



LEMOORE CITY COUNCIL
COUNCIL CHAMBER
429 C STREET
February 5, 2019

AGENDA

Please silence all electronic devices as a courtesy to those in attendance. Thank you.

PUBLIC COMMENT

This time is reserved for members of the audience to address the City Council on items of interest that are not on the Agenda and are within the subject matter jurisdiction of the Council. It is recommended that speakers limit their comments to 3 minutes each and it is requested that no comments be made during this period on items on the Agenda. The Council is prohibited by law from taking any action on matters discussed that are not on the Agenda. Prior to addressing the Council, any handouts for Council will be provided to the City Clerk for distribution to the Council and appropriate staff.

5:30 pm STUDY SESSION

- SS-1 Carollo Water Update on Progress of Water and Wastewater Master Plans (Rivera)
- SS-2 Enterprise Fleet Management (Speer)
- SS-3 Water Bond Project Update (Speer)

CLOSED SESSION

This item has been set aside for the City Council to meet in a closed session to discuss matters pursuant to Government Code Section 54956.9(d)(4). The Mayor will provide an oral report regarding the Closed Session at the beginning of the next regular City Council meeting.

1. Conference with Legal Counsel – Existing Litigation
Government code Section 54956.9(d)(1)
City of Lemoore v. Holly Andrade Blair
Case No. 19C-0043

In the event that all the items on the closed session agenda have not been deliberated in the time provided, the City Council may continue the closed session at the end of the regularly scheduled Council Meeting.

7:30 pm REGULAR SESSION

- a. CALL TO ORDER
- b. PLEDGE OF ALLEGIANCE
- c. INVOCATION
- d. AGENDA APPROVAL, ADDITIONS, AND/OR DELETIONS

PUBLIC COMMENT

This time is reserved for members of the audience to address the City Council on items of interest that are not on the Agenda and are within the subject matter jurisdiction of the Council. It is recommended that speakers limit their comments to 3 minutes each and it is requested that no comments be made during this period on items on the Agenda. The Council is prohibited by law from taking any action on matters discussed that are not on the Agenda. Prior to addressing the Council, any handouts for Council will be provided to the City Clerk for distribution to the Council and appropriate staff.

CEREMONIAL / PRESENTATION – Section 1

No Ceremonial / Presentations

DEPARTMENT AND CITY MANAGER REPORTS – Section 2

2-1 Department & City Manager Reports

CONSENT CALENDAR – Section 3

Items considered routine in nature are placed on the Consent Calendar. They will all be considered and voted upon in one vote as one item unless a Council member or member of the public requests individual consideration.

- 3-1 Approval – Minutes – Regular Meeting – January 15, 2019
- 3-2 Approval – Minutes – Special Meeting – January 29, 2019

PUBLIC HEARINGS – Section 4

Report, discussion and/or other Council action will be taken.

- 4-1 Resolution 2019-03 – Tract 920 - Ordering Annexation and Inclusion of an Additional Territory as Zone 9 of Public Facilities Maintenance District No. 1 and Confirming the Diagram and Assessment of Annual Levy for Fiscal Year 2019-2020 for an Additional Territory Annexed to and Included as Zone 9 of Public Facilities Maintenance District No. 1

NEW BUSINESS – Section 5

Report, discussion and/or other Council action will be taken.

- 5-1 Report and Recommendation – Amendment to City Manager's Employment Agreement (Speer)
- 5-2 Report and Recommendation – Budget Amendment – Creation of a Rate Stabilization Fund (Speer)
- 5-3 Report and Recommendation – Adoption of Resolutions No. 2019-04 and 2019-05 – A Resolution Adopting Tax-Advantaged Bonds Post-Issuance Compliance Procedures and Taking Related Actions and A Resolution Adopting Continuing Disclosure Compliance Procedures and Taking Related Actions (Speer)
- 5-4 Report and Recommendation – Adoption of Resolution No. 2019-06 – A Resolution of the City Council of the City of Lemoore Authorizing the Issuance, Sale, and Delivery of Water Revenue Bonds, The Executions and Delivery of an Indenture and Other Documents in Connections with Such Bonds and Taking Related Actions (Speer)
- 5-5 Report and Recommendation – Council Member Liaison Appointments to Regional Boards and Committees (Olson)

CITY COUNCIL REPORTS AND REQUESTS – Section 6

6-1 City Council Reports / Requests

ADJOURNMENT

Upcoming Council Meetings

- City Council Regular Meeting, Tuesday, February 19, 2019
- City Council Regular Meeting, Tuesday, March 5, 2019

Agendas for all City Council meetings are posted at least 72 hours prior to the meeting at the City Hall, 119 Fox St., Written communications from the public for the agenda must be received by the City Clerk's Office no less than seven (7) days prior to the meeting date. The City of Lemoore complies with the Americans with Disabilities Act (ADA of 1990). The Council Chamber is accessible to the physically disabled. Should you need special assistance, please call (559) 924-6705, at least 4 business days prior to the meeting.

PUBLIC NOTIFICATION

I, Marisa Avalos, Deputy City Clerk for the City of Lemoore, declare under penalty of perjury that I posted the above City Council Agenda for the meeting of February 5, 2019 at City Hall, 119 Fox Street, Lemoore, CA on February 1, 2019.

 //s//
Marisa Avalos, Deputy City Clerk



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Staff Report

Item No: SS-1

To: Lemoore City Council

From: Frank Rivera, Public Works Director

Date: January 25, 2019

Meeting Date: February 5, 2019

Subject: Carollo Engineering Update on Progress of Water and Wastewater Master Plans

Strategic Initiative:

- | | |
|--|--|
| <input type="checkbox"/> Safe & Vibrant Community | <input type="checkbox"/> Growing & Dynamic Economy |
| <input type="checkbox"/> Fiscally Sound Government | <input type="checkbox"/> Operational Excellence |
| <input type="checkbox"/> Community & Neighborhood Livability | <input checked="" type="checkbox"/> Not Applicable |

Proposed Motion:

Information only.

Subject/Discussion:

On March 21, 2017, City Council authorized a contract with QK for the development of water, wastewater and storm water master plans. Carollo Engineering is working with QK on portions of the master plans. Carollo Engineering will be giving an update on the progress of the water and wastewater master plans.

Financial Consideration(s):

Not applicable.

Alternatives or Pros/Cons:

Not applicable.

Commission/Board Recommendation:

Not applicable.

Staff Recommendation:
Information only.

Attachments:

- ☐ Resolution:
- ☐ Ordinance:
- ☐ Map
- ☐ Contract
- ☐ Other
- List:

Review:

- ☒ Asst. City Manager
- ☒ City Attorney
- ☒ City Clerk
- ☒ City Manager

Date:

- 1/29/19
- 1/31/19
- 1/31/19
- 1/30/19



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Staff Report

Item No: SS-2

To: Lemoore City Council

From: Michelle Speer, Assistant City Manager

Date: January 25, 2019

Meeting Date: February 5, 2019

Subject: Enterprise Fleet Management

Strategic Initiative:

- | | |
|--|--|
| <input type="checkbox"/> Safe & Vibrant Community | <input type="checkbox"/> Growing & Dynamic Economy |
| <input type="checkbox"/> Fiscally Sound Government | <input checked="" type="checkbox"/> Operational Excellence |
| <input type="checkbox"/> Community & Neighborhood Livability | <input type="checkbox"/> Not Applicable |

Proposed Motion:

Information Only

Subject/Discussion:

Laura Clarke, Account Executive, will provide information on Enterprises' Fleet Management program. The program would afford the City the opportunity to lower fleet expenses, reduce increasing vehicle costs, and provide a solution to better manage an aging fleet.

Financial Consideration(s):

Information Only

Alternatives or Pros/Cons:

Not Applicable

Commission/Board Recommendation:

Not Applicable

Staff Recommendation:

Information Only

"In God We Trust"

Attachments:

- ☐ Resolution:
- ☐ Ordinance:
- ☐ Map
- ☐ Contract
- ☐ Other
List:

Review:

- ☒ Asst. City Manager
- ☒ City Attorney
- ☒ City Clerk
- ☒ City Manager
- ☒ Finance

Date:

1/25/19
1/31/19
1/31/19
1/30/19

FLEET SYNOPSIS

City of Lemoore



FLEET MANAGEMENT

Laura Clarke
Account Executive
150 N Sunrise, Dept 2D
Roseville, CA 95661
(916)297-7382
Laura.S.Clarke@efleets.com

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FLEET SYNOPSIS | City of Lemoore

THE SITUATION

The City of Lemoore was tasked with finding ways to lower the city's expenses. In an effort to reduce increasing vehicle costs and a solution to better manage the aging fleet, city staff has researched leasing options to supplement city vehicle purchases.

- 75% of the current light and medium duty fleet is over 10 years old.
- Older vehicles have higher fuel costs, maintenance costs, and tend to be unreliable.
- It would take 10 years to cycle out the entire fleet at current acquisition rates.

THE OBJECTIVES

Enterprise Fleet Management's proposal is to save city resources and budget dollars through a managed vehicle program.

- Utilize an open-end lease* as a funding mechanism, allowing the city to acquire additional vehicles while avoiding a large capital budget outlay.
- Replace aged vehicles with newer models to increase fuel efficiency and reduce maintenance expense. Maintenance and repairs will be outsourced to local businesses to further stimulate economic growth and the integration of more fuel efficient vehicles will reduce carbon footprint.
- Establish a proactive replacement plan that maximizes potential equity at time of resale, reduces operational expenses, and increases safety.

**An open-end lease means there are no early termination, mileage, or abnormal wear and tear penalties. Leases are written to a residual balance to preserve cash flow. The town receives flexibility of ownership, as well as net equity from sale at time of disposal.*

FLEET SYNOPSIS | City of Lemoore

CLIENT TESTIMONIAL

"The Enterprise projection is that we'll save about \$135,000 over ten years by going to this fleet management program. We really think that is a conservative estimate because of how high our maintenance costs were getting as this fleet aged."

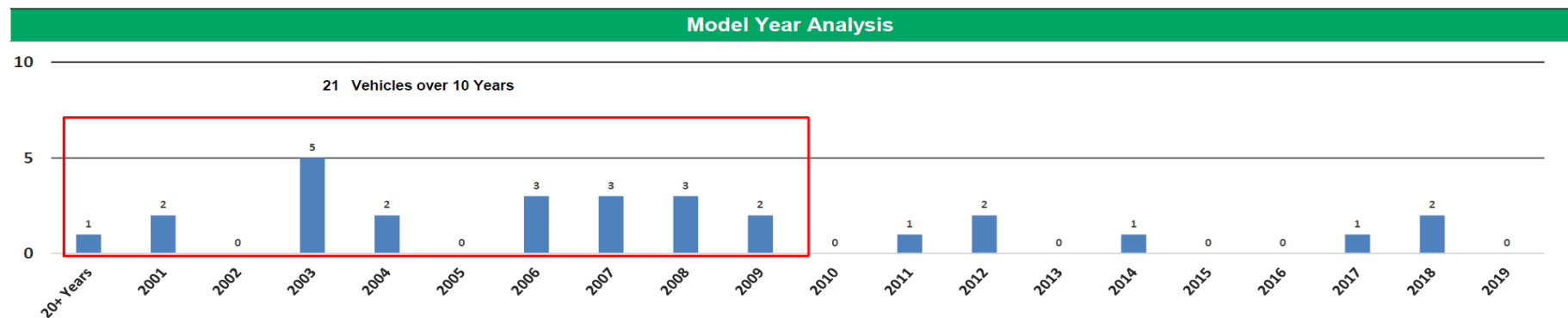
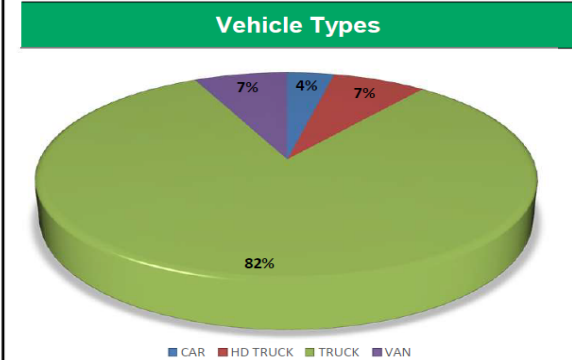
– Chris Hobby, Bainbridge City Manager

THE RESULTS

By partnering with Enterprise Fleet Management, the City of Lemoore will be able to update the aged fleet in a strategic manner that reduces the overall vehicle costs by over \$208,000 over the next 10 years. Leveraging an open-end lease maximizes cash flow and recognizes equity from vehicles sold. Furthermore, the city will leverage Enterprise Fleet Management's ability to sell vehicles at an average of 113.5% above Black Book values. By shifting from reactively replacing inoperable vehicles to planning vehicle purchases, the city will be able to replace 22 of its oldest vehicles.

SUPPORTING EVIDENCE | City of Lemoore

Fleet Profile				Fleet Replacement Schedule						Replacement Criteria
Vehicle Type	# of Type	Average Age (years)	Average Annual Mileage	2019	2020	2021	2022	2023	Under-Utilized	
Hybrid Sedan	1	7.8	1,300	0	0	0	0	0	1	* Fiscal Year 2019 = 10 years old and older, or odometer over 60,000
Full-size Van-Passenger	2	6.8	6,500	0	2	0	0	0	0	* Fiscal Year 2020 = 5 years old and older, or odometer over 30,000
Compact Pickup Ext 4x2	2	21.0	3,600	2	0	0	0	0	0	* Fiscal Year 2021 = 4 years old and older, or odometer over 20,000
1/2 Ton Pickup Reg 4x2	14	13.0	7,700	14	0	0	0	0	0	* Fiscal Year 2022 = 3 years old and older, or odometer over 15,000
1/2 Ton Pickup Quad 4x2	7	8.4	8,200	4	0	1	0	2	0	* Fiscal Year 2023 = Remaining Vehicles
3/4 Ton Pickup Reg 4x2	2	11.4	3,700	2	0	0	0	0	0	* Underutilized = Annual Mileage less than 2,500
Totals/Averages	28	11.7	6,900	22	2	1	0	2	1	



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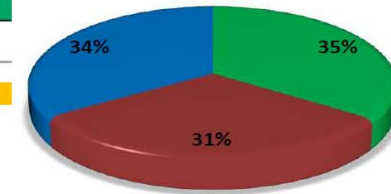
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SUPPORTING EVIDENCE | City of Lemoore

Current Fleet	28	Fleet Growth	-0.82%	Proposed Fleet	27
Current Cycle	14.30	Annual Miles	7,200	Proposed Cycle	5.00
Current Maint.	\$130.00	Insurance	\$0.00	Proposed Maint.	\$29.46
Fuel Info		MPG	13	Price/Gallon	\$3.25

Fleet Costs Analysis

Fleet Mix			Fleet Cost							Annual	
Fiscal Year	Fleet Size	Annual Needs	Owned	Leased	Purchase	Lease*	Maintenance	Insurance	Fuel	Fleet Budget	Net Cash
						Incl. Tax					
Average	28	2.0	28	0	47,541	0	43,680	0	48,300	139,521	0
'19	27	22	5	22	0	105,277	15,577	0	37,368	158,222	-18,701
'20	27	2	2	24	0	116,372	11,604	0	34,585	162,562	-23,040
'21	27	1	1	25	0	121,847	10,398	0	34,088	166,334	-26,812
'22	27	0	1	25	0	121,847	10,398	0	34,088	166,334	-26,812
'23	27	2	0	27	0	-60,452	9,545	0	34,883	-16,024	155,545
'24	27	22	0	27	0	121,829	9,545	0	34,883	166,258	-26,736
'25	27	2	0	27	0	122,861	9,545	0	34,883	167,289	-27,768
'26	27	1	0	27	0	132,798	9,545	0	34,883	177,226	-37,705
'27	27	0	0	27	0	112,924	9,545	0	34,883	157,352	-17,830
'28	27	2	0	27	0	-60,452	9,545	0	34,883	-16,024	155,545
10 Year Savings										\$105,685	
Avg. Sustainable Savings										\$9,101	



■ Fuel ■ Maintenance ■ Purchase

Current Fleet Equity Analysis

YEAR	2019	2020	2021	2022	2023
QTY	23	3	1	0	1
RESALE	\$3,500	\$3,500	\$3,500	\$6,500	\$8,500
TOTAL	\$80,500	\$10,500	\$3,500	\$0	\$8,500
Estimated Current Fleet Equity**					\$103,000

Summary

10 Year Savings	\$105,685
Estimated Fleet Equity	\$103,000
Net Cash***	\$208,685

* Lease Rates are conservative estimates

**Estimated Current Fleet Equity is based on the current fleet "sight unseen" and can be adjusted after physical inspection

***Net Cash is the sum of the 10 year savings from the Fleet Planning Analysis and the Estimated Current Fleet Equity

Key Objectives

- Lower average age of the fleet
 - 75% of the fleet is over 10 years old
 - Lower the average fleet age from **11.7 to 5**
 - Improved Safety on newer vehicles - **Electronic Stability Control, Airbag Standardization, Backup camera**
- Reduce operating costs
 - Newer vehicles have a significantly lower maintenance expense
 - Average fuel increase to **17 MPG**
- Maintain a manageable vehicle budget
 - Challenged by inconsistent yearly budgets
 - Currently vehicle budget is underfunded

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CASE STUDY & REFERENCES

A FEW CURRENT PARTNERS

- City of Dinuba
- County of Kern
- County of Madera
- City of San Marcos
- City of Westminster
- City of West Sacramento
- City of Grass Valley

REFERENCES

Below is a list of at least three (3) client/customer references including company name, contact person, and telephone number.

Company Name: **City of San Marcos**

Business Phone #: (760)752-7550

Contact Person: Lisa Fowler

Company Name: **Kern County**

Business Phone #: (661) 868-3033

Contact Person: Sandi Formhals

Company Name: **Madera County**

Business Phone #: (559) 675-7707

Contact Person: Eric Fleming

Company Name: **City of Grass Valley**

Business Phone #: (530) 274-4313

Contact Person: Andy Heath

CASE STUDY | CITY OF SAN MARCOS



The City of San Marcos Reduces Costs by 27% and Replaces Aging Vehicles.

BACKGROUND

Location: San Marcos, CA
Industry: Government
Total vehicles: 90 vehicles

THE CHALLENGE

Half of the City of San Marcos' vehicles were operating past their useful life. The City's fleet was deteriorating rapidly, and many of the vehicles needed to be replaced to mitigate escalating repair and maintenance costs. Budget challenges prevented the City from purchasing new vehicles. Major repairs reduced the number of available vehicles, and the City vehicle downtime was significantly affecting its operations. Maintenance costs continued to erode the budget and interfere with the efficiency of City operations.

THE SOLUTION

Enterprise Fleet Management evaluated the City's entire fleet to identify the most cost-effective way to replace its aging vehicles. Ten vehicles were identified as under-utilized and completely removed from service. By implementing an open-ended lease structure, the City was able to replace the remaining ninety vehicles within a three-year period. The program did not require a large initial outlay of funds. The City of San Marcos was not burdened with extensive capital requirements for vehicle replacement, allowing them to replace highly important, heavy-duty and emergency vehicles first.

"The Enterprise Fleet Management lease program has not only alleviated some of the maintenance burden placed on our lean fleet maintenance staff and budget, it has also provided a level of flexibility that allows my team to promptly address the City's dynamic fleet needs without sacrificing service."

— Lisa Fowler, Public Works Manager- Administration & Fleet

The Full Maintenance Program provides a low fixed monthly cost, which is easily budgeted for every year. The program eliminates the need for City resources to work on the light-duty fleet, so the maintenance staff can solely focus on the heavy-duty equipment.

THE RESULTS

The partnership with Enterprise Fleet Management has significantly reduced the portions of the Public Works-Fleet Operations budget and the Vehicle Replacement fund that was affected by the declining condition of the light-duty fleet. The City realized a 27% decrease in the cost to purchase and maintain the light duty fleet. The program will result in a combined fund savings of \$1.1 million over a five-year period.

To learn more, visit efleets.com or call 877-23-FLEET.

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Key Results

**27%
DECREASE
IN FLEET COSTS**



**RIGHT-SIZED
FLEET BY 10%
FOR BETTER
UTILIZATION**

**REPLACED
90 VEHICLES
OVER A 3-YEAR PERIOD**



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FLEET MANAGEMENT

Laura Clarke
(916)297-7382
Laura.S.Clarke@efleets.com



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Staff Report

Item No: SS-3

To: Lemoore City Council

From: Michelle Speer, Assistant City Manager

Date: January 25, 2019

Meeting Date: February 5, 2019

Subject: Water Bond Project Update

Strategic Initiative:

- | | |
|---|--|
| <input type="checkbox"/> Safe & Vibrant Community | <input type="checkbox"/> Growing & Dynamic Economy |
| <input checked="" type="checkbox"/> Fiscally Sound Government | <input type="checkbox"/> Operational Excellence |
| <input type="checkbox"/> Community & Neighborhood Livability | <input type="checkbox"/> Not Applicable |

Proposed Motion:

Information Only

Subject/Discussion:

On November 7, 2017, City Council authorized city staff to move forward with the process of obtaining a bond to support water infrastructure projects. City staff has been diligently working with bond and disclosure counsel, underwriters and municipal advisors to complete the process of obtaining a bond. The bond team will be present to provide an overview of our efforts and to discuss next steps.

Financial Consideration(s):

Not applicable

Alternatives or Pros/Cons:

Not applicable

Commission/Board Recommendation:

Not applicable

Staff Recommendation:

"In God We Trust"

Information Only

Attachments:

- ☐ Resolution:
- ☐ Ordinance:
- ☐ Map
- ☐ Contract
- ☐ Other
- List:

Review:

- ☒ Asst. City Manager
- ☒ City Attorney
- ☒ City Clerk
- ☒ City Manager

Date:

- 1/25/19
- 1/31/19
- 1/31/19
- 1/30/19

**January 15, 2019 Minutes
Study Session
City Council Regular Meeting**

CALL TO ORDER:

At 5:30 p.m., the meeting was called to order.

ROLL CALL: Mayor: NEAL
Mayor Pro Tem: BILLINGSLEY
Council Members: BLAIR, BROWN, LYONS

City Staff and contract employees present: City Manager Olson; Assistant City Manager Speer; City Attorney Van Bindsbergen; City Attorney Lerner; Public Works Director Rivera; Community Development Director Holwell; Police Chief Smith; City Clerk Venegas.

PUBLIC COMMENT

There was no Public Comment.

5:30 pm STUDY SESSION

SS-1 Adventist Health Communities of Excellence Program

City Manager Olson introduced Nina Plata, VP of Population Health from Adventist Health Hanford. Ms. Plata presented a PowerPoint regarding the Community of Excellence Program. Ms. Plata introduced Ms. Julie LeFils, Executive Director of Kings Partnership for Prevention (KPFP). Ms. LeFils stated the goal of KPFP is to bring together health care providers to achieve common goals.

The PowerPoint included the following:

- *What is Community of Excellence?*
 - *A systematic approach to community performance using Criteria for Performance Excellence based on Baldrige Excellence Framework.*
- *Why are we choosing to pursue Communities of Excellence?*
 - *To align our community around recognizing the social determinants of educational achievement, economic vitality, and health status and together creating a commitment towards improving these elements,*
- *Malcom Baldrige National Quality Award*
 - *An award established by the U.S Congress in 1987 to raise awareness of quality management.*
 - *The award recognizes U.S. organizations in business, health care, education and non-profit sectors for performance excellence.*
- *Who is working on this?*
 - *Advisory Board*
 - *Community Partners and Friends*
 - *Steering Committee*
- *Journey So Far*

- *For the past year, the steering committee has been participating with other cities across the United States learning the process for Communities of Excellence.*
 - *Strategic Planning*
 - *Leadership and key award winning leaders sharing their experiences*
 - *Bringing communities together*
- *Metrics*
 - *Family*
 - *Business*
 - *Health*
 - *Education*
- *Mission*
 - *To enhance the quality of life in Kings County by creating a collaborative community that focuses on health, family, education, and financial stability.*
- *Vision*
 - *Building a vibrant Kings County: where future generations flourish.*
- *Current Goals*
 - *Develop a Baldrige-based Community Profile and use it to identify the next steps toward our community of excellence journey.*
- *Community of Excellence 2026*
 - *Values*
 - *Tradition*
 - *Respect*
 - *Community*
 - *Wellness*
 - *Safety*
 - *Teamwork*
 - *Growth*
 - *Environment*
 - *Excellence*
 - *Goals*
 - *Create a collaborative community that drives the enhancement of quality of life in Kings County*
 - *Enhance awareness and support of social determinants of health to create a healthier Kings County*
 - *Create an education focused culture*
 - *Create an environment that sustains economic growth and innovation for new business within the community in order to enhance the quality of life for all residents*
 - *Action Plans*
 - *Establish common goals with Kings County community members. (short-term)*
 - *Coordinate efforts with healthcare, county health services, and the community to support the underserved. (long-term)*
 - *To bring schools together to discuss how to discuss and address 3rd grade reading, high school graduation and college degree attainment. (short-term)*
 - *Align business and community goals with secondary and post-secondary job education and training. (long-term)*
 - *Community Feedback*
 - *Steering Committee, The Advisory Board will present and discuss Action Plan metrics with the power to suggest change based on community need.*
 - *In 2019, the community will be asked to review, give input and recommend change to the established Action Plans.*

- *Challenges*
 - *Large Spanish speaking only community*
 - *Low education*
 - *High unemployment rate*
 - *High Poverty rate*
- *Metrics*
 - *Capture change in community need with use of census data*
 - *Emergency room use*
 - *Community health*
 - *School testing*
 - *Poverty level*
 - *Crime rate*
 - *Suicide rate*

At 5:57 p.m., Council adjourned to Closed Session.

CLOSED SESSION

1. Liability Claims
Government code Section 54956.95
Ms. Laura Doonan
2. Conference with Legal Counsel – Anticipated Litigation
Government code Section 54956.9
Significant Exposure to Litigation Pursuant to Paragraph (2) or (3) of Subdivision (d) of Section 54956.9
Two Cases
3. Conference with Legal Counsel – Anticipated Litigation
Government Code Section 54956.9
Initiation of Litigation Pursuant to Paragraph (4) of Subdivision (d) of Section 54956.9
(Deciding Whether to Initiate Litigation)
One Case

ADJOURNMENT

At 7:39 p.m., Council adjourned.

**January 15, 2019 Minutes
Lemoore City Council
Regular City Council Meeting**

CALL TO ORDER:

At 7:43 p.m., the meeting was called to order.

ROLL CALL: Mayor: NEAL
Mayor Pro Tem: BILLINSLEY
Council Members: BLAIR, BROWN, LYONS

City Staff and contract employees present: City Manager Olson; Assistant City Manager Speer; City Attorney Van Bindsbergen; City Attorney Lerner; Public Works Director Rivera; Community Development Director Holwell; Police Chief Smith; City Clerk Venegas; Management Analyst Beyersdorf; QK Planner Brandt.

REPORT OUT OF CLOSED SESSION

3. Conference with Legal Counsel – Anticipated Litigation
Government Code Section 54956.9
Initiation of Litigation Pursuant to Paragraph (4) of Subdivision (d) of Section 54956.9
(Deciding Whether to Initiate Litigation)
One Case

Motion by Council Member Lyons, seconded by Council Member Brown, to initiate an action of a temporary restraining order against Holly Blair.

Ayes: Lyons, Brown, Billingsley, Neal
Absent: Blair

PUBLIC COMMENT

Tom Reed read a prepared statement regarding feeling offended and political correctness.

Susie Banuelos spoke of her feelings of embarrassment as a result of the actions of a Lemoore Council Member at the Coalinga Council Meeting. She believes the City of Lemoore owes the City of Coalinga an apology. The one constant is the sour apple. Ms. Banuelos also supports the vote out of closed session.

Amy Ward, CEO of the Lemoore Chamber of Commerce, read a prepared statement regarding the upcoming Lemoore Chamber of Commerce Annual Banquet.

Tom Reed researched the Coalinga City Council Meeting incident and said if going to throw mud, will get a little bit muddy.

Connie Wlaschin asked if the censure is in place and if the City as met the legal requirements to not get sued. City Attorney Van Bindsbergen stated the City could still get sued and would be required to defend self. Ms. Wlaschin stated she thought Ms. Blair could not identify herself as a Council Member.

Alicia Ramirez with Assemblyman Rudy Salas' office thanked the new Council and offered to work together.

Dr. Gail Chromes asked how many lawsuits have actually been filed against the City. City Attorney Van Bindsbergen stated there are three currently against the City.

CEREMONIAL / PRESENTATION – Section 1

There were no Ceremonial / Presentations.

DEPARTMENT AND CITY MANAGER REPORTS – Section 2

2-1 Department & City Manager Reports

Public Works Director Rivera stated during an inspection of Well 10 approximately two weeks ago, the casing got stuck and there is possible subsidence. Will attempt to send video down the well to determine if correct. This Thursday, the bid for the Finance remodel and the RFQ for the design build team for the water treatment project will be posted.

City Manager Olson stated Council approved a booth at the ICSC conference May 19-22, 2019 in Las Vegas. Four tickets will be received and plan to take the Economic Development Team. Will partner with Kashian. Mr. Olson met with the developer of the Kmart building. They have been talking to several people but nothing solid. The developer will also be at the ICSC conference. In the interim, the Kmart building will be used for Police Department training.

City Manager Olson sat on the subcommittee for the Lemoore part of the South Fork Kings Sustainable Groundwater JPA. Working on a plan and things are going well. About 51% of budget.

City Manager Olson stated Congressman TJ Cox is planning a visit in early February 2019.

Lastly, at the City Council meeting last week regarding the Rules of Conduct, they do indeed state a hand raise is required for the Mayor to acknowledge to take the floor.

CONSENT CALENDAR – Section 3

- 3-1 Approval – Minutes – Regular Meeting – December 18, 2018
- 3-2 Approval – Minutes – Special Meeting – January 8, 2019
- 3-3 Approval – Denial of Claim for Ms. Laura Doonan
- 3-4 Approval – Appointment of Planning Commissioner
- 3-5 Approval – Appointment of Parks and Recreation Commissioner
- 3-6 Approval – CEQA for 2018/2019 Street Projects – CIP 5010
- 3-7 Approval – Certificate of Acceptance – Private Road, Public Utility and Pedestrian Easement from Darlene Neal Revocable Trust for Tract 839
- 3-8 Approval – Tract 920 – Resolution 2019-01 of Intention to (i) Annex and Include Additional Territories in Public Facilities Maintenance District No. 1 in the City of Lemoore, and (ii) Levy and Collect Annual Assessments in Such Annexed Territories for Fiscal Year 2019/2020 and Thereafter

Council Member Blair pulled Items 3-1 3-2, 3-3, 3-6, 3-7 and 3-8 for separate consideration.

Motion by Council Member Brown, seconded by Council Member Blair, to approve the Consent Calendar, excluding Items 3-1, 3-2, 3-3, 3-6, 3-7 and 3-8.

Ayes: Brown, Blair, Lyons, Billingsley, Neal

3-1 Approval – Minutes – Regular Meeting – December 18, 2018

Motion by Council Member Brown, seconded by Council Member Lyons, to approve Consent Calendar Item 3-1.

Ayes: Brown, Lyons, Billingsley, Neal

Noes: Blair

3-2 Approval – Minutes – Special Meeting – January 8, 2019

Motion by Council Member Billingsley, seconded by Council Member Brown, to approve Consent Calendar Item 3-2.

Ayes: Billingsley, Brown, Lyons, Neal

Noes; Blair

3-3 Approval – Denial of Claim for Ms. Laura Doonan

Motion by Council Member Brown, seconded by Council Member Billingsley, to approve Consent Calendar Item 3-3.

Ayes: Brown, Billingsley, Lyons Neal

Abstain: Blair

3-6 Approval – CEQA for 2018/2019 Street Projects – CIP 5010

Motion by Council Member Brown, seconded by Council Member Billingsley, to approve Consent Calendar Item 3-6, with Resolution 2019-02 as amended.

Ayes: Brown, Billingsley, Lyons, Neal

Noes: Blair

3-7 Approval – Certificate of Acceptance – Private Road, Public Utility and Pedestrian Easement from Darlene Neal Revocable Trust for Tract 839

Mayor Neal stated he was abstaining and stepped out during the discussion.

Myeisha Neal spoke.

Motion by Council Member Brown, seconded by Council Member Lyons, to approve Consent Calendar Item 3-7.

Ayes: Brown, Lyons, Billingsley

Noes: Blair

Abstain: Neal

3-8 Approval – Tract 920 – Resolution 2019-01 of Intention to (i) Annex and Include Additional Territories in Public Facilities Maintenance District No. 1 in the City of Lemoore, and (ii) Levy and Collect Annual Assessments in Such Annexed Territories for Fiscal Year 2019/2020 and Thereafter

Motion by Council Member Brown, seconded by Council Member Lyons, to approve Consent Calendar Item 3-8 as amended.

Ayes: Brown, Lyons, Billingsley, Neal
Noes: Blair

PUBLIC HEARINGS – Section 4

There were no Public Hearings.

NEW BUSINESS – Section 5

5-1 Report and Recommendation – Council Member Liaison Appointments to Regional Boards and Committees

Motion by Council Member Billingsley, seconded by Council Member Lyons, to appoint City Council Members to positions on regional Boards and Committees to serve as liaisons and voting members, as recommended by the Mayor Pro Tem. Appointment to the South Fork Kings Sustainable Groundwater Management Act JPA Board will be effective 1/21/19. All others will be effective 1/16/19.

Ayes: Billingsley, Lyons, Brown, Neal
Noes: Blair

CITY COUNCIL REPORTS AND REQUESTS – Section 6

6-1 City Council Reports / Requests

Council Member Blair read a prepared statement regarding several incidents that have occurred and her desire to have an investigation into five items.

Mayor Neal thanked the Council meeting attendees for doing a superb job in holding themselves together, thanked the Fire Department for being in attendance and thanked Council for a class act at tonight's meeting.

ADJOURNMENT

At 8:33 p.m., the meeting adjourned.

Approved the 5th day of February 2019.

APPROVED:

Edward Neal, Mayor

ATTEST:

Marisa Avalos, Deputy City Clerk

**January 29, 2019 Minutes
City Council Special Meeting**

CALL TO ORDER:

At 12:04 p.m., the meeting was called to order.

ROLL CALL: Council Members: BILLINGSLEY, BROWN, LYONS, BLAIR
Absent: NEAL (arrived at 12:20 pm)

City Staff and contract employees present: City Manager Olson; City Attorney Van Bindsbergen, Attorney Lee Burdick, Chief Smith, Deputy City Clerk Avalos.

CLOSED SESSION PUBLIC COMMENT

There was no Public Comment.

At 12:06 p.m., Council, except Council Member Blair, adjourned to Closed Session.

CLOSED SESSION

1. Conference with Legal Counsel – Anticipated Litigation
Government code Section 54956.9
Significant Exposure to Litigation Pursuant to Paragraph (2) or (3) of Subdivision (d) of Section 54956.9
One Case
2. Conference with Legal Counsel – Anticipated Litigation
Government Code Section 54956.9
Initiation of Litigation Pursuant to Paragraph (4) of Subdivision (d) of Section 54956.9
(Deciding Whether to Initiate Litigation)
One Case

At 1:24 p.m., Council adjourned from Closed Session.

CLOSED SESSION REPORT

Motion by Council Member Brown and seconded by Council Member Lyons authorized the initiation of litigation, filing of a complaint or other legal findings to facilitate the previous action by Council for a TRO against Holly Blair on a vote of 4-0, Holly Blair was absent from closed session.

ADJOURNMENT

At 1:26 p.m., the meeting was adjourned.

Approved the 5th day of February 2019.

ATTEST:

APPROVED:

Marisa Avalos, Deputy City Clerk

Edward Neal, Mayor



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Staff Report

Item No: 4-1

To: Lemoore City Council

From: Frank Rivera, Public Works Director

Date: January 24, 2019

Meeting Date: February 5, 2019

Subject: Public Hearing – Resolution 2019-03 – Tract 920 - Ordering Annexation and Inclusion of an Additional Territory as Zone 9 of Public Facilities Maintenance District No. 1 and Confirming the Diagram and Assessment of Annual Levy for Fiscal Year 2019-2020 for an Additional Territory Annexed to and Included as Zone 9 of Public Facilities Maintenance District No. 1

Strategic Initiative:

- | | |
|---|--|
| <input type="checkbox"/> Safe & Vibrant Community | <input type="checkbox"/> Growing & Dynamic Economy |
| <input type="checkbox"/> Fiscally Sound Government | <input type="checkbox"/> Operational Excellence |
| <input checked="" type="checkbox"/> Community & Neighborhood Livability | <input type="checkbox"/> Not Applicable |

Proposed Motion:

Hold a public hearing on the annexation of Zone 9 of the Public Facilities Maintenance District (PFMD) No. 1, the services and the first annual levy of assessments in the Added Territory. After the public hearing and approval of the property owners, that the City Council, by motion, approve Resolution 2019-03 Ordering the Annexation and Inclusion of an Additional Territory as Zone 9 in PFMD No. 1; and Confirming the Diagram and Assessment of Annual Levy for Fiscal Year 2019-2020 for the Additional Territory Annexed as Zone 9 of PFMD No. 1.

Subject/Discussion:

On January 15, 2019, the City Council approved Resolution 2019-01, “A Resolution of the City Council of the City of Lemoore with Intention to (i) Annex and Include Additional Territories in Public Facilities Maintenance District No. 1 in the City of Lemoore, and (ii) Levy and Collect Annual Assessments in Such Annexed Territory for Fiscal Year 2019-2020 and Thereafter.”

“In God We Trust”

In order for the annexation to be approved and the assessments levied on the lots generally located on the north side of W. Hanford-Armona Road, East of Liberty Drive (18¾ Avenue) and generally west of Antelope Drive and Bennington Avenue, the majority of the ballots submitted by property owners within the boundary of the added territory must consent to the annexation and levy of the assessment. Staff has confirmed that ballots have been sent and have been returned by the property owners to the City. Votes will be tabulated during the Council meeting on February 5, 2019. If the ballots submitted, and not withdrawn in favor of the proposed annexation, exceed the assessment ballots submitted and not withdrawn in opposition, then the added territory may be included in the PFMD No. 1, Zone 9.

Staff anticipates that 87 new residential lots will be added to the PFMD once construction is completed in the subdivision.

Financial Consideration(s):

A maximum assessment of \$740 will be applied on an annual per lot basis, beginning in fiscal year 2019-2020, and will be applied to each lot within the newly added territory. It is anticipated that approximately \$64,380 will be collected annually to maintain the road, sidewalks and streetlights.

Alternatives or Pros/Cons:

Pros:

- Adoption of the resolution will assist in distributing the cost for maintenance of the subdivision to the property owners and not from the City's General Fund.

Cons:

- Failure to adopt the resolution would put an additional burden on the general fund or not provide up keep of the PFMD

Commission/Board Recommendation:

Not applicable.

Staff Recommendation:

Staff recommends City Council adopt Resolution 2019-03 to annex and include additional territories in Public Facilities Maintenance District No. 1 in the City of Lemoore, and levy and collect annual assessments in such annexed territories for fiscal year 2019-2020 and thereafter. Also, authorize and direct the City Clerk to file the Diagram of the PFMD including the Added Territory, and assessments therein, a Notice of Assessment with respect to the Added Territory, and an amended map of the boundaries of the PFMD, incorporating the Added Territory as required by Sections 3110, 3113 and 3114 of the Streets & Highways Codes, with the Kings County Recorder.

Attachments:

- ☒ Resolution: 2019-03
- ☐ Ordinance:
- ☐ Map
- ☐ Contract
- ☒ Other
 - List: Engineer's Report

Review:

- ☒ Asst. City Manager
- ☒ City Attorney
- ☒ City Clerk
- ☒ City Manager

Date:

- 1/29/19
- 1/31/19
- 1/31/19
- 1/30/19

RESOLUTION NO. 2019-03

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LEMOORE
(1) ORDERING ANNEXATION AND INCLUSION OF AN ADDITIONAL
TERRITORY AS ZONE 9 OF PUBLIC FACILITIES MAINTENANCE**

DISTRICT NO. 1; AND

**(2) CONFIRMING THE DIAGRAM AND ASSESSMENT OF ANNUAL LEVY
FOR FISCAL YEAR 2019-2020 FOR AN ADDITIONAL TERRITORY
ANNEXED TO AND INCLUDED AS ZONE 9 OF PUBLIC FACILITIES
MAINTENANCE DISTRICT NO. 1**

WHEREAS, pursuant to Chapter 10 of Title 7 of the Lemoore Municipal Code, as enacted by Ordinance No. 2006-01 (the “Ordinance”), and according to the procedures in the Proposition 218 Omnibus Implementation Act (Government Code Sections 53750-53753.5, inclusive) (the “Implementation Act”), Article XIII D of the California Constitution (“Proposition 218”) and, to the extent not inconsistent with the Ordinance, the procedures in the State Landscaping and Lighting Act of 1972 (Chapter 2 of Part of Division 15 of the California Streets & Highways Code) (the “Landscaping & Lighting Act”), the City Council of the City of Lemoore declared its intention to form, conducted all proceedings to form and did form Public Facilities Maintenance District No. 1 of the City of Lemoore (the “PFMD”), including different zones therein, and has thereafter levied and collected annual assessments for maintenance, operation, repair and periodic replacement of landscaping, street lights, local streets, parks and other appurtenant facilities and improvements within each zone described as follows:

Plants, shrubbery, trees, turf, irrigation systems, entry monuments, local street maintenance, parks, hardscapes, walls, fencing, street lights and appurtenant facilities in public rights-of-way easements within the proposed boundaries of the PFMD,

(collectively, the “Facilities and Improvements”) which provide particular, distinct special benefits to the various lots and parcels assessed over and above the general benefits conferred on such lots and parcels and the public at large; and

WHEREAS, the City has determined that lots and parcels within Tract 920 (Lennar Homes Phase 1), in the City of Lemoore, California (the “Added Territory”), receive such special benefits from the Facilities and Improvements with the Added Territory and therefore should be annexed to and included in the PFMD as Zone 9 thereof, and be subject to levy of annual assessments for the cost of maintenance, operation, repair and periodic replacement of such Facilities and Improvements; and

WHEREAS, at the direction of the City Council, the City Engineer has prepared and filed with the City Clerk a report entitled “City of Lemoore, Public Facilities Maintenance District No. 1, Engineer’s Report, Annexation of Territory Tract No. 920 as Zone No. 09” dated January 2019 (the “Engineer’s Report”), to which reference is hereby made, which Engineer’s Report contains a description of the existing Facilities and Improvements specially benefiting the lots and parcels within the Added Territory, the boundaries of the Added Territory proposed to be annexed to the PFMD as Zone 9 thereof in these proceedings, the Facilities and Improvements existing in and proposed for the Added Territory, and the general location and proposed assessments on the assessable lots and parcels of land within the Added Territory; and

WHEREAS, the City Engineer also has prepared and filed with the City Clerk an amended map of the boundaries of the PFMD, incorporating the Added Territory within the boundaries as Zone 9 of the PFMD, as proposed in these proceedings; and

WHEREAS, the proceeds of the annual assessments will be used exclusively to finance the expenses for operation and maintenance of the Facilities and Improvements benefiting the lots and parcels within the Added Territory for the 2019-2020 fiscal year or other fiscal year for which such assessments are levied, which operation and maintenance will provide particular, distinct special benefits to the various lots and parcels in the Added Territory, over and above the general benefits conferred on such lots and parcels and the public at large; and

WHEREAS, the amount of the assessment to be levied on each lot or parcel in the Added Territory for the 2019-2020 fiscal year, as proposed in the Engineer’s Report, is proportional to and no greater than the special benefits conferred on such lot or parcel from the maintenance, operation, repair and periodic replacement of the Facilities and Improvements described in the Engineer’s Report; and

WHEREAS, after notice by mail to the record owner of all lots and parcels within the Added Territory, as shown in the last equalized assessment roll of the County of Kings, the State Board of Equalization assessment roll or as known to the City Clerk, as required by Streets & Highways Code Section 22588 and Government Code Section 53753, the City Council conducted a public hearing and heard and considered all objections and protests to the proposed assessments; and, at the conclusion thereof, the City Clerk tabulated all assessment ballots submitted and not withdrawn in support of or in opposition to the proposed annexation and assessment of the lots and parcels in the Added Territory, and announced the results; and

WHEREAS, the City Council has determined, based on such ballot tabulation, that a majority protest to the proposed annexation and assessment of the lots and parcels within the Added Territory does not exist, in that the assessment ballots submitted and not withdrawn in favor

of the proposed annexation and assessment exceed the assessment ballots submitted and not withdrawn in opposition; and

WHEREAS, the City Council has further determined that all of the property owners within the Added Territory either have consented to the annexation to and inclusion in Zone 9 of the PFMD and the levy of the assessments proposed for the 2019-2020 fiscal year or have failed to file a majority protest against the proposed annexation and annual assessment in the manner provided by law;

THEREFORE, the City Council of the City of Lemoore resolves, finds and determines as follows:

1. All territories within Tract No. 920, whose boundaries are set forth in the Engineer's Report on file with the City Clerk, are annexed to and made part of City of Lemoore Public Facilities Maintenance District No. 1 as Zone 9 thereof. The map of the boundaries of the PFMD prepared by the City Engineer and showing annexation of the Added Territory as Zone 9 thereof, is hereby approved.
2. The Added Territory, whose boundaries are set forth in the Engineer's Report, will be particularly, distinctly and specially benefited, over and above the general benefits conferred on such territory and the public at large, from maintenance, operation, repair and periodic replacement of the Facilities and Improvements described in the Engineer's Report.
3. The hearing on the annexation of the territory within the Added Territory as Zone 9 of the PFMD and the levy of annual assessments therein, commencing with 2019-2020 fiscal year, was noticed and held in accordance with law.
4. The Engineer's Report, including the diagram of the Added Territory as Zone 9 of the PFMD and the assessment therein of the estimated costs of maintenance, operation, repair and periodic replacement of the Facilities and Improvements contained in the Engineer's Report, and each and every part of the Engineer's Report, is finally adopted, confirmed and approved.
5. The assessment diagram showing the lots and parcels of land within the Added Territory as part of Zone 9 of the PFMD, all as contained in the Engineer's Report, is finally approved and confirmed as the diagram of the lots and parcels within the Added Territory to be assessed to pay the costs of maintenance, operation, repair and periodic replacement of the Facilities and Improvements described in the Engineer's Report.
6. The assessment of the total amount of the costs and the individual assessments thereof on the lots and parcels within the Added Territory in proportion to the direct special benefits to be conferred on each such lot or parcel from maintenance, operation, repair and periodic replacement of the Facilities and Improvements, and of the expenses incidental thereto, as set

forth in the Engineer's Report, is finally approved and confirmed as the assessment for the 2019-2020 fiscal year to pay such costs.

7. The annexation and inclusion of the Added Territory as Zone 9 of the PFMD, and the levy of the annual assessments on all lots and parcels within the Added Territory for fiscal year 2019-2020, as described in the Resolution of Intention and the Engineer's Report, are hereby ordered.
8. The City Clerk is authorized and directed to file the diagram of the PFMD, including the Added Territory as Zone 9 thereof, and assessments therein, as approved and confirmed by the Council and containing all information and statements required by Section 3114 of the Streets & Highways Code, with the Kings County Recorder immediately after adoption of this resolution. The City Clerk is further authorized and directed to record a notice of assessment with respect to the Added Territory pursuant to Streets & Highways Code Section 3114. The City Clerk is further authorized and directed to file the amended map of the boundaries of the PFMD, incorporating the Added Territory within Zone 9, as approved by the City Council and containing all information and statements provided for in Streets & Highways Code Sections 3110 and 3113, with the Kings County Recorder not later than 10 days after the date this resolution is adopted.
9. This resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED by the City Council of the City of Lemoore at a regular meeting held on the 5th day of February 2019, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

Marisa Avalos
Deputy City Clerk

Edward Neal
Mayor



City of Lemoore
Public Facilities Maintenance
District No. 1
Engineer's Report
ANNEXATION OF TERRITORY TRACT No. 920 AS
ZONE No. 09

Commencing Fiscal Year 2019/2020

Intent Meeting: January 15, 2019

Public Hearing: February 5, 2019

CITY OF LEMOORE
119 FOX STREET
LEMOORE, CA 93245

JANUARY 2019
PREPARED BY
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ENGINEER'S REPORT AFFIDAVIT

**City of Lemoore
Public Facilities Maintenance District No. 1**

Annexation No. 2019-1

Annexation of Territory (Tract No. 920) as Zone No. 09

For Fiscal Year 2019/2020

**City of Lemoore,
Kings County, State of California**

As part of the Resolution of Intention packet presented for the consideration of the Lemoore City Council, this Report and the enclosed budgets, diagrams, and descriptions outline the proposed annexation of territory ("Annexation No. 2019-1") to the Lemoore Public Facilities Maintenance District No. 1 and the establishment of annual assessments related thereto commencing in Fiscal Year 2019/2020. Said annexation includes all lots and parcels of land within Tract No. 920 known as "Lennar Homes" and is currently identified on the Kings County Assessor's Parcel Maps as Book 023, Page 020, Parcel 010.

Reference is hereby made to the Kings County Assessor's Parcel Maps for a detailed description of the lines and dimensions of each parcel within Annexation No. 2019-1. The undersigned respectfully submits the enclosed Report as directed by the City Council.

Dated this 3RD day of JANUARY, 2019.

Willdan Financial Services
Assessment Engineer
On Behalf of the City of Lemoore

By: Jim McGuire

Jim McGuire
Principal Consultant, Project Manager

By: Richard Kopecky

Richard Kopecky
R. C. E. # 16742



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Introduction

The City of Lemoore ("City"), pursuant to Chapter 10 of Title 7 of the Lemoore Municipal Code, ("Municipal Code") as enacted by Ordinance No. 2006-01 (the "Ordinance"), and to the extent not inconsistent with the Ordinance, the provisions and procedures of the Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the California Streets and Highways Code ("1972 Act") and in compliance with the substantive and procedural requirements of the California State Constitution, Article XIII D ("California Constitution") established the assessment district designated as the:

Public Facilities Maintenance District No. 1

Pursuant to the provisions of the Municipal Code, the Ordinance, and 1972 Act (hereafter referred to collectively as "City Maintenance District Codes"), and in compliance with the substantive and procedural requirements of the California Constitution, the City has annually levied special benefit assessments within the Public Facilities Maintenance District No. 1 ("District" or "PFMD") in order to fund in whole or in part the maintenance, operation, repair and periodic replacement of certain public improvements including landscaping, streetlights, street paving, parks and appurtenant facilities that provide special benefits to properties within the District.

The City Council of the City of Lemoore adopted its General Plan with various elements to provide guidelines for orderly development of property within the City. The City Council further adopted ordinances and regulations governing the development of land providing for the installation and construction of certain lighting, landscaping, street paving, parks and appurtenant facilities to enhance the quality of life and to benefit the value of property.

The requirement for the installation of parks, lighting, landscaping, streets and appurtenant facilities is a condition of development provided for in the City's Subdivision Ordinance and is a requirement for issuance of a permit for construction of commercial, residential, and planned unit development. These improvements generally include streetlights and related equipment and fixtures; street paving that may include curbs, gutters and sidewalks; various landscape materials such as trees, turf, shrubs, vines, and ground cover; irrigation and drainage systems; structural amenities such as monuments, block walls, retaining walls, or other fencing; hardscapes including mulch, trail and path surfaces, stamped concrete and pavers; and park and recreational amenities such as benches, picnic facilities, play structures; signage, sports facilities and related appurtenances and equipment.

The installation of street pavement, streetlights, landscaping, parks, and appurtenant facilities is the responsibility of the subdivider or other development/applicant, triggered by the approval of either a tentative or final tract map, subdivision map, or other development application. After installation, it is City policy that the servicing, operation, maintenance, repair and replacement of the street lighting, landscaping, local street paving, parks and appurtenant facilities in turn become the financial responsibility of the properties that specially benefit from the facilities. Prior to the establishment of the District, the City recognized that the required ongoing maintenance, periodic repair and replacement of the facilities installed in connection with new developments could not feasibly be funded by the City and that such maintenance, operation, repair and replacement should be funded through special benefit assessments on properties within the boundaries of the District.

In accordance with the City Maintenance District Codes, the District has been established utilizing benefit zones ("Zones") to address variations in the nature, location, and extent of the improvements that provide special benefits to parcels in the District. Within the boundaries of the

District, parcels are assigned to a Zone, each of which is associated with specific improvements that provide special benefits to properties within that Zone.

As of Fiscal Year 2018/2019, the District was comprised of the following Zones and developments:

Zone No. 01 - The Landing, Phases 1, 2, and 3

Zone No. 02 - Liberty, Phases 1 and 2

Zone No. 03 - Silva Estates, Phase 10

Zone No. 04 - Parkview Estates

Zone No. 05 - East Village Park

Zone No. 06 - Heritage Acres

Zone No. 07 - Capistrano Phase 5

Zone No. 08 - Woodside Homes

For Fiscal Year 2019/2020, the City is annexing Phase 1 of Tract No. 920 (Lennar Homes) to the District as Zone No. 09 and balloting all parcels therein for a new assessment as part of these proceedings.

Proposed Fiscal Year 2019/2020 Annexation

By resolution, the City Council has ordered the preparation of this Engineer's Report ("Report") in connection with the proceedings for the annexation of Tract No. 920 to the Lemoore Public Facilities Maintenance District No. 1 and to be designated and referred to as:

Annexation No. 2019-1

(hereafter referred to as "Annexation No. 2019-1") and the establishment of the new maximum annual assessments related thereto, to be levied and collected upon properties within Annexation No. 2019-1 commencing in Fiscal Year 2019/2020 for the special benefits each property receives from the maintenance and servicing of the improvements to be provided by the City through the District.

Annexation No. 2019-1 consists of all lots and parcels of land within the planned residential development identified as Phase 1 of Tract No. 920 (Lennar Homes) consisting of 87 approved single-family residential lots and three unassessed letter lots. It is anticipated at buildout, Phase 2 of Tract No. 920, which is not included in the annexation territory at this time, will add an additional 88 single-family residential lots (a total of 175 single-family residential lots) and additional improvements. Tract No. 920 Phase 1 is generally located on the north side of W. Hanford-Armona Road, east of Liberty Drive (18³/₄ Avenue) and generally west of Antelope Drive and Bennington Avenue. The parcels within Annexation No. 2019-1 benefit and will proportionately share in the special benefit costs associated with the ongoing annual maintenance and servicing of the streetscape landscaping on the Hanford-Armona Road and Liberty Drive adjacent to the development and the (perimeter of Tract No. 920) the develop; streetscape entryway landscaping on both sides of Hana Way; the drainage basin area and park area (to be installed in Phase 2 of Tract No. 920); street pavement and related infrastructure in the street right-of-way for the development; and street lighting installed as part of the development of properties within Tract No. 920.

To adequately provide and fund the streets, street lighting, drainage facilities, park improvements, and landscaping improvements that are considered special benefits to properties within Annexation No. 2019-1, the City Council has determined that it is appropriate and in the public's best interest to annex the properties within Annexation No. 2019-1 to the PFMD as Zone No. 09 and to levy annual assessments on the properties therein to fund the estimated special benefit improvement costs including, but are not limited to the regular annual maintenance and servicing of the improvements; incidental expenditures related to the operation and administration of the District; and the collection of funds for operational reserves, capital improvement expenditures, and periodic repairs or rehabilitation projects as authorized by the City Maintenance District Codes.

Report Content and Proceedings

This Engineer's Report (the "Report") has been prepared pursuant to the City Maintenance District Codes consistent with Chapter 1, Article 4 and Chapter 3 of the 1972 Act, and is presented to the City Council for its consideration and approval of the proposed improvements and services to be provided within Annexation No. 2019-1 and the levy and collection of annual assessments related thereto commencing in Fiscal Year 2019/2020. This Report outlines the annexation territory, the District Zone (Zone No. 09), improvements, and proposed assessments to be levied in connection with the special benefits to the properties within Annexation No. 2019-1. The annual assessments to be levied on properties within the District and specifically Annexation No. 2019-1 will provide a source of funding for the continued operation, maintenance and servicing of the streets, drainage basin, neighborhood park, street lighting, landscaping, and appurtenant facilities to be provided by the District for the special benefits to properties within Annexation No. 2019-1 as Zone No. 09.

Each fiscal year, the City establishes the District's assessments based on an estimate of the costs to maintain, operate and service the improvements and based upon available revenues including fund balances, general benefit contributions and additional City contributions and assessment limits. The costs of the improvements and the proposed annual assessments budgeted and assessed against properties within the District may include, but are not limited to the estimated expenditures for regular annual maintenance and repairs; incidental expenditures related to the operation and administration of the District; deficits or surpluses from prior years; revenues from other sources; and the collection of funds for operational reserves and/or periodic repairs, replacements and rehabilitation projects as authorized by the City Maintenance District Codes. The net annual cost to provide the improvements for each Zone are allocated to the benefiting properties within that Zone using a weighted method of apportionment (refer to Assessment Methodology in Section II, Method of Apportionment) that calculates the proportional special benefits and assessment for each parcel as compared to other properties that benefit from the District improvements and services. Thus, each parcel is assessed proportionately for only those improvements, services and expenses for which the parcel will receive special benefits.

The word "parcel," for the purposes of this Report, refers to an individual property assigned its own Assessment Number (Assessor's Parcel Number "APN") by the Kings County Assessor's Office. The County Auditor/Controller uses Assessment Numbers and specific District Fund Numbers, to identify on the tax roll, properties assessed for special district assessments. Each parcel within Annexation No. 2019-1 shall be assessed proportionately for only those improvements for which the parcel receives special benefits.

Report Content

This Report has been prepared for the annexation of parcels within Annexation No. 2019-1 to the District for Fiscal Year 2019/2020, pursuant to a resolution of the City Council and consists of five (5) parts:

Part I - Plans and Specifications:

Contains a general description of the District and zones of benefit ("Zones") within the District, and specifically addresses the improvements that provide special benefits to the parcels within Annexation No. 2019-1 to be designated as Zone No. 09 within the PFMD, which may include, but not limited to local landscaping, streetlights, street pavement management, a neighborhood park, a neighborhood drainage basin, and related amenities and facilities authorized by the City Maintenance District Codes. The plans and specifications contained in this Report generally describe the nature and extent of the improvements. In conjunction with these general descriptions of the improvements a visual depiction of the improvements is provided in the Annexation Diagram contained in Part IV of this Report. The detailed plans and specifications for the improvements for the District including Zone No. 09 (Annexation Territory) are on file in the Public Works Department of the City of Lemoore and by reference are made part of this Report.

Part II - Method of Apportionment:

Outlines the special and general benefits associated with the improvements to be provided within Zone No. 09 of the District (Annexation No. 2019-1) and the basis upon which the estimated costs to provide such improvements has been apportioned to each parcel of land therein in proportion to the special benefits to be received by such parcels.

Part III - Estimate of Costs

Identifies the estimated annual funding costs (Budget) required for the maintenance and operation of the improvements including, but not limited to, annual maintenance and service expenses, utility costs, related incidental expenses, and fund balances authorized by the City Maintenance District Codes and deemed appropriate to fully support the improvements. Those improvements and/or costs determined to be of general benefit shall be funded by a City contribution. This section identifies:

- A budget that establishes the proportional estimated expenses and maximum assessment for Fiscal Year 2019/2020 to be approved by the property owner(s) of record within Annexation No. 2019-1 as part of the Ballot Proceeding. Although the budget presented, establishes the maximum assessment for Fiscal Year 2019/2020, the actual assessment to be levied and collected on the County Tax Rolls for Fiscal Year 2019/2020 shall be identified in the Fiscal year 2019/2020 annual engineer's report for the entire District which will be prepared and presented to the City Council for approval prior to the annual levy of the District assessments for Fiscal Year 2019/2020. However, in no case, shall the annual assessment approved for Zone No. 09 at that time, exceed the maximum assessment presented herein.
- This section also identifies and outlines an Assessment Range Formula (inflationary adjust) that provides for an annual adjustment to the maximum assessment rate each fiscal year. This Assessment Range Formula establishes limits on future assessments, but also provides for reasonable cost adjustments due to inflation.

Part IV - Annexation Diagram

A diagram showing the boundaries of Annexation No. 2019-1 based on the parcels that will receive special benefits from the improvements to be provided and maintained as part of Zone No. 09 and the benefits established herein. The lines and dimensions of each lot, parcel, and subdivision of land contained in this diagram are inclusive of the parcel(s) listed in “Part V – Assessment Roll” of this Report and the corresponding County Assessor’s Parcel Maps for said parcel(s) as they existed at the time this Report was prepared and shall include all subsequent subdivisions, lot-line adjustments, or parcel changes therein. Reference is hereby made to the Kings County Assessor’s maps for a detailed description of the lines and dimensions of each lot and parcel of land within Annexation No. 2019-1 as Zone No. 09 of the District.

Part V - Assessment Roll:

A listing of the proposed maximum assessment amounts for the parcel(s) within Annexation No. 2019-1. The “Maximum Assessment” amount (Balloted Assessment Amount) for each parcel represents that parcel’s maximum assessment amount for fiscal year 2019/2020 and is based on the parcel’s calculated proportional special benefits as outlined in “Part II - Method of Apportionment”, and calculated assessment rate established by the budget in “Part III -Estimate of Costs”.

If any section, subsection, sentence, clause, phrase, portion, or zone of this Report is, for any reason, held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining provisions of the Report and each section, subsection, subdivision, sentence, clause, phrase, portion, zone, or subzone thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases, portions, zones, or subzones might subsequently be declared invalid or unconstitutional.

Ballot Proceedings

Pursuant to the provisions of Article XIID, Section 4 of the California Constitution, the City shall conduct a property owner protest ballot proceeding (“Ballot Proceeding”) for the proposed levy of new or increased assessments as described in this Report. In conjunction with this Ballot Proceeding, the City Council will conduct a noticed public hearing to consider public testimonies, comments, and written protests regarding the annexation of the parcels within Annexation No. 2019-1 and the establishment of the proposed new assessments related thereto. Upon conclusion of the public hearing, property owner protest ballots received will be opened and tabulated to determine whether majority protest exists as defined in Article XIID of the California Constitution.

With respect to these proceedings, the sole property owner of record for Annexation No. 2019-1 has submitted a petition to the City Council for the annexation of this development to the District. As part of that petition the property owner has waived the 45-day period for mailing of the notice of public hearing afforded to the affected property owners of record under the provisions of the California Constitution Article XIID. As such, the public hearing and returned ballot deadline for these proceedings has been reduced with the public hearing being scheduled for February 5, 2019.

“A majority protest exists if, upon the conclusion of the hearing, ballots submitted in opposition to the assessment exceed the ballots submitted in favor of the assessment. In tabulating the ballots, the ballots shall be weighted according to the proportional financial obligation of the affected property.”

After completion of the ballot tabulation, the City Council will confirm the results of the balloting. If majority protest exists for the proposed assessments, further proceedings to annex the parcels with Annexation No. 2019-1 and implementation of the new assessments shall be abandoned at this time. If tabulation of the ballots indicate that majority protest does not exist for the proposed new

assessments and the assessment range formula presented and described herein, the City Council may adopt this Report (as submitted or amended); approve the assessment diagram contained herein (Annexation Diagram); order the annexation of the parcels within Annexation No. 2019-1 to the District and the improvements to be made; and confirm the new assessments as outlined in this Report.

The new assessments as approved including the assessment range formula, may be levied and collected on the County tax rolls commencing in Fiscal Year 2019/2020 together with the assessments for other properties in the District. For Fiscal Year 2019/2020 and each subsequent fiscal year, an engineer's annual levy report for the District shall be prepared and presented to the City Council to address any proposed changes to the District or Zones, as well as any proposed changes to the improvements, budgets and assessments for that fiscal year. The City Council shall hold a noticed public hearing regarding these matters prior to approving and ordering the levy of annual assessments.

If in any fiscal year, the proposed annual assessments for parcels with the District or Zone exceed the maximum assessments and specifically those assessments described herein for Annexation No. 2019-1, such an assessment would be considered a new or increased assessment and must be confirmed through a mailed property owner protest ballot proceeding for the affected parcels before such a new or increased assessment may be imposed.

Part I - Plans and Specifications

Description of the District

The purpose of the District, including Zone No. 09 which is inclusive of all parcels within Annexation No. 2019-1, is to provide in part through annual assessments funding for the ongoing operation, maintenance, and servicing of local landscaping, street lighting, street paving, drainage basins, neighborhood parks, and related appurtenant facilities and services, as applicable in specified areas of the City. The territory within the District consists of those lots or parcels of land within the City of Lemoore for which the City, through the District, maintains these local improvements and related amenities installed in connection with the development of those properties and for the benefit of those lots and parcels.

As authorized by the City Maintenance District Codes, the improvements provided by the District and associated with each Zone incorporate various local improvements and related amenities that are maintained and serviced for the benefit of real property within those Zones. The maintenance of the District improvements may also include various appurtenances including, but not limited to block walls, retaining walls or other fencing; trail, path, and access road surfaces; stamped concrete, pavers, mulch or other hardscapes; irrigation and related electrical equipment; drainage systems and equipment; benches, play structures, picnic or other recreational facilities; monuments, signage, ornamental lighting, street pavement, curbs, gutters, sidewalks, street lighting fixtures, and related equipment. The work to be performed within each respective Zone may include but is not limited to (as applicable), the personnel, materials, equipment, electricity, water, contract services, repair and rehabilitation of the improvements and incidental expenses required to operate the District and provide the improvements and services.

Improvements provided within the District generally may include but is not limited to:

- Landscaping and related facilities and amenities located within designated street medians, parkway and streetscape side-panels, and entryways within the public right of ways or easements adjacent to public right of ways; and within public places including greenbelt areas, open spaces, neighborhood parks, and landscape buffers within or directly associated with each Zone. These improvements may include, but are not limited to:
 - various landscape materials such as trees, turf, shrubs, vines, ground cover, annual or perineal plantings;
 - irrigation and drainage systems;
 - structural amenities such as monuments, block walls, retaining walls, or other fencing;
 - hardscapes including mulch, trail, path, and access road surfaces, stamped concrete and pavers;
 - recreational amenities within the parks or greenbelts that may include benches, play structures, picnic or other recreational facilities, signage, and related appurtenances.

The maintenance of these improvements may include, but is not limited to the regularly scheduled mowing, trimming, pruning, fertilization, pest control, weed and graffiti abatement; installation, replacement and rehabilitation of the landscaping, repair or replacement of irrigation or drainage systems; repair or replacement of hardscape improvements and recreational amenities. The City Public Works Department shall authorize and schedule such maintenance and servicing as needed and based on available Zone funding.

- Street lighting improvements located in the public right of ways within and on the perimeter of the developments and associated with each Zone and the parcels therein. Streetlight

improvements include energy costs and maintenance of the lighting facilities including, but not limited to the removal, repair, replacement or relocation of light standards, poles, bulbs, fixtures, and related equipment and materials.

- Street infrastructure management on the local streets within or adjacent to each respective Zone that may include but is not limited to the repair and servicing of street surfaces, curbs, gutters, driveway approaches, sidewalks and walkways, delineation, signage or other facilities within the public street right of ways. The street infrastructure management program (pavement management) may include, but is not limited to: the repair of potholes, cracks or other failures in the asphalt surface; repair or partial segment replacement of curbs, gutters, driveway approaches, and sidewalks as needed to ensure pedestrian and vehicle safety or the integrity of the street; repair or installation of street signs; slurry sealing, overlays and re-striping of the street surfaces. The specific activities and timing of various street and road maintenance services shall be determined by the City's Public Works Department as necessary to extend the life of the streets or to improve traffic circulation and safety as available funding permits.

Many of the street paving services and activities described above are not performed on an annual basis, but rather on a periodic basis such as slurry sealing or overlaying the asphalt streets. The funds necessary for these activities are to be collected in installments as part of the annual assessments. The monies collected each year for these services will be accumulated in a special fund for each Zone (Reserve Fund or Capital Improvement Fund). The monies accumulated for these activities shall be spent when sufficient funds have been accumulated to perform the services deemed necessary by the City. This process of accumulating funds (installments) shall continue until such time the District or Zone is dissolved; or the City determines that such funding procedures require modification. Changes in the process of accumulating funds that would result in an increase to the annual assessment rate must be presented to the property owners for approval prior to imposing such an increase

Not included as part of the street paving program are the costs associated with major replacements or reconstruction. Although the District assessments will provide funding for regular maintenance of the improvements and scheduled slurry and resurfacing projects on a periodic basis that will extend the useful life of the street improvements, the assessments are not intended to fund a full replacement or reconstruction of the street surfaces or adjacent improvements such as curbs, gutters, driveway approaches, or sidewalks. The costs of extensive replacement or reconstruction activities such as replacement of curbs, gutters, driveway approaches, and sidewalks is significantly more than the amount that is typically collected annually. When such repairs or activities are deemed necessary, the City may consider various financing options including new or increased assessments for property owner approval.

Zones and Improvements

For Fiscal Year 2018/2019 the District included eight (8) designated Zones. In accordance with the City Maintenance District Codes, the District utilizes Zones to address variations in the nature, location, and extent of the improvements that provide special benefits to parcels in the District. Each Zone is associated with specific improvements and/or types of improvements that provide special benefits to properties within that Zone. The boundaries of each Zone is based on the

improvements to be maintained and the relationship and proximity of the developments and properties that derive special benefits from those specific improvements.

Zones Nos. 01, 02, 03, 04, 05, 06, 07, and 08

The following is a brief description and summary of the existing (Fiscal Year 2018/2019) Zones and improvement that are part of the District but not directly associated with this annexation proceeding.

Zone No. 01 - The Landing:

Comprised of one hundred twelve (112) single-family residential parcels within Tract No. 817 (The Landing, Phases 1 and 2). The properties within Zone No. 01, proportionately share and receive special benefits from the maintenance, servicing, and operation of:

- Approximately 31,989 square feet of landscaping and/or related improvement areas.
- Thirty-four (34) streetlights.
- 355,598 square feet of pavement surface area.

Zone No. 02 - Liberty:

Comprised of two hundred forty-two (242) single-family residential parcels within Tract No. 821 (Liberty, Phases 1 and 2). The properties within Zone No. 02, proportionately share and receive special benefits from the maintenance, servicing, and operation of:

- Approximately 113,816 square feet of landscaping and/or related improvement areas.
- Ninety-three (93) streetlights.
- 729,025 square feet of pavement surface area.

Zone No. 03 - Silva Estates, Phase 10:

Comprised of seventy-four (74) single-family residential parcels within Tract No. 838 (Silva Estates, Phase 10). The properties within Zone No. 03, proportionately share and receive special benefits from the maintenance, servicing, and operation of:

- Approximately 22,256 square feet of landscaping and/or related improvement areas.
- Twenty-six (26) streetlights.
- Approximately 202,063 square feet of pavement surface area.

Zone No. 04 - Parkview Estates & Heritage Park - Laredo:

Comprised of ninety (90) single-family residential parcels within Tract No. 797 (Parkview Estates and Heritage Park - Laredo). The properties within Zone No. 04, proportionately share and receive special benefits from the maintenance, servicing, and operation of:

- Approximately 20,386 square feet of landscaping and/or related improvement areas.
- Twenty (20) streetlights.
 - Approximately 284,387 square feet of pavement surface area.

Zone No. 05 - East Village Park and Aniston Place North:

Comprised of one hundred twenty (120) single-family residential parcels within Tract No. 791 (East Village Park) and Tract No. 910 (Aniston Place North). The properties within Zone No. 05, proportionately share and receive special benefits from the maintenance, servicing, and operation of:

- Approximately 61,882 square feet of landscaping and/or related improvement areas that includes the following:
 - 957 square feet of streetscape landscaping (shrubs with trees) on Cantera Avenue;
 - 15,716 square feet of parkway and streetscape side-panel landscaping located on D Street, including approximately 7,005 square feet of shrubs, plants, and/or ground cover with trees; and 8,711 square feet of shrubs;
 - 1,034 square feet of streetscape landscaping (shrubs) on Smith Avenue north of Siena Way;
 - 1,723 square feet of parkway and streetscape side-panel landscaping located on Smith Avenue between D Street and Siena Way, including approximately 1,300 square feet of turf with trees; and 423 square feet of shrubs, plants, and/or ground cover with trees;
 - 42,452 square feet of park improvement area located on Montego Way. This park site includes approximately 7,210 square feet of concrete or other hardscape surfaces; 850 square feet of shrubs and planters; and 34,392 square feet of turf with trees.
- Thirty (30) streetlights including:
 - 8 streetlights on the perimeter of Zone No. 05 located on D Street and Smith Avenue.
 - 22 streetlights within the tracts located on, but not limited to: Cantera Avenue, Firenze Street, Montego Way, Portola Street, Siena Way, and Visconti Street;
- Approximately 271,905 square feet of pavement surface area which collectively include Cantera Avenue, Firenze Street, Montego Way, Siena Way, Visconti Street, and Portola Street.

Zone No. 06 - Heritage Acres:

Comprised of ninety-seven (97) single-family residential parcels within Tract No. 872 (Heritage Acres, Phases 1 and 2). The properties within Zone No. 06, proportionately share and receive special benefits from the maintenance, servicing, and operation of:

- Twenty-seven (27) streetlights.
- Approximately 370,092 square feet of pavement surface area.

Zone No. 07 - Capistrano Phase 5 (Annexation No. 2018-1)

The twenty (20) single-family residential lots that comprise PFMD; Zone No. 07, are part of Tract No. 908 which is currently identified by the King's County Assessor's Office as one parcel (023-040-057). These 20 single-family residential parcels within Tract No. 908 were annexed to the District in January 2018 for Fiscal Year 2019/2020 and proportionately share and receive special benefits from the maintenance, servicing, and operation of:

- Approximately 5,071 square feet of parkway and streetscape side-panel landscaping on Bush Place/Barcelona Drive, consisting of: 3,125 square feet of shrubs, plants, and/or ground cover with trees; and 1,946 square feet of turf with trees. These improvements and the costs associated with the maintenance and operation of these improvements are proportionately shared by properties within LLMD Zone 06.
- The median island on Bush Place/Barcelona Drive, just south of East Bush Street leading into the development (Approximately 427 square feet). This median and the costs associated with the maintenance and operation improvements are proportionately shared by properties within LLMD Zone 06.
- Seven (7) streetlights including:
 - 2 streetlights located on Bush place/Barcelona Drive directly adjacent to the perimeter of the development. These 2 streetlights also benefit properties within LLMD Zone 06 and are therefore partially funded by other revenue sources.
 - 5 streetlights within Tract No. 920 located on Tuscany Court;
- Approximately 26,060 square feet of pavement surface area on Tuscany Court.

Zone No. 08 - Woodside Homes (Annexation No. 2018-2)

The sixty-four (64) planned single-family residential lots that comprise Annexation No. 2019-1 (PFMD; Zone No. 09), are part of Tract No. 920 which is currently identified by the King's County Assessor's Office as one parcel (023-020-010). These 64 single-family residential lots within Tract No. 920 will proportionately share and receive special benefits from the maintenance, servicing, and operation of:

- 12,206 square foot neighborhood park site located at the corner of Daphne Lane and Sydney Way that may include, but is not limited to, turf, shrubs, trees, plants, and/or ground cover areas; and concrete paths, play structures, tables, benches, and trash receptacles.
- 82,540 square foot drainage basin site located in the southwest portion of Tract No. 920 that may include, but is not limited to, approximately 61,436 square feet of natural, non-irrigated area (basin floor); approximately 21,104 square feet of perimeter landscaping comprised of shrubs, trees, plants, and/or ground cover; and related drainage facilities and equipment which may include drainage inlet/outlet structures and pump.
- 4,340 square feet of paved access roads providing access to the drainage basin and the Lemoore Canal from Daphne Lane.
- 350 linear feet of block wall on the perimeter of the development along the Southern Pacific Railroad right-of-way and the Lemoore Canal.
- Nineteen (19) streetlights within Tract No. 920 located on Daphne Lane, Melbourne Way, Newcastle Street, and Sydney Way.
- Approximately 198,416 square feet of pavement surface area on Daphne Lane, Melbourne Way, Newcastle Street, and Sydney Way, which also incorporates approximately 5,804 linear feet of curb and gutter, and approximately 31,922 square feet of Sidewalk/Cross Gutter area.

Zone No. 09 - Lennar Homes (Annexation No. 2019-1)

The eighty-seven (87) planned single-family residential lots of Annexation No. 2019-1 (PFMD; Zone No. 09), are part of Phase 1 of Tract No. 920 which at the time this Report was prepared is identified by the King's County Assessor's Map as a single parcel, Assessor's Parcel Number (APN) 021-570-001. The King's County Assessor's Office is currently subdividing this APN into ninety new APNs (87 residential lots and 3 non-assessed letter lots). For purpose of this Report and the calculation of assessments, the new APNs have been applied and are identified on the Assessment Roll contained in Part V of this Report.

The 87 single-family residential lots within Tract No. 920 Phase 1 will proportionately share and receive special benefits from the maintenance, servicing, and operation of:

- Approximately 28,193 square feet of perimeter streetscape landscaping:
 - 3,482 square feet of streetscape landscaping on the east side of Liberty Drive north of Hana Way, up to the northern lot line of lot 87 (designated as that part of Lot A within Phase 1 of Tract No. 920). This landscape area incorporates the area between the curb and sidewalk and the area between the sidewalk and residential property lines;
 - 482 square feet on the north side of Hana Way between Liberty Drive and Narwhal Avenue. This landscape area incorporates the area between the curb and sidewalk. The landscaping behind sidewalk (if any) will be privately maintained and is not a part of the Zone improvements;
 - 482 square feet on the south side of Hana Way between Liberty Drive and Narwhal Avenue. This landscape area incorporates the area between the curb and sidewalk. The landscaping behind sidewalk (if any) will be privately maintained and is not a part of the Zone improvements;
 - 4,971 square feet on the east side of Liberty Drive south of Hana Way and north of Hanford-Armona Road (designated as part of Lot B). This landscape area incorporates the area between the curb and sidewalk and the area between the sidewalk and residential property lines;
 - 18,776 square feet on the north side of Hanford-Armona Road from Liberty Drive, to the eastern boundary of Tract No. 920 which is also the eastern lot line of Lot 60 (designated as part of Lot B). This landscape area incorporates the area between the curb and sidewalk and the area between the sidewalk and residential property lines;
- 32,972 square foot neighborhood park site/greenbelt area to be installed on the east side of Obsidian Avenue as part of Phase 2. This area may include, but is not limited to, turf, shrubs, trees, plants, and/or ground cover areas; and concrete paths, play structures, tables, benches, and trash receptacles.
- 94,090 square foot drainage basin site to be installed to the east of the neighborhood park site/greenbelt area (east of Obsidian Avenue) as part of Phase 2. It is anticipated that approximately 20% of this area will be irrigated improvements and the remainder non-irrigated improvements.

- Twenty-four (24) streetlights including:
 - Nine (9) streetlights on the perimeter of Tract No. 920 Phase 1 located on Hanford-Armona Road (8 Lights) and on Liberty Drive (1 Light); and
 - Fifteen (15) streetlights within Tract No. 920 Phase 1 located on, but not limited to: Castellina Street, Fire Fall Avenue, Hana Way, Narwhal Avenue, Obsidian Avenue, Pisa Way, and Strada Street;
- Approximately 208,497 square feet of pavement surface area, which also incorporates an estimated 8,872 linear feet of curb and gutter, and approximately 44,360 square feet of Sidewalk/Cross Gutter area. Of the
 - Approximately 62,893 square feet of pavement surface area on the perimeter of the Zone including half of Hanford-Armona Road and Liberty Drive;
 - Approximately 145,604 square feet of pavement surface area on the internal streets of the Zone including Castellina Street, Fire Fall Avenue, Hana Way, Narwhal Avenue, Obsidian Avenue, Pisa Way, and Strada Street;

Note: As noted above, the neighborhood park site/greenbelt area and drainage basin site improvements will eventually be installed as part of Phase 2 of Tract No. 920, but those improvements will proportionately benefit properties in both phases and the costs associated with those improvements will be proportionately shared by the residential parcels in both phase of Tract No. 920. Likewise, the perimeter landscaping, street lighting, and pavement improvements being installed on Hanford-Armona Road and Liberty Drive as part of Tract No. 920 Phase 1, will proportionately benefit properties in both phases and the costs associated with those improvements will be proportionately shared by the residential parcels in both phase of Tract No. 920. However, when Phase 2 is developed, it is also anticipated that additional perimeter landscaping, street lighting, and pavement improvements will be installed and proportionately shared. Ultimately at build-out, all the Zone improvements installed as part of Phase 1 and Phase 2 of Tract No 920 will be proportionately shared by parcels in both phases.

Part II - Method of Apportionment

Legislative Requirements for Assessments

The costs of the proposed improvements have been identified and allocated to properties within Annexation No. 2019-1 (Zone No. 09 of PFMD) proportionately based on special benefits, consistent with the provisions of the City Maintenance District Codes and the assessment provisions contained in Article XIII D of the California Constitution. The improvements provided by this District and for which properties within Annexation No. 2019-1 are to be assessed are identified as local landscaping, streetlight, street improvements, and related facilities and amenities that were either installed in direct connection with the development of properties within Tract No. 920 or were installed for the benefit of those properties as a result of property development or potential development of those properties and are considered necessary elements for the development of such properties to their full and best use. The formulas used for calculating assessments is based on the improvements and activities to be provided for Zone No. 09 (Annexation No. 2019-1) and the composition of parcels therein to fairly apportion the cost of providing those improvements based on a determination of the proportional special benefits to each parcel.

In addition to the provisions of the City Maintenance District Codes, Article XIII D of the California Constitution outlines specific requirements regarding assessments including the following:

Article XIII D Section 2d defines District as follows:

“District means an area determined by an agency to contain all parcels which will receive a special benefit from a proposed public improvement or property-related service”;

Article XIII D Section 2i defines Special Benefit as follows:

“Special benefit” means a particular and distinct benefit over and above general benefits conferred on real property located in the district or to the public at large. General enhancement of property value does not constitute “special benefit.”

Article XIII D Section 4a defines proportional special benefit assessments as follows:

“An agency which proposes to levy an assessment shall identify all parcels which will have a special benefit conferred upon them and upon which an assessment will be imposed. The proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of the capital cost of a public improvement, the maintenance and operation expenses of a public improvement, or the cost of the property related service being provided. No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel.”

Benefit Analysis

Special Benefits

Landscaping Special Benefit

The ongoing maintenance of landscaped areas within the District provide aesthetic benefits to the properties within each respective Zone and a more pleasant environment to walk, drive, live, and work. The primary function of these landscape improvements and related amenities (including parks and drainage basin sites) is to serve as an aesthetically pleasing enhancement and green space for the benefit of the immediately surrounding properties and developments for which the improvements were constructed and installed and/or were facilitated by the development or potential development of properties within the Zones. These improvements are an integral part of the physical environment associated with the parcels in each Zone and while some of these improvements may in part be visible to properties outside the Zone, collectively if these Zone improvements are not properly maintained, it is the parcels within the Zone that would be aesthetically burdened. Additionally, these landscape improvements and/or related improvements such as block walls, may serve as both a physical buffer as well as a sound reduction buffer between the roadways or other rights-of way, and the properties in the District and in many cases, serve as a pleasant aesthetic amenity that enhances the approach to the parcels. Likewise, in some of the zones, the landscaped areas may include green space areas (neighborhood parks, greenbelts, open spaces, landscaped basins, and/or trails) that provide a physical buffer and open space between properties and these areas serve as an extension of the physical attributes of the parcels assessed, such as their front or rear yards. In many cases, these green space areas also provide a greater opportunity for recreation. As a result, the maintenance of these landscaped improvements and the related amenities provide particular and distinct benefits to the properties and developments within each Zone.

Street Lighting Special Benefit

The street lighting in the District (localized street lighting) is primarily useful for illuminating the sidewalks and parking lanes on the streets used specifically to access the properties and/or is adjacent to those properties that comprise the District. This lighting is distinct from lights that may be installed that serve in large part to enhance traffic safety, such as traffic signals and intersection safety lights or the more sporadic lighting found on major thoroughfares outside the more concentrated development areas. These localized streetlights tend to be more closely spaced and of a lower intensity than streetlights installed primarily for traffic safety. These low-level, lower-intensity streetlights within the District provide three main special benefits: (i) property security benefit, (ii) pedestrian safety benefit, and (iii) parkway/roadway egress benefit. Because traffic to and from these parcels is largely limited to the residents and residents' guests, it is reasonable to assume that essentially all pedestrians and parking vehicles in the lit areas will, after dark, be directly associated with the properties in the District and that the vehicular traffic within the internal streets of a Zone is primarily for accessing the properties within that Zone. Therefore, street lighting on such streets is entirely a special benefit to those properties. While lighting located on the perimeter of a development also serves primarily for accessing the properties within that Zone it is recognized that such lighting may benefit pass-through traffic as well and inherently there is some general benefits associated with those streetlights.

In addition, the streetlights within the District are consistent with the City's typical intensity and spacing standards for areas zoned for residential development areas and each parcel to be assessed is served directly by the system of streetlights providing appropriate lighting within these respective development areas. Furthermore, the cost of maintaining and operating each light is substantially the same, regardless of the location of the light within the District. Consequently, we

conclude that each parcel within the District receives substantially similar benefit from the streetlight improvements and the only notable distinctions in proportional special benefits to each parcel is related to the specific quantity of lights associated with each development (Zone) and the overall location of those lights (internal development lights or perimeter lights).

Street Paving Special Benefit

Like street lighting in the District, the streets and parking lanes on the streets that are to be maintained through the District are exclusively within the boundaries of each Zone and those streets were specifically constructed to access those properties. Furthermore, the maintenance of these streets or the lack thereof, only has an impact on the properties within the District. Because traffic on these streets is almost exclusively limited to the residents and residents' guests associated with the District parcels, it is reasonable to conclude that essentially all utilization of these streets is primarily for accessing the properties within each respective Zone. Therefore, the maintenance and preservation of these streets is entirely a special benefit to those properties.

General Benefit

Landscaping General Benefit

In reviewing the location and extent of the specific landscaped areas and improvements to be funded by District assessments and the proximity and relationship to properties to be assessed, it is evident these improvements were primarily installed in connection with the development of properties in each respective Zone or are improvements that would otherwise be shared by and required for development of properties in those Zones. It is also evident that the maintenance these improvements and the level of maintenance provided has a direct and particular impact (special benefit) only on those properties in proximity to those improvements and such maintenance beyond that which is required to ensure the safety and protection of the general public and property in general, has no quantifiable benefit to the public at large or properties outside each respective Zone.

