



CITY COUNCIL REGULAR MEETING AGENDA

May 26, 2026 at 6:00 PM
Wheatland Community Center
101 C Street, Wheatland, CA 95692

City Council meetings are held in-person and are no longer available via ZOOM.

In compliance with the Americans with Disabilities Act, if you are a disabled person and you need a disability-related modification or accommodation to participate in this meeting, please contact City Hall at (530) 633-2761. Requests must be made as early as possible and at least one full business day before the start of the meeting.

1. OPENING MATTERS

1.1 Call to Order and Roll Call

1.2 Pledge of Allegiance to the Flag

2. PUBLIC COMMENT

At this time, the public is permitted to address the City Council on non-agendized items. Comments should not exceed three (3) minutes. In accordance with State Law, however, no action or discussion may take place on any item not appearing on the posted agenda. The Council may respond to statements made or questions asked or may request Staff to report back at a future meeting concerning the matter. Any member of the public may contact the City Clerk's Office related to the proper procedure to place an item on a future City Council agenda. The exceptions under which the Council may discuss and/or act on items not appearing on the agenda are contained in Government Code §54954.2(b) (1) (2) (3)

3. CONSENT CALENDAR

[3.1](#) Minutes - May 12, 2026

[3.2](#) Consider Adoption of Resolution Authorizing the Fifth Amendment to the Employment Agreement with Bill Zenoni for City Manager Services

4. PUBLIC HEARING

[4.1](#) Introduce and Waive the First Reading of the Proposed Accessory Dwelling Unit Ordinance Amendment

5. PRESENTATIONS

None.

6. REGULAR CALENDAR

[6.1](#) City Council Committee and Board Appointments

[6.2](#) Selection of Vice Mayor

[6.3](#) Proposed Budget for Fiscal Year 2026-27

[6.4](#) Consideration and Adoption of Resolution Authorizing Approval of Memorandum of Understanding Between Yuba County, City of Wheatland and Olivehurst Public Utility District Regarding a Loan for the South County Infrastructure Project

[6.5](#) Consideration and Adoption of Resolution Authorizing Approval of Memorandum of Understanding Between Estom Yumeka Maidu Tribe of the Enterprise Rancheria, Olivehurst Public Utility District and City of Wheatland Regarding a Loan for the South County Infrastructure Project

7. REPORTS

8. CLOSED SESSION

None.

9. ADJOURN

AGENDA POSTING CERTIFICATION

I, Josie Camacho, City Clerk for the City of Wheatland, do hereby declare under penalty of perjury that I caused the above agenda to be posted at City of Wheatland City Hall at 111 C Street, Wheatland, CA 95692 and on the City website at www.wheatland.ca.gov.

Date: May 21, 2026 /s/ Josie Camacho, City Clerk



City Council Regular Meeting Minutes

May 12, 2026 at 6:00 PM
Wheatland Community Center
101 C Street, Wheatland, CA 95692

1. OPENING MATTERS

1.1 Call to Order and Roll Call - **6:00 p.m., All present.**

1.2 Pledge of Allegiance to the Flag - **Performed.**

2. PUBLIC COMMENT - Unidentified person.

3. CONSENT CALENDAR

3.1 Minutes - April 28, 2026

3.2 Receive and File the Quarterly Investment Report for the Quarter Ended March 31, 2026

3.3 Consideration and Adoption of Resolution Authorizing Extension of Expiration Dates of Bids for Regional Sewer Pipeline Project - **Res. 26-19**

3.4 Proclamation Honoring Former Mayor Robert Coe

Motion to approve made by Councilmember B. Abe and Seconded by Councilmember Teter

Ayes: B. Abe, Teter, J. Abe, McIntosh

Noes: None

Abstain: None

Absent: None

Motion passes 4-0-0-0

4. PUBLIC HEARING - None.

5. PRESENTATIONS - None.

6. REGULAR CALENDAR

6.1 Consideration and Adoption of Resolution Making an Appointment to Fill City Council Vacancy - **Res. 26-20**

Motion to appoint David Pesenti made by Councilmember J. Abe and Seconded by Councilmember Teter

Ayes: J. Abe, Teter, B. Abe, McIntosh

Noes: None

Abstain: None

Absent: None

Motion passes 4-0-0-0

David Pesenti was sworn in and took his seat.

6.2 Consideration and Adoption of Resolution Approving Amendments to Wheatland Personnel Rules, Section 10 (Travel Policy) - Res. 26-21

Motion to approve made by Councilmember Teter and Seconded by Councilmember B. Abe

Ayes: Teter, B. Abe, J. Abe, McIntosh

Noes: None

Abstain: Pesenti

Absent: None

Motion passes 4-0-1-0

7. REPORTS

8. CLOSED SESSION - 6:32 p.m.

- 8.1 Anticipated Litigation Update Pursuant to California Government Code Section 54956.9**
- City of Wheatland v. Roberts, et al. (Yuba County Sup. Ct.) No. CVED26-00275
- City of Wheatland v. Royal Lands, et al. (Yuba County Sup. Ct.) No. CVED26-00298
- City of Wheatland v. Lewis Investment Co. (Yuba County Sup. Ct.) No. CVED26-00089
- City of Wheatland v. Garcia, et al. (Yuba County Sup. Ct.) No. CVED26-00172
- City of Wheatland v. Waltz, et al. (Yuba County Sup. Ct.) No. CVED26-00191

Authorize execution of stipulated judgment and settlement agreements as follows:

City of Wheatland v. Roberts, et al. (Yuba County Superior Court) No. CVED26-00275
Settlement Agreement with Roberts
Stipulated Judgment with Roberts
Stipulated Judgment with PG&E

City of Wheatland v. Royal Lands, et al. (Yuba County Superior Court) No. CVED26-00298
Stipulated Judgment with PG&E
Stipulated Judgment with Wheatland Fire Authority

City of Wheatland v. Waltz, et al. (Yuba County Superior Court) No. CVED26-00191
Stipulated Judgment with Sacramento and San Joaquin Drainage District and Central Valley Flood Protection Board
Stipulated Judgment with Tri Counties Bank (*provided the City Attorney determines the final version of the agreement is substantially similar to the draft presented in Closed Session*)

Motion made by Councilmember Teter and Seconded by B. Abe

Ayes: Teter, B. Abe, J. Abe, Pesenti, McIntosh

Noes: None

Abstain: None

Absent: None

Motion passes 5-0-0-0

8.2 Conference with Legal Counsel - Existing Litigation: Pursuant to California Government Code Section 54956.9
Clover Boatright vs. City of Wheatland, etal, Case No. 2:26-CV-00343-CSK

9. ADJOURN - 8:10 p.m.

MINUTES CERTIFICATION

I, Josie Camacho, City Clerk for the City of Wheatland, do hereby declare under penalty of perjury that the above minutes are a true depiction of all actions taken at the City Council meeting held on the first date above written at Wheatland Community Center, 101 C Street, CA 95692.

Date: May 13, 2026 /s/ Josie Camacho, City Clerk



City Council Meeting Staff Report

Meeting Date: May 26, 2026

SUBJECT: Consider Adoption of Resolution Authorizing the Fifth Amendment to the Employment Agreement with Bill Zenoni for City Manager Services

PREPARED BY: Gavin Ralphs, Deputy City Attorney

RECOMMENDATION:

Staff recommends that the Wheatland City Council consider adoption of a resolution authorizing the Fifth Amendment to the employment agreement with Bill Zenoni for City Manager services.

DISCUSSION:

On June 13, 2023, the City Council authorized the execution of an Agreement with Bill Zenoni to provide City Manager services. The term of that agreement ran from June 26, 2023, to June 30, 2024. On July 9, 2024, the City Council ratified the First Amendment to the agreement with Mr. Zenoni, extending the term of the agreement to June 30, 2025. On June 10, 2025, the City Council authorized the Second Amendment to the agreement with Mr. Zenoni, extending the term of the agreement to December 31, 2025. On December 9, 2025, the City Council authorized the Third Amendment to the agreement with Mr. Zenoni, extending the term of the agreement to March 31, 2026. On March 24, 2026, the City Council authorized the Fourth Amendment to the agreement with Mr. Zenoni, extending the term of the agreement to May 31, 2026.

Mr. Zenoni has provided good and valuable services to the City and has indicated his intent to retire. As the recent recruitment effort for a new City Manager failed to produce a viable candidate, the position has been advertised again with the goal of having a new City Manager hired by the end of July. The proposed Fifth Amendment to the agreement with Mr. Zenoni will extend the term of Mr. Zenoni's employment to August 31, 2026. This is one month beyond Mr. Zenoni's anticipated retirement date but would provide an additional several weeks, if needed, to orient the new City Manager. No other changes to the approved employment agreement are proposed.

FISCAL IMPACT:

The City Manager is a budgeted position.

ATTACHMENTS:

1. Resolution
2. Fifth Amendment to Employment Agreement
3. Employment Agreement

Attachment 'A'

RESOLUTION NO. 26-___

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WHEATLAND
AUTHORIZING THE FIFTH AMENDMENT TO THE AGREEMENT WITH BILL ZENONI FOR CITY
MANAGER SERVICES**

WHEREAS, the City Council approved an Employment Agreement (“Agreement”) with Bill Zenoni for City Manager services on June 26, 2023; and

WHEREAS, the City Council ratified the First Amendment to the Agreement with Bill Zenoni on July 9, 2024, extending the term of the Agreement to June 30, 2025; and

WHEREAS, the City Council authorized the Second Amendment to the Agreement with Bill Zenoni on June 10, 2025, extending the term of the Agreement to December 31, 2025; and

WHEREAS, the City Council authorized the Third Amendment to the Agreement with Bill Zenoni on December 9, 2025, extending the term of the Agreement to March 31, 2026; and

WHEREAS, the City Council authorized the Fourth Amendment to the Agreement with Bill Zenoni on March 24, 2026, extending the term of the Agreement to May 31, 2026; and

WHEREAS, Bill Zenoni has done an outstanding job in his role as City Manager; and

WHEREAS, Bill Zenoni has indicated his intent to retire from his position as City Manager for the City of Wheatland; and

WHEREAS, the City Council wishes to authorize the Fifth Amendment to the Agreement with Bill Zenoni extending the termination date of the Agreement to August 31, 2026, to allow the City to identify a new City Manager.

NOW, THEREFORE, BE IT RESOLVED AND DETERMINED by the City Council of the City of Wheatland that:

- A. The foregoing recitals are true and correct.
- B. The City Council of the City of Wheatland hereby authorizes the attached Fifth Amendment to the Employment Agreement with Bill Zenoni.

The foregoing resolution was adopted by the City Council of the City of Wheatland at a regular meeting held on the 26th day of May 2026, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

The foregoing resolution is hereby approved.

Lisa McIntosh, Mayor

ATTEST:

Josie Camacho, City Clerk

**FIFTH AMENDMENT TO AGREEMENT BETWEEN THE CITY OF WHEATLAND
AND BILL ZENONI FOR CITY MANAGER SERVICES**

This Fifth Amendment to the Employment Agreement (“Agreement”) between the City of Wheatland, a municipal corporation (“City”), and Bill Zenoni, an individual (“Zenoni”), collectively the parties (the “Parties”), is made and entered into effective May 26, 2026, and is based on the Recitals and matters set forth herein.

RECITALS

- A. City entered into the Agreement with Zenoni for his services as City Manager of the City, effective June 26, 2023.
- B. City ratified the First Amendment to the Agreement with Zenoni on July 9, 2024, to extend the term of the Agreement to June 30, 2025.
- C. City authorized the Second Amendment to the Agreement with Zenoni on June 10, 2025, to extend the term of the agreement to December 31, 2025.
- D. City authorized the Third Amendment to the Agreement with Zenoni on December 9, 2025, to extend the term of the agreement to March 31, 2026.
- E. City authorized the Fourth Amendment to the Agreement with Zenoni on March 24, 2026, to extend the term of the agreement to May 31, 2026.
- F. In consideration of the good and valuable services that Zenoni has provided for City, the City wishes to extend Zenoni’s employment.

In consideration of the recitals contained herein, the Parties agree to amend the Agreement as follows:

1. **Amendment to Section 2, Term.** Section 2 of the Agreement is hereby amended as follows:

The Agreement shall be extended until August 31, 2026, unless sooner terminated as provided by the termination provisions stated within the Agreement.

Except as specifically modified by the terms of the First Amendment, Second Amendment, Third Amendment, Fourth Amendment and Fifth Amendment, the provisions of the Agreement are unchanged and remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Amendment on the date set forth above.

CITY OF WHEATLAND

BILL ZENONI

Lisa McIntosh, Mayor

Bill Zenoni

Attest:

Josie Camacho, City Clerk

**AGREEMENT BETWEEN THE CITY OF WHEATLAND
AND BILL ZENONI FOR CITY MANAGER SERVICES**

This Agreement (“Agreement”) is made and entered into this 26th day of June, 2023, by and between the City of Wheatland, a municipal corporation (“City”) and Bill Zenoni, an individual (“Zenoni”), collectively, the “Parties”, who agree as follows:

1. **Employment.** City hereby appoints and employs Zenoni as City Manager of the City, and Zenoni hereby accepts such employment, on and subject to the terms and conditions of this Agreement.

2. **Term.** This Agreement shall remain in effect until June 30, 2024 unless sooner terminated as provided by the termination provision below. No later than May 31, 2024, the Parties shall confer and determine whether to extend this Agreement on mutually agreeable terms.

3. **Duties.** Zenoni shall perform those duties and have those responsibilities that are commonly assigned to a city manager of a city in California, and as may be further set forth in the Wheatland Municipal Code. Zenoni also shall perform such other duties and responsibilities as assigned by the City Council from time to time. Zenoni at all times shall act in the best interests of City and perform his duties in a competent and professional manner.

4. **Hours.** Zenoni acknowledges that his position is a part-time, exempt management position. It is anticipated that Zenoni shall work an average of four days per week, with a target of approximately 80% of the hours of an equivalent full-time position. Beginning October 1, 2023, it is agreed that Zenoni shall work an average of three days per week, with a target of approximately 60% of the hours of an equivalent full-time position. However, the Parties acknowledge that time may vary depending on City’s needs. Zenoni shall not engage in any conduct, other employment or business, commercial or professional pursuits, whether for compensation or otherwise, that would interfere with his responsibilities and duties to City or that would reflect unfavorably upon the interests of City.

5. **Compensation.**

(a) For all services to be rendered by Zenoni under this Agreement, City shall provide to Zenoni a salary in the amount of \$105 per hour. The salary shall be paid at the times and in the same manner as other City employees are paid.

(b) Zenoni shall not be compensated for overtime hours worked or otherwise earn or be entitled to compensatory time off for hours worked in excess of eight hours per day or 40 hours per week. Zenoni shall not be entitled to paid time off for holidays.

(c) Zenoni shall accrue vacation and sick leave at the same rate as the City's general employees, but the amount of vacation and sick leave earned by Zenoni will be pro-rated consistent with Zenoni's part-time schedule as set forth in Paragraph 4, Hours.

(d) Zenoni shall be allowed to participate in the City's dental and vision insurance coverage if he chooses. Upon enrolling in the City's dental and vision insurance coverage plan, Zenoni shall pay the necessary premiums for himself and any dependent(s).

(e) Zenoni shall be allowed to participate in the 457 deferred compensation plan established by City under the same terms as City's regular employees are allowed to participate, but Zenoni shall not be eligible for any "matching" contributions by City.

(f) Zenoni's employment shall be governed by the City Personnel Rules and Regulations Manual (City Resolution No. 27-06), as such rules and regulations may be amended by City from time to time; provided, however, that the Manual's employee benefit provisions shall not apply to Zenoni unless provided for in this Agreement. If any term or condition of this Agreement is in conflict with a term or condition in the Personnel Rules and Regulations Manual, the provision in this Agreement shall govern. If any term or condition of this Agreement is inconsistent or in conflict with a federal or state law, the law shall govern.

(g) Because Zenoni's duties require the use of an automobile, City shall reimburse Zenoni for mileage incurred while performing City business (exclusive of commuting mileage) at the current Internal Revenue Service mileage rates. Zenoni shall be required to obtain a rider on his personal automobile insurance naming City as an additional insured, and City shall reimburse Zenoni for any direct expenses related thereto.

(h) City-related direct expenses shall be reimbursed to Zenoni by City. Itemized documentation shall be required for any such reimbursement.

(i) City shall budget for travel and conference expenses and membership in professional organizations, such as ICMA and CCMF, in order for Zenoni to attend official meetings, conferences and occasions reasonably adequate for Zenoni to continue his professional development and to reasonably pursue necessary official and other functions for City. In adopting the budget, City has discretion to set what it deems an appropriate number for attendance at conferences and meetings and membership in professional organizations. Use of such budget shall be at Zenoni's discretion. Authorization for Zenoni to attend or participate in, at City's expense, any travel or conference not included in the annual budget shall be at the discretion of the City Council.

6. Ownership of Documents. Every document, report, study, spreadsheet, worksheet, plan, blueprint, specification, drawing, map, photograph, computer model, computer disk, magnetic tape, CAD data file, computer software and any other writing or thing prepared by Zenoni during the term of his employment (the "Work") shall be the property of City. City shall have the right to use, modify, reuse, reproduce, publish, display, broadcast and distribute the Work and prepare derivative and additional documents or works based on the Work without further compensation to or permission from Zenoni.

7. Termination. This Agreement may be terminated prior to its expiration date in any one of the following ways:

(a) By mutual agreement of the parties, expressed in writing.

(b) By Zenoni, upon giving City not less than 90 days prior written notice of his election to resign from employment and terminate this Agreement.

(c) By the death of Zenoni.

(d) By City, for cause, upon giving to Zenoni written notice of immediate termination. The written notice of termination shall specify: (1) the particular cause(s) and the facts and circumstances justifying the termination of the Agreement for cause, and (2) the opportunity of Zenoni to meet with the City Council on the reasons for his termination. If Zenoni requests a meeting, the meeting will be held at the City Council's earliest convenience in a closed session, unless Zenoni requests an open session. After the meeting, the City Council may affirm, modify or reverse its discretion to terminate for cause. For purposes of this Agreement, the following will justify termination for cause: willful breach of duty; habitual neglect of duty; gross insubordination; conviction of a crime involving moral turpitude; conduct that makes it impossible or impracticable to perform the duties under this Agreement or that seriously impedes City operations; conduct that tends to bring discredit to City; conduct unbecoming an employee in public service; mishandling of City funds; any intentional misrepresentation or fraud in connection with the performance of his duties; theft of City property; violation of law; or a material breach of this Agreement.

