



# *City of Rolling Hills*

INCORPORATED JANUARY 24, 1957

NO. 2 PORTUGUESE BEND ROAD  
ROLLING HILLS, CA 90274  
(310) 377-1521  
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## **AGENDA REGULAR MEETING**

**CITY COUNCIL  
MONDAY, SEPTEMBER 23, 2019**

**CITY OF ROLLING HILLS  
7:00 P.M.**

*Next Resolution No. 1245*

*Next Ordinance No. 363*

**1. CALL TO ORDER**

**2. ROLL CALL**

**PLEDGE OF ALLEGIANCE**

**3. OPEN AGENDA - PUBLIC COMMENT WELCOME**

*This is the appropriate time for members of the public to make comments regarding the items on the consent calendar or items **not** listed on this agenda. Pursuant to the Brown Act, no action will take place on any items not on the agenda.*

**4. CONSENT CALENDAR**

*Matters which may be acted upon by the City Council in a single motion. Any Councilmember may request removal of any item from the Consent Calendar causing it to be considered under Council Actions.*

- A. MINUTES – REGULAR MEETING OF AUGUST 26, 2019.  
**RECOMMENDATION: APPROVE AS PRESENTED**
- B. PAYMENT OF BILLS.  
**RECOMMENDATION: APPROVE AS PRESENTED**
- C. FINANCIAL STATEMENT FOR THE MONTH OF JULY 2019.  
**RECOMMENDATION: APPROVE AS PRESENTED**

**5. COMMISSION ITEMS**

NONE.

**6. PUBLIC HEARINGS**

NONE.

**7. OLD BUSINESS**

NONE

**8. NEW BUSINESS**

- A. DISCUSS RESTRICTIONS TO MEASURE W, THE SAFE AND CLEAN WATER PROGRAM (DEDICATED FUNDING FOR STORMWATER AND URBAN RUNOFF) AND PLAN FOR FISCAL YEAR 2019-2020 BUDGET ADJUSTMENTS.
- B. RECEIVE AND FILE WASTE DIVERSION AUDIT REPORT BY MSW CONSULTANTS.

**9. MATTERS FROM THE CITY COUNCIL AND MEETING ATTENDANCE REPORTS**

NONE.

**10. MATTERS FROM STAFF**

NONE.

**11. CLOSED SESSION**

- A. EMPLOYEE PERFORMANCE EVALUATION  
GOVERNMENT CODE SECTION 54957  
TITLE: CITY MANAGER

**11. ADJOURNMENT**

THE MEETING WILL BE ADJOURNED IN MEMORY OF JEANNE PIEPER, MOTHER OF MAYOR PRO TEM OF THE CITY OF ROLLING HILLS JEFF PIEPER AND MIRIAM JENKINS, MOTHER OF CITY ATTORNEY FOR THE CITY OF ROLLING HILLS MICHAEL JENKINS, BOTH PASSED AWAY IN THE MONTH OF SEPTEMBER 2019.

Next meeting: Monday, October 14, 2019 at 7:00 p.m. in the City Council Chamber, Rolling Hills City Hall, 2 Portuguese Bend Road, Rolling Hills, California.

*Public Comment is welcome on any item prior to City Council action on the item.*

*Documents pertaining to an agenda item received after the posting of the agenda are available for review in the City Clerk's office or at the meeting at which the item will be considered.*

*In compliance with the Americans with Disabilities Act (ADA), if you need special assistance to participate in this meeting due to your disability, please contact the City Clerk at (310) 377-1521 at least 48 hours prior to the meeting to enable the City to make reasonable arrangements to ensure accessibility and accommodation for your review of this agenda and attendance at this meeting.*

*All Planning Commission items have been determined to be categorically exempt pursuant to the California Environmental Quality Act (CEQA) Guidelines unless otherwise stated.*

**MINUTES OF  
A REGULAR MEETING  
OF THE  
CITY COUNCIL OF THE  
CITY OF ROLLING HILLS, CALIFORNIA  
MONDAY, AUGUST 26, 2019**

**1. CALL TO ORDER**

A regular meeting of the City Council of the City of Rolling Hills was called to order by Mayor Mirsch at 7:00p.m. in the City Council Chamber at City Hall, 2 Portuguese Bend Road, Rolling Hills, California.

**2. ROLL CALL**

Councilmembers Present:	Mayor Mirsch, Pieper, Dieringer, Black and Wilson.
Councilmembers Absent:	None
Others Present:	City Manager Jeng Jeng, P.E., City Manager. Yolanta Schwartz, Planning Director Yohana Coronel, City Clerk Michael Jenkins, City Attorney Alfred Visco, 15 Cinchring Gary Popovich, 1 Middleridge Lane. South Charlie Rein, 4 Pinto Rob Hammond, 23 Middleridge Lane North Matt Seaburn, 14 Portuguese Bend Road Keith Wagener, 9 Middleridge Lane South Dr. John Gebhard, 11 Portuguese Bend Road Leslie Gebhard, 11 Portuguese Bend Road Sean Cardenas, 13 Portuguese Bend Road Sue Breiholz, 6 Upper Blackwater Canyon Road Arun Bhumitra, 13 Buggy Whip Drive Tanvir Mian, 2840 Palos Verdes Drive North

**3. OPEN AGENDA - PUBLIC COMMENT WELCOME**

Alfred Visco, resident of 15 Cinchring gave an update on his contacts with Ranch Palos Verdes and the Land conservancy. He stated he sent Council the latest land conservancy proposal regarding the fire fuel load reductions and that it was approved by Rancho Palos Verdes. He reminded Council of the dangers of the high-risk southwest canyons (Paintbrush Canyon, Portuguese Canyon, Altimar Canyon and Forrest Old canyons). He noted that he feels no work has been done about the dead vegetation and especially around 17 Cinchring property.

Mayor Mirsch thanked Mr. Visco for his comments and ongoing efforts.

**4. CONSENT CALENDAR**

*Matters which may be acted upon by the City Council in a single motion. Any Councilmember may request removal of any item from the Consent Calendar causing it to be considered under Council Actions.*

- A. MINUTES – REGULAR MEETING OF JULY 08, 2019, REGULAR MEETING AUGUST 12, 2019 AND ADJOURNED REGULAR MEETING OF AUGUST 19, 2019.  
**RECOMMENDATION: APPROVE AS PRESENTED**
- B. PAYMENT OF BILLS.  
**RECOMMENDATION: APPROVE AS PRESENTED**
- C. REPUBLIC SERVICES RECYCLING TONNAGE REPORT FOR JULY 2019.  
**RECOMMENDATION: APPROVE AS PRESENTED**
- D. QUARTERLY SCHEDULE OF INVESTMENTS REPORT FOR THE QUARTER ENDING JUNE 30, 2019.  
**RECOMMENDATION: APPROVE AS PRESENTED**

City Manager City Manager Jeng Jeng proposed some changes to Consent Item 4A, City Council Minutes for August 12, 2019. On page 5 under item 6, there was a sentence that was not clear and would like to add a sentence. Page 6, item 8A, she would like to add another sentence to the motion.

Councilmember Wilson moved that the City Council approve the consent items as presented. Councilmember Dieringer seconded the motion and the motion carried without objection by a voice vote as follows:

AYES: COUNCILMEMBERS: Mayor Mirsch, Pieper, Dieringer, Black, and Wilson  
NOES: COUNCILMEMBERS: None.  
ABSENT: COUNCILMEMBERS: None.  
ABSTAIN: COUNCILMEMBERS: None.

## **5. COMMISSION ITEMS**

NONE.

## **6. PUBLIC HEARINGS**

- A. **ZONING CASE NO. 953**, REQUEST FOR A CONDITIONAL USE PERMIT TO CONSTRUCT A NEW 2,464 SQUARE FOOT STABLE WITH AN 896 SQUARE FOOT LOFT AND A SITE PLAN REVIEW FOR 1,470 CUBIC YARDS OF GRADING FOR THE PROPOSED PROJECT AT 13 PORTUGUESE BEND ROAD (LOT 77-RH) ROLLING HILLS, CA, (CARDENAS).

Mayor Pro Tem Pieper recused himself from this item due to his property's proximity to the project.

Planning Director Schwartz gave an overview of the project and pointed out the location of the footprint of the proposed stable, loft, overhangs for turn-outs, access to the loft and the corral. She stated that the highest ridge of the stable will be 24' and the interior will have 4 stalls, room for storage, a tack room with a bathroom and a hayloft. She stated that the existing stable will be demolished and a new one constructed where the architecture of the stable will mimic the architecture of the garage.

Planning Director Schwartz stated that the distance between the proposed stable and the closest edge of the house at 11 Portuguese Bend Road, is between 66 and 88 feet and 88 feet to the stable.

Planning Director Schwartz brought to Council's attention the correspondence that was received during the review process of this application. She pointed out to the most recent letter of opposition from the property owners north of the proposed project site, the Gebhards.

She stated that the Gebhards are in opposition of the project because they feel the project is too large, too high and too close to the property line and requested that the stable be moved to the front of the property.

Planning Director Schwartz also mentioned that during the field trip to property 13 Portuguese Bend Road on 8/19/19, some of the equestrian residents were present and expressed a desire to leave the stable where it is and asked to keep the large corral.

Per Council's request, a table showing two story stables and their size and height for comparison with the proposed stable was prepared. These stables been approved since 2011. She mentioned that prior to 2011 stables were approved over the counter if no grading was needed. As of 2011 a conditional use permit is required for stables over 200 square feet.

Planning Director Schwartz also mentioned a letter from Mr. Cardenas, the applicant, requesting approval of the project as presented.

Mayor Mirsch opened the public hearing for public comment.

Gary Popovich, 1 Middleridge Lane South, spoke in favor of the project. He stated one reason he and his family moved into the city five years ago was because of the equestrian community.

Charlie Rein, 4 Pinto Road spoke in favor of the project and stated the reason why people move into the City of Rolling Hills is because people like to have a great big property and have a corral and barn and have the ability to use it and it compliments the city.

