



## *City of Santa Fe Springs*

# AGENDA

FOR THE MEETINGS OF THE:

COMMUNITY DEVELOPMENT COMMISSION  
CITY COUNCIL

Council Chambers  
11710 Telegraph Road  
Santa Fe Springs, CA 90670

JUNE 11, 2009

6:00 P.M.

Luis M. Gonzalez, Mayor  
Betty Putnam, Mayor Pro Tem  
William K. Rounds, Councilmember  
Joseph D. Serrano, Sr., Councilmember  
Gustavo R. Velasco, Councilmember

**Public Comment:** The public is encouraged to address City Council on any matter listed on the agenda or on any other matter within its jurisdiction. If you wish to address the City Council, please complete the card that is provided at the rear entrance to the Council Chambers and hand the card to the City Clerk or a member of staff. The City Council will hear public comment on items listed on the agenda during discussion of the matter and prior to a vote. The City Council will hear public comment on matters not listed on the agenda during the Oral Communications period.

**Americans with Disabilities Act:** In compliance with the ADA, if you need special assistance to participate in a City Council meeting or other services offered by the City, please contact the City Clerk's Office at (562) 868-0511. Notification of at least 48 hours prior to the meeting or time when services are needed will assist City staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting or service.

Pursuant to provisions of the Brown Act, no action may be taken on a matter unless it is listed on the agenda, or unless certain emergency or special circumstances exist. The City Council may direct staff to investigate and/or schedule certain matters for consideration at a future City Council meeting.

**Please Note:** Staff reports are available for inspection at the City Clerk's office during regular business hours 7:30 a.m. – 5:30 p.m. Monday – Friday. City Hall is closed every other Friday.

1. **CALL TO ORDER**

2. **ROLL CALL**

William K. Rounds, Councilmember  
Joseph D. Serrano, Councilmember  
Gustavo R. Velasco, Councilmember  
Betty Putnam, Mayor Pro Tem  
Luis M. Gonzalez, Mayor

**COMMUNITY DEVELOPMENT COMMISSION**

3. **REPORT OF THE CITY MANAGER AND EXECUTIVE DIRECTOR**

4. **CONSENT AGENDA**

*Consent Agenda items are considered routine matters that may be enacted by one motion and roll call vote. Any item may be removed from the Consent Agenda and considered separately by the Commission.*

**Minutes**

- A. Minutes of the Adjourned Community Development Commission Meeting of May 26, 2009

**Recommendation:** That the Commission approve the Minutes as submitted.

**Award of Contract**

- B. Villages Fountain (Southwest Corner of Telegraph Road and Bloomfield Avenue)

**Recommendation:** That the Commission accept the bids for the Villages fountain and award the contract to the lowest, responsible bidder, if acceptable.

**City Engineer's Report**

- C. Little Lake Park Restroom Renovation – Final Progress Payment (Less 5% Retention)

**Recommendation:** That the Commission approve the final progress payment (less 5% retention) to Titanium Construction Group, Inc. of Norwalk, CA in the amount of \$15,071.08 for the subject project.

**NEW BUSINESS**

5. Development Plan Approval Case No. 859

Request for approval to construct and maintain a new, freestanding sign on the approximately 6.76-acre site known as the Springs Commerce Center property located at 11540-11618 Washington Boulevard, in the C-4 and M-1, Community Commercial and Light Manufacturing, Zone.

**Recommendation:** That the Commission find that the construction and maintenance of a new, freestanding sign will not be detrimental to persons or properties in the surrounding area or to the City in general and will be in conformance with the overall purpose and objective of the Zoning Regulations and with the goals, policies and program of the City's General Plan; and approve Development Plan Approval Case No. 859, subject to the conditions of approval.

6. Consideration of DRAFT Reports to the City Council for Amendment No. 4 to the Consolidated Redevelopment Project Area and Amendment No. 2 to the Washington Boulevard Project Area

**Recommendation:** That the Commission accept and file the Section 33352 Report to the City Council for Amendment No. 4 to the Consolidated Redevelopment Project Area; accept and file the Section 33352 Report to the City Council for Amendment No. 2 to the Washington Boulevard Project Area; and authorize the Executive Director to transmit a copy of each report to the City Council prior to the June 25<sup>th</sup> public hearings on the proposed Amendments.

**CLOSED SESSION**

7. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

**Case:** Bueno vs. City of Santa Fe Springs

**Cases:** 1

**JOINT CITY COUNCIL/COMMUNITY DEVELOPMENT COMMISSION**

**PUBLIC HEARING**

8. Consideration of Resolution No. 9185, Resolution No. 230-2009, and WUA Resolution No. 01-2009 Authorizing Creation of the Santa Fe Springs Water Utility Authority and Approving Related Agreements and Taking Certain other Actions

**Recommendation:** That the City Council hold a public hearing to consider approval of a joint exercise of powers agency to be designated the "Santa Fe Springs Water Utility Authority" concerning a long-term lease of the City water system; and adopt Resolution No. 9185 authorizing the creation of the Water Utility Authority, approving a lease agreement of the City's water system, and related actions; that the Commission adopt Resolution No. 230-2009 authorizing the creation of the Santa Fe Springs Water Utility Authority; that the Authority adopt WUA Resolution No. 01-2009 approving and adopting by-laws and authorizing certain other actions; and that the City Council, Commission and Authority authorize their respective officers to sign all necessary documents.

**CITY COUNCIL**

**9. CONSENT AGENDA**

*Consent Agenda items are considered routine matters which may be enacted by one motion and roll call vote. Any item may be removed from the Consent Agenda and considered separately by the City Council.*

**Minutes**

- A. Minutes of the Adjourned City Council Meeting of May 26, 2009

**Recommendation:** That the City Council approve the Minutes as submitted.

**City Engineer's Reports**

- B. Approval of Underground Facilities License for Phibro-Tech, Inc.

**Recommendation:** That the City Council approve the Underground Facilities License for Phibro-Tech, Inc. to operate a pressurized sewer line along Burke Street east of Dice Road.

- C. Approval of Parcel Map No. 70811 – Burke Street East of Norwalk Boulevard

**Recommendation:** That the City Council approve Parcel Map No. 70811; find that Parcel Map No. 70811, together with the provisions for its design and improvement, is consistent with the City's General Plan; and authorize the City Engineer and City Clerk to sign Parcel Map No. 70811.

- D. Resolution No. 9190 – Request for Parking Restriction on Bluejay Lane East of Millergrove Avenue

**Recommendation:** That the City Council adopt Resolution No. 9190 prohibiting parking between the hours of 7:00 a.m. and 7:00 p.m., Mondays through Fridays except holidays, on the north side of Bluejay Lane east of Millergrove Avenue.

- E. Resolution No. 9188 – Declaring Intention to Levy Annual Assessments for Heritage Springs Assessment District No. 2001-01 ( Hawkins Street and Palm Drive)

**Recommendation:** That the City Council adopt Resolution No. 9188 declaring its intention to levy annual assessments and setting the public hearing for the Council meeting of July 9, 2009.

**Conference and Meeting Report**

- F. Councilmember Serrano's Attendance at the League of California Cities 2009 Mayors and Councilmembers Executive Forum

**Recommendation:** That the City Council receive and file the report.

**Award of Bid**

- G. Award of Bid to Valverde Construction to Supply and Install Training Props and Associated Equipment

**Recommendation:** That the City Council award a bid to Valverde Construction for \$150,000 and allow the Director of Purchasing Services to issue a purchase order to process the transaction.

**10. NEW BUSINESS**

Approval of Contract with the Los Angeles County Probation Department

**Recommendation:** That the City Council approve the contract with the Los Angeles County Probation Department for the Probation Officer position and, in so doing, authorize the Mayor to execute the agreement document.

- 11. Adoption of Resolution No. 9186 Authorizing a Confidentiality Agreement with Holland & Knight and Resolution No. 9187 Granting Access to Confidential Records**

**Recommendation:** That the City Council adopt Resolution No. 9186 authorizing the contract with Holland & Knight as set forth in Exhibit A and Resolution No. 9187 allowing access to confidential records.

- 12. Resolution No. 9189 – Adoption of Annual Appropriation Limit for Fiscal Year 2009-2010**

**Recommendation:** That the City Council adopt Resolution No. 9189 adopting the appropriation limit for Fiscal Year 2009-2010 (roll call vote required).

- 13. Application for Alcohol Sales Conditional Use Permit Case No. 49**

**Recommendation:** That the City Council approve Alcohol Sales Conditional use Permit case No. 49 for a period of one year until May 28, 2010, subject to the conditions of approval.

- 14. Agreement with CalPERS to Prefund Other Post Employment Benefits (OPEBs) through the California Employers' Retiree Benefit Trust Fund (CERBT)**

**Recommendation:** That the City Council approve an agreement with the California Public Employees Retirement System (CalPERS) for trust administration in prefunding "Other Post Employment Benefits" (OPEB) and approve delegation of authority for disbursements from the OPEB trust.

15. Eastside Transit Corridor Phase 2

**Recommendation:** That the City Council direct the City Manager to advise MTA of the following: That the MTA should continue consideration of the Washington Boulevard alignment as a viable alternative provided that issues raised by the City can be resolved or mitigated by MTA staff; that the City has no objection to removing the SR-60 alignment from further consideration; and that the City has no preference regarding the Beverly Boulevard and Whittier Boulevard alignments.

16. Solid Waste Collection Rates

**Recommendation:** That the City Council maintain the rate structure as approved in June of 2008, inclusive of the subsequent recycling surcharge and tipping fee increases; and allow the haulers to increase the "overweight" charge for roll-off boxes and compactors from \$45 per overweight ton to \$55 per overweight ton.

17. Providing Direction to City Staff Regarding Certain Capital Improvement Project Priorities

**Recommendation:** That the City Council provide direction to City staff regarding its timing and funding priorities for the Neighborhood Center Phase II and Activity Center Modernization Capital Improvement Projects, and, if the higher priority is given to the Activity Center Project, authorize the City Manager to offer the incentive fund's donor to the Neighborhood Center Phase II Project the opportunity to have his funds returned, if appropriate, with interest.

18. Appointment of Council Representative to July 17-18 Local Government Summit on Governance and Fiscal Reform

**Recommendation:** That the City Council designate a Councilmember to represent the City at the July 17-18 Local Government Summit on governance and Fiscal Reform.

19. Extension of City Manager Employment Agreement to July 9, 2010 – Fourth Amendment

**Recommendation:** That the City Council approve the Fourth Amendment to the City Council's Employment Agreement with the City Manager, the effect of which would be to extend the Agreement to July 9, 2010.

**WATER UTILITY AUTHORITY**

20. WUA Resolution No. 01-2009 Authorizing Creation of the Santa Fe Springs Water Utility Authority and Approving Related Agreements and Taking Certain other Actions

**Recommendation:** That the Authority adopt WUA Resolution No. 01-2009 approving and adopting by-laws and authorizing certain other actions; and authorize their respective officers to sign all necessary documents.

Community Development Commission  
City Council Meetings

June 11, 2009

**Please note:** *Item Nos. 21-31 will commence in the 7:00 hour*

21. **INVOCATION**

22. **PLEDGE OF ALLEGIANCE**

**INTRODUCTIONS**

23. Representatives from the Youth Leadership Committee

24. Representatives from the Chamber of Commerce

25. Introduction of New Santa Fe Springs Policing Team Members

26. **ANNOUNCEMENTS**

**PRESENTATIONS**

27. Introduction of the Pete Vallejo Memorial Scholarship Recipient

28. **APPOINTMENTS TO BOARDS, COMMITTEES, COMMISSIONS**

29. **ORAL COMMUNICATIONS**

*This is the time for public comment on any City Council matter that is not on tonight's agenda. Anyone wishing to speak on an agenda item is asked to please comment at the time the item is considered by the Commission/City Council.*

30. **EXECUTIVE TEAM REPORTS**

31. **ADJOURNMENT**

In the memory of Celia Alva, long-time resident and patron of the Neighborhood Center, to Tuesday, June 16, 2009 at 6:00 p.m., Council Chambers, 11710 Telegraph Road, Santa Fe Springs.

*I hereby certify under penalty of perjury under the laws of the State of California that the foregoing agenda was posted at the following locations; Santa Fe Springs City Hall, 11710 Telegraph Road; Santa Fe Springs City Library, 11700 Telegraph Road; and the Town Center Plaza (Kiosk), 11740 Telegraph Road, not less than 72 hours prior to the meeting.*

Barbara Earl, CMC, City Clerk

June 4, 2009

**MINUTES**  
**JOINT ADJOURNED MEETINGS**  
**OF THE**  
**PUBLIC FINANCING AUTHORITY**  
**COMMUNITY DEVELOPMENT COMMISSION**  
**CITY COUNCIL**  
  
**CITY OF SANTA FE SPRINGS**  
**MAY 26, 2009**

**1. CALL TO ORDER**

Chairperson/Mayor Gonzalez, at 5:00 p.m., called the Public Financing Authority, Community Development Commission and City Council meetings to order.

**2. ROLL CALL**

Present: Directors/Commissioners/Councilmembers Putnam, Rounds, Serrano, Velasco, Chairperson/Mayor Gonzalez

Also present: Fred Latham, City Manager; Barbara Earl, City Clerk; Steve Skolnik, City Attorney; Paul Ashworth, Director of Planning and Development; Don Jensen, Director of Public Works; Dino Torres sitting in for Fernando Tarin, Director of Police Services; Ana Alvarez, Director of Community Services; Jose Gomez, Director of Finance & Administrative Services; Chris Crispo sitting in for Alex Rodriguez, Fire Chief

**CLOSED SESSION**

**3. CONFERENCE WITH LEGAL COUNSEL – INITIATION OF LITIGATION**

Cases: 1

**PUBLIC FINANCING AUTHORITY**

**4. APPROVAL OF MINUTES**

Public Financing Authority Meeting of April 23, 2009

**Recommendation:** That the Authority approve the Minutes as submitted.

Vice-Chairperson Putnam moved to approve the Minutes. Director Serrano seconded the motion, which carried unanimously.

**NEW BUSINESS**

**5. Monthly Report on the Status of Debt Instruments Issued through the City of Santa Fe Springs Public Financing Authority (PFA)**

**Recommendation:** That the Authority receive and file the report.



Director Serrano moved to receive and file. Director Rounds seconded the motion, which carried unanimously.

### **COMMUNITY DEVELOPMENT COMMISSION**

#### **6. REPORT OF THE CITY MANAGER AND EXECUTIVE DIRECTOR**

Paul Ashworth, Executive Director, reported that 47 HARP applications had been handed out to residents; the application period will end on Thursday at 5:00 p.m.; there has been lower participation in the program than expected.

#### **7. CONSENT AGENDA**

##### **A. Minutes**

Minutes of the Adjourned Community Development Commission Meeting of May 7, 2009

**Recommendation:** That the Commission approve the Minutes as submitted.

Commissioner Rounds moved to approve the Minutes. Commissioner Velasco seconded the motion, which carried unanimously.

#### **NEW BUSINESS**

#### **8. Approval of an Agreement for Professional Services, State of California, Office of Environmental Health Hazard Assessment (OEHHA)**

**Recommendation:** That the Community Development Commission approve an agreement between the State of California, Office of Environmental Health Hazard Assessment, and the CDC; and authorize the Executive Director to sign all necessary documents on behalf of the Commission.

#### **9. Authorization to Reimburse Neville Chemical Company for Engineering and Design Costs to Relocate the Ground Water Treatment System at 12800 Imperial Highway, Santa Fe Springs**

**Recommendation:** That the City Council authorize the Executive Director to execute a Letter of Agreement to reimburse Neville Chemical Company an amount not to exceed \$90,000 for costs associated with the engineering and design work required to relocate the Ground Water Treatment System (GWTS) located at 12800 Imperial Highway, Santa Fe Springs.

Commissioner Velasco moved to approve Item Nos. 8 and 9. Commissioner Serrano seconded the motion, which carried unanimously.

#### **CLOSED SESSION**

#### **10. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION**

**Case:** Bueno vs. City of Santa Fe Springs

**Cases:** 1

**CONFERENCE WITH REAL PROPERTY NEGOTIATOR**

**Property:** Villages at Heritage Springs – bounded by Telegraph Road, Bloomfield Avenue, Clark Street and Norwalk Boulevard

**Negotiating Parties:** Staff and Property Owner

**Under Negotiation:** Terms of Agreement

City Attorney Skolnik advised that Item No. 10 was discussed in the 5:00 hour and there was nothing to report out.

**CITY COUNCIL**

**11. CONSENT AGENDA**

**Minutes**

- A. Minutes of the Adjourned City Council Meeting of May 7, 2009

**Recommendation:** That the City Council approve the Minutes as submitted.

**Treasurer's Report**

- B. Treasurer's Report for the Month of April 2009

**Recommendation:** That the City Council receive and file the report.

**Conference and Meeting Report**

- C. Councilmember Serrano's Attendance at the California Contract Cities Association 50<sup>th</sup> Annual Municipal Seminar

**Recommendation:** That the City Council receive and file the report.

**Award of Bid**

- D. Award Bid to JTB Supply Company for Light Emitting Diode (LED) Traffic Signal Indicators

**Recommendation:** That the City Council award a bid to JTB Supply Company and allow the Director of Purchasing Services to issue a purchase order to process the transaction.

**Termination of Contract**

- E. Miscellaneous Street Repairs (FY 2008/09 Program)

**Recommendation:** That the City Council terminate a contract with D&L Paving of Yucaipa, California, in the amount of \$110,610.00; and authorize the City Engineer to re-advertise for construction bids for the Miscellaneous Street Repairs (FY 2008/09) Program.

**New Business**

- F. Resolution No. 9180 – Approval of a Letter of Agreement between the City of Santa Fe Springs and the City of La Mirada Regarding the Exchange of Community Development Block Grant (CDBG) Funds for Fiscal year 2009-2010

**Recommendation:** That the City Council adopt Resolution No. 9180; and authorize the City Manager to execute any and all documents necessary to complete the exchange of funds on behalf of the City.

Councilmember Velasco moved to approve Item No. 11, including Item Nos. 11-A, 11-B, 11-C, 11-D, 11-E and 11-F. Mayor Pro Tem Putnam seconded the motion, which carried unanimously.

**UNFINISHED BUSINESS**

12. Recommendation on Budget Alternatives for the 2009 Fiestas Patrias Community Event

**Recommendation:** That the City Council approve staff's recommendation as identified in Option III to modify the 2009 Fiestas Patrias community event to realize a savings of \$8,900 for the FY 2009-10 Budget appropriation.

Councilmember Velasco moved to approve item No. 12. Councilmember Rounds seconded the motion, which carried unanimously.

**NEW BUSINESS**

13. Request to Adopt Resolutions Pertaining to the City's General Municipal Election to be Held Tuesday, November 3, 2009

**Recommendation:** That the City Council adopt Resolution Nos. 9081, 9082 and 9083, which pertain to the City's General Municipal Election to be held Tuesday, November 3, 2009.

Mayor Pro Tem Putnam moved to approve Item No. 13. Councilmember Rounds seconded the motion, which carried unanimously.

14. Request for Approval of a Recyclable Materials Dealer Permit for Tomra Pacific, Inc. (Brian Jackson, Representative)

**Recommendation:** That the City Council approve the issuance of Recyclable Materials Dealer Permit No. 16 to Tomra Pacific, Inc. for a period of one year until June 30, 2010, subject to the conditions of approval.

Councilmember Velasco moved to approve Item No. 14. Councilmember Rounds seconded the motion, which carried unanimously.

Councilmember Rounds inquired as to the location of the recycling center.

Anita Jimenez, Project Coordinator, stated it was in the shopping center at 1541 Carmenita Road.

City Manager Latham advised that staff would determine the exact location within the shopping center and he would put the information in the Council Briefs.

Councilmember Velasco commented that this type of center is typically not well maintained and the employees tend to not be neat in their appearance. He suggested that employees should be required to wear uniforms.

City Manager Latham stated that staff would look at the City's ability to regulate the appearance of the location and its employees through a CUP condition.

15. Acceptance of State Homeland Security Grant Program Funds for Purchase of Breathing Apparatus

**Recommendation:** It is the Fire Chief's recommendation that the City Council accept the grant funds and authorize the purchase of 52 breathing apparatus with the associated equipment.

Mayor Pro Tem Putnam moved to approve Item No. 15. Councilmember Velasco seconded the motion, which carried unanimously.

16. Appointment of Alternate Director to the Board of Directors of the Gateway COG 91/605/405 Committee

**Recommendation:** That the City Council appoint an Alternate Director to the Board of Directors of the Gateway COG 91/605/405 Committee.

Following discussion by Council, without objection, Mayor Gonzalez appointed himself as Alternate Director and also designated Councilmembers Putnam, Rounds and Velasco as Alternates to ensure that the City was well represented and able to vote at all future meetings of the Committee.

17. Resolution No. 9184 – Setting and Revising Certain Fees

**Recommendation:** That the City Council adopt Resolution No. 9184 setting and revising certain fees.

Councilmember Rounds moved to approve Item No. 17. Councilmember Velasco seconded the motion, which carried unanimously.

Councilmember Serrano inquired as to whether the revised fees would affect residents.

City Manager Latham stated that the new fees were primarily related to development.

Councilmember Serrano inquired as to the percentage of the rate adjustments.

City Manager Latham stated that the adjustment was generally 4%, some rates higher and some lower.

## **SUBSEQUENT NEED ITEM**

### City Opposition to the Governor's Proposal to Use Local Government Funds to Solve the State's Budget Woes

**Recommendation:** That the City Council declare its opposition to the Governor's proposal to "borrow" local government funds in order to help close the State's budget gap; and authorize the Mayor and/or City Manager to send a letter or other appropriate form of opposition to the Governor's proposal to the appropriate State officials.

City Attorney Skolnik advised that a Subsequent Need Item was also before the Council. He explained that in order for an item to qualify for placement on the agenda as a Subsequent Need Item, it must meet two criteria: 1) that staff became aware of the item after the preparation of the agenda and 2) that the matter could not wait for the next meeting to be acted on. He further stated that this item met both criteria.

Councilmember Serrano moved to place the item on the agenda. Mayor Pro Tem Putnam seconded the motion, which carried unanimously.

Councilmember Serrano moved the recommendation. Councilmember Rounds seconded the motion, which carried unanimously.

## **RECESS**

Mayor Gonzalez, at 6:20 p.m., recessed the meeting.

## **RECONVENE**

Mayor Gonzalez, at 7:05 p.m., reconvened the meeting with all Directors/Commissioners/Councilmembers present.

### **18. INVOCATION**

Councilmember Serrano gave the Invocation.

### **19. PLEDGE OF ALLEGIANCE**

Youth Leadership Committee members led the Pledge of Allegiance.

## **INTRODUCTIONS**

### **20. Representatives from the Youth Leadership Committee**

Those Committee members who were present introduced themselves.

### **21. Representatives from the Chamber of Commerce**

Susan Crowell, Healthfirst Medical Group; Wendy Meador, Tangram Interiors; and Kathie Fink, Chamber CEO, were present.

### **22. Introduction of the 2009 Memorial Scholarship Program Recipients**

Wayne Bergeron, Management Assistant, introduced the Mora Scholarship recipients: Aimee Arvidson, Sarah Llanes, Grace Olguin; Sandoval Scholarship recipients: Natalie Aguirre and Alan J. Esparza; and the Sharp Scholarship recipients: Jessica Andara and Hongphat Nguyen. Mayor Gonzalez presented each with a Certificate of Recognition and a check. Pictures with Council, family members and school officials were taken.

23. Introductions of the 2009 Destiny Scholarship Recipients & Powell Grant Recipient  
Susan Crowell, Youth Enrichment Fund Board Member, introduced Bernadette Gomez, Destiny Scholarship recipient; and Grace Olguin, Powell Grant recipient. She noted that the recipients would receive their checks at the Destiny Fund Dinner, which will be held on June 19 at 7:00 p.m. at the Hacienda Golf Club.

24. **ANNOUNCEMENTS**

Wayne Bergeron, Management Assistant, updated the Community Events Calendar.

**PRESENTATIONS**

25. Presentation to Dr. Monica Oviedo and Harry Yessian Upon Their Re-Assignment to Pioneer High School

Mayor Gonzalez called upon Sandy Thorstenson, WUHSD Superintendent, to make the presentations. Ms. Thorstenson introduced School Board Members Leighton Anderson and Tim Snyder, gave an overview of the re-organization of staff that would be taking place within the District ; thanked Dr. Oviedo and Mr. Yessian for their service to the students of Santa Fe High School and for their willingness to accept their new assignments; and introduced Kevin Jamero as Santa Fe's new principal. Mayor Gonzalez presented Dr. Oviedo and Mr. Yessian with tokens of appreciation from the Council; pictures with Council, School Administration, and Board Members were taken.

26. "Every 15 Minutes" Program

The presentation was deferred to a future Council meeting.

27. Presentation to Participants Who Successfully Completed the Business Emergency Preparedness Network Core Training Classes

Darryl Pedigo, Public Safety Officer, gave an overview of the program and introduced those business representatives who successfully completed the training. Mayor Gonzalez presented each with a Certificate of Recognition; pictures with Council were taken.

**APPOINTMENT TO BOARDS, COMMITTEES, COMMISSIONS**

28. Committee Appointments

Councilmember Velasco appointed Margaret Bustos to the Beautification Committee and Madalin Marquez to the Youth Leadership Committee.

29. **ORAL COMMUNICATIONS**

Jessica Andara, Sharp Memorial Scholarship recipient, thanked Mayor Gonzalez and Councilmember Rounds for their participation in the selection process.

Mayor Gonzalez and Councilmember Rounds thanked Jessica for participating in the process and congratulated her on being a recipient.

John Gonzalez, 10018 Jersey Avenue, addressed Council regarding a trash problem, including crack pipes, behind Jax Market, which was causing a cockroach problem for him and his neighbors. He also brought to their attention that semi-trucks were parking in front of homes and knocking down trees; because of this, he presently did not have a tree in front of his home and he would like to have one. He produced pictures documenting his complaints.

Mayor Gonzalez thanked Mr. Gonzalez for bringing the matters to Councils' attention and assured him that staff would follow up with him after investigating the issues.

**30. EXECUTIVE TEAM REPORTS**

Paul Ashworth, Director of Planning, called upon Steve Masura, Redevelopment Manager, to give a presentation on the Bike to Work Program. Mr. Masura was pleased to advise that participation was up from last year with 27 employees participating. He also presented pictures of participants and provided various statistics, including gas savings and miles logged.

Don Jensen, Director of Public Works, advised Council of the delivery of eight modular units which will take place on May 27, the first phase in the process of creating a temporary library during the library renovation.

Jose Gomez, Director of Finance, advised Council that independent auditors will be at City Hall beginning on June 1 for three weeks.

City Manager Latham advised Council that he and Mr. Gomez had met with a reporter from the Whittier Daily News to discuss past, current and future actions of the Council regarding the City budget as well as State actions, which he expected to appear in a future newspaper article.

**31. ADJOURNMENT**

Mayor Gonzalez, at 8:30 p.m., adjourned the meetings in the memories of Noemi Salinas and Bill Meraz, long-time residents, and Estela Wright, City employee.

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Luis M. Gonzalez  
Chairperson/Mayor

ATTEST:

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Barbara Earl, CMC, City Clerk



# City of Santa Fe Springs

Community Development Commission Meeting

June 11, 2009

## **AWARD OF CONTRACT**

Villages Fountain (Southwest Corner of Telegraph Road and Bloomfield Avenue)

### RECOMMENDATION

That the Community Development Commission accept the bids for the Villages Fountain and award the contract to the lowest responsible bidder, if acceptable.

### BACKGROUND

At the Community Development Commission meeting of April 23, 2009, the Commission authorized staff to advertise for construction bids for the subject project.

Bids were opened on May 28, 2009. The low bidder, the bids received, and recommendation will be presented by an addendum to this report prior to the time of the Community Development Commission meeting.

A handwritten signature in black ink, appearing to read "Fred Latham", is positioned above the printed name.

Frederick W. Latham  
City Manager

A handwritten signature in black ink, appearing to read "Paul Ashworth", is positioned above the printed name.

Paul Ashworth  
Executive Director





# City of Santa Fe Springs

Community Development Commission Meeting

June 11, 2009

## CITY ENGINEER'S REPORT

Little Lake Park Restroom Renovation

Final Progress Payment (Less 5% Retention)

### RECOMMENDATION

That the Community Development Commission approve the Final Progress Payment (less 5% Retention) to Titanium Construction Group Inc. of Norwalk, CA, in the amount of \$15,071.08 for the subject project.

### BACKGROUND

At the Community Development Commission meeting of February 12, 2009, the Commission awarded a contract to Titanium Construction Group Inc. of Norwalk, CA, in the amount of \$38,790.00 for the construction of the subject project.

The following payment detail represents the Final Progress Payment (less 5% Retention) due per terms of the contract for the work which has been completed and found to be satisfactory. This project is financed by the 2006 Community Development Commission Bond Funds and funds are available.

Frederick W. Latham  
City Manager

Paul Ashworth  
Executive Director

### Attachments:

Progress Payment Detail

**Payment Detail**

LITTLE LAKE PARK

RESTROOM RENOVATION

**Contractor:** Titanium Construction Group Inc.  
13467-1/2 Pumice Street  
Norwalk, CA 90650

Item No.	Description	Contract			Completed This Period		Completed To Date	
		Est. Quantity	Units	Unit Price	Quantity	Amount	Quantity	Amount
1.	Furnish all materials, equipment and labor necessary to construct the Little Lake Park Restroom Renovation as per the plans, specifications, and bid documents, complete in place at:	1	L.S.	\$ 38,790.00	26.88%	\$10,427.00	100%	\$38,790.00

**Contract Change Order**

1.	Contract Change Order No. 1	1	L.S.	\$2,340.00	100%	\$2,340.00	100%	\$ 2,340.00
2.	Contract Change Order No. 2	1	L.S.	\$3,415.00	29.57%	\$1,009.80	100%	\$ 3,415.00
3.	Contract Change Order No. 3	1	L.S.	\$4,675.00	44.65%	2,087.50	100%	\$ 4,675.00
4.	Contract Change Order No. 4	1	L.S.	\$6,691.74			100%	\$ 6,691.74

**CONTRACT PAYMENTS**

Total Items Completed to Date

Less Retention Withheld (5 %)

Less Progress Payment No. 1

Less Progress Payment No. 2

**Final Progress Payment (Less 5% retention)**

\$ 55,911.74

\$ 2,795.59

\$ 10,244.70

\$ 27,800.37

**\$15,071.08****Total Completed Items to Date: \$55,911.74****WO# 484-397-R541-4800**

Approved by:





## NEW BUSINESS

### Development Plan Approval Case No. 859

Request for approval to construct and maintain a new freestanding sign on the approximately 6.76-acre site also known as the Springs Commerce Center property located at 11540-11618 Washington Boulevard, in the C-4 and M-1, Community Commercial and Light Manufacturing, Zone. (Melvin Peters for Charles Dunn Company)

### RECOMMENDATIONS

Staff recommends that the Community Development Commission take the following actions:

1. Find that the construction and maintenance of a new freestanding sign will not be detrimental to persons or properties in the surrounding area or to the City in general, and will be in conformance with the overall purpose and objective of the Zoning Regulations and consistent with the goals, policies and program of the City's General Plan.
2. Approve Development Plan Approval Case No. 859, subject to the conditions of approval as stated in the staff report.

### BACKGROUND / REQUEST

The subject irregular shaped parcel is located at the southwest corner of Washington Boulevard, between Westman and Allport. The subject site measures approximately 6.76-acres and is currently developed with a multi-tenant industrial business center also known as the Springs Commerce Center.

The current owner, Melvin Peters, is seeking approval of Development Plan Approval Case No. 859, to allow the construction and maintenance of a new freestanding sign on the subject site. The proposed sign will be located along the front landscape setback area near the driveway entrance along Washington Boulevard. The proposed sign measures approximately 29.2 sq. ft. with a height of 16'-0" and a width of 7'-11". It is a freestanding center identification sign that will also serve as a real estate sign.

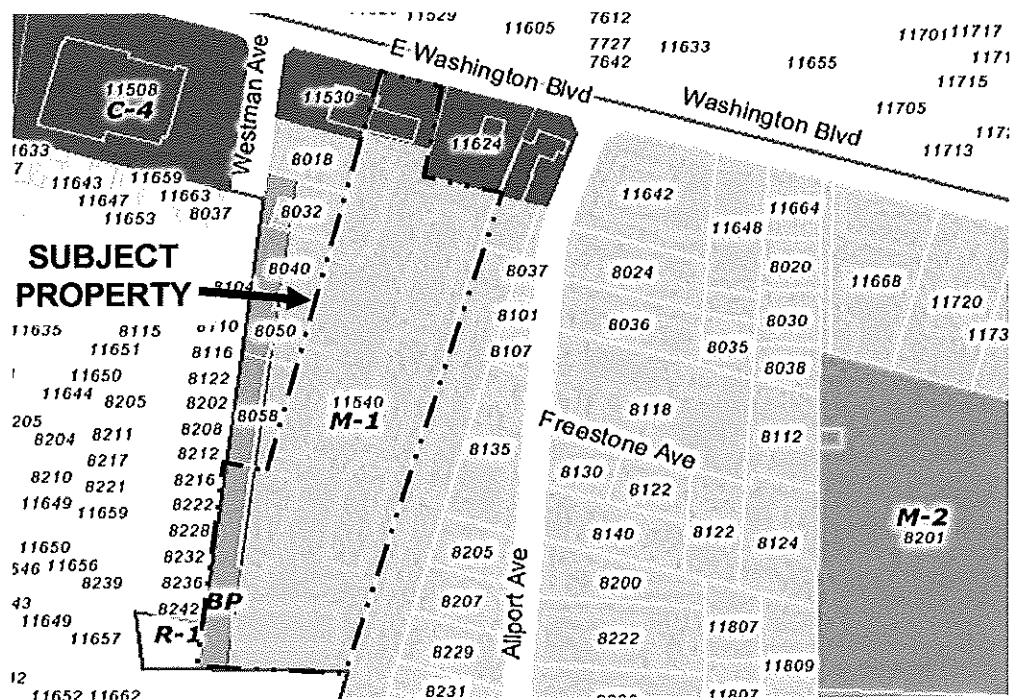
## STREETS AND HIGHWAYS

The subject site is located on the south side of Washington Boulevard, which is designated as a "Major Arterial" within the Circulation Element of the City's General Plan.

## ZONING DESIGNATION

The subject site is located in the C-4, M-1, and BP zone. The first 160' is within the C-4, Community Commercial, Zone. The remaining portion, with the exception of a 50' wide area along the westerly property line that is adjacent to single-family residential homes, is within the M-1, Light Manufacturing Zone. The 50' wide area along the westerly property line is zoned BP, Buffer Parking. The properties to the east and west, within the first 160', are zoned C-4. Other adjacent properties to the east and west are zoned M-1. The properties to the north (across Washington Boulevard) and to south (Aeolian Elementary School) are within the Los Angeles County unincorporated area (**Figure 1**).

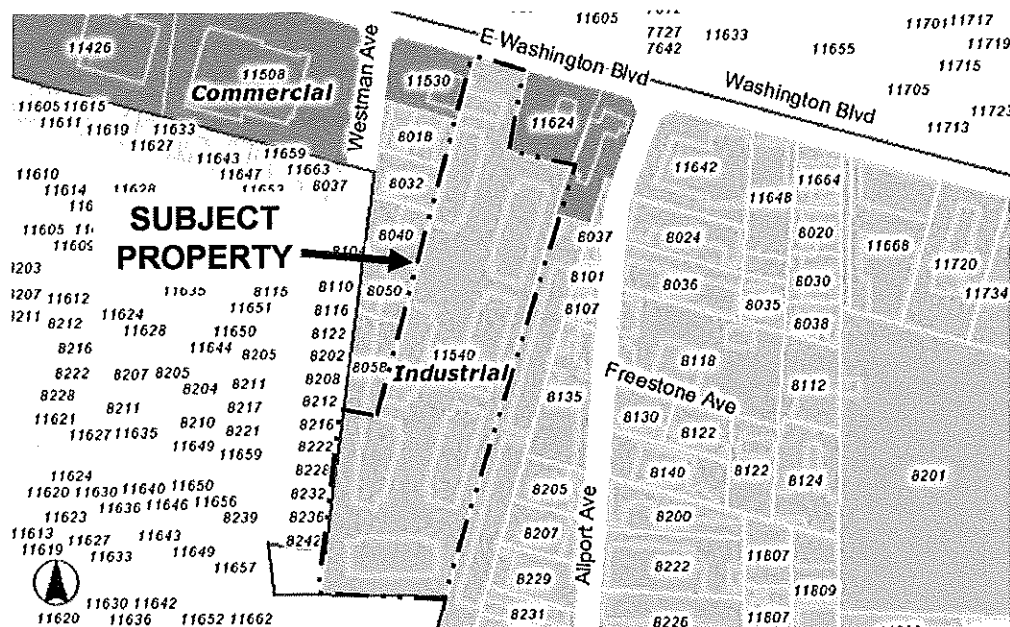
**Figure 1**  
Zoning of Subject Property and Surrounding Properties



## **GENERAL PLAN LAND USE DESIGNATION**

The subject site is developed with eight (8) multi-tenant buildings primarily used for light manufacturing, warehouse and office space. The general plan land use designation for the site is Industrial. The properties to the east and west, within the first 160', have a general plan land use designation of Commercial. Other adjacent properties to the east and west have a general plan land use designation of Industrial. The properties to the north (across Washington Blvd) and to south (Aeolian Elementary School) are within the Los Angeles County unincorporated area (Figure 2).

**Figure 2**  
General Plan Land Use Designation of Subject Property and Surrounding Properties



## **ZONING CODE REQUIREMENTS:**

Section 155.525 of the Zoning Regulations establishes that a freestanding sign may be permitted if authorized by a valid Development Plan Approval (see Code Section on following page). The intent of the zoning regulations is to allow the Planning Commission discretion to consider the specific circumstances of each freestanding sign request when the property is five or more acres in area.

**Santa Fe Springs Zoning Code****Section 155.525**

- (A) Development Plan Approval shall be required for the establishment of freestanding center signs.
- (B) In addition to any other conditions which the Planning Commission may impose on the granting of said development plan approval, the following criteria and conditions shall apply:
  - (1) Freestanding center signs shall only be approved for unified commercial and industrial developments such as shopping centers, business parks and similar developments which are five or more acres in area.
  - (2) Freestanding center signs shall only be approved in conjunction with the approval of a comprehensive sign program for the entire unified commercial or industrial development served pursuant to § 155.526 of this chapter.
  - (3) The size, area, height, location, and the like, of freestanding center signs shall be subject to the sign development standards and limitations of the underlying zone of the property served, except that freestanding center signs may be approved in excess of the height and area limitations for free standing signs if the height and area of the sign are in proportion to the scale of the development served as determined by the Planning Commission.

**STAFF CONSIDERATIONS**

The intent of the zoning regulations is to allow a freestanding sign when the sign will benefit a multi-tenant commercial or industrial property in excess of 5 acres in size. However, freestanding center signs be approved in conjunction with the approval of a comprehensive sign program. Additionally, the sign must meet the sign standards of the underlying zone, unless the scale of the development warrants otherwise.

Staff finds and determines that the proposed freestanding sign satisfies the intent of, and meets the criteria set forth in the City's zoning regulations pertaining to freestanding signs. The property measures approximately 6.76-acres. A comprehensive sign program for the entire center has been submitted and approved by staff. And the proposed 29.2 sq. ft. freestanding sign with a height of 16'-0" and a width of 7'-11" meets the sign standards for properties within the C-4 and M-1 zones.

Staff is therefore recommending approval of Development Plan Approval Case No. 859, subject to the conditions of approval as listed in this staff report.

**CONDITIONS OF APPROVAL****PLANNING AND DEVELOPMENT DEPARTMENT:**  
**(Contact: Cuong Nguyen 562-868-0511x7359)**

1. That the freestanding sign shall be maintained in good appearance and that the base shall be maintained free of any overgrown weeds and foliage.

2. That the freestanding sign shall be in compliance with the Building Code, Fire Code, Zoning Ordinance, Property Maintenance Ordinance, and all other applicable regulations.
3. That the freestanding sign shall otherwise be substantially in accordance with the plot plan and elevations submitted by the applicant and on file with the case.
4. That any modifications to the sign height, width, colors or materials shall require approval from the Planning Commission.
5. That Development Plan Approval Case No. 859 shall not be effective for any purpose until the owner/operator has filed with the City of Santa Fe Springs an affidavit stating he/she is aware of and accepts all of the required conditions of approval.
6. That if any provisions of this approval violates, held to be invalid, or if any law, statute, or ordinance is violated, this Permit shall be void and the privileges granted hereunder shall lapse.
7. That the applicant, Melvin Peters, agrees to defend, indemnify and hold harmless the City of Santa Fe Springs, its agents, officers and employees from any claim, action or proceeding against the City or its agents, officers or employees to attack, set aside, void or annul an approval of the City or any of its councils, commissions, committees or boards concerning Development Plan Approval Case No. 859, when action is brought within the time period provided for in the City's Zoning Ordinance, Section 155.865. Should the City, its agents, officers or employees receive notice of any such claim, action or proceeding, the City shall promptly notify the owner/developer of such claim, action or proceeding, and shall cooperate fully in the defense thereof.