(e) By City, without cause, upon giving Zenoni 30 days prior written notice of termination and payment of severance pay in an amount equal to Zenoni's then-monthly salary multiplied by either: (1) one month; or (2) the portion of a month remaining on the current term of this Agreement as of the effective date of the termination, whichever is less.

8. Entire Agreement. The parties intend this writing to be the sole, final, complete, exclusive, and integrated expression and statement of the terms of their contract concerning the subject matter addressed in the Agreement. This Agreement supersedes all prior oral or written negotiations, representations, contracts or other documents that may be related to the subject matter of this Agreement, except those other documents that may be expressly referenced in this Agreement.

9. Notices. Any notice to be given to Zenoni shall be sufficiently served if given to him personally or if deposited in the United States Mail, regular pre-paid mail, addressed to him at his most recent residence address as shown on the Agency payroll records. Any notice to be given to City shall be addressed to the City Council and delivered or mailed to the City Clerk at City Hall.

10. Successors and Assigns. This Agreement is personal to Zenoni. He may not transfer or assign the Agreement or any part of it. Subject to this restriction on transfer and assignment, this Agreement shall bind, and inure to the benefit of, the successors, assigns, heirs and legal representatives of the parties.

11. Amendments. This Agreement may be amended only by a subsequent writing approved and signed by both parties. Any amendment by City must be approved by the City Council at a

noticed public meeting. Individual City Council members do not have the authority, express or implied, to amend, modify, waive, extend or in any way alter this Agreement or the terms and conditions of Zenoni's employment.

12. **Waiver.** The waiver at any time by either party of its rights with respect to a default or other matter arising in connection with this Agreement shall not be deemed a waiver with respect to any subsequent default or matter.

13. **Construction and Interpretation.** The parties agree and acknowledge that this Agreement has been arrived at through negotiation and that each party has had a full and fair opportunity to revise the terms of this Agreement. Consequently, the normal rule of construction that any ambiguities are to be resolved against the drafting party will not apply in construing or interpreting this Agreement.

14. **Partial Invalidity.** If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions shall nevertheless continue in full force without being impaired or invalidated in any way.

15. **Governing Law and Venue.** Except as otherwise required by law, this Agreement shall be interpreted, governed by, and construed under the laws of the State of California. The County of Yuba will be venue for any state court jurisdiction and the Eastern District of California will be venue for any federal court litigation concerning the enforcement or construction of this Agreement.


CITY OF WHEATLAND

BILL ZENONI


Rick West, Mayor


Bill Zenoni

Attest:


Lisa Thomason, City Clerk



City Council Meeting Staff Report

Meeting Date: May 26, 2026

SUBJECT: Introduce and Waive the First Reading of the Proposed Accessory Dwelling Unit Ordinance Amendment

PREPARED BY: Tim Raney, Community Development Director

RECOMMENDATION:

Staff recommends that the Wheatland City Council conduct a public hearing on proposed amendment to the Wheatland Municipal Code relating to Accessory Dwelling Units, and upon close of the public hearing, introduce and waive the first reading of the ordinance amending Chapter 18.78 and Sections 18.06.010 and 18.60.010 (see Attachment 1). A notice of this public hearing has been published in the local newspaper and has been posted on the City of Wheatland website.

BACKGROUND:

On July 27, 2021, the Wheatland City Council adopted an Ordinance adding new Sections 18.78 to, amending Sections 18.06.010, 18.60.010, and 18.63.040, and repealing Section 18.60.100 and Subdivision (c) of Section 18.60.350 of the Wheatland Municipal Code relating to Accessory Dwelling Units (ADU). Since the adoption of the City’s local ADU ordinance, the City of Wheatland has approved one ADU within the City limits.

In addition, on May 27, 2025, consistent with Assembly Bill (AB) 1332, the Wheatland City Council directed staff to include a link on the City of Wheatland website to the Yuba County Building Department for pre-approved ADU plans. Yuba County currently includes eight pre-approved ADU plans, consisting of two 496-square-foot (sf) options, three 599-sf options, and three 750-sf options. The 750-sf options include two bedrooms and one bathroom, and the 599-sf and 496-sf options include one bedroom and one bathroom. All eight plans could include a smooth stucco or board and batten exterior.

DISCUSSION:

On December 5, 2025, the City of Wheatland received a letter from the California Department of Housing and Community Development (HCD) requesting that the City make updates to the existing ADU requirements (see Attachment 2). Given the numerous changes to State ADU law

since the adoption of the City’s 2021 Ordinance, the current City of Wheatland Municipal Code needed revisions for compliance with the State’s current ADU law. Therefore, staff has prepared the attached ordinance amending multiple sections of the Wheatland Municipal Code. A strike-through and underlined version of the proposed text changes has been included as Attachment 3 to this staff report.

On May 5, 2026, the Wheatland Planning Commission held a public hearing for the proposed ordinance amendment. After discussion, the Wheatland Planning Commission unanimously recommended City Council approval of the proposed ordinance.

CONCLUSION:

Based on the information contained in the staff report, staff recommends that the City Council introduce and waive the first reading of the attached ordinance amending Chapter 18.78 and Sections 18.06.010 and 18.60.010 of the City of Wheatland Municipal Code.

ATTACHMENTS:

- A. Ordinance w/Exhibits

Attachment 'A'

ORDINANCE NO. ____

**AN ORDINANCE OF THE CITY COUNCIL
OF THE CITY OF WHEATLAND, CALIFORNIA,
AMENDING CHAPTER 18.78, SECTION 18.06.010, AND SECTION 18.60.010
OF THE WHEATLAND MUNICIPAL CODE
RELATING TO ACCESSORY DWELLING UNITS**

The City Council of the City of Wheatland does ordain as follows:

SECTION 1. Purpose and Authority. The purpose of this ordinance is to amend Chapter 18.78 and Sections 18.06.010 and 18.60.010 of the Wheatland Municipal Code to ensure compliance with recent changes in California law governing the City’s regulation of accessory dwelling units (“ADUs”). This ordinance is adopted pursuant to Article XI, Section 7 of the California Constitution, Chapter 18.85 of the Wheatland Municipal Code, and other applicable laws.

SECTION 2. Findings.

The City Council finds and determines as follows:

- A. The City of Wheatland administers zoning provisions within the City’s boundaries consistent with the City’s General Plan as provided for in Title 18 of the Wheatland Municipal Code.
- B. Government Code sections 66310 and following, the State ADU law, authorize the City to adopt an ordinance articulating the City’s procedures for and administration of the State ADU law within the City’s boundaries.
- C. On _____, 2026 the City Council held a duly noticed public meeting concerning the adoption of a proposed ordinance to carry out the State ADU law (proposed ADU Ordinance).
- D. The proposed ADU Ordinance is consistent with the policies of the City of Wheatland General Plan and with the Wheatland Municipal Code.
- E. The City Council finds it necessary to pass and implement the proposed ADU Ordinance, and that it will comply with state ADU law as well as promote and protect the public health, safety, comfort, morals, convenience and general welfare of the residents within the City.

SECTION 3. Amendments.

A. Chapter 18.78 of Title 18 of the Wheatland Municipal Code shall be amended as follows:

18.78.020 Applicable zoning districts.

The provisions of this chapter shall be known as the "accessory dwelling unit regulations" and shall apply to all lots zoned to allow residential uses that include an existing or proposed single-family dwelling. ADUs and JADUs may exceed the allowable density for the lot upon which the ADU or JADU is located, and are considered a residential use that is consistent with the existing General Plan and Zoning designation for the lot. An ADU or JADU that contains less than 500 square feet of interior livable space shall not increase assessable space. A homeowner shall be

allowed to create “any of the following”: one converted or attached ADU; one detached, new construction ADU; and one JADU.

18.78.030 Accessory dwelling unit development standards.

The following standards shall apply to the establishment of ADUs:

- A. ADUs within Existing Space. An ADU within an existing space including the primary buildings, attached or detached garage or other accessory buildings shall be permitted ministerially with a building permit regardless of all other standards within the section if complying with:
 - 1. Building and safety codes;
 - 2. Independent exterior access; and
 - 3. Side and rear setbacks sufficient for fire and safety.
- B. Accessory dwelling units are required to comply with the following:
 - 1. The ADU may be rented separate from the primary residence for a minimum of 30 days, but may not be sold or otherwise conveyed separate from the primary residence unless the lot is subdivided pursuant to all applicable laws and local ordinances.
 - 2. The lot is required to be zoned to allow residential uses that include an existing or proposed dwelling.
 - 3. The ADU shall be located on the same lot as the existing dwelling.
 - 4. If there is an existing or proposed primary dwelling, the floor space of an attached ADU shall not exceed fifty percent of the proposed or existing primary dwelling living area or 1,200 square feet, whichever is less.
 - 5. The total area of floor space for a detached ADU shall not exceed 1,200 square feet.
 - 6. A passageway shall not be required in conjunction with the construction of an ADU.
 - 7. No setback shall be required for an existing garage that is converted to an accessory dwelling, and a setback of no more than four feet from the side and rear lot lines shall be required for an ADU that is constructed above a garage.
 - 8. An ADU shall not be required to provide fire sprinklers if they are not required for the primary residence and may employ alternative methods for fire protection.
 - 9. If an ADU is detached, a setback of no more than four feet from the side and rear lot lines shall be required.
 - 10. If an ADU is detached, a five-foot separation between the primary residence and the secondary residence is required.

- 11. ADUs shall not be considered when calculating the maximum lot coverage allowed.
- 12. One additional vehicle parking space shall be required per ADU, except in any of the following instances:
 - a. The accessory dwelling unit is located within one-half mile walking distance of public transit.
 - b. The accessory dwelling unit is located within an architecturally and historically significant historic district.
 - c. The accessory dwelling unit is part of the proposed or existing primary residence or an accessory structure.
 - d. When on-street parking permits are required but not offered to the occupant of the accessory dwelling unit.
 - e. When there is a car share vehicle located within one block of the accessory dwelling unit.
- 13. When a garage or carport structure is demolished in conjunction with the construction of an accessory dwelling unit, no parking replacement spaces shall be required. Any other required on-site parking spaces shall be maintained for the principal unit, and may be located in any configuration on the same lot as the accessory dwelling unit, including, but not limited to, as covered spaces, uncovered spaces, or tandem spaces.
- 14. The City shall not require the applicant to install a new or separate utility connection or impose a related connection fee or capacity charge for ADUs that are contained within an existing residence or accessory buildings.
- 15. The height of a one-story detached ADU shall not exceed 16 feet, and a detached two-story ADU shall not exceed 25 feet.
- 16. Mobile homes do not meet the requirements of an ADU. A manufactured home is permitted as a detached ADU.
- 17. The ADU shall be constructed in accordance with provisions of the latest adopted editions of the building codes.
- 18. Owner occupancy shall not be required for any ADU.
 - i. The rental or leasing of a separate interest ADU in a common interest development shall be allowed, notwithstanding governing documents that otherwise appear to prohibit renting or leasing of a unit, and without regard to the date of the governing documents.
- 19. The ADU shall not be offered for sale apart from the principal unit, except when it meets the qualifications listed under Government Code Section 66341.
- 20. A certificate of occupancy for an accessory dwelling unit shall not be issued before the local agency issues a certificate of occupancy for the primary dwelling, except when the ADU is constructed when City of Wheatland is subject to a proclamation of

a state of emergency made by the Governor, even if the primary dwelling has not yet been issued a certificate of occupancy, if both of the following requirements are met, even if the primary dwelling unit has not yet been issued a certificate of occupancy:

- i. The primary dwelling was substantially damaged or destroyed by an event referenced in the state of emergency proclamation issued by the Governor.
- ii. The accessory dwelling unit has been issued construction permits and has passed all required inspections.

18.78.040 Junior accessory dwelling unit criteria.

The following criteria shall apply to the establishment of JADUs:

- A. A JADU shall be contained entirely within an existing single-family structure.
- B. A JADU shall be located within the walls of an existing or proposed single-family residence.
- C. A JADU shall include its own discrete entrance, separate from the main entrance to the structure. A permitted JADU may include an interior entry to the main living area, and may include a second interior doorway for sound attenuation.
- D. The JADU shall include an efficiency kitchen, which shall include all of the following: sink, cooking appliance, food preparation counter, refrigerator, and storage cabinets that are of reasonable size in relation to the size of JADU.
- E. JADUs have no parking requirement.
- F. The JADU shall not be offered for sale apart from the principal unit. A deed restriction, which shall run with the land, shall be filed with the City and shall include both of the following:
 - 1. A prohibition on the sale of the JADU separate from the sale of the single-family residence, including a statement that the deed restriction may be enforced against future purchasers; and
 - 2. A restriction on the size and attributes of the JADU that conforms with this section.
- G. For the purposes of any fire or life protection ordinance or regulation, JADUs shall not be considered a separate or new dwelling unit. Accordingly, JADUs shall not be required to provide fire sprinklers if they are not required for the primary residence.
- H. For the purposes of providing service for water, sewer, or power, including a connection fee, a JADU shall not be considered a separate or new dwelling unit.
- I. A JADU created under this chapter shall be maintained with the provisions of this chapter and shall not be destroyed or otherwise converted to any other use (including reverting to a portion of the primary residence) except with approval of the Community Development Director. In considering such requests, the Community Development Director shall consider the length of time such permit has been in force, the conditions of approval, the exceptions granted for the permit, and the impact on the City's affordable

housing supply. As a condition of termination, the Community Development Director shall require the owner to make modifications to the property to: (1) comply with current building code requirements and (2) comply with current development standards in effect at the time of the request to terminate the use of the JADU.

- J. If a JADU has shared sanitation facilities with the existing single-family residence, owner-occupancy in the single-family residence is required. The owner may reside in either the remaining portion of the structure or the newly created JADU. Owner-occupancy is not required if the JADU has separate sanitation facilities, or if the owner is another governmental agency, land trust, or housing organization.
- K. The rental of JADUs shall be for a term longer than 30 days.

18.78.050 Permitting requirements.

ADUs and JADUs shall be permitted ministerially, in compliance with this chapter, within 60 days of a completed application. The building official shall determine whether an application for an ADU or JADU is complete and provide written notice of the determination not later than 15 business days after the permitting agency received the application. If the building official determines an application is incomplete, the building official shall provide the applicant with a list of incomplete items and a description of how the application can be made complete in the written notice. The applicant shall be authorized to cure and address the application, as specified, if it is determined that an application is incomplete. An application for the creation of an ADU or JADU shall be deemed approved if the building official has not approved or determined the application is incomplete within 60 days. The building official shall issue a building permit to establish an ADU or JADU in compliance with this chapter if all applicable requirements above are met. The Community Development Director may approve an ADU or JADU that is not in compliance with the above requirements as set forth in the review process below. Homeowners' associations (HOAs), as a third party, shall not influence the approval of an application to create an ADU. No other local ordinance, policy, or regulation shall be the basis for the delay or denial of an ADU or JADU building permit or a use permit under this ordinance.

The building official shall not deny a permit for an unpermitted ADU or JADU that was constructed before January 1, 2020, for building code violations, unless the City of Wheatland makes a finding that correcting the violation is necessary to comply with conditions that would otherwise deem a building substandard.

The building official shall be required to, upon application and approval, delay enforcement against a qualifying substandard ADU for five years to allow the owner to correct the violation, so long as the violation is not a health and safety issue, as determined by the City.

B. Section 18.06.010 of the Wheatland Municipal Code is amended to read as follows:

“Accessory dwelling unit” means an attached or detached dwelling unit which provides complete independent living facilities for one or more persons, with permanent provisions for living, sleeping, eating, cooking, and sanitation sited on the same parcel as the primary dwelling unit.

“Junior accessory dwelling unit” means a unit that is contained entirely within an existing single-family structure and that is no more than 500 square feet of livable space. A junior

accessory dwelling unit may include separate sanitation facilities or may share sanitation facilities with the existing structure.

“Family” means one or more persons living together in a dwelling unit, with common access to, and common use of all living, kitchen, and eating areas within the dwelling unit.

“Livable Space” means a space in a dwelling intended for human habitation, including living, sleeping, eating, cooking, or sanitation.

“Public Transit” means a location, including, but not limited to, a bus stop or train station, where the public may access buses, trains, subways, and other forms of transportation that charge set fares, run on fixed routes, and are available to the public.

C. Section 18.60.010 of the Wheatland Municipal Code is amended to read as follows:

18.60.010 Accessory buildings.

A. In any residential zone district, accessory buildings are permitted, subject to all of the following:

1. Accessory buildings include any buildings that are customarily incidental to a residence and garage including greenhouse, storage shed, studio, pool-house, workshop, detached deck and patio and similar structure that is over 18 inches in height. Buildings with less than 120 square feet of roof area that are less than eight feet in height, are not subject to this section.
2. The number of accessory buildings on any individual lot shall be limited to three.
3. The combined floor area of accessory buildings on any individual lot shall not exceed 1,200 square feet of floor area.
4. The maximum height of any accessory building is 18 feet for a detached ADU on a lot with an existing or proposed single family dwelling unit. An additional two feet in height shall also be allowed to accommodate a roof pitch on the detached ADU that is aligned with the roof pitch of the primary dwelling unit. A maximum height of 25 feet or the height limitation established in the City of Wheatland zoning ordinance that applies to the primary dwelling, whichever is lower, shall be allowed for an ADU that is attached to a primary dwelling.
5. Any accessory building shall have a minimum four-foot separation between the primary residence and/or any other accessory building. Any accessory building shall have a minimum setback four feet from the side and rear lot lines.
6. Accessory buildings shall not be considered when calculating the maximum lot coverage allowed.
7. Accessory buildings that differ from the standards provided above may be approved with a site plan review permit, provided the Community Development Director makes the findings required by Section 18.78.060 of the Wheatland Municipal Code.

B. Accessory buildings may not encroach on any recorded easement.

C. Garden shelters, greenhouses, storage shelters and covered patios are permitted as accessory buildings and need not meet the requirements for Accessory Dwelling Units if they are not proposed to be used for living quarters.

SECTION 4. Exemption from CEQA. The proposed Accessory Dwelling Unit Ordinance is exempt from environmental review pursuant to the California Environmental Quality Act (CEQA) Guidelines section 15305, Minor Alterations in Land Use Limitations.

SECTION 5. Severability. If any section, subsection, sentence, clause, phrase or portion of this ordinance is held by a court of competent jurisdiction to be invalid or unconstitutional, that portion shall be deemed a separate, distinct and independent provision, and the holding shall not affect the validity of the remaining portions of this ordinance.

SECTION 6. Effective Date. This ordinance shall take effect and be enforced thirty (30) days from and after the date of its adoption.

SECTION 7 Posting. Within fifteen (15) days from the date of passage of this ordinance, the City Clerk shall post a copy of it in at least three public places in the City.

