

## **AGENDA**

REGULAR MEETINGS
OF THE
SANTA FE SPRINGS
PUBLIC FINANCING AUTHORITY
WATER UTILITY AUTHORITY
HOUSING SUCCESSOR
SUCCESSOR AGENCY
AND CITY COUNCIL

December 14, 2017 6:00 P.M.

Council Chambers 11710 Telegraph Road Santa Fe Springs, CA 90670

William K. Rounds, Mayor Jay Sarno, Mayor Pro Tem Richard J. Moore, Councilmember Juanita Trujillo, Councilmember Joe Angel Zamora, 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. City Council will hear public comment on items listed on the agenda during discussion of the matter and prior to a vote. City Council will hear public comment on matters not listed on the agenda during the Oral Communications period.

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.

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

<u>Please Note:</u> Staff reports, and supplemental attachments, are available for inspection at the office of the City Clerk, City Hall, 11710 E. Telegraph Road during regular business hours 7:30 a.m. – 5:30 p.m., Monday – Thursday and every other Friday. Telephone (562) 868-0511.

Regular Meetings

December 14, 2017

### 1. CALL TO ORDER

### 2. ROLL CALL

Richard J. Moore, Councilmember Juanita Trujillo, Councilmember Joe Angel Zamora, Councilmember Jay Sarno, Mayor Pro Tem William K. Rounds, Mayor

### PUBLIC FINANCING AUTHORITY

### 3. CONSENT AGENDA

Consent Agenda items are considered routine matters which may be enacted by one motion and vote. Any item may be removed from the Consent Agenda and considered separately by the Public Financing Authority.

**Approval of Minutes** 

a. Minutes of the November 20, 2017, Public Financing Authority Meeting

Recommendation: That the Public Financing Authority approve the minutes as submitted.

**Monthly Reports** 

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

Recommendation: That the Public Financing Authority receive and file the report.

### 4. NEW BUSINESS

a. Resolution PFA-2017-001 – Authorizing Official Actions and Execution of Documents Related to the Redemption of Its 2005 Water Refunding Revenue Bonds. Series A

**Recommendation:** That the Public Financing Authority:

 Approve the attached Resolution No. PFA-2017-002 authorizing official actions and execution of documents related to the redemption of its 2005 Water Refunding Revenue Bonds, Series A.

### WATER UTILITY AUTHORITY

### 5. CONSENT AGENDA

Consent Agenda items are considered routine matters which may be enacted by one motion and vote. Any item may be removed from the Consent Agenda and considered separately by the Water Utility Authority.

**Approval of Minutes** 

- a. Minutes of the November 20, 2017 Water Utility Authority Meeting
  - Recommendation: That the Water Utility Authority:
    - Approve the minutes as submitted.

### Monthly Reports

b. <u>Monthly Report on the Status of Debt Instruments Issued through the City of Santa</u> Fe Springs Water Utility Authority (WUA)

Recommendation: That the Water Utility Authority:

- · Receive and file the report.
- c. Status Update of Water-Related Capital Improvement Projects

**Recommendation:** That the Water Utility Authority:

· Receive and file the report.

### **NEW BUSINESS**

6.

a. Resolution WUA-2017-002 – Approving the Issuance and Delivery of the Santa Fe Springs Water Utility Authority 2018 Subordinate Water Revenue Bonds, Approving a Second Amendment to the Water Enterprise Lease Agreement, an Indenture of Trust, and a Bond Purchase Contract and Authorizing Official Actions and Execution of Documents Related Thereto

Recommendation: That the Water Utility Authority:

 Approve the proposed financing and adopt the attached Resolution No. WUA-2017-002 approving the issuance of refunding bonds to refund outstanding 2005 Water Revenue Bonds and the execution of necessary financing documents.

### HOUSING SUCCESSOR

7. Minutes of the November 9 and November 20, 2017 of the Housing Successor Agency. Recommendation: That the Housing Successor approve the minutes as submitted.

### **SUCCESSOR AGENCY**

8. Minutes of the November 9 and November 20, 2017 of the Successor Agency.

Recommendation: That the Successor Agency approve the minutes as submitted.

### CITY COUNCIL

### 9. CONSENT AGENDA

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

- a. <u>Minutes of the November 9 and November 20, 2017 City Council Meetings</u> **Recommendation:** That the City Council:
  - Approve the minutes as submitted.
- b. <u>Community Facilities District No. 2002-1 (Bloomfield-Lakeland) Annual Special Tax Levy Report for Fiscal Year 2016-17</u>

Recommendation: That the City Council:

 Receive and file the Special Tax Levy Annual Report for Community Facilities District 2002-1 for Fiscal Year 2016-17. c. <u>Community Facilities District No. 2004-1 (Bloomfield-Florence) Annual Special Tax</u> Levy Report for Fiscal Year 2016-17

**Recommendation:** That the City Council:

- Receive and file the Special Tax Levy Annual Report for Community Facilities District 2004-1 for Fiscal Year 2016-17.
- d. <u>Reclassification of Full-Time Position and Creation of New Part-Time (non-benefitted) position</u>

**Recommendation:** That the City Council:

- Eliminate one Full-time Public Relations Specialist position in the City Manager's Office
- Reclassify one Full-time Administrative Clerk II position (in the City Manager's Office) to Secretary to the City Manager and City Council;
- Create one Part-time Public Affairs Intern Position in the City Manager's Office
- Adopt a revised Citywide Salary Schedule inclusive of the above personnel actions.
- e. Approval of Resolution No. 9566 A Resolution of the City Council of the City of Santa Fe Springs Setting the Monthly Amount of Reimbursement for Use of Private Vehicles

Recommendation: That the City Council:

· Approve Resolution No. 9566.

### **MAYOR REQUESTED ITEM**

10. Consider Adding a Traffic Enforcement Officer Detail on a Six Months Pilot Basis

Recommendation: That the City Council:

- Consider adding a Whittier Police Officer overtime detail for traffic enforcement, Monday through Friday (20 to 40 hours per week), on a six month pilot basis.
- Direct staff to develop the costs of labor and equipment for this detail.
- Direct staff to bring this matter back to the City Council on a future agenda for final consideration.

### COUNCIL MEMBER REQUESTED ITEM

11. Annual City-Wide Yard Sale

Recommendation: That the City Council:

Discuss and consider an annual Community Yard Sale.

### **PUBLIC HEARING**

12. Alcohol Sales Conditional Use Permit Case No. 73

A request for approval of Alcohol Sales Conditional Use Permit Case No. 73 to allow the operation and maintenance of an alcoholic beverage use involving the wholesale distribution of wine, at Bronco Wine Company, located within the Heavy Manufacturing (M-2) Zone at 9911 Romandel Avenue. (Bronco Wine Company)

Recommendation: That the City Council:

- Open the Public Hearing and receive any comments from the public regarding Alcohol Sales Conditional Use Permit Case No. 73, and thereafter close the Public Hearing.
- Approve Alcohol Sales Conditional Use Permit Case No. 73 subject to the conditions of approval contained within this report.

### PUBLIC HEARING

13.

Resolution No. 9567 – Approving the issuance of revenue bonds by the California Municipal Finance Authority (CMFA) for the benefit of Pioneer Gardens Venture LP (Borrower), or a partnership created by MRK Partners (Developer) for the acquisition, rehabilitation, improvement and equipping of a 141-unit multifamily rental housing project located at 11011 Cultura Street, Santa Fe Springs, generally known as Pioneer Gardens and located in the R-3-PD, Multiple-Family Residential-Planned Development Overlay, Zone

**Recommendation:** That the City Council:

- Open the Public Hearing and receive any comments from the public regarding the City the issuance of revenue bonds by the CMFA for the benefit of Pioneer Gardens Venture LP (Borrower), or a partnership created by MRK Partners (Developer) for the acquisition, rehabilitation, improvement and equipping of a 141-unit multifamily rental housing project located at 11011 Cultura Street, Santa Fe Springs, generally known as Pioneer Gardens.
- Conduct the Public Hearing under the requirements of the Tax and Equity Fiscal Responsibility Act (TEFRA) and the Internal Revenue Code of 1986, as amended (the Code).
- Adopt Resolution 9567, approving the issuance of the Bonds by the CMFA for the benefit of Pioneer Gardens Venture LP (Borrower), or a partnership created by MRK Partners (Developer) for the acquisition, rehabilitation, improvement and equipping of a 141-unit multifamily rental housing project located at 11011 Cultura Street, Santa Fe Springs, generally known as Pioneer Gardens, such adoption is solely for the purposes of satisfying the requirements of TEFRA, the Code and the California Government Code Section 6500 (and following)
- Authorize the Mayor of designee thereof to execute the Agreement Regarding TEFRA Hearing.

### **OLD BUSINESS**

14. Procedure for Approving and/or Denying Claims Brought Against the City

Recommendation: That the City Council:

 Adopt Resolution No. 9562 of the City Council of the City of Santa Fe Springs establishing a policy which delegates to the California Joint Powers Insurance Authority responsibility for handling claims in the amount of \$10,000 or less as authorized by Government Code Section 910 et. seq. Regular Meetings

### **NEW BUSINESS**

15. Resolution No. 9563 – Approving Use of Senate Bill 1 Funds for Greenleaf Avenue Rehabilitation Project

**Recommendation:** That the City Council:

- Adopt Resolution No. 9563 approving the Greenleaf Avenue Rehabilitation Project to be partially funded by Senate Bill 1-The Road Repair and Accountability Act; and
- Authorize the Director of Public Works to submit an application to the California Transportation Commission for Road Maintenance and Rehabilitation Account (RMRA) funds.
- 16. Renewal and Approval of Use Agreement for Athletic Fields and Facilities with Santa Fe Springs 49ers Youth Football Sport Organization and Other Field Use Updates

Recommendation: That the City Council:

- Renew and approve the Use Agreement for Athletic Fields and Facilities with the Santa Fe Springs 49ers Youth Football sport organization.
- 17. Consideration of Second Extension of an Exclusive Negotiating Agreement By and Between the City of Santa Fe Springs and SFS Hospitality, LLC for Development of a Hotel or Hotels within the City of Santa Fe Springs

Recommendation: That the City Council:

- Authorize the Mayor or designee thereof, to execute all documents and take any actions necessary and appropriate to extend, for an additional 210 days, the Exclusive Negotiating Agreement with SFS Hospitality, LLC for Development of a Hotel or Hotels within the City of Santa Fe Springs.
- 18. Authorize the Purchase of Two (2) 2018 Altec Aerial Utility Vehicles

**Recommendation:** That the City Council:

- Authorize the Director of Purchasing Services to purchase two (2) 2018
   Altec Aerial utility vehicles from Altec Industries, Inc. utilizing the National
   Joint Powers Alliance (NJPA) cooperative contract number 031014-ALT;
   and authorize a purchase order to be issued in the amount of \$211,861 for
   this transaction.
- 19. Clarke Estate Windows/Door Frame Restoration Project Additional Appropriation Recommendation: That the City Council:
  - Approve appropriation funds of \$52,000 from the Bond Funded Capital Improvement Projects Fund to Activity No. 455-397-S032 to complete installation of the Clarke Estate Windows/Door Frames; and
  - Authorize the Director of Public Works to complete installation of the new Clarke Estate windows/door frames with City forces.
- 20. Snake Basket Fountain Review Security Options

Recommendation: That the City Council:

 Evaluate Snake Basket Fountain security options reviewed by the Heritage Arts Advisory Committee (HAAC); Regular Meetings

- Approve a security option for the Snake Basket Fountain;
- Approve an appropriation from the Art Fund; and
- Authorize the Director of Public Works to install the approved security option for the Snake Basket Fountain.
- 21. Adoption of Resolution No. 9564 Authorizing the Library Services Division Director to accept and administer the California State Library "Libraries Illuminated" Grant

Recommendation: That the City Council:

- Approves Resolution No. 9564 authorizing the Library Services Division Director in the Department of Community Services to accept and administer the California State Library "Libraries Illuminated" grant.
- 22. Appointment of Representatives to the Greater Los Angeles County Vector Control District Board of Trustees

Recommendation: That the City Council:

- Appoint a Trustee to the Greater Los Angeles County Vector Control District Board of Trustees to serve as the City's representative for a 2 or a 4 year term commencing on January 1, 2018.
- 23. Resolution 9565 Approving the Issuance and Delivery of the Santa Fe Springs Water

  Utility Authority 2018 Subordinate Water Revenue Bonds, Approving a Second Amendment to the Water Enterprise Lease Agreement, an Indenture of Trust, and a Bond Purchase Contract and Authorizing Official Actions and Execution of Documents Related Thereto

**Recommendation:** That the City Council:

 Approve the proposed financing and adopt the attached Resolution 9565 approving the issuance of refunding bonds to refund outstanding 2005 Water Revenue Bonds and the execution of necessary financing documents.

### Items 24 - 32 will occur in the 7:00 p.m. hour.

- 24. INVOCATION
- 25. PLEDGE OF ALLEGIANCE
- 26. INTRODUCTIONS
  - Representatives from the Chamber of Commerce
- 27. ANNOUNCEMENTS
- 28. CITY MANAGER'S AND EXECUTIVE TEAM REPORTS
- 29. PRESENTATIONS
  - a. Presentation from Assembly Majority Leader Ian Calderon Legislative Update

Regular Meetings

December 14, 2017

- b. Recognition of the Santa Fe Springs Cali Kings for Winning the Xtreme Diamond State Championship.
- c. Appointment to Fire Chief Brent Hayward
- d. Presentation to Retiring Fire Chief Mike Crook
- 30. APPOINTMENTS TO BOARDS, COMMITTEES, COMMISSIONS
  - a. Committee Appointments
- 31. ORAL COMMUNICATIONS

This is the time when comments may be made by interested persons on matters not on the agenda having to do with City business.

32. ADJOURNMENT

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.

Janet Martinez, CMC

December 8, 2017

Date

City Clerk

# FOR ITEM NO. 3A PLEASE SEE ITEM NO. 9A



Public Financing Authority Meeting

December 14, 2017

### **CONSENT AGENDA**

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

### RECOMMENDATION

That the Public Financing Authority receive and file the report.

### **BACKGROUND**

The Santa Fe Springs Public Financing Authority (PFA) is a City entity that has periodically issued debt for the benefit of the Santa Fe Springs community. The following is a brief status report on the debt instruments currently outstanding that were issued through the PFA.

### Water Revenue Bonds, 2005 Series A

Financing proceeds available for appropriation at 11/30/17 Outstanding principal at 11/30/17

None \$1,960,000

### Consolidated Redevelopment Project 2006-A Tax Allocation Bonds

Financing proceeds available for appropriation at 11/30/17 Outstanding principal at 11/30/17

None \$36,986,736

### Consolidated Redevelopment Project 2007-A Tax Allocation Refunding Bonds

Financing proceeds available for appropriation at 11/30/17

None

Outstanding principal at 11/30/17

\$24,945,000

### **Bond Repayment**

The City budget includes sufficient appropriations and adequate revenues are expected to be collected to meet the debt service obligations associated with the 2005 Water Revenue Bonds.

The former Community Development Commission (CDC) issued a number of tax allocation bonds before it was dissolved by State law effective February 1, 2012 which are administered by the City acting as Successor Agency under the oversight of the appointed Oversight Board. The Successor Agency no longer receives tax increment. Instead, distributions from the Redevelopment Property Tax Trust Fund (RPTTF) are received based on approved obligations. It is anticipated that sufficient allocations from the RPTTF will continue to be made to the Successor Agency to meet ongoing debt service obligations.

Report Submitted By: Travis Hickey Finance and Administrative Services

Date of Report: December 8, 2017

ITEM NO. 3B

### **Unspent Bond Proceeds**

Under an approved Bond Expenditure Agreement, unspent bond proceeds of the former CDC in the amount of approximately \$19 million were transferred to the City in July 2014. The funds are to be spent in accordance with the original bond documents. The unspent proceeds continue to be a source of funding within the City's capital improvement program (CIP).

### 2016 Bond Refunding

In July 2016 the Successor Agency issued its 2016 Tax Allocation Refunding Bonds, which paid off several bond issuances of the former CDC. The bonds were originally issued through the Public Financing Authority and included the 2001 Series A, 2002 Series A, 2003 Series A, the current interest portion of the 2006 Series A, and 2006 Series B bond issuances.

Don Powell

Interim City Manager/Executive Director

### **NEW BUSINESS**

Resolution PFA-2017-002 – Authorizing Official Actions and Execution of Documents Related to the Redemption of Its 2005 Water Refunding Revenue Bonds, Series A

### RECOMMENDATION

It is recommended that the Santa Fe Springs Public Financing Authority (the "Public Financing Authority") approve the attached Resolution PFA-2017-002 authorizing official actions and execution of documents related to the redemption of its 2005 Water Refunding Revenue Bonds, Series A.

### **BACKGROUND**

On November 15, 2017 Staff met with the City Council Finance Subcommittee (consisting of Mayor Pro Tem Sarno and Councilmember Moore) to review the status of the Water Utility's outstanding bonds, including the potential to refund (i.e. refinance) one of the outstanding bond issuances and achieve over \$40,000 in average savings per year for the next nine years. The Subcommittee recommended the proposed refunding for City Council consideration.

The City of Santa Fe Springs previously financed improvements to the City's water system in 1996 with the issuance of \$4,170,000 Santa Fe Springs Public Financing Authority Water Revenue Bonds, Series A (the "1996 Bonds"). In 2005, the Public Financing Authority issued \$3,705,000 of Water Revenue Refunding Bonds (the "2005 Bonds") to refund the 1996 Bonds. The 2005 Bonds are secured by the payments due from the City to the Public Financing Authority under an Installment Sale Agreement (the "2005 Installment Sale Agreement").

The proposed transaction includes issuing approximately \$1,800,000 in bonds to refund the currently outstanding principal of the 2005 Bonds in the amount of \$1,960,000. The 2005 Bonds accrue interest at annual rates ranging from 4.375% to 5.00%, with average annual debt service payments of approximately \$264,400 through May 1, 2026.

Based on current market interest rates, the City can generate a total debt service savings of approximately \$392,380 (after subtracting refinancing costs) by refunding the 2005 Bonds with the proceeds of a new bond issuance, the Santa Fe Springs Water Utility Authority 2018 Subordinate Water Revenue Bonds (the "2018 Bonds"). The City recently received bids from interested lenders on the 2018 Bonds, and the bidder being recommended (Opus Bank) has committed to an annual interest rate of 2.39%.

Report Submitted By: Jose Gomez and Travis Hickey
Finance and Administrative Services

Date of Report: December 8, 2017

**Public Financing Authority Meeting** 

December 14, 2017

The new average annual payments (commencing with a semi-annual payment due May 1, 2018) will be \$220,800, resulting in average annual savings to the City's water enterprise of approximately \$43,600 per year over the next nine years.

### **DISCUSSION**

Interest rates are currently at historic lows. The 2005 Bonds are all currently callable on any date with no premium due and are eligible to be refunded with the 2018 Bonds, which would result in an aggregate debt service savings of approximately \$392,380. The current maturity date of the Bonds would not be extended by this refinancing.

Through municipal bond market analysis, and bidding of indicative rates from banks, Staff has determined a private placement is the best financial structure for this transaction, as opposed to a public offering.

Public Offering – A public offering is the sale of bonds, through an underwriter in the open market to any type of investor. The securities are required to be sold in connection with the preparation of an official statement detailing a variety of information about the issuer and security for repayment of the bonds. These bonds typically require a debt service reserve fund to be held by the trustee and/or the purchase of a surety bond policy. Issuance costs can be significantly higher than a private placement due to underwriter's costs, additional professional fees and costs of rating agencies.

Private Placement – A private placement is the sale of bonds, through a placement agent, to one or a small number of select investors, usually large banks, mutual funds, insurance companies, and pension funds. Since a private placement is offered to a few select investors, the preparation of an official statement is not required, and in many cases, the funding of a debt service reserve or purchase of a surety bond policy is not necessary. Usually, issuance costs are significantly less than a public offering.

In general, private placement transactions tend to make more sense for smaller bond issuances and when the final maturity is shorter (i.e. less than 10 years). Conversely, public offerings are more attractive for longer terms (i.e. 30 years) and larger amounts.

Through the bidding process, the City received four (4) placement proposals, with the lowest indicative rate from Opus Bank. The tax-exempt rate is subject to daily adjustments based on a formula tied to the 3-Year Treasury rate with the City able to lock in the rate before closing. Because the market has shown recent volatility and municipal market rates are subject to daily adjustments, and to ensure the City manages market risk, the City's finance team recommends pursuing the private placement structure so that a rate can be locked in several weeks prior to closing. Attached to this report are the summary rate proposals from bidding banks.

The savings analysis (attached to this report) shows a Net Present Value ("NPV")

Report Submitted By: Jose Gomez and Travis Hickey
Finance and Administrative Services

Date of Report: December 7, 2017

**Public Financing Authority Meeting** 

December 14, 2017

savings of the proposed refunding of 3.9%, exceeding the recommended minimum threshold of 3% recommended by the Government Finance Officers Association ("GFOA") and in compliance with the City's Debt Issuance Policy.

### **DOCUMENTS TO BE APPROVED**

The next step in the refinancing process is the approval of the City, Public Financing Authority, and Water Utility Authority Resolutions, which authorize and direct the execution of certain legal and financing documents, the issuance of the 2018 Bonds, the redemption of the 2005 Bonds, and the prepayment of the 2005 Installment Sale Agreement. The following documents are approved by the proposed Resolutions and are attached in draft form to this report.

- Indenture of Trust This document contains the terms of the 2018 Bonds, including payment and redemption provisions, pledge of net revenues to pay the 2018 Bonds, rights and duties of the trustee, remedies upon a default in the payment of the 2018 Bonds, and final discharge of the 2018 Bonds and other related matters.
- Second Amendment to Water Enterprise Lease Agreement This document contains modifications to the definitions and terms contained in the Water Enterprise Lease Agreement between the City of Santa Fe Springs and the Water Utility Authority.
- Irrevocable Refunding Instructions This document is an instruction from the City and Public Financing Authority to the trustee for the 2005 Bonds with respect to the deposit and application of funds (including 2018 Bond proceeds) to defease and redeem the 2005 Bonds.
- Bond Purchase Contract One or more bond purchase contracts will be entered into with the purchaser(s) of the 2018 Bonds. The bond purchase contract details the conditions under which the purchasers will buy the 2018 Bonds.
- Placement Agent Agreement This document contains the terms and conditions under which the Placement Agent agrees to locate a purchaser for the purchase and delivery of the 2018 Bonds, consistent with the terms of the Indenture.

Based on a preliminary schedule, it is anticipated that the Proposed 2018 Bonds would close by early January 2018, at which time a redemption notice would be issued to fully redeem the refunded bonds.

The Successor Agency's financing team of Urban Futures, Inc. as independent municipal advisor and fiscal consultants, Jones Hall, a Professional Corporation, as bond and disclosure counsel, Stifel, Nicolaus & Company, Incorporated, as placement agent, and US Bank National Association, as trustee, are proposed. The related fees

Report Submitted By: Jose Gomez and Travis Hickey
Finance and Administrative Services

Date of Report: December 7, 2017

for all firms are payable only upon completion of the financing. The estimated costs of issuance are attached to this report.

### **FISCAL IMPACT**

The proposed 2018 Bonds will generate an estimated total debt service savings of \$392,380 net of all costs of issuance. The average annual savings are approximately \$43,600 per year for the next nine years. The term of the 2018 Bonds will not exceed the existing term of the 2005 Bonds, and overall debt service will be reduced in each year until 2026, when the 2018 Bonds will be completely repaid.

The source of repayment of the 2018 Bonds would be limited to Water Enterprise net revenues (after payment of operation and maintenance costs) and would not be a debt of the City's General Fund.

Don Powell
\_\_Interim City Manager

### Attachments:

- A. Resolution 9565 of the City Council of the City of Santa Fe Springs;
- B. Resolution WUA-2017-002 of the Water Utility Authority;
- C. Resolution PFA-2017-002 of the Public Financing Authority;
- D. Indenture of Trust;
- E. Second Amendment to Water Enterprise Lease Agreement;
- F. Irrevocable Refunding Instructions;
- G. Bond Purchase Contract;
- H. Placement Agent Agreement;
- Savings Analysis;
- J. Bid Summary; and
- K. Estimated Costs of Issuance.

# SEE AGENDA ITEM 6A FOR ATTACHEMENTS

# FOR ITEM NO. 5A PLEASE SEE ITEM NO. 9A



Water Utility Authority Meeting

December 14, 2017

**CONSENT AGENDA** 

Monthly Report on the Status of Debt Instruments Issued through the City of Santa Fe Springs Water Utility Authority (WUA)

### RECOMMENDATION

That the Water Utility Authority receive and file the report.

### **BACKGROUND**

The Santa Fe Springs Water Utility Authority (WUA) is a City entity that has issued debt for the benefit of the Santa Fe Springs community. The following is a brief status report on the debt instruments currently outstanding that were issued through the WUA.

### Water Revenue Bonds, 2013

Financing proceeds available for appropriation at 11/30/17 Outstanding principal at 11/30/17

None \$6,890,000

In May 2013 the Water Utility Authority issued the 2013 Water Revenue Bonds in the amount of \$6,890,000. The bonds refunded the existing 2003 Water Revenue Bonds (issued through the Public Financing Authority) and provided additional funds for water improvement projects in the amount of \$2,134,339. The funds were restricted for use on water system improvements. In August 2013 the Water Utility Authority Board appropriated the proceeds for the Equipping Water Well No. 12 Project and all proceeds were since used on this project.

The City budget includes sufficient appropriations and adequate revenues are expected to be collected to meet the debt service obligations associated with the 2013 Water Revenue Bonds.

The WUA was formed in June of 2009. Water revenue bonds issued prior to this date were issued through the City of Santa Fe Springs Public Financing Authority.

Interim City Manager/Executive Director

Report Submitted By: Travis Hickey Finance and Administrative Services

Date of Report: December 6, 2017

ITEM NO. 5B

Water Utility Authority Meeting

December 14, 2017

### **CONSENT AGENDA**

Status Update of Water-Related Capital Improvement Projects

### RECOMMENDATION

That the Water Utility Authority receive and file the report.

### **BACKGROUND**

This report is for informational purposes only. The following is a listing of current active water projects.

### <u>Interstate 5 Freeway Widening Water Main Relocation for the Florence</u> <u>Avenue Segment (Phase II)</u>

At the April 13, 2017 City Council Meeting a contract was awarded to G.J. Gentry (Gentry) of Upland in the amount of \$647,390.00 to perform water main line work in conjunction with the I-5 Freeway Widening Project. Gentry are currently waiting for Caltrans to set a date for remobilization to complete the portion of the Florence Phase II project located east of the I-605 Freeway.

# <u>Interstate 5 Freeway Widening Water Main Relocation for the Valley View Segment</u>

City Water Staff have been inspecting the installation of 12 and 8 inch Ductile Iron water main during the Valley View Phase of the I-5 Widening Project. Water main line work on this segment is near completion along with pressure testing and bacteriological sampling.

### **INFRASTRUCTURE IMPACT**

The installation of new water mains due to the I-5 widening project will update and extend the service life of pipelines serving the City's water system.

### **FISCAL IMPACT**

The I-5 Florence Water Main Relocation Phase II, and the Valley View Water Main Relocation Project is funded through State Transportation Utility Agreements.

Don't owell Interim Executive Director

Attachments:

None

Report Submitted By:

Noe Negrete, Director Date of Report: November 21, 2017

Department of Public Works

ITEM NO. 5C

Water Utility Authority Meeting

December 14, 2017

### **NEW BUSINESS**

Resolution WUA-2017-002 – Approving the Issuance and Delivery of the Santa Fe Springs Water Utility Authority 2018 Subordinate Water Revenue Bonds, Approving a Second Amendment to the Water Enterprise Lease Agreement, an Indenture of Trust, and a Bond Purchase Contract and Authorizing Official Actions and Execution of Documents Related Thereto

### RECOMMENDATION

It is recommended that the Board of Directors of the Santa Fe Springs Water Utility Authority (the "Water Utility Authority") approve the proposed financing and adopt the attached Resolution WUA-2017-002 approving the issuance of refunding bonds to refund outstanding 2005 Water Revenue Bonds and the execution of necessary financing documents.

### **BACKGROUND**

On November 15, 2017 Staff met with the City Council Finance Subcommittee (consisting of Mayor Pro Tem Sarno and Councilmember Moore) to review the status of the Water Utility's outstanding bonds, including the potential to refund (i.e. refinance) one of the outstanding bond issuances and achieve over \$40,000 in average savings per year for the next nine years. The Subcommittee recommended the proposed refunding for City Council consideration.

The City of Santa Fe Springs previously financed improvements to the City's water system in 1996 with the issuance of \$4,170,000 Santa Fe Springs Public Financing Authority Water Revenue Bonds, Series A (the "1996 Bonds"). In 2005, the Public Financing Authority issued \$3,705,000 of Water Revenue Refunding Bonds (the "2005 Bonds") to refund the 1996 Bonds. The 2005 Bonds are secured by the payments due from the City to the Public Financing Authority under an Installment Sale Agreement (the "2005 Installment Sale Agreement").

The proposed transaction includes issuing approximately \$1,800,000 in bonds to refund the currently outstanding principal of the 2005 Bonds in the amount of \$1,960,000. The 2005 Bonds accrue interest at annual rates ranging from 4.375% to 5.00%, with average annual debt service payments of approximately \$264,400 through May 1, 2026.

Based on current market interest rates, the City can generate a total debt service savings of approximately \$392,380 (after subtracting refinancing costs) by refunding the 2005 Bonds with the proceeds of a new bond issuance, the Santa Fe Springs Water Utility Authority 2018 Subordinate Water Revenue Bonds (the "2018 Bonds").

Report Submitted By: Jose Gomez and Travis Hickey
Finance and Administrative Services

Date of Report: December 8, 2017

Water Utility Authority Meeting

December 14, 2017

The City received bids from interested lenders on the 2018 Bonds, and the bidder being recommended (Opus Bank) has committed to an annual interest rate of 2.39%.

The new average annual payments (commencing with a semi-annual payment due May 1, 2018) will be \$220,800, resulting in average annual savings to the City's water enterprise of approximately \$43,600 per year over the next nine years.

### DISCUSSION

Interest rates are currently at historic lows. The 2005 Bonds are all currently callable on any date with no premium due and are eligible to be refunded with the 2018 Bonds, which would result in an aggregate debt service savings of approximately \$392,380. The current maturity date of the Bonds would not be extended by this refinancing.

Through municipal bond market analysis, and bidding of indicative rates from banks, Staff has determined a private placement is the best financial structure for this transaction, as opposed to a public offering.

Public Offering – A public offering is the sale of bonds, through an underwriter in the open market to any type of investor. The securities are required to be sold in connection with the preparation of an official statement detailing a variety of information about the issuer and security for repayment of the bonds. These bonds typically require a debt service reserve fund to be held by the trustee and/or the purchase of a surety bond policy. Issuance costs can be significantly higher than a private placement due to underwriter's costs, additional professional fees and costs of rating agencies.

Private Placement – A private placement is the sale of bonds, through a placement agent, to one or a small number of select investors, usually large banks, mutual funds, insurance companies, and pension funds. Since a private placement is offered to a few select investors, the preparation of an official statement is not required, and in many cases, the funding of a debt service reserve or purchase of a surety bond policy is not necessary. Usually, issuance costs are significantly less than a public offering.

In general, private placement transactions tend to make more sense for smaller bond issuances and when the final maturity is shorter (i.e. less than 10 years). Conversely, public offerings are more attractive for longer terms (i.e. 30 years) and larger amounts.

Through the bidding process, the City received four (4) placement proposals, with the lowest indicative rate from Opus Bank. The tax-exempt rate is subject to daily adjustments based on a formula tied to the 3-Year Treasury rate with the City able to lock in the rate before closing. Because the market has shown recent volatility and municipal market rates are subject to daily adjustments, and to ensure the City manages market risk, the City's finance team recommends pursuing the private

Report Submitted By: Jose Gomez and Travis Hickey
Finance and Administrative Services

Date of Report: December 7, 2017

Water Utility Authority Meeting

December 14, 2017

placement structure so that a rate can be locked in several weeks prior to closing. Attached to this report are the summary rate proposals from bidding banks.

The savings analysis (attached to this report) shows a Net Present Value ("NPV") savings of the proposed refunding of 3.9%, exceeding the recommended minimum threshold of 3% recommended by the Government Finance Officers Association ("GFOA") and in compliance with the City's Debt Issuance Policy.

### **DOCUMENTS TO BE APPROVED**

The next step in the refinancing process is the approval of the City, Public Financing Authority, and Water Utility Authority Resolutions, which authorize and direct the execution of certain legal and financing documents, the issuance of the 2018 Bonds, the redemption of the 2005 Bonds, and the prepayment of the 2005 Installment Sale Agreement. The following documents are approved by the proposed Resolutions and are attached in draft form to this report.

- Indenture of Trust This document contains the terms of the 2018 Bonds, including
  payment and redemption provisions, pledge of net revenues to pay the 2018 Bonds,
  rights and duties of the trustee, remedies upon a default in the payment of the 2018
  Bonds, and final discharge of the 2018 Bonds and other related matters.
- Second Amendment to Water Enterprise Lease Agreement This document contains modifications to the definitions and terms contained in the Water Enterprise Lease Agreement between the City of Santa Fe Springs and the Water Utility Authority.
- Irrevocable Refunding Instructions This document is an instruction from the City and Public Financing Authority to the trustee for the 2005 Bonds with respect to the deposit and application of funds (including 2018 Bond proceeds) to defease and redeem the 2005 Bonds.
- Bond Purchase Contract One or more bond purchase contracts will be entered into with the purchaser(s) of the 2018 Bonds. The bond purchase contract details the conditions under which the purchasers will buy the 2018 Bonds.
- Placement Agent Agreement This document contains the terms and conditions under which the Placement Agent agrees to locate a purchaser for the purchase and delivery of the 2018 Bonds, consistent with the terms of the Indenture.

Based on a preliminary schedule, it is anticipated that the Proposed 2018 Bonds would close by early January 2018, at which time a redemption notice would be issued to fully redeem the refunded bonds.

Water Utility Authority Meeting

The Successor Agency's financing team of Urban Futures, Inc. as independent municipal advisor and fiscal consultants, Jones Hall, a Professional Corporation, as bond and disclosure counsel, Stifel, Nicolaus & Company, Incorporated, as placement agent, and US Bank National Association, as trustee, are proposed. The related fees for all firms are payable only upon completion of the financing. The estimated costs of issuance are attached to this report.

### **FISCAL IMPACT**

The proposed 2018 Bonds will generate an estimated total debt service savings of \$392,380 net of all costs of issuance. The average annual savings are approximately \$43,600 per year for the next nine years. The term of the 2018 Bonds will not exceed the existing term of the 2005 Bonds, and overall debt service will be reduced in each year until 2026, when the 2018 Bonds will be completely repaid.

The source of repayment of the 2018 Bonds would be limited to Water Enterprise net revenues (after payment of operation and maintenance costs) and would not be a debt of the City's General Fund.

Interim City Manager

### Attachments:

- A. Resolution 9565 of the City Council of the City of Santa Fe Springs;
- B. Resolution WUA-2017-002 of the Water Utility Authority;
- C. Resolution PFA-2017-002 of the Public Financing Authority;
- D. Indenture of Trust;
- E. Second Amendment to Water Enterprise Lease Agreement;
- F. Irrevocable Refunding Instructions;
- G. Bond Purchase Contract;
- H. Placement Agent Agreement;
- I. Savings Analysis;
- J. Bid Summary; and
- K. Estimated Costs of Issuance.

# **ATTACHMENT A**

#### **RESOLUTION NO. 9565**

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS APPROVING
THE ISSUANCE AND DELIVERY BY THE SANTA FE SPRINGS WATER UTILITY
AUTHORITY OF ITS SANTA FE SPRINGS WATER UTILITY AUTHORITY 2018
SUBORDINATE WATER REVENUE BONDS, APPROVING A SECOND AMENDMENT TO
WATER ENTERPRISE LEASE AGREEMENT, AN INDENTURE OF TRUST, AND A BOND
PURCHASE CONTRACT AND AUTHORIZING OFFICIAL ACTIONS AND EXECUTION OF
DOCUMENTS RELATED THERETO

WHEREAS, the Santa Fe Springs Water Utility Authority (the "Authority") is a joint exercise of powers authority duly organized and existing under and pursuant to that certain Joint Exercise of Powers Agreement, dated as of July 1, 2009, by and between the City of Santa Fe Springs (the "City") and the Community Development Commission of the City of Santa Fe Springs and under the 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 is authorized pursuant to Article 4 of the Act (the "Bond Law") to borrow money for the purpose of financing and refinancing public capital improvements of the Authority; and

WHEREAS, to acquire public capital improvements (the "2003 Improvements") of benefit to the City's water system and facilities (the "Enterprise") the City entered into an Installment Sale Agreement (the "2003 Installment Sale Agreement"), dated as of October 1, 2003, by and between the City and the Santa Fe Springs Public Financing Authority (the "Financing Authority") and the Financing Authority issued its 2003 Water Revenue Bonds, Series A, in the principal amount of \$4,265,000 (the "2003 Financing Authority Bonds"), secured by installment payments to be made by the City pursuant to the 2003 Installment Sale Agreement; and

WHEREAS, to refinance certain public capital improvements of benefit to the Enterprise by refunding on an advance basis the Financing Authority's 1996 Waster Revenue Bonds, Series A (the "2005 Improvements"), the City entered into an Installment Sale Agreement (the "2005 Installment Sale Agreement"), dated as of April 1, 2005, by and between the City and the Financing Authority, and the Financing Authority issued its 2005 Water Refunding Revenue Bonds, Series A (the "2005 Financing Authority Bonds"), in the principal amount of \$3,705,000 secured by installment payments to be made by the City pursuant to the 2005 Installment Sale Agreement; and

WHEREAS, to assist the City in repaying the 2003 Installment Sale Agreement and to finance additional public capital improvements to the Enterprise, the Authority issued its Santa Fe Springs Water Utility Authority 2013 Water Revenue Bonds (the "2013 Bonds") in the aggregate principal amount of \$6,890,000 pursuant to an Indenture of Trust, dated as of May 1, 2013, by and among the City, the Authority and U.S. Bank National Association, as trustee (the "2013 Indenture") and the City caused the repayment in full of the 2003 Installment Purchase Agreement and thereby refunded in full and defeased the 2003 Financing Authority Bonds; and

WHEREAS, in order to achieve interest rate savings, the City desires to cause the prepayment in full of the 2005 Installment Sale Agreement and, thereby, refund in full and defease the 2005 Financing Authority Bonds; and

WHEREAS, the City leased the City's Enterprise to the Authority pursuant to that certain Water Enterprise Lease Agreement, dated as of July 1, 2009 (the "Lease"), by and between the Authority and the City; and

WHEREAS, to assist the City in repaying the 2005 Installment Sale Agreement, the Authority has determined to issue its Santa Fe Springs Water Utility Authority 2018 Subordinate Water Revenue Bonds (the "2018 Bonds") in the aggregate principal amount of not to exceed \$2.3 million pursuant to an Indenture of Trust, dated as of January 1, 2018, by and among the Authority, the City and the U.S. Bank National Association, as trustee (the "Indenture"); and

WHEREAS, the debt service on the 2018 Bonds will be payable by the Authority from Net Revenues (as defined in the Indenture) of the Enterprise on a subordinate basis to the 2013 Bonds, and it is necessary to amend the Lease to provide for the payment of debt service on the 2018 Bonds as an additional obligation of the Authority and the City under the Lease Agreement, as provided in the Second Amendment To Water Enterprise Lease Agreement, dated as of January 1, 2018, by and between the City and the Authority (the "Second Amendment to Water Enterprise Lease Agreement"); and

WHEREAS, there has been presented to the to the City Council for approval Irrevocable Refunding Instructions (the "Irrevocable Refunding Instructions") to be given by the City to U.S. Bank National Association, as trustee for the 2005 Financing Authority Bonds in order to accomplish the refunding of the 2005 Financing Authority Bonds and the prepayment of the 2005 Installment Sale Agreement; and

WHEREAS, Opus Bank, a California commercial bank (the "Purchaser") proposes to submit an offer to purchase the Bonds in form on file with the Secretary (the "Bond Purchase Contract"); and

WHEREAS, the City Council desires to approve the Second Amendment to Water Enterprise Lease Agreement, the Indenture, the Irrevocable Refunding Instructions, and the Bond Purchase Contract, and for such purpose has, with the aid of its staff, reviewed such documents;

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

**Section 1**. The City Council hereby approves the issuance of the 2018 Bonds by the Authority in the aggregate principal amount of not to exceed \$2.3 million.

**Section 2**. The City Council hereby approves the Indenture in substantially the form filed with the City Clerk. The Mayor, the Mayor Pro Tem, the City Manager and the City Director of Finance and Administrative Services (each, a "Authorized Officer"), are hereby authorized to execute the Indenture in substantially the form filed with the City Clerk, with such revisions, amendments and completions as may be approved by an Authorized Officer, with the advice of Bond Counsel, such approval to be conclusively evidenced by the execution and delivery thereof.

**Section 3**. The City Council hereby approves the Second Amendment to Water Enterprise Lease Agreement, in substantially the form filed with the City Clerk. Any Authorized Officer is hereby authorized to execute the Second Amendment to Lease in substantially the

form filed with the City Clerk, with such revisions, amendments and completions as may be approved by an Authorized Officer, with the advice of Bond Counsel, such approval to be conclusively evidenced by the execution and delivery thereof.

**Section 4**. The City council hereby approves the Irrevocable Refunding Instructions, in substantially the form filed with the City Clerk. Any Authorized Officer is hereby authorized to execute the Irrevocable Refunding Instructions in substantially the form filed with the City Clerk, with such revisions, amendments and completions as may be approved by an Authorized Officer, with the advice of Bond Counsel, such approval to be conclusively evidenced by the execution and delivery thereof.

**Section 5**. The City Council hereby approves the Bond Purchase Contract providing for the sale of the Bonds to the Purchaser, in substantially the form filed with the City Clerk. Any Authorized Officer is hereby authorized to execute the Bond Purchase Contract, in substantially the form filed with the City Clerk, with such revisions, amendments and completions as may be approved by a Authorized Officer, with the advice of Bond Counsel, such approval to be conclusively evidenced by the execution and delivery thereof, provided that, the issuance of the 2018 Bonds will result in a net present value savings of at least 3% of the outstanding principal amount of the 2005 Financing Authority Bonds.

**Section 6**. The Mayor, the Mayor Pro Tem, the City Manager, the City Director of Finance and Administrative Services, the City Clerk, the City Attorney, and any and all other officers of the City are hereby authorized and directed, for and in the name and on behalf of the City, to do any and all things and take any and all actions, including the publication of any notices necessary or desirable in connection with the sale of the 2018 Bonds, and execution and delivery of any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents, which they, or any of them, deem necessary or advisable in order to consummate the lawful issuance sale and delivery of the 2018 Bonds, the refunding of the 2005 Financing Authority Bonds and the consummation of the transactions as described herein.

**Section 7. Effective Date.** This resolution shall take effect from and after the date of approval and adoption thereof.

**PASSED, APPROVED AND ADOPTED** this 14<sup>th</sup> day of December, 2017, at a regular meeting of the City Council by the following vote:

AYES: NOES:	
	<u>Mayor</u>
ATTEST:	
City Clerk	

# **ATTACHMENT B**

### **RESOLUTION NO. WUA-2017-002**

RESOLUTION OF THE SANTA FE SPRINGS WATER UTILITY AUTHORITY AUTHORIZING
THE ISSUANCE AND DELIVERY OF ITS SANTA FE SPRINGS WATER UTILITY
AUTHORITY 2018 SUBORDINATE WATER REVENUE BONDS, APPROVING A SECOND
AMENDMENT TO WATER ENTERPRISE LEASE AGREEMENT, AN INDENTURE OF
TRUST, AND A BOND PURCHASE CONTRACT AND AUTHORIZING OFFICIAL ACTIONS
AND EXECUTION OF DOCUMENTS RELATED THERETO

WHEREAS, the Santa Fe Springs Water Utility Authority (the "Authority") is a joint exercise of powers authority duly organized and existing under and pursuant to that certain Joint Exercise of Powers Agreement, dated as of July 1, 2009, by and between the City of Santa Fe Springs (the "City") and the Community Development Commission of the City of Santa Fe Springs and under the 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 is authorized pursuant to Article 4 of the Act (the "Bond Law") to borrow money for the purpose of financing and refinancing public capital improvements of the Authority; and

WHEREAS, to acquire public capital improvements (the "2003 Improvements") of benefit to the City's water system and facilities (the "Enterprise") the City entered into an Installment Sale Agreement (the "2003 Installment Sale Agreement"), dated as of October 1, 2003, by and between the City and the Santa Fe Springs Public Financing Authority (the "Financing Authority") and the Financing Authority issued its 2003 Water Revenue Bonds, Series A, in the principal amount of \$4,265,000 (the "2003 Financing Authority Bonds"), secured by installment payments to be made by the City pursuant to the 2003 Installment Sale Agreement; and

WHEREAS, to refinance certain public capital improvements of benefit to the Enterprise by refunding on an advance basis the Financing Authority's 1996 Waster Revenue Bonds, Series A (the "2005 Improvements"), the City entered into an Installment Sale Agreement (the "2005 Installment Sale Agreement"), dated as of April 1, 2005, by and between the City and the Financing Authority, and the Financing Authority issued its 2005 Water Refunding Revenue Bonds, Series A (the "2005 Financing Authority Bonds"), in the principal amount of \$3,705,000 secured by installment payments to be made by the City pursuant to the 2005 Installment Sale Agreement; and

WHEREAS, to assist the City in repaying the 2003 Installment Sale Agreement and to finance additional public capital improvements to the Enterprise, the Authority issued its Santa Fe Springs Water Utility Authority 2013 Water Revenue Bonds (the "2013 Bonds") in the aggregate principal amount of \$6,890,000 pursuant to an Indenture of Trust, dated as of May 1, 2013, by and among the City, the Authority and U.S. Bank National Association, as trustee (the "2013 Indenture") and the City caused the repayment in full of the 2003 Installment Purchase Agreement and thereby refunded in full and defeased the 2003 Financing Authority Bonds; and

WHEREAS, in order to achieve interest rate savings, the City desires to cause the prepayment in full of the 2005 Installment Sale Agreement and, thereby, refund in full and defease the 2005 Financing Authority Bonds; and

WHEREAS, the City leased the City's Enterprise to the Authority pursuant to that certain Water Enterprise Lease Agreement, dated as of July 1, 2009 (the "Lease"), by and between the Authority and the City; and

WHEREAS, to assist the City in repaying the 2005 Installment Sale Agreement, the Authority has determined to issue its Santa Fe Springs Water Utility Authority 2018 Subordinate Water Revenue Bonds (the "2018 Bonds") in the aggregate principal amount of not to exceed \$2.3 million pursuant to an Indenture of Trust, dated as of January 1, 2018, by and among the Authority, the City and the U.S. Bank National Association, as trustee (the "Indenture"); and

WHEREAS, the debt service on the 2018 Bonds will be payable by the Authority from Net Revenues (as defined in the Indenture) of the Enterprise on a subordinate basis to the 2013 Bonds, and it is necessary to amend the Lease to provide for the payment of debt service on the 2018 Bonds as an additional obligation of the Authority and the City under the Lease Agreement, as provided in the Second Amendment To Water Enterprise Lease Agreement, dated as of January 1, 2018, by and between the City and the Authority (the "Second Amendment to Water Enterprise Lease Agreement"); and

WHEREAS, Opus Bank, a California commercial bank (the "Purchaser") proposes to submit an offer to purchase the Bonds in form on file with the Secretary (the "Bond Purchase Contract"); and

**WHEREAS,** the Board desires to approve the Second Amendment to Water Enterprise Lease Agreement, the Indenture, and the Bond Purchase Contract, and for such purpose has, with the aid of its staff, reviewed such documents;

# NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE SANTA FE SPRINGS WATER UTILITY AUTHORITY DOES HEREBY RESOLVE AS FOLLOWS:

**Section 1**. The Authority hereby approves the issuance of the 2018 Bonds in the aggregate principal amount of not to exceed \$2.3 million.

**Section 2**. The Authority hereby approves the Indenture in substantially the form filed with the Secretary. The Chairperson, the Vice Chairperson, the Executive Director and the Treasurer (each, an "Authorized Officer"), are hereby authorized to execute the Indenture in substantially the form filed with the Secretary, with such revisions, amendments and completions as may be approved by an Authorized Officer, with the advice of Bond Counsel, such approval to be conclusively evidenced by the execution and delivery thereof.

**Section 3**. The Authority hereby approves the Second Amendment to Water Enterprise Lease Agreement, in substantially the form filed with the Secretary. Any Authorized Officer is hereby authorized to execute the Second Amendment to Lease in substantially the form filed with the Secretary, with such revisions, amendments and completions as may be approved by an Authorized Officer, with the advice of Bond Counsel, such approval to be conclusively evidenced by the execution and delivery thereof.

**Section 4**. The Authority hereby approves the Bond Purchase Contract providing for the sale of the 2018 Bonds to the Purchaser, in substantially the form filed with the Secretary. Any Authorized Officer is hereby authorized to execute the Bond Purchase Contract, in substantially the form filed with the Secretary, with such revisions, amendments and completions as may be

approved by an Authorized Officer, with the advice of Bond Counsel, such approval to be conclusively evidenced by the execution and delivery thereof, provided that, the issuance of the 2018 Bonds will result in a net present value savings of at least 3% of the outstanding principal amount of the 2005 Financing Authority Bonds.

**Section 5**. The law firm of Jones Hall, A Professional Law Corporation, San Francisco, California, is hereby appointed as Bond Counsel with respect to the proceedings for the issuance of the 2018 Bonds, the firm of Urban Futures, Inc., Tustin, California, is hereby appointed as municipal advisor with respect to the proceedings for the issuance of the 2018 Bonds, and Stifel, Nicolaus & Company, San Francisco, California, is hereby appointed as placement agent with respect to the 2018 Bonds, compensation and expenses for the foregoing services to be as provided in agreements on file with the Secretary or as approved by the Executive Director or Treasurer upon delivery of the 2018 Bonds.

**Section 6**. The Chairperson, the Vice Chairperson, the Executive Director, the Treasurer, the Secretary, the City Attorney, as legal counsel to the Authority, and any and all other officers of the Authority are hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions, including the publication of any notices necessary or desirable in connection with the sale of the 2018 Bonds, and execution and delivery of any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents, which they, or any of them, deem necessary or advisable in order to consummate the lawful issuance sale and delivery of the 2018 Bonds, the refunding of the 2005 Financing Authority Bonds and the consummation of the transactions as described herein.

**Section 8. Effective Date.** This resolution shall take effect from and after the date of approval and adoption thereof.

**PASSED, APPROVED AND ADOPTED** this 14th day of December, 2017, at an adjourned regular meeting of the Board of Directors by the following vote:

AVEC.

Secretary	
ATTEST:	
	Chairperson
NOES:	
ATES.	

