed resurfacing of the Library Park lampposts are presented, cost to be borne by the General Fund.

Option C: Approve proposed resurfacing of the Library Park lampposts are presented, cost to be borne by the Public Arts Fund.

**Fiscal Impact of recommendation:** \$2000 expense to the Public Arts Fund, \$ 0 to General Fund







RJPainting4you@gmail.com



## Estimate

ADDRESS  
Library Park Light Poles

ESTIMATE # 1555  
DATE 01/12/2021

### WORK TO BE PERFORMED

pre-treat with bleach water and pressure wash to help remove contaminants, wet sand surfaces  
spray 1 coat of PPG Durathane 2 part urethane mastic to light poles  
clean up and remove all job related debris

TOTAL **\$2,000.00**

Accepted By

Accepted Date

**CITY OF ORLAND**  
**CITY COUNCIL AGENDA ITEM #: 6.D.**

**MEETING DATE: August 16, 2021**

**TO:** Honorable Mayor and Council  
**FROM:** Pete Carr, City Manager  
**SUBJECT: Well Drilling Moratorium** (Discussion/Direction)

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City Council will consider imposing a 45-day moratorium on drilling of new wells.

**BACKGROUND**

County of Glenn recently declared a moratorium on the issuance of permits for new agricultural wells in Glenn County, specifically excepting the cities of Orland and Willows, and subsequently extended the 45-day moratorium to one year. With the passage of an ordinance codified as OMC 8.42, the City now regulates well permitting within its jurisdiction.

OMC 13.06.070 provides for prohibition of water well drilling during a declared statewide water shortage or drought, when the City deems this necessary. The City on June 7 declared a drought emergency and designated the City as being in Stage 1 drought conditions. On June 21 the City adopted an updated and revised Water Conservation and Shortage Contingency Plan which does not tie well drilling to any particular stage of the plan.

**DISCUSSION**

For the many reasons outlined in the proposed ordinance, staff proposes a draft well drilling moratorium at this time. Note the draft ordinance includes new residential and ag wells, but does not prohibit replacement of existing residential wells.

If so directed by Council, staff would publish the required 10-day public notice before presenting this as an actionable ordinance. This could be accomplished September 7. If desired, the urgency ordinance could then be extended up to one year upon the completion of the initial 45-day period.

Attachment (1): CITY OF ORLAND ORDINANCE NO. 2021-\_\_\_\_  
AN URGENCY ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ORLAND,  
ESTABLISHING A MORATORIUM ON THE ISSUANCE OF PERMITS FOR PRIVATE  
WATER WELLS

**RECOMMENDATION:**

Direct staff to prepare a well drilling moratorium ordinance for the September 7<sup>th</sup> City Council meeting.

**Fiscal Impact of recommendation:** None. If groundwater resources are further depleted and not adequately protected, a municipal water resource shortage could result in a fiscal emergency.



**CITY OF ORLAND ORDINANCE NO. \_\_\_\_\_**

**AN URGENCY ORDINANCE OF THE CITY COUNCIL OF THE CITY OF  
ORLAND, ESTABLISHING A MORATORIUM ON THE ISSUANCE OF PERMITS  
FOR PRIVATE WATER WELLS**

**SECTION 1. Findings.**

The City Council makes the following findings in support of the immediate adoption and application of this urgency ordinance regulating issuance of permits for water wells within the City of Orland.

- A. Due to lengthy drought conditions in the State of California, in Glenn County, and in the City of Orland, an urgency condition regarding groundwater now exists within Glenn County, including in the City of Orland. The condition of groundwater resources in watersheds and groundwater basins in Glenn County, including the Corning Groundwater Subbasin underlying the City of Orland, is presently critical because:

1. On September 25, 2012, then Governor Edmond G. Brown Jr. signed Assembly Bill 685 making California the first state in the nation to legislatively recognize the human right to water. Now in section 106.3 of the California Water Code, the state statutorily recognizes that “every human being has the right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes.”

2. Rainfall totals and water storage supply have been critically low, and much of California is experiencing severe to exceptional drought.