The foregoing ordinance was introduced at a regular meeting of the City Council of the City of Wheatland, held on the ____ of _____, 2026, and adopted at a regular meeting, held on the ____ of _____, 2026, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

The foregoing ordinance is hereby approved.

Lisa McIntosh, Mayor

ATTEST:

Josie Camacho, City Clerk

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT**

651 Bannon Street, Suite 400
Sacramento, CA 95811
(916) 263-2911 / FAX (916) 263-7453
www.hcd.ca.gov



December 5, 2025

Tim Rainey
Planning Director
City of Wheatland
111 C Street
Wheatland, CA 95692

Dear Tim Rainey:

RE: City of Wheatland– Accessory Dwelling Unit (ADU) Ordinance Updates – Letter of Technical Assistance

The most recent ADU ordinance on file for Wheatland with the California Department of Housing and Community Development (HCD) is from 2021. Given the numerous changes to State ADU Law since the adoption of the ordinance, the ordinance may be outdated and out of compliance with State ADU Law. If HCD's records are incorrect, and a new ordinance has been adopted, please submit it to the [ADU Portal](#) for HCD's review.

Below are the changes to State ADU Law that have occurred in recent years and may warrant an update to the Wheatland's ADU ordinance:

Updates to the [ADU Handbook \(2025\)](#)

- Clarifies that ADU Law prohibits deed restrictions on ADUs. A deed restriction would be an “additional standard” and thus cannot be imposed on ADUs (Gov. Code, § 66315).
- Clarifies that homeowners' associations (HOAs), as a third party, cannot influence the approval of an application to create an ADU. Third party reviews by an HOA or their representatives or agents would violate State ADU Law. (Gov. Code, § 66315.) No other local ordinances, policies, or regulations may be applied in the approval or denial of an ADU or junior ADU (JADU) permit application (Gov. Code, § 66317, subd. (c)).
- Clarifies that a local agency may not require parking as a condition to permitting a JADU, even when the JADU is converted from an attached garage (Gov. Code, § 66334, subd. (a)).

Changes to ADU Law in 2025:

- Specifies that if a JADU has shared sanitation facilities with the primary structure, owner-occupancy will be required. If the JADU does *not* have shared sanitation facilities, owner-occupancy will *not* be required (Gov. Code, § 66333, subd. (b)).
- Require rental terms for JADUs for terms longer than 30 days (Gov. Code, § 66333, subd. (g)).
- Specifies that if a local agency fails to submit an adopted ADU ordinance to HCD within the 60-day timeline or fails to respond to HCD's findings regarding their ordinance within the 30-day timeline, that ordinance is null and void and the local agency must only apply State ADU Law when permitting ADUs (Gov. Code, § 66326, subd. (d)).
- Revises the definition of a "junior accessory dwelling unit" to require the size of a JADU to be no more than 500 square feet of interior livable space (Gov. Code, § 66313, subd. (d)).
- Revises the limitations on impact fees to, instead, prohibit impact fees upon the development of an ADU that has 750 square feet of interior livable space or less or a JADU that has 500 square feet of interior livable space or less, and to require that any impact fee on an ADU that has more than 750 square feet of interior livable space be charged proportionately in relation to the square footage of the primary dwelling unit (Gov. Code, § 66311.5, subds. (a) – (d)).
- Requires a permitting agency to determine whether an application for an ADU or JADU is complete and provide written notice of the determination not later than 15 business days after the permitting agency received the application (Gov. Code, § 66317, subd. (a)(2)(A)).
- Requires the permitting agency to provide the applicant with a list of incomplete items and a description of how the application can be made complete in the written notice and authorizes the applicant to cure and address the application, as specified, if it is determined that an application is incomplete (Gov. Code, § 66317, subd. (a)(2)(B)).
- Requires the permitting agency to provide a process for the applicant to appeal a denied application, as provided, and requires the permitting agency to provide a final written determination by not later than 60 business days after receipt of the written appeal if a permit application is determined to be incomplete or is denied (Gov. Code, § 66317, subd. (d)(1)).
- Specifies that an ADU or JADU that contains less than 500 square feet of interior livable space does not increase assessable space.
- Revises size limitations to be based on the square footage of interior living space of the ADU (Gov. Code, § 66321, subds. (b)(2)(A), (b)(2)(B), and (b)(3)).
- Specifies the number of allowable ADUs per lot with a proposed or existing single-family dwelling (Gov. Code, § 66323, subd. (a)).

- Clarifies that fire sprinklers are not required for a JADU if the primary residence does not have fire sprinklers and that the addition of a JADU cannot trigger the requirement for fire sprinklers (Gov. Code, § 66323, subd. (d)).
- Adds section 66333.5, which specifies that if a local agency fails to submit an adopted JADU ordinance to HCD within the 60-day timeline or fails to respond to HCD’s findings regarding their ordinance within the 30-day timeline, that ordinance is null and void and the local agency must only apply State ADU Law when processing applications for ADUs.
- Requires a local agency to issue a certificate of occupancy for an ADU constructed in a county that is subject to a proclamation of a state of emergency made by the Governor on or after February 1, 2025, even if the primary dwelling has not yet been issued a certificate of occupancy, if certain requirements are met, including that the primary dwelling was substantially damaged or destroyed by an event referenced in the state of emergency proclamation (Gov. Code, § 66328).
- Creates an exception to areas that fall under the California Coastal Act by requiring a local government or the Coastal Commission, as specified, to either approve or deny a coastal development permit application for an ADU within 60 days of receiving a completed application (Gov. Code, § 66329, subd. (a).)
- Specifies that no reimbursement is required for school service charges, fees, or assessments sufficient to pay for the program or level of service within the meaning of Government Code section 17556 (Gov. Code, § 66329).
- Specifies that reasonable restrictions in covenants, restrictions, and conditions, as described in the Civil Code, shall not include any fees or other financial requirements (Civil Code, § 714.3, subd. (b)).

Changes to ADU Law in 2024:

- SB 477 (Chapter 7, Statutes of 2024) made changes to the numbering of the sections of the Government Code for State ADU and JADU Laws.
- Prohibits a local agency from denying a permit for an unpermitted ADU or JADU that was constructed before January 1, 2020, for building code violations, unless the local agency makes a finding that correcting the violation is necessary to comply with conditions that would otherwise deem a building substandard (Gov. Code, § 66332, subs. (a)-(c)).
- Defines “livable space” as a space in a dwelling intended for human habitation, as the term appears in Government Code sections 66313, subdivision (e), and 66323, subdivision (a)(3)(A).
- Provides that uncovered, off-street parking spaces demolished in conjunction with the construction of an ADU do not need to be replaced (Gov. Code, § 66314, subd. (d)(11)).

- Changes the allowable number of detached ADUs on a lot with an existing multifamily dwelling to eight detached ADUs, provided that the number of ADUs does not exceed the number of existing units on the lot (Gov. Code, § 66323, subd. (a)(4)(A)(ii)).
- Prohibits a local agency from imposing any objective development standards on 66323 Units that are not authorized by the provisions of Government Code section 66323, subdivision (a) (Gov. Code, § 66323, subd. (b)).

Changes to ADU Law in 2023:

- Sunsets a former prohibition on a local agency imposing an owner occupancy requirement on any ADU and instead prohibits a local agency from requiring owner occupancy for an ADU (Gov. Code, § 66315).
- Allows a local agency to adopt a local ordinance to allow the separate conveyance of the primary dwelling unit and ADU(s) as condominiums, subject to certain conditions (Gov. Code, §§ 66340-66342).

Changes to ADU Law in 2021:

- Allows a local agency to permit the separate conveyance of ADUs from the primary dwelling under Government Code section 66341 in certain circumstances.

Changes to ADU Law in 2020:

- Requires that an application for the creation of an ADU or JADU is deemed approved (not just subject to ministerial approval) if the local agency has not approved or denied the completed application within 60 days (Gov. Code, § 66317, subd. (a)).
- Requires ministerial approval of an application for a building permit within a residential or mixed-use zone to create one ADU and one JADU per lot (not one or the other), within the proposed or existing single-family dwelling, if certain conditions are met (Gov. Code, § 66323, subd. (a)(1)(A)).
- Allows for rental or leasing of a separate interest ADU or JADU in a common interest development, notwithstanding governing documents that otherwise appear to prohibit renting or leasing of a unit, and without regard to the date of the governing documents (Civ. Code, §§ 4740, subd. (a); 4741, subd. (a)).
- Allows a homeowner to create “any of the following”: one converted or attached ADU; one detached, new construction ADU; and one JADU (Gov. Code, § 66323, subs. (a)(1)-(2)). More information can be found in HCD’s 2025 ADU Handbook.

Changes to ADU Law in

2019:

- Prohibits a local agency from including requirements on minimum lot size in development standards for ADUs (Gov. Code, § 66314, subd. (b)(1)).
- Allows a local agency to designate areas where ADUs may be located based on the adequacy of water and sewer services, as well as on impacts on traffic flow and public safety (Gov. Code, § 66314, subd. (a)).
- Eliminates all owner occupancy requirements by a local agency for ADUs approved between January 1, 2020, and January 1, 2025 (Gov. Code, § 66315).
- Prohibits a local agency from establishing a maximum size of an ADU of less than 850 square feet, or 1,000 square feet if the ADU contains more than one bedroom and requires approval of a permit to build an ADU of up to 800 square feet (Gov. Code, § 66321, subds. (b)(2), (b)(3)).
- Prohibits a local agency from requiring replacement of off-street parking spaces for ADUs created through the conversion of a garage, carport, or covered parking structure (Gov. Code, § 66314, subd. (d)(11)).
- Reduces the maximum ADU and JADU application review time from 120 days to 60 days (Gov. Code, §§ 66317, subd. (a); 66335, subd. (2)).
- Clarifies that “public transit” includes various means of transportation that charge set fees, run on fixed routes, and are available to the public (Gov. Code, § 66313, subd. (m)).
- Adds impact fee exemptions and limitations based on the size of the ADU. ADUs up to 750 square feet are exempt from impact fees, and ADUs that are 750 square feet or larger may be charged impact fees, but those fees must be proportional in size (by square foot) to fees charged for the primary dwelling unit (Gov. Code, § 66324, subd. (c)(1)).
- Defines of an “accessory structure” to mean a structure that is accessory and incidental to a dwelling on the same lot (Gov. Code, § 66313, subd. (b)).
- Permits JADUs even where a local agency has not adopted an ordinance expressly authorizing them (Gov. Code, § 66320).
- Allows for a permitted JADU to be constructed within the walls of the proposed or existing single-family residence and eliminates the required inclusion of an existing bedroom and an interior entry into the single-family residence (Gov. Code, § 66333, subd. (d)).
- Requires, upon application and approval, a local agency to delay enforcement against a qualifying substandard ADU for five years to allow the owner to correct the violation, so long as the violation is not a health and safety issue, as determined by the enforcement agency (Gov. Code, § 66331; HSC, § 17980.12).

- Makes covenants, conditions, and restrictions that either effectively prohibit or unreasonably restrict the construction or use of an ADU or JADU on a lot zoned for single-family residential use void and unenforceable (Civ. Code, § 4751)).

If an existing ADU ordinance fails to meet the requirements of State ADU Law, the ordinance is “null and void” and the local jurisdiction must apply the standards set forth in State ADU Law until it adopts an ordinance that complies with state law (Gov. Code, § 66316). HCD recommends that a local jurisdiction with a noncompliant ADU ordinance repeal the ordinance to provide clarity for ADU applicants who may otherwise rely on the outdated ordinance.

HCD requests a response by January 4, 2026 with either (1) a description of how the ADU ordinance continues to comply with State ADU Law despite the changes to the law, or (2) a plan and timeline to either repeal the current ordinance or adopt an amended, compliant ordinance and submit it to HCD for review.

If you have any questions or need additional information, please contact Shasta Garcia at Shasta.garcia@hcd.ca.gov.

Sincerely,



Jamie Candelaria
Section Chief, ADU Policy
Housing Accountability Unit

Chapter 18.78ACCESSORY DWELLING UNIT REGULATIONS

Sections:

- 18.78.010 Purpose.
- 18.78.020 Applicable Zoning Districts.
- 18.78.030 Accessory Dwelling Unit Development Standards.
- 18.78.040 Junior Accessory Dwelling Unit Criteria
- 18.78.050 Permitting Requirements.
- 18.78.060 Accessory Dwelling Units Not Complying with Development Standards.

18.78.010 Purpose.

The purpose and objective of this chapter is to contribute needed housing to the community housing stock and establish reasonable standards for the development of accessory dwelling units and junior accessory dwelling units on all lots that already contain one legally created residential unit, consistent with Government Code Section 66310 and following. For purposes of this chapter, an accessory dwelling unit is referred to as an "ADU", and a junior accessory dwelling unit is referred to as a "JADU."

18.78.020 Applicable zoning districts.

The provisions of this chapter shall be known as the "accessory dwelling unit regulations" and shall apply to all lots zoned to allow residential uses that include an existing or proposed single-family dwelling. ADUs and JADUs may exceed the allowable density for the lot upon which the ADU or JADU is located, and are considered a residential use that is consistent with the existing General Plan and Zoning designation for the lot. An ADU or JADU that contains less than 500 square feet of interior livable space shall not increase assessable space. Except as authorized within the portions of existing multi-family dwelling structures, no more than one ADU and one JADU shall be placed on the same lot or parcel. A homeowner shall be allowed to create "any of the following": one converted or attached ADU; one detached, new construction ADU; and one JADU.

18.78.030 Accessory dwelling unit development standards.

The following standards shall apply to the establishment of ADUs:

- A. ADUs within Existing Space. An ADU within an existing space including the primary buildings, attached or detached garage or other accessory buildings shall be permitted ministerially with a building permit regardless of all other standards within the section if complying with:
 1. Building and safety codes;
 2. Independent exterior access; and
 3. Side and rear setbacks sufficient for fire and safety.

B. Accessory dwelling units are required to comply with the following:

1. The ADU may be rented separate from the primary residence for a minimum of 30 days, but may not be sold or otherwise conveyed separate from the primary residence unless the lot is subdivided pursuant to all applicable laws and local ordinances.
2. The lot is required to be zoned to allow residential uses that include an existing or proposed dwelling.
3. The ADU shall be located on the same lot as the existing dwelling.
4. If there is an existing or proposed primary dwelling, the floor space of an attached ADU shall not exceed fifty percent of the proposed or existing primary dwelling living area or 1,200 square feet, whichever is less.
5. The total area of floor space for a detached ADU shall not exceed 1,200 square feet.
6. A passageway shall not be required in conjunction with the construction of an ADU.
7. No setback shall be required for an existing garage that is converted to an accessory dwelling, and a setback of no more than four feet from the side and rear lot lines shall be required for an ADU that is constructed above a garage.
8. An ADU shall not be required to provide fire sprinklers if they are not required for the primary residence and may employ alternative methods for fire protection.
9. If an ADU is detached, a setback of no more than four feet from the side and rear lot lines shall be required.
10. If an ADU is detached, a five-foot separation between the primary residence and the secondary residence is required.
11. ADUs shall not be considered when calculating the maximum lot coverage allowed.
12. One additional vehicle parking space shall be required per ADU, except in any of the following instances:
 - a. The accessory dwelling unit is located within one-half mile walking distance of public transit.

- b. The accessory dwelling unit is located within an architecturally and historically significant historic district.
 - c. The accessory dwelling unit is part of the proposed or existing primary residence or an accessory structure.
 - d. When on-street parking permits are required but not offered to the occupant of the accessory dwelling unit.
 - e. When there is a car share vehicle located within one block of the accessory dwelling unit.
13. When a garage or carport structure is demolished in conjunction with the construction of an accessory dwelling unit, no parking replacement spaces shall be required. Any other required on-site parking spaces shall be maintained for the principal unit, and may be located in any configuration on the same lot as the accessory dwelling unit, including, but not limited to, as covered spaces, uncovered spaces, or tandem spaces.
14. The City shall not require the applicant to install a new or separate utility connection or impose a related connection fee or capacity charge for ADUs that are contained within an existing residence or accessory buildings.
15. The height of a one-story detached ADU shall not exceed 16 feet, and a detached two-story ADU shall not exceed 25 feet.
16. Mobile homes do not meet the requirements of an ADU. A manufactured home is permitted as a detached ADU.
17. The ADU shall be constructed in accordance with provisions of the latest adopted editions of the building codes.
18. Owner occupancy shall not be required for any ADU.
- i. The rental or leasing of a separate interest ADU in a common interest development shall be allowed, notwithstanding governing documents that otherwise appear to prohibit renting or leasing of a unit, and without regard to the date of the governing documents.
19. The ADU shall not be offered for sale apart from the principal unit, except when it meets the qualifications listed under Government Code Section 66341.
20. A certificate of occupancy for an accessory dwelling unit shall not be issued before the local agency issues a certificate of occupancy for the primary dwelling, except when the ADU is constructed when City of Wheatland is subject to a proclamation of a state of emergency made

by the Governor, even if the primary dwelling has not yet been issued a certificate of occupancy, if both of the following requirements are met, even if the primary dwelling unit has not yet been issued a certificate of occupancy:

- i. The primary dwelling was substantially damaged or destroyed by an event referenced in the state of emergency proclamation issued by the Governor.
- ii. The accessory dwelling unit has been issued construction permits and has passed all required inspections.

18.78.040 Junior accessory dwelling unit criteria.

The following criteria shall apply to the establishment of JADUs:

- A. A JADU shall be contained entirely within an existing single-family structure.
- B. A JADU shall be located within the walls of an existing or proposed single-family residence.
- C. A JADU shall include its own discrete entrance, separate from the main entrance to the structure. A permitted JADU may include an interior entry to the main living area, and may include a second interior doorway for sound attenuation.
- D. The JADU shall include an efficiency kitchen, which shall include all of the following: sink, cooking appliance, food preparation counter, refrigerator, and storage cabinets that are of reasonable size in relation to the size of JADU.
- E. JADUs have no parking requirement.
- F. The JADU shall not be offered for sale apart from the principal unit. A deed restriction, which shall run with the land, shall be filed with the City and shall include both of the following:
 - 1. A prohibition on the sale of the JADU separate from the sale of the single-family residence, including a statement that the deed restriction may be enforced against future purchasers; and
 - 2. A restriction on the size and attributes of the JADU that conforms with this section.
- G. For the purposes of any fire or life protection ordinance or regulation, JADUs shall not be considered a separate or new dwelling unit. Accordingly, JADUs

shall not be required to provide fire sprinklers if they are not required for the primary residence.