In the absence of a special funding Districts and Zones, the City would typically provide only limited (as needed) tree management, weed abatement, rodent control, and erosion control services for the landscape areas currently maintained within the District. This baseline level of service would typically provide for periodic servicing of the improvement areas on an as-needed basis, but typically not more than twice annually. This baseline level of service provides for public safety and essential property protection to avoid negative impacts on adjacent roadways and vehicles traveling on those roadways and potential property damage resulting from erosion or fire hazards, but results in a far less visually pleasing environment than is created with the enhanced levels of services associated with the regular landscape maintenance provided in the various Zones. Typically for most agencies, the cost to provide this baseline level of service for flat/moderately-sloped street landscaped areas is less than \$545 per acre (approximately \$0.0125 per square foot) including medians, parkway and streetscape side panels; less than \$435 per acre (approximately \$0.0100 per square foot) for non-street public areas such as parks, greenbelts, and trail areas; and less than \$215 per acre (approximately \$0.0050 per square foot) for natural open space areas or other limited access areas. This baseline servicing, unlike the enhanced aesthetic services funded through the District assessments, would provide benefits to the general public and to the properties both within and outside of the specific benefit zones. These costs of providing this baseline service along with a five percent (5%) cost factor for City overhead and administration is treated as the cost of general benefits from landscape maintenance services. Therefore, for flat/moderately-sloped street landscaped areas a rate of \$0.01325 per square foot (\$0.0125 +5%) is applied to calculate the general benefit costs for the assessed improvements; for non-street public areas a rate of \$0.01050 per square foot (\$0.0100

+5%) is applied to calculate the general benefit costs for the assessed improvements; and for non-street public areas a rate of \$0.00525 per square foot (\$0.0050 +5%) is applied to calculate the general benefit costs for the assessed improvements.

In addition to the general benefits identified above, it is recognized that there are indirect or incidental general benefits to properties within the District as well as the general public that are associated with regular landscape maintenance services, including:

- Minimization of dust and debris; and
- Decreased potential water runoff from both properties and the landscaped areas.

Although these types of benefits might best be characterized as indirect consequences of the special benefits of the landscape maintenance provided to assessed parcels, for the purposes of calculating proportional benefits, we assume these types of benefits to be general benefits. It is apparent that trees, shrubs, plants, and other vegetation and groundcover reduce dust, debris, and potential water runoff that might otherwise occur if such landscape improvements did not exist. However, it is also recognized that with the regular maintenance of the landscape improvements, the effort and cost to monitor and address these issues are reduced to isolated areas and/or less frequent servicing, and these activities, generally represent less than one percent (1%) of the overall landscape maintenance costs. Therefore, conservatively, we estimate that the costs associated with these indirect and incidental benefits do not exceed one percent (1%) of the annual maintenance expenditures for the landscaping improvements. Together with the baseline general benefit costs previously identified, these indirect/incidental general benefit costs are excluded from the potential assessment funding and together are shown in the budget (Part III of this Report) as the “Landscaping General Benefit - City Funded”.

Street Lighting General Benefit

Collectively, of the total streetlights to be operated and maintained through the District (including the lights for Zone No. 09), it is estimated that approximately 30% of those lights are located on the perimeter of the Zones, the remainder being internal residential streetlights.

These residential perimeter lights in contrast to the internal residential lights funded by the District, arguably provide some illumination that extends beyond the boundaries of the developments and parcels being assessed, and these lights may also enhance the safety of members of the public unassociated with an assessed parcel by illuminating traffic lanes and/or parking on those streets, or that otherwise provides services to the general public. Although, in general, most of these perimeter streetlights exist solely because of the development of assessed parcels, and the primary purpose of these lights is to provide illumination to access the assessed parcels, these particular lights may provide some level of general benefit in addition to the special benefits provided to the assessed parcels. We estimate that these general benefits constitute not more than 25% of the total benefit associated with these perimeter lights, which is no more than 8% of the total benefit from all residential lights operated and maintained by the District (25% of 30% equals 7.5%). Therefore, it is reasonable to conclude that the total general benefit from the operation and maintenance activities associated with the District streetlights does not exceed 8% of the direct annual operating expenses for all combined residential streetlights. These general benefit costs are excluded from the potential assessment funding and are shown in the budgets (Part III of this Report) as the “Lighting General Benefit - City Funded”.

Assessment Methodology

To assess benefits equitably it is necessary to calculate each property's relative share of the special benefits conferred by the funded improvements and service. The Equivalent Benefit Unit (EBU) method of assessment apportionment is utilized for this District and establishes a basic unit (base value) of benefit and then calculates the benefit derived by each assessed parcel as a multiple (or a fraction) of that basic unit. The EBU method of apportioning special benefits is typically seen as the most appropriate and equitable assessment methodology for assessment districts, as the benefit to each parcel from the improvements are apportioned as a function of comparable property characteristics which may include, but is not limited to land use and property size. The method of apportionment originally developed for this District was based on an assessment formula appropriate for the various land uses, identifiable property characteristics and improvements within the District and utilizes the number of comparative dwelling units or dwelling spaces for other residential land uses and comparative lot sizes (acreage) for non-residential and undeveloped properties.

For the District and the purposes of this Report, an EBU is the quantum of benefit derived from the various Zone improvements by a single family residential parcel. The single family residential parcel has been selected as the basic unit for calculation of assessments since it currently represents 100% of the parcels to be assessed in the District, although other land uses may be annexed to the District in the future. Thus, the "benchmark" property (the single family residential parcel) derives one EBU of benefit and is assigned 1.00 Equivalent Benefit Unit.

Land Use Classifications

Every parcel within the District is assigned a land use classification based on available parcel information obtained from the County Assessor's Office. It has been determined that a parcel use and size are the appropriate factors necessary to identify and calculate the proportional special benefits conveyed to each property within the District for the cost of improvements associated with that property. The parcels currently within the District are identified as single family residential parcels or Exempt parcels and the following provides a description of those land use classifications. This method of apportionment and assignment of Equivalent Benefit Units may be expanded to include additional land use classifications as developments are annexed to the District in the future.

Residential Single-Family - This land use classification may include, but is not limited to all subdivided residential tract lots with a single residential unit on the parcel (individual Assessor's Parcel Number) including attached and detached single-family residential units, condominiums or townhomes. As previously noted, the single family residential parcel has been selected as the basic unit for calculation of assessments and each is assigned 1.00 Equivalent Benefit Unit.

Residential Vacant Lot - This land use classification is defined as a fully subdivided residential parcel/lot within an approved tract or subdivision for which the residential unit or units have not been constructed on the parcel (subdivided vacant lot). This land use classification is limited to fully subdivided residential parcels for which the number of residential units to be constructed on the parcel is four (4) units or less. This land use is assessed at 1.00 EBU per parcel.

Vacant Undeveloped Property - This land use classification includes undeveloped properties that are identified as parcels with no development or are part of an overall planned development, but have not been fully subdivided. Although it is recognized that most of the improvements within the District and various Zones have been constructed and accepted for maintenance in large part as a direct result of the development of the properties within the District and these developments

clearly receive particular and distinct benefits (direct special benefits) from those improvements, it is also recognized that some improvements within a Zone may be identified as shared improvements (shared by more than one development or tract within a Zone) rather than being specifically associated with an individual parcel or Tract. Collectively these shared improvements are typically installed and constructed as part of the overall development of properties within the Zone, including Vacant Undeveloped Properties in the vicinity of those improvements. However, it is also recognized that in part, the special benefits of the improvements to properties in the Zone is related to the use of those properties (people related) and undeveloped properties have less immediate utilization of those improvements, and because the development of such properties is less than that of a fully subdivided residential lot within a tract or residential subdivision, the proportional special benefit to such properties is considered to be less than that of a subdivided lot. Likewise, in many cases, a portion of the overall shared improvements that will ultimately provide special benefits to each property in the Zone at buildout, may include future improvements that will be installed and constructed as part of the planned development of the Vacant Undeveloped Property, and it is therefore reasonable to conclude that the parcel's current special benefits from the shared Zone improvements is less than that of the parcel's full planned development. Therefore, parcels identified as Vacant Undeveloped Property shall be assigned a proportional EBU that is 25% of that assigned to developed properties. Since the typical residential development in the District yield approximately four (4) residential units per acre, Vacant Undeveloped Property are assigned a proportional EBU of 1.0 EBU per acre (25% of the 4.0 EBU per acre).

Planned Residential Subdivision - This land use classification is defined as any property not fully subdivided, but a specific number of proposed lots and/or residential units to be developed on the parcel has been identified as part of an approved Tract Map or Tentative Tract Map. For balloting purposes to establish each property's maximum assessment and proportional special benefits, these parcels are assigned an EBU that reflects the total EBU's planned for that parcel at build-out (1.00 EBU per single-family residential lot).

However, for calculation of the annual assessments each fiscal year, the Assessment Engineer shall apply to such parcels an EBU that best reflects that parcel's proportional special benefit from the improvements and services provided as compared to other properties in the District and Zone based on the type and location of the improvements to be maintained, the proximity of the property to those improvements, and the development status of the property. Because these factors can vary from year to year and from parcel to parcel, the calculated EBU for each Planned Residential Development parcel may be different, utilizing either the acreage of the parcel or number of planned units. The Assessment Engineer may identify the parcel and treat the parcel as a Vacant Undeveloped Property (assigned 1.00 EBU per applied acre) or may temporarily identify the parcels as a Special Case Parcel (refer to this land use classification below) assigning the parcel any proportional EBU up to the maximum EBU for which the property was ballot (1.0 EBU per single-family residential lot or unit).

Exempt - Exempt from District assessments are the areas of public streets, private streets and other roadways, dedicated public easements and open spaces, right of ways including public greenbelts and parkways or that portion of public property that is not developed and used for business purposes similar to private commercial, industrial and institutional activities. (These types of properties are not usually assigned an Assessor's Parcel Number by the County). Also exempt from assessment are utility right of ways, common areas (such as in condominium complexes), landlocked parcels, small parcels vacated by the County, bifurcated lots, and any other property that cannot be developed or developed independent of an adjacent parcel. It has been determined that these types of properties receive no direct benefit from the improvements

and receive no special benefits or general benefits from the operation and maintenance of the District improvements.

Special Case - In many assessment districts (particularly districts that have a wide range of land uses and property development) there may be one or more parcels that the standard land use classifications and proportionality identified above do not accurately identify the use and special benefits received from the improvements. Properties that are typically classified as Special Case Parcels usually involve some type of development or land restrictions whether those restrictions are temporary or permanent and affect the properties proportional special benefits. Examples of such restrictions may include situations where only a small percentage of the parcel's total acreage can actually be developed. In such a case, the net usable acreage of the parcel rather than the gross acreage of the parcel may be applied to calculate the parcel's proportional special benefits. Each such parcel shall be addressed on a case-by-case basis by the assessment engineer and the EBU assigned to such parcels shall be based on the specific issues related to that parcel and its proportional special benefits compared to other properties that receive special benefits from the improvements.

A summary of the Equivalent Benefit Units (EBUs) that may be applied to land use classifications within the District is shown in the following table:

Land Use Classification	Equivalent Benefit Unit Formula
Residential Single-Family	1.00 EBU per Parcel/Lot
Residential Vacant Lot	1.00 EBU per Parcel/Lot
Planned Residential Subdivision	1.00 EBU per Planned Lot/Unit
Vacant Undeveloped Property	1.00 EBU per Acre
Exempt	0.00 EBU per Parcel
Special Case	Varied EBU per Adjusted Acre or Planned Units

The following is a summary of the anticipated land use classifications and Equivalent Benefit Units applicable to Annexation No. 2019-1 (Zone No. 09):

Land Use Classification	Total Parcels	Assessed Parcels	Applied Acres/Units	Benefit Units (EBU)
Residential Single-Family	87	87	87.000	87.0000
Exempt	3	-	0.943	-
Totals	90	87	87.943	87.0000

Part III - Estimate of Costs

Calculation of Assessments

An assessment amount per EBU in each Zone of the District including Zone No. 09 (Annexation Territory) is calculated by:

Taking the “Total Annual Expenses” (Total budgeted costs) and subtracting the “General Benefit Expenses (City Funded)”, to establish the “Total Eligible Special Benefit Expenses”;

Total Annual Expenses – General Benefit Expenses = Total Eligible Special Benefit Expenses

To the resulting “Eligible Special Benefit Expenses”, various “Funding Adjustments/Contributions” may be applied that may include, but are not limited to:

- “Unfunded Reserve Fund Collection”, represents an adjustment (reduction) in the amount to be collected for “Operational Reserve Funding” that was budgeted as part of the Total Annual Expenses.
- “Unfunded Rehab-Renovation Funding”, represents an adjustment (reduction) in the amount to be collected for “Total Rehab-Renovation Funding” that was budgeted as part of the Total Annual Expenses. (This does not include the amount budgeted for Planned Capital Expenditures).
- “Reserve Fund Transfer/Deduction”, represents an amount of available existing funds from the “Operational Reserve Fund Balances” being applied to pay a portion of the Special Benefit Expenses for the fiscal year.
- “Additional City Contribution and/or Service Reductions”, represents a further adjustment that addresses the funding gap between the amount budgeted to provide the improvements and services (“Special Benefit Expenses”); and the amount that will be collected through the assessments. This funding gap may be addressed by an additional City contribution, reductions in service and service expenses, or a combination of the two.

These adjustments to the Special Benefit Expenses result in the net special benefit amount to be assessed “Balance to Levy”;

Eligible Special Benefit Expenses +/- Funding Adjustments/Contributions =Balance to Levy

The amount identified as the “Balance to Levy” is divided by the total number of EBUs of parcels that benefit to establish the “Assessment Rate” or “Assessment per EBU”. This Rate is then applied back to each parcel’s individual EBU to calculate the parcel’s proportionate special benefit and assessment for the improvements.

Balance to Levy / Total EBU = Assessment per EBU (Assessment Rate)

Assessment per EBU x Parcel EBU = Parcel Assessment Amount

Budgets and Assessment Zone No. 09 (Annexation No. 2019-1)

The budget and maximum assessment rate outlined on the following page for PFMD Zone No. 09 (Annexation No. 2019-1), are based on the City's estimate of the expenses and related funding deemed appropriate and necessary to fully support the ongoing operation, maintenance and servicing of the Zone No. 09 District improvements identified in Part I of this Report. Those improvements and associated costs determined to be of general benefit shall be funded by a City contribution. This budget establishes the maximum assessment for Fiscal Year 2019/2020 to be approved by the property owner(s) of record within Annexation No. 2019-1 as part of the Ballot Proceeding. Although the budget presented, establishes the maximum assessment for Fiscal Year 2019/2020, the actual assessment to be levied and collected on the County Tax Rolls for Fiscal Year 2019/2020 will be identified and incorporated into the Fiscal year 2019/2020 annual engineer's report for the entire District which will be prepared and presented to the City Council for approval prior to the annual levy of the District assessments for Fiscal Year 2019/2020. However, in no case, shall the annual assessment approved for Zone No. 09 at that time, exceed the maximum assessment presented herein.

Zone No. 09 Maximum Assessment Budget

BUDGET ITEMS	PFMD Zone 09 Lennar Tract 920 Maximum Assessment Budget
ANNUAL OPERATION & MAINTENANCE EXPENSES	
Annual Lighting Operation & Maintenance Expenses	\$ 4,289
Landscape Maintenance	9,312
Tree Maintenance	351
Landscape Irrigation (Water, Electricity, Maintenance & Repair)	8,562
Appurtenant Improvements/Services	6,412
Annual Landscaping Operation & Maintenance Expenses	24,637
Annual Street Operation & Maintenance Expenses	287
TOTAL ANNUAL OPERATION & MAINTENANCE EXPENSES	\$ 29,213
REHABILITATION/RENOVATION FUNDING & CAPITAL EXPENDITURES	
Lighting Rehabilitation/Renovation Funding	\$ 214
Landscape Improvement Rehabilitation/Renovation Funding	1,331
Street Rehabilitation/Renovation Funding	28,726
Total Rehabilitation/Renovation Funding	30,272
Total Planned Capital Expenditures (For Fiscal Year)	-
TOTAL REHABILITATION/RENOVATION FUNDING & CAPITAL EXPENDITURES	\$ 30,272
INCIDENTAL EXPENSES	
Operational Reserves (Collection)	\$ 2,903
Annual Administration Expenses	3,358
TOTAL INCIDENTAL EXPENSES	\$ 6,261
TOTAL ANNUAL EXPENSES	\$ 65,746
GENERAL BENEFIT EXPENSES	
Lighting General Benefit - City Funded	\$ (343)
Landscaping General Benefit - City Funded	(1,077)
Street Paving General Benefit - City Funded	-
TOTAL GENERAL BENEFIT EXPENSES	\$ (1,420)
TOTAL SPECIAL BENEFIT EXPENSES	\$ 64,326
FUNDING ADJUSTMENTS	
Reserve Fund Transfer/Deduction	-
Additional City Funding and/or Service Reductions*	-
TOTAL FUNDING ADJUSTMENTS / CONTRIBUTIONS	\$ -
BALANCE TO LEVY	\$ 64,326
DISTRICT STATISTICS	
Total Parcels	90
Assessed Parcels	87
Equivalent Benefit Units (EBU)	87.00
Assessment Per EBU	\$739.40
Maximum Assessment Rate Per EBU	\$740.0000
Balloted Maximum Assessment Rate Per EBU	\$740.0000
Balloted Amount	\$ 64,380.00
FUND BALANCE	
Estimated Beginning Fund Balance	\$ -
Operational Reserve & Rehabilitation Funding Collected	33,175
Estimated Ending Fund Balance	\$ 33,175

Annual Inflationary Adjustment (Assessment Range Formula)

To assure continued adequate financing of the improvements in subsequent fiscal years, when the District Zones are established (including Zone No. 09 being established herein), the assessments presented to the property owners included an annual inflationary adjustment (assessment range formula). This inflationary adjustment formula established that the Maximum Annual Assessment (maximum assessment rates) shall be comparably and automatically increased each fiscal year to cover the maintenance and replacement cost increases that naturally occur over time due to inflation. The annual increase in the Maximum Annual Assessments shall be in accordance with the annual percentage increase (March to March) in the Employment Cost Index for Total Compensation for State and Local Government Workers (all Workers), published quarterly by the U.S. Bureau of Labor and Statistics (the "Index"). Increases in the Index will track comparably to increases in the costs of annual maintenance and periodic replacement of the described facilities and improvements.

Each year, the percentage difference between the Index for March of the current year and the Index for the previous March shall be identified. If the percentage difference is negative, no adjustment to the maximum assessment rates will be implemented, otherwise the percentage difference shall establish the range of increased assessments allowed based on the Index. If the percentage change from March to March is not available at the time the Engineer's Report is prepared a similar time period may be utilized.

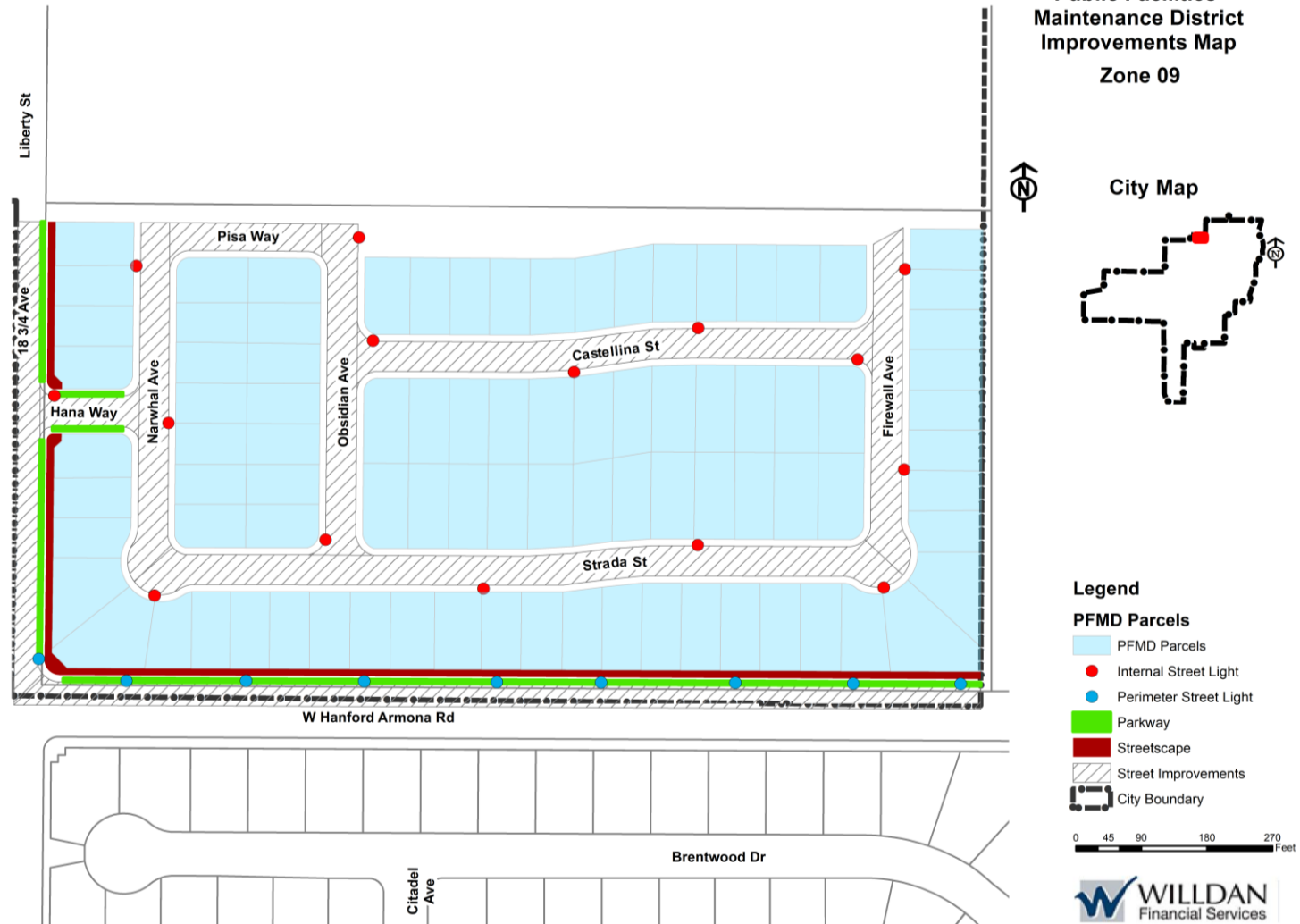
The Maximum Assessment Rates shall be calculated independent of the District's annual budget and proposed assessments. Any proposed annual assessment (rate per EBU) less than or equal to the calculated (adjusted) Maximum Assessment Rates is not considered an increased assessment, even if the assessment for the fiscal year is significantly greater than the assessment applied in the prior fiscal year.

The District is not required to adjust the assessments levied each year, nor does it restrict the assessments to the adjustment amount. If the budget and assessments for a given Zone does not require an increase or the increase is less than the allowed adjusted maximum assessment rate, then the budget and assessments shall be applied. If the budget and assessments for a given Zone require an increase greater than the allowed maximum assessment rate, then the proposed assessment is considered an increased assessment. In such cases, mailed notices and balloting to the property owners would be required pursuant to the provisions of the Article XIID prior to the imposition of that assessment.

Part IV - Annexation Diagram

The Fiscal Year 2018/2019 District Diagrams showing the boundaries of Zones 01 through 08 within the Lemoore Public Facilities Maintenance District No. 1 are on file in the office of the City Public Works Department and the City Clerk, and by reference herein are made part of this Report. The parcel(s), identified as Annexation No. 2019-1 (Tract No. 920 Phase 1), and subsequently as Zone No. 09 are depicted on the following Diagram. All lots, parcels and subdivisions of land within the boundaries of Zone No. 09 (Annexation No. 2019-1) as depicted by this diagram shall be dictated by the lines and dimensions of those lots, parcels and subdivisions of land shown on the Kings County Assessor's parcel maps and by reference these maps are incorporated herein and made part of this Report, including all subsequent lot-line adjusts and/or parcel changes made thereto by the Kings County Assessor's Office. This Diagram along with the Assessment Roll incorporated in this Report constitute the PFMD Zone No. 09 Assessment Diagram for Fiscal Year 2019/2020 and the Annexation Diagram for Annexation No. 2019-1.

Zone No. 09 (Annexation No. 2019-1) Diagram



Part V - Assessment Roll

The following Assessment Roll identifies each lot or parcel within Annexation No. 2019-1 along with the Fiscal Year 2019/2020 maximum assessment amount (Balloted Assessment Amount). The parcel(s) listed on the Assessment Roll corresponds to the Assessor's Parcel Number(s) shown on the County Assessor's Roll and illustrated on the County Assessor's Parcel Number Maps (APN maps) at the time this Report was prepared and shall incorporate all subsequent parcel changes, lot-line adjustments, and subdivisions of land identified by the Kings County Assessor's Office. These records are, by reference, made part of this Report and shall govern for all details concerning the description of the lots or parcels. All assessments presented on the assessment roll are subject to change as a result of parcel changes made by the County including parcel splits, parcel merges or development changes that occur prior to the County Assessor's Office securing the final roll and generating tax bills for Fiscal Year 2019/2020.

Assessor Parcel Number	Address	Zone	Tract	Lot No.	Land Use	EBU	Maximum Assessment
021-570-002	1180 Narwhal Avenue	09	TR 920	1	Residential Single-Family	1.00	\$740.00
021-570-003	1170 Narwhal Avenue	09	TR 920	2	Residential Single-Family	1.00	\$740.00
021-570-004	1160 Narwhal Avenue	09	TR 920	3	Residential Single-Family	1.00	\$740.00
021-570-005	1150 Narwhal Avenue	09	TR 920	4	Residential Single-Family	1.00	\$740.00
021-570-006	1140 Narwhal Avenue	09	TR 920	5	Residential Single-Family	1.00	\$740.00
021-570-007	1130 Narwhal Avenue	09	TR 920	6	Residential Single-Family	1.00	\$740.00
021-570-008	1120 Narwhal Avenue	09	TR 920	7	Residential Single-Family	1.00	\$740.00
021-570-009	1119 Obsidian Avenue	09	TR 920	8	Residential Single-Family	1.00	\$740.00
021-570-010	1129 Obsidian Avenue	09	TR 920	9	Residential Single-Family	1.00	\$740.00
021-570-011	1139 Obsidian Avenue	09	TR 920	10	Residential Single-Family	1.00	\$740.00
021-570-012	1149 Obsidian Avenue	09	TR 920	11	Residential Single-Family	1.00	\$740.00
021-570-013	1159 Obsidian Avenue	09	TR 920	12	Residential Single-Family	1.00	\$740.00
021-570-014	1169 Obsidian Avenue	09	TR 920	13	Residential Single-Family	1.00	\$740.00
021-570-015	1179 Obsidian Avenue	09	TR 920	14	Residential Single-Family	1.00	\$740.00
021-570-016	784 Castellina Street	09	TR 920	15	Residential Single-Family	1.00	\$740.00
021-570-017	770 Castellina Street	09	TR 920	16	Residential Single-Family	1.00	\$740.00
021-570-018	756 Castellina Street	09	TR 920	17	Residential Single-Family	1.00	\$740.00
021-570-019	742 Castellina Street	09	TR 920	18	Residential Single-Family	1.00	\$740.00
021-570-020	728 Castellina Street	09	TR 920	19	Residential Single-Family	1.00	\$740.00
021-570-021	714 Castellina Street	09	TR 920	20	Residential Single-Family	1.00	\$740.00
021-570-022	700 Castellina Street	09	TR 920	21	Residential Single-Family	1.00	\$740.00
021-570-023	684 Castellina Street	09	TR 920	22	Residential Single-Family	1.00	\$740.00
021-570-024	668 Castellina Street	09	TR 920	23	Residential Single-Family	1.00	\$740.00
021-570-025	652 Castellina Street	09	TR 920	24	Residential Single-Family	1.00	\$740.00
021-570-026	636 Castellina Street	09	TR 920	25	Residential Single-Family	1.00	\$740.00

Assessor Parcel Number	Address	Zone	Tract	Lot No.	Land Use	EBU	Maximum Assessment
021-570-027	620 Castellina Street	09	TR 920	26	Residential Single-Family	1.00	\$740.00
021-570-028	633 Castellina Street	09	TR 920	27	Residential Single-Family	1.00	\$740.00
021-570-029	649 Castellina Street	09	TR 920	28	Residential Single-Family	1.00	\$740.00
021-570-030	665 Castellina Street	09	TR 920	29	Residential Single-Family	1.00	\$740.00
021-570-031	681 Castellina Street	09	TR 920	30	Residential Single-Family	1.00	\$740.00
021-570-032	697 Castellina Street	09	TR 920	31	Residential Single-Family	1.00	\$740.00
021-570-033	701 Castellina Street	09	TR 920	32	Residential Single-Family	1.00	\$740.00
021-570-034	715 Castellina Street	09	TR 920	33	Residential Single-Family	1.00	\$740.00
021-570-035	729 Castellina Street	09	TR 920	34	Residential Single-Family	1.00	\$740.00
021-570-036	743 Castellina Street	09	TR 920	35	Residential Single-Family	1.00	\$740.00
021-570-037	757 Castellina Street	09	TR 920	36	Residential Single-Family	1.00	\$740.00
021-570-038	771 Castellina Street	09	TR 920	37	Residential Single-Family	1.00	\$740.00
021-570-039	785 Castellina Street	09	TR 920	38	Residential Single-Family	1.00	\$740.00
021-570-040	784 Strada Street	09	TR 920	39	Residential Single-Family	1.00	\$740.00
021-570-041	770 Strada Street	09	TR 920	40	Residential Single-Family	1.00	\$740.00
021-570-042	756 Strada Street	09	TR 920	41	Residential Single-Family	1.00	\$740.00
021-570-043	742 Strada Street	09	TR 920	42	Residential Single-Family	1.00	\$740.00
021-570-044	728 Strada Street	09	TR 920	43	Residential Single-Family	1.00	\$740.00
021-570-045	714 Strada Street	09	TR 920	44	Residential Single-Family	1.00	\$740.00
021-570-046	700 Strada Street	09	TR 920	45	Residential Single-Family	1.00	\$740.00
021-570-047	684 Strada Street	09	TR 920	46	Residential Single-Family	1.00	\$740.00
021-570-048	668 Strada Street	09	TR 920	47	Residential Single-Family	1.00	\$740.00
021-570-049	652 Strada Street	09	TR 920	48	Residential Single-Family	1.00	\$740.00
021-570-050	636 Strada Street	09	TR 920	49	Residential Single-Family	1.00	\$740.00
021-570-051	620 Strada Street	09	TR 920	50	Residential Single-Family	1.00	\$740.00
021-570-052	1190 Fire Fall Avenue	09	TR 920	51	Residential Single-Family	1.00	\$740.00
021-570-053	1180 Fire Fall Avenue	09	TR 920	52	Residential Single-Family	1.00	\$740.00
021-570-054	1170 Fire Fall Avenue	09	TR 920	53	Residential Single-Family	1.00	\$740.00
021-570-055	1160 Fire Fall Avenue	09	TR 920	54	Residential Single-Family	1.00	\$740.00
021-570-056	1150 Fire Fall Avenue	09	TR 920	55	Residential Single-Family	1.00	\$740.00
021-570-057	1140 Fire Fall Avenue	09	TR 920	56	Residential Single-Family	1.00	\$740.00
021-570-058	1130 Fire Fall Avenue	09	TR 920	57	Residential Single-Family	1.00	\$740.00
021-570-059	1120 Fire Fall Avenue	09	TR 920	58	Residential Single-Family	1.00	\$740.00
021-570-060	1110 Fire Fall Avenue	09	TR 920	59	Residential Single-Family	1.00	\$740.00
021-570-061	601 Strada Street	09	TR 920	60	Residential Single-Family	1.00	\$740.00

Assessor Parcel Number	Address	Zone	Tract	Lot No.	Land Use	EBU	Maximum Assessment
021-570-062	617 Strada Street	09	TR 920	61	Residential Single-Family	1.00	\$740.00
021-570-063	633 Strada Street	09	TR 920	62	Residential Single-Family	1.00	\$740.00
021-570-064	649 Strada Street	09	TR 920	63	Residential Single-Family	1.00	\$740.00
021-570-065	665 Strada Street	09	TR 920	64	Residential Single-Family	1.00	\$740.00
021-570-066	681 Strada Street	09	TR 920	65	Residential Single-Family	1.00	\$740.00
021-570-067	697 Strada Street	09	TR 920	66	Residential Single-Family	1.00	\$740.00
021-570-068	701 Strada Street	09	TR 920	67	Residential Single-Family	1.00	\$740.00
021-570-069	715 Strada Street	09	TR 920	68	Residential Single-Family	1.00	\$740.00
021-570-070	729 Strada Street	09	TR 920	69	Residential Single-Family	1.00	\$740.00
021-570-071	743 Strada Street	09	TR 920	70	Residential Single-Family	1.00	\$740.00
021-570-072	757 Strada Street	09	TR 920	71	Residential Single-Family	1.00	\$740.00
021-570-073	771 Strada Street	09	TR 920	72	Residential Single-Family	1.00	\$740.00
021-570-074	785 Strada Street	09	TR 920	73	Residential Single-Family	1.00	\$740.00
021-570-075	801 Strada Street	09	TR 920	74	Residential Single-Family	1.00	\$740.00
021-570-076	817 Strada Street	09	TR 920	75	Residential Single-Family	1.00	\$740.00
021-570-077	833 Strada Street	09	TR 920	76	Residential Single-Family	1.00	\$740.00
021-570-078	849 Strada Street	09	TR 920	77	Residential Single-Family	1.00	\$740.00
021-570-079	865 Strada Street	09	TR 920	78	Residential Single-Family	1.00	\$740.00
021-570-080	881 Strada Street	09	TR 920	79	Residential Single-Family	1.00	\$740.00
021-570-081	1105 Narwhal Avenue	09	TR 920	80	Residential Single-Family	1.00	\$740.00
021-570-082	1115 Narwhal Avenue	09	TR 920	81	Residential Single-Family	1.00	\$740.00
021-570-083	1125 Narwhal Avenue	09	TR 920	82	Residential Single-Family	1.00	\$740.00
021-570-084	1135 Narwhal Avenue	09	TR 920	83	Residential Single-Family	1.00	\$740.00
021-570-085	1155 Narwhal Avenue	09	TR 920	84	Residential Single-Family	1.00	\$740.00
021-570-086	1165 Narwhal Avenue	09	TR 920	85	Residential Single-Family	1.00	\$740.00
021-570-087	1175 Narwhal Avenue	09	TR 920	86	Residential Single-Family	1.00	\$740.00
021-570-088	1185 Narwhal Avenue	09	TR 920	87	Residential Single-Family	1.00	\$740.00
021-570-089		09	TR 920	Remainder	Exempt	-	\$0.00
021-570-090		09	TR 920	A	Exempt	-	\$0.00
021-570-091		09	TR 920	B	Exempt	-	\$0.00
Total						87.00	\$64,380.00



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Staff Report

Item No: 5-1

To: Lemoore City Council

From: Michelle Speer, Assistant City Manager

Date: January 28, 2019

Meeting Date: February 5, 2019

Subject: Amendment to City Manager's Employment Agreement

Strategic Initiative:

- | | |
|--|--|
| <input type="checkbox"/> Safe & Vibrant Community | <input type="checkbox"/> Growing & Dynamic Economy |
| <input type="checkbox"/> Fiscally Sound Government | <input type="checkbox"/> Operational Excellence |
| <input type="checkbox"/> Community & Neighborhood Livability | <input checked="" type="checkbox"/> Not Applicable |

Proposed Motion:

Approve and authorize the Mayor to execute the "Amendment to City Manager's Employment Agreement".

Subject/Discussion:

The City Council appointed Nathan Olson as the City Manager effective February 20, 2018. The City Manager's annual salary was set to \$145,800. On December 4, 2018 the City Council provided City Manager Nathan Olson with a Standard/Above Standard evaluation. In conjunction with employee evaluations, it is common practice of the City to provide employees with a merit increase of 5%.

The City Manager is requesting a 5% salary increase, based on his evaluated performance. The salary for the City Manager, if approved by City Council, would be amended to \$153,090. The current salary range for the position of City Manager is \$121,297-\$154,809. The 5% increase would fall within the City Council approved range for the City Manager.

Financial Consideration(s):

If approved, the amended salary for the City Manager would be an increase of approximately \$7290 per year. It is recommended that the salary increase take affect at

the beginning of the next pay period, February 11, 2019. In fiscal year 2019, there would be an increase to the general fund of approximately \$3000.

Alternatives or Pros/Cons:

Not Applicable

Commission/Board Recommendation:

Not Applicable

Staff Recommendation:

Not Applicable

Attachments:

- ☐ Resolution:
 - ☐ Ordinance:
 - ☐ Map
 - ☒ Contract
 - ☐ Other
- List:

Review:

- ☒ Asst. City Manager
- ☒ City Attorney
- ☒ City Clerk
- ☒ City Manager

Date:

1/29/19
1/31/19
1/31/19
1/30/19

**FIRST AMENDMENT TO:
CITY MANAGER EMPLOYMENT AGREEMENT – NATHAN OLSON**

This First Amendment (“Amendment”) to the City Manager Employment Agreement, between Nathan Olson and the City of Lemoore dated February 20, 2018 (“Agreement”) is entered into effective February 11, 2019 between the City of Lemoore, a municipal corporation, (hereinafter “City”), and Nathan Olson, (hereinafter “City Manager”) with respect the following recitals, which are a substantive part of this Amendment:

- A. WHEREAS, on February 20, 2018 City and City Manager entered into the Agreement for the purposes of City employing City Manager as the City Manager of City; and
- B. WHEREAS, among other things, the Agreement contain various provisions setting forth the compensation and benefits to be provided to City Manager; and
- C. WHEREAS, City and City Manager desire to amend the Agreement, as set forth in this Amendment.

NOW, THEREFORE, in view of the above recitals and in consideration for the mutual promises set forth herein, City and City Manager agree as follows:

1. Amendment to Section 3 of the Agreement. Section 3 of the Agreement, entitled “SALARY AND EVALUATIONS,” is amended to read in its entirety as follows:

City Manager’s salary shall be One Hundred Fifty-Three Thousand Ninety Dollars (\$153,090) per year. The Council agrees to adjust said salary of the City Manager as follows:

- A. The Council shall conduct performance reviews of the City Manager 6 months after the commencement of the City Manager employment. Thereafter, a performance review of the City Manager shall be conducted annually, or more often as requested by the Council. Following a performance review, the Council may make salary adjustments.
 - B. Under this agreement, the City Manager will be eligible for the same cost of living salary adjustments granted by the City Council to other management employees, subject to Council approval. The City Manager will also be subject to any employee concessions taken by other management employees.
2. All Other Terms Remain in Effect. Except as otherwise expressly provided herein, all other terms and conditions of the Agreement shall remain in full force and effect, and shall be interpreted so as to give full force and effect to this Amendment.

IN WITNESS WHEREOF, the parties have executed this Amendment on the dates following their signature.

CITY MANAGER

CITY OF LEMOORE

By, _____
Nathan Olson

By, _____
Edward Neal, Mayor



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Staff Report

Item No: 5-2

To: Lemoore City Council

From: Michelle Speer, Assistant City Manager

Date: January 25, 2019

Meeting Date: February 5, 2019

Subject: Budget Amendment - Creation of a Rate Stabilization Fund

Strategic Initiative:

- | | |
|---|--|
| <input type="checkbox"/> Safe & Vibrant Community | <input type="checkbox"/> Growing & Dynamic Economy |
| <input checked="" type="checkbox"/> Fiscally Sound Government | <input checked="" type="checkbox"/> Operational Excellence |
| <input type="checkbox"/> Community & Neighborhood Livability | <input type="checkbox"/> Not Applicable |

Proposed Motion:

Approve the creation of a Rate Stabilization Fund (Fund 051) and approve a budget amendment transferring \$525,000 from the Water Reserves (050 1010) to the newly created Rate Stabilization Fund (051 1010).

Subject/Discussion:

As part of the City's efforts to secure a water bond for water infrastructure projects, the City is seeking to create a Rate Stabilization Fund. The City, at its discretion, may establish a special fund to be known as the "Rate Stabilization Fund," which will be held by the City, for the purpose of stabilizing the rates and charges imposed by the City with respect to the Water System. From time to time, the City may deposit amounts in the Rate Stabilization Fund, from any source of legally available funds, including but not limited to Net Revenues from the Water Fund. The City has the right at any time to withdraw any or all amounts on deposit in the Rate Stabilization Fund and apply such amounts for any other lawful purposes of the City.

The City may, but is not be required to, withdraw amounts on deposit in the Rate Stabilization Fund and deposit such amounts in the Water Fund in any Fiscal Year for the purpose of paying the principal of and interest on the Outstanding Bonds and other Parity Obligations coming due and payable during such Fiscal Year. City Staff does not

"In God We Trust"

anticipate a need to make transfers from the Rate Stabilization Fund to the Water Fund to satisfy the rate covenants in the foreseeable future. The creation of this fund reflects and supports the Council's previous action to approve rate increases in order to provide capital improvements and ensure water to residents and water users of the City of Lemoore.

Financial Consideration(s):

To create the Rate Stabilization Fund (051), staff is requesting City Council's approval to transfer \$525,000 from the Water Fund Reserves (050 1010) to the newly created Rate Stabilization Fund (051 1010). The current balance of the unallocated Water Fund Reserve is approximately \$4,400,000.

Alternatives or Pros/Cons:

Pros:

- Assists in developing a mechanism for ensuring that the City can meet bond obligations
- The fund is discretionary, and may be used for other purposes at the discretion of City Council.

Cons:

- None noted

Commission/Board Recommendation:

Not applicable.

Staff Recommendation:

Staff recommends City Council approval of the creation of a Rate Stabilization Fund, in support of the 2019 Water Bond, in the amount of \$525,000.

Attachments:

- ☐ Resolution:
- ☐ Ordinance:
- ☐ Map
- ☐ Contract
- ☒ Other
List: Budget Amendment

Review:

- ☒ Asst. City Manager
- ☒ City Attorney
- ☒ City Clerk
- ☒ City Manager

Date:

- 1/29/19
- 1/31/19
- 1/31/19
- 1/30/19



CITY OF LEMOORE

BUDGET AMENDMENT FORM

Date: 1/29/2019	Request By: Michelle Speer
Requesting Department: Finance	

TYPE OF BUDGET AMENDMENT REQUEST:

- ☐ Appropriation Transfer within Budget Unit
- ☒ All other appropriations (Attach Council approved Staff Report)

FROM:

Fund	Budget Unit	Account	Current Budget	Proposed Increase/Decrease:	Proposed New Budget
050		1010	\$ 4,439,508.00	\$ (525,000.00)	\$ 3,914,508.00

TO:

Fund	Budget Unit	Account	Current Budget	Proposed Increase/Decrease:	Proposed New Budget
051		1010	\$ -	\$ 525,000.00	\$ 525,000.00

JUSTIFICATION FOR CHANGE/FUNDING SOURCE:

APPROVALS:

Department Head:	Date:
City Manager:	Date:
Completed By:	Date:



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Staff Report

Item No: 5-3

To: Lemoore City Council

From: Michelle Speer, Assistant City Manager

Date: January 25, 2019

Meeting Date: February 5, 2019

Subject: Adoption of Resolutions No. 2019-04 and 2019-05 – A Resolution Adopting Tax-Advantaged Bonds Post-Issuance Compliance Procedures and Taking Related Actions and A Resolution Adopting Continuing Disclosure Compliance Procedures and Taking Related Actions

Strategic Initiative:

- | | |
|---|--|
| <input type="checkbox"/> Safe & Vibrant Community | <input type="checkbox"/> Growing & Dynamic Economy |
| <input checked="" type="checkbox"/> Fiscally Sound Government | <input checked="" type="checkbox"/> Operational Excellence |
| <input type="checkbox"/> Community & Neighborhood Livability | <input type="checkbox"/> Not Applicable |

Proposed Motion:

Adopt Resolution No. 2019-04, adopting Tax-Advantaged Bonds Post-Issuance Compliance Procedures, and taking related actions; and adopt Resolution No. 2019-05, adopting Continuing Disclosure Compliance Procedures, and taking related actions.

Subject/Discussion:

The City and the City's related public entities issue bonds from time to time, including tax-exempt bonds (i.e., the interest on which is exempt from federal income tax) and bonds sold through public offerings.

Tax-Advantaged Bonds Compliance. Bonds that are issued by local government entities to finance (or refinance) public capital improvements or for certain other purposes are sometimes provided preferential treatment under the federal tax laws. Such bonds include those that are commonly referred to as "tax-exempt bonds" and

others referred to as “tax credit bonds.” They are collectively referred to by the United States Internal Revenue Service (the “IRS”) as “tax-advantaged bonds.”

Tax-advantaged bonds are subject to federal tax requirements both at the time the bonds are issued and for as long as they remain outstanding. A failure by an issuer to comply with applicable federal tax requirements would jeopardize their preferential treatment and could subject the issuer to IRS penalties or civil liability.

In recent years, the IRS has focused on the importance of issuers establishing written procedures to monitor post-issuance compliance with respect to tax-advantaged bonds.

Staff recommends that the City adopt the attached post-issuance compliance procedures in anticipation of additional tax-exempt financings for the water infrastructure projects.

The post-issuance compliance procedures help the City monitor compliance with applicable federal tax requirements. These procedures advance recent IRS objectives and serve as a measure of added internal controls to assist in preventing violations from occurring, or timely correcting identified violations, to ensure the continued tax-advantaged status of the bonds.

Continuing Disclosure Compliance. Whenever the City and the City’s related public entities issue bonds, the bonds may be sold either through a public offering (in which the bonds are sold to a bond underwriter and, in turn, the bond underwriter offers the bonds to the public through the securities market) or a private placement (in which the bonds are sold to a limited number of sophisticated investors or a single investor).

Pursuant to federal securities law, for each public offering of municipal bonds, the issuer (or the relevant entity responsible for the repayment of the bonds) must execute a continuing disclosure agreement. Under each continuing disclosure agreement, the issuer agrees to periodically provide certain relevant information and make such information available to the investing market.

In recent years, the Securities and Exchange Commission has placed increased emphasis on local government entities’ compliance with their continuing disclosure undertakings. The adoption of the continuing disclosure compliance procedures would formalize the process by which the City and its related public entities comply with bond continuing disclosure obligations. Bond underwriters often view the existence of such adopted procedures favorably with respect to the marketing of the bonds.

Financial Consideration(s):

The adoption of the Procedures will not have any fiscal impact on the General Fund budget.

Alternatives or Pros/Cons:

Pros:

- The Procedures memorialize the processes by which the City follow to comply with applicable federal tax requirements for its tax-advantaged bonds and applicable continuing disclosure requirements for its publicly sold bonds.

Cons:

- None Noted

Commission/Board Recommendation:

Not applicable.

Staff Recommendation:

Staff recommends adoption of Resolution No. 2019-04, adopting Tax-Advantaged Bonds Post-Issuance Compliance Procedures, and Resolution No. 2019-05, adopting Continuing Disclosure Compliance Procedures.

Attachments:	Review:	Date:
<input checked="" type="checkbox"/> Resolution: 2019-04 & 2019-05	<input checked="" type="checkbox"/> Asst. City Manager	1/29/19
<input type="checkbox"/> Ordinance:	<input checked="" type="checkbox"/> City Attorney	1/31/19
<input type="checkbox"/> Map	<input checked="" type="checkbox"/> City Clerk	1/31/19
<input type="checkbox"/> Contract	<input checked="" type="checkbox"/> City Manager	1/30/19
<input checked="" type="checkbox"/> Other		
List: Tax-Advantaged Bonds Post-Issuance Compliance Procedure Continuing Disclosure Compliance Procedures		

RESOLUTION NO. 2019-04

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
LEMOORE ADOPTING TAX-ADVANTAGED BONDS POST-ISSUANCE
COMPLIANCE PROCEDURES AND TAKING RELATED ACTIONS**

WHEREAS, the City of Lemoore (the “City”) and its related entities (such as the Lemoore Financing Authority) have issued bonds, the interest on which is excluded from gross income for federal income tax purposes pursuant to the Internal Revenue Code of 1986, as amended (the “Code”); and

WHEREAS, the City and its related public entities may issue additional tax-exempt bonds and may also issue bonds or other obligations that entitle the issuer, the owners of the bonds, or another party to a credit against federal income tax liability or to a refundable credit from the United States Treasury; and

WHEREAS, such tax-exempt or tax-credit bonds are sometimes referred to as “tax-advantaged bonds” (“Tax-Advantaged Bonds”) and issuers of Tax-Advantaged Bonds are required to comply with certain post issuance requirements in accordance with the Code; and

WHEREAS, the City Council desires to adopt the Tax-Advantaged Bonds Post-Issuance Compliance Procedures (the “Procedures”) as set forth in Exhibit A hereto;

NOW, THEREFORE, BE IT FOUND, DETERMINED AND RESOLVED THE CITY COUNCIL OF THE CITY OF LEMOORE AS FOLLOWS:

Section 1. The above recitals are true and correct and are a substantive part of this Resolution.

Section 2. The Procedures, as set forth in Exhibit A, are hereby approved and adopted, and shall be made applicable to all tax-advantaged bonds issued by or on behalf of the City and its related public entities. The City Manager, in consultation with bond counsel, is hereby authorized to amend the Procedures from time to time as necessary or appropriate.

Section 3. The City Manager, the Assistant City Manager and all other officers of the City are hereby authorized and directed, jointly and severally, to do any and all things to effectuate the purposes of this Resolution, and to implement both such Procedures and any such actions previously taken by such officers are hereby ratified and confirmed.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Lemoore at a regular meeting this 5th day of February, 2019, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Eddie Neal, Mayor

ATTEST:

Marisa Avalos, Deputy City Clerk

EXHIBIT A

Tax-Advantaged Bonds Post-Issuance Compliance Procedures

[See Attached]

CERTIFICATE

STATE OF CALIFORNIA)
COUNTY OF KINGS) ss.
CITY OF LEMOORE)

I, MARISA AVALOS, Deputy City Clerk of the City of Lemoore, do hereby certify the foregoing Resolution 2019-04, a Resolution of the City Council of the City of Lemoore Adopting Tax-Advantaged Bonds Post-Issuance Compliance Procedures and Taking Related Actions was duly passed and adopted at a Regular Meeting held on the 5th day of February 2019. This is a true and correct copy.

DATED: February 5, 2019

Marisa Avalos
Deputy City Clerk

TAX-ADVANTAGED BONDS POST-ISSUANCE COMPLIANCE PROCEDURES

1. BACKGROUND AND TRAINING

Bonds that receive preferential tax treatment under federal law are commonly referred to by the Internal Revenue Service as "tax-advantaged bonds." These bonds are issued by (or on behalf of) state and local governments, such as the City of Lemoore and its related public entities (such as the Lemoore Financing Authority and the Successor Agency to the Lemoore Redevelopment Agency). These bonds are subject to federal tax requirements both at the time the bonds are issued and for as long as they remain outstanding. An issuer's (or other party's) failure to comply with any applicable federal tax requirement with respect to these bonds jeopardizes their preferential tax treatment.

While compliance with many federal tax requirements occurs at closing, other federal tax requirements require on-going monitoring after the issuance of the bonds. These requirements include filing a Form 8038 information return (8038-G for governmental tax-exempt bonds, 8038-GC for governmental tax-exempt bonds with an issue price of less than \$100,000 and 8038 for tax-exempt private activity bonds and the issuer having reasonable expectations of on-going, post-issuance compliance.

Post-issuance federal tax requirements generally fall into two categories: (1) the use of proceeds and the use of bond-financed property; and (2) arbitrage yield restriction on investments and rebate. Use requirements require monitoring of the various direct and indirect uses of bond-financed property over the life of the bonds and calculations of the percentage of nonqualified uses. Arbitrage requirements also require monitoring over the life of the bonds to determine whether both the yield on investments acquired with bond proceeds are properly restricted and whether the City must file a Form 8038-T and pay a rebate or a yield reduction payment.

Post-issuance compliance procedures will help the City monitor compliance as long as the bonds remain outstanding and improve the City's ability to identify noncompliance and prevent violations from occurring, or timely correct identified violations, to ensure the continued tax-advantaged status of the bonds.

The designated officer or employee (described in Section 2.A, below) and anyone assigned particular responsibilities in connection with the procedures described below must read the certificate regarding compliance with certain tax matters (commonly referred to as the "tax certificate") that is executed by the City (or a related public entity) in connection with each bond issue for a more complete explanation of the matters described in these Procedures. In addition, the designated officer or employee and anyone assigned particular responsibilities should discuss these matters with bond counsel.

2. GENERAL ADMINISTRATION

A. Responsible Officers or Employees. The City Manager will designate the officer (e.g., the Assistant City Manager) who will be responsible for compliance with

each of the procedures set forth below. The City Manager may designate other employees who will also be responsible for such compliance. The City Manager will notify the current holder of that office, or the employee, of the responsibilities and provide that person a copy of these Procedures and any necessary training. The holder of the office, or the employee, may in turn designate other officers or employees and assign to them particular responsibilities for certain of these Procedures. Qualified consultants may also assist in conducting the compliance procedures. The City Manager will be notified in writing of all such designations and assignments under this Section or under the following Section 2.B.

B. Reassignment of Responsibilities. Upon the transition of a designated officer or employee, the City Manager will advise the new officer or employee of the responsibilities under these procedures. If officer or employee positions are restructured or eliminated, the City Manager, or his or her designee will reassign responsibilities as necessary to ensure that all of the procedures listed below have been appropriately assigned.

C. Periodic Reviews. The designated officer or employee will conduct periodic reviews of compliance with these procedures and with the terms of any existing tax certificate relating to outstanding tax-advantaged bonds to determine whether any violations have occurred. Such periodic reviews will occur at least once every six months. In the event that violations have occurred, bond counsel will be contacted immediately so that violations can be remedied through the remedial actions set forth in Section 1.141-12 of the Treasury Regulations, the Voluntary Closing Agreement Program described in IRS Notice 2008-31, or further guidance as may be provided by the IRS. Where necessary, violations will be reported to the IRS by submitting a VCAP request within 90 days after identification of the violation.

D. Changes or Modifications to Bond Terms. If any change or modification to the terms of tax-advantaged bonds is contemplated, the designated officer or employee will immediately contact bond counsel.

E. Recordkeeping. For each issue of tax-advantaged bonds, the designated officer or employee will:

(1) maintain a copy of the transcript of the documents relating to the bonds.

(2) maintain records of all facilities and other costs (e.g., issuance costs, credit enhancement fees and capitalized interest) and uses (e.g., deposits to project funds and reserve funds) for which bond proceeds were spent or used (in the case of a qualified private activity bond, the City will assure that any conduit borrower will be responsible for providing the City with this information);

(3) maintain records of investments and expenditures of bond proceeds, rebate exception analyses, rebate calculations, Forms 8038-T, and rebate and yield reduction payments, and any other records relevant to compliance with

arbitrage restrictions (in the case of a qualified private activity bond, the City will assure that the borrower will be responsible for providing the City with this information in the event it is not otherwise available to the City);

(4) maintain all records described in these Procedures while any bonds of the issue are outstanding and during the three-year period (or such longer period as appropriate under applicable State law or Federal tax or securities law) following the final maturity or redemption of the bond issue or, if later, while any bonds that refund bonds of that original issue are outstanding and for the three year period (or such longer period as appropriate under applicable State law or Federal tax or securities law) following the final maturity or redemption date of the latest refunding bond issue; and

(5) maintain copies of all of the following contracts or arrangements with non-governmental persons or organizations or with the federal government: (a) the sale of any bond-financed facility; (b) the lease of any bond-financed facility; (c) management or service contracts relating to a bond-financed facility; (d) research contracts involving research undertaken in a bond-financed facility; and (e) any other contracts involving "special legal entitlements" (such as naming rights or exclusive provider arrangements) with respect to a bond-financed facility.

3. IRS INFORMATION RETURN FILING

In cooperation with bond counsel, the designated officer or employee will ensure that the Form 8038-G (or other applicable Form 8038) is timely filed (on or before the 15th day of the second calendar month after the end of the calendar quarter in which the bonds were issued) with respect to each tax-advantaged bond issue, including any required schedules and attachments.

4. INVESTMENT AND EXPENDITURE OF BOND PROCEEDS AND REBATE

A. Track Investments and Expenditures. The designated officer or employee will ensure the existence of an established accounting procedure for tracking the investment and the timely expenditures of bond proceeds, including investment earnings.

B. Reimbursement. Upon issuance of the bonds, the designated officer or employee will allocate bond proceeds to reimbursement of prior expenditures (assuming, if required, an appropriate declaration of intent to reimburse has been adopted). In the case of qualified private activity bonds, the designated officer or employee may rely on information provided by the conduit borrower.

C. Final Allocations. The designated officer or employee will ensure that a final allocation of bond proceeds (including investment earnings) to qualifying expenditures is made if bond proceeds are to be allocated to project expenditures on a basis other than "direct tracing" (direct tracing means treating the bond proceeds as spent as shown in the accounting records for bond draws and project expenditures). This allocation must be made within 18 months after the later of the date the expenditure was made or the date the project was placed in service, but not later than

the earlier of five years and 60 days after the issuance date of the bonds or 60 days after the bond issue is retired. In the case of qualified private activity bonds, the designated officer or employee may rely on information provided by the conduit borrower, which shall be required to provide such information on a timely basis.

D. Timely Expenditure of Bond Proceeds. Mindful of the expectations regarding the timing of the expenditures of bond proceeds set forth in the tax certificate, the designated officer or employee will monitor expenditures of bond proceeds, including investment earnings, against issuance date expectations for satisfaction of three-year (or five-year) temporary period from yield restriction on investment of bond proceeds, and to assure that proceeds and investment earnings are allocated to expenditures for the public improvements or other qualified expenditures described in the tax certificate. In the case of qualified private activity bonds, the conduit borrower will be required to comply with this section.

E. Yield. The designated officer or employee will make note of the "yield" of the bond issue, as shown on the applicable Form 8038G, or other applicable Form 8038.

F. Temporary Periods and Yield Restriction. The designated officer or employee will review the tax certificate to determine the "temporary periods" for the bond issue, during which periods various categories of gross proceeds of the bond issue may be invested without restriction as to yield.

G. Investment of Proceeds and Yield Restriction. The designated officer or employee will ensure that bond proceeds are not invested in investments with a yield above the bond yield following the end of the applicable temporary period unless yield reduction payments are permitted to be made.

H. Bidding Requirements. If purchasing investments other than publicly traded securities for immediate delivery (for example, a guaranteed investment contract or certificates of deposit), the designated officer or employee will consult with bond counsel as to whether the investments of bond proceeds satisfy IRS regulatory safe harbors for establishing fair market value (e.g., through the use of bidding procedures), and maintain records to demonstrate satisfaction of such safe harbors. In the case of qualified private activity bonds, the conduit borrower shall be required to comply with this section.

I. Credit Enhancement and Hedging Transactions. The designated officer or employee will consult with bond counsel before engaging in credit enhancement or hedging transactions with respect to a bond issue. The designated officer or employee will maintain copies of all contracts and certificates relating to credit enhancement and hedging transactions.

J. Debt Service Fund. While bonds of an issue are outstanding, the designated officer or employee will ensure that the debt service fund meets the requirements of a "bona fide debt service fund," i.e., one used primarily to achieve a

proper matching of revenues with debt service that is depleted at least once each bond year, except for a reasonable carryover amount not to exceed the greater of (i) the investment earnings on the fund for the immediately preceding bond year; or (ii) one-twelfth of the debt service on the bond issue for the immediately preceding bond year. To the extent that a debt service fund qualifies as a bona fide debt service fund for a given bond year, the investment of amounts held in that fund is not subject to yield restriction for that year and is generally not subject to rebate. The designated officer or employee will consult with bond counsel before creating separate additional funds that are expected to be used to pay debt service on the bonds. In the case of qualified private activity bonds, the City shall assure that the conduit borrower is required to comply with this section.

K. Reserve Fund. The designated officer or employee will ensure that amounts invested without yield restriction in any reasonably required reserve fund do not exceed the least of (each determined at the time of issuance of the bonds): (i) ten percent of the stated principal amount of the bonds (or the sale proceeds of the bond issue if the bond issue has original issue discount or original issue premium that exceeds two percent of the stated principal of the bond issue plus, in the case of premium, reasonable underwriter's compensation); (ii) maximum annual debt service on the bond issue; or (iii) 125 percent of average annual debt service on the bond issue. The designated officer or employee will consult with bond counsel before creating any separate additional funds or accounts that will secure or provide payments of debt service on the bonds.

L. Gifts for Bond-Financed Projects. Before beginning a campaign that may result in gifts that will be restricted for use relating to a bond-financed facility (or, in the absence of such a campaign, upon the receipt of such restricted gifts), the designated officer or employee will consult with bond counsel to determine whether replacement proceeds may result.

M. Performance of Rebate Calculations. Subject to the small issuer exception and the exceptions described in the tax certificate, investment earnings on bond proceeds at a yield in excess of the bond yield generally must be rebated to the United States. The designated officer or employee will ensure that rebate calculations will be timely performed and payment of rebate amounts, if any, will be timely made. Rebate payments are generally due 60 days after the fifth anniversary of the issue date of the bond issue, then in succeeding installments every five years. The final rebate payment is due 60 days after retirement (or early redemption) of the last bond of the issue. In the case of qualified private activity bonds, the City will assure that the conduit borrower is required to comply with this section.

N. Rebate Consultant. The designated officer or employee will engage the services of an experienced rebate consultant to undertake rebate calculations described above for each bond issue.

O. Spending Exceptions. If the six-month, 18-month, or 24-month spending exceptions from the rebate requirement apply to the bond issue, the designated officer

or employee will ensure that the spending of bond proceeds is monitored prior to semi-annual spending dates for the applicable exception.

P. Follow-up on Rebate. After all bond proceeds have been spent, the designated officer or employee will ensure compliance with rebate requirements for any reserve fund and any debt service fund that is not exempt from the rebate requirement. In the case of qualified private activity bonds, the City will assure that the conduit borrower is required to comply with this section.

Q. Filing of 8038-T. The designated officer or employee will make rebate and yield reduction payments timely and file a Form 8038-T with each payment.

5. PRIVATE BUSINESS USE

A. Private Business Use. Use of bond proceeds or bond-financed property by a nongovernmental person (including the federal government) in furtherance of a trade or business activity is considered private business use. Any activity carried on by an entity (other than a governmental unit) is treated as a trade or business. Indirect uses of bond proceeds may also be considered private business use. For example, bond proceeds used to finance a facility are treated as used for a private business use if the facility is sold or leased to a nongovernmental entity. The designated officer or employee will analyze any private business use of bond-financed facilities and, for each issue of bonds, determine whether there is or may in the future be more than five percent private business use. If so, the designated officer or employee will immediately contact bond counsel to discuss the private business use limit, including whether the alternative ten percent limit is applicable.

B. Management and Service Contracts. Management or service contracts between governmental entities and nongovernmental persons (private parties) under which the nongovernmental person receives compensation or revenue for services provided with respect to a bond-financed facility may result in private business use. Before entering into any new management agreement or service agreement relating to bond-financed facilities, the designated officer or employee will immediately contact bond counsel to review any such agreement to determine whether it may result in private business use.

C. Special Legal Entitlements. Before entering into any agreement providing special legal entitlements relating to a bond-financing facility, such as naming rights or an exclusive provider agreement, the designated officer or employee will immediately contact bond counsel to review such agreement to determine whether it may result in private business use.

RESOLUTION NO. 2019-05

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
LEMOORE ADOPTING CONTINUING DISCLOSURE COMPLIANCE
PROCEDURES AND TAKING RELATED ACTIONS**

WHEREAS, the City of Lemoore and its related entities (collectively, the “City”) have issued bonds and have agreed to undertake certain continuing disclosure obligations pursuant to Rule 15c2-12 (“Rule 15c2-12”) promulgated by the U.S. Securities and Exchange Commission (the “SEC”) pursuant to the Securities Exchange Act of 1934; and

WHEREAS, the City may issue additional bonds from time to time and, in connection with such bonds, agree to undertake continuing disclosure obligations pursuant to the Rule; and

WHEREAS, the City desires to adopt the Continuing Disclosure Compliance Procedures (the “Procedures”), as set forth in Exhibit A hereto; and

NOW, THEREFORE, BE IT FOUND, DETERMINED AND RESOLVED THE CITY COUNCIL OF THE CITY OF LEMOORE AS FOLLOWS:

Section 1. The above recitals are true and correct and are a substantive part of this Resolution.

Section 2. The Procedures, as set forth in Exhibit A, are hereby approved and adopted, and shall be made applicable to all bonds (or other municipal securities) issued by, or on behalf of the City and its related entities (such as, but not limited to, the Successor Agency to the Lemoore Redevelopment Agency), for which the City undertakes continuing disclosure obligations in connection with the Rule.

Section 3. The City Manager, in consultation with bond counsel, is hereby authorized to amend the Procedures from time to time as necessary or appropriate.

Section 4. The City Manager, the Assistant City Manager and all other officers of the City are hereby authorized and directed, jointly and severally, to do any and all things to effectuate the purposes of this Resolution, and to implement both such Procedures and any such actions previously taken by such officers are hereby ratified and confirmed.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Lemoore at a regular meeting this 5th day of February, 2019, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Eddie Neal, Mayor

ATTEST:

Marisa Avalos, Deputy City Clerk

EXHIBIT A

Continuing Disclosure Compliance Procedures

[See Attached]

CERTIFICATE

STATE OF CALIFORNIA)
COUNTY OF KINGS) ss.
CITY OF LEMOORE)

I, MARISA AVALOS, Deputy City Clerk of the City of Lemoore, do hereby certify the foregoing Resolution 2019-05, a Resolution of the City Council of the City of Lemoore Adopting Continuing Disclosure Compliance Procedures and Taking Related Actions was duly passed and adopted at a Regular Meeting held on the 5th day of February 2019. This is a true and correct copy.

DATED: February 5, 2019

Marisa Avalos
Deputy City Clerk

CONTINUING DISCLOSURE COMPLIANCE PROCEDURES

1. BACKGROUND AND TRAINING

Rule 15c2-12, promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, requires certain information be disclosed to the municipal bond marketplace. The SEC has stated that it has a mandate “to adopt rules reasonably designed to prevent fraudulent, deceptive or manipulative acts or practices in the market for municipal securities.” The SEC has taken the position that material non-compliance by an issuer with past continuing disclosure obligations may warrant, without corrective actions, an underwriter being prohibited from underwriting the issuer’s bonds, and thus prevent the issuer from accessing the municipal bond marketplace.

The following procedures will help ensure compliance by the City of Lemoore and its related public entities with Rule 15c2-12 and its continuing disclosure obligations under continuing disclosure agreements or similar instruments executed in connection with its municipal bond offerings. Certain capitalized terms herein will have the meanings ascribed to them in the respective continuing disclosure agreements or similar instruments.

2. DESIGNATION OF RESPONSIBLE OFFICER

The Responsible Officer will be the officer or other employee responsible for compiling and filing Annual Reports (as defined in the continuing disclosure agreements) and notices regarding enumerated events (“Event Notices”), if required to be filed pursuant to the continuing disclosure agreements or similar instruments. The initial Responsible Officer shall be the City’s Assistant City Manager. From time to time, the City Manager may designate a different person to serve as the Responsible Officer.

3. RESPONSIBLE OFFICER TO BECOME FAMILIAR WITH “EMMA” AND FILING REQUIREMENTS UNDER CONTINUING DISCLOSURE AGREEMENTS

- A. The Responsible Officer will take such action as may be necessary or appropriate to become familiar with the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access (“EMMA”) website. The Responsible Officer should understand how to locate on EMMA the filings made by the City in connection with bonds issued by the City. If the City is serving as its own Dissemination Agent, the Responsible Officer will establish a user identification and password for EMMA and become familiar with uploading documents onto EMMA.
- B. For each separate issue of the City’s outstanding bonds, the Responsible Officer will read the related continuing disclosure agreement or similar instrument and identify the following:
 - (i) The date by which the Annual Report must be filed;

- (ii) The contents needed to be included in the Annual Report;
 - (iii) The Event Notices that must be filed; and
 - (iv) When Event Notices are required to be filed.
- C. The Responsible Officer should be aware of the types of events (the “Listed Events”) that would require the filing of an Event Notice. If clarification is required regarding what is meant by a Listed Event, the City’s bond counsel or disclosure counsel should be contacted to seek such clarification.

4. PREPARATION AND FILING OF ANNUAL REPORTS AND EVENT NOTICES

- A. The City will strive to begin the process of completing its audited financial statements as soon as practicable after the close of each Fiscal Year. Such audited financial statements should be completed in time to be submitted to the City Council (or other governing board) before the date that the Annual Report must be filed.
- B. The Responsible Officer will identify any information that is required to be included in the Annual Report but is not part of the City’s audited financial statements, and contact the sources necessary to compile such information as soon as possible after the close of each Fiscal Year. The Responsible Officer will consider adding any information required by its continuing disclosure agreements or similar instrument not already included in its audited financial statements into a supplementary information section of audited financial statements.
- C. Following the compilation of the information that is to be included in the Annual Report, the Responsible Officer will (or will cause the Dissemination Agent to) submit the Annual Report to EMMA on or before the date on which the Annual Report must be filed.
- D. Each year, by no later than the date that the Annual Report is required to be filed on EMMA, the Responsible Officer will review the EMMA website to confirm that the Annual Report has been posted with respect to all applicable securities. If the Annual Report has not been posted, the dissemination agent will be notified, or the Responsible Officer will file the Annual Report, as applicable.
- E. The Responsible Officer will identify, or with the assistance of consultants engaged to monitor compliance will identify, the occurrence of a Listed Event and prepare, or have prepared, the appropriate Event Disclosure. The Responsible Officer will file (or will cause the dissemination agent to file) Event Notices on EMMA in a timely manner, when so required by the continuing disclosure agreements or similar instrument. The Responsible Officer will contact the City’s bond counsel or disclosure counsel if there

are any questions regarding whether an event constitutes a Listed Event, and whether such occurrence will require the filing of an Event Notice.

- F. In connection with amendments to Rule 15c2-12 adopted in 2018, for any new continuing disclosure agreement executed on or after February 27, 2019 with respect to a debt issue (the “Debt”), the Responsible Officer shall, before the Debt issuance date, review the City’s financial records and create a list of the City’s existing financial obligations (as such term is defined by Rule 15c2-12) (the “Financial Obligations List”). The Financial Obligations List shall be continuously updated by the Responsible Officer. Whenever the City prepares to enter into a new financial obligation or modify the terms of an existing financial obligation, the Responsible Officer shall determine whether the incurrence of such financial obligation or modification of terms would require an Event Notice under the continuing disclosure agreement. If a determination is made that an Event Notice would be required, the Responsible Officer, in consultation with legal counsel, shall cause the Event Notice to be filed on a timely basis, when so required by the continuing disclosure agreements or similar instrument.
- G. Certain Listed Events are qualified by a materiality standard. Materiality is determined according to SEC guidance available at the time. If clarification is required regarding materiality on any potential Listed Event, The Responsible Officer shall contact the City’s bond counsel or disclosure counsel to seek clarification. The Responsible Officer’s determination of materiality will depend on the facts and circumstances surrounding the event and will take into consideration many factors including, but not limited to, the following:
- Source of security pledged for repayment of the financial obligation,
 - Rights associated with such a pledge (e.g., senior versus subordinate),
 - Principal amount or notional amount (in the case of a derivative instrument or guarantee of a derivative instrument),
 - Covenants,
 - Events of default,
 - Remedies,
 - Other similar terms that affect security holders to which the issuer agreed at the time of incurrence,
 - Size of the overall balance sheet,

- Size of existing obligations, and
- Size of the overall bond portfolio.

5. RETENTION OF RECORDS

- A. The documents identified below should be retained for a period of at least six years following the termination of the City's obligations (*i.e.*, the legal defeasance, prior redemption or payment in full of the related issue of municipal securities) under a continuing disclosure agreement or similar instrument.
- B. The City will retain, in its records, the transcripts containing the documents related to each issue of bonds or other obligations of the City.
- C. The City will retain copies, in paper or electronic form, of each Listed Event Notice submitted to EMMA.
- D. The City will retain copies, in paper or electronic form, of each Annual Report submitted to EMMA.
- E. To the extent that the content of an Annual Report is based on source materials created or obtained by the City, the City will retain in its records, such source materials created or obtained by the City.



119 Fox Street • Lemoore, California 93245 • (559) 924-6700 • Fax (559) 924-9003

Staff Report

Item No: 5-4

To: Lemoore City Council
From: Michelle Speer, Assistant City Manager
Date: January 25, 2019 Meeting Date: February 5, 2019
Subject: Adoption of Resolution No. 2019-06 – A Resolution of the City Council of the City of Lemoore Authorizing the Issuance, Sale, and Delivery of Water Revenue Bonds, The Executions and Delivery of an Indenture and Other Documents in Connections with Such Bonds and Taking Related Actions.

Strategic Initiative:

<input type="checkbox"/> Safe & Vibrant Community	<input type="checkbox"/> Growing & Dynamic Economy
<input checked="" type="checkbox"/> Fiscally Sound Government	<input checked="" type="checkbox"/> Operational Excellence
<input type="checkbox"/> Community & Neighborhood Livability	<input type="checkbox"/> Not Applicable

Proposed Motion:

Adopt Resolution No. 2019-06, authorizing the issuance, sale and delivery of water revenue bonds, the execution and delivery of an indenture and other documents in connection with such bonds and taking related actions and authorize the execution of bond documents by Mayor, the Mayor Pro Tem and/or the City Manager.

Subject/Discussion:

The City’s Five-Year Community Investment Program (the “CIP”) for fiscal years 2016-2017 through 2020-2021, identified various water capital projects, several of which are proposed to be funded, in part, by the City’s issuance of bonds (the “Bonds”). Being

presented to the City Council is a resolution to authorize the issuance of such Bonds, in a principal amount not exceeding \$35,000,000, and a true interest cost not exceeding 5.00 percent. The proceeds of the Bonds are expected finance all or a portion of the following projects:

- Three new water treatment plants;
- A new water well in the southeast portion of the City; and
- A 1 million-gallon water storage tank.

The current estimated costs of these projects total \$38 million. In addition to proceeds from the sale of the Bonds, the City will use available cash from the Water Revenue Fund and impact fees revenues to fund the projects.

Schedule

The pricing of the Bonds is expected to take place around February 27, 2019. On the pricing date, the actual principal amount and the interest rates of the Bonds will be determined. The closing of the transaction will follow approximately two to three weeks later, around mid-March.

Financing Team

Bond and Disclosure Counsel	Richards, Watson & Gershon
Underwriter	Stifel, Nicolaus & Company, Incorporated
Municipal Advisor	Del Rio Advisors, LLC
Trustee	U.S. Bank National Association

Documents Presented for Approval

Indenture: The Indenture will set the terms and conditions of the Bonds. These terms will be finalized upon the actual sale of the Bonds to investors and after the Bond Purchase Agreement is executed.

Purchase Contract: Pursuant to the Purchase Contract, the Underwriter (Stifel, Nicolaus & Company, Incorporated) will agree to buy the Bonds at specified prices and interest rates, subject to satisfaction of certain requirements (such as the City's execution and delivery of the Indenture and delivery of closing certificates and opinions). The Purchase Contract will be presented to the authorized officers of the City for approval and execution on the pricing date after the Underwriter completes the offering to the investors and the pricing of the Bonds. The Resolution specifies the maximum underwriter's discount and other financing parameters that must be met before moving forward on the transaction.

Preliminary Official Statement: A preliminary official statement (the "POS") has been prepared to provide material information to investors regarding the terms and security of the Bonds. The POS contains descriptions of the legal and financial aspects of the Bonds,

as well as a summary of the Indenture. Certain information which will be determined upon the pricing of the Bonds (such as the final principal amount, the interest rates and the redemption dates) are either omitted or noted as “preliminary, subject to change” in the POS. The Underwriter will use the POS to market the Bonds to potential investors. Once the Bonds have been priced, the final pricing information will be inserted into the POS, thereby converting it to an Official Statement. The Underwriter will then distribute the Official Statement to the individuals and institutions that placed orders to buy the Bonds from the Underwriter.

Continuing Disclosure Certificate – Under the Continuing Disclosure Certificate (the “CDC”), the City will agree to provide an annual report containing certain information relevant to the security of the Bonds, to be filed on the EMMA system (the internet-based information repository maintained by the Municipal Securities Rule Making Board for municipal bonds issued in the United States) to make such information available to the investors. The City will also agree to disclose and make filings upon the occurrence of enumerated events (such as a rating change on the Bonds).

Financial Consideration(s):

The City’s financing team plans to pursue a rating on the Bonds from Standard & Poor’s (“S&P”) and plans to pursue a bond insurance commitment and a surety policy commitment from both Assured Guaranty and Build America Mutual, the two bond insurers currently active in the market. The purpose for purchasing bond insurance is to raise the underlying rating assigned to the Bonds by S&P to the insured rating of AA. However, it must make economic sense to purchase the bond insurance. The City will pay an upfront premium from the proceeds of the Bonds, but this premium must be more than offset by the lower interest rates realized by selling the Bonds with the AA insured rating. Also, it is traditional in the municipal bond market for transactions to fund a reserve fund as part of an issuance. The reserve fund is a pot of money, generally equal to one year of debt service, which is borrowed as part of the transaction, remains with the Trustee for the life of the Bonds and is generally used to pay the final year of debt service on the Bonds. The reserve fund becomes the first line of defense in the event of a debt service payment shortfall. The bond insurer can provide a surety policy in place of cash funding the reserve fund. This means the City can borrow less money and, in this interest rate environment, the interest rate on the reinvestment of the reserve fund cash is currently below that of the interest rate on the Bonds.

The numbers presented below, and as an exhibit to this package, are based on market interest rates as of January 2, 2019 plus 25 basis points (0.25%), assume thirty (30) year amortization, an underlying S&P rating of A-, the purchase of bond insurance and the purchase of a surety policy. The numbers also assume an underwriter’s discount of 0.75% of the par amount equal to \$207,525 and \$200,000 in fixed costs of issuance, as shown in the table below:

Role	Company	Total
Bond / Disclosure Counsel	Richards Watson Gershon	\$85,000.00
Bond Counsel Expenses	Richards Watson Gershon	\$2,000.00

Municipal Advisor	Del Rio Advisors, LLC	\$62,500.00
Municipal Advisor Expenses	Del Rio Advisors, LLC	\$500.00
Rating Fee	Standard & Poor's	\$35,000.00
Trustee Acceptance	U.S. Bank National Association	\$1,000.00
Trustee Annual Administration	U.S. Bank National Association	\$2,000.00
Printing of Official Statement	TBD	\$10,000.00
Miscellaneous	Rounding Adjustment	\$2,000.00
Total Estimated Costs		\$200,000.00

Pursuant to Government Code Section 5852.1, the following good faith estimates (as obtained by the issuer from an underwriter, financial advisor, or private lender) must be disclosed at a public meeting before the governing body's authorization of the issuance of bonds with a term greater than 13 months. The following has been compiled by Del Rio Advisors, LLC, the City's municipal advisor, in consultation with the underwriter, based on market estimates as of January 2, 2019:

Information to be disclosed per Government Code Section 5852.1:

*Estimates as of January 2, 2019**

True interest cost of the Bonds (the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the new issue of Bonds)

4.320%

Finance charge of the Bonds (the sum of fees and charges paid to third parties):

Fixed Costs of Issuance	\$200,000
Underwriter's Discount	\$207,525
Bond Insurance Premium	\$286,430
Reserve Fund Surety Policy	<u>\$62,790</u>
Total	\$756,745

Amount of proceeds received by the public body from the sale of the Bonds, less the finance charge of the bonds and any reserves or capitalized interest paid or funded with proceeds of the Bonds

\$30,000,000

The total payment amount (the sum total of all debt service payments on the Bonds, plus the finance charge of the Bonds not paid from bond proceeds)

\$57,285,927

* These are good faith estimates only. Final results will likely differ based on market conditions as of the actual sale date and other factors.

Alternatives or Pros/Cons:

If the City Council does not authorize the issuance of the Bonds, the City will have to look for alternative means to fund the projects.

Commission/Board Recommendation:

Not applicable.

Staff Recommendation:

Staff recommends City Council adopt Resolution No. 2019-06, authorizing the issuance, sale and delivery of water revenue bonds and authorize the Mayor, Mayor Pro Tem and/or the City Manager to execute and deliver the indenture and other documents in connection with such bonds and take related actions.

Attachments:

- ☒ Resolution: 2019-06
- ☐ Ordinance:
- ☐ Map
- ☒ Contract
- ☒ Other

List: Continuing Disclosure Certificate
Indenture
Preliminary Official Statement

Review:

- ☒ Asst. City Manager
- ☒ City Attorney
- ☒ City Clerk
- ☒ City Manager

Date:

- 1/29/19
- 1/31/19
- 1/31/19
- 1/30/19

RESOLUTION NO. 2019-06

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LEMOORE AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF WATER REVENUE BONDS, THE EXECUTION AND DELIVERY OF AN INDENTURE AND OTHER DOCUMENTS IN CONNECTION WITH SUCH BONDS AND TAKING RELATED ACTIONS

WHEREAS, the City of Lemoore (the “**City**”) is a municipal corporation organized and existing under the laws and Constitution of the State of California (the “**State**”) and, upon voter approval in March 2000, became a charter city pursuant to Section 3 of Article XI of the State Constitution; and

WHEREAS, the City operates a waterworks system (such system, including all additions, improvements and extensions thereto, the “**Water System**”); and

WHEREAS, on April 3, 2018, the City Council adopted Ordinance No. 2018-02, adding Title 10 to the City’s Municipal Code, authorizing the City to issue enterprise revenue bonds (the “**Enterprise Bond Ordinance**”), which Enterprise Bond Ordinance became effective as of May 3, 2018; and

WHEREAS, the City is contemplating the issuance of bonds (the “**Bonds**”) to finance a costs for capital projects of the Water System (the “**Projects**”), among which include: (i) the construction of new water treatment plants; (ii) the installation of a new replacement pipe that will extend from a well field five miles north of the City; (iii) the construction of a new water well in the southeast portion of the City; and (iv) the acquisition and installation a new water storage tank; and

WHEREAS, the Bonds will be issued pursuant to the Enterprise Bond Ordinance and an Indenture (the “**Indenture**”), to be executed by and between the City and the bond trustee (the “**Trustee**”); and

WHEREAS, the Bonds shall be secured by a pledge of certain revenues of the Water System as provided in the Indenture; and

WHEREAS, there has been presented to the City Council a Purchase Contract (the “**Purchase Contract**”) with Stifel, Nicolaus & Company, Incorporated, as underwriter (the “**Underwriter**”), pursuant to which the Underwriter will purchase such bonds for reoffering to the public;

NOW, THEREFORE, BE IT FOUND, DETERMINED AND RESOLVED THE CITY COUNCIL OF THE CITY OF LEMOORE AS FOLLOWS:

Section 1. The above recitals are true and correct and are a substantive part of this Resolution.

Section 2. Subject to the parameters set forth in this Resolution, the issuance of the Bonds pursuant to the terms of the Indenture is hereby authorized and approved. The form of the

Indenture to be entered into by and between the City and the Trustee, and on file in the office of the City Clerk, is hereby approved. Each of the Mayor (or in the Mayor's absence, the Mayor Pro-Tem) and the City Manager (each, an "**Authorized Officer**"), acting individually, is hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver the Indenture in substantially said form, with such changes therein as the Authorized Officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 3. The appointment of U.S. Bank National Association, as Trustee under the Indenture is hereby approved.

Section 4. The Purchase Contract, proposed to be entered into by and between the City and the Underwriter, in the form on file with the City Clerk, is hereby approved. Subject to the parameters set forth below, each Authorized Officer, acting individually, is hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver the Purchase Contract in substantially said form, with such changes therein as the Authorized Officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 5. The authorization set forth in this Resolution regarding the issuance and sale of the Bonds is subject to the following parameters: (i) the aggregate principal amount of the Bonds shall not exceed \$35,000,000; (ii) the true interest cost with respect to the Bonds shall not exceed 5.00 percent; and (iii) the Underwriter's compensation (i.e., underwriter's discount), exclusive of any original issue discount, shall not exceed 0.75 percent of the aggregate principal amount of the Bonds. The authorization and powers delegated by this Resolution with respect to the issuance and sale of the Bonds shall be valid for a period of six months from the date of adoption of this Resolution

Section 6. The Preliminary Official Statement relating to the Bonds (the "**Preliminary Official Statement**"), in the form presented at this meeting and on file with the City Clerk, is hereby approved. Each Authorized Officer, acting individually, is hereby authorized and directed, for and in the name and on behalf of the City, to cause the Preliminary Official Statement in substantially said form, with such additions or changes therein as the Mayor (or the Mayor Pro-Tempore, as the case may be) or the City Manager may approve, to be deemed final for the purposes of Rule 15c2-12 of the Securities and Exchange Act of 1934. The distribution by the Underwriter of copies of the Preliminary Official Statement to potential purchasers of the Bonds is hereby approved.

Section 7. Each Authorized Officer, acting individually, is hereby authorized and directed, for and in the name and on behalf of the City, to cause the Preliminary Official Statement to be brought into the form of a final Official Statement (the "**Official Statement**"), and to execute the same for and in the name and on behalf of the City, with such changes therein as the Authorized Officer may approve, such approval to be conclusively evidenced by the execution and delivery thereof. The distribution and use of the Official Statement by the Underwriter in connection with the sale of the Bonds are hereby approved.

Section 8. The Continuing Disclosure Certificate (the “**Continuing Disclosure Certificate**”), in the form on file with the City Clerk, is hereby approved. Each Authorized Officer, acting individually, is hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver the Continuing Disclosure Certificate in substantially said form, with such changes therein as the Authorized Officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 9. Reference is hereby made to the Debt Issuance and Management Policy, adopted pursuant to Resolution No. 2018-13, adopted by this City Council on March 20, 2018. The City Council hereby finds that the issuance of the Bonds is consistent with the Debt Issuance and Management Policy

Section 10. The Mayor, the Mayor Pro Tem, the City Manager, the Assistant City Manager and all other officers of the City are hereby authorized and directed, jointly and severally, to do any and all things, to execute and deliver any and all documents that they may deem necessary or advisable for the sale, issuance and delivery of the Bonds (including, but not limited to, the obtaining of bond insurance or other types of credit enhancement for the Bonds, the purchase of any debt service reserve fund insurance policy or surety bond), or otherwise to effectuate the purposes of this Resolution, the Indenture, the Purchase Contract, the Official Statement and the Continuing Disclosure Certificate and any such actions previously taken by such officers are hereby ratified and confirmed.