Frederick W. Latham  
City Manager



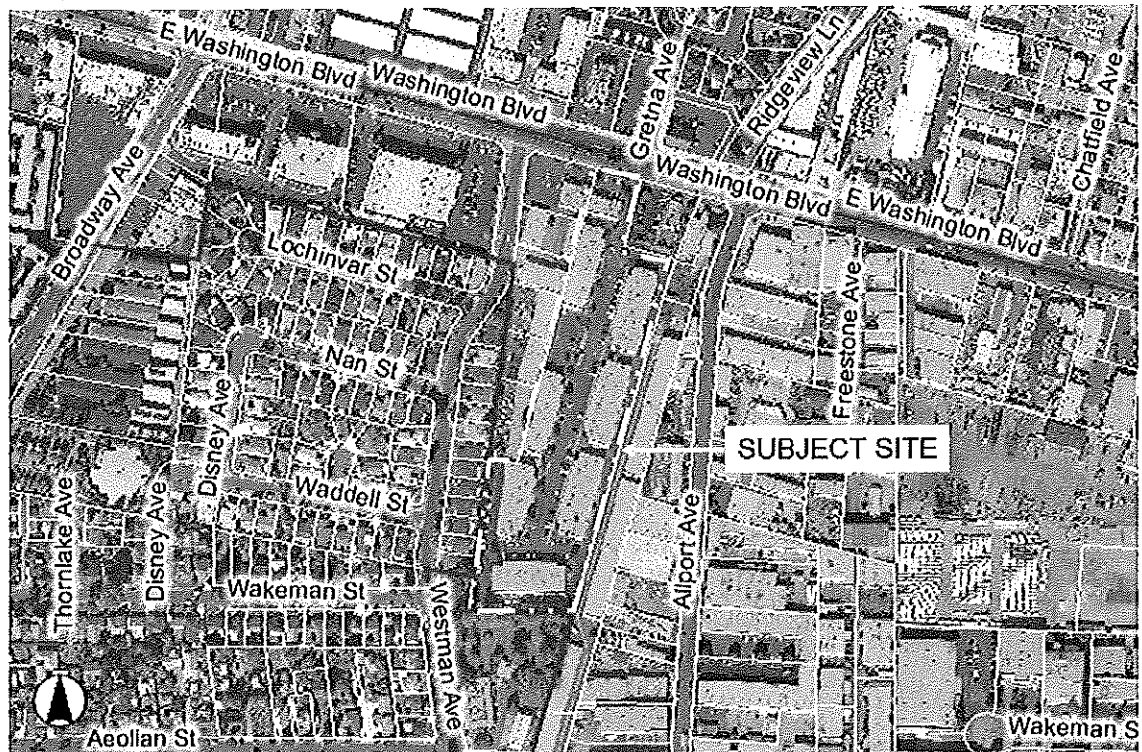
Paul R. Ashworth  
Executive Director

Attachments:

1. Aerial Photograph
2. Site Plan
3. Elevation of Proposed Freestanding Sign
4. Development Plan Approval application
5. Proposed Sign Program

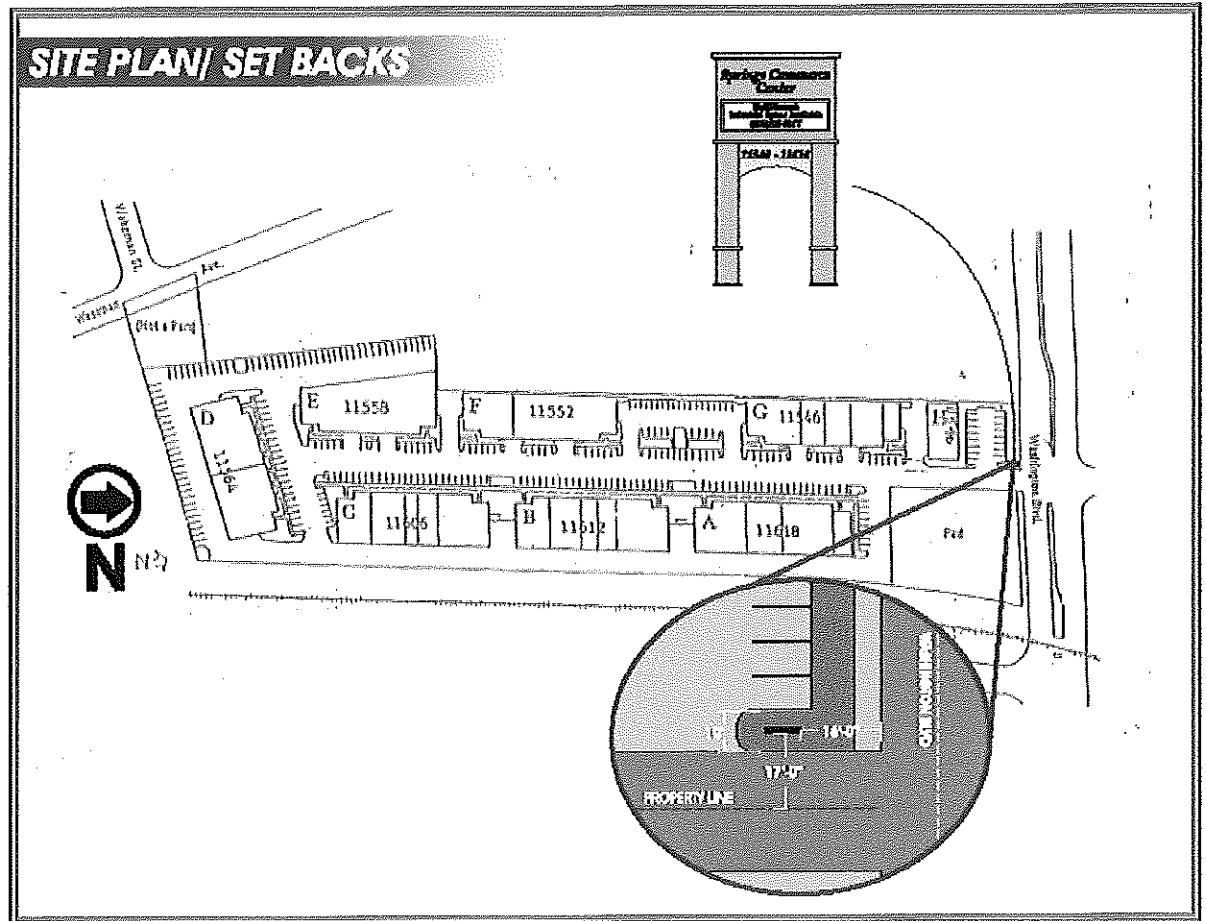
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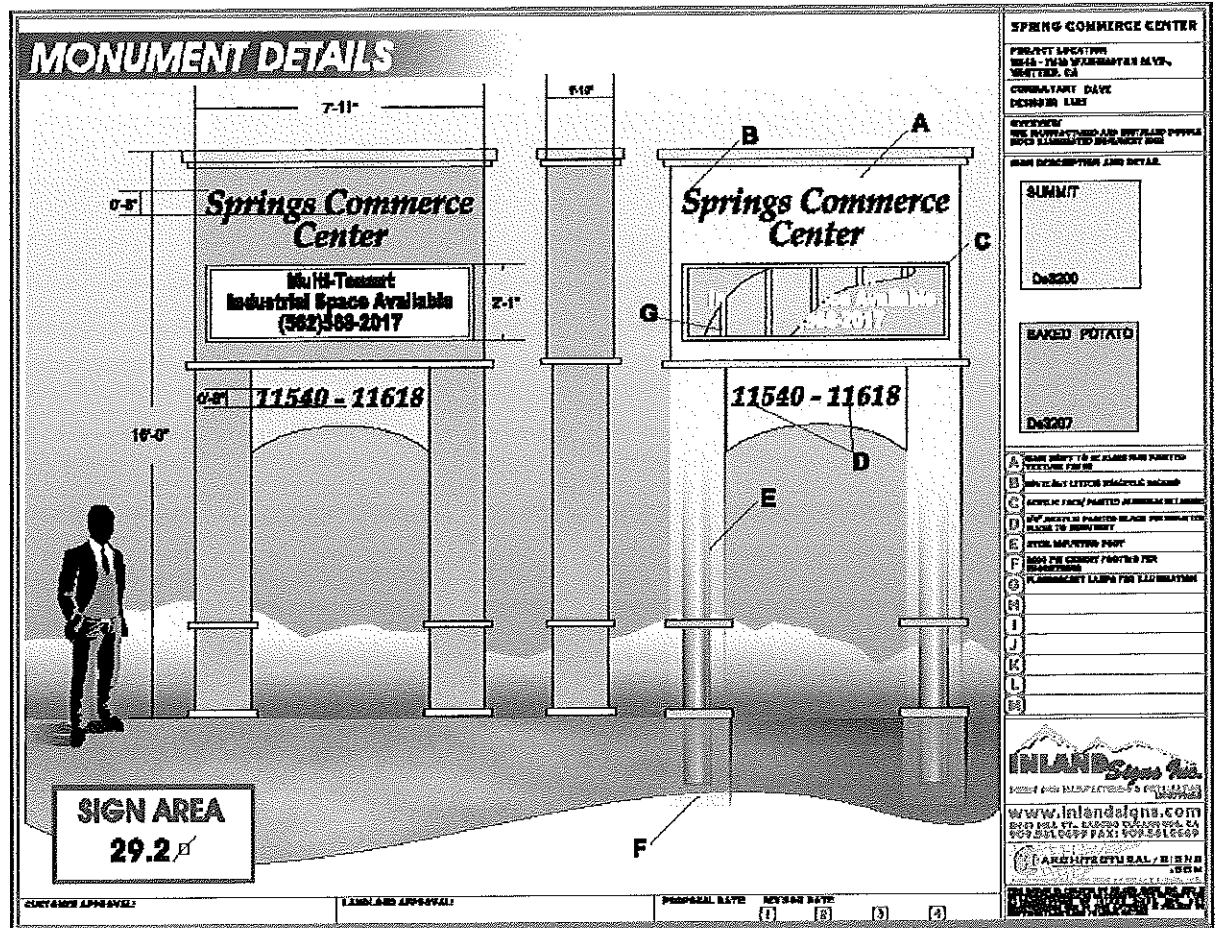
**AERIAL PHOTOGRAPH**





# SITE PLAN



**ELEVATIONS**

**DPA APPLICATION**

City of Santa Fe Springs  
Application for  
**DEVELOPMENT PLAN APPROVAL (DPA)**

The undersigned hereby petition for Development Plan Approval:

**LOCATION OF PROPERTY INVOLVED:**

Provide street address or Assessor's Parcel Map (APN) number(s) if no address is available.  
Additionally, provide distance from nearest street intersection:

11540 - 11618 E. Washington Blvd. Whittier, CA 90606

**RECORD OWNER OF THE PROPERTY:** c/o Charles Dunn RES, Inc.; Property Mgr  
Name: Melvin A. Peters Phone No: (213) 270-6263  
Mailing Address: 800 W. Sixth St. #600  
Los Angeles, CA 90017  
Fax No: (213) 607-7863 E-mail: janetchoi@charlesdunn.com

**THE APPLICATION IS BEING FILED BY:**

- ☐ Record owner of the property
- ☒ Authorized agent of the owner (written authorization must be attached to application)

Status of Authorized Agent: Engineer/Architect: \_\_\_\_\_ Attorney: \_\_\_\_\_  
Purchaser: \_\_\_\_\_ Lessee: \_\_\_\_\_  
Other (describe): Property Manager

**DESCRIBE THE DEVELOPMENT PROPOSAL** (See reverse side of this sheet for information as to required accompanying plot plans, floor plans, elevations, etc.)

Install New Property Monument Signage.

**I HEREBY CERTIFY THAT** the facts, statements and information furnished above are true and correct to the best of my knowledge and belief.

Signed: \_\_\_\_\_

Janet Choi Signature

Print name

(If signed by other than the record owner, written authorization must be attached to this application.)

**NOTE**

This application must be accompanied by the filing fee, map and other data specified in the form entitled "Checklist for Development Plan Approval."

**DPA APPLICATION (Cont.)**DPA Application  
Page 2 of 2**PROPERTY OWNERS STATEMENT**

We, the undersigned, state that we are the owners of all of the property involved in this petition  
(Attach a supplemental sheet if necessary):

Name (please print): Melvin A. Peters c/o Charles Dunn RES. Inc.  
 Mailing Address: 800 W. Sixth St., #600, Los Angeles, CA 90017  
 Phone No: (213) 270-6263  
 Fax No: (213) 607-7863 E-mail: janetchoi@charlesdunn.com  
 Signature: [Signature]

Name (please print): \_\_\_\_\_  
 Mailing Address: \_\_\_\_\_  
 Phone No: \_\_\_\_\_  
 Fax No: \_\_\_\_\_ E-mail: \_\_\_\_\_  
 Signature: \_\_\_\_\_

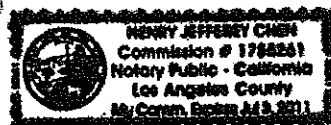
**CERTIFICATION**

STATE OF CALIFORNIA )  
 COUNTY OF LOS ANGELES ) ss.

I, Janet Choi, being duly sworn, depose and say that I am  
 the petitioner in this application for a Development Plan Approval, and I hereby certify under  
 penalty of law that the foregoing statements and all statements, maps, plans, drawings and  
 other data made a part of this application are in all respects true and correct to the best of my  
 knowledge and belief.

Signed: [Signature]  
 (If signed by other than the Record Owner, written  
 authorization must be attached to this application)

(seal)



On 4/3/09 before me, HENRY JEFFREY CHEN  
 Personally appeared Janet Choi  
 personally known to me (or proved to me on the basis of  
 satisfactory evidence) to be the person(s) whose name(s) is/are  
 subscribed to the within instrument and acknowledged to me  
 that he/she/they executed the same in his/her/their authorized  
 capacity(ies); and that by his/her/their signature(s) on the  
 instrument, the person(s) or the entity upon behalf of which the  
 person(s) acted, executed the instrument.

WITNESS my hand and official seal

[Signature]  
 Notary Public

**FOR DEPARTMENT USE ONLY**  
 CASE NO: DPA 859  
 DATE FILED: 4/7/09  
 FILING FEE: \$2,124.00  
 RECEIPT NO: 1CL6619  
 APPLICATION COMPLETE? YES

# SPRINGS COMMERCE CENTER

11540 - 11618 EAST WASHINGTON BLVD

(11540 • 11546 • 11552 • 11558 • 11564 • 11606 • 11612 • 11618)

## SIGN PROGRAM

MAY 2009

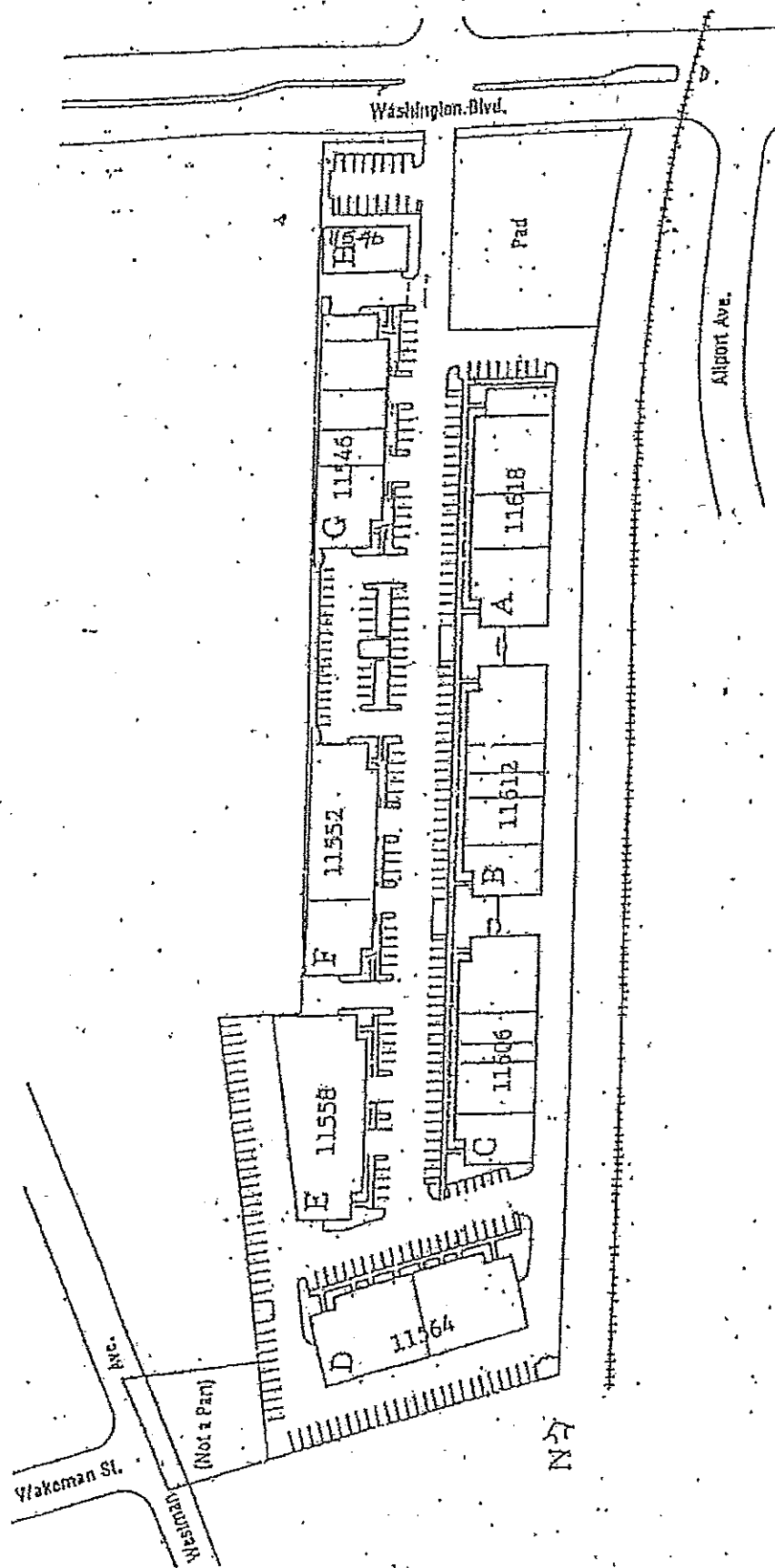
APPROVED  
DEPT. OF PLANNING AND DEVELOPMENT  
CITY OF SANTA FE SPRINGS  
DATE: 5/14/09 BY: Calvin

Landlord: Melvin A. Peters Separate Trust  
c/o Charles Dunn Real Estate Services, Inc.  
Attn: Janet Choi, Portfolio Manager  
800 W. 6<sup>th</sup> St., 6<sup>th</sup> Floor  
Los Angeles, CA 90017  
o: (213) 683-0500  
f: (213) 683-0468

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SPRINGS COMMERCE CENTER



SITE PLAN

## **PURPOSE AND INTENT**

The purpose of this sign program is to ensure that the signage at 11540 – 11618 East Washington Blvd. reflects the integrity and overall aesthetic values of the Association, owners, and City of Santa Fe Springs. Conformity to this program shall be strictly enforced. Nonconforming signs shall be removed by the tenant at their expense upon the demand by the Association, owners, and /or City of Santa Fe Springs. The City of Santa Fe Springs Municipal Code governs all signage not addressed in this sign program.

## **GENERAL SIGN STANDARDS**

1. No animated, flashing or audible signs will be permitted.
2. No exposed lamps or neon tubing will be permitted.
3. All signs and their installation shall comply with all local, building, electrical, zoning, and fire codes.
4. All conduit cabinets, conductors, transformers and other equipment shall be concealed.
5. Electrical service to all signs shall be metered accordingly.
6. Individual Tenant pylon or pole signs shall not be permitted.
7. No sign of any sort will be permitted on canopy roofs or building roofs.
8. All on-building signs shall be mounted directly onto or into the building surface. No "raceways" or other visible means of attachment may be used.
9. The location of all applicable ground mounted signs shall conform to the City of Santa Fe Springs requirements.
10. No cabinet signs shall be permitted.

## **GENERAL REQUIREMENTS – TENANT SIGNS**

1. All signs shall be designed, constructed and located in accordance with the procedures established in the Lease, these sign criteria, and are subject to approval by Landlord and the City.
2. Tenant shall submit to Landlord for approval within 30 days after execution of the Lease and before fabrication four (4) copies of detailed drawings indicating the location, size, layout, design and color of the proposed signs including all lettering or graphics.
3. Tenant shall obtain and pay for all permits for signs and installation. Landlord has the right to approve Tenant's sign installation.
4. Even after design approval, no signs shall be installed without advance notice to Landlord, and if Landlord elects, under the supervision of Landlord or its agent or contractor.
5. Tenant shall maintain all signage in a like-new condition. The owner may, at Tenant's expense, replace, refurbish, or remove any sign that is deteriorated.



## GENERAL SIGN CONSTRUCTION REQUIREMENTS

1. All signs and their installation shall comply with all local building, electrical, zoning and fire codes.
2. All electrical signs will be fabricated by a U.L. approved sign company, according to U.L. specifications and bear U.L. Label.
3. Sign Company shall be fully licensed with the City and State and shall have full Workman's Compensation and general liability insurance.
4. All penetrations of building exterior surfaces shall be sealed waterproof in color and finish to match existing exterior.
5. Internal illumination shall be 30 milliamp neon, installed and labeled in accordance with the "National Board of Fire Underwriters Specifications".
6. Painted surfaces shall have a satin finish. Only paint containing acrylic polyurethane products may be used.
7. Logo and letter heights shall be as specified and shall be determined by measuring the normal capital letter of a type font exclusive of swashes, ascenders, and descenders.
8. All sign fabrication work shall be of excellent quality. All logo images and type-styles shall be accurately reproduced. Lettering that approximates type-styles shall not be acceptable. The Landlord reserves the right to reject any fabrication work deemed to be below standard.
9. All lighting shall match the exact specification of the approved working drawings. No exposed conduits or raceways shall be allowed.
10. Signs shall be made of durable rust -inhibiting materials that are appropriate and complimentary to the building.
11. Color coatings shall exactly match the colors specified on the approved plans.
12. Joining of materials (e.g., seams) shall be finished in way as to be unnoticeable. Visible welds shall be continuous and ground smooth. Rivets, screws, and other fasteners that extend to visible surfaces shall be flush, filled, and finished so as to be unnoticeable.
13. Finished surfaces of metal shall be free from oil canning and warping. All sign finishes shall be free from dust, orange peel, drips, and runs and shall have a uniform surface conforming to the highest standards of the industry.
14. In no case shall any manufacturer's label be visible from the street from normal viewing angles.
15. Exposed junction boxes/ lamps, tubing or neon crossovers of any type shall not be permitted.
16. Tenant shall indemnify and hold harmless Landlord and all other tenants of the Center against any and all loss, cost, damages or liability caused to persons, property or otherwise caused by Tenant's sign installations.

All signs shall be designed, constructed, and installed in a manner compatible with and complementary to the adjacent and facing storefronts and the overall design concept of other stores in the Center. Landlord reserves right to final review and approval of all signs.

▪ Purpose:	To identify center name, address, and related information
▪ Maximum Number:	One per center
▪ Orientation:	Front of center, perpendicular to street, visible by both directions of traffic
▪ Max. Sign & Letter Size:	See Approved Design – Dev. Plan Approval Case No. 859
▪ Max. Sign Area:	See Approved Design – Dev. Plan Approval Case No. 859
▪ Max. Sign Height:	16’ feet
▪ Sign Material:	Main body to be aluminum painted texture finish Acrylic face with black vinyl overlay
▪ Illumination	Illuminated
▪ Typeface	Generic block style font (i.e. Arial, Verdana, Helvetica)
▪ Color:	“Summit” De3200 “Baked Potato” De3207



### BUILDING WALL SIGN

- Purpose: To identify primary business name
- Maximum Number: One per tenant bay
- Location: On stucco wall area below roof line
- Orientation: Facing parking lot
- Max. Sign & Letter Size: Maximum Sign Area shall be width of tenant bay multiplied by 1.5; Maximum Letter Size shall be 18" high, per line of text.
- Max. Sign Area: Overall length not to exceed 60% of tenant bay width or 50 feet, whichever is less.
- Sign Material: Individual letters and logos only. No cabinet signs, cloud signs, raceways, or signs painted directly on the building.
- Illumination: Non-Illuminated
- Logo: Logos are permitted but shall not exceed 25% of overall sign area.
- Typeface: Generic block style font (i.e. Arial, Verdana, Helvetica)
- Color: Black, Blue, Teal, or Red



### WINDOW SIGN

- Purpose: To identify primary business name & hours occupying unit
- Maximum Number: One per unit
- Location: On glass entry door or adjacent windows
- Orientation: Facing parking lot
- Max. Sign & Letter Size: Variable, limited by Sign Area
- Max. Sign Area: Window Vinyl is limited to 25% of the total window area
- Sign Material: 2 Mil Vinyl
- Typeface: Generic block style font (i.e. Arial, Verdana, Helvetica)
- Color: White, Black, Blue, or Red

## **PROHIBITED SIGNS**

1. Signs constituting a traffic hazard. No person shall install or maintain, or cause to be installed or maintained, any sign which simulates or imitates in size, color, lettering or design any traffic sign or signal, or which makes use of the words "STOP," "LOOK," "DANGER," or any other words, phrases, symbols, or characters in such a manner as to interfere with, mislead or confuse traffic.
2. Sign in proximity to utility lines. Signs which have less horizontal or vertical clearance from authorized communication or energized electrical power lines than are prescribed by the Laws of the State of California are prohibited.
3. Signs within the public right-of-way except those required by law for traffic control, information and hazard identification.
4. Any sign erected or attached to any tree, utility pole, or traffic control pole or box within any public right-of-way with the exception of City identification signs.
5. Any sign or sign structure which is structurally unsafe or constitutes a hazard to the health, safety, or welfare of persons by reason of design, inadequate maintenance, or dilapidation.
6. Any advertising device involving animals and human beings.
7. Painted letters shall not be permitted.
8. Cabinet/florescent illuminated signs shall not be allowed.
9. There shall be no roof signs.
10. There shall be no flashing, moving, or audible signs.
11. Signs shall be architecturally compatible with the entire property and receive approval of the owner and City planning, and building departments.
12. Vehicle signs. Signs on or affixed to trucks, automobiles, trailers, motor vehicles or other transportation carriers are prohibited.
13. Light bulb strings. External displays, other than temporary decorative holiday lighting which consists of unshielded light bulbs are prohibited. An exception hereto may be granted by the Landlord when the display is an integral part of the design character of the activity to which it relates.
14. Advertising devices/displays such as balloons, flags, and pennants are prohibited.
15. Captive balloons such as blimps, hot air balloons, or similar devices are prohibited.
16. Pole signs, portable signs, including A-Frame, sandwich boards, and roof signs.

## **ABANDONMENT OF SIGNS**

1. Tenant shall be responsible for the removal of tenant-specific signs and restoring the building wall to its original condition with thirty (30) days from vacating the premise.
2. Any tenant sign(s) left after the thirty (30) day period shall become the property of the owner.



# *City of Santa Fe Springs*

Community Development Commission Meeting

June 11, 2009

## **NEW BUSINESS**

Consideration of DRAFT Reports to the City Council for Amendment No. 4 to the Consolidated Redevelopment Project Area and Amendment No. 2 to the Washington Boulevard Project Area

### **RECOMMENDATION**

That the Community Development Commission:

1. Accept and file the Section 33352 Report to the City Council for Amendment No. 4 to the Consolidated Redevelopment Project Area;
2. Accept and file the Section 33352 Report to the City Council for Amendment No. 2 to the Washington Boulevard Project Area; and,
3. Authorize the Executive Director to transmit a copy of each report to the City Council prior to the June 25<sup>th</sup> public hearings on the proposed Amendments.

### **BACKGROUND**

In order to provide important information for the City Council as well as citizens, property owners, business owners, the affected taxing agencies, and other interested parties, the Community Development Commission is required to prepare a report to accompany any proposed redevelopment plan. This report is prepared pursuant to the requirements of Section 33352 of the California Community Redevelopment Law (Health and Safety Code, Section 33000 et seq., "the Code").

In mid-2008 the City Council initiated action to consider Amendment No. 4 to the Consolidated Redevelopment Project Area and Amendment No. 2 to the Washington Boulevard Project Area. Subsequently, the Planning Commission and the CDC Board took steps to move the Amendments along the path toward adoption. Most recently, the Planning Commission approved the draft Redevelopment Plans for the proposed amendments. In keeping with Section 33352, two Reports to the City Council have been drafted and are presented to the CDC for review and approval. The reports have been prepared in a comprehensive manner in order to correspond directly to the Code requirements, and are organized in the same sequence as Code Section 33352.

Each of the Reports to the City Council covers a wide range of topics including but not limited to:

1. Description and justification for the proposed Amendment(s);
2. Description of existing physical, social and economic conditions in the area(s);
3. A summary of the proposed projects that are going to be carried out by the CDC (Implementation Plan);
4. Explanation of why the elimination of blight cannot be accompanied by private enterprise;
5. Project financing and economic feasibility;
6. Relocation plans for persons displaced by action of the redevelopment agency;
7. Report and recommendations of the Planning Commission;
8. Summary of meetings with residents and others;
9. Project conformance with the adopted General Plan;
10. Compliance with the California Environmental Quality Act (CEQA);
11. Analysis of the fiscal officer report and records of consultation with the affected taxing agencies.

The reports were prepared with the assistance of A.C. Lazzaretto & Associates and are ready for review and approval by the CDC. If the Board approves of the reports, the documents will be forwarded to the City Council prior to the public hearings on June 25<sup>th</sup>. The 33352 Reports, the Draft Subsequent Environmental Impact Reports, and other supporting documentation will be part of the agenda materials that the City Council will receive before the public hearings.

#### FISCAL IMPACT

There will not be any fiscal impact as a result of approving the Section 33352 Reports to the City Council.

#### INFRASTRUCTURE IMPACT

There will not be any infrastructure impact as a result of approving the Section 33352 Reports to the City Council.



Frederick W. Latham  
City Manager



Paul R. Ashworth  
Executive Director

#### Attachments

Draft Report to the City Council for Amendment No. 4 to the CRPA  
Draft Report to the City Council for Amendment No. 2 to the WBPA



# *City of Santa Fe Springs*

City Council/CD Commission/Water Utility Authority Meeting

June 11, 2009

## **PUBLIC HEARING**

### **Consideration of Resolution No. 9185, Resolution No. 230-2009, and WUA Resolution No. 01-2009 Authorizing Creation of the Santa Fe Springs Water Utility Authority and Approving Related Agreements and Taking Certain Other Actions**

#### **RECOMMENDATION**

That the following actions be taken:

1. City Council hold a public hearing to consider approval of a joint exercise of powers agency to be designated the "Santa Fe Springs Water Utility Authority" concerning a long-term lease of the City water system;
2. City Council adopt Resolution No. 9185 authorizing the creation of the Water Utility Authority, approving a lease agreement of the City's water system, and related actions;
3. Community Development Commission adopt Resolution No. 230-2009 authorizing the creation of the Santa Fe Springs Water Utility Authority;
4. Water Utility Authority adopt WUA Resolution No. 01-2009 Approving and Adopting Bylaws, and Authorizing Certain Other Action; and,
5. City Council, CDC, and WUA authorize their respective officers to sign all necessary documents.

#### **BACKGROUND**

During the Fiscal Year 2008-09 budget adoption process, the City Council directed staff to investigate the feasibility of forming a Water Authority that would enable the City to recover costs rendered to the water system. Subsequently, the staff provided a report to the City Council recommending the formation of a Joint Powers Authority (JPA). On February 12, the City Council took the initial steps required in order to create a 'Water Utility Authority'. Subsequently, on May 7, the City Council set a public hearing to consider creating a JPA to be known as the "Santa Fe Springs Water Utility Authority" and consider lease of the City's water system to the JPA.

Once this JPA is created, the assets of the municipal water system can then be leased to the Water Utility Authority, which becomes responsible for the day-to-day operation of the system. The Water Utility Authority will contract with the City to continue to manage the water system. It is important to emphasize that operationally, if the JPA is formed, it will have no impact on the customers of the water system; service and rates will remain as they are, and the City Council will continue to set water rates.

g



In order to form the JPA, it will be necessary to hold a public hearing which will provide the City Council with the opportunity to review all documents and consider the proposal for the lease of the municipal water system. Attached to this report are several documents pertaining to forming and implementing the Santa Fe Springs Water Utility Authority. Included in the attachments are actions to be taken by the newly formed JPA Board of Directors in the event that the City Council and the Community Development Commission approve respective resolutions authorizing the Santa Fe Springs Water Utility Authority. The attached documents include:

1. **City Council** Resolution No. 9185
2. First Amendment to the 2003 Installment Sale Agreement by and between the City of Santa Fe Springs and the Santa Fe Springs Public Financing Authority (Dated July 1, 2009)
3. First Amendment to the 2005 Installment Sale Agreement by and between the City of Santa Fe Springs and the Santa Fe Springs Public Financing Authority (Dated July 1, 2009)
4. **Community Development Commission** Resolution No. 230-2009
5. Joint Exercise of Powers Agreement Creating the Santa Fe Springs Water Utility Authority (Dated July 1, 2009)
6. **Santa Fe Springs Water Utility Authority** WUA Resolution No. 01-2009 Approving and Adopting Bylaws, Approving a Water Enterprise Lease Agreement, and Authorizing Certain Other Actions
7. Water Enterprise Lease Agreement by and between the Santa Fe Springs Water Utility Authority as Lessee and the City of Santa Fe Springs as Lessor (Dated July 1, 2009)
8. Proposal By the Santa Fe Springs Water Utility Authority to Lease the City's Municipal Water System
9. Water Enterprise Lease Agreement by and between the Santa Fe Springs Water Utility Authority as Lessee and the City of Santa Fe Springs as Lessor (Dated July 1, 2009)
10. Water Enterprise Management Agreement by and between the Santa Fe Springs Water Utility Authority as Lessee and the City of Santa Fe Springs as Lessor (Dated July 1, 2009)

#### FISCAL IMPACT

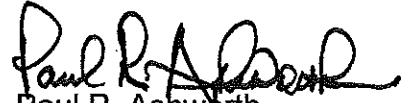
As noted at the City Council meeting on February 12<sup>th</sup>, and again on May 7<sup>th</sup>, unless the City of Santa Fe Springs takes action to form a Water Utility Authority, there will be a negative impact of having revenue removed from the General Fund. If the City Council approves the JPA, the City will be able to collect lease payments with respect to the water system. Forming the Water Utility Authority will have the net effect of maintaining the status quo.

INFRASTRUCTURE IMPACT

There will not be any infrastructure impact as a result of forming the Water Authority.



Frederick W. Latham  
City Manager



Paul R. Ashworth  
Executive Director

Attachments

As noted in the body of this report ten (10) attached documents.

## **RESOLUTION NO. 9185**

### **RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS AUTHORIZING THE CREATION OF THE SANTA FE SPRINGS WATER UTILITY AUTHORITY; APPROVING A WATER ENTERPRISE LEASE AGREEMENT FOR THE LEASE OF THE CITY'S WATER SYSTEM AND THE WATER ENTERPRISE MANAGEMENT AGREEMENT, THE FIRST AMENDMENT TO 2003 INSTALLMENT SALE AGREEMENT AND THE FIRST AMENDMENT TO 2005 INSTALLMENT SALE AGREEMENT; AND TAKING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH**

**WHEREAS**, the City Council of the City of Santa Fe Springs (the "City") has been advised by its staff and consultants that the lease of the City owned municipal water system (the "Enterprise") to another locally controlled public entity may have long term benefits to the City; and

**WHEREAS**, the City's staff and consultants have recommended that the City consider the lease of the Enterprise to a joint exercise of powers agency comprised of the City and the Community Development Commission of the City of Santa Fe Springs (the "Agency"); and

**WHEREAS**, in order to assist the City in the leasing of the Enterprise, the City and the Agency intend to form a joint exercise of powers agency designated as the "Santa Fe Springs Water Utility Authority" (the "Authority") pursuant to a Joint Exercise of Powers Agreement (the "Joint Powers Agreement"), which Authority will be duly created, established and authorized to transact business and exercise its powers, all under and pursuant to the Joint Powers Law (Articles 1 through 4 of Chapter 5, Division 7, Title 1 of the California Government Code) including the power to lease a municipal water system; and

**WHEREAS**, the City Council has previously directed staff to prepare a proposal on behalf of the Authority for the lease of the Enterprise; and

**WHEREAS**, the City Council has held a public hearing on the proposed lease of the Enterprise; and

**WHEREAS**, the City hereby finds and declares that entering into the Joint Powers Agreement will be beneficial to persons residing within the City; and

**WHEREAS**, the City Council, with the aid of its staff, has reviewed the Joint Powers Agreement and the City Council wishes to approve the Joint Powers Agreement, the lease documents and matters related thereto;

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS DOES FIND, DETERMINE AND RESOLVE AS FOLLOWS:**

**Section 1.** The City hereby approves the creation of the Authority, its membership therein and the Joint Powers Agreement related thereto, substantially in the form annexed hereto, with such revisions, amendments and completions as shall be approved by a Responsible Officer with the advice of Fulbright & Jaworski L.L.P. Los Angeles, California, as special counsel ("Special Counsel") and the City Attorney, such approval to be conclusively evidenced by the execution and delivery thereof. A Responsible Officer shall include any member of the City Council, the City Manager, the City Clerk, the Finance Director, or any official of the City designated by the Mayor or the City Manager as a Responsible Officer.

**Section 2.** City staff has evaluated the proposal and determined (1) the residents of the City will be provided equal or better service by the Authority, (2) the proposal results in savings and/or recovery of capital expenditures previously incurred by the City in connection with the Enterprise, and (3) the Enterprise will continue to be subject to local control, ownership and operation.

**Section 3.** The City hereby approves the Water Enterprise Lease Agreement, substantially in the form annexed hereto, with such revisions, amendments and completions as shall be approved by a Responsible Officer with the advice of Special Counsel and the City Attorney, such approval to be conclusively evidenced by the execution and delivery thereof.

**Section 4.** The City hereby approves the Water Enterprise Management Agreement, substantially in the form annexed hereto, with such revisions, amendments and completions as shall be approved by a Responsible Officer with the advice of Special Counsel and the City Attorney, such approval to be conclusively evidenced by the execution and delivery thereof.

**Section 5.** The City hereby approves the First Amendment to 2003 Installment Sale Agreement and the First Amendment to 2005 Installment Sale Agreement, substantially in the forms annexed hereto, with such revisions, amendments and completions as shall be approved by a Responsible Officer with the advice of Special Counsel and the City Attorney, such approval to be conclusively evidenced by the execution and delivery thereof.

**Section 6.** The Mayor, the City Manager, the Finance Director, or any other Responsible Officer the City, and each of them, is hereby authorized and directed to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by this Resolution.

**Section 7.** The City Clerk shall certify to the adoption of this Resolution, and thenceforth and thereafter the same shall be in full force and effect.

PASSED, APPROVED AND ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, 2009,  
by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
Mayor of the City of Santa Fe Springs

ATTEST:

\_\_\_\_\_  
City Clerk of the City of Santa Fe Springs

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FIRST AMENDMENT TO  
2003 INSTALLMENT SALE AGREEMENT

by and between

CITY OF SANTA FE SPRINGS

And

SANTA FE SPRINGS PUBLIC FINANCING AUTHORITY

Dated as of July 1, 2009

Amending Installment Sale Agreement  
dated as of October 1, 2003  
and relating to  
Santa Fe Springs Public Financing Authority  
2003 Water Revenue Bonds, Series A

**FIRST AMENDMENT TO  
2003 INSTALLMENT SALE AGREEMENT**

THIS FIRST AMENDMENT TO 2003 INSTALLMENT SALE AGREEMENT, made and entered into as of July 1, 2009, by and between CITY OF SANTA FE SPRINGS (herein called the "City"), a municipal corporation, and SANTA FE SPRINGS PUBLIC FINANCING AUTHORITY (herein called the "Authority"), a joint exercise of powers agency:

*WITNESSETH:*

WHEREAS, the Authority is a joint exercise of powers agency duly organized and existing under the laws of the State of California; and

WHEREAS, under Article 4 (commencing with section 6584) of Chapter 5 of Division 7 of Title 1 of the California Government Code (the "Bond Law") the Authority is authorized to borrow money for the purpose of financing the acquisition of bonds, notes and other obligations of, or for the purpose of making loans to, public entities including the City, and to provide financing and refinancing for public capital improvements of public entities including the City; and

WHEREAS, for the purpose of providing funds for the financing certain water system improvements of the City (the "Water Enterprise"), the Authority previously issued its 2003 Water Revenue Bonds, Series A in the aggregate principal amount of \$4,265,000 (the "Bonds"); and

WHEREAS, the Bonds are secured by installment payments to be made by the City under the Installment Sale Agreement, dated as of October 1, 2003 (the "2003 Installment Sale Agreement"), by and between the Authority and the City, under which the City has agreed to pay certain installment payments; and

WHEREAS, repayment of the Bonds is insured by a financial guaranty insurance policy issued by MBIA Insurance Corporation, succeeded by National Public Finance Guarantee ("NPFG"); and

WHEREAS, the City wishes to lease the Water Enterprise to the Santa Fe Springs Water Authority (the "Utility Authority"), a joint exercise of powers agency formed by the City and the Redevelopment Agency of the City of Santa Fe Springs; provided that the Utility Authority shall assume the obligation of the City to make the installment payments under the 2003 Installment Sale Agreement, which shall continue to have a prior lien on the Net Revenues (as defined in the 2003 Installment Sale Agreement) of the Water Enterprise; and

WHEREAS, Section 7.3 of the 2003 Installment Sale Agreement provides that the Water Enterprise may not be encumbered, sold, leased, pledged, any charge placed thereon, or otherwise disposed of, as a whole or substantially as a whole; and

WHEREAS, the Authority and the City wish to amend the 2003 Installment Sale Agreement to allow the City to lease the Water Enterprise to the Utility Authority subject to the continuing prior lien of the Bonds on Net Revenues and the assumption by the Utility Authority

of the obligations of the City to make installment payments under the 2003 Installment Sale Agreement; and

WHEREAS, the 2003 Installment Sale Agreement provides that the 2003 Installment Sale Agreement may be amended with the prior written consent of NPPG;

NOW, THEREFORE, the City and the Authority agree as follows:

## ARTICLE I DEFINITIONS

Section 1.01. Definitions. Unless the context otherwise requires, all capitalized terms used herein and not otherwise defined in this Section 1.01 shall have the respective meanings given to such terms in the 2003 Installment Sale Agreement.