- H. For the purposes of providing service for water, sewer, or power, including a connection fee, a JADU shall not be considered a separate or new dwelling unit.
- I. A JADU created under this chapter shall be maintained with the provisions of this chapter and shall not be destroyed or otherwise converted to any other use (including reverting to a portion of the primary residence) except with approval of the Community Development Director. In considering such requests, the Community Development Director shall consider the length of time such permit has been in force, the conditions of approval, the exceptions granted for the permit, and the impact on the City's affordable housing supply. As a condition of termination, the Community Development Director shall require the owner to make modifications to the property to: (1) comply with current building code requirements and (2) comply with current development standards in effect at the time of the request to terminate the use of the JADU.
- J. If a JADU has shared sanitation facilities with the existing single-family residence, owner-occupancy in the single-family residence is required. The owner may reside in either the remaining portion of the structure or the newly created JADU. Owner-occupancy is not required if the JADU has separate sanitation facilities, or if the owner is another governmental agency, land trust, or housing organization.
- K. The rental of JADUs shall be for a term longer than 30 days.

18.78.050 Permitting requirements.

ADUs and JADUs shall be permitted ministerially, in compliance with this chapter, within 60 days of a completed application. The building official shall determine whether an application for an ADU or JADU is complete and provide written notice of the determination not later than 15 business days after the permitting agency received the application. If the building official determines an application is incomplete, the building official shall provide the applicant with a list of incomplete items and a description of how the application can be made complete in the written notice. The applicant shall be authorized to cure and address the application, as specified, if it is determined that an application is incomplete. An application for the creation of an ADU or JADU shall be deemed approved if the building official has not approved or determined the application is incomplete within 60 days. The building official shall issue a building permit to establish an ADU or JADU in compliance with this chapter if all applicable requirements above are met. The Community Development Director may approve an ADU or JADU that is not in compliance with the above requirements as set forth in the review process below. Homeowners' associations (HOAs), as a third party, shall not influence the approval of an application to create an ADU. No other local ordinance, policy, or regulation shall be the basis for the delay or denial of an ADU or JADU building permit or a use permit under this ordinance.

The building official shall not deny a permit for an unpermitted ADU or JADU that was constructed before January 1, 2020, for building code violations, unless the City of Wheatland makes a finding that correcting the violation is necessary to comply with conditions that would otherwise deem a building substandard.

The building official shall be required to, upon application and approval, delay enforcement against a qualifying substandard ADU for five years to allow the owner to correct the violation, so long as the violation is not a health and safety issue, as determined by the City.

18.78.060 Accessory dwelling units not complying with development standards.

An ADU or JADU that does not comply with the applicable standards listed in this article may be permitted with a site plan review permit at the discretion of the Community Development Director subject to the findings listed in the section below.

Findings.

1. The project would not be detrimental to the public health and safety.
2. That the project will have no adverse effect upon other properties including unreasonable privacy impacts.
3. That the project is consistent with the objectives and policies of the general plan and that granting the waiver will meet the purposes of this chapter.

To the discretion of the Community Development Director, Planning Commission approval of the site plan review permit may be required for an ADU or JADU that does not comply with the applicable standards listed in this article.

A. Section 18.06.010 of the Wheatland Municipal Code is amended to read as follows:

“Accessory dwelling unit” means an attached or detached dwelling unit which provides complete independent living facilities for one or more persons, with permanent provisions for living, sleeping, eating, cooking, and sanitation sited on the same parcel as the primary dwelling unit.

“Junior accessory dwelling unit” means a unit that is contained entirely within an existing single-family structure and that is no more than 500 square feet of livable space. A junior accessory dwelling unit may include separate sanitation facilities or may share sanitation facilities with the existing structure.

“Family” means one or more persons living together in a dwelling unit, with common access to, and common use of all living, kitchen, and eating areas within the dwelling unit.

“Livable Space” means a space in a dwelling intended for human habitation, including living, sleeping, eating, cooking, or sanitation.

“Public Transit” means a location, including, but not limited to, a bus stop or train station, where the public may access buses, trains, subways, and other forms of transportation that charge set fares, run on fixed routes, and are available to the public.

B. Section 18.60.010 of the Wheatland Municipal Code is amended to read as follows:

18.60.010 Accessory buildings.

A. In any residential zone district, accessory buildings are permitted, subject to all of the following:

1. Accessory buildings include any buildings that are customarily incidental to a residence and garage including greenhouse, storage shed, studio, pool-house, workshop, detached deck and patio and similar structure that is over 18 inches in height. Buildings with less than 120 square feet of roof area that are less than eight feet in height, are not subject to this section.
2. The number of accessory buildings on any individual lot shall be limited to three.
3. The combined floor area of accessory buildings on any individual lot shall not exceed 1,200 square feet of floor area.
4. The maximum height of any accessory building is 1816 feet for a detached ADU on a lot with an existing or proposed single family dwelling unit. An additional two feet in height shall also be allowed to accommodate a roof pitch on the detached ADU that is aligned with the roof pitch of the primary dwelling unit. A maximum height of 25 feet or the height limitation established in the City of Wheatland zoning ordinance that applies to the primary dwelling, whichever is lower, shall be allowed for an ADU that is attached to a primary dwelling.
5. Any accessory building shall have a minimum four-foot separation between the primary residence and/or any other accessory building. Any accessory building shall have a minimum setback four feet from the side and rear lot lines.
6. Accessory buildings shall not be considered when calculating the maximum lot coverage allowed.
7. Accessory buildings that differ from the standards provided above may be approved with a site plan review permit, provided the Community Development Director makes the findings required by Section 18.78.060 of the Wheatland Municipal Code.

B. Accessory buildings may not encroach on any recorded easement.

C. Garden shelters, greenhouses, storage shelters and covered patios are permitted as accessory buildings and need not meet the requirements for Accessory Dwelling Units if they are not proposed to be used for living quarters.



City Council Meeting Staff Report

Meeting Date: May 26, 2026

SUBJECT: City Council Committee and Board Appointments

PREPARED BY: Bill Zenoni, City Manager

RECOMMENDATION:

Staff recommends that the Wheatland City Council discuss and confirm appointments to the City's various committees and boards.

DISCUSSION:

Each year, the City Council makes appointments to various committees and boards after appointment of the Mayor and Vice Mayor. The City Council, on January 13, 2026, determined committee/board appointments for the 2026 calendar year. Prior to his passing, Mayor Bob Coe served on the following nine committees/boards:

<u>Committee/Board</u>	<u>Member/Alternate</u>
Beale Air Force Base	Member
Economic Development Sub-Committee	Member
Regional Sewer Ad-Hoc Committee	Member
Regional Waste Management Authority Board of Directors	Member
South Yuba Transportation Improvement Authority (SYTIA)	Member
Wheatland Fire Authority Board of Directors	Member
Yuba-Sutter Economic Development Corporation Board of Directors	Member
2x2x2 (Wheatland School District)	Member
Government Affairs Committee – Sutter Yuba Homeless Consortium	Alternate

Attached are the 2026 committee and board appointments which were approved by the City Council on January 13, 2026, with Mayor Coe's committee/board appointments highlighted. There is also a vacancy on the Yuba County Historical Resources Commission which could be filled by either a Council member or member of the public.

FISCAL IMPACT:

There is no fiscal impact associated with this item.

ATTACHMENT:

- A. 2026 City Council Committee and Board Members

CITY OF WHEATLAND
2026 COMMITTEE AND BOARD APPOINTMENTS

COMMITTEE/BOARD	COMMITTEE/BOARD MEMBERS		MEETING DATES	STIPEND
	Member	Member Alternate		
Beale Air Force Base	Teter		TBD/As Needed	None
General Plan Ad-Hoc Committee	B. Abe	J. Abe	TBD/As Needed	None
Government Affairs Committee of the Sutter Yuba Homeless Consortium	McIntosh	-	TBD/As Needed	None
Community Communication & Outreach	McIntosh	-	TBD/As Needed	None
Economic Development Sub-Committee		Teter	TBD/As Needed	None
Feather River Air Quality Management District	B. Abe	-	1st Monday of Feb, April, June, Aug, Oct, Dec - 4:00 pm	\$100/mtg
Finance Committee	McIntosh	J. Abe	TBD/As Needed	None
Local Agency Formation Commission	Teter	-	1st Wednesday of Jan, March, May, July, Sept, Nov - 6:00 pm	None
Pool Ad-Hoc-Committee		Teter	TBD/As-Needed	None
Regional Sewer Ad-Hoc Committee	Teter	J. Abe	TBD/As Needed	None
Regional Waste Management Authority	Teter		3rd Thursday of each month - 4:30 pm	\$100/mtg
Sacramento Area Council of Governments (SACOG)	Teter	J. Abe	3rd Thursday of each month - 9:30 am	\$100/mtg
South Yuba Transportation	B. Abe		TBD/As Needed	None
Sutter-Yuba Mosquito & Vector Control District	Joshua Luce	-	2nd Thursday of each month - 4:30 pm	\$100/mtg
Wheatland Fire Authority	McIntosh	Teter	2nd Thursday of each month - 6:00 pm	None
Yuba County/Wheatland Liaison	Mayor	Vice Mayor	TBD/As Needed	None
Yuba-Sutter Economic Development Corporation		B. Abe	1st Friday of Feb, May, Aug, Nov - 7:30 am	None
Yuba County Historical Resources Commission		TBD	2nd Wednesday of each month - 5:30 pm	None
2X2X2 (Wheatland School District)		Teter	TBD/As Needed	None



City Council Meeting Staff Report

Meeting Date: May 26, 2026

SUBJECT: Selection of Vice Mayor

PREPARED BY: Bill Zenoni, City Manager

RECOMMENDATION:

Staff recommends that the Wheatland City Council discuss and confirm the selection of Vice Mayor for the remainder of the 2026 calendar year.

DISCUSSION:

Each year, the City Council selects two council members to serve in the role of Mayor and Vice Mayor. On January 13, 2026, the Wheatland City Council selected Council member Bob Coe to serve as Mayor and Council member Lisa McIntosh to serve as Vice Mayor for the 2026 calendar year. Upon Mayor Coe’s passing in March, Vice Mayor McIntosh assumed the role of Mayor. With the appointment of David Pesenti to fill the vacant City Council seat on May 12, 2026, the City of Wheatland now has a fully constituted council, and it would be appropriate to select a council member to serve in the capacity of Vice Mayor for the remainder of the 2026 calendar year.

FISCAL IMPACT:

There is no fiscal impact associated with this item.

ATTACHMENTS:

None



CITY COUNCIL MEETING STAFF REPORT

Meeting Date: May 26, 2026

SUBJECT: Proposed Budget for Fiscal Year 2026-27

PREPARED BY: Susan Mahoney, Finance Director

RECOMMENDATION:

Staff recommends that Council review and comment on the proposed fiscal year (FY) 2026-27 revenue and expense projections and direct staff to bring back a final budget for adoption at the June 9, 2026 City Council meeting.

DISCUSSION:

The City Council adopts an annual budget for City government operations no later than June 30th for the upcoming fiscal year beginning on July 1st. The revenue and expense projections in this report have been prepared with input from all City Departments. The final budget document, to be presented to Council on June 9th, will include Council input received at the May 26th meeting. A five-year Capital Improvement Program will also be presented at the June 9th meeting.

Budget projections were developed based on the following:

- Existing service levels are maintained.
- State and Federal mandates are funded.
- Necessary maintenance and improvements are funded.
- Memorandums of Understanding with employee unions are funded.

General Fund

The General Fund is the primary fund used by the City. It is used to record the revenue and expenses that are not associated with special-purpose funds. The main revenue sources for the General Fund are sales tax and property tax. The main expenses for the General Fund are administration, police, fire, and parks.

Revenues

- General Fund revenues for Fiscal Year 2026-27 are projected to be \$3,187,725, an increase of \$87,536 (2.8%) over projected revenue for Fiscal year 2025-26. This amount reflects an increase of 3.7% in property tax revenue based on County projections, a slight increase in sales tax revenue (2.5%), and police grant revenue of \$41,700 from the federal COPS Hiring Program.
- \$230,000 transfer from the Supplemental Law Enforcement Service (SLES) fund to the General Fund to offset police costs.

Expenses

- The proposed General Fund budget includes expenditures totaling \$3,336,218. This amount reflects a 3% increase in most operating and salary expenses with the following exceptions:
 - Increased phone costs in all departments due to upgraded phone system.
 - City Council – additional cost for election year.
 - Administration – 25% increase in Liability Insurance cost and additional \$12,000 cost for mandated ADA compliant website software.
 - Police – Increased cost for Arms and Ammunition (cameras, tasers, and associated training and software). One Police Officer position is reclassified to a Sergeant position and a second part-time reserve Police Officer position is added.
 - Fire – 27% increased cost for fire service based on the July 2025 joint powers agreement with the Wheatland Fire Authority.
 - The Public Works Director position is increased from three-quarter time to full-time. One Treatment Plant Operator position is eliminated.
 - Parks – Park expenses are now split into two departments: Parks and Community Center.
- Due to limited revenue, there are no proposed transfers to the City’s Facilities Maintenance Fund or the Vehicle Replacement Fund. These funds are used to pay for General Fund capital expenses.
- Mandated \$80,000 transfer to the Gas Tax Fund for ongoing road maintenance.
- \$50,000 transfer to the Lighting and Landscape Funds for the City’s required “general benefit”.

Fund Balance

- The General Fund ending fund balance at June 30, 2027 is projected to be \$2,903,413, a reduction of \$40,494 from the anticipated fund balance at the beginning of the fiscal year.
- The Self-Insured Retention insurance reserve has been increased to \$50,000 from \$30,000 to match the insurance carrier’s deductible amount.
- All Council approved reserves are fully funded.

Reserve for Uncertainties/Working Capital	\$1,334,487
Reserve for Contingent Sales Tax	401,858
Reserve for Insurance Self Insured Retention	50,000
Unreserved	1,117,068
TOTAL PROJECTED FUND BALANCE	\$2,903,413

General Fund Capital Replacement Funds

Two capital replacement funds were established in Fiscal Year 2024-25, a Facilities Maintenance Fund and a Vehicle Replacement Fund. These two funds were initially funded with contributions from the General Fund. It was anticipated that annual contributions to these two funds would accumulate and provide funding when needed for future facility repairs and replacement of the City’s vehicle fleet to avoid a significant impact to the General Fund in any given year. Due to limited General Fund revenue, no deposits to the two capital replacements funds are proposed for the coming fiscal year.

Facilities Maintenance Fund

- There are no proposed expenditures from this fund.
- Projected fund balance on June 30, 2027 is \$170,214.

Vehicle Replacement Fund

- Staff is proposing two new vehicles be paid from this fund: a police vehicle (\$96,000) and a public works truck (\$60,000).
- Projected fund balance on June 30, 2027 is \$45,906.

Enterprise Funds

An enterprise fund is a self-supporting government fund that sells goods and services to the public for a fee. The City has two enterprise funds: Water and Sewer (Wastewater).

Water Fund

- A 2.75% rate increase as approved by Council in January 2024 is included in the revenue projections.
- Liability insurance expense increased 25%.
- Capital Improvement projects totaling \$535,000 will be paid from fund balance. Proposed projects are:
 - Clean and recoat tank #2 - \$450,000
 - New testing stations - \$20,000
 - Chlorine analyzers - \$60,000
 - Fire pump and hydrant testing - \$5,000
- Projected fund balance on June 30, 2027 is \$2,200,257.

Sewer Fund

- A 2.75% rate increase as approved by Council in January 2024 is included in the revenue projections.
- Liability insurance expense increased 25%.
- Capital Improvement projects totaling \$305,000 will be paid from fund balance. Proposed projects are:
 - Rehab lift stations - \$30,000
 - Malone Pump Station Bar Screen - \$50,000 (budgeted in FY 2025-26 but not completed)
 - Spruce Corkscrew Grinder & Press - \$150,000 (budget in FY 2025-26 but not completed)
 - Collection Inflow and Infiltration - \$75,000
- Projected fund balance on June 30, 2027 is \$1,174,801.

Development Impact Funds

Development impact fees are charges to development projects for the purpose of defraying all or a portion of the cost of public facilities related to the development project.

- There is no projected impact fee revenue in the Development Impact Funds. Revenue amounts for these funds reflect interest earnings only.
- There are no projected expenses in the Development Impact Funds except for:
 - Sewer Collection Impact Fund - expenses totaling \$40,000 are anticipated for engineering services related to the Regional Sewer Pipeline project.
 - Road Circulation Impact Fund – expenses totaling \$30,000 for the McDevitt Traffic Signal Preemption

Special Revenue Funds

Special Revenue Funds account for revenues that are legally or contractually restricted as to how they can be spent.

- All Special Revenue Funds are balanced.
- Transportation funds totaling \$715,000 (Gas Tax, Road Maintenance SB1, and Transportation Development Act TDA) will be used to fund the following projects: Pavement Maintenance; ADA Accessibility; ADA Evaluation Plan; and the Spenceville Culvert Replacement.

Project Funds

The City uses project funds to account for revenues and expenses for special projects that may span multiple years and have various revenue sources.

- Comprehensive Drinking Water – this project is funded by the Yuba Water Agency and should be completed in FY 2026-27.
- Regional Sewer Pipeline – to date, funding for this project has been provided from loans and grants from Yuba Water Agency. Future funding to complete this project is currently being secured.
- SYTIA (South Yuba Transportation Improvement Authority) – Engineering expenses are reimbursed by SYTIA.
- Wheatland Road Complete Streets – Project expenses are fully funded with a Federal Regional Surface Transportation Program grant.
- Wheatland Pavement Maintenance – Project expenses are fully funded with transportation funds.
- General Plan Update – Project expenses are funded with developer contributions and ARPA funds.
- Stormwater Retention Basin and Pumps – This project has been put on hold until FY 2027-28.
- Sidewalk ADA Accessibility - Project expenses are fully funded with transportation funds.
- Storm Water Master Plan – Project expenses are funded with a grant from Yuba Water Agency.
- Spenceville Road Culvert Replacement - Project expenses are fully funded with transportation funds.
- ADA Evaluation and Transition Plan - Project expenses are fully funded with transportation funds.

All Funds Summary

A summary of projected revenues, expenditures, and fund balances for all City funds is attached.

FISCAL IMPACT:

Final budget adoption is scheduled for June 9, 2026. The fiscal impact will be determined from Council direction received at the May 26th meeting.