3. Between 2007 and 2020, California has experienced several years of dry conditions including: three (3) wet years; zero (0) above normal years; four (4) below normal years; four (4) dry years; and three (3) critical years. California is currently in the second consecutive year of dry conditions, resulting in drought or near-drought conditions throughout Glenn County.

4. These drought conditions can result in degraded water quality, fallowing of productive farmland, destruction of permanent crops, supplemental watering and feed of livestock, setbacks to vulnerable and rural communities through job losses and longer-lasting recoveries, constraints on access to traditional lifeways, loss of aquatic and terrestrial biodiversity, and ecosystem impacts.

5. Extraordinarily warm temperatures in April and May have worsened this critically dry year for the State of California, accelerating snow melt in the Sacramento, Feather and American River watersheds. Between the April 1 and May 1 forecasts, there was a 685,000

acre-feet reduction in the projected natural flow to the Sacramento, Feather, Yuba, and American rivers.

6. Climate change is intensifying the impacts of droughts on our communities, environment and economy, and the City must therefore improve drought resiliency and prepare to respond to more frequent, prolonged, and intense dry periods.

7. It is necessary to expeditiously mitigate the effects of these drought conditions within the Sacramento and Feather River watersheds to ensure the protection of health, safety, and the environment in the City of Orland.

8. On March 5, 2021, the Secretary of the United States Department of Agriculture designated California's 58 counties as a primary natural disaster area due to recent drought.

9. On May 10, 2021 the Governor of the State of California proclaimed a drought State of Emergency in 41 counties.

10. On June 1, 2021, pursuant to Government Code Sections 8558 and 8630, the Glenn County Board of Supervisors declared that the County is a disaster area and that a local emergency exists throughout Glenn County.

11. On June 7, 2021, the City of Orland declared a drought emergency and designated the City to be in Stage 1 drought conditions.

12. With California's traditional wet season now over, and no significant rainfall in the forecast, it is clear that the City of Orland is experiencing a second consecutive year of drought. The potential duration of the continuing drought is unknown.

13. Increasingly, limited or unreliable surface water supplies have resulted in more reliance on groundwater and a marked increase in the development of groundwater wells. This is due in part to the fact that the vast majority of water in the County is used for agricultural irrigation purposes.

14. For the past two years, rainfall in Glenn County has been far below long-term averages. Additionally, with reduced surface water and changes in irrigation techniques, there is less available percolating water to recharge diminishing groundwater supplies.

15. Groundwater levels have been on the decline in Glenn County for the past several years due to the continuing drought, increased extraction, and reliance on limited groundwater supplies. Current groundwater levels, based on recently completed groundwater measurements, show that average Glenn County groundwater levels are at the same level that would typically be seen in the fall, when levels are at their lowest.

16. New private water wells and the expansion of existing private water wells within the City of Orland further dilute the scarce groundwater supplies that must be shared among a large number of beneficial water users.

17. Groundwater is a vital resource of the health and safety of the City of Orland with the City's residents nearly fully reliant on groundwater as their only source of water. The continued installation of new private water wells and the expansion of existing private water wells threaten that vital resource.

18. Without immediate action to at least mitigate or stop continuing groundwater declines, the residents, farms and businesses of the City of Orland may suffer irreparable harm and damage. Moreover, the lack of available groundwater jeopardizes the health, safety and welfare of the residents of the City of Orland.

19. On August 3, 2021, the Glenn County Board of Supervisors adopted an urgency ordinance similar to this ordinance extending a moratorium on agricultural water well permits through June, 2022 within the unincorporated areas of Glenn County. Since water supplies do not respect political boundaries, it is necessary and helpful for the City of Orland to adopt conforming regulations on private water well permits as those adopted by the County to ensure compatible management of the water resources of the Corning Groundwater Subbasin.

B. This urgency ordinance is necessary for the following reasons:

1. To stabilize groundwater extractions in the Corning Groundwater Subbasin until appropriate regulatory oversight, as recently designated by the state, can take place.

2. To protect current communities, growers and other users, who are reliant on groundwater, from the adverse consequences that can result from a rush of new pumpers permanently impacting their ability to obtain needed water.

3. To decrease the possibility that groundwater supplies will be exhausted during this extended drought and before groundwater sustainability plans can be implemented

4. To decrease the likelihood that people will further tap stressed groundwater supplies to avoid restrictions and conservation efforts being made by water districts and/or the Glenn Groundwater Authority.