Rob Hammond, 23 Middleridge Lane North, spoke in support of the project and stated that the project is fully conforming and came through the Planning Commission with a unanimous approval. He stated that he knows the Cardenas Family as an equestrian family and when they purchased the property their main concern was the turnout. Many other properties have huge barns and the turnouts are quite small. The Cardenas Family has kept the large turnout and the placement of the barn has always been there and nothing has changed. He pointed out that the

project is not a detriment to the property values but the exact opposite and that families come to Rolling Hills because it is an equestrian community and this project supports the character of the City. He encouraged the Council to take the advice of the Planning Commission and encourage other residents to improve their properties and old barns.

Matt Seaburn, 14 Portuguese Bend Road, spoke in favor of the project and handed out a few exhibits from Google Maps showing the distance between stables and adjacent homes on several properties in the City. He also stated that being part of the Planning Commission and living across the street from the project he has been able to witness how the project has developed. He stated that the project is fitting, proper, and good for the neighborhood. He stated that there were unreasonable complaints and comments made about the project such as smell, proximity, height and screening. He encourage the Council to focus on what the newly proposed barn will do for the community and that is to enhance the equestrian community, which is the brand Rolling Hills is trying to sell which is what is so unique about the community.

Keith Wagner, 9 Middleridge Lane South spoke in favor of the project. He stated that he hopes the spirit of this community stays the same and encouraged the Council to support the barn. He is happy to know the Planning Commission approved the project.

Dr. John Gebhard, 11 Portuguese Bend Road spoke in regards to the project and stated that he wants to set the record straight. He stated he never complained about the smell and wanted to inform the Council and everyone present that he and his family too are an equestrian family and are not anti-equestrians. As for the screening, he stated that he has lived in his residence for over forty years and the hedges on the south side have changed very little over the years and there was a never different hedge. He stated that he brought his objections to the Planning Commission in form of letters. He said he also had some observations to share since the Council's field trip on 8/19/19.

1. He drove around the city and looked at the stables in the stable comparison study and stated that for example the barn on 29 Middleridge, which is one of the taller barns at 23 feet, is set down about 15-20 feet. When you are on the road of Middleridge, you only see about 6' of the stable. He continued that as he looked around at other stables, the bigger stables were isolated on the property and were not adjacent to other neighbors or they were down below grade like the one on 29 Middleridge and the physical setting must be taken into consideration.
2. He stated that the stable that is proposed by the Cardenas in relationship to his property is 25 feet in elevation and his bedrooms and patio are about 6 to 8 feet below, therefore making the stable about 30 feet structure from his patio and is fairly adjacent to his property even though it is 60 something feet away from his property line. He stated that the comparison table should not be used for approval for this project but rather the approval should rely on the finding if the project is harmonious in its environment. He stated that the project is not harmonious with the site or the vicinity. He feels the barn is too tall and too massive. He reiterated that the project should be moved closer to the street or towards the Cardenas structures and that he is not objecting to the stable or the size of the stable just the location in relationship to his property and the massive height. He stated that he is the one who has to look at it. He is the only one with the negative

impact but he feels like his position is not being taken into consideration. He said that being a 40-year resident of the community should be considered and stated that his family and 5 grandchildren come over a lot to use the bar-b-queue and the pool and the proposed stable looks over most of his living area and pool. He requested that the massiveness of the proposed stable be minimized.

Mayor Mirsch thanked Dr. Gephardt for his comments.

Sean Cardenas, 13 Portuguese Bend Road, the applicant, thanked the City Council, the staff and everyone in the audience and the Gebhards for expressing their opinions and for going through this process from the very start, which was many months ago. He stated that having sat on the Planning Commission for several years it's always valuable to hear from the residence, the pros and cons of a project and that he appreciates that. He said that his wife and he came in to Rolling Hills 16 years ago and lived at 13 Portuguese bend Road for 14 of those 16 years and had horses on site, almost the entire time. He said they moved the horses out in January time frame to stake the project; that they have been equestrian people and that's why they moved to Rolling Hill. He stated that they needed to redevelop the stable as it is too small and not safe in its current condition. Mr. Cardenas stated that he hired an architect who designed many stables in the City, knows the regulations and asked him to design a stable where no variances would be required and one that meets all of the City's and Architectural Committee regulations. He said he didn't want there to be any perception that as a Commissioner, he is getting special treatment. He said the stable matches the architecture of the garage and is desirable by the Architectural Committee of the RHCA. He stated that he and his architect looked at several other options, but none were practical. He stated that prior to the field trip the Gebhards removed some screening between their property and the silhouetted stable, and had they left the vegetation, the project would have not been so visible from their property. He stated that in the past he asked the Gebhards to remove the hedge because it was difficult to walk the horses there, but they did not agree to do so. He stated that he thinks the Gebhards do not want the barn at all. He further stated that he thinks his is a beautiful project and if anyone had an issue with the massiveness it would be the properties from Lower Blackwater Canyon and from across Portuguese Bend then it is from either side of his property, and both of those neighbors have expressed strong support as have many others; and with that he stated he would like to ask for Council's approval and consideration.

Mrs. Leslie Gebhard, 11 Portuguese Bend Road stated that she wanted to correct the record. She stated that bushes never grew there and they had bamboo and along the easement, which caused a big problem for them during the fire, caused them to almost lose their entire property because of it. The bamboo caught fire and they have planted trees there, but they did not cut them down just to open up the view. She also stated they have put trees there and they have not grown. She also stated that she never objected to removal of the big tree on the Cardenas' property. She stated that she likes trees but having a view or open air and light is more important to her. She further stated that she and her husband understand that the Cardenas have done everything by the book, they have crossed their T's and dotted their I's. But sometimes having everything right, is wrong and in this case something is wrong because it affects someone else.

Mayor Mirsch asked if there were any more comments from the public.

Sue Breiholz, president of Caballeros, stated the arena in front of 13 Portuguese Bend Road is so special and she hopes the barn stays where it is leaving the arena in tact.

Matt Seaburn, 14 Portuguese Bend Road spoke about the foliage there and stated that when he took the visit he took three pictures, one on each side and one of the open areas in the middle. He asked if anyone would like to see the pictures for reference and also stated that what was planted is a different planting and it is fully overgrown.

Mayor Mirsch thanked everyone for their comments and closed the public hearing for this item.

Councilmember Black commented on the item and stated that he and Mayor Mirsch spoke about the item briefly and he completely understands the issue and the Gebhards' point of view. The structure is going to be tall and it's going to be big and it is right by their backyard and bedroom. Part of the reason Council took it under advisement is because they wanted to see if it was possible to move it and have a really good look. After all options were considered he stated that the project was well thought out and meet all the requirements and council cannot deny the applicant the right to build. He also stated hedges and open spaces are a different issue and if the Gebhards wanted to address that issue then a meeting with the Planning Commission needs to be scheduled. He went on to say he could not see how he can vote against the project.

Mrs. Gebhard thanked Councilmember Black for hearing her concerns.

Councilmember Dieringer stated that the Gebhards placed a call to her about what their options with regards to the project. She clarified that she did not know the Gebhards before this project came to her attention and did not meet them until the field trip on 9/19/19. She stated that she looked at the project and is looking for the right thing to do for an equestrian community. She stated the stable is beautiful but also mentioned that the rules are not mathematical and that is why every application is unique, therefore some of the things she looks at is the findings that have to be met for a conditional use permit. She also mentioned she did a walk through the property, outside and inside to see the different perspectives. She tried to look at it from her perspective and how she would feel if it was her situation and feels the project should be modified.

Councilmember Wilson thanked his fellow Councilmembers and residents for reviewing all the important issues having to do with this project. He stated that the main issue that stands out to him is how it looks from the neighbor. Councilmember Wilson stressed that he is not promoting hedges but one can consider strategically placing trees or bushes for screening. He also pointed out the topography of Gebhards property and how it sits lower than grade close to the property line. He suggested screening out the undesirable view. He reminded everyone that the Planning Commission unanimously approved it and it meets all the requirements and finds it difficult to deny the project but also understands Gebhards concerns.

Mayor Mirsch expressed a general statement, that the City, the Council and the Planning Commission is pro horses, pro barn, pro equestrian and wanted to clarify that this was not an

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issue of not wanting a barn. She reminded everyone that the City and the Planning Commission frequently make allowances to encourage barns. She also pointed out that this particular project does not ask for any variances. Mayor Mirsch stated that she would like to explain how when you sit on City Council and the Planning Commission, the bodies have to make findings; and findings deal with the general plan and proceeded to read one of the criteria for the approval of a conditional use permit. She read the finding requires “that the nature conditions and the development of adjacent uses, buildings and structures have been considered and that the use will not adversely effect or be materially detrimental to these adjacent buildings or structures”. Mayor Mirsch noted that the verbiage is very subjective and that is why she feels the Council is struggling with it.

She stated that in her deliberation she questioned whether there would be a negative impact on the neighbors, in particular the Gebhards. The Mayor also stated that she wanted to make clear that the comments about the smell did not come from the Gebhards; the person who made the comments is not a resident of Rolling Hills and stated that her problem with the barn is not the location but rather that it is too tall. She asked if maybe instead of two stories the barn can be L shaped or if the loft can be less wide. She also made mention that there is no height restriction on barns and it is because not one barn designs fit into all properties and while she served on the Planning Commission, the Commissioners dealt with a lot of issues that don’t have a specific criteria and they frequently asked applicants to modify their projects.

Mayor Mirsch asked the applicant if there was any consideration of doing something about the height of the barn.

Assistant City Attorney Abzug asked the Mayor if she wanted to re-open the Public Hearing for public comment for all present to comment, make a motion to approve or deny the project or modify the Planning Commission’s action.

Mayor Mirsch read a report from the Ad Hoc Stable Committee stating “proximity to any neighbors livable structure should be taken into account, stables are encouraged to be placed away from neighboring uses as much as feasible,” and pointed out that sometimes guidelines have some contradiction on the impact on neighbors. The Mayor then read the choices the Council has with regards to this project and asked the applicant if he would like to resubmit his plans.

Councilmember Black inquired about what happens if the vote is a tie?

Mayor Mirsch explained that if the vote is a tie, the decision of the Planning Commission stands.

Councilmember Wilson motions to prepare a resolution to uphold the Planning Commission’s decision, Councilmember Black seconded the motion and the motion carried by a voice vote as follows:

AYES: COUNCILMEMBERS: Black, and Wilson.  
NOES: COUNCILMEMBERS: Mayor Mirsch and Dieringer  
ABSENT: COUNCILMEMBERS: None.

ABSTAIN: COUNCILMEMBERS: Pieper.