Section 11. This Resolution will become effective upon adoption.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Lemoore at a regular meeting this 5th day of February, 2019, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Eddie Neal, Mayor

ATTEST:

Marisa Avalos, Deputy City Clerk

CERTIFICATE

STATE OF CALIFORNIA)
COUNTY OF KINGS) ss.
CITY OF LEMOORE)

I, MARISA AVALOS, Deputy City Clerk of the City of Lemoore, do hereby certify the foregoing Resolution 2019-06, a Resolution of the City Council of the City of Lemoore Authorizing the Issuance, Sale, and Delivery of Water Revenue Bonds, the Execution and Delivery of an Indenture and Other Documents in Connection with Such Bonds and Taking Related Actions was duly passed and adopted at a Regular Meeting held on the 5th day of February 2019. This is a true and correct copy.

DATED: February 5, 2019

Marisa Avalos
Deputy City Clerk

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”), dated March ___, 2019, is executed and delivered by the City of Lemoore (the “City”) in connection with the City’s issuance of its \$_____ Water Revenue Refunding Bonds, Series 2019 (the “Bonds”). The Bonds are being issued pursuant to an Indenture, dated as of March 1, 2019, by and between the City and U.S. Bank National Association, as trustee (the “Trustee”). Proceeds of the Bonds will be used to finance capital projects of the City’s Water System.

The City covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the City for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with the Rule (as defined below).

Section 2. Definitions. In addition to the definitions set forth in the Official Statement (defined below, which apply to any capitalized term used in this Disclosure Certificate, unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Dissemination Agent” shall mean initially Willdan Financial Services or any successor Dissemination Agent designated in writing by the City and which has filed with the City and the Trustee a written acceptance of such designation.

“EMMA” shall mean the Electronic Municipal Market Access system located at <http://www.emma.msrb.org>, as the centralized on-line repository for municipal disclosure documents to be filed with the MSRB pursuant to the Rule, or such other successor repository site as prescribed by the MSRB.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board or any successor thereto.

“Official Statement” shall mean the final Official Statement, dated _____, 2019, relating to the Bonds.

“Participating Underwriter” shall mean Stifel, Nicolaus & Company, Incorporated, as the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Rule” shall mean Rule 15c2 12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SEC” shall mean the United States Securities and Exchange Commission.

Section 3. Provisions of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent to, no later than nine months after the close of the City’s fiscal year (which currently will be March 31 of each year based on a June 30 end of fiscal year), commencing with the report for the 2017-18 fiscal year, provide to the MSRB, via EMMA, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report, and later than the date required above for the filing of the Annual Report if not available by that date. If the City’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(b).

(b) Not later than five business days prior to the date specified in subsection (a) above for providing the Annual Report to the MSRB, the City shall provide the Annual Report to the Dissemination Agent (if other than the City). If by such date, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the City to determine if the City is in compliance with the first sentence of this subsection (b). If requested by the Dissemination Agent, the City shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by it hereunder. The Dissemination Agent may conclusively rely upon such certification of the City and shall have no duty or obligation to review such Annual Report.

(c) If the Dissemination Agent is unable to verify that an Annual Report has been provided to the MSRB by the date required in subsection (a), the Dissemination Agent shall in a timely manner send a notice to the MSRB, in such form as prescribed or acceptable to MSRB.

(d) The Dissemination Agent (if other than the City) shall, if and to the extent, the City has provided an Annual Report in final form to the Dissemination Agent for dissemination, file a report with the City certifying that the Annual Report has been provided to the MSRB pursuant to this Disclosure Certificate, and stating the date it was provided.

Section 4. Content of Annual Reports. The City’s Annual Report shall contain or incorporate by reference the following:

(a) The audited financial statements of the City for the most recently completed fiscal year. Such audited financial statements shall be prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board, as may be further modified by applicable state law. If such audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the audited financial statements customarily

used by the City, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) Commencing with the Annual Report due March 31, 2019, to the extent not contained in the audited financial statements filed pursuant to the preceding subsection (a) by the date required by Section 3 hereof:

- (i) the then currently outstanding principal amount of the Bonds;
- (ii) a list of Additional Parity Obligations, if any, secured by revenues of the Water System then outstanding, and the respective principal amounts;
- (iii) the then currently outstanding principal amount of the 2013 Loan;
- (iv) to the extent that the City has modified any of the Water System service charges since the last Annual Report, an updated Table 1 reflecting the modified charges;
- (v) information, updated to incorporated information with respect to the most recently ended fiscal year, of the type included in the following tables of the Official Statement: (A) Table 5 - "Service Charge Revenues by Customer Type," (B) Table 7 - "Top Ten Customers (by Service Charge Revenues), and (C) Table 10 - "Debt Service Coverage," but, for projected revenue, expenses and coverage, only the then current fiscal year (*i.e.*, the year during which the Report is prepared and submitted) needs to be included.

(c) In addition to any of the information expressly required to be provided under paragraphs (a) and (b) of this Section, the City shall provide such further information, if any, as may be necessary to make the specifically required statements, in light of the circumstances under which they are made, not misleading.

Any or all of the items listed above for inclusion in the Annual Report may be included by specific reference to other documents, including official statements of debt issues of the City or related public entities, which have been available to the public on EMMA or filed with the SEC. The City shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the City shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to each series of the Bonds, which notice shall be given in a timely manner, not in excess of ten business days after the occurrence of such Listed Event:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;

- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the Bonds;
- (7) Modifications to rights of Bond owners, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Bonds, if material
- (11) Rating changes (underlying and insured, if any of the Outstanding Bonds are then insured);
- (12) Bankruptcy, insolvency, receivership or similar event of the City;
- (13) The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) Incurrence of a financial obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material; and
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.

(b) The Dissemination Agent shall, within one business day after obtaining knowledge of the occurrence of any of the events listed in Section 5(a) (1), (3), (4), (5), (6), (9), (11), (12) or (16), or (8) with respect to tender offers, inform the City of the occurrence of such event. In any case, as soon as reasonably practicable after obtaining knowledge of the occurrence of such event, the City shall, or shall cause the Dissemination Agent to, file in a timely manner, not in excess of ten business days after the occurrence of any such event, a notice of such occurrence with the MSRB, in an electronic format accompanied by identifying information as prescribed by the MSRB.

(c) The Dissemination Agent shall, within one business day after obtaining knowledge of the occurrence of any of the events listed in Section 5(a) (2), (7), (10), (13), (14), (15) or (8) with respect to bond calls, inform the City of the occurrence of such event and request that the City promptly notify the Dissemination Agent in writing whether or not to report the event pursuant to subsection (d).

(d) Whenever the City obtains knowledge of the occurrence of any event specified in Section 5(a) (2), (7), (10), (13), (14), (15) or (8) with respect to bond calls, the City shall as soon as possible, in order to meet the ten business day deadline to file notices required under the Rule and pursuant to the following sentence, determine if such event would be material under applicable Federal securities law. If the City determines that knowledge of the occurrence of such event would be material under applicable Federal securities law, the City shall, or shall cause the Dissemination Agent to, file in a timely manner, not in excess of ten business days after the occurrence of any such event, a notice of such occurrence with the MSRB, in an electronic format accompanied by identifying information as prescribed by the MSRB.

(d) The Dissemination Agent shall send to the Bond Insurer a copy of each notice provided to the MSRB under this Section 5.

Section 6. Termination of Reporting Obligation. The City's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the City shall give notice of such termination in the same manner as for a Listed Event under Section 5(b); provided, that this requirement shall be deemed satisfied by the filing of a notice of defeasance or full redemption pursuant to Section 5(b).

Section 7. Dissemination Agent. The initial Dissemination Agent shall be Willdan Financial Services. From time to time, the City may appoint a different Dissemination Agent to assist it in carrying out its obligations (or designate itself as the Dissemination Agent) under this Disclosure Certificate. The Dissemination Agent may resign by providing 30 days written notice to the City and the Trustee. The City may replace the Dissemination Agent with or without cause. The Dissemination Agent (if different from the City) shall be paid compensation by the City for services provided hereunder in accordance with its schedule of fees as amended from time to time.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the City may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the City, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver affecting the Bonds either (i) is approved by holders of the affected Bonds in the manner provided in the related Indenture for amendments to such Indenture with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of such Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first annual financial information filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided. For purposes of this paragraph, “impact” has the meaning as that word is used in the letter from the staff of the Securities and Exchange Commission to the National Association of Bond Lawyers dated June 23, 1995.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the City to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative. A notice of the change in the accounting principles shall be sent to the MSRB in the same manner as for a Listed Event under Section 5(b).

No amendment to this Agreement which modifies the duties or rights of the Dissemination Agent shall be made without the prior written consent of the Dissemination Agent.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the City chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the City shall have no

obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the City or the Dissemination Agent to comply with any provision of this Disclosure Certificate, any Participating Underwriter or any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City or the Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Certificate in the event of any failure of the City or the Dissemination Agent to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have no duty or obligation to review any information provided to it hereunder and shall not be deemed to be acting in any fiduciary capacity for the City, the Owners, or any other party. The City agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of the disclosure of information pursuant to this Disclosure Certificate or arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent (acting in such capacity and not as Trustee or any other role) shall have only such duties as are specifically set forth in this Disclosure Certificate. The Dissemination Agent may rely and shall be protected in acting or refraining from acting upon any direction from the City or an opinion of nationally recognized bond counsel. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriter and holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

IN WITNESS WHEREOF, the City has caused its duly authorized officer to execute and deliver this Certificate on the date first written above.

CITY OF THE LEMOORE

By: _____
Edward Neal, Mayor

The undersigned hereby agrees to act as
Dissemination Agent pursuant to the
foregoing Continuing Disclosure Certificate

WILLDAN FINANCIAL SERVICES

By: _____

Title: _____

INDENTURE

by and between the

CITY OF LEMOORE

and

U.S. BANK NATIONAL ASSOCIATION,

as Trustee

Dated as of March 1, 2019

Relating to

\$ _____
City of Lemoore
Water Revenue Bonds
Series 2019

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INDENTURE

This Indenture is made and dated as of March 1, 2019 (this “**Indenture**”), by and between the City of Lemoore, a municipal corporation duly organized and existing under the laws of the State of California (the “**City**”) and U.S. Bank National Association, a national banking association duly organized and existing under the United States of America, and being qualified to accept and administer the trusts hereby created (the “**Trustee**”).

RECITALS:

A. The City is a municipal corporation organized and existing under the laws and Constitution of the State of California (the “**State**”) and, upon voter approval in [November 1999], became a charter city pursuant to Section 3 of Article XI of the State Constitution.

B. The City operates a waterworks system (such system, including all additions, improvements and extensions thereto, the “**Water System**”).

C. On April 3, 2018, the City Council adopted Ordinance No. 2018-02, adding Title 10 to the City’s Municipal Code, authorizing the City to issue enterprise revenue bonds, and the Ordinance became effective as of May 3, 2018.

D. For the purpose of providing money to finance capital projects for the Water System, the City desires to issue bonds (the “**Bonds**”) pursuant to Title 10 of the City’s Municipal Code and the terms of this Indenture.

E. The Bonds shall be secured by a pledge of certain revenues of the Water System as provided in this Indenture.

F. The City has determined that all acts and proceedings required by law necessary to constitute this Indenture a valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done and taken, and the execution and delivery of the Indenture have been in all respects duly authorized.

.NOW, THEREFORE, THIS INDENTURE WITNESSETH, that in order to secure the payment of the principal of and the interest and premium (if any) on all Bonds at any time issued and Outstanding under this Indenture, according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the Bonds are to be issued and received, and in consideration of the premises and of the mutual covenants contained herein and of the purchase and acceptance of the Bonds by the Owners thereof, and for other valuable considerations, the receipt whereof is hereby acknowledged, the City does hereby covenant and agree with the Trustee, for the benefit of the respective Owners from time to time of the Bonds, as follows:

ARTICLE I
DEFINITIONS; AUTHORIZATION AND PURPOSE OF BONDS;
EQUAL SECURITY

Section 1.01 Definitions. Unless the context otherwise requires, the terms defined in this Section shall for all purposes of this Indenture and of any Supplemental Indenture and of the Bonds and of any certificate, opinion, request or other document herein mentioned have the meanings herein specified.

“2013 Loan” means the outstanding loan of the City incurred pursuant to the 2013 Loan Agreement.

“2013 Loan Agreement” means the Water Loan Agreement. dated as of May 1, 2013, by and between the Pinnacle Public Finance Inc., as lender, and the City, as the borrower, and as the same may be amended or supplemented from time to time.

“2019 Projects” means the projects described in Exhibit A attached hereto and by this reference incorporated herein.

“2019 Project Costs” means the costs, expenses and liabilities paid or incurred or to be paid or incurred by the City, all calculated in accordance with generally accepted accounting principles, in connection with the acquiring, financing, planning, engineering, designing, constructing and installing of the 2019 Projects or any portion thereof, and the obtaining of all governmental approvals, certificates, permits and licenses with respect thereto, including but not limited to: (a) the costs of acquisition or construction by or for the City of real and personal property or any interest therein, (b) any good faith or other similar payment or deposits, (c) the costs of any demolitions or relocation necessary in connection therewith, (d) costs of physical construction and costs incidental to such construction or acquisition, (e) all costs relating to injury and damage claims, (f) the costs of any indemnity or surety bonds and premiums on insurance, including obligations to a stock, mutual or reciprocal insurance company or exchange, (f) preliminary investigation and development costs, (g) engineering fees, contractors’ fees, legal fees and expenses, and any other fees and expenses of professional consultants and (h) the costs of labor, materials, equipment and utility services and supplies, (i) administrative and general overhead expenses and costs of keeping accounts and making reports required by the Trust Agreement prior to or in connection with the completion of the 2019 Projects, (j) all federal, state and local taxes and payments in lieu of taxes legally required to be paid in connection with the 2019 Projects prior to or in connection with the completion of the 2019 Projects. It is intended that this definition of 2019 Project Costs be broadly construed to encompass all costs, expenses and liabilities of the City which are chargeable to the capital accounts of the 2019 Projects in according with Generally Accepted Accounting Principles.

“Accreted Value” means, with respect to any Parity Obligations that are capital appreciation Obligations, as of any date of calculation, the sum of the initial amount thereof and the interest accrued and compounded thereon, as determined in accordance with the provisions of the related Parity Obligation Agreements, to such date of calculation.

“Additional Allowance” has the meaning ascribed to such term in Section 5.01.

“Additional Parity Obligations” means Parity Obligations issued or incurred by the City, subject to the conditions set forth in Section 5.01.

“Annual Debt Service” means, with respect to the portion of the Outstanding Parity Obligations for which the calculation is being made, for the 12-month period for which the calculation is being made (which may be Fiscal Year or Bond Year, as the context requires), the sum of (i) the interest payable with respect to such Outstanding Obligations in that 12-month period, assuming that all the Outstanding Serial Obligations are retired as scheduled and that all Outstanding Term Obligations, if any, are redeemed from the sinking fund payments, as may be scheduled (except to the extent that such interest is to be paid from the proceeds of the sale of any Obligations), (ii) the principal amount of such Outstanding Serial Obligations, if any, maturing by their terms in such 12-month period, and (iii) the minimum principal amount of such Outstanding Term Obligations required to be paid or called and redeemed in such 12-month period.

With respect to capital appreciation Obligations, the Accreted Value payment shall be deemed due on the scheduled redemption or payment date of such Obligations.

If any Obligations bear interest payable pursuant to a variable interest rate formula, the interest rate on such Obligations for periods when the actual interest rate cannot yet be determined shall be assumed to be equal to the greater of (a) (i) for Tax-Exempt Obligations, the average of the Securities Industry and Financial Markets Association Municipal Swap Index for the 12 months preceding the date of calculation (or if such index no longer exists, another similar index selected by the City) or (ii) for Obligations that are not Tax-Exempt, the average One Month USD LIBOR Rate during the 12 months preceding the date of calculation, or (b) the average variable rate of interest borne by such Obligations during the preceding 36 months or, if such Obligations were not Outstanding during all of the preceding 36 months, the highest interest rate borne by variable interest rate debt for which the interest rate is computed by reference to a variable interest rate formula comparable to that utilized for such Obligations.

If an interest rate swap agreement is in effect with respect to, and is payable, on a parity with the Parity Obligation to which it relates, no amounts payable under such swap agreement will be included in the calculation of Annual Debt Service unless the result of: (i) interest payable on such Parity Obligation, plus (ii) amounts payable by the City under the swap agreement, less (iii) amounts receivable by the City under such swap agreement are greater than the interest payable on such Parity Obligation, then in such instance, the amount of such payments to be made that exceed the interest to be paid on such Parity Obligation (based on the assumption set forth above for variable rate Obligations) shall be included.

“Annual Debt Service” shall not include (a) interest on Obligations which is to be paid from amounts constituting capitalized interest or (b) principal and interest allocable to that portion of the proceeds of any Obligations required to remain unexpended and to be held in escrow pursuant to the terms of the instrument under which such Obligations are issued, provided that (i) such exclusion of interest shall be applicable only to the extent that a portion of the amounts deposited in an escrow account, or the projected interest earnings thereon, shall be used to pay interest due on such portion of the Obligations so long as it is required to be held in escrow, and (ii) the conditions for the release of such proceeds from escrow, insofar as they

relate to Net Revenues coverage, are substantially the same as those for the issuance of Additional Parity Obligations under Section 5.01 of this Indenture.

“Annual Debt Service” shall not include the portion of any parity Credit Provider Reimbursement Obligations that represent Annual Debt Service which would have otherwise been paid directly by the City to the owners of any Parity Obligations (*e.g.*, reimbursement to a Credit Provider for draws made under a letter of credit to pay principal of and interest on the Parity Obligations.)

“Annual Debt Service” shall not include principal or interest of Obligations to be paid from a state or federal grant or other moneys that have been irrevocably committed or are held by the Trustee or another fiduciary and are to be set aside exclusively to be used on such principal or interest, unless such state or federal grant or other moneys have already been included in the corresponding calculation of Gross Revenues or Net Revenues, as applicable.

“Authorized Denomination” means a principal amount of \$5,000 or any integral multiple thereof.

“Authorizing Resolution” means Resolution No. _____, adopted on _____, 2019, by the City Council of the City, authorizing the execution and delivery of this Indenture and the issuance of the Bonds.

“Average Annual Debt Service” means, with respect to any portion of the Outstanding Parity Obligations for which the calculation is being made, the average Annual Debt Service during the period from the date of calculation through the final maturity date of all of such Outstanding Parity Obligations.

“Beneficial Owners” means those individuals, partnerships, corporations or other entities for which the Direct Participants have caused DTC to hold Book Entry Bonds.

“Bond” or “Bonds” means the City of Lemoore Water Revenue Bonds, Series 2019, authorized by, and at any time Outstanding pursuant to, this Indenture.

“Bond Counsel” means Richards, Watson & Gershon, A Professional Corporation, or another attorney or firm of attorneys of favorable reputation in the field of municipal bond law selected by the City.

“Bond Insurance Policy” means the _____ Insurance Policy issued by the Bond Insurer guaranteeing the scheduled payment of principal of and interest on the Insured Bonds when due.

“Bond Insurer” means _____.

“Bond Law” means the City’s Enterprise Revenue Bond Law, set forth in Title 10 of the City’s Municipal Code, adopted pursuant to the City’s Charter.

“Bond Year” means each twelve-month period extending from July 2 in one calendar year to July 1 of the succeeding calendar year, both dates inclusive, except that the first Bond Year shall extend from the Closing Date to July 1, 2019.

“Book Entry Bonds” means the Bonds registered in the name of the nominee of DTC, as the registered owner thereof, pursuant to the terms and provisions of Section 2.12.

“Business Day” means a day other than (i) a Saturday or Sunday, (ii) a day on which commercial banks in the city in which the Trustee maintains its Trust Office are authorized or required by law or executive order to close or (iii) a day on which the New York Stock Exchange is closed.

“Certificate,” “Statement,” “Request,” “Requisition” or “Order” of the City mean, respectively, a written certificate, statement, request, requisition or order signed in the name of the City by its Mayor (or in the Mayor’s absence, the Mayor Pro Tem), City Manager, Finance Director or any other person designated by any of them in writing to execute such instruments. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined will be read and construed as a single instrument. If and to the extent required by the Indenture, certificates and opinions will include the statements provided for in the Indenture.

“City” means the City of Lemoore, California.

“City Charter” means the Charter of the City, as amended from time to time.

“Closing Date” means _____, 2019.

“Code” means the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder.

“Continuing Disclosure Certificate” means the continuing disclosure undertaking of the City relating to the Bonds in connection with Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as originally executed and as the same may be amended and supplemented from time to time in accordance with the terms thereof.

“Costs of Issuance” means any costs or expenses paid or incurred in connection with the preparation, execution and delivery of the Bonds and documents relating to the issuance of the Bonds, including but not limited to fees and expenses of the Trustee and its counsel, printing costs, word processing costs, filing and recording costs, special counsel and other legal fees and expenses, rating agency fees, accounting fees, legal fees and other expenses incurred by the City in connection with qualification or registration, or determining the exemption from registration or qualification, of the Bonds under the “Blue Sky” laws of any jurisdiction, costs of preparation and reproduction of documents, fees payable to any other consultants or experts retained in connection with such preparation, execution and delivery, costs for the purchase of reserve surety, bond insurance or any other credit enhancement, and any other cost, charge or fee in

connection with the original issuance of the Bonds which constitutes a “cost of issuance” within the meaning of the Code.

“Costs of Issuance Fund” means the fund by that name established and held by the Trustee pursuant to Section 3.03.

“Credit Facility” means a bond insurance policy, an irrevocable direct-pay or standby letter of credit, a standby purchase agreement, revolving credit agreement or other credit arrangement pursuant to which a Credit Provider provides credit or liquidity support with respect to the payment of interest, principal, redemption price or purchase price of any Parity Obligations, but shall not include any Qualified Reserve Credit Instrument for the Bonds or similar instrument credited to a debt service reserve fund for any other Parity Obligations.

“Credit Provider” means the issuer of a Credit Facility with respect to any Parity Obligations.

“Credit Provider Reimbursement Obligations” means obligations of the City to pay from Net Revenues amounts due under a Credit Support Agreement, including without limitation, amounts advanced by a Credit Provider pursuant to a Credit Facility as credit support or liquidity for Parity Obligations and interest with respect thereto.

“Credit Support Agreement” means, with respect to any Credit Facility, the agreement or agreements (which may be the Credit Facility itself) between the City and the applicable Credit Provider, as originally executed and as the same may be amended or supplemented from time to time, that provide for the reimbursement to the Credit Provider for payments under such Credit Facility or the extension of credits made to the City by the Credit Provider, together with any related pledge agreement or other security document.

“Debt Service Fund” means the fund by that name established pursuant to Section 4.03.

“Defeasance Securities” means any direct obligations of the United States of America (including any obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America); provided, that such securities must provide for the timely payment of principal and interest and cannot be callable or prepayable prior to maturity or redemption. “Defeasance Securities” do not include securities that do not have a fixed par value or the terms of which do not promise a fixed dollar amount at maturity or call date.

“Direct Participants” means those broker-dealers, banks and other financial institutions from time to time for which DTC holds Bonds as securities depository

“DTC” means the Depository Trust Company, New York, New York, or its successors and assigns as depository for the Bonds.

“Event of Default” means any of the events described in Section 9.01.

“Fair Market Value” means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm’s length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded

on an established securities market (within the meaning of section 1273 of the Code) and, otherwise, the term “fair market value” means the acquisition price in a bona fide arm’s length transaction (as referenced above) if: (i) the investment is a certificate of deposit the value of which is determined in accordance with applicable regulations under the Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) the value of which is determined in accordance with applicable regulations under the Code, (iii) the investment is a United States Treasury Security-State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (iv) the investment is the Local Agency Investment Fund of the State, but only if at all times during which the investment is held its yield is reasonably expected to be equal to or greater than the yield on a reasonably comparable direct obligation of the United States of America.

“Fiscal Year” means any twelve-month period extending from July 1 in one calendar year to June 30 of the succeeding calendar year, both dates inclusive, or any other twelve-month period selected and designated by the City as its official fiscal year period.

“Generally Accepted Accounting Principles” means generally accepted accounting principles applicable to governments as promulgated by the Governmental Accounting Standards Board or its successor.

“Gross Revenues” means all income, rents, rates, fees, charges and other moneys derived from the ownership or operation of the Water System including, without limiting the generality of the foregoing, (i) all income, rents, rates, fees, charges, business interruption insurance proceeds or other moneys derived by the City from the furnishing and supplying of services and facilities through the Water System, (ii) the earnings on and income derived from the investment of such income, rents, rates, fees, charges, or other moneys to the extent that such earnings and income are available for use for the Water System pursuant to law, (iii) the proceeds derived by the City directly or indirectly from the sale, lease, or other disposition of a part of the Water System, and (iv) amounts released from the Rate Stabilization Fund pursuant to Section 4.07; provided the term “Gross Revenues” shall not include any of the following: (A) customers’ deposits or any other deposits or advances subject to refund until those deposits or advances become the property of the City, (B) moneys that are derived from charges (including without limitation impact fees or special assessments) imposed for specified and restricted purposes (except to the extent that such charges are permitted to be used for the financing or payment of the capital improvements financed with the proceeds of the Bonds), as provided in a duly adopted resolution or ordinance, and that are accounted for by the City separate and apart from the Water Fund, and (C) grants or other moneys collected by the City from sources, which by the terms under which the City receives such money, restricts the use for specified and restricted purposes (except to the extent that the terms thereof permit the use of such money for the financing or payment of the capital improvements financed with the proceeds of the Bonds).

“Indenture” means this Indenture, as originally executed or as it may from time to time be amended or supplemented in accordance herewith.

“Independent Accountant” means any certified public accountant or firm of certified public accountants appointed and paid by the City, and who, or each of whom: (i) is in fact independent and not under domination of the City; (ii) does not have any substantial interest, direct or indirect, in the City; and (iii) is not connected with the City as an officer or employee of the City but who may be regularly retained to make annual or other audits of the books of or reports to the City.

“Independent Fiscal Consultant” means any consultant or firm of such consultants appointed by the City and who, or each of whom: (a) is judged by the City to have experience in matters relating to the financing of water system enterprises; (b) is in fact independent and not under domination of the City; (c) does not have any substantial interest, direct or indirect, with the City; and (d) is not connected with the City as an officer or employee of the City, but who may be regularly retained to make reports to the City. An independent firm serving as a municipal advisor (or financial advisor) or as the underwriter for the Bonds or Parity Debt may be an Independent Fiscal Consultant for the purposes of this Indenture.

“Information Services” means the Electronic Municipal Market Access System (referred to as “EMMA”), a facility of the Municipal Securities Rulemaking Board, at www.emma.msrb.org; provided, however, in accordance with then current guidelines of the Securities and Exchange Commission, Information Services shall also mean such other addresses and/or such other services providing information with respect to called bonds as the City may designate in writing to the Trustee.

“Interest Account” means the account by that name in the Debt Service Fund established and held by the Trustee pursuant to Section 4.03.

“Insured Bonds” means the Bonds maturing on June 1 in the years 20__ through 20__, inclusive.

“Interest Payment Date” means June 1 and December 1 of each year, beginning on [June 1, 2019].

“Letter of Representations” means the Blanket Issuer Letter of Representations, dated March 1, 2018, from the City to DTC, qualifying bonds issued by the City for the DTC’s book-entry system, as originally executed or as it may be supplemented or revised or replaced by a letter to a substitute depository.

“Maximum Annual Debt Service” means with respect to any portion of the Outstanding Parity Obligations for which the calculation is being made, the largest Annual Debt Service during the period from the date of calculation through the final maturity date of all of such Outstanding Parity Obligations.

“Moody’s” means Moody’s Investors Service, Inc., and its successors and assigns, except that if at any time that such corporation no longer exists or no longer performs the function of a rating agency for municipal securities, then the term “Moody’s” will be deemed to refer to any other nationally recognized rating agency selected by the City.

“Net Revenues” means, for any period, an amount equal to all of the Gross Revenues received during such period minus: (i) the amount required to be paid by the City for the 2013 Loan pursuant to the 2013 Loan Agreement, and (ii) the amount required to pay all Operation and Maintenance Costs during such period.

“Nominee” means the nominee of DTC, which initially will be Cede & Co., as determined from time to time pursuant to Section 2.12.

“Obligations” means obligations with respect to borrowed money and includes bonds, notes or other evidences of indebtedness, installment purchase payments under contract, and lease payments under any financing or capital lease (determined to be such in accordance with Generally Accepted Accounting Principles), which are payable from Net Revenues, whether on a parity or subordinate basis to the Bonds.

“Operation and Maintenance Costs” means the reasonable and necessary costs paid or incurred by the City, payable from Gross Revenues, for maintaining and operating the Water System, determined in accordance with Generally Accepted Accounting Principles, including but not limited to: (i) all reasonable expenses of management and repair and all other expenses necessary to maintain and preserve the Water System in good repair and working order, (ii) all administrative costs of the City that are charged directly or apportioned to the operation of the Water System, such as salaries and wages of employees, overhead, taxes (if any), the cost of permits and licenses to operate the Water System and insurance premiums, and (iii) all other reasonable and necessary costs of the City or charges required to be paid by it to comply with the terms hereof; but excluding in all cases, the following: (A) debt service payable on obligations (including bonds, notes or other evidences of indebtedness, installment purchase payments under contract, and lease payments under any financing or capital lease, as determined to be such in accordance with Generally Accepted Accounting Principles) incurred by the City with respect to the Water System, (B) depreciation, replacement and obsolescence charges or reserves therefor, (C) amortization of intangibles or other bookkeeping entries of a similar nature, and (D) costs of capital projects which under Generally Accepted Accounting Principles are chargeable to a separate capital account or to a reserve for depreciation.

“Original Purchaser” means Stifel, Nicolaus & Company, Incorporated.

“Outstanding,” when used as of any particular time with reference to any Obligations, means (subject to the provisions of Section 13.03 with respect to the Bonds or similar provisions in the applicable Parity Obligation Agreements), all of such Obligations theretofore issued or thereupon issued by the City except:

- (a) Obligations theretofore canceled or surrendered for cancellation;
- (b) Obligations paid or deemed to have been paid within the meaning of the defeasance provisions of the instrument pursuant to which such Obligations are issued; and
- (c) Obligations in lieu of or in substitution for which replacement Obligations have been issued.

“Owner” or “Bond Owner,” when used with respect to any Bond, means the person in whose name the ownership of such Bond shall be registered on the Registration Books.

“Parity Obligation Agreement” means the agreement or agreements, originally executed and as the same may be amended or supplemented from time to time, that sets forth the terms of repayment with respect to any Parity Obligations.

“Parity Obligations” means the Bonds and any Obligations which are payable from Net Revenues on a parity with the payment of the Bonds and the issuance of which satisfies the applicable conditions of Section 5.01, including without limitation Credit Provider Reimbursement Obligations that are specified as payable on a parity with the Bonds under any Credit Support Agreement.

“Permitted Investments” means any of the following (provided, that the Trustee shall be entitled to rely upon the City’s written directions as conclusive certification to the Trustee that the investments described therein are Permissible Investments; and provided further, to the extent that the criteria below an investment require a certain minimum rating, such rating shall be determined by the time of purchase of such investment): *[to be revised based on Bond Insurer requirements]*

(a) Obligations of, or obligations (including obligations issued or held in book-entry form on the books of the Department of the Treasury) guaranteed as to principal and interest by, the United States of America or any agency or instrumentality thereof, when such obligations are backed by the full faith and credit of the United States of America including:

1. U.S. Treasury obligations;
2. All direct or fully guaranteed obligations
3. Farmers Home Administration;
4. General Services Administration;
5. Guaranteed Title XI financing;
6. Government National Mortgage Association (GNMA); and
7. U.S. Treasury - State and Local Government Series.

(b) Obligations of, or obligations guaranteed as to principal and interest by, the United States of America or any agency or instrumentality thereof, when such obligations are backed by the full faith and credit of the United States of America including:

1. Export-Import Bank;
2. Rural Economic Community Development Administration;
3. U.S. Maritime Administration;

4. Small Business Administration;
5. U.S. Department of Housing & Urban Development (PHAs);
6. Federal Housing Administration; and
7. Federal Financing Bank.

(c) Direct obligations of the following non-full faith and credit United States government agencies:

1. Federal Home Loan Bank System
Senior debt obligations
2. Federal Home Loan Mortgage Corporation (“FHLMC”)
Senior debt obligations
3. Federal National Mortgage Association (“FNMA”)
Mortgage-backed securities and senior debt obligations
4. Student Loan Marketing Association (“SLMA”)
Senior debt obligations
5. Resolution Funding Corporation obligations
6. Farm Credit System
Consolidated system-wide bonds and notes.

(d) Unsecured certificates of deposit (including those placed by a third party pursuant to a separate agreement between the City and the Trustee), savings accounts, deposit accounts or money market deposits (including those of the Trustee and its affiliates), bank deposit products, trust accounts, interest bearing deposits, overnight banking deposits and interest bearing money market accounts, time deposits, and bankers’ acceptances (having maturities of not more than 30 days) of any bank the short-term obligations of which are rated “A-1” or better by S&P.

(e) Certificates of deposit (including those placed by a third party pursuant to a separate agreement between the City and the Trustee), savings accounts, deposit accounts or money market deposits (including those of the Trustee and its affiliates) which are fully insured by the Federal Deposit Insurance Corporation (including Bank Insurance Fund and Savings Association Insurance Fund), or collateralized by Permitted Investments described in clause (a) for amounts in excess of FDIC insurance.

(f) Investments in money market mutual funds rated in the highest short-term Rating Category for money market funds (without regard to qualifier) of at least one nationally recognized rating agency including funds for which the Trustee and its affiliates provide investment advisory or other services but excluding funds with a floating net asset value.

(g) U.S. Dollar-denominated deposit accounts, federal funds and bankers' acceptances with domestic commercial banks (including the Trustee and its affiliates) which have a rating on their short term certificates of deposit on the date of purchase of "P-1" by Moody's and "A-1" or "A-1+" by S&P and maturing not more than 360 calendar days after the date of purchase (provided that ratings on holding companies shall not be considered the rating of the bank).

(h) Investment agreements with a domestic or foreign bank or corporation (other than a life or property casualty insurance company) the long-term debt of which, or, in the case of a guaranteed corporation the long-term debt, or, in the case of a financial guaranty insurance company, claims paying ability, of the guarantor, is rated at least "AA" by S&P or "Aa" by Moody's; provided that, by the terms of the investment agreement:

A. Interest payments are to be made to the Trustee at times and in amounts as necessary to pay debt service on the Bonds;

B. The invested funds are available for withdrawal without penalty or premium, at any time upon not more than seven days' prior notice;

C. The investment agreement shall state that the provider's payment obligation thereunder is the unconditional and general obligation of, and is not subordinated to any other obligation of, the provider thereof or, if the provider is a bank, the agreement or the opinion of counsel, shall state that the obligation of the provider to make payments thereunder ranks pari passu with the obligations of the provider to its other depositors and its other unsecured and unsubordinated creditors;

D. The City and the Trustee receives the opinion of domestic counsel (which opinion shall be addressed to the City) that such investment agreement is legal, valid, binding and enforceable upon the provider in accordance with its terms and of foreign counsel (if applicable) in form and substance acceptable, and addressed to, the City;

E. The investment agreement shall provide that if during its term:

(I) the provider's rating by either S&P or Moody's falls below "AA-" or "Aa3", respectively, the provider shall, at its option, within 10 days of receipt of publication of such downgrade, either (A) collateralize the investment agreement by delivering or transferring in accordance with applicable state and federal laws (other than by means of entries on the provider's books) to the City, the Trustee or a third party acting solely as agent therefor (the "Holder of the Collateral") collateral free and clear of any third-party liens or claims the market value of which collateral is maintained at levels and upon such conditions as would be acceptable to S&P or Moody's to maintain an "A" rating in an "A" rated structured financing (with a market value approach); or (B) repay the principal of and accrued but unpaid interest on the investment, and

(II) the provider's rating by either S&P or Moody's is withdrawn or suspended or falls below "A-" or "A3", respectively, the provider

must, at the direction of the City or the Trustee, within 10 days of receipt of such direction, repay the principal of and accrued but unpaid interest on the investment, in either case with no penalty or premium to the City or Trustee,

F. The investment agreement shall state and an opinion of counsel shall be rendered, in the event collateral is required to be pledged by the provider under the terms of the investment agreement, at the time such collateral is delivered, that the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession);

G. the investment agreement must provide that if during its term:

(I) the provider shall default in its payment obligations, the provider's obligations under the investment agreement shall, at the direction of the City or the Trustee, be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the City or Trustee, as appropriate, and

(II) the provider shall become insolvent, not pay its debts as they become due, be declared or petition to be declared bankrupt, etc. ("event of insolvency"), the provider's obligations shall be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the City or Trustee, as appropriate.

(i) Commercial paper which is rated at the time of purchase in the single highest classification, "P-1" by Moody's and "A-1+" by S&P and which matures not more than 270 calendar days after the date of purchase.

(j) Any bonds or other obligations of any agency, instrumentality or local governmental unit of any state of the United States of America which are rated "A2" or higher by Moody's or "A" or higher by S&P.

(k) Repurchase agreements with financial institutions fully insured by the Federal Deposit Insurance Corporation or any broker-dealer with "retail customers" which falls under Securities Investors Protection Corporation jurisdiction, and at the time of execution of such repurchase agreement, having unsecured debt obligations rated in one of the two highest Rating Categories by S&P and Moody's, which repurchase agreements are secured by cash any of the obligations referred to in (a), (b) or (c) above, provided that the Trustee or a third party acting solely as agent for the Trustee has possession of the collateral securing such repurchase agreement and the Trustee has a perfected first security interest in the collateral securing such repurchase agreement.

(l) "Pre-refunded Municipal Obligations," defined as follows: any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice and (1) which are rated, based on an irrevocable escrow account or fund (the "escrow"), in the highest Rating Category of Moody's or S&P or any successors

thereto; or (2) (A) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or Defeasance Securities, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (B) which escrow is sufficient (if the escrow is not solely in cash, as verified by a nationally recognized independent certified public accountant), to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate.

(m) Any state administered pool investment fund in which the City is statutorily permitted or required to invest will be deemed a permitted investment, including, but not limited to the Local Agency Investment Fund in the treasury of the State.

(n) Any other investments which meet the criteria established by applicable published investment guidelines issued by each rating agency then rating the Bonds.

“Principal Account” means the account by that name in the Debt Service Fund established and held by the Trustee pursuant to Section 4.03.

“Project Fund” means the fund designated the fund by that name established and held by the Trustee pursuant to Section 3.04.

“Qualified Reserve Credit Instrument” means an irrevocable standby or direct-pay letter of credit or surety bond issued by a commercial bank or insurance company and deposited with the Trustee pursuant to Section 4.04, provided that all of the following requirements are met: (i) at the time of issuance of the instrument, the long-term credit rating of such bank is within one of the two highest Rating Categories of Moody’s or S&P, or the financial strength of such insurance company is rated within one of the two highest Rating Categories of A.M. Best & Company, or if any of the Bonds are insured, the long-term credit rating of such bank or claims paying ability of such insurance company is at least as high as the insured rating of the Bonds; (ii) such letter of credit or surety bond has a term of at least 12 months; (iii) such letter of credit or surety bond has a stated amount at least equal to the portion of the Reserve Requirement with respect to which funds are proposed to be released pursuant to Section 4.04; and (iv) the Trustee is authorized pursuant to the terms of such letter of credit or surety bond to draw thereunder amounts necessary to carry out the purposes specified in Section 4.04, including the replenishment of the Interest Account, the Principal Account or the Sinking Account. The Reserve Policy is a Qualified Reserve Credit Instrument.

“Rating Category” means: (a) with respect to any long-term rating category, all ratings designated by a particular letter or combination of letters, without regarding to any numerical modifier, plus or minus sign or other modifier; and (b) with respect to any short-term rating category, all ratings designated by a particular letter or combination of letters taking into account any numerical modifier, but not any plus or minus sign or other modifier.

“Rebate Amount” has the meaning ascribed to it in the Tax Certificate.

“Record Date” means, with respect to any Interest Payment Date, the fifteenth calendar day of the month immediately preceding such Interest Payment Date, whether or not such day is a Business Day.

“Redemption Fund” means the fund by that name established and held by the Trustee pursuant to Section 4.05.

“Registration Books” means the records maintained by the Trustee pursuant to Section 2.04 for the registration and transfer of ownership of the Bonds.

“Reserve Fund” means the fund by that name established and held by the Trustee pursuant to Section 4.04.

“Reserve Policy” means Debt Service Reserve Policy issued by the Bond Insurer upon issuance of the Bonds, which is a Qualified Reserve Credit Instrument.

[“Reserve Policy Agreement” means the _____, dated as of the Closing Date, by and between the City and the Bond Insurer, relating to the Reserve Policy, together with any amendment or supplements thereto hereafter executed.]

“Reserve Requirement” means, as of any calculation date, an amount equal to the least of (i) ten percent of the principal amount of the Bonds upon issuance; (ii) 125 percent of Average Annual Debt Service (based on Bond Year) of the Outstanding Bonds; or (iii) Maximum Annual Debt Service (based on Bond Year) of the Outstanding Bonds. The amount of the Reserve Requirement on any date is subject to confirmation by the City to the Trustee upon the Trustee’s request.

“S&P” means S&P Global Ratings, a division of Standard & Poor’s Financial Services LLC, and its successors and assigns, except that if at any time that such corporation no longer exists or no longer performs the function of a rating agency for municipal securities, then the term “S&P” will be deemed to refer to any other nationally recognized rating agency selected by the City.

“Securities Depositories” means The Depository Trust Company, 55 Water Street, 50th Floor, New York, New York 10041, Attn: Call Notification Department, Fax (212) 855-7232 and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the City may designate in a Certificate of the City delivered to the Trustee.

“Serial Bonds” means the Bonds that are not Term Bonds.

“Serial Obligations” means Obligations for which no mandatory sinking fund payments are provided.

“Sinking Account” means the account by that name in the Debt Service Fund held by the Trustee pursuant to Section 4.03.

“Sinking Account Installment” means the amount of money required by the Indenture to be paid by the City on any single date toward the retirement of any particular Term Bonds on or prior to their respective stated maturity dates.

“State” means the State of California.

“Supplemental Indenture” means any agreement supplemental to or amendatory of this Indenture entered into in accordance with the provisions of Article VII.

“Tax Certificate,” means the Certificate Regarding Compliance with Certain Tax Matters (or similar instrument) dated the Closing Date relating to the requirements of certain provisions of the Code, as such certificate may from time to time be modified or supplemented in accordance with the terms thereof.

“Tax-Exempt” means, with respect to interest on any obligations of a state or local government, that such interest is excluded from gross income for federal income tax purposes whether or not such interest is an item of tax preference for purposes of the alternative minimum tax under the Code or otherwise taken into account in calculating tax liabilities under the Code.

“Term Bonds” means the Bonds maturing on June 1, 20__, and June 1, 20__.

“Term Obligations” means Obligations which are payable on or before their specified maturity dates from sinking fund payments established for that purpose and calculated to retire such Obligations on or before their specified maturity dates.

“Trust Office” means the corporate trust office of the Trustee at the address set forth in Section 12.09; provided, however, for transfer, registration, exchange, payment and surrender of Bonds, “Trust Office” means the corporate trust office of the Trustee in St. Paul, Minnesota, or such other office designated in writing by the Trustee from time to time.

“Trustee” means U.S. Bank National Association, and its successors and assigns, and any other corporation or association that may at any time be substituted in its place as provided in Article VII.

“Water Fund” means the City of Lemoore Water Revenue Fund established and maintained by the City in which all Gross Revenues are deposited.

“Water System” means all properties and assets, real and personal, tangible or intangible, of the City now or hereafter existing, used or pertaining to the acquisition, treatment, reclamation, transmission, distribution and sale of water, including the portion thereof existing on the date hereof and including all additions, betterments, extensions and improvements to such water system or any part thereof hereafter acquired or constructed; provided, that to the extent the City is not the sole owner of an asset or property or to the extent that an asset or property is used in part for the above-described water system purposes, only the City’s ownership interest in such asset or property or only the part of the asset or property so used for Water System purposes shall be considered to be part of the Water System.

Section 1.02 Rules of Construction.

(a) Unless the context otherwise indicates, words expressed in the singular shall include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and shall be deemed to include the neuter, masculine or feminine gender, as appropriate.

(b) Headings of articles and sections in and the table of contents of this Indenture are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

(c) Unless otherwise indicated, all references herein to “Articles”, “Sections” and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Indenture; the words “herein”, “hereof”, “hereby”, “hereunder” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or subdivision hereof.

Section 1.03 Equal Security. The Bonds shall be issued under and subject to the terms of this Indenture. In consideration of the acceptance of the Bonds by the Owners thereof, the Indenture shall be deemed to be and shall constitute a contract between the City and the Trustee for the benefit of Owners from time to time of all Bonds issued under this Indenture and then Outstanding to secure the full and final payment of the interest on and principal of and redemption premium, if any, on all Bonds authorized, executed, issued and delivered under this Indenture; and the agreements and covenants set forth in this Indenture to be performed on behalf of the City shall be for the equal and proportionate benefit, security and protection of all Owners of the Bonds without preference, priority or distinction as to security or otherwise of any Bonds over any other Bonds, subject to the agreements, conditions, covenants and provisions contained in this Indenture.

ARTICLE II

TERMS OF THE BONDS; GENERAL PROVISIONS RELATING TO EXECUTION AND DELIVERY

Section 2.01 Authorization; Designation; Form. The City has reviewed all proceedings heretofore taken relative to the authorization of the Bonds and has found, as a result of such review, and hereby finds and determines that all things, conditions, and acts required by law to exist, to happen and to be performed precedent to and in the issuance of the Bonds do exist, have happened and have been performed in due time, form and manner as required by law, and the City is now authorized under the Title 10 of the City Charter, the Authorizing Resolution and each and every requirement of law, to issue the Bonds in the manner and form provided in this Indenture. Accordingly, the City hereby authorizes the issuance of the Bonds pursuant to this Indenture for the purposes described herein.

The City may at any time execute and deliver the Bonds, designated the City’s Water Revenue Bonds, Series 2019, authorized to be issued under this Indenture, in the aggregate principal amount of _____ **Dollars (\$_____)**. Upon the Written Request of the City, the Trustee shall authenticate and deliver the Bonds. The Bonds, the certificate of authentication and the assignment to appear thereon shall be substantially in the

form attached as Exhibit A with necessary or appropriate variations, omissions and insertions as permitted or required by this Indenture

Section 2.02 Terms of the Bonds.

(a) The Bonds shall be dated the Closing Date, shall mature on the dates and in the amounts, and shall bear interest (calculated on the basis of a 360-day year of twelve 30-day months) at the rates, as follows:

Maturity Date (June 1)	Principal Amount	Interest Rate	Maturity Date (June 1)	Principal Amount	Interest Rate
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The Bonds shall be delivered in fully registered form, numbered from one upwards in consecutive numerical order (with such alphabetical prefix as the Trustee shall determine). The Bonds shall be executed and delivered, without coupons, in the denominations of \$5,000 and any integral multiple thereof.

(b) The interest, principal, and redemption premiums, if any, due with respect to the Bonds shall be payable in lawful money of the United States of America. Subject to Section 2.12, the interest due on the Bonds shall be payable on their Interest Payment Dates by check or draft mailed by first class mail on the applicable Interest Payment Date by the Trustee to the respective Owners thereof at their addresses as they appear in the Registration Books on the Record Date with respect to each Interest Payment Date; provided, however, payment of interest may be by wire transfer in immediately available funds to an account in the United States of America to any Owner of Bonds in the aggregate principal amount of \$1,000,000 or more who shall furnish written wire instructions to the Trustee at least five days before the applicable Record Date. Principal of any Bond and any premium upon redemption shall be paid by check of the Trustee upon presentation and surrender thereof at the Trust Office.

Interest on each Bond shall accrue from the Interest Payment Date next preceding the date of authentication thereof unless (i) the Bond is authenticated on or before an Interest Payment Date but after the close of business on the related Record Date, in which event it shall bear interest from such Interest Payment Date, or (ii) the Bond is authenticated on or before the Record Date preceding the first Interest Payment Date, in which event it shall bear interest from the Closing Date; provided, however, that if, at the time of authentication of any Bond, interest is in default on Outstanding Bonds, the Trustee shall establish a special record date for payment of any interest in default hereunder and interest on such Bond shall accrue from the date to which interest has previously been paid in full or made available for payment on such Bond. Interest on the Bonds shall accrue on overdue principal at the same rate borne by the particular Bonds.

Section 2.03 Redemption of Bonds.

(a) Optional Redemption. The Bonds maturing on or before June 1, 20__ shall not be subject to optional redemption by the City. The Bonds maturing on or after June 1, 20__ shall be subject to redemption prior to their maturity, as a whole or in part, at the option of the City as the City shall designate (which designation shall be in writing and shall be delivered to the Trustee no later than 45 days [or such shorter period as acceptable to the Trustee as such designation being for the convenience of the Trustee] prior to the redemption date) and by lot within a maturity, in the principal amount of \$5,000 or integral multiples thereof, on any date on or after June 1, 20__, from funds derived by the City from any source, at the redemption price set forth below (expressed as a percentage of the principal amount of Bonds called for redemption), plus accrued interest thereon to the redemption date:

<u>Redemption Date</u>	<u>Redemption Price</u>
June 1, 20__ through May 30, 20__	%
June 1, 20__ through May 30, 20__	
June 1, 20__ and thereafter	

(b) Mandatory Sinking Account Redemption. The Bonds maturing on June 1, 20__ and June 1, 20__ shall be subject to redemption prior to their stated maturity, in part by lot, from Sinking Account Installments deposited in the Sinking Account, at the principal amount thereof and interest accrued thereon to the date of redemption, without premium, according to the following schedule[s]; provided, however, if some but not all of the Term Bonds of a maturity have been optionally redeemed pursuant to Section 2.03(a), each future Sinking Account Installment will be reduced on a pro rata basis (as nearly as practicable) in integral multiples of \$5,000, so that the total dollar amount of Sinking Account Installments to be made after the optional redemption shall be reduced by an amount equal to the principal amount of the Term Bonds redeemed pursuant to the optional redemption, as shall be designated pursuant to written notice filed by the City with the Trustee:

Term Bonds Maturing on June 1, 20__

<u>Redemption Date</u> <u>(June 1)</u>	<u>Principal Amount to</u> <u>be Redeemed</u>
---	--

*

* maturity

Term Bonds Maturing on June 1, 20__

Redemption Date (June 1)	Principal Amount to be Redeemed
_____	_____

*

* maturity

In lieu of a redemption pursuant to this Section 2.03(b), the Trustee may apply amounts in the Sinking Account to purchase a portion of the Term Bonds of such maturity at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Account) as may be directed by the City, except that the purchase price (exclusive of accrued interest) may not exceed the redemption price then applicable to such Term Bonds, as set forth in writing by the City; provided, however, no Term Bonds shall be purchased by the Trustee hereunder with a settlement date more than 60 days prior to the date on which the City would otherwise redeem such Term Bonds pursuant to this Section 2.03(b). The principal amount of any portion of the Term Bonds so purchased by the Trustee shall be credited towards and shall reduce the Sinking Account Installment otherwise coming due with respect to such Term Bonds.

(c) Selection of Bonds for Redemption. Whenever provision is made in this Indenture for the redemption of less than all of the Bonds, the Trustee shall select the Bonds to be redeemed from all Outstanding Bonds or such given portion thereof not previously called for redemption, on a pro rata basis among the maturities (unless the maturity or maturities are otherwise specified in this Indenture or in writing by the City) and by lot within a maturity in any manner which the Trustee in its discretion shall deem appropriate. For purposes of such selection, all Bonds shall be deemed to be comprised of separate \$5,000 portions and such portions shall be treated as separate Bonds, which may be separately redeemed.

(d) Partial Redemption of Bonds. In the event only a portion of any Bond is called for redemption, then upon surrender of such Bond, the City shall execute and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the City, a new Bond or Bonds of the same maturity date, of Authorized Denominations in aggregate principal amount equal to the unredeemed portion of the Bond being redeemed. A partial redemption shall be valid upon payment of the amount required to be paid to the Owner, and the City and the Trustee shall be released and discharged from all liability to the extent of such payment.

(e) Notice of Redemption. Notice of redemption shall be sent by first class mail (or with respect to notices to be received by DTC or its Nominee, any Information Service or Securities Depository, by such transmission method as acceptable to such entity) by the Trustee, on behalf and at the expense of the City, not more than 60 days but not less than 30 days prior to the redemption date to (i) the respective Owners of Bonds designated for redemption at

their addresses appearing on the bond registration books of the Trustee, (ii) one or more Information Services, and (iii) the Securities Depositories. Each notice of redemption shall state the date of such notice, the Bonds to be redeemed, the redemption date, the redemption price, the place or places of redemption (including the name and appropriate address or addresses), the CUSIP number (if any) of the maturity or maturities, and, if less than all of any such maturity are to be redeemed, the distinctive certificate numbers of the Bonds of such maturity to be redeemed and, in the case of Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice shall also state that on said date there will become due and payable on each of such Bonds the redemption price thereof or of said specified portion of the principal amount thereof in the case of a Bond to be redeemed in part only, together with interest accrued thereon to the redemption date, and that from and after such redemption date interest thereon shall cease to accrue, and shall require that such Bonds be then surrendered at the address or addresses of the Trustee specified in the redemption notice. If, at the time that the notice of redemption is sent to the Owner, the City has not deposited with the Trustee sufficient funds to pay the redemption price and accrued interest, in full, with respect to the Bonds being called, the notice shall expressly state that the redemption is conditioned upon the receipt of sufficient funds by the Trustee from the City on or before the redemption date.

Failure by the Trustee to give notice pursuant to this Section to any of the Information Services or Securities Depositories, or the insufficiency of (or the defect in) any such notice shall not affect the sufficiency of the proceedings for redemption. Neither the failure of any Owner to receive a redemption notice nor any defect in the notice so sent shall affect the sufficiency or the validity of the proceedings for redemption.

(f) Right to Rescind Optional Redemption. The City may rescind any optional redemption by written notice to the Trustee on or prior to the date fixed for redemption. In addition, any notice of optional redemption shall be cancelled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation shall not constitute an Event of Default hereunder. The City and the Trustee shall have no liability to the Owners or any other party related to or arising from such rescission. The Trustee shall send notices of such rescission in the same manner as that prescribed in Section 2.03(e) for notices of redemption.

(g) Effect of Redemption. From and after the date designated for redemption, if funds available for the payment of the principal of and interest (and premium, if any) on the Bonds so called for redemption shall have been duly provided, such Bonds shall cease to be entitled to any benefit under this Indenture other than the right to receive payment of the redemption price, and no interest shall accrue thereon from and after the designated redemption date. All Bonds redeemed pursuant to this Section 2.03 shall be canceled by the Trustee. All moneys held by or on behalf of the Trustee for the payment of principal of or interest (or premium, if any) on Bonds, whether at redemption or maturity, shall be held in trust for the account of the Owners thereof and the Trustee shall not be required to pay Owners any interest on, or be liable to Owners for any interest earned on, moneys so held.

Section 2.04 Registration Books. The Trustee shall keep at its Trust Office sufficient Registration Books for the registration of the ownership, transfer and exchange of the Bonds. Registration Books shall be available for inspection by the City and its designated agent or any

Owner or such Owner's agent duly authorized in writing at reasonable hours and under reasonable conditions with reasonable prior notice. The Trustee shall, under such reasonable regulations as it may prescribe, register the ownership, transfer or exchange of the Bonds in such Registration Books as provided in this Indenture. The ownership of any Bonds may be proved by the Registration Books. No person other than an Owner, as shown in the Registration Books, shall receive a Bond evidencing the obligation of the City to make payments of principal, premium, if any, and interest pursuant to this Indenture. The Trustee may deem and treat the person in whose name any Bond shall be registered upon Registration Books as the absolute Owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal and premium, if any, and interest with respect to such Bond and for all other purposes, and all such payments so made to any such Owner or upon such Owner's order shall be valid and effectual to satisfy and discharge the City's and the Trustee's liability upon such Bond to the extent of the sum or sums so paid, and neither the City nor the Trustee shall not be affected by any notice to the contrary.

Section 2.05 Execution of Bonds. The Bonds shall be signed in the name and on behalf of the City with the manual or facsimile signatures of the Mayor (or in the Mayor's absence, the Mayor Pro-Tem) and attested with the manual or facsimile signature of the City Clerk, and shall be delivered to the Trustee for authentication by it. In case any officer of the City who shall have signed any of the Bonds shall cease to be such officer before the Bonds so signed shall have been authenticated or delivered by the Trustee or issued by the City, such Bonds may nevertheless be authenticated, delivered and issued and, upon such authentication, delivery and issue, shall be as binding upon the City as though the individual who signed the same had continued to be such officer of the City. Also, any Bond may be signed on behalf of the City by any individual who on the actual date of the execution of such Bond shall be the proper officer although on the nominal date of such Bond such individual shall not have been such officer.

Only such of the Bonds as shall bear thereon a certificate of authentication, manually executed by the Trustee, shall be valid or obligatory for any purpose or entitled to the benefits of this Indenture, and such certificate of the Trustee shall be conclusive evidence that the Bonds so authenticated have been duly authenticated and delivered hereunder and are entitled to the benefits of this Indenture.

Section 2.06 Transfer of Bonds. Any Bond may, in accordance with its terms, be transferred, upon the Registration Books, by the person in whose name it is registered, in person or by such person's duly authorized attorney, upon presentation and surrender of such Bond for cancellation, accompanied by delivery of a written instrument of transfer in a form approved by the Trustee, duly executed. Whenever any Bond shall be surrendered for transfer, the City shall execute and the Trustee shall thereupon authenticate and deliver to the transferee a new Bond or Bonds of like tenor, maturity and aggregate principal amount. The Trustee shall not be required to transfer, pursuant to this Section, (i) any Bond in the 15 days prior to selection of Bonds for redemption (whether or not such Bond is thereafter selected for redemption) and (ii) any Bond selected for redemption in whole or in part.

Section 2.07 Exchange of Bonds. Bonds may be exchanged at the Trust Office of the Trustee for the same aggregate principal amount of Bonds of the same tenor and maturity and of

other Authorized Denominations. The cost of printing any Bonds and any services rendered or expenses incurred by the Trustee in connection with any such exchange shall be paid by the City, except that the Trustee shall require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange. The Trustee shall not be required to exchange, pursuant to this Section, (i) any Bond in the 15 days prior to selection of Bonds for redemption (whether or not such Bond is thereafter selected for redemption) and (ii) any Bond selected for redemption in whole or in part.

Section 2.08 Temporary Bonds.

(a) Until definitive Bonds are prepared, the City may direct the Trustee to authenticate and deliver, in the same manner as is provided in this Article II, in lieu of definitive Bonds, one or more temporary Bonds substantially of the tenor of the definitive Bonds in lieu of which such temporary Bond or Bonds are issued, in denominations authorized hereunder, so long as no such Bond shall have its principal amount becoming payable in more than one year, and with such omissions, insertions and variations as may be appropriate to temporary Bonds. At the expense of the City, the City shall prepare and the Trustee shall authenticate and, upon the surrender of such temporary Bonds and the cancellation of such surrendered temporary Bonds, the Trustee shall without charge to the Owner thereof, in exchange therefor, deliver definitive Bonds, of the same principal amount and maturity as the temporary Bonds surrendered. Until so exchanged, the temporary Bonds shall in all respects be entitled to the same benefits and security as definitive Bonds executed and delivered pursuant to this Indenture.

(b) If the City shall request the execution and delivery of temporary Bonds in more than one denomination, the Owner of any temporary Bond or Bonds may, at such Owner's option, surrender the same to the Trustee in exchange for another temporary Bond or Bonds of like principal amount and maturity of any other Authorized Denomination or Denominations, and thereupon the Trustee shall authenticate and deliver, in exchange for the temporary Bond or Bonds so surrendered and upon payment of the taxes, fees and charges provided for in Section 2.10, a temporary Bond or Bonds of like aggregate principal amount and maturity in such other Authorized Denomination or Denominations as shall be requested by such Owner.

(c) All temporary Bonds surrendered in exchange either for another temporary Bond or Bonds or for a definitive Bond or Bonds shall be forthwith cancelled by the Trustee and destroyed, and the Trustee shall certify in writing as to their destruction.

Section 2.09 Bonds Mutilated, Lost, Destroyed or Stolen. If any Bond shall become mutilated, the City, at the expense of the Owner of said Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor, maturity and aggregate principal amount in an Authorized Denomination in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee shall be canceled by it. If any Bond issued hereunder shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence shall be satisfactory to it and indemnity satisfactory to it shall be given, the City, at the expense of the Bond Owner, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor in lieu of and in substitution for the Bond so lost, destroyed or stolen (or if any such Bond shall have matured or shall have been called for

redemption, instead of issuing a substitute Bond the Trustee may pay the same without surrender thereof upon receipt of indemnity satisfactory to the Trustee). The City may require payment of a reasonable fee for each new Bond issued under this Section and of the expenses that may be incurred by the City and the Trustee. Any Bond issued under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute an original contractual obligation on the part of the City whether or not the Bond alleged to be lost, destroyed or stolen shall be at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Indenture with all other Bonds secured by this Indenture.

Section 2.10 Additional Provisions with Respect to Exchanges and Transfers. In all cases in which the privilege of exchanging Bonds or transferring Bonds is exercised, the Trustee shall execute and deliver Bonds in accordance with the provisions of this Indenture. All Bonds surrendered in any such exchanges or transfers shall be promptly cancelled by the Trustee and destroyed, and the Trustee shall certify as to their destruction. The cost of printing any Bonds and any services rendered or expenses incurred by the Trustee in connection with any such transfer or exchange shall be paid by the City, except that the Trustee shall require the payment by the Owner requesting such transfer or exchange of any tax or other governmental charge required to be paid with respect to such transfer.

Section 2.11 Cancellation of Paid or Redeemed Bonds. All Bonds paid or redeemed, either at or before maturity, shall be delivered to the Trustee when such payment or redemption is made and such Bonds shall thereupon be promptly cancelled and destroyed, and the Trustee shall certify in writing as to their destruction.

Section 2.12 Book-Entry System.

(a) Book-Entry System; Limited Obligation of City. The Bonds shall be initially delivered in the form of a separate single fully registered Bond for each maturity of the Bonds (provided, that if the Bonds of a single maturity bear different interest rates, then there shall be a separate single fully registered bond for each interest rate of such maturity). Upon initial delivery, the ownership of each such Bond shall be registered in the Registration Books in the name of Cede & Co., as the initial Nominee of DTC. Thereafter, DTC may from time to time designate a substitute Nominee by written notification to the Trustee. Except as provided in Section 2.12(c), all of the Outstanding Bonds shall be registered in the Registration Books. DTC has represented to the City that it will maintain a book entry system in recording ownership interests of the Direct Participants and the ownership interests of Beneficial Owners shall be recorded through book entries on the records of the Direct Participants.

With respect to Bonds so registered in the name of the Nominee, the City and the Trustee shall have no responsibility or obligation to any Direct Participant or to any Beneficial Owner of such Bonds. Without limiting the immediately preceding sentence, the City and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, the Nominee or any Direct Participant with respect to any beneficial ownership interest in the Bonds, (ii) the delivery to any Direct Participant, Beneficial Owner or other person, other than DTC, of any notice with respect to the Bonds, including any notice of redemption, (iii) the selection by the DTC and its Direct Participants of the beneficial interests in the Bonds to be redeemed in the event the Bonds are redeemed in part, (iv) the payment to any Direct Participant,

Beneficial Owner or other person, other than DTC, of any amount with respect to the principal or redemption price of, or interest on, the Bonds, or (v) any consent given or other action taken by DTC as Owner of the Bonds. The City and the Trustee may treat DTC as, and deem DTC to be, the absolute Owner of each Bond for all purposes whatsoever including (but not limited to) (I) payment of the principal or redemption price of, and interest on, each such Bond, (II) giving notices of redemption and other matters with respect to such Bonds and (III) registering transfers with respect to such Bonds. The Trustee shall pay the principal or redemption price of, and interest on, all book entry Bonds only to or upon the order of DTC, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to such principal or redemption price, and interest, to the extent of the sum or sums so paid. No person other than DTC shall receive a Bond evidencing the obligation of the City to make payments of principal or redemption price of, and interest on, the Bonds pursuant to this Indenture.

(b) Letter of Representations. In order to qualify the Bonds for DTC's book entry system, the City has executed and delivered the Letter of Representations to DTC. The Letter of Representations shall not in any way impose upon the City or the Trustee any obligation whatsoever with respect to persons having interests in the Bonds other than the Owners, as shown on the Registration Books. The Trustee agrees to take all action necessary to continuously comply with the Letter of Representations to the extent that such action is not inconsistent with this Indenture. The officers of the City are hereby authorized to take such actions as necessary or appropriate, not inconsistent with this Indenture, to qualify the Bonds for DTC's book-entry program.

(c) Payments to Nominee. Notwithstanding any other provisions of this Indenture to the contrary, so long as any Bond is registered in the name of the Nominee, all payments with respect to principal, premium, if any, and interest due with respect to such Bond and all notices with respect to such Bond shall be made and given, respectively, as provided in the Letter of Representations or as otherwise instructed by DTC.

(d) Discontinuance of DTC's Depository Services. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving reasonable written notice to the City and the Trustee and discharge its responsibilities with respect thereto under applicable law. The City, in its sole discretion, may terminate, upon provision of notice to the Trustee, the services of DTC with respect to the Bonds. In the event (i) DTC determines not to continue to act as securities depository for the Bonds, or (ii) the City determines that DTC shall no longer so act, then the City will discontinue the book entry system with the DTC. If the City does not identify another qualified securities depository to replace the DTC, then the Bonds so designated shall no longer be restricted to being registered in the Registration Books in the name of the Nominee, or any other nominee of a replacement security depository, but shall be registered in whatever name or names persons transferring or exchanging Bonds shall designate, in accordance with the provisions of Section 2.05 through 2.11.

(e) Notations by DTC on Bonds. Notwithstanding any provision herein to the contrary, the City and the Trustee may agree to allow DTC or its Nominee to make a notation on any Bond redeemed in part to reflect, for information purposes only, the principal amount and date of any such redemption.

ARTICLE III
APPLICATION OF PROCEEDS; COSTS OF ISSUANCE FUND; PROJECT FUND

Section 3.01 Application of Bond Sale Proceeds. On the Closing Date, the Trustee shall receive on behalf of the City in connection with the sale of the Bonds an amount equal to \$_____ from the Original Purchaser (representing the par amount of the Bonds, [plus/less] a net original issue [premium/discount] of \$_____, and less: (i) an underwriter's discount of \$_____, and (ii) \$_____ wired by the Original Purchaser to the Bond Insurer on behalf of the City for the purchase of the Bond Insurance Policy and the Reserve Policy). The Trustee shall apply such proceeds as follows:

- (a) Deposit \$_____ into the Project Fund; and
- (b) Deposit \$_____ into the Costs of Issuance Fund.

Upon receipt of the Reserve Policy on the Closing Date, the Trustee shall credit the Reserve Surety Bond to the Reserve Fund.

For record keeping purposes, the Trustee may establish such funds and subaccounts as may be necessary to reflect deposits and transfers pursuant to this Indenture or Request of the City given pursuant to this Indenture.

Section 3.02 Validity of Bonds. The validity of the authorization and issuance of the Bonds shall not be affected in any way by any proceedings taken with respect to the application of the proceeds of the Bonds, and the recital contained in the Bonds that the same are issued pursuant to the City Charter shall be conclusive evidence of their validity and of the regularity of their issuance.

Section 3.03 Costs of Issuance Fund. The Trustee shall establish a fund known as the "Costs of Issuance Fund." Pursuant to Section 3.01, the Trustee shall deposit a portion of the proceeds of the sale of the Bonds in to the Costs of Issuance Fund. The moneys the Costs of Issuance Fund shall be used from time to time to pay Costs of Issuance with respect to the Bonds and shall be disbursed by the Trustee upon delivery to the Trustee of a Requisition, substantially in the form attached hereto as Exhibit C, executed by an authorized officer of the City. On the date that is 180 days following the Closing Date of the Bonds, or upon the earlier receipt by the Trustee of a Request of the City to do so, the Trustee shall transfer all remaining amounts (if any) in the Costs of Issuance Fund to the Debt Service Fund and the Trustee shall close the Costs of Issuance Fund.

Section 3.04 Project Fund. The Trustee shall establish, maintain and hold in trust a separate fund to be known as the "Project Fund." Except as otherwise provided herein, moneys in the Project Fund shall be used solely for the payment of 2019 Project Costs. The Trustee shall disburse moneys in the Project Fund from time to time to pay 2019 Project Costs (or to reimburse the City for payment of 2019 Project Costs) upon receipt by the Trustee of a Requisition substantially in the form attached hereto as Exhibit D, executed by an authorized officer of the City. Upon the filing with the Trustee of a Certificate of the City stating that the 2019 Projects have been completed or that all Requisitions intended to be filed by the City have been filed, the Trustee shall withdraw all amounts then on deposit in the Project Fund (other than

the amount, if any, specified by the City in the Certificate to hold on deposit in the Project Fund for payments of 2019 Project Costs thereafter intended to be requisitioned by the City) and transfer such amounts to the Debt Service Fund; provided, that if the City elects to apply all or a portion of the balance in the Project Fund to make an optional redemption pursuant to Section 2.03(a), then the Trustee shall transfer the amount specified by the City to effect the corresponding optional redemption of the Bonds before making the transfer to the Debt Service Fund, and the Project Fund shall be closed by the Trustee. Unless an Event of Default has occurred and is continuing, and the Trustee is obligated to apply moneys in the Project Fund pursuant to Section 9.03, moneys in the Project Fund is not pledged to the repayment of the Bonds or any other Parity Obligations.

ARTICLE IV
PLEDGE OF NET REVENUES; ESTABLISHMENT AND ADMINISTRATION OF
FUNDS AND ACCOUNTS

Section 4.01 Pledge of Net Revenues, Certain Funds Established Pursuant to this Indenture.

(a) Subject to the application thereof on the terms and conditions provided in this Indenture, all of the Net Revenues are hereby irrevocably pledged, charged and assigned to the punctual payment of all Outstanding Bonds which pledge shall be on a parity with any pledge of Net Revenues securing other Parity Obligations as to which Section 5.01 have been satisfied. Such pledge, charge and assignment shall constitute a first lien on the Net Revenues for the payment of amounts due with respect to the Outstanding Bonds and other Parity Obligations (including the replenishment of debt service reserve funds as required) in accordance with the terms hereof and thereof.

The obligations of the City to pay principal (including Sinking Account Installments) and interest, when due, on the Outstanding Bonds from the Net Revenues and to perform and observe the other agreements contained herein shall be absolute and unconditional and shall not be subject to any defense or any right of setoff, counterclaim or recoupment arising out of any breach of the City or the Trustee of any obligation to the City or otherwise with respect to the Water System, whether hereunder or otherwise, or out of indebtedness or liability at any time owing to the City by the Trustee. So long as any Bond remains Outstanding, the City (a) will not suspend or discontinue payment of principal (including Sinking Account Installments) or interest coming due pursuant to this Indenture, (b) will perform and observe all other agreements contained in this Indenture, and (c) will not terminate this Indenture for any cause (including, without limiting the generality of the foregoing, the occurrence of any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, destruction of or damage to the Water System, sale of any portion of the Water System, the taking by eminent domain of title to or temporary use of any component thereof, commercial frustration of purpose, any change in the tax law or other laws of the United States of America or the State or any political subdivision of either thereof or any failure of the Trustee to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with the Indenture).

(b) Subject to the provisions of Section 9.03(a) (regarding payment to the Trustee for fees and expenses when applying funds upon an Event of Default), the Bonds shall also be secured by a first lien on and pledge (which shall be effected in the manner and to the extent hereinafter provided) of all of the moneys in the Debt Service Fund (including the Interest Account, the Principal Account and the Sinking Account therein) and the Reserve Fund, including all amounts derived from the investments of such moneys. The Bonds shall be equally secured by a pledge, charge and lien upon such moneys without priority for number, date of the Bonds, date of execution or date of delivery; and the payment of the interest on and principal of the Bonds and any premiums upon the redemption of any portion thereof shall be and are secured by an exclusive pledge, charge and lien upon such moneys. So long as any of the Bonds are

Outstanding, moneys in the Debt Service Fund (including the Interest Account, the Principal Account and the Sinking Account therein) and the Reserve Fund, may only be used for the purposes and in the manner permitted by this Article IV.

The City's obligation to pay principal (including Sinking Account Installments) and interest with respect to the Outstanding Bonds and any other amount due under this Indenture shall be a special obligation of the City limited solely to the Net Revenues and the funds and accounts specifically identified in this Indenture for such payments. Under no circumstances shall the City be required to advance moneys derived from any source of income other than the Net Revenues and the funds and accounts specifically identified in this Indenture for such payments, nor shall any other funds or property of the City be liable for such payments coming due and payable under this Indenture. Neither the Trustee nor any Owner shall have the right, directly or indirectly, to require or compel the exercise of the taxing power of the City or the forfeiture of any property of the City, including any portion of the Water System, for the making of any payments pursuant to the Bonds or this Indenture.

(c) During any Bond Year, upon the City's transfer of all the moneys required to be transferred to the Trustee pursuant to Sections 4.03 and 4.04 for such Bond Year (the "Bond Year Requirement"), the Net Revenues in excess of the Bond Year Requirement shall be released from the pledge and lien hereunder and such excess Net Revenues may be applied for other lawful purposes.

Section 4.02 Water Fund.

(a) The City has previously established the Water Fund and shall continue to maintain and hold such fund segregated from all other funds of the City. All Gross Revenues shall be deposited by the City upon receipt in the Water Fund. The City may at any time establish such sub-level funds and accounts as it deems necessary or desirable within the Water Fund. Moneys in the Water Fund shall be applied, first, to pay Operation and Maintenance Costs as they become due and payable (including amounts reasonably required to be set aside in contingency reserves for Operation and Maintenance Costs, the payment of which is not then immediately required). The City shall also make payments, as the same becomes due and payable pursuant to the 2013 Loan Agreement.

(b) No later than five Business Days before each Interest Payment Date, the City shall withdraw from the Water Fund and transfer to the Trustee, for deposit in the Debt Service Fund, an amount which, together with the balance then on deposit in the Debt Service Fund, shall be sufficient to pay, in the following priority: (i) the amount required to pay interest on the Outstanding Bonds then coming due on such Interest Payment Date, (ii) the amount required to pay principal (including Sinking Installments) then coming due on such Interest Payment Date.

(c) If the City receives a notice from the Trustee pursuant to Section 4.04(b) that the balance of the Reserve Fund is below the Reserve Requirement, no later than five Business Days before the Interest Payment Date immediately following the receipt of such notice,

the City shall also shall withdraw from the Water Fund and deposit with the Trustee the amount of money necessary to restore the balance of the Reserve Fund to the Reserve Requirement.

(d) In addition to Operation and Maintenance Costs, the payments required by the 2013 Loan, and amounts to be transferred to the Trustee under (b) and (c) above, the City shall withdraw from the Water Fund such amounts at such times as shall be required to pay (i) the principal (including mandatory sinking fund payments) of and interest on any other Parity Obligations; (ii) all amounts necessary for deposit in the debt service reserve funds as required by Parity Obligation Agreements; (iii) all other amounts when and as due and payable under this Indenture; and (iv) all other amounts to otherwise comply with the Parity Obligation Agreements.

(e) The City shall manage, conserve and apply the Net Revenues on deposit in the Water Fund in such a manner that all deposits required to be made pursuant to the preceding subsections (b), (c) and (d) will be made at the times and in the amounts so required. Subject to the foregoing sentence, so long as no Event of Default shall have occurred and be continuing hereunder, the City may use and apply moneys in the Water Fund for (i) the payment of any subordinate obligations or any unsecured obligations, (ii) the costs for additional improvements, extensions, replacements and betterments to the Water System, (iii) the optional redemption of the Bonds or other optional prepayment of any Obligations of the City relating to the Water System, (iv) make deposits in the Rate Stabilization Fund pursuant to Section 4.07, or (v) any other lawful purposes.

(f) At any time there are insufficient Net Revenues to make the required debt service payments due on the Bonds and other Outstanding Parity Obligations, the City shall apply Net Revenues to such debt service payments due on the Outstanding Bonds and other Parity Obligations, on a pro rata basis (based on the respective amounts to be paid), without any discrimination on preferences and without regard to debt service reserves (whether funded in cash or supported by surety bonds or other similar funding instruments).

(g) Any moneys held in the Water Fund shall be invested in Permitted Investments and investments authorized by State law which will, as nearly as practicable, mature on or before the dates when such moneys are anticipated to be needed for disbursement hereunder. All investment earnings from moneys or deposits in the Water Fund shall be credited in such fund and applied only to the purposes permitted for such fund. The City may commingle any of the moneys in the Water Fund with the moneys held in other funds and accounts for investment purposes; provided, however, all moneys in the Water Fund shall be accounted for separately notwithstanding such commingling.

Section 4.03 Debt Service Fund. The Trustee shall establish, maintain and hold in trust pursuant to this Indenture, a fund known as the “Debt Service Fund.” All moneys received by the Trustee from the City pursuant to Section 4.02(b) shall be deposited in the following respective special accounts within the Debt Service Fund (each of which is hereby created and each of which the Trustee hereby agrees to cause to be maintained), in the following order of priority:

(i) Interest Account;

- (ii) Principal Account; and
- (iii) Sinking Account.

All moneys in each of such accounts shall be held in trust by the Trustee and shall be applied, used and withdrawn only for the purposes hereinafter authorized in this Section 4.03

(a) Interest Account. On or before each Interest Payment Date, the Trustee shall set aside from the Debt Service Fund and deposit in the Interest Account an amount of money which, together with any money contained therein, is equal to the aggregate amount of the interest becoming due and payable on the Outstanding Bonds on such Interest Payment Date. No deposit need be made into the Interest Account if the amount contained therein is at least equal to the aggregate amount of the interest becoming due and payable on all Outstanding Bonds on the Interest Payment Dates in such Bond Year. All moneys in the Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying the interest on the Bonds as it shall become due and payable (including accrued interest transferred to the Redemption Fund pursuant to Section 4.05 per the Written Request of the City for making payments on Bonds called for optional redemption).

(b) Principal Account. On or before each Interest Payment Date on which principal of Bonds is coming due, the Trustee shall set aside from the Debt Service Fund and deposit in the Principal Account an amount of money which, together with any money contained therein, is equal to the aggregate amount of the principal becoming due and payable on the Outstanding Serial Bonds on such Interest Payment Date. No deposit need be made into the Principal Account if the amount contained therein is at least equal to the aggregate amount of the principal of all Outstanding Serial Bonds becoming due and payable on such upcoming Interest Payment Date. All moneys in the Principal Account shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of the Bonds.

Notwithstanding the foregoing, in the event that, with respect to any Interest Payment Date, there shall be insufficient money in the Debt Service Fund to make a full deposit in the Principal Account for all such principal payments required by the preceding paragraph of this Section 4.03(b) and deposits in the Sinking Account for all Sinking Account Installments required by Section 4.03(c), then the money available in the Debt Service Fund shall be applied pro rata as relating to such principal payments and such Sinking Account Installments in the proportion which all such principal payments and all such Sinking Account Installments bear to each other.

(c) Sinking Account. Subject to the second paragraph of Section 4.03(b), on or before each Interest Payment Date on which a Sinking Account Installment is coming due, the Trustee shall set aside from the Debt Service Fund and deposit in the Sinking Account an amount of money which, together with any money contained therein, is equal to the aggregate amount of the Sinking Account Installments coming due and payable on the Outstanding Term Bonds on such Interest Payment Date. No deposit need be made into the Sinking Account if the amount contained therein is at least equal to the aggregate amount of the Sinking Account Installment becoming due and payable on such upcoming Interest Payment Date. All moneys in the Sinking Account shall be used and withdrawn by the Trustee solely for the purpose of paying the Sinking

Account Installments or payment of any purchase in lieu of redemption pursuant to Section 2.03(b).

(d) Transfer and Release of Surplus. On each June 2, but only after making the deposits and making such payments as required by Sections 4.03(a), 4.03(b) and 4.03(c) above on the immediately preceding Interest Payment Date, the Trustee shall determine the amount, if any, remaining in the Debt Service Fund and apply such remaining amount in the following order and priority: (i) transfer such money to the Reserve Fund, but solely to the extent necessary to restore the balance in the Reserve Fund to the Reserve Requirement; (ii) pay, or set an amount aside for the payment of, any rebate requirement in accordance with a computation made by the City pursuant to the Code, if the Trustee has received a Request by the City to do so before such June 2; and (iii) release to the City for use for any lawful purpose.

Section 4.04 Reserve Fund.

(a) The Trustee shall establish, maintain and hold in trust pursuant to this Indenture, a fund known as the "Reserve Fund." Except for release of excess as provided in Section 4.04(b) and Section 4.04(c), all money in (or available to) the Reserve Fund shall be used and withdrawn by the Trustee for the following purposes, in such order and priority: (i) make deposits in the Interest Account at any time there is a deficiency in such account for paying the interest on the Bonds then coming due and payable, (ii) make deposits in the Principal Account and Sinking Account (*pro rata* as relating to such principal payments and such Sinking Account Installments in the proportion which all such principal payments and all such Sinking Account Installments bear to each other), at any time there is a deficiency in such accounts for paying the principal and Sinking Installment of the Bonds then coming due and payable, and (iii) make the final payments of principal of and interest on the Bonds.

(b) The Trustee shall value the balance of the Reserve Fund (inclusive of the face amount of any Qualified Reserve Credit Instrument deposited in or credited to the Reserve Fund) at least semi-annually by each May 1 and November 1 in accordance with Section 4.06. If at any time the balance in the Reserve Fund falls below the Reserve Requirement, the Trustee shall promptly notify the City in writing. The City, upon receipt of such notice from the Trustee, shall include the amount necessary to restore the balance of the Reserve Fund to the Reserve Requirement in the immediately next transfer of moneys from the Water Fund pursuant to Section 4.02(c). Absent any other written instructions from the City, any amount the Reserve Fund in excess of the Reserve Requirement shall be transferred to the Debt Service Fund.

(c) The Reserve Requirement may be satisfied by depositing into the Reserve Fund moneys or one or more Qualified Reserve Credit Instruments or any combination thereof, which in the aggregate make funds available in the Reserve Fund in an amount equal to the Reserve Requirement. Upon the deposit with the Trustee of such Qualified Reserve Credit Instrument, the Trustee shall release moneys then on hand in the Reserve Fund to the City, to be used for any lawful purpose, in an amount equal to the face amount of the Qualified Reserve Credit Instrument.

All cash and investments in the Reserve Fund shall be transferred to the applicable accounts in the Debt Service Fund for payment of debt service on Bonds before any

drawing may be made on the Qualified Reserve Credit Instruments credited to the Reserve Fund in lieu of cash. Reimbursement for draws on a Qualified Reserve Credit Instrument owing to the provider thereof, including accrued interest, shall be made prior to replenishment of any such cash amounts. Draws on all Qualified Reserve Credit Instruments on which there is available coverage shall be made on a pro-rata basis (calculated by reference to the coverage then available thereunder) after applying all available cash and investments in the Reserve Fund. Reimbursement of amounts with respect to Qualified Reserve Credit Instruments shall be made on a *pro rata* basis prior to replenishment of any cash drawn from the Reserve Fund. For the avoidance of doubt, “available coverage” means the coverage then available for disbursement pursuant to the terms of the applicable Qualified Reserve Credit Instruments without regard to the legal or financial ability or willingness of the provider of such instrument to honor a claim or draw thereon or the failure of such provider to honor any such claim or draw.

Section 4.05 Redemption Fund. The Trustee shall establish, maintain and hold in trust pursuant to this Indenture, a fund known as the “Redemption Fund.” On or before each optional redemption date, the City shall deposit with the Trustee an amount sufficient to pay the redemption price (including principal and redemption premium, if any), plus accrued interest, of the Bonds being called; provided, that such amount to be deposited with the Trustee may be reduced by the following (as set forth in a Written Request of the City): (a) the amount, if any, to be transferred from the Reserve Fund on such optional redemption date because of the reduced Reserve Requirement as the result of the optional redemption, and (b) the amount, if any, to be transferred from the Interest Account to the Redemption Fund pay for accrued interest on the Bonds to be redeemed. Notwithstanding the foregoing, in connection with a defeasance of some or all of the Bonds, if the City causes the establishment of one or more escrow funds for such defeasance and sufficient moneys is deposited into the defeasance escrow to effect the related redemption in accordance with Section 10.01, then there shall be no need for a separate deposit of moneys into the Redemption Fund pursuant to this Section 4.05.

Section 4.06 Investments of Funds Held by Trustee. All moneys in any of the funds or accounts (except for the Project Fund) established with the Trustee pursuant to this Indenture shall be invested by the Trustee solely in Permitted Investments; provided, that moneys in Project Fund may be in any other investment that the City may legally invest its moneys pursuant to law in addition to Permitted Investments. All investment by the Trustee shall be pursuant to the written direction of the City given to the Trustee in advance of the making of such investments (and promptly confirmed in writing, as to any such direction given orally). Such Permitted Investments shall, as nearly as practicable, mature (or be subject to redemption or disposition by the Trustee) on or before the dates on which such money is anticipated to be needed for disbursement hereunder. In the absence of any such direction from the City, the Trustee shall hold money in the applicable fund or account uninvested. Any investment earnings on amounts in the Project Fund shall be retained in the Project Fund. Any investment earnings on amounts in the Reserve Fund shall be retained in the Reserve Fund. Any investment earnings on amounts all other funds and accounts maintained by the Trustee under this Indenture shall be deposited in the Debt Service Fund.