# **ATTACHMENT C**

### **RESOLUTION NO. PFA-2017-002**

# RESOLUTION OF THE SANTA FE SPRINGS PUBLIC FINANCING AUTHORITY AUTHORIZING OFFICIAL ACTIONS AND EXECUTION OF DOCUMENTS RELATED TO THE REDEMPTION OF ITS 2005 WATER REFUNDING REVENUE BONDS, SERIES A

WHEREAS, to acquire public capital improvements (the "2003 Improvements") of benefit to the City of Santa Fe Springs's (the "City") water system and facilities (the "Enterprise") the City entered into an Installment Sale Agreement (the "2003 Installment Sale Agreement"), dated as of October 1, 2003, by and between the City and the Santa Fe Springs Public Financing Authority (the "Financing Authority") and the Financing Authority issued its 2003 Water Revenue Bonds, Series A, in the principal amount of \$4,265,000 (the "2003 Financing Authority Bonds"), secured by installment payments to be made by the City pursuant to the 2003 Installment Sale Agreement; and

WHEREAS, to refinance certain public capital improvements of benefit to the Enterprise by refunding on an advance basis the Financing Authority's 1996 Waster Revenue Bonds, Series A (the "2005 Improvements"), the City entered into an Installment Sale Agreement (the "2005 Installment Sale Agreement"), dated as of April 1, 2005, by and between the City and the Financing Authority, and the Financing Authority issued its 2005 Water Refunding Revenue Bonds, Series A (the "2005 Financing Authority Bonds"), in the principal amount of \$3,705,000 secured by installment payments to be made by the City pursuant to the 2005 Installment Sale Agreement; and

WHEREAS, the Santa Fe Springs Water Utility Authority (the "Water Utility Authority") is a joint exercise of powers authority duly organized and existing under and pursuant to that certain Joint Exercise of Powers Agreement, dated as of July 1, 2009, by and between the City and the Community Development Commission of the City of Santa Fe Springs and under the 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 is authorized pursuant to Article 4 of the Act (the "Bond Law") to borrow money for the purpose of financing and refinancing public capital improvements of the Water Utility Authority; and

WHEREAS, the City leased the City's Enterprise to the Authority pursuant to that certain Water Enterprise Lease Agreement, dated as of July 1, 2009 (the "Lease"), by and between the Authority and the City; and

WHEREAS, to assist the City in repaying the 2003 Installment Sale Agreement and to finance additional public capital improvements to the Enterprise, the Water Utility Authority issued its Santa Fe Springs Water Utility Authority 2013 Water Revenue Bonds (the "2013 Bonds") in the aggregate principal amount of \$6,890,000 pursuant to an Indenture of Trust, dated as of May 1, 2013, by and among the City, the Water Utility Authority and U.S. Bank National Association, as trustee (the "2013 Indenture") and the City caused the repayment in full of the 2003 Installment Purchase Agreement and thereby refunded in full and defeased the 2003 Financing Authority Bonds; and

WHEREAS, in order to achieve interest rate savings, the City desires to cause the prepayment in full of the 2005 Installment Sale Agreement and, thereby, refund in full and defease the 2005 Financing Authority Bonds; and

WHEREAS, to assist the City in repaying the 2005 Installment Sale Agreement, the Water Utility Authority has determined to issue its Santa Fe Springs Water Utility Authority 2018 Subordinate Water Revenue Bonds (the "2018 Bonds") in the aggregate principal amount of not to exceed \$2.3 million pursuant to an Indenture of Trust, dated as of January 1, 2018, by and among the Water Utility Authority, the City and the U.S. Bank National Association, as trustee (the "Indenture"); and

WHEREAS, there has been presented to the to the Board for approval Irrevocable Refunding Instructions (the "Irrevocable Refunding Instructions") to be given by the Financing Authority and the City to U.S. Bank National Association, as trustee for the 2005 Financing Authority Bonds in order to accomplish the refunding of the 2005 Financing Authority Bonds and the prepayment of the 2005 Installment Sale Agreement; and

WHEREAS, the Board desires to approve the Irrevocable Refunding Instructions and other actions related to the optional redemption of the 2005 Financing Authority Bonds and the prepayment of the 2005 Installment Sale Agreement;

# NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE SANTA FE SPRINGS PUBLIC FINANCING AUTHORITY DOES HEREBY RESOLVE AS FOLLOWS:

**Section 1**. The Financing Authority hereby approves the Irrevocable Refunding Instructions, in substantially the form filed with the City Clerk. The Chairperson, Vice-Chairperson, Treasurer, or Secretary (each, an "Authorized Officer"), are hereby authorized to execute the Irrevocable Refunding Instructions in substantially the form filed with the Secretary, with such revisions, amendments and completions as may be approved by an Authorized Officer, such approval to be conclusively evidenced by the execution and delivery thereof.

**Section 2**. Any Authorized Officer is hereby authorized and directed, for and in the name and on behalf of the Financing Authority, to do any and all things and take any and all actions, and execution and delivery of any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents, which they, or any of them, deem necessary or advisable in order to consummate the lawful redemption of the 2005 Financing Authority Bonds and the prepayment of the 2005 Installment Sale Agreement and the consummation of the transactions as described herein.

**Section 3. Effective Date.** This resolution shall take effect from and after the date of approval and adoption thereof.

**PASSED, APPROVED AND ADOPTED** this 14<sup>th</sup> day of December, 2017, at an adjourned regular meeting of the Board of Directors by the following vote:

Secretary		
ATTEST:	Chairperson	
NOES:		
AYES:		

# **ATTACHMENT D**

### **INDENTURE OF TRUST**

by and among

SANTA FE SPRINGS WATER UTILITY AUTHORITY,

**CITY OF SANTA FE SPRINGS** 

And

U.S. BANK NATIONAL ASSOCIATION as Trustee

Dated as of January 1, 2018

Relating to

Santa Fe Springs Water Utility Authority 2018 Subordinate Water Revenue Bonds

# **TABLE OF CONTENTS**

ARTICLE I	
DEFINITIONS; CONTENT OF CERTIFICATES AND OPINIONS	
Section 1.01, Definitions	
Section 1.02. Interpretation	12
ARTICLE II	
THE 2018 BONDS	
Section 2.01. Authorization of 2018 Bonds	14
Section 2.02. Terms of the 2018 Bonds	
Section 2.03. Transfer of Bonds	
Section 2.04. [Reserved]	
Section 2.05. Exchange of Bonds	
Section 2.06. Registration Books	
Section 2.07. Form and Execution of Bonds	
Section 2.08, Temporary Bonds	10
Section 2.09. Bonds, Mutilated, Lost, Destroyed or Stolen	10
ISSUANCE OF 2018 BONDS AND APPLICATION OF	
PROCEEDS	
Section 3.01. Issuance and Delivery of the 2018 Bonds	4.
Section 3.02. Application of the Proceeds of the 2018 Bonds	
Section 3.03. Establishment and Application of Costs of Issuance Fund	1.
Section 3.04. Validity of Bonds	1·
Section 3.05 , Issuance of Additional Bonds	1 1°
Section 3.06. Parity Obligations	
ARTICLE IV	
REDEMPTION OF 2018 BONDS	
Section 4.01. Terms of Redemption	21
Section 4.02. Selection of 2018 Bonds for Redemption	
Section 4.03. Notice of Redemption	
Section 4.04, Partial Redemption of 2018 Bonds	2
Section 4.05. Effect of Redemption	2
ARTICLE V	
REVENUES; FUNDS AND ACCOUNTS; PAYMENT OF	
PRINCIPAL AND INTEREST	
Section 5.01. Pledge and Assignment; Transfers to Bond Fund	2.
Section 5.02. Covenant Regarding Net Revenues	2
Section 5.03. Creation of Bond Fund and Accounts Therein; Allocation of Net Revenues	2
Section 5.04. Application of Interest Account	
Section 5.05. Application of Principal Account	2.
Section 5.06. [Reserved]	
Section 5.07. [Reserved]	
Section 5.08. Application of Redemption Fund	
Section 5.09. [Reserved]	
Section 5.10. Rates and Charges	
Section 5.11. Budget and Appropriation of Annual Debt Service Payments	2
Section 5.12. Special Obligation of the Authority; Obligations Absolute	2
Section 5.13. Investments	2
Section 5.14. Valuation of Investments	20

ARTICLE VI PARTICULAR COVENANTS

Section 6.01. Punctual Payment; Compliance with Documents	
Section 6.02. Extension of Payment of Bonds	
Section 6.03, Against Encumbrances	27
Section 6.04. Power to Issue Bonds and Make Pledge and Assignment	
Section 6.05. Accounting Records and Financial Statements	
Section 6.06. [Reserved]	28
Section 6.07. Covenants to Maintain Tax-Exempt Status	28
Section 6.08. Waiver of Laws	
Section 6.09. Protection of Security and Rights of Owners	
Section 6.10. Further Assurances	29
Section 6.11. Maintenance, Utilities, Taxes and Assessments	29
Section 6.12. Operation of Enterprise	
Section 6.13. Public Liability and Property Damage Insurance	
Section 6.14. Casualty Insurance	30
Section 6.15. Insurance Net Proceeds; Form of Policies	
Section 6.16, Eminent Domain	
Section 6.17. Restriction on Sale of Enterprise	31
Section 6.18. Covenant to Maintain Lease; Premature Termination of the LeaseARTICLE VII	31
EVENTS OF DEFAULT AND REMEDIES OF OWNERS	
Section 7.01. Events of Default and Acceleration of Maturities	32
Section 7.02. Application of Funds Upon Acceleration	33
Section 7.03. Other Remedies; Rights of Owners	33
Section 7.04. Power of Trustee to Control Proceeding	34
Section 7.05. Appointment of Receivers	
Section 7.06, Non-Waiver	34
Section 7.07. Rights and Remedies of Owners	
Section 7.08. Termination of Proceedings	35
ARTICLE VIII	
THE TRUSTEE	
Section 8.01. Duties, Immunities and Liabilities of Trustee	37
Section 8.02. Merger or Consolidation	38
Section 8.03. Liability of Trustee	38
Section 8.04. Right to Rely on Documents	40
Section 8.05. Preservation and Inspection of Documents	40
Section 8.06. Compensation and Indemnification	40
ARTICLE IX	
MODIFICATION OR AMENDMENT OF THIS INDENTURE	
Section 9.01. Amendments Permitted	42
Section 9.02. Effect of Supplemental Indenture	43
Section 9.03. Endorsement of Bonds; Preparation of New Bonds	43
Section 9.04. Amendment of Particular Bonds	43
ARTICLE X	
DEFEASANCE	
Section 10.01. Discharge of Indenture	45
Section 10.02. Discharge of Pledge of Net Revenues	45
Section 10.03. Deposit of Money or Securities with Trustee	
Section 10.04, Unclaimed Funds	
ARTICLE XI	
MISCELLANEOUS	
Section 11.01. Liability of Authority Limited to Net Revenues	48
Section 11.02. Limitation of Rights to Parties, Owners	
Section 11.03. Funds and Accounts	
Section 11.04. Waiver of Notice; Requirement of Mailed Notice	
Section 11.05. Destruction of Bonds	

Section 11.06.	Severability of Invalid Provisions	48
Section 11.07	. Notices	49
Section 11.08	Evidence of Rights of Owners	49
Section 11.09	Disqualified Bonds	50
Section 11.10	Money Held for Particular Bonds	50
Section 11.11	Parties Interested Herein	50
Section 11.12	Waiver of Personal Liability	50
Section 11.13	Successor Is Deemed Included in All References to Predecessor	51
Section 11.14	Execution in Several Counterparts	51
Section 11.15	Governing Law	51
Section 11.16	Dispute Resolution; No Sovereign Immunity	51
Section 11.17	Additional Provisions and Rights While the Bonds are Owned by the Original	
	Purchaser	52

Exhibit A ...... Form of 2018 Bond Exhibit B ...... Purchaser Letter

Bond Year shall extend from the Closing Date to May 1, 2018, with respect to the 2018 Bonds.

"Bonds" means the 2018 Bonds authorized by, and at any time Outstanding pursuant to, this Indenture or any Supplemental Indenture, and any Additional Bonds authorized by, and at any time Outstanding pursuant to, this Indenture and any Supplemental Indenture.

"Business Day" means a day which is not a Saturday, Sunday or legal holiday on which banking institutions in the State of California, or in any state in which the Trust Office is located, are closed. If any payment hereunder is due on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day with the same effect as if made on such previous day.

"City" means the City of Santa Fe Springs, a municipal corporation organized under the laws of the State.

"Closing Date" means the date of delivery of the Bonds to the Original Purchaser.

"Code" means the Internal Revenue Code of 1986, as in effect on the date of issuance of the Bonds or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the date of issuance of the Bonds, together with the Tax Regulations.

"Commission" means the Community Development Commission of the City of Santa Fe Springs, a public body corporate and politic organized under the laws of the State, and any successor thereto.

"Costs of Issuance" means all expenses incurred in connection with the authorization, issuance, sale and delivery of the Bonds and the application of the proceeds of the Bonds, including but not limited to all compensation, fees and expenses (including but not limited to fees and expenses for legal counsel) of the Authority and the City, initial fees and expenses of the Trustee and its counsel, title insurance premiums, fees of counsel to the Original Purchaser, CDIAC fees, appraisal fees, compensation to any financial consultants or underwriters, legal fees and expenses, filing and recording costs, costs of preparation and reproduction of documents and costs of printing.

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

<u>"Date of Taxability"</u> means the date from and for the interest component of the Bonds is subject to federal or State income taxation as a result of a Determination of Taxability.

"Default Rate" means the then applicable interest rate plus 300 basis points.

<u>"Determination of Taxability"</u> means and shall be deemed to have occurred on the first to occur of the following:

(i) on that date when the Authority files any statement, supplemental statement, or other tax schedule, return, or document which discloses that an Event of Taxability shall have occurred;

- (ii) on the date when the Original Purchaser notifies the Authority that it has received a written opinion from Bond Counsel to the effect that an Event of Taxability has occurred, which notice shall be accompanied by a copy of such opinion of Bond Counsel, unless, within 180 days after receipt by the Authority of such notification and copy of such opinion from the Original Purchaser, the Authority shall deliver to the Original Purchaser a ruling or determination letter issued to or on behalf of the Authority by the Commissioner or any District Director of the Internal Revenue Service (or any other governmental official exercising the same or a substantially similar function from time to time) to the effect that, after taking into consideration such facts as form the basis for the opinion that an Event of Taxability has occurred, an Event of Taxability shall not have occurred;
- (iii) on the date when the Authority shall be advised in writing by the Commissioner or any District Director of the Internal Revenue Service (or any other government official or agent exercising the same or a substantially similar function from time to time) that, based upon any review or audit or upon any other ground whatsoever, an Event of Taxability has occurred; or
- (iv) on that date when the Authority shall receive notice from the Original Purchaser that the Internal Revenue Service (or any other government official or agency exercising the same or a substantially similar function from time to time) has assessed the interest rate on the Bonds as includable in the gross income of the Original Purchaser due to the occurrence of an Event of Taxability;

provided, however, that no Determination of Taxability shall occur under subparagraph (iii) or subparagraph (iv) above unless the Authority has been afforded the opportunity, at its expense, to contest any such assessment, and, further, no Determination of Taxability shall occur until such contest, if made, has been finally determined; provided further, however, that upon demand from the Original Purchaser, the Authority shall reimburse the Original Purchaser for any payments, including any taxes, interest, penalties or other charges, such Original Purchaser shall be obligated to make as a result of the Determination of Taxability.

<u>"Enterprise"</u> means, collectively, the entire water treatment, production, storage and distribution system owned or operated by the City or the Authority, including but not limited to all facilities, properties and improvements at any time owned or operated by the City or the Authority for the collection, treatment and supply of 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 specified in Section 7.01.

<u>"Event of Taxability"</u> means a change in law or fact or the interpretation thereof, or the occurrence or existence of any fact, event or circumstance (including, without limitation, the taking of any action by the Authority, or the failure to take any action by the Authority, or the making by the Authority of any misrepresentation in this Agreement or the certificate regarding federal arbitrage which has been executed and delivered by the Authority in connection with this Agreement) which has the effect of causing the interest rate on the Bonds to be includable, in whole or in part, in the gross income of the Original Purchaser for federal income tax purposes.

# "Federal Securities" means any of the following:

- 1. Cash (insured at all times by the Federal Deposit Insurance Corporation or otherwise collateralized in accordance with the laws of the State)
- 2. Obligations of, or obligations guaranteed as to principal and interest by, the U.S. or any agency or instrumentality thereof, when such obligations are backed by the full faith and credit of the U.S. including:
  - U.S. treasury obligations
  - All direct or fully guaranteed obligations
  - Farmers Home Administration
  - General Services Administration
  - Guaranteed Title XI financing
  - Government National Mortgage Association (GNMA)
  - State and Local Government Series

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

"Gross Revenues" means all gross charges received for, and all other gross income and receipts derived by the City or the Authority from, the ownership and operation of the Enterprise or otherwise arising from the Enterprise, including but not limited to investment earnings thereon and Refundable Credits, if any; 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 or the Authority relating to the Enterprise.

"Guaranteed Investment Contracts" means investment agreements which allow for withdrawals at such times as required by this Indenture and whose unsecured obligations are rated by Moody's and S&P in one of the two highest rating categories assigned by such agencies.

<u>"Indenture"</u> means this Indenture of Trust as originally executed or as it may from time to time be supplemented, modified or amended by any Supplemental Indenture pursuant to the provisions hereof.

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

"Independent Fiscal Consultant" means any fiscal consultant or firm of such fiscal consultants appointed and paid by the Authority, and who, or each of whom (a) is in fact

independent and not under domination of the Authority; (b) does not have any substantial interest, direct or indirect, in the Authority, and (c) is not connected with the Authority as an officer or employee of the Authority but who may be regularly retained to make annual or other audits of the books of or reports to the Authority.

<u>"Information Services"</u> means "EMMA" or the "Electronic Municipal Market Access" system of the Municipal Securities Rulemaking Board; or, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other services providing information with respect to called bonds as the Authority may designate in a written certificate of the Authority delivered to the Trustee.

"Interest Account" means the account by that name established in the Bond Fund pursuant to Section 5.03.

"Interest Payment Date" means May 1 and November 1 of each year, commencing May 1, 2018.

<u>"Lease"</u> means the Water Enterprise Lease Agreement, dated July 1, 2009, by and between the Authority and the City, relating to the lease of the Enterprise by the Authority from the City, as amended from time to time.

"Maximum Annual Debt Service" means, as of the date of any calculation and with respect to the Annual Debt Service or any additional Parity Obligations, as the case may be, the maximum sum obtained for the current or any future Bond Year during the term of this Indenture by totaling the following amounts for such Bond Year:

- (a) the aggregate amount of the Annual Debt Service coming due and payable in such Bond Year;
- (b) the principal amount of all additional Parity Obligations, if any, coming due and payable by their terms in such Bond Year; and
- (c) the amount of interest which would be due during such Bond Year on the aggregate principal amount of all additional Parity Obligations, if any, which would be outstanding in such Bond Year if such Parity Obligations are retired as scheduled; provided, however, that with respect to any Parity Obligations which bear interest at a variable rate, such interest shall be calculated at an assumed rate equal to the average rate of interest per annum for each of the five previous whole calendar years as shown by the J. J. Kenny Index (or, in the event and to the extent such index is not maintained for all or any portion of such period, any similar index of variable rate interest for tax-exempt obligations as may be selected by the City.

"Moody's" means Moody's Investors Service, its successors and assigns.

"Net Revenues" means, for any period, an amount equal to all of the Gross Revenues received during such period minus (i) the amount required to pay all Operation and Maintenance Costs becoming payable during such period and (ii) the amount pledged under the 2013 Indenture to make payments on such 2013 Bonds, but only to the extent required to make such payments.

"Operation and Maintenance Costs" means the reasonable and necessary costs and

expenses paid by the City for maintaining and operating the Enterprise, including but not limited to (a) costs of acquisition of water to be supplied to 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, but in all cases excluding (i) debt service payable on obligations incurred by the City or the Authority with respect to the Enterprise, including but not limited to the payments of principal, interest, and premium (if any) with respect to the 2013 Bonds, the Bonds, and payments on any additional Parity Obligations, (ii) depreciation, replacement and obsolescence charges or reserves therefor, and (iii) amortization of intangibles or other bookkeeping entries of a similar nature.

"Original Purchaser" means Opus Bank, a California commercial bank, and its successors and assigns.

"Outstanding," when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 11.09) all Bonds theretofore, or thereupon being, authenticated and delivered by the Trustee under this Indenture except: (a) Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation; (b) Bonds with respect to which all liability of the Authority shall have been discharged in accordance with Section 10.01, including Bonds (or portions thereof) described in Section 11.09; and (c) Bonds for the transfer or exchange of or in lieu of or in substitution for which other Bonds shall have been authenticated and delivered by the Trustee pursuant to this Indenture.

"Owner" or "Bondholder," whenever used herein with respect to a Bond, means the person in whose name the ownership of such Bond is registered on the Registration Books. Initially, the Original Purchaser is the Owner of the 2018 Bonds.

"Parity Obligations," means leases, loan agreements, installment sale agreements, bonds, notes or other obligations issued or incurred by the Authority or the City that have a lien on the Net Revenues on a parity basis with the Bonds, including any Additional Bonds.

# "Permitted <u>Investments</u>" means any of the following:

- 1. Cash (insured at all times by the Federal Deposit Insurance Corporation or otherwise collateralized in accordance with the laws of the State.)
- 2. Obligations of, or obligations guaranteed as to principal and interest by, the U.S. or any agency or instrumentality thereof, when such obligations are backed by the full faith and credit of the U.S. including:
  - U.S. treasury obligations
  - All direct or fully guaranteed obligations
  - Farmers Home Administration
  - General Services Administration
  - Guaranteed Title XI financing
  - Government National Mortgage Association (GNMA)
  - State and Local Government Series
  - 3. Obligations of any of the following federal agencies which obligations

represent the full faith and credit of the United States of America, including:

- Export-Import Bank
- Rural Economic Community Development Administration
- U.S. Maritime Administration
- Small Business Administration
- U.S. Department of Housing & Urban Development (PHAs)
- Federal Housing Administration
- Federal Financing Bank
- 4. Obligations of any of the following federal agencies which obligations are not fully guaranteed by the full faith and credit of the United States of America:
  - Senior debt obligations issued by the Federal National Mortgage Association (FNMA) or Federal Home Loan Mortgage Corporation (FHLMC)
  - Obligations of the Resolution Funding Corporation (REFCORP)
  - Senior debt obligations of the Federal Home Loan Bank System
- 5. U.S. dollar denominated deposit accounts, federal funds and bankers' acceptances with domestic commercial banks which have a rating on their short-term certificates of deposit on the date of purchase of "P-I" by Moody's and "A-1" or "A-1+" by S&P and maturing not more than 360 calendar days after the date of purchase. (Ratings on holding companies are not considered as the rating of the bank);
- 6. Commercial paper which is rated at the time of purchase in the single highest classification, "P-1" by Moody's and "A-1+" by S&P and which matures not more than 270 calendar days after the date of purchase;
- 7. Investments in a money market fund rated "AAAm" or "AAAm-G" or better by S&P, including such funds for which the Trustee or an affiliate provides investment advice or other services:
- 8. Pre-refunded Municipal Obligations defined as follows: any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and
  - (A) which are rated, based on an irrevocable escrow account or fund (the "escrow"), in the highest rating category of Moody's or S&P or any successors thereto; or
  - (B) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or obligations described in paragraph 2 above, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date

or dates pursuant to such irrevocable instructions, as appropriate, and (ii) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate;

- 9. Municipal obligations rated "Aaa/AAA" or general obligations of States with a rating of "A2/A" or higher by both Moody's and S&P;
  - 10. Guaranteed Investment Contracts; and
- 11. The Local Agency Investment Fund ("LAIF") of the State of California, created pursuant to section 16429.1 of the California Government Code.

<u>"Principal"</u> or <u>"Principal Amount"</u> means, as of any date of calculation, the principal amount of the Bonds.

<u>"Principal Account"</u> means the account by that name established in the Bond Fund pursuant to Section 5.03.

"Principal Payment Date" means each May 1 of each year, commencing May 1, 2018.

"Qualified Independent Consultant" means a person or a firm who or which engages in the business of advising the management of public agencies concerning the operation and financing of public utilities, including water systems, and which person or firm, by reason of his or its knowledge and experience, has acquired a reputation as a recognized consultant. Such Qualified Independent Consultant may include a person or firm rendering professional engineering or accounting services in addition to his or its occupation as a public utility consultant and may include any person or firm regularly employed by the Authority or the City as a consultant to the Authority or the City.

"Qualified Institutional Buyer" means a qualified institutional buyer as defined in Rule 144A promulgated pursuant to the United States Securities Act of 1933, as amended.

<u>"Rate Stabilization Fund"</u> means any fund established and held by the Authority or the City as a fund for the stabilization of rates and charges imposed by the Authority and the City with respect to the Enterprise, which fund is established, held and maintained in accordance with Section 5.10(c).

<u>"Record Date"</u> means, with respect to any Interest Payment Date, the fifteenth (15th) calendar day of the month preceding such Interest Payment Date.

"Redemption Fund" means the fund by that name established pursuant to Section 5.08.

<u>"Refundable Credits"</u> means the amounts (if any) which are payable to the issuer of Build America Bonds by the federal government under Section 6431 of the Code, which the issuer of such Build America Bonds elects to receive under Section 54AA(g)(1) of the Code, or the amounts payable to an issuer by the federal government as a subsidy with respect to the payment of debt service on obligations of the issuer under any similar provisions of the Code which may be hereafter enacted.

"<u>Registration Books</u>" means the records maintained by the Trustee pursuant to Section 2.06 for the registration and transfer of ownership of the Bonds.

"Revenue Fund" means the Revenue Fund held by the City, on behalf of the Authority, pursuant to Section 5.01(b) into which the Authority is required to deposit all Gross Revenues of the Enterprise. The term "Revenue Fund" has the same meaning as the "Water Fund" as used in the Lease.

"<u>S&P</u>" means Standard & Poor's, a division of The McGraw-Hill Companies, its successors and assigns.

"State" means the State of California.

"Supplemental Indenture" means any indenture hereafter duly authorized and entered into between the Authority and the Trustee, supplementing, modifying or amending this Indenture; but only if and to the extent that such Supplemental Indenture is specifically authorized hereunder.

"<u>Tax Regulations</u>" means temporary and permanent regulations promulgated under or with respect to sections 103 and 141 through 501 inclusive, of the Code.

"Taxable Rate" means 4.01%.

"Trustee" means U.S. Bank National Association, a national banking association organized and existing under the laws of the United States of America, or its successor, as Trustee hereunder as provided in Section 8.01.

"<u>Trust Office</u>" means the corporate trust office of the Trustee at the address set forth in Section 11.07, or such other office designated by the Trustee from time to time and such office as the Trustee may designate in writing to the Authority from time to time as the place for transfer, registration, surrender, exchange or payment of the Bonds.

"Water Enterprise Management Agreement" means that certain Enterprise Management Agreement, dated July 1, 2009, by and between the City and the Authority, as hereafter duly amended and supplemented from time to time.

"Written Certificate," "Written Request" and "Written Requisition" of the Authority or the City means, respectively, a written certificate, request or requisition signed in the name of the Authority or the City by its corresponding Authorized Representative. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument.

# Section 1.02. Interpretation.

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

- (b) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.
- (c) All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Indenture: the words "herein," "hereof," "hereby," "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or subdivision hereof.

#### **ARTICLE II**

# THE 2018 BONDS

Section 2.01. Authorization of 2018 Bonds. The Authority pursuant to the Bond Law hereby authorizes the issuance hereunder of the 2018 Bonds, which shall constitute special obligations of the Authority, for the purpose of refinancing the 2005 Installment Sale Agreement. The 2018 Bonds are hereby designated the "Santa Fe Springs Water Utility Authority 2018 Subordinate Water Revenue Bonds." The aggregate principal amount of Bonds initially issued and Outstanding under this Indenture shall equal \$\_\_\_\_\_\_. This Indenture constitutes a continuing agreement with the Trustee and the Owners from time to time of the 2018 Bonds to secure the full payment of the principal of and interest on all the 2018 Bonds, subject to the covenants, provisions and conditions herein contained.

**Section 2.02. Terms of the 2018 Bonds.** One 2018 Bond with a final maturity date of May 1, 2026 shall be issued, and dated as of the Closing Date, in fully registered form without coupons in the principal amount of \$\_\_\_\_\_\_. The 2018 Bonds shall mature and shall bear interest at the rate of 2.39% except as set forth herein.

Interest on the 2018 Bonds shall be calculated based on a 360-day year of twelve (12) thirty-day months and shall be payable on each Interest Payment Date, commencing May 1, 2018, to the person whose name appears on the Registration Books as the Owner thereof as of the Record Date immediately preceding each such Interest Payment Date, such interest to be paid by wire transfer from the Trustee on the Interest Payment Date according to written wire instructions given to the Trustee prior to the applicable Record Date. Principal of any 2018 Bond shall be paid by wire transfer, as described in the previous sentence, without surrender of the 2018 Bonds by the registered owner. Principal of and interest on the 2018 Bonds shall be payable in lawful money of the United States of America.

Each 2018 Bond shall be dated the Closing Date and shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless (a) it is authenticated after a Record Date and on or before the following Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (b) unless it is authenticated on or before the first Record Date, in which event it shall bear interest from the Closing Date; provided, however, that if, as of the date of authentication of any 2018 Bond, interest thereon is in default, such 2018 Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

From and after the Date of Taxability, if applicable, the interest rate with respect to the Bonds shall increase to the Taxable Rate.

Upon the occurrence and continuance of an Event of Default, the interest rate with respect to the Bonds shall increase to the Default Rate.

Section 2.03. Transfer of Bonds. Subject to Section 2.05, any Bond may, in accordance with its terms, be transferred on the Registration Books by the person in whose name it is registered, in person or by a duly authorized attorney of such person, upon surrender of such Bond for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Trustee. Transfer of any Bond shall not be permitted by the Trustee during the period established by the Trustee for selection of

Bonds for redemption or if such Bond has been selected for redemption pursuant to Article IV. Whenever any Bonds or Bonds shall be surrendered for transfer, the Authority shall execute and the Trustee shall authenticate and shall deliver a new Bond or Bonds of like tenor, interest rate, maturity and aggregate principal amount in Authorized Denominations. The Trustee may require the Owner requesting such transfer to pay any tax or other governmental charge required to be paid with respect to such transfer.

A Bond may only be transferred in an Authorized Denomination to an entity that is owned in whole by the Original Purchaser that is an Accredited Investor or Qualified Institutional Buyer who delivers to the Trustee and the Authority an executed letter substantially in the form of Exhibit B of this Indenture.

# Section 2.04. [Reserved].

**Section 2.05.** Exchange of Bonds. Any Bond may be exchanged at the Trust Office for a like aggregate principal amount of Bonds of other authorized denominations and of like maturity. Exchange of any Bond shall not be permitted during the period established by the Trustee for selection of Bonds for redemption or if such Bond has been selected for redemption pursuant to Article IV. The Trustee shall require the Owner requesting such exchange to pay any tax or other governmental charge required to be paid with respect to such exchange.

Section 2.06. Registration Books. The Trustee will keep or cause to be kept, at the Trust Office, sufficient records for the registration and transfer of ownership of the Bonds, which shall at all reasonable times be open to inspection during regular business hours by the Authority and the Owners with reasonable prior notice; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on such records, the ownership of the Bonds as hereinbefore provided.

**Section 2.07. Form and Execution of Bonds.** The 2018 Bonds shall be substantially in the form attached hereto as Exhibit A and hereby made a part hereof and shall be initially delivered in the form of a separate single fully registered bond without coupons (which may be typewritten) in an Authorized Denomination. Upon initial delivery, the ownership of each such 2018 Bond shall be registered on the Registration Books in the name of the Original Purchaser.

Each 2018 Bond shall contain the following statement: "THE 2018 BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AND ARE SUBJECT TO TRANSFER RESTRICTIONS PURSUANT TO THE INDENTURE. THE 2018 BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY. THE 2018 BONDS DO NOT, DIRECTLY, INDIRECTLY OR CONTINGENTLY, OBLIGATE, IN ANY MANNER, THE AUTHORITY TO LEVY ANY TAX OR TO MAKE ANY APPROPRIATION FOR PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE 2018 BONDS OR ANY COSTS INCIDENTAL THERETO. THE 2018 BONDS ARE PAYABLE SOLELY FROM THE FUNDS PLEDGED FOR THEIR PAYMENT IN ACCORDANCE WITH THE INDENTURE. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE AUTHORITY, THE CITY OF SANTA FE SPRINGS, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE 2018 BONDS OR ANY COSTS INCIDENTAL THERETO. THE AUTHORITY HAS NO TAXING POWER."

The Supplemental Indenture for a series of Additional Bonds shall provide for the form of such Additional Bonds.

Section 2.08. Temporary Bonds. The Bonds may be issued in temporary form exchangeable for definitive Bonds when ready for delivery. Any temporary Bonds may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the Authority, shall be in fully registered form without coupons and may contain such reference to any of the provisions of this Indenture as may be appropriate. Every temporary Bond shall be executed by the Authority and authenticated by the Trustee upon the same conditions and in substantially the same manner as the definitive Bonds. If the Authority issues temporary Bonds it will execute and deliver definitive Bonds as promptly thereafter as practicable, and thereupon the temporary Bonds may be surrendered, for cancellation, at the Trust Office and the Trustee shall authenticate and deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds of Authorized Denominations. Until so exchanged, the temporary Bonds shall be entitled to the same benefits under this Indenture as definitive Bonds authenticated and delivered hereunder.

Section 2.09. Bonds, Mutilated, Lost, Destroyed or Stolen. If any Bond shall become mutilated, the Authority, at the expense of the Owner of said Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like series, tenor, and Authorized Denomination in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee shall be canceled by it and destroyed. If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Authority and the Trustee and, if such evidence be satisfactory to them and indemnity for them satisfactory to the Authority and the Trustee shall be given, the Authority, at the expense of the Owner of such lost, destroyed or stolen Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like series and tenor in lieu of and in substitution for the Bond so lost, destroyed or stolen (or if any such Bond shall have matured or shall have been called for redemption, instead of issuing a substitute Bond, the Trustee may pay the same without surrender thereof) upon receipt of the aforementioned indemnity. The Authority may require payment by the Owner of a sum not exceeding the actual cost of preparing each new Bond issued under this Section 2.09 and of the expenses which may be incurred by the Authority and the Trustee. Any Bond issued under the provisions of this Section 2.09 in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the Authority whether or not the Bond so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be entitled to the benefits of this Indenture with all other Bonds secured by this Indenture.

#### ARTICLE III

# **ISSUANCE OF 2018 BONDS AND APPLICATION OF PROCEEDS**

Section 3.01. Issuance and Delivery of the 2018 Bonds. At any time after the execution of this Indenture, the Authority may execute and the Trustee shall authenticate and, upon the Written Request of the Authority, deliver 2018 Bonds in the aggregate principal amount of \$
Section 3.02. Application of the Proceeds of the 2018 Bonds. On the Closing Date the proceeds of the sale of the 2018 Bonds shall be paid by the Original Purchaser to the Trustee in the amount of \$, which is equal to the par amount of the 2018 Bonds of \$ The Trustee shall forthwith apply such proceeds as follows:
(a) The Trustee shall deposit the amount of \$ in the Costs of Issuance Fund;
(b) The Trustee shall transfer the amount of \$ to U.S. Bank National Association, as trustee under the 2005 Indenture, for the repayment of the 2005 Installment Sale Agreement and the refunding and defeasance of the 2005 Bonds, in accordance with the Irrevocable Refunding Instructions.

The Trustee may, in its discretion, establish additional accounts in its books and records to facilitate the transfer of moneys.

Section 3.03. Establishment and Application of Costs of Issuance Fund. The Trustee shall establish, maintain and hold in trust a separate fund designated as the "Costs of Issuance Fund." The moneys in the Costs of Issuance Fund shall be used and withdrawn by the Trustee to pay the Costs of Issuance relating to the 2018 Bonds upon submission of Written Requisitions of the Authority stating the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper charge against said fund. Any such payment shall be made by check or wire transfer in accordance with the payment instructions set forth in the applicable Written Requisition or in invoices submitted in accordance therewith and the Trustee may rely on such payment instructions though given by the Authority with no duty to investigate or inquire as to the authenticity of the invoice or the payment instructions contained therein. The Trustee has no obligation at any time to monitor the applications of any moneys paid pursuant to a Written Requisition of the Authority. Ninety days after the Closing Date, or upon the earlier Written Request of the Authority, all amounts remaining in the Costs of Issuance Fund shall be transferred by the Trustee to the Interest Account of the Bond Service Fund and the Costs of Issuance Fund shall be closed.

**Section 3.04. Validity of Bonds.** The validity of the authorization and issuance of the Bonds is not dependent on and shall not be affected in any way by any proceedings taken by the Authority or the Trustee with respect to or in connection with the or the Water Enterprise Management Agreement. The recital contained in the Bonds that the same are issued pursuant to the Constitution and laws of the State shall be conclusive evidence of their validity and of compliance with the provisions of law in their issuance.

Section 3.05. Issuance of Additional Bonds. In addition to the 2018 Bonds, the

Authority may, by Supplemental Indenture adopted pursuant to Section 9.01, issue Additional Bonds payable from Gross Revenues on a parity basis with the 2018 Bonds and secured by a lien upon and pledge of Net Revenues equal to the lien and pledge securing the 2018 Bonds, and the Authority may issue and the Trustee may authenticate and deliver the Additional Bonds, in such principal amount and for such lawful purpose or purposes (including refunding of the 2013 Bonds and any Bonds issued hereunder and then Outstanding) as shall be determined by the Authority in said Supplemental Indenture, but only upon compliance with the following specific conditions, which are hereby made conditions precedent to the issuance of any Additional Bonds:

- (a) The Authority shall not be in default under this Indenture or any Supplemental Indenture or under the 2013 Indenture.
  - (b) (i) The Net Revenues, calculated in accordance with sound accounting principles, as shown by the books of the Authority for the most recent completed Fiscal Year for which audited financial statements are available, or for any more recent consecutive twelve (12) month period selected by the Authority at its option, in either case verified by a certificate or opinion of an Independent Account or Independent Fiscal Consultant, plus the Additional Revenues, at least equal one hundred twenty-five percent (125%) of the amount of Maximum Annual Debt Service with respect to the Bonds, 2013 Bonds, and all Parity Obligations then outstanding (including the Additional Bonds then proposed to be issued or incurred).
  - (ii) For purposes of this subsection (b), the amount of any Refundable Credits that the Authority expects to receive in a Fiscal Year shall be excluded from the amount of Gross Revenues for such Fiscal Year, but shall be included as a credit against the applicable amount of principal of and interest on the Additional Bonds or any other Parity Obligations coming due in such Fiscal Year.
  - (iii) The Authority may add to Net Revenues moneys transferred from the Rate Stabilization Fund to the Revenue Fund during that Fiscal Year, *except* that the calculation of Net Revenues may not include transfers from the Rate Stabilization Fund to the extent that such additional moneys would be required to cause Net Revenues to equal or exceed 100% of Annual Debt Service for outstanding Bonds, including the proposed Additional Bonds, for that Fiscal Year.
- (c) Such Additional Bonds shall be payable as to principal annually on May 1 of each year in which principal falls due and shall be payable as to interest semiannually on May 1 and November 1 of each year, provided that the first installment of interest may be payable on either May 1 or November 1 and shall be for a period of no longer than twelve months as shall be specified in the Supplemental Indenture providing for the issuance of such Additional Bonds.
- (d) The Authority shall deliver to the Trustee a Written Certificate of the Authority certifying that the conditions precedent to the issuance of such Additional Bonds set forth in subsections (a), (b), and (c) of this Section 3.05 above have been satisfied.

**Section 3.06. Parity Obligations**. The Authority may issue or incur Parity Obligations, other than Additional Bonds (which shall be issued pursuant to Section 3.05) during the term of the Bonds only if:

(a) no Event of Default has occurred and is continuing under this Indenture and any

Supplemental Indenture or under the 2013 Indenture;

- (b) (i) The Net Revenues, calculated in accordance with sound accounting principles, as shown by the books of the Authority for the most recent completed Fiscal Year for which audited financial statements are available, or for any more recent consecutive twelve (12) month period selected by the Authority at its option, in either case verified by a certificate or opinion of an Independent Accountant or Independent Fiscal Consultant, plus the Additional Revenues, at least equal one hundred twenty-five percent (125%) of the amount of Maximum Annual Debt Service with respect to the Bonds and all Parity Obligations then outstanding (including the Parity Obligations then proposed to be issued or incurred);
- (ii) For purposes of this Section 3.06, the amount of any Refundable Credits that the Authority expects to receive in a Fiscal Year shall be excluded from the amount of Gross Revenues for such Fiscal Year, but shall be included as a credit against the applicable amount of principal of and interest on such Parity Obligations or any other Parity Obligations coming due in such Fiscal Year.
- (iii) The Authority may add to Net Revenues moneys transferred from the Rate Stabilization Fund to the Revenue Fund during that Fiscal Year, *except* that the calculation of Net Revenues may not include transfers from the Rate Stabilization Fund to the extent that such additional moneys would be required to cause Net Revenues to equal or exceed 100% of Annual Debt Service for outstanding Bonds and any Parity Obligations, including the proposed Parity Obligations, for that Fiscal Year.
- (c) The Authority shall deliver to the Trustee a Written Certificate certifying that the foregoing conditions have been met.

#### **ARTICLE IV**

# **REDEMPTION OF 2018 BONDS**

# Section 4.01. Terms of Redemption.

(a) <u>Mandatory Sinking Account Redemption.</u> The 2018 Bonds are subject to mandatory redemption, in whole or in part by lot, on May 1 in each year, commencing May 1, 2018, as set forth below, from sinking fund payments made by the Authority to the Principal Account pursuant to Section 5.03, at a redemption price equal to the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts and on the dates in the respective years as set forth in the following table. No notice or redemption shall be required to be sent by the Trustee to the Owners for mandatory sinking fund redemption.

Sinking Account Redemption Date	Sinking
<u>(May 1)</u>	Account Payments
2018	\$
2019	
2020	
2021	
2022	
2023	
2024	
2025	
2026 (Maturity)	

(b) Optional Redemption. The 2018 Bonds shall be subject to optional redemption, as a whole or in part on any date prior to the maturity thereof, at the option of the Authority, on or after \_\_\_\_\_\_, from funds derived by the Authority from any source, as set forth in the following schedule. Notwithstanding the preceding sentence and the following schedule, the 2018 Bonds shall additionally be subject to optional redemption, in part, on any date, in an annual amount not to exceed 10% of the remaining Outstanding principal amount of the 2018 Bonds, without premium, as long as the redemption is not funded from the proceeds of Additional Bonds, Parity Obligations, or other forms of indebtedness.

Redemption made	Redemption price
during 12-month period	(percentage of principal
<u>ending</u>	<u>amount redeemed)</u>
May 1, 2018	105%
May 1, 2019	105%
May 1, 2020	105%
May 1, 2021	104%
May 1, 2022	104%
May 1, 2023	103%
May 1, 2024	102%
May 1, 2025	101%
May 1, 2026	100%

Section 4.02. Selection of 2018 Bonds for Redemption. With respect to any partial redemption under Section 4.01(b), such partial redemption shall first be applied to the sinking account payments under Section 4.01(a) in inverse order.

Section 4.03. Notice of Redemption. The Authority shall give the Trustee notice of its determination to redeem any 2018 Bonds in accordance with Section 4.01(b) not less than 60 days and no more than 90 days prior to the date fixed for redemption. Notice of redemption shall be mailed by first class mail, postage prepaid, not less than 30 nor more than 60 days before any redemption date, to respective Owners of any 2018 Bonds designated for redemption at their addresses appearing on the Registration Books, and by first class mail, facsimile or electronic mails, to the Information Services. Each notice of redemption shall state the date of the notice, the redemption date, the place or places of redemption, whether less than all of the 2018 Bonds (or all 2018 Bonds of a single maturity or series) are to be redeemed, the Bond numbers (if less than all 2018 Bonds of a maturity are redeemed) of the 2018 Bonds to be redeemed, the maturity or maturities of the 2018 Bonds to be redeemed and in the case of 2018 Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice shall also state that on the redemption date there will become due and payable on each of said 2018 Bonds the redemption price thereof, and that from and after such redemption date interest thereon shall cease to accrue, and shall require that such 2018 Bonds be then surrendered. Neither the failure to receive any notice nor any defect therein shall affect the proceedings for such redemption or the cessation of accrual of interest from and after the redemption date. Notice of redemption of 2018 Bonds shall be given by the Trustee, at the expense of the Authority, for and on behalf of the Authority.

A notice of optional redemption may be conditioned upon receipt of funds for such redemption. The Authority has the right to rescind any optional redemption by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of redemption shall be cancelled and annulled if for any reason funds are not available on the date fixed for redemption for the payment in full of the 2018 Bonds then called for redemption, and such cancellation shall not constitute an Event of Default hereunder. The Trustee shall mail notice of rescission of redemption in the same manner notice of redemption was originally provided.

**Section 4.04. Partial Redemption of 2018 Bonds.** Upon surrender of any 2018 Bonds redeemed in part only, the Authority shall execute and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the Authority, a new Bond or 2018 Bonds of authorized denominations equal in aggregate principal amount to the unredeemed portion of the 2018 Bonds surrendered.

Section 4.05. Effect of Redemption. Notice of redemption having been duly given as aforesaid, and moneys for payment of the redemption price of, together with interest accrued to the date fixed for redemption on, the 2018 Bonds (or portions thereof) so called for redemption being held by the Trustee, on the redemption date designated in such notice, the 2018 Bonds (or portions thereof) so called for redemption shall become due and payable, interest on the 2018 Bonds so called for redemption shall cease to accrue, said 2018 Bonds (or portions thereof) shall cease to be entitled to any benefit or security under this Indenture, and the Owners of said 2018 Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof.

#### ARTICLE V

# REVENUES; FUNDS AND ACCOUNTS; PAYMENT OF PRINCIPAL AND INTEREST

# Section 5.01. Pledge and Assignment; Transfers to Bond Fund.

- (a) Pledge of Net Revenues. All of the Net Revenues and any other amounts held in any of the funds or accounts under this Indenture, are hereby irrevocably pledged, charged and assigned to the punctual payment of the principal of and interest on the Bonds and to the punctual payment of any Parity Obligations, and except as otherwise provided herein the Net Revenues and such other funds shall not be used for any other purpose so long as any of the Bonds remain Outstanding. Such pledge, charge and assignment shall constitute a first lien on the Net Revenues and such other moneys for the payment of the principal of and interest on the Bonds in accordance with the terms hereof and for the payment of any Parity Obligations. All Net Revenues collected or received by the Authority shall be deemed to be held, and to have been collected or received, by the Authority as the agent of the Trustee and shall be paid by the Authority to the Trustee pursuant hereto.
- Deposits Into Revenue Fund; Transfers to Bond Fund. The Revenue Fund has been heretofore established by the City and is held by the City, on behalf of the Authority, pursuant to the Lease. The Authority hereby agrees and covenants to deposit all of the Gross Revenues, including Refundable Credits, if any, immediately upon receipt in the Revenue Fund. The Authority shall, from the moneys in the Revenue Fund, pay all Operation and Maintenance Costs (including amounts reasonably required to be set aside in contingency reserves for Operation and Maintenance Costs, the payment of which is not then immediately required) as they become due and payable. On or before the fifth Business Day preceding each Interest Payment Date, all remaining moneys in the Revenue Fund shall be set aside by the Authority in the following special fund and withdrawn only for the purposes hereinafter authorized in this Section: to the Trustee for deposit into the Bond Fund the amount equal to (i) the aggregate amount of interest coming due and payable on the Bonds on the next succeeding Interest Payment Date; plus (ii) one-half of the aggregate amount of the principal (including any mandatory sinking account redemption amount) coming due and payable on the next succeeding Principal Payment Date, which payments shall be made on a parity basis with any outstanding Parity Obligations.

Amounts remaining in the Revenue Fund immediately after making the transfers required to be made pursuant to this Section 5.01(b) and after the payment of any then applicable fees and expenses of the Trustee shall be released to the Authority free and clear of the lien of this Indenture, to be used by the Authority for any lawful purpose including but not limited to making lease payments pursuant to the Lease.

**Section 5.02. Covenant Regarding Net Revenues.** The Authority shall manage, conserve and apply the Net Revenues on deposit in the Revenue Fund in such a manner that all deposits required to be made pursuant to the preceding Section 5.01 will be made at the times and in the amounts so required.

Section 5.03. Creation of Bond Fund and Accounts Therein; Allocation of Net Revenues. There are hereby created the following funds and accounts to be held and administered by the Trustee pursuant to this Indenture: the Bond Fund, and, within the Bond Fund, the Interest Account and the Principal Account. On or about the fifth Business

Day preceding each date on which interest on or principal (including any mandatory sinking account redemption amount) of the Bonds becomes due and payable, the Trustee shall transfer from the Bond Fund and deposit into the following respective accounts (each of which the Trustee shall establish and maintain within the Bond Fund), the following amounts in the following order of priority, the requirements of each such account (including the making up of any deficiencies in any such account resulting from lack of Net Revenues sufficient to make any earlier required deposit) at the time of deposit to be satisfied before any transfer is made to any account subsequent in priority:

- (a) The Trustee shall deposit in the Interest Account an amount required to cause the aggregate amount on deposit in the Interest Account to be at least equal to the amount of interest becoming due and payable on the next Interest Payment Date on all Bonds then Outstanding.
- (b) The Trustee shall deposit in the Principal Account, the aggregate amount of principal (including any mandatory sinking account redemption amount) becoming due and payable on the Outstanding Bonds, until the balance in said account is equal to said aggregate amounts of such principal and mandatory sinking account redemption amount payments.
- (c) The Trustee shall transfer any remaining amounts in the Bond Fund to the Authority for any lawful use with respect to the Enterprise.

Section 5.04. Application of Interest Account. All amounts in the Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying interest on the Bonds as it becomes due and payable (including accrued interest on any Bonds purchased or redeemed prior to maturity pursuant to this Indenture).

**Section 5.05. Application of Principal Account.** All amounts in the Principal Account shall be used and withdrawn by the Trustee solely to pay the principal amount (including any mandatory sinking account redemption amount) of the Bonds at their respective maturity dates.

Section 5.06. [Reserved].

Section 5.07. [Reserved].

Section 5.08. Application of Redemption Fund. The Trustee shall establish and maintain the Redemption Fund, amounts in which shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of the Bonds to be redeemed pursuant to Section 4.01(b); provided, however, that at any time prior to selection for redemption of any such Bonds, the Trustee may apply such amounts to the purchase of Bonds at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Account) as shall be directed pursuant to a Written Request of the Authority, except that the purchase price (exclusive of accrued interest) may not exceed the redemption price then applicable to the Bonds.

Section 5.09. [Reserved].

Section 5.10. Rates and Charges.