The Council vote is tie, which means the Planning Commission's decision stands.

**7. OLD BUSINESS**

- A. CONSIDERATION AND APPROVAL OF RESOLUTION NO. 1243. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROLLING HILLS ACCEPTING AN OFFER OF DEDICATION AND EASEMENT RELATING TO THE SEWER SYSTEM IMPROVEMENTS IN THE CITY OF ROLLING HILLS; AND  
CONSIDERATION AND APPROVAL OF RESOLUTION NO. 1244. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROLLING HILLS GRANTING CONSENT AND JURISDICTION TO THE COUNTY OF LOS ANGELES FOR THE INCLUSION OF CERTAIN TERRITORY OF THE CITY OF ROLLING HILLS TRACT NO. 29408, 29206 and 23643 WITHIN A COUNTY SEWER MAINTENANCE DISTRICT.

Planning Commission Schwartz gave a brief report of the history of the project recommended the Council adopt both resolutions in order to bring the project to fruition.

Mayor Mirsch asked for comments from Council.

There was none.

Mayor Mirsch asked if there were any public comments.

There was none.

Mayor Pro Tem Pieper motioned to adopt resolutions 1243 and 1244 as presented, Councilmember Black seconded the motion and the motion carried by a voice vote as follows:

AYES: COUNCILMEMBERS: Mayor Mirsch, Pieper, Black, Dieringer and Wilson.

NOES: COUNCILMEMBERS: None.

ABSENT: COUNCILMEMBERS: None.

ABSTAIN: COUNCILMEMBERS: None.

- B. CONSIDERATION AND APPROVAL OF LIGHTING UPGRADE AT TENNIS COURTS 2 AND 3.

City Manager Jeng covered the new information requested by Council regarding lighting tennis standard. The first request was to have all vendors have the same instructions, second was meet tennis standards and third to get a photometric study. City Manager Jeng pointed out that the vendors presented to Council are more on the manufacturing side and do not do installation and she does not feel that is what Council was asking for therefore she focused on American Powers Solution and Horst K Electric. She requested for a higher wattage fixture of 300Watt from Horst

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K Electric but instead received what the vendor thought was sufficient lighting, which is 100Watts LED lights, adding bull horn brackets to address the rusted brackets in place now, which brings their bid from \$5000 to \$98000. Request number two had to do with lighting requirements for tennis courts. City Manager Jeng reported that International Tennis Federation (ITF) has different requirements for different tournaments. A lot of factors are taken into consideration and she feels does not apply to these tennis courts because they are recreational courts. The third request was for a photometric study and City Manager Jeng pointed out the only vendor that did not charge a fee was American Power Solution. The new lights being proposed by American Power Solution will be brighter and will only light the courts and not around the courts. American Power Solutions believe the lights will not flood the neighbors because they are able to angle the lights.

City Manager Jeng recommends selecting American Power Solutions for the lighting upgrade and reminded Council, per the lease agreement with Rolling Hills Community Association, the association will pay for half of the upgrade.

Mayor Mirsch asked if Council had any questions.

Councilmember Wilson asked if the project is handed back to the association for completion will it delay the process.

City Manager Jeng stated she did not know because she is not aware of the process they take but reminded Council the association has taken the City's recommendations in the past.

Mayor Mirsch opened the item for public comment.

Arun Bhumitra, 13 Buggy Whip Drive, spoke and complimented the City Council for being the best City Council, and asked if the lights were necessary and that the cost of replacing the light bulbs should be taken into account.

Councilmember Black assured Mr. Bhumitra that he is considering cost and the brightness of the lights at the tennis courts so as to not bother the surrounding neighbors.

Tanvir Mian, 2840 Palos Verdes Drive North, Co-President of the Tennis Club informed Council he submitted a handout about lighting and his choice of vendor.

Mayor Mirsch reminded everyone present that this decision is not up to Council but rather up to the Rolling Hills Community Association. The lease obliges the City to pay for half of the project and therefore the City is being asked to select American Power Solutions.

Councilmember Dieringer asked about the rebates given by Southern California Edison and feels that the City should be the lead with this project because the rebates are only given to cities and not associations.

City Manager Jeng clarified that unfortunately Environmental Services has informed her that the rebate is no longer available, but even if it was available Edison would have allowed for the

rebate to still apply so long as the city is the applicant. City Manager Jeng assured Councilmember Dieringer that she would follow up with Southbay Council of Government about available rebates.

Councilmember Black motioned to accept American Power Solutions and the City share the cost with the Rolling Hills Community Association. Mayor Pro Tem Pieper seconded the motion and the motion carried by a voice vote as follows:

AYES: COUNCILMEMBERS: Mayor Mirsch, Pieper, Black, Dieringer and Wilson.  
NOES: COUNCILMEMBERS: None.  
ABSENT: COUNCILMEMBERS: None.  
ABSTAIN: COUNCILMEMBERS: None.

C. CONSIDERATION AND APPROVAL OF PROPOSED AMENITIES BY THE ROLLING HILLS COMMUNITY ASSOCIATION, AND THE MANDATED AMERICAN WITH DISABILITY ACT (ADA) IMPROVEMENTS AT THE TENNIS COURTS.

City Manager Jeng gave a brief overview of the project and reminded Council of their request for staff to gather cost information. City Manager Jeng received a cost proposal from Bolton Engineering for \$197,232 for concrete and accessibility work. City Manager Jeng pointed out to Council that this price does not include the add-ons of a restroom and septic tank.

City Manager City Manager Jeng recommended to proceed with the ADA improvements and separately approve the amenities proposed by the Rolling Hills Community Association with an updated cost estimate to reflect accurate estimates. She highlighted that the projects will not go together.

Mayor Pro Tem Pieper pointed out that when this project first started the cost estimate was \$300,000 and when the Association got involved the cost estimate grew to \$900,000 which is a 300% error on their part and the project is not done yet. He questioned if the amenities are necessary.

City Manager Jeng stated that the above groundwork would remain the same along with trellis, which is outdated, adding that there would be a ramp and stairs.

Councilmember Wilson asked if Council choose to do the work without the amenities will the new work be ripped up later when the additional work is done, and if the city is obligated to do the ADA upgrades.

City Manager Jeng stated yes, reporting that when replacing the septic tanks, the concrete would be destroyed because of the plumbing. She also answered that the city needs to show they are making a solid effort to be ADA compliant however there is no hard date of when the work needs to be completed.

Mayor Pro Tem Peiper wanted to inform the association he is in strong disagreement with the suggested spending proposed by the Association.

City Manager Jeng reminded Council that the lease agreement states that the City Council has to approve these improvements in order for the association to move forward.

Mayor Pro Tem Pieper asked to take no action until a sensible plan is presented.

Mayor Mirsch stated she has meet with the association and they were under the impression that the city would share cost all the fees and she reminded the association that is not the case and pointed out to Council they are not oblige to fund the project. She feels their Board will not approve the amount being proposed by the association. The concern for how much is being spent is shared by both agencies. Mayor Mirsch stated she is willing to meet with the association again and inform them that the City Council feels their suggested spending is not something they are willing to consider.

Councilmember Dieringer asked if they do the ADA upgrades with the septic tank would that require any tear ups to the ADA improvements.

City Manager Jeng answered yes because of the plumbing that would need to be done for the new septic tank.

Mayor Pro Tem Pieper asked for the Council concerns to be addressed before voting on the issue.

Mayor Mirsch asked for public comment.

Mr. Bhumitra, 13 Buggy Whip Drive stated he understands Council's concern about spending the amount of money proposed but he reminded Council that the improvements will stand for the next 50 years and he felt other vendors can accomplish the project with a more conservative budget.

Mayor Mirsch thanked the Mr. Bhumitra for his comments.

Mayor Pro Tem Pieper inquired if the project is tied to prevailing wages.

Assistant City Attorney Abzug stated that it gets complicated when two projects become integrated because anything paid with public funds becomes subject to prevailing wages.

Mayor Pro Tem Pieper again reminded Council of the high cost of the project.

Councilmember Black recommended Council not to take action on the item until all concerns are settled.

Councilmember Dieringer asked if there is a need to have two separate contractors and two separate contracts for the two separate projects.

Assistant City Attorney Abzug advised it is best if two separate contracts and two separate bids are in place for the two projects, the ADA improvements and the proposed amenities. Also because time-wise it will be better managed and prevailing wages would not apply to the entire project if the two projects are separate from each other.

City Manager Jeng informed Council that she and the City Attorneys Office have been in communication about making sure the project is clearly defined as to who is lead because of the prevailing wage concern.

Councilmember Dieringer made a motion to postpone the item until the Rolling Hills Community Association has verified further information, Councilmember Black seconded the motion and the motion carried by a voice vote as follows:

AYES: COUNCILMEMBERS: Mayor Mirsch, Pieper, Black, Dieringer and Wilson.

NOES: COUNCILMEMBERS: None.

ABSENT: COUNCILMEMBERS: None.

ABSTAIN: COUNCILMEMBERS: None.

D. CONSIDER AND APPROVE THE SOLID WASTE COMMITTEE'S  
RECOMMENDATION TO CONTINUE TO CONTRACT WITH REPUBLIC  
SERVICES FOR SOLID WASTE SERVICES AND TO USE A SOLID WASTE  
CONSULTANT TO PREPARE AN AGREEMENT

City Manager Jeng gave a brief summary of Council's request to have the Solid Waste Committee have discussion with Republic Services and help Council's consideration to release a Request for Proposal (RFP) or negotiate with Republic Services to continue services. City Manager Jeng stated that the Solid Waste Committee had three meetings and several conversations in between with Republic Service General Manager Ray Grothaus and several of his staff about sewer, trash, water index versus the consumer price index, versus the garage index and the cost of doing business. While doing so, Republic Service made a third offer for consideration: a nine year contract, 7.4% service rate increase in year 1 of contract, subsequent increases per the Sewer, Trash, and Water index in years 2 and beyond with a maximum percentage increase of 5% and a minimum percentage increase of 3%.

Councilmember Wilson, who was part of the Solid Waste Committee, stated a lot of time was spent in discussions and comparing other municipalities and their data. He reported that looking at other cities, their proposed rates were higher than what was presented to Rolling Hills City. He felt they worked hard to get what he felt is the best rate for the city and because of the uniqueness of the city, the level of service was an important contributing factor. He also wanted to add that Republic Service has been very responsive with all the issues the City has brought before them.