5. To conserve critical and dwindling water supplies during a severe statewide and local drought so that there will be adequate supplies for health, safety, and welfare.

6. To establish consistent water well regulations throughout the County of Glenn.



**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF ORLAND,  
CALIFORNIA, DOES HEREBY ORDAIN AS FOLLOWS:**

**SECTION 2. Adoption of Findings.**

The City Council finds that the findings set out in Section 1 of this Ordinance are true and are hereby incorporated by reference in this ordinance.

**SECTION 3. Adoption as Urgency Ordinance; Authority.**

This ordinance is adopted as an urgency ordinance pursuant to powers conferred on the City by California Constitution Article 11, Section 7, California Government Code Sections 36934 and 36937, and 65858(a), and shall be effective immediately upon its adoption. As detailed in the findings set forth above, the City Council finds and determines that the adoption of this urgency ordinance is necessary for the immediate preservation of the public peace, health, safety and welfare. This urgency interim ordinance must be adopted by not less than a four-fifths (4/5th) vote of this City Council.

**SECTION 4. CEQA.**

This ordinance is exempt from the California Environmental Quality Act (CEQA) because it is not a project under CEQA. Moreover, if it were deemed a project, it would be categorically exempt under section 15321 of Title 14, Article 7 of the California Code of Regulations because it amounts to an action by an agency for enforcement of a law, general rule, standard or objective administered or adopted by the agency.

Additionally, this ordinance is exempt under Public Resources Code section 21080(b)(4) because this ordinance is necessary to prevent or mitigate an emergency, namely the loss of groundwater due to further private water well drilling and expansion of existing wells.

Furthermore, this ordinance is not subject to CEQA under the following sections of Title 14, Article 7 of the California Code of Regulations:

- i. Section 15061(b)(3), because there is no possibility the activity in question may have a significant effect on the environment;
- ii. Section 15307, because it regulates activities to assure the maintenance, restoration, or enhancement of natural resources;
- iii. Section 15308, because it regulates activities to assure the maintenance, restoration or enhancement of the environment including groundwater resources within Glenn County; and
- iv. Section 15269(c), because it is an interim urgency ordinance that prevents or mitigates impacts from sudden, unexpected failures of existing wells within the City of Orland

presenting a clear and imminent danger to existing water wells in the City, to users who rely on the water from those wells, and which requires immediate action to prevent or mitigate the loss or damage to life, health, property and essential public services.

#### **SECTION 5. Applicability.**

This Ordinance applies to that real property in the City of Orland.

#### **SECTION 6. Temporary Moratorium.**

Notwithstanding the provisions of Title 8, Chapter 8.42, Water Well Regulation, of the Orland Municipal Code, from and after the effective date of this ordinance, due to drought and groundwater conditions in Glenn County and the City of Orland, no permits for the construction of new water wells or modification or repair of existing wells shall be and no person shall construct a new water well or modify and repair an existing water well, except as provided in Section 7, below.

#### **SECTION 7. Exceptions to Water Well and Permit Prohibitions.**

The water well and permit prohibitions contained in this ordinance shall not apply to:

1. Monitoring wells.
2. Municipal water supply wells.
3. Well destructions.

#### **SECTION 8. Severability.**

Should any section, subsection, clause, or provision of this ordinance be held to be invalid or unconstitutional for any reason, such invalidity or unconstitutionality shall not affect the validity or constitutionality of the remaining portions of this ordinance. The City Council hereby declares that it would have adopted this ordinance, and each section, subsection, sentence, clause, and phrase hereof irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared invalid or unconstitutional.

#### **SECTION 9. Effective Date.**

In light of the findings and declaration of facts in Section 1, the City Council declares that this ordinance is necessary as an urgency measure for the immediate preservation of the public peace, health, and safety, and shall take effect immediately upon its passage. It shall be of no further force or effect forty-five (45) days from the date of adoption unless extended following a public hearing, as provided in Government Code Section § 65858.

**SECTION 10. Publication.**

The City Clerk shall cause this Ordinance to be published and/or posted as required by law.