(a) Covenant Regarding Gross Revenues. The Authority and the City shall fix,

prescribe, revise and collect rates, fees and charges for the Enterprise as a whole for the services 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 Gross Revenues that are sufficient to pay the following amounts in the following order of priority:

- (i) all anticipated Operation and Maintenance Costs of the Enterprise for such Fiscal Year;
- (ii) principal (including from mandatory sinking fund payments) and interest on the 2013 Bonds coming due in such Fiscal Year;
- (iii) Annual Debt Service payments and principal and interest on any Parity Obligations as they become due and payable during such Fiscal Year, without preference or priority, except to the extent such Annual Debt Service payments or principal and interest on any Parity Obligations are payable from the proceeds of the Bonds or from any other source of legally available funds of the Authority that have been deposited with the Trustee for such purpose prior to the commencement of such Fiscal Year;
- (iv) all other payments required to meet any other obligations of the Authority that are charges, liens, encumbrances upon, or which are otherwise payable, from Gross Revenues during such Fiscal Year.
- (b) Covenant Regarding Net Revenues. In addition, the Authority and the City shall fix, prescribe, revise and collect, or cause to be fixed, prescribed, revised and collected, rates, fees and charges for the services and improvements furnished by the Enterprise during each Fiscal Year which are sufficient to yield Net Revenues for the Enterprise, which are at least equal to (i) prior to the refunding in full or repayment in full of the 2013 Bonds, 150% of the total Annual Debt Service payments and payments on other Parity Obligations coming due and payable in such Fiscal Year, and (ii) after the refunding in full or repayment in full of the 2013 Bonds, 120% of the total Annual Debt Service payments and payments on other Parity Obligations coming due and payable in such Fiscal Year. For purposes of this paragraph, the amount of Net Revenues for a Fiscal Year will be computed on the basis that (1) any transfers into the Revenue Fund in that Fiscal Year from the Rate Stabilization Fund are included in the calculation of Net Revenues, as provided in subsection (c) of this Section 5.10, and (2) any deposits into the Rate Stabilization Fund in that Fiscal Year are deducted from the amount of Net Revenues, but only to the extent such deposits are made from Gross Revenues received by the Authority during that Fiscal Year.
- (c) <u>Rate Stabilization Fund</u>. The Authority or the City shall have the right at any time to establish a fund to be held by either of them and administered in accordance with this Section 5.10(c), for the purpose of stabilizing the rates and charges imposed by the Authority and the City with respect to the Enterprise. From time to time Authority and the City, or either of them, may deposit amounts in the Rate Stabilization Fund, from any source of legally available funds, including but not limited to Net Revenues which are released from the pledge and lien which secures the Annual Debt Service payments. The Rate Stabilization Fund shall be accounted for as a separate fund, although amounts credited to it may be commingled with other funds of the Authority or the City, as applicable.

The Authority or the City, as applicable, may, but is not be required to, withdraw

amounts on deposit in the Rate Stabilization Fund and deposit or cause to be deposited, as the case may be, such amounts in the Revenue Fund in any Fiscal Year for the purpose of paying Annual Debt Service payments or payments on Parity Obligations coming due and payable in such Fiscal Year. Amounts so transferred from the Rate Stabilization Fund to the Revenue Fund in any Fiscal Year constitute Gross Revenues for that Fiscal Year (except as otherwise provided herein), and will be applied for the purposes of the Revenue Fund. Amounts on deposit in the Rate Stabilization Fund are not pledged to and do not otherwise secure Annual Debt Service payments or payments on Parity Obligations. All interest or other earnings on deposits in the Rate Stabilization Fund will be retained therein or, at the option of the Authority or the City, be applied for any other lawful purposes. The Authority and City has the right at any time to withdraw any or all amounts deposited by the Authority or the City, as applicable, in and remaining on deposit in the Rate Stabilization Fund and apply such amounts for any other lawful purposes of the Authority or the City, as applicable.

(d) <u>Treatment of Refundable Credits</u>. For purposes of compliance with the covenants contained in this Section 5.10, the amount of any Refundable Credits that the Authority expects to receive in a Fiscal Year shall be excluded from the amount of Gross Revenues for such Fiscal Year, but shall be included as a credit against the applicable amount of debt service on Parity Obligations coming due in such Fiscal Year.

Section 5.11. Budget and Appropriation of Annual Debt Service Payments. So long as any Bonds remain Outstanding, the Authority covenants that it shall adopt and make all necessary budgets and appropriations of the Annual Debt Service payments from the Net Revenues. In the event any Annual Debt Service 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 Section 5.11 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 Section 5.11.

Section 5.12. Special Obligation of the Authority; Obligations Absolute. The Authority's obligation to pay the Annual Debt Service payments and any other amounts coming due and payable hereunder shall be a special obligation of the Authority limited solely to the Net Revenues. Under no circumstances shall the Authority be required to advance moneys derived from any source of income other than the Net Revenues and other sources specifically identified herein for the payment of the Annual Debt Service payments, nor shall any other funds or property of the Authority be liable for the payment of the Annual Debt Service payments and any other amounts coming due and payable hereunder.

The obligations of the Authority to make the Annual Debt Service payments from the Net Revenues and to perform and observe the other agreements contained herein shall be absolute and unconditional and shall not be subject to any defense or any right of setoff, counterclaim or recoupment arising out of any breach of the Authority or the Trustee of any obligation with respect to the Enterprise, whether hereunder or otherwise, or out of indebtedness or liability at any time owing to the Authority by the Trustee. Until such time as all of the Annual Debt Service 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 Annual Debt Service payments or such other amounts, and (b) will perform and observe all other agreements contained in this Indenture, including, without

limiting the generality of the foregoing, the occurrence of any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, destruction of or damage to the Enterprise, sale of the Enterprise, the taking by eminent domain of title to or temporary use of any component of the Enterprise, commercial frustration of purpose, any change in the tax law or other laws of the United States of America or the State or any political subdivision of either thereof or any failure of the Authority or the Trustee to perform and observe any agreement, whether expressed or implied, or any duty, liability or obligation arising out of or connected with this Indenture.

Section 5.13. Investments. All moneys in any of the funds or accounts established with the Trustee pursuant to this Indenture shall be invested by the Trustee solely in Permitted Investments. Such investments shall be directed by the Authority pursuant to a Written Request of the Authority filed with the Trustee at least two (2) Business Days in advance of the making of such investments. In the absence of any such directions from the Authority, the Trustee shall invest any such moneys in Permitted Investments described in clause 7 of the definition thereof. Permitted Investments purchased as an investment of moneys in any fund shall be deemed to be part of such fund or account.

All interest or gain derived from the investment of amounts in any of the funds or accounts established hereunder shall be deposited in the Bond Fund. For purposes of acquiring any investments hereunder, the Trustee may commingle funds held by it hereunder. The Trustee, or its affiliate, may act as principal or agent in the acquisition or disposition of any investment and may impose its customary charges therefor. The Trustee shall incur no liability for losses arising from any investments made pursuant to this Section 5.13.

The Trustee may sell at the best price reasonably obtainable, or present for prepayment, any Permitted Investment so purchased by the Trustee whenever it shall be necessary in order to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund to which such Permitted Investment is credited, and the Trustee shall not be liable or responsible for any loss resulting from any such Permitted Investment.

The Authority acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Authority the right to receive brokerage confirmations of security transactions as they occur, the Authority will not receive such confirmations to the extent permitted by law. The Trustee will provide to the Authority periodic cash transaction statements that shall include detailed information for all investment transactions made by the Trustee under this Indenture.

The Trustee may make any investments authorized hereunder through the Trustee's own bond or investment department or trust investment department, or those of its parent or any affiliate.

The Trustee or any of its affiliates may act as sponsor, advisor or manager in connection with any investments made by the Trustee hereunder.

Section 5.14. Valuation of Investments. For the purpose of determining the amount in any fund or account, the value of Permitted Investments credited to such fund or account shall be valued by the Trustee on or before each Interest Payment Date at the market value thereof (excluding any accrued interest). The Trustee may utilize computer pricing services as are available to it in making such valuations. Any deficiency in a fund or account resulting

from a decline in market value shall be restored by the Authority no later than the next scheduled valuation date.

#### ARTICLE VI

## **PARTICULAR COVENANTS**

Section 6.01. Punctual Payment; Compliance with Documents. The Authority shall punctually pay or cause to be paid the principal of and interest on all the Bonds in strict conformity with the terms of the Bonds and of this Indenture, according to the true intent and meaning thereof, but only out of Net Revenues and other assets pledged for such payment as provided in this Indenture, and will faithfully observe and perform all of the conditions, covenants and requirements of this Indenture. In the event that for any reason the Authority is unable to perform its covenants and agreements under this Indenture, because of premature termination of the Lease or otherwise, the City shall, on behalf of the Authority, punctually pay or cause to be paid the principal of and interest on all the Bonds in strict conformity with the terms of the Bonds and of this Indenture, according to the true intent and meaning thereof and hereof, but only out of Net Revenues and other assets pledged for such payment as provided in this Indenture, and the City will, on behalf of the Authority, faithfully observe and perform all of the conditions, covenants and requirements of this Indenture.

Section 6.02. Extension of Payment of Bonds. The Authority shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any claims for interest by the purchase of such Bonds or by any other arrangement, and in case the maturity of any of the Bonds or the time of payment of any such claims for interest shall be extended, such Bonds or claims for interest shall not be entitled, in case of any default hereunder, to the benefits of this Indenture, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest thereon which shall not have been so extended. Nothing in this Section 6.02 shall be deemed to limit the right of the Authority to issue Bonds for the purpose of refunding any Outstanding Bonds, and such issuance shall not be deemed to constitute an extension of maturity of the Bonds.

Section 6.03. Against Encumbrances. The Authority shall not create, or permit the creation of, any pledge, lien, charge or other encumbrance upon the Net Revenues and other assets pledged or assigned under this Indenture while any of the Bonds are Outstanding, except the pledge and assignment created by this Indenture with respect to the Bonds and Parity Obligations. Any refunding of the 2013 Bonds shall be on a parity basis with the Bonds. Subject to this limitation, the Authority expressly reserves the right to enter into one or more other indentures for any of its corporate purposes, and reserves the right to issue other obligations for such purposes, which are payable on a basis subordinate to the payment of Annual Debt Service on the Bonds and the payment of Parity Obligations.

Section 6.04. Power to Issue Bonds and Make Pledge and Assignment. The Authority is duly authorized pursuant to law to issue the Bonds and to enter into this Indenture and to pledge and assign the Net Revenues and other assets purported to be pledged and assigned, respectively, under this Indenture in the manner and to the extent provided in this Indenture. The Bonds and the provisions of this Indenture are and will be the legal, valid and binding special obligations of the Authority in accordance with their terms, and the Authority and the Trustee shall at all times, subject to the provisions of Article

VIII and to the extent permitted by law, use reasonable efforts to defend, preserve and protect said pledge and assignment of Net Revenues and other assets and all the rights of the Owners under this Indenture against all claims and demands of all persons whomsoever.

Section 6.05. Accounting Records and Financial Statements. The Trustee shall at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with industry standards, in which complete and accurate entries shall be made of all transactions made by it relating to the proceeds of Bonds and all funds and accounts established pursuant to this Indenture. The Trustee shall, upon the written request of the Owner of any of the Outstanding Bonds, provide a copy of the monthly statements relating to the Bonds at the expense of such Owner. Such books of record and account shall be available for inspection by the Authority or the City during business hours and under reasonable circumstances.

The Authority shall at all times keep, or cause to be kept, proper books of record and account prepared in accordance with industry standards in which complete and accurate entries shall be made of all transactions made by it relating to Net Revenues and all funds and accounts established pursuant to this Indenture. The Authority shall cause to be performed a component audit of the Enterprise within 270 days of the end of each Fiscal Year and shall provide such audit to the Owner. The Authority shall also provide additional information as reasonably requested by the Owner.

In addition, unless otherwise provided in the audited financial statements, the Authority shall provide the following information to Owners at their addresses on the registration books:

- (i) Information in the form of Table 10 of the official statement related to the 2013 Bonds (the "2013 Official Statement") concerning operating revenues and expenses of the Authority's Enterprise for the then-preceding fiscal year, including net revenues of the Enterprise and debt service coverage.
- (ii) The amount of water production in the then-preceding fiscal year in the form of Table 2 of the 2013 Official Statement.
- (iii) A description of any Additional Bonds issued or Parity Obligations incurred during the then-preceding fiscal year.
- (iv) Updated tables for the then-preceding fiscal year in the form of Tables 4, 5, and 6 of the 2013 Official Statement.

## Section 6.06. [Reserved].

**Section 6.07. Covenants to Maintain Tax-Exempt Status.** The Authority and the City covenant as follows in this Section:

- (a) Private Business Use Limitation. The Authority and the City shall assure that the proceeds of the 2018 Bonds are not used in a manner which would cause the 2018 Bonds to satisfy the private business tests of Section 141(b) of the Code or the private loan financing test of Section 141(c) of the Code.
  - (b) Federal Guarantee Prohibition. The Authority and the City may not take any

action or permit or suffer any action to be taken if the result of the same would be to cause the 2018 Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

- (c) No Arbitrage. The Authority and the City may not take, or permit or suffer to be taken by the Trustee or otherwise, any action with respect to the proceeds of the 2018 Bonds or of any other obligations which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the Closing Date, would have caused the 2018 Bonds to be "arbitrage bonds" within the meaning of Section 148(a) of the Code.
- (d) Maintenance of Tax Exemption. The Authority and the City shall take all actions necessary to assure the exclusion of interest on the 2018 Bonds from the gross income of the Owners of the 2018 Bonds to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the Closing Date.
- (e) Rebate of Excess Investment Earnings to United States. The Authority and the City shall calculate or cause to be calculated all amounts of Excess Investment Earnings which are required to be rebated to the United States of America under Section 148(f) of the Code, at the times and in the manner required under the Code. The Authority shall pay when due an amount equal to Excess Investment Earnings to the United States of America in such amounts, at such times and in such manner as may be required under the Code. The Authority shall keep or cause to be kept, and retain or cause to be retained for a period of 6 years following the retirement of the 2018 Bonds, records of the determinations made under this subsection (e).
- **Section 6.08. Waiver of Laws**. The Authority shall not at any time insist upon or plead in any manner whatsoever, or claim or take the benefit or advantage of, any stay or extension law now or at any time hereafter in force that may affect the covenants and agreements contained in this Indenture or in the Bonds, and all benefit or advantage of any such law or laws is hereby expressly waived by the Authority to the extent permitted by law.
- Section 6.09. Protection of Security and Rights of Owners. The Authority will preserve and protect the security of the Bonds and the Owners. From and after the date of issuance of any Bonds, such Bonds shall be incontestable by the Authority.
- **Section 6.10. Further Assurances.** The Authority will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture and for the better assuring and confirming unto the Owners of the Bonds of the rights and benefits provided in this Indenture.
- Section 6.11. Maintenance, Utilities, Taxes and Assessments. So long as any Bonds remain Outstanding, 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 so long as any Bonds remain Outstanding 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 Trustee shall notify the Authority that, in its opinion, by nonpayment of any such items, the interest of the Owners of the Bonds hereunder will be materially adversely affected, in which event the Authority shall promptly pay such taxes, assessments or charges or provide the Trustee with full security against any loss which may result from nonpayment, in form satisfactory to the Trustee.

Section 6.12. Operation of Enterprise. The Authority covenants and agrees and, in the event that for any reason the Authority is unable to perform its covenants and agreements under this Indenture, because of premature termination of the Lease or otherwise, the City covenants and agrees, to operate the Enterprise in an efficient and economical manner and to operate, maintain and preserve the Enterprise in good repair and working order. The Authority and the City covenant that, in order to fully preserve and protect the priority and security of the Bonds, the Authority or the City, as applicable, 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 Revenue prior or superior to the lien granted hereunder, or which may otherwise impair the ability of the Authority to pay the Annual Debt Service payments in accordance herewith.

Section 6.13. Public Liability and Property Damage Insurance. The Authority shall maintain or cause to be maintained, so long as any Bonds remain Outstanding, but only if and to the extent available at reasonable cost from reputable insurers, a standard comprehensive general insurance policy or policies in protection of the Authority, the City, and their respective members, officers, agents, assignees and employees. Said policy or policies shall provide for indemnification of said parties against direct or contingent loss or liability for damages for bodily and personal injury, death or property damage occasioned by reason of the operation of the Enterprise. Said policy or policies shall provide coverage in such liability limits and shall be subject to such deductibles as shall be customary with respect to works and property of a like character. Such liability insurance may be maintained as part of or in conjunction with any other liability insurance coverage carried by the Authority or the City, and may be maintained in whole or in part in the form of self-insurance by the Authority or the City, in the form of the participation by the Authority or the City in a joint powers agency or other program providing pooled insurance. The proceeds of such liability insurance shall be applied toward extinguishment or satisfaction of the liability with respect to which such proceeds shall have been paid.

Section 6.14. Casualty Insurance. The Authority shall procure and maintain, or cause to be procured and maintained, so long as any Bonds remain Outstanding, but only in the event and to the extent available from reputable insurers at reasonable cost, casualty insurance against loss or damage to any improvements constituting any part of the Enterprise, covering such hazards as are customarily covered with respect to works and property of like character. Such insurance may be subject to deductible clauses which are customary for works and property of a like character. Such insurance may be maintained as part of or in conjunction with any other casualty insurance carried by the Authority and may

be maintained in whole or in part in the form of self-insurance by the Authority, subject to the provisions of Section 6.15, or in the form of the participation by the Authority in a joint powers agency or other program providing pooled insurance. All amounts collected from insurance against accident to or destruction of any portion of the Enterprise shall be used to repair, rebuild or replace such damaged or destroyed portion of the Enterprise, and to the extent not so applied or to the extent the Authority determines it is not economically feasible or in the best interests of the Authority to so repair, rebuild or replace such damaged or destroyed portion of the Enterprise, shall be applied to redeem the 2013 Bonds and, to the extent available after application in accordance with the 2013 Indenture, the Bonds pro rata with other Parity Obligations.

Section 6.15. Insurance Net Proceeds; Form of Policies. The Authority shall pay or cause to be paid when due the premiums for all insurance policies required by the Lease. The Authority shall annually on or before December 1 deliver to the Trustee a certificate to the effect that the Authority has complied with the requirements of Sections 6.13 and 6.14 hereof. In the event that any insurance required pursuant to Sections 6.13 or 6.14 shall be provided in the form of self-insurance, the Authority shall file with the Trustee annually, within ninety (90) days following the close of each Fiscal Year, a statement of an independent actuarial consultant identifying the extent of such self-insurance and stating the determination that the Authority maintains sufficient reserves with respect thereto. In the event that any such insurance shall be provided in the form of self-insurance by the Authority, the Authority shall not be obligated to make any payment with respect to any insured event except from Revenue or from such reserves.

Section 6.16. Eminent Domain. Any 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, at the election of the Authority (evidenced by a Written Certificate of the Authority filed with the Trustee and the Authority) shall either (a) be used for the lease, acquisition or construction of improvements and extension of the Enterprise, or (b) be applied to redeem the 2013 Bonds and, to the extent available after application in accordance with the 2013 Indenture, the Bonds pro rata with other Parity Obligations.

Section 6.17. Restriction on Sale of Enterprise. The Authority covenants that, so long as any Bonds remain Outstanding, the Authority will not sell, lease, encumber or otherwise dispose of any substantial portion of the Enterprise to another public entity (other than the City), unless the proceeds of such sale, lease, encumbrance or other disposal shall be adequate, and shall be used, to discharge this Indenture as provided in Article X hereof. For purposes of this covenant, a "substantial portion" of the Enterprise shall consist of more than five percent (5%) of the book value of the Enterprise. Nothing in this covenant shall be construed to restrict the sale, lease, encumbrance or otherwise disposition by the Authority of less than a substantial portion of the Enterprise, provided that such sale, lease, encumbrance or otherwise disposition is determined by the Authority to be necessary or desirable for the improvement, expansion or repair of the Enterprise, and the proceeds of such sale are used either to fund such improvement, expansion or repair of the Enterprise, or to redeem a portion of the 2013 Bonds and, to the extent available after application in accordance with the 2013 Indenture, the Bonds pursuant to Section 4.01(b) hereof.

Section 6.18. Covenant to Maintain the Lease; Premature Termination of the Lease. The Authority and the City covenant that, so long as any Bonds remain Outstanding, neither party shall cause the Lease to be terminated, and each party shall do or cause to be done all further acts and things, in each case, as may be proper or

reasonably necessary, to ensure the enforceability thereof. Notwithstanding the obligations of the Authority and the City to maintain the Lease, in the event the Lease shall, nevertheless, be terminated prematurely, the City shall faithfully fulfill all of its covenants set forth in Section 6.01 and shall have all of the rights and benefits contained in this Indenture, including, without limitation, the rights to issue Additional Bonds, enter into parity Installment Sale Agreements and to issue or incur other Parity Obligations hereunder.

#### **ARTICLE VII**

## **EVENTS OF DEFAULT AND REMEDIES OF OWNERS**

Section 7.01. Events of Default and Acceleration of Maturities. The following events shall be Events of Default hereunder:

- (a) Default in the due and punctual payment of the principal (including any mandatory sinking account amount) of any Bond when and as the same shall become due and payable, whether at maturity as therein expressed, by proceedings for mandatory sinking fund redemption, by declaration or otherwise. No effect shall be given to payments made under the Insurance Policy for purposes of this subsection.
- (b) Default in the due and punctual payment of any installment of interest on any Bond when and as such interest installment shall become due and payable. No effect shall be given to payments made under the Insurance Policy for purposes of this subsection.
- (c) Default by the Authority in the observance of any of the other covenants, agreements or conditions on its part in this Indenture or in the Bonds contained (including, but not limited to, the failure to provide financial information to the Owners), if such default shall have continued for a period of thirty (30) days after written notice thereof, specifying such default and requiring the same to be remedied, shall have been given to the City and the Authority by the Trustee; provided, however, that, subject to Section 11.02, if in the reasonable opinion of the Authority the default stated in the notice (other than a default in the payment of any fees and expenses owing to the Trustee) can be corrected, but not within such thirty (30) day period, such default shall not constitute an Event of Default hereunder if the Authority shall commence to cure such default within such thirty (30) day period and thereafter diligently and in good faith cure such failure in a reasonable period of time.
- (d) The filing by the Authority of a petition or answer seeking reorganization or arrangement under the Federal bankruptcy laws or any other applicable law of the United States of America, or if a federal or state court of competent jurisdiction shall approve a petition, filed with or without the consent of the Authority, seeking reorganization under the Federal bankruptcy laws or any other applicable law of the United States of America, or if, under the provisions of any other law for the relief or aid of debtors, any federal or state court of competent jurisdiction shall assume custody or control of the Authority or of the whole or any substantial part of its property.
  - (e) If an Event of Default occurs under the 2013 Indenture.

Upon the occurrence and during the continuance of any Event of Default, the interest rate on the 2018 Bonds shall be the Default Rate, and the Trustee may, and, at the written direction of the Owners of a majority in aggregate principal amount of the Bonds at the time

Outstanding, shall, declare the principal of all of the Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable, anything in this Indenture or in the Bonds contained to the contrary notwithstanding. This provision, however, is subject to the condition that if, at any time after the principal of the Bonds shall have been so declared due and payable and before any judgment or decree for the payment of the moneys due shall have been obtained or entered, the Authority shall deposit with the Trustee a sum sufficient to pay all of the principal (including any mandatory sinking account amount) of and interest on the Bonds having come due prior to such declaration, with interest on such overdue principal (including any mandatory sinking account amount) and interest calculated at the net effective rate of interest per annum then borne by the Outstanding Bonds, and the reasonable fees and expenses of the Trustee, together with interest thereon at the prime rate of the Trustee then in effect, and any and all other defaults that have been noticed (other than payment defaults) to the Trustee (other than in the payment of the principal of and interest on the Bonds having come due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall have been made therefor, then, and in every such case, the Trustee, or, the Owners of a majority in aggregate principal amount of the Bonds at the time Outstanding may, by written notice to the Authority and to the Trustee, on behalf of the Owners of all of the Outstanding Bonds, rescind and annul such declaration and its consequences and the interest rate on the 2018 Bonds shall no longer be the Default Rate. However, no such rescission and annulment shall extend to or shall affect any subsequent default, or shall impair or exhaust any right or power consequent thereon.

Section 7.02. Application of Funds Upon Acceleration. All amounts received by the Trustee pursuant to any right given or action taken by the Trustee under the provisions of this Indenture and all other funds then held by the Trustee hereunder shall be applied by the Trustee in the following order:

First, to the payment of fees, charges and expenses of the Trustee (including fees and disbursements of its counsel and financial consultants) incurred in and about the performance of its powers and duties under this Indenture; and

Second, to the payment of the whole amount then owing and unpaid upon the Bonds for interest and principal (including any mandatory sinking account redemption amount), with interest on such overdue amounts to the extent permitted by law at the net effective rate of interest then borne by the Outstanding Bonds, and in case such moneys shall be insufficient to pay in full the whole amount so owing and unpaid upon the Bonds, then to the payment of such interest, principal (including any mandatory sinking account amount) and interest on overdue amounts without preference or priority among such interest, principal (including any mandatory sinking account amount) and interest on overdue amounts ratably to the aggregate of such interest, principal (including any mandatory sinking account amount) and interest on overdue amounts.

Section 7.03. Other Remedies; Rights of Owners. Upon the occurrence of an Event of Default, the Trustee may pursue any available remedy, in addition to the remedy specified in Section 7.01, at law or in equity to enforce the payment of the principal of and interest on the Outstanding Bonds, and to enforce any rights of the Trustee under or with respect to this Indenture. Such available remedies shall include the right to seek specific performance of the Authority's obligations hereunder.

If an Event of Default shall have occurred and be continuing and if requested so to do by the Owners of a majority in aggregate principal amount of Outstanding Bonds and indemnified as provided in Section 8.06, the Trustee shall be obligated to exercise such one or more of the rights and powers conferred by this Article VII, as the Trustee, being advised by counsel, shall deem in the interests of the Owners.

No remedy by the terms of this Indenture conferred upon or reserved to the Trustee (or to the Owners) is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee or to the Owners hereunder or now or hereafter existing at law or in equity.

No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or acquiescence therein; such right or power may be exercised from time to time as often as may be deemed expedient.

Section 7.04. Power of Trustee to Control Proceeding. In the event that the Trustee, upon the happening of an Event of Default, shall have taken any action, by judicial proceedings or otherwise, pursuant to its duties hereunder, whether upon its own discretion or upon the request of the Owners of a majority in principal amount of the Bonds then Outstanding, it shall have full power, in the exercise of its discretion for the best interests of the Owners of the Bonds, with respect to the continuance, discontinuance, withdrawal, compromise, settlement or other disposal of such action; provided, however, that the Trustee shall not, unless there no longer continues an Event of Default, discontinue, withdraw, compromise or settle, or otherwise dispose of any litigation pending at law or in equity, if at the time there has been filed with it a written request signed by the Owners of a majority in principal amount of the Outstanding Bonds hereunder opposing such discontinuance, withdrawal, compromise, settlement or other disposal of such litigation. Any suit, action or proceeding which any Owner of Bonds shall have the right to bring to enforce any right or remedy hereunder may be brought by the Trustee for the equal benefit and protection of all Owners of Bonds similarly situated and the Trustee is hereby appointed (and the successive respective Owners of the Bonds issued hereunder, by taking and holding the same, shall be conclusively deemed so to have appointed it) the true and lawful attorney-in-fact of the respective Owners of the Bonds for the purpose of bringing any such suit, action or proceeding and to do and perform any and all acts and things for and on behalf of the respective Owners of the Bonds as a class or classes, as may be necessary or advisable in the opinion of the Trustee as such attorney-in-fact. Trustee's counsel shall not be deemed under any circumstances to be counsel to the Owners. Communications between the Trustee and Trustee's counsel shall be deemed confidential and privileged entitled to all protection under the law.

**Section 7.05. Appointment of Receivers.** Upon the occurrence of an Event of Default hereunder, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Owners under this Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the Revenue and other amounts pledged hereunder, pending such proceedings, with such powers as the court making such appointment shall confer.

Section 7.06. Non-Waiver. Nothing in this Article VII or in any other provision of this Indenture, or in the Bonds, shall affect or impair the obligation of the Authority, which is

absolute and unconditional, to pay the interest on and principal of the Bonds to the respective Owners of the Bonds at the respective dates of maturity, as herein provided, out of the Net Revenues and other moneys herein pledged for such payment.

A waiver of any default or breach of duty or contract by the Trustee or any Owners shall not affect any subsequent default or breach of duty or contract, or impair any rights or remedies on any such subsequent default or breach. No delay or omission of the Trustee or any Owner of any of the Bonds 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 of any such default or an acquiescence therein; and every power and remedy conferred upon the Trustee or Owners by the Bond Law or by this Article VII may be enforced and exercised from time to time and as often as shall be deemed expedient by the Trustee or the Owners, as the case may be.

Section 7.07. Rights and Remedies of Owners. No Owner of any Bond issued hereunder shall have the right to institute any suit, action or proceeding at law or in equity, for any remedy under or upon this Indenture unless (a) such Owner shall have previously given to the Trustee written notice of the occurrence of an Event of Default; (b) the Owners of a majority in aggregate principal amount of all the Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name; (c) said Owners shall have tendered to the Trustee indemnity acceptable to the Trustee in its sole discretion against the costs, expenses and liabilities to be incurred in compliance with such request; (d) the Trustee shall have refused or omitted to comply with such request for a period of sixty (60) days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee; and (e) the Trustee has not received any inconsistent direction during such 60-day period from the Owners of a majority in aggregate principal amount of the Outstanding Bonds.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of Bonds of any remedy hereunder; it being understood and intended that no one or more Owners of Bonds shall have any right in any manner whatever by his or their action to enforce any right under this Indenture, except in the manner herein provided, and that all proceedings at law or in equity to enforce any provision of this Indenture shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all Owners of the Outstanding Bonds.

The right of any Owner of any Bond to receive payment of the principal of and interest on such Bond as herein provided or to institute suit for the enforcement of any such payment, shall not be impaired or affected without the written consent of such Owner, notwithstanding the foregoing provisions of this Section or any other provision of this Indenture.

Section 7.08. Termination of Proceedings. In case the Trustee shall have proceeded to enforce any right under this Indenture by the appointment of a receiver or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case, the Authority, the Trustee, and the Owners shall be restored to their former positions and rights hereunder, respectively, with regard to the property subject to this Indenture, and all rights, remedies and powers of the Trustee. The Owners shall continue as if no such proceedings

had been taken.

#### **ARTICLE VIII**

## THE TRUSTEE

# Section 8.01. Duties, Immunities and Liabilities of Trustee.

- (a) The Trustee shall, prior to an Event of Default, and after the curing or waiver of all Events of Default which may have occurred, perform such duties and only such duties as are expressly and specifically set forth in this Indenture and no implied duties or covenants whatsoever shall be read into this Indenture against the Trustee. The Trustee shall, during the existence of any Event of Default (which has not been cured or waived), exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in its exercise, as a corporate trustee would exercise or use under the circumstances.
- (b) The Authority may remove the Trustee at any time unless an Event of Default shall have occurred and then be continuing. The Authority shall remove the Trustee if at any time requested to do so by the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding or their attorneys duly authorized in writing, or if at any time the Trustee shall cease to be eligible in accordance with subsection (e) of this Section 8.01, or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or its property shall be appointed, or any public officer shall take control or charge of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, in each case by giving written notice of such removal to the Trustee and thereupon shall appoint a successor Trustee by an instrument in writing. Any such removal shall be made upon at least thirty (30) days' prior written notice to the Trustee.
- (c) The Trustee may at any time resign by giving written notice of such resignation to the Authority and by giving the Owners notice of such resignation by mail at the respective addresses shown on the Registration Books. Upon receiving such notice of resignation, the Authority shall promptly appoint a successor Trustee by an instrument in writing.
- Any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective upon acceptance of appointment by the successor Trustee pursuant to the terms hereof. If no successor Trustee shall have been appointed and have accepted appointment within forty-five (45) days of giving notice of removal or notice of resignation as aforesaid, the Authority shall petition any federal or state court of competent iurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under this Indenture, shall signify its acceptance of such appointment by executing and delivering to the Authority and to its predecessor Trustee a written acceptance thereof, and thereupon such successor Trustee, without any further act, deed or conveyance shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if originally named Trustee herein; but nevertheless at the Written Request of the Authority or the request of the successor Trustee, such predecessor Trustee shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of such predecessor Trustee in and to any property held by it under this Indenture and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Upon request of the successor Trustee, the Authority shall execute and deliver any and all instruments as may be reasonably

required for more fully and certainly vesting in and confirming to such successor Trustee all such moneys, estates, properties, rights, powers, trusts, duties and obligations. Upon acceptance of appointment by a successor Trustee as provided in this subsection, the Authority shall mail or cause the successor Trustee to mail a notice of the succession of such Trustee to the trusts hereunder to the Owners at the respective addresses shown on the Registration Books. If the Authority fails to mail such notice within fifteen (15) days after acceptance of appointment by the successor Trustee, the successor Trustee shall cause such notice to be mailed at the expense of the Authority.

(e) Any Trustee appointed under this Indenture shall be a corporation or association organized and doing business under the laws of any state or the United States of America or the District of Columbia, authorized under such laws to exercise corporate trust powers, which shall have (or, in the case of a corporation included in a bank holding company system, the related bank holding company shall have) a combined capital and surplus of at least Seventy-Five Million Dollars (\$75,000,000), and subject to supervision or examination by federal or State agency, so long as any Bonds are Outstanding. If such corporation publishes a report of condition at least annually pursuant to law or to the requirements of any supervising or examining agency above referred to then for the purpose of this subsection (e), the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this subsection (e), the Trustee shall resign immediately in the manner and with the effect specified in this Section 8.01.

Section 8.02. Merger or Consolidation. Any bank or trust company into which the Trustee may be merged or converted or with which it may be consolidated or any bank or trust company resulting from any merger, conversion or consolidation to which it shall be a party or any bank or trust company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such bank or trust company shall be eligible under subsection (e) of Section 8.01 shall be the successor to such Trustee, without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

## Section 8.03. Liability of Trustee.

- (a) The recitals of facts herein and in the Bonds contained shall be taken as statements of the Authority, and the Trustee shall not and does not assume responsibility or liability for the correctness of the same, or make any representations as to the validity or sufficiency of this Indenture or the Bonds, nor shall the Trustee incur any responsibility or liability in respect thereof, other than as expressly stated herein in connection with the respective duties or obligations herein or in the Bonds assigned to or imposed upon it and expressly disclaims any obligation to make any such undertaking. The Trustee shall only be responsible for the representations contained in its certificate of authentication on the Bonds. The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own gross negligence. The Trustee may become the Owner of Bonds with the same rights it would have if it were not Trustee, and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Owners, whether or not such committee shall represent the Owners of a majority in principal amount of the Bonds then Outstanding.
  - (b) The Trustee shall not be liable for any error of judgment made in good faith by

a responsible officer, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts.

- (c) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Indenture.
- (d) The Trustee shall not be liable for any action taken by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture.
- (e) The Trustee shall not be deemed to have knowledge of any Event of Default hereunder, or any other event which, with the passage of time, the giving of notice, or both, would constitute an Event of Default hereunder, other than a payment default unless and until the trust administrator of this Indenture shall have received written notice thereof at the Trust Office in accordance with this Indenture. Except as otherwise expressly provided herein, the Trustee shall not be bound to ascertain or inquire as to the performance or observance by the Authority of any of the terms, conditions, covenants or agreements herein or of any of the documents executed in connection with the Bonds, or as to the existence of an Event of Default or an event which would, with the giving of notice, the passage of time, or both, constitute an Event of Default. The Trustee shall not be responsible for the validity, effectiveness or priority of any collateral given to or held by it, nor shall have any duty or obligation to monitor continuing notice filing requirements, if any.
- (f) No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it is not assured to its satisfaction that the repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it; provided, however, that if the Trustee shall advance any such funds at any time the Trustee shall be entitled to immediate reimbursement at the highest rate permitted by law.
- (g) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or through agents or attorneys or receivers and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent, receiver or attorney appointed in good faith by it hereunder.
- (h) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of the Owners pursuant to this Indenture, unless such Owners shall have offered to the Trustee such security or indemnity acceptable to the Trustee against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction. No permissive power, right or remedy conferred upon the Trustee hereunder shall be construed to impose a duty to exercise such power, right or remedy; and provided further that in the event the Trustee shall act, the scope of its obligations and duties thereunder shall not thereby be deemed, under any circumstances, to be expanded.
- (i) The Trustee shall not be concerned with or accountable to anyone for the subsequent use or application of any moneys which shall be released or withdrawn in

accordance with the provisions hereof.

- (j) The Trustee makes no representation or warranty, expressed or implied as to the title, value, design, compliance with specifications or legal requirements, quality, durability, operation, condition, merchantability or fitness for any particular purpose for the use contemplated by the Authority of the Enterprise. In no event shall the Trustee be liable for incidental, indirect, special or consequential damages in connection with or arising from this Indenture for the existence, furnishing or use of the Enterprise.
- (k) The Trustee shall have no responsibility with respect to any information, statement or recital in any official statement, offering memorandum or other disclosure material prepared or distributed with respect to the Bonds.

Section 8.04. Right to Rely on Documents. The Trustee shall be protected in acting upon any notice, direction, requisition, resolution, request, consent, order, certificate, report, opinion, bonds or other paper or document believed by them to be genuine and to have been signed or presented by the proper party or parties. The Trustee may consult with its counsel with regard to legal questions, and the opinion of such counsel or counsel to the Authority shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

The Trustee may treat the Owners of the Bonds appearing in the Registration Books as the absolute owners of the Bonds for all purposes and the Trustee shall not be affected by any notice to the contrary.

Whenever in the administration of the trusts imposed upon it by this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a Written Certificate, Written Request or Written Requisition of the Authority and such Written Certificate, Written Request or Written Requisition shall be full warrant to the Trustee for any action taken or suffered in good faith under the provisions of this Indenture in reliance upon such Written Certificate, Written Request or Written Requisition, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may deem reasonable.

**Section 8.05. Preservation and Inspection of Documents.** All documents received by the Trustee under the provisions of this Indenture shall be retained in their respective possession and shall be subject at all reasonable times to the inspection of the Authority, any Owner, and their agents and representatives duly authorized in writing, at reasonable hours and under reasonable conditions.

Section 8.06. Compensation and Indemnification. Absent any fee agreement between the Trustee and the Authority to the contrary, the Authority shall pay to the Trustee (solely from Revenue) from time to time the compensation for all services rendered under this Indenture and also all reasonable expenses and disbursements, incurred in and about the performance of its powers and duties under this Indenture. In the event the Trustee advances its own funds for the payment of the Bonds or for the protection or benefit of the Owners of the Bonds, the Authority shall promptly reimburse the Trustee for such advances with interest at the maximum rate allowed by law.

The Authority and the City shall indemnify, defend and hold harmless the Trustee and its officers, directors, agents and employees, from and against any loss, liability or expense incurred without gross negligence or willful misconduct on its part, arising out of or in connection with the acceptance or administration of this trust, including costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers hereunder. As security for the performance of the obligations of the Authority under this Section 8.06, the Trustee shall have a lien prior to the lien of the Bonds upon all property and funds held or collected by the Trustee as such, except funds held in trust for the payment of principal of or interest on particular Bonds. The rights of the Trustee and the obligations of the Authority under this Section 8.06 shall survive the resignation or removal of the Trustee or the discharge of the Bonds and this Indenture.

#### **ARTICLE IX**

## MODIFICATION OR AMENDMENT OF THIS INDENTURE

#### Section 9.01. Amendments Permitted.

- Amendments With Owner Consent. Except as set forth in Section 9.01(b). this Indenture and the rights and obligations of the Authority and of the Owners of the Bonds and of the Trustee may be modified or amended from time to time and at any time by an indenture or indentures supplemental hereto, which the Authority and the Trustee may enter into when the written consents of the Owners of a majority in aggregate principal amount of all Bonds then Outstanding, exclusive of Bonds disqualified as provided in this Indenture, shall have been filed with the Trustee. No such modification or amendment shall (i) extend the fixed maturity of any Bonds, or reduce the amount of principal thereof or extend the time of payment, or change the method of computing the rate of interest thereon, or extend the time of payment of interest thereon, without the consent of the Owner of each Bond so affected, or (ii) reduce the aforesaid percentage of Bonds the consent of the Owners of which is required to effect any such modification or amendment. or permit the creation of any lien on the Net Revenues and other assets pledged under this Indenture prior to or on a parity basis with the lien created by this Indenture except as permitted herein, or deprive the Owners of the Bonds of the lien created by this Indenture on such Net Revenues and other assets (except as expressly provided in this Indenture). without the consent of the Owners of all of the Bonds then Outstanding, or (iii) modify any of the rights or obligations of the Trustee hereunder without its written consent thereto. It shall not be necessary for the consent of the Owners to approve the particular form of any Supplemental Indenture, but it shall be sufficient if such consent shall approve the substance thereof. Notwithstanding this Section 9.01(a) and Section 9.01(b), so long as any 2018 Bonds are Outstanding and are owned by the Original Purchaser, this Indenture may not be amended without the consent of the Original Purchaser if such amendment will affect the 2018 Bonds.
- (b) Amendments Without Owner Consent. This Indenture and the rights and obligations of the Authority, of the Trustee and the Owners of the Bonds may also be modified or amended from time to time and at any time by a Supplemental Indenture, which the Authority and the Trustee may enter into without the consent of any other Owners, including, without limitation, for any one or more of the following purposes:
  - (i) add to the covenants and agreements of the Authority in this Indenture contained, other covenants and agreements thereafter to be observed, to pledge or assign additional security for the Bonds (or any portion thereof), or to limit or surrender any right or power herein reserved to or conferred upon the Authority;
  - (ii) make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision, contained in this Indenture, or in regard to matters or questions arising under this Indenture, as the Authority may deem necessary or desirable, provided that such modification or amendment does not materially adversely affect the interests of the Owners, in the opinion of Bond Counsel;
  - (iii) to modify, amend or supplement this Indenture in such manner as to permit the qualification hereof under the Trust Indenture Act of 1939, as

amended, or any similar federal statute hereafter in effect, and to add such other terms, conditions and provisions as may be permitted by said act or similar federal statute;

- (iv) modify, amend or supplement this Indenture in such manner as to cause interest on the Bonds to remain excludable from gross income under the Code;
- (v) to provide for the issuance of Additional Bonds, and to provide the terms and conditions under which such Additional Bonds may be issued, subject to and in accordance with the provisions of Section 3.05; or
- (vi) to comply with the requirements of a provider of a Qualified Reserve Account Credit Instrument.
- (c) The Trustee may in its discretion, but shall not be obligated to, enter into any such Supplemental Indenture authorized by subsections (a) or (b) of this Section 9.01 which affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.
- (d) Prior to the Trustee entering into any Supplemental Indenture hereunder, there shall be delivered to the Trustee an opinion of Bond Counsel stating, in substance, that such Supplemental Indenture has been adopted in compliance with the requirements of this Indenture and that the adoption of such Supplemental Indenture will not, in and of itself, adversely affect the exclusion from gross income for purposes of federal income taxation of interest on the Bonds.

Section 9.02. Effect of Supplemental Indenture. Upon the execution of any Supplemental Indenture pursuant to this Article IX, this Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Indenture of the Authority, the Trustee, and all Owners of Bonds Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any such Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

Section 9.03. Endorsement of Bonds; Preparation of New Bonds. Bonds delivered after the execution of any Supplemental Indenture pursuant to this Article may, and if the Authority so determines shall, bear a notation by endorsement or otherwise in form approved by the Authority and the Trustee as to any modification or amendment provided for in such Supplemental Indenture, and, in that case, upon demand on the Owner of any Bonds Outstanding at the time of such execution and presentation of his Bonds for the purpose at the Trust Office or at such additional offices as the Trustee may select and designate for that purpose, a suitable notation shall be made on such Bonds. If the Supplemental Indenture shall so provide, new Bonds so modified as to conform, in the opinion of the Authority and the Trustee, to any modification or amendment contained in such Supplemental Indenture, shall be prepared and executed by the Authority and authenticated by the Trustee, and upon demand on the Owners of any Bonds then Outstanding shall be exchanged at the Trust Office, without cost to any Owner, for Bonds then Outstanding, upon surrender for cancellation of such Bonds, in equal aggregate principal amount of the same series and maturity.

Section 9.04. Amendment of Particular Bonds. The provisions of this Article IX

shall not by him.	prevent a	ny Owner f	rom acceptin	g any ameno	dment as to th	ne particular	Bonds held

#### ARTICLE X

#### **DEFEASANCE**

**Section 10.01. Discharge of Indenture.** Any portion or all of the Outstanding Bonds may be paid by the Authority in any of the following ways, provided that the Authority also pays or causes to be paid any other sums payable hereunder by the Authority with respect to such Bonds:

- (a) by paying or causing to be paid the principal of and interest on such Bonds, as and when the same become due and payable;
- (b) by depositing with the Trustee, in trust, at or before maturity, money or non-callable Federal Securities in the necessary amount (as provided in Section 10.03) to pay or redeem such Bonds; or
  - (c) by delivering such Bonds to the Trustee for cancellation.

If the Authority shall also pay or cause to be paid all other sums payable hereunder, then and in that case, at the election of the Authority (evidenced by a Written Certificate of the Authority, filed with the Trustee, signifying the intention of the Authority to discharge such Bonds and this Indenture with respect to such Bonds); this Indenture and the pledge of Net Revenues and other assets made under this Indenture with respect to such Bonds and all covenants, agreements and other obligations of the Authority under this Indenture with respect to such Bonds shall cease, terminate, become void and be completely discharged and satisfied. In such event, upon the Written Request of the Authority, the Trustee shall be authorized to take such actions and execute and deliver to the Authority all such instruments as may be necessary or desirable to evidence such discharge and satisfaction, including, without limitation, selection by lot of Bonds of any maturity of the Bonds that the Authority has determined to pay and discharge in part. In the event all Outstanding Bonds are paid as provided in this Section 10.01, the Trustee shall pay over, transfer, assign or deliver to the Authority all moneys or securities or other property held by it pursuant to this Indenture which are not required for the payment or redemption of any Bonds not theretofore surrendered for such payment or redemption and after payment of amounts due to the Trustee under this Indenture.

Section 10.02. Discharge of Pledge of Net Revenues. Upon the deposit with the Trustee, in trust, at or before maturity, of money or non-callable Federal Securities in the necessary amount (as provided in Section 10.03) to pay or redeem any Outstanding Bonds (whether upon or prior to the maturity or the redemption date of such Bonds), provided that, if such Bonds are to be redeemed prior to maturity, notice of such redemption shall have been given as provided in Article IV or provision satisfactory to the Trustee shall have been made for the giving of such notice, then the pledge of Net Revenues in respect of such Bonds shall cease, terminate and be completely discharged, and the Owners thereof shall thereafter be entitled only to payment out of such money or securities deposited with the Trustee as aforesaid for their payment, subject, however, to the provisions of Section 10.04.

The Authority may at any time surrender to the Trustee for cancellation by it any Bonds previously issued and delivered, which the Authority may have acquired in any manner whatsoever, and such Bonds, upon such surrender and cancellation shall be deemed to be paid and retired.

Section 10.03. Deposit of Money or Securities with Trustee. Whenever in this Indenture it is provided or permitted that there be deposited with or held in trust by the Trustee money or non-callable Federal Securities in the necessary amount to pay or redeem any Bonds, the money or non-callable Federal Securities so to be deposited or held may include money or non-callable Federal Securities held by the Trustee in the funds and accounts established pursuant to this Indenture and shall be:

- (a) lawful money of the United States of America in an amount equal to the principal (including any mandatory sinking account redemption amounts) amount of such Bonds and all unpaid interest thereon to maturity, except that, in the case of Bonds which are to be redeemed prior to maturity and in respect of which notice of such redemption shall have been given as provided in Article IV or provision satisfactory to the Trustee shall have been made for the giving of such notice, the amount to be deposited or held shall be the principal (including any mandatory sinking account redemption amounts) amount of such Bonds, all unpaid interest and premium, if any, thereon to the redemption date; or
- non-callable Federal Securities, the principal of and interest on which when (b) due will, in the written opinion of an Independent Accountant filed with the Authority and the Trustee, provide money sufficient to pay the principal (including any mandatory sinking account redemption amounts) of and interest and premium, if any, on the Bonds to be paid, as such principal (including any mandatory sinking account redemption amounts) and interest become due, provided that in the case of Bonds which are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as provided in Article IV or provision satisfactory to the Trustee shall have been made for the giving of such notice; provided, in each case, that (i) the Trustee shall have been irrevocably instructed (by the terms of this Indenture or by Written Request of the Authority) to apply such money to the payment of such principal (including any mandatory sinking account redemption amounts) of and interest and premium, if any, on such Bonds, and (ii) the Authority shall have delivered to the Trustee an opinion of Bond Counsel to the effect that such Bonds have been discharged in accordance with this Indenture (which opinion may rely upon and assume the accuracy of the Independent Accountant's opinion referred to above).

In the event of an advance refunding to pay or redeem any Bonds, the Authority shall cause to be delivered a verification report of an independent nationally recognized certified public accountant. If a forward supply contract is employed in connection with the refunding, (i) such verification report shall expressly state that the adequacy of the escrow to accomplish the refunding relies solely on the initial escrowed investments and the maturing principal thereof and interest income thereon and does not assume performance under or compliance with the forward supply contract, and (ii) the applicable escrow agreement shall provide that in the event of any discrepancy or difference between the terms of the forward supply contract and the escrow agreement (or this Indenture, if no separate escrow agreement is utilized), the terms of the escrow agreement or this Indenture, if applicable, shall be controlling.

Section 10.04. Unclaimed Funds. Notwithstanding any provisions of this Indenture, and subject to applicable provisions of State law, any moneys held by the Trustee in trust for the payment of the principal of, or interest on, any Bonds and remaining unclaimed for two (2) years after the principal of such Bonds has become due and payable (whether at maturity or upon call for redemption or by acceleration as provided in this Indenture), if such moneys were so held at such date, or two (2) years after the date of deposit of such moneys if

deposited after said date when such Bonds became due and payable, shall be repaid to the Authority free from the trusts created by this Indenture and at the request of the Trustee an indemnification agreement acceptable to the Authority and the Trustee indemnifying the Trustee with respect to claims of Owners of Bonds which have not yet been paid, and all liability of the Trustee with respect to such moneys shall thereupon cease; provided, however, that before the repayment of such moneys to the Authority as aforesaid, the Trustee shall (at the cost of the Authority) first mail to the Owners of Bonds which have not yet been paid, at the addresses shown on the Registration Books, a notice, in such form as may be deemed appropriate by the Trustee with respect to the Bonds so payable and not presented and with respect to the provisions relating to the repayment to the Authority of the moneys held for the payment thereof.

#### **ARTICLE XI**

#### **MISCELLANEOUS**

Section 11.01. Liability of Authority Limited to Net Revenues. Notwithstanding anything in this Indenture or in the Bonds contained, the Authority shall not be required to advance any moneys derived from any source other than the Bonds or Net Revenues and other assets pledged under this Indenture for any of the purposes in this Indenture mentioned, whether for the payment of the principal of or interest on the Bonds or for any other purpose of this Indenture. Nevertheless, the Authority may, but shall not be required to, advance for any of the purposes hereof any funds of the Authority that may be made available to it for such purposes.

Section 11.02. Limitation of Rights to Parties, Owners. Nothing in this Indenture or in the Bonds expressed or implied is intended or shall be construed to give to any person other than the Authority, the Trustee, and the Owners of the Bonds, any legal or equitable right, remedy or claim under or in respect of this Indenture or any covenant, condition or provision therein or herein contained; and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of the Authority, the Trustee, and the Owners of the Bonds.

**Section 11.03. Funds and Accounts.** Any fund or account required by this Indenture to be established and maintained by the Trustee may be established and maintained in the accounting records of the Trustee, either as a fund or an account, and may, for the purposes of such records, any audits thereof and any reports or statements with respect thereto, be treated either as a fund or as an account; but all such records with respect to all such funds and accounts shall at all times be maintained in accordance with industry standards to the extent practicable, and with due regard for the requirements of Section 6.05 and for the protection of the security of the Bonds and the rights of every Owner thereof. The Trustee may establish such funds and accounts as it deems necessary or appropriate to perform its obligations hereunder.