Mayor Mirsch, also a Solid Waste Committee member, concurred with Councilmember Wilson and felt everyone negotiated to the best of their ability and in good faith. She appreciated the current refuse service and feared that if the city were to go out to RFP, she was unsure of the

service level the city and residents are accustomed to will change. She supported accepting the contract.

Councilmember Dieringer stated she noticed in the report that Republic did not provide service rates for a temporary extension period but would offer it only after a decision is made on the contract. She asked if an extension can be in place in case negotiations happened to go longer than expected.

Mayor Mirsch opened the item for public comment.

Ray Grothaus, General Manager for Republic Service, responded that the reason Republic is present today is because he felt Republic and the City have a partnership and so they want to negotiate the best contract they can. He also felt the ten months for negotiations was enough time. He felt negotiating a long-term contract is in the best interest of both parties and assured Councilmember Dieringer nothing would change with the rates if negotiations extended. General manager Grothaus gave a brief summary of the changes occurring with waste, for example compliance with 1383 which has to do with food waste collection, marketing and outreach, cart color requirements, which Republic is willing to help the City be compliant by providing colored carts that are standard and uniformed.

Councilmember Pieper pointed out the longevity of a nine-year contract and inquired about the ever-changing laws in California and asked if that happens will Republic come back and try to renegotiate again.

General Manager Grothaus stated they did ask for provisions for change of law beyond today because they cannot forecast any changes.

Councilmember Pieper asked if at that point could the City cancel the contract if they did not agree with where Republic was going.

General Manager Grothaus stated that they can add that language to the contract but it is customary that when both parties do not agree with rate increases in a contract there are provisions that will allow either party to exit the contract.

Councilmember Pieper requested that Republic give the City a big enough window to decide what the City wants to do if there is a price increase and if the City does decide to exit the contract. He then inquired about the colored carts.

General Manager Grothaus answered by stating the regulations for the colored carts, size and shapes have not been finalized and also informed Council there are some exemptions the City can apply for. He mentioned Republic is willing to absorb the capital cost when providing three trash carts and three green waste carts to meet these requirements but anything beyond would be the residents' responsibility. He also reminded Council that when a resident has a large volume of green waste, Republic provides a free roll-off container because it is more efficient for Republic when collecting green waste.

Mayor Pro Tem Pieper stated he felt the City is better off with a longer contract.

Councilmember Dieringer questioned the provision in the contract and being able to charge the City with new regulations, and questioned what assurance does the City have that Republic will not use this method to try and increase their fees to incite the City to exit the contract.

General Manager Grathous replied that if Council looks at the offer being made by Republic their intentions are to stay with the City and have put their best foot forward in negotiations.

City Manager Jeng reminded Council that those assurances were taken into consideration at the committee level and that is why the City brought in a neutral, third-party consultant with HF&F to help with negotiations and watch out for the City's interest. City Manager Jeng also mentioned that when General Manager Grothaus brought up future legislation, the consultant advised the City how to word the contract so that it does not allow Republic to come back and say whatever they want. She assured Council that the contract language would be drafted to safeguard both parties' interest going forward

Councilmember Black made a motion to direct staff to continue negotiations with Republic Services regarding the trash waste with the nine-year option, Councilmember Wilson seconded the motion and the motion carried by a voice vote as follows:

AYES: COUNCILMEMBERS: Mayor Mirsch, Pieper, Black, and Wilson.

NOES: COUNCILMEMBERS: Dieringer

ABSENT: COUNCILMEMBERS: None.

ABSTAIN: COUNCILMEMBERS: None.

City Manager Jeng wanted to add that for the next phase of this process, which is the writing of the contract, she strongly advised the City to hire a professional. She informed Council that Republic Services has offered to share cost and pay 50% of the consultant fee. Once the contract is written and both parties agree, Republic offered to pay the remaining 50% of the consultant fee so there would be no cost to the City.

## **8. NEW BUSINESS**

NONE.

## **9. MATTERS FROM THE CITY COUNCIL AND MEETING ATTENDANCE REPORTS**

- A. CONSIDER AND APPROVE THE PERSONNEL COMMITTEE'S RECOMMENDATIONS ON EMPLOYEE SALARIES BASED ON RECENT SALARY SURVEYS.

City Manager Jeng reported out the recommendations of the Personnel Committee on updating the employee handbook. One of the items in particular was to conduct a salary survey and compare data collected from other cities for all positions. The Personnel Committee

Minutes

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08-26-19

recommended that there be no adjustments to the salary schedule with the exception of creating a difference of 20% between the top range and the bottom range. The reason for this recommendation was that they wanted to be able to make offers to people with varied degrees of experience and educational backgrounds. The other recommendation made by the Personnel Committee was to remove the salary ranges from the employee handbook since it changes every year. The handbook would only make a reference. The last thing recommended by the committee was not to conduct salary surveys on a frequent but only when there is a new hire or when instructed by the City Council or the City Manager.

Councilmember Black stated the he disagreed with the statistics. When disregarding the lower value instead of the higher value, it makes the City's salaries look bad. He believed the higher value should have been discarded.

Mayor Mirsch stated when the City conducted surveys in the past they have taken out certain data and can do so again at their discretion.

City Manager Jeng assured Council that the next time the City conducts a salary survey she will take into account the proper way of doing means and averages.

Mayor Pro Tem Pieper made a motion to approve the recommendations made by the Personnel Committee. Councilmember Black seconded the motion and the motion carried by a voice vote as follows:

AYES: COUNCILMEMBERS: Mayor Mirsch, Pieper, Black, Dieringer and Wilson.

NOES: COUNCILMEMBERS: None.

ABSENT: COUNCILMEMBERS: None.

ABSTAIN: COUNCILMEMBERS: None.

## **10. MATTERS FROM STAFF**

NONE.

### **RECESS**

The City Council took a recess of five minutes; the time was 9:45PM.

### **CALL BACK TO ORDER**

Mayor Mirsch called the City Council Meeting back in session: the time was 9:50PM.

Assistant City Attorney Abzug announced the City Council will now go into Closed Session; the time was 9:50PM.

## **11. CLOSED SESSION**

### **A. CONFERENCE WITH LABOR NEGOTIATORS**

Minutes

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CALIFORNIA GOVERNMENT CODE SECTION 54957.6  
CITY DESIGNATED REPRESENTATIVE: CITY MANAGER  
UNREPRESENTED EMPLOYEE: PLANNING DIRECTOR CANDIDATE

Assistant City Attorney Abzug stated there was no reportable action.

**12. ADJOURNMENT**

Hearing no further business before the City Council, Mayor Mirsch adjourned the meeting at 10:37p.m in memory of Councilmember Pat Wilson's mother. The next regular meeting of the City Council is scheduled to be held on Monday, September 09, 2019 beginning at 7:00 p.m. in the City Council Chamber at City Hall, 2 Portuguese Bend Road, Rolling Hills, California.

Respectfully submitted,

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Yohana Coronel, MBA  
City Clerk

Approved,

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Leah Mirsch  
Mayor

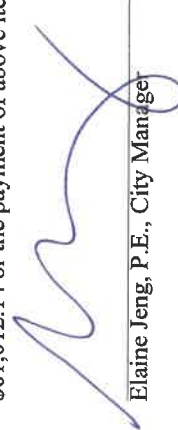
## CITY OF ROLLING HILLS

9/23/2019 CHECK RUN B

CHECK NO.	CHECK DATE	PAYEE	DESCRIPTION	AMOUNT
26073	9/23/2019	AFFORDABEL GENERATRO SERVICES	MARCH 2019 INSPECTION AND SERVICE	408.94
26074	9/23/2019	BEST BEST & KRIEGER LLP	AUGUST 2019 SERVICES	9,614.00
26075	9/23/2019	COX COMMUNICATIONS	SERVICES	465.46
26076	9/23/2019	DAILY BREEZE	AUGUST 2019 ADVERTISING	375.57
26077	9/23/2019	DONOVAN BLACK	RECYCLING REFUNDABLE DEPOSIT	750.00
26078	9/23/2019	DUTHIE POWER SERVICES	SEPTEMBER ATS SERVICE	900.00
26079	9/23/2019	EXECUTIVE SUITE SERVICES INC	AUGUST 2019 SERVICES	750.00
26080	9/23/2019	KONICA	AUGUST 2019 MAINTENANCE AGREEMENT	282.56
26081	9/23/2019	COUNTY OF LA AGRICULTURAL	JULY 2019 COYOTE CONTROL	946.53
26082	9/23/2019	LA COUNTY SHERIFF'S DEPT	AUGUST 2019 LAW ENFORCEMENT	29,654.48
26083	9/23/2019	NX CONSTRUCTION	RECYCLING REFUNDABLE DEPOSIT	750.00
26084	9/23/2019	OPUS BANK	AUGUST 2019 EXPENSES	2,237.18
26085	9/23/2019	PALOS VERDES SECURITY SYS. INC	4TH QTR 2019 SERVICES	192.00
26086	9/23/2019	REMOTE SATELLITE SYSTEM	OCTOBER 2019 SERVICES AND AUGUST AIRTIME	108.00
26087	9/23/2019	CITY OF RANCHO PALOS VERDES	7% MONTHLY CAMER CONNNECTIVITY COST	66.52
26088	9/23/2019	TERMINIX	AUGUST 2019 PEST CONTROL	54.00
26089	9/23/2019	USCM	DEFERRED COMPENSATION 9/13 AND 9/27	1,200.00
26090	9/23/2019	VANTAGE POINT TRANSFER AGENTS	DEFERRED COMPENSATION 9/13 AND 9/27	1,467.60
26091	9/23/2019	XEROX CORPORATION	AUGUST 2019 MONTHLY FEE	46.00
EFT	9/1/2019	CALPERS	RETIREMENT AUGUST 2019	8218.56
* PR LINK	9/13/2019	PR LINK - PAYROLL PROCESSING	PROCESSING FEE	59.10
* PR LINK	9/13/2019	PR LINK - PAYROLL 8 & PR TAXES	PAY PERIOD - AUGUST 28, 2019 THROUGH SEPTEMBER 10, 2019	22,465.64
				<u>\$ 81,012.14</u>
				58,487.40

Agenda Item No.: 4B  
Mtg Date: 09/23/2019

I, Elaine Jeng, City Manager of Rolling Hills, California certify that the above demands are accurate and there is available in the General Fund a balance of \$81,012.14 or the payment of above items.