ATTACHMENTS:

- A. All Funds Summary
- B. General Fund Summary

CITY OF WHEATLAND
FISCAL YEAR 2026-2027

General Fund Summary

	Actual 2024/2025	Adopted Budget 2025/2026	Projected 2025/2026	Proposed Budget 2026/2027
REVENUES				
Taxes	2,303,355	2,233,149	2,226,850	2,286,000
Fees, Charges, and Reimbursements	356,896	342,444	346,650	369,350
Interest Earnings	95,041	90,000	80,000	70,000
Other Revenue	547,911	426,689	446,689	462,375
Total Revenue	3,303,204	3,092,282	3,100,189	3,187,725
EXPENSES				
BY DEPARTMENT				
City Council	28,386	35,862	26,403	45,141
Administration	520,439	484,979	502,475	510,824
Finance	135,761	141,717	117,500	146,621
Community Development	227,226	258,867	210,400	252,068
Police	1,581,014	1,699,378	1,599,400	1,784,249
Fire	307,804	315,499	315,000	400,000
Public Works	100,294	82,423	68,925	81,890
Parks	149,893	107,330	97,400	67,848
Community Center	-	-	-	47,577
Total Expenses by Department	3,050,817	3,126,055	2,937,503	3,336,218
Net Income	252,386	(33,773)	162,686	(148,493)
TRANSFERS IN/(OUT)				
Transfer In - SLES	220,000	220,000	220,000	230,000
Transfer In - Other	43,396			
Transfer Out - Street Maintenance	(75,290)	(80,000)	(80,000)	(80,000)
Transfer Out - Wheatland LLD	(10,233)	(20,000)	(20,000)	(12,000)
Transfer Out - Park Place LLD	(28,203)	(30,000)	(30,000)	(30,000)
Transfer Out - Facilities Maintenance	(50,000)	-	-	-
Transfer Out - Vehicle Replacement	(50,000)	-	-	-
Net Transfers	49,670	90,000	90,000	108,000
Total Increase (Decrease) to Fund	302,056	56,227	252,686	(40,493)
FUND BALANCE				
Beginning Fund Balance	2,389,164	2,389,168	2,691,221	2,943,907
Ending Fund Balance	2,691,221	2,445,395	2,943,907	2,903,413
Reserved for CIRA SIR	50,000	30,000	30,000	50,000
Reserved for Contingent Sales Tax	401,858	401,858	401,858	401,858
Reserve (40% of expenses)	1,220,327	1,250,422	1,175,001	1,334,487
Unreserved	1,019,036	763,115	1,337,047	1,117,068
Ending Fund Balance	2,691,221	2,445,395	2,943,907	2,903,413

All Funds Summary

	Estimated July 1, 2026 Fund Balance	2026-2027 Proposed Budget			Estimated June 30, 2027 Fund Balance
		Revenues	Expenses	Transfers In/(Out)	
<u>General Fund</u>	2,943,907	3,187,725	3,336,218	108,000	2,903,413
<u>Enterprise Funds</u>					
Water (Net Position)	2,562,441	1,535,000	1,897,184	-	2,200,257
Wastewater (Net Position)	1,421,702	1,385,000	1,631,901	-	1,174,801
Water Distribution Impact	358,656	13,000	-	-	371,656
Sewer Collection Impact	5,010,713	200,000	40,000	-	5,170,713
Wastewater Treatment Impact	725,908	27,000	-	-	752,908
<u>Special Revenue Funds</u>					
Street Maintenance (Gas Tax)	169,825	139,900	191,820	55,000	172,905
SB1 Road Maintenance	91,916	122,500	1,100	(130,000)	83,316
Transportation Development Act	129,462	147,317	52,000	(200,000)	24,779
Community Development Block Grant	136,524	80	-	-	136,604
Economic Development	24,541	29,900	29,000	-	25,441
Supplemental Law Enforcement	24,290	233,000	-	(230,000)	27,290
Pumpkin Farm Joint Admission	132,714	98,000	54,729	-	175,986
Wheatland Community Garden	18,656	1,250	500	-	19,406
Wheatland Landscape District	64,791	77,400	87,077	12,000	67,114
Park Place Landscape District	16,654	50,440	76,085	30,000	21,008
Wheatland CFD 2015-1, Caliterra Ranch	229,719	215,000	214,396	-	230,323
Wheatland CFD 2015-2, Heritage Oaks E	(37,928)	-	1,400	-	(39,328)
Facilities Maintenance	164,214	6,000	-	-	170,214
Vehicle & Equipment Replacement	200,906	1,000	156,000	-	45,906
<u>Development Impact Funds</u>					
Bear River Impact	9,915	350	-	-	10,265
Regional Bypass Impact	21,539	700	-	-	22,239
Storm Drainage Impact	171,764	6,000	-	-	177,764
Road Circulation Impact	877,752	32,000	30,000	-	879,752
City Hall Facilities Impact	260,203	9,000	-	-	269,203
Vehicles and Equipment Impact	9,830	350	-	-	10,180
Public Works Facilities Impact	45,563	1,500	-	-	47,063
Law Enforcement Facilities Impact	69,228	2,400	-	-	71,628
Fire Department Facilities Impact	65,815	2,400	-	-	68,215
Parkland Facilities Impact	457,394	17,000	-	-	474,394
Public Meeting Facilities Impact	(43,201)	0	1,500	-	(44,701)
Caliterra Subdivision Impact	3,093,086	95,000	-	-	3,188,086
<u>Project Funds</u>					
Comprehensive Drinking Water	70,000	65,000	135,000	-	-
Regional Sewer Connection	-	2,500,000	2,500,000	-	-
SYTIA	-	10,000	10,000	-	-
Wheatland Road Complete Streets	46,000	232,500	262,500	30,000	46,000
Wheatland Pavement Maintenance	333,771	-	400,000	100,000	33,771
General Plan Update	231,975	-	150,000	-	81,975
Stormwater Retention Basin and Pumps	100,000	-	-	-	100,000
Sidewalk ADA Accessibility Program	60,000	-	60,000	-	-
Storm Water Master Plan	-	645,000	645,000	-	-
Spenceville Road Culvert Replacement	-	-	200,000	200,000	-
ADA Evaluation and Transition Plan	-	-	25,000	25,000	-
TOTALS	20,270,243	11,088,712	12,188,410	-	19,170,543



City Council Meeting Staff Report

Meeting Date: May 26, 2026

SUBJECT: Consideration and Adoption of Resolution Authorizing Approval of Memorandum of Understanding Between Yuba County, City of Wheatland and Olivehurst Public Utility District Regarding a Loan for the South County Infrastructure Project

PREPARED BY: Bill Zenoni, City Manager

RECOMMENDATION:

Staff recommends that the Wheatland City Council consider adoption of a resolution authorizing approval of a Memorandum of Understanding between Yuba County, City of Wheatland and Olivehurst Public Utility District regarding a County loan of up to \$10,000,000 for the South County Infrastructure Project.

DISCUSSION:

The City of Wheatland and Olivehurst Public Utility District, along with Yuba County and Yuba Water Agency have, for the past six years, been working together to develop a regional solution to wastewater treatment needs in South Yuba County. The City of Wheatland’s wastewater treatment plant is aging, has limited treatment capacity to accommodate infill growth and does not meet current environmental standards for disposal of municipal wastewater. A portion of the City’s wastewater treatment plant is located on the river side of the Bear River Levee, which leaves the plant at risk for potential flooding.

The South Yuba County Regional Wastewater Project will result in construction of a wastewater conveyance system from Wheatland to the OPUD wastewater treatment plant. The project has been separated into two segments. The first segment is Wheatland’s responsibility and will transport wastewater from Wheatland up Spenceville Road, Jasper Lane and South Beale Road to Pump Station No. 3 on Rancho Road. The second segment will be managed by OPUD and will continue the pipeline from Pump Station No. 3 to the OPUD wastewater treatment plant. Both Wheatland and OPUD have received bids for their portions of the project and are ready to award contracts once the project financing has been finalized.

The estimated construction cost of this project is \$115.6 million. This regional solution has been endorsed by the State Water Resources Control Board, which has approved a \$75 million grant to fund a major portion of the project. The Board of Directors of the Yuba Water Agency had previously agreed to loan Wheatland and OPUD the remaining funds required to complete construction of the project. However, as a result of the recent catastrophic failure of the penstock at the New Colgate Powerhouse, Yuba Water Agency withdrew its financial support for the construction phase of this project. City of Wheatland and OPUD staff have been diligently working to backfill the resulting funding gap. The Yuba County Board of Supervisors, on April 28, 2026, unanimously approved a Memorandum of

Understanding (MOU) with Wheatland and OPUD wherein the County committed to loan up to \$10 million for the construction phase of the project, subject to Wheatland and OPUD securing the remaining necessary funding. The loan would be repaid by Wheatland and OPUD from future wastewater conveyance capacity fees.

The MOU presented for approval describes how the parties will collectively fund the project. Separate loan agreements between Wheatland and Yuba County and OPUD and Yuba County identifying the loan amount for each agency and the repayment terms will be developed and presented for City Council approval. The attached MOU was approved by the OPUD Board of Directors on May 7, 2026.

FISCAL IMPACT:

There is no direct fiscal impact associated with this action. A loan agreement between the City of Wheatland and Yuba County will be developed which specifies the amount of funds the City will be borrowing and the terms of the loan. This loan agreement will be presented to the City Council for approval.

ATTACHMENTS:

- A. Resolution w/Exhibit

Attachment 'A'

RESOLUTION NO. 26-___

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WHEATLAND
APPROVING A MEMORANDUM OF UNDERSTANDING BETWEEN YUBA COUNTY, CITY OF
WHEATLAND AND OLIVEHURST PUBLIC UTILITY DISTRICT REGARDING A LOAN FOR THE
SOUTH COUNTY INFRASTRUCTURE PROJECT**

WHEREAS, the City of Wheatland’s existing wastewater treatment plant is aging and does not meet current environmental standards for disposal of municipal wastewater; and

WHEREAS, the City of Wheatland and Olivehurst Public Utility District (OPUD), along with Yuba County and Yuba Water Agency have been working together to develop a regional solution to wastewater treatment needs in South Yuba County; and

WHEREAS, the South County Infrastructure Project will result in construction of a wastewater conveyance system from Wheatland to the OPUD wastewater treatment plant; and

WHEREAS, the construction cost of this project is estimated to be \$115.6 million; and

WHEREAS, the State Water Resources Control Board has allocated \$75 million of grant funding for this project, subject to Wheatland and OPUD securing the remaining necessary funds; and

WHEREAS, the Yuba County Board of Directors approved a Memorandum of Understanding between Yuba County, City of Wheatland and OPUD to loan up to \$10 million for the construction of this project, attached hereto as **Exhibit 'A'**.

NOW, THEREFORE, BE IT RESOLVED AND DETERMINED by the City Council of the City of Wheatland that:

- A. The foregoing recitals are true and correct.
- B. The City Council of the City of Wheatland hereby approves the attached Memorandum of Understanding between Yuba County, City of Wheatland and Olivehurst Public Utility District regarding a County loan of up to \$10 million for the South County Infrastructure Project.
- C. The Mayor is authorized to execute the Memorandum of Understanding.

The foregoing resolution was adopted by the City Council of the City of Wheatland at a regular meeting held on the 26th day of May 2026, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

The foregoing resolution is hereby approved.

Lisa McIntosh, Mayor

ATTEST:

Josie Camacho, City Clerk

MEMORANDUM OF UNDERSTANDING

- 1
- 2 This Memorandum of Understanding ("**MOU**") is dated April 28, 2026 and is between
- 3 COUNTY OF YUBA ("**County**"), OLIVEHURST PUBLIC UTILITY DISTRICT ("**OPUD**"), and
- 4 CITY OF WHEATLAND ("**Wheatland**").
- 5 The purpose of this MOU is to set forth how the parties will collectively fund a regional
- 6 wastewater project known as the South County Infrastructure Project (the "**Project**").
- 7 OPUD provides wastewater services within its service area in Yuba County, California.
- 8 OPUD treats wastewater for disposal at the OPUD Wastewater Treatment Plant ("**OPUD**
- 9 **WWTP**"). The OPUD WWTP has available treatment capacity to serve additional future
- 10 connections.
- 11 Wheatland provides wastewater services within its city limits in Yuba County, California.
- 12 Wheatland treats wastewater for disposal at the Wheatland Wastewater Treatment Plant
- 13 ("**Wheatland WWTP**"). The Wheatland WWTP is aging, has limited treatment capacity to
- 14 accommodate additional growth, and does not meet current standards for disposal of
- 15 municipal wastewater. The Wheatland WWTP is also located on the river side of the Bear
- 16 River Levee, leaving the plant vulnerable to potential flood risks.
- 17 In 2019, Wheatland commissioned a Wastewater Treatment Alternatives Analysis report to
- 18 explore options for upgrading the Wheatland WWTP. That report concluded that the most
- 19 feasible option for upgrading the Wheatland WWTP would be to develop facilities to
- 20 convey untreated wastewater to OPUD or a neighboring agency for treatment and
- 21 disposal.
- 22 The parties are proposing a Project to develop a regional wastewater conveyance system
- 23 to serve Wheatland and OPUD. The system would generally include new pump stations
- 24 and pipelines to convey untreated wastewater from Wheatland to OPUD to handle
- 25 Wheatland's wastewater.
- 26 Yuba Water Agency, Wheatland, OPUD, and the County have previously funded aspects of
- 27 the Project's design, construction, engineering and environmental analysis.
- 28 Wheatland and OPUD applied to the State Water Resources Control Board for Project
- 29 funding grants. The State Water Resources Control Board has indicated it intends to make
- 30 a \$75 million award to Wheatland for the Project, but the State Board has not made a final
- 31 grant award.
- 32 County desires to assist in funding the Project in furtherance of the County's General Plan.

1 The parties have completed their obligations under the California Environmental Quality
2 Act ("**CEQA**"). On February 28, 2023, Wheatland certified an Environmental Impact Report
3 for the Project (SCH 2021110022) under CEQA. On April 20, 2023, OPUD certified a
4 Negative Declaration (SCH 2023030233) for the Project.

5 The parties hereby agree:

6 Article 1
7 PROJECT FUNDING

8 1.1. **Project Contracts.** ¶(a) The Project consists of two sets of capital
9 improvements that are expected to be constructed under separate construction contracts
10 and proceed generally concurrently. The two construction contracts and their estimated
11 not-to-exceed costs are:

- 12 (1) Wheatland Pump Station and Pipelines ("**Construction Contract No. 1**"), confirmed
13 by bid to cost \$54,200,000 and further described in Attachment A;
- 14 (2) OPUD Pump Station and Pipelines ("**Construction Contract No. 2**"), estimated to
15 cost \$49,400,000 and further described in Attachment B;
- 16 (3) Construction Management of Contracts No. 1 & 2 estimated at, \$9,000,000 plus a
17 contingency for Contracts No. 1 & 2 of \$3,000,000, generate an estimated total cost
18 of \$115,600,000 and,

19 (b) The parties anticipate that these capital improvement cost estimates
20 will be updated following execution of this MOU. If these updated cost estimates exceed
21 the estimated costs in subsection (a), the parties will meet and confer with each other to
22 prepare and execute the necessary amendments to this MOU to incorporate these
23 updated cost estimates.

24 1.2. **Construction Contract No. 1.** ¶(a) The parties agree that the Construction
25 Contract No. 1 improvements will be funded by the following sources:

- 26 (1) Wheatland will contribute \$5,200,000 from existing cash on hand.
- 27 (2) A portion of the anticipated State Water Resources Control Board grant, subject to
28 the Board making a final grant award and these parties approving one or more
29 grant agreements for the Project.
- 30 (3) A County loan with the total amount available to Contracts No. 1 & 2 not to exceed
31 \$10,000,000. Article 3 states the key material loan terms. This loan amount is subject
32 to reduction if any of the parties generates additional funds from grants or any other
33 available sources available for the Project.

1 (4) Collection of advance payment of conveyance fees paid by private entities that total
2 the amount necessary to meet the funding needed for Contract No. 1 expenses.

3 (b) Wheatland is responsible for designing, constructing, operating, and
4 maintaining the improvements.

5 1.3. **Construction Contract No. 2.** (a) The parties anticipate that the Construction
6 Contract No. 2 improvements will be funded by the following sources:

7 (1) A portion of the anticipated State Water Resources Control Board grant, subject to
8 the Board making a final grant award and these parties approving one or more
9 grant agreements for the Project.

10 (2) A County loan with the total amount available to Contracts No. 1 & 2 not to exceed
11 \$10,000,000. Article 3 states the key material loan terms. This loan amount is subject
12 to reduction if any of the parties generates additional funds from grants or any other
13 available sources available for the Project.

14 (3) Collection of advance payment of conveyance fees paid by private entities that total
15 the amount necessary to meet the funding needed for Contract No. 2 expenses.

16 (b) OPUD is responsible for designing, constructing, operating, and
17 maintaining the improvements, except for the portion of the improvements to be
18 maintained by Wheatland, for which Wheatland will be solely responsible for maintenance.

19 1.4. **Conditions Precedent.** (a) The parties' obligations to fund the Project are
20 expressly subject to the following conditions precedent:

21 (1) the State Water Resources Control Board executing final agreements to award
22 approximately \$75,000,000 in grant funds to OPUD, Wheatland, or both, for the
23 Project;

24 (2) Wheatland's acceptance of a bid or bids for construction of the Construction
25 Contract No. 1 improvements for less than or equal to the parties' estimated
26 construction costs for the improvements;

27 (3) OPUD's acceptance of a bid or bids for construction of the Construction Contract
28 No. 2 improvements for less than or equal to the parties' estimated construction
29 costs for the improvements;

30 (4) execution of the loan agreements described in Article 3;

31 (5) Wheatland and OPUD obtain binding funding commitments (e.g., advance payment
32 of fees, self-funding, grants, or loans) that are collectively sufficient to fund all of the
33 estimated costs of Construction Contracts Nos. 1 and 2.

1 Article 2
2 CONNECTION FEES AND SERVICE CHARGES

3 2.1. **Conveyance Fees.** (a) No later than completion of the Construction Contract
4 No. 1 or 2 improvements, Wheatland and OPUD will adopt and charge new development
5 a connection fee for capacity in the Project’s facilities (conveyance fee). The conveyance
6 fee study supporting the fee will include an analysis allocating the share of the fee that is
7 related to facilities funded by the County loan described in Article 3 and other loans as
8 described in Article 4.

9 (b) No later than completion of the Contract No. 1 improvements,
10 Wheatland will adopt and charge new development a connection fee for capacity in the
11 OPUD WWTP that passes through the connection fee that OPUD will also adopt.

12 2.2. **Increases for County Loan Interest.** Wheatland and OPUD shall update the
13 conveyance fees described in the prior sections to account for any increase in County
14 loans’ interest as described in Article 3.