Subject to Section 4.04(b), the Trustee shall value the balances in the funds and accounts maintained by the Trustee under this Indenture no less frequently than every six months, at the Fair Market Value. Each such valuation may be made utilizing the Trustee’s automated pricing

service through the Trustee's trust accounting system. Absent negligence or willful misconduct by the Trustee, the Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with this Section.

The City acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grants the City the right to receive brokerage confirmations of security transactions as they occur, the City will not receive such confirmations to the extent permitted by law. The City further understands that trade confirmations for securities transactions effected by the Trustee will be available upon request and at no additional cost and other trade confirmations may be obtained from the applicable broker. The Trustee will furnish the City periodic statements which shall include detail for cash holdings and all investment transactions made by the Trustee under this Indenture. Upon the City's election, such statements will be delivered via the Trustee's online service and upon electing such service, paper statements will be provided only upon request. The Trustee may make any investments under this Indenture through its own bond or investment department or trust investment department, or those of its parent or any affiliate as principal or agent. The Trustee or any of its affiliates may act as a sponsor, advisor or manager in connection with any investments made by the Trustee under this Indenture. For investment purposes, the Trustee may commingle the funds and accounts established under this Indenture and shall account for them separately.

The Trustee may make any investments under this Indenture through its own bond or investment department or trust investment department, or those of its parent or any affiliate as principal or agent. The Trustee or any of its affiliates may act as a sponsor, advisor or manager in connection with any investments made by the Trustee under this Indenture.

Amounts deposited in any fund established by this Indenture and held by the City may be invested in Permitted Investments or any other investments in which the City may lawfully invest its funds.

Section 4.07 Rate Stabilization Fund. At the City's discretion, the City may establish a special fund to be known as the "Rate Stabilization Fund," which shall be held by the City, for the purpose of stabilizing the rates and charges imposed by the City with respect to the Water System. From time to time the City may deposit amounts in the Rate Stabilization Fund, from any source of legally available funds, including but not limited to Net Revenues which are released from the pledge and lien which secures the Bonds and other Parity Obligations, as the City may determine. The Rate Stabilization Fund shall be accounted for as a separate fund, although amounts credited to it may be commingled with other funds of the City. The City may, but is not be required to, withdraw amounts on deposit in the Rate Stabilization Fund and deposit such amounts in the Water Fund in any Fiscal Year for the purpose of paying the principal of and interest on the Outstanding Bonds and other Parity Obligations coming due and payable during such Fiscal Year. Amounts so transferred from the Rate Stabilization Fund to the Water Fund in any Fiscal Year constitute Gross Revenues for that Fiscal Year for the purposes of this Indenture. Amounts on deposit in the Rate Stabilization Fund are not pledged to and do not otherwise secure the Bonds or any other Parity Obligations. All interest or other earnings on deposits in the Rate Stabilization Fund shall be retained therein or, at the option of the City, be applied for any other lawful purposes. The City has the right at any time to withdraw any or all amounts on deposit in the Rate Stabilization Fund and apply such amounts for any other lawful purposes of

the City. Any moneys held in the Rate Stabilization Fund shall be invested in Permitted Investments or any other investments in which the City may lawfully invest such funds under State law.

ARTICLE V INCURRENCE OF ADDITIONAL OBLIGATIONS

Section 5.01 Incurrence of Additional Parity Obligations. The City from time to time may issue or incur Additional Parity Obligations, subject to the satisfaction of the following conditions prior to the incurrence of an Additional Parity Obligation (provided, that such conditions shall not apply to (i) any Additional Parity Obligation incurred to refund all or a portion of the then Outstanding 2013 Loan, the Bonds or any other Parity Debt, so long as the amount of annual debt service payment coming due in each Bond Year is reduced as a result of such refunding, (ii) any Additional Parity Obligation incurred solely as the result of the delivery of a Credit Facility):

(a) No Event of Default hereunder shall have occurred and be continuing; and

(b) The Net Revenues received by the City in the most recent Fiscal Year for which audited financial statements are available (or any more recent consecutive 12-month period selected by the City, as shown by the books of the City) (excluding any money derived from the Rate Stabilization Fund), plus, at the option of the City, any Additional Allowance described in clauses (i) or (ii) below, shall be at least equal to 125 percent of the Maximum Annual Debt Service (calculated based on Fiscal Year) with respect to the Parity Obligations which will be Outstanding immediately following the incurrence of such Additional Parity Obligations, as evidenced by a written report of an Independent Accountant or Independent Fiscal Consultant.

The following items (each being an “Additional Allowance”) may be added to such Net Revenues for the purpose of applying the restriction contained in this covenant:

(i) An allowance for the revenues from any addition to or improvement or extension of the Water System to be made with the proceeds of such proposed Additional Parity Obligation, and also for revenues from any addition to or improvement or extension of the Water System which have been made from moneys from any source but which, during all or part of such Fiscal Year (or more recent 12 month period) were not in service, all in an amount equal to 90 percent of the estimated additional average Net Revenues to be derived from such additions, improvements and extensions for the first 36 month period following the incurrence of the proposed Additional Parity Obligation, as shown by the certificate or opinion of an Independent Fiscal Consultant engaged by the City; and

(ii) An allowance for revenues arising from either of the following, in an amount equal to 100 percent of the amount by which Net Revenues would have increased if such increase in charges had been in effect during the whole of such Fiscal Year (or more recent 12 month period), as shown by the certificate or opinion of an Independent Fiscal Consultant engaged by the City:

A. any increase in charges made for services from the Water System as specified in the City's municipal code or adopted Council resolution or ordinance (provided, that if the relevant sections of City's municipal code, resolution or ordinance provide for incremental increases for multiple years, then the allowance shall be based on rates that will become effective no later than [36] months following the incurrence of the proposed Additional Parity Obligation);

B. any additional increase not covered by clause (1) above in the charges made for services from the Water System which have become effective prior to incurring such proposed Additional Parity Obligation but which, during all or any part of such Fiscal Year (or more recent 12 month period), was not in effect.

Section 5.02 Superior and Subordinate Obligations.

(a) So long as any Bonds remain Outstanding, the City shall not issue or incur any additional bonds or other Obligations (except for the 2013 Loan already outstanding), which will rank senior over the Bonds in the priority of lien with respect to the Net Revenues.

(b) Nothing in this Indenture shall be construed to limit or affect the ability of the City to issue or incur Obligations which are either unsecured or which rank junior to the Bonds in their lien with respect to the Net Revenues.

ARTICLE VI ADDITIONAL COVENANTS OF THE CITY

Section 6.01 Punctual Payment. The City shall punctually pay or cause to be paid the principal, interest and premium (if any) to become due in respect of all the Bonds, in strict conformity with the terms of the Bonds and of this Indenture, according to the true intent and meaning thereof, but only out of Net Revenues and other assets pledged for such payment as provided in this Indenture.

Section 6.02 Against Encumbrances. The City shall not mortgage or otherwise encumber, pledge or place any charge upon any of the Net Revenues, except as provided in the Indenture. While recognizing 2013 Loan as a senior obligation with respect to pledge of revenues of the Water System and moneys in the Water Fund, so long as any Bond remain Outstanding, the City shall not incur any additional Obligation or security superior to the Bonds payable in whole or in part from the Net Revenues, or on parity with the Bonds payable in whole or in part from the Net Revenues, except as permitted by Section 5.01. Nothing contained in the Indenture shall limit or affect the ability of the City to issue or incur Obligations which are either unsecured or which rank junior to the Bonds in their lien with respect to the Net Revenues.

Section 6.03 Distribution of Net Revenues for Debt Service. The City shall distribute Net Revenues available for debt service on all Outstanding Bonds and other Parity Obligations on a pro rata basis without regard to whether the Bonds or other Parity Obligations have funded debt service reserves or surety bonds or other similar funding instruments.

Section 6.04 Rates and Charges.

(a) To the extent permitted by law, the City shall fix, prescribe, revise and collect rates, fees and charges for the services and facilities furnished by the Water System during each Fiscal Year, to yield Gross Revenues (after making allowances for contingencies and error in the estimates and taking into account transfers, if any, from the Rate Stabilization Fund pursuant to Section 4.07) in an amount sufficient to pay the following amounts in the following order of priority:

(i) All Operation and Maintenance Costs estimated by the City to become due and payable in such Fiscal Year;

(ii) Payments required during such Fiscal Year pursuant to the 2013 Loan Agreement;

(iii) The principal of and interest on then Outstanding Bonds and other Parity Obligations as they become due and payable during such Fiscal Year, without preference or priority (except to the extent such principal and interest are payable from the proceeds of the Parity Obligations, or from any other source of legally available funds of the City which have been deposited with the Trustee or another fiduciary for the Parity Obligations for such purpose prior to the commencement of such Fiscal Year);

(iv) All amounts, if any, required to restore the balance in the Reserve Fund to the Reserve Requirement and to replenish the debt service reserve funds relating to other Parity Obligations as required by Parity Obligation Agreements; and

(v) All other payments required to meet any other obligations of the City which are charges, liens, encumbrances upon, or which are otherwise payable, from Gross Revenues during such Fiscal Year.

(b) In addition, to the extent permitted by law, the City shall fix, prescribe, revise and collect rates, fees and charges for the services and facilities furnished by the Water System during each Fiscal Year, so that Net Revenues will be at least equal to 125 percent of the amounts described in the preceding clause (a)(iii) of this Section. For clarification, the amount of Net Revenues for a Fiscal Year shall be computed on the basis that any transfers into the Water Fund in that Fiscal Year from the Rate Stabilization Fund are included in the calculation of Net Revenues (provided if such transfer from the Rate Stabilization Fund includes an amount that were originally transferred from Gross Revenue within the same Fiscal Year, then the calculation should be adjusted so that such amount would not be double-counted).

(c) The City shall have in effect at all times rules and regulations requiring each consumer or customer located on any premises connected with the Water System to pay the rates and charges applicable to the Water System provided to such premises and providing for the billing thereof and for a due date and a delinquency date for each bill.

Section 6.05 Maintenance and Operation of the Water System; Insurance. The City shall maintain and preserve the Water System in good repair and working order at all times and shall operate the Water System in an efficient and economical manner and shall pay all

Operation and Maintenance Costs as they become due and payable. The City shall procure and maintain insurance relating to the Water System that shall afford protection in such amounts and against such risks as are usually covered in connection with public water systems similar to the Water System; provided, that the City may participate in a self-insurance risk pool program administered by a joint powers authority, or establish and maintain its own self-insurance fund that is maintained in the amounts and manner as is, in the opinion of an accredited actuary, actuarially sound.

Section 6.06 Sale or Other Disposition of Property. The City shall not sell, transfer or otherwise dispose of any of the works, plant, properties, facilities or other part or rights of the Water System or any real or personal property comprising a part of the Water System if such sale, transfer or disposition would cause the City to be unable to satisfy the requirements of Section 6.04 hereof.

Section 6.07 Eminent Domain. If all or any part of the Enterprise shall be taken by eminent domain proceedings, the Net Proceeds received by the City as the result of such proceedings, at the election of the City, shall either be (i) used for the lease, acquisition or construction of improvements and extension of the Water System, or (ii) applied to the payment or prepayment of the Bonds or Parity Obligations.

Section 6.08 Compliance with Contracts; Liens. The City shall not commit any breach or default under any agreement affecting or involving the Water System (to the extent that the City is a party thereto), or permit any lien to be attached to any portion of the Water System, if such breach, default, or lien which would materially adversely affect its ability to comply with its covenants set forth in Section 6.04 hereof.

Section 6.09 Payment of Taxes and Compliance with Governmental Regulations. The City shall pay and discharge all taxes, assessments and other governmental charges which may hereafter be lawfully imposed upon the Water System or any part thereof when the same shall become due. The City will duly observe and conform with all valid regulations and requirements of any governmental authority relative to the operation of the Water System or any part thereof, but the City shall not be required to comply with any regulations or requirements so long as the validity or application thereof shall be contested in good faith and contesting such validity or application will not materially impair the operations or financial condition of the Water System.

Section 6.10 Accounting Records and Financial Statements; Continuing Disclosure. The City shall keep appropriate accounting records in which complete and correct entries shall be made of all transactions relating to the Water System. The City shall cause the books and accounts of the Water System to be audited annually by an Independent Accountant, not more than nine months after the close of each Fiscal Year, and shall make a copy of such report available for inspection by Owners of the Bonds at the office of the City

The City shall comply with the Continuing Disclosure Certificate. Notwithstanding any other provision hereof, failure of the City to comply with the Continuing Disclosure Certificate shall not be considered an Event of Default; provided, that any Owner or beneficial owner of the Bonds may take such actions as may be necessary or appropriate, including seeking mandate or

specific performance by court order, to cause the City to comply with its obligation under the Continuing Disclosure Certificate.

Section 6.11 Tax Covenants.

(a) The City shall not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the Tax-Exempt status of interest on the Bonds under Section 103(a) of the Code or cause interest on the Bonds to be an item of tax preference for purposes of the alternative minimum tax under the Code.

(b) In furtherance of the foregoing tax covenant, the City shall comply with the provisions of the Tax Certificate, which is incorporated in this Indenture as if fully set forth in this Indenture. These covenants shall survive payment in full or defeasance of the Bonds.

(c) Notwithstanding any provision of this Section 6.11, if the City shall provide to the Trustee an opinion of Bond Counsel that any specified action required under this Section 6.10 is no longer required or that some further or different action is required to maintain the exclusion from federal income tax of interest on the Bonds, the Trustee may conclusively rely on such opinion in complying with the requirements of this section and, notwithstanding Article VIII (regarding amendments to this Indenture), the covenants hereunder shall be deemed to be modified to that extent.

Section 6.12 Further Assurances. The City will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture, and for the better assuring and confirming unto the Owners of the Bonds the rights and benefits provided in this Indenture.

ARTICLE VII THE TRUSTEE

Section 7.01 Appointment; Resignation or Removal.

(a) U.S. Bank National Association, a national banking association organized under the laws of the United States of America, having a corporate trust office in Seattle, Washington, is hereby appointed Trustee hereunder for the purpose of receiving all money which the City is required to deposit with the Trustee hereunder and to allocate, use and apply the same as provided herein.

(b) The Trustee may at any time resign by giving written notice to the City. Any successor trustee appointed hereunder shall give notice of such appointment to the Owners, which notice shall be mailed to the Owners at their addresses appearing in the Registration Books. Upon receiving such notice of resignation, the City shall promptly appoint a successor Trustee by an instrument in writing. Any resignation or removal of the Trustee and appointment of a successor Trustee shall become effective only upon acceptance of appointment by the successor Trustee. If, within 90 days after notice of the removal or resignation of the Trustee, no successor Trustee shall have been appointed and shall have accepted such appointment, the removed or resigning Trustee may petition any court of competent jurisdiction for the

appointment of a successor Trustee, which court may thereupon, after such notice, if any, as it may deem proper and prescribe and as may be required by law, appoint a successor Trustee having the qualifications required hereby.

(c) The City may at any time, but only prior to an Event of Default or after the curing or waiver of an Event of Default and only upon 30 days written notice, at its sole discretion remove the Trustee initially appointed, and any successor thereto, and may appoint a successor or successors thereto; provided that any such successor shall be a bank, banking association, banking institution (state or federal) or trust company or corporation with a corporate trust office in California, having a combined capital (exclusive of borrowed capital) and surplus (or whose parent holding company has a combined capital (exclusive of borrowed capital) and surplus) of at least \$75,000,000, and subject to supervision or examination by federal or state authority. If such bank, banking association, banking institution or trust company or corporation publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this section the combined capital and surplus of such bank, banking institution or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

Section 7.02 Merger or Consolidation. Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided that such company shall meet the requirements set forth in Section 7.01, shall be the successor to the Trustee and vested with all of the title to the trust estate and all of the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding.

Section 7.03 Concerning Successor Trustee. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the City an instrument in writing accepting such appointment hereunder and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessors; but such predecessor shall, nevertheless, on the Request of the City, or of the Trustee's successor, execute and deliver an instrument transferring to such successor all the estates, properties, rights, powers and trusts of such predecessor hereunder; and every predecessor Trustee shall deliver all securities and moneys held by it as the Trustee hereunder to its successor. Should any instrument in writing from the City be required by any successor Trustee for more fully and certainly vesting in such successor the estate, rights, powers and duties hereby vested or intended to be vested in the predecessor Trustee, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the City.

Section 7.04 Appointment of Co-Trustee. It is the purpose of this Indenture that there shall be no violation of any law of any jurisdiction (including particularly the law of the State) denying or restricting the right of banking corporations or associations to transact business as Trustee in such jurisdiction. It is recognized that in the case of litigation under this Indenture, and in particular in case of the enforcement of the rights of the Trustee on default, or in the case

the Trustee deems that by reason of any present or future law of any jurisdiction in may not exercise any of the powers, rights or remedies herein granted to the Trustee or hold title to the properties, in trust, as herein granted, or take any other action that may be desirable or necessary in connection therewith, it may be necessary that the Trustee or the City appoint an additional individual or institution as a separate trustee or co-trustee. The following provisions of this Section 7.04 are adopted to these ends.

In the event that the Trustee or the City appoints an additional individual or institution as a separate trustee or co-trustee, each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this Indenture to be exercised by or vested in or conveyed to the Trustee with respect thereto shall be exercisable by and vest in such separate trustee or co-trustee but only to the extent necessary to enable such separate trustee or co-trustee to exercise such powers, rights and remedies, and every covenant and obligation necessary to the exercise thereof by such separate trustee or co-trustee shall run to and be enforceable by either of them.

Should any instrument in writing from the City be required by the separate trustee or co-trustee so appointed by the Trustee for more fully and certainly vesting in and confirming to it such properties, rights, powers, trusts, duties and obligations, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the City. In case any separate trustee or co-trustee, or a successor to either, shall become incapable of acting, shall resign or shall be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such separate trustee or co-trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a new trustee or successor to such separate trustee or co-trustee.

Section 7.05 Compensation; Fees, Charges and Expenses. The City shall from time to time, subject to the agreement between the City and the Trustee then in force, pay to the Trustee compensation for its services rendered by it in the execution of the trusts created hereby and in the exercise and performance of any of the powers and duties hereunder of the Trustee, which compensation shall not be limited by any provision of law with respect to the compensation of a trustee of an express trust, and the City will reimburse the Trustee for all its advances (with interest on such advances at the maximum rate allowed by law) and expenditures, including but not limited to advances to and fees and expenses of independent accountants, counsel (including in-house counsel to the extent not duplicative of other counsel's work) and engineers or other experts employed by it, and reasonably required, in the exercise and performance of its powers and duties in accordance with this Indenture.

Section 7.06 Intervention by Trustee. In any judicial proceeding to which the City is a party that, in the opinion of the Trustee and its counsel, has a substantial bearing on the interests of Owners of any of the Bonds, the Trustee may intervene on behalf of such Bond Owners, and subject to Section 7.09(c), shall do so if requested in writing by the Owners of at least 25 percent in aggregate principal amount of such Bonds then Outstanding.

Section 7.07 Accounting Records and Financial Statements.

(a) The Trustee shall at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with corporate trust industry standards, in which complete and accurate entries shall be made of all transactions by the Trustee relating to the proceeds of Bonds, moneys received from the City pursuant to this Indenture, and all funds and accounts established and maintained by the Trustee pursuant to this Indenture. Such books of record and account shall be available for inspection by the City during regular business hours with reasonable prior notice.

(b) Any account or fund required to be established and maintained by the Trustee pursuant to this Indenture may be established and maintained in the accounting records of the Trustee either as an account or a fund, and may, for the purposes of such accounting records, any audits thereof and any reports or statements with respect thereto, be treated either as an account or a fund; but all such records with respect to all such accounts and funds shall at all times be maintained in accordance with this Indenture and sound corporate trust industry practice and with due regard for the protection of the security of the Bonds and the rights of the Owners.

Section 7.08 Duties Determined by Express Indenture Provisions. The duties and obligations of the Trustee shall be determined solely by the express provisions of this Indenture. The Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee. The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty and it shall not be answerable for other than its negligence or willful misconduct. In case an Event of Default has occurred and is continuing, the Trustee shall exercise such rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs. The Trustee may execute any of the trusts or powers hereof and perform the duties required of it hereunder by or through its attorneys, agents or receivers.

Section 7.09 Limited Liability of Trustee.

(a) The recitals of facts, agreements and covenants of the City contained in this Indenture and in the Bonds shall be taken solely as statements, agreements and covenants of the City, and the Trustee shall assume no responsibility for the correctness of the same, or make any representations as to the validity or sufficiency of this Indenture or of the Bonds. In addition, the Trustee shall assume no responsibility with respect to this Indenture or the Bonds other than in connection with the duties or obligations assigned to or imposed upon the Trustee herein or in the Bonds. The Trustee shall, however, be responsible for its representations contained in its certificate of authentication on the Bonds. The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct. The Trustee may become an Owner of Bonds with the same rights it would have if it were not Trustee and, to the extent permitted by law, may act as depositary for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bond Owners, whether or not such committee shall represent the Owners of a majority in principal amount of the Bonds then Outstanding.

(b) The Trustee shall not be responsible for the validity, genuineness or performance of any leases, contracts or other instruments at any time conveyed, mortgaged, hypothecated, pledged, assigned or transferred to it hereunder, or with respect to the obligation of the City to preserve and keep unimpaired the rights of the City under or concerning any such leases, contracts or other instruments. The Trustee does not assume any responsibility for the correctness or completeness of any information contained in any offering materials distributed in connection with the sale of the Bonds and makes no representations and shall have no responsibility for any official statement or other offering material prepared or distributed with respect to the Bonds. In accepting the trust hereby created, the Trustee acts solely as Trustee for the Owners and not in its individual capacity and all persons, including without limitation the Owners and the City, having any claim against the Trustee arising from this Indenture not attributable to the Trustee's negligence or willful misconduct shall look only to the funds and accounts held by the Trustee hereunder for payment except as otherwise specifically provided herein.

(c) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any Owner pursuant to this Indenture unless the Trustee shall have received reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction.

(d) The Trustee shall have no duty to see to the payment or discharge of any fees, assessment or other charge or any lien of any kind owing with respect to the Water System or any part thereof.

(e) In the absence of negligence or willful misconduct on its part, the Trustee may conclusively rely, as to the truth of the factual statements in certificates and other writings furnished to the Trustee by the City pursuant to the requirements of this Indenture.

(f) The Trustee is not accountable for the use by the City of funds which the Trustee releases to the City or which the City otherwise receives, or to verify compliance by the City, or for the adequacy or validity of any collateral or security interest securing this Indenture or the Bonds. The Trustee has no obligation to incur financial or other liability or risk in performing any duty or in exercising any right hereunder.

(g) Except during the continuance of an Event of Default, the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture and no implied covenants or obligations shall be read into this Indenture against the Trustee.

(h) The Trustee shall not be deemed to have knowledge of any Event of Default other than a payment default hereunder unless the Trustee shall be specifically notified in writing of such default by the City, or by the Owners of at least 25 percent in aggregate principal amount of Bonds then Outstanding and all notices or other instruments required by this Indenture to be delivered to the Trustee must, in order to be effective, be delivered at the Trust Office, and in the absence of such notice so delivered, the Trustee may conclusively assume there is no Event of Default except as aforesaid. The Trustee shall not be bound to ascertain or inquire as to

the performance or observance by any other party of any of the terms conditions, covenants or agreements herein or in any of the documents executed in connection with the Bonds. Any action taken or omitted to be taken by the Trustee in good faith pursuant to this Indenture upon the request of the City or consent of any person who at the time of making such request or giving such authority or consent is the Owner of any Bond, shall be conclusive and binding upon all future Owners of the same Bond executed and delivered in exchange therefor or in place thereof.

(i) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of a majority in aggregate principal amount of the Outstanding Bonds relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture.

(j) The Trustee shall not be considered in breach of or in default with respect to any obligations created hereunder, in the event of a delay in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, acts of God, acts of terrorists or public enemies, acts of a government, acts of the other party hereto, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, litigation or arbitration involving a party or others relating to governmental action or inaction pertaining to the Water System, malicious mischief, condemnation, and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar event or occurrences beyond the control of the Trustee; provided, that in the event of any such delay, the Trustee shall notify the City in writing within ten business days after the occurrence of the event giving rise to such delay.

(k) The immunities and exceptions from liability of the Trustee as provided herein shall extend to its officers, directors, employees and agents and such immunities and exceptions and its right to payment of its fees and expenses shall survive its resignation or removal and the final payment and defeasance of the Bonds. Under no circumstances shall the Trustee be liable in its individual capacity for the obligations evidenced by the Bonds. The Trustee, in its individual or any other capacity, may become the Owner of any Bonds or other obligations of any party hereto with the same rights which it would have if not the Trustee and may act as a depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of owners of Bonds, whether or not such committee shall represent the Owners of the majority in aggregate principal amount of the Bonds then Outstanding. Before taking or refraining from any action hereunder at the request or direction of the Owners, the Trustee may require that an indemnity bond satisfactory to the Trustee be furnished to it and be in full force and effect.

(l) No provision in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability when performing its duties in accordance with this Indenture, or exercising of any of its rights or powers hereunder.

Section 7.10 Reliance by Trustee.

(a) The Trustee shall be protected in acting upon any notice, indenture, request, consent, order, certificate, report, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel who may be counsel to the City with regard to legal questions, and shall not be liable for any action taken or not taken upon the advice of such counsel.

(b) The Trustee shall not be bound to recognize any person as the Owner of a Bond unless and until such Bond is submitted for inspection, if required, and such person is the registered owner of such Bond as shown on the registration books.

(c) Whenever in the administration of its duties under this Indenture the Trustee shall deem it necessary or desirable that a matter be proven or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of negligence or willful misconduct on the part of the Trustee, be deemed to be conclusively proved and established by a Written Certificate of the City and such certificate shall be full warrant to the Trustee for any action taken or suffered under the provisions of this Indenture upon the faith thereof, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

Section 7.11 Indemnification. The City shall indemnify and save the Trustee, its officers, employees, directors and agents harmless from and against all claims, losses, costs, expenses, liability and damages, including legal fees and expenses, arising out of (a) any breach of default on the part of the City in the performance of any of its obligations under this Indenture and any related agreements or instruments and any other agreement, (b) any act or omission of the City or of any of its agents, assignees or licensees with respect to the Water System, (c) the exercise and performance by the Trustee of any of its powers and duties hereunder, so long as such exercise and performance are permitted by and in compliance with the provisions hereof, or (d) the offering and sale of the Bonds or the distribution of any official statement or other offering circular utilized in connection with the sale of the Bonds; provided, that the City shall not be liable for actions caused by the Trustee's own negligence or willful misconduct or the negligence or willful misconduct of the Trustee's officers, employees, directors and agents. The Trustee's rights to indemnification and protection from liability hereunder and its rights to payment of its fees and expenses shall survive its resignation or removal and final payment or defeasance of the Bonds. The Trustee shall not be liable for the sufficiency of Net Revenues or other moneys required to be paid to it under the Indenture (except as provided in this Indenture), or its right to receive moneys pursuant to the Indenture.

Section 7.12 Acceptance of Instructions by Electronic Transmission. The Trustee agrees to accept and act upon instructions or directions pursuant to this Indenture sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, the Trustee shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the City elects to give the Trustee e-mail or

facsimile instructions (or instructions by a similar electronic method) and the Trustee elects to act upon such instructions, the Trustee's reasonable understanding of such instructions shall be deemed controlling. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding whether such instructions conflict or are inconsistent with a subsequent written instruction. The City agrees to assume all risks arising out of the use by the City of such electronic methods to submit instructions and directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties. Notwithstanding the foregoing, the protection afforded to the Trustee in each provision of this paragraph shall be operative only in the absence of the Trustee's negligence or willful misconduct.

ARTICLE VIII MODIFICATION AND AMENDMENT OF THE INDENTURE

Section 8.01 Amendment. The Indenture and the rights and obligations of the City, the Owners or the Trustee may be amended at any time by a Supplemental Indenture which shall become binding when the written consents of the Owners of at least a majority in aggregate principal amount of the affected Bonds then Outstanding, exclusive of Bonds disqualified as provided in Section 8.02, are filed with the Trustee. No such amendment shall (1) extend the maturity of or reduce the interest rate on, or otherwise alter or impair the obligation of the City to pay the interest or principal or redemption premium, if any, at the time and place and at the rate and in the currency provided in this Indenture, of any Bond, without the express written consent of the Owner of such Bond, or (2) reduce the percentage of Bonds required for the written consent to any such amendment, or (3) modify the rights or obligations of the Trustee without its prior written assent thereto.

The Indenture and the rights and obligations of the City and of the Owners may also be amended at any time by a Supplemental Indenture which shall become binding upon execution, without the consent of any Owners, for any one or more of the following purposes:

(a) To add to the covenants and agreements of the City contained in the Indenture, other covenants and agreements thereafter to be observed, or to surrender any right or power reserved to or conferred upon the City under this Indenture;

(b) To make such provisions to cure any ambiguity, or to cure, correct or supplement any defective provision contained in the Indenture or in regard to questions arising under the Indenture, as the City may deem necessary or desirable and not inconsistent with the Indenture, so long as such amendment shall not materially adversely affect the interest of the Owners;

(c) To modify, amend or supplement this Indenture in such manner as to permit the qualification of this Indenture under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect, and to add such other terms, conditions and provisions as may be permitted by said act or similar federal statute, so long as such amendment shall not materially adversely affect the interests of the Owners of the Bonds;

(d) To maintain the exclusion of interest on the Bonds from gross income for federal income tax purposes;

(e) To subject to the Indenture additional collateral or to add other agreements of the City;

(f) To grant to the Trustee for the benefit of the Owners additional rights, remedies, powers or City;

(g) To the extent necessary to deliver or maintain a Qualified Reserve Credit Instrument in connection with satisfying all or a portion of the Reserve Requirement; or

(h) For any other purpose that does not materially adversely affect the interests of the Owners.

Section 8.02 Disqualified Bonds. Bonds owned or held by or for the account of the City shall be subject to disqualification as set forth in Section 13.03.

Section 8.03 Effect of Supplemental Indenture. From and after the time any Supplemental Indenture becomes effective pursuant to this Article VIII, this Indenture shall be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations of the parties hereto or thereto and all Owners of Outstanding Bonds, as the case may be, shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

Prior to entering into any Supplemental Indenture pursuant to this Section 8.03, the Trustee shall be provided by the City an opinion of Bond Counsel to the effect that such Supplemental Indenture has been adopted in accordance with the requirements of this Indenture.

Section 8.04 Endorsement or Replacement of Bonds after Amendment. After the effective date of any action taken as hereinabove provided, the City may determine that the Bonds shall bear a notation, by endorsement in form approved by the City, as to such action, and in that case upon demand of the Owner of any Bond Outstanding at such effective date and presentation of such Owner's Bond for that purpose at the Trust Office of the Trustee, a suitable notation as to such action shall be made on such Bond. If the City shall so determine, new Bonds so modified as, in the opinion of the City, shall be necessary to conform to such Bond Owners' action, then new Bond certificates shall be prepared and executed, and in that case upon demand of the Owner of any Bond Outstanding at such effective date such new Bonds shall be exchanged at the Trust Office of the Trustee, without cost to each Bond Owner, for Bonds then Outstanding, upon surrender of such Outstanding Bonds.

ARTICLE IX

EVENTS OF DEFAULT AND REMEDIES OF BOND OWNERS

Notwithstanding anything to the contrary in this Article, so long as the Bond Insurance Policy remains in effect and the Bond Insurer has not defaulted with respect to its obligations under the Bond Insurance Policy, all provisions of this Article shall be subject to, and qualified by, the provisions set forth in Article XI hereof, including, without limitation, the Bond Insurer's right to consent to acceleration of the Bonds, and the Bond Insurer's right to consent to or direct certain Trustee, City or Owner actions.

Section 9.01 Events of Default. The following events shall be Events of Default hereunder:

(a) Failure by the City to make the due and punctual payment of the principal (including any Sinking Account Installment) of or redemption premium, if any, or interest on any Bond or other Parity Obligations when and as the same shall become due and payable, whether at maturity as expressed in the Bond or other Parity Obligations, by declaration or otherwise;

(b) Failure by the City to observe and perform any of the covenants, agreements or conditions on its part contained in this Indenture or in the Bonds, other than as referred to in the preceding clause (a), for a period of 30 days after written notice, specifying such failure and requesting that it be remedied has been given to the City by the Trustee, or to the City and the Trustee by the Owners of not less than 25 percent in aggregate principal amount of the Outstanding Bonds; provided, however, if in the reasonable opinion of the City the failure stated in such notice can be corrected, but not within such 30-day period, the Trustee (if the notice was given by the Trustee) or such Owners (if the notice was given by the Owners) shall not unreasonably withhold their consent to an extension of such time if corrective action is instituted by the City within such 30-day period and diligently pursued until such failure is corrected; and

(c) The filing by the City of a petition or answer seeking reorganization or arrangement under the Federal bankruptcy laws or any other applicable law of the United States of America, or if a court of competent jurisdiction shall approve a petition, filed with or without the consent of the City, seeking reorganization under the Federal bankruptcy laws or any other applicable law of the United States of America, or if, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the City or of the whole or any substantial part of the Water System.

Section 9.02 Remedies upon Event of Default (Acceleration). If any Event of Default shall occur, then, and in each and every such case during the continuance of such Event of Default, the Trustee shall at the written direction of the Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding, upon notice in writing to the City, declare the principal of all of the Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable, anything contained in this Indenture or in the Bonds to the contrary notwithstanding.

Any such declaration is subject to the condition that if, at any time after such declaration and before any judgment or decree for the payment of the moneys due shall have been obtained or entered, the City shall deposit with the Trustee a sum sufficient to pay all the principal of and installments of interest on the Bonds payment of which is overdue, with interest on such overdue principal at the rate borne by the respective Bonds, and the reasonable fees, charges and expenses (including those of its attorneys) of the Trustee, and any and all other Events of Default known to the Trustee (other than in the payment of principal and interest on the Bonds due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall have been made therefor, then, and in every such case, the Trustee, may, on behalf of the Owners of all of the Bonds, rescind and annul such declaration and its consequences and waive such Event of Default; but no such rescission and annulment shall extend to or shall affect any subsequent Event of Default, or shall impair or exhaust any right or power consequent thereon.

Section 9.03 Application of Revenues and Other Funds After Default. All amounts then held or received by the Trustee pursuant to any right given or action taken by the Trustee under the provisions of this Indenture (except for any moneys for payment of the Rebate Amount) shall be applied by the Trustee, in the following order upon presentation of the several Bonds, and the stamping thereon of the amount of the payment if only partially paid, or upon the surrender thereof if fully paid:

(a) To payment of reasonable fees, charges and expenses of the Trustee (including reasonable fees and disbursements of its counsel) incurred in and about the performance of its duties under this Indenture, and then the payment of any expense necessary in the opinion of the Trustee to protect the interests of the Owners of the Bonds;

(b) To the payment of the principal of and interest then due on the Bonds (upon presentation of the Bonds to be paid, and stamping or otherwise noting thereon of the payment if only partially paid, or surrender thereof if fully paid) in accordance with the provisions of this Indenture, as follows:

First, to the payment to the persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference.

Second, To the payment to the persons entitled hereto of the unpaid principal of any Bonds which shall have become due, whether at maturity or by acceleration or redemption, with interest on the overdue principal at the rate borne by the respective Bonds (to the extent permitted by law), and, if the amount available shall not be sufficient to pay in full all the Bonds, together with such interest, then to the payment thereof ratably, according to the amounts of principal due on such date to the persons entitle thereto, without any discrimination or preference.

Section 9.04 Trustee to Represent Bond Owners. The Trustee is hereby irrevocably appointed (and the successive respective Owners of the Bonds, by taking and holding the same,

shall be conclusively deemed to have so appointed the Trustee) as trustee and true and lawful attorney in fact of the Owners of the Bonds for the purpose of exercising and prosecuting on their behalf such rights and remedies as may be available to such Owners under the Bonds, this Indenture and applicable provisions of any law. Upon the occurrence and continuance of an Event of Default or other occasion giving rise to a right in the Trustee to represent the Bond Owners, the Trustee in its discretion may, and upon the written request of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding, and upon being indemnified to its satisfaction therefor, shall, proceed to protect or enforce its rights or the rights of such Owners by such appropriate action, suit, mandamus or other proceedings as it shall deem most effectual to protect and enforce any such right, at law or in equity, either for the specific performance of any covenant or agreement contained herein, or in aid of the execution of any power herein granted, or for the enforcement of any other appropriate legal or equitable right or remedy vested in the Trustee or in such Owners under the Bonds, this Indenture or any other law; and upon instituting such proceeding, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver of the assets pledged under this Indenture, pending such proceeding. All rights of action under this Indenture or the Bonds or otherwise may be prosecuted and enforced by the Trustee without the possession of any of the Bonds or the production thereof in any proceeding relating thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in the name of the Trustee for the benefit and protection of all the Owners of such Bonds, subject to the provisions of this Indenture.

Section 9.05 Bond Owners' Direction of Proceedings. The Owners of a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, and upon indemnification of the Trustee to its reasonable satisfaction, to direct the method of conducting all remedial proceedings taken by the Trustee hereunder, provided that such direction shall not be otherwise than in accordance with law and the provisions of this Indenture, and that the Trustee shall have the right to decline to follow any such directions which in the opinion of the Trustee would expose it to liability.

Section 9.06 Limitation of Bond Owners' Right to Sue. Notwithstanding any other provision hereof, no Owner of any Bonds shall have the right to institute any suit, action or proceeding at law or in equity, for the protection or enforcement of any right or remedy under this Indenture or any other applicable law with respect to such Bonds, unless (a) such Owner shall have given to the Trustee written notice of the occurrence of an Event of Default; (b) the Owners of a majority in aggregate principal amount of the Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such suit, action or proceeding in its own name; (c) such Owner or Owners shall have tendered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; (d) the Trustee shall have failed to comply with such request for a period of 60 days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee; and (e) no direction inconsistent with such written request shall have been given to the Trustee during such 60 day period by the Owners of a majority in aggregate principal amount of the Bonds then Outstanding.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of Bonds of any

remedy hereunder or under law; it being understood and intended that no one or more Owners of Bonds shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this Indenture or the rights of any other Owners of Bonds, or to enforce any right under the Bonds, this Indenture or other applicable law with respect to the Bonds, except in the manner provided herein, and that all proceedings at law or in equity to enforce any such right shall be instituted, had and maintained in the manner herein provided and for the benefit and protection of all Owners of the Outstanding Bonds, subject to the provisions of this Indenture.

Section 9.07 Absolute Obligation of City Out of Net Revenues. Nothing in any other provision of this Indenture or the Bonds shall affect or impair the obligation of the City, which is absolute and unconditional, to pay the principal of and interest and premium (if any) on the Bonds to the respective Owners of the Bonds at their respective dates of maturity, or upon call for redemption, as herein provided, but only out of the Net Revenues and other assets herein pledged therefor, or affect or impair the right of such Owners, which is also absolute and unconditional, to enforce such payment by virtue of the contract embodied in the Bonds.

Section 9.08 Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Trustee or to the Owners of the Bonds is intended to be exclusive of any other remedy or remedies, and each and every such remedy, to the extent permitted by law, shall be cumulative and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or otherwise.

Section 9.09 No Waiver of Default. No delay or omission of the Trustee or of any Owner of the Bonds to exercise any right or power arising upon the occurrence of any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or an acquiescence therein; and every power and remedy given by this Indenture to the Trustee or the Owners of the Bonds may be exercised from time to time and as often as may be deemed expedient.

ARTICLE X DEFEASANCE

Section 10.01 Discharge of Indebtedness. If the City shall pay or cause to be paid, or there shall otherwise be paid, to the Owners of all Outstanding Bonds the interest on and the principal of such Bonds, when due, at the times and in the manner stipulated in such Bonds and in the Indenture, then the Owners of such Bonds shall cease to be entitled to the pledge of Net Revenues, and all covenants, agreements and other obligations of the City to the Owners of such Bonds under the Indenture shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall execute at the Written Request of the City, and at the expense of the City, and deliver to the City all such instruments as may be desirable to evidence such discharge and satisfaction, and the Trustee shall, after payment of amounts due the Trustee under the Indenture, pay over or deliver to the City all money or securities held by the Trustee pursuant to the Indenture which are not required for the payment of the interest due on

and the principal of and premium, if any, due on such Bonds other than the moneys, if any, for the payment of the applicable Rebate Amount.

Bonds for the payment of which money shall have been set aside (through deposit by the City or otherwise) to be held in trust by the Trustee for such payment at the maturity or redemption date of such Bonds shall be deemed, as of the date of such setting aside, to have been paid within the meaning and with the effect expressed in the first paragraph of this Section.

Any Outstanding Bonds shall prior to the maturity date of such Bonds be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this Section if:

(a) There shall have been deposited with the Trustee (or another fiduciary or escrow agent), either cash in an amount which shall be sufficient, or Defeasance Securities (including any Defeasance Securities issued or held in book entry form on the books of the Department of the Treasury of the United States of America) the principal of and the interest on which when paid will provide money that shall be sufficient to pay when due the principal of and redemption premium, if any, and the interest on such Bonds (such principal, redemption premium, if any, and interest being referred to below as the "Refunding Requirements") due and to become due on such Bonds on and prior to the maturity date of such Bonds or such earlier irrevocably established redemption date; provided that, unless such deposit consists of an amount in cash, which in and of itself, is sufficient to pay the Refunding Requirements in full, the sufficiency of the Defeasance Securities so deposited with the Trustee (or fiduciary or escrow agent) shall be appropriately verified by an Independent Accountant in a verification report.

(b) The City shall have given the Trustee in form satisfactory to the Trustee irrevocable instructions to mail, as soon as practicable, a notice to the Owners of such Bonds that the deposit required by (a) above has been made with the Trustee and that such Bonds are deemed to have been paid in accordance with this Section and stating the maturity date or earlier redemption date upon which money is to be available for the payment of the principal of such Bonds.

(c) None of the Defeasance Securities deposited with the Trustee pursuant to this Section nor interest or principal payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the interest on and principal of such Bonds; provided that any cash received from such interest or principal payments on such Defeasance Securities deposited with the Trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested at the written direction of the City in Defeasance Securities maturing at times and in amounts sufficient to pay when due the interest on and principal of such Bonds on and prior to such maturity date thereof, and interest earned from such reinvestments shall be maintained in the related escrow fund until such time as the Refunding Requirements have been paid in full (but solely to the extent that does not affect the Tax-Exempt status of any Bonds).

Section 10.02 Unclaimed Moneys. Anything in the Indenture to the contrary notwithstanding, any money held by the Trustee in trust for the payment and discharge of any of the Bonds or interest on such Bonds which remain unclaimed for two years after the date when

such Bonds or interest on such Bonds have become due and payable, if such money was held by the Trustee at such date, or for two years after the date of deposit of such money if deposited with the Trustee after the said date when such Bonds or interest on such Bonds become due and payable, shall be repaid by the Trustee to the City, as its absolute property and free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Owners shall look only to the City for the payment of such Bonds; provided, however, before being required to make any such payment to the City, the Trustee shall, at the Written Request of the City and at the expense of the City, cause to be mailed to the registered Owners of such Bonds at their addresses as they appear on the Registration Books a notice that said money remains unclaimed and that, after a date named in said notice, which date shall not be less than 30 days after the date of the mailing of such notice, the balance of such money then unclaimed will be returned to the City. Any money held by the Trustee in trust for the payment and discharge of any Bonds shall not bear interest or be otherwise invested from and after such maturity or redemption date.

ARTICLE XI BOND INSURANCE

Section 11.01 Payment Under Bond Insurance Policy. So long as the Bond Insurance Policy remains in full force and effect, the following provisions shall apply with respect to payments under the Bond Insurance Policy.

(a) [to come]

Section 11.02 Additional Rights of Bond Insurer. So long as the Bond Insurance Policy shall be in full force and effect and the Bond Insurer has not defaulted with respect to its payment obligations thereunder, the following provisions shall apply.

(a) [to come]

(b)

Section 11.03 Suspension of Rights of Bond Insurer. All rights of the Bond Insurer to direct or consent to actions of the City, the Trustee or the Owners under this Indenture shall be (a) suspended during any period in which such Bond Insurer is then in default in its payment obligations under the Bond Insurance Policy (except to the extent of amounts previously paid by the Bond Insurer and due and owing to the Bond Insurer) and (b) of no force or effect in the event the Bond Insurance Policy is no longer in effect or the Bond Insurer asserts that the Bond Insurance Policy is not in effect.

ARTICLE XII ADDITIONAL PROVISIONS RELATING TO RESERVE POLICY

Section 12.01 Payment under Reserve Surety Bond and Additional Payments to Bond Insurer.

(a) [to come]

Section 12.02 Additional Terms Relating to Reserve Policy.

(a) [to come]

(b)

ARTICLE XIII MISCELLANEOUS

Section 13.01 Benefits of Indenture Limited to Parties. Nothing in this Indenture, expressed or implied, is intended to give to any person or entity other than the City, the Trustee, the Bond Insurer and the Owners of the Bonds, any right, remedy or claim under or by reason of this Indenture. Any covenants, stipulations, promises or agreements in this Indenture contained by and on behalf of the City shall be for the sole and exclusive benefit of the Trustee and the Owners of the Bonds.

Section 13.02 Execution of Documents by Bond Owners. Any declaration, request or other instrument which is permitted or required herein to be executed by Owners may be in one or more instruments of similar tenor and may be executed by Owners in person or by their attorneys appointed in writing. The fact and date of the execution by any Owner or such Owner's attorney of any declaration, request or other instrument or of any writing appointing such attorney may be proved by the certificate of any notary public or other officer authorized to make acknowledgments of deeds to be recorded in the state or territory in which such Owner purports to act that the person signing such declaration, request or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution duly-sworn to before such notary public or other officer. The ownership of any Bond and the amount, number and date of holding the same may be proved by the Registration Books. Any declaration, request or other instrument or writing of the Owner of any Bond shall bind all future Owners of such Bond with respect to anything done or suffered to be done by the City or the Trustee in good faith and in accordance therewith.

Section 13.03 Disqualified Bonds. In determining whether the Owners of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under this Indenture, Bonds which are owned or held by or for the account of the City (but excluding Bonds held in any employees' retirement fund) shall be disregarded and deemed not to be Outstanding for the purpose of any such determination; provided, however, for the purpose of determining whether the Trustee shall be protected in relying on any such demand, request, direction, consent or waiver, only Bonds which the Trustee knows to be so owned or held shall be disregarded. Upon request of the Trustee, the City shall specify in a certificate to the Trustee those Bonds that are disqualified pursuant to this Section and the Trustee may conclusively rely on such certificate.

Section 13.04 Waiver of Personal Liability. No officer, agent or employee of the City shall be individually or personally liable for the payment of the interest on or principal of the Bonds; but nothing contained herein shall relieve any such officer, agent or employee from the performance of any official duty provided by law.

Section 13.05 Consent of Parties. Whenever the consent or approval of any party to this Indenture is required by the terms of this Indenture, the consent or approval of such party shall not be unreasonably withheld.

Section 13.06 Partial Invalidity. If any one or more of the covenants or agreements, or portions thereof, provided in this Indenture on the part of the City (or of the Trustee) to be performed should be contrary to law, then such covenant or covenants, such agreement or agreements, or such portions thereof, shall be null and void and shall be deemed separable from the remaining covenants and agreements or portions thereof and shall in no way affect the validity of this Indenture or of the Bonds; but the Bond Owners shall retain all rights and benefits accorded to them under the Bond Law or any other applicable provisions of law.

Section 13.07 Payment on Business Days. Whenever in this Indenture any amount is required to be paid on a day that is not a Business Day, such payment shall be required to be made, without accruing additional interest thereby, on the Business Day immediately following such day.

Section 13.08 CUSIP Numbers. Neither the City nor the Trustee shall be liable for any defect or inaccuracy in the CUSIP number that appears on any Bond or in any redemption notice relating thereto. The Trustee may, in its discretion, include in any redemption notice relating to any of the Bonds a statement to the effect that the CUSIP numbers on the Bonds have been assigned by an independent service and are included in such notice solely for the convenience of the Owners and that neither the City nor the Trustee shall be liable for any defects or inaccuracies in such numbers.

Section 13.09 Notices. Any notice, request, demand or other communication under this Indenture shall be given by first class mail or personal delivery to the party entitled to such notice at its address set forth below, or by telecopy or other form of telecommunication, with prompt telephone confirmation. Notice shall be effective (a) if personally served or delivered, upon delivery, (b) if given by electronic communication, whether by telecopier or other forms, upon the sender's receipt of an appropriate answer back or other written acknowledgment or confirmation of receipt of the entire notice, approval, demand, report or other communication, (c) if given by first class, registered or certified mail, return receipt requested, deposited with the United States mail postage prepaid, 72 hours after such notice is deposited with the United States mail, (d) if given by overnight courier, with courier charges prepaid, 24 hours after delivery to said overnight courier, or (e) if by other means of personal delivery, upon receipt by the intended recipient of the notice. Each entity below may, by written notice to the other party, from time to time modify the address or number to which communications are to be given under this Indenture:

If to the City:

City of Lemoore
711 W. Cinnamon Drive
Lemoore, California 93245
Attention: City Manager
Tel: (559) 924-6700

If to the Trustee: U.S. Bank National Association
1420 5th Avenue, 7th Floor
Attention: Global Corporate Trust
Telephone: (206) 344-4682
Facsimile: (206) 334-4632

Notices to the Bond Insurer shall be sent to the address indicated in Section 11.02(b).

Section 13.10 Governing Law. This Indenture shall be construed and governed in accordance with the laws of the State of California.

Section 13.11 Binding on Successors.. This Indenture shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

Section 13.12 Execution in Counterparts. This Indenture may be executed in any number of counterparts. Each of such counterparts shall for all purposes be deemed to be an original and all such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be signed by their respective authorized representatives, all as of the day and year first above written.

CITY OF LEMOORE

By: _____
Mayor

ATTEST:

City Clerk

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: _____
Authorized Officer

EXHIBIT A

DESCRIPTION OF 2019 PROJECTS

1. Construction of three new water treatment plants;
2. Installation of a new pipe to replace an aging 18-inch water line that extends from a well field five miles north of the City;
3. Construction of a new water well in the southeast portion of the City; and
4. Acquisition and installation a one-million gallon water storage water tank;
5. The 2019 Projects may also include any other capital addition to or replacement of any portion of the Water System as to which the City has received an opinion of Bond Counsel to the effect that the payment of the costs of such capital addition or replacement with moneys in the Project Fund will not, in and of itself, adversely affect the Tax-exempt status of Bonds issued and Outstanding under the Indenture.

EXHIBIT B

[FORM OF BOND]

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”), to the City or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. R-____

\$_____

**CITY OF LEMOORE
WATER REVENUE BOND
SERIES 2019**

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>ORIGINAL DATED DATE</u>	<u>CUSIP</u>
%	_____, 20__	_____, 2019	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

The City of Lemoore, a municipal corporation duly organized and existing under the laws of the State of California (the “City”), for value received, hereby promises to pay (but solely out of Net Revenues, as defined in the Indenture hereinafter described and certain other moneys as specified in such Indenture) to the Registered Owner specified above or registered assigns (the “Registered Owner”), on the Maturity Date specified above (subject to any right of prior redemption hereinafter provided for), the principal amount specified above, in lawful money of the United States of America, and to pay interest thereon as follows.

The interest on this Bond shall be payable at the Interest Rate per annum specified above, semiannually on June 1 and December 1 in each year, commencing [June 1, 2019] (each, an “Interest Payment Date”), calculated on the basis of a 360 day year composed of twelve 30 day months. Interest on this Bond shall be payable in lawful money and shall accrue from the Interest Payment Date next preceding the date of authentication of this Bond unless (i) this Bond is authenticated on or before an Interest Payment Date and after the close of business on the fifteenth day of the month preceding such Interest Payment Date (the “Record Date”), in which event it shall bear interest from such Interest Payment Date, or (ii) this Bond is authenticated on or before the Record Date preceding the first Interest Payment Date, in which event it shall bear interest from the Original Dated Date specified above; provided, however, that if, at the time of authentication of this Bond, interest is in default on this Bond, the Trustee shall establish a special record date for payment of any interest in default and interest on this Bond shall accrue

from the date to which interest has previously been paid in full or made available for payment on this Bond. Principal hereof and premium, if any, upon early redemption hereof are payable upon presentation and surrender hereof at the principal corporate trust office of U.S. Bank National Association, as Trustee (the "Trustee"), in St. Paul, Minnesota, or at such other office as the Trustee may designate (the "Trust Office"). Interest hereon is payable by check of the Trustee mailed by first class mail on the Interest Payment Date to the Registered Owner hereof at the Registered Owner's address as it appears on the registration books of the Trustee as of the close of business on the related Record Date; provided, however, payment of interest may be by wire transfer in immediately available funds to an account in the United States of America to any Registered Owner of the Bonds in the aggregate principal amount of \$1,000,000 or more who shall furnish written wire instructions to the Trustee at least five days before such Record Date.

This Bond is one of a duly authorized issue of bonds of the City designated the City of Lemoore Water Revenue Bonds, Series 2019 (the "Bonds"), limited in principal amount to _____ **Dollars (\$_____)** secured by an Indenture, dated as of _____ 1, 2019 (the "Indenture"), by and between the City and the Trustee. All capitalized terms not otherwise defined herein have the meanings ascribed to them in the Indenture. Reference is hereby made to the Indenture and all indentures supplemental thereto for a description of the rights thereunder of the owners of the Bonds, of the nature and extent of the Net Revenues, of the rights, duties and immunities of the Trustee and of the rights and obligations of the City thereunder; and all of the terms of the Indenture are hereby incorporated herein and constitute a contract between the City and the Registered Owner hereof, and to all of the provisions of which Indenture the Registered Owner hereof, by acceptance hereof, assents and agrees.

The Bonds are issued pursuant to: (i) the Charter of the City, (ii) the City's Enterprise Revenue Bond Law, set forth in Title 10 of the City's Municipal Code (the "Bond Law"), (ii) a resolution adopted by the City Council of the City adopted on _____, and (iv) the Indenture. The Bonds have been issued to finance certain capital projects of the City's waterworks system (the "Water System").

All of the Bonds are equally secured by a pledge of, and charge and lien upon, the Net Revenues and the funds and accounts specified in the Indenture. "Net Revenues" are consisted of certain revenues of the Water System less operation and maintenance costs, and less amounts required to be paid by the City for loan incurred in 2013 (the "2013 Loan"). The City covenants that so long as any Bonds remain Outstanding, the City shall not issue or incur any additional bonds or other Obligations (except for the 2013 Loan), which will rank senior over the Bonds in the priority of lien with respect to the Net Revenues. Subject to the terms and conditions set forth in the Indenture, the City may from time to time incur Additional Parity Obligations which will rank on a parity with the Bonds with respect to their lien on Net Revenues.

The Bonds are special obligations of the City limited solely to the Net Revenues and the funds and accounts specifically identified in the Indenture for such payments. Under no circumstances shall the City be required to advance moneys derived from any source of income other than the Net Revenues and the funds and accounts specifically identified in this Indenture for such payments, nor shall any other funds or property of the City be liable for such payments coming due and payable under this Indenture. Neither the

Trustee nor any Owner shall have the right, directly or indirectly, to require or compel the exercise of the taxing power of the City or the forfeiture of any property of the City, including any portion of the Water System, for the making of any payments pursuant to the Bonds or the Indenture.

The Bonds maturing on or before June 1, 20__ shall not be subject to optional redemption by the City. The Bonds maturing on or after June 1, 20__ shall be subject to redemption prior to their maturity, as a whole or in part, at the option of the City as the City shall designate and by lot within a maturity, in the principal amount of \$5,000 or integral multiples thereof, on any date on or after June 1, 20__, from funds derived by the City from any source, at the redemption price set forth below (expressed as a percentage of the principal amount of Bonds called for redemption), plus accrued interest thereon to the redemption date:

<u>Redemption Date</u>	<u>Redemption Price</u>
June 1, 20__ through May 30, 20__	%
June 1, 20__ through May 30, 20__	
June 1, 20__ and thereafter	

The Bonds maturing on June 1, 20__ and June 1, 20__ shall be subject to redemption prior to their stated maturity, in part by lot, from Sinking Account Installments deposited in the Sinking Account, at the principal amount thereof and interest accrued thereon to the date of redemption, without premium, according to the following schedules; provided, however, if some but not all of the Term Bonds of a maturity have been optionally redeemed pursuant to the Indenture, each future Sinking Account Installment will be reduced on a pro rata basis (as nearly as practicable) in integral multiples of \$5,000, so that the total dollar amount of Sinking Account Installments to be made after the optional redemption shall be reduced by an amount equal to the principal amount of the Term Bonds redeemed pursuant to the optional redemption, as shall be designated pursuant to written notice filed by the City with the Trustee:

Term Bonds Maturing on June 1, 20__

<u>Redemption Date</u> <u>(June 1)</u>	<u>Principal Amount to</u> <u>be Redeemed</u>
---	--

*

* maturity

Term Bonds Maturing on June 1, 20__

Redemption Date (June 1)	Principal Amount to be Redeemed
<hr/>	<hr/>

*

* maturity

If this Bond is called for redemption and payment is duly provided therefor as specified in the Indenture, interest shall cease to accrue hereon from and after the date fixed for redemption.

Notice of redemption shall be sent by first class mail (or with respect to notices to be received by DTC or its Nominee by such transmission method as acceptable to such entity) not less than 30 nor more than 60 days prior to the redemption date to the respective Owners of any Bond designated for redemption at their address appearing on the Registration Books of the Trustee, but neither failure to receive such notice nor any defect in the notice so mailed shall affect the sufficiency of the proceedings for redemption or the cessation of accrual of interest thereon from and after the date fixed for redemption. The City may rescind any optional redemption by written notice to the Trustee on or prior to the date fixed for redemption. In addition, any notice of redemption shall be cancelled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation shall not constitute an event of default hereunder or under the Indenture. The City and the Trustee shall have no liability to the Owners or any other party related to or arising from such rescission.

This Bond is transferable by the Registered Owner hereof, in person or by the Registered Owner's duly authorized attorney, at the Trust Office, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, and upon surrender and cancellation of this Bond. Upon such transfer a new fully registered Bond or Bonds, of Authorized Denominations, for the same aggregate principal amount and of the same maturity will be issued to the transferee in exchange herefor. This Bond may be exchanged at the Trust Office of the same tenor, aggregate principal amount, interest rate and maturity, of other Authorized Denominations. The Trustee shall not be required to transfer or exchange: (i) any Bond in the 15 days prior to selection of Bonds for redemption (whether or not such Bond is thereafter selected for redemption), and (ii) any Bond selected for redemption in whole or in part.

No Owner of any Bond shall have the right to institute any suit, action or proceeding at law or in equity, for the protection or enforcement of any right or remedy under the Indenture or any applicable law, except as provided in the Indenture. If an Event of Default shall occur, the

principal of all Bonds may be declared due and payable upon the conditions, in the manner and with the effect provided in the Indenture, but such declaration and its consequences may be rescinded and annulled as further provided in the Indenture.

The Indenture and the rights and obligations of the City, the Owners or the Trustee may be modified or amended from time to time and at any time in the manner, to the extent, and upon the terms provided in the Indenture; provided that no such modification or amendment shall (a) extend the maturity of or reduce the interest rate on any Bond or otherwise alter or impair the obligation of the City to pay the principal, interest or premiums at the time and place and at the rate and in the currency provided therein of any Bond without the express written consent of the Owner of such Bond, (b) reduce the percentage of Bonds required for the written consent to any such amendment or modification, or (c) without its written consent thereto, modify any of the rights or obligations of the Trustee, all as more fully set forth in the Indenture.

The City and the Trustee may treat the Registered Owner hereof as the absolute owner hereof for all purposes, and the City and the Trustee shall not be affected by any notice to the contrary.

It is hereby certified and recited that all conditions, acts and things required by law, including the Bond Law and the Indenture to exist, to have happened and to have been performed precedent to and in the issuance of this Bond, exist, have happened and have been performed in due time, form and manner and that the issuance of the Bonds comply in all respects with the applicable laws of the State of California.

This Bond shall not be entitled to any benefit under the Indenture, or become valid or obligatory for any purpose, until the certificate of authentication hereon shall have been signed by the Trustee.

IN WITNESS WHEREOF, the City has caused this Bond to be executed in its name and on its behalf, and attested, by the manual or facsimile signatures of its Mayor [Mayor Pro Tem] and City Clerk as of the Original Issue Date identified above.

CITY OF LEMOORE

By: _____
[Mayor/Mayor Pro Tem]

Attest:

City Clerk

[SEAL]

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STATEMENT OF INSURANCE

[to come]

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[TRUSTEE'S CERTIFICATE OF AUTHENTICATION]

This is one of the Bonds described in the within-mentioned Indenture and registered on the Registration Books of the Trustee.

Date: _____, 20__

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: _____
Authorized Signatory

=====

[FORM OF ASSIGNMENT]

For value received the undersigned do(es) hereby sell, assign and transfer unto, whose tax identification number is _____, the within-mentioned registered Bond and hereby irrevocably constitute(s) and appoint(s) attorney to transfer the same on the books of the Trustee with full power of substitution in the premises.

Dated:

Signature guaranteed:

NOTE: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within the Bond in every particular without alteration or enlargement or any change whatsoever.

NOTICE: Signature must be guaranteed by a member of an institution which is a participant in the Securities Transfer Agent Medallion Program (STAMP) or such other similar program approved by the Trustee.

EXHIBIT C
FORM OF REQUISITION
(COSTS OF ISSUANCE FUND)

REQUISITION NO. ____

with reference to

\$ _____
City of Lemoore
Water Revenue Bonds
Series 2019

I. The City of Lemoore (the “City”) hereby requests U.S. Bank National Association, as trustee (the “Trustee”) pursuant to that certain Indenture, dated as of _____ 1, 2019 (the “Indenture”), by and between the City and the Trustee, under the terms of which the above-captioned bonds, to pay from the moneys in the Costs of Issuance Fund established pursuant to the Indenture, the amounts shown on Schedule A attached hereto to the parties indicated in Schedule A.

II. The payees, the purposes for which the costs have been incurred, and the amount of the disbursements requested are itemized on Schedule A hereto. All such all such payments shall be made by check or wire transfer in accordance with the payment instructions set forth in Schedule A or in invoices submitted in accordance therewith and the Trustee may rely on such payment instructions so given by the City with no duty to investigate or inquire as to the authenticity of the invoice or the payment instructions contained therein.

III. Each obligation mentioned in Schedule A hereto has been properly incurred and is a proper charge against the Costs of Issuance Fund. None of the items for which payment is requested has been reimbursed previously from the Costs of Issuance Fund.

All capitalized terms not defined herein have the meanings ascribed to them in the Indenture.

DATED: **CITY OF LEMOORE**

By: _____
[Name]
[Title]

EXHIBIT D
FORM OF REQUISITION
(PROJECT FUND)

REQUISITION NO. ____

with reference to

\$ _____
City of Lemoore
Water Revenue Bonds
Series 2019

I. The City of Lemoore (the “City”) hereby requests U.S. Bank National Association, as trustee (the “Trustee”) pursuant to that certain Indenture, dated as of _____ 1, 2019 (the “Indenture”), by and between the City and the Trustee, under the terms of which the above-captioned bonds, to pay from the moneys in the Project Fund established pursuant to the Indenture, the amounts shown on Schedule A attached hereto to the parties indicated in Schedule A.

II. The payees, the purposes for which the costs have been incurred, and the amount of the disbursements requested are itemized on Schedule A hereto. All such all such payments shall be made by check or wire transfer in accordance with the payment instructions set forth in Schedule A or in invoices submitted in accordance therewith and the Trustee may rely on such payment instructions so given by the City with no duty to investigate or inquire as to the authenticity of the invoice or the payment instructions contained therein.

III. Each obligation mentioned in Schedule A hereto has been properly incurred and is a proper charge against the Project Fund. None of the items for which payment is requested has been reimbursed previously from the Project Fund.

All capitalized terms not defined herein have the meanings ascribed to them in the Indenture.

DATED: **CITY OF LEMOORE**

By: _____
[Name]
[Title]

NEW ISSUE – BOOK ENTRY ONLY

Insured rating (Insured Bonds only): S&P: “_____”

Underlying, insured rating: S&P: “_____”

See “CONCLUDING MATTERS – Ratings.”

In the opinion of Richards, Watson & Gershon, A Professional Corporation, Bond Counsel, under existing law: (i) assuming continuing compliance with certain covenants and the accuracy of certain representations, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax, and (ii) interest on the Bonds is exempt from State of California personal income taxes. Interest on the Bonds may be subject to certain federal income taxes imposed only on certain corporations. Bond Counsel expresses no opinion as to any other tax consequences regarding the Bonds. For a more complete discussion of the tax aspects, see “CONCLUDING MATTERS – Tax Matters.”

\$27,670,000***CITY OF LEMOORE****WATER REVENUE BONDS, SERIES 2019****(KINGS COUNTY, CALIFORNIA)**

Dated: Date of Delivery

Due: June 1, as shown on the inside front cover

The City of Lemoore, California (the “City”) will issue its Water Revenue Bonds, Series 2019 (the “Bonds”) pursuant to an Indenture, dated as of March 1, 2019 (the “Indenture”), by and between the City and U.S. Bank National Association, as trustee (the “Trustee”). Proceeds from the sale of the Bonds will be used to: (i) finance capital projects of the City’s water treatment, production, storage and distribution system (the “Water System”), (ii) [pay the premium for a debt service reserve insurance policy to be credited to a debt service reserve fund established under the Indenture], (iii) pay the premium for a bond insurance policy for the Bonds, and (iv) pay other costs of issuance. The Bonds will be issued pursuant to: (i) the Charter of the City, (ii) the City’s Enterprise Revenue Bond Law, set forth in Title 10 of the City’s Municipal Code, (ii) a resolution adopted by the City Council of the City adopted on [February 5], 2019, and (iv) the Indenture.

The Bonds will be issued in fully registered form and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository of the Bonds. Individual purchases of the Bonds may be made in book-entry form only, in integral multiples of \$5,000 principal amount. Purchasers will not receive certificates representing their interest in the Bonds purchased. Principal of and interest on the Bonds will be paid directly to DTC by the Trustee. Principal of the Bonds will be payable on the dates set forth on the inside cover of this Official Statement. Interest on the Bonds will be payable on June 1 and December 1 of each year, commencing December 1, 2019]. Upon its receipt of payment of principal and interest, DTC in turn will be obligated to remit such principal and interest to DTC participants for subsequent disbursement to the beneficial owners of the Bonds.

The Bonds will be subject to optional redemption and mandatory sinking fund redemption prior to maturity as described in this Official Statement.

The Bonds, when issued, will be secured by a pledge of and payable from “Net Revenues,” which consist of certain revenues of the Water System less operation and maintenance costs, and less amounts required to be paid by the City for a loan incurred in 2013. The City will covenant to not incur any additional obligation senior to the Bonds with respect to the pledge of the Net Revenues. Upon satisfaction of the conditions set forth in the Indenture, the City may incur additional obligations secured by a pledge of Net Revenues on parity with the Bonds.

The scheduled payment of principal of and interest on the Bonds when due, will be guaranteed under a [municipal] bond insurance policy to be issued concurrently with the delivery of the Bonds by _____.

[BOND INSURER]

THE BONDS WILL BE SPECIAL OBLIGATIONS OF THE CITY LIMITED SOLELY TO NET REVENUES AND CERTAIN FUNDS AND ACCOUNTS ESTABLISHED UNDER THE INDENTURE. NO OTHER FUNDS OR PROPERTY OF THE CITY WILL BE LIABLE FOR THE PAYMENT OF THE BONDS. NEITHER THE TRUSTEE NOR ANY BOND OWNER WILL HAVE THE RIGHT TO REQUIRE OR COMPEL THE EXERCISE OF THE TAXING POWER OF THE CITY OR THE FORFEITURE OF ANY PROPERTY OF THE CITY, INCLUDING ANY PORTION OF THE WATER SYSTEM, FOR THE MAKING OF ANY PAYMENTS PURSUANT TO THE BONDS OR THE INDENTURE. THE BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE CITY, KINGS COUNTY, THE STATE OF CALIFORNIA OR ANY OF ITS POLITICAL SUBDIVISIONS WITHIN THE MEANING OF ANY CONSTITUTIONAL DEBT LIMITATION.

See the section of this Official Statement entitled “BONDOWNERS’ RISKS” for a discussion of certain of the risk factors that should be considered, in addition to other matters set forth in the Official Statement, in evaluating the

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the dated date of the Official Statement in its final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

* Preliminary; subject to change.

investment quality of the Bonds. This cover page contains information for quick reference only. It is not a summary of this issue. Potential purchasers must read the entire Official Statement to obtain information essential to making an informed investment decision.

[STIFEL]

The Bonds are offered when, as and if issued and accepted by the Underwriter, subject to the approval as to their legality by Richards, Watson & Gershon, A Professional Corporation, Los Angeles, California, Bond Counsel. Certain legal matters will be passed upon for the City by the City Attorney and by Richards, Watson & Gershon, as Disclosure Counsel, and for the Underwriter by its counsel, Stradling Yocca Carlson & Rauth, a Professional Corporation. It is anticipated that the Bonds will be available for delivery in book-entry form through the facilities of DTC on or about _____, 2019.

Dated: _____, 2019

\$27,670,000*
CITY OF LEMOORE
WATER REVENUE BONDS, SERIES 2019
(KINGS COUNTY, CALIFORNIA)

MATURITY SCHEDULE
\$ _____ Serial Bonds

Maturity Date (June 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP† (Base: _____)
-----------------------------------	-----------------------------	--------------------------	--------------	--------------	---------------------------------

\$ _____ % Term Bond due June 1, 20__, Yield _____%, Price: _____; CUSIP†: _____
 \$ _____ % Term Bond due June 1, 20__, Yield _____%, Price: _____; CUSIP†: _____

† CUSIP is a registered trademark of the American Bankers Association. CUSIP data in this Official Statement is provided by CUSIP Global Services, managed by S&P Capital IQ on behalf of the American Bankers Association. CUSIP alphanumeric designations ("CUSIP Numbers") are assigned by an independent company not affiliated with the City or the Underwriter. CUSIP © 2019 CUSIP Global Services. All rights reserved. This data is not intended to create a database and does not serve in any way as a substitute for CUSIP Global Services. CUSIP Numbers are provided for convenience of reference only. Neither the City nor the Underwriter take any responsibility for the accuracy of such numbers. The CUSIP Number for any particular maturity is subject to change after delivery of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors applicable to all or a portion of the Bonds.

* Preliminary; subject to change.

CITY OF LEMOORE

Kings County, California

CITY COUNCIL

Eddie Neal, *Mayor*
Chad Billingsley, *Mayor Pro Tem*
Holly Andrade Blair, *Council Member*
David Brown, *Council Member*
Stuart Lyons, *Council Member*

CITY STAFF

Nathan Olson, City Manager
Michelle Speer, Assistant City Manager
Mary J. Venegas, City Clerk
Frank Rivera, Public Works Director
Jenell Van Bindsbergen (Lozano Smith, Attorneys at Law), City Attorney

SPECIAL SERVICES

Bond Counsel and Disclosure Counsel

Richards, Watson & Gershon, A Professional Corporation
Los Angeles, California

Municipal Advisor

Del Rio Advisors, LLC
Modesto, California

Trustee

U.S. Bank National Association
Seattle, Washington

Dissemination Agent

Willdan Financial Services
Temecula, California

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

Use of Official Statement. This Official Statement is submitted in connection with the offer and sale of the Bonds and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not to be construed as a contract with the purchasers of the Bonds.

Estimates and Forecasts. Certain statements included or incorporated by reference in this Official Statement and in any continuing disclosure by the City, any press release and in any oral statement made with the approval of an authorized officer of the City or any other entity described or referenced in this Official Statement, constitute “forward-looking statements.” Certain statements included or incorporated by reference in this Official Statement constitute “forward-looking statements.” Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “anticipate,” “estimate,” “budget” or other similar words and include, but are not limited to, statements under the captions “PLAN OF FINANCING,” “WATER SYSTEM” and “WATER SYSTEM FINANCIAL INFORMATION.” The achievement of certain results or other expectations contained in such forward-looking statements involves known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. While the City has undertaken to provide certain on-going financial and other data pursuant to a continuing disclosure certificate (see “CONCLUDING MATTERS – Continuing Disclosure” and APPENDIX E), the City does not plan to issue any updates or revisions to those forward-looking statements if or when their expectations or events, conditions or circumstances on which such statements are based change.

Preparation of this Official Statement. The information contained in this Official Statement has been obtained from sources that are believed to be reliable, but is not guaranteed as to accuracy or completeness. Stifel, Nicolaus & Company, Incorporated (the “Underwriter”), has provided the following sentence for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information. _____ (the “Bond Insurer”) has provided the following sentences for inclusion in this Official Statement: _____

Limit of Offering. No dealer, broker, salesperson or other person has been authorized by the City to give any information or to make any representations in connection with the offer or sale of the Bonds other than those contained in this Official Statement and if given or made, such other information or representation must not be relied upon as having been authorized by the City or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

Information as of Dated Date of Official Statement. The information and expressions of opinions in this Official Statement are subject to change without notice and neither delivery of this Official Statement nor any sale made of the Bonds shall, under any circumstances, create any implication that there has been no change in the affairs of the City or any other entity described or referenced in this Official Statement since the dated date shown on the front cover. All summaries of the documents referred to in this Official Statement are made subject to the provisions of such documents, respectively, and do not purport to be complete statements of any or all of such provisions.

Stabilization of Prices. In connection with this offering, the Underwriter may overallocate or effect transactions which stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The Underwriter may offer and sell the Bonds to certain dealers and others at prices lower than the public offering prices set forth on the inside front cover and said public offering prices may be changed from time to time by the Underwriter.

No Incorporation of Websites. References to internet websites in this Official Statement are shown for reference and convenience only, and none of their content (including, but not limited to, the content of the City’s website) is incorporated by reference. The City makes no representation regarding the accuracy or completeness of information presented on such websites.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXCEPTION FROM THE REGISTRATION REQUIREMENTS CONTAINED IN SUCH ACT. THE BONDS HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAW OF ANY STATE.

[insert map]

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\$27,670,000*
CITY OF LEMOORE
WATER REVENUE BONDS, SERIES 2019
(KINGS COUNTY, CALIFORNIA)

INTRODUCTION

This Introduction does not purport to be complete, and reference is made to the body of this Official Statement, appendices and the documents referred to for more complete information with respect to matters concerning the Bonds. Potential investors are encouraged to read the entire Official Statement. Capitalized terms used but not defined in the forepart of this Official Statement have the meanings set forth in the Indenture. See “APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF INDENTURE.”

General

This Official Statement, including the cover page, the inside front cover and appendices, is provided to furnish information in connection with the sale by the City of Lemoore, California (the “City”) of its Water Revenue Bonds, Series 2019 (the “Bonds”), in the aggregate principal amount of \$27,670,000.* The Bonds will be issued pursuant to: (i) the Charter of the City, (ii) the City’s Enterprise Revenue Bond Law, set forth in Title 10 of the City’s Municipal Code, (iii) a resolution adopted by the City Council of the City adopted on [February 5], 2019, and (iv) the Indenture, dated as of [March] 1, 2019 (the “Indenture”), by and between the City and U.S. Bank National Association, as trustee (the “Trustee”). Proceeds from the sale of the Bonds will be used to: (i) finance capital projects of the City’s water treatment, production, storage and distribution system (the “Water System”), (ii) [pay the premium for a debt service reserve insurance policy (the “Reserve Policy”) to be credited to a debt service reserve fund established under the Indenture (the “Reserve Fund”)], (iii) pay the premium for a bond insurance policy for the Bonds, and (iv) pay other costs of issuance. See “PLAN OF FINANCING.”

Interest on the Bonds will be payable semiannually on June 1 and December 1 of each year, commencing [June 1, 2019]. The Bonds will mature in the amounts and on the dates and bear interest at the rates shown on the inside front cover of this Official Statement.

The Bonds will be initially delivered as one fully registered certificate for each maturity (unless there are different interest rates within such maturity, then one certificate for each interest rate within such maturity) and, when issued and delivered, will be registered in the name of Cede & Co., as nominee of the Depository Trust Company, New York, New York (“DTC”). DTC will act as the depository for the Bonds and all payments due on the Bonds will be made to Cede & Co. Ownership interests in the Bonds may be purchased only in book-entry form. So long as the Bonds are registered in the name of Cede & Co., or any other nominee of DTC, references in this Official Statement to the registered owners, or just “Owners” of the Bonds shall mean Cede & Co. or such other nominee of DTC, and shall not mean the beneficial owners of the Bonds. See

* Preliminary; subject to change.

“BONDS – Book-Entry Only System” and “APPENDIX F – DTC’S BOOK-ENTRY ONLY SYSTEM.”

Bond Insurance Policy

The scheduled payment of principal of and interest on the Bonds, when due, will be guaranteed under a bond insurance (the “Bond Insurance Policy”) to be issued concurrently with the delivery of the Bonds by _____ (the “Bond Insurer”). See “BOND INSURANCE” and “APPENDIX G – SPECIMEN BOND INSURANCE POLICY.”

City

The City was incorporated as a general law city in 1900, and became a charter city in 2000 upon approval of the charter by the City’s voters. The City has a Council-Manager form of government. The City Council is composed of five members. Formerly, the Council members were elected at large. As of 2018, a by-district system of election has been implemented. The City Council membership for two of the five districts was part of the November 2018 election, and will be subject to elections every four years thereafter. In November 2020 and every four years thereafter, there will be an election for the City Council membership for the other three districts. The City Council selects one of its members to serve as the Mayor and appoints the City Manager, who is responsible for the day-to-day administration of City business.

The City encompasses approximately 8.5 square miles in the northern portion of Kings County, California (the “County”). It is approximately 200 miles north of Los Angeles and 210 miles south of San Francisco. Situated in heart of the San Joaquin Valley, the City is surrounded by agricultural development. The City’s population was approximately 25,892 as of January 1, 2018, according to California Department of Finance estimates.

The Lemoore Naval Air Station (the “Lemoore NAS”), located approximately 3 miles west of the City limits, is the United States Navy’s largest master jet air station in the country. In addition to other operations, Lemoore NAS serves as the permanent base and home port for a number of carrier-based tactical jet squadrons. In 2016, a plan for a 25 percent personnel expansion at Lemoore NAS was announced, with an expected addition of more than 3,000 people (consisting of naval personnel and their family members) to the base. This expansion, scheduled to take place between 2016 and 2019, is underway. Lemoore NAS is not supported by the City’s Water System, but is a major economic contributor to the community’s economy.

The WSL Surf Ranch (the “Surf Ranch”) is located just outside of the City. While being more than 100 miles from the Pacific Ocean, the Surf Ranch uses hydrofoil technology to make artificial waves in a freshwater pool. While the Surf Ranch’s water is not supplied by the City’s Water System, it has attracted much media coverage in the last few years. Professional surfing competitions were held for the first time at the Surf Ranch in 2018. In 2018, a report was submitted to the County’s Planning Commission regarding possible future expansions, including operations, training and support facilities and two more wave pools, to be constructed between 2018 and 2026.

Leprino Foods Company, the world’s largest mozzarella cheese maker (supplying cheese to major restaurant chains and frozen pizza brands around the world) has two manufacturing

plants in the City, with approximately 1,300 employees. According to information published by Leprino Foods Company, one of its sites in the City contains the largest cheese manufacturing facilities in the world, with over 640,000 square feet of cheese making capacity. Leprino Foods is the top customer of the Water System by both water use volume and service revenues. See “WATER SYSTEM – Top Ten Customers (by Service Charge Revenues).”

For further general information regarding the City, see “APPENDIX A – SUPPLEMENTAL INFORMATION ABOUT CITY OF LEMOORE.”

Water System

The City provides water services to residential, commercial, industrial and governmental users within the City and a limited number of users outside of City limits (consisting of a mobile home park, a private school and one residential customer). All water distributed by the City is potable drinking water. The City uses local groundwater as its sole source of water supply to Water System customers, by pumping from the Tulare Lake Subbasin which underlies the City. The current Water System is comprised of a system of ten active groundwater wells, five storage reservoirs, distribution pipes and mains and a water distribution plant. The City plans to use proceeds of the Bonds to pay for all or a portion of the costs for the construction of three new water treatment plants, the acquisition of a new water storage tank and the installation of a new water well.

For fiscal year 2017-18, residential customers accounted for over 55 percent of the Water System’s revenues derived from service charges, and industrial customer account for approximately 29 percent. The top customer, Leprino Foods Company, account for 22 percent of the Water System’s revenues derived from service charges in fiscal year 2017-18.

See “WATER SYSTEM” and “WATER SYSTEM FINANCIAL INFORMATION” for more information about the Water System.

Security for Bonds

The Bonds, when issued, will be secured by a pledge of and payable from Net Revenues and certain funds and accounts held under the Indenture. “Net Revenues” will consist of certain revenues of the Water System less operation and maintenance costs, and less amounts required to be paid by the City for a loan incurred in a 2013 with a private lender (the “2013 Loan”). As of January 1, 2019, the outstanding principal amount of the 2013 Loan was \$5,177,795.45. The City makes quarterly payments (including principal and interest) on the 2013 Loan in the amount of \$143,407.16, which equals \$573,628.64 annually, with the final payment scheduled for March 1, 2029. The City will covenant to not incur any additional obligation senior to the Bonds with respect to the pledge of the Net Revenues. Upon satisfaction of the conditions set forth in the Indenture, the City may incur additional obligations secured by a pledge of Net Revenues on parity with the Bonds (“Additional Parity Obligations”).

The City will covenant under the Indenture that, while the Bonds remain Outstanding, to the extent permitted by law, the City will fix, prescribe, revise and collect rates, fees and charges for the services and facilities furnished by the Water System during each fiscal year, so that Net Revenues will be equal to at least 125 percent of the aggregate amount payable by the City

during such Fiscal Year with respect to the Bonds and any Additional Parity Obligations (collectively, “Parity Obligations”).

The Trustee will maintain a Reserve Fund. The initial Reserve Requirement (defined below, see “SECURITY FOR BONDS – Reserve Fund”) will be \$_____. The City has applied to the Bond Insurer for a Reserve Policy in a face amount equal to the Reserve Requirement to be credited to the Reserve Fund. The City will determine whether to purchase such Reserve Policy at the time of the pricing of the Bonds.

The Bonds will be special obligations of the City secured solely by Net Revenues and certain funds and accounts established under the Indenture. No other funds or property of the City will be liable for the payment of the Bonds. Neither the Trustee nor any Bond owner will have the right to require or compel the exercise of the taxing power of the City or the forfeiture of any property of the City, including any portion of the Water System, for the making of any payments pursuant to the Bonds or the Indenture.

See “SECURITY FOR BONDS” and “BONDOWNERS’ RISKS.”

Continuing Disclosure

In connection with the sale of the Bonds, the City will execute a Continuing Disclosure Certificate, covenanting to prepare and deliver an annual report and certain other information to the Municipal Securities Rulemaking Board (“MSRB”), via its Electronic Municipal Market Access (“EMMA”) system. See “CONCLUDING MATTERS – Continuing Disclosure” and “APPENDIX E – FORM OF CONTINUING DISCLOSURE CERTIFICATE.”

Other Information

This Official Statement contains brief descriptions of the Bonds, the Indenture, various other documents and legislation. The descriptions and summaries do not purport to be comprehensive or definitive, and reference is made to each such document or law for the complete details of all terms and conditions. All statements in this Official Statement are qualified in their entirety by reference to each such document and legislation and, with respect to certain rights and remedies, to laws and principles of equity relating to or affecting creditors’ rights generally. Capitalized terms with respect to the Bonds that are used but not defined in this Official Statement shall have the meanings set forth in the Indenture. Copies of the Indenture are available for inspection during business hours at the corporate trust office of the Trustee.

This Official Statement speaks only as of its date as set forth on the cover, and the information and expressions of opinion in this Official Statement are subject to change without notice, and neither the delivery of this Official Statement nor any sale made with respect to the Bonds shall under any circumstances create any implication that there has been no change in the affairs of the City since the date of this Official Statement.

Unless otherwise expressly noted, references to internet websites in this Official Statement are shown for reference and convenience only, and none of their content (including the City’s website) is incorporated by reference. The City makes no representation to potential

investors of the Bonds regarding the accuracy or completeness of the information presented on such websites.

PLAN OF FINANCING

Financing of Water System Improvements

The City plans to use proceeds from the Bonds to finance a portion of the cost of the following Water System capital improvement projects:

- Construction of three new water treatment plants (approximately \$22 million total project cost);
- Construction of a new water well in the southeast portion of the City (approximately \$7 million total project cost); and
- Acquisition and installation a one-million gallon water storage tank (approximately \$2.5 million total project cost).

See “WATER SYSTEM – Proposed Projects” for a more detailed discussion.

The foregoing reflects the City’s current expectations only. The City may spend proceeds of the Bonds on other or additional Water System projects. None of the projects financed with proceeds of the Bonds will constitute security for the Bonds.

Sources and Uses of Funds

The following table provides a summary of the anticipated sources and uses of the proceeds of the Bonds:

Sources:

Principal amount	\$27,670,000.00*
[Plus/Less]: Net original issue [premium/discount]	
Less: Underwriter’s discount	_____
Total Sources	=====

Uses:

Project Fund	
[Reserve Fund]	
Costs of Issuance ⁽¹⁾	_____
Total Uses	=====

⁽¹⁾ To pay fees and expenses of Bond Counsel, Disclosure Counsel, Trustee, Municipal Advisor, premium for Bond Insurance Policy [and Reserve Policy], rating fees, costs of posting and printing this Official Statement, and other costs of issuance.

* Preliminary; subject to change.

BONDS

Description

The Bonds will be issued in fully registered form, and will bear interest at the rates, and mature on June 1 in the years and in the amounts all as set forth on the inside front cover of this Official Statement. The Bonds will be issued in integral multiples of \$5,000 and will be dated their date of delivery.