## ARTICLE II AMENDMENTS TO 2003 INSTALLMENT SALE AGREEMENT

Section 2.01. Additional Definitions: Amendments of Definitions. Section 1.1 of the 2003 Installment Sale Agreement is amended to add the following definition of "Utility Authority" as follows:

"Utility Authority" means the Santa Fe Springs Water Authority, a joint exercise of powers agency to be created by the City and the Agency pursuant to that certain Joint Exercise of Powers Agreement Creating Santa Fe Springs Water Authority.

Section 2.02. Amendment to Section 7.3 of the 2003 Installment Sale Agreement. Section 7.3 of the 2003 Installment Sale Agreement is amended in its entirety to read as follows:

"Section 7.3. Sale of Enterprise. Except as provided herein, the City covenants that the Enterprise shall not be encumbered, sold, leased, pledged, any charge placed thereon, or otherwise disposed of, as a whole substantially as a whole. Neither the Net Revenues nor any other funds pledged or otherwise made available to secure payment of the Installment Payments shall be mortgaged, encumbered, sold, leased, pledged, any charge placed thereon, or disposed or used except as authorized by the terms of this Installment Sale Agreement. The City shall not enter into any agreement which impairs the operation of the Enterprise or any part of it necessary to secure adequate Net Revenues to pay the Installment Payments, or which otherwise would impair the rights of the Bond Owners and the owners of any Parity Obligations with respect to the Net Revenues. If any substantial part of the Enterprise shall be sold, the payment therefore shall either (a) be used for the acquisition or construction of improvements, extensions or replacements of Improvements constituting part of the Enterprise, or (b) to the extent not so used, be paid to the Trustee to be applied to prepay the installment Payments or any Parity Obligations, in accordance with written instructions of the City filed with the Trustee.



Notwithstanding the foregoing, the City may lease the Enterprise or any part thereof to the Utility Authority under the terms of a lease agreement and a management agreement each of which is acceptable to the Insurer; provided that the Utility Authority shall assume the obligations of the City to make the Installment Payments, which shall continue to have a first claim on Net Revenues pursuant to this Installment Sale Agreement. Anything herein to the contrary notwithstanding, the Utility Authority shall be obligated under the covenants and warranties the City has provided under this Installment Sale Agreement.”

### ARTICLE III MISCELLANEOUS

Section 3.01. No Other Amendments to 2003 Installment Sale Agreement. Except as set forth in Article II hereof, the 2003 Installment Sale Agreement shall remain in full force and effect.

Section 3.02. Counterparts. This First Amendment to 2003 Installment Sale Agreement may be executed in counterparts.

IN WITNESS WHEREOF, the parties hereto have caused this First Amendment to 2003 Installment Sale Agreement to be executed by their duly authorized officers as of the date first above written.

SANTA FE SPRINGS PUBLIC FINANCING  
AUTHORITY

By: \_\_\_\_\_  
Executive Director

CITY OF SANTA FE SPRINGS

By: \_\_\_\_\_  
Mayor

## CONSENT OF NATIONAL PUBLIC FINANCE GUARANTEE

National Public Finance Guarantee hereby consents to the amendment of the 2003 Installment Sale Agreement by the terms of this First Amendment to 2003 Installment Sale Agreement in accordance with Section 7.4 of the 2003 Installment Sale Agreement.

Dated: \_\_\_\_\_, 2009

NATIONAL PUBLIC FINANCE  
GUARANTEE

By: \_\_\_\_\_  
Authorized Signatory

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FIRST AMENDMENT TO  
2005 INSTALLMENT SALE AGREEMENT

by and between

CITY OF SANTA FE SPRINGS

And

SANTA FE SPRINGS PUBLIC FINANCING AUTHORITY

Dated as of July 1, 2009

Amending Installment Sale Agreement  
dated as of April 1, 2005  
and relating to  
Santa Fe Springs Public Financing Authority  
2005 Water Refunding Revenue Bonds, Series A

**FIRST AMENDMENT TO  
2005 INSTALLMENT SALE AGREEMENT**

THIS FIRST AMENDMENT TO 2005 INSTALLMENT SALE AGREEMENT, made and entered into as of July 1, 2009, by and between CITY OF SANTA FE SPRINGS (herein called the "City"), a municipal corporation, and SANTA FE SPRINGS PUBLIC FINANCING AUTHORITY (herein called the "Authority"), a joint exercise of powers agency:

*WITNESSETH:*

WHEREAS, the Authority is a joint exercise of powers agency duly organized and existing under the laws of the State of California; and

WHEREAS, under Article 4 (commencing with section 6584) of Chapter 5 of Division 7 of Title 1 of the California Government Code (the "Bond Law") the Authority is authorized to borrow money for the purpose of financing the acquisition of bonds, notes and other obligations of, or for the purpose of making loans to, public entities including the City, and to provide financing and refinancing for public capital improvements of public entities including the City; and

WHEREAS, for the purpose of providing funds for the refunding certain water system improvements of the City (the "Water Enterprise"), the Authority previously issued its 2005 Water Refunding Revenue Bonds, Series A in the aggregate principal amount of \$3,705,000 (the "Bonds"); and

WHEREAS, the Bonds are secured by installment payments to be made by the City under the Installment Sale Agreement, dated as of April 1, 2005 (the "2005 Installment Sale Agreement"), by and between the Authority and the City, under which the City has agreed to pay certain installment payments; and

WHEREAS, repayment of the Bonds is insured by a financial guaranty insurance policy issued by Financial Security Assurance ("FSA"); and

WHEREAS, the City wishes to lease the Water Enterprise to the Santa Fe Springs Water Authority (the "Utility Authority"), a joint exercise of powers agency formed by the City and the Redevelopment Agency of the City of Santa Fe Springs; provided that the Utility Authority shall assume the obligation of the City to make the installment payments under the 2005 Installment Sale Agreement, which shall continue to have a prior lien on the Net Revenues (as defined in the 2005 Installment Sale Agreement) of the Water Enterprise; and

WHEREAS, Section 7.3 of the 2005 Installment Sale Agreement provides that the Water Enterprise may not be encumbered, sold, leased, pledged, any charge placed thereon, or otherwise disposed of, as a whole or substantially as a whole; and

WHEREAS, the Authority and the City wish to amend the 2005 Installment Sale Agreement to allow the City to lease the Water Enterprise to the Utility Authority subject to the continuing prior lien of the Bonds on Net Revenues and the assumption by the Utility Authority

of the obligations of the City to make installment payments under the 2005 Installment Sale Agreement; and

WHEREAS, the 2005 Installment Sale Agreement provides that the 2005 Installment Sale Agreement may be amended with the prior written consent of FSA;

NOW, THEREFORE, the City and the Authority agree as follows:

## ARTICLE I DEFINITIONS

Section 1.01. Definitions. Unless the context otherwise requires, all capitalized terms used herein and not otherwise defined in this Section 1.01 shall have the respective meanings given to such terms in the 2005 Installment Sale Agreement.

## ARTICLE II AMENDMENTS TO 2005 INSTALLMENT SALE AGREEMENT

Section 2.01. Additional Definitions: Amendments of Definitions. Section 1.1 of the 2005 Installment Sale Agreement is amended to add the following definition of "Utility Authority" as follows:

"Utility Authority" means the Santa Fe Springs Water Authority, a joint exercise of powers agency to be created by the City and the Agency pursuant to that certain Joint Exercise of Powers Agreement Creating Santa Fe Springs Water Authority.

Section 2.02. Amendment to Section 7.3 of the 2005 Installment Sale Agreement. Section 7.3 of the 2005 Installment Sale Agreement is amended in its entirety to read as follows:

"Section 7.3. Sale of Enterprise. Except as provided herein, the City covenants that the Enterprise shall not be encumbered, sold, leased, pledged, any charge placed thereon, or otherwise disposed of, as a whole substantially as a whole. Neither the Net Revenues nor any other funds pledged or otherwise made available to secure payment of the Installment Payments shall be mortgaged, encumbered, sold, leased, pledged, any charge placed thereon, or disposed or used except as authorized by the terms of this Installment Sale Agreement. The City shall not enter into any agreement which impairs the operation of the Enterprise or any part of it necessary to secure adequate Net Revenues to pay the Installment Payments, or which otherwise would impair the rights of the Bond Owners and the owners of any Parity Obligations with respect to the Net Revenues. If any substantial part of the Enterprise shall be sold, the payment therefore shall either (a) be used for the acquisition or construction of improvements, extensions or replacements of Improvements constituting part of the Enterprise, or (b) to the extent not so used, be paid to the Trustee to be applied to prepay the installment Payments or any Parity Obligations, in accordance with written instructions of the City filed with the Trustee.

Notwithstanding the foregoing, the City may lease the Enterprise or any part thereof to the Utility Authority under the terms of a lease agreement and a management agreement each of which is acceptable to the Insurer; provided that the Utility Authority shall assume the obligations of the City to make the Installment Payments, which shall continue to have a first claim on Net Revenues pursuant to this Installment Sale Agreement. Anything herein to the contrary notwithstanding, the Utility Authority shall be obligated under the covenants and warranties the City has provided under this Installment Sale Agreement.”

### ARTICLE III MISCELLANEOUS

Section 3.01. No Other Amendments to 2005 Installment Sale Agreement. Except as set forth in Article II hereof, the 2005 Installment Sale Agreement shall remain in full force and effect.

Section 3.02. Counterparts. This First Amendment to 2005 Installment Sale Agreement may be executed in counterparts.

IN WITNESS WHEREOF, the parties hereto have caused this First Amendment to 2005 Installment Sale Agreement to be executed by their duly authorized officers as of the date first above written.

SANTA FE SPRINGS PUBLIC FINANCING  
AUTHORITY

By: \_\_\_\_\_  
Executive Director

CITY OF SANTA FE SPRINGS

By: \_\_\_\_\_  
Mayor



## CONSENT OF FSA

Financial Security Assurance hereby consents to the terms of this First Amendment to 2005 Installment Sale Agreement.

Dated: \_\_\_\_\_, 2009

FINANCIAL SECURITY ASSURANCE

By: \_\_\_\_\_  
Authorized Signatory

## **RESOLUTION NO. 230-2009**

### **RESOLUTION OF THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF SANTA FE SPRINGS AUTHORIZING THE CREATION OF THE SANTA FE SPRINGS WATER UTILITY AUTHORITY AND TAKING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH**

**WHEREAS**, the City of Santa Fe Springs (the "City") has determined that significant benefits will result from the lease of the City's municipal water system (the "Enterprise"); and

**WHEREAS**, in order to assist the City in the leasing of the Enterprise, the City and the Community Development Commission of the City of Santa Fe Springs (the "Agency") intend to form a joint exercise of powers agency designated as the "Santa Fe Springs Water Utility Authority" (the "Authority") pursuant to a Joint Exercise of Powers Agreement (the "Joint Powers Agreement"), which Authority will be duly created, established and authorized to transact business and exercise its powers, all under and pursuant to the Joint Powers Law (Articles 1 through 4 of Chapter 5, Division 7, Title 1 of the California Government Code) including the power to lease a municipal water system; and

**WHEREAS**, the Agency finds and declares that entering into the Joint Powers Agreement will be beneficial to persons residing within the jurisdiction of the Agency; and

**WHEREAS**, the Agency has reviewed the Joint Powers Agreement and the Agency wishes to approve the Joint Powers Agreement and matters related thereto;

**NOW, THEREFORE**, THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF SANTA FE SPRINGS DOES FIND, DETERMINE AND RESOLVE AS FOLLOWS:

**Section 1.** The Agency hereby approves the creation of the Authority, its membership therein and the Joint Powers Agreement related thereto, substantially in the form annexed hereto, with such revisions, amendments and completions as shall be approved by a Responsible Officer with the advice of Fulbright & Jaworski L.L.P. Los Angeles, California, as special counsel ("Special Counsel") and Agency counsel, such approval to be conclusively evidenced by the execution and delivery thereof. A Responsible Officer shall include any member of the Agency, the Chairperson, the Executive Director, the Finance Director, the Secretary, or any official of the Agency designated by the Chairperson or Executive Director as a Responsible Officer.

**Section 2.** The Executive Director or any other Responsible Officer of the Agency is hereby authorized and directed to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by this Resolution.

**Section 3.** The Secretary shall certify to the adoption of this Resolution which shall be in full force and effect immediately upon its adoption.

PASSED, APPROVED AND ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, 2009,  
by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
Chairperson of the Community Development  
Commission of the City of Santa Fe Springs

ATTEST:

\_\_\_\_\_  
Secretary of the Community Development Commission  
of the City of Santa Fe Springs

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JOINT EXERCISE OF POWERS AGREEMENT

CREATING

SANTA FE SPRINGS WATER UTILITY AUTHORITY

Dated as of July 1, 2009

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**JOINT EXERCISE OF POWERS AGREEMENT  
CREATING SANTA FE SPRINGS WATER UTILITY AUTHORITY**

**THIS JOINT POWERS AGREEMENT** (the "Agreement"), is made and entered into as of July 1, 2009 by and among the Members (as defined herein);

**WITNESSETH:**

**WHEREAS**, the Members wish to form an agency under the Joint Powers Law, known as the Santa Fe Springs Water Utility Authority, for the purpose of providing an entity to assist in providing financing, for purposes which are authorized by law and which could lease, own, operate and maintain the Enterprise (as defined herein); and

**NOW, THEREFORE**, in consideration of the above premises and of the mutual promises herein contained, the Members do hereby agree as follows:

**ARTICLE I**

**DEFINITIONS**

**Section 1.01 Definitions.** In addition to the other terms defined herein, the following terms, whether in the singular or in the plural, when used herein and initially capitalized shall have the meanings specified.

**"Agency"** means the Community Development Commission of the City of Santa Fe Springs.

**"Agreement"** means this Joint Exercise of Powers Agreement, as originally entered into or as amended from time to time in accordance with Section 8.05 hereof.

**"Authority"** means the Santa Fe Springs Water Utility Authority established pursuant to Section 2.02 hereof.

**"Board"** means the Board referred to in Section 3.01 hereof, which shall be the governing body of the Authority.

**"Bond Law"** means the Marks-Roos Local Bond Pooling Act of 1985, being Article 4 of the Joint Powers Law (commencing with Section 6584), as amended from time to time, Article 2 of the Joint Powers Law, as amended from time to time, or any other law available for use by the Authority in the authorization and issuance of Indebtedness or to provide for the financing of Indebtedness and/or Public Capital Improvements, as amended from time to time.

**"Bond Purchase Agreement"** means an agreement between the Authority and a Member or a Local Agency, pursuant to which the Authority agrees to purchase Indebtedness from a Member or a Local Agency, as the case may be.

**"City"** means the City of Santa Fe Springs.

**“Enterprise”** means the entire water treatment, production, storage and distribution system owned, leased or operated by the Authority, including but not limited to all facilities, properties and improvements at any time owned, leased or operated by the Authority for the collection, treatment and supply of potable and reclaimed water to residents served thereby, whether within or without the City, and any necessary lands, rights, entitlements and other property useful in connection therewith, together with all extensions thereof and improvements thereto hereafter acquired, constructed or installed by the City or the Authority.

**“Fiscal Year”** means the fiscal year of the Authority as established from time to time by the Board, being at the date of this Agreement the period from July 1 in any calendar year to and including June 30 in the succeeding calendar year.

**“Indebtedness”** means bonds, notes or other evidences of indebtedness, and all other obligations, instruments and agreements constituting “Bonds” under the Joint Powers Law, which are issued or incurred by or on behalf of the Authority, a Member or a Local Agency pursuant to the Bond Law or pursuant to any other provision of law to finance the lease, acquisition, construction or improvement of Public Capital Improvements, Working Capital Requirements, or liability or other insurance needs of any Local Agency (the “Local Obligations”).

**“Joint Powers Law”** means Articles 1 through 4 (commencing with Section 6500) of Chapter 5, Division 7, Title 1 of the California Government Code, as amended from time to time.

**“Liability Share”** means, with respect to any Member, the amount of a judgment for damages divided by the number of Members at the time the act or omission occurred, unless any portion of the judgment arises from an act or omission directly related to the studying, planning, financing, developing, acquiring, purchasing, construction, reconstructing, implementing, improving, enlarging, enhancing, operating, maintaining, selling, disposing of, or decommissioning of any project undertaken by the Authority under this Agreement, in which case, with respect to such portion, the term “Liability Share” shall mean, with respect to any Member, the amount of such portion multiplied by a fraction equal to (i) such Member’s entitlement or right, if any, to participate in such project at the time the act or omission occurred, divided by (ii) the aggregate amount of all Members’ entitlements or rights to participate in such project at the time the act or omission occurred.

**“Local Agency”** means each of the Members, any agency or subdivision of a Member, and any other city, county, authority, district or public corporation of the State of California.

**“Members”** means, collectively, all of the Members that are parties to this Agreement, which Members shall initially consist of the City of Santa Fe Springs and the Community Development Commission of the City of Santa Fe Springs, and which shall include all additional Members that become parties hereto pursuant to the provisions of Section 7.02 hereof; provided, however, that the term “Member” shall not include any entity which shall have withdrawn or been excluded from the Authority pursuant to Section 7.03 hereof.

**“Public Agency”** has the meaning given to the term “public agency” in Article 1 of the Joint Powers Law.



**“Public Capital Improvements”** has the meaning given such term in Section 6585(g) of the Bond Law, as such provision may be amended from time to time.

**“Working Capital Requirements”** means the requirements of any Local Agency for funds to be used by, or on behalf of, such Local Agency for any purpose for which such Local Agency may borrow money pursuant to Section 53852 of the California Government Code, as amended from time to time.

## **ARTICLE II**

### **GENERAL PROVISIONS**

**Section 2.01 Purpose.** This Agreement is made pursuant to the Joint Powers Law providing for the joint exercise of powers common to two or more Members, and for other purposes as permitted under the Joint Powers Law and the Bond Law. The purpose of this Agreement is to provide for the lease, ownership, operation, management and maintenance of the Enterprise or service, the financing of Public Capital Improvements for and Working Capital Requirements and insurance programs of the Members and any Local Agency, including without limitation, financings relating to the Enterprise or service through the lease, acquisition or construction by the Authority of such Public Capital Improvements, the purchase by the Authority of Indebtedness of any of the Members or a Local Agency pursuant to Bond Purchase Agreements, the lending of funds by the Authority to a Member or a Local Agency or the entering into of contractual arrangements by the Authority with a Member or a Local Agency and any other transaction authorized by the Joint Powers Law and other laws; engaging in financings relating to the encouragement of economic development and the stimulation of public revenues in the City through the acquisition and financing by the Authority of such Public Capital Improvements; and to engage in any other transactions authorized by the Joint Powers Law and other laws.

**Section 2.02 Creation of Authority.** Pursuant to the Joint Powers Law, there is hereby created a public entity to be known as the “Santa Fe Springs Water Utility Authority”. The Authority shall be a public entity separate and apart from the Members, and shall administer this Agreement.

## **ARTICLE III**

### **BOARD OF DIRECTORS**

**Section 3.01 Board of Directors.** The Authority shall be governed by a Board of Directors, which shall be comprised of members determined as provided in this Section 3.01. The Board of Directors shall be called the “Board of Directors of the Santa Fe Springs Water Utility Authority.” Notwithstanding anything contained in this Section 3.01 to the contrary, no member of the Board of Directors shall hold membership on the Board of Directors after the expiration of his or her term as a member of the governing body of a Member, or until he or she resigns, is removed or for any other reason no longer serves as a member of the governing body of a Member. The members of the Board of Directors shall be the members of the City Council of the City.

**Section 3.02 Powers.** Subject to the limitations of this Agreement and the laws of the State of California, the powers of this Authority shall be vested in and exercised by and its property controlled and its affairs conducted by the Board of Directors. The Board of Directors shall have the responsibility for the general management of the affairs, property and business of the Authority and may, from time to time, adopt and modify such By-Laws and other rules and regulations for that purpose and for the conduct of its meetings as it may deem proper.

**Section 3.03 Compensation.** Members of the Board of Directors shall serve with each compensation as shall be established from time to time. Each such member may be reimbursed for necessary and actual expenses, including travel incident to his or her services as member of the Board of Directors, pursuant to resolution of the Board of Directors. Any member of the Board of Directors may elect, however, to decline said compensation or reimbursement.

**Section 3.04 Meetings of the Board of Directors; Voting.**

(a) Call, Notice and Conduct of Meetings. All meetings of the Board of Directors, including without limitation, regular, adjourned regular and special meetings, shall be called, noticed, held and conducted in accordance with the Ralph M. Brown Act, being Sections 54950 et seq. of the California Government Code, as amended from time to time.

(b) Regular Meetings. The Board of Directors shall hold a regular meeting not less than once each calendar year. Regular meetings of the Board of Directors shall be held on the same date as the second City Council meeting of each month. No notice of any regular meeting of the Board of Directors need be given to the members of the Board of Directors.

(c) Special Meetings. Special meetings of the Board of Directors shall be held whenever called by the Chairperson of the Authority or by a majority of the members of the Board of Directors, in accordance with the provisions of the California Government Code, as amended from time to time.

(d) Quorum. A majority of the total number of members of the Board of Directors shall constitute a quorum for the transaction of business, except that less than a quorum may adjourn from time to time.

(e) Voting. Each member of the Board of Directors shall have one vote. The affirmative votes of at least a majority of the members of the Board of Directors present at any meeting at which a quorum is present shall be required for the Board of Directors to take any action. Every act or decision done or made by a majority of the members of the Board of Directors present at any meeting at which a quorum is present shall be the act of the Board of Directors.

## **ARTICLE IV**

### **OFFICERS AND EMPLOYEES**

**Section 4.01 Officers.** The officers of the Authority shall be a Chairperson, a Vice Chairperson, an Executive Director, a Secretary, a Treasurer and such other officers as the Board of Directors may appoint. The Chairperson shall be the Mayor of the City. The Vice

Chairperson shall be the Mayor Pro Tem of the City. The City Treasurer shall serve as the Treasurer of the Authority. The City Manager shall serve as the Executive Director of the Authority. The City Clerk shall serve as the Secretary of the Authority. The City Attorney shall serve as legal counsel to the Authority.

**Section 4.02 Subordinate Officers.** The Board of Directors may elect or authorize the appointment of such other officers than those herein above mentioned as the business of the Authority may require, each of whom shall hold office for such period, have such authority and perform such duties as are provided in this Agreement, or as the Board of Directors, from time to time, may authorize or determine.

**Section 4.03 Removal of Officers.** Any officer may be removed, either with or without cause, by a majority of the members of the Board of Directors at any regular or special meeting of the Board of Directors. Should a vacancy occur in any office as a result of death, resignation, removal, disqualification or any other cause, the Board of Directors may delegate the powers and duties of such office to any officers or to any members of the Board of Directors until such time as a successor for said office has been appointed.

**Section 4.04 Chairperson.** The Chairperson shall be the presiding officer of the Authority. He or she shall be ex officio member of all standing committees, and shall have the such powers and duties as may be prescribed by the Board of Directors or this Agreement. The Chairperson shall preside at all meetings of the Board of Directors.

**Section 4.05 Vice Chairperson.** In the absence or disability of the Chairperson, the Vice Chairperson shall perform all the duties of the Chairperson and when so acting shall have all the powers of and be subject to all of the restrictions upon the Chairperson. The Vice Chairperson shall have such other powers and perform such other duties as may, from time to time, be prescribed for him or her by the Board of Directors or this Agreement.

**Section 4.06 Executive Director.** The Executive Director shall be the chief executive officer of the Authority. He or she shall have the general powers and duties of management of the Authority and shall have such other powers and duties as may be prescribed by the Board of Directors or this Agreement.

**Section 4.07 Secretary.** The Secretary shall keep or cause to be kept a book of minutes at the principal office or at such other place as the Board of Directors may order, of all meetings of the Board of Directors, with the time and place of holding, whether regular or special, and if special, how authorized, the notice thereof given, the names of those present at Board of Directors meetings and the proceedings thereof. The Secretary shall give or cause to be given notice of all meetings of the Board of Directors. The Secretary shall keep the Authority records in safe custody and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or this Agreement.

**Section 4.08 Treasurer.** Subject to the applicable provisions of any indenture or resolution providing for a trustee or other fiscal agent, the Treasurer is designated as the depository of the Authority to have custody of all the money of the Authority, from whatever

source, and, as such, shall have the powers, duties and responsibilities specified in Section 6505.5 or 6505.6 of the Joint Powers Law.

The Treasurer is hereby designated as the auditor of the Authority and, as such, shall have the powers, duties and responsibilities specified in Section 6505.5 or 6505.6 of the Joint Powers Law including, without limitation, financial reporting responsibilities as provided therein.

**Section 4.09 Officers in Charge of Records, Funds and Accounts.** The Treasurer to the extent such officer's duties and responsibilities require, is designated as the public officer or person who has charge of, handles, or has access to any property of the Authority, and such officer shall file an official bond as required by Section 6505.1 of the Joint Powers Law in the amount of \$25,000.

**Section 4.10 Other Employees.** The Board of Directors shall have the power to appoint and employ such other officers, employees, consultants and independent contractors as it may deem necessary for the purposes of this Agreement, any of whom may be employees of a Member, and who shall have such powers, duties and responsibilities as are determined by the Board of Directors.

All of the privileges and immunities from liability, exemptions from laws, ordinances and rules, all pension, relief, disability, workers' compensation and other benefits which apply to the activities of officers, agents, or employees of a public agency when performing their respective functions shall apply to them to the same degree and extent while engaged in the performance of any of the functions and other duties under this Agreement.

None of the officers, agents, or employees directly employed by the Authority shall be deemed, by reason of their employment by the Authority to be employed by any of the Members or, by reason of their employment by the Authority, to be subject to any of the requirements of any of the Members.

**Section 4.11 Conflict of Interest Code.** The Authority by resolution shall adopt by reference a Conflict of Interest Code as required by the Political Reform Act, commencing with section 81000 of the Government Code of the State of California.

## ARTICLE V

### POWERS

**Section 5.01 General Powers.** The Authority shall exercise in the manner herein provided powers common to Members, or as otherwise permitted under the Joint Powers Law, and necessary or convenient to the accomplishment of the purposes of this Agreement, subject to the restrictions set forth in Section 5.03 hereof.

As provided in the Joint Powers Law, the Authority shall be a public entity separate from the Members. The Authority shall have all of the powers provided in the Joint Powers Law, including but not limited to Article 4 of the Joint Powers Law (commencing with Section 6584), and including the power to issue or incur Indebtedness under the Bond Law.

**Section 5.02 Specific Powers.** The Authority is hereby authorized, in its own name, to do all acts necessary for the exercise of the foregoing powers, including but not limited to, any or all of the following:

- (a) to make and enter into contracts;
- (b) to employ agents or employees;
- (c) to plan, develop, acquire, construct, manage, maintain, repair, replace or operate any Public Capital Improvement, including the common power of the Members to acquire any Public Capital Improvement by the power of eminent domain;
- (d) to acquire (by the exercise of the power of eminent domain or otherwise), hold, lease, sell or otherwise dispose of any real or personal property, tangible or intangible, and any interests therein, wherever located;
- (e) to issue or incur Indebtedness and otherwise to incur debts, liabilities or obligations, provided that no such Indebtedness, debt, liability or obligation shall constitute a debt, liability or obligation of any of the Members;
- (f) to sue and be sued in its own name;
- (g) to establish a budget and authorize expenditures therefrom;
- (h) to apply for, accept, receive and disburse grants, loans and other aids from any agency of the United States or of the State of California or from any private sources;
- (i) to enter into agreements for the creation of separate public entities and agencies pursuant to the Joint Powers Law;
- (j) to invest any money in the treasury as determined by the Authority, in accordance with applicable provisions of the Joint Powers Law and Section 53601 of the California Government Code, as amended from time to time;
- (k) to apply for letters of credit or other forms of financial guarantees in order to secure the repayment of Indebtedness and enter into agreements in connection therewith;
- (l) to carry out and enforce all the provisions of this Agreement;
- (m) to make and enter into Bond Purchase Agreements;
- (n) to purchase Indebtedness of a Member or any Local Agency;
- (o) to establish non-profit corporations or for-profit corporations to assist in accomplishing any of its objectives; and
- (p) to exercise any and all other powers as may be permitted by State law and/or the Joint Powers Law (including Section 6588 of the Joint Powers Law).

**Section 5.03 Restrictions on Exercise of Powers.** The powers of the Authority shall be exercised in the manner provided in the Joint Powers Law and in the Bond Law subject only to the restrictions upon the manner of exercising such powers as are imposed upon the Members in the exercise of similar powers.

**Section 5.04 Liability; Contribution.** Pursuant to the Joint Powers Law, the debts, liabilities and obligations of the Authority shall not be the debts, liabilities and obligations of any of the Members, except as provided by Section 895.2 of the California Government Code, as amended from time to time, in the case of injury caused by a negligent or wrongful act or omission occurring in the performance of this Agreement. In the event any Member is held liable upon any judgment for damages caused by a negligent or wrongful act or omission occurring in the performance of this Agreement, and pays in excess of its Liability Share of such judgment, such Member shall be entitled to contribution from each other Member and may require each other Member to pay an amount towards the judgment for damages, but in no event shall any such other Member be required to pay in excess of its Liability Share of such judgment. No member, officer, agent or employee of the Authority shall be individually or personally liable for the payment of the principal of or premium or interest on any obligations of the Authority or be subject to any personal liability or accountability by reason of any obligations of the Authority; but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law or by the instruments authorizing the issuance of any obligations of the Authority. Nothing contained in this Agreement shall in any way diminish the liability of any Member or other party with respect to any contract between such Member or other party and the Authority.

**Section 5.05 Indemnity by Authority for Litigation Expenses of Officer, Board of Directors Member or Employee.** In the event any member of the Board of Directors, officer or employee of the Authority be sued, either alone or with others, because he or she is or was a member of the Board of Directors, officer or employee of the Authority, in any proceeding arising out of his or her alleged misfeasance or nonfeasance in the performance of his or her duties or out of any alleged wrongful act against the Authority or by the Authority, indemnity to such person for reasonable expenses, including attorneys' fees incurred in the defense of the proceedings, may be assessed against the Authority or its receiver by the court in the same or a separate proceeding if the person sued acted in good faith and in a manner such person reasonably believed to be in the best interests of the Authority and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of such person was unlawful. The amount of such indemnity shall equal the amount of the expenses, including attorneys' fees, incurred in the defense of the proceeding.

**Section 5.06 Execution of Contracts.** The Board of Directors, except as otherwise provided in this Agreement, may authorize any officer or officers, agent or agents, to enter into any contract or execute any contract or execute any instrument in the name of and on behalf of the Authority and such authorization may be in general or confined to specific instances and unless so authorized by the Board of Directors, no officer, agent or employee shall have any power or authority to bind the Authority by any contract or engagement or to pledge its credit or to render it liable for any purpose or in any amount.

## ARTICLE VI

### CONTRIBUTION; ACCOUNTS AND REPORTS; FUNDS

**Section 6.01 Contributions.** In accordance with the California Government Code, the Members may in the appropriate circumstances when required hereunder: (a) make contributions from their treasuries as approved from time to time by the Board of Directors, for the purposes set forth herein, (b) make payments of public funds to defray the cost of such purposes, (c) make advances of public funds for such purposes, such advances to be repaid as provided herein, or (d) use their personnel, equipment or property in lieu of other contributions or advances. The provisions of Section 6513 of the Joint Powers Law are hereby incorporated into this Agreement. The Authority may make such arrangements relative to the repayment or return to the Members of such contributions, payments and advances as are approved from time to time by the Board of Directors.

Any Member which fails to make or pay when due any required contribution, payment or advance to the Authority, may have its rights under this Agreement terminated and may be excluded from participation in the Authority as provided in Section 7.03(c) hereof. Any such Member shall continue to be liable for its obligations under any contract with the Authority and for any unpaid contribution, payment or advance approved by the Board of Directors prior to such Member's exclusion and not objected to by such Member by written notice to the Authority within thirty (30) days after such approval.

**Section 6.02 Accounts and Reports.** There shall be strict accountability of all funds and reporting of all receipts and disbursements of the Authority. The Authority shall establish and maintain such funds and accounts as may be required by good accounting practice or by any provision of any resolution, indenture or other instrument of the Authority securing its Indebtedness, except insofar as such powers, duties and responsibilities are assigned to a trustee appointed pursuant to such resolution, indenture or instrument. The books and records of the Authority shall be open to inspection at all reasonable times by the Members and their representatives. The Authority shall give an unaudited written report of all financial activities for each Fiscal Year to the Members within 210 days after the close of each Fiscal Year.

The Treasurer, as auditor of the Authority, shall contract with a certified public accountant or public accountant to make an independent annual audit of the accounts and records of the Authority. In each case the minimum requirements of the audit shall be those prescribed by the State Controller for special districts under Section 26909 of the California Government Code, as amended from time to time, and shall conform to generally accepted auditing standards. When such an audit of an account and record is made by a certified public accountant or public accountant, a report thereof shall be filed as public records with each of the Members and with the county auditor of Los Angeles. Such report shall be filed within 12 months of the end of the Fiscal Year under examination.

Any costs of the audit, including contracts with, or employment of, certified public accountants or public accountants, in making an audit pursuant to this Section shall be borne by the Authority and shall be a charge against any unencumbered funds of the Authority available for the purpose.

**Section 6.03 Funds.** Subject to the applicable provisions of any instrument or agreement which the Authority may enter into, which may provide for a trustee to receive, have custody of and disburse Authority funds, the Treasurer of the Authority shall receive, have the custody of and disburse Authority funds as nearly as possible in accordance with generally accepted accounting practices, and shall make the disbursements required by this Agreement or to carry out any of the provisions or purposes of this Agreement.

**Section 6.04 Annual Budget and Administrative Expenses.** The Board of Directors shall adopt an annual budget to provide for the operation and maintenance of the systems owned and/or operated by the Authority, including, without limitation, amounts to be paid for debt service and lease payments and for contracts entered into by the Authority and administrative expenses, which shall include all expenses not included in any financing issue of the Authority, annually prior to July 1st of each year.

## **ARTICLE VII**

### **TERM; ADDITION OF MEMBERS; DISSOLUTION**

**Section 7.01 Term.** This Agreement shall become effective as of the date first set forth above, and the Authority shall come into existence, on the date of execution and delivery hereof, and this Agreement shall thereafter continue in full force and effect until the later of June 30, 2064 or the date on which all Indebtedness and other obligations of the Authority and the interest thereon shall have been paid in full or until adequate provision for such payment shall have been made in accordance with the instruments governing such Indebtedness, and no material contracts to which the Authority is a party remain in effect, unless earlier dissolved pursuant to Section 7.04 hereof.

**Section 7.02 Addition of Members.** (a) Public Agencies possessing one or more of the powers specified in the first paragraph of the recitals to this Agreement may be added as parties to this Agreement, and become Members, upon the filing by such Public Agency with the Board of Directors of an instrument in form and substance satisfactory to the Board of Directors together with a certified copy of a resolution of its governing body, whereby the Public Agency (i) agrees to the provisions of this Agreement and (ii) requests to become a Member. In reviewing an application for membership, the Board of Directors may reject said application based on the creditworthiness of the applicant or on any other matter which has affected or may affect the creditworthiness of the applicant and which may thereby affect the creditworthiness of the Authority. The Board of Directors also reserves the right to reject an applicant if the Board of Directors determines that the membership of such applicant would be detrimental to the effectiveness of the Authority or would interfere with the realization of the Authority's goals and purposes.

(b) Notwithstanding Section 7.02(a) hereof, no such Public Agency shall become a Member until (i) its admission is approved by a vote of a majority of the Board of Directors voting on the matter and (ii) such Public Agency deposits or agrees to deposit with the Authority an amount equal to such share of the costs and expenses incurred by the Authority prior to the date of admission of such Public Agency as a Member as shall be determined by the Board of Directors.



(c) Upon satisfaction of the provisions of Section 7.02(a) and 7.02(b) hereof, such Public Agency shall be a Member for all purposes of this Agreement, and the instrument provided pursuant to Section 7.02(a) hereof shall become a part of the official records of the Authority. Neither the effectiveness of such membership nor such instrument shall constitute an amendment or modification of this Agreement for purposes of Section 8.05 hereof.

**Section 7.03 Withdrawal or Exclusion of a Member.** (a) Any Member may withdraw from the Authority upon the following conditions: (i) the Member shall have filed with the Board of Directors a certified copy of a resolution of its governing body expressing its desire to so withdraw and (ii) if the Authority, prior to the filing of such resolution, shall have incurred any obligation payable from contributions, payments or advances in accordance with Section 6.01 hereof, which obligation matures after the date of such filing, the withdrawing Member shall have paid, or made arrangements satisfactory to the Board of Directors to pay to the Authority its pro rata portion of such obligation.

(b) Upon compliance with the conditions specified in Section 7.03(a) hereof, the withdrawing Member shall no longer be considered a Member for any reason or purpose under this Agreement and its rights and obligations under this Agreement shall terminate. The withdrawal of a Member shall not affect any obligations of such Member under any contract between the withdrawing Member and the Authority.

(c) Any Member which has (i) defaulted under a contract with the Authority, or (ii) failed to pay any required contributions, payments or advances in accordance with Section 6.01 hereof, may have its rights under this Agreement terminated and may be excluded from participating in the Authority by a vote of a majority of the members of the Board of Directors voting on the matter (excluding from voting the member(s) of the Board of Directors, if any, representing the defaulting Member). Any excluded Member shall continue to be liable for its obligations under any contract with the Authority and for any unpaid contribution, payment or advance approved by the Board of Directors prior to such Member's exclusion and not objected to by such Member by written notice to the Authority within thirty (30) days after such approval.

No withdrawal from membership pursuant to Sections 7.03(a) and 7.03(b) hereof or exclusion from participation pursuant to Section 7.03(c) hereof shall constitute an amendment or modification of this Agreement for purposes of Section 8.05 hereof.

**Section 7.04 Dissolution.** With the approval of the Board of Directors, the Authority may be dissolved, if at the time of such dissolution the Authority has no Indebtedness outstanding and is not a party to any contract remaining in effect (unless adequate provision shall have been made for the discharge of such contract). Upon the dissolution or termination of the Authority, and after payment or provision for payment, all debts and liabilities, the assets of the Authority shall be distributed to the Members in such manner as shall be determined by the Board of Directors.

## ARTICLE VIII

### MISCELLANEOUS PROVISIONS

**Section 8.01 Notices.** (a) Any notice, demand or request to any Member provided for in this Agreement shall be in writing and shall be deemed properly served, given, or made if delivered in person or sent by registered or certified mail, postage prepaid, to the person designated by such Member upon the commencement of its membership in the Authority.

(b) A Member may, at any time, by written notice to each other Member and the Authority, designate different persons or different addresses for the giving of notices, demands or requests to it hereunder.

(c) Any notice, demand or request to the Authority provided for in this Agreement shall be in writing and shall be deemed properly served, given, or made if delivered in person or sent by registered or certified mail, postage prepaid, to Santa Fe Springs Water Utility Authority, c/o City of Santa Fe Springs, 11710 Telegraph Road, Santa Fe Springs, California 90670, or at the notice address most recently provided by said Member pursuant to this Section 8.01.

(d) The Authority may, at any time, by written notice to each Member, designate a different or additional person or a different address for giving notices, demands or requests to it hereunder.

**Section 8.02 Section Headings.** All section headings in this Agreement are for convenience of reference only and are not to be construed as modifying or governing the language in the section referred to or to define or limit the scope of any provision of this Agreement.

**Section 8.03 Consent.** Whenever in this Agreement any consent or approval is required, the same shall not be unreasonably withheld.

**Section 8.04 Law Governing.** This Agreement is made in the State of California under the constitution and laws of the State of California, and is to be so construed.

**Section 8.05 Amendments.** This Agreement may be amended at any time, or from time to time, except as limited by contract with the owners of Indebtedness issued or incurred by the Authority, a Member or a Local Agency or by applicable regulations or laws of any jurisdiction having authority, by one or more supplemental agreements executed by all then current Members either as required in order to carry out any of the provisions of this Agreement or for any other purpose.