 09/17/19  
Elaine Jeng, P.E., City Manager

CITY OF ROLLING HILLS  
BALANCE SHEET  
July 31, 2019

	GENERAL & CAPITAL FUND	DEPOSIT FUND	COPS & CLEEF	COMMUN. FACILITIES	MUNICIPAL SELF-INSUR.	REFUSE COLLECT.	TRAFFIC SAFETY	TRANSIT PROF A, C, M & TDA	UTILITY FUND	YTD TOTAL	PRECLOSING BEGINNING OF YEAR TOTAL
<b>ASSETS</b>											
Cash & cash equivalents	\$ 5,278,265	\$ 1,303	\$ 71,812	\$ 11,255	\$ 260,374	\$ 543,586	\$ -	\$ 143,277	\$ 787,905	\$ 7,097,777	\$ 7,224,252
Cash & cash equivalents - Capital Project Fund											
PARS Section 115 Trust	382,972									382,972	382,972
Rule 20A	-								675,295	675,295	675,295
Accounts receivable	89,545					90,100				179,645	314,309
Prepaid expense & deposits	33,844									33,844	6,207
<b>TOTAL ASSETS</b>	<b>\$ 5,784,626</b>	<b>\$ 1,303</b>	<b>\$ 71,812</b>	<b>\$ 11,255</b>	<b>\$ 260,374</b>	<b>\$ 633,686</b>	<b>\$ -</b>	<b>\$ 143,277</b>	<b>\$ 1,463,200</b>	<b>\$ 8,369,533</b>	<b>\$ 8,603,035</b>
<b>LIABILITIES</b>											
Accounts & Contract payable	\$ 40,054		\$ 3,282	\$ -	\$ -	\$ 465,893	\$ -	\$ -	\$ -	\$ 509,229	\$ 682,021
Employee Benefits Payable	3,027									3,027	2,956
Deposits	7,964	1,303								9,267	9,267
Deferred revenues	-									-	-
<b>TOTAL LIABILITIES</b>	<b>51,045</b>	<b>1,303</b>	<b>3,282</b>	<b>-</b>	<b>-</b>	<b>465,893</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>521,523</b>	<b>694,244</b>
<b>FUND BALANCE</b>											
Restricted Fund Balance	382,972		68,530							594,779	583,595
Unassigned Fund Balance	5,350,609			11,255	260,374	167,793			1,463,200	7,253,231	7,325,196
<b>TOTAL UNASSIGNED FUND BALANCE</b>	<b>5,733,581</b>	<b>-</b>	<b>68,530</b>	<b>11,255</b>	<b>260,374</b>	<b>167,793</b>	<b>-</b>	<b>143,277</b>	<b>1,463,200</b>	<b>7,848,010</b>	<b>7,908,791</b>
<b>TOTAL UNASSIGNED FUND BALANCE &amp; LIABILITIES</b>	<b>\$ 5,784,626</b>	<b>\$ 1,303</b>	<b>\$ 71,812</b>	<b>\$ 11,255</b>	<b>\$ 260,374</b>	<b>\$ 633,686</b>	<b>\$ -</b>	<b>\$ 143,277</b>	<b>\$ 1,463,200</b>	<b>\$ 8,369,533</b>	<b>\$ 8,603,035</b>

COMPOSITION OF CASH

Petty Cash	\$ 1,500
OPUS Bank - Checking Account	46,621
OPUS Bank - Money Market	107,382
OPUS Bank - Checking Account	1,051,185
Calif. State Local Agency Investment Fund	2,693,420
Malaga Bank /Preferred - CD's	3,197,669
	<b>\$ 7,097,777</b>

Prepared By:

  
Terry Shea, Finance Director

Date

9/18/19

Approved By:

  
Elaine Jeng, P.E., City Manager

Date

**CITY OF ROLLING HILLS**  
**SUMMARY STATEMENT OF REVENUES AND EXPENDITURES**  
**Actual Compared to Annual Budget**  
**July 1, 2019 to July 31, 2019**

<u>Fund</u>	This Year	Last Year	This Year Better (Worse)	Adjusted Annual Budget	Remaining Budget
<b>GENERAL</b>					
Revenues	\$ 9,280	\$ 25,050	\$ (15,770)	2,278,300	\$ 2,269,020
Expenditures	78,861	71,442	(7,419)	2,233,600	2,154,739
Net Revenue before transfers	(69,581)	(46,392)	(23,189)	44,700	114,281
Transfers in (out)	2,000	2,000	-	(374,000)	(376,000)
Net Revenue	(67,581)	(44,392)	(23,189)	(329,300)	(261,719)
<b>CITIZENS' OPTION FOR PUBLIC SAFETY (COPS)</b>					
Revenues	-	-	-	140,125	140,125
Expenditures	-	-	-	162,700	162,700
Net Revenue before transfers	-	-	-	(22,575)	(22,575)
Transfers in (out)	-	-	-	-	0
Net Revenue	-	-	-	(22,575)	(22,575)
<b>CAPITAL IMPROVEMENT FUND</b>					
Revenues	-	-	-	10,000	10,000
Expenditures	-	-	-	350,000	350,000
Net Revenue before transfers	-	-	-	(340,000)	(340,000)
Transfers in (out)	-	-	-	340,000	340,000
Net Revenue	-	-	-	-	-
<b>COMMUNITY FACILITIES</b>					
Revenues	-	-	-	100	100
Expenditures	-	-	-	15,000	15,000
Net Revenue before transfers	-	-	-	(14,900)	(14,900)
Transfers in (out)	-	-	-	3,500	3,500
Net Revenue	-	-	-	(11,400)	(11,400)
<b>MUNICIPAL SELF-INSURANCE</b>					
Revenues	-	-	-	-	-
Expenditures	-	-	-	3,000	3,000
Net Revenue before transfers	-	-	-	(3,000)	(3,000)
Transfers in (out)	-	-	-	-	-
Net Revenue	-	-	-	(3,000)	(3,000)
<b>REFUSE COLLECTION</b>					
Revenues	61,029	64,300	(3,271)	840,900	779,871
Expenditures	68,757	66,183	(2,574)	890,089	821,332
Net Revenue before transfers	(7,728)	(1,883)	(5,845)	(49,189)	(41,461)
Transfers in (out)	(2,000)	(2,000)	-	(24,000)	(22,000)
Net Revenue	(9,728)	(3,883)	(5,845)	(73,189)	(63,461)
<b>TRAFFIC SAFETY</b>					
Revenues	-	-	-	50	50
Expenditures	-	163	163	54,550	54,550
Net Revenue before transfers	-	(163)	163	(54,500)	(54,500)
Transfers in (out)	-	-	-	54,500	54,500
Net Revenue	-	(163)	163	-	0
<b>TRANSIT - PROPOSITION A, C, M &amp; R</b>					
Revenues	11,186	9,855	1,331	124,650	113,464
Expenditures	-	-	-	-	-
Net Revenue before transfers	11,186	9,855	1,331	124,650	113,464
Transfers in (out)	-	-	-	-	-
Net Revenue	11,186	9,855	1,331	124,650	113,464
<b>LA COUNTY MEASURE W</b>					
Revenues	-	9,855	(9,855)	120,900	120,900
Expenditures	-	-	-	120,000	120,000
Net Revenue before transfers	-	9,855	(9,855)	900	900
Transfers in (out)	-	-	-	-	-
Net Revenue	-	9,855	(9,855)	900	900
<b>UTILITY FUND</b>					
Revenues	-	-	-	-	-
Expenditures	-	-	-	172,000	172,000
Net Revenue before transfers	-	-	-	(172,000)	(172,000)
Transfers in (out)	-	-	-	-	-
Net Revenue	-	-	-	(172,000)	(172,000)
<b>TOTAL ALL FUNDS</b>					
Revenues	81,495	109,060	(27,565)	3,515,025	3,433,530
Expenditures	147,618	137,788	(9,830)	4,000,939	3,853,321
Net Revenue before transfers	(66,123)	(28,728)	(37,395)	(485,914)	(419,791)
Transfers in (out)	-	-	-	-	-
Net Revenue	\$ (66,123)	\$ (28,728)	\$ (37,395)	\$ (485,914)	\$ (419,791)



*City of Rolling Hills*

INCORPORATED JANUARY 24, 1957

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NO. 2 PORTUGUESE BEND ROAD  
ROLLING HILLS, CA 90274  
(310) 377-1521  
FAX (310) 377-7288

**Agenda Item No: 8A**  
**Mtg. Date: 09/23/2019**

**TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL**

**FROM: ELAINE JENG, P.E., CITY MANAGER**

**SUBJECT: DISCUSS RESTRICTIONS TO MEASURE W, THE SAFE AND CLEAN WATER PROGRAM (DEDICATED FUNDING FOR STORMWATER AND URBAN RUNOFF) AND PLAN FOR FISCAL YEAR 2019-2020 BUDGET ADJUSTMENT.**

**DATE: SEPTEMBER 23, 2019**

**ATTACHMENT:**

- 1. SUMMARY OF SAFE CLEAN WATER MUNICIPAL PROGRAM BY MCGOWAN CONSULTING, DATED JULY 30, 2019**
- 2. ANTICIPATED STORMWATER COMPLIANCE EXPENDITURES FOR FISCAL YEAR 2019-2020**
- 3. PROPOSED MEASURE W EXPENDITURE PLAN**

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## **BACKGROUND**

With the passage of Measure W in 2018, the Los Angeles County Supervisors adopted an Implementing Ordinance for the Safe Clean Water Program. Safe Clean Water will generate money to fund projects and programs that capture, clean and conserve stormwater - increasing local water supplies, improving water quality, and creating opportunities for new recreational green space and habitat. An estimated \$300 million in tax revenue will be generated by Measure W every year through a special parcel tax of 2.5 cents per square foot of impermeable surface area on private property. Certain low-income homeowners, nonprofits, and publicly-owned facilities are eligible for an exemption, and credits for property owners who have installed stormwater-capture improvements are available.