Section 11.04. Waiver of Notice; Requirement of Mailed Notice. Whenever in this Indenture the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver. Whenever in this Indenture any notice shall be required to be given by mail, such requirement shall be satisfied by the deposit of such notice in the United States mail, postage prepaid, by first class mail.

**Section 11.05. Destruction of Bonds.** Whenever in this Indenture provision is made for the cancellation by the Trustee and the delivery to the Authority of any Bonds, the Trustee shall, in lieu of such cancellation and delivery, destroy such Bonds as may be allowed by law, and, upon written request of the Authority, deliver a certificate of such destruction to the Authority.

Section 11.06. Severability of Invalid Provisions. If any one or more of the provisions contained in this Indenture or in the Bonds 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 Indenture and such invalidity, illegality or unenforceability shall not affect any other provision of this Indenture,

and this Indenture shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The Authority hereby declares that it would have entered into this Indenture and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issuance of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses or phrases of this Indenture may be held illegal, invalid or unenforceable.

**Section 11.07. Notices.** All written notices to be given under this Indenture shall be given by first class mail or personal delivery to the party entitled thereto at its address set forth below, or at such address as the party may provide to the other party in writing from time to time. Notice shall be effective either (a) upon transmission by facsimile transmission or other form of telecommunication, confirmed by the recipient (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 Trustee 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 East Telegraph Road

Santa Fe Springs, California 90670 Attention: Executive Director

If to the City: City of Santa Fe Springs

11710 East Telegraph Road

Santa Fe Springs, California 90670

Attention: City Manager

If to the Trustee: U.S. Bank National Association

633 W. Fifth Street, 24th Floor Los Angeles, California 90071

Attention: Global Corporate Trust Services

If to the Original Purchaser: Opus Bank, a California commercial bank

131 W. Commonwealth Ave.

Fullerton, CA 92832

DL- LoanServiceDepartment@opusbank.com

Fax: (714) 578-7518

Loan #: \_\_\_\_\_

Section 11.08. Evidence of Rights of Owners. Any request, consent or other instrument required or permitted by this Indenture to be signed and executed by Owners may be in any number of concurrent instruments of substantially similar tenor and shall be signed or executed by such Owners in person or by an agent or agents duly appointed in writing. Proof of the execution of any such request, consent or other instrument or of a writing appointing any such agent, or of the holding by any person of Bonds transferable by delivery, shall be sufficient for any purpose of this Indenture and shall be conclusive in favor of the Trustee and the Authority if made in the manner provided in this Indenture.

The fact and date of the execution by any person of any such request, consent or other instrument or writing may be proved by the certificate of any notary public or other officer of any jurisdiction, authorized by the laws thereof to take acknowledgments of

deeds, certifying that the person signing such request, consent or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution duly sworn to before such notary public or other officer.

The ownership of Bonds shall be proved by the Registration Books.

Any request, consent, or other instrument or writing of the Owner of any 2018 Bond shall bind every future Owner of the same 2018 Bond and the Owner of every 2018 Bond issued in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Trustee or the Authority in accordance therewith or reliance thereon.

Section 11.09. Disqualified Bonds. In determining whether the Owners of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under this Indenture, unless all outstanding Bonds are then so owned or held, Bonds which are known by the Trustee to be owned or held by or for the account of the Authority or by any other obligor on the Bonds, or by any person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Authority or any other obligor on the Bonds, shall be disregarded and deemed not to be Outstanding for the purpose of any such determination. Bonds so owned that have been pledged in good faith may be regarded as Outstanding for the purposes of this Section 11.09 if the pledgee shall certify to the Trustee the pledgee's right to vote such Bonds and that the pledgee is not a person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Authority or any other obligor on the Bonds. In case of a dispute as to such right, any decision by the Trustee taken upon the advice of counsel shall be full protection to the Trustee. Upon request of the Trustee, the Authority shall specify to the Trustee those Bonds which are disqualified pursuant to this Section 11.09.

**Section 11.10. Money Held for Particular Bonds.** The money held by the Trustee for the payment of the interest or principal due on any date with respect to particular Bonds (or portions of Bonds in the case of Bonds redeemed in part only) shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Owners of the Bonds entitled thereto, *subject, however*, to the provisions of Section 10.04 hereof, but without any liability for interest thereon.

Section 11.11. Parties Interested Herein. Nothing in this Indenture expressed or implied is intended or shall be construed to confer upon, or to give or grant to, any person or entity, other than the Authority, the Trustee and the registered Owners of the Bonds, any right, remedy or claim under or by reason of this Indenture or any covenant, condition or stipulation in this Indenture, and any covenant, condition or stipulation hereof, all covenants, stipulations, promises and agreements in this Indenture contained by and on behalf of the Authority shall be for the sole and exclusive benefit of the Authority, the Trustee and the registered Owners of the Bonds.

**Section 11.12. Waiver of Personal Liability.** No member, officer, agent or employee of the Authority shall be individually or personally liable for the payment of the principal of or interest on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof; 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 this Indenture.

Section 11.13. Successor Is Deemed Included in All References to

**Predecessor.** Whenever in this Indenture either the Authority or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Indenture contained by or on behalf of the Authority or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 11.14. Execution in Several Counterparts. This Indenture may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the Authority and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

Section 11.15. Governing Law. This Indenture shall be governed by and construed in accordance with the laws of the State.

# Section 11.16. Dispute Resolution; No Sovereign Immunity.

- (a) Judicial Reference. In the event of any action, proceeding or hearing (hereinafter, a "Claim") based upon or arising out of, directly or indirectly, this Indenture or any of the related documents, any dealings between the Authority, the City, or the Original Purchaser relating to the subject matter of the transactions contemplated by this Indenture or any related transactions, and/or the relationship that is being established between the Authority, the City, and the Original Purchaser, the Authority, the City, and the Original Purchaser hereby agree that each Claim shall be determined by a consensual general judicial reference (the "Reference") pursuant to the provisions of Section 638 et seq. of the California Code of Civil Procedure, as such statutes may be amended or modified from time to time. Upon a written request, or upon an appropriate motion by either the Original Purchaser or the Authority or the City, as applicable, any pending action relating to any Claim and every Claim shall be heard by a single Referee (as defined below) who shall then try all issues (including any and all questions of law and questions of fact relating thereto), and issue findings of fact and conclusions of law and report a statement of decision. The Referee's statement of decision will constitute the conclusive determination of the Claim. The Authority, the City, and the Original Purchaser agree that the Referee shall have the power to issue all legal and equitable relief appropriate under the circumstances before the Referee. The Authority, the City, and the Original Purchaser shall promptly and diligently cooperate with one another, as applicable, and the Referee, and shall perform such acts as may be necessary to obtain prompt and expeditious resolution of all Claims in accordance with the terms of this Section 11.16. Either the Authority, the City, or the Original Purchaser, as applicable, may file the Referee's findings, conclusions and statement with the clerk or judge of any appropriate court, file a motion to confirm the Referee's report and have judgment entered thereon. If the report is deemed incomplete by such court, the Referee may be required to complete the report and resubmit it. The Authority, the City, and the Original Purchaser, as applicable, will each have such rights to assert such objections as are set forth in Section 638 et seq. of the California Code of Civil Procedure and all proceedings shall be closed to the public and confidential, and all records relating to the Reference shall be permanently sealed when the order thereon becomes final.
  - (b) Selection of Referee; Powers. The parties to the Reference

proceeding shall select a single neutral referee (the "Referee"), who shall be a retired judge or justice of the courts of the State of California, or a federal court judge, in each case, with at least ten (10) years of judicial experience in civil matters. The Referee shall be appointed in accordance with Section 638 of the California Code of Civil Procedure (or pursuant to comparable provisions of federal law if the dispute falls within the exclusive jurisdiction of the federal courts). If within ten (10) days after the request or motion for the Reference, the parties to the Reference proceeding cannot agree upon a Referee, then any party to such proceeding may request or move that the Referee be appointed by the Presiding Judge of the Los Angeles County Superior Court, or of the U.S. District Court for the Central District of California. The Referee shall determine all issues relating to the applicability, interpretation, legality and enforceability of this Section 11.16(b).

- (c) Provisional Remedies, Self Help and Foreclosure. No provision of this Section 11.16 shall limit the right of either the Authority, the City, or the Original Purchaser, as the case may be, to obtain or oppose provisional or ancillary remedies, including without limitation injunctive relief, writs of possession, the appointment of a receiver, and/or additional or supplementary remedies from a court of competent jurisdiction during the pendency of any Reference. The exercise of, or opposition to, any such remedy does not waive the right of the Authority, the City, or the Original Purchaser to the Reference pursuant to this Section 11.16(c).
- (d) Costs and Fees. Promptly following the selection of the Referee, the parties to such Reference proceeding shall each advance equal portions of the estimated fees and costs of the Referee. In the statement of decision issued by the Referee, the Referee shall award costs, including reasonable attorneys' fees, to the prevailing party, if any, and may order the Referee's fees to be paid or shared by the parties to such Reference proceeding in such manner as the Referee deems just.
- (e) No Sovereign Immunity. The Authority and the City hereby represent that they do not possess and the Authority and the City agree that they will not invoke a claim of sovereign immunity for disputes arising out of contractual claims relating to the Bonds or this Indenture.

Section 11.17. Additional Provisions and Rights While the Bonds are Owned by the Original Purchaser. The following provisions shall apply so long as the Original Purchaser is the Owner of 100% of the Bonds:

- (a) Notwithstanding any other provision of this Indenture, the Original Purchaser shall have the right to consent to an amendment of this Indenture effecting the removal and replacement of the Trustee.
- (b) The Authority shall inform the Original Purchaser promptly upon the occurrence of a Determination of Taxability or an Event of Default.
- (c) The Original Purchaser is hereby expressly made a third-party beneficiary of this Indenture.
- (d) The non-prevailing party shall pay or reimburse the prevailing party for any and all charges, fees, costs and expenses that the prevailing party may reasonably pay or incur in connection with the following: (i) the administration,

enforcement, defense, or preservation of any rights or security hereunder or under this Indenture; (ii) the pursuit of any remedies hereunder, under this Indenture, or otherwise afforded by law or equity; (iii) the violation by the non-prevailing party of any law, rule, or regulation or any judgment, order or decree applicable to it; or (iv) any litigation or other dispute in connection with this Indenture.

- (e) The Authority shall pay or reimburse the Original Purchaser for any and all charges, fees, costs and expenses that Original Purchaser may reasonably pay or incur in connection with any amendment, waiver, or other action requested by the Authority with respect to or related to this Indenture whether or not executed or completed.
- (f) The Bonds shall not be rated, shall not have a CUSIP number, shall not be issued pursuant to an offering document, and shall be registered in the name of the Original Purchaser.

IN WITNESS WHEREOF, the Santa Fe Springs Water Utility Authority and the City of Santa Fe Springs have caused this Indenture to be signed in their name by its Executive Director and Mayor, respectively, and U.S. Bank National Association, in token of its acceptance of the trusts created hereunder, has caused this Indenture to be signed in its corporate name by its officer thereunto duly authorized, all as of the day and year first above written.

AUTHORITY
By:Executive Director
CITY OF SANTA FE SPRINGS
By: Mayor
U.S. BANK NATIONAL ASSOCIATION, as Trustee
By: Authorized Signatory

SANTA FE SPRINGS WATER UTILITY

#### **EXHIBIT A**

THE 2018 BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AND ARE SUBJECT TO TRANSFER RESTRICTIONS PURSUANT TO THE INDENTURE. THE 2018 BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY. THE 2018 BONDS DO NOT, DIRECTLY, INDIRECTLY OR CONTINGENTLY, OBLIGATE, IN ANY MANNER, THE AUTHORITY TO LEVY ANY TAX OR TO MAKE ANY APPROPRIATION FOR PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE 2018 BONDS OR ANY COSTS INCIDENTAL THERETO. THE 2018 BONDS ARE PAYABLE SOLELY FROM THE FUNDS PLEDGED FOR THEIR PAYMENT IN ACCORDANCE WITH THE INDENTURE. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE AUTHORITY, THE CITY OF SANTA FE SPRINGS, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE 2018 BONDS OR ANY COSTS INCIDENTAL THERETO. THE AUTHORITY HAS NO TAXING POWER.

[FORM OF] 2018 BOND

R-

\$ \_\_\_\_

# UNITED STATES OF AMERICA STATE OF CALIFORNIA COUNTY OF LOS ANGELES

# SANTA FE SPRINGS WATER UTILITY AUTHORITY 2018 SUBORDINATE WATER REVENUE BOND

INTEREST RATE 2.39%

MATURITY DATE May 1, 2026

DATED DATE
January \_\_\_, 2018

REGISTERED OWNER:

PRINCIPAL AMOUNT: \_\_\_\_\_ DOLLARS

The Santa Fe Springs Water Utility Authority, a joint powers authority, duly organized and existing under the laws of the State of California (the "Authority"), for value received, hereby promises to pay to the Registered Owner specified above or registered assigns (the "Registered Owner"), on the Maturity Date specified above (subject to any right of prior redemption hereinafter provided for), the Principal Amount specified above, in lawful money of the United States of America, and to pay interest thereon in like lawful money from the Interest Payment Date (as hereinafter defined) next preceding the date of authentication of this Bond unless (i) this Bond is authenticated on or before an Interest Payment Date and after the close of business on the fifteenth day of the month preceding such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (ii) this Bond is authenticated on or before the first Record Date, in which event it shall bear interest from the Dated Date specified above; provided, however, that if at the time of authentication of this Bond, interest is in default on this Bond, this Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on this Bond, at the Interest Rate per annum specified above, payable semiannually on May 1 and November 1, in each year, commencing May 1, 2018 (collectively, the "Interest Payment Dates"), calculated on the basis of a 360-day year composed of twelve 30-day months. Principal hereof are payable at the corporate trust office (the "Trust Office") of U.S. Bank National Association (the "Trustee"). Interest hereon is payable on each Interest Payment Date to the person whose name appears on the Registration Books as the Owner thereof as of the Record Date immediately preceding each such Interest Payment Date, such interest to be paid by wire transfer from the Trustee on the Interest Payment Date according to the written wire instructions given to the Trustee prior to the applicable Record Date. Principal (including any mandatory sinking account redemption amounts) of and redemption premium (if any) on any 2018 Bond shall be paid by wire as described in the previous sentence, without surrender of the 2018 Bonds by the registered owner. Both the principal (including any mandatory sinking account redemption amounts) of and interest and premium (if any) on the 2018 Bonds shall be payable in lawful money of the United States of America.

This Bond is one of a duly authorized issue of bonds of the Authority designated as the "Santa Fe Springs Water Utility Authority 2018 Subordinate Water Revenue Bonds (the "Bonds"), in an aggregate principal amount of \$\_\_\_\_\_\_ all of like tenor and date (except for such variation, if any, as may be required to designate varying numbers, maturities, interest rates or redemption provisions) and all issued pursuant to the provisions of Article 4 (commencing with section 6584) of Chapter 5 of Division 7 of Title 1 of the California Government Code (the "Bond Law"), and pursuant to an Indenture of Trust, dated as of January 1, 2018, by and among the Authority, the City of Santa Fe Springs and the Trustee (the "Indenture"), authorizing the issuance of the Bonds. Reference is hereby made to the Indenture (copies of which are on file at the office of the Authority) and all supplements thereto for a description of the terms on which the Bonds are issued, the provisions with regard to the nature and extent of the Net Revenues (as defined in the Indenture, and the rights thereunder of the owners of the Bonds and the rights, duties and immunities of the Trustee and the rights and obligations of the Authority thereunder, to all of the provisions of which the Registered Owner of this Bond, by acceptance hereof, assents and agrees.

The Bonds have been issued by the Authority to refund and defease certain obligations of the City.

This Bond and the interest hereon and all other Bonds and the interest thereon (to the extent set forth in the Indenture) are special obligations of the Authority, and are payable from, and are secured by a charge and lien on the Net Revenues (as defined in the Indenture). As and to the extent set forth in the Indenture, all of the Net Revenues are exclusively and irrevocably pledged in accordance with the terms hereof and the provisions of the Indenture, to the payment of the principal of and interest on the Bonds on a parity with any Additional Bonds or Parity Obligations (as such terms are defined in the Indenture) issued or incurred by the Authority under the Indenture.

The rights and obligations of the Authority and the owners of the Bonds may be modified or amended at any time in the manner, to the extent and upon the terms provided in the Indenture, but no such modification or amendment shall extend the fixed maturity of any Bonds, or reduce the amount of principal thereof, or extend the time of payment, or change the method of computing the rate of interest thereon, or extend the time of payment of interest thereon, without the consent of the owner of each Bond so affected.

The Bonds are subject to mandatory redemption in whole, or in part by lot, on May 1 in each

year, commencing May 1, 2018, as set forth below, from sinking account payments made by the Authority to the Principal Account, at a redemption price equal to the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts and on the dates in the respective years as set forth in the following table.

# Mandatory Sinking Account Redemption Date (May 1)

# Sinking Account Payments

The 2018 Bonds shall be subject to optional redemption, as a whole or in part on any date prior to the maturity thereof, at the option of the Authority, on or after \_\_\_\_\_\_, from funds derived by the Authority from any source, as set forth in the following schedule. Notwithstanding the preceding sentence and the following schedule, the 2018 Bonds shall additionally be subject to optional redemption, in part, on any date, in an annual amount not to exceed 10% of the remaining Outstanding principal amount of 2018 Bonds, without premium, as long as the redemption is not funded from the proceeds of a refinancing of the Bonds.

Redemption made	Redemption price
during 12-month period	(percentage of principal
ending	<u>amount redeemed)</u>
May 1, 2018	105%
May 1, 2019	105%
May 1, 2020	105%
May 1, 2021	104%
May 1, 2022	104%
May 1, 2023	103%
May 1, 2024	102%
May 1, 2025	101%
May 1, 2026	100%

As provided in the Indenture, notice of redemption shall be mailed by the Trustee by first class mail not less than thirty (30) nor more than sixty (60) days prior to the redemption date to the respective owners of any Bonds designated for redemption at their addresses appearing on the registration books of the Trustee, but neither failure to receive such notice nor any defect in the notice so mailed shall affect the sufficiency of the proceedings for redemption or the cessation of accrual of interest thereon from and after the date fixed for redemption.

If this Bond is called for redemption and payment is duly provided therefor as specified in the Indenture, interest shall cease to accrue hereon from and after the date fixed for redemption.

If an Event of Default (as defined in the Indenture) shall occur, the principal of all Bonds may be declared due and payable upon the conditions, in the manner and with the effect provided in the Indenture, but such declaration and its consequences may be rescinded and annulled as further provided in the Indenture.

Upon the occurrence and during the continuance of an Event of Default, the interest rate with respect to the Bonds shall increase to the Default Rate.

From and after the Date of Taxability, if applicable, the interest rate with respect to the Bonds shall increase to the Taxable Rate.

This Bond is transferable as set forth in the Indenture. This Bond may be exchanged at the Trust Office for Bonds of the same tenor, aggregate principal amount, interest rate and maturity, of other authorized denominations. Transfer or exchange of this Bond will not be permitted during the period established by the Trustee for selection of Bonds for redemption or if this Bond has been selected for redemption.

The Authority and the Trustee may treat the Registered Owner hereof as the absolute owner hereof for all purposes, and the Authority and the Trustee shall not be affected by any notice to the contrary.

It is hereby certified that all of the things, conditions and acts required to exist, to have happened or to have been performed precedent to and in the issuance of this Bond do exist, have happened or have been performed in due and regular time, form and manner as required by the Bond Law and the laws of the State of California and that the amount of this Bond, together with all other indebtedness of the Authority, does not exceed any limit prescribed by the Bond Law or any laws of the State of California, and is not in excess of the amount of Bonds permitted to be issued under the Indenture.

This Bond shall not be entitled to any benefit under the Indenture or become valid or obligatory for any purpose until the Trustee's Certificate of Authentication hereon endorsed shall have been manually signed by the Trustee.

Capitalized terms used and not defined herein shall have the meanings ascribed to them in the Indenture.

IN WITNESS WHEREOF, the Santa Fe Springs Water Utility Authority has caused this Bond to be executed in its name and on its behalf by the facsimile signatures of its Chairperson and Secretary, all as of the Dated Date specified above.

By:

**Authorized Signatory** 

# **ABBREVIATIONS**

The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM as tenants in common	UNIF GIFT MIN ACT Custodian				
TEN ENT as tenants by the entireties	(Cust) - (Minor) under Uniform Gifts to Minors				
JT TEN as joint tenants with right of survivorship and not as tenants in common	Act(State)				
ADDITIONAL ABBREVIATIONS MAY ALSO BE USED THOUGH NOT IN THE LIST ABOVE					
(FORM OF ASSIGNMENT)					
For value received, the undersigned do(es) he	reby sell, assign and transfer unto				
the within Bond and does hereby irrevocably	n or Social Security Number of Assignee) constitute and appoint attorney, to transfer the with full power of substitution in the premises.				
Note: Signature(s) must be guaranteed by an eligible guarantor.	Note: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.				

#### **EXHIBIT B**

#### **PURCHASER LETTER**

Santa Fe Springs Water Utility Authority 11710 East Telegraph Road Santa Fe Springs, California 90670 Attention: Executive Director

City[1141] of Santa Fe Springs 11710 East Telegraph Road Santa Fe Springs, California 90670 Attention: City Manager

U.S. Bank National Association 633 W. Fifth St., 24th Floor Los Angeles, CA 90091 Attention: Global Corporate Trust Services

Re: Santa Fe Springs Water Utility Authority 2018 Subordinate Water Revenue Bonds

Ladies and Gentlemen:

The undersigned (the "Purchaser") understands that the Santa Fe Springs Water Utility Authority (the "Authority") has issued its 2018 Subordinate Water Utility Bonds in the aggregate principal amount of \$\_\_\_\_\_\_. The Purchaser intends to purchase said bonds (for purposes of this Purchaser Letter, the "Bonds"). In connection with such purchase of the Bonds, the Purchaser makes the certifications, representations, warranties, acknowledgements and covenants contained in this Purchaser Letter to each of the addressees hereof, with the express understanding that such certifications, representations, warranties, acknowledgements and covenants will be relied upon by such addressees.

The Purchaser hereby certifies, represents, warrants, acknowledges and covenants as follows:

- (a) The Purchaser is duly organized, validly existing and in good standing under the laws of the jurisdiction in which it was incorporated or formed and is authorized to invest in the Bonds being purchased hereby. The Purchaser is an entity that is owned in whole by the Original Purchaser, as defined in the Indenture of Trust with respect to the Bonds. The person executing this letter on behalf of the Purchaser is duly authorized to do so on the Purchaser's behalf.
  - (b) The Purchaser (MARK APPROPRIATELY):

is a "qualified institutional buyer" (a "Qualified Institutional Buyer") within the meaning of Rule 144A promulgated under the Securities Act of 1933, as amended (the "Securities Act"), or

is an "accredited investor" (an "Institutional Accredited Investor") as defined in Section 501(a)(1), (2), (3) or (7) of Regulation D promulgated under the Securities Act.

- (c) The Purchaser is not purchasing the Bonds for more than one account, is purchasing the Bonds for its own loan account and is not purchasing the Bonds with a view to distributing the Bonds.
- (d) The Purchaser has sufficient knowledge and experience in financial and business matters, including the purchase and ownership of municipal bonds and other tax-exempt obligations similar to the Bonds, to be capable of evaluating the merits and risks of purchasing the Bonds, and the Purchaser is able to bear the economic risks of purchasing the Bonds.
- (e) The Purchaser recognizes that purchasing the Bonds involves significant risks, that there is no established market for the Bonds and that none is likely to develop and, accordingly, that the Purchaser must bear the economic risk of owning the Bonds for an indefinite period of time.
- (f) The Purchaser understands and agrees that ownership of a Bond may be transferred: (i) only to a person that the Purchaser reasonably believes is either: (A) a Qualified Institutional Buyer that is purchasing such Bond for not more than one account, for their own account and not with a view to distributing such Bond; or (B) an Institutional Accredited Investor that is purchasing such Bond for not more than one account for lending or investment purposes and not with a view to distributing such Bond; and (ii) only if such Qualified Institutional Buyer or Institutional Accredited Investor delivers to the Authority and the City a completed and duly executed Purchaser Letter substantially in the form hereof.
- (g) The Purchaser is not relying upon the Authority, the City, or any of their affiliates, agents or employees, for advice as to the merits and risks of investment in the Bonds. The Purchaser understands that the Bonds are special, limited obligations payable and secured solely from Tax Revenues as provided for in the Indenture of Trust, dated as of January 1, 2018 (the "Indenture"), between the Authority and U.S. Bank National Association, as Trustee. The Purchaser has sought such accounting, legal and tax advice as it has considered necessary to make an informed decision about purchasing the Bonds.
- (h) The Purchaser has conducted its own independent examination of, and has had an opportunity to ask questions and receive answers concerning, the Authority, the City, the authorizing resolution of the Authority with respect to the Bonds (the "Resolution"), the Bonds, the Indenture and the security therefor and the transactions and documents related to or contemplated by the foregoing.
- (i) The Purchaser has been furnished with all documents and information regarding the Authority, the City, the Resolution, the Bonds, the Indenture and the security therefor and the transactions and documents related to or contemplated by the foregoing, and all matters related thereto, that it has requested.
- (j) The Purchaser understands and agrees that: (i) the offering and sale of the Bonds are exempt from Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, pursuant to Section (d) of said Rule; (ii) the Bonds will not be listed on any stock or other securities exchange and were issued

without registration under the provisions of the Securities Act of 1933 or any state securities laws; (iii) no official statement or other disclosure document is being prepared in connection with the issuance of the Bonds; and (iv) the Bonds will not carry any rating from any rating service.

(k) The person executing this letter on behalf of the Purchaser is duly authorized to do so on the Purchaser's behalf.

IN WITNESS WHEREOF, the Purchaser has executed this Purchaser Letter as of the date set forth below.

[Purchaser signature block to come]

# **ATTACHMENT E**

# SECOND AMENDMENT TO WATER ENTERPRISE LEASE AGREEMENT

Dated as of January 1, 2018

By and between

# SANTA FE SPRINGS WATER UTILITY AUTHORITY, As Lessee

and the

CITY OF SANTA FE SPRINGS, As Lessor

# SECOND AMENDMENT TO WATER ENTERPRISE LEASE AGREEMENT

THIS SECOND AMENDMENT TO WATER ENTERPRISE LEASE AGREEMENT, dated as of January 1, 2018 (the "Second Amendment"), 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-owned water system and facilities (the "Enterprise") were leased to the Authority pursuant to that certain Water Enterprise Lease Agreement, dated as of July 1, 2009 (as amended by the First Amendment to Water Enterprise Lease Agreement, dated as of May 1, 2013, the "Lease Agreement"), by and between the Authority and the City; and

WHEREAS, to acquire public capital improvements (the "2003 Improvements") of benefit to the Enterprise the City entered into an Installment Sale Agreement (the "2003 Installment Sale Agreement"), dated as of October 1, 2003, by and between the City and the Santa Fe Springs Public Financing Authority (the "Financing Authority") and the Financing Authority issued its 2003 Water Revenue Bonds, Series A, in the principal amount of \$4,265,000 (the "2003 Financing Authority Bonds"), secured by installment payments to be made by the City pursuant to the 2003 Installment Sale Agreement; and

WHEREAS, to refinance certain public capital improvements of benefit to the Enterprise by refunding on an advance basis the Financing Authority's 1996 Waster Revenue Bonds, Series A (the "2005 Improvements"), the City entered into an Installment Sale Agreement (the "2005 Installment Sale Agreement"), dated as of April 1, 2005, by and between the City and the Financing Authority, and the Financing Authority issued its 2005 Water Refunding Revenue Bonds, Series A (the "2005 Financing Authority Bonds"), in the principal amount of \$3,705,000 secured by installment payments to be made by the City pursuant to the 2005 Installment Sale Agreement; and

WHEREAS, to assist the City in repaying the 2003 Installment Sale Agreement and to finance additional public capital improvements to the Enterprise, the Authority issued its Santa Fe Springs Water Utility Authority 2013 Water Revenue Bonds (the "2013 Bonds") in the aggregate principal amount of \$6,890,000 pursuant to an Indenture of Trust, dated as of May 1, 2013, by and among the City, the Authority and U.S. Bank National Association, as trustee (the "2013 Indenture") and the City caused the repayment in full of the 2003 Installment Purchase Agreement and thereby refunded in full and defeased the 2003 Financing Authority Bonds; and

WHEREAS, in order to achieve interest rate savings, the City desires to cause the prepayment in full of the 2005 Installment Sale Agreement and, thereby, refund in full and defease the 2005 Financing Authority Bonds; and

WHEREAS, to assist the City in repaying the 2005 Installment Sale Agreement, the Authority has determined to issue its Santa Fe Springs Water Utility Authority 2018 Subordinate Water Revenue Bonds (the "2018 Bonds") in the aggregate principal amount of pursuant to an Indenture of Trust, dated as of January 1, 2018, by and among the Authority, the City and the U.S. Bank National Association, as trustee (the "2018 Indenture"); and

WHEREAS, the debt service on the 2018 Bonds will be payable by the Authority from Net Revenues (as defined in the 2018 Indenture) of the Enterprise on a subordinate basis to the 2013 Bonds; and

**WHEREAS**, the Authority and the City desire to amend the Lease Agreement to provide for the payment of debt service on the 2018 Bonds as an additional obligation of the Authority and the City under the Lease Agreement; and

**WHEREAS**, the Authority and the City have duly authorized the execution and delivery of this First Amendment;

- **NOW, THEREFORE**, for and in consideration of the premises and the material covenants hereinafter contained herein and in the Lease Agreement, the Lease Agreement is hereby amended as follows:
- **Section 1.** Article 1 of the Lease Agreement is hereby amended to add new definitions and to amend certain existing definitions, as follows.
- "2018 Bonds" means the Santa Fe Springs Water Utility Authority 2018 Subordinate Water Revenue Bonds issued in the initial aggregate principal amount of \$\_\_\_\_\_.
- "2018 Indenture" means the Indenture of Trust, dated as of January 1, 2018, by and among the City, the Authority and U.S. Bank National Association, as trustee, providing for issuance of the 2018 Bonds.

"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, including, without limitation, debt service on the 2013 Bonds and the 2018 Bonds, from "net revenues" as defined in the 2013 Indenture and 2018 Indenture, respectively, and (iii) amounts set aside for capital replacements and improvements.

**Section 2.** Subsections (a) and (b) of Section 4.3 of the Lease Agreement are amended to read in full as follows.

(a) <u>"Pledge of Surplus Revenues.</u> 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 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, as required under the provisions of the 2013 Indenture with respect to the 2013 Bonds, and as required under the provisions of the 2018 Indenture with respect to the 2018 Bonds. Amounts constituting Surplus Revenues in the Water Fund shall be used to make Lease Payments as such payments become due and payable.

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

as Lessor
City Manager
SANTA FE SPRINGS WATER UTILITY AUTHORITY, as Lessee
By:
Executive Director

CITY OF SANTA EF SPRINGS

# **ATTACHMENT F**

## Jones Hall Draft 12-5-17

# IRREVOCABLE REFUNDING INSTRUCTIONS (2005 Water Refunding Revenue Bonds, Series A)

These IRREVOCABLE REFUNDING INSTRUCTIONS (2005 Refunding Water Revenue Bonds, Series A) (these "Instructions"), dated \_\_\_\_\_, 20\_\_, are given by the SANTA FE SPRINGS PUBLIC FINANCING AUTHORITY, a joint powers authority duly organized and existing under and by virtue of the laws of the State of California (the "Financing Authority") and the CITY OF SANTA FE SPRINGS (the "City"), to U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, acting as trustee for the hereinafter defined 2005 Financing Authority Bonds (the "2005 Trustee");

## WITNESSETH:

WHEREAS, to acquire public capital improvements (the "2003 Improvements") of benefit to the City of Santa Fe Springs's (the "City") water system and facilities (the "Enterprise") the City entered into an Installment Sale Agreement (the "2003 Installment Sale Agreement"), dated as of October 1, 2003, by and between the City and the Santa Fe Springs Financing Authority (the "Financing Authority"), and the Financing Authority issued its 2003 Water Revenue Bonds, Series A, in the principal amount of \$4,265,000 (the "2003 Financing Authority Bonds"), secured by installment payments to be made by the City pursuant to the 2003 Installment Sale Agreement;

WHEREAS, to refinance certain public capital improvements of benefit to the Enterprise by refunding on an advance basis the Financing Authority's 1996 Waster Revenue Bonds, Series A (the "2005 Improvements"), the City entered into an Installment Sale Agreement (the "2005 Installment Sale Agreement"), dated as of April 1, 2005, by and between the City and the Financing Authority, and the Financing Authority issued its 2005 Water Refunding Revenue Bonds, Series A (the "2005 Financing Authority Bonds"), pursuant to an Indenture of Trust, dated as of April 1, 2005, by and between the Financing Authority and the 2005 Trustee (the "2005 Indenture"), in the principal amount of \$3,705,000 secured by installment payments to be made by the City pursuant to the 2005 Installment Sale Agreement;

WHEREAS, the Santa Fe Springs Water Utility Authority (the "Water Utility Authority") is a joint exercise of powers authority duly organized and existing under and pursuant to that certain Joint Exercise of Powers Agreement, dated as of July 1, 2009, by and between the City and the Community Development Commission of the City of Santa Fe Springs and under the 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 is authorized pursuant to Article 4 of the Act (the "Bond Law") to borrow money for the purpose of financing and refinancing public capital improvements of the Water Utility Authority;

WHEREAS, the City leased the City's Enterprise to the Authority pursuant to that certain Water Enterprise Lease Agreement, dated as of July 1, 2009 (the "Lease"), by and between the Authority and the City;

WHEREAS, to assist the City in repaying the 2003 Installment Sale Agreement and to finance additional public capital improvements to the Enterprise, the Water Utility Authority

issued its Santa Fe Springs Water Utility Authority 2013 Water Revenue Bonds (the "2013 Bonds") in the aggregate principal amount of \$6,890,000 pursuant to an Indenture of Trust, dated as of May 1, 2013, by and among the City, the Water Utility Authority and U.S. Bank National Association, as trustee (the "2013 Indenture") and the City caused the repayment in full of the 2003 Installment Purchase Agreement and thereby refunded in full and defeased the 2003 Financing Authority Bonds;

WHEREAS, the City and Financing Authority have determined to defease and redeem the 2005 Financing Authority Bonds and to cause prepayment of the 2005 Installment Sale Agreement;

WHEREAS, to assist the City in repaying the 2005 Installment Sale Agreement and causing the defeasance and redemption of the 2005 Financing Authority Bonds, the Water Utility Authority has determined to issue its Santa Fe Springs Water Utility Authority 2018 Subordinate Water Revenue Bonds (the "2018 Bonds") in the aggregate principal amount of \$\_\_\_\_\_\_ pursuant to an Indenture of Trust (the "2018 Indenture"), dated as of January 1, 2018, by and among the Water Utility Authority, the City and the U.S. Bank National Association, as trustee (the "2018 Trustee");

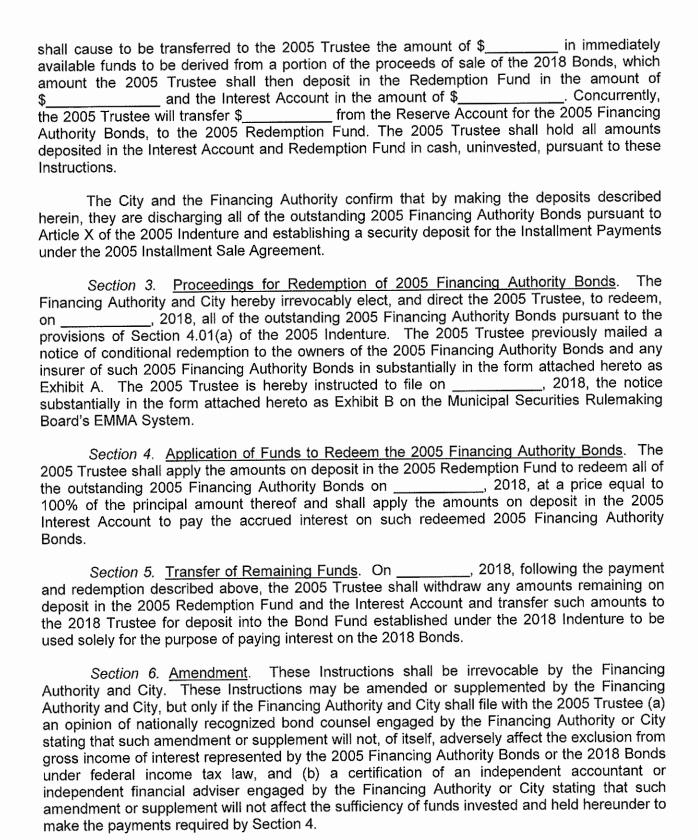
WHEREAS, the Financing Authority and the City desire to give these Instructions to the 2005 Trustee for the purpose of providing the terms and conditions relating to the deposit and application of moneys to provide for the payment and redemption of all of the outstanding 2005 Financing Authority Bonds pursuant to Section 4.01(a) of the 2005 Indenture and the prepayment of the 2005 Installment Sale Agreement under Section 9.2 of the 2005 Installment Sale Agreement;

NOW, THEREFORE, the Financing Authority and City hereby irrevocably instruct the 2005 Trustee as follows:

Section 1. Redemption Fund; Interest Account. Pursuant to Section 5.07 of the 2005 Indenture, there has heretofore been established an account held by the 2005 Trustee known as the "Redemption Fund" (the "2005Redemption Fund"). All cash and securities deposited in or transferred to the 2005 Redemption Fund pursuant to these Instructions are hereby irrevocably pledged as a special trust fund for the redemption of all of the outstanding 2005 Financing Authority Bonds on \_\_\_\_\_\_, 2018, in accordance with the 2005 Indenture. The 2005 Trustee shall have no lien upon or right of set off against the securities and cash at any time on deposit in the 2005 Redemption Fund or the accounts therein, and such amounts shall be applied only as provided herein.

Pursuant to Section 5.02 of the 2005 Indenture, there has heretofore been established a fund held by the 2005 Trustee known as the Bond Fund (the "2005 Bond Fund"), and within the 2005 Bond Fund an Interest Account (the "2005 Interest Account"). All cash and securities deposited in or transferred to the 2005 Interest Account pursuant to these Instructions are hereby pledged as a special trust fund for the payment of interest on the outstanding 2005 Financing Authority Bonds to be redeemed on \_\_\_\_\_\_\_, 2018, in accordance with the 2005 Indenture. The 2005 Trustee shall have no lien upon or right of set off against the securities and cash at any time on deposit in the 2005 Interest Account, and such amounts shall be applied only as provided herein.

Section 2. <u>Deposit and Transfer into 2005 Redemption Fund and 2005 Interest Account;</u>
<u>Investment of Amounts.</u> Concurrently with delivery of the 2018 Bonds, the Financing Authority



Section 7. Miscellaneous. These Instructions shall constitute the Written Request of the Financing Authority pursuant to Section 10.03 of the 2005 Indenture.

Section 7. Governing Law. These Instructions shall be construed in accordance with and governed by the laws of the State of California.

	CITY OF SANTA FE SPRINGS
	By:SANTA FE SPRINGS PUBLIC FINANCING AUTHORITY
	Ву:
ACCEPTED:	
U.S. BANK NATIONAL ASSOCIATION, as 2005 Trustee	
By: Vice President	
ACCEPTED with respect to Section 5:	
U.S. BANK NATIONAL ASSOCIATION as 2018 Trustee	
By:Vice President	

#### **EXHIBIT A**

### FORM OF NOTICE OF CONDITIONAL OPTIONAL REDEMPTION

\$3,705,000 Santa Fe Springs Public Financing Authority 2005 Water Refunding Revenue Bonds, Series A

Date of Issuance: April 20, 2005

Outstanding Principal

<u>Maturity Date</u> <u>Amount</u> <u>Interest Rate</u> \*CUSIP No.

NOTICE IS HEREBY GIVEN by the Santa Fe Springs Public Financing Authority (the "Financing Authority") that all of the above described bonds (the "Bonds") have been called, on a conditional basis, for optional redemption on \_\_\_\_\_\_\_, 2018 (the "Redemption Date") pursuant to Section 4.01(a) of the Indenture of Trust (the "Indenture"), dated as of April 1, 2005, by and between the Financing Authority and U.S. Bank National Association, as trustee (the "Trustee"), at a redemption price equal to the principal amount thereof, plus accrued interest to the redemption date, without premium (the "Redemption Price"). Interest will not accrue on the Bonds after the redemption date.

The Financing Authority expects to cause the Bonds to be redeemed on the Redemption Date with, among other funds, proceeds of refunding bonds issued by the Santa Fe Springs Water Utility Authority (the "2018 Bonds"). The Financing Authority's ability to cause the Bonds to be redeemed is subject to the sale of the 2018 Bonds. In the event such funds are not received by the Redemption Date, this notice shall be null and void and of no force and effect. The Bonds delivered for redemption shall be returned to the respective owners thereof, and said Bonds shall remain outstanding as though this Notice of Conditional Optional Redemption had not been given. Notice of a failure to receive funds, and cancellation of this prepayment, shall be given by the Trustee by first class mail, postage prepaid, to the registered owners of the Bonds.

Payment of the Redemption Price on the Bonds called for redemption will be paid without presentation of the Bonds if presentment is not required and upon presentation of the Bonds if presentment is required. If presentment is required, surrender thereof can be made in the following manner:

If by Hand or Overnight Mail:

U. S. Bank Corporate Trust Services 111 Fillmore Ave E St. Paul, MN 55107

Bondholders presenting their bonds for the same day payment must surrender their bond no later than 1:00 P.M. CST on the Redemption Date and a check will be available for pickup after 2:00 P.M. CST. Checks not picked up by 4:30 P.M. will be mailed out to the bondholder via first class mail. If payment of the Redemption Price is to be made to the registered owner of the Bond you are not required to endorse the Bond to collect the Redemption Price.

### REQUIREMENT INFORMATION

For a list of redemption requirements please visit our website at www.usbank.com/corporatetrust and click on the "Bondholder Information" link.

### IMPORTANT NOTICE

Under the Jobs and Growth Tax Relief Reconciliation Act of 2003 (the "Act"), 28% will be withheld if tax identification number is not properly certified.

\*The Undersigned shall not be held responsible for the selection or use of the CUSIP number, nor is any representation made as to its correctness indicated in the Redemption Notice. It is included solely for the convenience of the Holders.

Dated:	, 20	U.S. Bank National Association
		as Trustee

### EXHIBIT B

### FORM OF NOTICE OF DEFEASANCE

\$3,705,000 Santa Fe Springs Public Financing Authority 2005 Water Refunding Revenue Bonds, Series A

Date of Issuance: April 20, 2005

Outstanding Principal Amount

Maturity Date

<u>Interest Rate</u>

\*CUSIP No.

NOTICE IS HEREBY GIVEN, by the Santa Fe Springs Public Financing Authority (the "Financing Authority") with respect to the above captioned bonds (the "Bonds"), that the Bonds have been defeased and discharged under and within the meaning of the Indenture of Trust (the "Indenture"), dated as of April 1, 2005, by and between the Financing Authority and U.S. Bank National Association, as trustee (the "Trustee"). Funds for the payment of the Bonds have been deposited with the Trustee, and the sufficiency of the funds and investments for the purpose of paying the principal of and interest on the Bonds has been verified by an independent firm of nationally recognized certified public accountants. As a consequence of the foregoing actions and in accordance with the Indenture, the Bonds are no longer secured by a pledge of Revenues under the Indenture, and the Bonds are now payable solely from the moneys set aside with the Trustee as described above and, if necessary, from other legally available funds of the Financing Authority.

The Financing Authority has irrevocably elected to redeem all of the outstanding Bonds on \_\_\_\_\_\_, 2018, at a redemption price equal to the principal amount thereof, plus accrued interest to the redemption date, without premium.

Neither the Financing Authority nor the Trustee shall be responsible for the selection of or use of the CUSIP numbers selected, nor is any representation made as to their correctness indicated in the notice or as printed on any Bond. They are included solely for the convenience of the holders.

Dated: January \_\_\_, 2018

U.S. Bank National Association, as Trustee

## **ATTACHMENT G**

## SANTA FE SPRINGS WATER UTILITY AUTHORITY 2018 Subordinate Water Revenue Bonds

### BOND PURCHASE AND CONTINUING COVENANT AGREEMENT

\_\_\_\_\_, 2018

Santa Fe Springs Water Utility Authority City of Santa Fe Springs 11710 Telegraph Rd. Santa Fe Springs, CA 90670 Attention: City Manager

### Ladies and Gentlemen:

The undersigned, Opus Bank, a California commercial bank (the "Purchaser"), does hereby offer to enter into this Bond Purchase and Continuing Covenant Agreement (this "Purchase Contract") with the Santa Fe Springs Water Utility Authority, a public entity duly organized and existing under and by virtue of the laws of the State of California (the "Water Utility Authority") and the City of Santa Fe Springs (the "City"), which, upon your acceptance hereof, will be binding upon the Water Utility Authority, the City and the Purchaser. This offer is made subject to acceptance by the Water Utility Authority and the City prior to 11:59 p.m., California time, on the date hereof.

Section 2. <u>The Bonds</u>. The Bonds shall: (a) be dated the date of their delivery (the "Closing Date"); (b) mature on the date(s), in the year(s), and accrue interest computed at the rate(s) as set forth in <u>Exhibit A</u> hereto, which is incorporated herein by reference; and (c) be subject to redemption as set forth in <u>Exhibit A</u> hereto.

In all other respects, the Bonds shall be as described in, and shall be issued and secured pursuant to the provisions of that certain Indenture of Trust, dated as of \_\_\_\_\_\_1, 2018 (the "Indenture"), among the Water Utility Authority, the City and U.S. Bank National Association, as trustee (the "Trustee"). All capitalized terms used herein without definition shall have the meanings given to them in the Indenture.

The Bonds shall not be rated, shall not have a CUSIP number, shall not be issued pursuant to an offering document, and shall be registered in the name of the Purchaser.

The Bonds will be issued in accordance with the Bond Law, Resolution No. \_\_\_\_\_ of the City Council of the City (the "City Resolution") and Resolution No. of the Water Utility Authority (the "Water Utility Authority Resolution") adopted on \_\_\_\_\_, approving, among other things, the issuance of the Bonds and the execution and delivery of the Indenture and this Purchase Contract (the "Water Utility Authority Resolution").

The City and the Santa Fe Springs Public Financing Authority (the "Financing Authority") previously entered into an Installment Sale Agreement (the "2005 Installment Sale Agreement"), dated as of April 1, 2005, by and between the City and the Santa Fe Springs Public Financing Authority, and the Financing Authority previously issued its 2005 Water Refunding Revenue Bonds, Series A (the "2005 Bonds") under an Indenture of Trust, dated as of April 1, 2005 (the "2005 Indenture"), by and between the City and U.S. Bank, National Association, as trustee (the "2005 Trustee"). The net proceeds of the Bonds will be applied in accordance with the Indenture and Irrevocable Refunding Instructions dated \_\_\_\_, 2018, to be given by the City and the Financing Utility Authority to the 2005 Trustee (the "Refunding Instructions"), to (i) refinance the City's installment payment obligation under the 2005 Installment Sale Agreement and (ii) defease and redeem the 2005 Bonds.

Section 3. Relationship to Outstanding Bonds; Lease Agreement. The Bonds will be payable from Net Revenues of the City's water enterprise (the "Enterprise") on a subordinate basis to the Water Utility Authority's 2013 Water Revenue Bonds (the "2013 Bonds") which were issued pursuant to an Indenture of Trust (the "2013 Indenture"), dated as of May 1, 2013, by and among the City, the Authority, and U.S. Bank, National Association, as trustee (the "2013 Trustee").

The City leased the Enterprise to the Water Utility Authority pursuant to a Water Enterprise Lease Agreement, dated as of July 1, 2009 (the "Original Lease Agreement"), as such Original Lease Agreement was previously amended by a First Amendment to Lease Agreement dated as of May 1, 2013 (the "First Lease Amendment") and will be amended by a Second Amendment to Lease Agreement dated as of \_\_\_\_\_ 1, 2018 (the "Second Lease Amendment"; together with the Original Lease Agreement and the First Lease Amendment, the "Lease Agreement") in connection with the issuance of the Bonds.

- Section 4. Continuing Disclosure. The Water Utility Authority, the City and the Purchaser acknowledge that the Bonds are exempt from the requirements of Paragraph (b)(5)(i) of the Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (17 CFR Part 240, § 240.15c2-12) (the "Rule"); provided, however, that the Water Utility Authority and the City have agreed to provide certain ongoing information to the Purchaser.
- Section 5. <u>Representations</u>, <u>Warranties and Covenants of the Water Utility Authority</u>. The Water Utility Authority represents, warrants and covenants to the Purchaser that:
- (a) <u>Due Organization</u>. The Water Utility Authority is and will be on the Closing Date a public entity duly organized and existing under and by virtue of the laws of the State of California, with the power to issue the Bonds pursuant to the Dissolution Act and the Refunding Law, to adopt the Water Utility Authority Resolution, to give the Refunding Instructions, and to enter into the Indenture, the Second Amendment to Lease and this Purchase Agreement.

- (b) Enforceability of Documents. (i) At or prior to the Closing Date, the Water Utility Authority will have taken all action required by it to authorize the issuance and delivery of the Bonds; (ii) the Water Utility Authority has all necessary power and authority to execute and deliver this Purchase Contract, the Second Amendment to Lease and the Indenture, to adopt the Water Utility Authority Resolution, to issue and to deliver the Bonds, to perform its obligations under each such document or instrument (collectively, the "Water Utility Authority Documents") and to carry out and effectuate the transactions contemplated by the Water Utility Authority Documents; and (iii) when duly authenticated by the Trustee, the Bonds will constitute legally valid and binding obligations of the Water Utility Authority, enforceable against the Water Utility Authority in accordance with their terms except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles if equitable remedies are sought.
- (c) <u>Authorization</u>. By official action of the Water Utility Authority prior to or concurrently with the acceptance hereof, the Water Utility Authority has duly authorized and approved the issuance of the Bonds, the execution and delivery of the Water Utility Authority Documents, the performance by the Water Utility Authority of the obligations on its part contained therein and the consummation by the Water Utility Authority of all other transactions contemplated by the Water Utility Authority Resolution and this Purchase Contract.
- (d) No Conflicts. The issuance of the Bonds, the adoption of the Water Utility Authority Resolution, the execution and delivery of the other Water Utility Authority Documents and compliance with the provisions on the Water Utility Authority's part contained herein and therein will not conflict with or constitute a breach of or default under the Constitution of the State of California, any law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Water Utility Authority is a party or is otherwise subject, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets of the Water Utility Authority under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument.
- (e) <u>Consents</u>. No consent, approval, authorization, order, filing, registration, qualification, election or referendum, of or by any court or governmental agency or public body whatsoever is required that has not already been obtained in connection with the issuance, delivery or sale of the Bonds or the consummation of the other transactions effected or contemplated herein or hereby. The Water Utility Authority gives no representation or warranty with regard to compliance with Blue Sky or similar securities requirements.
- (f) <u>Litigation</u>. There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, pending or, to the best knowledge of the Water Utility Authority, threatened against the Water Utility Authority: (i) affecting the existence of the Water Utility Authority or the titles of its officers required to approve or sign documents necessary for the delivery of the Bonds, to their respective offices or seeking to prohibit, restrain or enjoin the issuance of the Bonds or the execution and delivery of the Indenture or this Purchase Contract; (ii) affecting delivery of the Bonds; (iii) in any material way contesting or affecting the validity or enforceability of the Bonds or any other Water Utility Authority Document; (iv) contesting the powers of the Water Utility Authority or its authority to enter into, adopt or perform its obligations under any of the foregoing, including, but not limited to, the consummation of the

transactions contemplated in this Purchase Contract; (v) seeking to restrain or enjoin the sale, issuance or delivery of any of the Bonds, the application of the proceeds of the sale of the Bonds, or the collection of the Net Revenues to pay the principal of and interest on the Bonds, or the application thereof or the Water Utility Authority's ability to pay the debt service on the Bonds; or (vi) wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Bonds or any Water Utility Authority Document, or in which a final adverse decision could materially adversely affect the operations or financial condition of the Water Utility Authority, the exclusion of the interest paid on the Bonds from gross income for federal tax purposes or the exemption of such interest from State of California personal income taxation.