15 Article 3
16 COUNTY FUNDING

17 3.1. **Terms.** County, OPUD, and Wheatland will negotiate and enter into a loan
18 agreement that includes the following key material terms:

- 19 (1) A loan in an amount that does not exceed \$10,000,000 for construction of
20 Construction Contracts No. 1 and 2;
- 21 (2) Wheatland and OPUD will repay the loan by collecting conveyance fees and
22 transmitting to County the share of fees allocated to facilities funded by the County
23 loan as described in subsection 2.1(a) for Construction Contract No. 1 and 2;
- 24 (3) Wheatland and OPUD shall also repay the loan with any bonds, grants, or any other
25 available funding sources identified by County, OPUD, or Wheatland (including, but
26 not limited to prepaid conveyance connection fees collected pursuant to Section
27 4.2, and funds acquired under the terms of any development agreements entered
28 into by OPUD or Wheatland), subsequently acquired by OPUD or Wheatland that
29 could otherwise have been used to reduce the amount of the County loan if said
30 funds were available to OPUD or Wheatland at the time of the execution of this
31 MOU;
- 32 (4) all the common terms listed in section 3.22.

33 3.2. **Common Terms.** The loan agreements between County, OPUD, and
34 Wheatland will include the following key material common terms:

- 35 (1) the loan will remain outstanding perpetually until paid in full or forgiven;

- 1 (2) the lender’s share of conveyance fees will be transmitted to the lender within 30
- 2 days of collection;
- 3 (3) the lender’s share of all other funds collected by OPUD or Wheatland for the
- 4 purpose of repaying the principal and any accrued interest for the loans described
- 5 in section 3.1 shall be transmitted to the lender within 60 days of collection;
- 6 (4) the loan will accrue simple interest at the County’s pool rate.
- 7 (5) the loan does not encumber any existing revenues of the parties;
- 8 (6) if a party forms an Enhanced Infrastructure Financing District to raise revenue to
- 9 fund infrastructure that includes any or all of the Construction Contract No. 1 or 2
- 10 facilities, the portion of revenue attributable to said facilities shall be paid to the
- 11 lender.
- 12 (7) if a party forms a community facilities district and issues special tax bonds for new
- 13 development that relies on the Project improvements, and should a portion of the
- 14 bond proceeds be used to prepay any connection fees otherwise pledged to the
- 15 lender, that portion of those bond proceeds shall be paid to the lender;
- 16 (8) if the parties issue bonds secured by sewer service charges from new special sewer
- 17 service areas, and bond proceeds are used to provide funding for capacity for new
- 18 development, then at least 20% of such proceeds used for new development
- 19 capacity must be used to repay the loan;

20 3.3. **Loan Accounting.** County will calculate the loan balance and provide an

21 updated balance to the parties at least once each fiscal year.

22 Article 4

23 OTHER FUNDING

24 4.1. **Prepaid Fees.** (a) OPUD or Wheatland may enter into prepaid Conveyance

25 Connection fee and loan agreements with willing property owners within OPUD’s or

26 Wheatland’s service area who desire to prepay for future wastewater conveyance system

27 connections. The funds generated from these potential agreements that exceed the

28 amounts necessary to complete Contracts No. 1 and 2 will first be used to reduce the

29 principal amount of the Enterprise loan and then the County loan prior to any other use.

30 (b) Any prepaid Conveyance Connection fee agreements will include the

31 following key material terms:

- 32 (1) the purchaser shall be entitled to connect to Wheatland’s wastewater conveyance
- 33 system following completion of the Project, subject to available OPUD WWTP
- 34 capacity at the time of connection to the Project and the terms of this section 4.1;

- 1 (2) the prepaid Conveyance Connection fee shall be considered appurtenant to the
- 2 purchaser's property and evidenced by documentation recorded by OPUD or
- 3 Wheatland against the benefitted property;

- 4 (3) the purchaser may transfer a prepaid Conveyance Connection fee to another user,
- 5 subject to written consent of OPUD or Wheatland if the fee is transferred separately
- 6 from the purchaser's property. Such transfer shall be evidenced by documentation
- 7 recorded by OPUD or Wheatland against the property releasing the interest in the
- 8 prepaid Conveyance Connection fees and against the property receiving the
- 9 interest in the prepaid Conveyance Connection fees. Without such written consent,
- 10 neither Wheatland, nor OPUD is obligated to honor any prepaid Conveyance
- 11 Connection fee if not used by the owner to whom it was originally issued. OPUD or
- 12 Wheatland shall record documentation of the release of some or all of the prepaid
- 13 connection fees, as appropriate, at the time of connection of the subject property to
- 14 the Project; and,

15 (c) Wheatland shall not sell more than the equivalent of 5,000 EDU in
 16 prepaid connections.

17 (d) Wheatland shall provide notice and a copy of all documents recorded
 18 pursuant to this Section 4.1 to OPUD as set forth in Section 7.9.

19 4.2. **Loans.** (a) OPUD and Wheatland may enter into loan agreements with willing
 20 lenders to fund the Project. Any funds generated by these loan agreements in excess of
 21 the \$10,000,000 loan from Enterprise Rancheria will reduce the amount of loan principal to
 22 be lent by the County under the County loans described in Article 3.

23 (b) Any loan agreements under this section shall include the following
 24 significant terms:

- 25 (1) the borrower, OPUD or Wheatland, will repay the County loan when it receives
- 26 future conveyance fees for use of the Project; and

- 27 (2) all of the common loan terms in section 3.22.

28 Article 5
 29 CAPACITY

30 5.1. **OPUD WWTP Capacity.** OPUD will monitor treatment capacity for its WWTP
 31 on at least a semi-annual basis and report the results to the parties. OPUD will commence
 32 work to expand treatment capacity as needed on a best-efforts basis.

33 5.2. **Transmission Capacity.** Wheatland will monitor capacity in the Construction
 34 Contract No. 1 transmission improvements on at least a semi-annual basis and report the
 35 results to the parties. Wheatland will commence work to design and construct a second
 36 transmission line as needed on a best-efforts basis.

Article 6
OTHER OBLIGATIONS

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6.1. **Quarterly Reports.** Wheatland must submit quarterly reports to County outlining progress made during the quarter for each of the Project tasks. Each quarterly report shall provide a summary of expenses during the quarter and the grant in total. Quarterly reports are due within 45 days after the end of each quarter.

6.2. **Final Report.** Wheatland shall submit a final report to the County. The final report shall demonstrate the beneficial use of County funds and successful completion of the Project. The final report is due within 60 days of the Termination Date.

6.3. **Project Records.** (a) Wheatland shall keep and maintain accurate bookkeeping records, accounts, and documents related to the payment of vendors, contractors, suppliers, and others who perform the work on the Project, including all invoices, receipts, canceled checks, contracts, purchase orders, and other source documents.

(b) These records shall be retained for a period of not less than three years from the final grant payment. These records shall be accessible and available for inspection or audit by County, or by its employees, accountants, attorneys or agents, at reasonable times and upon reasonable notice.

(c) As required by Government Code section 8546.7, this MOU and performance and payments under it are subject to examination and audit by the State Auditor General for three years following final disbursement by County.

6.4. **Legal Compliance.** (a) OPUD and Wheatland shall complete the Project in compliance with all applicable federal, state and local laws, regulations and codes, including acquisition of and compliance with all required permits, licenses, entitlements and authorizations.

(b) OPUD and Wheatland shall comply with the terms of any CEQA mitigation, monitoring, and reporting requirements imposed by any CEQA agency for the Project.

6.5. **Labor Code Compliance.** OPUD, Wheatland, and any parties they contract with for use of County funds, including contractors, subcontractors, and subgrantees, shall comply with the Labor Code provisions concerning payment of prevailing wage rates, penalties, employment of apprentices, hours of work and overtime, keeping and retention of payroll records, and other requirements applicable to public works as may be required by the Labor Code and applicable state regulations. See California Labor Code division 2, part 7, chapter 1 (sections 1720-1861), which are incorporated in this MOU by this reference.

Article 7
DISPUTES AND TERMINATION

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7.1. **Term.** The term of this MOU runs until _____ (“**Termination Date**”) unless earlier terminated by mutual agreement or by County under section 7.3.

7.2. **Inspections.** County reserves the right to inspect any portion of the Project to determine whether it is being performed in accordance with this MOU. County may withhold payments if it finds a violation of this MOU until the party in violation remedies the violation.

7.3. **Termination by County.** County may terminate this MOU by providing notice of termination at any time prior to State Water Resources Control Board entering into one or more grant agreements for the Project as described in subsection 1.2(a).

7.4. **Default by a Party.** (a) A party will be in default under this MOU if any of the following occur:

- (1) substantial breaches of this MOU by a party;
- (2) a party making any false statement with respect to this MOU, or the information submitted to another party to obtain this MOU;
- (3) a party files or there is filed against a party a bankruptcy petition (unless, in the case of a petition filed against a party, the same is dismissed or stayed within 60 days of filing);
- (4) a party makes an assignment for the benefit of creditors;
- (5) a party becomes insolvent or a material adverse change in a party’s financial condition occurs;
- (6) a party applies for or consents to the appointment of a receiver, trustee, or conservator, or such appointment is made without the party’s consent and is not vacated within 60 days; or
- (7) a party files a petition or resolution of application for reorganization.

(b) A non-defaulting party will provide notice of default to a party and provide the defaulting party at least ten calendar days to cure the default. If the defaulting party fails to cure the default within the time prescribed, the non-defaulting party may terminate this MOU.

7.5. **Mandatory Mediation.** If a dispute arises out of or relates to this MOU, and the dispute cannot be settled through negotiation, the parties must first try in good faith to resolve the dispute through non-binding mediation before resorting to litigation. If any

1 party commences an action without first submitting the matter to mediation, or any party
2 refuses to mediate after a request has been made, then that party shall not be entitled to
3 recover attorneys fees even if they would otherwise be entitled to such fees.

4 7.6. **Consequential Damages Waiver.** In no event will either party be liable for
5 any loss of profit, indirect, incidental, special, punitive, or consequential damages arising
6 out of or relating to this MOU.

7 7.7. **Mutual Indemnification.** Each party must indemnify, defend, protect, and
8 hold harmless each other party, and its officers, employees, volunteers and agents from
9 and against any and all liability, losses, claims, damages, expenses, demands, and costs
10 (including but not limited to, attorney, expert witness and consultant fees and litigation
11 costs) of every nature arising out of each party's performance of the Project and caused by
12 the negligent or willful act or omission of the party and its contractors or subcontractors or
13 their employees, agents, and subcontractors, except where caused by the active
14 negligence, sole negligence or willful misconduct of another party or as otherwise
15 provided or limited by law. The parties' obligations under this provision shall survive the
16 termination of this MOU.

17 7.8. **Attorneys Fees.** If any legal action is brought to enforce or construe this
18 MOU, the prevailing party shall be entitled to an award of reasonable attorney's fees,
19 expert witness and consultant fees, litigation costs, and costs of suit.

20 7.9. **Notices.** (a) Except as otherwise provided, any notice, demand, or other
21 communication required or permitted to be given under this MOU must be in writing and
22 delivered in at least one of the following manners:

- 23 (1) in person;
- 24 (2) by prepaid, first-class U.S. mail;
- 25 (3) by a nationally recognized commercial overnight courier service that guarantees
26 next day delivery and provides confirmation of delivery; or,
- 27 (4) by email with receipt confirmed by the other party.

28 (b) Notices mailed to County must be addressed to Yuba County, Attn:
29 County Administrator, 915 8th Street, Suite 115, Marysville, CA 95901.

30 (c) Notices mailed to OPUD must be addressed to OPUD, Attn: General
31 Manager, 1970 9th Avenue, Olivehurst, CA 95961.

32 (d) Notices mailed to Wheatland must be addressed to Wheatland, Attn:
33 City Manager, 111 C Street, Wheatland, CA 95962.

Article 8
MISCELLANEOUS

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8.1. **Public Information.** The parties’ public communications teams will coordinate concerning the public information strategy for the Project. County may use the other parties’ names, logos, information concerning the Project, and other materials made available to County to provide the public with information concerning the Project and County’s participation in the Project.

8.2. **Enclosures.** The following enclosures are attached to this MOU and incorporated in full:

- (1) Attachment A, Scope of Work for Construction Contract No. 1;
- (2) Attachment B, Scope of Work for Construction Contract No. 2

8.3. **Entire Agreement; Amendment.** The parties intend this writing to be the sole, final, complete, exclusive and integrated expression and statement of the terms of their contract concerning the Project. This MOU supersedes all prior oral or written negotiations, representations, contracts or other documents that may be related to this MOU, except those other documents (if any) that are expressly incorporated in this MOU. This MOU may be amended only by a subsequent written agreement approved and signed by all parties.

8.4. **Assignment.** This MOU and all rights and obligations under it are personal to the parties. The MOU may not be transferred, assigned, delegated or subcontracted in whole or in part, whether by assignment, subcontract, merger, operation of law or otherwise, by any party without the prior written consent of the other parties. Any transfer, assignment, delegation, or subcontract in violation of this provision is null and void and grounds for another party to terminate the MOU.

8.5. **No Third-Party Beneficiaries.** This MOU is intended solely to benefit the parties and is not for the benefit of, and does not confer any rights on, any non-parties.

8.6. **Signatories.** Each party warrants that the person signing this MOU is authorized to act on behalf of the party for whom that person signs. This MOU may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute the same instrument. Counterparts may be delivered by facsimile, electronic mail (including PDF or any electronic signature complying with California’s Uniform Electronic Transactions Act (Cal. Civ. Code, §1633.1, et seq.) or any other applicable law) or other transmission method. The parties agree that any electronic signatures appearing on the MOU are the same as handwritten signatures for the purposes of validity, enforceability, and admissibility.

The parties are signing this MOU effective on the date stated in the introductory clause.

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YUBA COUNTY

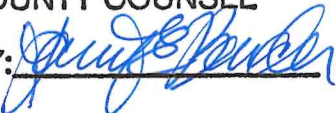
By: 
Chair, Board of Supervisors, Seth Fuhrer

OLIVEHURST PUBLIC UTILITY DISTRICT

By: _____
Chair, Olivehurst Public Utility District

CITY OF WHEATLAND

By: _____
Mayor, City of Wheatland

APPROVED AS TO FORM
COUNTY COUNSEL
BY: 

1 Attachment A
2 Scope of Work for Construction Contract No. 1

- 3 (1) Wastewater force main - Segment 1 (8,768 linear feet (LF)).
- 4 (2) Wastewater force main - Segment 2 (13,138 LF).
- 5 (3) Wastewater force main - Segment 3 (18,910 LF).
- 6 (4) Stormwater culvert replacement.
- 7 (5) Water main extension (4,000 LF) and booster pump station.
- 8 (6) Pipeline erosion control.
- 9 (7) Pump Station No. 1 (including influent sewer modifications, existing PS demolition,
10 storage tanks, control building, odor control, generator, yard piping, yard
11 improvements and landscaping).
- 12 (8) Pump Station No. 2 (including sewer and force main, influent splitter, biofilter,
13 storage tanks, equalization tanks (2), lab building, maintenance building, well, water
14 main, water storage tank, booster PS, yard piping, yard improvements and
15 landscaping).
- 16 (9) Pump Station No. 3 (including control building, sewer and force main, control
17 building, yard piping, yard improvements and landscaping).
- 18 (10) Control panel and SCADA upgrades at existing lift stations.



City Council Meeting Staff Report

Meeting Date: May 26, 2026

SUBJECT: Consideration and Adoption of Resolution Authorizing Approval of Memorandum of Understanding Between Estom Yumeka Maidu Tribe of the Enterprise Rancheria, Olivehurst Public Utility District and City of Wheatland Regarding a Loan for the South County Infrastructure Project

PREPARED BY: Bill Zenoni, City Manager

RECOMMENDATION:

Staff recommends that the Wheatland City Council consider adoption of a resolution authorizing approval of a Memorandum of Understanding between Estom Yumeka Maidu Tribe of the Enterprise Rancheria, Olivehurst Public Utility District and City of Wheatland regarding a loan of up to \$10 million for the South County Infrastructure Project.

DISCUSSION:

The City of Wheatland and Olivehurst Public Utility District, along with Yuba County and Yuba Water Agency have, for the past six years, been working together to develop a regional solution to wastewater treatment needs in South Yuba County. The City of Wheatland’s wastewater treatment plant is aging, has limited treatment capacity to accommodate infill growth and does not meet current environmental standards for disposal of municipal wastewater. A portion of the City’s wastewater treatment plant is located on the river side of the Bear River Levee, which leaves the plant at risk for potential flooding.

The South Yuba County Regional Wastewater Project will result in construction of a wastewater conveyance system from Wheatland to the OPUD wastewater treatment plant. The project has been separated into two segments. The first segment is Wheatland’s responsibility and will transport wastewater from Wheatland up Spenceville Road, Jasper Lane and South Beale Road to Pump Station No. 3 on Rancho Road. The second segment will be managed by OPUD and will continue the pipeline from Pump Station No. 3 to the OPUD wastewater treatment plant. Both Wheatland and OPUD have received bids for their portions of the project and are ready to award contracts once the project financing has been finalized.

The estimated construction cost of this project is \$115.6 million. This regional solution has been endorsed by the State Water Resources Control Board, which has approved a \$75 million grant to fund a major portion of the project. The Board of Directors of the Yuba Water Agency had previously agreed to loan Wheatland and OPUD the remaining funds required to complete construction of the project. However, as a result of the recent catastrophic failure of the penstock at the New Colgate Powerhouse, Yuba Water Agency withdrew its financial support for the construction phase of this project. City of

Wheatland and OPUD staff have been diligently working to backfill the resulting funding gap. The Yuba County Board of Supervisors approved a Memorandum of Understanding (MOU) with Wheatland and OPUD wherein the County committed to loan up to \$10 million for the construction phase of the project, subject to Wheatland and OPUD securing the remaining necessary funding. The loan would be repaid by Wheatland and OPUD from future wastewater conveyance capacity fees. That MOU is agendized for approval by the Wheatland City Council on May 26th.

To assist with funding a portion of the remaining project shortfall, Estom Yumeka Maidu Tribe of the Enterprise Rancheria (Enterprise) has also approved an MOU with OPUD and Wheatland for an additional \$10 million loan. The Enterprise MOU presented for approval outlines how the parties will collectively fund the project and provides that OPUD will pursue a second phase of the project. Generally, this phase includes construction of a new pump station and pipelines to convey untreated wastewater north along Forty Mile Road to Rancho Road, as well as installation of a new water main along Forty Mile Road to Rancho Road. Separate loan agreements between Wheatland and Enterprise and OPUD and Enterprise identifying the exact loan amount for each agency and the repayment terms will be developed and presented for City Council approval.

FISCAL IMPACT:

There is no direct fiscal impact associated with this action. A loan agreement between the City of Wheatland and Estom Yumeka Maidu Tribe of the Enterprise Rancheria will be developed which specifies the amount of funds the City will be borrowing and the terms of the loan. This loan agreement will be presented to the City Council for approval.