The tax revenue will be split into three ways: 10% to the Los Angeles Flood Control District (District) for administration, 40% directly to the municipalities within Los Angeles County and the final 50% for regional projects and programs by watershed areas. The estimated local return for the City of Rolling Hills is approximately \$120,000.

According to the District, in the Fall of 2019, the tax bills will be mailed. In Winter 2019-2020, municipalities will enter into Fund Transfer Agreements with the District. In Spring 2020, tax revenues will be allocated to the appropriate parties.

## **DISCUSSION**

In preparation for the City's Fiscal Year 2019-2020 budget, city staff reviewed the guidelines for Measure W and used the estimated local return of \$120,000 to offset general funds for stormwater compliance. Since then, the District developed the Implementing Ordinance specifying restrictions and conditions to the Measure W revenues. McGowan Consulting reviewed the Implementing Ordinance and Program Elements posted on the Los Angeles County Board of Supervisors website for adoption on August 6, 2019 and previously adopted Chapter 16 (as of July 26, 2019) of the Los Angeles County Flood Control District Code. McGowan Consulting informed City staff that Measure W limits spending on existing programs to 30% of the local return; 70% of the local return is dedicated to projects and new programs implemented after the passage of Measure W or November 6, 2018. McGowan Consulting's review of the ordinance and program elements is included as Attachment 1 to this report.

In the approved budget for Fiscal Year 2019-2020, the entire amount of the anticipated \$120,000 Measure W revenue is assumed to be eligible for existing programs such as McGowan Consulting fees, TMDL monitoring, and regional project contributions. Attachment 2 to this report is an expenditure breakdown for stormwater compliance for Fiscal Year 2019-2020 and it is approximately \$185,000. Offsetting the expense with Measure W, \$65,000 of General Fund was approved in the approved budget for stormwater compliance.

## **FISCAL IMPACT**

Based on McGowan Consulting's review of the Measure W restrictions, the consultant generated a proposed expenditure plan in Attachment 3, showing line items of McGowan Consulting's contract that are eligible to be funded by 30% of the tax revenue and items that are eligible to be funded by the 70% of the tax revenue. Out of the anticipated \$185,000 stormwater compliance expenditure for the fiscal year, based on the current published rules, an estimated \$55,900 can be funded with Measure W and approximately \$129,100 will need to be funded with General Fund. Compared to the budgeted \$65,000 of General Fund, an additional \$64,100 of General Fund is needed to support stormwater compliance.

## **RECOMMENDATION**

The District will be sending municipalities Fund Transfer Agreements and it is expected that additional conditions may be included. Staff is recommending that the City Council hold off on budget adjustments until the Fund Transfer Agreement is available.

-DRAFT- FOR PLANNING PURPOSES, ONLY

## Summary of Safe Clean Water (SCW) - Municipal Program

*This summary has been prepared for purposes of planning, only, based on McGowan Consulting's review of the Implementing Ordinance and Program Elements posted on the County Board of Supervisors website for adoption on August 6, 2019 meshed with previously adopted Chapter 16 available on line as of 7/26/19. Please consult the final adopted ordinance and/or revised Los Angeles County Flood Control District Code Chapters 16 and 18 as well as SCW fund transfer agreement requirements when they become available before making any expenditures or commitments for expenditures.*

### 16.05.A. General

Eligible expenditures include but are not limited to:

- Infrastructure development tasks including design and planning, preparation of grant applications, preparation of environmental documents, obtaining permits, construction, operations and maintenance, and inspection [preparation of grant applications added for 8/6/19]
- Real property acquisition, including fee title, leases, easements and right of entry permits, necessary to implement Projects selected for funding under the SCW Program;
- Scientific and technical studies, and Stormwater or Urban Runoff modeling and monitoring;
- Water quality or regional water resilience planning;
- Stormwater or Urban Runoff residential and/or commercial retrofits;
- Projects or studies to pilot or investigate new technologies or methodologies to increase or improve Stormwater or Urban Runoff capture or reduce Stormwater or Urban Runoff pollution for improving water quality, increasing local water supplies, or improving the quality of life for communities;
- The development of Feasibility Studies to enable Infrastructure Program Project Applicants to submit Projects for consideration for SCW Program funds;
- The modification, upgrade, retrofit, or expansion of an existing Project to incorporate new elements to increase Stormwater or Urban Runoff capture and reduce Stormwater or Urban Runoff pollution to provide an additional Water Quality Benefit, Water Supply Benefit, or Community Investment Benefit;
- Debt financing, should the District or a Municipality determine that bonds or loans are prudent and necessary to implement Projects or Programs;
- Stormwater or Urban Runoff Programs such as, but not limited to, school education and curriculum, public education, watershed coordination efforts, regional water quality planning and coordination, and local workforce job training;
- Administration and implementation of the SCW Program; and
- Payments pursuant to an incentive program, as may be established by the Board

Ineligible expenditures include but are not limited to:

- costs and expenses incurred prior to November 6, 2018 [inserted for adoption on 8/6/19]
- expenditures related to investigation, defense, litigation, or judgement associated with any regulatory permit violations, notices of violation, or allegations of noncompliance brought by State, federal or local regulatory agencies or third parties unrelated to projects and programs selected for funding under the SCW Program

**16.05.C. Program Elements - Municipal Program** [as shown in Chapter 16 as of July 26, 2019, no changes are proposed in the ordinance for adoption on 8/6/19]

- Projects implemented through the Municipal Program shall include a Water Quality Benefit. Water Quality Benefit is defined in **16.03.NN.** as: a reduction in stormwater or urban runoff pollution, such as improvements in the chemical, physical and biological characteristics of stormwater or urban runoff in the District. Activities resulting in this benefit include, but are not limited to: infiltration or treatment of stormwater or urban runoff, non-point source pollution control, and diversion of stormwater or urban runoff to a sanitary sewer system.
- Multi-Benefit Projects and Nature-Based Solutions are strongly encouraged.
- The responsibilities of each Municipality receiving Municipal Program funding from the SCW Program shall include, but not be limited to:
  1. Preparation of a progress/expenditure report that details a program-level summary of expenditures and a description of Water Quality Benefits, Water Supply Benefits, Nature-Based Solutions, and Community Investment Benefits realized through use of Municipal Program funds. [See discussion of Section 18.06.D. below for specific requirements]
  2. Compliance with all SCW Program fund transfer, reporting, and audit requirements.
  3. Engagement with Stakeholders in the planning process for use of the Municipal Program funds during the planning and implementation of Projects and Programs.
  4. Prioritization and development of Projects that, to the extent feasible, assist in achieving compliance with Order No. R4-2012-0175 (As Amended By State Water Board Order WQ 2015-0075 and Order No. R4-2012-0175-A01 NPDES Permit No. CAS004001 Waste Discharge Requirements For Municipal Separate Storm Sewer System (MS4) Discharges Within The Coastal Watersheds of Los Angeles County, Except Those Discharges Originating From The City of Long Beach MS4 and Order No. R4-2014-0024 (As Amended By Order No. R4-2014-0024-A01) NPDES Permit No. CAS004003 Waste Discharge Requirements For Municipal Separate Storm Sewer System Discharges From The City of Long Beach, or successor permits issued by the Los Angeles Regional Water Quality Control Board for such permits.

**16.07 – Independent Audit**

- Municipalities shall be subject to an independent audit of their use of SCW Program funds not less than once every three (3) years. Audits of Municipalities shall be funded with Municipal Program funds.

**16.11 – Lapsed Funds**

- Municipalities and Infrastructure Program Project Developers shall be able to carry over uncommitted Special Parcel Tax funds for up to five (5) years from the end of the fiscal year in which those funds are transferred from the District to the Municipality or Infrastructure Program Project Developer. Additional requirements may be included in the transfer agreement.

- Municipalities and Infrastructure Program Project Developers who are unable to expend SCW Program funds in a timely manner shall be subject to lapsing funds procedures. Lapsed funds are funds that were transferred to a Municipality or an Infrastructure Program Project Developer, but were not committed to eligible expenditures by the end of the fifth fiscal year after the fiscal year in which those funds were transferred from the District.
- Lapsed funds shall be allocated by the Watershed Area Steering Committee of the respective Watershed Area to a new Project or Program recommendation with benefit to that Municipality or Watershed Area.

**16.12 – Reporting Requirements**

- Each Municipality shall prepare a progress/expenditure report describing their use of Municipal Program funds in accordance with the provisions of Section 18.06.D. of Chapter 18 of this code.

**16.13 – Audit Recordkeeping**

- SCW Program funds distributed to the District, Municipalities, and Infrastructure Program Project Developers shall be held in separate interest-bearing accounts and shall not be combined with other funds. Interest earned from each account shall be used by the account holder only for eligible expenditures consistent with the requirements of the SCW Program.
- Municipalities, Infrastructure Program Project Developers, and the District shall retain, for a period of seven (7) years after Project completion, all records necessary in accordance with Generally Accepted Accounting Principles to determine the amounts expended, and eligibility of Projects and Programs implemented using SCW Program funds. Municipalities and Infrastructure Program Project Developers, upon demand by authorized representatives of the District, shall make such records available for examination and review or audit by the District or its authorized representatives. Records shall include: accounting records, written policies and procedures, contract files, original estimates, correspondence, change order files, including documentation covering negotiated settlements, invoices, and any other supporting evidence deemed necessary to substantiate charges related to SCW Program funds and expenditures.
- At all reasonable times, Municipalities and Infrastructure Program Project Developers shall permit the Chief Engineer to examine all Projects and Programs that were erected, constructed, implemented, operated, or maintained, in whole or part, using SCW Program funds. Municipalities and Watershed Area Steering Committees shall permit the authorized District representative, including the Auditor-Controller, to examine, review, audit, and transcribe any and all audit reports, other reports, books, accounts, papers, maps, and other records that relate to Projects or Programs funded in whole or part by the SCW Program.

**18.06 – Municipal Program Implementation** [proposed for adoption on 8/6/19]

A. The Municipal Program shall be implemented in accordance with the Provisions of this Section.

B. Each Municipality receiving Municipal Program funding from the SCW Program shall perform the following functions as part of the Municipal Program:

1. Prioritize the development of Projects that, to the extent feasible, assist in achieving compliance with the MS4 Permit.
2. Prepare, prior to the start of that Municipality's fiscal year, a plan for how SCW Program funds will be used in the ensuing fiscal year.