- (g) <u>Tax Covenants</u>. The Water Utility Authority covenants that it will take any and all action and will cause any and all action to be taken in order to ensure compliance with the provisions contained in the tax certifications described in Section 8 hereof.
- (h) No Violation of Debt Limitation. To the best knowledge of the Water Utility Authority, it has not been, is not presently and, as a result of the sale, issuance and delivery of the Bonds, will not be in violation of any debt limitation, appropriation limitation or any other provision of the California Constitution that would materially adversely affect the Water Utility Authority's obligations under this Purchase Contract.
- (i) <u>Security for the Bonds</u>. The Bonds are secured by a pledge of Net Revenues and other assets pledged under the Indenture.
- (j) <u>Internal Revenue Code</u>. The Water Utility Authority has complied with the Internal Revenue Code of 1986, as amended (the "Tax Code"), with respect to the Bonds, and the Water Utility Authority shall not knowingly take or omit to take any action that, under existing law, may adversely affect the exclusion from gross income for federal income tax purposes, or the exemption from any applicable State tax of the interest on the Bonds.
- (k) Other Debt. The Indenture accurately describes the 2013 Bonds and any obligations secured by a pledge of Net Revenues, and, between the date hereof and the Closing Date, without the prior written consent of the Purchaser, the Water Utility Authority will not have issued any bonds, notes or other obligations for borrowed money payable from Net Revenues.
- (l) <u>Certificates</u>. Except as specifically provided, any certificates signed by any officer of the Water Utility Authority and delivered to the Purchaser shall be deemed a representation and warranty by the Water Utility Authority to the Purchaser, but not by the person signing the same, as to the statements made therein.
- (m) No Financial Advisory or Fiduciary Relationship. The Water Utility Authority acknowledges and agrees that: (i) the transaction contemplated herein is an arm's length commercial transaction among the Water Utility Authority, the City and the Purchaser and its affiliates; (ii) in connection with such transaction, the Purchaser and its affiliates are acting solely as a principal and not as an advisor including, without limitation, a "Municipal Advisor" as such term is defined in Section 15B of the Securities and Exchange Act of 1934, as amended, and the related final rules (the "Municipal Advisor Rules"), agent or a fiduciary of the Water Utility Authority; (iii) the Purchaser and its affiliates are relying on the Bank exemption in the Municipal Advisor Rules; (iv) the Purchaser and its affiliates have not provided any advice or assumed any advisory or fiduciary responsibility in favor of the Water Utility Authority with respect to the transaction contemplated hereby and the discussions,

undertakings and procedures leading thereto (whether or not the Purchaser, or any affiliate of the Purchaser, has provided other services or advised, or is currently providing other services or advising the Water Utility Authority on other matters); (v) the Purchaser and its affiliates have financial and other interests that differ from those of the Water Utility Authority; and (vi) the Water Utility Authority has consulted with its own financial, legal, accounting, tax and other advisors, as applicable, to the extent it deemed appropriate.

- (n) <u>Financial Condition</u>. The financial statements of the Water Utility Authority for the year ended June 30, 2016, supplied to the Purchaser: (i) were prepared in accordance with generally accepted accounting principles, consistently applied; and (ii) fairly present the Water Utility Authority's financial condition as of the date of the statements. Other than as disclosed to the Purchaser, there has been no material adverse change in the Water Utility Authority's financial condition subsequent to June 30, 2016.
- (o) <u>Facilitation of Transfers</u>. The Water Utility Authority hereby agrees that, upon the request of the Purchaser, the Water Utility Authority shall make good faith efforts to respond to questions from and furnish all documents and information reasonably requested by a potential buyer of the Bonds concerning the Water Utility Authority, the Indenture, the Bonds and the security therefor, and the transactions and documents related to or contemplated by the foregoing and all matters related thereto.
- Information. All information, reports (including, but not limited to the Fiscal (p) Consultant Report) and other papers and data furnished by the Water Utility Authority to the Purchaser were, at the time the same were so furnished, complete and accurate in all material respects and insofar as necessary to give the Purchaser a true and accurate knowledge of the subject matter and were provided in expectation of the Purchaser' reliance thereon in entering into the transactions contemplated by this Purchase Contract. No fact is known to the Water Utility Authority which has had or, so far as the Water Utility Authority can now reasonably foresee, may in the future have a material adverse effect, which has not been set forth in the financial statements previously furnished to the Purchaser or in other such information, reports, papers and data or otherwise disclosed in writing to the Purchaser prior to the Closing Date. Any financial, budget and other projections furnished to the Purchaser by the Water Utility Authority or its or their agents were prepared in good faith on the basis of the assumptions stated therein, which assumptions were fair and reasonable in light of the conditions existing at the time of delivery of such financial, budget or other projections, and represented, and as of the date of this representation, represent the Water Utility Authority's best estimate of the Net Revenues. No document furnished nor any representation, warranty or other written statement made to the Purchaser in connection with the negotiation, preparation or execution of this Agreement contains or will contain any untrue statement of a material fact or omits or will omit to state (as of the date made or furnished) any material fact necessary in order to make the statements contained herein or therein, in light of the circumstances under which they were or will be made, not misleading.

Section 6. <u>Representations</u>, <u>Warranties and Covenants of the City</u>. The City represents, warrants and covenants to the Purchaser that:

(a) <u>Due Organization</u>. The City is and will be on the Closing Date a general law city and municipal corporation organized and existing under and by virtue of the laws of the State of California, with the power to adopt the City Resolution, to give the Refunding Instructions, and to enter into the Indenture, the Second Amendment to Lease and this Purchase Agreement.

- (b) Enforceability of Documents. At or prior to the Closing Date, (i) the City will have taken all action required by it to authorize the issuance and delivery of the Bonds; and (ii) the City has all necessary power and authority to execute and deliver this Purchase Contract, the Second Amendment to Lease and the Indenture, to adopt the City Resolution, to give the Refunding Instructions, to perform its obligations under each such document or instrument (collectively, the "City Documents") and to carry out and effectuate the transactions contemplated by the City Documents.
- (c) <u>Authorization</u>. By official action of the City prior to or concurrently with the acceptance hereof, the City has duly authorized and approved the issuance of the Bonds, the execution and delivery of the City Documents, the performance by the City of the obligations on its part contained therein and the consummation by the City of all other transactions contemplated by the City Resolution and this Purchase Contract.
- (d) No Conflicts. The issuance of the Bonds, the adoption of the City Resolution, the execution and delivery of the other City Documents and compliance with the provisions on the City's part contained herein and therein will not conflict with or constitute a breach of or default under the Constitution of the State of California, any law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the City is a party or is otherwise subject, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets of the City under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument.
- (e) <u>Consents</u>. No consent, approval, authorization, order, filing, registration, qualification, election or referendum, of or by any court or governmental agency or public body whatsoever is required that has not already been obtained in connection with the issuance, delivery or sale of the Bonds or the consummation of the other transactions effected or contemplated herein or hereby. The City gives no representation or warranty with regard to compliance with Blue Sky or similar securities requirements.
- Litigation. There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, pending or, to the best knowledge of the City, threatened against the City: (i) affecting the existence of the City or the titles of its officers required to approve or sign documents necessary for the delivery of the Bonds, to their respective offices or seeking to prohibit, restrain or enjoin the issuance of the Bonds or the execution and delivery of the Indenture or this Purchase Contract; (ii) affecting delivery of the Bonds; (iii) in any material way contesting or affecting the validity or enforceability of the Bonds or the City Documents; (iv) contesting the powers of the City or its authority to enter into, adopt or perform its obligations under any of the foregoing, including, but not limited to, the consummation of the transactions contemplated in this Purchase Contract; (v) seeking to restrain or enjoin the sale, issuance or delivery of any of the Bonds, the application of the proceeds of the sale of the Bonds, or the collection of the Net Revenues to pay the principal of and interest on the Bonds, or the application thereof or the Water Utility Authority's ability to pay the debt service on the Bonds; or (vi) wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Bonds or any City Document, or in which a final adverse decision could materially adversely affect the operations or financial condition of the Enterprise, the exclusion of the interest paid on the Bonds from gross income for federal tax purposes or the exemption of such interest from State of California personal income taxation.

- (g) <u>Tax Covenants</u>. The City covenants that it will take any and all action and will cause any and all action to be taken in order to ensure compliance with the provisions contained in the tax certifications described in Section 8 hereof.
- (h) <u>Security for the Bonds</u>. The Bonds are secured by a pledge of Net Revenues and other assets pledged under the Indenture.
- (i) <u>Internal Revenue Code</u>. The City has complied with the Internal Revenue Code of 1986, as amended (the "Tax Code"), with respect to the Bonds, and the City shall not knowingly take or omit to take any action that, under existing law, may adversely affect the exclusion from gross income for federal income tax purposes, or the exemption from any applicable State tax of the interest on the Bonds.
- (j) <u>Certificates</u>. Except as specifically provided, any certificates signed by any officer of the City and delivered to the Purchaser shall be deemed a representation and warranty by the City to the Purchaser, but not by the person signing the same, as to the statements made therein.
- No Financial Advisory or Fiduciary Relationship. The City acknowledges and (k) agrees that: (i) the transaction contemplated herein is an arm's length commercial transaction among the Water Utility Authority, the City and the Purchaser and its affiliates; (ii) in connection with such transaction, the Purchaser and its affiliates are acting solely as a principal and not as an advisor including, without limitation, a "Municipal Advisor" as such term is defined in Section 15B of the Securities and Exchange Act of 1934, as amended, and the related final rules (the "Municipal Advisor Rules"), agent or a fiduciary of the City; (iii) the Purchaser and its affiliates are relying on the Bank exemption in the Municipal Advisor Rules; (iv) the Purchaser and its affiliates have not provided any advice or assumed any advisory or fiduciary responsibility in favor of the City with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (whether or not the Purchaser, or any affiliate of the Purchaser, has provided other services or advised, or is currently providing other services or advising the City on other matters); (v) the Purchaser and its affiliates have financial and other interests that differ from those of the City; and (vi) the City has consulted with its own financial, legal, accounting, tax and other advisors, as applicable, to the extent it deemed appropriate.
- (l) <u>Financial Condition</u>. The financial statements of the City for the year ended June 30, 2016, supplied to the Purchaser: (i) were prepared in accordance with generally accepted accounting principles, consistently applied; and (ii) fairly present the City's financial condition as of the date of the statements. Other than as disclosed to the Purchaser, there has been no material adverse change in the City's financial condition subsequent to June 30, 2016.
- (m) <u>Facilitation of Transfers</u>. The City hereby agrees that, upon the request of the Purchaser, the City shall make good faith efforts to respond to questions from and furnish all documents and information reasonably requested by a potential buyer of the Bonds concerning the City, the Indenture, the Bonds and the security therefor, and the transactions and documents related to or contemplated by the foregoing and all matters related thereto.
- (n) <u>Information.</u> All information, reports (including, but not limited to the Fiscal Consultant Report) and other papers and data furnished by the City to the Purchaser were, at the time the same were so furnished, complete and accurate in all material respects and insofar as necessary to give the Purchaser a true and accurate knowledge of the subject matter and were provided in expectation of the

Purchaser' reliance thereon in entering into the transactions contemplated by this Purchase Contract. No fact is known to the City which has had or, so far as the City can now reasonably foresee, may in the future have a material adverse effect, which has not been set forth in the financial statements previously furnished to the Purchaser or in other such information, reports, papers and data or otherwise disclosed in writing to the Purchaser prior to the Closing Date. Any financial, budget and other projections furnished to the Purchaser by the City or its or their agents were prepared in good faith on the basis of the assumptions stated therein, which assumptions were fair and reasonable in light of the conditions existing at the time of delivery of such financial, budget or other projections, and represented, and as of the date of this representation, represent the City's best estimate of the Net Revenues. No document furnished nor any representation, warranty or other written statement made to the Purchaser in connection with the negotiation, preparation or execution of this Agreement contains or will contain any untrue statement of a material fact or omits or will omit to state (as of the date made or furnished) any material fact necessary in order to make the statements contained herein or therein, in light of the circumstances under which they were or will be made, not misleading.

- Section 7. Representations, Warranties and Covenants of the Purchaser. The Purchaser represents to and agrees with the Water Utility Authority that, as of the date hereof and as of the Closing Date:
- (a) The Purchaser is a Qualified Institutional Buyer and has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of a purchase of the Bonds.
- (b) The Purchaser has conducted its own investigation into the merits and risks of purchasing the Bonds and has received, or been afforded access to, from the Water Utility Authority, the City or otherwise, all the information it deems necessary to make a decision to purchase the Bonds.
- (c) The Purchaser will deliver on the Closing Date a letter in substantially the form of Exhibit D to the Indenture.
- Section 8. <u>Conditions to Closing</u>. The Purchaser has entered into this Purchase Contract in reliance upon the representations and warranties of the Water Utility Authority and the City contained herein and the performance by the Water Utility Authority and the City of their obligations hereunder, both as of the date hereof and as of the Closing Date. The Purchaser's obligations under this Purchase Contract are and shall be subject to the following further conditions as of the Closing Date:
- (a) From the time of the execution and delivery of this Purchase Contract to the Closing Date, there shall not have been any: (i) material adverse change in the financial condition or general affairs of the Water Utility Authority or the City; (ii) event, court decision, proposed law or rule that may have the effect of changing the federal income tax status of the Bonds or the contemplated transactions; or (iii) international or national crisis, suspension of stock exchange trading or banking moratorium which, in the reasonable opinion of the Purchaser, materially and adversely affects the value of the Bonds to the Purchaser.
- (b) The Purchaser hereby enters into this Purchase Contract in reliance upon its own due diligence and the representations and warranties of the Water Utility Authority and the City contained herein and the representations and warranties to be contained in the documents and instruments to be delivered on the Closing Date and upon the performance by the Water Utility

Authority, the City and the Trustee of their respective obligations both on and as of the date hereof and as of the Closing Date. Accordingly, the obligations of the Purchaser under this Purchase Contract to purchase, to accept delivery of and to pay for the Bonds shall be subject, at the option of the Purchaser, to the accuracy in all material respects of the representations and warranties of the Water Utility Authority and the City contained herein as of the date hereof and as of the Closing Date, to the accuracy in all material respects of the statements of the officers and other officials of the Water Utility Authority, the City and the Trustee made in any certificate or document furnished pursuant to the provisions hereof, to the performance by the Water Utility Authority, the City and the Trustee of their respective obligations to be performed hereunder and under the Water Utility Authority Documents and the City Documents, at or prior to the Closing Date, and also shall be subject to the following additional conditions:

- (i) At the Closing Date, the Water Utility Authority Documents and the City Documents shall have been duly authorized, executed and delivered by the respective parties thereto, all in substantially the forms heretofore submitted to the Purchaser, with only such changes as shall have been agreed to in writing by the Purchaser, and shall be in full force and effect, and the Water Utility Authority and the City shall perform or have performed all of their obligations required under or specified in the Indenture or this Purchase Contract to be performed at or prior to the Closing;
- (ii) On the Closing Date, all necessary action of the Water Utility Authority and the City relating to the execution and delivery of the Bonds will have been taken and will be in full force and effect and will not have been amended, modified or supplemented; and
- (iii) At or prior to the Closing Date, the Purchaser shall have received the following documents, in each case satisfactory in form and substance to the Purchaser:
- (A) <u>Bond Opinion</u>. The unqualified approving opinion of Jones Hall, Bond Counsel to the Water Utility Authority ("Bond Counsel"), dated the Closing Date, addressed to the Water Utility Authority, as to the validity of the Bonds, the enforceability of the Indenture and the tax-exempt status of the Bonds in the form attached hereto as <u>Exhibit B</u> hereto;
- (B) <u>Reliance Letter</u>. A reliance letter from Bond Counsel permitting the Purchaser to rely upon the approving opinion referred to in the preceding subparagraph;
- (C) <u>Supplemental Opinion</u>. A supplemental opinion of Bond Counsel, dated the Closing Date and addressed to the Purchaser, to the effect that:
  - (1) the Bonds are exempt from registration under the Securities Act of 1933, as amended, and the Indenture is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended;
  - (2) assuming due authorization, execution and delivery by the Purchaser, this Purchase Contract has been duly authorized, executed and delivered by the Water Utility Authority and the City and constitutes the legal, valid and binding agreement of the Water Utility Authority and the City, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, arrangement, moratorium and other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles (regardless of whether such enforceability is considered in equity or

at law), to the exercise of judicial discretion in appropriate cases, and to the limitations on legal remedies against public entities in the State of California and except that no opinion is expressed with respect to any indemnification or contribution provisions contained in this Purchase Contract; and

- or any local agency of the State, other than such authorizations, approvals and consents which have been obtained, is required for the valid authorization, execution and delivery by the Water Utility Authority or the City of this Purchase Contract or the consummation by the Water Utility Authority or the City of the other transactions contemplated by such agreement (provided that no opinion need be expressed as to any action required under the state securities or blue sky laws in connection with the purchase of the Bonds by the Purchaser);
- (D) <u>Defeasance Opinion</u>. An opinion of Bond Counsel, dated the Closing Date and addressed to the Purchaser, as to the defeasance of the Refunded Bonds, in form and substance acceptable to the Purchaser;
- (E) <u>Water Utility Authority Counsel/City Attorney Opinion</u>. An opinion of the City Attorney, as counsel to the Water Utility Authority and the City, dated the Closing Date and addressed to the Purchaser, in form and substance acceptable to the Purchaser to the following effect:
  - (1) the Water Utility Authority is a public entity duly existing under the laws of the State, including the Dissolution Act, with full right, power and authority to issue the Bonds and execute, deliver and perform its obligations under the Water Utility Authority Documents;
  - (2) the Water Utility Authority Resolution was duly adopted at a meeting of the Water Utility Authority, called and held pursuant to law, with all public notice required by law and at which a quorum was present and acting throughout; and the Water Utility Authority Resolution is in full force and effect and has not been modified, amended or rescinded since the date of its adoption;
  - (3) The Water Utility Authority Documents have been duly authorized, executed and delivered by the Water Utility Authority and, assuming due authorization, execution and delivery by the other parties thereto, constitute the valid, legal and binding obligations of the Water Utility Authority enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting enforcement of creditors rights and by the application of equitable principles if equitable remedies are sought;
  - (4) The issuance of the Bonds and the execution and delivery of the Water Utility Authority Documents and compliance with the provisions of the Water Utility Authority Documents, under the circumstances contemplated thereby, (A) do not and will not in any material respect conflict with or

constitute on the part of the Water Utility Authority a breach of or default under any agreement or other instrument to which the Water Utility Authority is a party or by which it is bound, and (B) do not and will not in any material respect constitute on the part of the Water Utility Authority a violation, breach of or default under any existing law, regulation, court order or consent decree to which the Water Utility Authority is subject; and

- (5) There is no litigation or proceeding, pending and served, or threatened in writing delivered to the Water Utility Authority, challenging the creation, organization or existence of the Water Utility Authority, or the issuance or validity of the Bonds or the Water Utility Authority Documents or seeking to restrain or enjoin any of the transactions referred to therein or contemplated thereby, or under which a determination adverse to the Water Utility Authority would have a material adverse effect upon the financial condition or the revenues of the Water Utility Authority, or which, in any manner, questions the right of the Water Utility Authority to issue, sell and deliver the Bonds, to enter into the Indenture or to use the Net Revenues for repayment of the Bonds or affects in any manner the right or ability of the Water Utility Authority to collect or pledge the Net Revenues or the Water Utility Authority's ability to pay the debt service on the Bonds;
- (6) the City is a public entity duly existing under the laws of the State, including the Dissolution Act, with full right, power and authority to issue the Bonds and execute, deliver and perform its obligations under the Water Utility Authority Documents;
- (7) the City Resolution was duly adopted at a meeting of the City, called and held pursuant to law, with all public notice required by law and at which a quorum was present and acting throughout; and the City Resolution is in full force and effect and has not been modified, amended or rescinded since the date of its adoption;
- (8) The City Documents have been duly authorized, executed and delivered by the City and, assuming due authorization, execution and delivery by the other parties thereto, constitute the valid, legal and binding obligations of the City enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting enforcement of creditors rights and by the application of equitable principles if equitable remedies are sought;
- (9) The execution and delivery of the City Documents and compliance with the provisions of the City Documents, under the circumstances contemplated thereby, (A) do not and will not in any material respect conflict with or constitute on the part of the City a breach of or default under any agreement or other instrument to which the City is a party or by which it is bound, and (B) do not and will not in any material respect constitute on the part of the City a violation, breach of or default under any existing law, regulation, court order or consent decree to which the City is subject; and

- (10) There is no litigation or proceeding, pending and served, or threatened in writing delivered to the City, challenging the creation, organization or existence of the City, or the issuance or validity of the Bonds or the City Documents or seeking to restrain or enjoin any of the transactions referred to therein or contemplated thereby, or under which a determination adverse to the City would have a material adverse effect upon the financial condition or the revenues of the City, or which, in any manner, questions the right of the City to enter into the Indenture;
- (F) <u>Certificate of the Water Utility Authority</u>. A certificate relating the incumbency of the officers and representatives of the Water Utility Authority executing the Water Utility Authority Documents and a certificate signed by a duly authorized official of the Water Utility Authority and to the effect that: (1) the Bonds are duly issued and this Purchase Contract and the Indenture have been duly executed and delivered; (2) the representations, warranties and covenants of the Water Utility Authority herein are true and correct in all material respects as of the Closing Date; and (3) the Water Utility Authority has complied with all the terms of the Water Utility Authority Documents to be complied with by the Water Utility Authority prior to or concurrently with the Closing Date and such documents are in full force and effect;
- (G) <u>Certificate of the City</u>. A certificate relating the incumbency of the officers and representatives of the City executing the City Documents and a certificate signed by a duly authorized official of the City and to the effect that: (1) the City Documents have been duly executed and delivered; (2) the representations, warranties and covenants of the City herein are true and correct in all material respects as of the Closing Date; and (3) the City has complied with all the terms of the City Documents to be complied with by the City prior to or concurrently with the Closing Date and such documents are in full force and effect;
- (H) <u>Water Utility Authority Resolution</u>. A certificate of the Secretary of the Water Utility Authority or his or her designee, together with a fully executed copy of the Water Utility Authority Resolution, to the effect that: (1) such copy is a true and correct copy of the Water Utility Authority Resolution; and (2) the Water Utility Authority Resolution is duly adopted and has not been modified, amended, rescinded or revoked except as provided herein, and is in full force and effect on the Closing Date;
- (I) <u>City Council Resolution</u>. A certificate of the City Clerk or his or her designee, together with a fully executed copy of the City Resolution, to the effect that: (1) such copy is a true and correct copy of the City Resolution; and (2) the City Resolution is duly adopted and has not been modified, amended, rescinded or revoked except as provided herein, and is in full force and effect on the Closing Date;
- (J) <u>Purchase Contract</u>. An executed copy of this Purchase Contract;
- (K) <u>Purchaser Letter</u>. An executed copy of the Purchaser Letter in substantially the form attached as Exhibit D to the Indenture;
- (L) <u>Tax Certifications</u>. Tax certifications by the Water Utility Authority in form and substance acceptable to Bond Counsel;

- (M) <u>CDIAC</u>. Copies of preliminary filings with the California Debt and Investment Advisory Commission ("CDIAC") relating to the Bonds;
- (N) <u>Indenture and Refunding Instructions</u>. An executed copy of the Indenture and the Refunding Instructions;
- (O) <u>Trustee Certificate</u>. A certificate of the Trustee relating to the authentication of the Bonds, and the execution of the Refunding Instructions and the Indenture, in form and substance satisfactory to the Purchaser;
- (P) <u>Financing Authority Certificate</u>. A certificate signed by an authorized officer of the Financing Authority to the effect that the Financing Authority has all necessary power and authority to execute and deliver the Refunding Instructions and to adopt Resolution No. \_\_ of the Financing Authority (the "Financing Authority Resolution");
- (Q) <u>Additional Documents</u>. Such additional legal opinions, certificates, proceedings, instruments and other documents as Bond Counsel or the Purchaser may reasonably request to evidence the truth and accuracy, as of the Closing Date, of the representations contained herein and the due performance or satisfaction by the Water Utility Authority, the City or the Financing Authority at or prior to such time of all agreements then to be performed and all conditions then to be satisfied.

Section 9. Additional Closing Conditions for the Water Utility Authority and the City. Each of the City and the Water Utility Authority has entered into this Purchase Contract in reliance upon the representations and warranties of the Purchaser contained herein and the performance by the Purchaser of its obligations hereunder, both as of the date hereof and as of the Closing Date. The respective obligations of the Water Utility Authority and the City hereunder are and shall be subject to the receipt of the Purchaser, in form satisfactory to the Water Utility Authority and the City and signed by an authorized officer of the Purchaser, confirming delivery of the Bonds to the Purchaser and the satisfaction of all conditions and terms of this Purchase Contract by the Water Utility Authority and the City and confirming to the Water Utility Authority and the City that as of the Closing Date all of the representations of the Purchaser contained in this Purchase Contract are true and correct in all material respects.

Section 10. <u>Termination</u>. All of the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Purchase Contract shall be deemed to be in compliance with the provisions hereof if, but only if they are in form and substance satisfactory to the Purchaser. Receipt of, and payment for, the Bonds shall constitute evidence of the satisfactory nature of such as to the Purchaser. The performance of any and all obligations of the Water Utility Authority and the City hereunder and the performance of any and all conditions contained herein for the benefit of the Purchaser may be waived by the Purchaser in the Purchaser's sole discretion.

If the Water Utility Authority or the City shall be unable to satisfy the conditions to the obligations of the Purchaser to purchase, accept delivery of and pay for the Bonds contained in this Purchase Contract, or if the obligations of the Purchaser to purchase, accept delivery of and pay for the Bonds shall be terminated for any reason permitted by this Purchase Contract, this Purchase Contract shall terminate, and neither Purchaser, the City nor the Water Utility Authority shall be under further obligation hereunder; provided, however, that the respective obligations of the Water Utility

Authority, the City and the Purchaser set forth in Section 11 hereof shall continue in full force and effect.

Section 11. Expenses. The fees and disbursements of Bond Counsel, the fees and disbursements of the financial advisor, Fiscal Consultant and placement agent to the Water Utility Authority, the cost of preparing the Bonds, CDIAC fees, the fees of the Trustee for the Bonds, fees of Purchaser's Counsel (subject to a maximum of \$\_\_\_\_\_\_), and other miscellaneous expenses of the Water Utility Authority and the City incurred in connection with the offering and delivery of the Bonds shall all be the obligation of the Water Utility Authority. The Purchaser shall have no responsibility for any expenses associated with the issuance of the Bonds, including, but not limited to, the expenses identified above as the obligation of the Water Utility Authority.

Section 12. <u>Applicable Law</u>. This Purchase Contract shall be governed by the laws of the State of California, exclusive of the choice of law provisions thereof.

Section 13. Parties in Interest; Survival of Representations and Warranties. This Purchase Contract is made solely for the benefit of the Water Utility Authority, the City and the Purchaser (including the successors or assigns thereof) and no other person shall acquire or have any right hereunder or by virtue hereof. All representations, warranties and agreements of the Water Utility Authority and the City in this Purchase Contract shall remain operative and in full force and effect regardless of any investigation made by or on behalf of the Purchaser and shall survive the delivery of and payment for the Bonds.

### Section 14. Dispute Resolution; No Sovereign Immunity.

Judicial Reference. In the event of any action, proceeding or hearing (hereinafter, a (a) "Claim") based upon or arising out of, directly or indirectly, this Purchase Contract or any of the related documents, any dealings between the Water Utility Authority, the City or the Purchaser relating to the subject matter of the transactions contemplated by this Purchase Contract or any related transactions, and/or the relationship that is being established between the Water Utility Authority, the City and the Purchaser, the Water Utility Authority, the City and the Purchaser hereby agree that each Claim shall be determined by a consensual general judicial reference (the "Reference") pursuant to the provisions of Section 638 et seq. of the California Code of Civil Procedure, as such statutes may be amended or modified from time to time. Upon a written request, or upon an appropriate motion by either the Purchaser, the City or the Water Utility Authority, as applicable, any pending action relating to any Claim and every Claim shall be heard by a single Referee (as defined below) who shall then try all issues (including any and all questions of law and questions of fact relating thereto), and issue findings of fact and conclusions of law and report a statement of decision. The Referee's statement of decision will constitute the conclusive determination of the Claim. The Water Utility Authority, the City and the Purchaser agree that the Referee shall have the power to issue all legal and equitable relief appropriate under the circumstances before the Referee. The Water Utility Authority, the City and the Purchaser shall promptly and diligently cooperate with one another, as applicable, and the Referee, and shall perform such acts as may be necessary to obtain prompt and expeditious resolution of all Claims in accordance with the terms of this Section 13. Either the Water Utility Authority, the City or the Purchaser, as applicable, may file the Referee's findings, conclusions and statement with the clerk or judge of any appropriate court, file a motion to confirm the Referee's report and have judgment entered

thereon. If the report is deemed incomplete by such court, the Referee may be required to complete the report and resubmit it. The Water Utility Authority, the City and the Purchaser, as applicable, will each have such rights to assert such objections as are set forth in Section 638 et seq. of the California Code of Civil Procedure and all proceedings shall be closed to the public and confidential, and all records relating to the Reference shall be permanently sealed when the order thereon becomes final.

- (b) Selection of Referee; Powers. The parties to the Reference proceeding shall select a single neutral referee (the "Referee"), who shall be a retired judge or justice of the courts of the State of California, or a federal court judge, in each case, with at least ten (10) years of judicial experience in civil matters. The Referee shall be appointed in accordance with Section 638 of the California Code of Civil Procedure (or pursuant to comparable provisions of federal law if the dispute falls within the exclusive jurisdiction of the federal courts). If within ten (10) days after the request or motion for the Reference, the parties to the Reference proceeding cannot agree upon a Referee, then any party to such proceeding may request or move that the Referee be appointed by the Presiding Judge of the Los Angeles County Superior Court, or of the U.S. District Court for the Central District of California. The Referee shall determine all issues relating to the applicability, interpretation, legality and enforceability of this Section 14(b).
- (c) Provisional Remedies, Self Help and Foreclosure. No provision of this Section 14 shall limit the right of either the Water Utility Authority or the Purchaser, as the case may be, to obtain or oppose provisional or ancillary remedies, including without limitation injunctive relief, writs of possession, the appointment of a receiver, and/or additional or supplementary remedies from a court of competent jurisdiction during the pendency of any Reference. The exercise of, or opposition to, any such remedy does not waive the right of the Water Utility Authority or the Purchaser to the Reference pursuant to this Section 14(c).
- (d) Costs and Fees. Promptly following the selection of the Referee, the parties to such Reference proceeding shall each advance equal portions of the estimated fees and costs of the Referee. In the statement of decision issued by the Referee, the Referee shall award costs, including reasonable attorneys' fees, to the prevailing party, if any, and may order the Referee's fees to be paid or shared by the parties to such Reference proceeding in such manner as the Referee deems just.
- (e) No Sovereign Immunity. The Water Utility Authority hereby represents that it does not possess and will not invoke a claim of sovereign immunity for disputes arising out of contractual claims relating to the Bonds or this Purchase Contract.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

This Purchase Contract may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

	OPUS B	BANK, a California commercial bank aser
	By:	Authorized Officer
The foregoing is hereby accepted and agreed t as of the date first above written:	0	
SANTA FE SPRINGS WATER UTILITY AUTHORITY		
By:Authorized Officer	_	
CITY OF SANTA FE SPRINGS		
By:Authorized Officer	_	

[Signature Page to Purchase Contract]

### **EXHIBIT A**

# SANTA FE SPRINGS WATER UTILITY AUTHORITY 2018 Subordinate Water Revenue Bonds

a	١.	Purchase Price: \$
b	).	Principal Amount: \$
c	).	Denomination: As provided in the Indenture.
Exhibit A and shall	A to the	Form: Each maturity of the Bonds shall be delivered in the form attached as a fully registered Bond dated as of the date of issuance thereof sistered in the name of [Opus Bank, a California commercial bank. The Bonds ed to the Purchaser at closing.
e	<b>).</b>	Interest Payable:1, 2018 and each1 and1 thereafter.
f interest a		Maturity Schedule and Interest Rate: Maturing1, and bearing ate per annum of%, with mandatory sinking fund redemption as follows:
Ε	SINKI	NG FUND TABLE TO COME]
٤	3.	Optional Redemption: [to come]
	ı. Luthori	Closing Date:, 2018, or such other date mutually agreed to by the Water ty, the City and the Purchaser.
the Closi in San F	e Price ing Dat ranciso	Delivery: Payment shall be made by wire transfer to the Trustee of the on the Closing Date. Delivery of the Bonds shall be made to the Purchaser or the and delivery of the other documents shall be made at the offices of Jones Haleo, California, or such other place as shall have been mutually agreed upon by the Authority, the City and the Purchaser.

### **EXHIBIT B**

### FORM OF FINAL BOND COUNSEL OPINION

[Closing Date]

[to come]

## **ATTACHMENT H**

### PLACEMENT AGENT AGREEMENT

, 2018

Santa Fe Springs Water Utility Authority 11710 Telegraph Road Santa Fe Springs, CA 90670

Re: Santa Fe Springs Water Utility Authority 2018 Subordinate Water Revenue Bonds

Upon the terms and conditions and based upon the representations, warranties and covenants set forth herein, Stifel, Nicolaus & Company, Incorporated (the "Placement Agent") offers to enter into this Placement Agent Agreement (this "Agreement") with the Santa Fe Springs Water Utility Authority (the "Issuer"), which, upon acceptance of this offer, shall be binding upon the Issuer and the Placement Agent. This offer is made subject to acceptance of this Agreement by the Issuer before or the date hereof, and, if not so accepted, will be subject to withdrawal by the Placement Agent upon notice delivered to your office at any time prior to acceptance hereof. If the obligations of the Placement Agent shall be terminated for any reason permitted hereby, neither the Placement Agent nor the Issuer shall be under further obligation hereunder.

The above-captioned Bonds (the "Bonds") are to be executed and delivered pursuant to an Indenture of Trust, dated as of January 1, 2018 (the "Indenture"), by and among the Issuer, the City of Santa Fe Springs and U.S. Bank National Association.

1. <u>Purchase, Sale and Delivery of Bonds</u>. On the basis of the representations and agreements contained herein, but subject to the terms and conditions herein set forth, the Placement Agent agrees, on a best efforts basis, to locate a purchaser for the Bonds (the "Purchaser") at a purchase price equal to the principal amount thereof (the "Purchase Price") and on terms consistent with the Indenture. The maturities, principal amounts, interest rates and other terms and conditions of the Bonds shall be as set forth in the Indenture.

For its services hereunder, and upon payment of the Purchase Price by the Purchaser to the Issuer (the date of such payment herein, the "Closing Date"), the Placement Agent shall receive compensation, payable by the Issuer, equal to \$25,000 (collectively, the "Fee"). The Issuer shall be responsible for the payment of fees charged by the California Debt and Investment Advisory Commission. On the Closing Date, the Issuer shall pay or cause to be paid the Fee to the Placement Agent by wire transfer or immediately available funds. The Fee does not include any services the Placement Agent may render in the future to the Issuer with respect to any offering or placement of municipal securities other than the Bonds.

2. <u>Representations, Warranties, and Covenants of the Issuer.</u> The undersigned, on behalf of the Issuer, but not individually, hereby represents and warrants to the

Placement Agent (and it shall be a condition of the obligation of the Placement Agent to perform under this Agreement that it shall be represented and warranted on the Closing Date) that:

- (a) The Issuer is duly organized and validly existing under the laws of the State of California (the "State") with the power to execute the Indenture, perform the agreements on its part contained therein and in the agreements approved thereby and cause the issuance of the Bonds.
- (b) The Issuer has complied and, in all respects on the Closing Date will be in compliance, with all of the provisions of applicable law of the State.
- (c) The Issuer has duly adopted the resolution approving the issuance of the Bonds on \_\_\_\_\_\_, 2018, and the Issuer has duly authorized and approved the execution and delivery of this Agreement, the Indenture, and the Irrevocable Refunding Instructions, dated \_\_\_\_\_\_, 2018 (the "Instructions," and together with the Indenture, and this Agreement, the "Documents"), by and between the Issuer and U.S. Bank National Association, as refunded bonds trustee, as well as the performance of its obligations contained in the Bonds and the consummation by it of all other transactions contemplated hereby.
- (d) The Documents have been duly authorized, executed and delivered by the Issuer, and, assuming due authorization, execution and delivery by the other parties thereto, as applicable, constitute legal, valid and binding agreements of the Issuer enforceable in accordance with their respective terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, moratorium, reorganization, fraudulent conveyance or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles if sought and by the limitations on legal remedies imposed on actions against the Issuer in the State of California.
- (e) The Issuer is not in breach of or default under any applicable law or administrative regulation of the State or any department, division, agency or instrumentality thereof, or of the United States, or any applicable judgment or decree or any loan agreement, note, resolution, certificate, agreement or other instrument to which the Issuer is a party or is otherwise subject, which breach or default would materially and adversely affect the Issuer or its ability to perform its duties and obligations under the Documents, and the execution and delivery of the Documents, the execution of the Indenture and the issuance of the Bonds and compliance with the provisions of each will not conflict materially with or constitute a material breach of or default under any applicable law or administrative regulation of the State or under any certificate, agreement or other instrument to which the Issuer is a party or is otherwise subject, which breach or default would materially and adversely affect the Issuer or its ability to perform its duties and Bonds under the Documents.
- (f) No action, suit, proceeding or investigation at law or in equity before or by any court of governmental agency or body is pending or, to the knowledge of the Issuer, threatened in any way affecting the existence of the Issuer or the title of the

members of the authorizing body to their respective offices or seeking to restrain or to enjoin the sale or issuance of the Bonds, or the payment or collection of any amounts pledged or to be pledged to pay the principal of and interest on the Bonds, or in any way contesting or affecting the validity or enforceability of the Bonds or the Documents, or contesting the powers of the Issuer or the members of the authorizing body with respect to the Bonds.

- 3. <u>Conditions to Closing</u>. The obligations of the Placement Agent under this Agreement shall be subject, at the option of the Placement Agent, to the accuracy in all material respects of the representations, warranties and covenants on the part of the Issuer contained herein as of the date hereof and as of the Closing Date and to the performance by the Issuer of its obligations to be performed hereunder and under the Documents at or prior to the Closing Date and to the following additional conditions:
  - (a) At the Closing Date, the Bonds and the Documents shall have been duly authorized, executed and delivered by the respective parties thereto, in substantially the forms heretofore submitted to the Placement Agent with only such changes as shall have been agreed to by the Placement Agent, and the Documents shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Placement Agent, and there shall have been taken in connection therewith, with the issuance of the Bonds and with the transactions described therein and in this Agreement, all such action as the Placement Agent and Bond Counsel shall deem to be necessary and appropriate;
  - (b) Between the date hereof and the Closing Date, the market price or marketability, at the Purchase Price, of the Bonds shall not have been adversely affected, in the judgment of the Purchaser;
  - (c) At or prior to the Closing Date, the Placement Agent shall have received the following documents, in each case satisfactory in form and substance to the Placement Agent:
    - (1) The Documents (or certified copies thereof) duly executed and delivered by the respective parties thereto, with such amendments, modifications or supplements as may have been agreed to by the Placement Agent;

- (2) The opinion of Jones Hall, A Professional Law Corporation, Bond Counsel, dated the Closing Date in form and substance satisfactory to the Placement Agent and Purchaser, relating to the validity of the Bonds and the tax-exempt status of the Bonds, together with a letter from such counsel, dated the Closing Date and addressed to the Placement Agent and Purchaser to the effect that the foregoing opinion may be relied upon by the Placement Agent and Purchaser to the same extent as if such opinion was addressed to them;
- (3) A certificate of the Issuer, dated the Closing Date, in form and substance satisfactory to the Placement Agent, to the effect that:
  - (i) the Issuer has complied with and satisfied all the conditions on its part to be performed or satisfied under the Documents at or prior to the Closing Date; and
  - (ii) the representations, warranties and covenants of the Issuer contained in this Agreement are true and correct as if made on the Closing Date.
- (4) A Purchaser Letter, in the form attached to this Agreement as Exhibit A and in form and substance acceptable to the Placement Agent, executed by the Purchaser and addressed to the Placement Agent; and
- (5) Such additional legal opinions, certificates, proceedings, instruments and other documents as the Placement Agent or its counsel, if any, and Bond Counsel may reasonably request to evidence compliance by the Issuer with legal requirements, the truth and accuracy, as of the Closing Date, of the representations of the Issuer, and the due performance or satisfaction by the Issuer at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the Issuer.
- 4. <u>Termination</u>. This Agreement may be terminated by either party upon ten (10) business days' prior written notice; provided, however, that the Fee shall be immediately due and payable by the Issuer if the Issuer terminates this Agreement and sells the Bonds to a purchaser identified by the Placement Agent to the Issuer prior to such termination and such sale occurs within six (6) months after termination of this Agreement.
- 5. Expenses. There shall be paid solely from the proceeds of the sale of the Bonds, upon or promptly after the Closing: (a) the cost, if any, of the preparation and printing of the Bonds; (b) the fees and disbursements of Bond Counsel and of any other counsel or consultants retained by the Issuer; and (c) the Fee as well as the fee and disbursements of counsel to the Placement Agent, if any. The Placement Agent shall be under no obligation to pay any expenses incident to this Agreement.
- 6. <u>Regulatory Disclosure</u>: The Issuer acknowledges that, in connection with the purchase and sale of the Bonds, the offering of the Bonds for sale and the discussions and negotiations relating to the terms of the Bonds pursuant to and as set forth in this Agreement that (a) the Placement Agent has acted at arm's length, is acting solely for its own account and is not

agent of or advisor (including, without limitation, a Municipal Advisor (as such term is defined in Section 975(e) of the Dodd-Frank Wall Street Reform and Consumer Protection Act)) and owes no fiduciary duty to, the Issuer or any other person, (b) the Placement Agent's duties and obligations to the Issuer shall be limited to those contractual duties and obligations set forth in this Agreement, (c) the Placement Agent may have interests that differ from those of the Issuer, and (d) the Issuer has consulted its legal and financial advisors to the extent it deemed appropriate in connection with the offering and sale of the Bonds. The Issuer further acknowledges and agrees that it is responsible for making its judgment with respect to the offering and sale of the Bonds and the process leading thereto. The Issuer agrees that it will not claim that the Placement Agent acted as a Municipal Advisor to the Issuer or rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to the Issuer, in connection with the offering or sale of the Bonds or the process leading thereto.

- 7. <u>Survival of Certain Representations and Obligations</u>. The respective agreements, covenants, representations, warranties and other statements of the Issuer and its officers set forth in or made pursuant to this Agreement shall survive delivery of and payment for the Bonds and shall remain in full force and effect, regardless of any investigation, or statements as to the results thereof, made by or on behalf of the Placement Agent.
- 8. <u>Notices</u>. Any notice or other communication to be given to the Issuer under this Agreement may be given by delivering the same in writing to the Issuer at its address set forth above. Any notice or other communication to be given to the Placement Agent under this Agreement may be given by delivering the same in writing to Stifel, Nicolaus & Company, Incorporated, 515 South Figueroa Street, Suite 1800, Los Angeles, California 90071, Attention: Mr. Jose Vera, Managing Director.
- 9. <u>No Assignment</u>. This Agreement has been made by the Issuer and the Placement Agent, and no person other than the foregoing shall acquire or have any right under or by virtue of this Agreement.
- 10. <u>Applicable Law</u>. This Agreement shall be interpreted, governed and enforced in accordance with the laws of the State of California.
- 11. <u>Effectiveness</u>. This Agreement shall become effective upon its execution by duly authorized officials of all parties hereto and shall be valid and enforceable from and after the time of such execution.
- 12. <u>Severability</u>. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.
- 13. <u>Counterparts</u>. This Agreement may be executed in several counterparts (including counterparts exchanged by email in PDF format), each of which shall be an original and all of which shall constitute but one and the same instrument.

14. <u>Applicable Law</u> . This Agreement shall be governed by and construed in accordance with the laws of the State.
Respectfully submitted,
STIFEL, NICOLAUS & COMPANY, INCORPORATED
Jose Vera, Managing Director
ACCEPTED this of, 2018.
SANTA FE SPRINGS WATER UTILITY AUTHORITY
Executive Director

### EXHIBIT A

### FORM OF PURCHASER LETTER

Santa Fe Springs Water Utility Authority Santa Fe Springs, California

Stifel, Nicolaus & Company, Incorporated Los Angeles, California

Re: Santa Fe Springs Water Utility Authority 2018 Subordinate Water Revenue Bonds

Ladies and Gentlemen:

The undersigned (the "Purchaser") hereby acknowledges that it is purchasing \$\_\_\_\_\_ aggregate principal amount of the Santa Fe Springs Water Utility Authority 2018 Subordinate Water Revenue Bonds (the "Bonds") issued pursuant to a an Indenture of Trust, dated as of January 1, 2018 (the "Indenture"), by and among the Santa Fe Springs Water Utility Authority (the "Issuer"), the City of Santa Fe Springs and U.S. Bank National Association, as trustee. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Indenture.

This letter is being provided pursuant to a Placement Agent Agreement, dated \_\_\_\_\_\_, 2018 (the "Placement Agreement"), between the Issuer and Stifel, Nicolaus & Company, Incorporated (the "Placement Agent").

The Purchaser acknowledges that the proceeds of the Bonds will be used to refund all of the outstanding Santa Fe Springs Public Financing Authority 2005 Water Revenue Bonds, Series A.

The Bonds together with interest thereon shall be payable from Net Revenues.

In connection with the sale of the Bonds to the Purchaser, the Purchaser hereby makes the following representations upon which you may rely:

- 1. The Purchaser has the authority and is duly authorized to purchase the Bonds and to execute this letter and any other instruments and documents required to be executed by the Purchaser in connection with its purchase of the Bonds.
- 2. The Purchaser is (a) a "qualified institutional buyer" as that term is defined in Rule 144A under the Securities Act of 1933, as amended (the "Securities Act"), or (b) an "accredited investor" as that term is defined in Regulation D under the Securities Act.
- 3. The Purchaser is purchasing the Bonds for its own loan account and not with a view to, or for resale in connection with, any distribution of the Bonds. However, the Purchaser

may sell the Bonds at any time the Purchaser deems appropriate, subject to the transfer restrictions set forth in the Bonds and in the Indenture. The Purchaser understands that it may need to bear the risks of the Bonds for an indefinite period of time, since a sale of the Bonds, or any portion thereof, prior to maturity may not be possible.

- 4. The Purchaser understands that the Bonds are not, and are not intended to be, registered under the Securities Act and that such registration is not legally required as of the date hereof, and further understands that the Bonds (a) are not being registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state, (b) will not be listed in any stock or other securities exchange, (c) will not carry a rating from any rating agency, and (d) will be delivered in a form that may not be readily marketable.
- 5. The Purchaser acknowledges that it has either been supplied with or been given access to information, financial statements and other financial information, which it has requested from the Issuer and to which a reasonable lender would attach significance in making lending decisions, and the Purchaser has had the opportunity to ask questions and receive answers from knowledgeable individuals, including its own counsel, concerning the Issuer and the Bonds and the security therefor so that, as a reasonable lender, the Purchaser has been able to make a decision to fund the loan evidenced by the purchase of the Bonds. The Purchaser has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of its purchase of the Bonds.
- 6. The Purchaser acknowledges that the obligations of the Issuer under the Indenture are limited obligations of the Issuer and the Bonds are secured by a pledge of, security interest in and lien on all of the Net Revenues and moneys in certain funds and accounts established under the Indenture.
- 7. The Purchaser has made its own inquiry and analysis with respect to the Bonds and the security therefor, and other material factors affecting the security and payment of the Bonds. The Purchaser is aware that there are certain economic and regulatory variables and risks that could adversely affect the security for the Bonds. The Purchaser has reviewed the documents executed in conjunction with the issuance of Bonds, or summaries thereof, including, without limitation, the Indenture.
- 8. The Purchaser acknowledges and agrees that the Issuer takes no responsibility for, and makes no representation to the Purchaser, or any subsequent purchaser, with regard to, a sale, transfer or other disposition of the Bonds in violation of the provisions hereof, or any securities law or income tax law consequences thereof. The Purchaser also acknowledges that, with respect to the Issuer's obligations and liabilities, the Purchaser is solely responsible for compliance with the transfer restrictions on the Bonds in connection with any subsequent transfer of the Bonds made by the Purchaser.
- 9. The Purchaser agrees that it is bound by and will abide by the provisions of the Indenture relating to transfer, the restrictions noted on the face of the Bonds and this Purchaser Letter. The Purchaser also covenants to comply with all applicable federal and state securities

laws, rules and regulations in connection with any resale or transfer of the Bonds by the Purchaser.

- 10. The Purchaser acknowledges that the purchase of the Bonds is made in reliance upon the certifications, representations and warranties herein by the addressees hereto.
- 11. The interpretation of the provisions hereof shall be governed and construed in accordance with California law without regard to principles of conflicts of laws.
- 12. All representations of the Purchaser contained in this letter shall survive the issuance and delivery of the Bonds to the Purchaser as representations of fact existing as of the date of execution and delivery of this Purchaser Letter.