ATTACHMENTS:

- A. Resolution w/Exhibit

Attachment 'A'

RESOLUTION NO. 26-___

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WHEATLAND
APPROVING A MEMORANDUM OF UNDERSTANDING BETWEEN ESTOM YUMEKA MAIDU
TRIBE OF THE ENTERPRISE RANCHERIA, CITY OF WHEATLAND AND OLIVEHURST PUBLIC
UTILITY DISTRICT REGARDING A LOAN FOR THE SOUTH COUNTY INFRASTRUCTURE PROJECT**

WHEREAS, the City of Wheatland's existing wastewater treatment plant is aging and does not meet current environmental standards for disposal of municipal wastewater; and

WHEREAS, the City of Wheatland and Olivehurst Public Utility District (OPUD), along with Yuba County and Yuba Water Agency have been working together to develop a regional solution to address the wastewater treatment needs in South Yuba County; and

WHEREAS, the South County Infrastructure Project will result in construction of a wastewater conveyance system from Wheatland to the OPUD wastewater treatment plant; and

WHEREAS, the construction cost of this project is estimated to be \$115.6 million; and

WHEREAS, the State Water Resources Control Board has allocated \$75 million of grant funding for this project, subject to Wheatland and OPUD securing the remaining necessary funds; and

WHEREAS, the Estom Yumeka Maidu Tribe of the Enterprise Rancheria approved a Memorandum of Understanding between Estom Yumeka Maidu Tribe of the Enterprise Rancheria, City of Wheatland and OPUD to loan up to \$10 million for the construction of this project, attached hereto as **Exhibit 'A'**.

NOW, THEREFORE, BE IT RESOLVED AND DETERMINED by the City Council of the City of Wheatland that:

- A. The foregoing recitals are true and correct.
- B. The City Council of the City of Wheatland hereby approves the attached Memorandum of Understanding between Estom Yumeka Maidu Tribe of the Enterprise Rancheria, City of Wheatland and Olivehurst Public Utility District regarding a loan of up to \$10 million for the South County Infrastructure Project.
- C. The Mayor is authorized to execute the Memorandum of Understanding.

The foregoing resolution was adopted by the City Council of the City of Wheatland at a regular meeting held on the 26th day of May 2026 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

The foregoing resolution is hereby approved.

Lisa McIntosh, Mayor

ATTEST:

Josie Camacho, City Clerk

1 **MEMORANDUM OF UNDERSTANDING**

2 This Memorandum of Understanding (“**MOU**”) is made and entered into as of this ___ day of
3 _____, 2026 (“**Effective Date**”), by and among ESTOM YUMEKA MAIDU TRIBE OF
4 THE ENTERPRISE RANCHERIA, a federally recognized Indian tribe listed in the Federal
5 Register as Enterprise Rancheria of Maidu Indians of California (“**Enterprise**”),
6 OLIVEHURST PUBLIC UTILITY DISTRICT, a public utility district formed and operating
7 under California Public Utilities Code sections 15501 et seq. (“**OPUD**”), and CITY OF
8 WHEATLAND, California (“**Wheatland**”).

9 The purpose of this MOU is to set forth how the parties will collectively fund a regional
10 wastewater project known as the South County Infrastructure Project (the “**Project**”).

11 OPUD provides wastewater services within its service area in Yuba County, California.
12 OPUD treats wastewater for disposal at the OPUD Wastewater Treatment Plant (“**OPUD**
13 **WWTP**”). OPUD WWTP has available treatment capacity to serve additional future
14 connections.

15 Wheatland provides wastewater services within its city limits in Yuba County, California.
16 Wheatland treats wastewater for disposal at the Wheatland Wastewater Treatment Plant
17 (“**Wheatland WWTP**”). Wheatland WWTP is aging, has limited treatment capacity to
18 accommodate additional growth, and does not meet current standards for disposal of
19 municipal wastewater. Wheatland WWTP is also located on the river side of the Bear River
20 Levee, leaving the plant vulnerable to potential flood risks.

21 In 2019, Wheatland commissioned a Wastewater Treatment Alternatives Analysis report to
22 explore options for upgrading the Wheatland WWTP. That report concluded that the most
23 feasible option for upgrading the Wheatland WWTP would be to develop facilities to convey
24 untreated wastewater to OPUD or a neighboring agency for treatment and disposal.

25 The parties have proposed the Project in response to the need to develop a regional
26 wastewater conveyance system to serve Wheatland, and OPUD, Enterprise, and the Yuba
27 Sports and Entertainment Zone (“**YSEZ**”) The Project design includes two phases for
28 development of the improvements. “**Phase 1**” of the Project generally includes new pump
29 stations and pipelines to convey untreated wastewater from Wheatland, up Rancho Road
30 adjacent to the YSEZ, to OPUD WWTP to handle Wheatland’s wastewater. “**Phase 2**” of the
31 Project generally includes a new pump station and pipelines to convey untreated wastewater
32 north along Forty Mile Road adjacent to the YSEZ to Rancho Road, where it would connect
33 to the Phase 1 improvements. Phase 2 also includes a new water main along Forty Mile
34 Road adjacent to the YSEZ, up Rancho Road, to the existing OPUD water system. Maps
35 showing the Project improvements in two phases are attached hereto as **Exhibit A**.

1 Yuba Water Agency, Wheatland, OPUD, and the County of Yuba have previously funded
2 aspects of the Project’s design, construction, engineering and environmental analysis.

3 Wheatland and OPUD applied to the State Water Resources Control Board for Project
4 funding grants. The State Water Resources Control Board has indicated it intends to make a
5 \$75 million award to Wheatland for the Project, but the State Board has not made a final
6 grant award.

7 The parties have completed their obligations under the California Environmental Quality Act
8 (“CEQA”). On February 28, 2023, Wheatland certified an Environmental Impact Report for
9 the Project (SCH 2021110022) under CEQA. On April 20, 2023, OPUD certified a Negative
10 Declaration (SCH 2023030233) for the Project.

11 The parties hereby agree:

12 Article 1
13 PROJECT FUNDING

14 1.1. **Phase 1 Project Contracts.** (a) Phase I of the Project consists of two sets of
15 capital improvements that are expected to be constructed under separate construction
16 contracts and proceed generally concurrently. The two construction contracts and their
17 estimated not-to-exceed costs are:

- 18 (1) Wheatland Pump Station and Pipelines (“**Construction Contract No. 1**”), confirmed
19 by bid to cost \$54,200,000 and further described in Attachment A;
- 20 (2) OPUD Pump Station and Pipelines (“**Construction Contract No. 2**”), estimated to
21 cost \$49,400,000 and further described in Attachment B;
- 22 (3) Construction Management of Contracts No. 1 & 2, estimated to cost \$9,000,000 plus a
23 contingency for Contracts No. 1 & 2 of \$3,000,000, resulting in an estimated total cost
24 for the Project of \$115,600,000 and,

25 (b) The parties anticipate that these capital improvement cost estimates will
26 be updated following execution of this MOU. If these updated cost estimates exceed the
27 estimated costs in subsection (a), the parties will meet and confer with each other to prepare
28 and execute the necessary amendments to this MOU to incorporate these updated cost
29 estimates.

30 1.2. **Construction Contract No. 1.** (a) The parties agree that the Construction
31 Contract No. 1 improvements will be funded by the following sources:

- 32 (1) Wheatland will contribute \$5,200,000 from existing cash on hand.
- 33 (2) A portion of the anticipated State Water Resources Control Board grant, subject to the
34 Board making a final grant award and these parties approving one or more grant
35 agreements for the Project.

1 (3) A loan from Enterprise with the total amount available to Contracts No. 1 & 2 not to
2 exceed \$10,000,000. Article 3 states the key material loan terms. This loan amount is
3 subject to reduction if any of the parties generates additional funds from grants or any
4 other available sources available for the Project.

5 (4) Collection of advance payment of conveyance fees paid by private entities that total
6 the amount necessary to meet the funding needed for Contract No. 2 expenses.

7 (b) Wheatland is responsible for designing, constructing, operating, and
8 maintaining the Construction Contract No. 1 improvements.

9 1.3. **Construction Contract No. 2.** (a) The parties anticipate that the Construction
10 Contract No. 2 improvements will be funded by the following sources:

11 (1) A portion of the anticipated State Water Resources Control Board grant, subject to the
12 Board making a final grant award and these parties approving one or more grant
13 agreements for the Project.

14 (2) A loan from Enterprise with the total amount available to Contracts No. 1 & 2 not to
15 exceed \$10,000,000. Article 3 states the key material loan terms. This loan amount is
16 subject to reduction if any of the parties generates additional funds from grants or any
17 other available sources available for the Project.

18 (3) Collection of advance payment of conveyance fees paid by private entities that total
19 the amount necessary to meet the funding needed for Contract No. 2 expenses.

20 (b) OPUD is responsible for designing, constructing, operating, and
21 maintaining the improvements, except for the portion of the improvements to be maintained
22 by Wheatland, for which Wheatland will be solely responsible for maintenance.

23 1.4. **Phase 2 Project Contracts.** (a) Phase 2 of the Project consists of two sets of
24 capital improvements, including one for wastewater and one for water along Forty Mile Road,
25 adjacent to the YSEZ, that are expected to be constructed under separate construction
26 contracts and proceed generally concurrently.

27 (b) The construction contracts and their estimated not-to-exceed costs will
28 be prepared following completion of the engineering and design for the Phase 2
29 improvements. Total construction costs of the water and wastewater improvements are
30 currently estimated at \$25,538,000 and \$10,970,000 respectively, for a total construction cost
31 of \$36,388,000. In addition, other costs necessary to complete the design, acquire permits,
32 and provide for project management and inspections are estimated together at \$5,178,000.
33 A summary of Phase 2 construction costs, schedule, and design and construction
34 management and inspection costs is attached hereto as **Exhibit B**.

35 (c) OPUD, in consultation with Enterprise, will proceed with the Phase 2
36 improvements concurrently with the Phase 1 improvements provided sufficient funding
37 commitments to construct the improvements are obtained.

- 1 (6) the loan does not encumber any existing revenues of the parties;
- 2 (7) if a party forms an Enhanced Infrastructure Financing District to raise revenue to fund
3 infrastructure that includes any or all of the Construction Contract No. 1 or 2 facilities,
4 the portion of revenue attributable to said facilities shall be paid to the lender.
- 5 (8) if a party forms a community facilities district and issues special tax bonds for new
6 development that relies on the Project improvements, and should a portion of the bond
7 proceeds be used to prepay any connection fees otherwise pledged to the lender, that
8 portion of those bond proceeds shall be paid to the lender; and
- 9 (9) if the parties issue bonds secured by sewer service charges from new special sewer
10 service areas, and bond proceeds are used to provide funding for capacity for new
11 development, then at least 20% of such proceeds used for new development capacity
12 must be used to repay the loan.

13 3.3. **Loan Accounting.** Enterprise will calculate the loan balance for the Phase 1
14 improvements and provide an updated balance to the parties at least once each fiscal year.

15 3.4 **Phase 2 Loans.** Enterprise and OPUD shall negotiate and enter into one or more
16 agreements to provide for the repayment and/or reimbursement of any funding advanced by
17 Enterprise for the Phase 2 improvements. The purpose of the agreement(s) will be to ensure
18 that Enterprise is only responsible financially for its direct use of the Phase 2 improvements,
19 and that the remaining share of costs are paid by the beneficial users of those improvements.
20 The agreement(s) will identify and implement potential funding streams for the Phase 2
21 improvements such as connection fees, development agreements, community facilities
22 districts, enhanced infrastructure financing districts, grants, conveyance fees, and other
23 financing tools for public infrastructure. The agreement(s) will further establish the timing and
24 reimbursement mechanism for reimbursement or repayment of funding advanced by
25 Enterprise for the Phase 2 improvements.

26 Article 4
27 OTHER FUNDING

28 4.1. **Prepaid Fees.** (a) OPUD or Wheatland may enter into prepaid Conveyance
29 Connection fee and loan agreements with willing property owners within OPUD's or
30 Wheatland's service area who desire to prepay for future wastewater conveyance system
31 connections. The funds generated from these potential agreements that exceed the amounts
32 necessary to complete Contracts No. 1 and 2 will first be used to reduce the principal amount
33 of the Enterprise loan for Phase 1 prior to any other use.

34 (b) Any prepaid Conveyance Connection fee agreements will include the
35 following key material terms:

- 36 (1) the purchaser shall be entitled to connect to Wheatland's wastewater conveyance
37 system following completion of Phase 1 of the Project, subject to available OPUD
38 WWTP capacity at the time of connection to the Project and the terms of this section
39 4.1;

- 1 (2) the prepaid Conveyance Connection fee shall be considered appurtenant to the
2 purchaser's property and evidenced by documentation recorded by OPUD or
3 Wheatland against the benefitted property; and
- 4 (3) the purchaser may transfer a prepaid Conveyance Connection fee to another user,
5 subject to written consent of OPUD or Wheatland if the fee is transferred separately
6 from the purchaser's property. Such transfer shall be evidenced by documentation
7 recorded by OPUD or Wheatland against the property releasing the interest in the
8 prepaid Conveyance Connection fees and against the property receiving the interest in
9 the prepaid Conveyance Connection fees. Without such written consent, neither
10 Wheatland, nor OPUD is obligated to honor any prepaid Conveyance Connection fee if
11 not used by the owner to whom it was originally issued. OPUD or Wheatland shall
12 record documentation of the release of some or all of the prepaid connection fees, as
13 appropriate, at the time of connection of the subject property to the Project.

14 (c) Wheatland shall not sell more than the equivalent of 5,000 EDU in
15 prepaid connections.

16 (d) Wheatland shall provide notice and a copy of all documents recorded
17 pursuant to this Section 4.1 to OPUD as set forth in Section 7.9.

18 4.2. **Loans.** (a) OPUD and Wheatland may enter into loan agreements with willing
19 lenders to fund the Phase 1 improvements for the Project. Any funds generated by these loan
20 agreements in excess of the \$10,000,000 loan from Yuba County will reduce the amount of
21 loan principal to be lent by Enterprise under the Enterprise loans described in Article 3.

22 (b) Any loan agreements under this section shall include the following
23 significant terms:

- 24 (1) the borrower, OPUD or Wheatland, will repay the Enterprise loan when it receives
25 future conveyance fees for use of the Project, with repayment of principal and interest
26 on the Enterprise loan in the first position with priority over the repayment of any other
27 loans for the Project; and
- 28 (2) all of the common loan terms in section 3.22.

29 Article 5
30 CAPACITY

31 5.1. **OPUD WWTP Capacity.** OPUD will monitor treatment capacity for its WWTP
32 on at least a semi-annual basis and report the results to the parties. OPUD will commence
33 work to expand treatment capacity as needed on a best-efforts basis.

34 5.2. **Transmission Capacity.** Wheatland will monitor capacity in the Construction
35 Contract No. 1 transmission improvements on at least a semi-annual basis and report the
36 results to the parties. Wheatland will commence work to design and construct a second
37 transmission line as needed on a best-efforts basis.

Article 6
OTHER OBLIGATIONS

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6.1. **Quarterly Reports.** Wheatland must submit quarterly reports to Enterprise outlining progress made during the quarter for each of the Phase 1 Project tasks. Each quarterly report shall provide a summary of expenses during the quarter and the grant in total. Quarterly reports are due within 45 days after the end of each quarter.

6.2. **Final Report.** Wheatland shall submit a final report to Enterprise. The final report shall demonstrate the beneficial use of Enterprise funds and successful completion of Phase 1 of the Project. The final report is due within 60 days of the Termination Date.

6.3. **Project Records.** (a) Wheatland shall keep and maintain accurate bookkeeping records, accounts, and documents related to the payment of vendors, contractors, suppliers, and others who perform the work on the Project, including all invoices, receipts, canceled checks, contracts, purchase orders, and other source documents.

(b) These records shall be retained for a period of not less than three years from the final grant payment. These records shall be accessible and available for inspection or audit by Enterprise, or by its employees, accountants, attorneys or agents, at reasonable times and upon reasonable notice.

(c) As required by Government Code section 8546.7, this MOU and performance and payments under it are subject to examination and audit by the State Auditor General for three years following final disbursement by Enterprise.

6.4. **Legal Compliance.** (a) OPUD and Wheatland shall complete the Project in compliance with all applicable federal, state and local laws, regulations and codes, including acquisition of and compliance with all required permits, licenses, entitlements and authorizations.

(b) OPUD and Wheatland shall comply with the terms of any CEQA mitigation, monitoring, and reporting requirements imposed by any CEQA agency for the Project.

6.5. **Labor Code Compliance.** OPUD, Wheatland, and any parties they contract with for use of County funds, including contractors, subcontractors, and subgrantees, shall comply with the Labor Code provisions concerning payment of prevailing wage rates, penalties, employment of apprentices, hours of work and overtime, keeping and retention of payroll records, and other requirements applicable to public works as may be required by the Labor Code and applicable state regulations. See California Labor Code division 2, part 7, chapter 1 (sections 1720-1861), which are incorporated in this MOU by this reference.

Article 7
DISPUTES AND TERMINATION

7.1. **Term.** The term of this MOU runs until _____ (“**Termination Date**”) unless earlier terminated by mutual agreement or by Enterprise under section 7.3.

1 7.2. **Inspections.** Enterprise reserves the right to inspect any portion of the Project
2 to determine whether it is being performed in accordance with this MOU. Enterprise may
3 withhold payments if it finds a violation of this MOU until the party in violation remedies the
4 violation.

5 7.3. **Termination by Enterprise.** Enterprise may terminate this MOU by providing
6 notice of termination at any time prior to State Water Resources Control Board entering into
7 one or more grant agreements for the Project as described in subsection 1.2(a).

8 7.4. **Default by a Party.** (a) A party will be in default under this MOU if any of the
9 following occur:

- 10 (1) substantial breaches of this MOU by a party;
- 11 (2) a party making any false statement with respect to this MOU, or the information
12 submitted to another party to obtain this MOU;
- 13 (3) a party files or there is filed against a party a bankruptcy petition (unless, in the case of
14 a petition filed against a party, the same is dismissed or stayed within 60 days of
15 filing);
- 16 (4) a party makes an assignment for the benefit of creditors;
- 17 (5) a party becomes insolvent or a material adverse change in a party's financial condition
18 occurs;
- 19 (6) a party applies for or consents to the appointment of a receiver, trustee, or
20 conservator, or such appointment is made without the party's consent and is not
21 vacated within 60 days; or
- 22 (7) a party files a petition or resolution of application for reorganization.

23 (b) A non-defaulting party will provide notice of default to a party and provide
24 the defaulting party at least ten calendar days to cure the default. If the defaulting party fails
25 to cure the default within the time prescribed, the non-defaulting party may terminate this
26 MOU.