Interest on the Bonds will be payable semiannually on June 1 and December 1 of each year, commencing [December 1, 2019] (each, an “Interest Payment Date”), and will be calculated on the basis of a 360-day year composed of twelve 30-day months. Each Bond will accrue interest from the Interest Payment Date next preceding the date of authentication of such Bond, unless: (i) the Bond is authenticated on or before an Interest Payment Date but after the close of business on the fifteenth calendar day of the month preceding such Interest Payment Date (a “Record Date”) and, in which event it will bear interest from such Interest Payment Date; (ii) the Bond is authenticated on or before [November 15, 2019], in which event it will bear interest from the date of delivery; provided, however, that if, at the time of authentication of any Bond, interest is in default on Outstanding Bonds, the Trustee will establish a special record date for payment of any interest in default and interest on such Bond will accrue from the date to which interest has previously been paid in full or made available for payment on such Bond.

The Bonds will be initially delivered as one fully registered certificate for each maturity (unless the Bonds of such maturity bear different interest rates, then one certificate for each interest rate among such maturity) and will be delivered by means of the book-entry system of DTC. While the Bonds are held in DTC’s book-entry only system, all such payments will be made to Cede & Co., as the registered owner of the Bonds. See “Book-Entry Only System” below.

Redemption

Optional Redemption. The Bonds maturing on or before June 1, 202__ will not be subject to optional redemption prior to their stated maturities. The Bonds maturing on or after June 1, 202__ will be subject to redemption at the option of the City, as a whole or in part, among maturities on such basis as the City may designate and by lot within a maturity, in integral multiples of \$5,000 principal amount, on any date on or after June 1, 20__, from funds derived by the City from any source, at the redemption price set forth below (expressed as a percentage of the principal amount of Bonds called for redemption), plus accrued interest thereon to the redemption date:

<u>Redemption Date</u>	<u>Redemption Price</u>
June 1, 20__ through May 30, 20__	%
June 1, 20__ through May 30, 20__	
June 1, 20__ and thereafter	

Mandatory Sinking Account Redemption. The Bonds maturing on June 1, 20__ and June 1, 20__ (the “Term Bonds”) will be subject to redemption prior to their stated maturity, in part by lot, from Sinking Account Installments deposited in the Sinking Account, at the principal amount and interest accrued thereon to the date of redemption, without premium, according to the following schedules; provided, however, if some but not all of the Term Bonds of a maturity have been optionally redeemed, each future Sinking Account Installment will be reduced on a pro rata basis (as nearly as practicable) in integral multiples of \$5,000, so that the total dollar amount of Sinking Account Installments to be made after the optional redemption shall be reduced by an amount equal to the principal amount of the Term Bonds redeemed pursuant to the optional redemption.

Term Bonds Maturing on June 1, 20__

Redemption Date (June 1)	Principal Amount to be Redeemed
_____	_____

†

_____† maturity.

Term Bonds Maturing on June 1, 20__

Redemption Date (June 1)	Principal Amount to be Redeemed
_____	_____

†

_____† maturity.

In lieu of a mandatory Sinking Account redemption, the City may direct the Trustee to apply amounts in the Sinking Account to purchase a portion of the Term Bonds of such maturity at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Account), except that the purchase price (exclusive of accrued interest) may not exceed the redemption price then applicable to such Term Bonds; provided, however, no Term Bonds will be purchased by the Trustee with a settlement date more than 60 days prior to the date on which the City would otherwise redeem such Term Bonds pursuant to the Indenture. The principal amount of any portion of the Term Bonds so purchased by the Trustee will be credited towards and will reduce the Sinking Account Installment otherwise coming due with respect to such Term Bonds.

Notice of Redemption. The Trustee will send notices of not less than 30 nor more than 60 days prior to any redemption date, to the respective Owners of any Bonds designated for redemption at their addresses appearing on the Trustee's registration books and to the Securities Depositories and one or more (currently the Electronic Municipal Market Access System, a facility of the Municipal Securities Rulemaking Board). Neither the failure to receive any such notice nor any defect in such notice will affect the sufficiency of the proceedings for such redemption or the cessation of accrual of interest from and after the redemption date.

Right to Rescission of Redemption. The City may rescind any optional redemption by written notice to the Trustee on or prior to the date fixed for redemption. In addition, any notice of optional redemption will be cancelled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation shall not constitute an Event of Default under the Indenture. The City and the Trustee will have no liability to the Owners or any other party related to or arising from such rescission. The Trustee will send notices of such rescission in the same manner as notices of redemption are sent.

Selection of Bonds for Redemption. Whenever provision is made for the redemption of less than all of the Bonds of a single maturity, the Trustee will select the Bonds of that maturity to be redeemed by lot in any manner which the Trustee in its sole discretion deems appropriate. For purposes of such selection, the Trustee will treat each Bond as consisting of separate \$5,000 portions and each such portion will be subject to redemption as if such portion were a separate Bond.

Effect of Redemption. From and after the date designated for redemption, if funds available for the payment of the principal of and interest (and premium, if any) on the Bonds so called for redemption will have been duly provided, such Bonds will cease to be entitled to any benefit under the Indenture other than the right to receive payment of the redemption price, and no interest will accrue from and after the designated redemption date. All Bonds redeemed will be canceled by the Trustee. All moneys held by or on behalf of the Trustee for the payment of principal of or interest (or premium, if any) on Bonds, whether at redemption or maturity, will be held in trust for the account of the Owners of such Bonds and the Trustee will not be required to pay Owners any interest on, or be liable to Owners for any interest earned on, moneys so held.

Book-Entry Only System

The Bonds, when issued, will be registered in the name of Cede & Co., as nominee of DTC. DTC will act as securities depository of the Bonds. Individual purchases of the Bonds of a series may be made in book-entry form only in integral multiples of \$5,000 principal amount. Purchasers will not receive certificates representing their interest in the Bonds purchased. Principal and interest will be paid to DTC, which will in turn remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of the Bonds as described in this Official Statement. So long as DTC's book-entry system is in effect with respect to the Bonds, notices to Owners by the Successor Agency or the Trustee will be sent to DTC. Notices and communication by DTC to its participants, and then to the beneficial owners of the Bonds, will be governed by arrangements among them, subject to then effective statutory or regulatory requirements. So long as the Bonds are registered in the name of Cede & Co., or any other

nominee of DTC, references in this Official Statement to the registered owners or use of the capitalized term “Owners” means Cede & Co. or such other nominee of DTC, and do not mean the beneficial owners of the Bonds. See “APPENDIX G – DTC’S BOOK-ENTRY ONLY SYSTEM.” In the event that such book-entry system is discontinued with respect to the Bonds, the City will execute and deliver replacements in the form of registered certificates and, thereafter, the Bonds will be transferable and exchangeable on the terms and conditions provided in the Indenture.

The following table shows the annualized debt service on the Bonds, without regard to any optional redemption. The debt service schedule of the Bonds was established so that the aggregate amount of principal and interest payments on the Bonds and the 2013 Loan would be approximately equal each fiscal year (*i.e.*, to create level debt service). The scheduled final payment for the 2013 Loan is March 1, 2029. See “INTRODUCTION – Security for Bonds” and “WATER SYSTEM FINANCIAL INFORMATION – Debt Service Coverage.”

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BOND INSURANCE

The following information has been furnished by the Bond Insurer for use in this Official Statement. Such information has not been independently confirmed or verified by the City. The City makes no representation as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof. Reference is made to Appendix G for a specimen of the Bond Insurance Policy.

[to come]

SECURITY FOR BONDS

Pledge of Net Revenues; Water Fund

General. Pursuant to the Indenture, the Bonds will be secured by and payable from Net Revenues (see definition below) of the Water System.

Certain Definitions. The terms “Gross Revenues,” “Operation and Maintenance Costs” and “Net Revenues” will be defined in the Indenture as follows:

“Gross Revenues” means all income, rents, rates, fees, charges and other moneys derived from the ownership or operation of the Water System including, without limiting the generality of the foregoing, (i) all income, rents, rates, fees, charges, business interruption insurance proceeds or other moneys derived by the City from the furnishing and supplying of services and facilities through the Water System, (ii) the earnings on and income derived from the investment of such income, rents, rates, fees, charges, or other moneys to the extent that such earnings and income are available for use for the Water System pursuant to law, (iii) the proceeds derived by the City directly or indirectly from the sale, lease, or other disposition of a part of the Water System, and (iv) amounts released from the Rate Stabilization Fund (see “Rate Stabilization Fund” below); provided the term “Gross Revenues” will not include any of the following: (A) customers’ deposits or any other deposits or advances subject to refund until those deposits or advances become the property of the City, (B) moneys that are derived from charges (including without limitation impact fees or special assessments) imposed for specified and restricted purposes (except to the extent that such charges are permitted to be used for the financing or payment of the capital improvements financed with the proceeds of the Bonds), as provided in a duly adopted resolution or ordinance, and that are accounted for by the City separate and apart from other revenues of the Water System, (C) grants or other moneys collected by the City from sources, which by the terms under which the City receives such money, restricts the use for specified and restricted purposes (except to the extent that the terms thereof permit the use of such money for the financing or payment of the capital improvements financed with the proceeds of the Bonds).

“Operation and Maintenance Costs” means the reasonable and necessary costs paid or incurred by the City, payable from Gross Revenues, for maintaining and operating the Water System, determined in accordance with Generally Accepted Accounting Principles, including but not limited to: (i) all reasonable expenses of management and repair and all other expenses

necessary to maintain and preserve the Water System in good repair and working order, (ii) all administrative costs of the City that are charged directly or apportioned to the operation of the Water System, such as salaries and wages of employees, overhead, taxes (if any), the cost of permits and licenses to operate the Water System and insurance premiums, and (iii) all other reasonable and necessary costs of the City or charges required to be paid by it to comply with the terms hereof; but excluding in all cases, the following: (A) debt service payable on obligations (including bonds, notes or other evidences of indebtedness, installment purchase payments under contract, and lease payments under any financing or capital lease, as determined to be such in accordance with Generally Accepted Accounting Principles) incurred by the City with respect to the Water System, (B) depreciation, replacement and obsolescence charges or reserves therefor, (C) amortization of intangibles or other bookkeeping entries of a similar nature, and (D) costs of capital projects which under Generally Accepted Accounting Principles are chargeable to a separate capital account or to a reserve for depreciation.

“Net Revenues” means, for any period, an amount equal to all of the Gross Revenues received during such period minus: (i) the amount required to be paid by the City for the 2013 Loan pursuant to the related loan agreement, and (ii) the amount required to pay all Operation and Maintenance Costs during such period.

Application of Gross Revenues from Water Fund. Under the Indenture, the City will covenant that all Gross Revenues of the Water System will be deposited by the City in a Water Fund, which has previously been established by the City.

Moneys in the Water Fund will be applied, first, to pay Operation and Maintenance Costs as they become due and payable (including amounts reasonably required to be set aside in contingency reserves for Operation and Maintenance Costs, the payment of which is not then immediately required). The City will also make payments, as the same becomes due and payable pursuant to the 2013 Loan Agreement.

Pursuant to the Indenture, no later than five Business Days before each Interest Payment Date, the City will withdraw from the Water Fund and transfer to the Trustee the amounts required by the Indenture to: (i) pay interest and principal (including Sinking Installments) then coming due, and (ii) restore the balance of the Reserve Fund to the Reserve Requirement (see “Reserve Fund” below). In addition, the City will withdraw from the Water Fund such amounts at such times as shall be required to pay (i) the principal (including mandatory sinking fund payments) of and interest on any other Parity Obligations; (ii) all amounts necessary for deposit in the debt service reserve funds as required by Parity Obligation Agreements; (iii) all other amounts when and as due and payable under the Indenture; and (iv) all other amounts to otherwise comply with the Parity Obligation Agreements.

The City will covenant to manage, conserve and apply the Net Revenues on deposit in the Water Fund in such a manner that all deposits described above will be made at the times and in the amounts so required. Subject to such covenant, so long as no Event of Default will have occurred and be continuing under the Indenture, the City may use and apply moneys in the Water Fund for (i) the payment of any subordinate obligations or any unsecured obligations, (ii) the costs for additional improvements, extensions, replacements and betterments to the Water System, (iii) the optional redemption of the Bonds or other optional prepayment of any

Obligations of the City relating to the Water System, (iv) make deposits in the Rate Stabilization Fund, or (v) any other lawful purposes.

At any time there are insufficient Net Revenues to make the required debt service payments due on the Bonds and other Outstanding Parity Obligations, the City will apply Net Revenues to such debt service payments due on the Outstanding Bonds and other Parity Obligations, on a pro rata basis (based on the respective amounts to be paid), without any discrimination on preferences and without regard to debt service reserves (whether funded in cash or supported by surety bonds or other similar funding instruments).

During any Bond Year, upon the City's transfer of all the moneys required to be transferred to the Trustee pursuant to the Indenture for such Bond Year (the "Bond Year Requirement"), the Net Revenues in excess of the Bond Year Requirement will be released from the pledge and lien under the Indenture and such excess Net Revenues may be applied for other lawful purposes

The Bonds will be special obligation of the City secured solely by the Net Revenues and certain funds and accounts held under the Indenture. Under no circumstances shall the City be required to advance moneys derived from any source of income other than the Net Revenues and the funds and accounts specifically identified in the Indenture for payments on the Bonds, nor will any other funds or property of the City be liable for such payments. Neither the Trustee nor any Owner shall have the right, directly or indirectly, to require or compel the exercise of the taxing power of the City or the forfeiture of any property of the City, including any portion of the Water System, for the making of any payments pursuant to the Bonds or the Indenture. The Bonds do not constitute an indebtedness of the City, the County, the State or any of its political subdivisions within the meaning of any Constitutional debt limitation.

Rate Covenants

The City will covenant under the Indenture that, to the extent permitted by law, the City will fix, prescribe, revise and collect rates, fees and charges for the services and facilities furnished by the Water System during each Fiscal Year, to yield Gross Revenues (after making allowances for contingencies and error in the estimates and taking into account transfers, if any, from the Rate Stabilization Fund) which are sufficient to pay the following amounts in the following order of priority:

- (A) All Operation and Maintenance Costs estimated by the City to become due and payable in such Fiscal Year;
- (B) Payments required during such Fiscal Year pursuant to the loan agreement for the 2013 Loan;
- (C) The principal of and interest on then Outstanding Bonds and other Parity Obligations as they become due and payable during such Fiscal Year, without preference or priority (except to the extent such principal and interest are payable from the proceeds of the Parity Obligations, or from any other source of legally available funds of the City which have been deposited with the Trustee or another

fiduciary for the Parity Obligations for such purpose prior to the commencement of such Fiscal Year) (the “Parity Obligation Annual Debt Service Requirement”);

- (D) All amounts, if any, required to restore the balance in the Reserve Fund to the Reserve Requirement and to replenish the debt service reserve funds relating to other Parity Obligations as required by Parity Obligation Agreements; and
- (E) All other payments required to meet any other obligations of the City which are charges, liens, encumbrances upon, or which are otherwise payable, from Gross Revenues during such Fiscal Year.

In addition, to the extent permitted by law, the City will fix, prescribe, revise and collect rates, fees and charges for the services and facilities furnished by the Water System during each Fiscal Year, so that Net Revenues will be at least equal to 125 percent of the Parity Obligation Annual Debt Service Requirement described in clause (C) above. For clarification, the amount of Net Revenues for a Fiscal Year will be computed on the basis that any transfers into the Water Fund in that Fiscal Year from the Rate Stabilization Fund are included in the calculation of Net Revenues (provided if such transfer from the Rate Stabilization Fund includes an amount that were originally transferred from Gross Revenue within the same Fiscal Year, then the calculation should be adjusted so that such amount would not be double-counted).

See “CONSTITUTIONAL PROVISIONS AFFECTING WATER SYSTEM REVENUES AND EXPENDITURES – Proposition 218: Article XIII C and Article XIII D” and “APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF INDENTURE – Other Covenants of the City – Rates and Charges.”

Debt Service Fund

Pursuant to the Indenture, the Trustee will establish and maintain a Debt Service Fund. The Trustee will further establish an Interest Account, the Principal Account and the Sinking Account within the Debt Service Fund. Moneys transferred to the Trustee by the City for payment of interest, principal or Sinking Account payments with respect to the Bonds will be deposited in the Interest Account, Principal Account or the Sinking Account, respectively; provided, the deposit in the Interest Account will have priority over the deposits into the Principal Account or the Sinking Account.

On each June 2, but only after making the interest and principal payments as required by the Indenture on the immediately preceding Interest Payment Date, the Trustee will determine the amount, if any, remaining in the Debt Service Fund and apply such remaining amount in the following order and priority: (i) transfer such money to the Reserve Fund, but solely to the extent necessary to restore the balance in the Reserve Fund to the Reserve Requirement; (ii) pay, or set an amount aside for the payment of, any rebate requirement in accordance with a computation made by the City pursuant to the Internal Revenue Code, if the Trustee has received a Request by the City to do so; and (iii) release to the City for use for any lawful purpose.

See “APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF INDENTURE – Pledge of Net Revenues; Administration of Water Fund, Debt Service Fund and Reserve Fund – *Debt Service Fund*.”

Reserve Fund

The Trustee will establish and maintain a Reserve Fund. Except for release of excess as provided in the Indenture, all money in (or available to) the Reserve Fund will be used and withdrawn for the following purposes, in such order and priority: (i) make deposits in the Interest Account at any time there is a deficiency in such account for paying the interest on the Bonds then coming due and payable, (ii) make deposits in the Principal Account and Sinking Account (*pro rata* as relating to such principal payments and such Sinking Account Installments in the proportion which all such principal payments and all such Sinking Account Installments bear to each other), at any time there is a deficiency in such accounts for paying the principal and Sinking Installment of the Bonds then coming due and payable, and (iii) make the final payments of principal of and interest on the Bonds.

The Indenture will require the Trustee to value the balance of the Reserve Fund at least semi-annually by each May 1 and November 1. Upon receipt of a notice from the Trustee that the balance of the Reserve Fund has fallen below the Reserve Requirement (defined below), the City will include the amount necessary to restore the balance of the Reserve Fund to the Reserve Requirement in the immediately next transfer of moneys from the Water Fund. Absent any other written instructions from the City, the Trustee will transfer any amount the Reserve Fund in excess of the Reserve Requirement to the Debt Service Fund.

“Reserve Requirement” will be defined to mean, as of any calculation date, an amount equal to the least of (i) ten percent of the principal amount of the Bonds upon issuance; (ii) 125 percent of Average Annual Debt Service (based on Bond Year) of the Outstanding Bonds; or (iii) Maximum Annual Debt Service (based on Bond Year) of the Outstanding Bonds. Upon the issuance of the Bonds, the Reserve Requirement will be \$_____.

The Indenture provides that the Reserve Requirement may be satisfied at any time, in whole or in part, by one or more “Qualified Reserve Credit Instruments” that meet the criteria set forth in the Indenture. A portion of the proceeds of the Bonds will be used to purchase the Reserve Policy (to be issued by the Bond Insurer concurrently with the issuance of the Bonds) to satisfy the Reserve Requirement.

See “APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF INDENTURE – Pledge of Net Revenues; Administration of Funds and Accounts – *Reserve Fund*.”

Rate Stabilization Fund

Pursuant to the Indenture, the City, at its discretion, may establish a special fund to be known as the “Rate Stabilization Fund,” which will be held by the City, for the purpose of stabilizing the rates and charges imposed by the City with respect to the Water System. From time to time the City may deposit amounts in the Rate Stabilization Fund, from any source of legally available funds, including but not limited to Net Revenues which are released from the pledge and lien which secures the Bonds and other Parity Obligations, as the City may determine.

The City may, but is not be required to, withdraw amounts on deposit in the Rate Stabilization Fund and deposit such amounts in the Water Fund in any Fiscal Year for the

purpose of paying the principal of and interest on the Outstanding Bonds and other Parity Obligations coming due and payable during such Fiscal Year. Amounts so transferred from the Rate Stabilization Fund to the Water Fund in any Fiscal Year constitute Gross Revenues for that Fiscal Year for the purposes of the Indenture.

[Before the printing of this Official Statement, the City Council authorized the establishment of a Rate Stabilization Fund and the deposit of up to \$525,000 into the Rate Stabilization Fund from available City moneys during fiscal year 2018-19.] Based on the current projections (see Table 10 under “WATER SYSTEM FINANCIAL INFORMATION – Debt Service Coverage”), the City does not anticipate a need to make transfers from the Rate Stabilization Fund to the Water Fund to satisfy the rate covenants of the Indenture in the foreseeable future. See “Rate Covenants” above.

Amounts on deposit in the Rate Stabilization Fund will not be pledged to and will not otherwise secure the Bonds or any other Parity Obligations. All interest or other earnings on deposits in the Rate Stabilization Fund shall be retained in the Rate Stabilization Fund or, at the option of the City, be applied for any other lawful purposes. The City has the right at any time to withdraw any or all amounts on deposit in the Rate Stabilization Fund and apply such amounts for any other lawful purposes of the City.

Additional Parity Obligations

The City from time to time may issue or incur Additional Parity Obligations, subject to the satisfaction of the following conditions prior to the incurrence of an Additional Parity Obligation (provided, that such conditions shall not apply to: (i) any Additional Parity Obligation incurred to refund all or a portion of the then Outstanding 2013 Loan, the Bonds or any other Parity Debt, so long as the amount of annual debt service payment coming due in each Bond Year is reduced as a result of such refunding, or (ii) any Additional Parity Obligation incurred solely as the result of the delivery of a Credit Facility (a bond insurance policy or other credit arrangement with respect to a Parity Obligation, as more fully defined in the Indenture)):

- (A) No Event of Default under the Indenture will have occurred and be continuing.
- (B) The Net Revenues received by the City in the most recent Fiscal Year for which audited financial statements are available (or any more recent consecutive 12-month period selected by the City, as shown by the books of the City) (excluding any money derived from the Rate Stabilization Fund), plus, at the option of the City, any Additional Allowance described in clauses (i) or (ii) below, shall be at least equal to 125 percent of the Maximum Annual Debt Service (calculated based on Fiscal Year) with respect to the Parity Obligations which will be Outstanding immediately following the incurrence of such Additional Parity Obligations, as evidenced by a written report of an Independent Accountant or Independent Fiscal Consultant.

The following items (each being an “Additional Allowance”) may be added to such Net Revenues for the purpose of applying the restriction contained in this covenant:

- (i) An allowance for the revenues from any addition to or improvement or extension of the Water System to be made with the proceeds of such proposed Additional Parity Obligation, and also for revenues from any addition to or improvement or extension of the Water System which have been made from moneys from any source but which, during all or part of such Fiscal Year (or more recent 12 month period) were not in service, all in an amount equal to 90 percent of the estimated additional average Net Revenues to be derived from such additions, improvements and extensions for the first 36 month period following the incurrence of the proposed Additional Parity Obligation, as shown by the certificate or opinion of an Independent Fiscal Consultant engaged by the City;
- (ii) An allowance for revenues arising from either of the following, in an amount equal to 100 percent of the amount by which Net Revenues would have increased if such increase in charges had been in effect during the whole of such Fiscal Year (or more recent 12 month period), as shown by the certificate or opinion of an Independent Fiscal Consultant engaged by the City:
 - (a) any increase in charges made for services from such Enterprise as specified in the City's municipal code or adopted Council resolution or ordinance (provided, that if the relevant sections of City's municipal code, resolution or ordinance provide for incremental increases for multiple years, then the allowance shall be based on rates that will become effective no later than 36 months following the incurrence of the proposed Additional Parity Obligation);
 - (b) any additional increase not covered by clause (1) above in the charges made for services from the Water System which have become effective prior to incurring such proposed Additional Parity Obligation but which, during all or any part of such Fiscal Year (or more recent 12 month period), was not in effect.

See "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF INDENTURE – Incurrence of Additional Obligations."

In addition to Additional Parity Obligations described above, the City may issue bonds or incur obligations that are either unsecured or which rank junior to the Bonds in their lien with respect to the Net Revenues. So long as the Bonds are Outstanding, the City may not issue or incur any additional bonds or other Obligations (except for the 2013 Loan) which will rank senior over the Bonds in the priority of lien with respect to the Net Revenues.

WATER SYSTEM

Service Area

The City provides water services to users within the City. The City also provides water services to a limited number of users outside of City limits (currently consisting of a mobile home park, a private school and one residential customer).

Water Supply

The City uses local groundwater as its sole source of water supply to its Water System customers, by pumping from the Tulare Lake Subbasin which underlies the City. In addition, the City holds a small number of shares in the Lemoore Canal and Irrigation Company, a California mutual water company, that gives the City certain entitlement to Kings River water which the City uses exclusively to irrigate the City's municipal golf course. The City currently does not anticipate buying wholesale water from other sources in the near future.

Tulare Lake Subbasin.

The following description of Tulare Lake Subbasin is based on publicly available materials published by California Department of Water Resources ("DWR"). The City has not independently verified this information and makes no representation as to its accuracy.

The Tulare Lake Subbasin (Groundwater Basin No. 5-22.12) is part of the San Joaquin Valley Groundwater Basin and is one of eight subbasins within the Tulare Lake Hydrologic Region that transport, filter, and store water. Kings River is the major river in the Tulare Lake Subbasin that provides most of the surface water runoff for the region. Of the 5.1 million acres of the San Joaquin Valley Basin, the Tulare Lake Subbasin has a surface area of 524,000 acres (or 818 square miles). The water storage capacity of the Tulare Lake Subbasin is estimated to be 17.1 million acre-feet to a depth of 300 feet and 82.5 million acre-feet to the base of fresh groundwater. An adjudicated groundwater basin refers to when, because of a lawsuit, the court decides who extracts from the basin, how much they extract, and who will manage the basin. The San Joaquin River Groundwater Basin is not adjudicated. Therefore, currently, there are no limitations placed on groundwater pumpage volumes.

Per the results of a statewide assessment of groundwater basin overdraft conditions, the DWR has classified the Tulare Lake Subbasin as one of the groundwater basins in the State being subject to "critical conditions of overdraft." DWR estimates that, on average, the water level of the Tulare Lake Subbasin declined nearly 17 feet from 1970 to 2000.

Sustainable Groundwater Management Act of 2014 (Establishment of Groundwater Sustainability Agencies and Groundwater Sustainability Plans).

In 2014, Governor Brown signed into law three bills (Senate Bill 1168, Assembly Bill 1739 and Senate Bill 1319) comprising the Sustainable Groundwater Management Act of 2014 (together with amendments thereto, the "SGMA"). The primary provisions of the SGMA are set forth in Section 10720 *et seq.* of the State's Water Code. The DWR is charged with developing regulations for the implementation of SGMA.

Under the SGMA, by January 31, 2020, a “groundwater sustainability plan” (a “Sustainability Plan”) or coordinated Sustainability Plans must be adopted to manage each basin (or subbasin) that has been designated by the DWR as a critically overdrafted basin, which would include the Tulare Lake Subbasin. (In contrast, for a basin that has been designated as high- or medium priority, but not critically overdrafted, the Sustainability Plan must be adopted by January 31, 2022.) By June 30, 2017, local agencies -- agencies that have water supply, water management or land use responsibility within the Tulare Lake Subbasin -- must form groundwater sustainability agencies (“GSAs” or each, a “GSA”) to develop and implement the Sustainability Plans. A local agency can serve as its own GSA. Alternatively, two or more local agencies may form a GSA by the execution of a joint powers agreement, a memorandum of agreement or other legal agreement. See “*South Forks GSA*” below.

Each Sustainability Plan must comply with the requirements set forth in Sections 10727 *et seq.* of the State’s Water Code. Among other things, each Sustainability Plan must specify measurable objectives and interim milestones in five-year increments, to achieve the sustainability goals within 20 years of the implementation of the Sustainability Plan. At a GSA’s request, the DWR may grant an extension of up to five years beyond the 20-year sustainability timeframe upon a showing of good cause, and a second extension of up to five years upon a showing of good cause if the GSA has begun implementation a feasible work plan for meeting the sustainability goals during the extension period. Failure to meet the deadlines for the establishment of a GSA or the development of a Sustainability Plan may result in intervention by the State Water Resources Board (the “SWRCB”). SWRCB may intervene with the creation of an interim plan and assess fees for purposes of supporting the interim plan.

The DWR has published information about SGMA, and the related DWR regulations on its website, which can be found at <http://www.water.ca.gov/groundwater/sgm/index.cfm>. This website reference is included for informational purposes only. The City makes no representation concerning, and does not take any responsibility for, the accuracy or timeliness of information posted on such website or the continued maintenance of such website.

South Fork Kings GSA

In early 2017, the City, the Empire West Side Irrigation District, the Stratford Irrigation District and the Stratford Public Utilities District entered into a Joint Powers Agreement the “Joint Powers Agreement”), and formed a joint powers authority, named the South Fork Kings GSA (the “SFKGSA”). The SFKGSA serves as the GSA for the portion of the Tulare Lake Subbasin underlying the collective jurisdictional boundaries of its members; provided that the County’s participation is to ensure complete coverage over otherwise un-districted areas in the Tulare Lake Subbasin within the geographic boundaries identified by Joint Powers Agreement. The members of the SFKGSA contemplate negotiating and entering into agreements with other GSAs in the Tulare Lake Subbasin to coordinate each GSA’s Sustainability Plan to collectively manage the Tulare Lake Subbasin in a manner required by the SGMA.

The SFKGSA is governed by a Board of Directors composed of one appointee by each member of the joint powers authority. The Joint Powers Agreement provides that the Board of Directors will adopt an operating budget for each fiscal year (from July 1 to June 30) to be funded by member contributions. Currently, the City’s contribution is \$56,000 per fiscal year.

In addition, the SFKGSA may incur debt pursuant to the provisions of SGMA, but the Joint Powers Agreement clarifies that no debt, liability or obligation of the SFKGSA will constitute the debt, liability or obligation of any of its members. The Joint Powers Agreement provides that, in the event the SFKGSA should experience an unanticipated need to pay for extraordinary costs, or to pay for costs of litigation or indemnification as provided in the Joint Powers Agreement, to the extent not covered by insurance, and to the extent such costs cannot otherwise be reasonably funded through use of reserves on hand or other revenue sources, the SFKGSA Board of Directors may authorize an assessment of such cost to be equally allocated to each member (unless otherwise specified by the Board).

The SFKGSA is working toward the adoption of a Sustainability Plan by January 31, 2020, in accordance with SGMA requirements. The City currently does not anticipate that the SFKGSA Sustainability Plan will require the City's pumpage from the Tulare Lake Subbasin to be reduced from the current level.

More information about SFKGSA can be found on its own website, at <http://southforkkings.org/>. This website reference is included for informational purposes only. The City makes no representation concerning, and does not take any responsibility for, the accuracy or timeliness of information posted on such website or the continued maintenance of such website.

Existing System Facilities

The current Water System is comprised of a system of groundwater wells, five storage reservoirs, distribution pipes and mains and a water distribution plant. The City has begun design work for three water treatment plants. See discussion below under "Proposed Projects."

The City maintains ten active groundwater wells: six located within the City, one standby well south of the City and three in the well field north of the City along the Kings River. The City extracts its water supply from underground aquifers through the groundwater wells. Except for the wells in the well field north of the City and the well south of the City, the water production, storage and distribution facilities are interspersed within the City boundaries. Water is conveyed from the wells to the consumers through a network of distribution pipes, primarily between 6 and 16 inches in diameter. The City maintains four ground-level storage reservoirs with a total capacity of approximately five million gallons. The City's main water distribution plant is located along G Street west of Lemoore Avenue. The facilities were acquired or built at different times during the decades between 1970 to present.

The volume of water that the City may pump from the wells in the field north of the City (the "North Field") is subject to an Amended Stipulation and Judgment, filed on December 13, 2003, with the Superior Court of the State of California for Kings County (*City of Lemoore v. Laguna Irrigation District et al.*, Case No. 60415) (the "Stipulation"). Pursuant to the Stipulation, the City must limit its pumping from the wells located within the North Field to an aggregate of 3,380 acre feet per calendar year (plus a "carryover amount," if any, determined in accordance to the Stipulation, so long as the total in any year does not exceed 3,700 acre-feet per year), except in case of emergencies. While City currently pumps water from the North Field,

the City does not anticipate any shortage of water supply based on the limit imposed by the Stipulation.

In addition to the main domestic water supply, the City operates a separate system (which includes one of the active wells (Well No. 9)) to supply industrial water to the tomato processing plant of Olam SVI, a subsidiary of Olam International Ltd., on the south side of the City. This system is generally used only during the tomato processing season, in the months of July, August and September. There is no special contractual arrangement between the City and the Olam tomato processing plant with respect to any exclusive use of such facilities and the plant does not enjoy any special service rates. The two water systems can be connected in case of an emergency such as a major fire or natural disaster. In the future, the City may integrate Well No. 9 with the main system to provide all industrial users with treated water.

Ninety-nine percent of all City connections are metered, with only 67 unmetered facilities principally consisting downtown low-usage commercial service connections. In light of State law requirement, the City intends to require water meters and meter-based billings for all service connections by 2025.

A water audit is a process of accounting for water use throughout a water system to quantify unaccounted for water. Unaccounted-for water is the difference between metered production and metered usage on a system wide basis. Water losses due to pipe leakage are currently minimal as most the City's water system is less than 35 years old.

The City will initiate a program for comparison of metered well production and metered usage, utilizing that program as guidance for system analysis and any needed repairs or replacement. Comparisons of succeeding-year figures will permit evaluation of program effectiveness.

Regulatory Compliance

The City's operation of the Water System is subject to various State and federal regulations, including (but not limited to) the federal Safe Drinking Water Act and the California Domestic Water Quality and Monitoring Regulations and other provisions set forth in Titles 17 and 22 of the California Code of Regulations. The standards specify water quality sampling frequencies and locations as well as maximum concentrations of chemical constituents. They are continuously being revised and amended.

Because the City provides chemical disinfectant to treat the water supply, the City must comply with the so-called "Disinfection Byproduct Rule." The City is currently subject to Compliance Order No. 03-12-14R-004, as amended by Compliance Order Amendment No. 03-12-17R-007-A1, and Compliance Order Amendment No. 03-12-18R-043-A2 (as so amended, the "Compliance Order"), issued by the California State Water Resources Control Board (the "SWRCB") for violation of the maximum allowed level of Total Trihalomethanes ("TTHM") based on testing at sample sites. The Compliance Order superseded a prior order issued in May 2011. Excessive levels of TTHM have been linked to liver, kidney, or central nervous system problems, and may have an increased risk of cancer.

Among other things, the Compliance Order requires the City to continue collecting quarterly samples for TTHM, and provide notifications to the public during any calendar quarter that the four-quarter locational running annual average exceeds the State's established maximum contaminant level ("MCL") for TTHM. The City has complied with such quarterly monitoring and notification requirements.

Pursuant to the Compliance Order, as amended, the City has prepared a plan (the "Corrective Action Plan"), which identifies improvements to the Water System to correct the TTHM MCL violation, and include a time schedule for various phases of the project. The Compliance Order also provided that the City must achieve compliance with the TTHM MCL, with the completion of a project and a demonstration that the locational running annual average is reliably less than the MCL by June 30, 2020. The SWRCB may further extend the deadline upon the City's request submitted no less than five days of the deadline.

TTHM is a byproduct reaction between chlorine and natural carbon from the ground and the water. The City adds chlorine to reduce the natural amount of arsenic in the water. The proposed water treatment plants which will be financed with proceeds of the Bonds (see "Proposed Projects" below) are being designed to use a water treatment process that will lower the amount of organic carbon and the amount of chlorine used, significantly reducing the resultant TTHM.

Except for the TTHM MCL violation described above, to the best of the City's knowledge, the City is in compliance with all applicable environmental regulations in all material respects, in providing safe drinking water to its customers.

Proposed Projects

In October 2016, the City Council developed a Five Year Community Investment Program (the "CIP") for fiscal years 2016-17 through 2020-21, and identified various capital projects anticipated to be undertaken by the City and the estimated budget and timing of expenditure for such projects during the subject five year period.

The CIP listed a number of Water System projects including, among others, improvements (consisting of one or more treatment plants) to satisfy the Compliance Order (see "Regulatory Compliance" above), replacement of various water lines, rehabilitation of various existing wells, tanks and lines, and installation of new wells, and tanks lines. Per the CIP, the City anticipates a budget of \$38.8 million over the five years for such projects, to be funded by a combination of proceeds of the Bonds and in part from other revenues.

The City plans to use proceeds from the Bonds for all or a portion of the following projects:

- Engineering has commenced for three new treatment plants to ensure that the City's water meets or exceeds State and federal standards, including satisfaction of the Compliance Order. The City estimates that the cost to completion will be approximately \$22 million, and that the treatment plants will begin operation by June 2020.

- The City plans to drill a new water well in the southeast portion of the City to ensure adequate clean water supply. This project is estimated to cost approximately \$7 million and be completed by September 2019.
- The City plans to acquire and install a one-million gallon water storage water tank at the Well 7 site, located at north Bush Street, near West Hills College. This project is estimated to cost approximately \$2.5 million and be completed by September 2019.

The foregoing reflects the City's current expectation only. The City may spend proceeds of the Bonds on other or additional Water System projects. None of the capital improvements of the Water System, whether or not financed with the proceeds of the Bonds serve as collateral for the Bonds.

Organization and Management

The City provides water services to its residential, commercial and other customers through the Water System. The City Council establishes the rates and charges for the Water System. The City's Public Works Department is responsible for the Water System's day-to-day operation and maintenance. The Public Works Director reports to the City Manager. The City's Finance Department works closely with the City Manager and the director of each City department, including the Public Works Director, to prepare periodic revenue and expenditure reports, revenue projections and to make budget recommendations for all City departments and enterprises, including the Water System. The Assistant City Manager currently oversees the Finance Department, the Human Services Department and Risk Management.

Nathan Olson, City Manager. Mr. Olson was appointed City Manager in February of 2018. Before such appointment, he served as the City's Public Works Director for a two and a half years. Prior to working for the City, Mr. Olson was an Operations Manager for Blue Diamond Growers between 2013 and 2015. Mr. Olson has held various management positions in food manufacturing starting back in 2000 and holds a Bachelor of Science degree from University of Phoenix

Michelle Speer, Assistant City Manager. Ms. Speer was appointed Assistant City Manager for the City in June 2017. In July 2016, she began with the City as the Assistant to the City Manager. Prior to working for the City, Ms. Speer was the Emergency Services Coordinator for Kings County, and held various positions in the architecture and construction fields. Ms. Speer has worked for both public and private organizations and holds a Bachelor of Arts degree from Fresno Pacific University in Organizational Leadership.

Frank Rivera, Public Works Director. Mr. Rivera was appointed as the City's Interim Public Works Director in May 2017, and then became the Public Works Director in April 2018. He previously served as the Public Works Construction Superintendent overseeing the Building Department and Public Works inspections divisions. Mr. Rivera has worked for the City since February 1990.

Rates and Charges

Revenues deposited in the Water Fund consist primary of money collected from charges the “Service Charges”), comprised of a fixed charge component based on meter size and a commodity charge component that varies based on type of use and usage volume.

Current Service Charge Rates. On August 16, 2016, the City Council adopted Resolution No. 2016-26 (the “2016 Water Rate Resolution”), to establish the rates for Service Charges, effective January 1 of 2017, 2018, 2019 and 2020, respectively. These rates were based on the recommendations set forth in a Water Rate Study, dated June 17, 2016, by IG Service. The City commissioned the Water Study to analyze the Water System’s Service Charge rates based on existing and projected demands, revenues, costs and capital expenditures.

Table 1
CITY OF LEMOORE
Water System
Service Charges Effective January 1 of 2017, 2018, 2019 and 2020
(as adopted under City Council Resolution No. 2016-26)

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Volumetric rate (per hundred cubic feet)				
Residential single family	\$ 0.87	\$ 1.10	\$ 1.40	\$ 1.77
Multifamily	0.95	1.19	1.50	1.92
Government and schools	1.28	1.72	2.28	2.97
Commercial	1.28	1.63	2.08	2.68
Industrial - Regular	1.20	1.58	2.08	2.75
Industrial - Seasonal Peak ⁽¹⁾	1.47	2.02	2.72	3.61
Fixed monthly charge based on meter size (per month)				
Single family residential	13.00	17.00	22.00	29.00
All other ⁽²⁾				
up to 1.5-inch	23.00	30.00	39.00	51.00
2-inch up to 2.5-inch	74.00	96.00	124.00	162.00
3-inch	138.00	179.00	233.00	303.00
4-inch	230.00	299.00	389.00	505.00
6-inch	460.00	598.00	777.00	1,011.00
8-inch	736.00	957.00	1,244.00	1,617.00
10-inch	1,058.00	1,375.00	1,788.00	2,324.00
12-inch	1,978.00	2,571.00	3,343.00	4,346.00
Flat rates for non-metered customers⁽³⁾				
Multi-family, per unit	24.00	31.00	40.00	52.00
Business and retail	28.00	36.00	47.00	61.00

(1) Currently, applicable to Olam tomato plant only and generally for the months of July, August and September. See discussion about Well No. 9 under “Existing System Facilities.”

(2) Included 300 to 700 cubic feet of water depending on customer type.

(3) Fixed charge for duplex, triplex apartments and mobile homes based on meter size only.

The City will adopt new schedules of rates, fees and charges from time to time, based on its review of revenues and expenditures. See “SECURITY FOR BONDS – Rate Covenants” and “CONSTITUTIONAL LIMITATIONS AFFECTING WATER SYSTEM REVENUES AND EXPENDITURES – Proposition 218: Article XIIC and Article XIID.”

Monthly Charge of Typical Residential Customer. For illustrative purposes only, the following table shows the monthly charges for a typical single family residential unit, based on 1,300 cubic feet usage per month, for fiscal years 2013-14 through 2017-18. Before the adoption of the 2016 Water Rate Resolution, the City’s last water rate increase was in 2007.

Table 2
CITY OF LEMOORE
Water System
(Illustrative) Monthly Charges Paid by a Typical Single Family Residence
(assuming 1,300 cubic feet usage)
for Fiscal Years 2013-14 through 2017-18

Fiscal Year Ended June 30	Total Monthly Service Charge
2014	\$18.60
2015	18.60
2016	18.60
2017 ⁽¹⁾	24.31
2018	31.30

(1) First year that rates adopted under 2016 Water Rate Resolution went into effect.

Source: City of Lemoore.

Comparative Rates. The following table compares the current water service charge imposed by the City for a typical single-family residential unit (assuming a one-inch meter and 1,300 cubic feet usage per month) and those of certain communities in the surrounding area:

Table 3
CITY OF LEMOORE
Water System
Comparative Service Charges
(Based on Typical Single Family Residence, 1-inch meter and 1,300 cubic feet usage)
as of June 2018

<u>Community</u>	<u>Monthly Usage Charge</u>
Hanford	\$30.26
Lemoore	31.30
Coalinga	36.00
Fresno	40.52
Corcoran	48.60
Avenal	85.03

Source: City of Lemoore, based on publicly available information published or posted by each listed entity as of June 2018.

Billing and Collection Procedures

Generally, the City sends the bills to its customers for water service and usage on the 25th day of each month. All water bills are due and payable on the 25th day of the month following the mailing. If a customer fails to pay the water bill in full when due, the bill is deemed delinquent and a delinquent service charge is added. The delinquent charge is currently 10 percent of the outstanding balance of the bill. If a customer fails to pay the bill in full by the 10th day of the month following the date of delinquency, the City may, after complying with State law on discontinuance of utility service for non-payment, discontinue water service and not recommence providing water service to such a user until all previous water charges, delinquent service charges, customer deposit and disconnection/reconnection service charges are paid in full.

Customer Revenues and Consumption

The following table summarizes the total Water System billing and the uncollectible revenues for the fiscal years shown.

Table 4
CITY OF LEMOORE
Water System
Total Service Charge Billings and Uncollectible Water Revenues
Fiscal Years 2013-14 through 2017-18

Fiscal Year Ended June 30	Gross Billings⁽¹⁾	Uncollectible Water Revenues	Percent of Gross Billings
2014	\$ 4,182,222	\$ 5,671	0.14%
2015 ⁽²⁾	3,942,183	16,200	0.41
2016 ⁽²⁾	3,762,207	2,000	0.05
2017	4,248,572	753	0.02
2018	5,619,031	8,669	0.15

(1) Includes service charges, delinquent charges, hang tag fees, returned check fees, and reconnection fees. Dollar amounts are consistent with those shown under “total operating revenues” in Table 9 (Statement of Revenues, Expenses and Changes in Fund Net Assets, under “WATER SYSTEM FINANCIAL INFORMATION -- Financial Statements.”

(2) Decreases in fiscal years 2014-15 and 2015-16 reflective of water conservation measures in light of State-wide drought conditions. See discussion under “Water Conservation and Supply Shortage Contingency Measures.”

Source: City of Lemoore.

The following table shows the fiscal year 2017-18 Service Charge Revenues by each customer class.

Table 5
CITY OF LEMOORE
Water System
Service Charge Revenues by Customer Type⁽¹⁾
Fiscal Year 2017-18

Customer Type	Service Charge Revenues	Percentage of Total Service Charge Revenues
Residential		
Single family	\$2,512,558	44.72%
Multifamily	580,012	10.32
Government and schools	577,975	10.29
Commercial	326,984	5.82
Industrial	1,621,502	28.86
Total	\$5,619,031	100.00%

(1) Reflects billed amounts.

Source: City of Lemoore.

As of the end of January 2019, the City's Water System had: (i) 6,306 single family residential accounts, (ii) 258 multifamily residential accounts, (iii) 294 government and school accounts, (iv) 326 commercial user accounts, and (v) 14 industrial user accounts.

The following table shows usage volume by customer type for the years shown.

Table 6
CITY OF LEMOORE
Water System
Usage Volume (in Cubic-Feet) by Customer Type
Fiscal Years 2014-15 through 2017-18

	2014-15	2015-16	2016-17	2017-18
Residential ⁽¹⁾				
Single family	146,963,437	138,609,500	127,988,403	122,000,609
Multifamily	35,316,597	31,713,681	28,142,096	24,729,958
Government and schools	3,272,600	3,397,353	9,239,526	9,413,914
Commercial	1,921,600	2,058,800	5,458,200	12,229,400
Industrial ⁽²⁾	96,585,387	114,909,752	119,527,031	110,730,955
Total⁽³⁾	284,059,621	290,689,086	290,355,256	279,104,836

(1) Decrease in residential water use due to, in part, successful conservation efforts. See discussion under "Water Conservation and Supply Shortage Contingency Measures."

(2) Increases in fiscal year 2015-16 primarily due to increased usage by Leprino Foods (see "Top Ten Customers (by Service Charge Revenues)" below).

(3) Total may not equal sum due to rounding.

Source: City of Lemoore.

Top Ten Customers (by Service Charge Revenues)

The following table summarizes the Service Charge Revenues from the top ten customers (by service charge revenues) of the Water System.

Table 7
CITY OF LEMOORE
Water System
Top Ten Customers (by Service Charge Revenues)
Fiscal Year 2017-18

Customer	Description	12-month Usage Volume (100 cubic feet)	% of Total Usage Volume ⁽¹⁾⁽³⁾	12-month Service Charge Revenues	% of Total Service Charge Revenues ⁽²⁾⁽³⁾
Leprino Foods Company	Industrial - cheese making and related products	913,114	32.72%	\$1,239,860	22.07%
Olam SVI	Industrial - tomato processing	101,768	3.65	209,745	3.73
West Hills College	School - junior college	76,135	2.73	134,586	2.40
Agusa	Industrial -- tomato processing	45,408	1.63	66,161	1.18
Montgomery Crossing	Multi-family	14,861	0.53	57,439	1.02
The Grove Apartments	Multi-family	15,507	0.56	35,864	0.64
Lakeview Apartments	Multi-family	27,546	0.99	35,806	0.64
Lemoore Apartments	Multi-family	11,660	0.42	31,739	0.56
Lemoore High School	High school	4,354	0.16	31,446	0.56
CalTrans	Governmental	12,996	0.47	23,847	0.42
Total ⁽⁴⁾		1,223,348	43.83%	\$1,866,494	33.21%

(1) Total usage volume by all customers for fiscal year 2017-18: 279,104,836 cubic feet. See Table 6.

(2) Total Service Charge Revenues from all customers for fiscal year 2017-18: \$5,619,031. See Table 4.

(3) Incongruence between ranking according to Service Charge Revenues and ranking according to volume largely due to sizes of meters used by the customers, which result in different monthly fixed charges. See Table 1.

(4) Total may not equal to sum due to rounding.

Source: City of Lemoore.

As indicated above, Leprino Foods, Inc. ("Leprino Foods") is the top Water System customer, representing over 22 percent of fiscal year 2017-18 service charge revenues. The description below is compiled from information published by Leprino Foods or other publicly available materials. The City has not independently verified such information and makes no representation as to the accuracy or completeness thereof. More information can be found at Leprino Foods' website: <https://leprinofoods.com>. This website reference is included for informational purposes only. The City makes no representation concerning, and does not take any responsibility for, the accuracy or timeliness of information posted on such website or the continued maintenance of such website.

Leprino Foods is world's largest mozzarella cheese maker and a top producer of whey protein and dairy ingredients. The company was first established in the 1950's and remains as a family-owned and run business. Leprino Foods initially built its business around supplying cheese to pizza restaurants and continues to supply to the top pizza chains (such as Pizza Hut, Domino's, Papa John's and Little Caesars) and frozen pizza brands around the world. Leprino Foods also supplies its cheese to leading food companies for use as ingredients. In addition,

Leprino Foods has developed nutrition products serving four key segments – infant formula, adult nutrition, sports nutrition and commercial ingredients – reflecting use of lactose, sweet whey, whey protein, micellar casein and other dairy ingredients. To support global sales, the Leprino Foods has joint ventures or business offices in the United Kingdom, Singapore, China, Japan, Korea, and Brazil. Leprino Foods has full-scale manufacturing facilities at nine locations in the United States: two in Colorado, one in New Mexico, two in Minnesota, one in New York, and three in California (in Tracy and Lemoore).

The City hosts two of Leprino Food’s manufacturing plants (known as “Lemoore East” and “Lemoore West” respectively). Although Leprino Foods began its the Lemoore East operations in 1986, that facility has been a continuous dairy operation since 1910. Lemoore East employs approximately 300 employees. Lemoore West contains one of the largest cheese manufacturing facilities in the world, with over 640,000 square feet of cheese making capacity, and approximately 1,000 employees.

Water Conservation and Supply Shortage Contingency Measures

Water Conservation Act of 2009 (SBx7-7).

The Water Conservation Act of 2009, set forth in State Senate Bill x7-7 (“SBx7-7”), was signed by the Governor in 2009 and became effective in February 2010. Among other things, SBx7-7 seeks to achieve a State-wide 20 percent reduction in urban per capita water use by December 31, 2020. SBx7-7 requires each urban retail water supplier (such as the City) to develop urban water use targets to help meet the 20 percent reduction goal by 2020, with an interim 10 percent reduction goal by 2015. An urban water retail supplier that fails to meet its water use target by December 31, 2020 will be ineligible for a water grant or loan administered by the State until the supplier complies with the provisions of SBx7-7, unless the State Department of Water Resources determines that the supplier is eligible for a water grant or loan after the supplier’s submission of a schedule, financing plan, and budget for achieving the required per capita reductions.

The City determined that its SBx7-7 targets are as follows. The baseline water use was determined based on the City’s gross water use divided by its service area population, reported in gallons per capita per day (“GPCD”):

10-15 year (2001-2015) Baseline	5 year (2006-2010) Baseline	2015 Interim Target	2020 Target
182	184	179	175

The actual fiscal year 2014-15 per capita daily water usage for City’s Water System was 128 GPCD, well below the 2015 interim target and 2020 target.

California 2011-17 Drought; State Emergency Measures and Continuing Efforts.

California has a highly variable climate, and often experiences very wet years followed by extremely dry ones. During the last thirty-five years, the State experienced drought periods between 1986 and 1992, between 2007 and 2009, and between 2011 and 2017.

The drought from December 2011 to March 2017 was considered one of the worst in the State's recorded history, with 2012 through 2015 having the driest four-year statewide precipitation on record. Between 2014 and 2015, the Governor issued two emergency proclamations (on January 14, 2014 and April 25, 2014) and four executive orders (Executive Orders B-26-14, B-28-14, B-29-15 and B-36-15). During this period, SWRCB adopted and implemented regulations for water use reductions and restrictions. Among such actions, the SWRCB adopted emergency regulations in 2015 to achieve a 25 percent reduction in the overall potable urban production statewide in accordance with directives set forth in Executive Order B-29-15. It was reported that, overall, the State saved an average of more than 24 percent during the twelve months that the mandate was in place. In addition, the Sustainable Groundwater Management Act of 2014 was enacted. See "Water Supply -- Sustainable Groundwater Management Act of 2014 (Establishment of Groundwater Sustainability Agencies and Groundwater Sustainability Plans)." The State developed a five-year California Water Action Plan, with the stated goals of more reliable water supplies, the restoration of important species and habitat, and a more resilient, sustainably managed water resources system (water supply, water quality, flood protection, and environment).

On May 16, 2016, the Governor issued Executive Order B-37-16, which among other things, directed: (i) the State Department of Water Resources to work with the SWRCB to develop new water use targets as part of a permanent framework for urban water agencies, (ii) the permanent requirement of urban water suppliers to issue monthly report of their water usage, conservation amounts and enforcement efforts, (iii) prohibition of wasteful potable water practices (such as hosing of sidewalks, watering lawns in a manner that causes runoff); (iv) California Energy Commission's certification of innovative water conservation and water loss detection and control technologies that also increase energy efficiency; (v) consultation by State Department of Water Resources with urban water suppliers, local governments, environmental groups and other partners to update requirements for water shortage contingency plans.

The winter of 2016-17 brought significant precipitation and was the wettest on record for Northern California. On April 7, 2017, Governor Brown issued Executive Order B-10-17, rescinding the two emergency proclamations from January and April 2014 and the four drought related Executive Orders issued in 2014 and 2015. However, Executive Order B-37-16 was largely left in place.

Executive Order B-10-17 terminated the drought state of emergency for all counties in the State, except for the counties of Fresno, Kings, Tulare and Tuolumne. (The City is located in Kings County.) For these counties, Executive Order B-10-17 directed, among other things:

- The State Department of Water Resources would continue to prioritize new and amended safe drinking water permits that would enhance water supply and

reliability for community water systems facing water shortages or that expand service connections to include existing residences facing water shortages.

- The State Department of Water Resources and the SWRCB would accelerate funding for local water supply enhancement projects and will continue to explore if any existing unspent funds can be repurposed to enable near-term water conservation projects.
- The SWRCB would continue to work with local agencies to identify communities that may run out of drinking water, and will provide technical and financial assistance to help these communities address drinking water shortages. It will also identify emergency interconnections that exist among the State's public water systems that can help these threatened communities. The State Department of Water Resources, the SWRCB, the State Office of Emergency Services, and the State Office of Planning and Research would work with local agencies in implementing solutions to those water shortages.
- For actions taken in the Counties of Fresno, Kings, Tulare, and Tuolumne pursuant to directives 11-13, the provisions of the Government Code and the Public Contract Code applicable to state contracts, including, but not limited to, advertising and competitive bidding requirements, as well as Division 13 (commencing with section 21000) of the Public Resources Code and regulations adopted pursuant to that Division, are suspended. These suspensions apply to any actions taken by state agencies, and for actions taken by local agencies where the state agency with primary responsibility for implementing the directive concurs that local action is required, as well as for any necessary permits or approvals required to complete these actions.
- California Disaster Assistance Act Funding was authorized until June 30, 2017 to provide emergency water to individuals and households who are currently enrolled in the emergency water tank program.
- State departments must commence all drought remediation projects in Fresno, Kings, Tulare, and Tuolumne Counties within one year of the date of Executive Order B-10-17.

One cannot predict if and when California will experience another drought, and the actions that the State will have to take in response. The State is continuing to implement the directives of Executive Order B-37-16, dubbed "Making Water Conservation a California Way of Life." The implementation of the Sustainable Groundwater Management Act of 2014 and the additional directives under Executive Order B-10-17 for the counties of Fresno, Kings, Tulare and Tuolumne also continues.

More information about the State's continuing conservation efforts can be found on the "Water Conservation Portal" of the SWRCB's website at: https://www.waterboards.ca.gov/water_issues/programs/conservation_portal/. None of the websites or webpages referenced in this Official Statement is in any way incorporated into this Official Statement. They are cited for informational purposes only. The City makes no representation whatsoever as to the accuracy or completeness of any of the information on such websites.

City Water Conservation Program and Shortage Contingency Plan.

In conjunction with the State's water conservation directives and requirements, the City Council adopted Ordinance No. 2015-06, as an urgency ordinance, to add Article E to Chapter 7 of Title 7 of the City's Municipal Code ("Article E"). Article E sets forth certain standard water conservation measures, and four stages of action in response to water supply shortage: (i) voluntary compliance, (ii) level I measures, (iii) Level II measures, and (iii) Level III measures (subject to exemptions or waivers which may be granted by the City pursuant to Article E). Level II measures are currently in effect.

**SUMMARY OF CERTAIN PROVISIONS OF
CITY OF LEMOORE WATER SHORTAGE CONTINGENCY PLAN
(Article E of Chapter 7 of Title 7 of the Municipal Code,
per Ordinance No. 2015-06, adopted on July 7, 2015)**

Stage	Trigger	Action/measures	Penalties (after given written reminder for first time violation)⁽¹⁾
Standard Water Conservation Measures	Not applicable.	fixtures free from leakage; no excessive water; watering days; possible new lawn exemption; swimming pool draining prohibitions; asphalt/concrete washing prohibitions; vehicle washing prohibitions; watering hours; recirculation pumps requirement; and low-flow requirements for new construction, remodeling, and additions	None
Voluntary Compliance	goal to have voluntary compliance with best practice water conservation measures, reduction of average water consumption by 20 percent	Inform public about water conservation need; reduce landscape watering in municipal parks from six to four days or less per week	None
Level I Conservation Measures	pumping water levels drop 20 percent below the baseline measurement	Reduce landscape watering to two days per week (before 10 AM and after 7 PM); hotels, restaurants, and bars provide water only upon request; customers prohibited from allowing water to leak from premises and such leaks shall be repaired after written notice within 72 hours; and reduce landscape watering in municipal parks to two days per week	2nd violation: \$25; 3rd violation: \$50; 4th violation: \$100; 5th violation: flow restrictor placed in service until such time that violator can assure the Public Works Director that no more waste will occur (with violator responsible for all costs for such installation)

Stage	Trigger	Action/measures	Penalties (after given written reminder for first time violation) ⁽¹⁾
Level II Conservation Measures	a high water conservation alert as declared by the city council and whenever a recommendation has been made by the city manager in conjunction with the chief plant operator of the water treatment plant based upon a significant reduction or interruption in water supply or delivery	All Level I prohibitions in effect; reduce landscape watering to one day per week (before 10 AM and after 7 PM); personal vehicle washing restricted to one per week on permitted days with shutoff nozzle; laundry conservation measures encouraged at hotels; and reduce landscape watering in municipal parks to one day per week; and implement golf course watering restrictions	2nd violation: \$40; 3rd violation: \$75; 4th violation: \$150; 5th violation: flow restrictor placed in service until such time that violator can assure the Public Works Director that no more waste will occur (with violator responsible for all costs for such installation)
Level III Conservation Measures	a major earthquake, large scale fire, or other “act of nature” which has or could have serious impacts on the city’s total available water storage or delivery capacity, whether storage capacities have been reduced or not, or in the case of an unanticipated significant reduction in city water supply	All Level I and II prohibitions in effect; landscape watering prohibited between 8 AM and 8 PM; landscape watering in municipal parks limited to one day per week; prohibit swimming pool refilling and new construction of swimming pools; City shall discontinue washing City vehicles or equipment except for health, safety, or critical maintenance reasons; golf course watering restriction shall be increased	2nd violation: \$55.00; 3rd violation: \$100.00; 4th violation: \$200.00; 5th violation: flow restrictor placed in service until such time that violator can assure the Public Works Director that no more waste will occur (with violator responsible for all costs for such installation)

(1) City Manager (or City Manager’s designee) authorized to additionally: (a) place a flow restricting device upon water service; (b) lock off a water meter; (c) remove a water meter; (d) shut off service connection.

In addition, the City’s Water Department has adopted a water conversation mascot named “AquaBob.” The City plans to use AquaBob to perform public outreach to school-age children at events throughout the school year, to educate and inform about the need for water conservation and provide simple steps to implement water conservation strategies at home and school.

Insurance

Insurance with respect to the Water System is covered under the City’s general policies. The City is a member of the Central San Joaquin Valley Risk Management Authority (“CSJVRMA”), a joint powers authority formed under the laws of the State. CSJVRMA currently has 54 cities in the State’s San Joaquin Valley. CSJVRMA’s governing board is comprised of one member from each participating city. The day-to-day business operations are handled by a management group employed by CSJVRMA.

For liability insurance, the risk pool covers the City above its self-insurance retention level of \$50,000 up to \$1,000,000. CSJVRMA participates in the excess pool, which provides general liability coverage from \$1,000,000 to \$29,000,000.

The City maintains a self-insured retention level of \$50,000 for workers' compensation insurance. Coverage between \$50,000 and \$500,000 is provided through the risk pool. CSJVRMA participates in an excess pool, which provides workers' compensation coverage from \$500,000 to \$5,000,000 and purchases excess insurance above \$5,000,000 to the statutory limit.

CSJVRMA member agencies may be assessed the difference between funds available and the annual pooled aggregate in proportion to their annual premium.

WATER SYSTEM FINANCIAL INFORMATION

Financial Statements

Set forth in the following tables are Statements of Net Assets and Statements of Revenues, Expenses and Changes in Fund Net Assets with respect to the Water Fund based on the City's audited financial statements for fiscal years 2013-14 through 2016-17, and unaudited fiscal year 2017-18 financial information compiled by the City's Finance Department. Such statements are subject to various notes attached to the City's financial statements for the respective years and the footnotes below the respective tables. Excerpts of the City's Comprehensive Annual Financial Report for fiscal year ended June 30, 2017, which includes the City's fiscal year 2016-17 audited financial statements and the Independent Auditor's Report issued by Price Paige & Company, Accountancy Corporation (the "Auditor") regarding such financial statements, is set forth in Appendix B. The City has not requested the Auditor to consent to the inclusion of its report in Appendix B and it has not undertaken to update financial statements included in Appendix B. A complete copy of the City's Comprehensive Annual Financial Report for fiscal year ended June 30, 2017, as well as the reports for prior years, can be obtained from the City's Finance Department. The City expects that its fiscal year 2017-18 audited financial statements will be completed and available by the end of March 2019.

Table 8
CITY OF LEMOORE
Water Fund
Statement of Net Position
Fiscal Years 2013-14 through 2017-18

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	Unaudited FY 2017-18
<u>Assets</u>					
<i>Current:</i>					
Cash and investments	\$5,565,975	\$3,939,995	\$3,359,621	\$3,443,838	\$4,957,258
Receivables					
Accounts	535,577	713,690	612,556	1,279,679	770,862
Less: allowance for doubtful accounts	(27,570)	(136,877)	(136,877)	(136,877)	(136,877)
Grants	20,000	--	--	--	--
<i>Total current assets</i>	6,093,982	4,516,808	3,835,300	4,586,640	5,591,243
<i>Noncurrent:</i>					
Capital assets					
Non-depreciable	7,275,877	530,351	679,648	1,059,075	1,689,354
Depreciable, net of accumulated depreciation	15,264,248	22,858,122	22,068,102	21,067,443	20,109,095
<i>Total noncurrent assets</i>	22,540,125	23,388,473	22,747,750	22,126,518	21,798,449
Total assets	28,634,107	27,905,281	26,583,050	26,713,158	27,389,692
Deferred charges from pensions ⁽¹⁾		113,549	101,467	247,759	247,759
<u>Liabilities</u>					
<i>Current:</i>					
Accounts payable	998,748	1,116,471	245,601	200,329	305,267
Deposits and other liabilities	22,372	26,277	26,649	29,137	23,579
Compensated absences	8,915	8,980	6,815	8,319	6,920
Accrued interest payable	14,608	13,776	12,925	12,052	12,052
Current portion of long-term liabilities	402,062	412,126	422,443	433,017	443,856
<i>Total current liabilities</i>	1,446,705	1,577,630	714,433	682,854	791,674
<i>Noncurrent:</i>					
Long-term liabilities ⁽²⁾	6,665,938	6,253,811	5,831,369	5,398,352	4,954,496
Advances from other funds	2,371,883	1,921,883	1,921,883	1,471,883	1,021,883
Compensated absences payable	35,662	35,922	27,262	33,274	41,593
Net pension liability		789,164	767,160	992,203	992,203
<i>Total noncurrent liabilities</i>	9,073,483	9,000,780	8,547,674	7,895,712	7,010,175
Total liabilities	10,520,188	10,578,410	9,262,107	8,578,566	7,801,848
Deferred inflows from pensions ⁽¹⁾		280,815	175,609	122,875	122,875
<u>Net position</u>					
Net investment in capital assets	15,472,125	16,722,536	16,493,938	14,823,266	15,378,214
Unrestricted	2,641,794	437,069	752,863	3,436,210	4,334,514
Total net position	\$18,113,919	\$17,159,605	\$17,246,801	\$18,259,476	\$19,712,728

(1) Line item added starting in fiscal year 2014-15 to per change in accounting rules.

(2) Consists of debt service payment for 2013 Loan. See "INTRODUCTION – Security for Bonds."

Source: City of Lemoore audited financial statements for fiscal years 2013-14 through 2016-17, with additional explanations for footnotes from City of Lemoore Finance Department; unaudited information for fiscal year 2017-18 from City of Lemoore Department.

Table 9
CITY OF LEMOORE
Water Fund
Statement of Revenues, Expenses and Changes in Fund Net Assets
Fiscal Years 2013-14 through 2017-18

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	Unaudited FY 2017-18
<u>Operating revenues</u>					
Charges for services	\$4,100,305	\$3,842,595	\$3,675,582	\$4,158,338	\$5,523,902
Fines and forfeitures	75,568	71,666	71,505	89,933	95,553
Other revenues	6,349	27,923	15,120	301	(424) ⁽¹⁾
Total operating revenues	4,182,222	3,942,184	3,762,207	4,248,572	5,619,031
<u>Operating expenses</u>					
Salaries and benefits	931,100	1,434,467 ⁽²⁾	1,263,012 ⁽²⁾	970,618	965,423
Materials and supplies	435,376	526,227	503,670	395,469	448,810
Utilities	958,824	720,754	391,468 ⁽³⁾	776,897 ⁽²⁾	885,634 ⁽²⁾
Contractual services	227,046	214,603	533,784	613,576	505,290
Repairs and maintenance	218,062	214,005	120,141	43,490	582,081
Other expenses	120,132	109,651	121,596	112,021	142,836
Depreciation and amortization	610,845	855,106	1,010,368	994,577	984,135
Total operating expenses	3,501,385	4,074,813	3,944,039	3,906,648	4,514,210
Operating income (loss)	680,837	(132,629)	(181,832)	341,924	1,104,822
<u>Non-operating revenues (expenses)</u>					
Intergovernmental	38,196	--	--	--	--
Interest income	11,887	26,965	37,734	13,563	30,536
Interest expense	(163,339)	(170,735)	(160,650)	(150,313)	(174,231)
Solar rebate	--	--	--	807,501 ⁽³⁾	577,046 ⁽³⁾
Other nonoperating revenues	--	--	390,841	--	--
Gain (loss) on asset disposal	(2,714)	(39,811)	1,103	--	--
Total non-operating revenue (expenses)	(115,970)	(183,581)	269,028	670,751	433,350
Income (Loss) before transfers	564,867	(316,210)	87,196	1,012,675	1,538,172
Transfers in	209,660	217,544	--	--	--
Transfers out	(406,268) ⁽²⁾	(30,000)	--	--	--
Changes in net assets/position	368,259	(128,666)	87,196	1,012,675	1,538,172
<u>Net assets/Position</u>					
Beginning of fiscal year	17,899,361	18,113,701	17,159,605	17,246,801	18,259,476
Prior period adjustment	(153,701) ⁽⁴⁾	(825,430) ⁽⁵⁾	--	--	(84,920) ⁽⁶⁾
Beginning of fiscal year, restated	17,745,660	17,288,271	17,159,605	17,246,801	18,174,556
End of fiscal year	\$18,113,919	\$17,159,605	\$17,246,801	\$18,259,476	\$19,712,728

(1) Write-off for uncollectible revenues.

(2) Includes the portion of City general expenses allocable to the Water Fund. Such expenses were incorporated in different lines in the financial statements for fiscal year 2013-14 (under "Transfers Out"), fiscal years 2014-15 and 2015-16 (under "Salaries and benefits") and fiscal year 2016-17 (under "Utilities"), and also under "Utilities" for fiscal year 2017-18 to be consistent with fiscal year 2016-17. For showing projected debt service coverage in Table 10 below, such expenses are included under "Other expenses" starting in fiscal year 2018-19.

(3) Reflects effect of 2013 Loan, which was incurred to finance energy savings facilities. Utilities savings began to materialized in fiscal year 2015-16. See Footnote 2 above regarding certain amounts added to this line item for fiscal years 2016-17 and 2017-18, which were included in different line items for other years. Rebate from the project were received in fiscal years 2016-17 and 2017-18, but no further rebate is expected from this project after fiscal year 2017-18.

(4) Adjustment made to reflect an understatement of depreciation expense in prior years.

(5) Adjustment made to reflect: (i) \$139,730 understatement of prior year receivables and revenues, (ii) change due to implementation of accounting rules (GASB 68).

(6) Adjustment to correct past journal entry errors discovered during audit process.

Source: City of Lemoore audited financial statements for fiscal years 2013-14 through 2016-17, with additional explanations for footnotes from City of Lemoore Finance Department; unaudited information for fiscal year 2017-18 from City of Lemoore Department.

Debt Service Coverage

Table 10 sets forth the historical debt service coverage from fiscal years 2013-14 through 2017-18, as well as the projected debt service coverage for fiscal years 2018-19 through 2022-23. These projections reflect the City's current expectations only and are subject to a number of assumptions, factors and uncertainties that could cause actual results of operations and funds available for debt service to differ materially from those set forth in this Official Statement. There is no guarantee that the debt service coverage projected in Table 10 will in fact be realized. While the City believes that the assumptions underlying in the projections set forth in Table 10 are reasonable, there are a number of factors and uncertainties that could cause actual results to differ materially from those projected. See "WATER SYSTEM," "BONDOWNERS' RISKS" and "CONSTITUTIONAL PROVISIONS AFFECTING WATER SYSTEM REVENUES AND EXPENDITURES."

Table 10
CITY OF LEMOORE
Water System
Debt Service Coverage
Fiscal Years 2013-14 through 2022-23

<i>Fiscal year ended June 30,</i>	Historical Debt Service Coverage⁽¹⁾					Projected Debt Service Coverage⁽²⁾				
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues⁽³⁾										
Operating revenues										
Charges for services	\$4,100,305	\$3,842,595	\$3,675,582	\$4,158,338	\$5,523,902	\$7,181,540	\$9,336,002	\$9,336,002	\$9,336,002	\$9,336,002
Fines and forfeitures	75,568	71,666	71,505	89,933	95,553	95,553	95,553	95,553	95,553	95,553
Other operating revenues	6,349	27,923	15,120	301	(424)	--	--	--	--	--
Non-operating revenues - interest	11,887	29,965	37,734	13,563	30,536	82,174	94,757	85,052	84,260	91,148
Revenues	4,194,109	3,972,149	3,799,941	4,262,135	5,649,567	7,359,267	9,526,312	9,516,607	9,515,815	9,522,703
Operating expenses⁽⁴⁾										
Salaries and benefits	931,100	1,434,467 ⁽⁵⁾	1,263,012 ⁽⁵⁾	970,618	965,423	1,139,410	1,196,381	1,256,200	1,319,010	1,384,960
New pretreatment and filtering exp.	--	--	--	--	--		1,754,374	1,842,093	1,934,197	2,030,907
Materials and supplies	435,376	526,227	503,670	395,469	448,810	290,930	296,749	302,684	308,737	314,912
Utilities	958,824	720,754	391,468 ⁽⁶⁾	776,897 ⁽⁵⁾	885,634 ⁽⁵⁾	600,000	621,000	642,735	665,231	688,514
Contractual services	227,046	214,603	533,784	613,576	505,290	172,500	189,750	208,725	229,598	252,557
Repairs and maintenance	218,062	214,005	120,141	43,490	582,081	675,000	688,500	702,270	716,315	730,642
Other expenses	526,400 ⁽⁵⁾	109,651	121,596	112,021	142,836	870,350 ⁽⁵⁾	887,757 ⁽⁵⁾	905,512 ⁽⁵⁾	923,622 ⁽⁵⁾	942,095 ⁽⁵⁾
Expenses	3,296,808	3,219,707	2,933,671	2,912,071	3,530,074	3,748,190	5,634,510	5,860,218	6,096,710	6,344,587
Net Revenues before 2013 Loan⁽⁷⁾	897,301	752,442	866,270	1,350,064	2,119,493	3,611,077	3,891,802	3,656,390	3,419,105	3,178,117
2013 Loan debt service	175,773	573,629	573,629	573,629	573,629	573,629	573,629	573,629	573,629	573,629
Net revenues	\$721,528	\$178,813	\$292,641	\$776,435	\$1,545,864	\$3,037,448	\$3,318,173	\$3,082,761	\$2,845,476	\$2,604,488
Bonds debt service*	--	--	--	--	--	--	1,677,777	1,517,150	1,516,750	1,514,750
Estimated coverage*⁽⁸⁾							1.98	2.03	1.88	1.72

* Preliminary; subject to change.

- (1) Fiscal years 2013-14 through 2017-18 dollar amounts for “Operating Revenues” and “Operating Expenses” are consistent with those presented in Table 9, except as noted in Footnote 5 below.
- (2) While the City believes that the assumptions are reasonable, the City cannot guarantee that actual results will not differ.
- (3) Revenue projections for fiscal year 2018-19 through 2022-23 incorporate the following assumptions: (i) revenues from “charges for services” will increase by 30 percent in each of fiscal years 2019 and 2020 based on scheduled rate increase (see “WATER SYSTEM – Rates and Charges”); (ii) revenues from “fine and forfeitures” will remain same beginning in fiscal year 2017-18; (iii) “other operating revenues” are assumed to be \$0 from fiscal years 2018-19 onward; and (iv) non-operating revenues from interest earnings are calculated based on estimated average beginning and ending unrestricted fund balance at 1.5 percent investment interest rate.
- (4) Expense projections for fiscal year 2018-19 through 2022-23 incorporate the following assumptions: (i) “salaries and benefits” expenses will increase by 5 percent per year; (ii) “utilities” expenses will increase by 3.5 percent per year; (iii) “contract services” expenses will increase by 10 percent per year, (iv) expenses for “materials and supplies” and “repairs and maintenance” and “other expenses” will increase by 2 percent per year; and (v) “new pretreatment and filtering expenses” for fiscal year 2019-20 is based on the City’s most recent estimates of such expenses for the first year upon the completion of the water treatment plants, and is assumed to increase by 5 percent annually thereafter.
- (5) Each of these dollar amounts includes the portion of City general expenses allocable to the Water Fund. See footnote 2 of Table 9 above.
- (6) See footnote 3 of Table 9.
- (7) Net revenues Equals “Operating Revenues” minus “Operating Expenses”; or, as defined in the Indenture, Gross Revenues, minus Operating and Maintenance Costs. See “SECURITY FOR BONDS – Pledge of Net Revenues; Water Fund – Certain Definitions”
- (8) Estimated coverage represents the ratio of: (a) Net Revenues to (b) debt service on the Bonds.

Source: Del Rio Advisors, LLC, based on operating revenues and expenses provided by the City of Lemoore.

Pension Plans

The City pays an allocable portion of the City's administrative expenses, including employee compensation and benefits from revenues of the Water System. See Tables 8 and 9 above. Under the Indenture, Net Revenues (which are pledged to the payment of the Bonds) is defined as Gross Revenues less Operation and Maintenance Costs, less payments for the 2013 Loan. Operation and Maintenance Costs include, among other things, administrative costs of the City attributable to the operation and maintenance of the Water System, such as salaries and wages of employees, overhead, taxes (if any), the cost of permits and licenses to operate the Water System and insurance premiums. The table below shows the City's contribution to the CalPERS plans (discussed below), and the amounts allocated to each of the Water System for the years shown:

Table 11
CITY OF LEMOORE
City Contribution to CalPERS Plans and Allocation to Water System
Fiscal Years 2014-15 through 2017-18

Fiscal Year	City Required (and Actual) Contribution	Amount Allocated to Water System
2014-15	\$1,067,105	\$92,183
2015-16	1,088,740	58,906
2016-17	1,194,292	62,367
2017-18	1,314,551	67,059

General Information Regarding CalPERS Plans

All qualified permanent and probationary City employees are eligible to participate in the Public Agency Cost Sharing Multiple-Employer Plan administered by the California Public Employees Retirement System ("PERS" or "CalPERS"). PERS is an agent multiple employer public employee retirement system and issues its own comprehensive annual financial report. PERS acts as a common investment and administrative agent for participating public entities within the State. A menu of benefit provisions as well as other requirements of the PERS program are established by the Public Employees' Retirement Law set forth in California Government Code (commencing with Section 20000). The City selects optional benefit provisions from the benefit menu by contract with PERS and adopts those benefits through local ordinance (or other local methods). Contribution requirements of the plan members are established by State statute and the employer contribution rate is established and may be amended by PERS.

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957

Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

Governor Jerry Brown signed the California Public Employee's Pension Reform Act of 2013 ("PEPRA") into law on September 12, 2012. For non-safety CalPERS participants hired after January 1, 2013 (the "Implementation Date"), the Reform Act changes the normal retirement age by increasing the eligibility for the 2 percent age factor from age 55 to 62 and also increases the eligibility requirement for the maximum age factor of 2.5 percent to age 67. PEPRA also implements certain other changes to CalPERS including the following: (a) all new participants enrolled in CalPERS after the Implementation Date are required to contribute at least 50 percent of the total annual normal cost of their pension benefit each year as determined by an actuary, (b) CalPERS is required to determine the final compensation amount for employees based upon the highest annual compensation earnable averaged over a consecutive 36-month period as the basis for calculating retirement benefits for new participants enrolled after the Implementation Date, and (c) "pensionable compensation" is capped for new participants enrolled after the Implementation Date at 100 percent of the federal Social Security contribution and benefit base for members participating in Social Security or 120 percent for CalPERS members not participating in social security.

The California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and be effective on the July 1 following notice of a change in the rate. Funding contributions for the City's Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the fiscal year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

Plans Offered by City

The provisions and benefits in effect at June 30, 2017 for the City's four PERS rate plans are summarized below:

	<u>City Miscellaneous Plans</u>		<u>City Safety Plans</u>	
	<u>Before 1/1/2013</u>	<u>(PEPRA) On or after 1/1/2013</u>	<u>Before 1/1/2013</u>	<u>(PEPRA) On or after 1/1/2013</u>
Hire Date				
Benefit formula	2.0% @ 55	2.0% @ 62	2.0% @ 50	2.7% @ 57
Benefit vesting schedule	5 years of service	5 years of service	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life	monthly for life	monthly for life
Retirement age	50-63	52-67	50-55	50-57
Monthly benefits, as a % of eligible compensation	1.426% to 2.418%	1.0% to 2.5%	2.0% to 2.7%	2.0% to 2.7%
Required employee contribution rate	7.00%	6.25%	9.00%	11.50%
Required employer contribution rate	8.003%	6.2377%	13.813%	11.153%

See information set forth in Note 12 of the City's audited financial statements shown in "APPENDIX B – CITY OF LEMOORE COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR YEAR ENDED JUNE 30, 2017" for details regarding the City's pension liabilities, pension expenses and related deferred outflows and inflows as reported in the financial statements, and additional information regarding actuarial assumptions.

City Plans Funding Status and History, Required Contributions

Around August of each year, PERS provides the City reports (each, a "PERS Report") providing the actuarial valuation (as of June 30 of the calendar year preceding the year of the PERS Report) for each of the City's Plans. *The following information is based on information available from PERS and the PERS Reports. The City has not independently verified the information provided by PERS and expresses no opinion regarding the accuracy of such information. PERS' actuarial assessments are based various assumptions (including demographic assumptions and economic assumptions) made by PERS, its actuaries, accountants and other consultants. One or more assumptions may not materialize or be changed in the future. The City expresses no opinion regarding the quality such assumptions and cannot provide any guarantee as to the eventual results.*

Below are definitions for selected terms used in the most recent PERS Reports:

Accrued Liability – The total dollars needed as of the valuation date to fund all benefits earned in the past for current members.

Actuarial Assumptions – Assumptions made about certain events that will affect pension costs. Assumptions generally can be broken down into two categories: demographic and economic. Demographic assumptions include such things as mortality, disability and retirement rates. Economic assumptions include discount rate, salary growth and inflation.

Actuarial Valuation – The determination, as of a valuation date, of the Normal Cost, Accrued Liability, Actuarial Value of Assets and related actuarial present values for a pension plan. These valuations are performed annually or when an employer is contemplating a change to their plan provisions.

Entry Age Normal Cost Method – An actuarial cost method designed to fund a member's total plan benefit over the course of his or her career. This method is designed to yield a rate expressed as a level percentage of payroll. (The assumed retirement age less the entry age is the amount of time required to fund a member's total benefit. Generally, the older a member on the date of hire, the greater the entry age normal cost. This is mainly because there is less time to earn investment income to fund the future benefits.)

Normal Cost – The annual cost of service accrual for the upcoming fiscal year for active employees. The normal cost should be viewed as the long term contribution rate.

Present Value of Benefits – The total dollars needed as of the valuation date to fund all benefits earned in the past or expected to be earned in the future for current members.

Unfunded Liability ("UAL") – When a plan or pool's Value of Assets is less than its Accrued Liability, the difference is the plan or pool's Unfunded Liability. If the Unfunded Liability is positive, the plan or pool will have to pay contributions exceeding the Normal Cost.

Beginning with the June 30, 2013 valuation (which set the 2015-16 contribution rates), PERS has used an amortization and smoothing policy that pays for all gains and losses over a fixed 30-year period with the increases or decreases in the rate spread directly over a 5-year period. PERS no longer uses an actuarial value of assets and only uses the market value of assets. PERS' policies and actuarial assumptions have changed significantly in recent years and can be expected to change or be modified from time to time by PERS in the future. PERS has adopted a four-year Asset Liability Management (ALM) review cycle, and reviews its capital market and economic assumptions, actuarial assumptions and risk mitigation policy every four years.

The August 2017 PERS Reports show the following funding history for the City's four rate plans (without accounting for prepayments or benefit changes made during any fiscal year):

Miscellaneous Plan (for Hire Date before 1/1/2013)

Valuation Date	Accrued Liability	Market Value of Assets	Unfunded Liability	Funded Ratio	Annual Covered Payroll
6/30/2013	\$22,393,548	\$17,941,542	\$4,452,006	80.1%	\$2,934,551
6/30/2014	24,390,519	20,384,175	4,006,344	83.6	2,866,531
6/30/2015	25,738,694	20,534,126	5,204,568	79.8	2,568,889
6/30/2016	27,037,887	20,000,663	7,037,224	74.0	2,098,585
6/30/2017	28,474,958	21,485,636	6,989,322	75.5	2,016,811

PEPRA Miscellaneous Plan (for Hire Date after 1/1/2013)

Valuation Date	Accrued Liability	Plan's Share of Pool's Market Value of Assets	Plan's Shared of Pooled Unfunded Liability	Funded Ratio	Annual Covered Payroll
6/30/2013	\$ 7,965	\$ 10,686	\$ (2,721)	134.2%	\$ 231,383
6/30/2014	52,409	57,924	(5,515)	110.5	486,656
6/30/2015	143,153	139,481	3,672	97.4	926,920
6/30/2016	298,239	270,038	28,201	90.5	1,434,328
6/30/2017	571,999	545,117	26,882	95.3	1,552,251

Safety Plan (for Hire Date before 1/1/2013)

Valuation Date	Accrued Liability	Market Value of Assets	Unfunded Liability	Funded Ratio	Annual Covered Payroll
6/30/2013	\$14,145,146	\$11,068,858	\$3,076,288	78.3%	\$1,601,639
6/30/2014	15,979,192	13,165,261	2,813,931	82.4	1,732,256
6/30/2015	16,823,856	13,180,169	3,643,687	78.3	1,554,476
6/30/2016	18,133,176	13,289,364	4,843,812	73.3	1,539,125
6/30/2017	19,437,081	14,539,247	4,897,834	74.8	1,620,654

PEPRA Safety Plan (for Hire Date after 1/1/2013)

Valuation Date	Accrued Liability	Plan's Share of Pool's Market Value of Assets	Plan's Shared of Pooled Unfunded Liability	Funded Ratio	Annual Covered Payroll
6/30/2013	\$ 906	\$ 1,330	\$ (424)	146.8%	\$ 43,278
6/30/2014	40,200	42,404	(2,204)	105.5	222,248
6/30/2015	115,394	109,458	5,936	94.9	389,640
6/30/2016	206,150	182,879	23,271	88.7	445,062
6/30/2017	356,836	333,016	23,820	93.3	701,392

The tables below show the historic required City contribution from fiscal years 2017-18 to 2019-20 and projected City contributions for fiscal years 2020-21 to 2022-23, as reported in the August 2017 PERS Reports. The projections are based on various assumptions. PERS actuarial assumptions are subject to periodic review and revisions. Actual contributions will be subject to such revisions.

Miscellaneous Plan (Hire Date before 1/1/2013)

	Required Contribution			Projected Future Employer Contribution ⁽¹⁾		
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Normal Cost %	8.418%	8.892%	9.680%	10.3%	10.3%	10.3%
UAL Payment	\$316,922	\$403,729	\$496,385	\$563,000	\$643,000	\$710,000

(1) Assumes 7.25 percent return for fiscal year 2019-20 and 7.00 percent the following year, but see discussion below regarding changes adopted by CalPERS.

PEPRA Miscellaneous Plan (Hire Date after 1/1/2013)

	Required Contribution			Projected Future Employer Contribution ⁽¹⁾		
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Normal Cost %	6.533%	6.842%	6.985%	7.5%	7.5%	7.5%
UAL Payment	\$1,576	\$2,251	\$16,335	\$17,000	\$19,000	\$20,000

(1) Assumes 7.25 percent return for fiscal year 2019-20 and 7.00 percent the following year, but see discussion below regarding changes adopted by CalPERS.