3. Comply with all SCW Program reporting and audit requirements, and provide to the District additional financial and other information, as required by the SCW Program or upon request of the District.
4. As part of the Municipal Program planning process, consider Municipal-level requests for Projects from eligible Infrastructure Program Project Applicants.
5. At least annually, prepare and provide to the public informational materials containing up-to-date information on the Municipality's actual and budgeted use of revenues from the SCW Program.
6. Operate in accordance with best practices for government agencies.
7. Be strictly accountable for all funds, receipts, and disbursements by the Municipality.
8. Identify or establish, and then execute, a plan to engage with Stakeholders in the planning process for use of the Municipal Program funds during the planning and implementation of Projects and Programs.
9. Comply with all Transfer Agreement requirements.
10. Prepare a vector minimization plan addressing vector considerations for the design, operation, and maintenance of each Project.

C. Maintenance of Effort.

1. A Municipality must spend at least seventy percent (70%) of its Municipal Program Funds annually on eligible expenses related to Projects or Programs implemented on or after November 6, 2018, which also includes operations and maintenance of Projects built to comply with the MS4 Permit, so long as the Project complies with Municipal Program requirements.
2. Up to thirty percent (30%) of a Municipality's Municipal Program funds may be used to pay for costs and expenses incurred on or after November 6, 2018, related to the continuation of Programs implemented or the maintenance of Projects implemented prior to November 6, 2018.

D. Municipal Program Annual Progress/Expenditure Reports

1. Each Municipality shall prepare and submit an annual report to the District, not later than six months after the end of that Municipality's fiscal year.
2. The annual report shall include the following information:
  - a. A summary of the expenditures and Water Quality, Water Supply, and Community Investment Benefits realized through use of SCW Program Funds;  
[Definitions of each benefit inserted here for ease of reference:  
Water Quality Benefit is defined in **16.03.NN.** as: a reduction in stormwater or urban runoff pollution, such as improvements in the chemical, physical and biological characteristics of stormwater or urban runoff in the District. Activities resulting in this benefit include, but are not limited to: infiltration or treatment of stormwater or urban runoff, non-point source pollution control, and diversion of stormwater or urban runoff to a sanitary sewer system.  
Water Supply Benefit is defined in **16.03.OO.** as: an increase in the amount of locally available water supply, provided there is a nexus to Stormwater or Urban Runoff capture. Activities resulting in this benefit include, but are not limited to, the following: reuse and conservation practices, diversion of stormwater or urban runoff

to a sanitary sewer system for direct or indirect water recycling, increased groundwater replenishment or available yield, or offset of potable water use. Community Investment Benefit is defined in 16.03.F. as a benefit created in conjunction with a Project or Program, such as, but not limited to: improved flood management, flood conveyance, or flood risk mitigation; creation, enhancement or restoration of parks, habitat or wetlands; improved public access to waterways; enhanced or new recreational opportunities; and greening of schools. A Community Investment Benefit also includes a benefit to the community derived from a Project or Program that improves public health by reducing heat island effect and increasing shade or planting of trees or other vegetation that increase carbon reduction/sequestration and improve air quality.

- b. The amount of SCW Program funds expended;
  - c. Documentation that the SCW Program funds were used for eligible expenditures;
  - d. A description of work accomplished during the reporting period;
  - e. The milestones or deliverables completed/submitted during the reporting period;
  - f. The work anticipated to be accomplished during the next reporting period;
  - g. Photo documentation of the above, as appropriate;
  - h. Additional information as required by the District; and
  - i. A description of the Municipality's stakeholder-engagement activities during the reporting period, including documentation as appropriate.
3. The District shall review each Municipality's annual report to make a preliminary determination of whether and the extent to which each Municipality's expenditures achieved SCW Program Goals, and the District shall forward its preliminary determination to the ROC [Regional Oversight Committee].
4. The Regional Oversight Committee (ROC) shall review the Municipalities' annual reports after the District has completed its preliminary determination, to evaluate whether and the extent to which the Municipalities' expenditures achieved SCW Program Goals and develop recommendations as appropriate. The ROC shall report its findings and recommendations to the Board and provide copies to the respective Municipalities.

Item	Description	Cost
<b>CLMP Monitoring (MOU with RPV as lead)</b>	City's share of CLMP monitoring program upon approval by Regional Board through MOU with Rancho Palos Verdes as the lead	\$ 39,710
<b>Shoreline Monitoring for Peninsula</b>	City's share of Santa Monica Bay Bacteria TMDL shoreline monitoring now required of the Peninsula Group because LA County Sanitation Districts is no longer required to do it in the NPDES Permit as of July 1, 2018.	\$ 10,820
<b>Trash Monitoring</b>	Annual trash monitoring for compliance with Machado Lake and Santa Monica Bay trash TMDLs	\$ 9,500
<b>Greater Harbor Toxics Coordinated Monitoring (MOU with Gateway Authority as fiduciary agency and City of Long Beach as lead)</b>		\$ 16,536
<b>Torrance Airport Regional BMP Final Design cost</b>	City's share of final design costs for Torrance Airport Stormwater Regional Infiltration System.	\$ 57,525
<b>MS4 Permit, Time Schedule Order and OWTs Support</b>	Stormwater Consultant support for MS4 Permit, TMDL reconsideration, Time Schedule Order and OWTs	\$ 43,000
<b>NPDES Permit Fee</b>		\$ 8,000
		<b>\$ 185,091</b>

**Attachment 3**

<b>Item</b>	<b>Cost</b>	<b>Ongoing Programs (30% of est. \$120K)</b>	<b>New Projects/Programs (70% of est. \$120K)*</b>
<b>SCW Estimated 40% Return</b>	<b>\$ 120,000</b>	<b>\$ 36,000</b>	<b>\$ 84,000</b>
McGowan Task 1 (FY1920)	\$ 17,700.00	\$ -	\$ -
McGowan Task 2 PIPP (FY1920) plus subcontracted work	\$ 4,484.00	\$ 1,793.60	\$ 2,690.40
McGowan Task 4.1 Planning & Land Dev. (FY1920)	\$ 4,608.00		\$ 4,608.00
McGowan Task 4.2 LAMP (FY1920)	\$ 1,800.00		\$ 1,800.00
McGowan Task 5 PAAP (FY1920)	\$ 1,200.00	\$ 1,200.00	
McGowan Task 6 ICID (FY1920)	\$ 2,700.00	\$ 2,700.00	
McGowan Task 7.1 WMG (FY1920)	\$ 7,500.00	\$ 3,750.00	\$ 3,750.00
McGowan Task 7.2 TMDL Support	\$ 7,000.00		\$ 7,000.00
New Code Enforcement Officer			
CIMP Monitoring	\$ 48,467.00	\$ 48,467.00	
Trash Monitoring	\$ 7,000.00	\$ 7,000.00	
Harbor Toxics Monitoring	\$ 11,660.00	\$ 11,660.00	
SWRCB Fee	\$ 5,700.00		
<b>Totals</b>	<b>\$119,819.00</b>	<b>\$ 76,570.60</b>	<b>\$ 19,848.40</b>
difference from SCW allowed		\$ (40,570.60)	\$ 64,151.60

\*note: may be able to go back and recover new projects/programs column from FY1819 for costs incurred after November 6, 2018



*City of Rolling Hills*

INCORPORATED JANUARY 24, 1957

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NO. 2 PORTUGUESE BEND ROAD  
ROLLING HILLS, CA 90274  
(310) 377-1521  
FAX (310) 377-7288

**Agenda Item No: 8B**  
**Mtg. Date: 09/23/2019**

**TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL**

**FROM: ELAINE JENG, P.E., CITY MANAGER**

**SUBJECT: RECEIVE AND FILE WASTE DIVERSION AUDIT REPORT BY MSW CONSULTANTS.**

**DATE: SEPTEMBER 23, 2019**

**ATTACHMENT:**

- 1. FINAL REVIEW OF WASTE DIVERSION RATE BY MSW CONSULTANTS, DATED AUGUST 27, 2019**

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## **BACKGROUND**

Republic Services collect and process solid waste for the City of Rolling Hills and has served the City for over 15 years. Republic Services' current contract with the City will expire on June 30, 2020. In discussing solid waste collection services beyond June 30, 2020, staff informed the City Council that a waste diversion compliance audit will be performed to validate Republic Services reported landfill diversion data.

The State regulates municipalities and requires cities to meet waste diversion requirements and report on diversion activities. The State holds cities accountable not the solid waste providers.

In March 2019, MSW Consultants (MSW) was engaged for the waste diversion compliance audit. MSW's fee is cost shared 50-50 split with Republic Services. Republic Services committed to paying the City's share if the City continues to use Republic Services for collections beyond June 30, 2020.

In August 2019, MSW completed the audit and presented their findings to staff.

## **DISCUSSION**

Republic Services' agreement with the city for collections requires Republic Services to achieve a minimum of annual diversion rate of fifty percent (50%). This data is reported to the City Council monthly at City Council meetings. This data is also reported to the State on an annual basis. Per the agreement with Republic Services, the annual diversion rate is calculated as the tons of materials collected from the provision of collection services that are sold, processed, or shipped to a recycler or re-user and net of any residue amounts, divided by the total tons of materials collected by Republic Services in each calendar year.

MSW performed tasks including review of annual reports, on-site detailed testing of Republic Services' tonnage tracking system, and reviewed weight tickets from disposal facilities for 2017 and 2018. MSW concluded that Republic Services accurately reported the amount of waste, recyclables, and organics collected in the City. Republic Services overstated its contractually required diversion rate by including diversion it had achieved from material collected in rolloff boxes (generally construction debris). Material collected in rolloff boxes should not be included in the calculation of Republic Services contractually required diversion rate. For 2017, Republic Services reported 57.93%. MSW concluded the correct diversion rate should be 50.24%. For 2018, Republic Services reported 50.01%. MSW concluded the correct diversion rate should be 41.13%.

## **FISCAL IMPACT**

MSW's fee to perform the diversion compliance audit was \$8,520. The City paid \$4,260 out of the refuse fund and Republic Services paid \$4,260. The City's portion is recoverable from Republic Services, if the City continues to use Republic Services for collection services beyond June 30, 2020.

## **RECOMMENDATION**

Staff recommends that the City Council receive and file MSW's final waste diversion audit report.