**Section 8.06 Enforcement by Authority.** The Authority is hereby authorized to take any or all legal or equitable actions, including but not limited to injunction and specific performance, necessary or permitted by law to enforce this Agreement.

**Section 8.07 Severability.** In the event that any term, covenant or condition of this Agreement or the application of such term, covenant or condition shall be held invalid as to any

person or circumstance by any court having jurisdiction in the premises, all other terms, covenants and conditions of this Agreement and their application shall not be affected thereby, but shall remain in force and effect unless a court holds that the provisions are not separable from all other provisions of this Agreement.

**Section 8.08 Successors and Assigns.** This Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the Members. No Member may assign any right or obligation hereunder without the written consent of the other Members. The immediately preceding sentence shall not affect, in any respect, any right of assignment under any contract between any Member and the Authority.

**Section 8.09 Execution of Counterparts.** This Agreement may be executed in any number of counterparts. All such counterparts shall be deemed to be originals and shall together constitute but one and the same instrument.

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be executed and attested by their proper officers thereunto duly authorized, on the day and year first set forth above.

**CITY OF SANTA FE SPRINGS**

By \_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

**COMMUNITY DEVELOPMENT COMMISSION  
OF THE CITY OF SANTA FE SPRINGS**

By \_\_\_\_\_  
Chairman

ATTEST:

\_\_\_\_\_  
Secretary

**WUA RESOLUTION NO. 01-2009**

**RESOLUTION OF THE SANTA FE SPRINGS WATER UTILITY  
AUTHORITY APPROVING AND ADOPTING ITS BYLAWS;  
APPROVING A WATER ENTERPRISE LEASE AGREEMENT FOR THE  
LEASE OF THE CITY'S MUNICIPAL WATER SYSTEM AND THE  
WATER ENTERPRISE MANAGEMENT AGREEMENT; AND  
AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION  
THEREWITH**

**WHEREAS**, the Santa Fe Springs Water Utility Authority (the "Authority" ) has been formed pursuant to provisions of Articles 1 through 4 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Act") and a Joint Exercise of Powers Agreement by and between the City of Santa Fe Springs (the "City") and the Community Development Commission of the City of Santa Fe Springs, and is authorized to engage in any transactions authorized by the Act and other laws; and

**WHEREAS**, it has been proposed that the Authority assist the City by leasing the City's municipal water system (the "Enterprise"); and

**WHEREAS**, the Authority has reviewed the Bylaws for the Authority as well as certain lease documents, substantially in the forms annexed hereto;

**NOW, THEREFORE, THE SANTA FE SPRINGS WATER UTILITY  
AUTHORITY DOES FIND, DETERMINE AND RESOLVE AS FOLLOWS:**

**Section 1.** The Authority hereby approves and adopts the Bylaws, substantially in the form annexed hereto, with such revisions, amendments and completions as shall be approved by a Responsible Officer with the advice of Fulbright & Jaworski L.L.P. Los Angeles, California, as special counsel ("Special Counsel") and Authority counsel. A Responsible Officer shall include any member of the Board of Directors, the Chairperson, the Executive Director, the Treasurer, the Secretary, or any officer of the Authority designated by the Chairperson or the Executive Director as a Responsible Officer.

**Section 2.** The regular meetings of the Board shall be held at the same location as the City Council meetings of the City, or such other place as the Authority may designate from time to time, on the same date as the second City Council meeting of the City each month concurrently with such City Council meeting or as soon thereafter as is practicable. Compensation for the Board of Directors shall be \$150 per attendance.

**Section 3.** The Authority hereby authorizes the Secretary of the Authority to cause a notice of the Joint Powers Agreement to be prepared and filed with the Office of the California Secretary of State, which notice shall contain the following information:

- (a) the name of each party to the Joint Powers Agreement;
- (b) the date upon which the Joint Powers Agreement became effective;

- (c) a statement of the purpose of the Joint Powers Agreement and the power or powers to be exercised by the Authority; and
- (d) a description of any amendments made to the Joint Powers Agreement prior to such filing.

The Secretary of the Authority is hereby directed to file such a notice within 30 days of the effective date of the Joint Powers Agreement.

**Section 4.** Pursuant to the Joint Powers Agreement, the Conflict of Interest Code of the City, on file with the Secretary of the Authority and incorporated by reference as if fully set forth herein, is hereby adopted as the Conflict of Interest Code of the Authority.

**Section 5.** The Statement of Investment Policy of the City, on file with the Secretary of the Authority and incorporated by reference as if fully set forth herein, is hereby adopted as the Investment Policy of the Authority.

**Section 6.** The Authority hereby approves the Water Enterprise Lease Agreement relating to the Authority's leasing of the Enterprise from the City, substantially in the form annexed hereto, with such revisions, amendments and completions as shall be approved by a Responsible Officer with the advice of Special Counsel and Authority counsel, and further approves the lease of the Enterprise as provided in the Water Enterprise Lease Agreement.

**Section 7.** The Authority hereby approves the Water Enterprise Management Agreement, substantially in the form annexed hereto, with such revisions, amendments and completions as shall be approved by a Responsible Officer with the advice of Special Counsel and Authority counsel.

**Section 8.** The Executive Director of the Authority and each officer of the Authority, and each of them, is hereby authorized and directed to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by this Resolution.

**Section 9.** The Secretary shall certify to the adoption of this Resolution, which shall be in full force and effect immediately upon its adoption.

PASSED, APPROVED AND ADOPTED this \_\_\_\_ day of \_\_\_\_\_, 2009, by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

---

Chairperson of the Santa Fe Springs  
Water Utility Authority

ATTEST:

---

Secretary of the Santa Fe Springs  
Water Utility Authority

**BYLAWS**  
**OF**  
**SANTA FE SPRINGS WATER UTILITY AUTHORITY**

**ARTICLE I**

**Definitions**

In addition to the other terms defined herein, the following terms, whether in the singular or in the plural, when used herein and initially capitalized, shall have the meanings specified:

- (a) **Agreement** shall mean the Joint Exercise of Powers Agreement creating Santa Fe Springs Water Utility Authority, dated as of July 1, 2009 (the "Agreement") among the parties thereto.
- (b) **Authority, Board, Member and Joint Powers Law** shall have the respective meanings set forth in the Agreement.
- (c) **State** shall mean the State of California.

**ARTICLE II**

**Offices**

**Section 1. Principal Office.** The principal office of the authority shall be located at 11710 Telegraph Road, Santa Fe Springs, California 90670.

**Section 2. Additional Offices.** The Authority may also have offices at such other places both within and outside the State, as the Board may from time to time determine or the business of the authority may require.

**ARTICLE III**

**Board**

**Section 1. Power and Duties of the Board.** The Board shall have the responsibility for the general management of the affairs, property and business of the Authority and may, from time to time, adopt and modify these Bylaws and other rules and regulations for that purpose and for the conduct of its meetings as it may deem proper. The Board may exercise and shall be vested with all powers of the Authority insofar as not inconsistent with law, the Agreement or these Bylaws.



Section 2. Adjournments and Adjourned Meetings. The Board may adjourn any regular, adjourned regular, special or adjourned special meeting to a time and place specified by the Board in accordance with law. If less than a majority is present at a meeting, a majority of those members of the Board present may adjourn the meeting from time to time.

Section 3. Method of Voting. In voting on any question on which a vote by ballot is required by law, the voting shall be by ballot signed by the member of the Board voting. On all other questions, the voting may be viva voce.

Section 4. Organization. Each meeting of the Board shall be presided over by the Chairperson or, in his or her absence, by the Vice Chairperson, or in the absence of both the Chairperson and Vice Chairperson, by any member of the Board selected to preside by vote of a majority of the members of the Board present. The Secretary, or in his or her absence any person designated by the individual presiding over the meeting, shall act as secretary of the meeting.

## ARTICLE IV

### Officers

Section 1. Appointment of Officers. The Chairperson, the Vice Chairperson, the Treasurer, the Executive Director, and the Secretary of the Authority shall be the persons as set forth in Section 4.01 of the Agreement.

Section 2. Term of Office and Qualification. Each officer elected or appointed pursuant to Section 1 of this Article IV shall hold office such time as such officer ceases (in the case of the Chairperson or Vice Chairperson) to be a member of the Board, resigns from such office in accordance with the provisions of Article V of these Bylaws or is unable to perform the duties of such office.

Section 3. Official Bond. The Treasurer to the extent such officer's duties and responsibilities pursuant to the Joint Powers Law may require is designated as the public officer or person who has charge of, handles, or has access to any property of the Authority, and such officer shall file an official bond as required by Section 6505.1 of the Joint Powers Law in the amount of \$25,000.

Section 4. Compensation. The compensation of all officers of the Authority shall be fixed from time to time by the Board, or pursuant to authority of (general or specific) resolutions of the Board. No officer shall be prevented from receiving such salary by reason of the fact that he or she is also a member of the Board of the Authority.

## ARTICLE V

### Resignations

Section 1. Voluntary Resignation; Notice of Effectiveness. Any member of the Board or officer of the Authority may, subject to contrary provision in any applicable contract, resign at any time by giving written notice to the Board or to the Chairperson or to the Secretary of the Authority. Any such resignation shall take effect at the time specified therein or, if the

time be not specified, upon receipt thereof; and unless otherwise specified therein, acceptance of such resignation shall not be necessary to make it effective.

Section 2. Involuntary Resignation; Request. The Board, in the exercise of its discretion, may request the resignation of any officer elected or appointed pursuant to Article IV of these Bylaws. Pursuant to such request, subject to contrary provisions in any applicable contracts, such officer shall resign by giving written notice to the Board. Any such resignation shall take effect at the time specified in such request.

## ARTICLE VI

### Vacancies Among Officers

If the office of any officer elected or appointed pursuant to Article IV of these Bylaws becomes vacant at any time by reason of death, resignation, retirement, disqualification, removal from office, or otherwise, such vacancy may be filled at any time by the Board.

## ARTICLE VII

### Official Seal

The Authority may have an official seal which shall be circular in form, containing thereon the name of the Authority, the year of its organization and the words "Official Seal, State of California." Said seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced in any manner whatsoever.

## ARTICLE VIII

### Amendments

These Bylaws may be modified, amended or repealed or new By-laws may be adopted by the affirmative vote of the Board at any regular or special meeting of the Board.

## ARTICLE IX

### Severability

Any adjudication that these Bylaws or any part thereof is invalid shall not affect the validity of the remainder of these Bylaws.

SECRETARY'S CERTIFICATE

The undersigned hereby certifies that she is the Secretary of the Santa Fe Springs Water Utility Authority, a joint exercise of powers authority, that attached hereto is a true, correct and complete copy of the Bylaws of the Santa Fe Springs Water Utility Authority, and that said Bylaws are in full force and effect as of the date hereof.

Dated: July 1, 2009

\_\_\_\_\_  
Secretary

**PROPOSAL BY THE SANTA FE SPRINGS WATER UTILITY AUTHORITY  
TO LEASE THE CITY'S MUNICIPAL WATER SYSTEM**

Santa Fe Springs Water Utility Authority (the "Authority") is proposed to be a newly formed joint exercise of powers agency duly created and existing under the laws of the State of California. The City of Santa Fe Springs (the "City") currently owns and operates that certain water system (the "Enterprise"). City's staff has solicited this proposal from the Authority to lease the Enterprise under a lease agreement (the "Lease").

Pursuant to the Lease, which will extend for a period of approximately 55 years, the Authority will agree to lease and cause the operation of the Enterprise and to make lease payments to the City from surplus revenues (after payment of operation and maintenance costs, bond debt service, if any, and other required deposits). The amount of the lease payments under the Lease will be based on an independent valuation of the Enterprise that will be prepared by an outside consultant. However, under separate management agreement, the City will continue to manage the Enterprise on behalf of the Authority. Therefore, there will be no interruption in service or other service impact to existing customers as a result of the lease transaction.

## **STAFF EVALUATION OF PROPOSAL BY THE SANTA FE SPRINGS WATER UTILITY AUTHORITY**

As a result of the emerging debate over the merits of privatization, the California Legislature enacted SB 2111, sponsored by the California Water Association, which amended the California Public Utilities Code to allow municipal corporations (i.e., cities and counties) to sell a municipally owned water utility to a public or private entity with a majority vote of the electorate. The bill further authorized the lease of a municipally owned water utility by a resolution adopted by a majority of its legislative body (Public Utilities Code Section 10061(d)).

Because of concerns by many municipalities with the potential disadvantages of privatization (including loss of public control of the water system), we have reviewed a number of potential structures in an effort to find a structure that would "free up" some or all of a City's equity in its water system, while maintaining local public operation, ownership and control.

The structure that we have determined accomplishes these goals, while complying with Proposition 218 and other statutory requirements, involves the long term lease of the City's water system to the Santa Fe Springs Water Utility Authority (the "Authority"), a proposed joint exercise of powers agency to be created under the laws of the State of California, for a lease amount based on the fair rental value of the water system. The Staff has solicited a proposal from the Authority for the long-term lease of the water system, a copy of which is provided.

The lease agreement could provide for the entire lease payment to be paid by the Authority up-front from the proceeds of revenue bonds to be issued by the Authority, to be paid entirely as monthly or periodical payments over the entire term of the lease, or to be paid partially up front from the proceeds of revenue bonds issued by the Authority and the balance paid monthly or periodically over the entire term of the lease. Staff is recommending no up-front lease payment but rather lease payments to be made from surplus operating revenues over the term of the Lease.

The annual or periodic lease payments would be made from surplus operating revenues derived from the operation of the water system (moneys available after payment operation and maintenance expenses and debt service, if any). Lease payments made from surplus operating revenues would be unrestricted as to use and would be deposited into the City's General Fund.

Proposition 218, approved by the voters on November 5, 1998, amended the California Constitution by adding Article XIII C and D to the tax limitation provisions adopted by Proposition 13 and its progeny. As the Attorney General of California has concluded in his opinion dated July 14, 1997, attached hereto, "a water district, without violating the constitutional limitation placed upon fees for service, may impose a tiered water rate structure that assesses a higher charge per unit of water as the level of consumption increases." The Attorney General further held that fees for water that are based upon metered amounts used are not "imposed . . . as an incident of property ownership" and do not have "a direct relationship to property ownership." Thus, such fees would not be governed by Article XIII D of the Constitution. However, if Article XIII D were held to be applicable in the structure being considered, it would still comply with Article XIII D.

Section 6(b) of Article XIII D imposes substantive limitations on “fees” and “charges.” Revenues cannot exceed the amount required to provide the property-related service, revenues may not be used for any other purpose than the purpose for which imposed, the amount of the fee or charge on a particular parcel may not exceed the proportional cost of the service attributable to that parcel, the service for which the fee is imposed must be actually used or immediately available to the owner of the property and no fee or charge may be imposed for general governmental services, including police, fire, ambulance, or library services, where the service is available to the public-at-large in substantially the same manner as to property owners. Under this structure, all revenues of the water system would be used for actual costs of operation of the system, debt service, and lease payments. Accordingly, this structure complies with the restrictions of Proposition 218 as to the use of utility revenues for non-utility system purposes. At the end of the lease term, the municipality may re-lease the utility for an additional lease term or simply resume operations directly.

Staff has evaluated the proposal submitted by the Authority and has determined that (1) the residents of the City will be provided equal or better service by the Authority, (2) the proposal results in savings and/or recovery of capital expenditures previously incurred by the City in connection with the water system, and (3) the water system will continue to be subject to local control, ownership and operation.

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WATER ENTERPRISE LEASE AGREEMENT

Dated as of July 1, 2009

by and between

SANTA FE SPRINGS WATER UTILITY AUTHORITY,  
as Lessee

and the

CITY OF SANTA FE SPRINGS  
as Lessor

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## **WATER ENTERPRISE LEASE AGREEMENT**

THIS WATER ENTERPRISE LEASE AGREEMENT, dated as of July 1, 2009 (the "Lease Agreement"), is by and between the SANTA FE SPRINGS WATER UTILITY AUTHORITY, a joint exercise of powers agency duly organized and existing under the laws of the State of California (the "Authority"), and the CITY OF SANTA FE SPRINGS, a general law city and municipal corporation duly organized and existing under the laws of the State of California (the "City"),

### **WITNESSETH:**

WHEREAS, the City owns, operates and controls the City's water enterprise (the "Enterprise") and has further established certain funds and accounts which relate to the Enterprise; and

WHEREAS, the Authority wishes to lease the Enterprise from the City, and the City wishes to lease the Enterprise to the Authority, and the Authority is authorized to lease the Enterprise and to operate the Enterprise; and

WHEREAS, the Authority and the City have duly authorized the execution and delivery of this Lease Agreement;

NOW, THEREFORE, for and in consideration of the premises and the material covenants hereinafter contained, the parties hereto hereby formally covenant, agree and bind themselves as follows:

### **ARTICLE 1**

#### **DEFINITIONS**

**Section 1.1 Definitions.** The terms defined in this Section shall have the meanings ascribed to them in this Section for purposes of this Lease Agreement unless the context clearly indicates some other meaning. All capitalized terms used herein which are defined in the Installment Sale Agreements and not defined herein shall have the meanings specified in the Installment Sale Agreements.

"Agreement" means this Lease Agreement, together with any duly authorized and executed amendments hereto.

"Closing Date" means July 1, 2009.

"Discount Rate" means [6.0%].

"Enterprise" means the entire water treatment, production, storage and distribution system owned or operated by the City, including but not limited to all facilities, properties and improvements at any time owned or operated by the City for the collection, treatment and supply of potable and reclaimed water to residents served thereby, whether within or without the City,

and any necessary lands, rights, entitlements and other property useful in connection therewith, together with all extensions thereof and improvements thereto hereafter acquired, constructed or installed by the City or the Authority.

“Event of Default” means any of the events described in Section 8.1.

“Financing Authority” means the Santa Fe Springs Public Financing Authority.

“Gross Revenues” means all gross charges received for, and all other gross income and receipts derived by the Authority from, the lease and operation of the Enterprise or otherwise arising from the Enterprise, including but not limited to investment earnings thereon; but excluding (a) connection charges, (b) the proceeds of any *ad valorem* property taxes levied for the purpose of paying general obligation bonds of the City relating to the Enterprise, and (c) the proceeds of any special assessments or special taxes levied upon real property within any improvement district served by the City levied for the purpose of paying special assessment bonds or special tax obligations of the City relating to the enterprise.

“Installment Sale Agreements” means collectively the 2003 Installment Sale Agreement and the 2005 Installment Sale Agreement.

“Lease” means the lease of the Enterprise pursuant to this Agreement.

“Lease Payments” means the amounts payable by the Authority pursuant to Section 4.2, including any prepayments thereof pursuant to Article 9.

“Operation and Maintenance Costs” means the reasonable and necessary costs and expenses paid by the Authority for maintaining and operating the Enterprise, including but not limited to (a) costs of acquisition of water to be supplied by the Enterprise, (b) costs of electricity and other forms of energy supplied to the Enterprise, (c) the reasonable expenses of management and repair and other costs and expenses necessary to maintain and preserve the Enterprise in good repair and working order, and (d) the reasonable administrative costs of the City attributable to the operation and maintenance of the Enterprise (including overhead allocations); but in all cases excluding (i) depreciation, replacement and obsolescence charges or reserves therefor, and (ii) amortization of intangibles or other bookkeeping entries of a similar nature.

“Payment Date” means the tenth day of each month commencing \_\_\_\_\_ 10, 2009.

“Net Revenues” means, for any period, an amount equal to all of the Gross Revenues received during such period minus the amount required to pay all Operation and Maintenance Costs becoming payable during such period.

“Surplus Revenues” means, for any period, an amount equal to all of the Net Revenues minus (i) the amount required to be paid under the Installment Sale Agreements during such period, (ii) the amount required to pay debt service on any obligations incurred by the Authority with respect to the Enterprise becoming payable during such period, and (iii) amounts set aside for capital replacements and improvements.

"Term of this Agreement" means the time during which this Lease Agreement is in effect, as provided in Section 4.1.

"Termination Date" means the date on which the City shall no longer act as Agent of the Authority with respect to the Enterprise pursuant to Section 3.2 of this Lease Agreement or the City has terminated the Water Enterprise Management Agreement.

"Total Rent" shall mean the total rent having an aggregate present value, when computed as of the Closing Date, of \$\_\_\_\_\_ as amended from time to time by the parties hereto subsequent to the Closing Date.

"Water Enterprise Management Agreement" means the agreement of that name, dated as of July 1, 2009, by and between the Authority and the City.

"Water Fund" means the City's existing Water Utility Enterprise Fund established and held by the City with respect to the Enterprise.

"2003 Installment Sale Agreement" means the Installment Sale Agreement, dated as of October 1, 2003, by and between the Financing Authority and the City, or such other installment sale agreement executed in connection with the refunding the 2003 Installment Sale Agreement.

"2005 Installment Sale Agreement" means the Installment Sale Agreement, dated as of April 1, 2005, by and between the Financing Authority and the City, or such other installment sale agreement executed in connection with the refunding the 2005 Installment Sale Agreement.

## ARTICLE 2

### COVENANTS AND REPRESENTATIONS

**Section 2.1 Covenants and Representations of the City.** The City makes the following covenants and representations to the Authority that as of the Closing Date:

(a) The City is a general law city and municipal corporation duly organized and validly existing under the laws of the State, has full legal right, power and authority to enter into this Agreement and to carry out and consummate all transactions contemplated hereby, and by proper action has duly authorized the execution and delivery of this Agreement.

(b) The representatives of the City executing this Agreement are fully authorized to execute the same.

(c) This Agreement has been duly authorized, executed and delivered by the City, and constitutes the legal, valid and binding agreement of the City, enforceable against the City in accordance with its terms.

(d) The execution and delivery of this Agreement, the consummation of the transactions herein contemplated and the fulfillment of or compliance with the terms and conditions hereof, will not conflict with or constitute a violation or breach of or default (with due notice or the passage of time or both) under any applicable law or administrative rule or regulation, or any

applicable court or administrative decree or order, or any indenture, mortgage, deed of trust, lease, contract or other agreement or instrument to which the City is a party or by which it or its Enterprise are otherwise subject or bound, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the City, which conflict, violation, breach, default, lien, charge or encumbrance would have consequences that would materially and adversely affect the consummation of the transactions contemplated by this Agreement, or the financial condition, assets, property or operations of the Enterprise.

(e) No consent or approval of any trustee or holder of any indebtedness of the City or of the voters of the City, and no consent, permission, authorization, order or license of, or filing or registration with, any governmental authority is necessary in connection with the execution and delivery of this Agreement or the consummation of any transaction herein and therein contemplated, except as have been obtained or made and as are in full force and effect.

(f) There is no action, suit, proceeding, inquiry or investigation before or by any court or federal, state, municipal or other governmental authority pending or threatened against or affecting the City or the Enterprise which, if determined adversely to the City or its interests, would have a material and adverse effect upon the consummation of the transactions contemplated by or the validity of this Agreement or upon the financial condition or operation of the Enterprise, and the City is not in default with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or other governmental authority, which default might have consequences that would materially and adversely affect the consummation of the transactions contemplated by this Agreement, or the financial conditions or operations of the Enterprise.

**Section 2.2 Covenants and Representations of the Authority.** The Authority makes the following covenants and representations as the basis for its undertakings herein contained:

(a) The Authority is a joint powers authority, duly organized and existing under the laws of the State. The Authority has the full right, authority and power to enter into the transactions contemplated by this Agreement and to carry out and consummate all transactions contemplated hereunder. By proper action of its governing body, the Authority has been duly authorized to execute, deliver and duly perform this Agreement.

(b) The Authority is not in default under any of the provisions of the laws of the State, which default would affect its existence or its powers referred to in subsection (a) of this Section 2.2.

(c) This Agreement has been duly authorized, executed and delivered by the Authority, and constitutes the legal, valid and binding agreement of the Authority, enforceable against the Authority in accordance with its terms.

(d) The Authority shall assume the City's obligation under the Installment Sale Agreements including the obligations to make payments pursuant to the Installment Sale Agreements. Provided, however, any failure of the Water Enterprise Management Agreement or

this Agreement to be in effect shall not affect or impair the obligation of the City to pay or perform the covenants under the Installment Sale Agreements.

### **ARTICLE 3**

#### **LEASE AND OPERATION OF ENTERPRISE**

**Section 3.1 Lease of the Enterprise.** The Authority agrees to lease the Enterprise from the City, and the City agrees to lease, and hereby does lease, such Enterprise to the Authority, for the Total Rental. Furthermore, as additional consideration for the lease, the Authority agrees to charge the City for sale of water an amount no greater than 50% of standard tariff rates then in effect or at such other discount as the parties may agree to from time to time. To the extent any facilities, properties and improvements to the Enterprise constituting real property is hereafter acquired, constructed or installed by the Authority, the City shall hold fee title to such real property and shall constitute a component of the Enterprise and subject of the lease pursuant to this Agreement. To the extent any such real property is hereafter acquired, constructed or installed by the City, or from moneys other than Revenues, the Total Rental shall be increased by an amount agreed upon by the parties hereto.

**Section 3.2 Appointment of City as Agent of Authority.** The Authority hereby appoints the City as its agent to carry out all aspects of the operation and maintenance of the Enterprise pursuant to and in accordance with the provisions hereof and the Water Enterprise Management Agreement. The City hereby accepts such appointment and assumes all rights, liabilities, duties and responsibilities of the Authority regarding the operation and maintenance of the Enterprise pursuant to the Enterprise Management Agreement. The City, as agent of the Authority hereunder, shall enter into, administer and enforce all contracts or other agreements relating to the operation and maintenance of the Enterprise. All contracts relating to the acquisition, operation and maintenance of the Enterprise shall be subject to all applicable provisions of law relating to like property operated by joint powers authorities and by municipal corporations. The Authority may revoke the appointment of the City as its agent by delivering written notice at least thirty (30) days prior to the Termination Date.

### **ARTICLE 4**

#### **LEASE PAYMENTS**

**Section 4.1 Term.** The Term of this Agreement shall commence on the Closing Date, and shall end on June 30, 2064. The provisions of this Section 4.1 are subject in all respects to any other provisions of this Agreement relating to the termination hereof.

#### **Section 4.2 Lease Payments.**

(a) Obligation to Pay. The Authority agrees to pay to the City, its successors and assigns, but solely from the Surplus Revenues and other funds pledged hereunder, Lease Payments totaling the Total Rental. Lease Payments shall be paid by the Authority to the City, on each Payment Date in an amount determined by agreement of the City and the Authority from time to

time. Until such time the City and the Authority determine otherwise, the Lease Payments shall be \$\_\_\_\_\_.

(b) Effect of Prepayment. In the event that the Authority prepays all remaining Lease Payments in full pursuant to Article 9, only the Authority's obligations under this Agreement to pay Lease Payments therefor under this Section 4.2 shall cease and terminate.

#### **Section 4.3 Pledge and Application of Surplus Revenues**

(a) Pledge of Surplus Revenues. All of the Surplus Revenues are hereby irrevocably pledged, charged and assigned by the Authority to the punctual payment of the Lease Payments and the Surplus Revenues and such other funds shall not be used for any other purpose (except capital improvements, including debt service on bonded indebtedness or other obligations incurred by the Authority in connection with the Enterprise, and other lawful purposes related to the Enterprise) so long as any of the Lease Payments remain unpaid. Such pledge, charge and assignment shall constitute a first lien on the Surplus Revenues and such other moneys for the payment of the Lease Payments in accordance with the terms hereof.

(b) Deposits Into Water Fund. There is hereby continued the City's existing Water Fund, which is to be held and administered by the City on behalf of the Authority pursuant to this Agreement. The Authority shall cause the City, and the City hereby agrees and covenants, to deposit all of the Gross Revenues immediately upon receipt in the Water Fund. The City shall, from the moneys in the Water Fund, make disbursements as required under the Section 4.5 (or such comparable section) of the Installment Sale Agreements. Amounts constituting Surplus Revenues in the Water Fund shall be used to make Lease Payments as such payments become due and payable.

(c) Budget and Appropriation of Lease Payments. During the Term of this Agreement, the Authority, with the assistance of the City, shall adopt and make all necessary budgets and appropriations of the Lease Payments from the Surplus Revenues. In the event any Lease Payment requires the adoption by the Authority of any supplemental budget or appropriation, the Authority shall promptly adopt the same. The covenants on the part of the Authority contained in this subsection (d) shall be deemed to be and shall be construed to be duties imposed by law and it shall be the duty of each and every public official of the Authority to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the Authority to carry out and perform the covenants and agreements in this subsection (d).

**Section 4.4 Special Obligation of the Authority; Obligations Absolute.** The Authority's obligation to pay the Lease Payments hereunder shall be a special obligation of the Authority limited solely to the Surplus Revenues. Under no circumstances shall the Authority be required to advance moneys derived from any source of income other than the Surplus Revenues and other sources specifically identified herein for the payment of the Lease Payments, nor shall any other funds or property of the Authority be liable for the payment of the Lease Payments and any other amounts coming due and payable hereunder.

The obligations of the Authority to make the Lease Payments from the Surplus Revenues and to perform and observe the other agreements contained herein shall be absolute and unconditional and shall not be subject to any defense or any right of setoff, counterclaim or recoupment arising out of any breach of the City of any obligation to the Authority or otherwise with respect to the Enterprise, whether hereunder or otherwise, or out of indebtedness or liability at any time owing to the Authority by the City. Until such time as all of the Lease Payments and all other amounts coming due and payable hereunder shall have been fully paid or prepaid, the Authority (a) will not suspend or discontinue payment of any Lease Payments or such other amounts, and (b) will perform and observe all other agreements contained in this Agreement.

In the event the City shall fail to perform any of its agreements contained herein, the Authority may institute such action against the City as the Authority may deem necessary to compel performance so long as such action does not abrogate the obligations of the Authority contained in the preceding paragraph. The Authority may, however, at the Authority's own cost and expense and in the Authority's own name or in the name of the Authority prosecute or defend any action or proceeding or take any other action involving third persons which the Authority deems reasonably necessary in order to secure or protect the Authority's rights hereunder, and in such event the Authority hereby agrees to cooperate fully with the City and to take such action necessary to effect the substitution of the City for the Authority in such action or proceeding, if the Authority shall so request.

**Section 4.5 Rates, Fees and Charges.** The Authority, through the actions of the City, shall fix, prescribe, revise and collect rates, fees and charges for the Enterprise as a whole for the service and improvements furnished by the Enterprise during each Fiscal Year that are at least sufficient, after making allowances for contingencies and error in the estimates to yield Surplus Revenues that are sufficient to pay scheduled Lease Payments.

## **ARTICLE 5**

### **MAINTENANCE; TAXES, INSURANCE; AND OTHER MATTERS**

**Section 5.1 Maintenance, Utilities, Taxes and Assessments.** Throughout the Term of this Agreement, all improvement, repair and maintenance of the Enterprise shall be the responsibility of the Authority, and the Authority shall pay for or otherwise arrange for the payment of all utility services supplied to the Enterprise, which may include, without limitation, janitor service, security, power, gas, telephone, light, heating, water and all other utility services, and shall pay for or otherwise arrange for the payment of the cost of the repair and replacement of the Enterprise resulting from ordinary wear and tear.

The Authority shall also pay or cause to be paid all taxes and assessments of any type or nature, if any, charged to the Authority affecting the Enterprise or its interest or estate therein; provided, however, that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the Authority shall be obligated to pay only such installments as are required to be paid during the Term of this Agreement as and when the same become due.



The Authority may, at the Authority's expense and in its name, in good faith contest any such taxes, assessments, utility and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless the City shall notify the Authority that, in its opinion, by nonpayment of any such items, the interest of the City hereunder will be materially adversely affected, in which event the Authority shall promptly pay such taxes, assessments or charges or provide the City with full security against any loss which may result from nonpayment, in form satisfactory to the City.

**Section 5.2 Operation of Enterprise.** The Authority covenants and agrees to operate the Enterprise in an efficient and economical manner and to operate, maintain and preserve the Enterprise in at least as good repair and working order as on the effective date of this Agreement. The Authority covenants that, in order to fully preserve and protect the priority and security of the Lease Payments, the Authority shall pay from the Gross Revenues and discharge all lawful claims for labor, materials and supplies furnished for or in connection with the Enterprise which, if unpaid, may become a lien or charge upon the Gross Revenues or the Surplus Revenues prior or superior to the lien granted hereunder, or which may otherwise impair the ability of the Authority to pay the Lease Payments in accordance herewith. The Authority shall be responsible for any fines, liabilities, or other debts coming due as a result of the operation of the Enterprise.

**Section 5.3 Insurance.** The Authority shall maintain or cause to be maintained, throughout the Term of this Agreement, but only if and to the extent available at reasonable cost from reputable insurers, such insurance required to be maintained under the Installment Sale Agreements and shall cause insurance proceeds to be applied as provided therein.

**Section 5.4 Eminent Domain.** The Authority shall cause amounts received as awards as a result of the taking of all or any part of the Enterprise by the lawful exercise of eminent domain to be applied in accordance with the Installment Sale Agreements.

**Section 5.5 Records and Accounts.** The Authority shall keep proper books of records and accounts of the Enterprise, separate from all other records and accounts, in which complete and correct entries shall be made of all transactions relating to the Enterprise. Said books shall, upon prior request, be subject to the reasonable inspection by the City or its representatives authorized in writing. The Authority shall cause the books and accounts of the Enterprise to be audited annually by an Independent Accountant, not more than one hundred eighty (180) days after the close of each Fiscal Year, and shall make a copy of such report available for inspection by the City at the office of the Authority.

## **ARTICLE 6**

### **DISCLAIMER OF WARRANTIES; ACCESS**

**Section 6.1 Disclaimer of Warranties.** The City makes no warranty or representation, either express or implied, as to the value, design, condition, merchantability or fitness for any particular purpose or fitness for the use contemplated by the Authority of the Enterprise, or any other representation or warranty with respect to the Enterprise. In no event shall the City be

liable for incidental, indirect, special or consequential damages in connection with or arising out of this Agreement for the existence, furnishing, functioning or Authority's use of the Enterprise.

**Section 6.2 Release and Indemnification Covenants.** The Authority shall and hereby agrees to indemnify and save the City, and its respective officers, agents, successors and assigns harmless from and against all claims, losses and damages, including legal fees and expenses, arising out of (a) the use, maintenance, condition or management of, or from any work or thing done on the Enterprise by the Authority, (b) any breach or default on the part of the Authority in the performance of any of its obligations under this Agreement, (c) any negligence or willful misconduct of the Authority or of any of its agents, contractors, servants, employees or licensees with respect to the Enterprise, (d) any act or negligence of any sublessee of the Authority with respect to the Enterprise, or (e) the presence on, under or about, or release from, the Enterprise of any substance, material or waste which is, or which becomes, regulated or classified as hazardous or toxic under State, federal or local law. No indemnification is made under this Section 6.2 or elsewhere in this Agreement for adjudicated willful misconduct or negligence by the City, or its respective officers, employees, successors or assigns. The obligations of the Authority under this Section 6.2 shall survive the termination of this Agreement.

**Section 6.3 Non-Liability of City for Enterprise Obligations.** The City and its successor and assigns shall have no obligation and shall incur no liabilities or debts whatsoever for the obligations, liabilities and debts of the Authority incurred in connection with the lease and operation of the Enterprise.

## **ARTICLE 7**

### **ASSIGNMENT, SALE AND AMENDMENT**

**Section 7.1 Assignment.** This Agreement may not be assigned by the Authority or the City.

**Section 7.2 Sale of Enterprise.** Subject to the provisions of the Installment Sale Agreements and the Authority's Joint Powers Agreement, the Authority and the City each covenant that their respective interests in the Enterprise shall not be encumbered, sold, leased, pledged, any charge placed thereon, or otherwise disposed of, as a whole or substantially as a whole, except to another public entity. Neither the Surplus Revenues nor any other funds pledged or otherwise made available to secure payment of the Lease Payments shall be mortgaged, encumbered, sold, leased, pledged, any charge placed thereon, or disposed of or used except as authorized by the terms of this Agreement. The Authority shall not enter into any agreement which impairs the operation of the Enterprise or any part of it necessary to secure adequate Surplus Revenues to pay the Lease Payments, or which otherwise would impair the rights of the City with respect to the Surplus Revenues. If any substantial part of the Enterprise shall be sold, the payment therefor shall either (a) be used for the lease, acquisition or construction of improvements, extensions or replacements of Enterprise, or (b) to be applied to prepay the Authority's obligations pursuant to the Installment Sale Agreements.

**Section 7.3 Amendment of Agreement.** The City and the Authority shall have the right to modify or amend this Agreement upon the written consent of each party hereto.

## ARTICLE 8

### EVENTS OF DEFAULT

**Section 8.1 Events of Default Defined.** The following events shall be Events of Default hereunder:

(a) Failure by the Authority to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than failure to pay when due any Lease Payment or other amount due under this Agreement, for a period of sixty (60) days after written notice specifying such failure and requesting that it be remedied has been given to the Authority by the City; provided, however, that if the Authority shall notify the City that in its reasonable opinion the failure stated in the notice can be corrected, but not within such 60-day period, such failure shall not constitute an event of default hereunder if the Authority shall commence to cure such failure within such sixty (60) day period and thereafter diligently and in good faith cure such failure in a reasonable period of time.

(b) The filing by the Authority of a voluntary petition in bankruptcy, or failure by the Authority promptly to lift any execution, garnishment or attachment, or adjudication of the Authority as a bankrupt, or assignment by the Authority for the benefit of creditors, or the entry by the Authority into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to the Authority in any proceedings instituted under the provisions of the Federal Bankruptcy Code, as amended, or under any similar acts which may hereafter be enacted.

**Section 8.2 Remedies on Default.** Whenever any Event of Default shall have happened and be continuing, the Authority, upon receipt of actual knowledge thereof, shall promptly give written notice thereof to the City, and the City shall have the right, at its option and without any further demand or notice, to

(a) take whatever action at law or in equity may appear necessary or desirable to collect the Lease Payments then due or thereafter to become due during the Term of this Agreement, or enforce performance and observance of any obligation, agreement or covenant of the Authority under this Agreement; and

(b) as a matter of right, in connection with the filing of a suit or other commencement of judicial proceedings to enforce the rights of the City hereunder, cause the appointment of a receiver or receivers of the Surplus Revenues and other amounts pledged hereunder, with such powers as the court making such appointment shall confer; provided, however, that the City shall not have the right to declare all principal components of the unpaid Lease Payments, together with accrued interest thereon, to be immediately due and payable.

**Section 8.3 No Remedy Exclusive.** No remedy herein conferred upon or reserved to the City is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right

and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Authority to exercise any remedy reserved to it in this Article 8 it shall not be necessary to give any notice, other than such notice as may be required in this Article 8 or by law.

**Section 8.4 Agreement to Pay Attorneys' Fees and Expenses.** In the event either party to this Agreement should default under any of the provisions hereof and the nondefaulting party should employ attorneys or incur other expenses for the collection of moneys or the enforcement or performance or observance of any obligation or agreement on the part of the defaulting party herein contained, the defaulting party agrees that it will on demand therefor pay to the nondefaulting party the reasonable fees of such attorneys and such other expenses so incurred.

**Section 8.5 No Additional Waiver Implied by One Waiver.** In the event any agreement contained in this Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

## **ARTICLE 9**

### **PREPAYMENT OF LEASE PAYMENTS**

**Section 9.1 Security Deposit.** Notwithstanding any other provision of this Agreement, the Authority may on any date secure the payment of Lease Payments in whole or in part by irrevocably depositing with the City an amount of cash which is either (a) sufficient to pay all such Lease Payments, or (b) invested in whole or in part in non-callable Federal Securities in such amount as will, in the written opinion of an Independent Accountant, together with interest to accrue thereon and together with any cash which is so deposited, be fully sufficient to pay all such Lease Payments when due pursuant to Section 4.3(a) or when due on any optional prepayment date pursuant to Section 9.2, as the Authority shall instruct at the time of said deposit. In the event of a security deposit pursuant to this Section 9.1 with respect to all of the Lease Payments, all obligations of the Authority under this Agreement, and all security provided by this Agreement for said obligations, shall cease and terminate, excepting only the obligation of the Authority to make, or cause to be made, all of such Lease Payments from such security deposit, and the obligation of the Authority to compensate and indemnify City pursuant to Section 6.2 herein. Said security deposit shall be deemed to be and shall constitute a special fund for the payment of Lease Payments in accordance with the provisions of this Agreement.

**Section 9.2 Optional Prepayment.** The Authority may prepay the Lease Payments in whole or in part, on any date.

**Section 9.3 Mandatory Prepayment From Proceeds of Insurance, Sale or Eminent Domain.** The Authority shall be obligated to prepay the Lease Payments on any date from and to the extent of any proceeds of insurance award, sale of a substantial portion of the Enterprise or condemnation award with respect to the Enterprise subject to the first lien thereon under the Installment Sale Agreements.

## ARTICLE 10

### MISCELLANEOUS

**Section 10.1 Further Assurances.** The City agrees that it will execute and deliver any and all such further agreements, instruments or other assurances as may be reasonably necessary or requested by the Authority to carry out the intention or to facilitate the performance of this Agreement.

**Section 10.2 Notices.** Any notice, request, complaint, demand or other communication under this Agreement shall be given by first class mail or personal delivery to the party entitled thereto at its address set forth below, or by telecopy, telex or other form of written telecommunication, at its number set forth below. Notice shall be effective either (a) upon confirmed transmission by telecopy, telex or other form of written telecommunication, (b) 48 hours after deposit in the United States mail, postage prepaid, or (c) in the case of personal delivery to any person, upon actual receipt. The Authority and the City may, by written notice to the other parties, from time to time modify the address or number to which communications are to be given hereunder.