Safety Plan (Hire Date before 1/1/2013)

	Required Contribution			Projected Future Employer Contribution ⁽¹⁾		
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Normal Cost %	14.971%	15.719%	16.636%	17.7%	17.7%	17.7%
UAL Payment	\$233,898	\$267,206	\$334,179	\$384,000	\$442,000	\$490,000

(1) Assumes 7.25 percent return for fiscal year 2019-20 and 7.00 percent the following year, but see discussion below regarding changes adopted by CalPERS.

PEPRA Safety Plan (Hire Date after 1/1/2013)

	Required Contribution			Projected Future Employer Contribution ⁽¹⁾		
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Normal Cost %	11.990%	12.141%	13.034%	13.1%	13.1%	13.1%
UAL Payment	\$2,005	\$2,452	\$5,942	\$6,600	\$7,400	\$8,300

(1) Assumes 7.25 percent return for fiscal year 2019-20 and 7.00 percent the following year, but see discussion below regarding changes adopted by CalPERS.

On December 21, 2016, the CalPERS Board of Administration lowered the discount rate from 7.50 percent to 7.00 percent using a three year phase-in beginning with the June 30, 2016 actuarial valuations. The minimum employer contributions for fiscal year 2019-20 were calculated using a discount rate of 7.25 percent. The projected employer contributions shown above were calculated assuming that the discount rate will be lowered to 7.00 percent next year as adopted by the Board. The decision to reduce the discount rate was primarily based on reduced capital market assumptions provided by external investment consultants and PERS investment staff. The specific decision adopted by the PERS Board reflected recommendations from PERS staff and additional input from employer and employee stakeholder groups. Notwithstanding the PERS Board's decision to phase into a 7.0 percent discount rate, subsequent analysis of the expected investment return of PERS assets or changes to the investment allocation may result in a change to this three year discount rate schedule.

On February 13, 2018, the CalPERS Board adopted the following changes to its amortization policy, applicable to all public agencies commencing fiscal year 2021-22:

1. Shorten the period over which actuarial gains and losses are amortized from 30 years to 20 years. This change applies only to new gains/losses established on or after the effective date of the policy change (see item 5).
2. Amortization payments for all UAL bases will be computed to remain a level dollar amount throughout the amortization period. This change applies only to new UAL bases established on or after the effective date of the policy change (see item 5).
3. Remove the 5-year ramp-up and ramp-down on UAL bases attributable to assumption changes and non-investment gains/losses established on or after the effective date of the policy change (see item 5).
4. Remove the 5-year ramp-down on investment gains/losses established on or after the effective date of the policy change (see item 5).
5. Set an effective date of June 30, 2019 for policy changes 1-4 above.
6. Set a maximum amortization period of 15 years for all unfunded accrued liability of Inactive Employers (no active members). This change would be effective for the June 30, 2017 actuarial valuations. The actuary will retain the ability to further shorten the period on any valuation date based on the life expectancy of plan members and projected cash flow needs of the plan.

Information regarding CalPERS' administration of the plans, actuarial methods assumptions and asset valuation can be obtained from CalPERS at Lincoln Plaza North, 400 Q Street Sacramento, California 95811 or (888) 225-7377. The comprehensive annual financial reports of CalPERS are available on CalPERS' website at www.calpers.ca.gov. The website reference is for informational purposes only. None of the content of the website is any way incorporated into this Official Statement. The City makes no representation concerning, and does not take any responsibility for, the accuracy or timeliness of information posted on such website or the continued maintenance of such website.

Other Post-Employment Benefits Other Than Pensions

The City allows its retirees who retire under provisions of a regular service retirement to have the opportunity to continue enrollment in the City's health insurance program. The retirees have the same choice of insurance plans as those of current employees. The retirees are pooled together separately from the active employee pool and pay the full cost of the insurance premiums without cost to the City.

BONDOWNERS' RISKS

Investment in the Bonds involves elements of risk. The following section describes certain specific risk factors affecting the payment and security of the Bonds. The following discussion of risks is not meant to be an exhaustive list of the risks associated with the purchase of the Bonds and the order of discussion of such risks does not necessarily reflect the relative importance of the various risks. Potential investors are advised to consider the following factors along with all other information in this Official Statement in evaluating the Bonds. There can be no assurance that other risk factors not discussed under this caption will not become material in the future.

Limited Obligations of City

The Bonds will be special obligation of the City payable solely from and secured by Net Revenues and the funds specifically identified in the Indenture. The City will not be required to advance moneys derived from any source of income other than the Net Revenues and the funds and accounts specifically identified in the Indenture for payment on the Bonds, nor shall any other funds or property of the City be liable for such payments. Neither the Trustee nor any Owner shall have the right, directly or indirectly, to require or compel the exercise of the *ad valorem* taxing power of the City or the forfeiture of any property of the City, including any portion of the Water System, for the making of any payments pursuant to the Bonds or the Indenture. The Bonds do not constitute an obligation of the City for which the City is obligated to levy or pledge any form of taxation or for which the City has levied or pledged any form of taxation.

Water Supply

Currently, water extracted from the Tulare Lake Subbasin is the City's sole water supply source for its Water System customers. As discussed under "WATER SYSTEM -- Water Supply," the State has determined that the Tulare Lake Subbasin is subject to "critical conditions of overdraft." Pursuant to State law, the local agencies that have water supply, water management or land use responsibility within the Tulare Lake Subbasin must form groundwater sustainability agencies to develop and implement Sustainability Plans by January 2020. The City is a member of South Fork Kings GSA, which was formed in 2017. At this time, it is uncertain whether and, if so, how, the eventual Sustainability Plan will affect the volume of water that the City can annually extract from the Tulare Lake Subbasin or whether the City would have to seek water supply from other means (such as, but not limited to purchasing or importing water, use surface water, use recycled water, enter water exchanges). Each such alternative will require additional expenditures for implementation. Furthermore, the City, as a member, makes annual

contributions to the SFKGSA for its operating budget, and may be called upon to make additional contributions or pay assessments for extraordinary costs. See discussion under “WATER SYSTEM -- Water Supply -- *South Fork Kings GSA*.” Such additional expenditures would impact the City’s operating expenses with respect to the Water System and cause the debt service coverage for payment on the Bonds to be lower than those shown in Table 10 under “WATER SYSTEM FINANCIAL INFORMATION.”

Water System Operation and Expenses; Net Revenues

Projected revenues, operational expenses and demands of the Water System described in this Official Statement are based on certain assumptions that the City believes are reasonable. However, no assurance can be given that actual operating results will be consistent with these projections. In addition to the potential impact of the State drought discussed under “Water Supply” above, Net Revenues may also be affected by the disruption in service from system failures, the relocation of customers out of the Service Area (contributed by, for example, an unexpected reduction of major contributors to the local economy such as the Lemoore NAS or Leprino Foods), or the discontinued use of the City’s water services by one or more major customers, an increase in operating costs of the Water System, or a number of other risk factors, whether or not described in this Official Statement. The occurrence of any of these events, or changes in technology or regulatory standards, could impact the Water System’s revenues and expenses. In such case, the City may be required to increase service charges for the Water System in order to comply with the City’s rate covenant under the Indenture. Under certain circumstances, the City could be unable to raise rates in accordance with the rate covenant. See, for example, “CONSTITUTIONAL PROVISIONS AFFECTING WATER SYSTEM REVENUES AND EXPENDITURES.” Receipt of the Water System’s Net Revenues in amounts sufficient to pay the Bonds is dependent on the continual use of the services at forecasted levels.

Regulatory Requirements

The operations of the Water System are subject to state and federal laws and regulations, particularly with respect to water quality requirements. See “WATER SYSTEM -- Regulatory Compliance.” The Bonds are being issued, in part, to finance the construction of three water treatment plants that will comply with SWRCB’s Compliance Order No. 03-12-14R-004. The adoption of more stringent laws and regulations may cause the City to incur greater expenses for the operation of the Water System, particularly, for example, if such changes require the use of new or costly technology. Although the City covenants in the Indenture to fix rates and collect revenues for the Water System to meet certain debt service coverage requirements (see “SECURITY FOR BONDS – Rate Covenants”), no assurance can be given that the costs of complying with such new laws and regulations will not adversely affect the City’s ability to generate sufficient Net Revenues in the amounts required by the Indenture. It is not possible to predict the timing or nature of more stringent operation standards that may be imposed on the City over the term of the Bonds.

Significant Source of Revenue from Top Customer

As shown under “WATER SYSTEM – Top Customers (by Service Charge Revenues),” the Water System’s top customer, Leprino Foods, accounted for over 22 percent of the total fiscal year 2017-18 of the service charge revenues of the Water System (in contrast to the second top customer which accounted for only 3.73 percent). A change in Leprino Foods’ operation causing significant reduction of water use could have a material adverse impact on the revenues of the Water System. The City is currently unaware of any event which would cause Leprino Foods to reduce its operation in the City or be unable or unwilling to pay water service charges when due. The City, however, has not undertaken Leprino Food’s finances and does not make any representation and gives no assurance that any such event does not exist or will not occur in the future.

Natural Calamities

From time to time, the City is subject to natural calamities that may adversely affect economic activity in the City. The occurrence of a natural calamity, such as an earthquake, a drought, a flood or any other disaster, may affect the City’s water supply, substantially damage or destroy Water System facilities or otherwise disrupt the Water System’s operation. In such circumstances, Net Revenues may be reduced or eliminated if the City was unable to provide the affected Water System’s services to its customers, or if large amounts of revenues were required to be applied to make extensive repairs to the affected Water System. Such a reduction or elimination of Net Revenues could impair the City’s ability to pay debt service on the Bonds when due.

There are no known active seismic faults in the County or its immediate vicinity. Beyond surface rupture along the fault zone, potential hazards related to major earthquakes include ground shaking and related secondary ground failures. The principle earthquake hazard affecting the County is ground shaking as opposed to surface rupture or ground failure. The closest active fault is the Nunez fault located in western Fresno County. The Nunez fault is a 4.2-km-long, north-south-trending, right-reverse, oblique-slip fault situated about 8 miles northwest of City of Coalinga. Two earthquakes in 1983 and 1985 associated with this fault had a greater than 6.0 magnitude. However, the location of this fault is sufficiently far away from the City that aftershocks did not cause any damage.

According to the United States Federal Emergency Management Agency (“FEMA”), a small area (approximately 446 acres) in the western portion of the City is in a 100-year flood plain. The City has adopted a Flood Damage Prevention Ordinance, which requires compliance by all new developments in the flood zone. While some of the City’s wells are located within the 100-year flood plain, most of the Water System infrastructures is located within areas designated by FEMA as zone X, with low flood risk.

As reported in the City’s General Plan (last adopted in 2008), less than one percent of the Planning Area covered by the General Plan (consisting of approximately 12,200 acres in and surrounding the City) has a high threat of wildfire, which threat would likely decrease as vacant parcels in those areas become developed.

As set forth in Article E of Chapter 7 of Title 7 of the City's Municipal Code, adopted pursuant to Ordinance No. 2015-06 (see "WATER SYSTEM – Water Conservation and Supply Shortage Contingency Measures – *City Water Conservation Program and Shortage Contingency Plan*), the City has developed a set of water conservation measures (*i.e.*, Level III measures) which may be triggered in case of a major earthquake, large scale fire, or natural calamity that has a serious impact on the city's total available water storage or delivery capacity.

Insurance

The City will covenant in the Indenture to maintain insurance relating to the Water System that will afford protection in such amounts and against such risks as are usually covered in connection with public Water Systems similar to the Water System. The City maintains liability insurance through the self-insurance risk pool administered by Central San Joaquin Valley Risk Management Authority. See "WATER SYSTEM -- Insurance." In the event of an extraordinary casualty or loss, there is no assurance that the insurance proceeds will be adequate to cover the claim. In such circumstances, the amount of Net Revenues available to pay debt service may be impacted.

Limitations on Remedies and Bankruptcy

Remedies available to the Owners may be limited by a variety of factors and may be inadequate to assure the timely payment of principal of and interest and premium, if any, on the Bonds or to preserve the tax-exempt status of interest on the Bonds.

Bond Counsel has limited its opinions as to the enforceability of the Bonds and the Indenture to the extent that enforceability may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium, or other similar laws affecting generally the enforcement of creditor's rights, by equitable principles and by the exercise of judicial discretion. The lack of availability of certain remedies or the limitation of remedies may entail risks of delay in the exercise of, or limitations on or modifications to, the rights of the Owners.

Enforceability of the rights and remedies of the owners of the Bonds, and the obligations incurred by the City, may become subject to the federal bankruptcy code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditor's rights generally, now or hereafter in effect, equity principles which may limit the specific enforcement under State law of certain remedies, the exercise by the United States of America of the powers delegated to it by the Constitution, the reasonable and necessary exercise, in certain exceptional situations, of the police powers inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose and the limitations on remedies against governmental entities in the State.

The City is a governmental unit and therefore cannot be the subject of an involuntary case under the United States Bankruptcy Code (the "Bankruptcy Code"). However, the City may seek voluntary protection from its creditors pursuant to Chapter 9 of the Bankruptcy Code for purposes of adjusting its debts. The City, upon becoming a debtor under the Bankruptcy Code,

would be entitled to all of the protective provisions of the Bankruptcy Code as applicable in a Chapter 9 case. The ability, timing and amount that the Trustee or the Owners of the Bonds will be able to recover claims in such case will be subject to the uncertainty presented by such bankruptcy proceedings.

Investment of Funds

The funds and accounts held under the Indenture are required to be invested in Permitted Investments as provided under the Indenture. See “APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF INDENTURE.” All investments, including Permitted Investments, authorized by law from time to time for investments by the City contain a certain degree of risk. Such risks include, but are not limited to, a lower rate of return than expected, decline in market value and loss or delayed receipt of principal. The occurrence of these events with respect to amounts held under the Indenture could have a material adverse effect on the security for the Bonds.

Constitutional Limitations (Proposition 218); Future Initiative and Legislation

Proposition 218, which added Articles XIIC and XIID to the California Constitution, affects the City’s ability to impose future rate increases, and no assurance can be given that future rate increases will not encounter a majority protest opposition or be challenged by initiative action authorized under Proposition 218. In the event that future proposed rate increases cannot be imposed as a result of a majority protest or initiative, the City might thereafter be unable to generate Net Revenues in the amounts required by the Indenture to pay the Bonds. Notwithstanding the foregoing, the City has covenanted to effect water service rate increases as needed for compliance with its rate covenant to the maximum extent permitted by law in compliance with Proposition 218. See “CONSTITUTIONAL PROVISIONS AFFECTING WATER SYSTEM REVENUES AND EXPENDITURES.”

Other initiative measures could be adopted, affecting the City’s ability to generate revenues through property related fees, charges, taxes or otherwise, and to increase appropriations. No assurances can be given as to the potential impact of any future initiative or legislation on the finances and operations of the City.

Loss of Tax Exemption

Compliance by City. In order to maintain the exclusion of interest on the Bonds from gross income for federal income tax purposes, the City has covenanted to comply with the applicable requirements of Section 148 and certain other sections of the Tax Code, as amended, relative to arbitrage and avoidance of characterization as private activity bonds, among other things. Interest on the Bonds could become includable in gross income for purposes of federal income taxation, retroactive to the date of issuance of the Bonds as a result of acts or omissions of the City in violation of these covenants. See “CONCLUDING MATTERS – Tax Matters.”

Future Legislation or Court Decisions. Legislation affecting the tax exemption of interest on the Bonds may be considered by the United States Congress and the State legislature. Federal and state court proceedings and the outcome of such proceedings could also affect the tax exemption of interest on the Bonds. No assurance can be given that legislation enacted or

proposed, or actions by a court, after the date of issuance of the Bonds will not have an adverse effect on the tax exemption of interest on the Bonds or the market value of the Bonds.

Secondary Market

There can be no assurance that there will be a secondary market for the Bonds, or if a secondary market exists, that the Bonds can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices in connection with a particular issue are suspended or terminated. Additionally, pricing of issues for which a market is being made will depend upon then prevailing circumstances. Such prices could substantially differ from the original purchase price.

CONSTITUTIONAL PROVISIONS AFFECTING WATER SYSTEM REVENUES AND EXPENDITURES

Article XIII A and Article XIII B

Pursuant to California law, any fee that exceeds the reasonable cost of providing the service for which the fee is charged is a “special tax,” which under Article XIII A of the California Constitution must be authorized by a two-thirds vote of the electorate. This requirement may be applicable to rates for water and sewer service and capacity charges, to the extent that such rates and charges exceed the reasonable costs of providing service. In addition, the California courts have determined that fees imposed as a condition of approval of a development project, such as impact fees for water or sewer service, will not be special taxes if the fees approximate the reasonable cost of constructing the related improvements contemplated by the local agency imposing the fee. Such court determinations have been codified in California Government Code Section 66005.

On November 6, 1979, California voters approved Proposition 4, the “Gann Initiative,” which added Article XIII B to the California Constitution. Under Article XIII B, state and local governmental entities have an annual “appropriations limit” and are not permitted to spend certain moneys that are called “appropriations subject to limitation” (consisting of tax revenues, state subventions, and certain other funds) in an amount higher than the “appropriations limit.” Article XIII B does not affect the appropriations of moneys that are excluded from the definition of “appropriations subject to limitation,” including debt service on indebtedness existing or authorized as of January 1, 1979, or bonded indebtedness subsequently approved by the voters. In general terms, the “appropriations limit” is to be based on certain 1978-79 expenditures and is to be adjusted annually to reflect changes in consumer prices, populations, and services provided by these entities. Among other provisions of Article XIII B, if these entities’ revenues in any tax year exceed the amounts permitted to be spent, the excess would have to be returned by revising tax rates or fee schedules over the subsequent two years. Certain expenditures are excluded from the appropriations limit, including payments of indebtedness existing or legally authorized as of January 1, 1979, or of bonded indebtedness thereafter approved by voters and payments required to comply with court or federal mandates which without discretion required an expenditure for additional services or which unavoidably make the providing of existing services more costly.

The City believes that its rates and charges for water service do not exceed the costs the City reasonably bears in providing such service, and are presently in compliance with Article XIII A and Article XIII B.

Proposition 218: Article XIII C and Article XIII D

General. On November 5, 1996, California voters approved Proposition 218, “the Right to Vote on Taxes Act.” Proposition 218 added Articles XIII C and XIII D to the California Constitution, providing certain vote requirements and other limitations on the imposition of new or increased taxes, assessments, and property-related fees and charges. The City believes that it has complied with the requirements of Proposition 218 in all material respects with respect to the adoption of the City’s current charges for Water System services.

Article XIII C. Article XIII C provides that a local government may not impose, extend, or increase local taxes until such taxes are submitted to the electorate for approval. General taxes, imposed, extended, or increased for general governmental purposes of the city, require a majority vote and special taxes, imposed, extended, or increased for specific purposes, require a two-thirds vote. In addition, Article XIII C provides that the constitutional initiative power shall not be prohibited or otherwise limited in matters of reducing or repealing any local taxes, assessments, fees, and charges. This provision with respect to the initiative power is not limited to taxes, assessments, fees, and charges imposed on or after November 6, 1996, the effective date of Proposition 218. However, on July 1, 1997, a bill was signed into law by the Governor of the State enacting Government Code Section 5854, which states: “Section 3 of Article XIII C of the California Constitution, as adopted at the November 5, 1996 general election, shall not be construed to mean that any owner or beneficial owner of a municipal security, purchased before or after that date, assumes the risk of, or in any way consents to, any action by initiative measure that constitutes an impairment of contractual rights protection by Section 10 of Article I of the United States Constitution.” Government Code Section 5854 appears to limit the voters’ power to repeal or reduce Water System fees and charges if such reduction would interfere with the City’s payment of the Bonds. If Government Code Section 5854 becomes the subject of a challenge, however, no guarantee can be made that the courts will agree with such interpretation.

Article XIII D. Article XIII D imposes various procedural and substantive requirements on local governments that levy an “assessment,” “fee,” or “charge.” Article XIII D defines “fees” or “charges” as “any levy other than an ad valorem tax, a special tax, or an assessment imposed by a [local government] upon a parcel or upon a person as an incident of property ownership, including a user fee or charge for a property related service.” “Property related service” means a public service having a direct relationship to property ownership (property ownership includes tenancies where tenants are directly liable to pay the fee or charge). In particular, a fee or charge (i) may not exceed the funds required to provide the property related service, (ii) may not be used for any purpose other than that for which the fee or charge was imposed, (iii) may not exceed the proportional cost of the service attributable to the parcel, (iv) may not be imposed for a service unless that service is actually used by, or is immediately available to, the owner of the property in question, and (v) may not be imposed for general governmental services.

In addition, before any property related fee or charge may be imposed or increased, the local government agency must provide mailed notice 45 days in advance of a hearing regarding

the proposed imposition or increase, and if written protests against the proposal are presented by a majority of the owners of the identified parcels, the local government agency may not impose or increase the fee or charge. Moreover, except for fees or charges for water, wastewater, and refuse collection services (or fees for electrical and gas service, which are expressly exempted from Proposition 218), no property related fee or charge may be imposed or increased without a majority approval by the property owners subject to the fee or charge or, at the option of the local agency, two-thirds approval by those residing in the affected area and voting in the election. Article XIID states that, beginning July 1, 1997, all fees or charges must comply with its provisions.

The City believes that it has complied with the procedural and substantive requirements of Proposition 218 with respect to the Water System services charges that it currently imposes. The ability of the City to comply with the covenants in the Indenture, including the rate covenant described under “SECURITY FOR BONDS – Rate Covenants,” in connection with the levy and collection of Water System service charges could be adversely affected by actions taken or not taken by voters, property owners or other persons obligated to pay Water System service charges.

Future Initiatives

Articles XIII A, XIII B, XIII C and XIII D of the California Constitution were each adopted as measures that qualified for the ballot pursuant to the State’s initiative process. From time to time, other initiative measures could be adopted, further affecting the Water System revenues or the City’s ability to expend such revenues.

CONCLUDING MATTERS

No Litigation Affecting Bonds

To the City’s knowledge, there is no litigation pending or threatened to restrain or enjoin the execution or delivery of the Indenture, the issuance of the Bonds, or to contest the validity of the Bonds or any proceedings of the City with respect thereto. In the opinion of the City, there is no lawsuit or claim pending against the City that will materially impair the City’s ability to enter into the Indenture or restrain or enjoin the collection of Net Revenues of the Enterprises as contemplated in the Indenture.

In August 2018, four of the five City Council members voted to adopt a resolution to censure Council member Holly Blair after she had, among other things, publicly made certain comments regarding other Council members and key City employees. An effort to put the recall of Ms. Blair's Council membership on the November 2018 ballot was unsuccessful. In January 2019, the majority of the City Council voted to direct the City Attorney’s office to initiate court action to seek a temporary restraining order (“TRO”) against Council member Blair. The TRO application was filed on January 29, 2019.

Continuing Disclosure

The City has undertaken in a continuing disclosure certificate (the “Continuing Disclosure Certificate”) for the benefit of Owners and beneficial owners of the Bonds to provide

certain financial information relating to the City and other data relating to the Water System by not later than nine months after the close of each fiscal year (which currently would be March 31, with the fiscal year ending on each June 30), commencing with the report for the 2017-18 fiscal year (the “Annual Report”), and to provide notices of the occurrence of certain enumerated events. The Annual Report and notices will be filed by the City or Willdan Financial Services, as the Dissemination Agent on behalf of the City, with the Municipal Securities Rulemaking Board (the “MSRB”), via its Electronic Municipal Market Access (“EMMA”) system. The specific nature of the information to be contained in the Annual Report or the notices of material events is set forth in “APPENDIX E – FORM OF CONTINUING DISCLOSURE CERTIFICATE.” This undertaking has been made in order to assist the Underwriter in complying with Rule 15c2-12(b)(5) (the “Rule”) promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended.

A failure by the City to comply with the provisions of the Continuing Disclosure Certificate is not an event of default under the Indenture (although the Owners and beneficial owners of the Bonds do have remedies at law and in equity). However, a failure to comply with the provisions of the Continuing Disclosure Certificate must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds. Therefore, a failure by the City to comply with the provisions of the Continuing Disclosure Certificate may adversely affect the marketability of the Bonds on the secondary market.

During the past five years, the City has not had any continuing disclosure obligations pursuant to the Rule, except in its capacity as the Successor Agency to Lemoore Redevelopment Agency (the “Successor Agency”), for one series of bonds issued by the former Lemoore Redevelopment Agency issued in February 2011 (the “RDA Bonds”). For the RDA Bonds, the Successor Agency is required file with the MSRB by posting on EMMA, no later than nine months after the end of each fiscal year (the “CD Deadline”), a report consisting of: (i) audited financial statements, and (ii) certain fiscal information relevant to the RDA Bonds (the “Additional Data”). A review of the Successor Agency’s continuing disclosure filing records in 2018 showed that: (i) the financial statements for fiscal year 2012-13 was filed by the applicable CD Deadline, (ii) the audited financial statements for fiscal years 2013-14 and 2014-15 were filed late, (iii) the audited financial statements for fiscal years 2015-16 and 2016-17 had not yet been filed, and (iv) the Additional Data reporting for each of the fiscal years 2012-13 through 2015-16 were incomplete or missing. After this review, the City, in its capacity as the Successor Agency, retained a fiscal consultant for a report (the “Fiscal Consultant Report”). The Fiscal Consultant Report, completed in October 2018, contains not only the information needed address the past incomplete or missing Additional Data filings, but also includes the Additional Data required to be filed by the March 31, 2019 CD Deadline. The Successor Agency filed the Fiscal Consultant Report and the audited financial statements for fiscal years 2015-16 and 2016-17, onto EMMA in December 2018.

The City has taken steps to ensure future compliance with its continuing disclosure obligations in a timely manner. Before the printing of this Official Statement, the City Council adopted Resolution No. _____ and approved a set of continuing disclosure procedures.

Legal Matters

All of the legal proceedings in connection with the authorization and issuance of the Bonds are subject to the approval of Richards Watson & Gershon, A Professional Corporation, Bond Counsel. Bond Counsel's final approving opinion with respect to the Bonds will be substantially in the form set forth in Appendix D of this Official Statement. Certain matters with respect to this Official Statement will be considered on behalf of the City by Richards, Watson & Gershon, A Professional Corporation, in its capacity as Disclosure Counsel. Certain legal matters will also be passed upon for the City by the firm of Lozano Smith, Attorney at Law, in its capacity as City Attorney. Certain legal matters will also be passed upon for the Underwriter, by Stradling Yocca Carlson & Rauth, a Professional Corporation, as Underwriter's Counsel.

Tax Matters

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements which must be met subsequent to the issuance and delivery of the Bonds for interest thereon to be and remain excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to their date of issue. These requirements include, but are not limited to, provisions which limit how the proceeds of the Bonds may be spent and invested, and generally require that certain investment earnings be rebated on a periodic basis to the United States of America. The City has made certifications and representations and have covenanted to maintain the exclusion of the interest on the Bonds from gross income for federal income tax purposes pursuant to Section 103 of the Code.

In the opinion of Richards, Watson & Gershon, A Professional Corporation, Bond Counsel, under existing law and assuming the accuracy of such certifications and representations by, and compliance with such covenants of, the City: (i) interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code, and (ii) the Bonds are not "specified private activity bonds" within the meaning of Section 57(a)(5) of the Code and, therefore, interest on the Bonds is not a preference item for purposes of computing the alternative minimum tax imposed by Section 55 of the Code. Bond Counsel is also of the opinion that, under existing law, interest on the Bonds is exempt from State of California personal income taxes. Bond counsel expresses no opinion as to any other tax consequences regarding the Bonds.

Under the Code, interest on the Bonds may be subject to a federal branch profits tax imposed on certain foreign corporations doing business in the United States and to a federal tax imposed on excess net passive income of certain S corporations. Under the Code, the exclusion of interest from gross income for federal income tax purposes may have certain adverse federal income tax consequences on items of income, deduction or credit for certain taxpayers, including financial institutions, certain insurance companies, recipients of Social Security and Railroad Retirement benefits, those deemed to incur or continue indebtedness to acquire or carry tax-exempt obligations, and individuals otherwise eligible for the earned income tax credit. The applicability and extent of these and other tax consequences will depend upon the particular tax status or other tax items of the owner of the Bonds. Bond Counsel will express no opinion regarding these and other such consequences.

Bond Counsel has not undertaken to advise in the future whether any circumstances or events occurring after the date of issue of the Bonds may affect the tax status of interest on the Bonds. Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the State legislature. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Bonds. No assurance can be given that legislation enacted or proposed, or actions by a court, after the date of issue of the Bonds, will not contain provisions which could eliminate, or directly or indirectly reduce the benefit of the exclusion of interest on the Bonds from gross income for federal income tax purposes, or have an adverse effect on the market value or marketability of the Bonds.

For example, federal tax legislation enacted on December 22, 2017 reduced corporate tax rates, modified individual tax rates, eliminated many deductions, repealed the corporate alternative minimum tax for taxable years beginning after December 31, 2017, and generally eliminated advance refunding bonds, among other things. This legislation increased, reduced or otherwise changed the financial benefits provided to certain owners of state and local government bonds. In addition, investors in the Bonds should be aware that future legislative actions may retroactively change the treatment of all or a portion of the interest on the Bonds for federal income tax purposes for all or certain taxpayers. In all such events, the market value of the Bonds may be adversely affected and the ability of holders to sell their Bonds in the secondary market may be reduced. The Bonds are not subject to special mandatory redemption, and the interest rates on the Bonds are not subject to adjustment, in the event of any such change.

Investors should consult their own financial and tax advisors to analyze the importance of these risks.

Certain requirements and procedures contained or referred to in relevant documents may be changed and certain actions may be taken, under the circumstances and subject to the terms and conditions set forth in such documents, upon the advice or with the approving opinion of nationally recognized bond counsel. Bond Counsel expresses no opinion as to any Bond, or the interest thereon, if any such change occurs or action is taken upon the advice or approval of bond counsel other than Richards, Watson & Gershon.

If the issue price of a Bond (the first price at which a substantial amount of the bonds of a maturity are sold to the public) is less than the stated redemption price at maturity of such Bond, the difference constitutes original issue discount, the accrual of which is excluded from gross income for federal income tax purposes to the same extent as interest on the Bonds. Further, such original issue discount accrues actuarially on a constant yield method over the term of each such Bond and the basis of each Bond acquired at such initial offering price by an initial purchaser thereof will be increased by the amount of such accrued original issue discount. The accrual of original issue discount may be taken into account as an increase in the amount of tax-exempt income for purposes of determining various other tax consequences of owning such Bonds. Purchasers who acquire Bonds with original issue discount are advised that they should consult with their own independent tax advisors with respect to the state and local tax consequences of owning such Bonds.

If the issue price of a Bond is greater than the stated redemption price at maturity of such Bond, the difference constitutes original issue premium, the amortization of which is not

deductible from gross income for federal income tax purposes. Original issue premium is amortized over the period to maturity of such Bond based on the yield to maturity of that Bond (or, in the case of a Bond callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on that Bond), compounded semiannually. For purposes of determining gain or loss on the sale or other disposition of such Bond, the purchaser is required to decrease such purchaser's adjusted basis in such Bond by the amount of premium that has amortized to the date of such sale or other disposition. As a result, a purchaser may realize taxable gain for federal income tax purposes from the sale or other disposition of such Bond for an amount equal to or less than the amount paid by the purchaser for that Bond. A purchaser of that Bond in the initial public offering at the issue price for that Bond who holds it to maturity (or, in the case of a callable Bond, to its earlier call date that results in the lowest yield on that Bond) will realize no gain or loss upon its retirement.

Payments of interest on tax-exempt obligations, including the Bonds, are generally subject to IRS Form 1099-INT information reporting requirements. If an owner of a Bond is subject to backup withholding under those requirements, then payments of interest will also be subject to backup withholding. Those requirements do not affect the exclusion of such interest from gross income for federal income tax purposes.

Prospective purchasers of the Bonds should consult their own independent tax advisors regarding pending or proposed federal and state tax legislation and court proceedings, and prospective purchasers of the Bonds at other than their original issuance at the respective prices indicated on the inside cover of this Official Statement should also consult their own tax advisers regarding other tax considerations such as the consequences of market discount, as to all of which Bond Counsel expresses no opinion.

Bond Counsel's engagement with respect to the Bonds ends with the issuance of the Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the City or the owners of the Bonds regarding the tax status of interest thereon in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the Bonds, under current IRS procedures, the IRS will treat the City as the taxpayer and the beneficial owners of the Bonds will have only limited rights, if any, to obtain and participate in a judicial review of such audit. Any action of the IRS, including but not limited to selection of the Bonds for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the market value of the Bonds.

Municipal Advisor

The City has retained Del Rio Advisors, LLC of Modesto, California, as municipal advisor (the "Municipal Advisor") in connection with the offering of the Bonds. All financial and other information presented in this Official Statement has been provided by the City and others from their records. Unless otherwise footnoted, the Municipal Advisor takes no responsibility for the accuracy or completeness of the data provided by the City or others and has not undertaken to make an independent verification and does not assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement. The

Municipal Advisor has assisted the City with the structure, timing and terms for the sale of the Bonds. The Municipal Advisor provides municipal advisory services only and does not engage in the underwriting, marketing, or trading of municipal securities or other negotiable instruments.

Underwriting

Pursuant to a bond purchase contract (the "Purchase Contract"), Stifel, Nicolaus & Company, Incorporated, the Underwriter, has agreed, subject to certain conditions, to purchase the Bonds at a purchase price of \$_____ (which is equal to the principal amount of the Bonds, [plus/net] a net original issue [premium/discount] of \$_____, and less an Underwriter's discount of \$_____). The Purchase Contract provides that the Underwriter will purchase all of the Bonds if any are purchased. The obligation of the Underwriter to make such purchase is subject to certain terms and conditions set forth in the Purchase Contract. The Underwriter intends to offer the Bonds to the public initially at the prices set forth on the inside cover of this Official Statement, which prices may subsequently change without any requirement of prior notice.

Ratings

S&P Global Ratings ("S&P") has assigned an underlying rating of "____" to the Bonds without giving effect to the Bond Insurance Policy. In addition, S&P is expected to assign a rating of "____" to the Bonds conditioned on the issuance by the Bond Insurer of the Bond Insurance Policy at the time of delivery of the Bonds. See "BOND INSURANCE." S&P's ratings reflect only the views of S&P and any explanation of the significance of such ratings may be obtained from S&P. There is no assurance that such rating will continue for any given period of time or that such rating will not be revised downward, suspended or withdrawn entirely, if in S&P's judgment, circumstances so warrant. Other than as described in the Continuing Disclosure Certificate, the City takes no responsibility regarding either to bring to the attention of the Owners of the Bonds any revision, suspension or withdrawal of such ratings or to oppose any such revision or withdrawal. Any such downward, suspension, revision or withdrawal of the ratings may have an adverse effect on the market price of the Bonds.

Miscellaneous

All of the preceding description and summaries of the Bonds, the Indenture, other applicable agreements, legislation and other documents are made subject to the provisions of such documents respectively and do not purport to be complete statements of any or all of such provisions. Reference is hereby made to such documents on file with the City for further information in connection therewith.

This Official Statement does not constitute a contract with the purchasers of the Bonds. Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

The City has duly authorized the execution and delivery of this Official Statement by its officer.

CITY OF LEMOORE

By: _____
City Manager

APPENDIX A

SUPPLEMENTAL INFORMATION ABOUT CITY OF LEMOORE

This Appendix is included solely to provide background and demographic information regarding the City. The City's obligation to pay the Bonds is a special obligation limited solely to the Net Revenues of the Water System. No other funds or property of the City shall be liable for the payment of the Bonds or any other amounts payable under the Indenture.

General

The City of Lemoore (the "City") is situated in the northern portion of Kings County, in the center of the San Joaquin Valley. The San Joaquin Valley is a part of the Central Valley of California (the "State"), one of the world's most productive agricultural regions. The City is located at the junction of State Route 198 and State Route 41, providing access to Interstate 5 and Highway 99, two major highways that connect northern and southern California. The City is approximately 200 miles north of Los Angeles and 210 miles south of San Francisco. A number of national parks including Yosemite, Sequoia, and Kings Canyon National Park and the scenic Central Coast, are located within a two-hour drive from the City. The Fresno/Yosemite International Airport, located 35 miles from the City, services commercial and freight air traffic.

The City exhibits characteristics of many Central Valley communities, with a traditional downtown surrounded by residential neighborhoods and agriculture lands. Two major employers of City residents are located outside of the City. The Lemoore Naval Air Station, the United States Navy's largest master jet air station in the country, is located approximately 3 miles west of the City limits, and is a major economic contributor to the community's economy. The Tachi Palace Hotel and Casino (formerly, Palace Indian Gaming Center), owned by the Santa Rosa Indian Community of the Santa Rosa Rancheria, is also a significant employer in the area. The WSL Surf Ranch, formerly known as the Kelly Slater Surf Ranch, is located just outside of the City and has attracted much media coverage in recent years. At the Surf Ranch, hydrofoil technology is used to make artificial waves in a freshwater pool. Professional competitions were held for the first time at the Surf Ranch in 2018.

A full range of municipal services are provided by the City, including: water services; refuse collection, disposal, and recycling service; a police department, community development services; park and recreation facilities; and volunteer fire department services. The City maintains a volunteer fire department.

The Lemoore Union Elementary Union School District, with six campuses, serves students from kindergarten through middle school. The Lemoore Union High School District provides ninth through twelfth grade education. The Lemoore campus of West Hills Community College is located on the west side of the City provides college level education to residents from around the region.

The climate of the area in and around City is characteristic of that of the Southern San Joaquin Valley. The summer climate is hot and dry, while winters are cool and periodically humid. Mean daily maximum temperatures range from a low of approximately 40°F in February to a high of about 96°F in August. Rainfall is concentrated during the six months from October

to May. December and January typically experience heavy fog, mostly nocturnal, caused when moist cool air is trapped in the valley by high pressure systems. In extreme cases, this fog may last continuously for two or three weeks.

Municipal Government

The City was incorporated in 1900 as a general law city, and became a charter city in 2000 upon approval of the City's voters. The City has a Council-Manager form of municipal government. The City Council appoints the City Manager who is responsible for the day-to-day administration of City business and the coordination of all departments of the City. The City Council is composed of five members. Formerly, the Council members were elected at large. Starting in November 2018, a by-district system of election has been implemented. The City Council membership for two of the five districts was part of the November 2018 election, and will be subject to elections every four years thereafter. An election for the City Council membership for the other three districts will be held in November 2020, and every four years thereafter. The City Council selects two of its members to serve as the Mayor and Mayor Pro Tem. As of October 1, 2018, the City had approximately 138 full-time employees.

The current members of the City Council are as follows:

Name and Office	Current Term Expires
Eddie Neal, <i>Mayor</i>	December 2020
Chad Billingsley, <i>Mayor Pro Tem</i>	December 2022
Holly Andrade Blair, <i>Council Member</i>	December 2020
David Brown, <i>Council Member</i>	December 2020
Stuart Lyons, <i>Council Member</i>	December 2022

Population

The following table shows the estimated population growth for the City, the County and the State of California for the years shown.

City of Lemoore
City and County Population Growth⁽¹⁾
Calendar Years 1980, 1990, 2000, 2010, 2014-2018

Calendar Year	City of Lemoore	% Change from Prior Period Shown	Kings County	% Change from Prior Period	State of California	% Change from Prior Period
1980	8,850	--	73,500	--	23,510,815	--
1990	13,450	52.0%	100,800	37.1%	29,558,000	25.7%
2000	19,525	45.2	128,787	27.8	33,721,583	14.1
2010	24,351	24.7	152,717	18.6	37,223,900	10.4
2014	25,169	0.9	149,754	-0.5	38,912,464	1.8
2015	25,306	0.5	149,730	-0.0	38,915,880	0.0
2016	25,648	1.4	149,744	0.0	39,179,627	0.7
2017	25,681	0.1	149,559	-1	39,500,973	0.8
2018	25,892	0.8	151,662	1.4	39,809,693	0.8

(1) As of January 1 of each year.

Source: State of California Department of Finance.

Taxable Valuation

The following is a table showing the City's taxable valuation for the fiscal years shown. These figures are presented for historical comparison, with reference only to the time frame of the years shown.

City of Lemoore
Assessed Values of All Taxable Property
Fiscal Years 2007-08 through 2016-17

Fiscal Year	Secured Value	Utility	Unsecured Value	Total Assessed Value	% Change from Prior Year
2007-08	\$1,476,908,563	\$857,527	\$42,301,715	\$1,520,067,805	--
2008-09	1,618,788,968	828,108	42,411,801	1,662,028,877	9.34%
2009-10	1,626,916,526	825,630	39,269,425	1,667,011,581	0.30
2010-11	1,709,130,426	554,384	28,706,275	1,738,391,085	4.28
2011-12	1,758,796,967	574,763	26,393,761	1,785,765,491	2.73
2012-13	1,737,953,522	575,662	28,254,947	1,766,784,131	-1.06
2013-14	1,751,569,065	574,057	27,317,455	1,779,460,577	0.72
2014-15 ⁽¹⁾	1,665,821,072	684,859	25,689,595	1,692,195,526	-4.90
2015-16	1,797,274,999	680,243	23,520,387	1,821,475,629	7.64
2016-17	1,864,123,891	665,582	24,922,222	1,889,711,695	3.75

(1) 2014-15 tax roll included a \$104.3 million reduction to the assessed value of Leprino Foods' property, based an assessment appeal by Leprino Foods. Secured value of Leprino Foods' property increased from \$313.4 million on the 2014-15 tax roll to \$362.3 million on the 2016-17 tax roll. Subsequently, the secured value was reduced to \$333.8 million on the 2017-18 tax roll and \$281.4 million on the 2018-19 tax roll because of appeals. As of October 2018, there was still a pending appeal by Leprino Foods further reduction to \$138.3 million.

Source: Table appearing in supplemental section of City of Lemoore Comprehensive Annual Financial Report for Year Ended June 30, 2017.

Construction Activity

The following table shows the number of construction permits issued in the City and the related values during fiscal years shown.

City of Lemoore Construction Permits Fiscal Years 2013-14 through 2017-18					
Fiscal Year	Residential		Non-Residential		Total Estimated Valuation
	Number of Permits Issued	Estimated Valuation	Number of Permits Issued	Estimated Valuation	
2013-14	386	\$29,220,350	1	\$1,725,000	\$30,945,350
2014-15	689	20,240,897	2	40,700	20,281,597
2015-16	813	26,523,868	1	222,360	26,746,228
2016-17	832	18,287,524	0	--	18,287,524
2017-18	815	19,514,634	67	15,272,264	34,786,898

Source: City of Lemoore Community Development Department.

Employment

According to the State of California Employment Development Department, the November 2018 preliminary estimated unemployment rates for the City, the County and the State were 5.4 percent, 7.0 percent and 3.9 percent, respectively. The following table shows certain employment statistics for the City and the County for calendar years 2013 through 2017.

City of Lemoore
City, County and State Employment Statistics
Calendar Years 2013 through 2017⁽¹⁾

Year	City			County	State
	Labor Force	Employed	Unemployment Rate	Unemployment Rate	Unemployment Rate
2013	12,000	10,500	12.0%	13.4	8.9%
2014	11,900	10,600	10.7	11.9	7.5
2015	12,000	10,800	9.3	10.5	6.2
2016	11,800	10,800	8.9	10.0	5.4
2017	12,200	11,500	5.9	8.9	4.8

(1) Not seasonally adjusted. March 2017 benchmark.

Source: State of California, Employment Development Department.

The following table lists the major employers within the City and their estimated number of employees.

City of Lemoore
Top Ten Employers⁽¹⁾
as of End of Fiscal Year 2017-18

Company	Industry Description	No. of Employees
US Naval Air Station	Government military base	8,053
Leprino Foods Company (East and West locations)	Dairy products production and processing	1,305
Lemoore Union Elementary School District ⁽¹⁾	Education	322
Lemoore Union High School District	Education	232
West Hills College District	Education	162
Superior Truck Lines	Trucking company	120
City of Lemoore ⁽²⁾	Municipal government	118
Kmart ⁽³⁾	Retail	85
Save Mart ⁽²⁾	Supermarket	75
McDonald's ⁽²⁾	Restaurant	60

(1) Includes classified, certified and administrative employees.

(2) Includes full and part time.

(3) In connection with the bankruptcy of Sears (Kmart's parent company), Kmart in Lemoore closed in January 2019.

Source: City of Lemoore.

The following table summarizes the civilian labor force in the County for the calendar years shown. These figures are county-wide statistics and may not necessarily accurately reflect employment trends in the City.

Kings County
(Hanford-Corcoran Metropolitan Statistical Area)
Annual Average Employment by Industry⁽¹⁾
Calendar Years 2013 through 2017

Industry	2013	2014	2015	2016	2017
Private, non-farm					
<i>Goods producing:</i>					
Mining, logging and construction	800	800	900	900	900
Manufacturing	4,500	4,600	4,900	4,800	4,800
<i>Service providing:</i>					
Wholesale trade	600	600	600	600	600
Retail trade	4,200	4,200	4,200	4,400	4,500
Transport., warehousing and utilities	900	900	1,000	1,100	1,400
Information	200	200	200	200	200
Financial activities	900	1,000	1,000	900	900
Professional and business services	1,300	1,400	1,300	1,300	1,200
Educational and health services	5,900	6,000	6,100	6,000	6,200
Leisure and hospitality	2,900	3,100	3,300	3,300	3,300
Other services	600	600	600	600	600
Subtotal⁽²⁾	22,800	23,300	24,000	24,100	24,700
Government	14,300	14,300	14,500	14,700	14,700
Farm	6,900	6,900	7,400	7,400	7,900
Total⁽²⁾	43,900	44,500	45,900	46,200	47,300

(1) Employment reported by place of work; does not include persons involved in labor-management disputes. Figures are rounded to the nearest hundred. Based on March 2017 benchmark. Not seasonally adjusted.

(2) Detail may not compute to total due to rounding.

Source: State of California, Employment Development Department.

Median Household Income

The following table shows the estimated median household income for the City, County, the State and the United States for the years shown.

**City of Lemoore, Kings County, California and the United States
Median Household Income⁽¹⁾
Calendar Years 2013 through 2017**

Year	City	County	State	U.S.
2013	\$53,711	\$48,133	\$61,094	\$53,046
2014	52,701	47,341	61,489	53,482
2015	49,623	46,481	61,818	53,889
2016	50,871	47,241	63,783	55,322
2017	54,471	49,742	67,169	57,652

(1) Estimated. Inflation adjusted based on corresponding year.

Source: U.S. Census Bureau, American Community Survey 5-Year Estimates.

Commercial Activity

The following table summarizes the annual volume of taxable transactions within the City for calendar years shown.

**City of Lemoore
Taxable Sales
Calendar Years 2012 through 2016
(in Thousands of Dollars)**

Year	Retail and food services	Other Outlets	Total⁽¹⁾
2012	\$107,489	\$65,830	\$173,319
2013	115,927	65,710	181,637
2014	121,276	59,392	180,668
2015	115,117	44,831	159,947
2016	114,305	40,653	154,959

(1) Detail may not compute to total due to rounding.

Source: Compiled from data published by State of California Board of Equalization.

APPENDIX B

**CITY OF LEMOORE COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR YEAR ENDED JUNE 30, 2017**

APPENDIX C
SUMMARY OF CERTAIN PROVISIONS OF INDENTURE

APPENDIX D

FORM OF OPINION OF BOND COUNSEL

Upon issuance and delivery of the Bonds, Bond Counsel proposes to render its final approving opinion in substantially the following form:

[Delivery Date]

City Council
City of Lemoore
711 West Cinnamon Drive.
Lemoore, California 93245

Opinion of Bond Counsel

with reference to

\$ _____
City of Lemoore
Water Revenue Bonds
Series 2019

Members of the City Council:

We have examined: (i) a record of proceedings relating to the issuance of the above-referenced bonds (the “Bonds”) by the City of Lemoore, California (the “City”), (ii) the Indenture, dated as of March 1, 2019 (the “Indenture”), by and between the City and U.S. Bank National Association, as trustee (the “Trustee”), and (iii) such other matters of law as we have deemed necessary to enable us to render the opinions expressed herein. As to questions of fact material to this opinion, we have relied upon such certificates and documents without undertaking to verify the same by independent investigation. All capitalized terms used but not defined herein have the meanings ascribed to them in the Indenture.

The Bonds are issued pursuant to the Charter of the City (adopted pursuant to Article XI of the Constitution of the State of California), Title 10 of the Lemoore Municipal Code, and the Indenture, dated as of March 1, 2019 (the “Indenture”), by and between the City and U.S. Bank National Association, as Trustee. The Bonds are issued to finance certain capital improvements of the City’s water system (the “Enterprise”).

Based on the examination described herein, we are of the opinion that, under existing law:

1. The Indenture has been duly and lawfully authorized, executed and delivered by the City. Assuming due authorization, execution and delivery by the Trustee, the Indenture is in full force and effect in accordance with its terms and is valid and binding upon the City and

enforceable in accordance with its terms, and no other authorization for the Indenture is required. The Indenture creates the valid pledge which it purports to create of the Net Revenues and certain funds established by the Indenture, including the investments, if any, thereof; subject to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture.

2. The Bonds have been duly and validly authorized and issued by the City in accordance with the laws of the State of California, including the Refunding Bond Law, and the Indenture. The Bonds constitute the valid and binding special obligations of the City payable solely from Net Revenues and the funds and accounts specifically identified in the Indenture as provided in the Indenture, are enforceable in accordance with their terms and the terms of the Indenture and are entitled to the benefits of the Indenture.

3. Interest on the Bonds is exempt from personal income taxes of the State of California.

4. Assuming compliance with the covenants described below, interest on the Bonds is excluded from gross income for federal income tax purposes. The Bonds are not “specified private activity bonds” within the meaning of Section 57(a)(5) of the Internal Revenue Code of 1986, as amended (the “Code”) and, therefore, interest on the Bonds will not be treated as a preference item for purposes of computing the alternative minimum tax imposed by Section 55 of the Code.

The Code sets forth certain requirements which must be met subsequent to the issuance and delivery of the Bonds for interest thereon to be and remain excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause the interest on the Bonds to be included in gross income retroactive to the date of issue of the Bonds. The City has covenanted to satisfy, or take such actions as may be necessary to cause to be satisfied, each provision of the Code necessary to maintain the exclusion of the interest on the Bonds from gross income for federal income tax purposes pursuant to Section 103(a) of the Code.

Certain requirements and procedures contained or referred to in the Indenture and other relevant documents may be changed and certain actions may be taken or omitted, under the circumstances and subject to the terms and conditions set forth in such documents, upon the advice or with the approving opinion of nationally recognized bond counsel. We express no opinion as to any Bond, or the interest thereon, if any change occurs or action is taken or omitted upon the advice or approval of any counsel other than ourselves.

Except as stated in the foregoing paragraphs numbered 3 and 4 and the paragraph immediately following paragraph 4, we express no opinion as to any federal or state tax consequences of the ownership or disposition of the Bonds.

The opinions expressed in the paragraphs numbered 1 and 2 hereof are qualified to the extent that the enforceability of the Indenture and the Bonds may be limited by any applicable bankruptcy, insolvency, debt adjustment, receivership, fraudulent conveyance or transfer, moratorium, reorganization, arrangements or other laws affecting creditors’ rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and

to the limitations on legal remedies against public entities in the State or other laws or equitable principles affecting the enforcement of creditors' rights generally. We express no opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), right of set-off, arbitration, judicial reference, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the foregoing documents. Without limiting the foregoing, we have assumed compliance with all agreements and covenants contained in the Indenture.

The opinions expressed herein are based on an analysis of existing law and cover certain matters not directly addressed thereby. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof, and we have not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. We have assumed the genuineness of all documents and signatures presented to us. We have not undertaken to verify independently, and have assumed the accuracy of the factual matters represented, warranted or certified in such documents. In this letter, we express no opinion regarding any information or presentation in the Official Statement or any other material offering materials relating to the Bonds.

Respectfully submitted

APPENDIX E
FORM OF CONTINUING DISCLOSURE CERTIFICATE

APPENDIX F

DTC'S BOOK-ENTRY ONLY SYSTEM

The information in this Appendix concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof. The City give no assurances that (i) DTC, the Direct and Indirect Participants or others will distribute payments of principal, premium (if any) or interest with respect to the Bonds paid to DTC or its nominee as, the registered owner, to the Beneficial Owners, (ii) such entities will distribute redemption notices or other notices, to the Beneficial Owners, or (iii) an error or delay relating thereto will not occur.

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating: AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive

written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMD Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, premium (if any) and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the City or the Trustee, subject to any statutory or regulatory requirements as may be in effect from time to time. Principal, premium (if any) and interest payments with respect to the Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the City or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered in accordance with the provisions of the Indenture.

APPENDIX G
SPECIMEN BOND INSURANCE POLICY

\$ _____
CITY OF LEMOORE
WATER REVENUE BONDS, SERIES 2019

PURCHASE CONTRACT

_____, 2019

City of Lemoore
711 W. Cinnamon Drive
Lemoore, California 93245

Ladies and Gentlemen:

Stifel, Nicolaus & Company, Incorporated (the “Underwriter”), acting on behalf of itself and not as an agent or fiduciary for you, offers to enter into this Purchase Contract (the “Purchase Contract”) with the City of Lemoore (the “City”), which Purchase Contract will be binding upon the City and the Underwriter upon the acceptance hereof by the City. This offer is made subject to its acceptance by the City, by the execution of this Purchase Contract and its delivery to the Underwriter on or before 11:59 p.m., California time, on the date hereof. Capitalized terms used herein and not otherwise defined shall have the respective meanings given to such terms in the Indenture (as hereinafter defined).

1. Purchase and Sale. Upon the terms and conditions and upon the basis of the representations, warranties and agreements hereinafter set forth, the Underwriter hereby agrees to purchase for offering to the public, and the City hereby agrees to cause to be delivered to the Underwriter all (but not less than all) of the \$_____ aggregate principal amount of the City of Lemoore Water Revenue Bonds, Series 2019 (the “Bonds”), at the interest rates shown on Exhibit A hereto, which is incorporated herein by this reference, and subject to purchase and redemption as set forth in the Indenture. The City has received a written commitment from _____ (the “Insurer”) to issue, upon fulfillment of certain conditions, a municipal bond insurance policy (the “Policy”) insuring the payment of principal and interest with respect to the Bonds as the same shall become due and a debt service reserve insurance policy (the “Reserve Policy”) for deposit into the debt service reserve fund established under the Indenture.

The aggregate purchase price for the Bonds shall be \$_____ (representing the aggregate principal amount of the Bonds, [plus][less] [net] original issue [premium][discount] of \$_____, less an underwriting discount of \$_____).

2. Description and Purpose of the Bonds. The Bonds shall be issued pursuant to an Indenture, dated as of March 1, 2019 (the “Indenture”), by and between the City and U.S. Bank National Association, as trustee (the “Trustee”).

The Bonds are being issued to: (i) finance certain capital projects of the City’s water treatment, production, storage and distribution system (the “Water System”), (ii) pay the premium for the Reserve Policy, (iii) pay the premium for the Policy, and (iv) pay other costs of issuance.

3. Public Offering.

(a) The Underwriter agrees to make an initial bona fide public offering of all the Bonds at a price of 100% of the principal amount thereof. Subsequent to the initial public offering, the Underwriter reserves the right to change such initial offering price or prices as the Underwriter shall deem necessary in connection with the marketing of the Bonds and to offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into investment trusts) and others at prices lower than the initial offering price or prices set forth in the hereinafter referred to Official Statement. The Underwriter also reserves the right (i) to engage in transactions that stabilize, maintain or otherwise affect the market price of the Bonds at a level above that which might otherwise prevail in the open market and (ii) to discontinue such transactions, if commenced, at any time.

(b) The Underwriter agrees to assist the City in establishing the issue price of the Bonds and shall execute and deliver to the City at Closing (as defined below) an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the City and Bond Counsel (as defined below), to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds. [All actions to be taken by the City under this section to establish the issue price of the Bonds may be taken on behalf of the City by the City’s municipal advisor, Del Rio Advisors, LLC (the “Municipal Advisor”) and any notice or report to be provided to the City may be provided to the City’s Municipal Advisor.]

(c) [Except as otherwise set forth in Exhibit A attached hereto,] the City will treat the first price at which 10% of each maturity of the Bonds (the “10% test”), identified under the column “10% Test Used” in Exhibit A, is sold to the public as the issue price of that maturity. At or promptly after the execution of this Purchase Contract, the Underwriter shall report to the City the price or prices at which it has sold to the public each maturity of Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Underwriter agrees to promptly report to the City the prices at which it sells the unsold Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing Date (as defined below) has occurred, until either (i) the Underwriter has sold all Bonds of that maturity or (ii) the 10% test has been satisfied as to the Bonds of that maturity, provided that, the Underwriter’s reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the City or Bond Counsel. For purposes of this section, if Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Bonds.

(d) [The Underwriter confirms that it has offered the Bonds to the public on or before the date of this Purchase Contract at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in Exhibit A attached hereto, except as otherwise set forth therein. Exhibit A also sets forth, identified under the column “Hold the Offering Price Rule Used,” as of the date of this Purchase Contract, the maturities, if any, of the Bonds for which the 10% test has not been satisfied and for which the City and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the City to treat the initial offering price to the public of each such maturity as of the

sale date as the issue price of that maturity (the “hold-the-offering-price rule”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriter will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following.

- (i) the close of the fifth (5th) business day after the sale date; or
- (ii) the date on which the Underwriter has sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriter will advise the City promptly after the close of the fifth (5th) business day after the sale date whether it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.]

- (e) The Underwriter confirms that:

- (i) any selling group agreement and any third-party distribution agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

- (A)(i) to report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter, and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter,

- (B) to promptly notify the Underwriter of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and

- (C) to acknowledge that, unless otherwise advised by the dealer or broker-dealer, the Underwriter shall assume that each order submitted by the dealer or broker-dealer is a sale to the public.

- (ii) any selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that

maturity allocated to it have been sold or it is notified by the Underwriter or the dealer that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter or the dealer, and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter or the dealer and as set forth in the related pricing wires.

(f) The City acknowledges that, in making the representations set forth in this section, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a third-party distribution agreement was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The City further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds.

(g) The Underwriter acknowledges that sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(i) “public” means any person other than an underwriter or a related party;

(ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public);

(iii) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as

applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other)[; and

(iv) “sale date” means the date of execution of this Purchase Contract by the City and the Underwriter].

4. Delivery of Official Statement. Pursuant to the authorization of the City, the Underwriter has distributed copies of the Preliminary Official Statement, dated _____, 2019, relating to the Bonds, which, together with the cover page and appendices thereto, is herein called the “Preliminary Official Statement.” By its acceptance of this proposal, the City hereby approves and ratifies the distribution and use by the Underwriter of the Preliminary Official Statement. The City has previously deemed the Preliminary Official Statement to be final as of its date for purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (“Rule 15c2-12”), except for information permitted to be omitted therefrom by Rule 15c2-12, and has executed a certificate to that effect substantially in the form attached as Exhibit C.

The City agrees to execute and deliver a final Official Statement (the “Official Statement”) in substantially the same form as the Preliminary Official Statement with such changes as may be made thereto, with the consent of the City and the Underwriter, and to provide copies thereof to the Underwriter as set forth in Section 6(n) hereof. The City hereby authorizes the Underwriter to use and distribute, in connection with the offer and sale of the Bonds: the Preliminary Official Statement, the Official Statement, the Indenture and other documents or contracts to which the City is a party in connection with the transactions contemplated by this Purchase Contract, including this Purchase Contract and all information contained herein, and all other documents, certificates and statements furnished by the City to the Underwriter in connection with the transactions contemplated by this Purchase Contract.

5. The Closing. At 8:00 a.m., California time, on _____, 2019 or at such other time or on such earlier or later business day as shall have been mutually agreed upon by the City and the Underwriter (the “Closing Date”), the City will cause to be executed and delivered: (i) the Bonds in book-entry form through the facilities of The Depository Trust Company, or its agent, on behalf of the Underwriter, (ii) the closing documents hereinafter mentioned, at the offices of Richards, Watson & Gershon, A Professional Corporation (“Bond Counsel”), in Los Angeles, California or another place to be mutually agreed upon by the City and the Underwriter. The Underwriter will accept such delivery of the Bonds and pay the purchase price of such Bonds set forth in Section 1 hereof in immediately available funds to the order of the City, less \$_____ with respect to the premium for the Policy and \$_____ with respect to the premium for the Reserve Policy, which amounts shall be wired by the Underwriter directly to the Insurer on behalf of the City. This payment for and delivery of the Bonds, together with the execution and delivery of the aforementioned documents is herein called the “Closing.”

6. The City’s Representations, Warranties and Covenants. The City represents, warrants and covenants to the Underwriter that:

(a) Due Organization, Existence and Authority. The City is a charter city duly organized and existing under the Constitution and laws of the State of California (the “State”), with full right, power and authority to execute, deliver and perform its obligations under this Purchase Contract, the Indenture and the Continuing Disclosure Certificate, dated

_____, 2019 executed by the City (the “Continuing Disclosure Certificate” and, collectively with the Purchase Contract and the Indenture, the “City Documents”) and to carry out and consummate the transactions contemplated by the City Documents and the Official Statement.

(b) Due Authorization and Approval. By all necessary official action of the City, the City has duly authorized and approved the execution and delivery of, and the performance by the City of the obligations contained or described in, the Preliminary Official Statement, the Official Statement and the City Documents and as of the date hereof, such authorizations and approvals are in full force and effect and have not been amended, modified or rescinded. When executed and delivered, each City Document will constitute the legally valid and binding obligation of the City enforceable in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or similar laws or equitable principles relating to or affecting creditors’ rights generally or by the exercise of judicial discretion in appropriate cases or by limitations on legal remedies against public agencies in the State.

(c) Official Statement Accurate and Complete. The Preliminary Official Statement was as of its date, and the Official Statement is, true and correct in all material respects, and the Preliminary Official Statement and the Official Statement contain no misstatement of any material fact and do not omit any statement necessary to make the statements contained therein, in the light of the circumstances in which such statements were made, not misleading (except no representation is made with respect to information relating to DTC or DTC’s book-entry system or the Insurer, the Policy or the Reserve Policy, or prices and yields for the Bonds, or any other information provided by the Underwriter).

(d) Amendments and Supplements to Official Statement. The City will advise the Underwriter promptly of any proposal to amend or supplement the Official Statement. The City will advise the Underwriter promptly of the institution of any proceedings known to it by any governmental agency prohibiting or otherwise affecting the use of the Official Statement in connection with the offering, sale or distribution of the Bonds.

(e) City Agreement to Amend or Supplement Official Statement. If after the date of this Purchase Contract and until 25 days after the end of the “underwriting period” (as defined in Rule 15c2-12), any event occurs as a result of which the Official Statement as then amended or supplemented would include an untrue statement of a material fact, or omit to state any material fact necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, not misleading, and, in the reasonable opinion of the Underwriter, an amended or supplemented Official Statement should be delivered in connection with the offers or sales of the Bonds to reflect such event, the City promptly will prepare at its expense an amendment or supplement which will correct such statement or omission and the City shall promptly furnish to the Underwriter a reasonable number of copies of such amendment or supplement. The Underwriter hereby agrees to deposit the Official Statement with the Municipal Securities Rulemaking Board. The Underwriter acknowledges that the end of the “underwriting period” will be the date of Closing.

(f) No Material Change in Finances. Except as otherwise described in the Official Statement, there shall not have been any material adverse changes in the financial condition of the Water System since June 30, 2017.

(g) No Breach or Default. As of the time of acceptance hereof, (A) the City is not in default, nor has it been in default, as to principal or interest with respect to an obligation issued by the City, and (B) the City is not, in any manner which would materially adversely affect the transactions contemplated by the City Documents, in breach of or in default under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States, or any applicable judgment or decree or any trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the City is a party or is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute, in any manner which would materially adversely affect the transactions contemplated by the City Documents, a default or event of default under any such instrument; and, as of such time, the authorization, execution and delivery of the City Documents and compliance with the provisions of each of such agreements or instruments do not in any manner which would materially adversely affect the transactions contemplated by the City Documents, conflict with or constitute a breach of or default under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States, or any applicable judgment, decree, license, permit, trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the City (or any of its officers in their respective capacities as such) is subject, or by which it or any of its properties is bound, nor will any such authorization, execution, delivery or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of its assets or properties or under the terms of any such law, regulation or instrument, except as may be provided by the City Documents.

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

(i) No Prior Liens on Net Revenues. Except as otherwise described in the Official Statement, the City does not and will not have outstanding any indebtedness which indebtedness is secured by a lien on the Net Revenues superior to or equal to the lien of the Bonds on the Net Revenues.

(j) Further Cooperation: Blue Sky. The City will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request in order (A) to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate and (B) to determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualifications in effect so long as required for the distribution of the Bonds; provided, however, that the City shall not be required to execute a general or special consent to service of process or qualify to do business in connection with any such qualification or determination in any jurisdiction. The Underwriter shall be responsible for all costs relating to such qualification or determination under Blue Sky or other securities laws.

(k) Consents and Approvals. All authorizations, approvals, licenses, permits, consents and orders of or filings with any governmental authority, legislative body, board, agency or commission having jurisdiction in the matters which are required for the due authorization of, which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by the City of its obligations in connection with the City Documents have been duly obtained or made, except as may be required under the Blue Sky or securities laws of any state in connection with the offering and sale of the Bonds.

(l) No Other Obligations. Between the date of this Purchase Contract and the date of Closing, the City will not, without the prior written consent of the Underwriter, offer or issue any bonds, notes or other obligations for borrowed money, or incur any material liabilities, directly or contingently payable from the Net Revenues.

(m) Certificates. Any certificate signed by any official of the City and delivered to the Underwriter shall be deemed to be a representation and warranty by the City to the Underwriter as to the statements made therein.

(n) Provision of Official Statement. The City hereby covenants and agrees that no later than the date of Closing, the City shall cause final printed copies of the Official Statement to be delivered to the Underwriter in such number of copies as shall reasonably be requested by the Underwriter.

(o) Continuing Disclosure. Except as disclosed in the Preliminary Official Statement, for the previous five years, the City has been and the City is currently in compliance with all continuing disclosure undertakings that it has entered into pursuant to Rule 15c2-12 in all material respects.

7. Closing Conditions. The Underwriter has entered into this Purchase Contract in reliance upon the representations, warranties and covenants herein and the performance by the City of its obligations hereunder, both as of the date hereof and as of the date of the Closing. The

Underwriter's obligations under this Purchase Contract to purchase and pay for the Bonds shall be subject to the following additional conditions:

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

(i) Executed Agreements and Performance Thereunder. At the time of the Closing (i) the City Documents shall be in full force and effect, and shall not have been amended, modified or supplemented except with the written consent of the Underwriter, (ii) there shall be in full force and effect such resolutions (the "Resolutions") as, in the opinion of Bond Counsel, shall be necessary in connection with the transactions contemplated by the Official Statement and the City Documents, (iii) the City shall perform or have performed its obligations required or specified in the City Documents to be performed at or prior to Closing, and (iv) the Official Statement shall not have been supplemented or amended, except pursuant to Paragraphs 6(d) and 6(e) hereof or as otherwise may have been agreed to in writing by the Underwriter.

(ii) No Default. At the time of the Closing, no default, or any event that with the passage of time would be reasonably likely to result in default, shall have occurred or be existing under the Resolutions, the City Documents, or any other agreement or document pursuant to which any of the City's financial obligations was issued and the City shall not be in default in the payment of principal or interest on any of its financial obligations which default would materially adversely impact the ability of the City to pay the principal of and interest on the Bonds.

(b) Termination Events. The Underwriter shall have the right to terminate this Purchase Contract, without liability therefor, by written notification to the City if at any time at or prior to the Closing:

(i) any event shall occur which causes any statement contained in the Official Statement to be materially misleading or results in a failure of the Official Statement to state a material fact necessary to make the statements in the Official Statement, in the light of the circumstances under which they were made, not misleading; or

(ii) the marketability of the Bonds or the market price thereof, in the reasonable opinion of the Underwriter, has been materially adversely affected by an amendment to the Constitution of the United States or by any legislation in or by the Congress of the United States or by the State, or the amendment of legislation pending as of the date of this Purchase Contract in the Congress of the United States, or the recommendation to Congress or endorsement for passage (by press release, other form of notice or otherwise) of legislation by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or the proposal for consideration of legislation by either such Committee or by any member thereof, or the presentment of legislation for

consideration as an option by either such Committee, or by the staff of the Joint Committee on Taxation of the Congress of the United States, or the favorable reporting for passage of legislation to either House of the Congress of the United States by a Committee of such House to which such legislation has been referred for consideration, or any decision of any federal or State court or any ruling or regulation (final, temporary or proposed) or official statement on behalf of the United States Treasury Department, the Internal Revenue Service or other federal or State authority materially adversely affecting the federal or State tax status of the City, or the status of the interest on bonds or notes or obligations of the general character of the Bonds; or

(iii) any legislation, ordinance, rule or regulation shall be introduced in, or be enacted by any governmental body, department or agency of the State, or a decision by any court of competent jurisdiction within the State or any court of the United States shall be rendered which, in the reasonable opinion of the Underwriter, materially adversely affects the market price of the Bonds; or

(iv) legislation shall be enacted by the Congress of the United States, or a decision by a court of the United States shall be rendered, or a stop order, ruling, regulation or official statement by, or on behalf of, the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall be issued or made to the effect that the execution, delivery, offering or sale of obligations of the general character of the Bonds, or the execution, delivery, offering or sale of the Bonds, including all underlying obligations, as contemplated hereby or by the Official Statement, is in violation or would be in violation of, or that obligations of the general character of the Bonds, or the Bonds, are not exempt from registration under, any provision of the federal securities laws, including the Securities Act of 1933, as amended and as then in effect, or that the Indenture needs to be qualified under the Trust Indenture Act of 1939, as amended and as then in effect; or

(v) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange which restrictions materially adversely affect the Underwriter's ability to trade the Bonds; or

(vi) a general banking moratorium shall have been established by federal or state authorities or any material disruption in commercial banking or securities settlement or clearance services, including, but not limited to, those of DTC, shall have occurred; or

(vii) the United States has become engaged in hostilities which have resulted in a declaration of war or a national emergency or there has occurred any other outbreak or escalation of hostilities or a national or international calamity or crises, financial or otherwise, including but not limited to, bombings or terrorism (whether alleged or proven) relating to the effective operation of government or financial community, the effect of such outbreak, calamity or crisis on the financial markets of the United States, being such as, in the reasonable opinion of the

Underwriter, would affect materially and adversely the ability of the Underwriter to market or deliver the Bonds; or

(viii) any rating of the securities of the City reflecting the creditworthiness of the City shall have been downgraded, suspended, withdrawn or have had any action taken with respect thereto by a national rating service, which, in the Underwriter's reasonable opinion, materially adversely affects the marketability or market price of the Bonds; or

(ix) the commencement of any action, suit or proceeding described in Paragraph 6(h) hereof which, in the reasonable judgment of the Underwriter, materially adversely affects the market price of the Bonds; or

(x) there shall be in force a general suspension of trading on the New York Stock Exchange.

(c) Closing Documents. At or prior to the Closing, the Underwriter shall receive with respect to the Bonds the following documents:

(i) Bond Opinion. An approving opinion of Bond Counsel dated the date of the Closing and substantially in the form included as Appendix D to the Official Statement, together with a letter from such counsel, dated the date of the Closing and addressed to the Underwriter, to the effect that the foregoing opinion addressed to the City may be relied upon by the Underwriter to the same extent as if such opinion were addressed to it.

(ii) Supplemental Opinion. A supplemental opinion or opinions of Bond Counsel addressed to the Underwriter, in form and substance acceptable to the Underwriter, and dated the date of the Closing substantially to the following effect:

(A) The City Documents have been duly authorized, executed and delivered by the City and, assuming due authorization, execution and delivery by the other parties thereto, constitute valid and binding agreements of the City enforceable in accordance with its terms, except that the rights and obligations under the Purchase Contract are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws affecting creditors' rights, to the application of equitable principles if equitable remedies are sought, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against public agencies in the State;

(B) The statements contained in the Official Statement on the cover page (excluding statements with respect to the Insurer, the Policy and the Reserve Policy) and under the captions "INTRODUCTION," "BONDS," "SECURITY FOR BONDS" and "CONCLUDING MATTERS—Tax Matters" and in Appendix C and Appendix D thereto, insofar as such statements purport to summarize certain provisions of the Bonds, the Indenture and Bond Counsel's opinions concerning certain federal and State

tax matters relating to the Bonds, are accurate in all material respects as of the date of the Official Statement and as of the date of Closing; and

(iii) City Attorney Opinion. An opinion of the City Attorney, dated the date of the Closing and addressed to the Underwriter, in form and substance acceptable to the Underwriter and Bond Counsel, substantially to the following effect:

(A) The City is a charter city duly organized and validly existing under the constitution and the laws of the State;

(B) The City Documents have been duly authorized, executed and delivered by the City, and the City has full right, power and authority to carry out and consummate all transactions contemplated by the City Documents as of the date of the Official Statement and as of the date of Closing;

(C) Ordinance No. 2018-02 of the City Council of the City (the “City Ordinance”) and the resolution of the City Council of the City approving and authorizing the execution and delivery of the City Documents, and approving the Official Statement (the “City Resolution”), have been duly adopted at meetings of the governing body of the City, which were called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout and the City Ordinance and the City Resolution are in full force and effect and have not been modified, amended or rescinded;

(D) The execution and delivery of the City Documents and compliance with the provisions thereof, under the circumstances contemplated thereby, do not and will not, in any respect which will have a material adverse impact on the transactions contemplated by the City Documents conflict with, or constitute, or with the giving of notice or the passage of time would constitute, on the part of the City a breach of or default under, any material agreement or other instrument to which the City is a party or by which it is bound (and based in part on a factual certificate of the City) or any existing law, administrative rule, regulation, order, decree, judgment, license or permit to which the City is subject (excluding, however, any opinion as to compliance with any applicable federal securities laws); or by which the City or any of its property is bound;

(E) The Official Statement has been prepared by, or on behalf of, the City under the supervision of the City’s Finance Director, and executed on its behalf by authorized officers of the City;

(F) No additional authorization, approval, consent, waiver or any other action by any person, board or body, public or private, not previously obtained is required as of the date of the Closing for the City to enter into the City Documents or to perform its obligations thereunder; and

(G) No litigation, proceeding, action, suit, or investigation (or any basis therefor) at law or in equity before or by any court, governmental agency or body, pending or threatened, against the City challenging the creation, organization or existence of the City, or the validity of the City Documents or seeking to restrain or enjoin the Bonds or in any way contesting or affecting the validity of the City Documents or any of the transactions referred to therein or contemplated thereby or contesting the authority of the City to enter into or perform its obligations under any of the City Documents, or under which a determination adverse to the City would have a material adverse effect upon the financial condition of the Water System, or which, in any manner, questions or affects the right or ability of the City to enter into the City Documents or affects in any manner the right or ability of the City to use the Net Revenues for repayment of the Bonds or in any manner the right or ability of the City to collect or pledge the Net Revenues.

(iv) Trustee Counsel Opinion. The opinion or opinions of counsel to the Trustee, dated the date of the Closing, addressed to the Underwriter, to the effect that:

(A) The Trustee is a national banking association, duly organized and validly existing under the laws of the United States of America, having full corporate power to undertake the trust created under the Indenture;

(B) The Indenture has been duly authorized, executed and delivered by the Trustee and, assuming due authorization, execution and delivery by the other parties thereto, the Indenture constitutes the valid and binding obligation of the Trustee enforceable in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles, if equitable remedies are sought;

(C) The Trustee has duly executed and delivered the Bonds upon the order of the City;

(D) The Trustee's actions in executing and delivering the Indenture are in full compliance with, and do not conflict with any applicable law or governmental regulation and, to the best of such counsel's knowledge, after reasonable inquiry with respect thereto, do not conflict with or violate any contract to which the Trustee is a party or any administrative or judicial decision by which the Trustee is bound; and

(E) No consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the banking or trust powers of the Trustee that has not been obtained is or will be required for the execution and delivery of the Bonds or the consummation by the Trustee of its obligations under the Indenture.

(v) Underwriter's Counsel Opinion. An opinion of Stradling, Yocca, Carlson & Rauth, a Professional Corporation, counsel to the Underwriter

("Underwriter's Counsel"), dated the date of Closing and addressed to the Underwriter in form and substance acceptable to the Underwriter.

(vi) City Certificate. A certificate of the City, dated the date of the Closing, signed on behalf of the City by the City Manager or other duly authorized officer of the City to the effect that:

(A) The representations, warranties and covenants of the City contained in the Purchase Contract are true and correct in all material respects on and as of the date of the Closing as if made on the date of the Closing and the City has complied in all material respects with all of the terms and conditions of the Purchase Contract required to be complied with by the City at or prior to the date of the closing;

(B) No event affecting the City has occurred since the date of the Official Statement which has not been disclosed therein or in any supplement or amendment thereto which event should be disclosed in the Official Statement in order to make the statements therein, in the light of the circumstances under which they were made, not misleading (except no representation is made with respect to information relating to DTC or DTC's book-entry system or the Insurer, the Policy or the Reserve Policy, or prices and yields for the Bonds, or any other information provided by the Underwriter); and

(C) No event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute an event of default under the City Documents.

(vii) Trustee's Certificate(s). A certificate or certificates, dated the date of Closing, signed by a duly authorized official of the Trustee satisfactory in form and substance to the Underwriter, to the effect that:

(A) The Trustee is duly organized and existing as a national banking association under the laws of the United States of America, having the full corporate power and authority to enter into and perform its duties under the Indenture;

(B) The Trustee is duly authorized to enter into the Indenture and has duly executed and delivered the Indenture, and assuming due authorization and execution by the other parties thereto, the Indenture is legal, valid and binding upon the Trustee, and enforceable against the Trustee in accordance with its terms;

(C) The Trustee has duly authenticated the Bonds under the Indenture and delivered the Bonds to or upon the order of the Underwriter; and

(D) No consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the banking or

trust powers of the Trustee that has not been obtained is or will be required for the issuance of the Bonds or the consummation by the Trustee of its obligations under the Indenture.

(viii) Disclosure Counsel Opinion. A letter of Richards, Watson & Gershon, A Professional Corporation, as disclosure counsel to the City (“Disclosure Counsel”), addressed to the Underwriter and the City, to the effect that nothing has come to such counsel’s attention that would lead them to believe that the Official Statement, as of its date and as of the Closing (but excluding therefrom the appendices thereto, CUSIP numbers, financial, accounting, statistical, economic, engineering or demographic data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion, any determinations regarding valuation, real estate, and environmental matters, or any basis therefor, information about the Underwriter, underwriting, and information regarding The Depository Trust Company and its book-entry system, and information regarding the Insurer, the Policy and the Reserve Policy, as to which no opinion need be expressed), contains an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided during the period from the date of the Official Statement to the date of the letter, except for Disclosure Counsel’s review of the certificates and opinions regarding the Official Statement delivered on the Closing Date, Disclosure Counsel is not obligated to undertake any procedures or taken any actions which would be intended or likely to elicit information concerning the accuracy, completeness or fairness of any of the statements contained in the Official Statement.

(ix) Transcripts. Two transcripts of all proceedings relating to the authorization and issuance of the Bonds.

(x) Official Statement. The Official Statement and each supplement or amendment, if any, thereto, executed on behalf of the City by duly authorized officers of the City.

(xi) City Documents. An original executed copy of each of the City Documents.

(xii) City Resolution. Two certified copies of the City Resolution, certified by the City Clerk.

(xiii) City Ordinance. Two certified copies of the City Ordinance, certified by the City Clerk.

(xiv) Trustee Resolution. Two certified copies of the general resolution of U.S. Bank National Association authorizing the execution and delivery of certain documents by certain officers and employees of U.S. Bank National Association, which resolution authorizes the execution and delivery of the Indenture.

(xv) 8038-G. Evidence that the federal tax information form 8038-G has been prepared for filing.

(xvi) Tax Certificate. A tax certificate in form satisfactory to Bond Counsel.

(xvii) CDIAC Statements. A copy of the Notices of Sale required to be delivered to the California Debt and Investment Advisory Commission pursuant to Sections 8855(g) and 53583 of the California Government Code.

(xviii) Ratings. Evidence from S&P Global Ratings, a Standard & Poor's Financial Services LLC business, that the Bonds have been assigned an underlying rating of “__” and an insured rating of “__.”

(xix) Insurance. The Policy, the Reserve Policy, a Rule 10b-5 certificate and a Rule 15c2-12 certificate of the Insurer, and an opinion of counsel to the Insurer addressed to the City and the Underwriter in form and substance acceptable to Bond Counsel and to Underwriter's Counsel.

(xx) 15c2-12 Certificate. In connection with printing and distribution of the Preliminary Official Statement, an executed certificate of the City substantially in the form attached hereto as Exhibit C.

(xxi) Additional Documents. Such additional certificates, instruments and other documents as the Underwriter may reasonably deem necessary.

If the City shall be unable to satisfy the conditions contained in this Purchase Contract, or if the obligations of the Underwriter shall be terminated for any reason permitted by this Purchase Contract, this Purchase Contract shall terminate and neither the Underwriter nor the City shall be under further obligation hereunder, except as further set forth in Section 8 hereof.

8. Expenses. Subject to the second paragraph of this Section 8, the Underwriter shall be under no obligation to pay and the City shall pay or cause to be paid the expenses incident to the performance of the obligations of the City hereunder including but not limited to (a) the costs of the preparation and printing, or other reproduction (for distribution on or prior to the date hereof) of the City Documents and the cost of preparing, printing, issuing, and delivering the Bonds, (b) the fees and disbursements of any counsel, financial advisors, accountants, or other experts or consultants retained by the City; (c) the fees and disbursements of Bond Counsel and Counsel of the City; (d) the cost of printing the Official Statement and any supplements and amendments thereto, including the requisite number of copies thereof for distribution by the Underwriter; (e) charges of rating agencies for any rating with respect to the Bonds; (f) expenses (included in the expense component of the Underwriter's spread) incurred on behalf of the City's officers or employees which are incidental to implementing this Purchase Contract, including, but not limited to, meals, transportation, lodging, and entertainment of those officers or employees; and (g) Trustee's fees.

The Underwriter shall pay and the City shall be under no obligation to pay all expenses incurred by it in connection with the public offering and distribution of the Bonds, including any advertising expenses, and the Underwriter shall pay any costs and expenses incurred in connection with the preparation and distribution of any blue sky surveys or any legal investment memoranda and the costs and fees of Underwriter's Counsel.

9. Notice. Any notice or other communication to be given to the City under this

Purchase Contract may be given by delivering the same in writing to City of Lemoore, 711 W. Cinnamon Drive, Lemoore, California 93245, Attention: City Manager.

Any notice or other communication to be given to the Underwriter under this Purchase Contract may be given by delivering the same in writing to Stifel, Nicolaus & Company, Incorporated, One Montgomery Street, 35th Floor, San Francisco, California 94104, Attention: Jim Cervantes.

10. Entire Agreement. This Purchase Contract, when accepted by the City shall constitute the entire agreement among the City and the Underwriter with respect to the subject matter hereof and is made solely for the benefit of the City, and the Underwriter (including the successors of the Underwriter). No other person shall acquire or have any right hereunder by virtue hereof, except as provided herein.

11. No Advisory or Fiduciary Role. The City acknowledges and agrees that: (a) the purchase and sale of the Bonds pursuant to this Purchase Contract is an arm's-length commercial transaction between the City and the Underwriter; (b) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as a principal and is not acting as the agent, advisor or fiduciary of the City; (c) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the City with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the City on other matters) and the Underwriter has no obligation to the City with respect to the offering contemplated hereby except the obligations expressly set forth in this Purchase Contract; (d) the Underwriter is not acting as municipal advisor (as defined in Section 15B of the Securities Exchange Act of 1934, as amended); and (e) the City has consulted its own legal, financial and other advisors to the extent they deemed appropriate in connection with the offering of the Bonds.

12. Benefit. This Purchase Contract is made solely for the benefit of the City and the Underwriter (including the successors thereof) and no other person, partnership or association, shall acquire or have any right hereunder or by virtue hereof. All representations and agreements by the City in this Purchase Contract shall remain operative and in full force and effect except as otherwise provided herein, regardless of any investigations made by or on behalf of the Underwriter and shall survive the delivery of and payment of the Bonds.

13. Counterparts. This Purchase Contract may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

14. Severability. In case any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof.

15. State Law Governs. THE VALIDITY, INTERPRETATION AND PERFORMANCE OF THIS PURCHASE CONTRACT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF CALIFORNIA.

16. No Assignment. The rights and obligations created by this Purchase Contract shall not be subject to assignment by the Underwriter or the City without the prior written consent of the other parties hereto.

STIFEL, NICOLAUS & COMPANY,
INCORPORATED

By: _____
Authorized Officer

Accepted as of _____ p.m.:

CITY OF LEMOORE

By: _____
City Manager

EXHIBIT A

MATURITY SCHEDULE

\$ _____

CITY OF LEMOORE

WATER REVENUE BONDS, SERIES 2019

MATURITY SCHEDULE

<i>Maturity Date (June 1)</i>	<i>Principal Amount</i>	<i>Interest Rate</i>	<i>Yield</i>	<i>Initial Offering Price</i>	<i>10% Test Used</i>	<i>Hold the Offering Price Rule Used</i>
	\$	%				

^c Yield to the first optional redemption date of _____, 20__, at par.

EXHIBIT B

\$ _____

CITY OF LEMOORE WATER REVENUE BONDS, SERIES 2019

FORM OF ISSUE PRICE CERTIFICATE

Dated: _____, 2019

The undersigned Stifel, Nicolaus & Company, Incorporated (“Stifel” or “we”), has entered into that certain Purchase Contract, dated _____, 2019 (the “Purchase Agreement”), with the City of Lemoore (the “City”), with respect to the above-referenced bonds (the “2019 Bonds”).

The representations set forth in this Certificate are limited to factual matters only. Nothing in this Certificate represents Stifel’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. Stifel understands and acknowledges that this Certificate will be attached as an Exhibit to the Certificate Regarding Compliance with Certain Tax Matters, dated _____, 2019 (the “Tax Certificate”), executed by the City. Stifel understands that this Certificate will be relied upon by the City with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the 2019 Bonds, and by Richards, Watson & Gershon, A Professional Corporation, Bond Counsel, in connection with rendering its opinion that the interest on the 2019 Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that Bond Counsel may give to the Issuer from time to time relating to the 2019 Bonds.