SOLID WASTE CONSULTANTS  
TO LOCAL GOVERNMENT

August 27, 2019

Ms. Elaine Jeng  
City Manager  
City of Rolling Hills  
2 Portuguese Bend Rd.  
Rolling Hills, California 90274

**Final Review of Waste Diversion Rate**

Dear Ms. Jeng:

We have completed our review of the annual waste diversion rates reported by Consolidated Disposal Service, LLC dba Republic Services (Republic Services) for 2017 and 2018. This letter report describes the background, objectives, and findings of our review.

**Background**

The City arranges for solid waste collection service through an exclusive agreement with Republic Services (Agreement). The scope of the exclusive Agreement with Republic Services includes providing twice per week service to all households in the City using customer-provided carts or cans.

The scope of the Agreement does not include rolloff service. Although Republic provides rolloff service in the City, it does not have the exclusive right to do so, and other companies also provide rolloff service in the City.

The Agreement requires Republic to achieve a minimum annual diversion rate of fifty percent (50%). This requirement is set forth in Section 12.1 of the Agreement, which states:

*During the Term of this Agreement, Allied shall achieve a minimum annual Diversion rate of fifty percent (50%) for Residential Solid Waste Collection Services, or such other amount as may be set in accordance with the provisions of Section 25 of this Agreement*

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SOLID WASTE CONSULTANTS  
TO LOCAL GOVERNMENT

Ms. Elaine Jeng  
August 27, 2019  
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*or State law. The annual Diversion rate will be calculated as "the tons of materials collected by Allied from the provision of Collection Services that are sold, processed, or shipped to a recycler or re-user and net of any residue amounts, as required by this Agreement, divided by the total tons of materials collected by Allied in each Calendar Year."*

### **Objective**

The objective of our review was to:

- Confirm that Republic Services had accurately reported the amount of refuse, recyclables and organics collected in the City; and,
- Confirm Republic Services' actual level of waste diversion.

### **Tasks Performed**

In our review of Republic Services' diversion rate for calendar years 2017 and 2018, we performed the following tasks:

- Reviewed Republic Services' annual reports for the most recent two years, and verified them for accuracy.
- Performed on-site detailed testing of Republic Services' tonnage tracking system.
- Vouched Republic Services' reported amounts to individual weight tickets for various disposal facilities.
- Evaluated the tonnage amounts for reasonableness by calculating standard industry ratios (lbs. per home, tons per load, etc.), and compared them to industry averages.



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## Findings

In our review, we found that Republic Services had:

- Accurately reported the amount of waste, recyclables, and organics it had collected in the City; and,
- Overstated its contractually required diversion rate by including diversion it had achieved from material collected in rolloff boxes. Material collected in rolloff boxes is outside the scope of the Agreement, and should not be included in the calculation of Republic Services contractually required diversion rate.

The amount of tons reported to the City by Republic Services for 2017 and 2018 are shown on the next page in Table 1 and Table 2, respectively. These amounts are from the 'City of Rolling Hills Residential Allied Waste Recycle Now Report' submitted each year to the City.

Each table shows the amount of recyclables, greenwaste, and construction and demolition (C&D) material that was diverted from being landfilled (i.e., sold, processed, or shipped to a recycler). Each table also shows the amount of C&D material and disposal tonnage that was landfilled. The amounts of C&D material are outside the scope of the Agreement.

In Table 1, Republic reported that its diversion rate in 2017 was 57.93%. In Table 2, Republic Services reported that its diversion rate for 2018 was 50.01%.



SOLID WASTE CONSULTANTS  
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**Table 1 – Reported Tons and Waste Diversion Rate - 2017**

Month	Recycled	Greenwaste	C&D Recycled	Total Diverted	C&D Disposal	Disposal	Total Disposed	Total Diverted and Disposed
January	51.34	83.67	29.80	164.81	6.62	133.36	139.98	304.79
February	45.87	66.88	6.37	119.12	2.13	115.89	118.02	237.14
March	52.00	75.56	32.98	160.54	11.00	125.65	136.65	297.19
April	53.62	155.40	61.17	270.19	11.21	129.57	140.78	410.97
May	47.49	98.65	106.36	252.50	5.80	114.78	120.58	373.08
June	51.80	114.43	58.65	224.88	7.33	125.18	132.51	357.39
July	53.57	103.23	111.23	268.03	9.24	129.45	138.69	406.72
August	29.57	122.15	56.96	208.68	8.97	162.15	171.12	379.80
September	16.37	138.59	84.18	239.14	11.67	147.29	158.96	398.10
October	56.98	78.66	22.80	158.44	2.71	154.07	156.78	315.22
November	34.95	70.53	73.54	179.02	3.41	175.13	178.54	357.56
December	3.32	85.37	116.72	205.41	25.61	161.57	187.18	392.59
<b>Total</b>	<b>496.88</b>	<b>1,193.12</b>	<b>760.76</b>	<b>2,450.76</b>	<b>105.70</b>	<b>1,674.09</b>	<b>1,779.79</b>	<b>4,230.55</b>
<b>Percent of Total</b>				<b>57.93%</b>			<b>42.07%</b>	<b>100.00%</b>

**Table 2 – Reported Tons and Waste Diversion Rate - 2018**

Month	Recycled	Greenwaste	C&D Recycled	Total Diverted	C&D Disposal	Disposal	Total Disposed	Total Diverted and Disposed
January	0.00	107.13	162.43	269.56	13.73	174.99	188.72	458.28
February	8.21	91.90	57.55	157.66	7.40	150.26	157.66	315.32
March	38.99	86.59	51.87	177.45	6.01	171.43	177.44	354.89
April	1.77	133.08	140.36	275.21	12.25	183.69	195.94	471.15
May	17.54	97.54	98.74	213.82	9.84	204.01	213.85	427.67
June	13.94	104.10	53.21	171.25	5.31	165.91	171.22	342.47
July	37.89	97.35	21.66	156.90	5.13	151.56	156.69	313.59
August	13.98	118.33	67.66	199.97	15.29	187.10	202.39	402.36
September	22.83	120.25	16.36	159.44	4.28	155.08	159.36	318.80
October	14.11	70.29	11.58	95.98	3.03	248.45	251.48	347.46
November	64.10	72.59	23.77	160.46	5.93	155.42	161.35	321.81
December	45.08	86.60	15.57	147.25	0.81	147.58	148.39	295.64
<b>Total</b>	<b>278.44</b>	<b>1,185.75</b>	<b>720.76</b>	<b>2,184.95</b>	<b>89.01</b>	<b>2,095.48</b>	<b>2,184.49</b>	<b>4,369.44</b>
<b>Percent of Total</b>				<b>50.01%</b>			<b>49.99%</b>	<b>100.00%</b>

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SOLID WASTE CONSULTANTS  
TO LOCAL GOVERNMENT

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August 27, 2019  
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In Table 3 below, and in Table 4 on the following page, we have recalculated the waste diversion rate for each year using only material that is included in the scope of the Agreement. Table 3 shows that the waste diversion rate for only material included in the Agreement was 50.24% instead of 57.93% as was reported to the City for 2017. Table 4 shows that the waste diversion rate for only material included in the Agreement was 41.13% instead of 50.01% as was reported to the City for 2018.

**Table 3 – Diversion Rate without C&D Tons – 2017**

Month	Recycled	Greenwaste	C&D Recycled	Total Diverted	C&D Disposal	Disposal	Total Disposed	Total Diverted and Disposed
January	51.34	83.67		135.01		133.36	133.36	268.37
February	45.87	66.88		112.75		115.89	115.89	228.64
March	52.00	75.56		127.56		125.65	125.65	253.21
April	53.62	155.40		209.02		129.57	129.57	338.59
May	47.49	98.65		146.14		114.78	114.78	260.92
June	51.80	114.43		166.23		125.18	125.18	291.41
July	53.57	103.23		156.80		129.45	129.45	286.25
August	29.57	122.15		151.72		162.15	162.15	313.87
September	16.37	138.59		154.96		147.29	147.29	302.25
October	56.98	78.66		135.64		154.07	154.07	289.71
November	34.95	70.53		105.48		175.13	175.13	280.61
December	3.32	85.37		88.69		161.57	161.57	250.26
<b>Total</b>	<b>496.88</b>	<b>1,193.12</b>	<b>0.00</b>	<b>1,690.00</b>	<b>0.00</b>	<b>1,674.09</b>	<b>1,674.09</b>	<b>3,364.09</b>
<b>Percent of Total</b>				<b>50.24%</b>			<b>49.76%</b>	<b>100.00%</b>

Although Republic Services overstated its waste diversion for both years, in 2017 it still achieved its contractually required diversion rate of 50%, even after the waste diversion rate was recalculated. However, in 2018, after its waste diversion rate was recalculated, Republic Services did not meet its contractually required diversion rate.

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**Table 4 – Diversion Rate without C&D Tons – 2018**

Month	Recycled	Greenwaste	C&D Recycled	Total Diverted	C&D Disposal	Disposal	Total Disposed	Total Diverted and Disposed
January	0.00	107.13		107.13		174.99	174.99	282.12
February	8.21	91.90		100.11		150.26	150.26	250.37
March	38.99	86.59		125.58		171.43	171.43	297.01
April	1.77	133.08		134.85		183.69	183.69	318.54
May	17.54	97.54		115.08		204.01	204.01	319.09
June	13.94	104.10		118.04		165.91	165.91	283.95
July	37.89	97.35		135.24		151.56	151.56	286.80
August	13.98	118.33		132.31		187.10	187.10	319.41
September	22.83	120.25		143.08		155.08	155.08	298.16
October	14.11	70.29		84.40		248.45	248.45	332.85
November	64.10	72.59		136.69		155.42	155.42	292.11
December	45.08	86.60		131.68		147.58	147.58	279.26
<b>Total</b>	<b>278.44</b>	<b>1,185.75</b>	<b>0.00</b>	<b>1,464.19</b>	<b>0.00</b>	<b>2,095.48</b>	<b>2,095.48</b>	<b>3,559.67</b>
<b>Percent of Total</b>				<b>41.13%</b>			<b>58.87%</b>	<b>100.00%</b>

\* \* \*

We appreciate the opportunity to be of service to the City. If you have any questions, please call me at (951) 704-9776.

Sincerely,

David L. Davis, CMA  
President

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