If to the Authority: Santa Fe Springs Water Utility Authority  
11710 Telegraph Road  
Santa Fe Springs, California 90670-3679  
Attn: Executive Director

If to the City: City of Santa Fe Springs  
11710 Telegraph Road  
Santa Fe Springs, California 90670-3679  
Attn: City Manager

**Section 10.3 Governing Law.** This Agreement shall be construed in accordance with and governed by the laws of the State of California.

**Section 10.4 Binding Effect.** This Agreement shall inure to the benefit of and shall be binding upon the Authority and the City, and their respective successors and assigns, subject, however, to the limitations contained herein.

**Section 10.5 Severability of Invalid Provisions.** If any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Agreement and such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, and this Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The Authority and the City each hereby declares that it would have entered into this Agreement and each and every other Section, paragraph, sentence, clause or phrase hereof irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses or phrases of this Agreement may be held illegal, invalid or unenforceable.

**Section 10.6 Article and Section Headings and References.** The headings or titles of the several Articles and Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Agreement. All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Agreement; the words "herein," "hereof," "hereby," "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or subdivision hereof; and words of the masculine gender shall mean and include words of the feminine and neuter genders.

**Section 10.7 Execution of Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall for all purposes be deemed to be an original and all of which shall together constitute but one and the same instrument.

**Section 10.8 Waiver of Personal Liability.** No member of the Authority, nor any member of the governing board of the Authority or its members, nor any officer, agent or employee of the Authority or its members shall be individually or personally liable for the payment of Lease Payments or be subject to any personal liability or accountability by reason of this Agreement; but nothing herein contained shall relieve any such member or person from the performance of any official duty provided by law or by this Agreement.

**Section 10.9 Benefit of Agreement.** Nothing in this Agreement, expressed or implied, is intended to give to any person other than the Authority and the City any right, remedy or claim under or by reason of this Agreement.

IN WITNESS WHEREOF, the Authority and the City have caused this Agreement to be executed in their respective names by their duly authorized officers, all as of the date first above written.

CITY OF SANTA FE SPRINGS, as Lessor

By: \_\_\_\_\_  
Mayor

SANTA FE SPRINGS WATER UTILITY  
AUTHORITY, as Lessee

By: \_\_\_\_\_  
Executive Director

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WATER ENTERPRISE MANAGEMENT AGREEMENT

Dated as of July 1, 2009

by and between the

SANTA FE SPRINGS WATER UTILITY AUTHORITY

and

CITY OF SANTA FE SPRINGS

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## **WATER ENTERPRISE MANAGEMENT AGREEMENT**

THIS WATER ENTERPRISE MANAGEMENT AGREEMENT, dated as of July 1, 2009, is by and between the SANTA FE SPRINGS WATER UTILITY AUTHORITY, a joint exercise of powers agency duly organized and existing under the laws of the State of California (the "Authority"), and the CITY OF SANTA FE SPRINGS, a general law city and municipal corporation duly organized and existing under the laws of the State of California (the "City"),

WITNESSETH:

WHEREAS, the City has leased its municipal water system (the "Enterprise") to the Authority pursuant to a Water Enterprise Lease Agreement dated as of July 1, 2009 (the "Lease Agreement"); and

WHEREAS, under the Lease Agreement, the Authority indicated its intention to contract with the City to operate and manage the Enterprise, and the City has indicated its willingness to manage the Enterprise pursuant to the Lease Agreement; and

WHEREAS, the parties wish to set forth the terms of the management and operation of the Enterprise by the City on behalf of the Authority in this Management Agreement, including the terms of payment by the Authority to the City for such management and operation;

NOW THEREFORE, for and in good consideration of the premises and material covenants hereinafter contained, the parties hereto formally covenant, agree and bind themselves as follows:

### **ARTICLE I**

#### **DEFINITIONS**

**Section 1.1. Definitions.** Unless the context clearly otherwise requires or unless otherwise defined herein, the capitalized terms in this Agreement shall have the respective meanings specified in the Lease Agreement. In addition, the following terms defined in this Section 1.1 shall, for all purposes of this Agreement, have the respective meanings herein specified.

"Agreement" means this Water Enterprise Management Agreement, together with any duly authorized and executed amendments hereto.

"Annual Budget" means the annual budget for the Enterprise, covering the revenues and expenditures for the applicable Fiscal Year, prepared by the City and approved by the Authority in accordance with the provisions of Section 4.4 hereof.

"City Equipment" shall have the meaning set forth in Section 4.3 hereof.

"Event of Default" shall mean the occurrence of any of the events described in Article II of this Agreement, together with the expiration of any cure period applicable to such event.

"Legal Requirements" shall mean any and all laws, statutes, ordinances, codes, orders, rules, regulations, permits, licenses, authorizations, entitlements, official orders and requirements of, and conditions imposed by, all federal, state and local governmental regulatory agencies and authorities which are as of the date hereof or hereafter become applicable to the Enterprise or the operation thereof.

"Material Contracts" shall mean all contracts having a contract price greater than \$125,000, or such amount as amended from time to time, now or hereafter entered into for the management, maintenance and operation of the Enterprise, including, without limitation, all such contracts for improvements to be provided for the Enterprise and water supply contracts.

"Term" means the term of this Agreement as set forth in Section 3.2 hereof.

"Termination Date" means the date on which the City shall no longer act as Agent of the Authority with respect to the management and operation of the Enterprise hereunder as provided in Section 3.2 of the Lease Agreement.

## ARTICLE II

### COVENANTS AND REPRESENTATIONS

**Section 2.1. Covenants and Representations of the City.** The City makes the following covenants and representations to the Authority that as of the date of this Agreement:

(a) The City is a municipal corporation duly organized and validly existing under the laws of the State, has full legal right, power and authority to enter into this Agreement and to carry out and consummate all transactions contemplated hereby, and by proper action has duly authorized the execution and delivery of this Agreement.

(b) The representatives of the City executing this Agreement are fully authorized to execute the same.

(c) This Agreement has been duly authorized, executed and delivered by the City, and constitutes the legal, valid and binding agreement of the City, enforceable against the City in accordance with its terms.

(d) The execution and delivery of this Agreement, the consummation of the transactions herein contemplated and the fulfillment of or compliance with the terms and conditions hereof, will not conflict with or constitute a violation or breach of or default (with due notice or the passage of time or both) under any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order, or any indenture mortgage, deed of trust, lease, contract or other agreement or instrument to which the City is a party or by which it is otherwise subject or bound, which conflict, violation, breach, default, lien, charge or encumbrance would have consequences that would materially and adversely affect the consummation of the transactions on the part of the City contemplated by this Agreement.

(e) No consent or approval of any trustee or holder of any indebtedness of the City or of the voters of the City, and no consent, permission, authorization, order or license of, or filing

or registration with, any governmental authority is necessary in connection with the execution and delivery of this Agreement or the consummation of any transaction herein and therein contemplated, except as have been obtained or made and as are in full force and effect.

(f) There is no action, suit, proceeding, inquiry or investigation before or by any court or federal, state, municipal or other governmental authority pending or threatened against or affecting the City which, if determined adversely to the City or its interests, would have a material and adverse effect upon the consummation of the transactions on the part of the City contemplated by or the validity of this Agreement and the City is not in default with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or other governmental authority, which default might have consequences that would materially and adversely affect the consummation of the transactions on the part of the City contemplated by this Agreement.

**Section 2.2. Covenants and Representations of the Authority.** The Authority makes the following covenants and representations as the basis for its undertakings herein contained:

(a) The Authority is a joint powers authority, duly organized and existing under the laws of the State. The Authority has the full right, authority and power to enter into the transactions contemplated by this Agreement and to carry out and consummate all transactions contemplated hereunder. By proper action of its governing body, the Authority has been duly authorized to execute, deliver and duly perform this Agreement.

(b) The Authority is not in default under any of the provisions of the laws of the State, which default would affect its existence or its powers referred to in subsection (a) of this Section 2.2.

## ARTICLE III

### APPOINTMENT OF MANAGER

**Section 3.1. Agreement to Manage and Operate Enterprise.** The Authority hereby appoints and retains the City, and the City hereby accepts such appointment and retention as the manager and operator of the Enterprise during the Term with full power and authority to carry out all responsibilities of manager and operator upon the terms and subject to the conditions hereinafter set forth. The City is entering into this Agreement as an agent of the Authority to provide the services set forth in this Agreement.

**Section 3.2. Term.** The term of the appointment of the City as manager and operator hereunder shall be for the period beginning on the Closing Date and ending on June 30, 2064. Anything herein to the contrary notwithstanding, this Agreement shall terminate on the Termination Date.

**Section 3.3. Standards of Performance; Relationship Between Authority and City.** The City accepts the relationship of trust and confidence established between the City and Authority by the terms of this Agreement. The City shall manage, operate and maintain the Enterprise on behalf of the Authority as a public utility. The City shall perform its duties and obligations under this Agreement in an efficient, expeditious, prudent and economical manner,

consistent with the best interests of the Authority, in accordance with standard industry practices with respect to the management and operation of similarly situated public utilities.

## **ARTICLE IV**

### **OPERATION OF ENTERPRISE; ANNUAL BUDGET**

**Section 4.1. Employees of City.** The City shall employ, on its behalf and not as employees of the Authority, at all times a sufficient number of capable employees (which may be current employees of the City) to enable it to fulfill the City's obligations hereunder, properly, adequately, safely and economically and in accordance with the standards set forth in this Agreement. All matters pertaining to the employment, training, supervision, compensation, promotion and discharge of such employees shall be the sole responsibility of the City, provided, however, that if the Authority determines that the continued employment of any employee of the City at the Enterprise is not in the best interest of the Authority or the Enterprise, the Authority shall so notify the City in writing. Upon receipt of such notice, the City shall take appropriate steps, consistent with applicable law, to cause such employee to cease his or her affiliation with the Enterprise.

**Section 4.2. Material Contracts.** The City shall, to the extent directed by the Authority, execute all Material Contracts necessary or appropriate for the maintenance, management and operation of the Enterprise in accordance with this Agreement. All such Material Contracts shall be executed in the name of the City on behalf of the Authority. The City promptly shall notify the Authority in writing of the City's execution of any Material Contract on behalf of the Authority, and, promptly shall deliver to the Authority, a true, correct and complete copy thereof. The City's execution of any Material Contract shall be subject to any and all restrictions set forth in Article IV hereof. All Material Contracts shall be subject to the Authority's prior written approval as to form and content and shall provide that the party thereto shall, at the Authority's request, continue its performance thereunder, subject to the terms and conditions of such Material Contract, notwithstanding any termination of this Agreement by the Authority and subsequent management of the Enterprise by the Authority or a third party.

**Section 4.3. Maintenance of Enterprise; City to Provide Vehicles and Equipment; Acquisition of Additional Equipment and Supplies; Capital Improvements.** The City agrees that it shall provide, or contract for the provision of, such vehicles, including trucks, heavy equipment and cars, and such tools and equipment, as shall be required in connection with its services as manager and operator of the Enterprise pursuant to this Agreement. The City and the Authority agree that as of the date of this Agreement it has on hand sufficient vehicles and equipment (the "City Equipment") for such purpose. Throughout the term of this Agreement, all improvement, repair and maintenance of the Enterprise shall be the responsibility of the City at the expense of the Authority, and the Authority shall pay for or otherwise arrange for the payment of all utility services supplied to the Enterprise, which may include, without limitation, janitor service, security, power, gas, telephone, light, heating, water and all other utility services, and shall pay for or otherwise arrange for the payment of the cost of the repair and replacement of the Enterprise resulting from ordinary wear and tear. The City shall, at the Authority's expense and in accordance with the Authority's annual budget for the Enterprise, lease and keep the Enterprise adequately furnished with all necessary vehicles, equipment and supplies that may

be required in addition to the City Equipment. The cost of such vehicles, equipment and supplies shall be charged to the Authority and the upkeep and maintenance of the City Equipment shall also be charged to the Authority. The City shall also undertake such capital improvements to the Enterprise as directed by the Authority, such improvements to be made at the expense of the Authority.

**Section 4.4. Annual Budget for Enterprise.** The City agrees to prepare and submit to the Authority for its review and approval, an annual budget (the "Annual Budget") for the Enterprise for each Fiscal Year during the term of this Agreement. The City shall submit a draft of the Annual Budget to the Authority before the commencement of each Fiscal Year and the Authority agrees to review, revise if necessary, and adopt an interim Annual Budget no later than the first day of each Fiscal Year. The Annual Budget shall include a detailed statement of expected revenues and a detailed statement of expected expenses, including Operation and Maintenance Costs (which shall be paid to the City as manager of the Enterprise hereunder), Lease Payments due to the City under the Lease Agreement, and annual debt service on any other debt of the Enterprise.

The Annual Budget may be amended from time to time with the consent of the Authority. A copy of each Annual Budget and any amendments thereto, as adopted by the Authority, shall be promptly sent by the City, on behalf of the Authority, to the Trustee. Should the City fail to submit an Annual Budget as prescribed by this Section 4.4, there shall be a continuing appropriation of funds by the City in amounts sufficient to reimburse the Authority for all costs incurred in connection with the operation and maintenance of the Enterprise.

**Section 4.5. Rates, Fees and Charges.** The Authority and the City shall be bound by the covenants set forth in Section 4.5 of the Lease Agreement so long as the Lease Agreement remains operative, and such covenants by this reference shall be incorporated herein.

## **ARTICLE V**

### **TAXES, INSURANCE AND OTHER MATTERS**

**Section 5.1. Taxes, Assessments and Insurance.** The Authority shall pay or cause to be paid all taxes and assessments of any type or nature, if any, charged to the Authority affecting the Enterprise or its interest or estate therein; and shall maintain insurance of such types and in such amounts as set forth in the Lease Agreement.

## **ARTICLE VI**

### **RESTRICTED ACTIVITIES OF THE CITY**

**Section 6.1. Restricted Activities.** Without the prior written consent of the Authority, which consent may be granted or withheld in the Authority's sole discretion, the City shall not do, or cause or permit to be done, any of the following throughout the Term of this Agreement.

(a) Borrow or lend money, or enter into any other agreement, in the name of the Authority.

acknowledge and agree that the Gross Revenues may only be expended as provided in this Agreement and the Lease Agreement.

**Section 8.3. Books and Reports.**

(a) Books and Records. Throughout the Term, the City shall maintain in accordance with generally accepted accounting principles, consistently applied, full and separate books and records for the Enterprise with entries supported by documentation sufficient to allow the Authority to ascertain the accuracy of such books and records. The City shall maintain and safeguard such books and records at the City's offices. The City shall ensure such control over accounting and financial transactions as is necessary to protect the Authority's assets from theft, error or fraudulent activity by the City's employees.

(b) Reports.

(i) City shall prepare and submit to the Authority no later than two hundred ten (210) days after the end of each Fiscal Year (or any portion of any such Fiscal Year in the case of a partial Fiscal Year at the beginning or end of the Term) an annual operating report for the immediately preceding Fiscal Year, which annual operating report shall be in such form and contain such information as the Authority may require, including, without limitation, the information described in paragraph (i) above (collectively, the "Year End Financials").

(c) Supporting Documentation. As additional supporting documentation for the Year End Financials required under paragraph (b)(ii) above, unless otherwise directed by the Authority, the City shall make available, the following:

- (i) all bank statements and bank deposit slips;
- (ii) detailed cash receipts and disbursements records;
- (iii) detailed trial balances for receivables and payables and billed and unbilled revenue items;
- (iv) paid invoices;
- (v) supporting documentation for payroll, payroll taxes and employee benefits;
- (vi) appropriate details of accrued expenses and property records;
- (vii) information necessary for preparation of the Authority's audited financial statements, including a description of and a statement of accounts expended in connection with repairs, capital improvements, taxes and professional fees.

**Section 8.4. Authority's Right to Audit.** All books, records and supporting documentation maintained by the City pursuant to this Article VIII shall be the sole and exclusive property of the Authority, and shall be made available to the Authority at the



Authority's request at reasonable times during normal business hours, and, in addition, in connection with independent financial audits of the Authority, or persons appointed by the Authority, may, during ordinary business hours, examine all books, records and files maintained for the Authority by the City. The Authority may perform any audit or investigation relating to the City's activities at any office of the City if such audit or investigation relates to the City's activities for the Authority. Should the Authority or the Authority's employees or representatives discover any errors in record keeping, the City shall correct such discrepancies promptly upon discovery and make necessary adjustments. The City shall inform the Authority in writing of the action taken to correct any audit discrepancies.

## ARTICLE IX

### INDEMNITY

**Section 9.1. Indemnification by Authority.** The Authority shall indemnify, defend, protect and hold the City and the City's officers, directors, employees, agents, and legal representatives harmless from all liability, loss, damage, cost, or expense (including, without limitation reasonable attorneys' fees and expenses, whether incurred at the trial, pretrial, or appellate level) arising from or relating to the use, maintenance, condition or management of the Enterprise from and after the Term of this Agreement (collectively "liabilities"), except those liabilities arising from the City's or the City's employees' willful or criminal misconduct, negligence or fraud. The City will notify the Authority of such action, suit, or proceeding, and the Authority may, and upon the City's request shall, at the Authority's expense, defend such action, suit, or proceeding, or cause the same to be defended by counsel designated by the City.

**Section 9.2. Indemnification by City.** The City shall indemnify, defend, protect and hold the Authority and the Authority's employees, agents and legal representatives harmless from all liability, loss, damage, cost, or expense (including, without limitation, reasonable attorneys' fees, whether incurred at the trial, pretrial, or appellate level) arising from or related to the City's or the City's employees' willful or criminal misconduct, negligence or fraud. The Authority will notify the City of such action, suit, or proceeding, and the City may, and upon the Authority's request shall, at the City's expense, defend such action, suit or proceeding, or cause the same to be defended by counsel designated by the Authority.

**Section 9.3. Accident Reporting.** The City shall promptly investigate, and make a full, timely written report to the Authority regarding all accidents, claims or damage relating to the ownership, operation, management and maintenance of the Enterprise; any damage or destruction to the Enterprise and the estimated cost of repair thereof, and shall prepare any and all reports required by the Authority and any insurance companies in connection therewith. All such reports shall be filed timely with the Authority's insurance companies as required under the terms of the applicable insurance policy which provides coverage for such accident, damage or claim. The City shall not settle, compromise, or otherwise dispose of any claims, demands or liabilities whether or not covered by insurance proceeds, without the prior written consent of the Authority.

## ARTICLE X

### DEFAULTS AND TERMINATION

**Section 10.1. Default by City.** If there is any failure by the City to perform any of the terms, conditions or covenants of this Agreement to be observed or performed by the City within thirty (30) days after written notice from the Authority (or such additional time as is reasonably required to correct any such default), or if the City shall become insolvent or file any debtor proceedings, or file a petition in bankruptcy or insolvency or for reorganization or for the appointment of a receiver or trustee of all or a portion of the City's property, and if any of the foregoing proceedings are not discharged within sixty (60) days thereafter, or if the City makes an assignment for the benefit of creditors, or petitions for or enters into an arrangement of its debts, or if the City shall permit or suffer this Agreement to be taken under any writ of attachment or execution, and the same is not discharged within thirty (30) days thereafter, or, if the City assigns this Agreement, then an Event of Default with respect to the City shall be deemed to have occurred under this Agreement.

**Section 10.2. Default by Authority.** If the Authority fails to keep, observe or perform any covenant, agreement, term or provision of this Agreement to be kept, observed or performed by the Authority, and such default shall continue for a period of thirty (30) days after written notice thereof by the City to the Authority (or such additional time as is reasonably required to correct any such default), then an Event of Default with respect to the Authority shall be deemed to have occurred under this Agreement.

**Section 10.3. Remedies; Termination Upon Default.** Upon the occurrence of an Event of Default, the nondefaulting party may, at its option, and in addition to any and all other rights to which it may be entitled under this Agreement or applicable law, elect to terminate this Agreement. Any such termination shall be effective as of the date therefor specified in such election; provided, however, that in no event shall such date be later than thirty (30) days following the date such election is made.

**Section 10.4. Actions Following Termination.** No remedy herein conferred upon or reserved is intended to be exclusive of any other available remedy, but each remedy shall be cumulative and shall be in addition to other remedies given under existing law or in equity. No delay or failure to exercise any right or power accruing under this Agreement upon the occurrence of any Event of Default or otherwise shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

## ARTICLE XI

### NO TRANSFER AND ASSIGNMENTS

**Section 11.1. Further Restrictions on City.** The City shall not sell, convey, assign, transfer, hypothecate, pledge, or otherwise dispose of (or agree to do any of the foregoing) all or any part of its interest, if any, in this Agreement, or any contractual rights or obligations related hereto (including any rights to receive payments) ("Transfer"), without the prior written consent

of the Authority, which consent may be granted or withheld in Authority's sole judgment. Any assignment by the City without the Authority's consent shall be considered an event of default and the assignment shall be of no force of effect.

## **ARTICLE XII**

### **LEGAL REQUIREMENTS**

**Section 12.1. Legal Requirements.** Throughout the Term, the City shall comply with and observe, without exception, all Legal Requirements applicable to the Enterprise or any of the rights, duties, or obligations of the City under this Agreement. All sums required to be paid to ensure compliance with this paragraph 12.1 under Legal Requirements shall be the responsibility of the Authority.

## **ARTICLE XIII**

### **MISCELLANEOUS**

**Section 13.1. Further Assurances.** The City agrees that it will execute and deliver any and all such further agreements, instruments, financing statements or other assurances as may be reasonably necessary or requested by the Authority to carry out the intention or to facilitate the performance of this Agreement.

**Section 13.2. Amendments.** The Authority and the City may amend this Agreement upon the written consent of each party hereto.

**Section 13.3. Notices.** Any notice, request, complaint, demand or other communication under this Lease Agreement shall be given by first class mail or personal delivery to the party entitled thereto at its address set forth below, or by telecopy, telex or other form of written telecommunication, at its number set forth below. Notice shall be effective either (a) upon confirmed transmission by telecopy, telex or other form of written telecommunication, (b) 48 hours after deposit in the United States mail, postage prepaid, or (c) in the case of personal delivery to any person, upon actual receipt. The Authority or the City may, by written notice to the other party, from time to time modify the address or number to which communications are to be given hereunder.

If to the Authority: Santa Fe Springs Water Utility Authority  
11710 Telegraph Road  
Santa Fe Springs, California 90670-3679  
Attention: Executive Director

If to the City: City of Santa Fe Springs  
11710 Telegraph Road  
Santa Fe Springs, California 90670-3679  
Attention: City Manager

**Section 13.4. Governing Law.** This Agreement shall be construed in accordance with and governed by the laws of the State of California.

**Section 13.5. Binding Effect.** This Agreement shall inure to the benefit of and shall be binding upon the Authority and the City, and their respective successors and assigns, subject, however, to the limitations contained herein.

**Section 13.6. Severability of Invalid Provisions.** If any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Agreement and such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, and this Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The Authority and the City each hereby declares that it would have entered into this Agreement and each and every other Section, paragraph, sentence, clause or phrase hereof irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses or phrases of this Agreement may be held illegal, invalid or unenforceable.

**Section 13.7. Article and Section Headings and References.** The headings or titles of the several Articles and Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Agreement. All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Agreement; the words "herein," "hereof," "hereby," "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or subdivision hereof; and words of the masculine gender shall mean and include words of the feminine and neuter genders.

**Section 13.8. Execution of Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall for all purposes be deemed to be an original and all of which shall together constitute but one and the same instrument.

**Section 13.9. Waiver of Personal Liability.** No member of the Authority, nor any member of the governing board of the Authority or its members, nor any officer, agent or employee of the Authority or its members shall be individually or personally liable for the payment of amounts due hereunder or be subject to any personal liability or accountability by reason of this Agreement; but nothing herein contained shall relieve any such member or person from the performance of any official duty provided by law or by this Agreement.

IN WITNESS WHEREOF, the Authority and the City have caused this Agreement to be executed in their respective names by their duly authorized officers, all as of the date first above written.

CITY OF SANTA FE SPRINGS, as Manager and  
Lessor

By: \_\_\_\_\_  
City Manager

SANTA FE SPRINGS WATER UTILITY  
AUTHORITY, as Lessee

By: \_\_\_\_\_  
Executive Director

**PLEASE REFER TO ITEM NO. 4-A**



# City of Santa Fe Springs

City Council Meeting

June 11, 2009

## NEW BUSINESS

### Approval of Underground Facilities License for Phibro-Tech, Inc.

#### RECOMMENDATION

It is recommended that the City Council approve the Underground Facilities License for Phibro-Tech, Inc. to operate a pressurized sewer line along Burke Street east of Dice Road.

#### BACKGROUND

Phibro-Tech, Inc. (PTI) is a manufacturer of specialty chemicals used in several industries, including aerospace, electronics, agricultural, and metal finishing. PTI is also a Part B permitted Hazardous Waste Facility operating under a permit issued by the Department of Toxic Substances Control. The facility accepts inorganic hazardous wastes from the same and other industries for the recovery of metals and the production of industrial chemicals. As part of plant activities, PTI operates a wastewater treatment plant that, under a joint permit between the City of Santa Fe Springs and the Sanitation Districts of Los Angeles County, discharges treated wastewater to the city's sewer system (Industrial Wastewater Discharge Permit No. 010342). This discharge is conveyed via an underground, 3-inch discharge pipe that exits the west side of the facility into the Union Pacific Railroad right-of-way, where it travels north and connects to the city's sewer line on Burke Street between Norwalk Boulevard and Dice Road. This discharge pipe constitutes a critical part of PTI's operation, without which, plant operations would be forced to stop.

In 1972, PTI's predecessor, Southern California Chemical Company (SCCC), was granted a license agreement by Southern Pacific Railroad to install the discharge pipe in the railroad right-of-way. This pipe crossed under the rail where it traveled to the western property line of the right-of-way, and then turned north where it ran parallel to the right-of-way and connected to the city sewer line on Burke Street. PTI acquired this discharge pipe when it purchased the assets of SCCC, and continues to operate it today.

Recently, PTI was made aware of the plan by Southern Pacific Railroad's successor, Union Pacific, to sell a portion of the railroad right-of-way where PTI's wastewater discharge pipe was installed to the owner of an adjacent business, El Greco. In an attempt to keep the discharge pipe in place and operational, PTI entered into negotiations with the owner of El Greco in hopes that a mutually satisfactory agreement could be reached that would allow PTI to continue using the discharge pipe; however, such an agreement could not be realized.

Consequently, as an alternate plan, PTI has proposed to install a new 3-inch wastewater discharge pipe along the eastern side of the railroad right-of-way that would intersect with the existing discharge pipe prior to its connection to the city sewer line. This proposal addresses only the re-location of the wastewater

Report Submitted By: Don Jensen, Director  
Department of Public Works

Date of Report: June 3, 2009

9-B

discharge pipe as described. There are no proposed changes in the wastewater discharge parameters specified in the joint permit.

The proposed Underground Facilities License would permit PTI to operate and maintain the pressurized sewer line along the south side of Burke Street to its connection with the City sewer system. The provisions of the Underground Facilities License include the following:

1. The term of the license will be ten (10) years.
2. The annual license fee as proposed will be computed by multiplying the sum of four cents times the nominal internal diameter of the pipe expressed in inches, times the number of linear feet of the pipe within the public right-of-way. The total fee will be \$14 per year.
3. The City reserves the right to revise the annual license fee following one year's written notice to PTI.
4. PTI is required to maintain liability insurance consistent with City requirements and name the City as an additional insured.

FISCAL IMPACT

None.

INFRASTRUCTURE IMPACT

The underground facility license includes a provision for relocation of the pipeline due to any conflict with any proposed city-owned utility or due to the change of grade, alignment or width of Burke Street.



Frederick W. Latham  
City Manager

Attachment(s):

1. License
2. Location Sketch



## UNDERGROUND FACILITIES LICENSE

WHEREAS, PHIBRO-TECH, INC. has requested permission from the CITY OF SANTA FE SPRINGS to install and operate a 3" HDPE sewer pipeline within and along the south side of Burke Street to serve the property located at 8851 Dice Road; and

WHEREAS, the Director of Public Works has recommended that the City Council of the City of Santa Fe Springs allow the installation of said pipeline subject to the terms and conditions contained herein:

NOW, THEREFORE, the CITY OF SANTA FE SPRINGS, hereinafter referred to as "CITY" does hereby grant a license to PHIBRO-TECH, INC., hereinafter referred to as "COMPANY," as follows:

CITY hereby grants to COMPANY a license for a period of 10 (ten) years, with said period commencing upon recordation of this license, to install and operate an underground conduit for sewer purposes in the location designated on Exhibit "A", attached hereto, and by this reference, made a part hereof.

1. COMPANY shall, during the term of this license, pay to CITY, in lawful money of the United States, and in the manner provided by law, an annual license fee computed by multiplying the sum of four cents (\$.04) times the nominal internal diameter of the pipe, expressed in inches, times the number of lineal feet of such pipe within the public streets, ways, alleys, or other public places within CITY. In the event that such payment is not made, the City Council of CITY may declare this license forfeited. CITY reserves the right, upon one year's written notice to the COMPANY, to revise the foregoing annual fee to any fee or fee basis which is then allowable under the laws of the State of California and of the CITY. If the fee as determined by the CITY is unacceptable to COMPANY, COMPANY shall have the right, upon six months advance written notice to CITY, to terminate this license. Any such change shall be prospective in operation.
2. The first payment of the annual license fee shall be paid by the COMPANY to CITY upon recordation of this license agreement and the date of recordation will become the annual date when payment of the annual license during the term of this license is due.
3. Precise location of facilities and technical specifications and requirements for all work done within any public street shall be per approved plans and to the satisfaction of the City Engineer and the Fire Chief, and in accordance with all applicable ordinances, regulations and standards of CITY.
4. COMPANY shall, during the term of this license, maintain for the benefit of CITY a policy of public liability and to confirm that is consistent with the company's insurance program property damage insurance, in amount of not less than

[\$250,000/\$500,000/\$1,000,000], naming CITY as an additional assured, to the satisfaction of the City Attorney, and protecting CITY against any liability whatsoever, direct or indirect, arising out of the exercise by COMPANY of the privileges granted by this permit. This insurance must be renewed annually.

5. COMPANY shall defend, indemnify and hold harmless CITY, its officers, employees and agents, against any loss or liability of any nature, arising from or related to the subject license, except to the extent that such loss or liability is caused by the negligent or willful acts or omissions of CITY, its officers, employees or agents. Such obligation shall survive the expiration of the subject license.
6. COMPANY shall not sell, transfer, assign or lease this license to any other party without the written consent of CITY (which consent shall not be unreasonably withheld or delayed), and any such action by COMPANY without the approval of CITY shall constitute a forfeiture of this license.
7. COMPANY agrees to relocate said pipeline, or any portion thereof, and bear the full cost thereof, should CITY reasonably determine that relocation is needed to accommodate the installation or modification of any City-owned underground facility, or any such facility owned by another public utility.
8. Should any portion of any public street subsequently be damaged by reason of facilities installed or operated under this license, COMPANY shall, at COMPANY expense, repair such damage to the reasonable satisfaction of the Director of Public Works.
9. In the event COMPANY ceases operation at the location stated above for more than 180 consecutive days, this license shall be forfeited and all facilities installed under this license shall be considered abandoned, unless otherwise approved by CITY, which approved shall not be unreasonably withheld or delayed.
10. This license agreement contains the entire agreement between the CITY and the COMPANY with respect to the subject matter hereof, superseding all previous communications and negotiations, and no representation, undertaking, promise or condition concerning the subject matter hereof shall be binding upon the COMPANY unless clearly expressed in this license agreement.

By: \_\_\_\_\_  
PHIBRO-TECH, INC.

\_\_\_\_\_  
ADDRESS

\_\_\_\_\_  
CITY OF SANTA FE SPRINGS

By: \_\_\_\_\_  
MAYOR

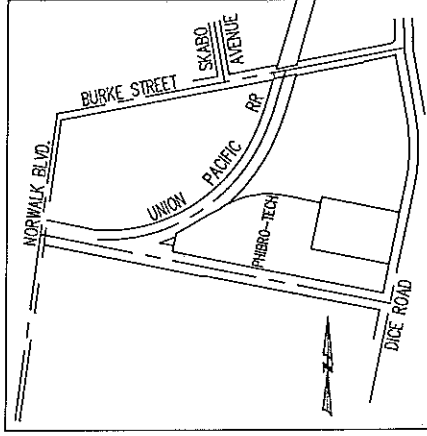
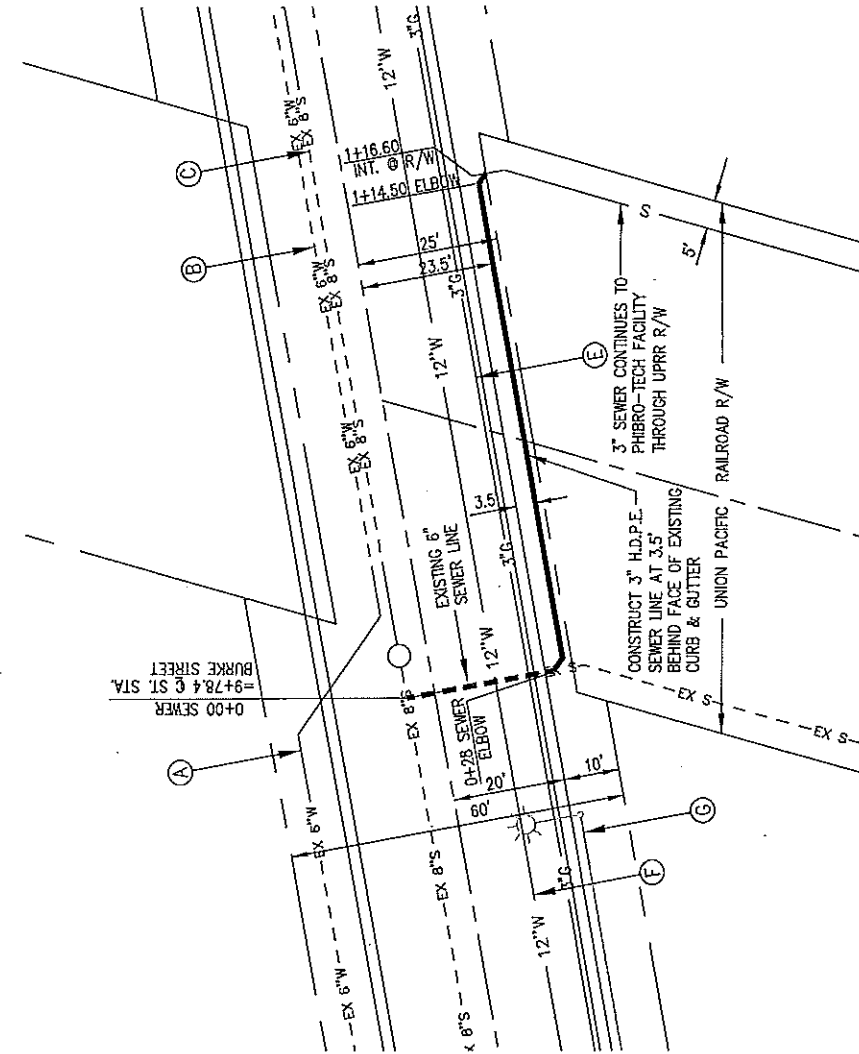
\_\_\_\_\_  
DATE

ATTEST:

\_\_\_\_\_  
CITY CLERK

APPROVED AS TO FORM:

\_\_\_\_\_  
CITY ATTORNEY



VICINITY MAP

### SUBSTRUCTURE LEGEND

- (A) 6" SAN GAB. VALLEY WATER, 25' N/O C
- (B) 6" SAN GAB. VALLEY WATER, 7' N/O C
- (C) 8" VCP SEWER, 5' N/O C
- (E) 3" SO CAL GAS, 17' S/O C
- (F) 12" RECLAIMED WATER, 11' S/O C
- (G) 1" CONDUIT-CITY ST. LIGHTS
- EX. 6" SEWER COVERED BY AN EXISTING UNDERGROUND FACILITIES LICENSE (26.50 L.F.)
- PROPOSED 3" SEWER TO BE COVERED BY AN UNDERGROUND FACILITIES LICENSE (90.10 L.F.)

DATE: MAY 18, 2009

### OWNER

PHIBRO-TECH, INC.  
8851 DICE ROAD  
SANTA FE SPRINGS, CA 90670  
(562) 698-8036 PHONE  
(562) 698-1971 FAX

### CITY OF SANTA FE SPRINGS

PRIVATE SEWER LINE REPLACEMENT PLAN  
BURKE STREET, WEST OF DICE ROAD

PREPARED BY: HALLADAY & MIM MACK  
391 N. MAIN STREET, SUITE 205  
CORONA, CA 92880  
(951) 278-9700 PHONE  
(951) 278-2729 FAX



## City of Santa Fe Springs

City Council Meeting

June 11, 2009

### NEW BUSINESS

Approval of Parcel Map No. 70811 – Burke Street East of Norwalk Boulevard

#### RECOMMENDATION

That the City Council take the following actions:

1. Approve Parcel Map No. 70811;
2. Find that Parcel Map No. 70811 together with the provisions for its design and improvement, is consistent with the City's General Plan; and
3. Authorize the City Engineer and City Clerk to sign Parcel Map No. 70811.

#### BACKGROUND

Parcel Map No. 70811 is a subdivision that would combine four parcels (three of which are railroad right of way) of approximately 13.47 acres into three parcels: Parcel 1 is 5.19 acres, Parcel 2 is 3.63 acres and Parcel 3 is 4.65 acres. The parcels are zoned as M2, Heavy Manufacturing Zone and are within the Consolidated Redevelopment Project Area. The subdivision is generally located on the south side of Burke Street between Norwalk Boulevard and Dice Road.

The Planning Commission approved the tentative map at their meeting of March 23, 2009. A full-sized copy of this map is available in the office of the City Clerk.

#### FISCAL IMPACT

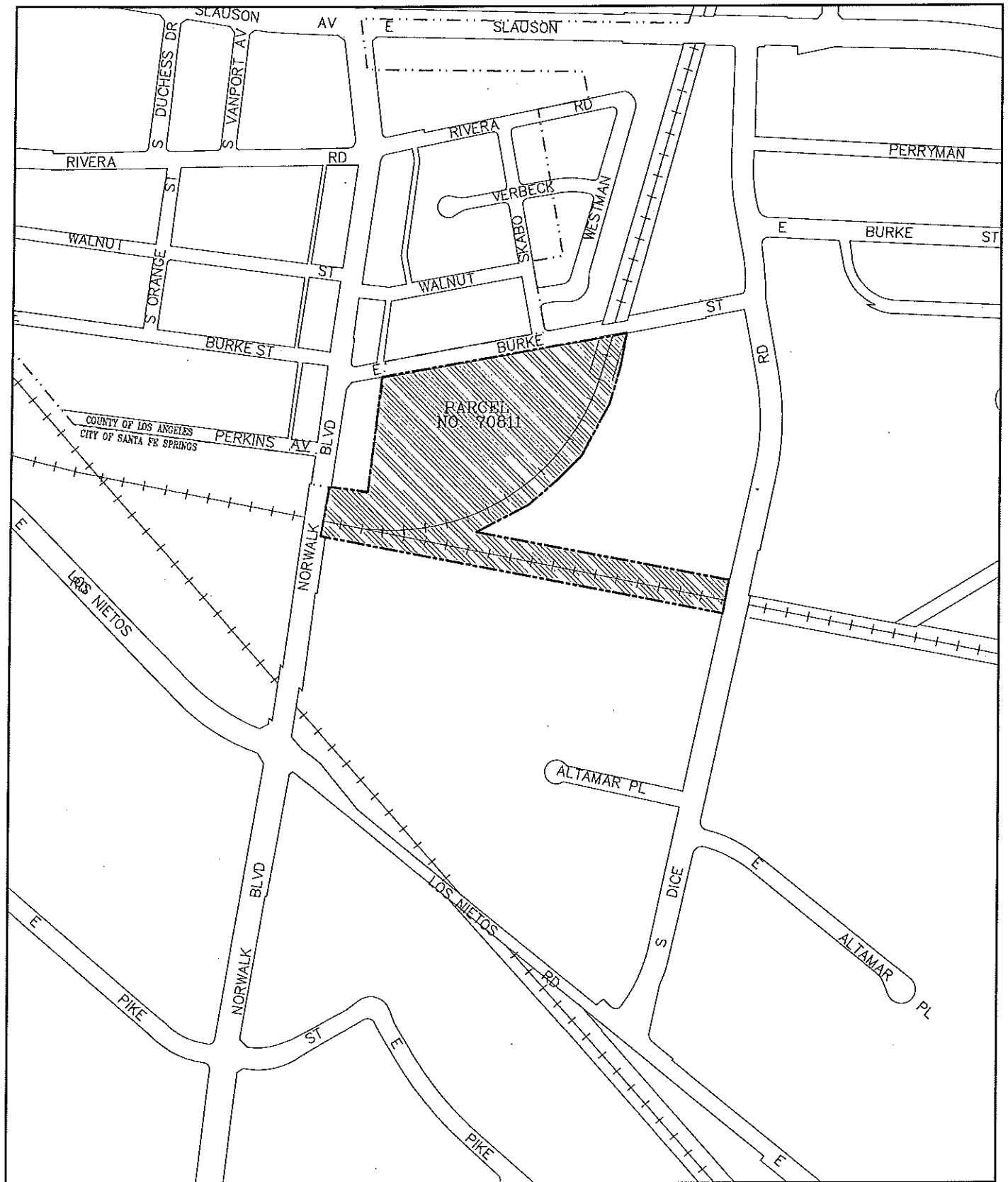
None.