Date:	, 2018	Very truly yours,
		Purchaser: Opus Bank, a California commercial bank
		Ву:
		Name:
		Title:

## **ATTACHMENT I**

### SOURCES AND USES OF FUNDS

## 

Dated Date	01/11/2018
Delivery Date	01/11/2018

Bond Proceeds:	
Par Amount	1,800,000.00
Other Sources of Funds:	
Debt Service Reserve Fund	282,142.50
	2,082,142.50
Refunding Escrow Deposits: Cash Deposit	1,985,132.94
Cash Deposit	1,985,132.94
Cash Deposit	1,985,132.94 95,000.00
Cash Deposit  Delivery Date Expenses:  Cost of Issuance	, ,
Delivery Date Expenses:	

Note: All Numbers are Preliminary; Subject to Change

### BOND SUMMARY STATISTICS

Dated Date			01/11/2018 01/11/2018				
Delivery Date Last Maturity			05/01/2				
Arbitrage Yield True Interest Co Net Interest Co All-In TIC Average Coupc	ost (TIC) st (NIC)		2.3904 2.3904 2.3900 3.7486 2.3900	14% 000% 525%			
Average Life () Weighted Aver Duration of Iss	age Maturity (years)		4	1,358 1,358 1,095			
Average Annua	vice ual Debt Service al Debt Service		1,800,00 1,800,00 187,49 187,49 1,987,49 234,05 239,29	00.00 95.50 95.50 95.50 95.50			
Underwriter's F Average Take Other Fee	Fees (per \$1000) Edown			······			
Total Underwr Bid Price	iter's Discount		100.00	0000			
Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change		
Term Bond	1,800,000.00	100.000	2.390%	4.358	1,350.00		
	1,800,000.00			4.358	1,350.00		
		TIC	All-Ir TIC TIC		Arbitrage Yield		
Par Value + Accrued Interest + Premium (Discount)	1,800,00	00.00	1,800,000.0	00	1,800,000.00		
<ul><li>- Underwriter's Discount</li><li>- Cost of Issuance Expense</li><li>- Other Amounts</li></ul>			-95,000.0	)0 			
Target Value	1,800,0	00.00	1,705,000.0	)0	1,800,000.00		
Target Date		/2018	01/11/201	10	01/11/2018 2.390414%		

### BOND PRICING

### Santa Fe Springs Public Finance Authority Water Refunding Revenue Bonds, Series 2018

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Term Bond:					
	05/01/2018	180,000	2.390%	2.390%	100.000
	05/01/2019	195,000	2.390%	2.390%	100.000
	05/01/2020	200,000	2.390%	2.390%	100.000
	05/01/2021	200,000	2.390%	2.390%	100,000
	05/01/2022	205,000	2.390%	2.390%	100.000
	05/01/2023	210,000	2.390%	2.390%	100.000
	05/01/2024	215,000	2.390%	2.390%	100.000
	05/01/2025	220,000	2.390%	2.390%	100.000
	05/01/2026	175,000	2.390%	2.390%	100.000
		1,800,000			
Date	ed Date	0	1/11/2018		
Deli	very Date	0	1/11/2018		
First	t Coupon	0	5/01/2018		
	Amount ginal Issue Discount	1,8	00,000,00		
	luction erwriter's Discount	1,8	00,000.00	100.000000%	
2 011 -	chase Price rued Interest	1,8	00,000.00	100.000000%	
Net	Proceeds	1,8	00,000.00		

### BOND DEBT SERVICE

Period Ending	Principal	Coupon	Interest	Debt Service
05/01/2018	180,000	2.390%	13,145.00	193,145.00
05/01/2019	195,000	2.390%	38,718.00	233,718.00
05/01/2020	200,000	2.390%	34,057.50	234,057.50
05/01/2021	200,000	2.390%	29,277.50	229,277.50
05/01/2022	205,000	2.390%	24,497.50	229,497.50
05/01/2023	210,000	2.390%	19,598.00	229,598.00
05/01/2024	215,000	2.390%	14,579.00	229,579.00
05/01/2025	220,000	2.390%	9.440.50	229,440.50
05/01/2026	175,000	2.390%	4,182.50	179,182.50
	1,800,000		187,495.50	1,987,495.50

### SUMMARY OF BONDS REFUNDED

	Maturity	Interest	Par	Call	Cal
Bond	Date	Rate	Amount	Date	Price
2005 Water Refund	ing Revenue Bonds:				
SERIAL	05/01/2018	5.000%	185,000.00	02/10/2018	100.000
	05/01/2019	5.000%	200,000.00	02/10/2018	100.000
	05/01/2020	5.000%	205,000.00	02/10/2018	100.000
	05/01/2021	4,375%	215,000.00	02/10/2018	100.000
	05/01/2022	4.500%	220,000.00	02/10/2018	100.000
	05/01/2023	4.500%	230,000.00	02/10/2018	100.000
	05/01/2024	4.500%	245,000.00	02/10/2018	100.000
	05/01/2025	4.600%	255,000.00	02/10/2018	100.000
	05/01/2026	4.625%	205,000.00	02/10/2018	100.000
Note and the second sec		- <del> </del>	1,960,000.00		

### SUMMARY OF REFUNDING RESULTS

Dated Date	01/11/2018
Delivery Date	01/11/2018
Arbitrage yield	2.390414%
Escrow yield	0.000000%
Value of Negative Arbitrage	
Bond Par Amount	1,800,000.00
True Interest Cost	2,390414%
Net Interest Cost	2.390000%
Average Coupon	2.390000%
Average Life	4.358
Par amount of refunded bonds	1,960,000.00
Average coupon of refunded bonds	4.580355%
Average life of refunded bonds	4.479
PV of prior debt to 01/11/2018 @ 2.390414%	2,156,150.14
Net PV Savings	76,017.20
Percentage savings of refunded bonds	3.878429%
Percentage savings of refunding bonds	4.223178%
5	

### SAVINGS

# 

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 01/11/2018 @ 2.3904140%
05/01/2018	230,696.25	193,145.00	37,551.25	37,279.59
05/01/2019	282,142.50	233,718.00	48,424.50	47,196.86
05/01/2020	277,142.50	234,057.50	43,085.00	41,003.52
05/01/2021	276,892.50	229,277.50	47,615.00	44,198.24
05/01/2022	272,486.26	229,497.50	42,988.76	38,959.07
05/01/2023	272,586.26	229,598.00	42,988.26	38,017.43
05/01/2024	277,236.26	229,579.00	47,657.26	41,116.58
05/01/2025	276,211.26	229,440.50	46,770.76	39,376.27
05/01/2026	214,481.26	179,182.50	35,298.76	29,002.57
	2,379,875.05	1,987,495.50	392,379.55	356,150.14

### Savings Summary

PV of savings from cash flow	356,150.14
Less: Prior funds on hand	-282,142.50
Plus: Refunding funds on hand	2,009.56
Net PV Savings	76,017.20
Met LA Savings	10,011.20

### COST OF ISSUANCE

Cost of Issuance	\$/1000	Amount
Financial Advisor	11.11111	20,000.00
Placement Agent & Counsel	13.88889	25,000.00
Bond Counsel	16.66667	30,000.00
Trustee	2.50000	4,500.00
Lenders Counsel	5.55556	10,000.00
CDIAC	1.94444	3,500.00
Contingency	1.11111	2,000.00
	52.77778	95,000.00

### ESCROW REQUIREMENTS

Santa Fe Springs Public Finance Authority Water Refunding Revenue Bonds, Series 2018

Period Ending	Interest	Principal Redeemed	Total
02/10/2018	25,132.94	1,960,000.00	1,985,132.94
***************************************	25,132.94	1,960,000.00	1,985,132.94

### DISCLOSURE

Santa Fe Springs Public Finance Authority Water Refunding Revenue Bonds, Series 2018

Stifel, Nicolaus & Company, Incorporated ('Stifel') has been engaged or appointed to serve as an underwriter or placement agent with respect to a particular issuance of municipal securities to which the attached material relates and Stifel is providing all information and advice contained in the attached material in its capacity as underwriter or placement agent for that particular issuance. As outlined in the SEC's Municipal Advisor Rule with current effective implementation date of July 1, 2014, Stifel has not acted, and will not act, as your municipal advisor with respect to the issuance of the municipal securities that is the subject to the engagement.

Stifel is providing information and is declaring to the proposed municipal issuer and any obligated person that it has done so within the regulatory framework of MSRB Rule G-23 as an underwriter (by definition also including the role of placement agent) and not as a financial advisor, as defined therein, with respect to the referenced proposed issuance of municipal securities. The primary role of Stifel, as an underwriter, is to purchase securities for resale to investors in an arm's- length commercial transaction. Serving in the role of underwriter, Stifel has financial and other interests that differ from those of the issuer. The issuer should consult with its own financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent it deems appropriate.

These materials have been prepared by Stifel for the client or potential client to whom such materials are directly addressed and delivered for discussion purposes only. All terms and conditions are subject to further discussion and negotiation. Stifel does not express any view as to whether financing options presented in these materials are achievable or will be available at the time of any contemplated transaction. These materials do not constitute an offer or solicitation to sell or purchase any securities and are not a commitment by Stifel to provide or arrange any financing for any transaction or to purchase any security in connection therewith and may not relied upon as an indication that such an offer will be provided in the future. Where indicated, this presentation may contain information derived from sources other than Stifel. While we believe such information to be accurate and complete, Stifel does not guarantee the accuracy of this information. This material is based on information currently available to Stifel or its sources and are subject to change without notice. Stifel does not provide accounting, tax or legal advice; however, you should be aware that any proposed indicative transaction could have accounting, tax, legal or other implications that should be discussed with your advisors and /or counsel as you deem appropriate.

# **ATTACHMENT J**

# Santa Fe Springs Water Utility Authority

Water Revenue Bonds, Series 2017 (Refunding of 2005 Water Refunding Revenue Bonds)

Summary of Direct Purchase Bids; Rates as of November 29, 2017

	Subordinate Lien Bids -	Lien Bids - Reserve Not Required	Senio	Senior Lien Bids - Reserve Fund Required	iired
	Opus Bank	Western Alliance	Opus Bank	Texas Capital	City National Bank
Rate Provided	2.39%	3.03%	2.36%	2.60%	2.70% (BQ)/ 3.00% (NBQ)
NPV Savings	3.88%	1.09%	2.20%	0.98%	0.48%
Total Cash Flow Savings	\$392,380	\$340,051	\$374,293	\$353,386	\$343,865
Final Maturity	2026	2026	2026	2026	2026
DSRF Requirement	None	None	Cash Funded	Cash Funded	Cash Funded
Prepayment Feature	5-5-5-4-4-4-3-2-1%	5/1/2024 @ 100	5-5-5-4-4-3-2-1%	5/1/2022 @ 100	5/1/2021 @ 100
Est. Bank Fees	Legal Fees NTE \$8,000	Legal Fees \$8,500	Legal Fees NTE \$8,000	Legal Fees \$5,500	Legal Fees of \$10,000

	\$14,196	\$18,543	\$14,348	\$15,038	\$16,706	\$17,881	\$18,741	\$14,196	\$214,216	\$343,865
	\$14,807	\$15,343	\$16,063	\$16,533	\$17,976	\$18,926	\$19,556	\$19,771	\$214,411	\$353,386
Annual Cash Flow Savings	\$16,274	\$19,663	\$19,855	\$19,797	\$20,700	\$21,110	\$21,188	\$20,827	\$214,879	\$374,293
	\$34,031	\$43,057	\$38,814	\$39,472	\$41,126	\$37,286	\$38,299	\$38,940	\$29,027	\$340,051
	\$37,551	\$48,425	\$43,085	\$47,615	\$42,989	\$42,988	\$47,657	\$46,771	\$35,299	\$392,380
Sond Year Ended (5/1)	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total

# Disclosur

Stife! Micolaus & Company, incorporated ("Stife!") has been engaged or appointed to serve as an underwriter or placement agent with respect to a particular issuance of municipal securities to which the attached material relates and Stife! has not acted, and will not act, as your municipal Advisor Rule with current effective implementation date of July 1, 2014, Stifel has not acted, and will not act, as your municipal contained in the attached material in its capacity as underwriter or placement agent for that particular issuance. As outlined in the SEC's Municipal Advisor Rule with current effective implementation date of July 1, 2014, Stifel has not acted, and will not act, as your municipal advisor with respect to the issuance of the municipal securities that is the subject to the engagement.

Stifed is providing information and is declaring to the proposed municipal issuer and any obligated person that it has done so within the regulatory framework of MSRB Rule G-23 as an underwriter. By definition also including the role of placement agent) and not as a financial advisor, as defined therein, with respect to the referenced proposed issuance of municipal securities. The primary role of Stifel, as an underwriter, is to purchase securities for resale to investors in an arm's-length commercial transaction. Serving in the role of underwriter, as advisors, as applicable, to the extent it deems appropriate.

as to whether financing options, presented in these materials are achievable or the time of any contemptated transaction. These materials do not constitute an offer or solicitation to sell or purchase any securities and are not a commitment by Stife to purchase any returning information in information in the future. Where indicated, this presentation may contain information in the future. Where indicated, this presentation may contain in information in the future. Where indicated, this presentation may contain information. This meterial is based on information currently available to Stife or its sources and are subject to change without notice. Stife I does not guarantee the accuracy of this information. This meterial is based on information currently available to Stife or its sources and are subject to change without notice. Stife I does not guarantee that any proposed indicative transaction could have accounting, tax, legal or other implications that should be discussed with your advisors and for counsel as you deem appropriate. These marteris have ben prepared by Sifel for the client or potential client to more whom such materials are directly addressed and delicered for discussion purposes only. All terms and conditions are subject to further discussion and degratation. Sifel does not express any view

# **ATTACHMENT K**

# Water Utility Authority of the City of Santa Fe Springs 2018 Subordinate Water Revenue Bonds

	Total
ESTIMATED COST OF ISSUANCE	
Bond Counsel	\$30,000.00
Placement Agent & Counsel	25,000.00
Financial Advisor	20,000.00
Lender's Counsel	10,000.00
Trustee	4,500.00
California Debt and Investment Advisory Council (CDIAC)	3,500.00
Contingency	2,000.00
Total Estimated Cost of Issuance	\$95,000.00

# FOR ITEM NO. 7 PLEASE SEE ITEM NO. 9A

# FOR ITEM NO. 8 PLEASE SEE ITEM NO. 9A



# MINUTES OF THE MEETINGS OF THE CITY COUNCIL

### November 20, 2017

### 1. CALL TO ORDER

Mayor Rounds called the meeting to order at 6:04 p.m.

### 2. ROLL CALL

**Members present:** Councilmembers/Directors: Moore, Trujillo, Zamora, Mayor Pro Tem/Vice Chair Sarno and Mayor/Chair Rounds.

Members absent: None

Janet Martinez, City Clerk announced that the Members of the Public Financing Authority and Water Utility Authority receive \$150 for their attendance at meetings.

### **PUBLIC FINANCING AUTHORITY**

### 3. CONSENT AGENDA

### **Approval of Minutes**

a. <u>Minutes of the October 26, 2017, Public Financing Authority Meeting</u> **Recommendation:** That the Public Financing Authority approve the minutes as submitted.

### **Monthly Reports**

b. <u>Monthly Report on the Status of Debt Instruments Issued through the City of Santa</u>
Fe Springs Public Financing Authority (PFA)

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

It was moved by Council Member Trujillo, seconded by Mayor Pro Tem Sarno, approving Item No. 3A, and 3B, by the following vote:

Ayes:

Moore, Trujillo, Zamora, Sarno, Rounds

Nayes:

None

### **WATER UTILITY AUTHORITY**

### 4. CONSENT AGENDA

### **Approval of Minutes**

a. <u>Minutes of the October 26, 2017 Water Utility Authority Meeting</u> **Recommendation:** That the Water Utility Authority approve the minutes as submitted.

**Monthly Reports** 

b. Monthly Report on the Status of Debt Instruments Issued through the Water Utility Authority (WUA)

Recommendation: That the Water Utility Authority receive and file the report.

c. Status Update of Water-Related Capital Improvement Projects

Recommendation: That the Water Utility Authority receive and file the report.

It was moved by Council Member Moore, seconded by Council Member Sarno, approving Item No. 4A, 4B, & 4C, by the following vote:

Ayes:

Moore, Trujillo, Zamora, Sarno, Rounds

Nayes:

None

### CITY COUNCIL

### 5. CONSENT AGENDA

a. <u>Minutes of the October 26, 2017 City Council Meetings</u> **Recommendation:** That the City Council approve the minutes as submitted.

b. Quarterly Treasurer's Report of Investments for the Quarter Ended September 30, 2017

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

c. <u>Greenleaf Avenue Street Rehabilitation – Award of Contract</u>

**Recommendation:** That the City Council:

- Appropriate \$140,000 from the Capital Improvement Plan Bond Fund to Greenleaf Avenue Street Rehabilitation (Activity 455-397-S038),
- Accept the bids; and
- Award a contract to Gentry Brothers Inc. of Irwindale, California, in the amount of \$989,115.00.

It was moved by Council Member Zamora seconded by Council Member Moore, approving Item No. 5A, 5B, and 5C, by the following vote:

Ayes:

Moore, Trujillo, Zamora, Sarno, Rounds

Naves:

None

Council Member Zamora had an inquiry on item no. 5C. Requested to find out when the SB funds would be received.

Noe Negrete, Public Works Director noted that it would be received until the 1st meeting of December or January 2018.

### **OLD BUSINESS**

6. Consideration of Security Options for the Clarke Estate and Heritage Park

**Recommendation:** That the City Council provide direction on the security options for the Clarke Estate and Heritage Park as outlined within the report.

Dino Torres, Police Services Director provided a brief presentation.

Council Member Moore and Council Member Trujillo stated that they would like option two.

Mayor Pro Tem Sarno asked Mr. Torres if Wi-Fi is needed for cameras at the Heritage Park.

Mr. Torres noted that the cameras are stand-alone solar camera systems that capture anyone that tries to vandalize.

Jose Gomez, Assistant City Manager/Finance Director noted these cameras are not monitored on a daily basis.

Council Member Moore stated that he prefers a camera that sends the alarm in real time.

Mr. Torres stated it would be difficult to add a wireless system to the Heritage Park.

Council Member Moore inquired whether the Clarke Estate is Wi-Fi enabled.

Mr. Torres noted that they would need to check. He noted the first option only includes a regular video camera. The second option includes a camera that triggers an alarm sent in real time.

Mayor Rounds inquired whether the Clarke Estate and Heritage Park had the capability of having Wi-Fi.

Mayor Pro Tem Sarno inquired whether both buildings would have the option to add a wireless connection.

Council Member Trujillo inquired whether the Wi-Fi signal would be strong if it was installed for the Heritage Park.

Alex Tong, Director of Technology Services stated that there would be certain specifications that would need to looked into before they determine the type of connections that are needed to retrieve Wi-Fi since both buildings are labeled as historical buildings.

Mayor Rounds stated that the final direction to staff is to look into the options of cameras that are available for both buildings.

Council Member Zamora inquired what time the vandalism occurred.

Mr. Torres noted that information can be brought back.

### **NEW BUSINESS**

7. Procedure for Approving and/or Denying Claims Against the City

Recommendation: That the City Council provide staff direction as to the procedure for approving/denying claims against the City.

City Attorney made a brief introduction on the item on the current procedures.

Council Member Moore, asked JPIA whether they ever approve any claims.

Ms. Melania Francis noted that they usually look at each situation to determine whether they should be approved or not.

It was moved by Council Member Trujillo, seconded by Council Member Moore to move forward with option no. 3, by the following vote:

Ayes: Moore, Trujillo, Zamora, Sarno, Rounds

Nayes: None

It was moved by Mayor Pro Tem Sarno, seconded by Council Member Zamora to move forward with adding to the motion a \$10,000 limit and monthly reports listing claims received, by the following vote:

Ayes: Moore, Trujillo, Zamora, Sarno, Rounds

Nayes: None

8. <u>Discussion Regarding Renewal of Use Agreements for Athletic Fields and Facilities with Community Sports Organizations</u>

**Recommendation:** That the City Council discuss the information included in the report and make a recommendation to staff for providing the outline of the Field Use Agreements for the Community Sports Organizations, which will be brought back to the City Council on December 14, 2017 for final approval.

Adam Matsumoto, Parks and Recreation Manager provided a brief presentation on item no. 8

Mr. Matsumoto stated there is a typo on the equipment and dragging charge of \$1500.

Mr. Matsumoto stated that there was additional information provided at the dais which included the BallFields permits from 2016-2017. He also included a matrix in which compared prices between the City of Santa Fe Springs and the surrounding cities.

Discussion ensued amongst Council, bringing forwards concerns between the

different terms within the agreements.

Mayor Pro Tem Sarno recommended to have the agreements signed/begin when the season of each team begins.

Mayor rounds also recommended to have the agreements terms for one year.

Council Member Zamora recommended to have semi-annual statements forward to Council for their review.

### 9. FY 2016-17 Preliminary Financial Year-End Review

Recommendation: That the City Council:

- Amend the fiscal year 2016-17 budget to authorize the transfer of \$269,000 from the General Fund to the Equipment Replacement Fund.
- Amend the fiscal year 2016-17 budget to authorize the transfer of \$121,500 from the General Fund to the Employee Benefits Fund.
- Amend the fiscal year 2016-17 budget to authorize the transfer of \$49,500 from the General Fund to the Prefunded Capital Improvement Projects (CIP) Fund.
- Direct City Staff to apply any remaining balance from the fiscal year 2016-17 year-end results to the unassigned General Fund Reserve account.
- Direct City Staff to apply the entire residual Water Fund balance from the fiscal year 2016-17 year-end results to the Water CIP Reserve Funds (approximately \$1.9 million).

Edmund Ramirez, Family and Human Services Manager provided a brief presentation on item no. 9. He stated he spoke with Janice Hahn, and she expressed her concern of the possibility of losing the grass roots of leaving it more of a community event.

Mayor Pro Tem Sarno stated that he was interested in option no. 1.

Council Member Trujillo inquired whether a lower number can be proposed and bring back to Council for approval.

Council Member Moore noted that the proposed number for the contract services was still low.

Mr. Ramirez stated the lowest amount was proposed last year for \$25,000.

Council Member Zamora requested the breakdown of the cost.

A discussion ensued amongst Council and staff in regards to the 5 and 605 freeway billboards.

Council Member Zamora inquired whether there is an agreement can be done with

another city where Cities exchange usage of each billboard of 605 and 5 freeways.

It was moved by Council Member Trujillo, seconded by Council Member Moore, to amend the fiscal year 2016-17 budget to authorize the transfer of \$269,000 from the General Fund to the Equipment Replacement Fund, by the following vote:

Aves:

Moore, Trujillo, Zamora, Sarno, Rounds

Nayes:

None

### 10. Approval of 2018 Art Fest Event – Professional Services Agreement

**Recommendation:** That the City Council authorize the Director of Community Services to execute a Professional Services Agreement with Crepe's and Grapes, LLC. Sandra Hahn, upon review and selection of Option #1 or Turnkey Option #2.

It was moved by Council Member Moore, seconded by Council Member Trujillo, to authorize the Director of Community Services to execute a Professional Services Agreement with Crepe's and Grapes, LLC. Sandra Hahn, upon review and selection of Option #1, by the following vote:

Ayes:

Moore, Trujillo, Zamora, Sarno, Rounds

Naves:

None

# 11. <u>Modifications of Employee Titles and Requesting a Change to Title and Salary Schedule</u> Recommendation: That the City Council:

- Approve the change in title and salary range for Assistant Civil Engineer position, and;
- Approve the request to modify the salary range for the Part-Time Non-Benefitted Bus Driver position.

It was moved by Council Member Moore, seconded by Council Member Zamora, to approve the change in title and salary range for Assistant Civil Engineer and approve the request to modify the salary range for the Part-time Non-Benefited Bus Driver position, by the following vote:

Ayes:

Moore, Trujillo, Zamora, Sarno, Rounds

Naves:

None

### **CLOSED SESSION**

12. PUBLIC EMPLOYMENT EVALUATION

(Pursuant to California Government Code Section 54957(b)(1))

TITLE: Interim City Manager

Mayor Rounds recessed the meetings at 6:49 p.m. Mayor Rounds convened the meeting at 7:31 p.m.

### **CLOSED SESSION REPORT**

City Attorney Yolanda Summerhill stated there were no reportable actions.

### 13. INVOCATION

Invocation was led by Council Member Trujillo.

### 14. PLEDGE OF ALLEGIANCE

The Youth Leadership Committee led the Pledge of Allegiance.

### 15. INTRODUCTIONS

Representatives from the Chamber of Commerce: Mike Foley.

### 16. ANNOUNCEMENTS

The Youth Leadership Committee Members made the following announcements:.

- Cookies and Crafts, December 2, 2017
- Tree Lighting Ceremony, December 2, 2017
- Jingle Bell Dance, December 8
- Las Posadas

### 17. PRESENTATIONS

a. Interstate 5 Freeway-Florence Avenue Segment Status Update

### 18. APPOINTMENTS TO BOARDS, COMMITTEES, COMMISSIONS

a. Committee Appointments

There were no appointments made by Council.

### 19. ORAL COMMUNICATIONS

Gilbert Aguirre, resident of Santa FeSprings expressed his concerns about the I-5 freeway project.

### 20. CITY MANAGER AND EXECUTIVE TEAM REPORTS

- Jose Gomez, Assistant City Manager/Finance Director stated Mike Crook will be leaving towards the end of December. December 14<sup>th</sup> will be last meeting. Also, Captain Aviv will be switching with Mike Davis. Don Powell is scheduled to be back on Wednesday. Last, he thanked council for allowing him to serve as the acting City Manager.
- Noe Negrete, Public Works Director spoke in regards tomorrow's Caltrans meeting and wished everyone a happy thanksgiving.
- Wayne Morrell, Planning Director spoke in regards to the average sale prices within the nearby cities. He also demonstrated a list of sales prices that are nearby. Also, spoke about Small Business Saturday scheduled for November 25 2017. Last, spoke about the promenade being for sale for \$35,021,000.

Minutes of the November 20, 2017 Public Finance Authority, Water Utility Authority, Housing Authority, Successor Agency and City Council Meetings

- Dino Torres, Police Services Director spoke about December 9, 2017 Whittier Christmas Parade. Also, spoke about a letter that was sent out to council about a particular owner by the promenade.
- Adam Matsumoto, Parks and Recreation Manager spoke in regards to hosting the thankful neighbor at GNC and estimated to give out 175 baskets
- Travis Hickey, Director of Fiscal Services spoke in regards to the successor bonds.
- Mike spoke about introducing the new fire fighters at the last meeting and noted that this morning they started their new shifts. Last, reminded everyone to be safe during thanksgiving as many fires occur at that time.

The following comments were made by the City Council:

- Mayor Pro Tem Sarno wished everyone happy thanksgiving and thanked Jose Gomez, Finance Director for his work this last few weeks.
- Council Member Trujillo thanked staff for all their hard work.
- Council Member Moore thanked staff for all their hard work, including Mr. Gomez.
   Also requested on behalf of the Beautification Committee to have a Citywide Annual Yard Sale. Would like to have it on the next meeting for discussion.
- Council Member Zamora thanked Mr. Gomez for filling in and also asked if Mike
  can share the last power point slide to Adam Matsumoto to have it posted on the
  website so that everyone is aware of the fire preventions for thanksgiving.
- Mayor Rounds thanked Mr. Gomez for all his hard work these last few weeks. Also, requested to have staff check to make sure that everyone receive the flyers for tomorrow's meeting.

### **ADJOURNMENT**

Mayor Rounds adjourned the meeting at 8:12 p.m.

ATTEST:	William K. Rounds Mayor		
Janet Martinez City Clerk	Date		



# MINUTES OF THE MEETINGS OF THE HOUSING SUCCESSOR, SUCCESSOR AGENCY AND CITY COUNCIL

### November 9, 2017

### 1. CALL TO ORDER

Mayor Rounds called the meeting to order at 6:01p.m.

### 2. ROLL CALL

**Members present:** Councilmembers/Directors: Moore, and Zamora, Mayor Pro Tem/Vice Chair Sarno and Mayor/Chair Rounds.

Members absent: Council Member Trujillo (Excused)

### **HOUSING SUCCESSOR**

### 3. CONSENT AGENDA

### **Approval of Minutes**

Minutes of the October 12, 2017 of the Housing Successor Agency

**Recommendation:** That the Housing Successor approve the minutes as submitted.

It was moved by Council Member Zamora, seconded by Mayor Pro Tem Sarno, approved Item No. 3A by the following vote:

Ayes:

Moore, Zamora, Sarno, Rounds

Nayes:

None

Absent:

Trujillo (Excused)

### **SUCCESSOR AGENCY**

### 4. CONSENT AGENDA

### **Approval of Minutes**

Minutes of the October 12, 2017 Successor Agency Meeting

**Recommendation:** That the Successor Agency approve the minutes as submitted.

It was moved by Council Member Moore, seconded by Council Member Zamora, approved Item No. 4a by the following vote:

Ayes:

Moore, Zamora, Sarno, Rounds

Naves:

None

Absent:

Trujillo (Excused)

### CITY COUNCIL

5.

a. Minutes of the October 12, 2017 Regular City Council Meeting

**Recommendation:** That the City Council:

- Approve the minutes as submitted.
- b. Los Nietos Park Activity Center Floor Resurfacing Award of Contract

Recommendation: That the City Council:

- Accept the bids; and
- Award a contract to Geary Floors Inc. of El Cajon, California in the amount of \$56,480.00.
- c. Custodial Services Award of Contract

Recommendation: That the City Council:

- Accept the bids; and
- Award a Contract to United Maintenance Systems of Los Angeles, California (UMS) to provide Custodial Services; and
- Authorize the Mayor to execute a three (3) year Contract with UMS in the amount of \$38,885.00 per month beginning December 1, 2017 through December 31, 2020, and with the provision to renew the Agreement for an additional two (2) 1-year terms at the end of the first term based on performance and approval by the City Council.

Council Member Zamora inquired whether the \$136,000 is the total savings if the city moves forward with the proposed contract?

Noe Negrete, Public Works Director confirmed.

Council Member Zamora inquired where the savings amount would be going.

Noe Negrete, public Works Director stated he was unaware and assumed it was the general fund.

Jose Gomez, Finance Director confirmed it would be going back to the general fund.

It was moved by Council Member Moore, seconded by Council Member Zamora, to approve items no. 5A, 5B, & 5C, by the following vote:

Ayes:

Moore, Zamora, Sarno, Rounds

Nayes:

None

Absent:

Trujillo (Excused)

### **NEW BUSINESS**

6. <u>Appropriation of Funds for the Printing of Department of Community Services Marketing</u>
Brochures

Recommendation: That the City Council:

 Accept the quote and appropriate funds in the amount of \$5,500 from the City Manager's Budget Account for the printing of the Department of Community Services Marketing Brochures for Facilities, Parks, and Weddings.

It was moved by Council Member Zamora, seconded by Council Member Moore, to accept the quote and appropriate funds in the amount of \$5,500 from the City Manager's Budget Account for the printing of the Department of Community Services Marketing Brochures for Facilities, Parks, and Weddings, by the following vote:

Ayes:

Moore, Zamora, Sarno, Rounds

Naves:

None

Absent:

Trujillo (Excused)

### 7. Procedure for Addressing Committee Member Absences

Recommendation: That the City Council:

 Provide staff with direction on the procedure for addressing committee member absences.

It was moved by Mayor Pro Tem Sarno, seconded by Council Member Zamora, to leave Advisory Committee by-laws as is, however, allow excused absences per the Council's discretion, by the following vote:

Ayes:

Moore, Zamora, Sarno, Rounds

Nayes:

None

Absent:

Trujillo (Excused)

### **CLOSED SESSION**

8. PUBLIC EMPLOYMENT APPOINTMENT

(Pursuant to California Government Code Section 54957(b)(1))

TITLE: City Manager

### **CLOSED SESSION**

9. CONFERENCE WITH LEGAL COUNSEL - POTENTIAL LITIGATION

Significant exposure to litigation Pursuant to California Government Code Section 54956.9(b)

Number of Potential Cases: One (1)

Yolanda Summerhill, City Attorney read Closed Session titles. She announced that the public had an opportunity to speak on such items, if anyone was interested to approach the podium. No one was present to speak on the closed session items.

# Mayor Rounds and Council gathered at the Veteran's Fountain for a short memorial ceremony at 6:50 p.m.

### Mayor Rounds convened the meeting at 7:18 p.m.

Report from City Attorney on Closed Session: Convened at closed session at 6:15 p.m., action included authorizing staff to sign the tolling agreement for the BKK tolling site.

### 10. INVOCATION

Invocation was led by Council Member Moore.

### 11. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Captain....

### 12. INTRODUCTIONS

• Chamber of Commerce Representatives: Randal Courtney from DDwerks.

### 13. ANNOUNCEMENTS

The Youth Leadership Committee Members made the following announcements:

- Santa Fe Springs Basket Program
- Thanksgiving Feast, Thursday, November 17, 2017 from 10a.m. 1p.m.
- First Friday, Friday, December 1, 2017 at 7p.m.
- Christmas Home Decorating Contest, Friday, December 8, 2017

### 14. PRESENTATIONS

 Introduction of New Santa Fe Springs Department of Fire-Rescue Firefighter Candidates

### APPOINTMENTS TO BOARDS, COMMITTEES, COMMISSIONS

### **15.** Committee Appointments

There were no appointments made.

### 16. ORAL COMMUNICATIONS

There were no public speakers.

### 17. CITY MANAGER AND EXECUTIVE TEAM REPORTS

 Jose Gomez, Assistant City Manager/Finance Director spoke about attending a few regional and state sessions; he spoke about meeting with the lobbyist to discuss SB649 and attending the Gateway Cities Council of Governments meeting.

- Joyce Ryan, Director of Library Services spoke in regards to the Café in Library having water damaged during the month of October, noted that public works has been working on repairing the damages and will be finished by the end of the week. The café at Heritage Park has received several of interest and will be taking the proposal at the next meeting. Last, she spoke about the haunted house, collected over \$45,000 on revenue and received over 150 canned goods for the food basket.
- Travis Hickey, Financial and Services Director announced that warrant registered there will no longer have the check numbers to prevent check fraud from occurring.
- Mike Crook, Fire Chief spoke in regards to the Los Angeles Emergency Medical Agency.
- Dino Torres, spoke about the Active Shooter training.
- Mayor Pro Tem Sarno, requested to have an Active Shooter seminar for staff.
- Wayne Morrell, Planning Director spoke about the Request for Qualifications for the property at the location of 12171 telegraph road/SFS.
- Noe Negrete, Public Works Director thanked staff for the lights and working on the haunted house; provided a brief update on the 5 freeway project.
- Mayor Rounds inquired how the residents will be notified about the upcoming public meeting related to the 5 freeway changes.
- Mr. Negrete noted there will be a mailer.
- Mayor Rounds suggested to have Caltrans send it to the whole residents in the City.

### The following comments were made by the City Council:

- Council Member Zamora stated he attended the Haunted House and acknowledge the work staff did. He also thanked Public Works for the work they did on the restriping. Recognized Ken Arnold, thanked him for being part of the Planning Commission. Last, thanked all staff and recognized veterans for their sacrifice.
- Council member Moore congratulated Ken Arnold for his dedication to the community.
   He also thanked staff for the Halloween carnival.
- Council Member Moore asked Dino Torres why there was only crime prevention flyers to the south side and not to the north side.
- Dino Torres, Director of Police Services noted that there was not enough time.
- Council Member Moore inquired why the department chose the south side instead of north side. Requested to have another presentation to allow the north side to attend.
- Council Member Zamora expressed his concerns about the division the City of Santa Fe Springs, supporting Council Member Moore's concern.
- Mayor Rounds also expressed his concern.
- Council Member Moore thanked the Police Department for their work.
- Mayor Pro Tem Sarno thanked the Fire and Police Department for their work and all veterans. He also talked about the Haunted House and admired the work that was done.
- Mayor Rounds thanked Public Works for doing a good job on bringing down the pink lights on Sunday.

### **ADJOURNMENT**

**18.** Mayor Rounds adjourned the meeting in memory of Estella Collazo at 8:10 p.m.

Minutes of the November 9, 2017 Housing Successor, Successor Agency and City Council Meetings			
		ACCOUNT OF THE PARTY OF THE PAR	
	William K. Rounds Mayor		
ATTEST:	•		
Janet Martinez	L)ate		

City Clerk

### City of Santa Fe Springs

City Council Meeting

December 14, 2017

### **CONSENT AGENDA**

<u>Community Facilities District No. 2002-1 (Bloomfield-Lakeland) - Annual Special Tax Levy Report for Fiscal Year 2016-17</u>

### RECOMMENDATION

That the City Council receive and file the Special Tax Levy Annual Report for Community Facilities District 2002-1 for Fiscal Year 2016-17.

### **BACKGROUND**

The Mello-Roos Community Facilities Act of 1982 requires that an annual special tax levy report be prepared for each Community Facilities District (CFD). This report must detail the special taxes that are levied within a CFD and any construction activity at the time the report is prepared. The methodology and amounts to be levied were established at the time the CFD was formed.

### **FISCAL IMPACT**

Repayment of the bonds and payment of services are secured by the special taxes levied on all property within the CFD, other than those properties that are exempt as provided in the respective rate and method of apportionment. Annual administrative expenses are also funded through the annual special tax levy.

Don R. Powell
Interim City Manager

Attachment:

Special Tax Levy Annual Report for CFD 2002-1 for Fiscal Year 2016-17

Report Submitted By: Noe Negrete, Director Public Works

Date of Report: December 7, 2017

ITEM NO. 9B



# Special Tax Levy Annual Report

for

City of Santa Fe Springs Community Facilities District No. 2002-1 (Bloomfield-Lakeland)

Fiscal Year 2016-17

Submitted to: City of Santa Fe Springs Los Angeles County, California

**November 22, 2017** 



### CITY OF SANTA FE SPRINGS COMMUNITY FACILITIES DISTRICT NO. 2002-1 (Bloomfield-Lakeland)

### TABLE OF CONTENTS

Introdu	iction	
I.	Facilitie	es and Services Financed by the District
II.	Improv	ement Area2
III.	Special	Tax for Services
IV.	Admini	strative Fees
V.	Sources	s and Obligations <sup>2</sup>
VI.	Special	Tax Roll
APPEN	NDIX	
Exhibi	t A	Boundary Map
Exhibi	t B	Amended and Restated Rate and Method of Apportionment of the Special Tax
Exhibi	t C	Payment Agreement
Exhibi	t D	Amended Debt Service Schedule
Exhibi	t E	Special Tax Roll

### INTRODUCTION

The City Council of the City of Santa Fe Springs established Community Facilities District No. 2002-1 (Bloomfield-Lakeland) ("CFD", "CFD No. 2002-1", or the "District") for the purpose of constructing, maintaining and the administration of certain public improvements. The District established a Rate and Method of Apportionment of Special Tax and a Payment Agreement as shown in the Appendix as Exhibit B.

A map showing the boundaries of CFD No. 2002-1 is included in the Appendix of this report as Exhibit A. In compliance with the proceedings governing the formation of CFD No. 2002-1, the special tax has been levied on each taxable parcel within the District according to the provisions of the Rate and Method of Apportionment of Special Taxes as shown in the Appendix as Exhibit B.

The City of Santa Fe Springs granted the Development Plan Approval ("DPA No. 737-739") authorizing the principle sum of \$800,000 on March 14, 2002. The Payment Agreement that was provided for in the DPA established a repayment period that was to commence the 1st day of the month following the Permit Anniversary Date and continue until the Payment Sum has been paid in full (approximately 175 months or 14.5 years).

The payments should have commenced in Fiscal Year 2003-04 and continued until Fiscal Year 2016-17 (established by the Permit Issue dates according to the Rate and Method of Apportionment). As of the close of Fiscal Year 2009-10, no payments had been received from the property owners in CFD 2002-1.

It was determined by the City Finance Department and legal counsel to amend the Rate and Method of Apportionment with a revised Payment Schedule to begin collecting payments commencing in Fiscal Year 2011-12. The Amended and Restated Rate and Method of Apportionment of Special Tax was approved in a property owner special election on July 14, 2011.

The Special Taxes as hereinafter defined shall be levied on all Assessor's Parcels in CFD No. 2002-1 and collected each Fiscal Year commencing in Fiscal Year 2011-12, in the amounts determined as described below. All of the real property in CFD No. 2002-1, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

The City agreed to waive the interest and maintenance cost associated with the District for the years prior to Fiscal Year 2011-12. The annual street maintenance will continue as originally established in the Rate and Method of Apportionment and will also be levied on the county tax bill as long as the City provides for the maintenance of streets within the District.

### I. FACILITIES AND SERVICES FINANCED BY THE DISTRICT

The public facilities financed by CFD No. 2002-1 include all or a portion of design, construction, indirect costs (fees) and administration relating to the following improvements: the grading and construction of streets, curbs, gutters, sidewalks, street lighting, storm drainage, water, sewer and utility improvements (both on and off-site) to serve the area within the boundaries of CFD No. 2002-1, together with appurtenances and appurtenant work. All improvements are complete.

In addition to the improvements above, the CFD is anticipated to cover the on-going costs for maintenance services and administration of those improvements.

**Development Status** 

Construction was completed for the whole project on May 16, 2003. The total Assessed Value and number of properties sold since 2003 are shown in the following table.

TABLE 1
PARCEL STATUS

	Total Parcels	As	Total sessed Value	Properties Sold Since
Development Status	2016-17		2016-17	<u>2015-16</u>
Developed Non-Residential Property	3	\$	41,209,405	0
Undeveloped Non-Residential Property	0	\$	-	0
Total	3	\$	41,209,405	0

### II. IMPROVEMENT AREA

The Rate and Method of Apportionment of the Special Tax for Services establishes the apportionment of Special Taxes for Capital Improvements.

Each Fiscal Year, each developed parcel of land within the Special Tax for Services area shall be subject to Special Taxes in accordance with the Rate and Method of Apportionment (RMA).

The Special Tax amount attributed to each parcel is apportioned by the relative square footage of the building on each property. As of the date the District was amended and Restated in July 2011, all the development was complete and the annualized tax schedule commenced for each property according to the revised payment schedule. The following table represents the annualized tax schedule.

TABLE 2
COMMUNITY FACILITIES DISTRICT

Address	Bldg SF	Total Obligation	Amortized Annual Expense	Amortized Annual Exp./SF
11020 Bloomfield	84,651	\$148,410.28	\$15,032.03	\$0.1776
11130 Bloomfield	240,252	\$421,210.24	\$42,663.12	\$0.1776
11320 Bloomfield	131,405	\$230,379.48	\$23,334.45	\$0.1776
Total	456,308	\$800,000.00	\$81,029.60	

Note: figures may be off slightly due to rounding

### III. SPECIAL TAX FOR SERVICES

The Rate and Method of Apportionment of the Special Tax for Services establishes the apportionment of Street Maintenance Services.

Each Fiscal Year, each developed parcel of land within the Special Tax for Services area shall be subject to their proportional share of the Street Maintenance Services based on the relative square footage of the building on each property in accordance with the amended Rate and Method of Apportionment. The annual Street Maintenance Service for Fiscal Year 2016-17 was \$5,759.85 which included a CPI increase of 1.7% over Fiscal Year 2015-16.

The following table represents the proportional spread of maintenance services tax and administrative fees for Fiscal Year 2016-17.

TABLE 3
STREET MAINTENANCE

Address	Bldg SF	Annual Expense	Annual Exp./SF
11020 Bloomfield	84,651	\$1,068.53	\$0.01262
11130 Bloomfield	240,252	\$3,032.64	\$0.01262
11320 Bloomfield	131,405	\$1,658.68	\$0.01262
Total	456,308	\$5,759.85	

Note: figures may be off slightly due to rounding

### IV. ADMINISTRATIVE FEES

Each Fiscal Year, each developed parcel of land within the Special Tax for Services area shall be subject to their proportional share of the Administrative Fees based on the relative square footage of the building on each property in accordance with the amended Rate and Method of Apportionment. The annual Administrative Fee was \$6,933.16 which included a CPI increase of 1.7% over Fiscal Year 2015-16.

The following table represents the proportional spread of the administrative fees for Fiscal Year 2016-17.

TABLE 4

		Annual	Annual
Address	Bldg SF	Administration	Exp./SF
11020 Bloomfield	84,651	\$1,286.19	\$0.01519
11130 Bloomfield	240,252	\$3,650.40	\$0.01519
11320 Bloomfield	131,405	\$1,996.57	\$0:01519
Total	456,308	\$6,933.16	

ANNUAL ADMINISTRATION FEE

Note: figures may be off slightly due to rounding

## V. SOURCES AND OBLIGATIONS

A statement showing the Sources and Obligations of special tax funds for CFD No. 2002-1 for Fiscal Year 2016-17 is presented in Table 5. The Special Tax Requirement for Fiscal Year 2016-17 was determined as specified in the adopted Rate and Method of Apportionment of the Special Tax.

TABLE 5
SOURCES AND OBLIGATIONS

SOURCES	Fiscal Year 2015-16 <u>Amount</u>	Fiscal Year 2016-17 <u>Amount</u>
Annual Special Tax Roll		
Developed Property	\$93,510.45	\$93,722.62
Undeveloped Property	\$0.00	\$0.00
Subtotal	\$93,510.45	\$93,722.62
TOTAL SPECIAL TAXES FROM ALL SOURCES	\$93,510.45	\$93,722.62
<u>OBLIGATIONS</u>		
Debt Service	\$81,029.60	\$81,029.60
Special Tax for Maintenance Services	\$5,663.58	\$5,759.86
Administration and Incidentals	\$6,817.27	\$6,933.16
2016 Fund Balance (Reserve)	\$0.00	\$0.00
Subtotal	\$93,510.45	\$93,722.62
Surplus/Shortage to District	\$0.00	\$0.00
TOTAL OBLIGATIONS FOR SPECIAL TAXES	\$93,510.45	\$93,722.62

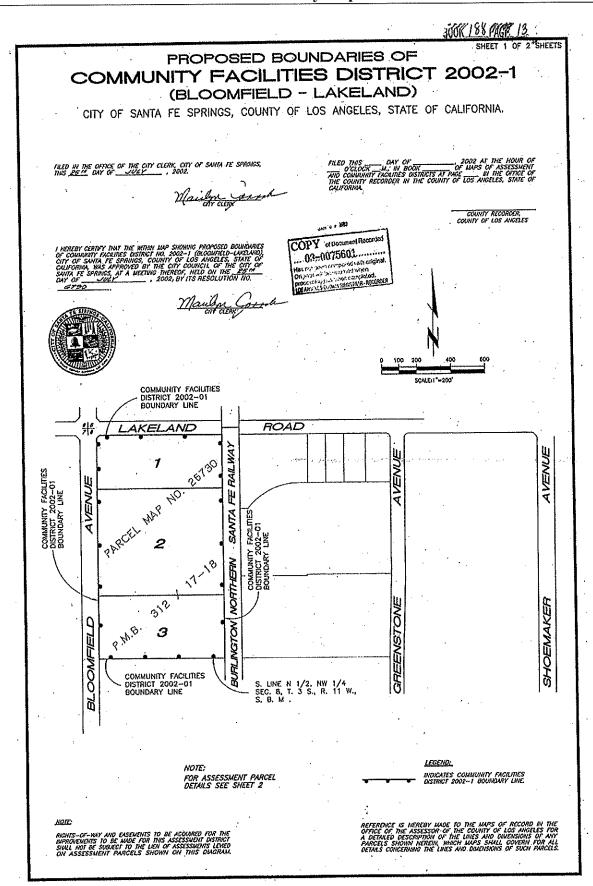
### VI. SPECIAL TAX ROLL

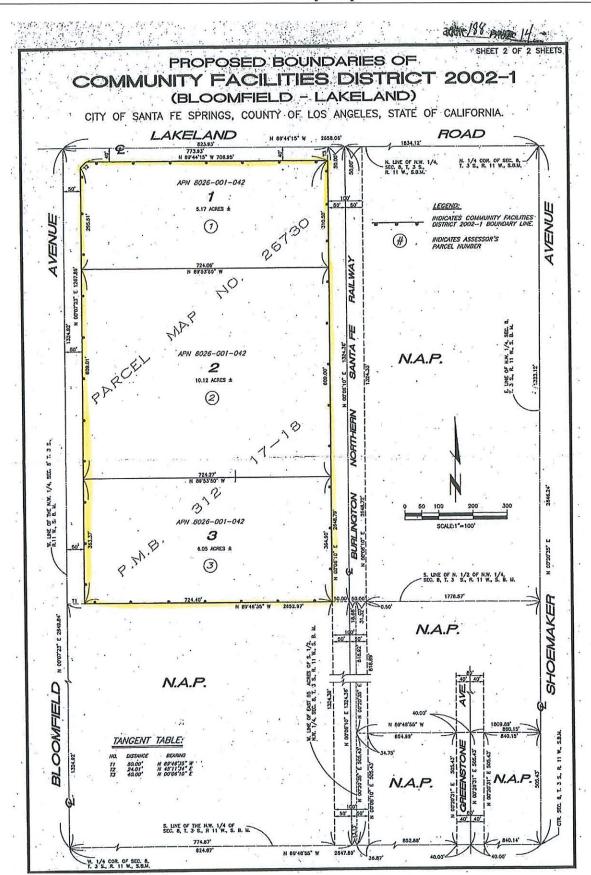
The Special Tax Roll lists the special tax levy on each parcel within the boundaries of CFD No. 2002-1 for Fiscal Year 2016-17. A copy of the Special Tax Roll is included in the Appendix of this report as Exhibit E.

# EXHIBIT A

**Boundary Map** 

#### **Boundary Map**





# EXHIBIT B

Amended and Restated Rate and Method of Apportionment of the Special Tax

## Rate and Method of Apportionment of Special Tax

### RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

This Amended and Restated Rate and Method of Apportionment of Special Tax amends and restates in its entirety that certain Rate and Method of Apportionment of Special Tax (the "Original Rate and Method"). The Original Rate and Method was attached as Exhibit B to the Notice of Special Tax Lien for City of Santa Fe Springs Community Facilities District No. 2002-1 (Bloomfield-Lakeland) ("CFD No. 2002-1"), which was recorded in the real property records of the County of Los Angeles on January 9, 2003, as Document No. 03-0077048.

The Special Taxes as hereinafter defined shall be levied on all Assessor's Parcels in CFD No. 2002-1 and collected each Fiscal Year commencing in Fiscal Year 2011-12, in the amounts determined as described below. All of the real property in CFD No. 2002-1, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

#### A. **DEFINITIONS**

The terms hereinafter set forth have the following meanings:

- "Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Division 2 of Title 5 of the Government Code of the State of California.
- "Administrative Expenses" means the following actual or reasonably estimated costs directly related to the administration of CFD No. 2002-1: the costs of computing the Special Taxes and preparing the annual Special Tax collection schedules (whether by the City or designee thereof or both); the costs of collecting the Special Taxes (whether by the City or otherwise); the costs to the City, CFD No. 2002-1 or any designee thereof of complying with disclosure requirements of the City, CFD No. 2002-1 or obligated persons associated with applicable federal and state securities laws and the Act; the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Special Taxes; the costs of the City, CFD No. 2002-1 or any designee thereof related to any appeal of the Special Tax; and the City's annual administration fees and third party expenses. Administrative Expenses shall also include amounts estimated by the CFD Administrator or advanced by the City or CFD No. 2002-1 for any other administrative purposes of CFD No. 2002-1, including attorney's fees and other costs related to commencing and pursuing to completion any foreclosure of delinquent Special Taxes. The maximum amount for the Administrative Expenses is set at \$6,500 for Fiscal Year 2011-12; the maximum amount for subsequent Fiscal Years shall be equal to (i) the maximum amount for the Administrative Expenses for the previous year plus (ii) the product of multiplying (A) the maximum amount for the Administrative Expenses for the previous year times (B) the annual percentage change (if positive) in CPI for the preceding year ending in March.
- "Annual Debt Service" means the annual amount of principal and interest required to satisfy the \$800,000 loan amount set forth in the Payment Agreement, over a 15 year period commencing Fiscal Year 2011-12 (assuming no delinquencies) at an interest rate of 5.75%, assuming level payments.
- "Assessor's Parcel" means a parcel shown in an Assessor's Parcel Map with an assigned Assessor's parcel number.
- "Assessor's Parcel Map" means an official map of the Assessor of the County of Los Angeles designating parcels by Assessor's Parcel number.
- "Building Square Footage" means the building area as shown on the building permit.