Stifel, acting through its authorized representative, hereby certifies and represents the following, based upon the information available to it:

1. Certain Defined Terms.

(a) “General Rule Maturities” means those Maturities of the 2019 Bonds not indicated as a “Hold-the-Offering-Price Maturity” on Schedule I.

(b) “Hold-the-Offering-Price Maturity” means those Maturities of the 2019 Bonds indicated in Schedule I as a “Hold-the-Offering-Price Maturity.”

(c) “Holding Period” means, for each Hold-the-Offering-Price Maturity of the 2019 Bonds, the period starting on the Sale Date and ending on the earlier of: (i) the close of the fifth business day after the Sale Date, or (ii) the date on which Stifel has sold at least ten percent of such Maturity to the Public at a price that is no higher than the Initial Offering Price for such Maturity.

(d) “Maturity” means 2019 Bonds with the same credit and payment terms. 2019 Bonds with different maturity dates, or 2019 Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(e) “Public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(f) “Sale Date” means the first day on which there is a binding contract in writing for the sale of a Maturity. The Sale Date of the 2019 Bonds is _____, 2019.

(g) “Underwriter” means (i) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the 2019 Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the 2019 Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the 2019 Bonds to the Public).

2. Sale of 2019 Bonds.

(a) As of the date of this Certificate, for each Maturity of the 2019 Bonds considered as the “General Rule Maturities,” the first price at which at least ten percent of such Maturity of the 2019 Bonds was sold to the Public is the respective price listed in Schedule I hereto (the “Sale Price” as applicable to each Maturity of the General Rule Maturities).

(b) On or before the Sale Date, Stifel offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in the final Official Statement for the 2019 Bonds (the “Initial Offering Prices”). A copy of the pricing wire or equivalent communication for the 2019 Bonds is attached to this Certificate as Schedule II.

(c) As set forth in the Purchase Agreement, Stifel has agreed in writing that: (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any portion of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement would contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement would contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. No Underwriter has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the 2019 Bonds during the Holding Period.

(d) The aggregate of the sale prices of the General Rule Maturities and the Initial Offering Prices of the Hold-the-Offering-Price Maturities is \$_____ (the “Issue Price”).

3. Reserve Requirement. Based upon the Underwriter’s experience in marketing and maintaining a market for obligations having terms and credit arrangements similar to those

underlying the 2019 Bonds, the Reserve Requirement contemplated under the Indenture was a vital factor in the marketing of the 2019 Bonds, facilitated the marketing of the 2019 Bonds at an interest rate comparable to that of bonds and other obligations of a similar type and is not in excess of the amount necessary for such purpose.

4. Credit Enhancement.

(i) The aggregate present value of the amounts paid to obtain the Bond Insurance and the Reserve Policy is less than the present value of the interest reasonably expected to be saved on the Bonds as a result of having the Bond Insurance and the Reserve Policy, using the Yield on the 2019 Bonds (calculated by taking into account the cost of the Bond Insurance and the Reserve Policy) as the discount factor for this purpose.

(ii) To the best of the Underwriter's knowledge, the amount paid to _____ (the "Bond Insurer") from the proceeds of the 2019 Bonds for the Bond Insurance and the Reserve Policy, is within a reasonable range of premiums charged for comparable credit enhancement for obligations comparable to the obligations evidenced and represented by the 2019 Bonds.

(iii) The fees paid and to be paid to obtain the Bond Insurance and the Reserve Policy were determined in arm's-length negotiations and were required as a condition to the issuance by the Bond Insurer of the Bond Insurance and the Reserve Policy.

(iv) To the best of the Underwriter's knowledge, the fees paid and to be paid for the Bond Insurance and the Reserve Policy represent a commercially reasonable charge for the transfer of credit risk.

5. Yield.

(i) The Yield on the 2019 Bonds is _____ percent, being the discount rate that, when used in computing the present worth of all payments of principal and interest to be paid on the 2019 Bonds, computed on the basis of a 360-day year and semi-annual compounding, produces an amount equal to the Issue Price as stated above, less the premium for the Bond Insurance and the Reserve Policy, which are Qualified Guarantees.

(ii) [No maturity of 2019 Bonds that are subject to mandatory early redemption has a stated redemption price that exceeds its Initial Offering Price by more than one-fourth of one percent multiplied by the product of its stated redemption price at maturity and the number of years to its weighted average maturity date. No maturity of 2019 Bonds that are subject to optional redemption have an Initial Offering Price that exceeds its stated redemption price at maturity by more than one-fourth of one percent multiplied by the product of its stated redemption price at maturity and the number of complete years to its first optional redemption date.]

6. Weighted Average Maturity.

The "Weighted Average Maturity" of the 2019 Bonds is calculated as the sum of the products of the Sale Price or the Initial Offering Price, as applicable, of each Maturity of the 2019

Bonds and the number of years to maturity (determined separately for each Maturity and by taking into account mandatory redemptions), divided by the Issue Price of the 2019 Bonds. Calculated in this manner, the Weighted Average Maturity of the 2019 Bonds is _____ years.

IN WITNESS WHEREOF, the undersigned has caused this Certificate to be executed on the date first written above.

**STIFEL, NICOLAUS & COMPANY,
INCORPORATED**

By: _____

(Print) Name: _____

Title: _____

By: _____

(Print) Name: _____

Title: _____

SCHEDULE I

**SALE PRICES OF THE GENERAL RULE MATURITIES [AND INITIAL OFFERING
PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES]**

(Attached)

[SCHEDULE II
PRICING WIRE OR EQUIVALENT COMMUNICATION
(Attached)]

EXHIBIT C

\$ _____ *

**CITY OF LEMOORE
WATER REVENUE BONDS, SERIES 2019**

RULE 15c2-12 CERTIFICATE

The undersigned hereby certifies and represents to Stifel, Nicolaus & Company, Incorporated (the “Underwriter”) that the undersigned is a duly appointed and acting officer of the City of Lemoore (the “City”) authorized to execute this Certificate, and further hereby certifies and confirms on behalf of the City to the Underwriter as follows:

(1) This Certificate is delivered to enable the Underwriter to comply with Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934 (the “Rule”) in connection with the offering and sale of the City’s Water Revenue Bonds, Series 2019 (the “Bonds”).

(2) In connection with the offering and sale of the Bonds, there has been prepared a Preliminary Official Statement, dated _____, 2019, setting forth information concerning the Bonds, the City’s water system and the City, as issuer of the Bonds (the “Preliminary Official Statement”).

(3) As used herein, “Permitted Omissions” shall mean the offering price(s), interest rate(s), selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, ratings and other terms of the Bonds depending on such matters and the identity of the underwriter(s), all with respect to the Bonds.

(4) The Preliminary Official Statement is, except for the Permitted Omissions, deemed final within the meaning of the Rule and has been, and the information therein is accurate and complete in all material respects except for the Permitted Omissions.

IN WITNESS WHEREOF, I have hereunto set my hand as of the __ day of _____, 2019.

CITY OF LEMOORE

By _____
City Manager

* Preliminary, subject to change.



711 West Cinnamon Drive • Lemoore, California 93245 • (559) 924-6700 • Fax (559) 924-6708

Staff Report

Item No: 5-5

To: Lemoore City Council
From: Nathan Olson, City Manager
Date: February 1, 2019 Meeting Date: February 5, 2019
Subject: Council Member Liaison Appointments to Regional Boards and Committees

Strategic Initiative:

- | | |
|--|--|
| <input type="checkbox"/> Safe & Vibrant Community | <input type="checkbox"/> Growing & Dynamic Economy |
| <input type="checkbox"/> Fiscally Sound Government | <input checked="" type="checkbox"/> Operational Excellence |
| <input type="checkbox"/> Community & Neighborhood Livability | <input type="checkbox"/> Not Applicable |

Proposed Motion:

Discuss potential changes and re-appoint City Council members to positions on regional Boards and Committees to serve as liaisons and voting members, as recommended by the Council.

Subject/Discussion:

City Council Members serve as representatives on the following Boards and Commissions:

Boards and Commissions

Cross Valley Rail Corridor Joint Powers Authority
Indian Gaming Local Benefit Committee
Kings Community Action Organization (KCAO)
Kings County Area Public Transit Authority (KCAPTA)
Kings County Association of Governments (KCAG)
Kings County Commission on Aging
Kings County Economic Development Committee
Kings County Emergency Shelter and Food Committee
Kings County Gang Awareness Advisory Committee

Kings County Vehicle Abatement Committee
Kings Mosquito Abatement District
Kings Waste and Recycling JPA Board
Lemoore Finance Committee
LVFD Qualification Review Committee
San Joaquin Valley Air Quality Board Special City Selection Committee
South Fork Kings Sustainable Groundwater Management Act JPA Board
League of California Cities

The following appointments are made only by the County's City Selection Committee:

Kings County Local Agency Formation Commission
Kings County Water Commission

Each Council Member submitted a list of requested appointments based on priority for both Principal and Alternate selections. At the request of council, staff has been asked to bring this item back for discussion.

Financial Consideration(s):

Minimal. Although the appointments are volunteer, there is minimal costs associated with mileage reimbursement and dinner meetings.

Alternatives or Pros/Cons:

Pros:

- Ensures the City's interests are represented on various regional boards and committees.

Cons:

- None noted.

Commission/Board Recommendation:

None.

Staff Recommendation:

Staff recommends making changes and approval of liaisons to represent the City at the direction of council.

Attachments:

- ☐ Resolution:
☐ Ordinance:
☐ Map
☐ Contract
☒ Other
List: Board and Commission List

Review:

- ☐ Asst. City Manager
☐ City Attorney
☒ City Clerk
☒ City Manager

Date:

2/01/19
2/01/19

**BOARD / COMMISSION
RECOMMENDATIONS
per MAYOR PRO TEM BILLINGSGLEY**

PRIMARY	ALTERNATE
<u>Cross Valley Rail Corridor Joint Powers Authority</u>	
Dave Brown	Chad Billingsley
<u>Indian Gaming Local Community Benefit Committee</u>	
Chad Billingsley	Eddie Neal
<u>Kings Community Action Organization (KCAO)</u>	
Stuart Lyons	Eddie Neal
<u>Kings County Area Public Transit Authority (KCAPTA)</u>	
Stuart Lyons	Chad Billingsley
<u>Kings County Association of Governments (KCAG)</u>	
Eddie Neal	Stuart Lyons
<u>Kings County Commission on Aging</u>	
Stuart Lyons	Dave Brown
<u>Kings County Economic Development Committee</u>	
Chad Billingsley	Dave Brown
<u>Kings County Emergency Shelter and Food Committee</u>	
Chad Billingsley	Eddie Neal
<u>Kings County Gang Awareness Advisory Committee</u>	
Stuart Lyons	Dave Brown
<u>Kings County Vehicle Abatement Committee</u>	
Eddie Neal	Stuart Lyons
<u>Kings Mosquito Abatement District</u>	
Dave Brown	Chad Billingsley
<u>Kings Waste & Recycling Authority Board</u>	
Eddie Neal	Stuart Lyons

**BOARD / COMMISSION
RECOMMENDATIONS
per MAYOR PRO TEM BILLINGSGLEY**

PRIMARY	ALTERNATE
<u>Lemoore Finance Committee</u>	
Dave Brown	Stuart Lyons
<u>LVFD Qualification Review Committee</u>	
Dave Brown	Stuart Lyons
<u>San Joaquin Valley Air Quality Board Special City Selection Committee</u>	
Chad Billingsley	Dave Brown
<u>South Fork Kings Sustainable Groundwater Management Act JPA Board</u>	
Chad Billingsley	Stuart Lyons
<u>League of California Cities</u>	
Eddie Neal	Chad Billingsley



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Staff Report

To: Lemoore City Council
From: Janie Venegas, City Clerk / Human Resources Manager
Date: February 1, 2019 **Meeting Date:** February 5, 2019
Subject: Activity Update

Strategic Initiative:	<input type="checkbox"/> Safe & Vibrant Community	<input type="checkbox"/> Growing & Dynamic Economy
	<input type="checkbox"/> Fiscally Sound Government	<input type="checkbox"/> Operational Excellence
	<input type="checkbox"/> Community & Neighborhood Livability	<input checked="" type="checkbox"/> Not Applicable

Reports

- | | |
|-------------------------------|------------------|
| ➤ Warrant Register – FY 18/19 | January 7, 2019 |
| ➤ Warrant Register – FY 18/19 | January 11, 2019 |
| ➤ Warrant Register – FY 18/19 | January 18, 2019 |
| ➤ Warrant Register – FY 18/19 | January 25, 2019 |

FY 18/19 Warrant Register 1-07-19

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CITY OF LEMOORE
EXPENDITURE TRANSACTION ANALYSIS

PAGE NUMBER: 1
AUDIT11

SELECTION CRITERIA: transact.yr='19' and transact.fund between '001' and '300' and transact.batch='HB010419'
ACCOUNTING PERIOD: 7/19

FUND - 001 - GENERAL FUND
BUDGET UNIT - 4211 - CITY COUNCIL

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4310									
7 /19	01/07/19	21		60611	5609 LOZANO SMITH, LL		13,114.96	.00	LEGAL COUNSEL
TOTAL						.00	13,114.96	.00	
TOTAL					CITY COUNCIL	.00	13,114.96	.00	

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CITY OF LEMOORE
EXPENDITURE TRANSACTION ANALYSIS

PAGE NUMBER: 2
AUDIT11

SELECTION CRITERIA: transact.yr='19' and transact.fund between '001' and '300' and transact.batch='HB010419'
ACCOUNTING PERIOD: 7/19

FUND - 001 - GENERAL FUND
BUDGET UNIT - 4213 - CITY MANAGER

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4310									
7 /19	01/07/19	21		60611	5609 LOZANO SMITH, LL		4,871.12	.00	LEGAL COUNSEL
TOTAL						.00	4,871.12	.00	
4340									
7 /19	01/07/19	21		60583	5516 AT&T		36.66	.00	939-103-4005 CITY MGR
TOTAL						.00	36.66	.00	
TOTAL					CITY MANAGER	.00	4,907.78	.00	

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CITY OF LEMOORE
EXPENDITURE TRANSACTION ANALYSIS

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SELECTION CRITERIA: transact.yr='19' and transact.fund between '001' and '300' and transact.batch='HB010419'
ACCOUNTING PERIOD: 7/19

FUND - 001 - GENERAL FUND
BUDGET UNIT - 4215 - FINANCE

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4310									
	7 /19	01/07/19 21		60602	1610 HINDERLITER, DE		1,361.32	.00	AUDIT/CONTRACT SVCS
	7 /19	01/07/19 21		60611	5609 LOZANO SMITH, LL		1,422.00	.00	LEGAL COUNSEL
TOTAL					PROFESSIONAL CONTRACT SVC	.00	2,783.32	.00	
4340									
	7 /19	01/07/19 21		60583	5516 AT&T		22.92	.00	939-103-4005 ADMIN
TOTAL					UTILITIES	.00	22.92	.00	
TOTAL					FINANCE	.00	2,806.24	.00	

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CITY OF LEMOORE
EXPENDITURE TRANSACTION ANALYSIS

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AUDIT11

SELECTION CRITERIA: transact.yr='19' and transact.fund between '001' and '300' and transact.batch='HB010419'
ACCOUNTING PERIOD: 7/19

FUND - 001 - GENERAL FUND
BUDGET UNIT - 4216 - PLANNING

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4310									
7 /19	01/07/19	21		60611	5609 LOZANO SMITH, LL		594.00	.00	LEGAL COUNSEL
TOTAL						.00	594.00	.00	
TOTAL						.00	594.00	.00	

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CITY OF LEMOORE
EXPENDITURE TRANSACTION ANALYSIS

PAGE NUMBER: 5
AUDIT11

SELECTION CRITERIA: transact.yr='19' and transact.fund between '001' and '300' and transact.batch='HB010419'
ACCOUNTING PERIOD: 7/19

FUND - 001 - GENERAL FUND
BUDGET UNIT - 4220 - MAINTENANCE DIVISION

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4220					OPERATING SUPPLIES				
7 /19	01/07/19	21		60625	6613 THE SHERWIN WILL		469.14	.00	PAINT
7 /19	01/07/19	21	8868	-01 60598	0521 GRAINGER		721.60	-762.95	GRAY CUBE TRUCK FOR TRASH
7 /19	01/07/19	21	8868	-02 60598	0521 GRAINGER		52.32	-52.32	SALES TAX
TOTAL					OPERATING SUPPLIES	.00	1,243.06	-815.27	
4310					PROFESSIONAL CONTRACT SVC				
7 /19	01/07/19	21		60620	5287 RES COM PEST CON		76.00	.00	411 W D STREET DEC 18
TOTAL					PROFESSIONAL CONTRACT SVC	.00	76.00	.00	
4340					UTILITIES				
7 /19	01/07/19	21		60629	0423 SOCALGAS		181.31	.00	11/15/18-12/18/18
7 /19	01/07/19	21		60629	0423 SOCALGAS		202.47	.00	11/15/18-12/18/18
7 /19	01/07/19	21		60629	0423 SOCALGAS		238.46	.00	11/20/18-12/20/18
7 /19	01/07/19	21		60629	0423 SOCALGAS		304.93	.00	11/15/18-12/18/18
7 /19	01/07/19	21		60629	0423 SOCALGAS		488.70	.00	11/15/18-12/18/18
7 /19	01/07/19	21		60629	0423 SOCALGAS		28.90	.00	11/15/18-12/18/18
7 /19	01/07/19	21		60629	0423 SOCALGAS		542.98	.00	11/20/18-12/20/18
TOTAL					UTILITIES	.00	1,987.75	.00	
4350					REPAIR/MAINT SERVICES				
7 /19	01/07/19	21		60631	7019 DAVID ANDREW STE		212.50	.00	ICE MACHINE NOT WORKI
TOTAL					REPAIR/MAINT SERVICES	.00	212.50	.00	
TOTAL					MAINTENANCE DIVISION	.00	3,519.31	-815.27	

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CITY OF LEMOORE
EXPENDITURE TRANSACTION ANALYSIS

PAGE NUMBER: 6
AUDIT11

SELECTION CRITERIA: transact.yr='19' and transact.fund between '001' and '300' and transact.batch='HB010419'
ACCOUNTING PERIOD: 7/19

FUND - 001 - GENERAL FUND
BUDGET UNIT - 4221 - POLICE

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4220					OPERATING SUPPLIES				
7 /19	01/07/19	21		60581	3010 THE ANIMAL HOUSE		78.86	.00	EUKANUBA 44#/DISH BOW
7 /19	01/07/19	21		60581	3010 THE ANIMAL HOUSE		68.59	.00	EUKANUBA 44#
7 /19	01/07/19	21	8729	-01 60623	0531 SAN DIEGO POLICE		5,095.20	-5,095.20	FEDERAL .223 55GR FMJ-BT
7 /19	01/07/19	21	8729	-03 60623	0531 SAN DIEGO POLICE		588.00	-588.00	FORCE ON FORCE 5.56MM MAR
7 /19	01/07/19	21	8729	-04 60623	0531 SAN DIEGO POLICE		588.00	-588.00	FORCE ON FORCE 5.56MM MAR
7 /19	01/07/19	21	8729	-05 60623	0531 SAN DIEGO POLICE		478.00	-478.00	FORCE ON FORCE 9MM MARKER
7 /19	01/07/19	21	8729	-06 60623	0531 SAN DIEGO POLICE		478.00	-478.00	FORCE ON FORCE 9MM MARKER
7 /19	01/07/19	21	8729	-07 60623	0531 SAN DIEGO POLICE		154.57	-154.57	TAX
7 /19	01/07/19	21	8729	-07 60623	0531 SAN DIEGO POLICE		369.40	-369.40	TAX
7 /19	01/07/19	21	8729	-08 60623	0531 SAN DIEGO POLICE		40.00	-40.00	SHIPPING
7 /19	01/07/19	21	8884	-02 60609	0287 LC ACTION POLICE		209.90	-209.90	CLOCK MODEL G22 HI CAP MA
7 /19	01/07/19	21	8884	-03 60609	0287 LC ACTION POLICE		209.85	-209.85	MAGPUL PMAG 30 MD GEN M#
7 /19	01/07/19	21	8884	-04 60609	0287 LC ACTION POLICE		15.00	-15.00	SHIPPING
7 /19	01/07/19	21	8884	-05 60609	0287 LC ACTION POLICE		30.43	-30.43	SALES TAX
7 /19	01/07/19	21	8814	-01 60609	0287 LC ACTION POLICE		3,285.00	-3,285.00	STREAMLIGHTTLR1-HL TACTIC
7 /19	01/07/19	21	8814	-02 60609	0287 LC ACTION POLICE		238.16	-238.16	TAX
7 /19	01/07/19	21	8822	-01 60579	5144 ADAMSON POLICE P		808.00	-808.00	892/CTB2_D_JEDI/LODB-GS
7 /19	01/07/19	21	8822	-02 60579	5144 ADAMSON POLICE P		58.58	-58.58	TAX
TOTAL					OPERATING SUPPLIES	.00	12,793.54	-12,646.09	
4310					PROFESSIONAL CONTRACT SVC				
7 /19	01/07/19	21		60604	3088 JONES TOWING, IN		515.00	.00	TOW 2016 HYYNDAI ELAN
7 /19	01/07/19	21		60611	5609 LOZANO SMITH, LL		4,068.00	.00	LEGAL COUNSEL
7 /19	01/07/19	21		60600	1156 HANFORD VETERINA		180.45	.00	ARES CHECK UP
TOTAL					PROFESSIONAL CONTRACT SVC	.00	4,763.45	.00	
4320					MEETINGS & DUES				
7 /19	01/07/19	21		60642	6345 VOHNE LICHE KENN		300.00	.00	MAINT TRAINING NOV 18
TOTAL					MEETINGS & DUES	.00	300.00	.00	
4340					UTILITIES				
7 /19	01/07/19	21		60641	0116 VERIZON WIRELESS		1,600.96	.00	11/17/18-12/16/18
7 /19	01/07/19	21		60583	5516 AT&T		22.27	.00	939-103-4003
TOTAL					UTILITIES	.00	1,623.23	.00	
4380					RENTALS & LEASES				
7 /19	01/07/19	21		60640	5842 U.S. BANK EQUIPM		922.87	.00	PD COPIER 12/15-01/15
TOTAL					RENTALS & LEASES	.00	922.87	.00	
TOTAL					POLICE	.00	20,403.09	-12,646.09	

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CITY OF LEMOORE
EXPENDITURE TRANSACTION ANALYSIS

PAGE NUMBER: 7
AUDIT11

SELECTION CRITERIA: transact.yr='19' and transact.fund between '001' and '300' and transact.batch='HB010419'
ACCOUNTING PERIOD: 7/19

FUND - 001 - GENERAL FUND
BUDGET UNIT - 4222 - FIRE

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4360		TRAINING							
7 /19	01/07/19	21		60630	5326 STATE FIRE TRAIN		40.00	.00	FF1 CERT A. ANACELTO
TOTAL		TRAINING				.00	40.00	.00	
TOTAL		FIRE				.00	40.00	.00	

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CITY OF LEMOORE
EXPENDITURE TRANSACTION ANALYSIS

PAGE NUMBER: 8
AUDIT11

SELECTION CRITERIA: transact.yr='19' and transact.fund between '001' and '300' and transact.batch='HB010419'
ACCOUNTING PERIOD: 7/19

FUND - 001 - GENERAL FUND
BUDGET UNIT - 4230 - PUBLIC WORKS

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4310									
7 /19	01/07/19	21		60611	5609 LOZANO SMITH, LL		288.00	.00	LEGAL COUNSEL
TOTAL						.00	288.00	.00	
TOTAL						.00	288.00	.00	

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CITY OF LEMOORE
EXPENDITURE TRANSACTION ANALYSIS

PAGE NUMBER: 9
AUDIT11

SELECTION CRITERIA: transact.yr='19' and transact.fund between '001' and '300' and transact.batch='HB010419'
ACCOUNTING PERIOD: 7/19

FUND - 001 - GENERAL FUND
BUDGET UNIT - 4231 - STREETS

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4220									
7 /19	01/07/19	21		60592	5866 FASTENAL COMPANY		64.03	.00	BACK SUPPORT LG/XLG
TOTAL						.00	64.03	.00	
TOTAL						.00	64.03	.00	

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CITY OF LEMOORE
EXPENDITURE TRANSACTION ANALYSIS

PAGE NUMBER: 10
AUDIT11

SELECTION CRITERIA: transact.yr='19' and transact.fund between '001' and '300' and transact.batch='HB010419'
ACCOUNTING PERIOD: 7/19

FUND - 001 - GENERAL FUND
BUDGET UNIT - 4241 - PARKS

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4220									
					OPERATING SUPPLIES				
7 /19	01/07/19	21		60593	0188 FERGUSON ENTERPR		92.89	.00	6 STD GATE VLV WRCH
7 /19	01/07/19	21		60593	0188 FERGUSON ENTERPR		498.84	.00	42X18X30 B/FLOE ENC G
7 /19	01/07/19	21		60632	0428 STONEY'S SAND &		34.32	.00	5 GAL BUCKET 3/8" PEA
TOTAL					OPERATING SUPPLIES	.00	626.05	.00	
4310									
					PROFESSIONAL CONTRACT SVC				
7 /19	01/07/19	21		60597	6506 GOPHER GRABBERS,		325.00	.00	RMVL SVC HERITAGE PRK
7 /19	01/07/19	21		60597	6506 GOPHER GRABBERS,		325.00	.00	RMVL SVC HERITAGE PRK
7 /19	01/07/19	21		60597	6506 GOPHER GRABBERS,		150.00	.00	RMVL SVC LIONS PARK
7 /19	01/07/19	21		60597	6506 GOPHER GRABBERS,		150.00	.00	RMVL SVC LIONS PARK
7 /19	01/07/19	21		60597	6506 GOPHER GRABBERS,		225.00	.00	RMVL SVC 19TH AVE PRK
7 /19	01/07/19	21		60597	6506 GOPHER GRABBERS,		225.00	.00	RMVL SVC CITY PARK
7 /19	01/07/19	21		60597	6506 GOPHER GRABBERS,		225.00	.00	RMVL SVC 19TH AVE PRK
7 /19	01/07/19	21		60597	6506 GOPHER GRABBERS,		225.00	.00	RMVL SVC CITY PARK
TOTAL					PROFESSIONAL CONTRACT SVC	.00	1,850.00	.00	
4350									
					REPAIR/MAINT SERVICES				
7 /19	01/07/19	21		60614	5466 PARKER & PARKER		75.00	.00	ANNUAL BACKFLOW PREVE
TOTAL					REPAIR/MAINT SERVICES	.00	75.00	.00	
TOTAL					PARKS	.00	2,551.05	.00	

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CITY OF LEMOORE
EXPENDITURE TRANSACTION ANALYSIS

PAGE NUMBER: 11
AUDIT11

SELECTION CRITERIA: transact.yr='19' and transact.fund between '001' and '300' and transact.batch='HB010419'
ACCOUNTING PERIOD: 7/19

FUND - 001 - GENERAL FUND
BUDGET UNIT - 4242 - RECREATION

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4310					PROFESSIONAL CONTRACT SVC				
7 /19	01/07/19	21		60601	6916 RACHAEL HAWKEN		242.00	.00	WINTER CAMP 1226-1231
7 /19	01/07/19	21		60601	6916 RACHAEL HAWKEN		204.00	.00	WINTER CAMP 0102-0104
7 /19	01/07/19	21		60584	0040 LARRY AVILA		198.00	.00	ATTENDANT 1210-0104
7 /19	01/07/19	21		60594	6970 MARICRUZ FERNAND		440.00	.00	JANITOR 1217-1230
7 /19	01/07/19	21		60628	7026 KYLE SMITH		144.00	.00	WINTER CAMP 0102-0104
7 /19	01/07/19	21		60639	7060 JUAN URBIETA		66.00	.00	ATTENDANT 1217-1219
7 /19	01/07/19	21		60628	7026 KYLE SMITH		198.00	.00	WINTER CAMP 1226-1231
TOTAL					PROFESSIONAL CONTRACT SVC	.00	1,492.00	.00	
TOTAL					RECREATION	.00	1,492.00	.00	

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CITY OF LEMOORE
EXPENDITURE TRANSACTION ANALYSIS

PAGE NUMBER: 12
AUDIT11

SELECTION CRITERIA: transact.yr='19' and transact.fund between '001' and '300' and transact.batch='HB010419'
ACCOUNTING PERIOD: 7/19

FUND - 001 - GENERAL FUND
BUDGET UNIT - 4296 - INFORMATION TECHNOLOGY

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4220									
7 /19	01/07/19	21	8570	-01	60589				
					2454 DELL COMPUTER CO		606.33	-606.33	1 YEAR WARRANTY EXTENSION
TOTAL						.00	606.33	-606.33	
TOTAL						.00	606.33	-606.33	

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CITY OF LEMOORE
EXPENDITURE TRANSACTION ANALYSIS

PAGE NUMBER: 13
AUDIT11

SELECTION CRITERIA: transact.yr='19' and transact.fund between '001' and '300' and transact.batch='HB010419'
ACCOUNTING PERIOD: 7/19

FUND - 001 - GENERAL FUND
BUDGET UNIT - 4297 - HUMAN RESOURCES

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4310									
7 /19	01/07/19	21		60611	5609 LOZANO SMITH, LL		22,833.20	.00	LEGAL COUNSEL
TOTAL						.00	22,833.20	.00	
TOTAL						.00	22,833.20	.00	
TOTAL						.00	73,219.99	-14,067.69	

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CITY OF LEMOORE
EXPENDITURE TRANSACTION ANALYSIS

PAGE NUMBER: 14
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SELECTION CRITERIA: transact.yr='19' and transact.fund between '001' and '300' and transact.batch='HB010419'
ACCOUNTING PERIOD: 7/19

FUND - 040 - FLEET MAINTENANCE
BUDGET UNIT - 4265 - FLEET MAINTENANCE

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4220					OPERATING SUPPLIES				
7 /19	01/07/19	21		60626	6117 SIGNWORKS		372.24	.00	DIGITAL PRINT CAL
7 /19	01/07/19	21		60613	6120 O'REILLY AUTO PA		385.52	.00	ALTERNATOR
7 /19	01/07/19	21		60599	6146 HANFORD CHRYSLER		310.58	.00	LAMPSIDE/STRUT TEN
TOTAL					OPERATING SUPPLIES	.00	1,068.34	.00	
4220F					OPERATING SUPPLIES FUEL				
7 /19	01/07/19	21	8623 -01	60596	6445 GARY V. BURROWS,		9,762.88	-9,762.88	BLANKET PO FOR FUEL 18-19
7 /19	01/07/19	21	8624 -01	60596	6445 GARY V. BURROWS,		1,012.82	-1,012.82	BLANKET PO FOR OIL 18-19
TOTAL					OPERATING SUPPLIES FUEL	.00	10,775.70	-10,775.70	
4230					REPAIR/MAINT SUPPLIES				
7 /19	01/07/19	21		60599	6146 HANFORD CHRYSLER		-17.24	.00	INV 83654 CREDIT
7 /19	01/07/19	21		60599	6146 HANFORD CHRYSLER		23.46	.00	PIN DISC
7 /19	01/07/19	21		60606	2671 KELLER MOTORS		24.74	.00	N-BEZEL/N-CLIPS
7 /19	01/07/19	21		60636	0634 TERMINAL AIR BRA		484.27	.00	PAD SET/BRAKE ROTOR
7 /19	01/07/19	21		60599	6146 HANFORD CHRYSLER		160.88	.00	FILTER EN 09057006
7 /19	01/07/19	21		60585	1908 BATTERY SYSTEMS		139.20	.00	94R/H7,790CCA,130RC
7 /19	01/07/19	21		60599	6146 HANFORD CHRYSLER		193.38	.00	HOSE HEAT
7 /19	01/07/19	21		60599	6146 HANFORD CHRYSLER		106.99	.00	ADAPTER/PIN DISC
TOTAL					REPAIR/MAINT SUPPLIES	.00	1,115.68	.00	
4350					REPAIR/MAINT SERVICES				
7 /19	01/07/19	21		60604	3088 JONES TOWING, IN		75.00	.00	2016 DODGE CHARGER
7 /19	01/07/19	21		60617	2486 R AND J MACHINE		55.00	.00	08 DODGE CHARGER SMOG
7 /19	01/07/19	21		60617	2486 R AND J MACHINE		55.00	.00	06 FORD CROWN SMOG
7 /19	01/07/19	21		60617	2486 R AND J MACHINE		55.00	.00	87 CHEV CAB SMOG
7 /19	01/07/19	21		60617	2486 R AND J MACHINE		55.00	.00	01 CHEV SILVER SMOG
7 /19	01/07/19	21		60617	2486 R AND J MACHINE		55.00	.00	06 CHEV SILVER SMOG
7 /19	01/07/19	21		60617	2486 R AND J MACHINE		55.00	.00	03 CHEV SILVER SMOG
7 /19	01/07/19	21		60617	2486 R AND J MACHINE		55.00	.00	07 CHEV SILVER SMOG
7 /19	01/07/19	21		60617	2486 R AND J MACHINE		55.00	.00	07 CHEV CAB SMOG
7 /19	01/07/19	21		60617	2486 R AND J MACHINE		55.00	.00	00 CHEV CAB SMOG
7 /19	01/07/19	21		60617	2486 R AND J MACHINE		55.00	.00	08 CHEV CAB SMOG
7 /19	01/07/19	21		60617	2486 R AND J MACHINE		55.00	.00	08 DODGE CHARGER SMOG
7 /19	01/07/19	21		60617	2486 R AND J MACHINE		55.00	.00	06 FORD CROWN SMOG
7 /19	01/07/19	21		60617	2486 R AND J MACHINE		55.00	.00	12 DODGE CHARGER SMOG
7 /19	01/07/19	21		60604	3088 JONES TOWING, IN		60.00	.00	2015 DODGE CHARGER 33
TOTAL					REPAIR/MAINT SERVICES	.00	850.00	.00	
TOTAL					FLEET MAINTENANCE	.00	13,809.72	-10,775.70	
TOTAL					FLEET MAINTENANCE	.00	13,809.72	-10,775.70	

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CITY OF LEMOORE
EXPENDITURE TRANSACTION ANALYSIS

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SELECTION CRITERIA: transact.yr='19' and transact.fund between '001' and '300' and transact.batch='HB010419'
ACCOUNTING PERIOD: 7/19

FUND - 045 - GOLF COURSE - CITY
BUDGET UNIT - 4245 - GOLF COURSE-CITY

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4000K									
	7 /19	01/07/19	21						
				60627	6442 SLUSH PUPPIE PRO		190.80	.00	H/B SUP FRENCH/COCOA
	7 /19	01/07/19	21	60619	7003 RAVEN BRAND PROD		32.88	.00	BEEF JERKY
	7 /19	01/07/19	21	60621	T1885 THOMAS RINGER		645.47	.00	REIMBURSEMENT PEPSI
TOTAL						.00	869.15	.00	
4000P									
	7 /19	01/07/19	21	8802 -01 60612	6588 MIZUNO		599.87	-599.87	BLANKET - GOLF GRIPS, CLU
	7 /19	01/07/19	21	60633	6443 TAYLORMADE GOLF		334.25	.00	PT-TP RED SS/CLC SS
	7 /19	01/07/19	21	60580	6911 ADIDAS AMERICA,		51.68	.00	TRNMENT SSP BLACK
	7 /19	01/07/19	21	60603	6962 JIMMY HACK GOLF,		75.34	.00	ORANGE WHIP JR
	7 /19	01/07/19	21	60638	6450 TITLEIST		82.00	.00	TITL PRO V1X CTM
	7 /19	01/07/19	21	60586	6509 DYNAMIC BRANDS		89.44	.00	2019 US OPEN TOWELS
	7 /19	01/07/19	21	60634	6473 TEAM GOLF		105.00	.00	CAROLINA CLUBHOUSE CA
	7 /19	01/07/19	21	60634	6473 TEAM GOLF		117.00	.00	LA DODGERS STAND BAG
TOTAL						.00	1,454.58	-599.87	
4220K									
	7 /19	01/07/19	21	60637	6812 TERMINIX PROCESS		52.00	.00	PEST CONTROL
	7 /19	01/07/19	21	60588	6624 CINTAS		50.00	.00	TOWELS/MOPS/GRILL PAD
	7 /19	01/07/19	21	60588	6624 CINTAS		50.00	.00	TOWELS/MOPS/GRILL PAD
	7 /19	01/07/19	21	60621	T1885 THOMAS RINGER		750.00	.00	REIMBURSEMENT BOBBY M
TOTAL						.00	902.00	.00	
4220M									
	7 /19	01/07/19	21	8902 -01 60607	6475 KERN TURF SUPPLY		1,119.96	-1,119.96	IRRIGATION SUPPLIES
	7 /19	01/07/19	21	60618	6474 R&R PRODUCTS, IN		402.27	.00	FINGER - RUBBER
	7 /19	01/07/19	21	60608	0286 LAWRENCE TRACTOR		280.90	.00	12V CHAIN GRIND/5/32"
TOTAL						.00	1,803.13	-1,119.96	
4291									
	7 /19	01/07/19	21	60590	6501 EASY PICKER GOLF		197.00	.00	GOLF SUPPLIES
TOTAL						.00	197.00	.00	
4309									
	7 /19	01/07/19	21	60621	T1885 THOMAS RINGER		350.00	.00	REIMBURSEMENT MARK FR
	7 /19	01/07/19	21	60621	T1885 THOMAS RINGER		977.82	.00	PAYROLL TAXES
	7 /19	01/07/19	21	60621	T1885 THOMAS RINGER		2,286.83	.00	WORKMANS COMP
	7 /19	01/07/19	21	60621	T1885 THOMAS RINGER		12,090.39	.00	PAYROLL
	7 /19	01/07/19	21	60621	T1885 THOMAS RINGER		12,509.86	.00	PAYROLL & PAYROLL TAX
TOTAL						.00	28,214.90	.00	
4310									
	7 /19	01/07/19	21	8591 -01 60622	6548 TOM RINGER		6,500.00	-6,500.00	TOTAL YEARLY ANNUAL MANAG
TOTAL						.00	6,500.00	-6,500.00	
4340									
									UTILITIES

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CITY OF LEMOORE
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SELECTION CRITERIA: transact.yr='19' and transact.fund between '001' and '300' and transact.batch='HB010419'
ACCOUNTING PERIOD: 7/19

FUND - 045 - GOLF COURSE - CITY
BUDGET UNIT - 4245 - GOLF COURSE-CITY

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4340					UTILITIES				
7 /19	01/07/19	21		60615	0363 PG&E		5,870.77	.00	11/05/18-12/04/18
7 /19	01/07/19	21		60629	0423 SOCALGAS		15.29	.00	11/12/18-12/13/18
7 /19	01/07/19	21		60629	0423 SOCALGAS		126.56	.00	11/12/18-12/13/18
7 /19	01/07/19	21		60582	6639 AT&T		145.83	.00	12/16/18-01/15/19 INT
TOTAL					UTILITIES	.00	6,158.45	.00	
4382					LEASE PURCHASE				
7 /19	01/07/19	21	8615	-01 60616	6447 PNC EQUIPMENT FI		4,491.03	-4,491.03	ANNUAL GOLF CART LEASE
TOTAL					LEASE PURCHASE	.00	4,491.03	-4,491.03	
TOTAL					GOLF COURSE-CITY	.00	50,590.24	-12,710.86	
TOTAL					GOLF COURSE - CITY	.00	50,590.24	-12,710.86	

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CITY OF LEMOORE
EXPENDITURE TRANSACTION ANALYSIS

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SELECTION CRITERIA: transact.yr='19' and transact.fund between '001' and '300' and transact.batch='HB010419'
ACCOUNTING PERIOD: 7/19

FUND - 050 - WATER
BUDGET UNIT - 4250 - WATER

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4220					OPERATING SUPPLIES				
7 /19	01/07/19	21		60595	6751 FURTADO WELDING		28.29	.00	SOCKET ADAPTER/TIP KI
7 /19	01/07/19	21		60608	0286 LAWRENCE TRACTOR		108.45	.00	25 BARSN3/8-050/33RSC
TOTAL					OPERATING SUPPLIES	.00	136.74	.00	
4310					PROFESSIONAL CONTRACT SVC				
7 /19	01/07/19	21		60611	5609 LOZANO SMITH, LL		1,008.00	.00	LEGAL COUNSEL
TOTAL					PROFESSIONAL CONTRACT SVC	.00	1,008.00	.00	
4340					UTILITIES				
7 /19	01/07/19	21		60629	0423 SOCALGAS		50.00	.00	11/20/18-12/20/18
TOTAL					UTILITIES	.00	50.00	.00	
4350					REPAIR/MAINT SERVICES				
7 /19	01/07/19	21		60605	6853 JR'S HEATING & C		355.00	.00	REPLACE BLOWER PART
7 /19	01/07/19	21 8883	-01	60635	2799 TELSTAR INSTRUME		1,711.00	-1,711.00	TELSTAR REPLACING CULTER
TOTAL					REPAIR/MAINT SERVICES	.00	2,066.00	-1,711.00	
4840					AUTOS AND TRUCKS				
7 /19	01/07/19	21		60595	6751 FURTADO WELDING		481.55	.00	TRUCK BED CHEST 48"
TOTAL					AUTOS AND TRUCKS	.00	481.55	.00	
TOTAL					WATER	.00	3,742.29	-1,711.00	

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CITY OF LEMOORE
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SELECTION CRITERIA: transact.yr='19' and transact.fund between '001' and '300' and transact.batch='HB010419'
ACCOUNTING PERIOD: 7/19

FUND - 050 - WATER
BUDGET UNIT - 4251 - UTILITY OFFICE

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4340									
7 /19	01/07/19	21		60583	5516 AT&T		16.80	.00	939-103-4005 UTIL
TOTAL						.00	16.80	.00	
TOTAL						.00	16.80	.00	

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CITY OF LEMOORE
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SELECTION CRITERIA: transact.yr='19' and transact.fund between '001' and '300' and transact.batch='HB010419'
ACCOUNTING PERIOD: 7/19

FUND - 050 - WATER
BUDGET UNIT - 5211 - REPAINT WATER TANKS

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4220									
7 /19	01/07/19	21	8740	-01	60578				
					5783 ACTION EQUIPMENT		92.25	-92.25	45' KNUCKLE BOOM D/F 4X2
TOTAL						.00	92.25	-92.25	
TOTAL						.00	92.25	-92.25	
TOTAL						.00	3,851.34	-1,803.25	

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SELECTION CRITERIA: transact.yr='19' and transact.fund between '001' and '300' and transact.batch='HB010419'
ACCOUNTING PERIOD: 7/19

FUND - 056 - REFUSE
BUDGET UNIT - 4256 - REFUSE

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4310									
7 /19	01/07/19	21	8703	-01 60591	6869 MILLENNIUM FUNDI		840.96	-840.96	BLANKET FOR TEMP LABOR 18
7 /19	01/07/19	21	8703	-01 60591	6869 MILLENNIUM FUNDI		1,401.60	-1,401.60	BLANKET FOR TEMP LABOR 18
TOTAL					PROFESSIONAL CONTRACT SVC	.00	2,242.56	-2,242.56	
TOTAL					REFUSE	.00	2,242.56	-2,242.56	
TOTAL					REFUSE	.00	2,242.56	-2,242.56	

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SELECTION CRITERIA: transact.yr='19' and transact.fund between '001' and '300' and transact.batch='HB010419'
ACCOUNTING PERIOD: 7/19

FUND - 060 - SEWER& STORM WTR DRAINAGE
BUDGET UNIT - 4260 - SEWER

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4220									
7 /19	01/07/19	21		60587	1599 CHEMSEARCH		356.15	.00	ECOFLOW BIO-AMP PROGR
7 /19	01/07/19	21		60608	0286 LAWRENCE TRACTOR		108.45	.00	25 BARSN3/8-050/33RSC
TOTAL						.00	464.60	.00	
4230									
7 /19	01/07/19	21		60592	5866 FASTENAL COMPANY		20.10	.00	NRR CRODED BG PLUG
TOTAL						.00	20.10	.00	
4310									
7 /19	01/07/19	21		60611	5609 LOZANO SMITH, LL		36.00	.00	LEGAL COUNSEL
TOTAL						.00	36.00	.00	
4340									
7 /19	01/07/19	21		60583	5516 AT&T		32.82	.00	939-105-2729
TOTAL						.00	32.82	.00	
4350									
7 /19	01/07/19	21	8831	-01 60624	6157 SHAR - CRAFT INC		6,140.00	-6,140.00	LABOR
7 /19	01/07/19	21	8831	-02 60624	6157 SHAR - CRAFT INC		3,316.95	-3,316.95	MATERIALS
7 /19	01/07/19	21	8831	-03 60624	6157 SHAR - CRAFT INC		975.00	-975.00	442-20 MECHANICAL SEAL, R
7 /19	01/07/19	21	8831	-04 60624	6157 SHAR - CRAFT INC		45.00	-45.00	FREIGHT
7 /19	01/07/19	21	8831	-05 60624	6157 SHAR - CRAFT INC		314.43	-314.43	SALES TAX
TOTAL						.00	10,791.38	-10,791.38	
TOTAL						.00	11,344.90	-10,791.38	
TOTAL						.00	11,344.90	-10,791.38	

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SELECTION CRITERIA: transact.yr='19' and transact.fund between '001' and '300' and transact.batch='HB010419'
ACCOUNTING PERIOD: 7/19

FUND - 085 - PBIA
BUDGET UNIT - 4270 - PBIA

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4310									
7 /19	01/07/19	21		60610	0298 LEMOORE CHAMBER		2,000.00	.00	2018 HOLIDAY STROLL
TOTAL						.00	2,000.00	.00	
TOTAL						.00	2,000.00	.00	
TOTAL						.00	2,000.00	.00	
TOTAL						.00	157,058.75	-52,391.44	

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CITY OF LEMOORE
EXPENDITURE TRANSACTION ANALYSIS

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SELECTION CRITERIA: transact.yr='19' and transact.fund between '001' and '300' and transact.batch='RDA0104'
ACCOUNTING PERIOD: 7/19

FUND - 150 - RDA RETIREMENT OBLIG FUND
BUDGET UNIT - 4951 - RDA RETIREMENT OBLIG FUND

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4310									
7 /19	01/07/19	21	8887	-01 2578	6716 RICHARDS, WATSON		250.00	-250.00	SPECIAL COUNSEL SERVICES
7 /19	01/07/19	21	8887	-01 2578	6716 RICHARDS, WATSON		700.00	-700.00	SPECIAL COUNSEL SERVICES
TOTAL					PROFESSIONAL CONTRACT SVC	.00	950.00	-950.00	
TOTAL					RDA RETIREMENT OBLIG FUND	.00	950.00	-950.00	
TOTAL					RDA RETIREMENT OBLIG FUND	.00	950.00	-950.00	
TOTAL					REPORT	.00	950.00	-950.00	

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SELECTION CRITERIA: transact.yr='19' and transact.fund between '001' and '300' and transact.batch='HB011119'
ACCOUNTING PERIOD: 7/19

FUND - 001 - GENERAL FUND
BUDGET UNIT - 4213 - CITY MANAGER

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4220					OPERATING SUPPLIES				
7 /19	01/11/19	21		60694	5396 OFFICE DEPOT		10.27	.00	EXPANDING PKT,LETTER
7 /19	01/11/19	21		60694	5396 OFFICE DEPOT		16.32	.00	CALC,12 DGT,DSKTP,C/S
7 /19	01/11/19	21		60694	5396 OFFICE DEPOT		18.91	.00	LABEL,LSR,SHIP,WHT,10
TOTAL					OPERATING SUPPLIES	.00	45.50	.00	
4310					PROFESSIONAL CONTRACT SVC				
7 /19	01/11/19	21	8572	-01 60674	6377 THE CRISCOM COMP		3,750.00	-3,750.00	CONTRACT SERVICES BILLED
TOTAL					PROFESSIONAL CONTRACT SVC	.00	3,750.00	-3,750.00	
TOTAL					CITY MANAGER	.00	3,795.50	-3,750.00	

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CITY OF LEMOORE
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SELECTION CRITERIA: transact.yr='19' and transact.fund between '001' and '300' and transact.batch='HB011119'
ACCOUNTING PERIOD: 7/19

FUND - 001 - GENERAL FUND
BUDGET UNIT - 4220 - MAINTENANCE DIVISION

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4220					OPERATING SUPPLIES				
7 /19	01/11/19	21		60702	0388 REED ELECTRIC, L		193.05	.00	200PS30F/SB-120V SILV
7 /19	01/11/19	21		60690	0314 LEMOORE AUTO SUP		19.28	.00	1/2 12P DPSKT
TOTAL					OPERATING SUPPLIES	.00	212.33	.00	
4310					PROFESSIONAL CONTRACT SVC				
7 /19	01/11/19	21		60668	2653 AMERIPRIDE		23.98	.00	MATS
7 /19	01/11/19	21		60668	2653 AMERIPRIDE		23.98	.00	MATS
7 /19	01/11/19	21		60668	2653 AMERIPRIDE		54.30	.00	UNIFORMS/TOWELS/MAT
7 /19	01/11/19	21		60668	2653 AMERIPRIDE		54.30	.00	UNIFORMS/TOWELS/MAT
7 /19	01/11/19	21		60668	2653 AMERIPRIDE		54.30	.00	UNIFORMS/TOWELS/MAT
7 /19	01/11/19	21		60668	2653 AMERIPRIDE		55.80	.00	UNIFORMS/TOWELS/MAT
TOTAL					PROFESSIONAL CONTRACT SVC	.00	266.66	.00	
TOTAL					MAINTENANCE DIVISION	.00	478.99	.00	

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CITY OF LEMOORE
EXPENDITURE TRANSACTION ANALYSIS

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SELECTION CRITERIA: transact.yr='19' and transact.fund between '001' and '300' and transact.batch='HB011119'
ACCOUNTING PERIOD: 7/19

FUND - 001 - GENERAL FUND
BUDGET UNIT - 4221 - POLICE

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4320									
7 /19	01/11/19	21	8917	-01 60680	6529 GENERAL DYNAMICS		620.00	-620.00	SIMULATION TRAINING COURS
TOTAL						.00	620.00	-620.00	
4840AR									
7 /19	01/11/19	21		60673	6374 COOK'S COMMUNICA		-128.49	.00	OPENCR CK55000 OVRPMT
TOTAL						.00	-128.49	.00	
TOTAL					POLICE	.00	491.51	-620.00	

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CITY OF LEMOORE
EXPENDITURE TRANSACTION ANALYSIS

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SELECTION CRITERIA: transact.yr='19' and transact.fund between '001' and '300' and transact.batch='HB011119'
ACCOUNTING PERIOD: 7/19

FUND - 001 - GENERAL FUND
BUDGET UNIT - 4222 - FIRE

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4220					OPERATING SUPPLIES				
7 /19	01/11/19	21		60681	1257 GIBSON ENTERPRIS		234.50	.00	LM-893 MAX LIFT MASTE
7 /19	01/11/19	21		60691	0313 LEMOORE VOLUNTEE		173.09	.00	REIM COSTCO
7 /19	01/11/19	21		60691	0313 LEMOORE VOLUNTEE		185.87	.00	REIM BEST BUY
7 /19	01/11/19	21		60691	0313 LEMOORE VOLUNTEE		200.84	.00	REIM LEMOORE FOOD LOC
7 /19	01/11/19	21		60691	0313 LEMOORE VOLUNTEE		664.48	.00	REIM SAVE MART
7 /19	01/11/19	21		60691	0313 LEMOORE VOLUNTEE		681.35	.00	REIM SMART & FINAL
7 /19	01/11/19	21		60691	0313 LEMOORE VOLUNTEE		93.34	.00	REIM COMCAST/XFINITY
7 /19	01/11/19	21		60690	0314 LEMOORE AUTO SUP		34.31	.00	3/4 S&D DRILL BIT
7 /19	01/11/19	21		60691	0313 LEMOORE VOLUNTEE		35.98	.00	REIM LEMOORE HARDWARE
7 /19	01/11/19	21		60690	0314 LEMOORE AUTO SUP		44.59	.00	WIRE LOOM/14 NAT CBL
TOTAL					OPERATING SUPPLIES	.00	2,348.35	.00	
4230					REPAIR/MAINT SUPPLIES				
7 /19	01/11/19	21		60690	0314 LEMOORE AUTO SUP		64.33	.00	LIFT SUPPORT
7 /19	01/11/19	21		60690	0314 LEMOORE AUTO SUP		72.90	.00	LIFT SUPPORT
7 /19	01/11/19	21		60690	0314 LEMOORE AUTO SUP		10.56	.00	4GA CABLE/BATTERY CAB
7 /19	01/11/19	21		60690	0314 LEMOORE AUTO SUP		24.76	.00	50 LOOM/50 PVC SPLIT
TOTAL					REPAIR/MAINT SUPPLIES	.00	172.55	.00	
4310					PROFESSIONAL CONTRACT SVC				
7 /19	01/11/19	21		60668	2653 AMERIPRIDE		73.84	.00	UNIFORMS/TOWELS
7 /19	01/11/19	21		60668	2653 AMERIPRIDE		70.23	.00	UNIFORMS/TOWELS
7 /19	01/11/19	21		60668	2653 AMERIPRIDE		108.59	.00	UNIFORMS/TOWELS/MATS
7 /19	01/11/19	21		60668	2653 AMERIPRIDE		166.28	.00	UNIFORMS/TOWELS/MATS
7 /19	01/11/19	21		60691	0313 LEMOORE VOLUNTEE		17,500.00	.00	QRTLY LVFDA
TOTAL					PROFESSIONAL CONTRACT SVC	.00	17,918.94	.00	
4340					UTILITIES				
7 /19	01/11/19	21		60712	0116 VERIZON WIRELESS		190.05	.00	11/24/18-12/23/18
TOTAL					UTILITIES	.00	190.05	.00	
4360					TRAINING				
7 /19	01/11/19	21		60705	5326 STATE FIRE TRAIN		800.00	.00	FIRE FIGHTER II CERTS
TOTAL					TRAINING	.00	800.00	.00	
TOTAL					FIRE	.00	21,429.89	.00	

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SELECTION CRITERIA: transact.yr='19' and transact.fund between '001' and '300' and transact.batch='HB011119'
ACCOUNTING PERIOD: 7/19

FUND - 001 - GENERAL FUND
BUDGET UNIT - 4230 - PUBLIC WORKS

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4310									
7 /19	01/11/19	21	8908	-01 60670	6733 BLACKBURN CONSUL		3,231.50	-3,231.50	TR 839 TESTING OCT 2018
7 /19	01/11/19	21	8909	-01 60670	6733 BLACKBURN CONSUL		536.50	-536.50	TR 920 TESTING OCT 2018
7 /19	01/11/19	21	8910	-01 60670	6733 BLACKBURN CONSUL		1,953.75	-1,953.75	TR 839 TESTING NOV 2018
7 /19	01/11/19	21	8911	-01 60670	6733 BLACKBURN CONSUL		3,780.75	-3,780.75	TR 920 TESTING NOV 2018
TOTAL						.00	9,502.50	-9,502.50	
TOTAL						.00	9,502.50	-9,502.50	

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SELECTION CRITERIA: transact.yr='19' and transact.fund between '001' and '300' and transact.batch='HB011119'
ACCOUNTING PERIOD: 7/19

FUND - 001 - GENERAL FUND
BUDGET UNIT - 4231 - STREETS

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4220									
	7 /19	01/11/19 21		60676	5866 FASTENAL COMPANY		65.23	.00	ECONO 8"/RIDER COAT
TOTAL						.00	65.23	.00	
4310									
	7 /19	01/11/19 21		60668	2653 AMERIPRIDE		71.61	.00	UNIFORMS
	7 /19	01/11/19 21		60668	2653 AMERIPRIDE		49.62	.00	UNIFORMS
	7 /19	01/11/19 21		60668	2653 AMERIPRIDE		49.62	.00	UNIFORMS
	7 /19	01/11/19 21		60668	2653 AMERIPRIDE		49.62	.00	UNIFORMS
TOTAL						.00	220.47	.00	
TOTAL						.00	285.70	.00	

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CITY OF LEMOORE
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ACCOUNTING PERIOD: 7/19

FUND - 001 - GENERAL FUND
BUDGET UNIT - 4241 - PARKS

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4220									
7 /19	01/11/19	21	8915	-01 60678	1699 FERGUSON ENTERPR		782.72	-782.72	BACKFLOW VALVE
TOTAL						.00	782.72	-782.72	
4310									
7 /19	01/11/19	21		60668	2653 AMERIPRIDE		39.94	.00	UNIFORMS/NAME EMBLEMS
7 /19	01/11/19	21		60668	2653 AMERIPRIDE		20.44	.00	UNIFORMS
7 /19	01/11/19	21		60668	2653 AMERIPRIDE		20.44	.00	UNIFORMS
7 /19	01/11/19	21		60668	2653 AMERIPRIDE		20.44	.00	UNIFORMS
7 /19	01/11/19	21		60668	2653 AMERIPRIDE		20.44	.00	UNIFORMS
7 /19	01/11/19	21		60666	2914 AAA QUALITY SERV		398.98	.00	POTTY RENTAL SKID UN
TOTAL						.00	520.68	.00	
TOTAL						.00	1,303.40	-782.72	

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ACCOUNTING PERIOD: 7/19

FUND - 001 - GENERAL FUND
BUDGET UNIT - 4242 - RECREATION

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4220					OPERATING SUPPLIES				
7 /19	01/11/19	21		60694	5396 OFFICE DEPOT		26.83	.00	CALENDAR,WAL,ERAS,RY1
7 /19	01/11/19	21		60694	5396 OFFICE DEPOT		27.08	.00	INK,BROTHER 952370
TOTAL					OPERATING SUPPLIES	.00	53.91	.00	
4310					PROFESSIONAL CONTRACT SVC				
7 /19	01/11/19	21		60710	7060 JUAN URBIETA		72.00	.00	ATTENDANT 0104-0107
7 /19	01/11/19	21	8903	-01 60700	T1407 ERIC POLK		1,800.00	-1,800.00	2019 RECREATION DESIGN
TOTAL					PROFESSIONAL CONTRACT SVC	.00	1,872.00	-1,800.00	
TOTAL					RECREATION	.00	1,925.91	-1,800.00	

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ACCOUNTING PERIOD: 7/19

FUND - 001 - GENERAL FUND
BUDGET UNIT - 4297 - HUMAN RESOURCES

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4360					TRAINING				
7 /19	01/11/19	21		60703	6860 JOHN SOUZA		130.00	.00	REIMBURSEMENT T4 EXAM
7 /19	01/11/19	21		60707	2344 STATE WATER RESO		105.00	.00	T4 CERT FEE J. SOUZA
7 /19	01/11/19	21		60692	7027 NATHAN LONGACRE		179.00	.00	REIMBURSEMENT CLASS B
7 /19	01/11/19	21		60696	T385 MARK PESCATORE		3,000.00	.00	REIMBURSEMENT TUIT/BK
TOTAL					TRAINING	.00	3,414.00	.00	
TOTAL					HUMAN RESOURCES	.00	3,414.00	.00	

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SELECTION CRITERIA: transact.yr='19' and transact.fund between '001' and '300' and transact.batch='HB011119'
ACCOUNTING PERIOD: 7/19

FUND - 001 - GENERAL FUND
BUDGET UNIT - 5712 - REGIONAL DISPATCH CENTER

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4310									
7 /19	01/11/19	21		60714	T2428 ZUMWALT-HANSEN &		380.00	.00	TETER-LPD 10/08-11/04
TOTAL						.00	380.00	.00	
TOTAL					REGIONAL DISPATCH CENTER	.00	380.00	.00	
TOTAL					GENERAL FUND	.00	43,007.40	-16,455.22	

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SELECTION CRITERIA: transact.yr='19' and transact.fund between '001' and '300' and transact.batch='HB011119'
ACCOUNTING PERIOD: 7/19

FUND - 040 - FLEET MAINTENANCE
BUDGET UNIT - 4265 - FLEET MAINTENANCE

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4220	OPERATING SUPPLIES								
7 /19	01/11/19	21		60686	0252 KINGS AUTO SUPPL		202.96	.00	OIL & FUEL FILTER
7 /19	01/11/19	21		60686	0252 KINGS AUTO SUPPL		212.29	.00	INDUSTRIAL SPARK PLUG
7 /19	01/11/19	21		60686	0252 KINGS AUTO SUPPL		98.96	.00	CONTROL
7 /19	01/11/19	21		60686	0252 KINGS AUTO SUPPL		86.10	.00	2CYCLEOIL
7 /19	01/11/19	21		60686	0252 KINGS AUTO SUPPL		76.45	.00	TRI BALL REC/HITCH PI
7 /19	01/11/19	21		60708	0634 TERMINAL AIR BRA		56.73	.00	SMART ALARM 82-102
7 /19	01/11/19	21		60708	0634 TERMINAL AIR BRA		56.73	.00	SMART ALARM 82-102
7 /19	01/11/19	21		60686	0252 KINGS AUTO SUPPL		16.84	.00	OIL FILTER
7 /19	01/11/19	21		60690	0314 LEMOORE AUTO SUP		3.10	.00	CLR/MKR LAMP
7 /19	01/11/19	21		60686	0252 KINGS AUTO SUPPL		44.49	.00	BOXED CAPSULES
7 /19	01/11/19	21		60686	0252 KINGS AUTO SUPPL		36.83	.00	IND HOSE/GASK ELM
TOTAL	OPERATING SUPPLIES					.00	891.48	.00	
4230	REPAIR/MAINT SUPPLIES								
7 /19	01/11/19	21		60686	0252 KINGS AUTO SUPPL		33.42	.00	FITTING/HYD HOSE
7 /19	01/11/19	21		60686	0252 KINGS AUTO SUPPL		31.97	.00	SIL/SDI COOLANT HOSE
7 /19	01/11/19	21	8928 -01	60675	5289 CUMMINS PACIFIC,		1,051.72	-1,051.72	PARTS FOR REFUSE TRUCK #1
7 /19	01/11/19	21		60673	6374 COOK'S COMMUNICA		-16.20	.00	OPENCR CK57670 OVRPMT
7 /19	01/11/19	21		60690	0314 LEMOORE AUTO SUP		5.34	.00	LENS
7 /19	01/11/19	21		60686	0252 KINGS AUTO SUPPL		6.74	.00	SPARK PLUGS
7 /19	01/11/19	21		60673	6374 COOK'S COMMUNICA		-200.58	.00	OPENCR CK57670 OVRPMT
7 /19	01/11/19	21		60693	6120 O'REILLY AUTO PA		57.42	.00	SEMI-MET PAD/BRAKE SH
7 /19	01/11/19	21		60690	0314 LEMOORE AUTO SUP		25.31	.00	DOOR CHECK
7 /19	01/11/19	21		60686	0252 KINGS AUTO SUPPL		26.44	.00	CABIN AIR FILTER
7 /19	01/11/19	21		60690	0314 LEMOORE AUTO SUP		28.16	.00	HALOGEN SEALED BEAM
7 /19	01/11/19	21		60686	0252 KINGS AUTO SUPPL		66.25	.00	SERPENTINE/AC BELTS
7 /19	01/11/19	21		60686	0252 KINGS AUTO SUPPL		109.38	.00	ACCELERATOR PEDAL SEN
7 /19	01/11/19	21		60673	6374 COOK'S COMMUNICA		144.69	.00	KENWOOD 8 PIN/STD MIC
7 /19	01/11/19	21		60693	6120 O'REILLY AUTO PA		228.21	.00	BRAKE ROTOR/DRUM
7 /19	01/11/19	21		60686	0252 KINGS AUTO SUPPL		238.05	.00	MANIFOLD GASKET/WATER
7 /19	01/11/19	21		60686	0252 KINGS AUTO SUPPL		197.33	.00	REMAN STARTER
7 /19	01/11/19	21		60673	6374 COOK'S COMMUNICA		476.84	.00	KEYTOP/DISPLAY/SPEAKE
TOTAL	REPAIR/MAINT SUPPLIES					.00	2,510.49	-1,051.72	
4310	PROFESSIONAL CONTRACT SVC								
7 /19	01/11/19	21		60668	2653 AMERIPRIDE		72.77	.00	UNIFORMS/TOWELS/MOPS
7 /19	01/11/19	21		60668	2653 AMERIPRIDE		98.88	.00	UNIFORMS/TOWELS/MOPS
7 /19	01/11/19	21		60668	2653 AMERIPRIDE		62.27	.00	UNIFORMS/TOWELS/MOPS
7 /19	01/11/19	21		60668	2653 AMERIPRIDE		62.27	.00	UNIFORMS/TOWELS/MOPS
7 /19	01/11/19	21		60668	2653 AMERIPRIDE		53.70	.00	UNIFORMS/TOWELS/MOPS
TOTAL	PROFESSIONAL CONTRACT SVC					.00	349.89	.00	
4350	REPAIR/MAINT SERVICES								
7 /19	01/11/19	21		60701	2486 R AND J MACHINE		55.00	.00	08 DODGE CHARGER SMOG
7 /19	01/11/19	21		60701	2486 R AND J MACHINE		55.00	.00	06 FORD CROWN SMOG
7 /19	01/11/19	21		60701	2486 R AND J MACHINE		55.00	.00	97 CHEV CAB SMOG

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SELECTION CRITERIA: transact.yr='19' and transact.fund between '001' and '300' and transact.batch='HB011119'
ACCOUNTING PERIOD: 7/19

FUND - 040 - FLEET MAINTENANCE
BUDGET UNIT - 4265 - FLEET MAINTENANCE

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4350					REPAIR/MAINT SERVICES (cont'd)				
7 /19	01/11/19	21		60701	2486 R AND J MACHINE		55.00	.00	03 CHEV SILVER SMOG
7 /19	01/11/19	21		60701	2486 R AND J MACHINE		55.00	.00	09 FORD PICKUP SMOG
7 /19	01/11/19	21		60669	0056 BILLINGSLEY TIRE		15.00	.00	MOWER REPAIR
7 /19	01/11/19	21		60669	0056 BILLINGSLEY TIRE		15.00	.00	MOWER REPAIR
7 /19	01/11/19	21		60669	0056 BILLINGSLEY TIRE		20.00	.00	REPAIR
7 /19	01/11/19	21		60669	0056 BILLINGSLEY TIRE		20.00	.00	REPAIR
7 /19	01/11/19	21		60669	0056 BILLINGSLEY TIRE		20.00	.00	REPAIR
7 /19	01/11/19	21		60690	0314 LEMOORE AUTO SUP		164.24	.00	12G-16FJX/HYD HOSE
7 /19	01/11/19	21		60669	0056 BILLINGSLEY TIRE		167.87	.00	TIRE/MOUNT/BALANCE
7 /19	01/11/19	21		60669	0056 BILLINGSLEY TIRE		214.10	.00	TIRE/MOUNT/BALANCE
7 /19	01/11/19	21	8919	-01 60704	6007 SPEEDO CHECK		858.00	-858.00	SPEEDOMETER CHECK LABOR F
7 /19	01/11/19	21	8920	-01 60698	5829 JONES BOYS, LLC		736.25	-736.25	DECALS & LABOR TO INSTALL
7 /19	01/11/19	21	8622	-01 60669	0056 BILLINGSLEY TIRE		561.18	-561.18	BLANKET PO FOR 18-19 FY P
7 /19	01/11/19	21	8622	-01 60669	0056 BILLINGSLEY TIRE		865.91	-865.91	BLANKET PO FOR 18-19 FY P
7 /19	01/11/19	21	8622	-01 60669	0056 BILLINGSLEY TIRE		1,007.85	-1,007.85	BLANKET PO FOR 18-19 FY P
7 /19	01/11/19	21	8622	-01 60669	0056 BILLINGSLEY TIRE		1,095.00	-1,095.00	BLANKET PO FOR 18-19 FY P
7 /19	01/11/19	21	8622	-01 60669	0056 BILLINGSLEY TIRE		1,163.06	-1,163.06	BLANKET PO FOR 18-19 FY P
7 /19	01/11/19	21	8622	-01 60669	0056 BILLINGSLEY TIRE		1,214.03	-1,214.03	BLANKET PO FOR 18-19 FY P
7 /19	01/11/19	21		60669	0056 BILLINGSLEY TIRE		45.00	.00	TIRE REPAIR
TOTAL					REPAIR/MAINT SERVICES	.00	8,457.49	-7,501.28	
TOTAL					FLEET MAINTENANCE	.00	12,209.35	-8,553.00	
TOTAL					FLEET MAINTENANCE	.00	12,209.35	-8,553.00	

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SELECTION CRITERIA: transact.yr='19' and transact.fund between '001' and '300' and transact.batch='HB011119'
ACCOUNTING PERIOD: 7/19

FUND - 045 - GOLF COURSE - CITY
BUDGET UNIT - 4245 - GOLF COURSE-CITY

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4220K									
	7 /19	01/11/19 21		60671	6439 BOBBY MAHAFFEY S		400.00	.00	DEGREASE/STEAM CLEAN
TOTAL						.00	400.00	.00	
4220M									
	7 /19	01/11/19 21	8902	-01 60685	6475 KERN TURF SUPPLY		16.43	-16.43	LATE FEE
	7 /19	01/11/19 21	8902	-01 60685	6475 KERN TURF SUPPLY		1,095.56	-1,095.56	IRRIGATION SUPPLIES
TOTAL						.00	1,111.99	-1,111.99	
4291									
	7 /19	01/11/19 21	8904	-01 60682	6620 GOLFNOW		4,287.87	-4,287.87	HARWARE FOR NEW POS SYSTE
	7 /19	01/11/19 21		60688	6080 LEE CENTRAL CALI		455.00	.00	11/05/18-12/02/18GOLF
	7 /19	01/11/19 21		60666	2914 AAA QUALITY SERV		282.36	.00	CERT TAGS/NEW FE 5LBS
TOTAL						.00	5,025.23	-4,287.87	
TOTAL						.00	6,537.22	-5,399.86	
TOTAL						.00	6,537.22	-5,399.86	

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SELECTION CRITERIA: transact.yr='19' and transact.fund between '001' and '300' and transact.batch='HB011119'
ACCOUNTING PERIOD: 7/19

FUND - 050 - WATER
BUDGET UNIT - 4250 - WATER

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4220	OPERATING SUPPLIES								
7 /19	01/11/19	21		60676	5866 FASTENAL COMPANY		496.16	.00	16.9 OZ BOTTLED WATER
7 /19	01/11/19	21		60706	3040 SWRCB FEES		23,638.00	.00	WATER SYST FEES 18/19
7 /19	01/11/19	21		60690	0314 LEMOORE AUTO SUP		91.10	.00	SWIVEL JACK/CUTOFF WH
7 /19	01/11/19	21		60690	0314 LEMOORE AUTO SUP		21.44	.00	STEALTH ORIG M
7 /19	01/11/19	21		60690	0314 LEMOORE AUTO SUP		9.64	.00	SIDEWINDER SAFETY
7 /19	01/11/19	21		60690	0314 LEMOORE AUTO SUP		53.93	.00	30 MNI FLARES/BULK
7 /19	01/11/19	21		60690	0314 LEMOORE AUTO SUP		21.98	.00	LG RAVEN PWDR FREE
7 /19	01/11/19	21		60690	0314 LEMOORE AUTO SUP		32.48	.00	SHOP TOWEL/SPRAY BOTT
7 /19	01/11/19	21		60690	0314 LEMOORE AUTO SUP		33.23	.00	HOT SHINE/GLASS CLEAN
7 /19	01/11/19	21	8597	-01 60709	6058 UNIVAR		556.88	-556.88	ACCOUNT # 4250-4220CH 18-
7 /19	01/11/19	21	8597	-01 60709	6058 UNIVAR		657.31	-657.31	ACCOUNT # 4250-4220CH 18-
7 /19	01/11/19	21	8597	-01 60709	6058 UNIVAR		672.76	-672.76	ACCOUNT # 4250-4220CH 18-
7 /19	01/11/19	21	8597	-01 60709	6058 UNIVAR		768.56	-768.56	ACCOUNT # 4250-4220CH 18-
7 /19	01/11/19	21	8597	-01 60709	6058 UNIVAR		943.16	-943.16	ACCOUNT # 4250-4220CH 18-
7 /19	01/11/19	21	8597	-01 60709	6058 UNIVAR		989.51	-989.51	ACCOUNT # 4250-4220CH 18-
7 /19	01/11/19	21	8597	-01 60709	6058 UNIVAR		1,082.22	-1,082.22	ACCOUNT # 4250-4220CH 18-
7 /19	01/11/19	21	8597	-01 60709	6058 UNIVAR		1,097.68	-1,097.68	ACCOUNT # 4250-4220CH 18-
7 /19	01/11/19	21	8597	-01 60709	6058 UNIVAR		1,561.21	-1,561.21	ACCOUNT # 4250-4220CH 18-
7 /19	01/11/19	21		60690	0314 LEMOORE AUTO SUP		34.83	.00	DETAILER/HOT SHINE
7 /19	01/11/19	21		60690	0314 LEMOORE AUTO SUP		35.91	.00	GLASS CLEANER/HOT SHI
TOTAL	OPERATING SUPPLIES					.00	32,797.99	-8,329.29	
4230	REPAIR/MAINT SUPPLIES								
7 /19	01/11/19	21	8598	-01 60677	0188 FERGUSON ENTERPR		124.39	-124.39	18-19 BLANKET PO, WATER D
7 /19	01/11/19	21	8598	-01 60677	0188 FERGUSON ENTERPR		439.69	-439.69	18-19 BLANKET PO, WATER D
7 /19	01/11/19	21	8598	-01 60677	0188 FERGUSON ENTERPR		5,809.17	-5,809.17	18-19 BLANKET PO, WATER D
7 /19	01/11/19	21	8930	-01 60672	7023 BRECK'S ELECTRIC		1,043.41	-1,043.41	NACHI ANGULAR CONTACT BEA
7 /19	01/11/19	21	8930	-02 60672	7023 BRECK'S ELECTRIC		800.00	-800.00	SHOP LABOR TO CLEAN & REP
7 /19	01/11/19	21		60690	0314 LEMOORE AUTO SUP		29.92	.00	MINI BULB
7 /19	01/11/19	21		60690	0314 LEMOORE AUTO SUP		27.17	.00	GREEN MASKING TAPE/PN
7 /19	01/11/19	21		60676	5866 FASTENAL COMPANY		29.03	.00	12X1 HWH/5/16X2 FENDW
7 /19	01/11/19	21		60690	0314 LEMOORE AUTO SUP		6.41	.00	STARTING FLUID
7 /19	01/11/19	21		60690	0314 LEMOORE AUTO SUP		3.26	.00	HEX NUT/LOCK WASHER
TOTAL	REPAIR/MAINT SUPPLIES					.00	8,312.45	-8,216.66	
4300	RENTAL/CITY OWNED VEHICLE								
7 /19	01/11/19	21		60690	0314 LEMOORE AUTO SUP		249.87	.00	2000 WATT POWER INVER
TOTAL	RENTAL/CITY OWNED VEHICLE					.00	249.87	.00	
4310	PROFESSIONAL CONTRACT SVC								
7 /19	01/11/19	21		60668	2653 AMERIPRIDE		79.86	.00	UNIFORMS
7 /19	01/11/19	21		60668	2653 AMERIPRIDE		79.86	.00	UNIFORMS
7 /19	01/11/19	21		60668	2653 AMERIPRIDE		73.36	.00	UNIFORMS
7 /19	01/11/19	21		60668	2653 AMERIPRIDE		73.36	.00	UNIFORMS
TOTAL	PROFESSIONAL CONTRACT SVC					.00	306.44	.00	

RUN DATE 01/14/2019 TIME 16:08:34

PEI - FUND ACCOUNTING

PEI
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CITY OF LEMOORE
EXPENDITURE TRANSACTION ANALYSIS

PAGE NUMBER: 15
AUDIT11

SELECTION CRITERIA: transact.yr='19' and transact.fund between '001' and '300' and transact.batch='HB011119'
ACCOUNTING PERIOD: 7/19

FUND - 050 - WATER
BUDGET UNIT - 4250 - WATER

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4320					MEETINGS & DUES				
4320					MEETINGS & DUES				
7 /19	01/11/19	21		60683	2160 FRANK HERNANDEZ		9.74	.00	REIMBURSEMENT
7 /19	01/11/19	21		60699	7028 ROBIN PLUEARD		10.82	.00	REIMBURSEMENT
7 /19	01/11/19	21		60703	6860 JOHN SOUZA		9.53	.00	REIMBURSEMENT
TOTAL					MEETINGS & DUES	.00	30.09	.00	
4340					UTILITIES				
7 /19	01/11/19	21		60697	0363 PG&E		13,949.03	.00	11/13/18-12/11/18
TOTAL					UTILITIES	.00	13,949.03	.00	
4840					AUTOS AND TRUCKS				
7 /19	01/11/19	21		60686	0252 KINGS AUTO SUPPL		72.38	.00	UNIV FLOOR MAT BLK
TOTAL					AUTOS AND TRUCKS	.00	72.38	.00	
TOTAL					WATER	.00	55,718.25	-16,545.95	
TOTAL					WATER	.00	55,718.25	-16,545.95	

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CITY OF LEMOORE
EXPENDITURE TRANSACTION ANALYSIS

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AUDIT11

SELECTION CRITERIA: transact.yr='19' and transact.fund between '001' and '300' and transact.batch='HB011119'
ACCOUNTING PERIOD: 7/19

FUND - 056 - REFUSE
BUDGET UNIT - 4256 - REFUSE

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4310									
7 /19	01/11/19	21	8579	-01 60687	0234 KINGS WASTE AND		1,062.15	-1,062.15	BLANKET PO FOR KWRA 2018/
7 /19	01/11/19	21	8579	-01 60687	0234 KINGS WASTE AND		86,918.70	-86,918.70	BLANKET PO FOR KWRA 2018/
7 /19	01/11/19	21		60668	2653 AMERIPRIDE		59.37	.00	UNIFORMS
7 /19	01/11/19	21		60668	2653 AMERIPRIDE		59.37	.00	UNIFORMS
7 /19	01/11/19	21		60668	2653 AMERIPRIDE		59.37	.00	UNIFORMS
7 /19	01/11/19	21		60668	2653 AMERIPRIDE		59.37	.00	UNIFORMS
TOTAL					PROFESSIONAL CONTRACT SVC	.00	88,218.33	-87,980.85	
4330									
7 /19	01/11/19	21		60684	5546 INFOSEND		1,393.17	.00	REFUSE SCHEDULE 19
TOTAL					PRINTING & PUBLICATIONS	.00	1,393.17	.00	
TOTAL					REFUSE	.00	89,611.50	-87,980.85	
TOTAL					REFUSE	.00	89,611.50	-87,980.85	

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CITY OF LEMOORE
EXPENDITURE TRANSACTION ANALYSIS

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AUDIT11

SELECTION CRITERIA: transact.yr='19' and transact.fund between '001' and '300' and transact.batch='HB011119'
ACCOUNTING PERIOD: 7/19

FUND - 060 - SEWER& STORM WTR DRAINAGE
BUDGET UNIT - 4260 - SEWER

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4220					OPERATING SUPPLIES				
7 /19	01/11/19	21		60711	2038 USA BLUEBOOK		58.00	.00	18X12 IN SIGN NO PARK
7 /19	01/11/19	21	8925	-01 60713	7022 WESTRIDGE ENVIRO		1,608.75	-1,608.75	BIOTFIX SR LIQUID
TOTAL					OPERATING SUPPLIES	.00	1,666.75	-1,608.75	
4230					REPAIR/MAINT SUPPLIES				
7 /19	01/11/19	21		60690	0314 LEMOORE AUTO SUP		38.62	.00	BATTERY CABLE/LUG
7 /19	01/11/19	21		60690	0314 LEMOORE AUTO SUP		39.62	.00	FILL HOSE/2.5 GAL UTI
7 /19	01/11/19	21		60686	0252 KINGS AUTO SUPPL		9.11	.00	COMPOUND
TOTAL					REPAIR/MAINT SUPPLIES	.00	87.35	.00	
4300					RENTAL/CITY OWNED VEHICLE				
7 /19	01/11/19	21		60686	0252 KINGS AUTO SUPPL		14.99	.00	MOTOR TUNE-UP 16 OZ
7 /19	01/11/19	21		60690	0314 LEMOORE AUTO SUP		39.62	.00	FILL HOSE/2.5 GAL UTI
TOTAL					RENTAL/CITY OWNED VEHICLE	.00	54.61	.00	
4310					PROFESSIONAL CONTRACT SVC				
7 /19	01/11/19	21		60668	2653 AMERIPRIDE		62.88	.00	UNIFORMS
7 /19	01/11/19	21		60668	2653 AMERIPRIDE		62.88	.00	UNIFORMS
7 /19	01/11/19	21		60668	2653 AMERIPRIDE		67.53	.00	UNIFORMS
7 /19	01/11/19	21		60668	2653 AMERIPRIDE		67.53	.00	UNIFORMS
TOTAL					PROFESSIONAL CONTRACT SVC	.00	260.82	.00	
4340					UTILITIES				
7 /19	01/11/19	21		60697	0363 PG&E		11,236.73	.00	11/19/18-12/18/18
7 /19	01/11/19	21		60697	0363 PG&E		20.37	.00	11/17/18-12/17/18
TOTAL					UTILITIES	.00	11,257.10	.00	
4350					REPAIR/MAINT SERVICES				
7 /19	01/11/19	21	8924	-01 60695	4064 OVERHEAD TECHNOL		855.00	-855.00	TROUBLESHOOT ACCO 2 TON
TOTAL					REPAIR/MAINT SERVICES	.00	855.00	-855.00	
TOTAL					SEWER	.00	14,181.63	-2,463.75	
TOTAL					SEWER& STORM WTR DRAINAGE	.00	14,181.63	-2,463.75	

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CITY OF LEMOORE
EXPENDITURE TRANSACTION ANALYSIS

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AUDIT11

SELECTION CRITERIA: transact.yr='19' and transact.fund between '001' and '300' and transact.batch='HB011119'
ACCOUNTING PERIOD: 7/19

FUND - 201 - LLMD ZONE 1
BUDGET UNIT - 4851 - LLMD ZONE 1 WESTFIELD

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4340									
7 /19	01/11/19	21		60697	0363 PG&E		96.83	.00	11/21/18-12/20/18
TOTAL						.00	96.83	.00	
TOTAL					LLMD ZONE 1 WESTFIELD	.00	96.83	.00	
TOTAL					LLMD ZONE 1	.00	96.83	.00	

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CITY OF LEMOORE
EXPENDITURE TRANSACTION ANALYSIS

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AUDIT11

SELECTION CRITERIA: transact.yr='19' and transact.fund between '001' and '300' and transact.batch='HB011119'
ACCOUNTING PERIOD: 7/19

FUND - 203 - LLMD ZONE 3 SILVA ESTATES
BUDGET UNIT - 4853 - LLMD ZONE 3 SILVA ESTATES

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4340									
7 /19	01/11/19	21		60697	0363 PG&E		49.30	.00	11/21/18-12/20/18
TOTAL						.00	49.30	.00	
TOTAL						.00	49.30	.00	
TOTAL						.00	49.30	.00	

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CITY OF LEMOORE
EXPENDITURE TRANSACTION ANALYSIS

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SELECTION CRITERIA: transact.yr='19' and transact.fund between '001' and '300' and transact.batch='HB011119'
ACCOUNTING PERIOD: 7/19

FUND - 206 - LLMD ZONE 6 CAPISTRANO
BUDGET UNIT - 4856 - LLMD ZONE 6 CAPISTRANO

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4340									
7 /19	01/11/19	21		60697	0363 PG&E		9.86	.00	11/21/18-12/20/18
TOTAL						.00	9.86	.00	
TOTAL						.00	9.86	.00	
TOTAL						.00	9.86	.00	

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CITY OF LEMOORE
EXPENDITURE TRANSACTION ANALYSIS

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AUDIT11

SELECTION CRITERIA: transact.yr='19' and transact.fund between '001' and '300' and transact.batch='HB011119'
ACCOUNTING PERIOD: 7/19

FUND - 208 - LLMD ZONE 8 COUNTY CLUB
BUDGET UNIT - 4858 - LLMD ZONE 8 COUNTY CLUB

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4340									
7 /19	01/11/19	21		60697	0363 PG&E		9.86	.00	11/21/18-12/20/18
TOTAL						.00	9.86	.00	
TOTAL						.00	9.86	.00	
TOTAL						.00	9.86	.00	

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CITY OF LEMOORE
EXPENDITURE TRANSACTION ANALYSIS

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AUDIT11

SELECTION CRITERIA: transact.yr='19' and transact.fund between '001' and '300' and transact.batch='HB011119'
ACCOUNTING PERIOD: 7/19

FUND - 210 - LLMD ZONE 10 AVALON
BUDGET UNIT - 4860 - LLMD ZONE 10 AVALON

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4340									
7 /19	01/11/19	21		60697	0363 PG&E		19.72	.00	11/21/18-12/20/18
TOTAL						.00	19.72	.00	
TOTAL						.00	19.72	.00	
TOTAL						.00	19.72	.00	

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CITY OF LEMOORE
EXPENDITURE TRANSACTION ANALYSIS

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AUDIT11

SELECTION CRITERIA: transact.yr='19' and transact.fund between '001' and '300' and transact.batch='HB011119'
ACCOUNTING PERIOD: 7/19

FUND - 212 - LLMD ZONE 12 SUMMERWIND
BUDGET UNIT - 4862 - LLMD ZONE 12 SUMMERWIND

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4340									
7 /19	01/11/19	21		60697	0363 PG&E		21.97	.00	11/21/18-12/20/18
TOTAL						.00	21.97	.00	
TOTAL						.00	21.97	.00	
TOTAL						.00	21.97	.00	

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CITY OF LEMOORE
EXPENDITURE TRANSACTION ANALYSIS

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AUDIT11

SELECTION CRITERIA: transact.yr='19' and transact.fund between '001' and '300' and transact.batch='HB011119'
ACCOUNTING PERIOD: 7/19

FUND - 251 - PFMD ZONE 1
BUDGET UNIT - 4871 - PFMD ZONE 1

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4340									
7 /19	01/11/19	21		60697	0363 PG&E		36.21	.00	11/21/18-12/20/18
TOTAL						.00	36.21	.00	
TOTAL						.00	36.21	.00	
TOTAL						.00	36.21	.00	

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CITY OF LEMOORE
EXPENDITURE TRANSACTION ANALYSIS

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AUDIT11

SELECTION CRITERIA: transact.yr='19' and transact.fund between '001' and '300' and transact.batch='HB011119'
ACCOUNTING PERIOD: 7/19