#### INFRASTRUCTURE IMPACT

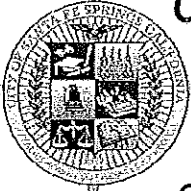
None.

  
Frederick W. Latham  
City Manager

Attachment(s)  
Location Map



LOCATION MAP



# City of Santa Fe Springs

City Council Meeting

June 11, 2009

## CITY ENGINEER'S REPORT

Resolution No. 9190 - Request for Parking Restriction on Bluejay Lane East of  
Millergrrove Avenue

### RECOMMENDATION

That the City Council adopt Resolution No. 9190 – prohibiting parking between the hours of 7:00 a.m. and 7:00 p.m., Mondays through Fridays Except Holidays on the north side of Bluejay Lane east of Millergrrove Avenue.

### BACKGROUND


The Traffic Commission at their meeting of May 21, 2009, reviewed the attached report for the parking restriction. The Commission voted 4 to 0 to recommend to the City Council for consideration and implementation of the parking restriction as stated herein. Note since the Traffic Commission considered this item staff has been informed that The Tram will not operate on holidays, so an exception for holidays has been added to the proposed restriction.

Staff recommends implementation of the requested parking restriction.

Frederick W. Latham  
City Manager

### Attachment(s)

Traffic Commission Report  
Resolution No. 9190

Report Submitted By: Don Jensen, Director   
Department of Public Works

Date of Report: June 3, 2009

9-D



# City of Santa Fe Springs

Traffic Commission Meeting

May 21, 2009

## TRAFFIC ENGINEER'S REPORT

Request for Parking Restriction on Bluejay Lane east of Millergrove Avenue

### RECOMMENDATION

That the Commission recommend to the City Council that a parking restriction between the hours of 7:00 a.m. and 7:00 p.m., Mondays through Fridays be implemented on the north side of Bluejay Lane east of Millergrove Avenue.

### BACKGROUND

The Public Works Department received a request for a parking restriction on the north side of Bluejay Lane just east of Millergrove Avenue from Norwalk Transit. Norwalk Transit operates the tram that provides transportation for residents to various locations throughout the City along its fixed route as well as providing a point of connection to surrounding regional bus lines.

Bluejay Lane between Morrill Avenue and Millergrove Drive is a local residential street in this area with a curb-to-curb width of 30 feet. The street is unstriped, with one lane in each direction and parking is permitted on both sides of the street. The street has a straight alignment and is fairly flat in this area. Only one of the four homes that abut this section of Bluejay Lane has driveway access to this street. The prima facie speed limit for Bluejay Lane is 25 miles-per-hour.

The current route of the tram in this area is north on Morrill Avenue and west on Bluejay Lane to Pioneer Boulevard. There is a tram stop located on the northeast corner of Bluejay Lane and Millergrove Avenue that is frequently blocked by parked cars. The tram is forced to stop in the middle of the street and have passengers embark and disembark in the street which also blocks through traffic on Bluejay Lane. The restriction being requested is for No Parking between 7:00 a.m. and 7:00 p.m., Mondays through Fridays only. This corresponds to the operational hours of the tram. Of course, if in the future the tram stop is eliminated or the tram's route is changed, the parking restriction would be removed.

Staff reviewed the existing conditions at the location and determined that there is parking available on the south side of Bluejay Lane to replace the loss of the two parking spaces that would be eliminated as a result of the proposed parking restriction. The property owner immediately adjacent to the proposed parking restriction was notified of the pending restriction and invited to the Traffic Commission meeting.

*Tom R. Lopez*

Tom R. Lopez  
Assistant Director of Public Works

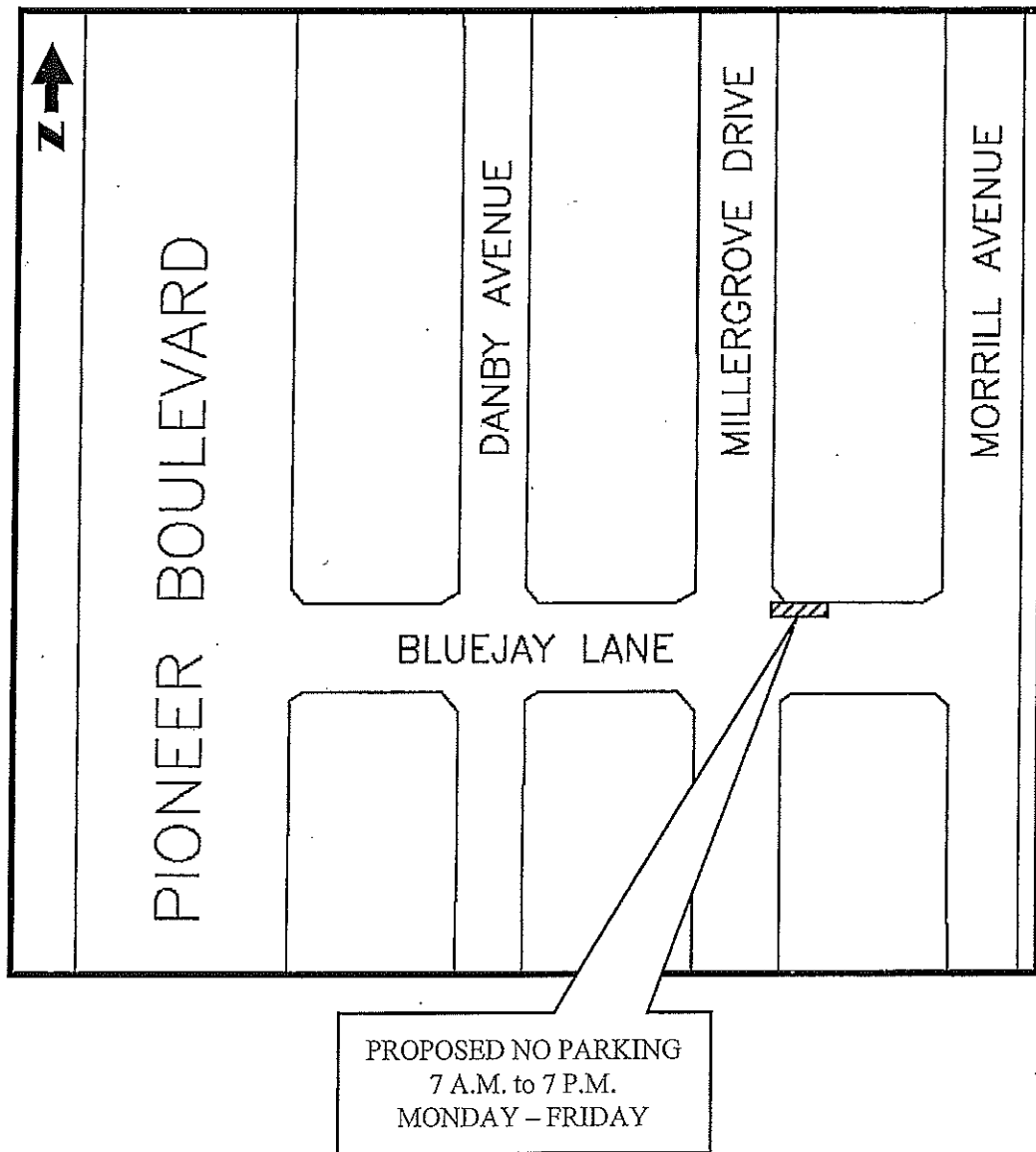
*Rafael O. Casillas*

Rafael O. Casillas  
Principal Civil Engineer

### Attachment(s):

Location Map  
Letter to Jose G. Lopez





## LOCATION MAP

(FIGURE 1)



11710 Telegraph Road • CA • 90670-3679 • (562) 868-0511 • Fax (562) 868-7112 • [www.santafesprings.org](http://www.santafesprings.org)

May 14, 2009

Jose G. Lopez  
9138 Millergrove Drive  
Santa Fe Springs, CA 90670

Subject: Proposed Parking Restriction on Bluejay Lane

Dear Mr. Lopez,

The operator of The Tram, Norwalk Transit, has requested that the City investigate the feasibility of restricting parking on a portion of the north side of Bluejay Lane east of Millergrove Avenue. The restriction would only be in effect between the hours of 7:00 am to 7:00 pm on Mondays thru Fridays which corresponds to the hours and days of operation of The Tram. Staff has reviewed the request and has determined that there is parking available on the south side of Bluejay Lane between Millergrove Drive and Morrill Avenue that could be used to replace the two parking spaces that would be lost due to the proposed 50-foot long parking restriction. The imposition of this restriction would increase safety in this area by eliminating the need for The Tram to stop in the middle of Bluejay Lane to drop off and pick up passengers when the stop area is blocked by parked vehicles.

This item will be considered by the City's Traffic Commission at their next scheduled meeting which will be **Thursday, May 21, 2009 at 7:00 pm in the City Council Chambers** located in City Hall. You are cordially invited to attend this meeting and to provide any input to the Commission regarding this item on their agenda.

If you have any questions regarding this matter please call me at (562) 868-0511 extension 7342.

Sincerely,

Tom R. Lopez  
Assistant Director of Public Works

Cc: Traffic Commission  
Thaddeus McCormack, Assistant to the City Manager

RESOLUTION NO. 9190

A RESOLUTION OF THE CITY COUNCIL  
OF THE CITY OF SANTA FE SPRINGS, CALIFORNIA  
PROHIBITING PARKING OF VEHICLES AT CERTAIN LOCATIONS DURING  
CERTAIN HOURS

THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS DOES RESOLVE AND  
ORDER AS FOLLOWS:

Section 1. Pursuant to the provision of Section 72.21 of the City Code, when authorized signs are in place giving notice thereof, the following location is designated as a place where no person shall stop, stand or park a vehicle for any purpose other than the loading or unloading of passengers or materials between the hours of 7:00 am to 7:00 pm on Mondays thru Fridays excluding holidays:

North side of Bluejay Lane from Millergrove Drive to a point 50 feet to the East

APPROVED and ADOPTED this 11<sup>th</sup> day of June, 2009.

---

MAYOR

ATTEST:

---

CITY CLERK



# City of Santa Fe Springs

City Council Meeting

June 11, 2009

## CITY ENGINEER'S REPORT

Resolution No. 9188 – Declaring Intention to Levy Annual Assessments Heritage Springs Assessment District No. 2001-01 (Hawkins Street and Palm Drive)

### RECOMMENDATION

That the City Council adopt Resolution No. 9188, declaring its intention to levy annual assessments and setting the public hearing for the Council meeting of July 9, 2009.

### BACKGROUND

The Heritage Springs Assessment District was established in May 2001, pursuant to the Municipal Improvements Act of 1913 (Division 12 of the California Streets and Highway Code), to finance the acquisition of various public improvements that were required for the development of the District.

The District also included a mechanism to provide funding on an annual basis for ongoing street maintenance which includes slurry sealing, street resurfacing and street reconstruction as needed. The requirement for a street maintenance district component was a condition of approval for the development. In FY 2007-2008, the two streets within the Heritage Springs Assessment District, Palm Drive and Hawkins Street, were slurry-sealed. Attached is Resolution No. 9188, Intention to Levy Annual Assessments in the Heritage Springs Assessment District and sets the public hearing date for July 9, 2009.

### FISCAL IMPACT

The District has a positive financial impact on the City because a benefit assessment district is used to fund the street maintenance costs attributable to this development.

### INFRASTRUCTURE IMPACT

No impact.

Frederick W. Latham  
City Manager

### Attachment(s)

Resolution No. 9188  
Exhibit A

Report Submitted By: Don Jensen, Director  
Public Works Department

Date of Report: June 3, 2009

9-E

**RESOLUTION NO. 9188**

**A RESOLUTION OF THE CITY COUNCIL  
OF THE CITY OF SANTA FE SPRINGS, CALIFORNIA  
DECLARING INTENTION TO LEVY ANNUAL ASSESSMENTS FOR THE HERITAGE  
SPRINGS ASSESSMENT DISTRICT 2001-1 FOR FISCAL YEAR 2009-2010**

WHEREAS, the City COUNCIL of the CITY OF SANTA FE SPRINGS, CALIFORNIA has conducted proceedings under and pursuant to the Municipal Improvement Act of 1913, Division 12, California Streets and Highways Code (the "Act") and Resolution of Intention No. 6624, adopted May 10, 2001 (the "Resolution of Formation"), to form the Heritage Springs Assessment District 2001-1 (the "Assessment District"), to authorize the levy of special assessment upon the lands within the Assessment District, to acquire and construct public streets and other improvements, all as described therein; in what is known and designated as

**CITY OF SANTA FE SPRINGS  
HERITAGE SPRINGS ASSESSMENT DISTRICT 2001-1**

WHEREAS, pursuant to Section 10100.8 of the Act and the Resolution of Formation, this Council declared its intention to levy assessments (the "Assessments") for maintenance, repair or improvement, including all expenses required for resurfacing and repair to public streets (the "Maintenance") in and adjacent to the Assessment District to keep such acquisitions and improvements in good operating conditions; and

WHEREAS, under the Act, this Council is authorized to levy the Assessments each year for Maintenance of the Assessment District and by this Resolution expresses its intention to do so for the fiscal year 2009-2010.

NOW THEREFORE, IT IS HEREBY RESOLVED BY THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS AS FOLLOWS:

SECTION 1.           The above recitals are true and correct.

SECTION 2.           The firm of Harris & Associates is designated as the Engineer of Work for these proceedings. The Engineer of Work has caused to be prepared a report, under the Act (the "Engineer's Report") and has filed the Engineer's Report with the City Clerk. The Engineer's Report has been duly considered by this Council with the aid of City staff, and is hereby deemed sufficient and preliminarily approved and

shall stand as the Engineer's Report for all subsequent proceedings of the City for the Assessments for the Next Fiscal Year. Reference is hereby made to the Engineer's Report for a full and detailed description of the budget for the Maintenance for the Next Fiscal Year and the proposed Assessments upon the described, assessable lots and parcels of land within the Assessment District.

#### PUBLIC HEARING

SECTION 3. NOTICE IS HEREBY GIVEN THAT THURSDAY, THE 9<sup>TH</sup> DAY OF JULY, 2009 AT THE HOUR OF 6:00 O'CLOCK P.M., WHICH IS THE REGULAR MEETING OF THE CITY COUNCIL, IN THE COUNCIL CHAMBERS, IS THE TIME AND PLACE FIXED BY THIS CITY COUNCIL FOR THE HEARING OF PROTESTS OR OBJECTIONS IN REFERENCE TO THE ANNUAL LEVY OF ASSESSMENTS FOR THE HERITAGE SPRINGS ASSESSMENT DISTRICT 2001-1, AND ANY OTHER MATTERS CONTAINED IN THIS RESOLUTION. ANY PERSONS WHO WISH TO OBJECT TO THE PROCEEDINGS FOR THE ANNUAL LEVY SHOULD FILE A WRITTEN PROTEST WITH THE CITY CLERK PRIOR TO THE TIME SET AND SCHEDULED FOR SAID PUBLIC HEARING.

#### NOTICE

SECTION 4. The City Clerk is hereby authorized and directed to publish a copy of this Resolution. Said publication shall not be less than ten (10) days before the date for said Public Hearing.

#### PROCEEDING INQUIRIES

SECTION 5. For any and all information relating to the proceedings, protest procedure, any documentation and/or information of a procedural or technical nature, your attention is directed to the below listed person at the local agency or department so designated:

Donald K. Jensen  
City Engineer  
CITY OF SANTA FE SPRINGS  
11710 Telegraph Road  
Santa Fe Springs, CA 90670  
(562) 868-0511

SECTION 6. This resolution shall take effect from and after its adoption.

APPROVED and ADOPTED on the regular meeting of the City Council of the City of Santa Fe Springs, State of California, on this 11<sup>th</sup> day of June, 2009.

---

MAYOR

ATTEST:

---

CITY CLERK

## **EXHIBIT "A"**

### **NOTICE OF INTENTION TO LEVY ANNUAL ASSESSMENTS IN THE CITY OF SANTA FE SPRINGS FOR THE HERITAGE SPRINGS ASSESSMENT DISTRICT 2001-1 FOR FISCAL YEAR 2009-2010**

THE CITY COUNCIL OF CITY OF SANTA FE SPRINGS GIVES NOTICE THAT:

1. This Council has conducted proceedings under and pursuant to the Municipal Improvement Act of 1913, Division 12, California Streets and Highways Code (the "Act") and Resolution of Intention No. 6624, adopted May 10, 2001 (the "Resolution of Formation"), to form the Heritage Springs Assessment District 2001-1 (the "Assessment District"), to authorize levy of special assessment upon the lands within the Assessment District, to acquire and construct public streets and other improvements and is authorized to levy assessments (the "Assessments") on properties within the Assessment District to pay for certain street maintenance costs (the "Maintenance").

2. Pursuant to the Act, this Council will hold a public hearing on July 9, 2009, in the Council Chambers, City Offices, 11710 Telegraph Road, Santa Fe Springs, California. At the public hearing, the Council will hear all persons interested in the Assessments, consider all objections to the Assessments, if any and take final action on the levy of the Assessments for the Maintenance in accordance with the Engineer's Report for the Fiscal Year shown above. The public hearing may be continued from time to time as determined by the Council, without further published or written notice.

3. For any and all information relating to the proceedings, protest procedure, any documentation and/or information of a procedural or technical nature, your attention is directed to the below listed person at the local agency or department so designated:

Donald K. Jensen  
City Engineer  
CITY OF SANTA FE SPRINGS  
11710 Telegraph Road  
Santa Fe Springs, CA 90670  
(562) 868-0511





# *City of Santa Fe Springs*

City Council Meeting

June 11, 2009

## **CONFERENCE AND MEETING REPORT**

Councilmember Serrano's Attendance at the League of California Cities  
2009 Mayors and Council Members Executive Forum

### **RECOMMENDATIONS**

That the City Council receive and file the report.

I attended the League of California Cities 2009 Mayors and Council Members Executive Forum at the Paradise Point Resort and Spa in San Diego, California, May 27 through 30 where I participated in the various socials and attended the sessions and workshops offered.

---

Joseph D. Serrano, Sr.  
Councilmember

9-F



## *City of Santa Fe Springs*

City Council Meeting

June 11, 2009

### **AWARD OF BID**

Award of Bid to Valverde Construction to Supply and Install Training Props and Associated Equipment

### **RECOMMENDATION**

That the City Council award a bid to Valverde Construction for \$150,000 and allow the Director of Purchasing Services to issue a purchase order to process the transaction.

### **BACKGROUND**

The City Council by previous action has accepted 2006 Urban Area Security Initiative (UASI) Grant funds for the installation of four simulation props at the Rio Hondo Fire Academy. Instructors will use them to train firefighters throughout the region. The props include: a rail car, tank truck, pipe tree and a drum farm.

The UASI Grant program is administered by the City of Los Angeles' Mayor's Office. Valverde Construction has an existing contract with the City of Los Angeles to provide the necessary labor and materials. Due to the complexity of the project and fiscal requirements of the grant process, Valverde Construction is the sole source provider.

Our \$150,000 UASI Grant will fund the project with no General Fund monies necessary.

A handwritten signature in black ink, appearing to read "F. Latham".

Frederick W. Latham  
City Manager



# *City of Santa Fe Springs*

City Council Meeting

June 11, 2009

## **NEW BUSINESS**

Approval of Contract with the Los Angeles County Probation Department – FY 2008/09.

### RECOMMENDATION

That the City Council approve the FY 2008-09 contract with the Los Angeles County Probation Department for the Probation Officer position and in so doing, authorize the Mayor to execute the agreement document.

### BACKGROUND

For the past 16 years, the City has had an agreement with the Los Angeles County Probation Department for the services of a Probation Officer, solely assigned to Santa Fe Springs. In previous agreements, the cost of the Probation Officer was evenly shared by the City and the County (50% each).

Unfortunately for Fiscal Year 2008/09, the City was informed by the Los Angeles County Probation Department that it could no longer fund half the cost of a probation officer assigned to the City (See attached). As a result, the cost of a probation officer assigned to the City doubled from approximately \$64,000 per year to approximately \$128,000 per year. Consequently, the probation officer's work hours were reduced from forty (40) hours to twenty (20) hours per week to reflect the current fiscal year budget amount of \$64,000.

The Los Angeles Probation Department requested that the City Council approve the renewal of the agreement prior to its expiration date of June 30, 2009. However, staff has just received the contract from the Los Angeles County Probation Department. With this in mind, they are requesting signed copies of the agreement be executed as quickly as possible.

This position was funded in the FY 2008/09 Budget with a combination of State COPS Grant funds (\$56,900), and General Funds (\$7,100). For FY 2009/10, Staff is exploring the possibility of sharing a probation officer with the City of Whittier, with other cities, or, perhaps, other alternatives to providing this important service.



# *City of Santa Fe Springs*

City Council Meeting

June 11, 2009

Staff has found this position to be a very significant component of the City's Early Youth Intervention Program. Through programs such as Diversity Summit Program, High Adventure Trip and School Attendance Review Team (SART), the probation officer has also established effective community relations. This type of combined crime prevention and enforcement activity is exactly what the State COPS Grant Program Funds are designed to accomplish.

A handwritten signature in cursive script, reading "Frederick W. Latham".

Frederick W. Latham  
City Manager

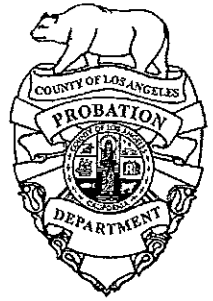
Attachment(s)  
Probation Department Letter  
County Contract



**ROBERT B. TAYLOR**  
Chief Probation Officer

## COUNTY OF LOS ANGELES PROBATION DEPARTMENT

9150 Imperial Highway, Downey, CA 90242  
(562) 940 - 2501



May 4, 2009

Fernando L. Tarin, Director of Police Services  
City of Santa Fe Springs  
Police Service Center  
11576 Telegraph Road  
Santa Fe Springs, CA 90670-9928

**RE: PREVENTION AND INTERVENTION PROGRAM (PIP)**

Dear Mr. Tarin:

The purpose of this letter is to provide you with an explanation of the County of Los Angeles Probation Department's (Probation) contractual obligation pertaining to Deputy Probation Officer (DPO) services under the Prevention and Intervention Program (PIP) agreement.

Probation, through its PIP contracts, provides DPO services to municipalities and school districts on a full cost reimbursement basis as delineated in a written agreement. The portion of the DPO's time devoted to a particular contracted entity depends upon the terms of the written agreement between Probation and the entity. No Probation representative has authority to deviate from these terms. If the contract DPO services were provided without reimbursement, those services should, upon discovery, be immediately brought into compliance with the terms of the written agreement.

Should you have any questions, please contact Robert Smythe at (562) 940-2516.

Sincerely,

A handwritten signature in cursive script that reads "Robert B. Taylor".

Robert B. Taylor  
Chief Probation Officer

**COUNTY OF LOS ANGELES**  
**PROBATION DEPARTMENT**



**AGREEMENT TO PROVIDE A**  
**PREVENTION AND INTERVENTION PROGRAM**  
**(PIP)**

**CITY OF SANTA FE SPRINGS**  
**JULY 1, 2008- JUNE 30, 2009**

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**COUNTY OF LOS ANGELES  
AND  
CITY OF SANTA FE SPRINGS**

**THIS AGREEMENT** is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2008 by and between the City of Santa Fe Springs, located at 11576 Telegraph Road, Santa Fe Springs, California 90670, hereinafter referred to as "CITY", and the County of Los Angeles, hereinafter referred to as "COUNTY", both of whom are collectively referred to as the "PARTIES".

**WHEREAS**, CITY desires to provide probation prevention/intervention services to assist in reducing incidents of truancy and other serious behavioral problems; and

**WHEREAS**, COUNTY Probation Department has statutory authority pursuant to Section 652 of the Welfare and Institutions Code to provide certain expertise and resources in this area;

**WHEREAS**, the Chief Probation Officer has been delegated authority by the Los Angeles County Board of Supervisors to negotiate and sign agreements to provide these services; and

**WHEREAS**, COUNTY desires to participate in a joint effort with the CITY;

**NOW, THEREFORE**, in consideration of the mutual benefits and subject to the conditions contained herein, the PARTIES mutually agree as follows:

**1. PURPOSE OF THE AGREEMENT**

The purpose of this Agreement is to maintain within the City of Santa Fe Springs, the services of one (1) Deputy Probation Officer and support staff mutually agreed upon by both parties. This Deputy Probation Officer will provide specialized probation services for CITY. Probation services shall be provided by COUNTY through this Agreement and shall be consistent with the laws of the State of California and the guidelines of the City.

**2. STATEMENT OF WORK**

- A. COUNTY shall provide, on behalf of CITY, the services of one (1) Deputy Probation Officer and related support staff with caseload court-ordered juvenile probationers who live within the community of Santa Fe Springs, such caseloads to conform to the standards established for the Probation Department's Prevention and Intervention Program (PIP). These juveniles will be mutually agreed upon by the Chief Probation Officer or his



designee and the CITY. Further, the CITY will give input towards the evaluation conducted by the Deputy Probation Officer.

- B. CITY shall provide office space and telephone services within its boundaries for use by the assigned Deputy Probation Officer.
- C. In addition to the duties associated with caseload supervision, the assigned Deputy Probation Officer will conduct crisis counseling in individual and group settings with referred juveniles and parents.

### **3. EMPLOYMENT STATUS**

The assigned Deputy Probation Officer is an employee of COUNTY and is entitled to wages and employee benefits appropriate to what is provided other County employees who are Deputy Probation Officers. It is additionally understood that no term or condition of this Agreement can conflict with State statute defining the status of the Deputy Probation Officer as a Peace Officer.

### **4. PAYMENT**

CITY shall reimburse COUNTY for 50% of the salary and employee benefits for one (1) Deputy Probation Officer II and support staff assigned by COUNTY to perform services according to Paragraph 2, STATEMENT OF WORK above. The billable amount is \$61,000 plus any adjustments to salary, employee benefits and/or overhead rates approved by the Board of Supervisors during the fiscal year.

COUNTY shall provide DPO services commensurate with the 50% cost of services and staff being paid by CITY. CITY agrees that the DPO services provided may include 50% of all customary employee functions such as attending mandatory training, scheduled and unscheduled time-off (e.g. sick, vacation, etc.), and/or attending to other Probation-related activities that may on occasion require the DPO to be away from the service site. CITY agrees that it is responsible for the entire billable amount of this agreement.

CITY shall reimburse COUNTY for 100% of the salary for a Deputy Probation Officer II, paid at one and one-half time, for all time worked beyond forty (40) hours per week. It is at the discretion of the COUNTY whether the Deputy Probation Officer II works in excess of forty (40) hours per week. The current overtime rate is approximately \$52.39 per hour plus any adjustments to salary, employee benefits and/or overhead rates approved by the Board of Supervisors during the fiscal year.

Within thirty (30) days following the receipt of an invoice from the Probation Department's Business Management Office, CITY shall reimburse COUNTY for the billed amount. These invoices shall be provided to CITY within twenty (20) days following September 30, 2008; December 31, 2008; March 31, 2009; and June 30, 2009.

**5. INDEPENDENT CONTRACTOR**

This Agreement is by and between COUNTY and CITY and is not intended, and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, or association as between COUNTY and CITY.

The COUNTY's relationship to the CITY in the performance of this Agreement is that of an independent contractor. The COUNTY's personnel performing services under this Agreement shall at all time be under the COUNTY's exclusive direction and control and shall be employees of the COUNTY and not employees of the CITY. COUNTY shall pay all wages, salaries, worker's compensation, and other amounts due its employees in connection with this Agreement and shall be responsible for all reports and obligations respecting them.

**6. INDEMNIFICATION**

CITY shall indemnify, defend, and hold harmless COUNTY, and its Special Districts, elected and appointed officers, employees and agents from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, and expenses (including attorney and expert witness fees), arising from or connected with CITY'S acts and/or omissions arising from and/or relating to this Agreement.

**7. LIMITATION OF COUNTY'S OBLIGATION DUE TO NON-APPROPRIATION**

COUNTY'S obligation for its 50% of salary and employee benefits costs is payable only and solely from funds appropriated for the purpose of this Agreement subject to COUNTY'S legislative appropriation for this purpose. In the event the Board of Supervisors does not allocate sufficient funds then the affected services shall be terminated. COUNTY shall notify CITY in writing of such non-allocation at the earliest possible date.

**8. BUDGET REDUCTIONS**

In the event that County's Board of Supervisors adopts in any Fiscal Year a County Budget which provides for reductions in the salaries and benefits paid to the majority of County employees and imposes similar reductions with respect to COUNTY contracts, COUNTY reserves the right to reduce its services obligation correspondingly for that Fiscal Year and any subsequent Fiscal Year services. COUNTY'S notice to CITY regarding said reduction in obligation shall be provided within thirty (30) days of the Board's approval of such actions.

**9. TERMINATION AND TERMINATION COSTS**

In the event that CITY or COUNTY withdraws its participation in the project described in this Agreement, such withdrawal shall be preceded by thirty (30) days' written notice to the other party. Notwithstanding, CITY or COUNTY may terminate this Agreement upon the termination, suspension, discontinuation or substantial reduction in CITY or COUNTY funding for the Agreement activity. In such event, COUNTY shall be compensated for all services rendered and all necessary incurred costs performed in accordance with the terms of this Agreement which have not been previously reimbursed up to the date of said termination. Payment shall be made only upon the filing with CITY, by COUNTY, vouchers evidencing the time expended and said costs incurred. Said vouchers must be filed with CITY within thirty (30) days of said termination.

**10. TERMINATION FOR IMPROPER CONSIDERATION**

COUNTY may, by written notice to CITY, immediately terminate the right of the CITY to proceed under this agreement if it is found that consideration, in any form, was offered or given by the COUNTY, either directly or through an intermediary, with the intent of securing the agreement or securing favorable treatment with respect to the amendment or extension of the agreement or making of any determinations with respect to the COUNTY'S performance pursuant to the agreement. In the event of such termination, COUNTY shall be entitled to pursue the same remedies against the CITY as it could pursue in the event of default by the CITY.

CITY shall immediately report any attempt by a County officer or employee to solicit such improper consideration. The report shall be made either to the County manager charged with the supervision of the employee or to the County Auditor-Controller's Employee Fraud Hotline at (213) 974-0914 or (800) 544-6861.

**11. TERM**

*/*

The PARTIES by their duly authorized signatures, have caused this Agreement to become effective on the day, month and year first written above.

COUNTY OF LOS ANGELES

BY \_\_\_\_\_  
Robert B. Taylor  
Chief Probation Officer

\_\_\_\_\_  
Date

CITY OF SANTA FE SPRINGS

BY \_\_\_\_\_


\_\_\_\_\_  
Typed or Printed Name

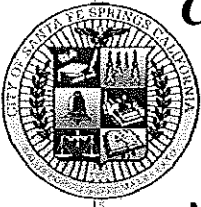
\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

APPROVED AS TO FORM:

RAYMOND G. FORTNER  
County Counsel

BY  \_\_\_\_\_  
Gordon W. Trask  
Principal Deputy  
County Counsel



# *City of Santa Fe Springs*

City Council Meeting

June 11, 2009

## **NEW BUSINESS**

Adoption of Resolution No. 9186 Authorizing Confidentiality Agreement with Holland & Knight and Resolution No. 9187 Granting Access to Confidential Records

### **RECOMMENDATION**

That the City Council adopt Resolution No. 9186 authorizing the contract with Holland & Knight as set forth in Exhibit A, and Resolution No. 9187 allowing access to confidential records.

At the February 12, 2009 closed session, there was discussion of anticipated litigation regarding Bradley-Burns Tax Claims against the California State Board of Equalization. Several jurisdictions are pooling resources to file a mass appeal of the Board of Equalization's denial of sales tax claims.

In order to facilitate the appeal, the City's legal consultant requires access to confidential sales tax documents. The process of granting this access requires two resolutions. Resolution No. 9186 is a confidentiality agreement between the City and Holland & Knight, LLP. Resolution No. 9187 is the Council's authority for Holland and Knight to receive access to sales tax records of the City. Note that the first resolution (confidentiality agreement) must be approved before the second resolution which grants access to confidential records can be approved.

### Attachment

Exhibit A: Contract Governing Access to Confidential Taxpayer Data related to Certain Claims of the City of Santa Fe Springs under the Bradley Burns Local Sales and Use Tax Law

Frederick W. Latham  
City Manager

**RESOLUTION NO. 9186**

**A RESOLUTION OF THE CITY COUNCIL  
OF THE CITY OF SANTA FE SPRINGS AUTHORIZING THE CITY TO ENTER INTO A  
CONTRACT WITH HOLLAND & KNIGHT FOR SERVICES AS SET FORTH IN  
EXHIBIT "A"**

WHEREAS, the City has retained the law firm of Holland & Knight LLP ("H&K") to represent it in a dispute with the California State Board of Equalization ("SBOE") regarding the allocation and payment of certain sales tax revenues owing to the City pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law (Cal. Rev. & Tax Code §§ 7200, *et seq.*)(the "Act"); and

WHEREAS, pursuant to that representation, litigation has been commenced by the City against the SBOE for violation of the Act and is presently pending in the Superior Court of California for the City and County of San Francisco as Case No. CPF-09-509234 ("the Lawsuit"); and

WHEREAS, section 7056(b) of the California Revenue and Taxation Code ("RTC") provides that access to certain tax records and documents for purposes of pursuing the City's claims in the Lawsuit may be had provided that the City's legislative body pass a resolution requesting and authorizing such access; and

WHEREAS RTC section 7056(b)(1) further provides that the City shall, in connection with such a resolution, certify that it has an *existing contract*, binding on the persons to whom access to the tax records is to be provided, that contains certain undertakings described in section 7056(B)(1)(A) through 7056(B)(1)(D); and

WHEREAS, the City wishes to enter into a contract meeting the lawful requirements of RTC section 7056(b) so that it can then entertain and adopt a resolution meeting the requirements of RTC section 7056(b) to facilitate access to tax records and documents for the purposes of pursuing the Lawsuit and any related proceedings:

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS DOES  
RESOLVE AS FOLLOWS:**

1. The City is authorized to enter into the Contract attached to this resolution as Exhibit "A".

**PASSED, APPROVED AND ADOPTED** this 11th day of June, 2009.

---

**Louie Gonzalez, Mayor**

**ATTEST:**

---

**Barbara Earl, City Clerk**

## **EXHIBIT "A"**

### **CONTRACT GOVERNING ACCESS TO CONFIDENTIAL TAXPAYER DATA RELATED TO CERTAIN CLAIMS OF THE CITY OF SANTA FE SPRINGS UNDER THE BRADLEY-BURNS LOCAL SALES AND USE TAX LAW**

Pursuant to Council authorization, the City of Santa Fe Springs ("City") has retained the law firm of Holland & Knight, LLP ("H&K") to provide it with advice and representation in connection with the City's claims against the California State Board of Equalization ("SBOE"), which are presently pending before the Superior Court of the State of California for the City and County of San Francisco in its Case No. CPF-09-509234 (the "Lawsuit").

In order to provide effective advice and representation to the City in the Lawsuit, it is necessary for H&K, acting through certain of H&K's lawyers, staff and consultants, to have access to all confidential information and data gathered by the City's sales tax consultant, MuniServices, on the City's behalf, as well as all information in the possession, custody or control of the SBOE or others pertaining to the ascertainment of the sales and use taxes that are the subject of the Lawsuit. These data relate to the City's claims in the Lawsuit, which derive from retail sales transactions conducted by various retailers in the City.

Section 7056 (b) of the California Revenue and Taxation Code ("RTC") provides that access to such confidential data by any person other than an employee or officer of a city is conditioned upon there being an existing Resolution by the city designating the person to examine the records, data and other information and certifying that the individual meets the condition specified in RTC Section 7056(b)(1), including the requirement of RTC Section 7056(b)(1)(A), that there be an existing contract with the city to examine the sales and use tax records that meets all requirements of TTC Section 7056(b)(1), subdivisions (A) through (D).

The City and H&K wish to enter into a Contract complying with the legal requirements described in RTC section 7056.

Therefore, H&K and the City do hereby further agree as follows:

1. In connection with its representation of the City, the law firm of Holland & Knight LLP ("H&K") (acting through certain of its partners, associates, employees and consultants whose identities shall be set out in a list maintained by the City Attorney) is hereby authorized to examine all confidential records and data of the State Board of Equalization, including but not limited to records and data available through Muni Services, pertaining to the ascertainment of the sales taxes and use taxes collected or to be collected by the State Board of Equalization that relate to the claims that are the subject of the Lawsuit.



2. H&K and its partners, associates, employees and consultants will disclose any information contained in, or derived from, those sales and use tax records only to: (i) officers, employees or other duly authorized representatives of the City; or (ii) parties in the Lawsuit and the Court in the Lawsuit, but only to the extent reasonably necessary in order to pursue the Lawsuit on behalf of the City and only to the extent authorized by the Court in the Lawsuit.

3. H&K will ensure that each of its partners, associates, employees and consultants who will have access to confidential sales and use tax records has done each of the following prior to, and as a condition of, access to such records: (a) Read this Contract; (b) Signed the list of H&K personnel who will be provided with access to confidential sales and use tax records and information pursuant to this contract; (c) Acknowledged through such signature on the City Attorney's list that he or she is bound by this Contract and by the legal requirements of RTC section 7056 with respect to the confidentiality of sales and use tax records; and (d) Agreed, through such signature, to the extent that such agreement is not prohibited by Rule 1-500 of the California Rules of Professional Conduct, not to provide California state sales and use tax consulting services to any retailer during the term of this Contract.

4. H&K will return or (at the City's request) ensure the destruction of all sales and use tax documents disclosed pursuant to this Contract, as well as all other documents containing information derived from those sales and use tax documents, prior to the termination of this Contract.

5. This Contract shall terminate ninety (90) days after H&K ceases to advise or represent the City in connection with the Lawsuit or any subsequent appellate or administrative proceedings concerning the City's claims that are the subject of the Lawsuit, unless the parties otherwise agree in writing. H&K and its personnel who have been provided with confidential sales and use tax records and information pursuant to this contract shall not retain in their files or in any other document the confidential state sales and use tax information to which they have received access after this contract has terminated.

6. This contract may be amended only in writing signed by the parties hereto.

In witness whereof, Holland & Knight LLP and the City have executed this Agreement as of this 11th day of June, 2009.

CITY OF SANTA FE SPRINGS

HOLLAND & KNIGHT LLP

By \_\_\_\_\_  
Steve Skolnik, City Attorney

By \_\_\_\_\_  
Charles L. Coleman III, Partner

**RESOLUTION NO. 9187**

**RESOLUTION OF THE CITY COUNCIL OF  
THE CITY OF SANTA FE SPRINGS  
FOR ACCESS TO TAX RECORDS AND DOCUMENTS  
PURSUANT TO CAL. REVENUE & TAXATION CODE SECTION 7056(b)**

WHEREAS, the City has retained the law firm of Holland & Knight LLP to represent it in a dispute with the California State Board of Equalization ("SBOE") regarding the allocation and payment of certain sales tax revenues owing to the City pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law (Cal. Rev. & Tax Code §§ 7200, *et seq.*)(the "Act"); and

WHEREAS, pursuant to that representation, litigation has been commenced by the City against the SBOE for violation of the Act and is presently pending in the Superior Court of California for the City and County of San Francisco as Case No. CPF-09-509234 ("the Lawsuit"); and

WHEREAS, section 7056(b) of the Revenue and Taxation Code ("RTC") provides, in pertinent part, that: "When requested by resolution of the legislative body of any . . . city, . . . the board [SBOE] shall permit any duly authorized . . . person designated by that resolution, to examine all of the sales or transactions and use tax records of the board pertaining to the ascertainment of those sales or transactions and use taxes to be collected for the . . . city . . . "; and

WHEREAS, in order for Holland & Knight LLP and its consultants (including Albin C. Koch, Esq.) to assist and represent the City in the Lawsuit, the City has agreed to authorize certain lawyers, staff and consultants working with Holland & Knight LLP to have access to, and examine and use all sales or transactions and use tax records whether held by the SBOE or the City pertaining to the ascertainment of the sales and use taxes at issue in the Lawsuit that are properly due the City; and

WHEREAS, City wishes to provide access to all such tax records otherwise confidential under RTC section 7056 of the Act to certain lawyers, staff and consultants at Holland & Knight LLP;

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS DOES RESOLVE AS FOLLOWS:**

1. Pursuant to RTC Section 7056(b), the City hereby provides, and requests the SBOE to provide, access to the lawyers, staff and consultants working with Holland & Knight LLP on the Lawsuit to examine and use, all confidential records and data of the SBOE pertaining to the ascertainment of the sales and use taxes collected or to be collected by the SBOE that are the subject of the Lawsuit.