27 7.5. **Mandatory Mediation.** If a dispute arises out of or relates to this MOU, and the
28 dispute cannot be settled through negotiation, the parties must first try in good faith to resolve
29 the dispute through non-binding mediation before resorting to litigation. If any party
30 commences an action without first submitting the matter to mediation, or any party refuses to
31 mediate after a request has been made, then that party shall not be entitled to recover
32 attorneys fees even if they would otherwise be entitled to such fees.

33 7.6. **Consequential Damages Waiver.** In no event will either party be liable for any
34 loss of profit, indirect, incidental, special, punitive, or consequential damages arising out of or
35 relating to this MOU.

- 1 (1) Attachment A, Scope of Work for Construction Contract No. 1;
- 2 (2) Attachment B, Scope of Work for Construction Contract No. 2
- 3 (3) Appendix A, Maps of Phase 1 and Phase 2 improvements

4 8.3. **Entire Agreement; Amendment.** The parties intend this writing to be the sole,
5 final, complete, exclusive and integrated expression and statement of the terms of their
6 contract concerning the Project. This MOU supersedes all prior oral or written negotiations,
7 representations, contracts or other documents that may be related to this MOU, except those
8 other documents (if any) that are expressly incorporated in this MOU. This MOU may be
9 amended only by a subsequent written agreement approved and signed by all parties.

10 8.4. **Assignment.** This MOU and all rights and obligations under it are personal to
11 the parties. The MOU may not be transferred, assigned, delegated or subcontracted in whole
12 or in part, whether by assignment, subcontract, merger, operation of law or otherwise, by any
13 party without the prior written consent of the other parties. Any transfer, assignment,
14 delegation, or subcontract in violation of this provision is null and void and grounds for
15 another party to terminate the MOU.

16 8.5. **No Third-Party Beneficiaries.** This MOU is intended solely to benefit the
17 parties and is not for the benefit of, and does not confer any rights on, any non-parties.

18 8.6. **Signatories.** Each party warrants that the person signing this MOU is
19 authorized to act on behalf of the party for whom that person signs. This MOU may be
20 executed in two or more counterparts, each of which shall be deemed an original, but all of
21 which together shall constitute the same instrument. Counterparts may be delivered by
22 facsimile, electronic mail (including PDF or any electronic signature complying with
23 California’s Uniform Electronic Transactions Act (Cal. Civ. Code, §1633.1, et seq.) or any
24 other applicable law) or other transmission method. The parties agree that any electronic
25 signatures appearing on the MOU are the same as handwritten signatures for the purposes
26 of validity, enforceability, and admissibility.

27 The parties are signing this MOU effective on the date stated in the introductory clause.

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ESTOM YUMEKA MAIDU TRIBE OF THE
ENTERPRISE RANCHERIA

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By: _____
Chairperson, Enterprise Rancheria

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OLIVEHURST PUBLIC UTILITY DISTRICT

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By: _____
Chair, Olivehurst Public Utility District

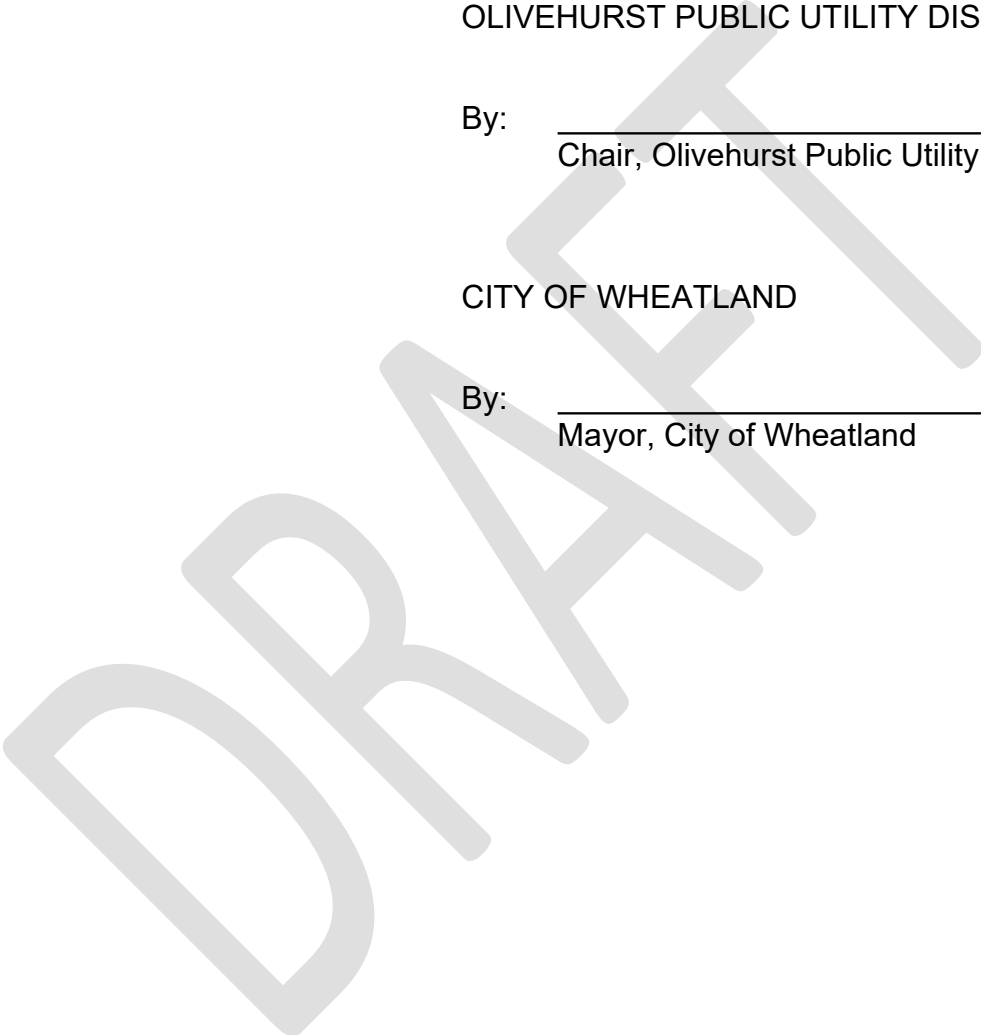
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CITY OF WHEATLAND

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By: _____
Mayor, City of Wheatland



1 Attachment A
2 Scope of Work for Construction Contract No. 1

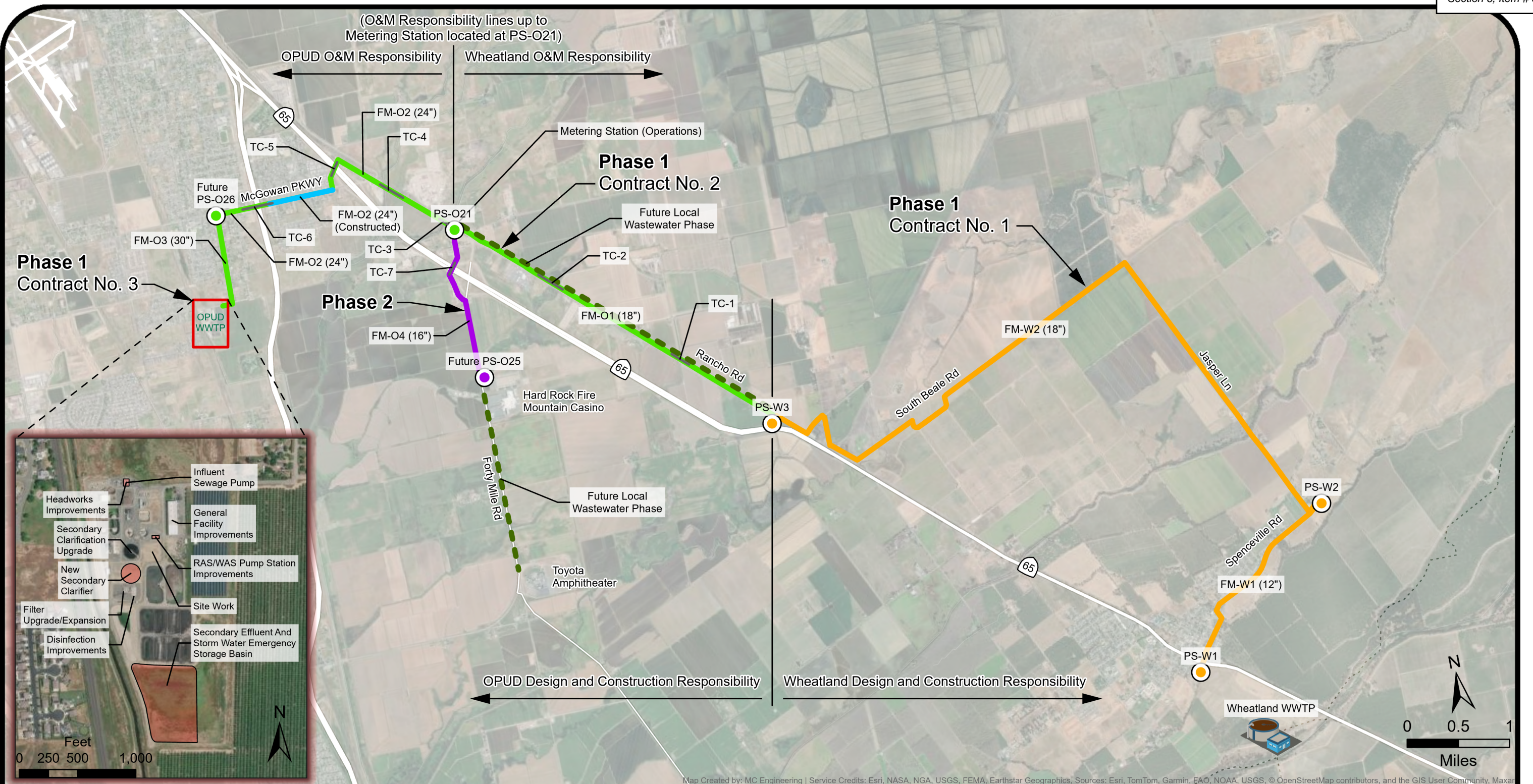
- 3 (1) Wastewater force main - Segment 1 (8,768 linear feet (LF)).
- 4 (2) Wastewater force main - Segment 2 (13,138 LF).
- 5 (3) Wastewater force main – Segment 3 (18,910 LF).
- 6 (4) Stormwater culvert replacement.
- 7 (5) Water main extension (4,000 LF) and booster pump station.
- 8 (6) Pipeline erosion control.
- 9 (7) Pump Station No. 1 (including influent sewer modifications, existing PS demolition,
10 storage tanks, control building, odor control, generator, yard piping, yard
11 improvements and landscaping).
- 12 (8) Pump Station No. 2 (including sewer and force main, influent splitter, biofilter, storage
13 tanks, equalization tanks (2), lab building, maintenance building, well, water main,
14 water storage tank, booster PS, yard piping, yard improvements and landscaping).
- 15 (9) Pump Station No. 3 (including control building, sewer and force main, control building,
16 yard piping, yard improvements and landscaping).
- 17 (10) Control panel and SCADA upgrades at existing lift stations.

1 Attachment B
2 Scope of Work for Construction Contract No. 2

- 3 (1) Wastewater force main – OPUD Access Road (1,400 LF).
- 4 (2) Wastewater force main – Mary Avenue (3,700 LF).
- 5 (3) Wastewater force main - McGowan Parkway (6,900 LF).
- 6 (4) Trenchless crossing SR70 at McGowan Parkway.
- 7 (5) Wastewater force main – Olive Avenue (1,100 LF).
- 8 (6) Trenchless crossing SR 65 (1,100 LF).
- 9 (7) Wastewater force main – Rancho Road (20,700 LF).
- 10 (8) Wastewater force main – Shimer Road (2,100 LF).
- 11 (9) Trenchless crossing SR 65 (900 LF).
- 12 (10) Trenchless crossing - Hutchinson Creek.
- 13 (11) Trenchless crossing Reeds Creek.
- 14 (12) Wastewater force main – Slaughterhouse Road (2,000 LF).
- 15 (13) Pump Station 21 (including grading, influent sewer and manhole, wet wells A &B,
16 flushing system, odor control beds, piping, force main, valves and fittings, yard piping
17 and improvements).
- 18 (14) Two trenchless crossings of Kimball Creek at Rancho Road (HDD) and Virginia Creek
19 at Rancho Road (Pipe RAM).
- 20 (15) Existing Pump Station No. 2 rehabilitation and force main connection.

Exhibit A

(attached)



WHEATLAND OPUD REGIONAL WASTEWATER TRANSMISSION AND TREATMENT FACILITIES PROJECT (JULY 2025)

- Legend:**
- Phase 1: Contract No. 1 Wheatland (Pump Stations(PS)/Force Main(FM))
 - Phase 1: Contract No. 2 OPUD (Pump Stations(PS)/Force Main(FM))
 - Phase 1: Contract No. 3 OPUD WWTP
 - Phase 2: Wastewater
 - - - Future Wastewater
 - Regional Trenchless Crossing (TC)
 - Existing Facilities (Force Main(FM))
 - WWTP: Waste Water Treatment Plant



**WHEATLAND OPUD REGIONAL WASTEWATER TRANSMISSION
AND TREATMENT FACILITIES PROJECT
PHASE 2 AND FUTURE WATER MAINS (JULY 2025)**

- Legend:**
- Phase 2 Water Mains
 - - - Future Phase Water Mains
 - Trenchless Crossing (TC)
 - Water Well Site
 - Bridge Crossing

Exhibit B

(attached)

Summary of Phase 2 Construction Costs, Schedule, and Design and Construction Management and Inspection Costs

General

OPUD has requested information on the costs and schedule required to complete Phase 2 improvements. Those improvements are generally shown on the attached figures and are intended to represent the costs of an initial improvement program that would provide water and sewer services to a portion of the Sports and Entertainment Zone. The sewer map shows an incorrect location for PS 25; it is now located just northerly of the Casino, just west of the proposed Water Well and Storage Tank location shown in the second figure. And the water pipelines south of the PS 25 location in Forty Mile Road are eliminated, but sewer extends southerly to the shown end point of the water line on Forty Mile Road.

Estimated Construction Costs

Total Construction Costs are estimated at \$36,388,000 for both water and sewer improvements as shown in Tables 1 and 2. These costs are rough order of magnitude costs and are subject to change as more information becomes available. They were developed from preliminary plans and specifications prepared in late 2022, and only a limited update of those dated costs has been conducted for this evaluation. Many factors are impacting pricing in the current environment and changes are likely.

Table 1. Phase 2 Improvements for South Yuba County - Water Estimated Construction Costs

Cost Element	Forty Mile Road - Water	Rancho Road - Water	McGowan Parkway - Water	Tunneled Crossings - Water	Water Well Service Main	Water Well Site	Total
Total Estimated Construction Cost at Midpoint of Construction - Water	\$3,465,000	\$3,051,000	\$1,250,000	\$8,040,000	\$964,000	\$8,768,000	\$25,538,000

Table 2. Phase 2 Improvements for South Yuba County - Sewer Estimated Construction Cost

Cost Element	Forty Mile Road - Sewer	Tunneled Crossings - Sewer	PS 25	Total
Total Estimated Construction Cost at Midpoint of Construction - Sewer	\$2,250,000	\$5,840,000	\$2,700,000	\$10,790,000

Other Costs

In addition to construction costs there are other costs that need to be considered in the total program costs. Principal other costs include design completion costs, permitting costs, and costs for construction management and inspection (to include bid and award services). There may be some other agency costs for plan check and inspection by Yuba County, and those are not included in the costs presented below.

Design and Permitting Costs for Phase 2 Improvements

Description	Estimated Cost
Design Completion	\$1,250,000
Permit Acquisition (including CUPA work with Caltrans)	\$290,000
Allowance for CM and Inspection (10% of const)	<u>\$3,638,000</u>
Total Estimated Other Costs	\$5,178,000

Costs above do not include a plan check and costs required by Yuba County, if any. Land acquisition is also not included, but should be minimal

Schedule

From a schedule perspective there are three general phases of work that need completion. The first includes discussion among the Stakeholders to determine whether to complete the Phase 2 water and sewer improvements. No estimate of that first phase of work is provided in this assessment.

Assuming that a decision is made to complete the work, then design and permitting work then needs to be completed. That phase would be followed by the construction phase.

Some details associated with those latter two phases are noted below:

Because the water well design is contingent on final testing of the drilled well there will be additional design and construction phase delays for the water well and tank work. It is therefore suggested that two design packages be prepared for bidding. One for the water well and tank, and the other for all pipelines and other improvements required for Phase 2 work

Pipelines and Sewer Pump Station Design Schedule: As previously noted during earlier design preparation, Caltrans will require a separate CEQA document for the use of their existing SR 65 crossings as conduits for water lines. The expected time period for Caltrans to complete their work is approximately 12 months (assuming two months for the preparation of a submittal for their review). This Caltrans work will be on the critical path for completion of the Pipelines and Pump Station contract, so a 12 month period for completion is assumed.

Water Well and Water Tank Design Schedule: An initial contract for well drilling and testing of the water supply is proposed. The resultant water testing will determine if treatment is required; preliminary water quality testing suggests that treatment may not be required, but

this needs confirmation. Construction costs identified above assume no treatment. After receipt of water quality testing, final design can commence. Initial well drilling and testing could require up to 12 months, and subsequent final design is assumed to require another 8 months, for a total of 20 months. This will mean that the water well and tank improvements will not be on the same schedule as the pipelines and pump station work, but since water demand is not expected to be high immediately after the completion of construction of the pipelines and pump station work, water from the existing OPUD system that is being tied into can provide temporary service while the water well and tank construction are completed.

Construction Schedule: The Pipeline and Pump Station contract can be constructed in an estimated 20 month time period. That will overlap some of the currently planned work for Contracts 1 and 2 that OPUD and Wheatland are working on, since the construction time required for Contracts 1 and 2 is longer than that required for Phase 2 work.

The Water Well and Water Tank work is assumed to require 20 months for construction.

The longest lead time item is the completion of the water well and storage tank. Assuming a start date of June 1 of this year for commencement of work, the water well and storage tank can be on-line by October 2029. The water and sewer pipelines (and sewer pump station) can be completed and on-line by February 2029.

Estimated cash flow timing:

- \$1.5M for Well and Well Development – April 2027
- \$13M for sewer spur and soft costs (Total Estimated Project Cost for water and sewer spurs \$41,566,000) – June 2027
- \$10M for mainline (Wheatland to OPUD, Phase 1) – December 2027
- \$18.5M for water lines and start on well and plant – January 2028
- \$8.6M for remainder – December 2028

Estimated Timing for Connections to Spurs:

- Sewer spur – June 2028
- Water - October of 2029