#### Rate and Method of Apportionment of Special Tax

"CFD Administrator" means the person or firm that the City chooses to make responsible for determining the Special Tax Requirement and providing for the levy and collection of the Special Taxes.

"CFD No. 2002-1" means City of Santa Fe Springs Community Facilities District No. 2002-1 (Bloomfield-Lakeland).

"City" means the City of Santa Fe Springs.

"City Council" means the City Council of the City of Santa Fe Springs, acting as the legislative body of CFD No. 2002-1.

"County" means the County of Los Angeles.

"CPI" means the Consumer Price Index for All Urban Consumers, for the Los Angeles, Riverside and Orange County areas, published by the U.S. Department of Labor, Bureau of Labor Statistics, or, if such index is no longer published, a reasonably equivalent index selected by the CFD Administrator.

"Exempt Property" means all Assessor's Parcels not subject to the Special Tax for Payment Amount as described under Section I.

"Fiscal Year" means the period starting July 1 and ending on the following June 30.

"Maintenance Expenses" means the expenses of the City, whether incurred by the City or designee of the City, or both, in the furnishing of services (as defined in Section 53317 of the Act) and materials for maintenance of certain streets as specified in condition No. 26 of the Development Plan Approval No. 737-739 approved by the City's Community Development Commission on March 14, 2002 and attached as Exhibit B to the Payment Agreement. The maximum amount for Maintenance Expenses, including reserve funding, is set at \$5,663.58 for Fiscal Year 2016-17; the maximum amount for subsequent Fiscal Years will be equal to (i) the Maintenance Expenses for the previous year plus (ii) the product of multiplying (A) the Maintenance Expenses for the previous year times (B) the annual percentage change (if positive) in CPI for the preceding year ending in March.

"Maximum Special Tax for Payment Amount" means the maximum Special Tax for Payment Amount, determined in accordance with Section C below that can be levied in any Fiscal Year on any Assessor's Parcel.

"Maximum Special Tax for Maintenance" means the maximum Special Tax for Maintenance, determined in accordance with Section G below that can be levied in any Fiscal Year on any Assessor's Parcel.

"Parcel" means Assessor's Parcel.

"Payment Agreement" means that certain Payment Agreement, dated as of March 28, 2002, by and between the City and Bloomfield Partners, LLC, which Payment Agreement is attached as Exhibit A.

"Proportionately" means for Taxable Property, in any Fiscal Year, that the ratio of the actual Special Tax levy to the Maximum Special Tax is equal for all Assessor's Parcels of Taxable Property.

"Public Property" means any Assessor's Parcel within the boundaries of CFD No. 2002-1 that is transferred to a public agency or public utility on or after the date of formation of CFD No. 2002-1 and is used for rights-of-way, or any other purpose and is owned by, dedicated or irrevocably offered for dedication to the federal government, the State of California, the County, the City, a public utility

#### Rate and Method of Apportionment of Special Tax

or any other public agency; provided however that any property leased by a public agency to a private entity and subject to taxation under Section 53340.1 of the Act shall be taxed and classified in accordance with its use. Privately-owned property that is otherwise constrained by public or utility easements making impractical its utilization for other than the purposes set forth in the easement shall be considered Public Property.

"Special Tax for Maintenance" means the special tax to be levied in each Fiscal Year on each Assessor's Parcel of Taxable Property to fund the Special Tax for Maintenance Requirement.

"Special Tax for Maintenance Requirement" means that amount required in any Fiscal Year for CFD No. 2002-1 equal to the maximum amount for Maintenance Expenses and the maximum amount of Administrative Expenses.

"Special Tax for Payment Amount" means the special tax to be levied in each Fiscal Year on each Assessor's Parcel of Taxable Property to fund the Special Tax for Payment Amount Requirement.

"Special Tax for Payment Amount Requirement" means that amount required in any Fiscal Year for CFD No. 2002-1 equal to the Annual Debt Service.

"Special Taxes" means, collectively, the Special Tax for Payment Amount and the Special Tax for Maintenance.

"State" means the State of California.

"Taxable Property" means all of the Assessor's Parcels within the boundaries of CFD No. 2002-1 which are not Exempt Property.

#### B. CLASSIFICATION OF PROPERTIES

All Assessors' Parcels shall be classified as Taxable Property or Exempt Property.

Once classified as Taxable Property, a parcel may not be subsequently re-classified or changed to Exempt Property without the Special Tax for Payment Amount being paid off in full in accordance with Section E. The Special Tax for Maintenance cannot be prepaid and any parcel of Taxable Property that is re-classified as Exempt Property with respect to the Special Tax for Payment Amount shall remain subject to the Special Tax for Maintenance.

#### C. SPECIAL TAX FOR PAYMENT AMOUNT RATE

#### **Maximum Special Tax for Payment Amount**

The Maximum Special Tax for Payment Amount for Assessor's Parcels of Taxable Property shall be calculated for each Fiscal Year as follows:

First: the City shall calculate the Annual Debt Service for the Fiscal Year.

<u>Second</u>, the amount calculated in First shall be apportioned to all parcels of Taxable Property Proportionately based on the amount of Building Square Footage.

### D. MANNER OF COLLECTION OF SPECIAL TAXES

The Special Taxes shall be collected in the same manner and at the same time as ordinary ad valorem property taxes; provided, however, that CFD No. 2002-1 may directly bill the Special Taxes, may



collect Special Taxes at a different time or in a different manner if necessary to meet its financial obligations, and may covenant to foreclose and may actually foreclose on delinquent Assessor's Parcels as permitted by the Act.

#### E. PREPAYMENT OF SPECIAL TAX FOR PAYMENT AMOUNT

The Special Tax for Payment Amount may be prepaid, in whole or in part, at any time.

#### F. TERM OF SPECIAL TAX FOR PAYMENT AMOUNT

The Special Tax for Payment Amount shall be levied on Taxable Property for a period not to exceed 15 years; provided, however, that the Special Tax for Payment Amount may be levied for a longer period of time if, as a result of delinquencies in the payment of the Special Tax for Payment Amount, it has not collected an amount sufficient to pay the Payment Sum (as defined in the Payment Agreement).

#### G. SPECIAL TAX FOR MAINTENANCE RATE

#### **Maximum Special Tax for Maintenance**

Commencing with Fiscal Year 2011-12 and for each subsequent Fiscal Year, the Council shall levy the Special Tax for Maintenance on all Assessor's Parcels of Taxable Property up to the applicable Maximum Special Tax for Maintenance to fund the Special Tax for Maintenance Requirement.

The Special Tax for Maintenance Requirement shall be apportioned to all parcels of Taxable Property Proportionately based on the amount of Building Square Footage.

#### H. TERM OF SPECIAL TAX FOR MAINTENANCE

The Special Tax for Maintenance shall be levied in perpetuity to fund the Special Tax for Maintenance Requirement unless no longer required as determined at the sole discretion of the Council.

If the levy of the Special Tax for Maintenance is repealed by initiative or any other action participated in by the owners of the Assessor's Parcels in CFD 2002-1, the City shall have no obligation to provide the services for which the Special Tax for Maintenance was levied.

#### I. EXEMPTIONS

The CFD Administrator shall classify Assessor's Parcels of Public Property as Exempt Property.

Tax-exempt status will be assigned by the CFD Administrator in the chronological order in which Assessor's Parcels become Public Property. However, should an Assessor's Parcel no longer be classified as Public Property, its tax exempt status will be revoked.

#### J. ENFORCEMENT

If not paid when due, the City shall have the right to foreclose any delinquent Special Tax for Payment Amount by appropriate action in a court of competent jurisdiction, such action to include all court costs, attorney fees and costs of sale.

# EXHIBIT C PAYMENT AGREEMENT

#### PAYMENT AGREEMENT

This Payment Agreement ("Agreement") is made and entered into as of March 28, 2002, by and between the City of Santa Fe Springs ("City"), and Bloomfield Partners, LLC, a Delaware limited liability company (together with its successor and assigns, "Developer").

#### Recitals

- A. Developer intends to develop that certain real property located in City, legally described in Exhibit "A", attached hereto (the "Property").
- B. On March 11, 2002, City's Planning Commission granted Development Plan Approval ("DPA No. 737-739") for Developer's proposed development of the Property (the "Project"); on March 14, 2002, the Community Development Commission of the City of Santa Fe Springs also approved DPA No. 737-739. A copy of DPA No. 737-739 is attached hereto as Exhibit "B", and is incorporated by reference as though fully set forth herein.
  - C. DPA No. 737-739 provides that the parties may enter into this Agreement.
- D. Developer intends to apply for a subdivision of the Property ("Proposed Subdivision"), pursuant to which the Property would be divided into three (3) separate legal parcels. A number of the conditions contained in DPA No. 737-739, including, but not limited to, those described in Section 1 below, were imposed in anticipation of said Proposed Subdivision (the "Proposed Subdivision Conditions").
- E. The conditions imposed in conjunction with DPA No. 737-739 were intended to address all impacts anticipated by the City and likely to arise in connection with the full permitting and development of the Project ("Anticipated Impacts").

Based on the Recitals set forth above and the mutual promises set forth below, the parties agree as follows:

- 1. Developer shall pay to City the principal sum of \$800,000.00 (the "Payment Sum") in accordance with the provisions of this Agreement, which payment shall constitute full satisfaction of the following, except as set forth in Sections 2 and 3, below:
  - (i) Developer's obligations set forth in DPA No. 737-739 Condition Nos. 5, 6, 7, 14, 21, 22, 25, 26.a and 27, as well as similar conditions that may be imposed in respect of the Anticipated Impacts, including similar conditions that may be imposed in respect of the Proposed Subdivision Conditions. Developer shall not be obligated to construct any of the items described in such conditions, and City holds Developer harmless from and against such obligations, notwithstanding: (a) the fact that the Payment Sum has not yet been fully paid (so long as Developer is making payments in accordance with Section 4 below); and (ii) the failure of City to commence or complete such construction (although the City shall have no obligation to Developer to undertake such construction).

1

Harris & Associates.

- (ii) Developer's obligation to pay any City imposed fees or charges in connection with the planning, permitting, or inspection of the Project (collectively, the "Project Fees"), including, without limitation, fees and charges in respect of (a) the City's review, processing and approval of any building, grading, drainage, utility, street and sidewalk, subdivision (including, without limitation, any filing fees or map checking fees required in connection with the Proposed Subdivision), environmental compliance (including, without limitation, any fees required in connection with soil or methane gas monitoring programs), excavation or similar plans, (b) any applications for building, mechanical, electrical, plumbing, structural, occupancy, environmental, or similar permits, (c) any building, grading, fire, health and safety, street and sidewalk or other inspections; and (d) any development impact fees, including the City's Heritage Artwork in Public Places Program.
- 2. In the event that the total amount chargeable to Developer in Project Fees exceeds \$300,000.00, then Developer shall pay to City the amount by which such Project Fees exceed \$300,000.00, prior to the issuance of any building permits for the Project. The payment of such amount shall be a condition precedent to the issuance of any such permits by City. Such payment shall be separate from, and in addition to, the payment of \$800,000.00, as described in Section 1, above.
- 3. As to DPA No. 737-738 Condition No. 25, the payment described in Section 1, above, satisfies Developer's obligations, except that it does not satisfy the obligation to agree to adjustments to the existing Street Light Assessment District, as set forth in Condition No. 25.
- 4. Developer shall pay the Payment Sum to City in accordance with the following:
  - A. Interest shall accrue at a fixed annual rate of Five and Three Quarters Percent (5.75%), which both the City and Developer agree is the Prime Rate plus One Hundred (100) basis points on the date of this Agreement, and shall be payable in installments as set forth in Section 4B. Interest shall begin to accrue as of the first date any Project Fees would have otherwise been due and payable to the City but for the agreements set forth herein.
  - B. Developer shall make monthly installment payments of principal and interest of \$6,750.00 ("Installment Payments"), beginning and continuing as provided in Section 4.C. That portion of the Installment Payments not allocated to accrued interest under Section 4.A shall be allocated to the principal amount of the Payment Sum. The parties hereto estimate that the term of the Installment Payments will be 175 months.
  - C. Payment of Installment Payments shall begin on the first day of the month following the Permit Anniversary Date, and shall continue on the first day of each month thereafter until the Payment Sum has been paid in full.

- D. As used herein, "Permit Anniversary Date" shall mean the date 12 months following issuance of first building permit for development of the Property.
- It is expressly stipulated and agreed to be the intent of the parties at all times to comply with applicable state law regarding prevailing wages (including, but not limited to, California Labor Code Sections 1720 and 1771) and that this Section shall control every other covenant and agreement in this Agreement and other related documents between the parties regarding the interest rate paid thereunder. If the applicable prevailing wages law, for any reason, is ever found or judicially interpreted to: (i) render the interest rate under this Agreement to be a public works and/or paid for in whole or in part out of public funds (and such interest rate does not comply with any de minimus exception under the applicable prevailing wages law); and/or (ii) subject the terms of this Agreement to prevailing wages, then it is the parties' express intent that (1) Bloomfield Partners LLC shall immediately pay to the City of Santa Fe Springs, as to all payments previously made under this Agreement, the difference between the interest rate paid pursuant to this Agreement and the appropriate interest rate which would not subject this Agreement to prevailing wages, and (2) the provisions of this Agreement and other related documents immediately be deemed reformed to reflect the appropriate interest rate, without the necessity of the execution of any new documents, so as to not subject the terms of this Agreement to the applicable prevailing wages law.

Upon the commencement of Installment Payments, the parties agree to execute and deliver in a timely fashion an agreement which specifically sets forth the remaining term of the Developer's obligations to make Installment Payments under Section 4B above. Further, upon full repayment of the Payment Sum, City shall provide to Developer, at Developer's request, a letter or similar document reasonably acceptable to Developer, confirming that the Developer's payment obligations under this Section 4 are satisfied.

- 5. In the event that the City approves the Proposed Subdivision, the Payment Sum shall be apportioned between the newly created parcels, based on the relative square footage of the building to be built on each parcel. As of the date of the recording of the final parcel map for the Proposed Subdivision, the owner of each newly created parcel shall be separately obligated to pay to City its apportioned share of the Payment Sum, and shall be relieved of any liability to pay sums allocable to any other parcel owner. In no event shall a default by one parcel owner be attributable to any other parcel owner.
- 6. Developer shall secure the Payment Sum by providing City with security as follows: a letter of credit in favor of the City obtained by Developer in the amount of \$800,000. The form of the letter of credit and any letter of credit agreement necessary to describe the security arrangement shall be proposed by Developer and approved by the City Attorney, which approval shall not be unreasonably withheld. The letter of credit or letter of credit agreement shall contain customary provisions releasing the security provided thereby proportionately as the principal amount of the Payment Sum is reduced.

3

la-564021

The letter of credit or letter of credit agreement shall also contain provisions permitting the Developer to replace existing security with other security of comparable value, subject to approval by the City Attorney, which approval shall not be unreasonably withheld. The approval and perfecting of such security is a condition precedent to City's issuance of any building permits for the Project.

- Developer and City have agreed to form a Community Facilities District 7. No. 2002-1 (the "Community Facilities District"). After the Ordinance of the City Council of the City of Santa Fe Springs levying special taxes within such Community Facilities District becomes effective, City acknowledges and agrees that all of Developer's obligations under this Agreement, except as specifically provided in this Section 7 (collectively referred to herein as the "Payment Amount") shall be deemed fully satisfied and complied with including, without limitation, Developer's obligation (i) to pay the Payment Sum to the City or to satisfy the DPA Conditions as described in Section 1, (ii) to provide security for the Payment Sum under Section 6, and any letter of credit issued pursuant thereto shall be released by the City and terminated immediately upon formation of the Community Facilities District, and (iii) to comply with the conditions set forth in DPA No. 737-739 Condition No. 26. Provided, however, Developer acknowledges and agrees that notwithstanding formation of the Community Facilities District, Developer shall not be relieved of its obligation to pay to the City (a) Project Fees in excess of \$300,000 as, and to the extent, described in Section 2 above, or (b) the amount equal to any adjustments to the existing Street Light Assessment District as, and to the extent, described in Section 3 above.
- 8. This Agreement shall be assignable by Developer and (subject to Section 5 above) shall run with the land, inure to the benefit of and be binding upon the parties, and all of their successors and assigns. In the event of an assignment of all or any portion of Developer's obligations, the assignor shall be relieved of liability as to that portion assigned, but only if the security described in Section 6, above, is left in place, or replaced with equivalent security, or the obligation is deemed satisfied pursuant to Section 7 above.
- 9. This Agreement contains the entire agreement of the parties with respect to the subject matter hereof, and supersedes all prior agreements. No amendment hereto, or waiver of any provision hereof, can be made except in a writing executed by both parties.
  - 10. This Agreement shall be governed by the laws of the State of California.
- 11. If any lawsuit, arbitration, or other action is brought by either party against the other party, the prevailing party shall be entitled to recover the reasonable attorneys' fees and court costs it incurred in connection therewith.

Intending to be legally bound, the parties have executed this Agreement, below as of the date first set forth above.
City of Santa Fe Springs
Mayor
Attest:
City Clerk
Approved as to form:
City Attorney
Bloomfield Partners LLC, a Delaware limited liability company
By: Calsmart L.L.C., a Delaware limited liability company its Manager
By: RREEF America, L.L.C., a Delaware limited liability company its authorized agent
Ву: // Чи

#### LEGAL DESCRIPTION OF PROPERTY

THE NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 8, TOWNSHIP 3 SOUTH; RANGE 11 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF SANTA FE SPRINGS, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, LYING WEST OF THE ATCHISON, TOPEKA AND SANTA FE RAILROAD RIGHT-OF-WAY.

#### EXCEPT THEREFROM THE FOLLOWING THREE (3) STRIPS OF LAND:

#### STRIP NO. 1; BLOOMFIELD AVENUE:

BEING THE WEST 50.00 FEET OF SAID NORTHWEST QUARTER, MEASURED AT RIGHT ANGLES TO THE WESTERLY LINE THEREOF.

#### STRIP NO. 2; LAKELAND ROAD:

BEING THE NORTH 40.00 FEET OF SAID NORTHWEST QUARTER, MEASURED AT RIGHT ANGLES TO THE NORTHERLY LINE THEREOF.

#### STRIP NO. 3; CORNER CUT-OFF:

BEGINNING AT THE INTERSECTION OF THE SOUTH LINE OF SAID STRIP NO. 2 WITH THE EAST LINE OF SAID STRIP NO. 1;

THENCE SOUTHERLY 17.00 FEET ALONG SAID EAST LINE;

THENCE NORTHEASTERLY IN A DIRECT LINE TO A POINT ON SAID SOUTH LINE, DISTANT EAST THEREON, 17.00 FEET FROM THE POINT OF BEGINNING OF THIS STRIP;

THENCE WESTERLY ALONG SAID SOUTH LINE 17.00 FEET TO THE POINT OF BEGINNING OF THIS DESCRIPTION.

DESCRIBED PARCEL CONTAINS 21.35 ACRES MORE OR LESS.



March 12, 2002

Sares Regis Group Attn: Peter Rooney 18802 Bardeen Avenuc Irvinc, CA 92612-1521

RE: Development Plan Approval Case No. 737-739

Dear Mr. Rooney:

The Planning Commission, at their regular meeting of March 11, 2002, acted on your request for approval of development plans to allow the construction of three concrete tilt-up industrial buildings totaling approximately 455,783 sq ft in area on a 21.32-acre property located on the southeast corner of Bloomfield Avenue and Lakeland Road in the M-2, Heavy Manufacturing, Zone within the Consolidated Redevelopment Project.

The Planning Commission subsequently approved your request for Development Plan Approval for the proposed industrial buildings and related improvements subject to the following list of conditions:

#### SUGGESTED CONDITIONS OF APPROVAL

- 1. The owner/developer shall construct a meandering sidewalk within a dedicated easement along Bloomfield Avenue frontage.
- The owner/developer shall comply with Congestion Management Program (CMP)
  requirements and provide mitigation of trips generated by the development. The
  owner/developer will receive credit for demolition of any buildings which formerly
  occupied the site.
- 3. Existing public fire hydrants shall be upgraded, if required by the City Engineer.

Louie González, Mayor • Ronald 6. Kernez, Mayor Pro-Tempore City Council George Minnelian • Berty Putnam • Gustavo R. Velasco City Manager Frederick W. Lutham

- 4. Adequate "on-site" parking shall be provided per City requirements, and streets shall be posted "No Stopping Any Time." The cost of sign installation shall be paid by the owner/developer.
- 5. The owner/developer shall provide \$50,000 to the City to mitigate traffic impacts from this development to the Bloomfield Avenue intersections at Telegraph Road, Florence Avenue and Lakeland Road.
- 6. The landscape irrigation system shall be connected to a reclaimed water distribution system when available in the street. Separate meter(s) shall be installed for landscape irrigation systems. Owner/Developer shall provide funds to design and construct a 6" reclaimed water distribution pipeline along frontage of development.
- 7. Point of access to each parcel shall be approved by the City Engineer. Owner/developer shall be responsible for the cost of the design and construction of raised landscaped medians adjacent to the property on Bloomfield Avenue, as approved by the City Engineer.
- 8. Sanitary sewers shall be constructed in accordance with City specifications to serve subject development. The plans for the sanitary sewers shall be approved by the City Engineer. A sewer study shall be submitted along with the sanitary sewer plans.
- 9. The owner/developer shall comply with all requirements of the Department of County Engineer-Facilities, make application for and pay the sewer maintenance fee.
- 10. No common driveways shall be allowed unless approved by the City Engineer. If proposed driveways conflict with existing fire hydrants, street lights, water meters, etc., owner/developer shall pay for relocation.
- 11. Owner/developer's general contractor shall implement storm water and urban runoff pollution prevention controls and Best Management Practices (BMP's) on construction sites in accordance with Chapter 52, Storm Water Runoff, of the City Code (Ordinance 851). The contractor may also be required to file a Notice of Intent (NOI) with the Regional Water Quality Control Board and prepare a Storm Water Pollution Prevention Plan (SWPPP) as specified in the State of California General Permit for Storm Water Permit for Storm Water Discharges associated with the construction activities in accordance with the NPDES mandate to protect receiving waters and storm drains from construction activity, related erosion and pollution. A copy of the September 8, 1992 instructions and NOI form are available from the

Public Works Department. In addition, this project shall conform to Ordinance 915, which amends Chapter 52 "Stormwater/Urban Runoff" of the City Code and implements the requirements of the approved Standard Urban Stormwater Mitigation Plan ("SUSMP"). The SUSMP includes a requirement to implement Post Construction BMP's to mitigate (infiltrate or treat) the first 3/4" of runoff from all storm events and to control peak flow discharges.

- 12. Planning and Development and Public Works Departments shall approve the location of double-check valves. All sprinkler plans shall have a stamp of approval from Planning and Development prior to Fire Department submittal. Disinfection, pressure and bacteriological testing on the line between the street and detector assembly shall be performed in the presence of City Water Department. The valve on water main line shall be operated only by the City upon approval of test results.
- 13. All projects over \$50,000 are subject to the requirements of Ordinance No. 914 to reuse or recycle 75% of the project construction waste per approval of the Department of Planning and Development.
- 14. The Owner/Developer shall comply with the City's "Heritage Artwork in Public Places Program" in conformance with City Ordinance No. 755.
- 15. The owner/developer shall comply with the requirements of Ordinance 829 with respect to Oil and Gas Regulations.
- Prior to issuance of building permits, the applicant shall comply with the following environmental assessment conditions to the satisfaction of the City of Santa Fe Springs:
  - A. Environmental Audit. Recognizing that NFA letters have been issued by both the DTSC and RWQCB and a large volume of site assessment work has already been performed, only limited additional assessment work will be required. This additional assessment shall focus on properly closing the six (6) UST's that were previously removed but not closed. A Soil Management Plan for mitigating contamination in excess of City standards must be submitted and approved by the Fire Department.
  - B. <u>Permits and Approval.</u> Owner/developer shall, at its own expense, secure or cause to be secured any and all permits which may be required by the City in furtherance of complying with Paragraph 16 (A) set forth herein. Permits shall be secured prior to beginning work related to the permitted activity.

#### C. Covenants.

- 1. Owner/developer shall provide a written covenant to the Planning Commission that, except as revealed in previous studies as part of DTSC and RWQCB NFA certification and except as applicant may have otherwise disclosed to the City, Commission, Planning Commission or their employees, in writing, applicant has investigated the environmental condition of the property and does not know or have reasonable cause to believe that (a) any crude oil, hazardous substances or hazardous wastes, as defined in state and federal law, have been released, as that term is defined in 42 U.S.C. Section 9601 (22), on, under or about the Property, or that (b) any material has been discharged on, under or about the Property that could affect the quality of ground or surface water on the Property within the meaning of the California Porter-Cologne Water Quality Act, as amended, Water Code Section 13000, et seq.
- 2. Owner/developer shall provide a written covenant to the City that, based on reasonable investigation and inquiry, to the best of owner/developer's knowledge, it does not know or have reasonable cause to believe that it is in violation of any notification, remediation or other requirements of any federal, state or local agency having jurisdiction concerning the environmental conditions of the Property.
- 3. Owner/developer understands and agrees that it is the responsibility of the applicant to investigate and remedy, pursuant to applicable federal, state and local law, any and all contamination on or under any land or structure affected by this approval and issuance of related building permits. The City, Commission, Planning Commission or their employees, by this approval and by issuing related building permits, in no way warrants that said land or structures are free from contamination or health hazards.
- 4. Owner/developer understands and agrees that any representations, actions or approvals by the City, except to the extent that it acts as the lead environmental agency, Commission, Planning Commission or their employees do not indicate any representation that regulatory permits, approvals or requirements of any other federal, state or local agency have been obtained or satisfied by the applicant and, therefore, the City,

Commission, Planning Commission or their employees do not release or waive any obligations the applicant may have to obtain all necessary regulatory permits and comply with all other federal, state or other local agency regulatory requirements. Applicant, not the City, Commission, Planning Commission or their employees will be responsible for any and all penalties, liabilities, response costs and expenses arising from any failure of the applicant to comply with such regulatory requirements.

- 17. Owner/Developer agrees to comply with all portions of Cleanup and Abatement Order Nos. 85-18 and 97-118 issued by the Regional Water Quality Control Board (RWQCB) as it relates to this property.
- 18. Not used.
- 19. That the owner/developer shall comply with all Federal, State and local requirements and regulations included, but not limited to, the Santa Fe Springs City Municipal Code, Uniform Building Code, Uniform Fire Code, Certified Unified Program Agency (CUPA) programs and all other applicable codes and regulations.
- 20. That the subject property shall submit an Industrial Wastewater Discharge Permit Application prior to generating, storing, treating or discharging any industrial wastewater to the sanitary sewer.
- 21. In order to meet the current public health and safety standards relating to emergency response and to provide for safety of responders and the community at large, the owner/developer shall install one (1) Emergency traffic signal control device (Opticom) to aid in the rapid and safe response of emergency vehicles at the intersection of Bloomfield Avenue and Lakeland Road.
- 22. The owner/developer shall install two 4-inch schedule 80 PVC ducts and appurtenances encased in concrete along the eastside of Bloomfield Avenue from a point 1,300 feet south of Lakeland Road centerline. Said ducts for future fiber optic system shall be placed in locations designed by the City Engineer.
- 23. The owner/developer, or successors in interest, shall be obligated to pay for a portion of the cost of undergrounding existing overhead utilities on Bloomfield Avenue and Lakeland Road adjacent to the subject property. The owner/developer, or successors in interest, shall satisfy said obligation by paying to the City an amount equal to the fair market value of the property to be acquired from owner/developer, or successors in interest, in fee or in easement, by CalTrans, the BNSF Railroad, or other public or

quasi-public agency, for construction of a grade separation on Lakeland Road at the BNSF railroad crossing. Payment shall be provided per terms of the "Agreement" between the Sares-Regis Goup (owner/developer) and the City.

- 24. The owner/developer shall remove the existing wall along Bloomfield Avenue at the south end of the property.
- 25. The owner/developer shall pay to the City the entire costs of design, engineering, installation and inspection of five (5) street lights on Bloomfield Avenue. The City shall design and cause construction of the street lighting system (\$25,000 Estimated Cost). The owner/developer shall also agree to the addition of a cost of living adjustment to the existing Street Light Assessment District. Annual adjustments shall be based on the Consumer Price Index for Los Angeles County.
- 26. The owner/developer shall enter into an agreement with the City for the City to maintain the south half of Lakeland Road between Bloomfield Avenue and the easterly property line at the BNSF right-of-way and the east half of Bloomfield Avenue between the southerly property line and Lakeland Road. Maintenance may include slurry seal every five years, resurfacing approximately every ten years and reconstruction at the end of twenty years, if needed, as determined by the City Engineer as reasonably related to the condition of the individual roadway. This condition may be satisfied by the creation of assessment districts, Mello-Roos Districts or other methods of financing approved by the City pursuant to the Agreement. or eliminated in any areas constructed with Portland Cement Concrete (PCC) pavement. (\$27,000 Estimated Annual Cost)
- 26a. The owner/developer shall pay \$96,500 for past and immediate resurfacing of the Lakeland Road and the Bloomfield Avenue frontage to the street centerline, the funding of which shall be provided per terms of the Agreement.
- 27. The developer shall pay to the City one-fourth (1/4) of any and all costs to construct a Portland cement concrete street intersection at Bloomfield Avenue and Lakeland Road.
- 28. Owner/developer may defer completion of satisfaction of Conditions 5, 6, 7, 14, 21, 22, 25, 26, 26a and 27, as numbered above, contingent on owner/developer entering into an agreement with the City regarding such performance. Entry into such agreement shall be a condition precedent to the issuance of any necessary permits (e.g., building permits) or other approvals (e.g., parcel map) for development of the subject property. Such agreement shall: (a) require developer

to provide adequate security for such performance in a form approved by the City, which approval will not be unreasonably withheld; (b) provide for interest, at a market rate, on developer's financial obligations to the City; (c) provide for completion of performance or repayment within seven (7) years of the date of approval hereof unless otherwise approved by the City; and (d) provide for the potential, with the City's approval, of incorporating work into street maintenance, landscaping or lighting districts.

- A grading plan shall be submitted for drainage approval by the City Engineer. The site is subject to storm water retention, and the drainage plan shall incorporate retention on site. The owner/developer shall pay drainage review fees in conjunction with this submittal. The hydrology study to be conducted shall evaluate the amount and disposition of storm water on the subject property. The hydrology study shall be conducted by a Professional Engineer and subject to the approval of the City Engineer. The grading plan shall also accommodate the existing drainage from the railroad right-of-way at southeast portion of property.
- 30. The owner/developer shall pay to the City a one-time cost (not to exceed \$2,500) for the replacement of street name signs, traffic control signs, raised pavement markers and pavement markings, as required by the City Engineer.
- 31. Land and access rights shall be reserved for a future grade separation on Lakeland Road between Bloomfield Avenue and the BNSF Railroad. Sufficient right-of-way includes: construction easement, utilities easement and slope easement along Lakeland Road frontage and railroad shoofly along portion of east property line. Project design shall accommodate the future grade separation. No permanent structure shall be placed within the reservation area.
- 32. All buildings shall be protected by an approved automatic sprinkler system.
- 33. All buildings that are to be used for high-piled storage shall be equipped with required access doors as per Article 81 of the Uniform Fire Code.
- 34. Interior gates or fences are not permitted across required fire access roadways.
- 35. On-site fire hydrants must be provided along required Fire Department access roads. Minimum flow shall be 2500 GPM.

- 36. The minimum width of required Fire Department access roadways shall be not less than twenty-six (26) feet. Internal driveways shall have a turning radius of not less than fifty-two (52) feet.
- 37. Prior to submitting plans to the Building Department or Planning Commission, a preliminary site plan shall be approved by the Fire Department for required access roadways and on-site fire hydrant locations. Plan must be between 20 and 40 scale. Include on plan all entrance gates that will be installed.
- 38. Knox boxes are required on all new construction. All entrance gates shall also be equipped with Knox boxes.
- 39. That an "Owners' Association" or a Community Association shall be created with CC&R's stipulating maintenance requirements for landscape maintenance, including the pedestrian walkways, if the property is subdivided. Levels of maintenance shall be to the highest of standards as required by the City, and all maintenance costs shall be borne by the Association.
- 40. That the applicant shall submit for approval a detailed Xeriscape landscape and irrigation system for the on-site and parkway landscape areas for the development design pursuant to the Landscape Design Guidelines of the City. Said landscape plan shall indicate the location and type of all plant materials to be used.
- 41. That no portion of the required off-street parking and loading areas shall be used for outdoor storage, manufacturing or similar uses at any time, unless approved by the Director of Planning and Development.
- 42. That all fences, walls, signs and similar improvements for the proposed development shall be subject to the approval of the Director of Planning and Development.
- 43. That a sufficient number of approved outdoor trash enclosures shall be provided for the development subject to the approval of the Director of Planning and Development
- 44. That a security and lighting plan for the proposed industrial development shall be submitted to the Department of Police Services for review and approval.
- 45. That all truck yard areas shall be screened from the public streets in the area by a decorative screen wall subject to the approval of the Director of Planning and Development.

- 46. The applicant understands that other than indicated within these conditions, the applicant shall comply with the requirements of the City's Zoning Ordinance, Building Code, Property Maintenance Ordinance, Fire Code and all other applicable regulations as pertain to this property.
- 47. That Development Plan Approval Case No. 737-739 shall not be valid until approved by the Community Development Commission and shall be subject to any other conditions the Board deems necessary to impose.
- 48. That Development Plan Approval Case No. 737-739 shall not be effective for any purpose until the applicant has filed with the City of Santa Fe Springs an affidavit stating he is aware of and accepts all the conditions of this approval.

Your attention is called to the fact that this approval is not effective until an affidavit has been signed and notarized to indicate your willingness to accept and abide by the conditions of approval. Two copies of an affidavit are enclosed for this purpose. One copy should be returned to this office upon completion; the other copy is for your files.

The Zoning Ordinance sets forth an appeal period of four (14) days, beginning with the date you receive this letter, during which any party aggrieved by the Commission's action can appeal the matter to the City Council. You are hereby notified that the time within which judicial review must be sought is governed by the provisions of California Code of Civil Procedure, Section 1094.6.

If you have any questions regarding this matter, please feel free to call me at (562) 868-0511, Ext. 211.

Very truly yours,

OBERT G. ORPIN

Director of Planning and Development

cc: City Council

Frederick W. Latham, City Manager

Marina Sueiro, Director of Intergovernmental Relations

Building Division Fire Department

Property Maintenance Officer Sue Janikowski, Assistant Planner Monica Mendoza, Planning Intern

.; • MAY 01 '02 09:55AM SARES-REGIS GROUP (949) 756-5955

P.12/12

ACCEPTANCE OF CONDITIONS
IN DEVELOPMENT PLAN APPROVAL CASE

, MA DEADCOLMENT I	LAN AFROYAL CASE
AFFI	DAVIT
gent of the owner, of property involved in Develo	EBY STATE THAT I am the owner, or the authorized opment Plan Approval Case No. 737-739
I FURTHER STATE THAT I have read, understand of approval established by the Planning Commission	nd and accept, and will comply with all the conditions on at its meeting of <u>March 14, 2002</u> .
I AM ALSO AWARE THAT if any of the provision or any law, statute or ordinance is violated, the Penshall lapse.	ons of this approval are violated or held to be invalid, mit shall be void and the privileges granted thereunder
alg	Dahure
	Principal
da	RREEF America C.L.C. (c/o Bloomfield Parhi
COL	ngany name (if any)
, 7713	101 Colifornia Street, 76th Floor.
53.18	San Francisco CA 94111
•	y, state, zip
	4(5)78\-3300 
STATE OF CALIFORNIA ) COUNTY OF Sen Flancisco ) SS.	Vilma Maranja, Notary Public,
date	Name and Title of Officer
personally appeared Dwinktlimer(s) of Signer(s)	inan .
	personally known to me
	proved to me on the basis of satisfactory evidence
HOTARY PUBLIC CALIFORNIAS	be the person(s) whose name(s) is/are subscribed to the
My Carnett, Bisines Oct. 7, 3003	ithin instrument and acknowledged to me that
Live on delicit faither and the	e/she/they executed the same in his/her/their authorized apaoity(ies), and that by his/her/their signature(s) on the
· ir	apaony (1687), and that by instruction and the control of the cont
VILMA MARIANIA	hich the person(s) acted, executed the instrument,
10 40 H17 2798	VITNESS my hand and official seal.
Hin, Erro /, 2000	Value Masaria
, <del>T</del>	lotary Public

# EXHIBIT D

Amended Debt Service Schedule

#### **Amended Debt Service Schedule**

\$800,000 Principal Amount
5.75% Interest Rate
FY 25-26 last year of collection
9 years of payment left
0.101287 level debt factor (A/P)
\$81,030 total annual installment due

Fiscal	Principal			Principal + Interest
Year	Balance	Principal	Interest	Amount
FY 11-12	\$800,000	\$35,030	\$46,000	\$81,030
FY 12-13	\$764,970	\$37,044	\$43,986	\$81,030
FY 13-14	\$727,927	\$39,174	\$41,856	\$81,030
FY 14-15	\$688,753	\$41,426	\$39,604	\$81,030
FY 15-16	\$647,328	\$43,808	\$37,222	\$81,030
FY 16-17	\$603,520	\$46,327	\$34,703	\$81,030
FY 17-18	\$557,193	\$48,991	\$32,039	\$81,030
FY 18-19	\$508,203	\$51,808	\$29,222	\$81,030
FY 19-20	\$456,395	\$54,787	\$26,243	\$81,030
FY 20-21	\$401,609	\$57,937	\$23,093	\$81,030
FY 21-22	\$343,672	\$61,268	\$19,762	\$81,030
FY 22-23	\$282,404	\$64,791	\$16,239	\$81,030
FY 23-24	\$217,614	\$68,517	\$12,513	\$81,030
FY 24-25	\$149,097	\$72,456	\$8,574	\$81,030
FY 25-26	\$76,642	\$76,642	\$4,388	\$81,030

# EXHIBIT E

Special Tax Roll

# Exhibit E SPECIAL TAX ROLL

		Total
APN	Building Square Feet	Special Tax Amount Fiscal Year 2016-17
8026-001-069	84,651	\$17,386.75
8026-001-070	240,252	\$49,346.16
8026-001-071	131,405	\$26,989.71
	456,308	\$93,722.62

# City of Santa Fe Springs

City Council Meeting

December 14, 2017

#### CONSENT AGENDA

<u>Community Facilities District No. 2004-1 (Bloomfield-Florence) – Annual Special</u>

Tax Levy Report for Fiscal Year 2016-17

#### RECOMMENDATION

That the City Council receive and file the Special Tax Levy Annual Report for Community Facilities District 2004-1 for Fiscal Year 2016-17.

#### **BACKGROUND**

The Mello-Roos Community Facilities Act of 1982 requires that an annual special tax levy report be prepared for each Community Facilities District (CFD). This report must detail the special taxes that are levied within a CFD and any construction activity at the time the report is prepared. The methodology and amounts to be levied were established at the time the CFD was formed.

#### FISCAL IMPACT

Repayment of the bonds and payment of services are secured by the special taxes levied on all property within the CFD, other than those properties that are exempt as provided in the respective rate and method of apportionment. Annual administrative expenses are also funded through the annual special tax levy.

Don'R. Powell Interim City Manager

Attachment:

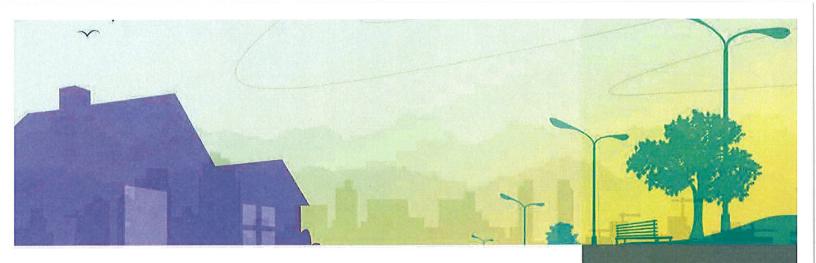
Special Tax Levy Annual Report for CFD 2004-1 for Fiscal Year 2016-17

M

Report Submitted By: Noe Negrete, Director Public Works

Date of Report: December 7, 2017

ITEM NO. 9C



# **Special Tax Levy Annual Report**

for

City of Santa Fe Springs Community Facilities District No. 2004-1 (Bloomfield-Florence)

Fiscal Year 2016-17

Submitted to: City of Santa Fe Springs Los Angeles County, California

November 22, 2017



# CITY OF SANTA FE SPRINGS COMMUNITY FACILITIES DISTRICT NO. 2004-1 (Bloomfield-Florence)

# TABLE OF CONTENTS

Introdu	ıction		1
I.	Faciliti	es and Services Financed by the District	2
II.	Improv	ement Area	3
III.	Admini	istrative Fees	4
IV.	Sources	s and Obligations	5
V.	Special	Tax Roll	5
APPE	NDIX		
Exhibi	t A	Boundary Map	
Exhibi	t B	Amended and Restated Rate and Method of Apportionment of the Special Tax	
Exhibi	t C	Reimbursement Agreement	
Exhibi	t D	Debt Service Schedule	
Exhibi	t E	Special Tax Roll	

#### INTRODUCTION

The City Council of the City of Santa Fe Springs established Community Facilities District No. 2004-1 (Bloomfield-Florence) ("CFD", "CFD No. 2014-1", or the "District") for the purpose of constructing, maintaining and the administration of certain public improvements. The District established a Rate and Method of Apportionment of Special Tax and a Payment Agreement as shown in the Appendix as Exhibit B.

A map showing the boundaries of CFD No. 2004-1 is included in the Appendix as Exhibit A. In compliance with the proceedings governing the formation of CFD No. 2004-1, the special tax has been levied on each assessable parcel within the District according to the provisions of the Rate and Method of Apportionment of Special Taxes as shown in the Appendix as Exhibit B.

The City of Santa Fe Springs granted the Development Plan Approval ("DPA No. 778-785") authorizing the principle sum of \$700,000 on February 26, 2004. The Payment Agreement that was provided for in the DPA established a 15-year, fully amortized repayment schedule with interest accruing from the date of the loan.

The payments should have commenced in Fiscal Year 2004-05 and continued until Fiscal Year 2018-19. As of the close of Fiscal Year 2009-10, no payments had been received from the property owners in CFD 2004-1.

It was determined by the City Finance Department and legal counsel to amend the Rate and Method of Apportionment with a revised Payment Schedule to begin collecting payments commencing in Fiscal Year 2011-12. The Amended and Restated Rate and Method of Apportionment of Special Tax was approved in a property owner special election on July 14, 2011. Prior to Amending the District, the property owners were offered the option of paying off their portion of the loan interest free (including unpaid interest).

In March 2016, parcel 8011-016-026 paid off their lien. The debt schedule and tables in this report have been revised to reflect that change.

Page 2

#### Payment Summary

Total Original Principal Amount	\$700,000
Total Liens Paid	\$485,862
Remaining Principal Balance	\$214,138
Interest Rate (annual)	5.75%
Repayment Term (in years)	15.00

Building No.	Assessor's Parcel No.	Bldg SqFt	% of Total	Original Principal Amount Per Bldg	Liens Paid To-Date	Principal Paid-to- Date *	Remaining Principal *
1	8011-016-026	19,973	5.32%	\$37,229,32	\$37,229.32	\$0.00	\$0,00
2	8011-016-027	112,014	29.83%	\$208,792.14	\$0.00	\$62,313.46	\$146,478.68
3	8011-016-030	26,573	7.08%	\$49,531.61	\$49,531.61	\$0.00	\$0.00
4	8011-016-033	35,384	9.42%	\$65,955.16	\$0.00	\$19,684.14	\$46,271.02
5	8011-016-034	16,356	4.36%	\$30,487.30	\$0.00	\$9,098.85	\$21,388.45
6	8011-016-035	21,399	5.70%	\$39,887.36	\$39,887.36	\$0.00	\$0.00
7	8011-016-036	45,964	12.24%	\$85,676.09	\$85,676.09	\$0.00	\$0.00
8	8011-016-903	97,877	26.06%	\$182,441.02	\$182,441.02	\$0.00	\$0.00
Total		375.540	100.00%	\$700,000.00	\$394,765.40	\$91,096,45	\$214,138.15

<sup>\*</sup> Principal paid-to-date and remaining principal are through the April 2016 Payment.

The Special Taxes as hereinafter defined shall be levied on all remaining Assessor's Parcels in CFD No. 2004-1 and collected each Fiscal Year commencing in Fiscal Year 2011-12, in the amounts determined as described below. All of the real property in CFD No. 2004-1, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

The City agreed to waive the interest and administrative cost associated with the District for the years prior to Fiscal Year 2011-12.

#### I. FACILITIES AND SERVICES FINANCED BY THE DISTRICT

The public facilities financed by CFD No. 2004-1 include all or a portion of design, construction, indirect costs (fees) and administration relating to the following improvements: the installation of a new traffic signal and a reclaimed water line to serve the area within the boundaries of CFD No. 2004-1, together with appurtenances and appurtenant work. All improvements are complete.

#### **Development Status**

Construction has been complete since 2005. The total Assessed Value and number of properties sold since 2004 are shown in the following table.

TABLE 1
PARCEL STATUS

			Total	Properties
	Total Parcels 2016-17	As	sessed Value 2016-17	Sold Since 2004
Developed Non-Residential Property	8	\$	35,530,520	0
Undeveloped Non-Residential Property	0	\$	(*C	0
Total	8	_\$	35,530,520	0

#### II. IMPROVEMENT AREA

The Rate and Method of Apportionment of the Special Tax for Services establishes the apportionment of Special Taxes for Capital Improvements.

Each Fiscal Year, each developed parcel of land within the Special Tax for Services area shall be subject to Special Taxes in accordance with the Rate and Method of Apportionment (RMA).

The Special Tax amount attributed to each parcel is apportioned by the relative square footage of the building on each property. As of the date the District was amended and Restated in July 2011, all the development was complete and the annualized tax schedule commenced for each property according to the revised payment schedule. The following table represents the revised annualized tax schedule after applying the paid lien in 2016.

TABLE 2
COMMUNITY FACILITIES DISTRICT

Adj. ss	Bldg SF	Total Obligation	Amortized Annual Expense	Amortized Annual Exp./SF
12661 Corral Pl	19,973	Paid 2016	•	
12681 Corral Pl	112,014	\$208,792.14	\$20,748.19	\$0.1852
12662 Corral Pl	26,573	Paid 2011	90	
10818 Bloomfield Ave	35,384	\$65,955.16	\$6,554.13	\$0.1852
10838 Bloomfield Ave	16,356	\$30,487.30	\$3,029.60	\$0.1852
10928 Bloomfield Ave	21,399	Paid 2011		
10988 Bloomfield Ave	45,964	Paid 2011		X
12680 Corral Pl	97,877	Paid 2011		
Total	375,540	\$305,234.60	\$30,331.92	d

Figures may be off slightly due to rounding.

#### III. ADMINISTRATIVE FEES

The Rate and Method of Apportionment of the Special Tax allows for the collection of fees associated with the servicing of the loan.

Each Fiscal Year, each developed parcel of land within the Special Tax for Services area shall be subject to their proportional share of the administrative fee based on the relative square footage of the building on each property in accordance with the Rate and Method of Apportionment. The total administrative fee for Fiscal Year 2016-17 is \$6,933.16. When the District was Amended and Restated in Fiscal Year 2011-12, four of the original eight properties paid off their apportioned share of the loan and the City agreed to absorb the administrative costs that would have been paid by those four parcels. In 2016 an additional parcel paid off their share of the loan. Rather than reapportioning the total administrative fee to the remaining three properties, the City decided to keep ratio the same as prior years to avoid placing an additional burden to the remaining parcels. The tables have been modified to reflect this modification, resulting in an Administrative Fee of \$3,211.52, which is the amount that was collected from the remaining three parcels.

The following table represents proportional spread of the administrative fee for Fiscal Year 2016-17. The fee is subject to increase as set forth in the amended Rate and Method of Apportionment (RMA).

TABLE 3
ADMINISTRATIVE FEE

			Annual
Address	Bldg SF	Annual Expense	Exp./SF
12661 Corral Pl	19,973	-	-
12681 Corral Pl	112,014	\$2,196.81	\$0.01961
12662 Corral Pl	26,573	·-	
10818 Bloomfield Ave	35,384	\$693.95	\$0.01961
10838 Bloomfield Ave	16,356	\$320.76	\$0.01961
10928 Bloomfield Ave	21,399	***	
10988 Bloomfield Ave	45,964	-	
12680 Corral PI	97,877	let	
Total	375,540	\$3,211.52	

Figures may be off slightly due to rounding.

#### IV. SOURCES AND OBLIGATIONS

A statement showing the Sources and Obligations of special tax funds for CFD No. 2004-1 for Fiscal Year 2016-17 is presented in Table 4. The Special Tax Requirement for Fiscal Year 2016-17 was determined as specified in the adopted Rate and Method of Apportionment of the Special Tax.

TABLE 4
SOURCES AND OBLIGATIONS

<u>Sources</u>	Fiscal Year 2015-16 <u>Amount</u>	Fiscal Year 2016-17 <u>Amount</u>
Annual Special Tax Roll		
Developed Property	\$38,022.38	\$33,543.44
Undeveloped Property	\$0.00	\$0.00
Subtotal	\$38,022.38	\$33,543.44
<b>Total Special Taxes From All Sources</b>	\$38,022.38	\$33,543.44
Obligations		
Debt Service	\$34,687.14	\$30,331.92
Collected Administration and Incidentals	\$3,335.24	\$3,211.52
2015 Fund Balance (Reserve)	\$0.00	\$0.00
Subtotal	\$38,022.38	\$33,543.44
Surplus/(Shortage) to District	\$0.00	\$0.00
<b>Total Obligations For Special Taxes</b>	\$38,022.38	\$33,543.44

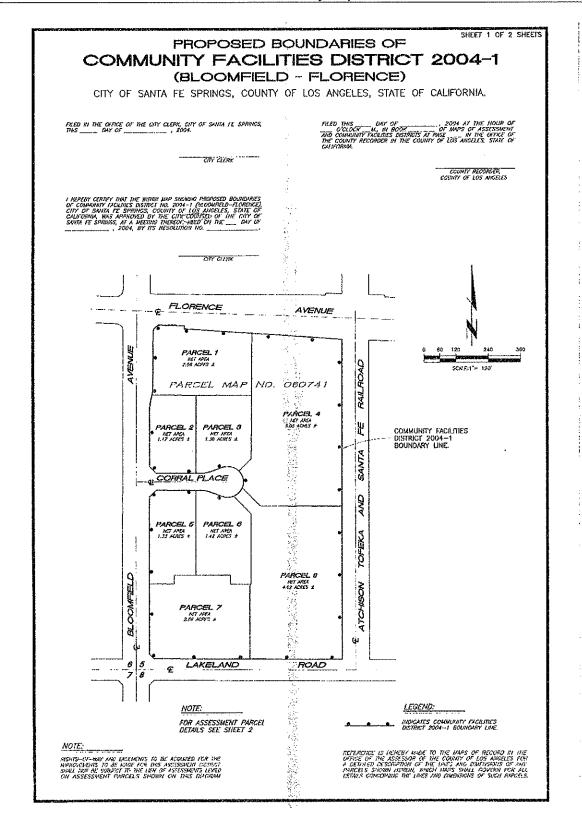
#### V. SPECIAL TAX ROLL

The Special Tax Roll lists the special tax levy on each parcel within the boundaries of CFD No. 2004-1 for Fiscal Year 2016-17. A copy of the Special Tax Roll is included in the Appendix of this report as Exhibit E.