2. In order to identify each person to whom access to records is to be provided pursuant to RTC section 7056(b) , the City Attorney shall maintain a list of all lawyers, staff members and consultants of Holland & Knight LLP who will be given such access pursuant to this Resolution;

3. Pursuant to RTC section 7056(b)(1) , the City hereby certifies that:

(A) The City has an existing contract with Holland & Knight LLP to examine the aforementioned sales and use tax records in order to effectively advise and represent the City in the Lawsuit;

(B) The City's contract with Holland & Knight LLP requires that Holland & Knight LLP shall disclose confidential taxpayer information contained in, or derived from, the aforementioned sales or transaction and use tax records only to: (i) officers, employees or other duly authorized representatives of the City; or (ii) parties in the Lawsuit and the Court in the Lawsuit, but only to the extent reasonably necessary in order to pursue the Lawsuit on behalf of the City and only to the extent authorized by the Court in the Lawsuit.

(C) Under the City's contract with Holland & Knight LLP, all lawyers, staff members and consultants of Holland & Knight LLP working on the Lawsuit are prohibited from providing California state sales and use tax consulting services to any retailer during the term of the City's contract with Holland & Knight LLP, to the extent that such agreement is not prohibited by Rule 1-500 of the California Rules of Professional Conduct.

(D) Under the City's contract with Holland & Knight LLP, Holland & Knight LLP is prohibited from retaining the confidential taxpayer information contained in or derived from the aforementioned sales and use tax records after that contract has terminated.

4. The records and information to be provided to Holland & Knight LLP shall be used solely for the purpose of pursuing the City's claims against the SBOE that are the subject of the Lawsuit and for no other purpose, and shall be returned to the City after the contract has terminated.

**PASSED, APPROVED AND ADOPTED** this 11th day of the month of June, 2009.

---

**Louie Gonzalez, Mayor**

**ATTEST:**

---

**Barbara Earl, City Clerk**

# City of Santa Fe Springs

City Council Meeting

June 11, 2009



## **NEW BUSINESS**

### **Application for Alcohol Sales Conditional Use Permit Case No. 49**

Request for Alcohol Sales Conditional Use Permit Case No. 49 to allow the operation and maintenance of an alcoholic beverage use involving the establishment, storage and wholesale distribution of alcoholic beverages at 13225 Marquardt Avenue within the Consolidated Redevelopment Project Area.  
(RPM Consolidated Services, Inc.; Applicant, Shawn Duke)

## **RECOMMENDATION**

1. That the City Council approve Alcohol Sales Conditional Use Permit Case No. 49 for a period of one-year until May 28, 2010, subject to the listed conditions of approval contained within this staff report.

## **BACKGROUND**

RPM Consolidated Services, Inc. is a transportation company located at 13225 Marquardt Avenue, a building within the Golden Springs Business Park commonly known as "Building Q" in the Golden Springs Development Master Plan. RPM, the Applicant, specializes in warehousing and freight distribution. The Applicant is proposing to store the alcoholic beverages on pallets at the location for its customers who need overflow storage space. The product will be warehoused at the location and within a secured area until it is ready to be shipped out.

As is required by Section 155.628 of the Zoning Regulations, RPM Consolidated Services, Inc. is applying for an Alcohol Sales Conditional Use Permit to allow the storage of alcoholic beverages at the above location. Concurrent with this request, the applicant has applied for a Type 14 Warehouse license with the Department of Alcoholic Beverage Control.

## **ZONING ORDINANCE REQUIREMENTS**

Section 155.628 (B), regarding the sale or service of alcoholic beverages, states the following:

"A Conditional Use Permit shall be required for the establishment, continuation or enlargement of any retail, commercial, wholesale, warehousing or manufacturing business engaged in the sale, storage or manufacture of any type of alcoholic

beverage meant for on or off-site consumption. In establishing the requirements for such uses, the Planning Commission and City Council shall consider, among other criteria, the following:

**a. Conformance with parking regulations.**

RPM is a warehouse/distribution operation generally serviced by trucks and trailers. The subject 103,624 sq ft property provides more than the required 152 parking spaces as required by the Zoning Regulations. Parking is also available for trucks and trailers.

**b. Control of vehicle traffic and circulation.**

The subject building provides on-site traffic circulation for both passenger vehicles and truck traffic with access on Marquardt Avenue and Foster Road.

**c. Hours and days of operation.**

*The subject location currently operates Monday to Saturday during normal business hours.*

**d. Security and/or law enforcement plans.**

*As part of the conditions of approval, the Applicant is required to submit a Security Plan to the Department of Police Services within (60) sixty days of the approval of this permit.*

**e. Proximity to sensitive and/or incompatible land uses, such as schools, religious facilities, recreational or other public facilities attended or utilized by minors.**

*The subject use is a warehouse activity and will not deal with retail sales to the public. Therefore, staff does not believe this use will be incompatible to other land uses or public facilities attended or utilized by minors.*

**f. Proximity to other alcoholic beverage uses to prevent the incompatible and undesirable concentration of such uses in an area.**

*The subject use is a warehouse activity only. No onsite sales or consumption is permitted; therefore, proximity to another alcohol beverage use is not a concern.*

**g. Control of noise, including noise mitigation measures.**

*The subject site does not generate any audible noises out of character with other industrial facilities in the area.*

- h. Control of littering, including litter mitigation measures.**  
*As a standard condition of approval, the Applicant is required to keep the property free of litter and debris.*
- i. Property maintenance.**  
*Staff found that the property is in compliance with the City's Property Maintenance Ordinance.*
- j. Control of public nuisance activities, including, but not limited to, disturbance of the peace, illegal controlled substances activity, public drunkenness, drinking in public, harassment of passersby, gambling, prostitution, sale of stolen goods, public urination, theft, assaults, batteries, acts of vandalism, loitering, curfew violations, sale of alcoholic beverages to a minor, lewd conduct or excessive police incident responses resulting from the use.**  
*The applicant will only be storing alcohol at the location; therefore, the negative impacts normally encountered by retail uses involved in alcohol beverage sales are not foreseen at the site. Nevertheless, Staff has generated the attached conditions of approval to address these impacts should they become apparent.*

### **SURROUNDNG ZONING AND LAND USE**

The subject property and the properties to the south, east and north are zoned M-2, Heavy Manufacturing and developed with industrial/warehouse concrete tilt-up buildings with incidental office uses.

The property to the east, across Marquardt Avenue, is in the City of La Mirada and is zoned OS, Open Space, and developed with a community park.

### **STAFF CONSIDERATIONS**

As part of the alcohol sales conditional use permit process, staff conducted an initial review and inspection of the proposed site to ensure compliance with the conditions of approval as set forth in this report.

After conducting said investigation, Staff found that the establishment is currently operating in compliance with the conditions of approval as set forth in this report, and in compliance with the ABC regulations. Based on its findings, staff is recommending approval of an Alcohol Sales Conditional Use Permit for an initial period of one (1) year until May 28, 2010.

**CONDITIONS OF APPROVAL**

1. That this Permit shall be voided if the State Alcohol Beverage Commission does not grant the applicant's request for an Alcohol Sales License to the applicant.
2. That Alcohol Sales Conditional Use Permit Case No. 49 shall not be valid until approved by the City Council and shall be subject to any other conditions the City Council may deem necessary to impose.
3. That the applicant shall store all alcoholic beverages in a secured area of the warehouse designated only for the storage of alcohol. The proposed security system shall be reviewed and approved by the Department of Police Services prior to implementation.
4. That the applicant shall be responsible for maintaining control of litter, debris, boxes, pallets and trash on the subject property.
5. That the required off-street parking areas shall not be encroached on, reduced or used for outdoor storage of trucks, equipment or any other related material.
6. That the applicant and/or his employees shall prohibit the consumption of alcoholic beverages on the subject property at all times.
7. That the alcoholic beverages shall not be sold to the general public from the subject site at any time.
8. That the alcoholic beverages shall be shipped to the applicant's customers by the applicant's commercial trucks and/or other licensed commercial transportation companies and not by personal passenger-type vehicles.
9. That it shall be unlawful for any person who is intoxicated or under the influence of any drug to enter, be at, or remain upon the licensed premises as set forth in Section 25602(a) of the State Business and Professions Code.
10. That it shall be unlawful to have upon the subject premises any alcoholic beverage other than the alcoholic beverage(s) which the licensee is authorized by the State ABC to sell under the licensee's license, as set forth in Section 25607(a) of the State Business and Professions Code.

11. That this permit is contingent upon the approval by the Department of Police Services of an updated security plan that, within sixty (60) days of the effective date of this approval, shall be submitted by the applicant and shall address the following for the purpose of minimizing risks to the public health, welfare and safety:
  - (A) A description of the storage and accessibility of alcohol beverages on display as well as surplus alcohol beverages in storage;
  - (B) A description of crime prevention barriers in place at the subject premises, including, but not limited to, placement of signage, landscaping, ingress and egress controls, security systems and site plan layouts;
  - (C) A description of how the permittee plans to educate employees on their responsibilities, actions required of them with respect to enforcement of laws dealing with the sale of alcohol to minors and the conditions of approval set forth herein;
  - (D) A business policy requiring employees to notify the Police Services Center of any potential violations of the law or this Conditional Use Permit occurring on the subject premises and the procedures for such notifications.
  - (E) The City's Director of Police Services may, at his discretion, require amendments to the Security Plan to assure the protection of the public's health, welfare and safety
12. That the owner, corporate officers and managers shall cooperate fully with all City officials, law enforcement personnel and code enforcement officers and shall not obstruct or impede their entrance into the licensed premises while in the course of their official duties.
13. That a copy of these conditions shall be posted and maintained with a copy of the City Business License and Fire Department Permits in a place conspicuous to all employees of the location.
14. That failure to comply with the foregoing conditions shall be cause for suspension and/or revocation of this Permit.
15. That in the event the owner(s) intend to sell, lease or sublease the subject business operation or transfer the subject Permit to party or licensee, the Director of Police Services shall be notified in writing of said intention not less than (60) days prior to signing of the agreement to sell or sublease.



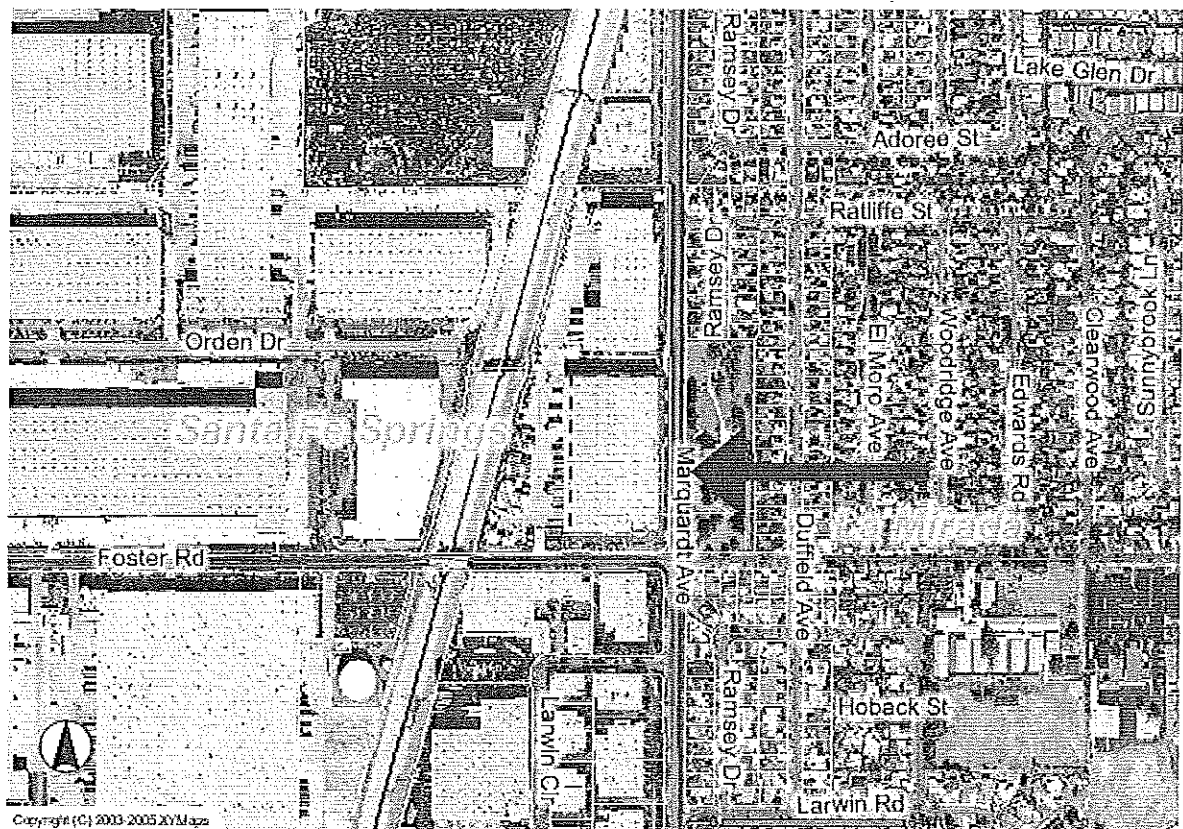
16. That this Permit shall be valid for an initial period of (1) one year until May 28, 2010. At the end of the period, the Applicant may request an extension of the privileges granted herein, provided that the use has been continuously maintained in strict compliance with these conditions of approval.
17. That all other applicable requirements of the City Zoning Regulations, Uniform Building Code, Uniform Fire Code, the determinations of the City and State Fire Marshall, and all other applicable regulations shall be strictly complied with.
18. That this Permit shall not be effective for any purpose until the Applicant has filed with the City of Santa Fe Springs an affidavit stating that he/she is aware of and accepts all the conditions of this Permit.
19. It is hereby declared to be the intent that if any provision of this Permit is violated or held to be invalid, or if any law, statute or ordinance is violated, the Permit shall be void and the privileges granted hereunder shall lapse.
20. That the applicant shall not allow any vehicles/trucks to queue on the streets, use streets as a waiting area, or to backup onto the street from the subject property.



Frederick W. Latham  
City Manager

Attachment(s)

1. Location Map



## CITY OF SANTA FE SPRINGS

Alcohol Sales Conditional Use Permit Case No. 49  
RPM Consolidated Services Inc.  
13225 Marquardt Avenue  
Santa Fe Springs, CA 90670



# *City of Santa Fe Springs*

City Council Meeting

June 11, 2009

## **NEW BUSINESS**

Resolution No. 9189 – Adoption Of Annual Appropriation Limit For Fiscal Year 2009-2010

## **RECOMMENDATION**

That the City Council adopt Resolution No. 9189 adopting the appropriation limit for Fiscal Year 2009-2010 (roll call vote required).

## **BACKGROUND**

As required by State law, the City Council annually revises the appropriation limit for each upcoming fiscal year. We recently received information regarding the various factors that we may use to adjust the appropriations limit for Fiscal Year 2009-2010.

For the cost of living adjustment, the law allows a choice between the increase in California per capita income (0.62%), or the percentage change in the local assessment roll due to the addition of non-residential new construction (12.21%). For the population growth adjustment, the law allows a choice between the Los Angeles County population increase (0.90%), or the City of Santa Fe Springs' own population growth (0.54%).

Using the most advantageous factors above, the City's appropriation limit for Fiscal Year 2009-2010 is calculated to be \$535,068,363. The City's Fiscal Year 2009-2010 budget subject to this limit is well within this cap. The appropriation limit calculation is detailed in Exhibit A of Resolution No. 9189.

A handwritten signature in black ink, appearing to read "F. Latham".

Frederick W. Latham  
City Manager

## **Attachment(s)**

Resolution No. 9189 (including Exhibit A).

**RESOLUTION NO. 9189**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS  
ADOPTING THE ANNUAL APPROPRIATION LIMIT FOR THE FISCAL YEAR 2009-  
2010**

**WHEREAS**, the City Council must annually adjust the appropriation limit based on either the change in the California Per Capita Income or the percentage change in local assessment roll from the preceding year due to the addition of local non-residential construction in the City and either the City's own population growth or the population growth of the entire county; and

**WHEREAS**, the decision as to which of the options to select must be done by a recorded vote of the City Council;

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS DOES RESOLVE AS FOLLOWS:**

Section 1: In calculating the appropriation limit, the City has utilized the increase in the percentage change in local assessment roll from the preceding year due to the addition of local non-residential construction in the City for Fiscal Year 2008-2009 of 12.21%.

Section 2: In calculating the appropriation limit, the City has utilized the population growth factor for the County of Los Angeles from January 1, 2008 to January 1, 2009 of 0.90%.

Section 3: The appropriation limit for Fiscal Year 2009-2010 is \$535,068,363 as calculated on Exhibit "A" attached hereto.

Section 4: The City reserves the right to change or revise any growth factors associated with the calculation of the appropriation limit in the present or future.

Section 5: The City Clerk shall certify to the adoption of this Resolution.

**PASSED, APPROVED AND ADOPTED THIS 11<sup>th</sup> day of June, 2009.**

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Mayor

**ATTEST:**

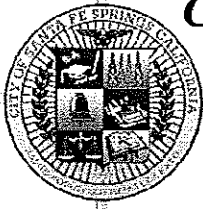
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City Clerk

## EXHIBIT A

### CALCULATION OF APPROPRIATION LIMIT FISCAL YEAR 2009/2010

Fiscal Year 2008/2009 Appropriation Limit	\$ <u>472,592,195</u>
Adjustment for 12.21% change in Local assessment roll due to the addition of local non-residential new construction	<u>57,703,507</u>
As adjusted for nonresidential new construction	530,295,702
Adjustment for 0.90% change in Los Angeles County Population	<u>4,772,661</u>
<b>Fiscal Year 2009/2010 Appropriation Limit</b>	<b>\$ <u>535,068,363</u></b>



# *City of Santa Fe Springs*

City Council Meeting

June 11, 2009

## **NEW BUSINESS**

Agreement with CalPERS to Prefund Other Post Employment Benefits (OPEBs) through the California Employers' Retiree Benefit Trust Fund (CERBT)

### **RECOMMENDATION**

That City Council approve an agreement with the California Public Employees Retirement System (CalPERS) for trust administration in prefunding "Other Post Employment Benefits" (OPEB) and approve delegation of authority for disbursements from the OPEB trust.

### **BACKGROUND**

In June 2004, the Governmental Accounting Standards Board (GASB) approved Statement No. 45 (GASB 45), which established measurement and reporting standards for state and local government OPEB expenditures. For most governments, including the City of Santa Fe Springs, the largest of these benefits is the funding of retiree medical costs. GASB 45 requires government employers to report the costs that they will incur when they provide OPEB benefits as part of the ongoing compensation for services rendered by current employees. Under GASB 45, employers will have to start assigning an actuarial value and reporting the liability for OPEB in the current fiscal year (2008-09).

In preparation for this reporting requirement, last year the City contracted with Bartel and Associates (Bartel) for an actuarial analysis. Bartel determined that the City's OPEB liability was approximately \$55 million, subsequently providing the Council with a report in May 2008.

### **"PAY AS YOU GO" VS OPEB TRUSTS**

Historically, the City (like most public employers) has funded retiree OPEB on a "pay as you go" basis. This means the City has only paid OPEB costs after employees retired. In FY 2008-09 the City will be paying approximately \$1.6 million in retiree OPEBs on a "pay as you go" basis. Unfortunately, this approach understates the true amount necessary, as OPEB costs are deferred until the employees retire in the future. OPEB Trusts are a funding vehicle used by employers to "prefund" the future costs of their retiree OPEB benefits as the employee services are rendered. Once funds are deposited in these irrevocable trusts, they may not be withdrawn for any purpose other



# *City of Santa Fe Springs*

City Council Meeting

June 11, 2009

than funding the costs of the employer's retiree OPEB benefits. Under GASB 45, failure to have an irrevocable trust (or formally show how the City plans to fund this liability) will have a negative impact on cities' credit ratings. This will affect the cost and ability of cities to issue bonds or possibly enter into lease purchase agreements, both of which have an impact on the City of Santa Fe Springs.

OPEB Trusts provide agencies with a fiscally sound option for ensuring they are able to meet their OPEB liability in the most cost-effective manner. There are two primary benefits to entering a trust. First, these contributions are placed in long-term investment vehicles which have the potential to generate greater earnings than those the City's investment portfolio would normally provide. Second, GASB 45 regulations require that until the funds are transferred to an irrevocable trust, an employer must disclose that its liability is unfunded because the funds are still held directly under the employer's control and could be expended on non-OPEB uses.

## TRUST OPTIONS

Over the course of the last year we have been reviewing two of the most popular and favorable trust options: CalPERS and PARS (Public Agency Retirement Services). Staff, including representatives from the two employee associations, interviewed and evaluated both trust plans. After careful consideration, staff found CalPERS to be the best option.

## CALPERS

CalPERS created the California Employers' Retiree Benefit Trust Fund (CERBT) in March 2007. They have an established investment program. CalPERS has a history of outstanding investment performance, with earnings paying 75% of CalPERS pension benefits. They project a long-term investment rate of return of 7.75%. There is a level of risk in the CalPERS portfolio in order to earn this higher level of return. Obviously, during the last year CalPERS along with most institutional investors has suffered significant losses.

It is expected that over time CERBT will generate considerable revenues to apply towards future benefit costs. Additionally, administrative costs are very reasonable (about .2% of a members' trust amount). This is partially due to the larger member base, which CalPERS can use to spread their costs. CalPERS has more than 200 agencies already enrolled in the trust fund throughout the state.



# *City of Santa Fe Springs*

City Council Meeting

June 11, 2009

## SUMMARY

It is important to recognize the benefit of "prefunding" through a trust rather than using the "pay as you go" method. The trust option allows the City to decrease the use of taxpayer dollars by using investment earnings to pay for a significant portion of future OPEB costs. As the number of retirees and the amount of benefit costs increases, cities utilizing the "pay as you go" method will experience a greater financial burden on future budgets. In recognition of this imminent problem, selecting the CalPERS CERBT is the most prudent approach.

## FISCAL IMPACT

In June 2008, based on the Bartel actuarial study the Council adopted a ten-year phase-in funding approach and allocated \$221,000 in the FY 2008-09 Budget towards pre-funding OPEB through a future trust. This amount is in addition to the previously-mentioned \$1.6 million budgeted in retiree OPEB on a "pay as you go" basis. Entering into a CalPERS trust would further formalize the City's commitment to continue the ten-year phase-in approach requiring that additional future funding be allocated through a trust. For FY 2009-10 this additional amount would be approximately \$400,000 in addition to the "pay as you go" amount. These funds have been included in the Preliminary Draft Budget for FY 2009-10.

A handwritten signature in black ink, appearing to read "F. Latham", is positioned above the printed name of the City Manager.

Frederick W. Latham  
City Manager

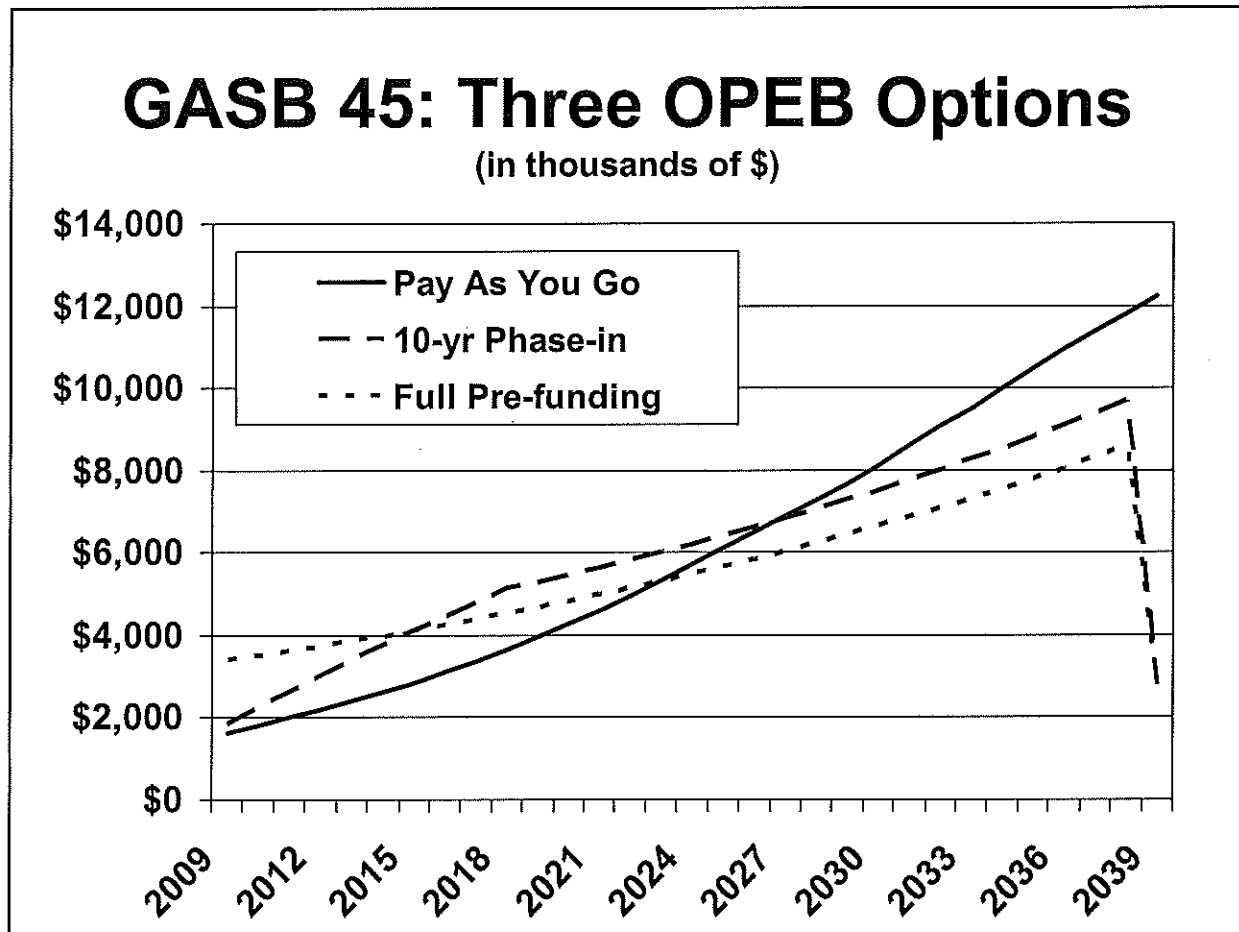
## Attachment(s)

OPEB Contributions Chart - Three (3) Options (Exhibit A)

Agreement and Election to Prefund Other Post Employment Benefits Through CalPERS (Exhibit B)

Delegation of Authority to Request Disbursements (Exhibit C)





**CALIFORNIA EMPLOYER'S RETIREE BENEFIT TRUST PROGRAM ("CERBT")**

**AGREEMENT AND ELECTION  
OF**

City of Santa Fe Springs

---

(NAME OF EMPLOYER)

**TO PREFUND OTHER POST EMPLOYMENT  
BENEFITS THROUGH CalPERS**

WHEREAS (1) Government Code Section 22940 establishes in the State Treasury the Annuitants' Health Care Coverage Fund for the prefunding of health care coverage for annuitants (Prefunding Plan); and

WHEREAS (2) The California Public Employees' Retirement System (CalPERS) Board of Administration (Board) has sole and exclusive control and power over the administration and investment of the Prefunding Plan (sometimes also referred to as CERBT), the purposes of which include, but are not limited to (i) receiving contributions from participating employers and establishing separate Employer Prefunding Accounts in the Prefunding Plan for the performance of an essential governmental function (ii) investing contributed amounts and income thereon, if any, in order to receive yield on the funds and (iii) disbursing contributed amounts and income thereon, if any, to pay for costs of administration of the Prefunding Plan and to pay for health care costs or other post employment benefits in accordance with the terms of participating employers' plans; and

WHEREAS (3) City of Santa Fe Springs  
(NAME OF EMPLOYER)

(Employer) desires to participate in the Prefunding Plan upon the terms and conditions set by the Board and as set forth herein; and

WHEREAS (4) Employer may participate in the Prefunding Plan upon (i) approval by the Board and (ii) filing a duly adopted and executed Agreement and Election to Prefund Other Post Employment Benefits (Agreement) as provided in the terms and conditions of the Agreement; and

WHEREAS (5) The Prefunding Plan is a trust fund that is intended to perform an essential governmental function within the meaning of Section 115 of the Internal Revenue Code as an agent multiple-employer plan as defined in Governmental Accounting Standards Board (GASB) Statement No. 43 consisting of an aggregation of single-employer plans, with pooled administrative and investment functions;

NOW, THEREFORE, BE IT RESOLVED THAT EMPLOYER HEREBY MAKES THE FOLLOWING REPRESENTATION AND WARRANTY AND THAT THE BOARD AND EMPLOYER AGREE TO THE FOLLOWING TERMS AND CONDITIONS:

A. Representation and Warranty

Employer represents and warrants that it is a political subdivision of the State of California or an entity whose income is excluded from gross income under Section 115 (1) of the Internal Revenue Code.

B. Adoption and Approval of the Agreement; Effective Date; Amendment

(1) Employer's governing body shall elect to participate in the Prefunding Plan by adopting this Agreement and filing with the CalPERS Board a true and correct original or certified copy of this Agreement as follows:

Filing by mail, send to: CalPERS  
Constituent Relations Office  
CERBT (OPEB)  
P.O. Box 942709  
Sacramento, CA 94229-2709

Filing in person, deliver to: CalPERS Mailroom  
Attn: Employer Services Division  
400 Q Street  
Sacramento, CA 95814

(2) Upon receipt of the executed Agreement, and after approval by the Board, the Board shall fix an effective date and shall promptly notify Employer of the effective date of the Agreement.

(3) The terms of this Agreement may be amended only in writing upon the agreement of both CalPERS and Employer, except as otherwise provided herein. Any such amendment or modification to this Agreement shall be adopted and executed in the same manner as required for the Agreement. Upon receipt of the executed amendment or modification, the Board shall fix the effective date of the amendment or modification.

(4) The Board shall institute such procedures and processes as it deems necessary to administer the Prefunding Plan, to carry out the purposes of this Agreement, and to maintain the tax exempt status of the Prefunding Plan. Employer agrees to follow such procedures and processes.

### C. Actuarial Valuation and Employer Contributions

(1) Employer shall provide to the Board an actuarial valuation report on the basis of the actuarial assumptions and methods prescribed by the Board. Such report shall be for the Board's use in financial reporting, shall be prepared at least as often as the minimum frequency required by GASB Statement No. 43, and shall be:

- (a) prepared and signed by a Fellow or Associate of the Society of Actuaries who is also a Member of the American Academy of Actuaries or a person with equivalent qualifications acceptable to the Board;
- (b) prepared in accordance with generally accepted actuarial practice and GASB Statement Nos. 43 and 45; and,
- (c) provided to the Board prior to the Board's acceptance of contributions for the valuation period or as otherwise required by the Board.

(2) The Board may reject any actuarial valuation report submitted to it, but shall not unreasonably do so. In the event that the Board determines, in its sole discretion, that the actuarial valuation report is not suitable for use in the Board's financial statements or if Employer fails to provide a required actuarial valuation, the Board may obtain, at Employer's expense, an actuarial valuation that meets the Board's financial reporting needs. The Board may recover from Employer the cost of obtaining such actuarial valuation by billing and collecting from Employer or by deducting the amount from Employer's account in the Prefunding Plan.

(3) Employer shall notify the Board of the amount and time of contributions which contributions shall be made in the manner established by the Board.

(4) Employer contributions to the Prefunding Plan may be limited to the amount necessary to fully fund Employer's actuarial present value of total projected benefits, as supported by the actuarial valuation acceptable to the Board. As used throughout this document, the meaning of the term "actuarial present value of total projected benefits" is as defined in GASB Statement No. 45. If Employer's contribution causes its assets in the Prefunding Plan to exceed the amount required to fully fund the actuarial present value of total projected benefits, the Board may refuse to accept the contribution.

(5) The minimum Employer contribution will be at least \$5000 or be equal to Employer's Annual Required Contribution, whichever is less, as that term is defined in GASB Statement No. 45. Contributions can be made at any time following the seventh day after the effective date of the Agreement provided that Employer has first complied with the requirements of Paragraph C.

#### D. Administration of Accounts, Investments, Allocation of Income

- (1) The Board has established the Prefunding Plan as an agent plan consisting of an aggregation of single-employer plans, with pooled administrative and investment functions, under the terms of which separate accounts will be maintained for each employer so that Employer's assets will provide benefits only under employer's plan.
- (2) All Employer contributions and assets attributable to Employer contributions shall be separately accounted for in the Prefunding Plan (Employer's Prefunding Account).
- (3) Employer's Prefunding Account assets may be aggregated with prefunding account assets of other employers and may be co-invested by the Board in any asset classes appropriate for a Section 115 Trust.
- (4) The Board may deduct the costs of administration of the Prefunding Plan from the investment income or Employer's Prefunding Account in a manner determined by the Board.
- (5) Investment income shall be allocated among employers and posted to Employer's Prefunding Account as determined by the Board but no less frequently than annually.
- (6) If Employer's assets in the Prefunding Plan exceed the amount required to fully fund the actuarial present value of total projected benefits, the Board, in compliance with applicable accounting and legal requirements, may return such excess to Employer.

#### E. Reports and Statements

- (1) Employer shall submit with each contribution a contribution report in the form and containing the information prescribed by the Board.
- (2) The Board shall prepare and provide a statement of Employer's Prefunding Account at least annually reflecting the balance in Employer's Prefunding Account, contributions made during the period and income allocated during the period, and such other information as the Board determines.

#### F. Disbursements

- (1) Employer may receive disbursements not to exceed the annual premium and other costs of post employment healthcare benefits and other post employment benefits as defined in GASB 43.
- (2) Employer shall notify CalPERS in writing in the manner specified by CalPERS of the persons authorized to request disbursements from the Prefunding Plan on behalf of Employer.

(3) Employer's request for disbursement shall be in writing signed by Employer's authorized representative, in accordance with procedures established by the Board. The Board may require that Employer certify or otherwise establish that the monies will be used for the purposes of the Prefunding Plan.

(4) Requests for disbursements that satisfy the requirements of paragraphs (2) and (3) that are received on or after the first of a month will be processed by the 15<sup>th</sup> of the following month. (For example, a disbursement request received on or between March 1st and March 31st will be processed by April 15th; and a disbursement request received on or between April 1st and April 30th will be processed by May 15th.)

(5) CalPERS shall not be liable for amounts disbursed in error if it has acted upon the written instruction of an individual authorized by Employer to request disbursements. In the event of any other erroneous disbursement, the extent of CalPERS' liability shall be the actual dollar amount of the disbursement, plus interest at the actual earnings rate but not less than zero.

(6) No disbursement shall be made from the Prefunding Plan which exceeds the balance in Employer's Prefunding Account.

#### G. Costs of Administration

Employer shall pay its share of the costs of administration of the Prefunding Plan, as determined by the Board.

#### H. Termination of Employer Participation in Prefunding Plan

(1) The Board may terminate Employer's participation in the Prefunding Plan if:

(a) Employer gives written notice to the Board of its election to terminate;

(b) The Board finds that Employer fails to satisfy the terms and conditions of this Agreement or of the Board's rules or regulations.

(2) If Employer's participation in the Prefunding Plan terminates for any of the foregoing reasons, all assets in Employer's Prefunding Account shall remain in the Prefunding Plan, except as otherwise provided below, and shall continue to be invested and accrue income as provided in Paragraph D.

(3) After Employer's participation in the Prefunding Plan terminates, Employer may not make contributions to the Prefunding Plan.

(4) After Employer's participation in the Prefunding Plan terminates, disbursements from Employer's Prefunding Account may continue upon Employer's instruction or otherwise in accordance with the terms of this Agreement.

(5) After thirty-six (36) months have elapsed from the effective date of this Agreement:

- (a) Employer may request a trustee to trustee transfer of the assets in Employer's Prefunding Account. Upon satisfactory showing to the Board that the transfer will satisfy applicable requirements of the Internal Revenue Code and the Board's fiduciary duties, then the Board shall effect the transfer within one hundred twenty (120) days. The amount to be transferred shall be the amount in the Employer's Prefunding Account as of the disbursement date and shall include investment earnings up to the investment earnings allocation date immediately preceding the disbursement date. In no event shall the investment earnings allocation date precede the transfer by more than 120 days.
- (b) Employer may request a disbursement of the assets in Employer's Prefunding Account. Upon satisfactory showing to the Board that all of Employer's obligations for payment of post employment health care benefits and other post employment benefits and reasonable administrative costs of the Board have been satisfied, then the Board shall effect the disbursement within one hundred twenty (120) days. The amount to be disbursed shall be the amount in the Employer's Prefunding Account as of the disbursement date and shall include investment earnings up to the investment earnings allocation date immediately preceding the disbursement date. In no event shall the investment earnings allocation date precede the disbursement by more than 120 days.

(6) After Employer's participation in the Prefunding Plan terminates and at such time that no assets remain in Employer's Prefunding Account, this Agreement shall terminate.

(7) If, for any reason, the Board terminates the Prefunding Plan, the assets in Employer's Prefunding Account shall be paid to Employer after retention of (i) amounts sufficient to pay post employment health care benefits and other post employment benefits to annuitants for current and future annuitants described by the employer's current substantive plan (as defined in GASB 43), and (ii) amounts sufficient to pay reasonable administrative costs of the Board.

(8) If Employer ceases to exist but Employer's Prefunding Plan continues to exist and if no provision has been made by Employer for ongoing payments to pay post employment health care benefits and other post employment benefits to annuitants for current and future annuitants, the Board is authorized to and shall appoint a third party administrator to carry out Employer's Prefunding Plan. Any and all costs associated

with such appointment shall be paid from the assets attributable to contributions by Employer.

(9) If Employer should breach the representation and warranty set forth in Paragraph A., the Board shall take whatever action it deems necessary to preserve the tax-exempt status of the Prefunding Plan.

#### I. General Provisions

##### (1) Books and Records.

Employer shall keep accurate books and records connected with the performance of this Agreement. Employer shall ensure that books and records of subcontractors, suppliers, and other providers shall also be accurately maintained. Such books and records shall be kept in a secure location at the Employer's office(s) and shall be available for inspection and copying by CalPERS and its representatives.

##### (2) Audit.

- (a) During and for three years after the term of this Agreement, Employer shall permit the Bureau of State Audits, CalPERS, and its authorized representatives, and such consultants and specialists as needed, at all reasonable times during normal business hours to inspect and copy, at the expense of CalPERS, books and records of Employer relating to its performance of this Agreement.
- (b) Employer shall be subject to examination and audit by the Bureau of State Audits, CalPERS, and its authorized representatives, and such consultants and specialists as needed, during the term of this Agreement and for three years after final payment under this Agreement. Any examination or audit shall be confined to those matters connected with the performance of this Agreement, including, but not limited to, the costs of administering this Agreement. Employer shall cooperate fully with the Bureau of State Audits, CalPERS, and its authorized representatives, and such consultants and specialists as needed, in connection with any examination or audit. All adjustments, payments, and/or reimbursements determined to be necessary by any examination or audit shall be made promptly by the appropriate party.

##### (3) Notice.

- (a) Any notice, approval, or other communication required or permitted under this Agreement will be given in the English language and will be deemed received as follows:



1. Personal delivery. When personally delivered to the recipient. Notice is effective on delivery.
2. First Class Mail. When mailed first class to the last address of the recipient known to the party giving notice. Notice is effective three delivery days after deposit in a United States Postal Service office or mailbox.
3. Certified mail. When mailed certified mail, return receipt requested. Notice is effective on receipt, if delivery is confirmed by a return receipt.
4. Overnight Delivery. When delivered by an overnight delivery service, charges prepaid or charged to the sender's account, Notice is effective on delivery, if delivery is confirmed by the delivery service.
5. Telex or Facsimile Transmission. When sent by telex or fax to the last telex or fax number of the recipient known to the party giving notice. Notice is effective on receipt, provided that (i) a duplicate copy of the notice is promptly given by first-class or certified mail or by overnight delivery, or (ii) the receiving party delivers a written confirmation of receipt. Any notice given by telex or fax shall be deemed received on the next business day if it is received after 5:00 p.m. (recipient's time) or on a nonbusiness day.
6. E-mail transmission. When sent by e-mail using software that provides unmodifiable proof (i) that the message was sent, (ii) that the message was delivered to the recipient's information processing system, and (iii) of the time and date the message was delivered to the recipient along with a verifiable electronic record of the exact content of the message sent.

Addresses for the purpose of giving notice are as shown in Paragraph B.(1) of this Agreement.

- (b) Any correctly addressed notice that is refused, unclaimed, or undeliverable because of an act or omission of the party to be notified shall be deemed effective as of the first date that said notice was refused, unclaimed, or deemed undeliverable by the postal authorities, messenger or overnight delivery service.
- (c) Any party may change its address, telex, fax number, or e-mail address by giving the other party notice of the change in any manner permitted by this Agreement.

- (d) All notices, requests, demands, amendments, modifications or other communications under this Agreement shall be in writing. Notice shall be sufficient for all such purposes if personally delivered, sent by first class, registered or certified mail, return receipt requested, delivery by courier with receipt of delivery, facsimile transmission with written confirmation of receipt by recipient, or e-mail delivery with verifiable and unmodifiable proof of content and time and date of sending by sender and delivery to recipient. Notice is effective on confirmed receipt by recipient or 3 business days after sending, whichever is sooner.

#### (4) Modification

This Agreement may be supplemented, amended, or modified only by the mutual agreement of the parties. No supplement, amendment, or modification of this Agreement shall be binding unless it is in writing and signed by the party to be charged.