FUND - 252 - PFMD ZONE 2
BUDGET UNIT - 4872 - PFMD ZONE 2

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4340									
7 /19	01/11/19	21		60697	0363 PG&E		49.68	.00	11/21/18-12/20/18
TOTAL						.00	49.68	.00	
TOTAL			PFMD ZONE 2			.00	49.68	.00	
TOTAL			PFMD ZONE 2			.00	49.68	.00	

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CITY OF LEMOORE
EXPENDITURE TRANSACTION ANALYSIS

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AUDIT11

SELECTION CRITERIA: transact.yr='19' and transact.fund between '001' and '300' and transact.batch='HB011119'
ACCOUNTING PERIOD: 7/19

FUND - 253 - PFMD ZONE 3
BUDGET UNIT - 4873 - PFMD ZONE 3

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4340									
7 /19	01/11/19	21		60697	0363 PG&E		9.88	.00	11/21/18-12/20/18
TOTAL						.00	9.88	.00	
TOTAL			PFMD ZONE 3			.00	9.88	.00	
TOTAL			PFMD ZONE 3			.00	9.88	.00	

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CITY OF LEMOORE
EXPENDITURE TRANSACTION ANALYSIS

PAGE NUMBER: 27
AUDIT11

SELECTION CRITERIA: transact.yr='19' and transact.fund between '001' and '300' and transact.batch='HB011119'
ACCOUNTING PERIOD: 7/19

FUND - 254 - PFMD ZONE 4
BUDGET UNIT - 4874 - PFMD ZONE 4

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4340									
7 /19	01/11/19	21		60697	0363 PG&E		9.86	.00	11/21/18-12/20/18
TOTAL						.00	9.86	.00	
TOTAL						.00	9.86	.00	
TOTAL						.00	9.86	.00	

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CITY OF LEMOORE
EXPENDITURE TRANSACTION ANALYSIS

PAGE NUMBER: 28
AUDIT11

SELECTION CRITERIA: transact.yr='19' and transact.fund between '001' and '300' and transact.batch='HB011119'
ACCOUNTING PERIOD: 7/19

FUND - 255 - PFMD ZONE 5
BUDGET UNIT - 4875 - PFMD ZONE 5

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4340									
7 /19	01/11/19	21		60697	0363 PG&E		78.51	.00	11/21/18-12/20/18
TOTAL						.00	78.51	.00	
TOTAL			PFMD ZONE 5			.00	78.51	.00	
TOTAL			PFMD ZONE 5			.00	78.51	.00	
TOTAL			REPORT			.00	221,657.03	-137,398.63	

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CITY OF LEMOORE
GENERAL LEDGER TRANSACTION ANALYSIS

PAGE NUMBER: 1
AUDIT311

SELECTION CRITERIA: account.acct between '1011' and '2021'AND transact.yr='19' and transact.batch='HB011119'
ACCOUNTING PERIOD: 7/19

FUND - 001 - GENERAL FUND

ACCOUNT	DATE	T/C	REFERENCE	VENDOR/PAYER	DEBIT	CREDIT	DESCRIPTION
1550							
7 /19	01/11/19	21	60679	3022 FIRST BANKCARD	47,885.14		JANUARY 19 VISA
TOTAL					47,885.14	.00	
2020							
7 /19	01/11/19	21	60679	3022 FIRST BANKCARD		47,885.14	JANUARY 19 VISA
TOTAL					.00	47,885.14	
TOTAL				GENERAL FUND	47,885.14	47,885.14	
TOTAL REPORT					47,885.14	47,885.14	

FY 18/19 Warrant Register 1-18-19

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DATE: 01/28/2019
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CITY OF LEMOORE
EXPENDITURE TRANSACTION ANALYSIS

PAGE NUMBER: 1
AUDIT11

SELECTION CRITERIA: transact.fund between '001' and '300' and transact.batch='HB011819'
ACCOUNTING PERIOD: 7/19

FUND - 001 - GENERAL FUND
BUDGET UNIT - 4211 - CITY COUNCIL

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4330									
7 /19	01/17/19	21		60750	5829 JONES BOYS, LLC		42.90	.00	NAME ON NAME PLATE
TOTAL						.00	42.90	.00	
TOTAL					CITY COUNCIL	.00	42.90	.00	

PEI
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CITY OF LEMOORE
EXPENDITURE TRANSACTION ANALYSIS

PAGE NUMBER: 2
AUDIT11

SELECTION CRITERIA: transact.fund between '001' and '300' and transact.batch='HB011819'
ACCOUNTING PERIOD: 7/19

FUND - 001 - GENERAL FUND
BUDGET UNIT - 4213 - CITY MANAGER

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4140									
7 /19	01/17/19	21		60719	6800 AUL HEALTH BENEF		250.00	.00	GOODMAN, ALLEN
TOTAL						.00	250.00	.00	
4340									
7 /19	01/17/19	21		60718	5516 AT&T		137.73	.00	939-103-4009
7 /19	01/17/19	21		60718	5516 AT&T		98.43	.00	939-103-6913
TOTAL						.00	236.16	.00	
TOTAL						.00	486.16	.00	

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CITY OF LEMOORE
EXPENDITURE TRANSACTION ANALYSIS

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AUDIT11

SELECTION CRITERIA: transact.fund between '001' and '300' and transact.batch='HB011819'
ACCOUNTING PERIOD: 7/19

FUND - 001 - GENERAL FUND
BUDGET UNIT - 4214 - CITY CLERK'S OFFICE

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4310									
	7 /19	01/17/19	21	60739	4062 KINGS COUNTY		8.00	.00	RECORDING FEES
	7 /19	01/17/19	21	60739	4062 KINGS COUNTY		8.00	.00	RECORDING FEES
	7 /19	01/17/19	21	60739	4062 KINGS COUNTY		8.00	.00	RECORDING FEES
TOTAL					PROFESSIONAL CONTRACT SVC	.00	24.00	.00	
4330									
	7 /19	01/17/19	21	60727	6405 EINERSON'S PREPR		199.21	.00	CARDS NEAL/LYONS/BILL
TOTAL					PRINTING & PUBLICATIONS	.00	199.21	.00	
TOTAL					CITY CLERK'S OFFICE	.00	223.21	.00	

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SELECTION CRITERIA: transact.fund between '001' and '300' and transact.batch='HB011819'
ACCOUNTING PERIOD: 7/19

FUND - 001 - GENERAL FUND
BUDGET UNIT - 4215 - FINANCE

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4340									
7 /19	01/17/19	21		60718	5516 AT&T		123.03	.00	939-103-6913
TOTAL						.00	123.03	.00	
4389									
7 /19	01/17/19	21		60763	6104 US BANK		22.00	.00	MONTHLY MAINT DEC 18
TOTAL						.00	22.00	.00	
TOTAL						.00	145.03	.00	

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SELECTION CRITERIA: transact.fund between '001' and '300' and transact.batch='HB011819'
ACCOUNTING PERIOD: 7/19

FUND - 001 - GENERAL FUND
BUDGET UNIT - 4220 - MAINTENANCE DIVISION

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4310									
									PROFESSIONAL CONTRACT SVC
7 /19	01/17/19	21		60730	6970 MARICRUZ FERNAND		480.00	.00	JANITOR 1231-0113
7 /19	01/17/19	21	8838	-01 60757	5638 SHINEN LANDSCAPE		160.00	-160.00	MONTHLY LANDSCAPE MAINTEN
7 /19	01/17/19	21	8838	-01 60757	5638 SHINEN LANDSCAPE		225.00	-225.00	MONTHLY LANDSCAPE MAINTEN
7 /19	01/17/19	21	8838	-01 60757	5638 SHINEN LANDSCAPE		500.00	-500.00	MONTHLY LANDSCAPE MAINTEN
7 /19	01/17/19	21	8838	-01 60757	5638 SHINEN LANDSCAPE		575.00	-575.00	MONTHLY LANDSCAPE MAINTEN
7 /19	01/17/19	21	8838	-01 60757	5638 SHINEN LANDSCAPE		575.00	-575.00	MONTHLY LANDSCAPE MAINTEN
7 /19	01/17/19	21	8838	-01 60757	5638 SHINEN LANDSCAPE		650.00	-650.00	MONTHLY LANDSCAPE MAINTEN
TOTAL						.00	3,165.00	-2,685.00	
									PROFESSIONAL CONTRACT SVC
4340									
									UTILITIES
7 /19	01/17/19	21		60718	5516 AT&T		3.11	.00	939-103-4007
TOTAL						.00	3.11	.00	
									UTILITIES
4350									
									REPAIR/MAINT SERVICES
7 /19	01/17/19	21	8938	-01 60732	1257 GIBSON ENTERPRIS		3,659.00	-3,659.00	EMERGENCY REPAIR: INSTALL
TOTAL						.00	3,659.00	-3,659.00	
									REPAIR/MAINT SERVICES
TOTAL						.00	6,827.11	-6,344.00	
									MAINTENANCE DIVISION

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CITY OF LEMOORE
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SELECTION CRITERIA: transact.fund between '001' and '300' and transact.batch='HB011819'
ACCOUNTING PERIOD: 7/19

FUND - 001 - GENERAL FUND
BUDGET UNIT - 4221 - POLICE

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4140									
7 /19	01/17/19	21		60719	6800 AUL HEALTH BENEF		250.00	.00	STULL, CHARLES
TOTAL						.00	250.00	.00	
4220									
7 /19	01/17/19	21		60759	6999 TRACTOR SUPPLY C		134.05	.00	INDIGO DOG HOUSE
7 /19	01/17/19	21	8912	-01 60759	6999 TRACTOR SUPPLY C		407.54	-407.54	RETRIEVER LODGE EXPANDABL
7 /19	01/17/19	21	8912	-02 60759	6999 TRACTOR SUPPLY C		128.69	-128.69	RETRIEVER LODGE KENNEL RO
7 /19	01/17/19	21	8918	-01 60761	6356 ULINE		616.68	-616.68	GROCERY BAGS/EVIDENCE BOX
TOTAL						.00	1,286.96	-1,152.91	
4220U									
7 /19	01/17/19	21	8701	-01 60742	6170 LPS TACTICAL & P		1,155.00	-1,155.00	ENFORCER 6316M 3A-US ARMO
7 /19	01/17/19	21	8701	-01 8371A	6170 LPS TACTICAL & P		.00	.00	ENFORCER 6316M 3A-US ARMO
7 /19	01/17/19	21	8701	-02 60742	6170 LPS TACTICAL & P		1,155.00	-1,155.00	ENFORCER 6316M 3A-US ARMO
7 /19	01/17/19	21	8701	-03 60742	6170 LPS TACTICAL & P		1,155.00	-1,155.00	ENFORCER 6316M 3A-US ARMO
7 /19	01/17/19	21	8701	-04 8371A	6170 LPS TACTICAL & P		.00	-1,155.00	ENFORCER 6316M 3A-US ARMO
7 /19	01/17/19	21	8701	-05 60742	6170 LPS TACTICAL & P		1,155.00	-1,155.00	ENFORCER 6316M 3A-US ARMO
7 /19	01/17/19	21	8701	-06 60742	6170 LPS TACTICAL & P		1,155.00	-1,155.00	ENFORCER 6316M 3A-US ARMO
7 /19	01/17/19	21	8701	-06 8371A	6170 LPS TACTICAL & P		.00	.00	ENFORCER 6316M 3A-US ARMO
7 /19	01/17/19	21	8701	-07 60742	6170 LPS TACTICAL & P		167.48	-167.48	TAX
7 /19	01/17/19	21	8701	-07 60742	6170 LPS TACTICAL & P		251.21	-334.95	TAX
7 /19	01/17/19	21	8772	-01 60742	6170 LPS TACTICAL & P		46.00	-46.00	ENFORCER MALE OR FEMALE -
7 /19	01/17/19	21	8772	-01 60742	6170 LPS TACTICAL & P		141.00	-141.00	ENFORCER MALE OR FEMALE -
7 /19	01/17/19	21	8772	-02 60742	6170 LPS TACTICAL & P		3.33	-3.33	TAX
7 /19	01/17/19	21	8772	-02 60742	6170 LPS TACTICAL & P		10.23	-10.23	TAX
TOTAL						.00	6,394.25	-7,632.99	
4310									
7 /19	01/17/19	21		60734	5814 CITY OF HANFORD		14,665.14	.00	DISPATCH JAN 19
TOTAL						.00	14,665.14	.00	
4320									
7 /19	01/17/19	21	8934	-01 60756	2815 SEQUOIA COUNCIL		48.25	-48.25	REMAINING BALANCE FOR CHA
TOTAL						.00	48.25	-48.25	
4340									
7 /19	01/17/19	21		60718	5516 AT&T		172.36	.00	939-103-3999
7 /19	01/17/19	21		60718	5516 AT&T		602.00	.00	939-103-6912
7 /19	01/17/19	21		60764	0116 VERIZON WIRELESS		698.31	.00	12/02/18-01/01/19
7 /19	01/17/19	21		60718	5516 AT&T		342.85	.00	939-103-4008
TOTAL						.00	1,815.52	.00	
4360									
7 /19	01/17/19	21		60755	5122 ALVARO SANTOS		247.00	.00	PER DIEM
TOTAL						.00	247.00	.00	

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SELECTION CRITERIA: transact.fund between '001' and '300' and transact.batch='HB011819'
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FUND - 001 - GENERAL FUND
BUDGET UNIT - 4221 - POLICE

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4840AR									
4840AR									
7 /19	01/17/19	21	8607	-01 60769	4052 WONDRIES FLEET G		24,863.00	-24,863.00	2019 DODGE CHARGERS - PAT
7 /19	01/17/19	21	8607	-01 60769	4052 WONDRIES FLEET G		24,863.00	-24,863.00	2019 DODGE CHARGERS - PAT
7 /19	01/17/19	21	8607	-01 60769	4052 WONDRIES FLEET G		24,863.00	-24,863.00	2019 DODGE CHARGERS - PAT
7 /19	01/17/19	21	8607	-02 60769	4052 WONDRIES FLEET G		8.75	-8.75	TIRE TAX
7 /19	01/17/19	21	8607	-02 60769	4052 WONDRIES FLEET G		8.75	-8.75	TIRE TAX
7 /19	01/17/19	21	8607	-02 60769	4052 WONDRIES FLEET G		8.75	-8.75	TIRE TAX
7 /19	01/17/19	21	8607	-03 60769	4052 WONDRIES FLEET G		1,802.56	-1,802.56	TAX
7 /19	01/17/19	21	8607	-03 60769	4052 WONDRIES FLEET G		1,802.56	-1,802.56	TAX
7 /19	01/17/19	21	8607	-03 60769	4052 WONDRIES FLEET G		1,802.56	-1,802.56	TAX
7 /19	01/17/19	21	8607	-04 00406191	4052 WONDRIES FLEET G		.00	-900.00	SHIPPING
7 /19	01/17/19	21	8607	-05 60769	4052 WONDRIES FLEET G		.01	- .01	TAX
7 /19	01/17/19	21	8607	-05 60769	4052 WONDRIES FLEET G		.01	- .01	TAX
7 /19	01/17/19	21	8607	-05 60769	4052 WONDRIES FLEET G		.01	- .01	TAX
TOTAL					AUTOS/TRKS ASSET REPLACE	.00	80,022.96	-80,922.96	
TOTAL					POLICE	.00	104,730.08	-89,757.11	

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SELECTION CRITERIA: transact.fund between '001' and '300' and transact.batch='HB011819'
ACCOUNTING PERIOD: 7/19

FUND - 001 - GENERAL FUND
BUDGET UNIT - 4222 - FIRE

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4310									
7 /19	01/17/19	21		60734	5814 CITY OF HANFORD		10,998.86	.00	DISPATCH JAN 19
TOTAL						.00	10,998.86	.00	
4340									
7 /19	01/17/19	21		60718	5516 AT&T		96.00	.00	939-103-4001
7 /19	01/17/19	21		60718	5516 AT&T		82.02	.00	939-103-6913
TOTAL						.00	178.02	.00	
TOTAL						.00	11,176.88	.00	

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SELECTION CRITERIA: transact.fund between '001' and '300' and transact.batch='HB011819'
ACCOUNTING PERIOD: 7/19

FUND - 001 - GENERAL FUND
BUDGET UNIT - 4224 - BUILDING INSPECTION

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4010									
7 /19	01/17/19	21		60725	T2227 JAMES CUTLER		200.00	.00	REIMBURSEMENT BOOTS
TOTAL						.00	200.00	.00	
4140									
7 /19	01/17/19	21		60719	6800 AUL HEALTH BENEF		125.00	.00	HENSON, RONALD
TOTAL						.00	125.00	.00	
4340									
7 /19	01/17/19	21		60718	5516 AT&T		3.11	.00	939-103-4007
TOTAL						.00	3.11	.00	
TOTAL						.00	328.11	.00	

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SELECTION CRITERIA: transact.fund between '001' and '300' and transact.batch='HB011819'
ACCOUNTING PERIOD: 7/19

FUND - 001 - GENERAL FUND
BUDGET UNIT - 4230 - PUBLIC WORKS

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4320									
7 /19	01/17/19	21	8692	-01 60766	6783 VIRTUAL PROJECT		500.00	-500.00	VPM MANAGEMENT, BACKUP, ST
TOTAL						.00	500.00	-500.00	
4340									
7 /19	01/17/19	21		60718	5516 AT&T		4.16	.00	939-103-4007
7 /19	01/17/19	21		60718	5516 AT&T		82.02	.00	939-103-6913
TOTAL						.00	86.18	.00	
TOTAL						.00	586.18	-500.00	

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SELECTION CRITERIA: transact.fund between '001' and '300' and transact.batch='HB011819'
ACCOUNTING PERIOD: 7/19

FUND - 001 - GENERAL FUND
BUDGET UNIT - 4231 - STREETS

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4340					UTILITIES				
7 /19	01/17/19	21		60748	0363 PG&E		92.15	.00	11/30/18-12/30/18
7 /19	01/17/19	21		60748	0363 PG&E		82.03	.00	11/14/18-12/12/18
7 /19	01/17/19	21		60748	0363 PG&E		60.65	.00	11/22/18-12/21/18
7 /19	01/17/19	21		60748	0363 PG&E		61.94	.00	11/17/18-12/17/18
7 /19	01/17/19	21		60748	0363 PG&E		202.50	.00	11/30/18-12/30/18
7 /19	01/17/19	21		60748	0363 PG&E		321.72	.00	11/22/18-12/21/18
7 /19	01/17/19	21		60748	0363 PG&E		7,790.25	.00	11/16/18-12/14/18
7 /19	01/17/19	21		60748	0363 PG&E		1,099.38	.00	11/16/18-12/14/18
TOTAL					UTILITIES	.00	9,710.62	.00	
4825					MACHINERY & EQUIPMENT				
7 /19	01/17/19	21	8804 -01	60759	6999 TRACTOR SUPPLY C		4,020.42	-4,020.42	2018 MOWER - BAD BOY 60"
TOTAL					MACHINERY & EQUIPMENT	.00	4,020.42	-4,020.42	
TOTAL					STREETS	.00	13,731.04	-4,020.42	

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ACCOUNTING PERIOD: 7/19

FUND - 001 - GENERAL FUND
BUDGET UNIT - 4241 - PARKS

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4220									
7 /19	01/17/19	21	8915A	-01 60729	0188 FERGUSON ENTERPR		782.72	-782.72	BACKFLOW VALVE
TOTAL						.00	782.72	-782.72	
4340									
7 /19	01/17/19	21		60748	0363 PG&E		1,180.26	.00	11/30/18-12/30/18
TOTAL						.00	1,180.26	.00	
TOTAL					PARKS	.00	1,962.98	-782.72	

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SELECTION CRITERIA: transact.fund between '001' and '300' and transact.batch='HB011819'
ACCOUNTING PERIOD: 7/19

FUND - 001 - GENERAL FUND
BUDGET UNIT - 4242 - RECREATION

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4140									
7 /19	01/17/19	21		60719	6800 AUL HEALTH BENEF		125.00	.00	HERNANDEZ, THOMAS
TOTAL						.00	125.00	.00	
4220									
7 /19	01/17/19	21		60750	5829 JONES BOYS, LLC		75.08	.00	ST690 POLOS W/LOGO
TOTAL						.00	75.08	.00	
4310									
7 /19	01/17/19	21		60723	T2315 VICTORIA CHAVEZ		60.00	.00	REC LEADER 010319
7 /19	01/17/19	21		60731	6889 TOMI FORD		327.75	.00	WINTER CAMP 1217-1231
7 /19	01/17/19	21		60723	T2315 VICTORIA CHAVEZ		349.25	.00	REC LEADER 1226-1231
7 /19	01/17/19	21		60731	6889 TOMI FORD		333.00	.00	WINTER CAMP 0104-0111
7 /19	01/17/19	21		60758	T2545 MAKENZIE TAYLOR		342.00	.00	WINTER CAMP 0107-0111
TOTAL						.00	1,412.00	.00	
4340									
7 /19	01/17/19	21		60718	5516 AT&T		49.21	.00	939-103-6913
TOTAL						.00	49.21	.00	
TOTAL						.00	1,661.29	.00	

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SELECTION CRITERIA: transact.fund between '001' and '300' and transact.batch='HB011819'
ACCOUNTING PERIOD: 7/19

FUND - 001 - GENERAL FUND
BUDGET UNIT - 4296 - INFORMATION TECHNOLOGY

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4340									
	7 /19	01/17/19	21	60762	5818 UNWIRED BROADBAN		98.55	.00	ADDTL DISK SPACE
	7 /19	01/17/19	21	60762	5818 UNWIRED BROADBAN		210.00	.00	RECURRING CHRG JAN 19
TOTAL					UTILITIES	.00	308.55	.00	
TOTAL					INFORMATION TECHNOLOGY	.00	308.55	.00	
TOTAL					GENERAL FUND	.00	142,209.52	-101,404.25	

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SELECTION CRITERIA: transact.fund between '001' and '300' and transact.batch='HB011819'
ACCOUNTING PERIOD: 7/19

FUND - 040 - FLEET MAINTENANCE
BUDGET UNIT - 4265 - FLEET MAINTENANCE

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4220CNG	CNG OPERATING SUPPLIES								
7 /19 01/17/19 21	8749	-01	60740	0306	LEMOORE HIGH SCH		4,780.65	-4,780.65	BLANKET PURCHASE ORDER -
TOTAL	CNG OPERATING SUPPLIES					.00	4,780.65	-4,780.65	
4230	REPAIR/MAINT SUPPLIES								
7 /19 01/17/19 21			60733	5181	HAAKER EQUIPMENT		473.83	.00	HYD CYLINDER
7 /19 01/17/19 21			60728	5866	FASTENAL COMPANY		6.32	.00	HCS 3/4-10X7 YZ8
7 /19 01/17/19 21	8864	-01	60733	5181	HAAKER EQUIPMENT		583.24	-583.24	LINEAR ACTUATOR (EL 10862
TOTAL	REPAIR/MAINT SUPPLIES					.00	1,063.39	-583.24	
4310	PROFESSIONAL CONTRACT SVC								
7 /19 01/17/19 21			60736	3088	JONES TOWING, IN		135.00	.00	TOW 2015 FORD FUSION
TOTAL	PROFESSIONAL CONTRACT SVC					.00	135.00	.00	
4340	UTILITIES								
7 /19 01/17/19 21			60718	5516	AT&T		2.60	.00	939-103-4007
TOTAL	UTILITIES					.00	2.60	.00	
4350	REPAIR/MAINT SERVICES								
7 /19 01/17/19 21			60743	6012	MCCANN & SON'S T		175.00	.00	2014 MACK DIAGNOSTIC
7 /19 01/17/19 21	8777	-01	60733	5181	HAAKER EQUIPMENT		504.02	-504.02	BLANKET PO FOR REPAIRS ON
7 /19 01/17/19 21	8782	-01	60738	2671	KELLER MOTORS		631.27	-631.27	BLANKET PO FOR REPAIRS
TOTAL	REPAIR/MAINT SERVICES					.00	1,310.29	-1,135.29	
4360	TRAINING								
7 /19 01/17/19 21			60768	T2399	MATTHEW WILDES		14.00	.00	PER DIEM
TOTAL	TRAINING					.00	14.00	.00	
TOTAL	FLEET MAINTENANCE					.00	7,305.93	-6,499.18	
TOTAL	FLEET MAINTENANCE					.00	7,305.93	-6,499.18	

CITY OF LEMOORE
EXPENDITURE TRANSACTION ANALYSIS

SELECTION CRITERIA: transact.fund between '001' and '300' and transact.batch='HB011819'
ACCOUNTING PERIOD: 7/19

FUND - 045 - GOLF COURSE - CITY
BUDGET UNIT - 4245 - GOLF COURSE-CITY

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4000K	COST OF REVENUE-KITCHEN								
7 /19	01/17/19	21		60752	T1885 THOMAS RINGER		139.21	.00	REIMBURSEMENT DONAGHY
7 /19	01/17/19	21		60752	T1885 THOMAS RINGER		925.75	.00	REIMBURSEMENT BUENO
TOTAL						.00	1,064.96	.00	
4000P	COST OF REVENUE-PRO SHOP								
7 /19	01/17/19	21		60726	6509 DYNAMIC BRANDS		164.00	.00	QUAD XL-GRAPHITE/CHAR
7 /19	01/17/19	21		60765	6595 VERN WASKOM COMP		230.78	.00	PUTTERS/TOUR WRAPS
7 /19	01/17/19	21	8802 -01	60745	6588 MIZUNO		752.58	-752.58	BLANKET - GOLF GRIPS, CLU
TOTAL						.00	1,147.36	-752.58	
4220	OPERATING SUPPLIES								
7 /19	01/17/19	21		60760	5379 TURF STAR		259.13	.00	CONV,1IN,FC,31-34NOZ
TOTAL						.00	259.13	.00	
4220K	OPERATING SUPPLIES-KITCH								
7 /19	01/17/19	21		60724	6624 CINTAS		50.00	.00	TOWELS/MOPS/GRILL PAD
TOTAL						.00	50.00	.00	
4220M	OPERATING SUPPLIES MAINT.								
7 /19	01/17/19	21	8939 -01	60747	5663 NUTRIEN AG SOLUT		1,060.40	-1,060.40	GOLF COURSE FERTILIZER/CH
7 /19	01/17/19	21	8940 -01	60747	5663 NUTRIEN AG SOLUT		1,059.24	-1,059.24	GOLF COURSE FERTILIZER/CH
TOTAL						.00	2,119.64	-2,119.64	
4291	MISCELLANEOUS EXPENSES								
7 /19	01/17/19	21	8861 -01	60767	7014 STEPHANIE GREGOR		700.00	-700.00	BILLBOARD ON HWY 198
TOTAL						.00	700.00	-700.00	
4309	STAFFING/TOM RINGER								
7 /19	01/17/19	21		60752	T1885 THOMAS RINGER		273.00	.00	REIMBURSEMENT AFLAC
7 /19	01/17/19	21		60752	T1885 THOMAS RINGER		250.00	.00	REIMBURSEMENT MARK FR
7 /19	01/17/19	21		60752	T1885 THOMAS RINGER		12,015.01	.00	PAYROLL
7 /19	01/17/19	21		60752	T1885 THOMAS RINGER		1,748.22	.00	PAYROLL TAXES
TOTAL						.00	14,286.23	.00	
4310	PROFESSIONAL CONTRACT SVC								
7 /19	01/17/19	21		60735	6573 JAMES HUDGEON		351.00	.00	GOLF LESSONS DEC 18
7 /19	01/17/19	21		60753	6548 TOM RINGER		108.00	.00	GOLF LESSONS DEC 18
7 /19	01/17/19	21		60716	6574 TONY ALANIZ, JR.		225.00	.00	GOLF LESSONS DEC 18
TOTAL						.00	684.00	.00	
4340	UTILITIES								
7 /19	01/17/19	21		60748	0363 PG&E		9.53	.00	11/29/18-12/27/18
7 /19	01/17/19	21		60748	0363 PG&E		475.31	.00	11/29/18-12/27/18
TOTAL						.00	484.84	.00	
4350	REPAIR/MAINT SERVICES								

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PEI - FUND ACCOUNTING

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CITY OF LEMOORE
EXPENDITURE TRANSACTION ANALYSIS

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SELECTION CRITERIA: transact.fund between '001' and '300' and transact.batch='HB011819'
ACCOUNTING PERIOD: 7/19

FUND - 045 - GOLF COURSE - CITY
BUDGET UNIT - 4245 - GOLF COURSE-CITY

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4350									
7 /19	01/17/19	21		60744	0342 MILLERS RENTALAN		250.00	.00	STUMP GRINDER VERMEER
TOTAL						.00	250.00	.00	
TOTAL						.00	21,046.16	-3,572.22	
TOTAL						.00	21,046.16	-3,572.22	

CITY OF LEMOORE
EXPENDITURE TRANSACTION ANALYSIS

SELECTION CRITERIA: transact.fund between '001' and '300' and transact.batch='HB011819'
ACCOUNTING PERIOD: 7/19

FUND - 050 - WATER
BUDGET UNIT - 4250 - WATER

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4140									
7 /19	01/17/19	21		60719	6800 AUL HEALTH BENEF		125.00	.00	ESPINOZA, MARY
TOTAL						.00	125.00	.00	
4310									
7 /19	01/17/19	21		60734	5814 CITY OF HANFORD		3,666.29	.00	DISPATCH JAN 19
7 /19	01/17/19	21	8601	-01 60721	1397 BSK ANALYTICAL L		10.00	-10.00	ACCOUNT CIP #450-4310BSK
7 /19	01/17/19	21	8601	-01 60721	1397 BSK ANALYTICAL L		13.00	-13.00	ACCOUNT CIP #450-4310BSK
7 /19	01/17/19	21	8601	-01 60721	1397 BSK ANALYTICAL L		28.00	-28.00	ACCOUNT CIP #450-4310BSK
7 /19	01/17/19	21	8601	-01 60721	1397 BSK ANALYTICAL L		28.00	-28.00	ACCOUNT CIP #450-4310BSK
7 /19	01/17/19	21	8601	-01 60721	1397 BSK ANALYTICAL L		28.00	-28.00	ACCOUNT CIP #450-4310BSK
7 /19	01/17/19	21	8601	-01 60721	1397 BSK ANALYTICAL L		28.00	-28.00	ACCOUNT CIP #450-4310BSK
7 /19	01/17/19	21	8601	-01 60721	1397 BSK ANALYTICAL L		28.00	-28.00	ACCOUNT CIP #450-4310BSK
7 /19	01/17/19	21	8601	-01 60721	1397 BSK ANALYTICAL L		28.00	-28.00	ACCOUNT CIP #450-4310BSK
7 /19	01/17/19	21	8601	-01 60721	1397 BSK ANALYTICAL L		40.00	-40.00	ACCOUNT CIP #450-4310BSK
7 /19	01/17/19	21	8601	-01 60721	1397 BSK ANALYTICAL L		102.00	-102.00	ACCOUNT CIP #450-4310BSK
7 /19	01/17/19	21	8601	-01 60721	1397 BSK ANALYTICAL L		112.00	-112.00	ACCOUNT CIP #450-4310BSK
7 /19	01/17/19	21	8601	-01 60721	1397 BSK ANALYTICAL L		112.00	-112.00	ACCOUNT CIP #450-4310BSK
7 /19	01/17/19	21	8601	-01 60721	1397 BSK ANALYTICAL L		112.00	-112.00	ACCOUNT CIP #450-4310BSK
7 /19	01/17/19	21	8601	-01 60721	1397 BSK ANALYTICAL L		112.00	-112.00	ACCOUNT CIP #450-4310BSK
7 /19	01/17/19	21	8601	-01 60721	1397 BSK ANALYTICAL L		112.00	-112.00	ACCOUNT CIP #450-4310BSK
7 /19	01/17/19	21	8601	-01 60721	1397 BSK ANALYTICAL L		112.00	-112.00	ACCOUNT CIP #450-4310BSK
7 /19	01/17/19	21	8601	-01 60721	1397 BSK ANALYTICAL L		112.00	-112.00	ACCOUNT CIP #450-4310BSK
7 /19	01/17/19	21	8601	-01 60721	1397 BSK ANALYTICAL L		120.00	-120.00	ACCOUNT CIP #450-4310BSK
7 /19	01/17/19	21	8601	-01 60721	1397 BSK ANALYTICAL L		120.00	-120.00	ACCOUNT CIP #450-4310BSK
7 /19	01/17/19	21	8601	-01 60721	1397 BSK ANALYTICAL L		120.00	-120.00	ACCOUNT CIP #450-4310BSK
7 /19	01/17/19	21	8601	-01 60721	1397 BSK ANALYTICAL L		120.00	-120.00	ACCOUNT CIP #450-4310BSK
7 /19	01/17/19	21	8601	-01 60721	1397 BSK ANALYTICAL L		120.00	-120.00	ACCOUNT CIP #450-4310BSK
7 /19	01/17/19	21	8601	-01 60721	1397 BSK ANALYTICAL L		120.00	-120.00	ACCOUNT CIP #450-4310BSK
7 /19	01/17/19	21	8601	-01 60721	1397 BSK ANALYTICAL L		120.00	-120.00	ACCOUNT CIP #450-4310BSK
7 /19	01/17/19	21	8601	-01 60721	1397 BSK ANALYTICAL L		120.00	-120.00	ACCOUNT CIP #450-4310BSK
7 /19	01/17/19	21	8601	-01 60721	1397 BSK ANALYTICAL L		120.00	-120.00	ACCOUNT CIP #450-4310BSK
7 /19	01/17/19	21	8601	-01 60721	1397 BSK ANALYTICAL L		120.00	-120.00	ACCOUNT CIP #450-4310BSK
7 /19	01/17/19	21	8601	-01 60721	1397 BSK ANALYTICAL L		120.00	-120.00	ACCOUNT CIP #450-4310BSK
7 /19	01/17/19	21	8601	-01 60721	1397 BSK ANALYTICAL L		120.00	-120.00	ACCOUNT CIP #450-4310BSK
7 /19	01/17/19	21	8601	-01 60721	1397 BSK ANALYTICAL L		120.00	-120.00	ACCOUNT CIP #450-4310BSK
7 /19	01/17/19	21	8601	-01 60721	1397 BSK ANALYTICAL L		120.00	-120.00	ACCOUNT CIP #450-4310BSK
7 /19	01/17/19	21	8601	-01 60721	1397 BSK ANALYTICAL L		120.00	-120.00	ACCOUNT CIP #450-4310BSK
7 /19	01/17/19	21	8601	-01 60721	1397 BSK ANALYTICAL L		120.00	-120.00	ACCOUNT CIP #450-4310BSK
7 /19	01/17/19	21	8601	-01 60721	1397 BSK ANALYTICAL L		120.00	-120.00	ACCOUNT CIP #450-4310BSK
7 /19	01/17/19	21	8601	-01 60721	1397 BSK ANALYTICAL L		120.00	-120.00	ACCOUNT CIP #450-4310BSK
7 /19	01/17/19	21	8601	-01 60721	1397 BSK ANALYTICAL L		120.00	-120.00	ACCOUNT CIP #450-4310BSK
7 /19	01/17/19	21	8601	-01 60721	1397 BSK ANALYTICAL L		120.00	-120.00	ACCOUNT CIP #450-4310BSK
7 /19	01/17/19	21	8601	-01 60721	1397 BSK ANALYTICAL L		120.00	-120.00	ACCOUNT CIP #450-4310BSK
7 /19	01/17/19	21	8601	-01 60721	1397 BSK ANALYTICAL L		120.00	-120.00	ACCOUNT CIP #450-4310BSK
7 /19	01/17/19	21	8601	-01 60721	1397 BSK ANALYTICAL L		120.00	-120.00	ACCOUNT CIP #450-4310BSK
7 /19	01/17/19	21	8601	-01 60721	1397 BSK ANALYTICAL L		120.00	-120.00	ACCOUNT CIP #450-4310BSK
7 /19	01/17/19	21	8601	-01 60721	1397 BSK ANALYTICAL L		120.00	-120.00	ACCOUNT CIP #450-4310BSK
7 /19	01/17/19	21	8601	-01 60721	1397 BSK ANALYTICAL L		120.00	-120.00	ACCOUNT CIP #450-4310BSK
7 /19	01/17/19	21	8601	-01 60721	1397 BSK ANALYTICAL L		120.00	-120.00	ACCOUNT CIP #450-4310BSK
7 /19	01/17/19	21	8601	-01 60721	1397 BSK ANALYTICAL L		120.00	-120.00	ACCOUNT CIP #450-4310BSK
7 /19	01/17/19	21	8601	-01 60721	1397 BSK ANALYTICAL L		120.00	-120.00	ACCOUNT CIP #450-4310BSK
7 /19	01/17/19	21	8601	-01 60721	1397 BSK ANALYTICAL L		120.00	-120.00	ACCOUNT CIP #450-4310BSK
7 /19	01/17/19	21	8601	-01 60721	1397 BSK ANALYTICAL L		120.00	-120.00	ACCOUNT CIP #450-4310BSK
7 /19	01/17/19	21	8601	-01 60721	1397 BSK ANALYTICAL L		120.00	-120.00	ACCOUNT CIP #450-4310BSK
7 /19	01/17/19	21	8601	-01 60721	1397 BSK ANALYTICAL L		120.00	-120.00	ACCOUNT CIP #450-4310BSK
7 /19	01/17/19	21	8601	-01 60721	1397 BSK ANALYTICAL L		120.00	-120.00	ACCOUNT CIP #450-4310BSK
7 /19	01/17/19	21	8601	-01 60721	1397 BSK ANALYTICAL L		120.00	-120.00	ACCOUNT CIP #450-4310BSK
7 /19	01/17/19	21	8601	-01 60721	1397 BSK ANALYTICAL L		120.00	-120.00	ACCOUNT CIP #450-4310BSK
7 /19	01/17/19	21	8601	-01 60721	1397 BSK ANALYTICAL L		120.00	-120.00	ACCOUNT CIP #450-4310BSK
7 /19	01/17/19	21	8601	-01 60721	1397 BSK ANALYTICAL L		120.00	-120.00	ACCOUNT CIP #450-4310BSK
7 /19	01/17/19	21	8601	-01 60721	1397 BSK ANALYTICAL L		120.00	-120.00	ACCOUNT CIP #450-4310BSK
7 /19	01/17/19	21	8601	-01 60721	1397 BSK ANALYTICAL L		120.00	-120.00	ACCOUNT CIP #450-4310BSK
7 /19	01/17/19	21	8601	-01 60721	1397 BSK ANALYTICAL L		120.00	-120.00	ACCOUNT CIP #450-4310BSK
7 /19	01/17/19	21	8601	-01 60721	1397 BSK ANALYTICAL L		120.00	-120.00	ACCOUNT CIP #450-4310BSK
7 /19	01/17/19	21	8601	-01 60721	1397 BSK ANALYTICAL L		120.00	-120.00	ACCOUNT CIP #450-4310BSK
7 /19	01/17/19	21	8601	-01 60721	1397 BSK ANALYTICAL L		120.00	-120.00	ACCOUNT CIP #450-4310BSK
7 /19	01/17/19	21	8601	-01 60721	1397 BSK ANALYTICAL L		120.00	-120.00	ACCOUNT CIP #450-4310BSK
7 /19									

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CITY OF LEMOORE
EXPENDITURE TRANSACTION ANALYSIS

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SELECTION CRITERIA: transact.fund between '001' and '300' and transact.batch='HB011819'
ACCOUNTING PERIOD: 7/19

FUND - 050 - WATER
BUDGET UNIT - 4250 - WATER

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4350									
4350									REPAIR/MAINT SERVICES
7 /19	01/17/19	21	8936	-01 60715	6153 AEGIS GROUNDWATE		400.00	-400.00	PROJECT MANAGEMENT
7 /19	01/17/19	21	8936	-02 60715	6153 AEGIS GROUNDWATE		2,100.00	-2,100.00	DATA GATHERING
7 /19	01/17/19	21	8936	-03 60715	6153 AEGIS GROUNDWATE		135.00	-135.00	ADMINISTRATIVE SUPPORT/DA
TOTAL						.00	2,635.00	-2,635.00	
TOTAL						.00	14,636.37	-10,531.00	

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SELECTION CRITERIA: transact.fund between '001' and '300' and transact.batch='HB011819'
ACCOUNTING PERIOD: 7/19

FUND - 050 - WATER
BUDGET UNIT - 4251 - UTILITY OFFICE

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4340									
7 /19	01/17/19	21		60718	5516 AT&T		90.23	.00	939-103-6913
TOTAL						.00	90.23	.00	
TOTAL						.00	90.23	.00	
TOTAL						.00	14,726.60	-10,531.00	

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SELECTION CRITERIA: transact.fund between '001' and '300' and transact.batch='HB011819'
ACCOUNTING PERIOD: 7/19

FUND - 056 - REFUSE
BUDGET UNIT - 4256 - REFUSE

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4140									
7 /19	01/17/19	21		60719	6800 AUL HEALTH BENEF		125.00	.00	GARCIA, DAN
TOTAL						.00	125.00	.00	
4220									
7 /19	01/17/19	21		60727	6405 EINERSON'S PREPR		303.84	.00	DRIVER INSPECTION FOR
TOTAL						.00	303.84	.00	
4310									
7 /19	01/17/19	21		60734	5814 CITY OF HANFORD		3,666.29	.00	DISPATCH JAN 19
TOTAL						.00	3,666.29	.00	
4340									
7 /19	01/17/19	21		60718	5516 AT&T		2.06	.00	939-103-4007
TOTAL						.00	2.06	.00	
TOTAL						.00	4,097.19	.00	
TOTAL						.00	4,097.19	.00	

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SELECTION CRITERIA: transact.fund between '001' and '300' and transact.batch='HB011819'
ACCOUNTING PERIOD: 7/19

FUND - 060 - SEWER& STORM WTR DRAINAGE
BUDGET UNIT - 4260 - SEWER

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4300									
7 /19	01/17/19	21	8855	-01 60733	5181 HAAKER EQUIPMENT		1,400.00	-1,400.00	SAFETY VISION 4 CAMERA SY
7 /19	01/17/19	21	8855	-02 60733	5181 HAAKER EQUIPMENT		15.20	-100.00	FREIGHT
7 /19	01/17/19	21	8855	-03 60733	5181 HAAKER EQUIPMENT		116.00	-152.00	TAX
7 /19	01/17/19	21	8855	-04 60733	5181 HAAKER EQUIPMENT		2,272.00	-2,272.00	HEC LABOR HOURS
7 /19	01/17/19	21	8855	-05 60733	5181 HAAKER EQUIPMENT		200.00	-200.00	ENV CHARGE/SHOP SUPPLIES
TOTAL					RENTAL/CITY OWNED VEHICLE	.00	4,003.20	-4,124.00	
4310									
7 /19	01/17/19	21		60734	5814 CITY OF HANFORD		3,666.27	.00	DISPATCH JAN 19
7 /19	01/17/19	21	8690	-01 60741	6156 LEPRINO FOODS CO		51,184.50	-51,184.50	WATER DISPOSAL FEES BLANK
TOTAL					PROFESSIONAL CONTRACT SVC	.00	54,850.77	-51,184.50	
4340									
7 /19	01/17/19	21		60718	5516 AT&T		2.06	.00	939-103-4007
7 /19	01/17/19	21		60718	5516 AT&T		41.39	.00	939-103-4010
TOTAL					UTILITIES	.00	43.45	.00	
TOTAL					SEWER	.00	58,897.42	-55,308.50	
TOTAL					SEWER& STORM WTR DRAINAGE	.00	58,897.42	-55,308.50	

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SELECTION CRITERIA: transact.fund between '001' and '300' and transact.batch='HB011819'
ACCOUNTING PERIOD: 7/19

FUND - 160 - 2016 BOND FUND
BUDGET UNIT - 5202 - TTHM PROJECT

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4310									
7 /19	01/17/19	21	8906	-01 60722	2994 CAROLLO ENGINEER		25,347.65	-25,347.65	TTHM DESIGN ENGINEER SERV
7 /19	01/17/19	21	8906	-01 60722	2994 CAROLLO ENGINEER		115,473.61	-115,473.61	TTHM DESIGN ENGINEER SERV
TOTAL						.00	140,821.26	-140,821.26	
TOTAL						.00	140,821.26	-140,821.26	

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SELECTION CRITERIA: transact.fund between '001' and '300' and transact.batch='HB011819'
ACCOUNTING PERIOD: 7/19

FUND - 160 - 2016 BOND FUND
BUDGET UNIT - 5203 - NEW SOUTHEAST WELL

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4310									
7 /19	01/17/19	21	8099	-01 60751	0876 QUAD KNOPF, INC.		61.15	-61.15	L160238 - SOUTHEAST WELL
7 /19	01/17/19	21	8099	-02 60751	0876 QUAD KNOPF, INC.		3,041.92	-3,041.92	L160238 INCREASE FOR ADDI
TOTAL					PROFESSIONAL CONTRACT SVC	.00	3,103.07	-3,103.07	
TOTAL					NEW SOUTHEAST WELL	.00	3,103.07	-3,103.07	
TOTAL					2016 BOND FUND	.00	143,924.33	-143,924.33	

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SELECTION CRITERIA: transact.fund between '001' and '300' and transact.batch='HB011819'
ACCOUNTING PERIOD: 7/19

FUND - 201 - LLMD ZONE 1
BUDGET UNIT - 4851 - LLMD ZONE 1 WESTFIELD

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4825									
7 /19	01/17/19	21	8804	-01	60759		701.93	-701.93	2018 MOWER - BAD BOY 60"
TOTAL						.00	701.93	-701.93	
TOTAL						.00	701.93	-701.93	
TOTAL						.00	701.93	-701.93	

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SELECTION CRITERIA: transact.fund between '001' and '300' and transact.batch='HB011819'
ACCOUNTING PERIOD: 7/19

FUND - 203 - LLMD ZONE 3 SILVA ESTATES
BUDGET UNIT - 4853 - LLMD ZONE 3 SILVA ESTATES

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4825									
7 /19	01/17/19	21	8804	-01	60759		98.09	-98.09	2018 MOWER - BAD BOY 60"
TOTAL					6999 TRACTOR SUPPLY C	.00	98.09	-98.09	
TOTAL					LLMD ZONE 3 SILVA ESTATES	.00	98.09	-98.09	
TOTAL					LLMD ZONE 3 SILVA ESTATES	.00	98.09	-98.09	

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SELECTION CRITERIA: transact.fund between '001' and '300' and transact.batch='HB011819'
ACCOUNTING PERIOD: 7/19

FUND - 205 - LLMD ZONE 5 WILDFLOWER
BUDGET UNIT - 4855 - LLMD ZONE 5 WILDFLOWER

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4825									
7 /19	01/17/19	21	8804	-01 60759	6999 TRACTOR SUPPLY C		16.03	-16.03	2018 MOWER - BAD BOY 60"
TOTAL						.00	16.03	-16.03	
TOTAL						.00	16.03	-16.03	
TOTAL						.00	16.03	-16.03	

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CITY OF LEMOORE
EXPENDITURE TRANSACTION ANALYSIS

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AUDIT11

SELECTION CRITERIA: transact.fund between '001' and '300' and transact.batch='HB011819'
ACCOUNTING PERIOD: 7/19

FUND - 206 - LLMD ZONE 6 CAPISTRANO
BUDGET UNIT - 4856 - LLMD ZONE 6 CAPISTRANO

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4825									
7 /19	01/17/19	21	8804	-01 60759	6999 TRACTOR SUPPLY C		9.40	-9.40	2018 MOWER - BAD BOY 60"
TOTAL						.00	9.40	-9.40	
TOTAL						.00	9.40	-9.40	
TOTAL						.00	9.40	-9.40	

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CITY OF LEMOORE
EXPENDITURE TRANSACTION ANALYSIS

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AUDIT11

SELECTION CRITERIA: transact.fund between '001' and '300' and transact.batch='HB011819'
ACCOUNTING PERIOD: 7/19

FUND - 207 - LLMD ZONE 7 SILVERADO
BUDGET UNIT - 4857 - LLMD ZONE 7 SILVERADO

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4825									
7 /19	01/17/19	21	8804	-01	60759				
TOTAL					6999 TRACTOR SUPPLY C	.00	41.09	-41.09	2018 MOWER - BAD BOY 60"
							41.09	-41.09	
TOTAL					LLMD ZONE 7 SILVERADO	.00	41.09	-41.09	
TOTAL					LLMD ZONE 7 SILVERADO	.00	41.09	-41.09	

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CITY OF LEMOORE
EXPENDITURE TRANSACTION ANALYSIS

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SELECTION CRITERIA: transact.fund between '001' and '300' and transact.batch='HB011819'
ACCOUNTING PERIOD: 7/19

FUND - 208 - LLMD ZONE 8 COUNTY CLUB
BUDGET UNIT - 4858 - LLMD ZONE 8 COUNTY CLUB

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4825									
7 /19	01/17/19	21	8804	-01	60759		26.95	-26.95	2018 MOWER - BAD BOY 60"
TOTAL						.00	26.95	-26.95	
TOTAL						.00	26.95	-26.95	

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CITY OF LEMOORE
EXPENDITURE TRANSACTION ANALYSIS

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AUDIT11

SELECTION CRITERIA: transact.fund between '001' and '300' and transact.batch='HB011819'
ACCOUNTING PERIOD: 7/19

FUND - 208 - LLMD ZONE 8 COUNTY CLUB
BUDGET UNIT - 4858B - LLMD ZONE 8 B PARK

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4825									
7 /19	01/17/19	21	8804	-01 60759	6999 TRACTOR SUPPLY C		44.95	-44.95	2018 MOWER - BAD BOY 60"
TOTAL						.00	44.95	-44.95	
TOTAL						.00	44.95	-44.95	
TOTAL						.00	71.90	-71.90	

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CITY OF LEMOORE
EXPENDITURE TRANSACTION ANALYSIS

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AUDIT11

SELECTION CRITERIA: transact.fund between '001' and '300' and transact.batch='HB011819'
ACCOUNTING PERIOD: 7/19

FUND - 209 - LLMD ZONE 9 LA DANTE ROSE
BUDGET UNIT - 4859 - LLMD ZONE 9 LA DANTE ROSE

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4825									
7 /19	01/17/19	21	8804	-01 60759	6999 TRACTOR SUPPLY C		38.99	-38.99	2018 MOWER - BAD BOY 60"
TOTAL						.00	38.99	-38.99	
TOTAL						.00	38.99	-38.99	
TOTAL						.00	38.99	-38.99	

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CITY OF LEMOORE
EXPENDITURE TRANSACTION ANALYSIS

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SELECTION CRITERIA: transact.fund between '001' and '300' and transact.batch='HB011819'
ACCOUNTING PERIOD: 7/19

FUND - 210 - LLMD ZONE 10 AVALON
BUDGET UNIT - 4860 - LLMD ZONE 10 AVALON

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4825									
7 /19	01/17/19	21	8804	-01 60759	6999 TRACTOR SUPPLY C		135.26	-135.26	2018 MOWER - BAD BOY 60"
TOTAL						.00	135.26	-135.26	
TOTAL						.00	135.26	-135.26	
TOTAL						.00	135.26	-135.26	

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CITY OF LEMOORE
EXPENDITURE TRANSACTION ANALYSIS

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AUDIT11

SELECTION CRITERIA: transact.fund between '001' and '300' and transact.batch='HB011819'
ACCOUNTING PERIOD: 7/19

FUND - 211 - LLMD ZONE 11 SELF HELP EN
BUDGET UNIT - 4861 - LLMD ZONE 11 SELF HELP EN

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4825									
7 /19	01/17/19	21	8804	-01 60759	6999 TRACTOR SUPPLY C		19.67	-19.67	2018 MOWER - BAD BOY 60"
TOTAL						.00	19.67	-19.67	
TOTAL						.00	19.67	-19.67	
TOTAL						.00	19.67	-19.67	

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CITY OF LEMOORE
EXPENDITURE TRANSACTION ANALYSIS

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AUDIT11

SELECTION CRITERIA: transact.fund between '001' and '300' and transact.batch='HB011819'
ACCOUNTING PERIOD: 7/19

FUND - 212 - LLMD ZONE 12 SUMMERWIND
BUDGET UNIT - 4862 - LLMD ZONE 12 SUMMERWIND

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4825									
7 /19	01/17/19	21	8804	-01 60759	6999 TRACTOR SUPPLY C		184.39	-184.39	2018 MOWER - BAD BOY 60"
TOTAL						.00	184.39	-184.39	
TOTAL						.00	184.39	-184.39	
TOTAL						.00	184.39	-184.39	

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CITY OF LEMOORE
EXPENDITURE TRANSACTION ANALYSIS

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AUDIT11

SELECTION CRITERIA: transact.fund between '001' and '300' and transact.batch='HB011819'
ACCOUNTING PERIOD: 7/19

FUND - 213 - LLMD ZONE 13 CORNERSTONE
BUDGET UNIT - 4863 - LLMD ZONE 13 CORNERSTONE

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4825									
7 /19	01/17/19	21	8804	-01	60759		23.36	-23.36	2018 MOWER - BAD BOY 60"
TOTAL					6999 TRACTOR SUPPLY C	.00	23.36	-23.36	
TOTAL					LLMD ZONE 13 CORNERSTONE	.00	23.36	-23.36	
TOTAL					LLMD ZONE 13 CORNERSTONE	.00	23.36	-23.36	
TOTAL					REPORT	.00	393,547.26	-322,579.59	

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CITY OF LEMOORE
REVENUE TRANSACTION ANALYSIS

PAGE NUMBER: 1
AUDIT31

SELECTION CRITERIA: transact.account between '3000' and '3999' and transact.batch='HB011819'
ACCOUNTING PERIOD: 7/19

FUND - 001 - GENERAL FUND
BUDGET UNIT - 001 - GENERAL FUND

ACCOUNT	DATE	T/C	RECEIVE REFERENCE	PAYER/VENDOR	BUDGET	RECEIPTS	RECEIVABLES DESCRIPTION
3681	RECREATION FEES						
7 /19	01/17/19	210	60754	T2302 GENNIFER ROE		-65.00	REFUND SUMMER INDOOR
TOTAL	RECREATION FEES				.00	-65.00	.00
TOTAL	GENERAL FUND				.00	-65.00	.00
TOTAL	GENERAL FUND				.00	-65.00	.00
TOTAL	REPORT				.00	-65.00	.00

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CITY OF LEMOORE
GENERAL LEDGER TRANSACTION ANALYSIS

PAGE NUMBER: 1
AUDIT311

SELECTION CRITERIA: account.acct between '2000' and '2999'AND transact.batch='HB011819'
ACCOUNTING PERIOD: 7/19

FUND - 090 - TRUST & AGENCY

ACCOUNT	DATE	T/C	REFERENCE	VENDOR/PAYER	DEBIT	CREDIT	DESCRIPTION
2020			ACCOUNTS PAYABLE				
7 /19	01/17/19	21	60746	T1924 AURORA NAVARRO		250.00	REFUND CIVIC
7 /19	01/17/19	21	60737	6788 KART		330.00	KART BUS PASSES
TOTAL			ACCOUNTS PAYABLE		.00	580.00	
2300			CUSTOMER DEPOSITS				
7 /19	01/17/19	21	60746	T1924 AURORA NAVARRO	250.00		REFUND CIVIC
TOTAL			CUSTOMER DEPOSITS		250.00	.00	
2313			KART				
7 /19	01/17/19	21	60737	6788 KART	330.00		KART BUS PASSES
TOTAL			KART		330.00	.00	
TOTAL			TRUST & AGENCY		580.00	580.00	
TOTAL REPORT					580.00	580.00	

FY 18/19 Warrant Register 1-25-19

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CITY OF LEMOORE
EXPENDITURE TRANSACTION ANALYSIS

PAGE NUMBER: 1
AUDIT11

SELECTION CRITERIA: transact.fund between '001' and '300' and transact.batch='HB012519'
ACCOUNTING PERIOD: 7/19

FUND - 001 - GENERAL FUND
BUDGET UNIT - 4211 - CITY COUNCIL

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4380									
7 /19	01/24/19	21		60799	6861 MAILFINANCE		1.47	.00	NEOPOST 11/01-01/31
7 /19	01/24/19	21		60799	6861 MAILFINANCE		4.96	.00	NEOPOST 11/01-01/31
TOTAL						.00	6.43	.00	
TOTAL						.00	6.43	.00	

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CITY OF LEMOORE
EXPENDITURE TRANSACTION ANALYSIS

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AUDIT11

SELECTION CRITERIA: transact.fund between '001' and '300' and transact.batch='HB012519'
ACCOUNTING PERIOD: 7/19

FUND - 001 - GENERAL FUND
BUDGET UNIT - 4212 - CITY ATTORNEY

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4380									
7 /19	01/24/19	21		60799	6861 MAILFINANCE		.98	.00	NEOPOST 11/01-01/31
TOTAL						.00	.98	.00	
TOTAL					CITY ATTORNEY	.00	.98	.00	

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CITY OF LEMOORE
EXPENDITURE TRANSACTION ANALYSIS

PAGE NUMBER: 3
AUDIT11

SELECTION CRITERIA: transact.fund between '001' and '300' and transact.batch='HB012519'
ACCOUNTING PERIOD: 7/19

FUND - 001 - GENERAL FUND
BUDGET UNIT - 4213 - CITY MANAGER

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4220			OPERATING	SUPPLIES					
7 /19	01/24/19	21		60800	5396 OFFICE DEPOT		16.18	.00	CHARGER, FAMILY, BLACK
7 /19	01/24/19	21		60800	5396 OFFICE DEPOT		24.81	.00	CHARGER, SYNC/CALCULAT
7 /19	01/24/19	21		60800	5396 OFFICE DEPOT		230.54	.00	ERASER/EXPO/BOARD/BIN
7 /19	01/24/19	21		60800	5396 OFFICE DEPOT		88.29	.00	PAPER, X-9, 11", 20LB, 10
TOTAL			OPERATING	SUPPLIES		.00	359.82	.00	
4340			UTILITIES						
7 /19	01/24/19	21		60814	0116 VERIZON WIRELESS		103.79	.00	12/05/18-01/04/19
TOTAL			UTILITIES			.00	103.79	.00	
TOTAL			CITY MANAGER			.00	463.61	.00	

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CITY OF LEMOORE
EXPENDITURE TRANSACTION ANALYSIS

PAGE NUMBER: 4
AUDIT11

SELECTION CRITERIA: transact.fund between '001' and '300' and transact.batch='HB012519'
ACCOUNTING PERIOD: 7/19

FUND - 001 - GENERAL FUND
BUDGET UNIT - 4214 - CITY CLERK'S OFFICE

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4220									
7 /19	01/24/19	21		60800	5396 OFFICE DEPOT		15.04	.00	BATTERY, ENER, CHARGE
TOTAL						.00	15.04	.00	
4330									
7 /19	01/24/19	21		60796	6080 LEE CENTRAL CALI		116.06	.00	86787-1 12/15/18
7 /19	01/24/19	21		60796	6080 LEE CENTRAL CALI		128.06	.00	86786-1 12/15/18
TOTAL						.00	244.12	.00	
4380									
7 /19	01/24/19	21		60799	6861 MAILFINANCE		.39	.00	NEOPOST 11/01-01/31
TOTAL						.00	.39	.00	
TOTAL					CITY CLERK'S OFFICE	.00	259.55	.00	

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CITY OF LEMOORE
EXPENDITURE TRANSACTION ANALYSIS

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AUDIT11

SELECTION CRITERIA: transact.fund between '001' and '300' and transact.batch='HB012519'
ACCOUNTING PERIOD: 7/19

FUND - 001 - GENERAL FUND
BUDGET UNIT - 4215 - FINANCE

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4310									
7 /19	01/24/19	21	8955	-01 60803	6316 PRICE PAIGE & CO		1,250.00	-1,250.00	AUDIT SERVICES 2018
TOTAL						.00	1,250.00	-1,250.00	
4340									
7 /19	01/24/19	21		60814	0116 VERIZON WIRELESS		25.17	.00	12/05/18-01/04/19
TOTAL						.00	25.17	.00	
4380									
7 /19	01/24/19	21		60799	6861 MAILFINANCE		196.85	.00	NEOPOST 11/01-01/31
TOTAL						.00	196.85	.00	
TOTAL					FINANCE	.00	1,472.02	-1,250.00	

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CITY OF LEMOORE
EXPENDITURE TRANSACTION ANALYSIS

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AUDIT11

SELECTION CRITERIA: transact.fund between '001' and '300' and transact.batch='HB012519'
ACCOUNTING PERIOD: 7/19

FUND - 001 - GENERAL FUND
BUDGET UNIT - 4216 - PLANNING

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4380									
7 /19	01/24/19	21		60799	6861 MAILFINANCE		8.89	.00	NEOPOST 11/01-01/31
TOTAL						.00	8.89	.00	
TOTAL						.00	8.89	.00	

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CITY OF LEMOORE
EXPENDITURE TRANSACTION ANALYSIS

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AUDIT11

SELECTION CRITERIA: transact.fund between '001' and '300' and transact.batch='HB012519'
ACCOUNTING PERIOD: 7/19

FUND - 001 - GENERAL FUND
BUDGET UNIT - 4220 - MAINTENANCE DIVISION

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4220					OPERATING SUPPLIES				
7 /19	01/24/19	21		60813	1547 VERITIV OPERATIN		143.46	.00	FLOOR CLEANER
7 /19	01/24/19	21		60786	0521 GRAINGER		467.24	.00	PUSH BUTTON LOCK, ENTR
TOTAL					OPERATING SUPPLIES	.00	610.70	.00	
4310					PROFESSIONAL CONTRACT SVC				
7 /19	01/24/19	21 8798	-01	60809	6309 SOCIAL VOCATIONA		565.00	-565.00	JANITORIAL BLANKET
7 /19	01/24/19	21 8798	-01	60809	6309 SOCIAL VOCATIONA		3,475.00	-3,475.00	JANITORIAL BLANKET
TOTAL					PROFESSIONAL CONTRACT SVC	.00	4,040.00	-4,040.00	
4340					UTILITIES				
7 /19	01/24/19	21		60814	0116 VERIZON WIRELESS		32.45	.00	12/05/18-01/04/19
TOTAL					UTILITIES	.00	32.45	.00	
TOTAL					MAINTENANCE DIVISION	.00	4,683.15	-4,040.00	

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CITY OF LEMOORE
EXPENDITURE TRANSACTION ANALYSIS

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AUDIT11

SELECTION CRITERIA: transact.fund between '001' and '300' and transact.batch='HB012519'
ACCOUNTING PERIOD: 7/19

FUND - 001 - GENERAL FUND
BUDGET UNIT - 4221 - POLICE

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4220									
7 /19	01/24/19	21		60801	0370 PHIL'S LOCKSMITH		12.89	.00	UNIT 17 & 18 KEYS
7 /19	01/24/19	21	8871	-01 60785	6735 FAAC INCORPORATE		2,400.00	-2,400.00	WRK RECOIL KIT-AT/M4
7 /19	01/24/19	21	8871	-02 60785	6735 FAAC INCORPORATE		299.50	-299.50	CROSSMAN 12G CO2 CARTRIDG
7 /19	01/24/19	21	8871	-03 60785	6735 FAAC INCORPORATE		195.71	-195.71	SALES TAX
7 /19	01/24/19	21	8880	-02 60816	6345 VOHNE LICHE KENN		9,414.78	-10,000.00	DUAL PURPOSE PRE-TRAINED
7 /19	01/24/19	21		60770	3010 THE ANIMAL HOUSE		68.59	.00	EUKANUBA 44#
7 /19	01/24/19	21		60770	3010 THE ANIMAL HOUSE		68.59	.00	EUKANUBA 44#
TOTAL						.00	12,460.06	-12,895.21	
4310									
7 /19	01/24/19	21		60779	4056 COMCAST		562.59	.00	ETHERNET JAN 19
7 /19	01/24/19	21		60791	1250 KINGS CO. SHERIF		1,004.58	.00	18-19 Q2 NTF SHARED
7 /19	01/24/19	21		60794	0772 COUNTY OF KINGS		4,416.15	.00	IT SERVICES DEC 18
7 /19	01/24/19	21		60791	1250 KINGS CO. SHERIF		37,590.47	.00	18-19 Q2 SHELTER
TOTAL						.00	43,573.79	.00	
4320									
7 /19	01/24/19	21	8880	-01 60816	6345 VOHNE LICHE KENN		5,648.86	-6,000.00	DUAL-PURPOSE NARC DOG 6-W
7 /19	01/24/19	21		60816	6345 VOHNE LICHE KENN		150.00	.00	MAINT TRAINING DEC 18
TOTAL						.00	5,798.86	-6,000.00	
4330									
7 /19	01/24/19	21		60794	0772 COUNTY OF KINGS		120.16	.00	PRINT SHOP DEC 18
7 /19	01/24/19	21	8935	-01 60782	6405 EINERSON'S PREPR		1,118.27	-1,118.27	TRAFFIC CITATION BOOKS @
TOTAL						.00	1,238.43	-1,118.27	
4360									
7 /19	01/24/19	21		60808	T1220 MATTHEW SMITH		140.00	.00	PER DIEM
TOTAL						.00	140.00	.00	
4380									
7 /19	01/24/19	21		60775	1817 C.A. REDING COMP		281.30	.00	PD COPIER 12/02-01/01
7 /19	01/24/19	21		60775	1817 C.A. REDING COMP		199.33	.00	PD COPIER 02/01-04/30
7 /19	01/24/19	21		60799	6861 MAILFINANCE		204.26	.00	NEOPOST 11/01-01/31
TOTAL						.00	684.89	.00	
TOTAL						.00	63,896.03	-20,013.48	

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PEI - FUND ACCOUNTING

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CITY OF LEMOORE
EXPENDITURE TRANSACTION ANALYSIS

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AUDIT11

SELECTION CRITERIA: transact.fund between '001' and '300' and transact.batch='HB012519'
ACCOUNTING PERIOD: 7/19

FUND - 001 - GENERAL FUND
BUDGET UNIT - 4222 - FIRE

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4330									
7 /19	01/24/19	21		60782	6405 EINERSON'S PREPR		59.39	.00	BUSINESS CARDS
TOTAL						.00	59.39	.00	
4340									
7 /19	01/24/19	21		60814	0116 VERIZON WIRELESS		46.19	.00	12/05/18-01/04/19
TOTAL						.00	46.19	.00	
4380									
7 /19	01/24/19	21		60799	6861 MAILFINANCE		2.31	.00	NEOPOST 11/01-01/31
TOTAL						.00	2.31	.00	
TOTAL					FIRE	.00	107.89	.00	

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CITY OF LEMOORE
EXPENDITURE TRANSACTION ANALYSIS

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AUDIT11

SELECTION CRITERIA: transact.fund between '001' and '300' and transact.batch='HB012519'
ACCOUNTING PERIOD: 7/19

FUND - 001 - GENERAL FUND
BUDGET UNIT - 4224 - BUILDING INSPECTION

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4340									
7 /19	01/24/19	21		60814	0116 VERIZON WIRELESS		89.80	.00	12/05/18-01/04/19
TOTAL						.00	89.80	.00	
4380									
7 /19	01/24/19	21		60799	6861 MAILFINANCE		.79	.00	NEOPOST 11/01-01/31
TOTAL						.00	.79	.00	
TOTAL						.00	90.59	.00	

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CITY OF LEMOORE
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SELECTION CRITERIA: transact.fund between '001' and '300' and transact.batch='HB012519'
ACCOUNTING PERIOD: 7/19

FUND - 001 - GENERAL FUND
BUDGET UNIT - 4230 - PUBLIC WORKS

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4310									
	7 /19	01/24/19	21	60773	6733 BLACKBURN CONSUL		306.25	.00	TR 839 TESTING DEC 18
	7 /19	01/24/19	21	8945 -01 60815	6930 VIDEO INSPECTION		1,462.50	-1,462.50	TRACT 920 VIDEO INSPECTIO
	7 /19	01/24/19	21	8946 -01 60773	6733 BLACKBURN CONSUL		6,975.25	-6,975.25	TRACT 839 TESTING DEC 201
	7 /19	01/24/19	21	8880 -03 60816	6345 VOHNE LICHE KENN		1,023.86	-1,087.50	SALES TAX
TOTAL					PROFESSIONAL CONTRACT SVC	.00	9,767.86	-9,525.25	
4340									
	7 /19	01/24/19	21		0116 VERIZON WIRELESS		25.76	.00	12/05/18-01/04/19
TOTAL					UTILITIES	.00	25.76	.00	
4380									
	7 /19	01/24/19	21		6861 MAILFINANCE		2.80	.00	NEOPOST 11/01-01/31
TOTAL					RENTALS & LEASES	.00	2.80	.00	
TOTAL					PUBLIC WORKS	.00	9,796.42	-9,525.25	

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SELECTION CRITERIA: transact.fund between '001' and '300' and transact.batch='HB012519'
ACCOUNTING PERIOD: 7/19

FUND - 001 - GENERAL FUND
BUDGET UNIT - 4231 - STREETS

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4380									
7 /19	01/24/19	21		60799	6861 MAILFINANCE		2.31	.00	NEOPOST 11/01-01/31
TOTAL						.00	2.31	.00	
TOTAL						.00	2.31	.00	

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SELECTION CRITERIA: transact.fund between '001' and '300' and transact.batch='HB012519'
ACCOUNTING PERIOD: 7/19

FUND - 001 - GENERAL FUND
BUDGET UNIT - 4242 - RECREATION

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4220					OPERATING SUPPLIES				
7 /19	01/24/19	21		60771	7031 BEST BUY MARKET		5.96	.00	SR POTLUCK
7 /19	01/24/19	21		60771	7031 BEST BUY MARKET		5.96	.00	WINTER DAY CAMP
7 /19	01/24/19	21		60817	0481 MELLANIE WOODCOC		8.48	.00	REIMBURSEMENT SCARVES
7 /19	01/24/19	21		60771	7031 BEST BUY MARKET		28.43	.00	SUPPLIES
7 /19	01/24/19	21		60771	7031 BEST BUY MARKET		17.97	.00	GROCERIES
7 /19	01/24/19	21		60771	7031 BEST BUY MARKET		3.59	.00	WINTER DAY CAMP
7 /19	01/24/19	21		60771	7031 BEST BUY MARKET		9.28	.00	GROCERIES
7 /19	01/24/19	21		60817	0481 MELLANIE WOODCOC		12.33	.00	REIMBURSEMENT PENCILS
7 /19	01/24/19	21		60817	0481 MELLANIE WOODCOC		15.35	.00	REIMBURSEMENT BLADES
7 /19	01/24/19	21		60771	7031 BEST BUY MARKET		19.95	.00	GROCERIES
7 /19	01/24/19	21		60771	7031 BEST BUY MARKET		92.85	.00	VENDING MACHINE PROD
7 /19	01/24/19	21		60771	7031 BEST BUY MARKET		133.86	.00	SODAS
7 /19	01/24/19	21		60802	5829 JONES BOYS, LLC		150.15	.00	K540 POLOS W/LOGO
TOTAL					OPERATING SUPPLIES	.00	504.16	.00	
4310					PROFESSIONAL CONTRACT SVC				
7 /19	01/24/19	21		60810	6283 ERIK SURWILL		176.00	.00	ATTENDANT 12/21-12/31
7 /19	01/24/19	21		60810	6283 ERIK SURWILL		324.00	.00	ATTENDANT 01/01-01/17
7 /19	01/24/19	21		60774	6099 BOCKYN, LLC		250.00	.00	FEB 19 SOFTWARE MAINT
7 /19	01/24/19	21		60812	7060 JUAN URBIETA		72.00	.00	NJB CLEAN UP JAN 19
TOTAL					PROFESSIONAL CONTRACT SVC	.00	822.00	.00	
4340					UTILITIES				
7 /19	01/24/19	21		60814	0116 VERIZON WIRELESS		153.29	.00	12/05/18-01/04/19
7 /19	01/24/19	21		60814	0116 VERIZON WIRELESS		.36	.00	12/05/18-01/04/19
TOTAL					UTILITIES	.00	153.65	.00	
4380					RENTALS & LEASES				
7 /19	01/24/19	21		60799	6861 MAILFINANCE		18.11	.00	NEOPOST 11/01-01/31
TOTAL					RENTALS & LEASES	.00	18.11	.00	
TOTAL					RECREATION	.00	1,497.92	.00	

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SELECTION CRITERIA: transact.fund between '001' and '300' and transact.batch='HB012519'
ACCOUNTING PERIOD: 7/19

FUND - 001 - GENERAL FUND
BUDGET UNIT - 4296 - INFORMATION TECHNOLOGY

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4220									
7 /19	01/24/19	21		60772	7029 CHAD BILLINGSLEY		350.00	.00	REIMBURSEMENT IPAD
TOTAL						.00	350.00	.00	
4310									
7 /19	01/24/19	21		60779	4056 COMCAST		1,687.77	.00	ETHERNET JAN 19
TOTAL						.00	1,687.77	.00	
4380									
7 /19	01/24/19	21		60799	6861 MAILFINANCE		.10	.00	NEOPOST 11/01-01/31
TOTAL						.00	.10	.00	
TOTAL						.00	2,037.87	.00	

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SELECTION CRITERIA: transact.fund between '001' and '300' and transact.batch='HB012519'
ACCOUNTING PERIOD: 7/19

FUND - 001 - GENERAL FUND
BUDGET UNIT - 4297 - HUMAN RESOURCES

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4310					PROFESSIONAL CONTRACT SVC				
7 /19	01/24/19	21		60780	2399 DEPARTMENT OF JU		32.00	.00	FINGERPRINT BACKGROUN
7 /19	01/24/19	21		60811	0809 TAG-AMS, INC.		169.00	.00	DRUG TESTING DEC 18
7 /19	01/24/19	21		60783	6115 EMPLOYEE RELATIO		169.85	.00	BACKGROUND/DRUG TEST
TOTAL					PROFESSIONAL CONTRACT SVC	.00	370.85	.00	
4360					TRAINING				
7 /19	01/24/19	21		60792	6949 KINGS COUNTY EAC		25.00	.00	ANNUAL MEMBERSHIP DUE
7 /19	01/24/19	21		60787	2473 JUDY HOLWELL		17.00	.00	FINAL PER DIEM-J.HOLW
7 /19	01/24/19	21		60807	T2228 KODY ROGERS		3,000.00	.00	REIMBURSEMENT TUITION
TOTAL					TRAINING	.00	3,042.00	.00	
4380					RENTALS & LEASES				
7 /19	01/24/19	21		60799	6861 MAILFINANCE		2.53	.00	NEOPOST 11/01-01/31
TOTAL					RENTALS & LEASES	.00	2.53	.00	
TOTAL					HUMAN RESOURCES	.00	3,415.38	.00	
TOTAL					GENERAL FUND	.00	87,739.04	-34,828.73	

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SELECTION CRITERIA: transact.fund between '001' and '300' and transact.batch='HB012519'
ACCOUNTING PERIOD: 7/19

FUND - 040 - FLEET MAINTENANCE
BUDGET UNIT - 4265 - FLEET MAINTENANCE

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4230					REPAIR/MAINT SUPPLIES				
7 /19	01/24/19	21		60790	2671 KELLER MOTORS		207.05	.00	ARM UPPER
7 /19	01/24/19	21		60790	2671 KELLER MOTORS		443.57	.00	STRUT TEN/ARM LOWER
7 /19	01/24/19	21		60790	2671 KELLER MOTORS		369.21	.00	ARM LOWER/UPPER
7 /19	01/25/19	20		60790	2671 KELLER MOTORS		-207.05	.00	ARM UPPER
7 /19	01/25/19	20		60790	2671 KELLER MOTORS		-369.21	.00	ARM LOWER/UPPER
7 /19	01/25/19	20		60790	2671 KELLER MOTORS		-443.57	.00	STRUT TEN/ARM LOWER
TOTAL					REPAIR/MAINT SUPPLIES	.00	.00	.00	
4340					UTILITIES				
7 /19	01/24/19	21		60814	0116 VERIZON WIRELESS		63.44	.00	12/05/18-01/04/19
TOTAL					UTILITIES	.00	63.44	.00	
4825					MACHINERY & EQUIPMENT				
7 /19	01/24/19	21 8933 -01		60781	7025 DIESEL LAPTOPS,		6,695.00	-6,695.00	TEXA DEALER LEVEL TRUCK D
TOTAL					MACHINERY & EQUIPMENT	.00	6,695.00	-6,695.00	
TOTAL					FLEET MAINTENANCE	.00	6,758.44	-6,695.00	
TOTAL					FLEET MAINTENANCE	.00	6,758.44	-6,695.00	

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SELECTION CRITERIA: transact.fund between '001' and '300' and transact.batch='HB012519'
ACCOUNTING PERIOD: 7/19

FUND - 045 - GOLF COURSE - CITY
BUDGET UNIT - 4245 - GOLF COURSE-CITY

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4000K									
7 /19	01/24/19	21		60805	7003 RAVEN BRAND PROD		49.32	.00	BEEK JERKY
TOTAL						.00	49.32	.00	
4220K									
7 /19	01/24/19	21		60777	6624 CINTAS		50.00	.00	TOWELS/MOPS/GRILL PAD
TOTAL						.00	50.00	.00	
4291									
7 /19	01/24/19	21		60795	6844 KNIGHT GUARD SEC		55.00	.00	ALARM PRO SHOP JAN 19
7 /19	01/24/19	21		60795	6844 KNIGHT GUARD SEC		55.00	.00	ALARM BK SHOP JAN 19
7 /19	01/24/19	21		60795	6844 KNIGHT GUARD SEC		55.00	.00	ALARM GOLF CB JAN 19
TOTAL						.00	165.00	.00	
TOTAL						.00	264.32	.00	
TOTAL						.00	264.32	.00	

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SELECTION CRITERIA: transact.fund between '001' and '300' and transact.batch='HB012519'
ACCOUNTING PERIOD: 7/19

FUND - 050 - WATER
BUDGET UNIT - 4250 - WATER

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4340									
7 /19	01/24/19	21		60814	0116 VERIZON WIRELESS		702.42	.00	12/05/18-01/04/19
TOTAL						.00	702.42	.00	
4380									
7 /19	01/24/19	21		60799	6861 MAILFINANCE		3.44	.00	NEOPOST 11/01-01/31
TOTAL						.00	3.44	.00	
TOTAL						.00	705.86	.00	

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SELECTION CRITERIA: transact.fund between '001' and '300' and transact.batch='HB012519'
ACCOUNTING PERIOD: 7/19

FUND - 050 - WATER
BUDGET UNIT - 4251 - UTILITY OFFICE

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4380									
7 /19	01/24/19	21		60799	6861 MAILFINANCE		39.32	.00	NEOPOST 11/01-01/31
TOTAL						.00	39.32	.00	
TOTAL						.00	39.32	.00	
TOTAL						.00	745.18	.00	

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SELECTION CRITERIA: transact.fund between '001' and '300' and transact.batch='HB012519'
ACCOUNTING PERIOD: 7/19

FUND - 056 - REFUSE
BUDGET UNIT - 4256 - REFUSE

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4310									
7 /19	01/24/19	21	8703	-01 60784	6869 MILLENNIUM FUNDI		503.70	-503.70	BLANKET FOR TEMP LABOR 18
7 /19	01/24/19	21	8703	-01 60784	6869 MILLENNIUM FUNDI		560.64	-560.64	BLANKET FOR TEMP LABOR 18
7 /19	01/24/19	21	8703	-01 60784	6869 MILLENNIUM FUNDI		700.80	-700.80	BLANKET FOR TEMP LABOR 18
TOTAL					PROFESSIONAL CONTRACT SVC	.00	1,765.14	-1,765.14	
4340									
7 /19	01/24/19	21		60814	0116 VERIZON WIRELESS		358.55	.00	12/05/18-01/04/19
TOTAL					UTILITIES	.00	358.55	.00	
4380									
7 /19	01/24/19	21		60799	6861 MAILFINANCE		.69	.00	NEOPOST 11/01-01/31
TOTAL					RENTALS & LEASES	.00	.69	.00	
TOTAL					REFUSE	.00	2,124.38	-1,765.14	
TOTAL					REFUSE	.00	2,124.38	-1,765.14	

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SELECTION CRITERIA: transact.fund between '001' and '300' and transact.batch='HB012519'
ACCOUNTING PERIOD: 7/19

FUND - 060 - SEWER& STORM WTR DRAINAGE
BUDGET UNIT - 4260 - SEWER

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4340									
7 /19	01/24/19	21		60814	0116 VERIZON WIRELESS		510.93	.00	12/05/18-01/04/19
TOTAL						.00	510.93	.00	
4350									
7 /19	01/24/19	21		60806	0388 REED ELECTRIC, L		207.00	.00	BLOWN LIFT PUMP MOTOR
TOTAL						.00	207.00	.00	
4380									
7 /19	01/24/19	21		60799	6861 MAILFINANCE		.69	.00	NEOPOST 11/01-01/31
TOTAL						.00	.69	.00	
TOTAL					SEWER	.00	718.62	.00	
TOTAL					SEWER& STORM WTR DRAINAGE	.00	718.62	.00	

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SELECTION CRITERIA: transact.fund between '001' and '300' and transact.batch='HB012519'
ACCOUNTING PERIOD: 7/19

FUND - 090 - TRUST & AGENCY
BUDGET UNIT - 4295 - TRUST & AGENCY

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4430									
7 /19	01/24/19	21		60797	0306 LEMOORE HIGH SCH		37,782.02	.00	IMPACT FEES DEC 18
7 /19	01/24/19	21		60798	0301 LEMOORE UNION SC		45,529.42	.00	IMPACT FEES NOV 18
7 /19	01/24/19	21		60798	0301 LEMOORE UNION SC		53,717.30	.00	IMPACT FEES DEC 18
7 /19	01/24/19	21		60797	0306 LEMOORE HIGH SCH		17,095.85	.00	IMPACT FEES OCT 18
7 /19	01/24/19	21		60798	0301 LEMOORE UNION SC		24,306.34	.00	IMPACT FEES OCT 18
7 /19	01/24/19	21		60797	0306 LEMOORE HIGH SCH		32,023.09	.00	IMPACT FEES NOV 18
TOTAL						.00	210,454.02	.00	
4432									
7 /19	01/24/19	21		60793	5561 KINGS COUNTY TRE		9,836.46	.00	IMPACT FEES OCT 18
TOTAL						.00	9,836.46	.00	
TOTAL						.00	220,290.48	.00	
TOTAL						.00	220,290.48	.00	

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SELECTION CRITERIA: transact.fund between '001' and '300' and transact.batch='HB012519'
ACCOUNTING PERIOD: 7/19

FUND - 251 - PFMD ZONE 1
BUDGET UNIT - 4871 - PFMD ZONE 1

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4310									
7 /19	01/24/19	21	8720	-03 60778	6459 CLEAN CUT LANDSC		724.33	-724.33	PFMD ZONE 1
TOTAL						.00	724.33	-724.33	
TOTAL						.00	724.33	-724.33	
TOTAL						.00	724.33	-724.33	

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SELECTION CRITERIA: transact.fund between '001' and '300' and transact.batch='HB012519'
ACCOUNTING PERIOD: 7/19

FUND - 254 - PFMD ZONE 4
BUDGET UNIT - 4874 - PFMD ZONE 4

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4310									
7 /19	01/24/19	21	8720	-02 60778	6459 CLEAN CUT LANDSC		381.66	-381.66	PFMD ZONE 4
TOTAL						.00	381.66	-381.66	
TOTAL						.00	381.66	-381.66	
TOTAL						.00	381.66	-381.66	

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SELECTION CRITERIA: transact.fund between '001' and '300' and transact.batch='HB012519'
ACCOUNTING PERIOD: 7/19

FUND - 255 - PFMD ZONE 5
BUDGET UNIT - 4875 - PFMD ZONE 5

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4310									
7 /19	01/24/19	21	8720	-01 60778	6459 CLEAN CUT LANDSC		1,328.92	-1,328.92	BLANKET PO
TOTAL						.00	1,328.92	-1,328.92	
TOTAL						.00	1,328.92	-1,328.92	
TOTAL						.00	1,328.92	-1,328.92	
TOTAL						.00	1,328.92	-1,328.92	
TOTAL						.00	321,075.37	-45,723.78	

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CITY OF LEMOORE
GENERAL LEDGER TRANSACTION ANALYSIS

PAGE NUMBER: 1
AUDIT311

SELECTION CRITERIA: account.acct between '2000' and '2999'AND transact.batch='HB012519'
ACCOUNTING PERIOD: 7/19

FUND - 001 - GENERAL FUND

ACCOUNT	DATE	T/C	REFERENCE	VENDOR/PAYER	DEBIT	CREDIT	DESCRIPTION
2020			ACCOUNTS PAYABLE				
7 /19	01/24/19	21	60780	2399 DEPARTMENT OF JUSTIC		629.00	FINGERPRINT BACKGROUN
7 /19	01/24/19	21	60804	0384 R.H.F., INC.		77.00	RECERTIFIED TO NHTSA
7 /19	01/24/19	21	60804	0384 R.H.F., INC.		85.33	REPLACED SPEAKER
TOTAL			ACCOUNTS PAYABLE		.00	791.33	
2279			STORED VEH. FINES/TRF.OFF				
7 /19	01/24/19	21	60804	0384 R.H.F., INC.	77.00		RECERTIFIED TO NHTSA
7 /19	01/24/19	21	60804	0384 R.H.F., INC.	85.33		REPLACED SPEAKER
TOTAL			STORED VEH. FINES/TRF.OFF		162.33	.00	
2285			LIVE SCAN DEPOSITS--PD				
7 /19	01/24/19	21	60780	2399 DEPARTMENT OF JUSTIC	629.00		FINGERPRINT BACKGROUN
TOTAL			LIVE SCAN DEPOSITS--PD		629.00	.00	
TOTAL			GENERAL FUND		791.33	791.33	
TOTAL REPORT					791.33	791.33	

SELECTION CRITERIA: transact.batch='RDA0125'
ACCOUNTING PERIOD: 7/19

FUND - 155 - HOUSING AUTHORITY FUND
BUDGET UNIT - 4953 - HOUSING AUTHORITY FUNDS

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION
4310									
7 /19	01/24/19	21	8748	-01 2580	4054 SELF-HELP ENTERP		800.00	-800.00	LOAN PORTFOLIO MANAGEMENT
TOTAL						.00	800.00	-800.00	
TOTAL						.00	800.00	-800.00	
TOTAL						.00	800.00	-800.00	
TOTAL						.00	800.00	-800.00	
TOTAL	REPORT					.00	800.00	-800.00	