#### (5) Survival

All representations, warranties, and covenants contained in this Agreement, or in any instrument, certificate, exhibit, or other writing intended by the parties to be a part of their Agreement shall survive the termination of this Agreement until such time as all amounts in Employer's Prefunding Account have been disbursed.

#### (6) Waiver

No waiver of a breach, failure of any condition, or any right or remedy contained in or granted by the provisions of this Agreement shall be effective unless it is in writing and signed by the party waiving the breach, failure, right, or remedy. No waiver of any breach, failure, right, or remedy shall be deemed a waiver of any other breach, failure, right, or remedy, whether or not similar, nor shall any waiver constitute a continuing waiver unless the writing so specifies.

#### (7) Necessary Acts, Further Assurances

The parties shall at their own cost and expense execute and deliver such further documents and instruments and shall take such other actions as may be reasonably required or appropriate to evidence or carry out the intent and purposes of this Agreement.

A majority vote of Employer's Governing Body at a public meeting held on the 11th day of the month of June in the year 2009, authorized entering into this Agreement.

Signature of the Presiding Officer: \_\_\_\_\_

Printed Name of the Presiding Officer: Luis M. Gonzalez

Name of Governing Body: City Council

Name of Employer: City of Santa Fe Springs

Date: June 11, 2009

BOARD OF ADMINISTRATION  
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BY \_\_\_\_\_  
KENNETH W. MARZION  
ACTUARIAL AND EMPLOYER SERVICES BRANCH  
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

To be completed by CalPERS

The effective date of this Agreement is: \_\_\_\_\_



## DELEGATION OF AUTHORITY TO REQUEST DISBURSEMENTS

### RESOLUTION OF THE

City Council  
(GOVERNING BODY)

### OF THE

City of Santa Fe Springs  
(NAME OF EMPLOYER)

The City Council delegates to the incumbents in  
(GOVERNING BODY)

the positions of City Manager, Dir of Finance & Admin. Svcs and  
(TITLE)

Accounting Manager authority to request on behalf  
(TITLE)

of the Employer disbursements from the Other Post Employment Prefunding

Plan and to certify as to the purpose for which the disbursed funds will be used.

By Luis M. Gonzalez

Title Mayor

Witness \_\_\_\_\_

Date \_\_\_\_\_



# City of Santa Fe Springs

City Council Meeting

June 11, 2009

## NEW BUSINESS

### Eastside Transit Corridor Phase 2

#### RECOMMENDATION

That the City Council direct the City Manager to advise MTA of the following:

1. That MTA should continue consideration of the Washington Boulevard alignment as a viable alternative provided that issues raised by the City can be resolved or mitigated by MTA staff;
2. That the City has no objection to removing the SR-60 alignment from further consideration; and
3. That the City has no preference regarding the Beverly Boulevard and Whittier Boulevard alignments.

#### BACKGROUND

The Eastside Transit Corridor Phase 1 project which will run from Union Station through East Los Angeles is completed and scheduled to open to the public within the next three months. MTA is currently evaluating alternatives for the extension of the Eastside Transit Corridor Phase 2 project into Southeast Los Angeles County. They are seeking to provide a reliable transit alternative to driving and improve mobility in the region.

Since Summer 2007, MTA has worked with corridor cities to identify the most promising alignments. Through this process 47 alignment alternatives were identified. These alternatives were then screened down to 17 feasible alternatives, and a second round of screening further reduced the list to five alternatives. Now, based on subsequent community feedback and final screening evaluation, MTA staff is recommending that four final alternatives undergo further environmental review.

MTA staff has also studied the feasibility of different transit modes for each alignment such as Light Rail Transit (LRT) and Bus Rapid Transit (BRT, similar to MTA's Orange Line). Based on technical considerations and community input, MTA staff is recommending that only light rail transit alternatives be studied in the next phase of this project.

Light rail trains are usually one to three cars in length and run on electricity conveyed from overhead wires. Examples of light rail lines already operating in Los Angeles County are the Metro Gold Line, Blue Line and Green Line. Light rail trains are known for quieter operations than buses and other rail transit modes, and for having frequent station stops (usually one mile apart) that integrate with residential,

Report Submitted By:

Don Jensen, Director  
Department of Public Works

Date of Report: June 3, 2009

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business and retail corridors. Light rail trains are versatile and can run at street level, on elevated tracks or below ground.

In addition to the four light rail transit (LRT) alternatives, MTA will also study a No Build Alternative and a Transportation Systems Management (TSM) alternative in the Draft Environmental Impact Statement/Draft Environmental Impact Report.

The four light rail (LRT) transit alternatives are as follows:

1. SR-60—This alignment follows the southern edge of the Pomona Freeway within its existing right of way and would terminate just east of the I-605 Freeway.
2. Beverly Boulevard—This alignment follows SR-60 for a short stretch before traveling south on Garfield Avenue to Beverly Boulevard. This alignment continues east on Beverly Boulevard until the I-605 Freeway where it then utilizes the Whittier Greenway trail to reach Whittier Boulevard.
3. Beverly Boulevard/Whittier Boulevard—This alignment follows the same route as the Beverly Boulevard alignment until it reaches Montebello Boulevard, where it heads south to Whittier Boulevard. Once on Whittier Boulevard, this alignment transitions to elevated structures to cross two rivers and the I-605 freeway before ending at-grade in the City of Whittier at Five Points.
4. Washington Boulevard—This alignment follows SR-60 to Garfield Avenue, then south to Washington Boulevard. From there, the alignment continues east through Commerce, Montebello, Pico Rivera, Santa Fe Springs to Whittier. This alignment is elevated along parts of Garfield Avenue and all of Washington Boulevard, so as to eliminate conflicts with truck traffic on the Washington Boulevard Corridor.

The Washington Boulevard alignment would provide the only direct connection to the Eastside Transit Corridor for Santa Fe Springs, although it would be located about 1.8 miles from the City's nearest concentrated residential area. Based on cost estimates and ridership projections, the Washington Boulevard alignment has the distinction of having the highest transit ridership projections and also has the highest construction costs.

The projected placement of stations indicates that there are proposed stations on Washington Boulevard east of Norwalk Boulevard and Washington Boulevard at Lambert Road. Staff sent a letter to MTA in May 2008 expressing concerns with the Washington Boulevard alignment which was originally completely an at-grade alignment. These concerns were mainly regarding potential loss of business access, potential loss of street width and potential loss of businesses and/or property that would be taken to provide parking at station locations. Although MTA has since indicated that this alignment will be elevated along Washington

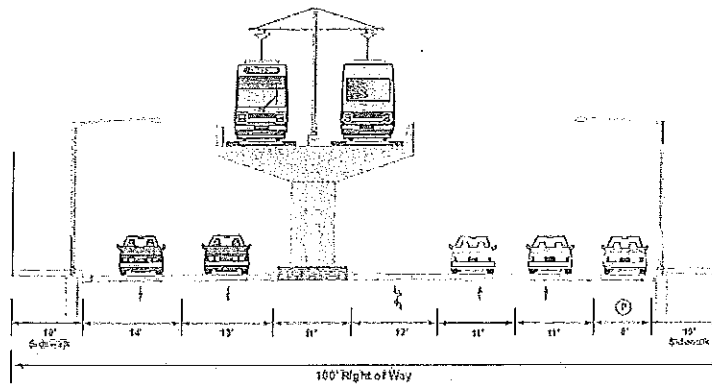
Boulevard, the aforementioned concerns are still valid in addition to aesthetic concerns for the overhead structures and overhead wiring. Attached are cross sections of the elevated structure and proposed stations showing the impact to the street width of Washington Boulevard (Exhibit "A"). If these issues can be addressed by MTA and the construction impacts minimized, the Washington Boulevard alignment can be considered a viable alternative.



Frederick W. Latham  
City Manager

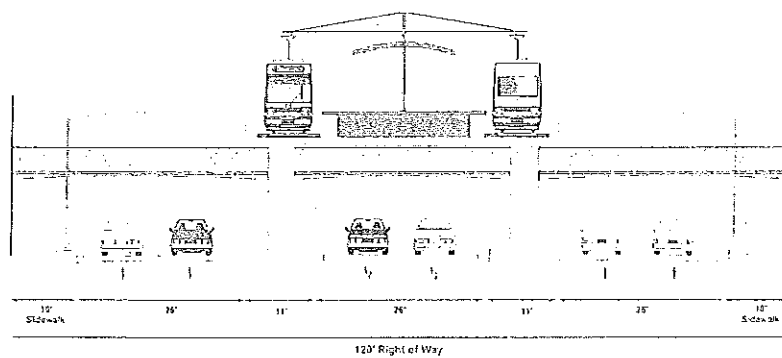
Attachment(s)  
Exhibit A

## Washington Blvd. East of Norwalk



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## Aerial Station Over Roadway Median Prototype

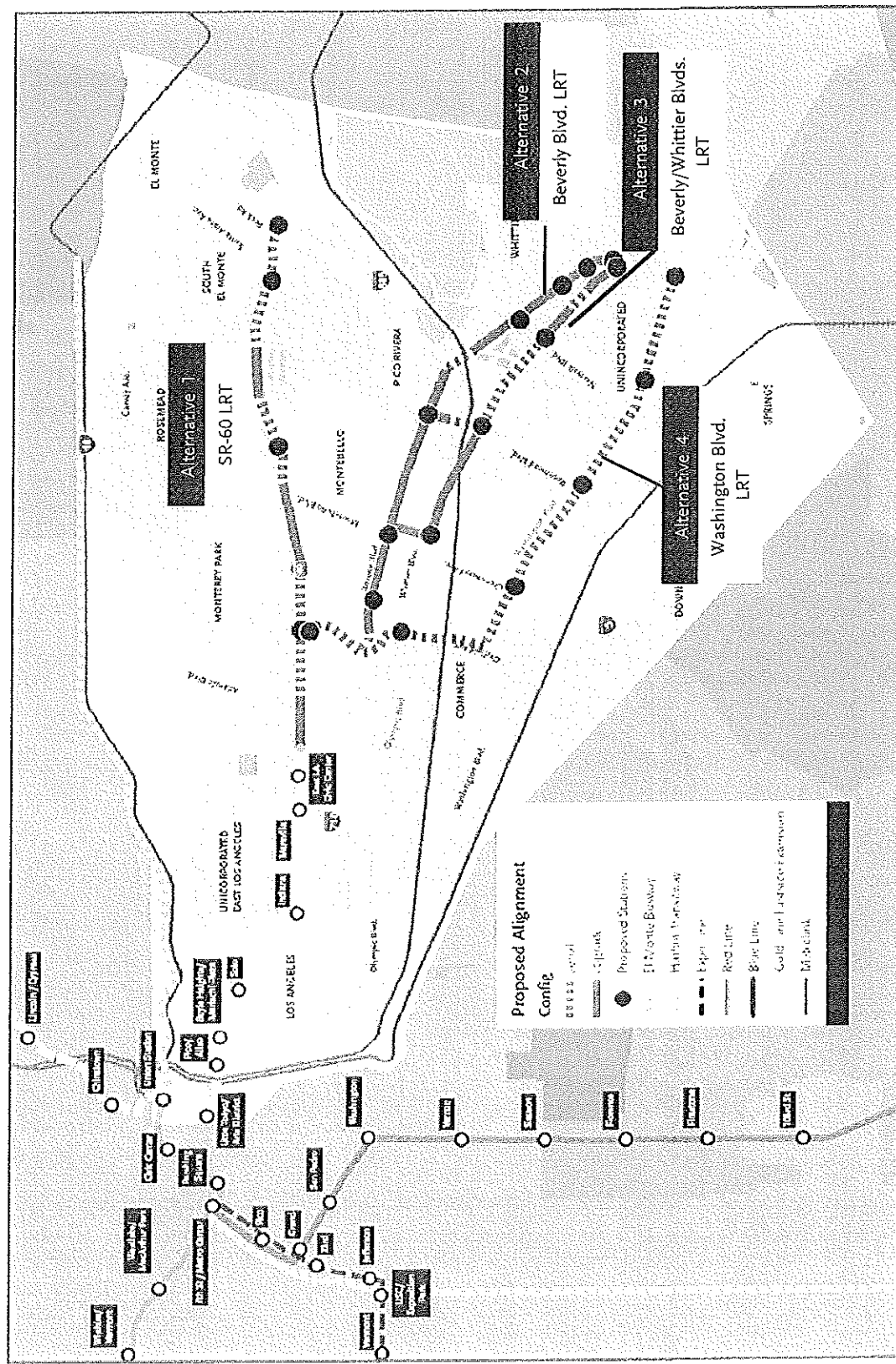


22

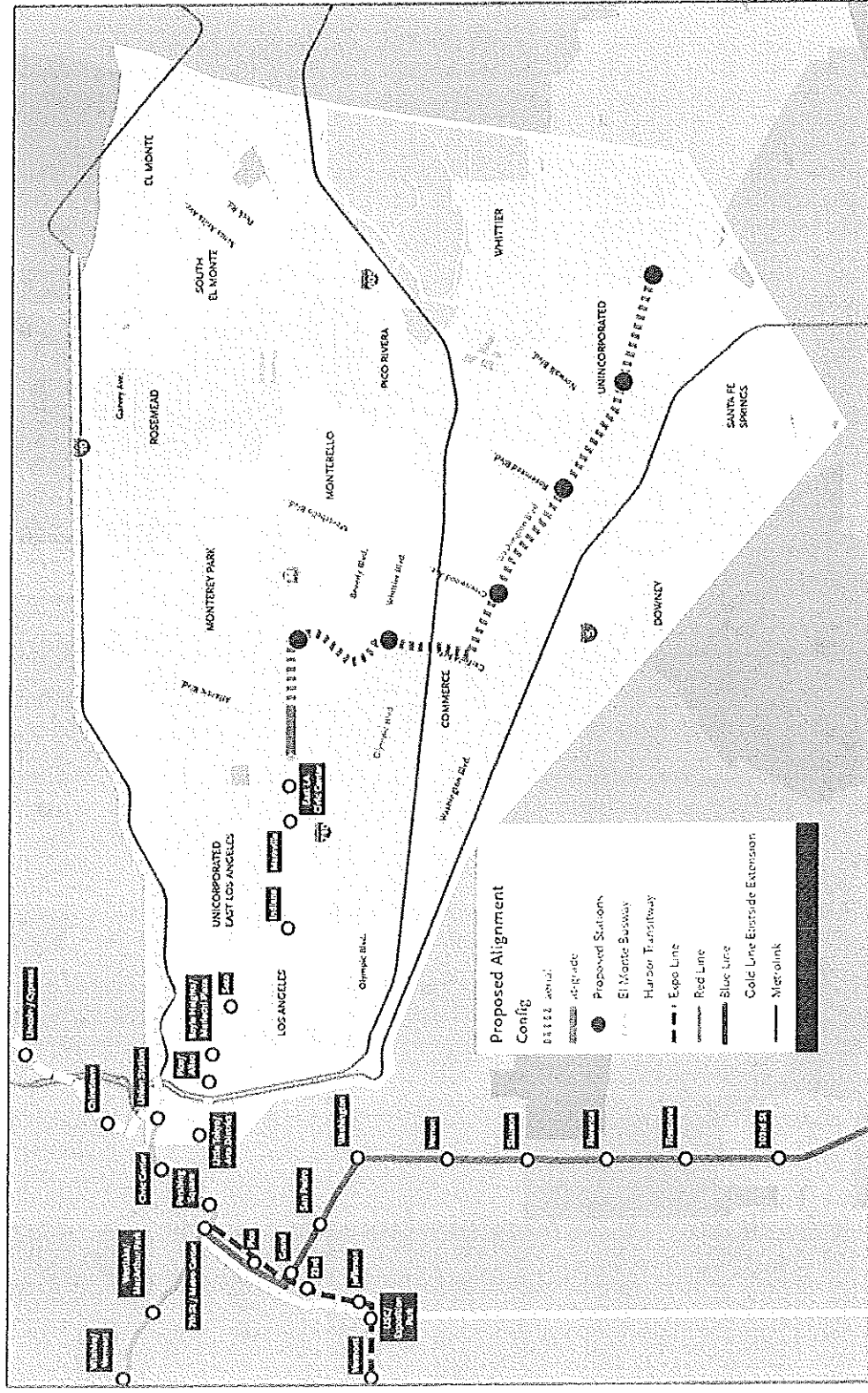
Exhibit "A"



## Eastside Transit Corridor - Phase 2



# Washington Boulevard Alignment





# *City of Santa Fe Springs*

City Council Meeting

June 11, 2009

## **NEW BUSINESS**

### Solid Waste Collection Rates

#### RECOMMENDATION

1. That the City Council maintain the existing rate structure as approved in June of 2008, inclusive of the subsequent recycling surcharge and tipping fee increases; and
2. That the City Council allow the Haulers to increase the "over weight" charge for Roll off Boxes and Compactors from \$45 per overweight ton to \$55 per overweight ton.

#### BACKGROUND

In accordance with Resolution No. 5247 adopted on June 23, 1988, the Solid Waste Haulers (Haulers) are entitled to an annual increase in collection rates to go into effect July 1, equal to the March to March Consumer Price Index (CPI). Council approval is only required if the Haulers seek rate adjustments in excess of the CPI. Indicative of the significant overall downturn in the global, national, and local economies, the CPI for the greater Los Angeles region was -1.1%.

This year the Haulers have agreed to no adjustment in the rates. To clarify, staff is not recommending adjusting rates downwards, commensurate with the decline in the CPI, and is supportive of maintaining the rate structure as approved in June of 2008. It should be noted that the City Council approved a 1.75% increase last year to the Commercial and Industrial (C&I) account rates, which will offset increased staffing costs stemming from state-imposed regulatory obligations relating to waste diversion (i.e., AB 939) and other environmental mandates (e.g., NPDES). Additionally, two years ago the Haulers requested the ability to automatically pass through future changes to landfill tipping fees to their C&I customers by increasing C&I solid waste collection rates by 30% of the percentage increase in tipping fees imposed by the County Sanitation District at such time that tipping fee increases go into effect. Therefore, C&I customers will be subject to an additional increase in January of 2010, assuming tipping fees increase as they are expected to do. This additional increase will not be imposed on residential customers.

Lastly, while the Haulers are not seeking a rate adjustment, they have asked to increase the penalty that they charge "Roll Off Box" and "Compactor" customers who exceed the maximum weight limits; from \$45 per over

Submitted By: Thaddeus McCormack,  
Assistant to the City Manager

June 3, 2009

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## *City of Santa Fe Springs*

City Council Meeting

June 11, 2009

weight ton to \$55. This change would not affect the rates, but would only be assessed when tonnage exceeds the maximum allowable weight. This Charge is meant to deter "over-filling" incidents, which can subject the Haulers to significant State fines through the CHP. Staff is supportive of this change.

A handwritten signature in black ink, appearing to read "F. Latham".

Frederick W. Latham  
City Manager

Attachment:

Proposed Schedule of Commercial & Industrial Solid Waste Collection Rates.

Submitted By: Thaddeus McCormack,  
Assistant to the City Manager

June 3, 2009

Franchised Haulers	Address	Phone
Consolidated Disposal	12949 Telegraph Rd. SFS	(562) 347-2100
CR&R	12739 Lakeland Rd. SFS	(562) 944-4716
Serv-Wel	901 S. Maple Ave., Montebello	(323) 726-4056

CITY OF SANTA FE SPRINGS  
SCHEDULE OF COMMERCIAL & INDUSTRIAL SOLID WASTE COLLECTION RATES  
PROPOSED JULY 1, 2009  
(THESE RATES INCLUDE THE 8% RECYCLING SURCHARGE ON COMMERCIAL/INDUSTRIAL)

**RATES CHARGED MAY NOT FALL BELOW MINIMUM OR EXCEED MAXIMUM**

	1 CU. YD. BIN		2 CU. YD. BIN		3 CU. YD. BIN		6 CU. YD. BIN	
	MIN	MAX	MIN	MAX	MIN	MAX	MIN	MAX
	---	---	---	---	---	---	---	---
1 X WEEK	97.08	121.34	122.85	153.55	148.68	182.66	225.84	282.32
2 X WEEK	161.64	202.06	200.45	250.58	239.23	299.05	346.44	433.06
3 X WEEK	226.36	282.94	278.05	347.59	329.79	412.22	467.04	583.73
4 X WEEK	290.65	363.37	355.58	444.51	420.32	525.41	578.63	734.51
5 X WEEK	355.60	444.51	433.31	541.61	510.90	638.62	708.20	885.26
6 X WEEK	420.32	525.41	510.90	638.62	601.42	751.74	828.85	1,036.03

ROLL OFF BOXES

10 CUBIC YARD	572.49	715.54
20 CUBIC YARD	572.49	715.54
30 CUBIC YARD	572.49	715.54
40 CUBIC YARD	572.49	715.54

COMPACTORS

40 CUBIC YARD	741.53	804.98
---------------	--------	--------

MAXIMUM WEIGHT LIMITS

ROLL OFF BOXES	6 TONS*
COMPACTORS	9 TONS*

\*A \$55.00/TON CHARGE WILL BE LEVIED ON TONNAGE OVER THESE MAXIMUMS

ANNUAL RESIDENTIAL REFUSE RATE	234.74 (\$19.56/mo)
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# *City of Santa Fe Springs*

City Council Meeting

June 11, 2009

## **NEW BUSINESS**

### Providing Direction to City Staff Regarding Certain Capital Improvement Project Priorities

#### **RECOMMENDATION:**

That the City Council provide direction to City staff regarding its timing and funding priorities for the Neighborhood Center Phase II and Activity Center Modernization Capital Improvement Projects, and, if the higher priority is given to the Activity Center Project, authorize the City Manager to offer the incentive fund's donor to the Neighborhood Center Phase II project the opportunity to have his funds returned, if appropriate, with interest.

#### **BACKGROUND**

As the Council will recall, in April 2007, William Gordon made an incentive contribution of \$96,000 toward construction of a small library facility adjacent to, or in the vicinity of, the City's Neighborhood Center. His intent was to create an incentive for both the City and the community to assemble sufficient funds to make his vision become a reality.

As part of the Neighborhood Center Modernization Project, the development team divided the project into two phases. The first phase was to renovate and modernize the existing facility. This phase has been approved and funded. The second phase was to provide accommodations for a library and for inclusion of the SFS Health Center into a permanent facility. This phase will be located immediately north of the existing building and will be attached via a corridor/entry feature. The current estimated cost for this Phase II is \$4.9 million. This phase has not been funded.

As the result of recent action by the City Council and Community Development Commission, staff was authorized to initiate in two phases a study as to alternative modernization and/or expansion options for the City's Activity Center. This study was funded at \$500,000 using Community Development Commission resources.

Mr. Gordon has expressed a concern that this action by the Council to fund a study regarding the Activity Center may reflect the direction that funding and construction of an Activity Center project may have a higher priority than Phase II of the Neighborhood Center. Perhaps correctly so, he is concerned that such a determination would push construction of the Phase II Neighborhood Center Project even further into the future. Mr. Gordon has requested that the City Manager seek clarification from the City Council as to its priorities for the funding and timing of these two important City capital projects. The Council is being asked to make the



## *City of Santa Fe Springs*

City Council Meeting

June 11, 2009

assumption, probably correctly so, that sufficient funding would not be available to construct both projects simultaneously.

The City Manager is requesting that the City Council give direction as to whether its first priority for funding and construction is the Neighborhood Center Phase II or the Activity Center. If the direction is to give the Activity Center the first priority, then the City Manager is seeking the authority to offer Mr. Gordon the option of leaving his funds with the City, pending development of Phase II, or to have them returned to him.

A handwritten signature in black ink, appearing to read "F. Latham", is positioned above the printed name.

Frederick W. Latham  
City Manager



# *City of Santa Fe Springs*

City Council Meeting

June 11, 2009

## **NEW BUSINESS**

### Appointment of Council Representative to July 17-18 Local Government Summit on Governance and Fiscal Reform

#### RECOMMENDATION:

That the City Council designate a Council Member to represent the City at the July 17-18 Local Government Summit on Governance and Fiscal Reform in Sacramento.

#### BACKGROUND

The Board of Directors of the League of California Cities has invited City, County and Public School officials throughout the State to attend and participate in a historic summit meeting July 17-18 in Sacramento to discuss and debate proposals to reform our state governance and fiscal systems that have emerged as part of the ongoing discussions with regard to the unprecedented budget challenges facing the State and local governments.

A growing number of civic leaders, including the co-chairs of the reform group California Forward, believe that the key to improving the governance of California lies in enhancing the capacity of local governments to solve community problems instead of constantly looking to state government to do everything. In fact, this is the presumption on which the Summit is being organized by the League and its county and school partners in the City-County-School (CCS) Partnership.

The Summit is expected to attract hundreds of city, county and school leaders to consider and help craft reforms that will restore a greater degree of local control over services, taxation and spending decisions and end the decades of the state's failure to adopt balanced budgets and meet the pressing needs of our state.

The League is requesting that the City Council officially designate a delegate to the Summit.

A handwritten signature in cursive script, appearing to read "Fred Latham", is positioned above the printed name.

Frederick W. Latham  
City Manager





## *City of Santa Fe Springs*

City Council Meeting

June 11, 2009

### **NEW BUSINESS**

#### Extension of City Manager Employment Agreement to July 9, 2010 – Fourth Amendment

#### **RECOMMENDATION:**

That the City Council approve the Fourth Amendment to the City Council's Employment Agreement with the City Manager, the effect of which would be to extend the Agreement to July 9, 2010.

#### **BACKGROUND**

The City Manager's current Employment Agreement runs through December 31, 2009. The City Manager is requesting that his Employment Agreement be extended until July 9, 2010. All other provisions therein would remain unchanged.

Outside of the Agreement, the City Manager will be taking a voluntary 4% reduction in salary compensation for FY 2009-10 in response to the City's Budget challenges. This is in addition to his decision, for the same reasons, to not take the 2% deferred City employee pay adjustment, which was effective on February 1, 2009.

A handwritten signature in black ink, appearing to read "F. Latham".

Frederick W. Latham  
City Manager

#### **Attachment:**

Fourth Amendment to the City Manager's Employment Agreement

FOUTH AMENDMENT TO THE CITY MANAGER'S  
EMPLOYMENT AGREEMENT

This Fourth Amendment amends the Employment Agreement entered into by and between the City of Santa Fe Springs (City) and Frederick W. Latham (Latham) on April 22, 1999, as amended on September 10, 2001, April 24, 2003, and on August 9, 2007. The parties hereby agree to make the following modification to the Agreement, which shall remain in full force and effect in all other respects:

In subsection A of Section 3, change the end date of the term  
to July 9, 2010.

This Fourth Amendment shall become effective immediately upon execution by Latham and authorized signatory of the City.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Frederick W. Latham

Dated: \_\_\_\_\_

City of Santa Fe Springs

\_\_\_\_\_  
Mayor

Attest:

\_\_\_\_\_  
City Clerk

**PLEASE REFER TO ITEM NO. 8**



# *City of Santa Fe Springs*

City Council Meeting

June 11, 2009

## **PRESENTATION**

### Introduction of New Santa Fe Springs Policing Team Members

The Mayor may wish to call upon Fernando Tarin, Director of Police Services, to introduce the newest members of the Santa Fe Springs Policing Team.

Jose Tinajero, Whittier Police Officer

Jesse Benavente, Whittier Police Officer

Jim Uhl, Whittier Police Sergeant

A handwritten signature in black ink, appearing to read "F. W. Latham".

Frederick W. Latham  
City Manager



# *City of Santa Fe Springs*

City Council Meeting

June 11, 2009

## **PRESENTATION**

Introduction of the Pete Vallejo Memorial Scholarship Recipient

## **RECOMMENDATION**

The Mayor may wish to call upon the City Council to make a presentation to Mr. Bryan Castellanos.

## **BACKGROUND**

Pete Vallejo was one of the first sons of Santa Fe Springs. He was born and raised in the City, graduated from Santa Fe High School and was hired at the Santa Fe Springs Fire Department in 1975. His passion for helping others in the community was great, and he was a great mentor and role model for Santa Fe Springs' youth. Pete gave everything he had as a firefighter. Pete retired in 2002. In memory of Pete Vallejo, the Memorial Scholarship was established by the Santa Fe Springs Firefighters' Association.

The recipient of this scholarship must be a Santa Fe High School senior; maintain a 2.5 GPA; must be interested in pursuing a career in firefighting; have demonstrated outstanding citizenship and commitment to community service; and be enrolled in a fire science program for fall 2009.

The first Pete Vallejo Memorial Scholarship in the amount of \$1,000 will be awarded to Bryan Castellanos.

A handwritten signature in black ink, appearing to read "F. W. Latham".

Frederick W. Latham  
City Manager



# City of Santa Fe Springs

City Council Meeting

June 11, 2009

## APPOINTMENT TO BOARDS, COMMITTEES, COMMISSIONS

### Committee Appointments

Attached is a roster for each active committee, and listed below are current vacancies. Also included for your review is the list of prospective members.

<u>Committee</u>	<u>Vacancy</u>	<u>Councilmember</u>
Beautification	1	Putnam
Beautification	3	Rounds
Beautification	2	Serrano
Community Program	2	Gonzalez
Community Program	1	Serrano
Historical	4	Putnam
Historical	2	Serrano
Parks & Recreation	1	Gonzalez
Senior Citizens Advisory	1	Gonzalez
Senior Citizens Advisory	2	Putnam
Senior Citizens Advisory	1	Rounds
Sister City	1	Gonzalez
Sister City	1	Serrano
Sister City	2	Velasco

Please direct any questions regarding this report to the City Clerk.

Frederick W. Latham  
City Manager

### Attachments:

Prospective Member List  
Active Committee Lists

## **PROSPECTIVE MEMBERS FOR VARIOUS COMMITTEES/COMMISSIONS**

### **Beautification**

### **Community Program**

### **Family & Human Services**

A.J. Hayes  
Jimmy Mendoza  
Jessica Belmonte  
Jose Avila  
Gilbert Aguirre

### **Heritage Arts**

Mary Jo Haller  
Mary Clegg  
Jessica Belmonte

### **Historical**

### **Personnel Advisory Board**

### **Parks & Recreation**

Mark Scoggins

### **Planning Commission**

Art Escobedo  
Lynda Short

### **Senior Citizens Advisory**

### **Sister City**

Frank Carbajal, Sr.  
Michele Carbajal

### **Traffic Commission**

Art Escobedo  
Jose Zamora

### **Youth Leadership**

### **Overall interest in the City**

## **BEAUTIFICATION COMMITTEE**

Membership: 25

( ) indicates term expiration date

### **Appointed by:**

### **Name**

Gonzalez

Juanita Montes (10)  
Irene Pasillas (10)  
May Sharp (09)  
Jesse Serrano (10)  
Marlene Vernava (09)

Putnam

Lupe Lopez (09)  
Guadalupe Placensia (09)  
Juliet Ray (10)  
Ruth Gray (09)  
\_\_\_\_\_ (10)

Rounds

Annette Ledesma (09)  
\_\_\_\_\_ (09)  
\_\_\_\_\_ (10)  
\_\_\_\_\_ (10)  
Paula Minnehan \* (09)

Serrano

Wanda Leong (10)  
Vada Conrad (09)  
Martha Ohanesian (10)  
\_\_\_\_\_ (09)  
\_\_\_\_\_ (10)

Velasco

Rosalie Miller (09)  
Sylvia Takata (10)  
Eleanor Connelly (10)  
Margaret Bustos\* (10)  
A. J. Hayes (09)

The Beautification Committee meets the fourth Wednesday of each month, except in the months of July, August and December, at 9:30 a.m. at Town Center Hall.

**\*Asterisk indicates person serves on three committees**



## COMMUNITY PROGRAM COMMITTEE

Membership: 25

( ) indicates term expiration date

Appointed by:

Name

Gonzalez

\_\_\_\_\_(09)  
Josefina Canchola (09)  
A.J. Hayes (10)  
\_\_\_\_\_(09)  
Annette Ledesma (10)

Putnam

Mary Jo Haller (09)  
Rosalie Miller (10)  
Lynda Short (09)  
Jose Zamora (09)  
Luigi Trujillo (10)

Rounds

Mark Scoggins (10)  
Denise Vega (09)  
Marlene Vernava (10)  
Sylvia Takata (10)  
Annette Rodriguez (09)

Serrano

Sally Gaitan \* (09)  
Mary Anderson (09)  
Dolores H. Romero \* (09)  
\_\_\_\_\_(09)  
Ruth Gray (10)

Velasco

Eleanor Connelly(10)  
Wanda Leong (09)  
Hilda Zamora (10)  
Lisa Sanchez (09)  
Naomi Torres (10)

The Community Program Committee meets the third Wednesday of every other month beginning in January at 7:00 p.m. in City Hall. The committee is dark during the months of June, July and August.

\*Asterisk indicates person serves on three committees

## **FAMILY & HUMAN SERVICES ADVISORY COMMITTEE**

Membership: 15 residents appointed by Council  
5 social service agency representatives appointed by the Committee

( ) indicates term expiration date

Appointed by:

Name:

González

Mercedes Diaz (10)  
Toni Vallejo (09)  
Josephine Santa-Anna (10)

Putnam

Laurie Rios\* (09)  
Arcelia Miranda (10)  
Margaret Bustos (09)

Rounds

Annette Rodriguez (10)  
Janie Aguirre (09)  
Michele Carbajal (09)

Serrano

Lydia Gonzales (10)  
Francis Carbajal\* (09)  
Modesta Viero (09)

Velasco

Alicia Mora (09)  
Dolores Romero (10)  
Gloria Duran (10)

Organizational  
Representatives:

Nancy Stowe  
Evelyn Castro-Guillen  
Irene Redondo Churchward/  
SPIRRIT Family Services

The Family & Human Services Advisory Committee meets the third Wednesday of every month at 5:30 p.m. at the Neighborhood Center.

**\*Asterisk indicates person serves on three committees**

## **HERITAGE ARTS ADVISORY COMMITTEE**

Membership: 9 voting and 6 non-voting members

### Appointed by:

Gonzalez

Putnam

Rounds

Serrano

Velasco

### Name:

Laurie Rios \*

May Sharp

Amat Barcelon

Paula Minnehan \*

Amparo Oblea

Beautification Committee  
Historical Committee  
Planning Commission  
Chamber of Commerce

Sylvia Takata  
Larry Oblea  
Richard Moore  
Tom Summerfield

Betty Putnam, Councilmember  
Frederick W. Latham, City Manager  
Ana Alvarez, Director of Community Services  
Paul Ashworth, Director of Planning and Development

The Heritage Arts Advisory Committee meets the last Tuesday of the month, except in December, at 9:30 a.m. at the Train Depot.

**\*Asterisk indicates person serves on three committees**

## HISTORICAL COMMITTEE

Membership: 20

( ) indicates term expiration date

Appointed by:

Name:

Gonzalez

Gilbert Aguirre (09)  
Janie Aguirre (09)  
Sally Gaitan \* (09)  
Jessica Belmonte (10)

Putnam

\_\_\_\_\_ (10)  
\_\_\_\_\_ (10)  
\_\_\_\_\_ (09)  
\_\_\_\_\_ (09)

Rounds

Art Escobedo (10)  
Mark Scoggins (09)  
Janice Smith (09)  
Paula Minnehan \* (10)

Serrano

Gloria Duran (10)  
\_\_\_\_\_ (10)  
Larry Oblea (09)  
\_\_\_\_\_ (10)

Velasco

Merrie Hathaway (09)  
Marv Clegg (10)  
Susan Johnston (09)  
Alma Martinez (10)

The Historical Committee meets quarterly (the first Wednesday of the month in the months of April, July and October; the second Wednesday in January) at 5:30 p.m. at the Train Depot.

**\*Asterisk indicates person serves on three committees**

## **PARKS & RECREATION ADVISORY COMMITTEE**

Membership: 25

( ) indicates term expiration date

Appointed by:

Name

Gonzalez

Ruben Madrid (09)  
Jennie Carlos (10)  
Frank Leader (10)  
Michael Madrigal (09)  
\_\_\_\_\_ (10)

Putnam

Frank Regalado (09)  
Carlene Zamora (09)  
Jimmy Mendoza (10)  
Hilda Zamora (09)  
Michele Carbajal (10)

Rounds

Kenneth Arnold (10)  
Richard Legarreta, Sr. (10)  
Don Mette (09)  
Luigi Trujillo (10)  
Francis Carbajal\* (09)

Serrano

Lynda Short (10)  
Juanita Trujillo (09)  
Joe Avila (10)  
Sally Gaitan\* (09)  
Bernie Landin (10)

Velasco

Art Escobedo (09)  
Annette Ledesma (10)  
Lillian Puentes (10)  
Jose Zamora (09)  
Arcelia Miranda (10)

The Parks and Recreation Committee meets the first Wednesday of the month, except for July, August and December. The subcommittee meets at 6:00 p.m. and the regular committee at 7:00 p.m. in Council Chambers.

**\*Asterisk indicates person serves on three committees**

## **PERSONNEL ADVISORY BOARD**

Membership: 5 (2 appointed by Council, 1 by Board, 1 by Firemen's Association, 1 by Employees' Association)

Appointed by:

Name:

Personnel Advisory Board

Jim Contreras

Council

Angel Munoz

Council

Ron Biggs

Firemen's Association

Wayne Tomlinson

Employees' Association

Donn Ramirez

The Personnel Advisory Board meets quarterly on an as-needed basis.

## **PLANNING COMMISSION**

Membership: 5 residents appointed by Council

Appointed by:

Name:

Gonzalez

Laurie Rios

Putnam

Larry Oblea

Rounds

Richard Moore

Serrano

Michael Madrigal

Velasco

Lillian Puentes

The Planning Commission meets the second and fourth Mondays of every month at 4:30 p.m. in Council Chambers.

## SENIOR CITIZENS ADVISORY COMMITTEE

Membership: 25

( ) indicates term expiration date

Appointed by:

Name:

González

\_\_\_\_\_ (10)  
Gloria Duran\* (10)  
Toni Vallejo (09)  
Josephine Santa-Anna (10)  
Janie Aguirre (09)

Putnam

\_\_\_\_\_ (10)  
Pete Vallejo (09)  
Jennie Valli (10)  
\_\_\_\_\_ (10)  
Martha Ohanesian (10)

Rounds

\_\_\_\_\_ (10)  
Josephine G. Ramirez (10)  
Gloria Vasquez (09)  
Connie Stimmell (09)  
Lorena Huitron (09)

Serrano

Gusta Vicuna (10)  
Amelia Acosta (09)  
Louis Serrano (10)  
Mary Bravo (10)  
Jessie Serrano (09)

Velasco

Modesta Viero (09)  
Gilbert Aguirre (09)  
Julia Butler (10)  
Margaret Bustos (09)  
James Hogan (10)

The Senior Citizens Advisory Committee meets the second Wednesday of every month at 10:00 a.m. at the Neighborhood Center.

**\*Asterisk indicates person serves on three committees**



## SISTER CITY COMMITTEE

**Membership:** 25 appointed by Council

( ) indicates year term expires year

<b><u>Appointed By:</u></b>	<b><u>Name</u></b>		<b><u>Expiration</u></b>
<b>González</b>	Luigi	Trujillo	(10)
	Hank	Hanh Ly	(09)
	Jimmy	Mendoza	(09)
	Kimberly	Mette	(10)
			(10)
<b>Putnam</b>	Mary K.	Reed	(09)
	Peggy Jo	Radoumis	(09)
	Jeannette	Wolfe	(09)
	Martha	Villanueva	(10)
	Gloria	Duran	(10)
<b>Rounds</b>	Manny	Zevallos	(10)
	Ted	Radoumis	(09)
	Jose	Avila	(09)
	Susan	Johnston	(10)
	Francis	Carbajal	(10)
<b>Serrano</b>	Laurie	Rios*	(09)
	Doris	Yarwood	(09)
	Charlotte	Zevallos	(10)
	Juanita	Trujillo	(09)
			(10)
<b>Velasco</b>			(09)
	Dolores	Romero*	(09)
	Alicia	Mora*	(10)
			(10)
	Marcella	Obregon	(09)

The Sister City Committee meets the first Monday of every month at 6:30 p.m. in Town Center Hall, Meeting Room #1. When the meeting falls on a Monday holiday, the meeting is held on the second Monday of the month. No meeting is held in the month of December.

**\*Asterisk indicates person serves on three committees**

## TRAFFIC COMMISSION

Membership: 5 residents appointed by Council

Appointed by:

Name:

Gonzalez

Arcelia Valenzuela

Putnam

Manny Zevallos

Rounds

Ted Radoumis

Serrano

Sally Gaitan

Velasco

Sarah Garcia

The Traffic Commission meets the third Thursday of every month at 7:00 p.m. in Council Chambers.

## YOUTH LEADERSHIP COMMITTEE

Membership: 20 **residents** of Santa Fe Springs between the ages of 13 and 18

Appointed by:

Name:

Gonzalez

Brianna Tavera  
Victor Becerra (2012)  
Jessica Aguilar (2011)  
Jeanneth Guerrero

Putnam

Ashley Ortiz  
Robert Wolfe  
Lupe Pasillas  
Krystal Aguilar

Rounds

Carina Gonzalez  
Amanda Fry  
Stephanie Gilbert  
Karina Saucedo

Serrano

Kimberly Romero  
Alyssa Trujillo  
Alyssa Berg  
Dominique Velasco

Velasco

Erica Janes  
Madalin Marquez (2011)  
Heidy Romero  
Aaron Turner

The Youth Leadership Committee meets the first Monday of every month at 6:00 p.m. in Council Chambers.