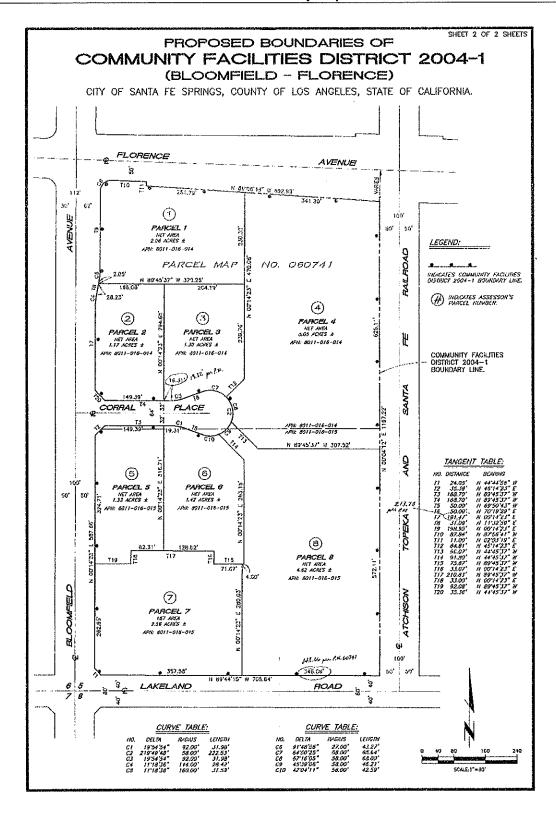
# EXHIBIT A

**Boundary Map** 

# **Boundary Map**



#### **Boundary Map**



# EXHIBIT B

Amended and Restated Rate and Method of Apportionment of the Special Tax

# EXHIBIT C REIMBURSEMENT AGREEMENT

#### REIMBURSEMENT AGREEMENT

This Agreement is made and entered into as of September 23, 2004, by and between the City of Santa Fe Springs ("City"), the Community Development Commission of the City of Santa Fe Springs ("CDC") and Bloomfield Partners II, LLC, a Delaware limited liability company ("Developer").

#### RECITALS:

- A. Developer intends to develop that certain real property located in City, legally described in Exhibit "A" attached hereto (the "Property").
- B. On February 23, 2004, City's Planning Commission granted Development Plan Approval No. 778-785 (the "DPA") for Developer's proposed development of the Property (the "Project"); on February 26, 2004, CDC also approved the DPA. A copy of the DPA is attached hereto as Exhibit "B", and is incorporated by reference as though fully set forth herein.
  - C. The DPA requires that the parties enter into this Agreement.
  - D. Developer intends to subdivide the Property into eight (8) separate legal parcels.

Based on the Recitals set forth above and the mutual promises set forth below, the parties agree as follows:

- 1. City shall pay for and contract for the construction of the following items of public infrastructure pertaining to the Project: (a) the new traffic signal to be located at the intersection of Bloomfield Avenue and the new cul-de-sac street (Cornal Place) to be constructed to lead into the Property; and (b) the reclaimed water line to be located beneath Bloomfield Avenue (both set forth in DPA Condition No. 30).
- 2. CDC shall loan to Developer an amount not to exceed \$700,000 (the "Loan"), to be used by Developer to pay for the construction of the following items of public infrastructure and related costs pertaining to the Project: (a) a public cul-de-sac street (DPA Condition No. 2); (b) the resurfacing of portions of the streets adjacent to the Project (DPA Condition No. 5); (c) a sidewalk on Bloomfield Avenue (DPA Condition No. 6); (d) street sign replacements (DPA Condition Nos. 11 and 12—to be performed by City and reimbursed by Developer); (e) re-striping required by traffic study (DPA Condition No. 13); (f) storm drain costs (DPA Condition No. 20); (g) demolition of existing improvements to make way for new public improvements; (h) associated with the mitigation of environmental impacts; (j) costs for public storm drain facilities; (k) any other public improvements deemed appropriate by mutual agreement of the facilities; (l) all permits, fees, soft costs or other costs associated with the public infrastructure, and including City art fees; and (m) interest accruing from the date of funding until the date of issuance of the last of the eight building permits.
  - 3. The loan shall bear simple interest at an annual rate of 5.75%. Principal and interest shall be paid on a 15-year, fully amortized schedule with interest accruing from the date of the loan. Funding of the loan from CDC to Developer shall be completed within ten (10) business days of the submission of a written request for such funding from Developer to CDC.

705269.04/OC \$7335-451/9-14-04/wrd/wrd

NPA

대

- 4. It is the intention of the parties that City will form a Community Facilities District ("CFD") comprised entirely of the eight (8) parcels ("Parcels") to be created by Developer's subdivision of the Property, for the purpose of repaying the Loan. The percentage of the special tax on each subdivided parcel shall be based on the relative size of the building to be constructed on each such parcel. The amount of the special tax for each subdivided parcel shall, in combination with the special tax amounts for the other subdivided parcels, be equivalent to the annual payment obligation of the loan and shall, when delivered to the City, constitute the annual payment of the loan. See the proposed CFD Repayment Allocation Schedule attached as Exhibit "C". It is the intention of the parties that Developer pay the cost of forming such CFD.
- 5. No funds shall be released until after the CFD is formed. Upon formation of the CFD, the City shall record separate special tax liens against each of the Parcels so the tax can appear on the tax roll. Thereafter, payments on the loan shall be made to City semi-annually, through the property tax bills on the Parcels. The first payment shall be due the later of (i) December 2005 or (ii) the first tax payment date on which the special tax lien is reflected on the tax bills of the Parcels.
- 6. This Agreement shall be assignable and shall run with the land, inure to the benefit of and be binding upon the parties, and all of their successors and assigns.
- 7. This document contains the entire agreement of the parties with respect to the subject matter hereof, and supersedes all prior agreements. No amendment hereto, or waiver of any provision hereof, can be made except in a writing executed by both parties.

Intending to be legally bound, the parties have executed this Agreement, below, as of the date first set forth above.

CITY OF SANTA FE SPRINGS

iviayor

Attest:

City Clerk

COMMUNITY DEVELOPMENT

COMMISSION OF THE CITY OF SANTA FE

SPRINGS

Chairmai

Attest:

Commission Secretar

705269.04/OC \$7335-451/8-24-04/wid/wid

Approved as to form.

City/CDC Attorney

BLOOMFIELD II, LLC, a Delaware limited liability company

Approved as to form.

Attorney for Developer

EXHIBIT "A"

# LEGAL DESCRIPTION OF PROPERTY

BEING A POR'	TION OF THE !	south Hai	.F OF THE	SOUTHWE	ST QUARI	ER OF
SECTION 5, T	OWNSHIP 3	SOUTH, RA	NGE 11	WEST, SA	n bernai	RDINO
MERIDIAN, IN	THE CITY OF S	ANTA FE S	PRINGS, (	COUNTY O	f LOS ANG	GELES,
STATE OF CALL	FORNIA, LYING	WEST OF	THE ATCH	IISON, TOPI	eka and :	Santa
FE RAILROAD I	RIGHT OF WAY	, AS RECO	RDED AS	PARCEL MA	AP NO. 06	741 IN
BOOK						
					-	

EXCEPT THEREFROM ANY STREETS OF RECORD.



11710 Telegraph Road • CA • 90670-3679 • (562) 868-0511 • Fax (562) 868-7112 • www.santafesprings.org Re: Development Plan Approval Case No. 778-785 Modification Permit Case No. 1154

Peter Rooney Sares-Regis Group 18802 Bardeen Avenue Irvine, California 92612-1521

Dear Mr. Rooney:

The Planning Commission and Community Development Commission, at their respective meetings held February 23, 2004 and February 26, 2004, took action on your request for Development Plan Approval Case Nos. 778-785 to allow the construction of eight (8) concrete, tilt-up industrial buildings totaling approximately 383,177 sq ft and a Modification of Property Development Standards (Modification Permit Case No. 1154) to reserve and not provide a portion of the required number of parking spaces on the 19.51-acre property located on the east side of Bloomfield Avenue between Florence Avenue to the north, Lakeland Road to the south and the Burlington Northern Santa Fe Railroad (BNSF) track to the east, in the M-2, Heavy Manufacturing, Zone within the Consolidated Redevelopment Project Area.

The Planning Commission and Community Development Commission approved your requests subject to the following conditions:

- The owner and/or developer shall dedicate a street right-of-way easement as
  required to accommodate construction of a northbound right-turn-only lane on the
  southeast corner of Bloomfield Avenue and Florence Avenue. Dedication shall be
  at no cost to the City. The dedicated area shall be kept clear of any permanent
  structure and shall be landscaped and maintained until such time as the lane is
  constructed by the City.
- 2. The owner and/or developer shall construct the new cul-de-sac street in accordance with City requirements and shall dedicate a street right-of-way easement to the City for the new street. All work and dedication is to be done at no cost to the City.

Gustavo R. Velasco, Mayor<sup>1</sup> Betty Putnam, Mayor Pro-Tempore City Council Loute González • Rosald S. Kernes • Joseph D. Semano, Sr. City Manager Frederick W. Latham Item No.

- 3. The owner and/or developer shall prepare a Street Improvement Plan for all street improvements to be completed on all street frontages, including new improvements and modifications to existing improvements. This includes the new cul-de-sac street and any changes needed to implement traffic mitigation measures. Said Plan shall be prepared by a Registered Civil Engineer in accordance with City standards and approved by the City Engineer before any street improvements are installed.
- 4. The owner and/or developer shall install streetlights on the new cul-de-sac in accordance with plans to be prepared by the City and shall reimburse the City for 100% of the actual cost of design, engineering and inspection of the streetlights.
- 5. The owner and/or developer shall slurry/resurface the Bloomfield Avenue, Lakeland Road and Florence Avenue street frontages to the centerline of each street, excluding intersections and concrete areas, if required, to the satisfaction of the City Engineer.
- 6. The owner and/or developer shall construct 5-foot-wide meandering sidewalks within a dedicated easement along Bloomfield Avenue.
- 7. The owner and/or developer shall agree to the addition of a cost-of-living adjustment to the existing Street Light Assessment District. Annual adjustments shall be based on the Consumer Price Index for Los Angeles County.
- 8. The owner and/or developer shall install all water mains and facilities needed to supply fire, domestic and irrigation water to the site in accordance with City requirements. Minimum water main size is 12-inch diameter. A Water System Plan shall be developed that shows how all systems and buildings will connect to off-site water lines and how all on-site lines serving the site will be located. Water system for the site will need to be supplied through two points of connection to off-site mains. Facilities within dedicated street right-of-way and any on-site facilities to be dedicated to the City must be designed and constructed in accordance with City standards. Said Plan shall be prepared by a Registered Civil Engineer and approved by the Public Works and Fire Departments before any water facilities are installed.
- 9. The owner and/or developer shall comply with Congestion Management Program (CMP) requirements and provide mitigation of trips generated by the development. The owner and/or developer will receive credit for demolition of any buildings which formerly occupied the site to the extent they generated traffic. If owner and/or developer cannot meet the mitigation requirements, the owner and/or developer shall pay a mitigation fee to be determined by the City Engineer for offsite transportation improvements.

- 10. The owner and/or developer shall agree to participate in a future street maintenance district or other type of benefit assessment district to slurry seal, resurface and reconstruct the street frontage on regular intervals (5-year, 10-year and 20-year intervals, respectively, as determined by the City Engineer). The owner shall retain the right to challenge the costs and method of spreading future assessments.
- 11. The owner and/or developer shall reimburse the City for 100% of the actual cost for the installation/replacement of street name signs, traffic control signs and pavement markings. The City will complete the work.
- 12. Adequate "on site" parking shall be provided per City requirements, and adjacent public streets, including the new cul-de-sac street, shall be posted "No Stopping Any Time." The City will cause off-site signage to be installed. The cost of sign installation shall be paid by the owner/developer.
- 13. A traffic study has been prepared by a Professional Engineer and submitted as required by the City. The traffic study shows the present traffic in the area and projected traffic after the development of the property and includes an analysis of the following intersections: Florence Avenue and Bloomfield Avenue; Florence Avenue and Shoemaker Avenue; Florence Avenue and Norwalk Boulevard; Telegraph Road, Bloomfield Avenue and Santa Fe Springs Road; Telegraph Road and Norwalk Boulevard; Lakeland Road and Norwalk Boulevard; and Florence Avenue and Pioneer Boulevard. Owner and/or developer agree that the improvements and mitigation measures recommended by the study shall be completed to the satisfaction of the City Engineer before the project is occupied.
- 14. The owner and/or developer shall agree to modify the southbound left-turn lane on Bloomfield Avenue at the intersection with the proposed cul-de-sac street or implement on-site mitigation measures to limit the number of trucks using the left-turn lane to eliminate the backup of left-turning traffic into the southbound through-lane of Bloomfield Avenue should that situation begin to occur on a regular basis,
- 15. The landscape irrigation system shall be connected to the reclaimed water line to be installed by the City. Separate meter(s) shall be installed by owner and/or developer to accommodate connection of irrigation systems to the water line.
- 16. Access to the site from existing public streets and any new streets shall be approved by the City Engineer. All points of access must be located, sized and designed to accommodate the volume and type of traffic that will be entering and leaving the site. Access points shall be located so that traffic generated by the development will not adversely affect the flow of traffic on any adjacent City Street.

- 17. A grading plan shall be submitted for drainage approval by the City Engineer. The owner/developer shall pay drainage review fees in conjunction with this submittal. The grading plan shall be prepared by a professional engineer registered in the State of California.
- 18. A hydrology study shall be submitted to the City if requested by the City Engineer. The study shall be conducted by a Professional Engineer.
- 19. A soils report shall be prepared and submitted as directed by the City Engineer.
- 20. A Storm Drain Plan shall be developed that shows all on-site and off-site drainage facilities. The existing drainage ditch located in the southeast corner of the site shall be replaced with an underground system that is not located under any permanent structure. New easements shall be granted to accommodate the new location of this facility. The storm drain system shall be designed and constructed in accordance with City Standards and requirements. Property owner shall obtain a Storm Drain Connection permit for any connection to the City or County storm drain system. Plan shall be prepared by a Registered Civil Engineer and approved by the City Engineer before any storm drain facilities are installed.
- 21. The east and south frontages of the development shall be designed to accommodate the future grade separation on Lakeland Road at the BNSF Railroad. Areas needed for temporary or permanent easements shall be kept clear of any permanent structures. Owner shall be entitled to the full use of said easement areas until such time as construction is ready to begin and shall be compensated for said easements by separate agreement prior to the beginning of construction.
- 22. The owner and/or developer shall install all sewer mains and facilities needed to supply sewer service to the site in accordance with City requirements. A Sewer System Plan shall be developed that shows how all systems and buildings will connect to off-site sewer lines and how all on-site lines serving the site will be located. A sewer study shall be submitted to document how sewer mains have been sized. Facilities within dedicated street right-of-way and any on-site facilities to be dedicated to the City must be designed and constructed in accordance with City standards. Said Plan shall be prepared by a Registered Civil Engineer and approved by the City Engineer before any sewer facilities are installed.
- 23. The owner and/or developer shall comply with all requirements of, make application to, and pay all fees required by the County Sanitation Districts of Los Angeles County to provide for sewer service to the project site.

- 24. Upon completion of public improvements constructed by developers, the developer's civil engineer shall submit Mylar record drawings and AutoCAD V.14 drawing files to the office of the City Engineer.
- 25. Final parcel map checking of \$3,900 plus \$260 per parcel shall be paid to the City. Developer shall comply with Los Angeles County's Digital Subdivision Ordinance (DSO) and submit final maps to the City and County in digital format.
- 26. No common driveways shall be allowed unless approved by the City Engineer. Proposed driveways shall be located to clear existing fire hydrants, streetlights, water meters, etc.
- 27. All known abandoned oil wells, pipelines, tanks and related lines, between the existing curb and right-of-way, and within the right-of-way line, excluding the two utility casings in Bloomfield Avenue, and one utility casing in Lakeland Road, and within the areas to be dedicated for the right-turn-only lane, new cul-de-sac street, and meandering sidewalk easement, that hinder construction of improvements within those areas shall be removed unless otherwise approved by the City Engineer.
- 28: Developer shall comply with the National Pollutant Discharge Elimination System (NPDES) program and shall require the general contractor to implement storm water/urban runoff pollution prevention controls and Best Management Practices (BMP's) on all construction sites in accordance with Chapter 52 of the City Code. The owner/developer will also be required to submit a Certification for the project and may be required to prepare a Storm Water Pollution Prevention Plan (SWPPP). Projects over 5 acres in size will be required to file a Notice of Intent (NOI) with the State Water Resources Control Board (SWRCB). The owner/developer can obtain the current application packet by contacting the SWRCB, Division of Water Quality at (916) 657-1977 or by downloading the forms from their website, at http://www.swrcb.ca.gov/stormwtr/construction.html. The project shall also conform to Ordinance 915 regarding the requirements for the submittal of a Standard Urban Storm Water Mitigation Plan ("SUSMP"). The SUSMP includes a requirement to implement Post Construction BMP's to mitigate (infiltrate or treat) the first 3/4" of runoff from all storm events and to control peak-flow discharges. Unless exempted by the Los Angeles Regional Water Quality Control Board, a Covenant and Restriction ensuring the provisions of the approved SWPPP shall also be required.
- The owner and/or developer shall provide at no cost to the City one Mylar print of the recorded parcel map from the County of Los Angeles Department of Public Works, P.O. Box 1460, Alhambra, CA 91802-1460, Attention: Bill Slenniken (626) 458-5131.

- 30. An Agreement shall be executed and recorded in the Office of the Los Angeles County Recorder that addresses the obligations of the owner and/or developer and City regarding the following work that is to be completed and paid for by the City:
  - Installation of a traffic signal at the intersection of Bloomfield Avenue and the new cul-de-sac street.
  - Extension of a reclaimed water line southerly in Bloomfield Avenue from Florence Avenue to a point south of Lakeland Road.

Agreement shall be subject to the approval of the City Attorney and executed by the owner and/or developer before a certificate of occupancy is issued by the City.

- That an "Owners' Association" or a Community Association shall be created with CC&R's stipulating maintenance requirement for landscaping and all common areas of the development. Level of maintenance shall be to the highest of standards as required by the City, and all maintenance costs shall be borne by the Association. Such CC&R's shall be subject to the approval of the Director of Planning and Development.
- 32. A Reciprocal Access Easement Agreement covering each parcel of the subject map shall be prepared, executed and recorded in the Office of the Los Angeles County Recorder. Such Agreement and any CC&R's shall be subject to the approval of the City Attorney.
- 33. That the fire sprinkler plans, which show the proposed double-check valve detector assembly location, shall have a stamp of approval from the Planning Department and Public Works Department prior to the Fire Department's review for approval. Disinfection, pressure and bacteriological testing on the line between the street and detector assembly shall be performed in the presence of personnel from the City Water Department. The valve on the water main line shall be operated only by the City and only upon the City's approval of the test results.
- 34. That if the Department of Planning and Development requires that the double-check detector assembly be screened by shrubs or any other material, the screening shall only be applicable to the double-check detector assembly and shall not include the fire department connector (FDC). Notwithstanding, the Fire Marshall shall have discretionary authority to require the FDC to be located a minimum distance from the double-check detector assembly.

- 35. That all projects over \$50,000 are subject to the requirements of Ordinance No. 914 to reuse or recycle 75% of the project waste. Contact Recycling Coordinator, Department of Planning and Development at (562) 868-0511.
- 36. That the owner/developer shall comply with Public Resource Code, Section 42900 et. seq. (California Solid Waste Reuse Recycling Access Act of 1991 (Act) relating to providing adequate areas for collection and loading of recyclable materials in development projects.
- 37. That the applicant shall comply with the City's "Heritage Artwork in Public Places Program" in conformance with City Ordinance No. 909.
- 38. That all buildings over 5,000 sq ft shall be protected by an approved automatic sprinkler system.
- That the owner shall comply with the requirements of Section 117.131 of the Santa Fe Springs Municipal Code, Requirement for a Soil Gas Study.
- 40. That the interior gates or fences are not permitted across required Fire Department access roadways.
- 41. That if on-site fire hydrants are required by the Fire Department, a minimum flow must be provided at 2,500 gpm with 1,500 gpm flowing from the most remote hydrant.
- 42. That the minimum width of required Fire Department access roadways shall be not less than twenty-six (26) feet with a minimum clear height of thirteen (13) feet six (6) inches. Internal driveways shall have a turning radius of not less than fifty-two (52) feet.
- 43. That prior to submitting plans to the Building Department or Planning Commission, a preliminary site plan shall be approved by the Fire Department for required access roadways and on-site fire hydrant locations. The site plan shall be drawn at a scale between 20 to 40 feet per inch. Include on plan all entrance gates that will be installed.
- 44. That Knox boxes are required on all new construction. All entry gates shall also be equipped with Knox boxes or Knox key switches for power-activated gates.
- 45. That signs and markings required by the Fire Department shall be installed along the required Fire Department access roadways.

- 46. That prior to issuance of building permits, the applicant shall comply with the following conditions to the satisfaction of the City of Santa Fe Springs:
  - A. Owner/developer shall obtain a "Closure Letter," "No Further Action Letters" or other appropriate documentation certifying that the required soil remediation standards have been achieved shall be secured from the Los Angeles Regional Water Quality Control Board.
  - B. Owner/developer shall submit a soils management plan (SMP) which addresses site monitoring and potential soil remediation activities during site development is required. The SMP must be approved by the Fire Department prior to the issuance of a grading permit. A final SMP report must be submitted and approved once the grading is complete.
  - C. Permits and approvals. Owner/developer shall, at its own expense, secure or cause to be secured any and all permits or other approvals, which may be required by the City and any other governmental agency having jurisdiction as to the environmental condition of the Property. Permits shall be secured prior to beginning work related to the permitted activity.

#### D. Covenants,

- 1. Owner/developer shall provide a written covenant to the Planning Commission that, except as may be revealed by the environmental remediation described above and except as applicant may have otherwise disclosed to the City, Commission, Planning Commission or their employees, in writing, applicant has investigated the environmental condition of the property and does not know, or have reasonable cause to believe, that (a) any crude oil, hazardous substances or hazardous wastes, as defined in state and federal law, have been released, as that term is defined in 42 U.S.C. Section 9601 (22), on, under or about the Property, or that (b) any material has been discharged on, under or about the Property that could affect the quality of ground or surface water on the Property within the meaning of the California Porter-Cologne Water Quality Act, as amended, Water Code Section 13000, et seq.
- 2. Owner/developer shall provide a written covenant to the City that, based on reasonable investigation and inquiry, to the best of owner/developer knowledge, it does not know or have reasonable cause to believe that it is in violation of any notification, remediation or other requirements of any federal, state or local agency having jurisdiction concerning the environmental conditions of the Property.

- 3. Owner/developer understands and agrees that it is the responsibility of the applicant to investigate and remedy, pursuant to applicable federal, state and local law, any and all contamination on or under any land or structure affected by this approval and issuance of related building permits. The City, Commission, Planning Commission or their employees, by this approval and by issuing related building permits, in no way warrants that said land or structures are free from contamination or health hazards.
- 4. Owner/developer understands and agrees that any representations, actions or approvals by the City, Commission, Planning Commission or their employees do not indicate any representation that regulatory permits, approvals or requirements of any other federal, state or local agency have been obtained or satisfied by the applicant and, therefore, the City, Commission, Planning Commission or their employees do not release or waive any obligations the applicant may have to obtain all necessary regulatory permits and comply with all other federal, state or other local agency regulatory requirements. Applicant, not the City, Commission, Planning Commission or their employees, will be responsible for any and all penalties, liabilities, response costs and expenses arising from any failure of the applicant to comply with such regulatory requirements.
- 47. That all known abandoned pipelines, tanks and related facilities shall be removed unless approved by the City Engineer and Fire Chief. Appropriate permits for such work shall be secured before abandonment work begins.
- 48. That the owner shall require all tenants, prior to occupancy, to acquire a Business Operations Tax Certificate (BOTC) from the Department of Finance and submit an approved Statement of Intended Use Form to the Santa Fe Springs Fire Department.
- 49. That the owner/developer shall comply with all Federal, State and local requirements and regulations included, but not limited to, the Santa Fe Springs City Municipal Code, Uniform Building Code, Uniform Fire Code, Certified Unified Program Agency (CUPA) programs, the Air Quality Management District's Rules and Regulations and all other applicable codes and regulations.
- 50. That the owner shall comply with all conditions, limitations and requirements of the approved Industrial Wastewater Discharge Permit in addition to applicable sections of the Wastewater Ordinance and Chapter 97 of the City Code, as it relates to industrial waste disposal. The owner/operator shall submit an Industrial Wastewater Discharge Permit Application prior to generating, storing, treating or discharging any industrial wastewater to the sanitary sewer.

- 51. That the owner shall comply with for the Regional Water Quality Control Board's Stormwater Pollution Prevention Plan permit requirements.
- 52. That the owner/developer shall submit for approval to the Police Services Department of the City a lighting and security plan for the property. The lighting shall be installed to provide adequate lighting throughout the property. Further, all exterior lighting shall be designed/installed in such a manner that light and glare are not transmitted onto adjoining properties in such concentration/quantity as to create a hardship to adjoining property owners or a public nuisance.
- 53. That the owner/developer shall provide an emergency phone number and a contact person to the Department of Police Services and the Fire Department. Emergency information shall allow emergency service to reach the applicant or their representative any time, 24 hours a day.
- 54. That approved suite numbers/letters or address numbers shall be placed on the proposed building in such a position as to be plainly visible and legible from the street fronting the property. Said numbers shall contrast with their background. The size recommendation shall be 12" minimum.
- 55. That all roof-mounted mechanical equipment and/or duct work which projects above the roof or roof parapet of the proposed development and is visible from adjacent property or a public street at ground level shall be screened by an enclosure which is consistent with the architecture of the building and approved by the Director of Planning and Development.
- 56. That the owner/developer shall submit for approval a detailed landscape and automatic irrigation plan pursuant to the Landscaping Guidelines of the City. Said landscape plan shall indicate the location and type of all plant materials to be used and shall include 2 to 3 foot high berms (as measured from the parking lot grade elevation), shrubs designed to fully screen the interior yard and parking areas from public view and 24" box trees along the street frontage.
- 57. That the owner shall be responsible for his tenants and require that all work is performed inside the building. No portion of the required off-street parking area shall be used for outdoor storage of any type or for special-event activities, unless prior written approval is obtained from the Director of Planning and Development and the Fire Marshall.

- 58. That in order to facilitate the removal of unauthorized vehicles parked on the property, the applicant shall post, in plain view and at each entry to the property, a sign not less than 17" wide by 22" long. The sign shall prohibit the public parking of vehicles and indicate that vehicles will be removed at the owner's expense and that a citation may be issued for the violation. The sign shall also contain the telephone number of the local law enforcement agency. The lettering within the sign shall not be less than one inch in height.
- 59. That all vehicles associated with the businesses on the subject property shall be parked on the subject site at all times. Off-site parking is not permitted and may result in the restriction or revocation of privileges granted under this Permit. In addition, any vehicles associated with the property shall not obstruct or impede any traffic.
- 60. That the location of electrical transformers shall be subject to the approval of the Planning Department.
- 61. That all fences, walls, signs and similar improvements for the proposed development shall be subject to the approval of the Fire Department and the Department of Planning and Development.
- 62. That pursuant to the sign standards of the Zoning Ordinance and related sign guidelines of the City, a comprehensive sign program for the proposed development shall be prepared and submitted to the Director of Planning and Development for approval. All signs shall be installed in accordance with the approved sign program.
- 63. That a sufficient number of approved outdoor trash enclosures shall be provided for the development subject to the approval of the Director of Planning and Development.
- 64. That the "mainline railroad right-of-way," which is considered as a "public way" as per Los Angeles County Building Code Manual No. 505.1, Article 1, and is located adjacent to Buildings 4 and 8 as depicted on the approved site plan dated February 17, 2004, for the proposed development, may be used to increase the basic allowable area of Buildings 4 and 8, as per Section 505.1 of the Los Angeles County Building Code (2002 Edition).
- 65. That the final plot plan, floor plan and elevations of the proposed development and all other appurtenant improvements, textures and color schemes shall be subject to the final approval of the Director of Planning and Development.

- 66. That the development shall otherwise be substantially in accordance with the plot plan, floor plan and elevations submitted by the owner and on file with the case.
- 67. That Development Plan Approval Case Nos. 778-785 shall not be valid until approved by the Community Development Commission and shall be subject to any other conditions the Commission may deem to impose.
- 68. That Development Plan Approval Case Nos. 778-785 shall not be effective for any purpose until the owner/developer has filed with the City of Santa Fe Springs an affidavit stating he/she is aware of and accepts all of the conditions of approval.
- 69. That the owner/developer 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 Nos. 778-785 when action is brought within the time period provided for in the City's Zoning Ordinauce, 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.

Your attention is called to the fact that this approval is not effective until an affidavit has been signed and notarized to indicate your willingness to accept and abide by the conditions of this approval. Two copies of an affidavit are enclosed for this purpose. One copy is to be returned to this office upon completion; the second copy is for your files.

The Zoning Ordinance sets forth an appeal period of fourteen days, beginning with the date you receive this letter, during which any party aggrieved by the Commission's action can appeal the matter to the City Council. You are hereby notified that the time within which judicial review must be sought is governed by the provisions of California Code of Civil Procedure, Section 1094.6.

# EXHIBIT D

Debt Service Schedule (Revised 2016)

# Debt Service Schedule (Revised 2016)

\$230,270 Principal Amount
5.75% Interest Rate
FY 25-26 last year of collection
9 years of payment left
0.131723 level debt factor (A/P)
\$30,332 total annual installment due

	Beginning			Principal
Fiscal	Principal			+ Interest
 Year	Balance	Principal	Interest	Amount
FY 16-17	\$230,270	\$17,549	\$12,783	\$30,332
FY 17-18	\$212,721	\$18,585	\$11,747	\$30,332
FY 18-19	\$194,136	\$19,682	\$10,649	\$30,332
FY 19-20	\$174,454	\$20,844	\$9,487	\$30,332
FY 20-21	\$153,609	\$22,075	\$8,257	\$30,332
FY 21-22	\$131,534	\$23,378	\$6,953	\$30,332
FY 22-23	\$108,156	\$24,759	\$5,573	\$30,332
FY 23-24	\$83,397	\$26,220	\$4,111	\$30,332
FY 24-25	\$57,176	\$27,769	\$2,563	\$30,332
FY 25-26	\$29,408	\$29,408	\$924	\$30,332

# **EXHIBIT E**

Special Tax Roll

Special Tax Roll

# Exhibit E SPECIAL TAX ROLL

		Total
APN	Building Square Feet	Special Tax Amount FY 2016-17
8011-016-027	112,014	\$22,945.00
8011-016-033	35,384	\$7,248.08
8011-016-034	16,356	\$3,350.36
	163,754	\$33,543.44

## CONSENT AGENDA

<u>Reclassification of Full-Time Position and Creation of New Part-Time (non-benefitted)</u>
Position

#### RECOMMENDATION

That the City Council take the following actions:

- Eliminate one Full-time Public Relations Specialist position in the City Manager's Office
- Reclassify one Full-time Administrative Clerk II position (in the City Manager's Office) to Secretary to the City Manager and City Council;
- Create one Part-time Public Affairs Intern Position in the City Manager's Office
- Adopt a revised Citywide Salary Schedule inclusive of the above personnel actions.

#### **BACKGROUND**

As a result of the recent departure of the City's Public Relations Specialist in the City Manager's Office, there are three recommended personnel changes that will better position the department to handle necessary tasks in a manner that public affairs will be handled more efficiently and effectively.

They are as follows:

- Elimination of the Full-time Public Relations Specialist position
- Reclassification of the full-time Administrative Clerk II in the City Manager's Office to Secretary to the City Manager & City Council (Job Class #16630)
- Creation of a Part-time Public Affairs Intern Position (Job Class #72610)

The pay ranges for the new positions are included in the City Salary Schedule (attached) under the Job Class number indicated above.

#### FISCAL IMPACT

Elimination of the Full-time Public Relations Specialist position will provide \$88,100 in annual budget savings, while the costs for the reclassification (\$16,500) and the new part-time position (\$48,000) total \$64,500. This provides for \$23,600 in annualized budget savings.

Interim City Manager

Attachment:

Salary Schedule - Full-time and Part-Time Employees

Report Submitted By:

Jose Gomez / Debbie Ford

Date of Report: December 6, 2017

Finance and Administrative Services

ITEM NO. 9D

CLASS UNIT	JOB TITLE	STEP	MONTHLY	NON-PHYS BI-WEEKLY	HOURLY	STEP	MONTHLY	PHYSICAL BI-WEEKLY	HOURLY	ANNUAL HOURS
01000 COUN	COUNCIL MEMBER	A- 1	970.840	448.080	5.601					2080.00
01300 C/A	CITY ATTORNEY	A- 1	16635.996	7678.152	95.977					2080.00
01400 CMGR	CITY MANAGER	A- 1	15189.840	7010.695	87.634	A- 1	16025.281	7396.284	92.453	2080.00
01600 р/н	ASST CMGR/DIR OF FIN	A- 1 B- 2 C- 3 D- 4 E- 5	11840.351 12490.861 13177.629 13902.788 14667.403	5464.777 5765.013 6081.983 6416.671 6769.571	68.310 72.063 76.025 80.208 84.620	A - 1 B - 2 C - 3 D - 4 E - 5	12490.861 13177.629 13902.788 14667.403 15474.676	5765.013 6081.983 6416.671 6769.571 7142.158	72.062 76.024 80.208 84.619 89.276	2080.00
01700 BAT	FIRE CHIEF	A- 1 B- 2 C- 3 D- 4 E- 5	10488.143 11066.137 11675.057 12318.102 12996.339	4840.681 5107.448 5388.488 5685.278 5998.310	60.509 63.843 67.356 71.066 74.979					2080.00
02400 D/H	DIR COMM SVCS	A - 1 B - 2 C - 3 D - 4 E - 5	9707.531 10241.802 10804.866 11398.857 12025.906	4480.399 4726.986 4986.861 5261.011 5550.418	56.005 59.087 62.336 65.763 69.380	A- 1 B- 2 C- 3 D- 4 E- 5	10241.802 10804.866 11398.857 12025.906 12686.013	4726.986 4986.861 5261.011 5550.418 5855.083	59.087 62.335 65.762 69.380 73.188	2080.00
02700 D/H 02710 D/H	DIR POLICE SERVICES DIR PLANNING	A- 1 B- 2 C- 3 D- 4 E- 5	8022.603 8464.097 8930.117 9419.600 9937.875	3702.740 3906.506 4121.592 4347.508 4586.712	46.284 48.831 51.520 54.344 57.334	A- 1 B- 2 C- 3 D- 4 E- 5	8464.097 8930.117 9421.733 9940.008 10487.076	3906.506 4121.592 4348.492 4587.696 4840.189	48.831 51.519 54.356 57.346 60.502	2080.00
02800 D/H	DIR PUBLIC WORKS	A- 1 B- 2 C- 3 D- 4 E- 5	10811.265 11406.321 12033.370 12695.612 13394.110	4989.815 5264.456 5553.863 5859.513 6181.897	62.373 65.806 69.423 73.244 77.274	A- 1 B- 2 C- 3 D- 4 E- 5	11406.321 12033.370 12695.612 13394.110 14130.999	5264.456 5553.863 5859.513 6181.897 6522.000	65.805 69.423 73.243 77.273 81.524	2080.00
03000 BAT	BATTALION CHIEF	A- 1 B- 2 C- 3 D- 4 E- 5	9547.569 10029.587 10536.131 11048.008 11603.608	4406.570 4629.040 4862.830 5099.081 5355.511	39.344 41.331 43.418 45.528 47.817					2912.00

# PAYROLL SYSTEM CITY OF SANTA FE SPRINGS TIME 1:40 PM SALARY TABLES BY CLASS DATE 12-07-2017 AS OF PERIOD ENDING: 12/10/2017

CLASS UNIT	JOB TITLE	STEP	MONTHLY	NON-PHYS BI-WEEKLY	HOURLY	STEP	MONTHLY	PHYSICAL BI-WEEKLY	HOURLY	ANNUAL HOURS
03900 MT 03910 MT	DIR TECHNOLOGY SVC M DIR FISCAL SERVICES	A- 1 B- 2	8463.030 8927.985	3906.014 4120.608	48.825 51.508	A- 1 B- 2	8927.985 9418.533	4120.608 4347.015	51.507 54.337	2080.00
		C- 3 D- 4 E- 5	9419.600 9937.875 10482.810	4347.508 4586.712 4838.220	54.344 57.334 60.478	C- 3 D- 4 E- 5	9937.875 10482.810 11059.739	4586.712 4838.220 5104.495	57.333 60.477 63.806	
05400 MT	DIR PURCHASING SVCS	A- 1 B- 2 C- 3 D- 4	6931.665 7312.374 7715.477 8139.908	3199.230 3374.942 3560.989 3756.881	39.990 42.187 44.512 46.961	A- 1 B- 2 C- 3 D- 4	7312.374 7715.477 8139.908 8587.800	3374.942 3560.989 3756.881 3963.600	42.186 44.512 46.961 49.545	2080.00
08540 MT 08550 MT	LIBRARY SVCS DIV DIR PARK & REC SVCS MGR	E - 5  A - 1  B - 2	8587.800 6931.665 7312.374	3963.600 3199.230 3374.942	49.545 39.990 42.187	E- 5  A- 1  B- 2	9060.219 7312.907 7714.554	4181.640 3375.188 3560.563	52.270 42.189 44.507	2080.00
08560 MT	FAM & HUMAN SVCS MGR	C - 3 D - 4 E - 5	7715.477 8139.908 8587.800	3560.989 3756.881 3963.600	44.512 46.961 49.545	C - 3 D - 4 E - 5	8139.827 8587.602 9060.129	3756.843 3963.509 4181.598	46.960 49.543 52.269	

#### PAGE 3 DATE 12-07-2017

CLASS UNIT	JOB TITLE	STEP	MONTHLY	NON-PHYS BI-WEEKLY	HOURLY	STEP	MONTHLY	PHYSICAL BI-WEEKLY	HOURLY	ANNUAL HOURS
12000 FIRE	DIR OF EPD-FPB	A- 1	9547.569	4406.570	55.082					2080.00
	<del></del>	B - 2	10029.587	4629.040	57.863					
		C - 3	10536.131	4862.830	60.785					
		D-4	11048.008	5099.081	63.739					
		E - 5	11603.608	5355.511	66.944					
12100 FIRE	DEDUMU STEE MADGUALL	A- 1	9028.994	4167.228	52.090					2080.00
12100 FIRE	DEPUTY FIRE MARSHALL	B- 2	9525.588	4396.425	54.955					2080.00
		C- 3	10049.496	4638.229	57.978					
		D- 4	10602.219	4893.332	61.167					
		E- 5	11185.340	5162.465	64.531					
					4.5.000					
12200 FIRE	DEPUTY DIR EPD	A- 1	8134.577	3754.420	46.930					2080.00
		B - 2	8581.979	3960.913	49.511					
		C - 3	9053.987	4178.763	52.235					
		D- 4 E- 5	9551.957	4408.596	55.107					
		E- 5	10077.314	4651.068	58.138					
12300 FIRE	FIRE&ENV SAF INSP II	A- 1	6596.012	3044.313	38.054					2080.00
		B- 2	6958.792	3211.750	40.147					
		C - 3	7341.525	3388.396	42.355					
		D-4	7745.310	3574.758	44.684					
		E- 5	8171.302	3771.370	47.142					
12400 MT	CAPITAL IMPRVMTS MGR	A- 1	7711.908	3559.342	44.492	A- 1	8136.064	3755.106	46.938	2080.00
		B - 2	8136.064	3755.106	46.939	B- 2	8583.436	3961.586	49.519	
		C- 3	8583.547	3961.637	49.520	C- 3	9055.642	4179.527	52.244	
		D- 4	9055.642	4179.527	52.244	D- 4	9553.701	4409.400	55.117	
		E- 5	9553.701	4409.400	55.118	E- 5	10079.156	4651.918	58.148	
12500 MT	ASST MUNI SVCS MGR	A- 1	6917.900	3192.877	39.911	A- 1	7298.386	3368.486	42.106	2080.00
12500 111	11001 110111 0 0 0 11011	B- 2	7298.386	3368.486	42.106	B- 2	7699.796	3553.752	44,421	
		C- 3	7699.796	3553.752	44.422	C - 3	8123.285	3749.208	46.865	
		D- 4	8123.285	3749.208	46.865	D- 4	8570.067	3955.416	49.442	
		E - 5	8570.067	3955.416	49.443	E- 5	9041.420	4172.963	52.162	
10000 HTT	DTDD GADDATN		7750 100	2507 360	21 117					2992.86
12800 FIRE	FIRE CAPTAIN	A- 1	7759.199	3581.169	31.111					∠ ⊅ ⊅ ∠ . 8 6
		B - 2	8167.635	3769.678	32.748					
		C- 3	8618.726	3977.874	34.557					
		D- 4	9065.552	4184.101	36.349 38.333					
		E- 5	9560.366	4412.477	30.33					

CLASS UNIT	JOB TITLE	STEP	MONTHLY	NON-PHYS BI-WEEKLY	HOURLY	STEP	MONTHLY	PHYSICAL BI-WEEKLY	HOURLY	ANNUAL HOURS
12900 MT	MUNICIPAL SVCS MGR	A- 1	7237.725	3340.488	41.756	A- 1	7635.496	3524.075	44.050	2080.00
		B- 2	7635.496	3524.075	44.051	B- 2	8055.661	3717.997	46.474	2000.00
		C - 3	8055.661	3717.997	46.475	C- 3	8498.222	3922.256	49.028	
		D - 4	8498.222	3922.256	49.028	D- 4	8965.309	4137.835	51.722	
		E - 5	8965.309	4137.835	51.723	E- 5	9458.401	4365.416	54.567	
		F-6	9458.401	4365.416	54.568	F- 6	9978.612	4605.513	57.568	
		G - 7	9978.612	4605.513	57.569	G- 7	10527.433	4858.815	60.735	
		H- 8	10527.433	4858.815	60.735	H- 8	11106.441	5126.050	64.075	
13110 FIRE	EPD-FPB SPECIALIST	A- 1	7382.757	3407.426	42.593					2080.00
		B- 2	7775.196	3588.552	44.857					2000.00
		C - 3	8184.697	3777.552	47.219					
		D- 4	8618.726	3977.874	49.723					
		È- 5	9077.282	4189.515	52.369					
13200 MISC	ASSOC CIVIL ENGINEER	A- 1	6539.226	3018.104	37.726	A- 1	6894.341	3182.004	39.775	2080.00
		B- 2	6900.740	3184.957	39.812	B - 2	7277.182	3358.699	41.983	
		C - 3	7287.846	3363.621	42.045	C - 3	7686.683	3547.700	44.346	
		D-4	7700.547	3554.099	44.426	D - 4	8114.314	3745.068	46.813	
		E- 5	8140.974	3757.373	46.967	E-5	8583.535	3961.632	49.520	
13300 MT	UTILITY SVCS MANAGER		6870.880	3171.175	39.640	A- 1	7248.389	3345.410	41.817	2080.00
		B- 2	7248.389	3345.410	41.818	B- 2	7647.227	3529.489	44.118	
		C - 3	7647.227	3529.489	44.119	C - 3	8067.392	3723.412	46.542	
		D-4	8067.392	3723.412	46.543	D- 4	8511.019	3928.163	49.102	
		E- 5	8511.019	3928.163	49.102	E- 5	8979.172	4144.233	51.802	
13400 MT	ACCOUNTING MANAGER	A- 1	6718.660	3100.920	38.762	A- 1	7088.187	3271.471	40.893	2080.00
		B- 2	7088.187	3271.471	40.893	B- 2	7478.037	3451.402	43.142	
		C- 3	7478.037	3451.402	43.143	C - 3	7889.330	3641.229	45.515	
		D- 4	7889.330	3641.229	45.515	D- 4	8323.243	3841.497	48.018	
		E- 5	8323.243	3841.497	48.019	E- 5	8781.021	4052.779	50.659	
13673 MISC	ST & GRNDS MTC SUPT	A- 1	5869.521	2709.010	33.863	A- 1	6192.643	2858.143	35.726	2080.00
		B- 2	6192.643	2858.143	35.727	B- 2	6539.226	3018.104	37.726	
		C - 3	6539.226	3018.104	37.726	C - 3	6894.341	3182.004	39.775	
		D - 4	6894.341	3182.004	39.775	D- 4	7287.846	3363.621	42.045	
		E - 5	7287.846	3363.621	42.045	E- 5	7686.683	3547.700	44.346	
		F- 6	7686.683	3547.700	44.346	F-6	8140.974	3757.373	46.967	
		G - 7	8140.974	3757.373	46.967	G-7	8593.132	3966.061	49.575	
		H- 8	8593.132	3966.061	49.576	H- 8	9057.021	4180.164	52.252	

CLASS UNIT	JOB TITLE	STEP	MONTHLY	NON-PHYS BI-WEEKLY	HOURLY	STEP	MONTHLY	PHYSICAL BI-WEEKLY	HOURLY	ANNUAL HOURS
13700 MISC	CHLDREN'S SVCS ADM E	A- 1	6231.722	2876.179	35.952	A- 1	6573.740	3034.034	37.925	2080.00
		B- 2	6573.740	3034.034	37.925	B- 2	6934.886	3200.717	40.008	2000.00
		C- 3	6934.886	3200.717	40.009	C - 3	7317.407	3377.265	42.215	
		D- 4	7317.407	3377.265	42.216	D- 4	7719.054	3562.640	44.533	
		E - 5	7719.054	3562.640	44.533	E- 5	8143.203	3758.401	46.980	
13810 FIRE	FIRE ENGINEER	A- 1	6661.864	3074.706	26.711					2992.86
		B-2	7010.579	3235.652	28.109					
		C - 3	7388.088	3409.887	29.623					
		D- 4	7759.199	3581.169	31.111					
		E- 5	8170.833	3771.154	32.761					
13910 MT	SENIOR PLANNER	A- 1	6190.511	2857.159	35.714	A- 1	6527.496	3012.690	37.658	2080.00
		B- 2	6527.496	3012.690	37.659	B- 2	6881.544	3176.097	39.701	
		C - 3	6881.544	3176.097	39.701	C - 3	7257.986	3349.840	41.872	
		D- 4	7257.986	3349.840	41.873	D- 4	7653.625	3532.442	44.155	
		E- 5	7653.625	3532.442	44.156	E- 5	8070.591	3724.888	46.561	
14100 MT	CITY CLERK	A- 1	6015.619	2776.440	34.705	A- 1	6337.675	2925.081	36.563	2080.00
14110 MT	SENIOR HR ANALYST	B - 2	6337.675	2925.081	36.564	B- 2	6676.794	3081.597	38.519	2000.00
		C - 3	6676.794	3081.597	38.520	C- 3	7031.908	3245.496	40.568	
		D- 4	7031.908	3245.496	40.569	D- 4	7410.484	3420.223	42.752	
		E- 5	7410.484	3420.223	42.753	E- 5	7809.321	3604.302	45.053	
14200 MT	ASST TO DIR POL SVCS		5555 224	2574 152	20 155			0.000	22.44	
14200 MT	ASST TO DIR POL SVCS	A- 1 B- 2	5577.324	2574.150	32.177	A- 1	5879.119	2713.440	33.917	2080.00
		B- 2 C- 3	5879.119	2713.440	33.918	B - 2	6197.975	2860.604	35.757	
			6197.975	2860.604	35.758	C- 3	6537.093	3017.120	37.713	
		D- 4 E- 5	6537.093	3017.120	37.714	D- 4	6894.341	3182.004	39.775	
		E- 5	6894.341	3182.004	39.775	E- 5	7269.717	3355.254	41.940	
14300 CONF	ACCOUNTANT	A- 1	5190.218	2395.485	29.944	A- 1	5473.883	2526.408	31.580	2080.00
		B- 2	5469.617	2524.439	31.555	B- 2	5765.012	2660.775	33.259	
		C- 3	5775.677	2665.697	33.321	C - 3	6091.334	2811.385	35.142	
		D- 4	6100.932	2815.815	35.198	D- 4	6429.386	2967.409	37.092	
		E-5	6434.718	2969.870	37.123	E- 5	6786.633	3132.292	39.153	
14400 MISC	CIVIL ENGR ASST I	A- 1	5348.047	2468.329	30.854	A- 1	5642.376	2604.174	32.552	2080.00
		B- 2	5642.376	2604.174	32.552	B - 2	5951.635	2746.908	34.336	_ 000,00
		C - 3	5951.635	2746.908	34.336	C- 3	6279.022	2898.010	36.225	
		D- 4	6279.022	2898.010	36.225	D- 4	6624.539	3057.480	38.218	
		E - 5	6624.539	3057.480	38.218	E- 5	6989.251	3225.808	40.322	

CLASS UNIT	JOB TITLE	STEP	MONTHLY	NON-PHYS BI-WEEKLY	HOURLY	STEP	MONTHLY	PHYSICAL BI-WEEKLY	HOURLY	ANNUAL HOURS
14500 CONF	SR MGMT ASSISTANT	A- 1	6015.619	2776.440	34.705	A- 1	6337.675	2925.081	26 562	
TADOO CONI	SK MOMI ASSISIANI	B - 2	6337.675	2925.081	36.564	B- 2	6676.794		36.563	2080.00
		C- 3	6676.794	3081.597	38.520	C- 3		3081.597	38.519	
		D- 4	7031.908	3245.496	40.569	D- 4	7031.908 7410.484	3245.496	40.568	
		E- 5	7410.484	3420.223	40.569	D- 4 E- 5		3420.223	42.752	
		a- 5	/410.484	3420.223	42.753	E- 5	7809.321	3604.302	45.053	
14620 MISC	CIVIL ENGR TECH II	A- 1	5269.132	2431.907	30.399	A- 1	5559.196	2565.783	32.072	2080.00
		B- 2	5559.196	2565.783	32.072	B - 2	5865.255	2707.041	33.838	
		C - 3	5865.255	2707.041	33.838	C - 3	6187.311	2855.682	35.696	
		D- 4	6187.311	2855.682	35.696	D- 4	6527.496	3012.690	37.658	
		E- 5	6527.496	3012.690	37.659	E- 5	6885.810	3178.066	39.725	
14705 MISC	FLEET SEC SUPERVISOR	A- 1	5190.218	2395.485	29.944	A- 1	5469.617	0504 430	22 555	
14700 MISC	WATER UTLTY SEC SUPV	B- 2	5469.617	2524.439	31.555	B- 2	5775.677	2524.439 2665.697	31.555 33.321	2080.00
14721 MISC	ST & GRNDS MTC SUPV	C- 3	5775.677	2665.697	33.321	C- 3	6100.932			
14721 MISC	FACILITY SEC SUPV	D- 4	6100.932	2815.815	35.198	D- 4	6429.386	2815.815	35.197	
14730 MISC	TRAF SGNL & LGT SUPV	E- 5	6429.386	2967.409	37.093	E- 5	6786.633	2967.409	37.092	
14740 MISC	COMPUTER SPECIST III	F- 6	6786.633	3132.292	39.154	F- 6		3132.292	39.153	
14754 MISC	LIBRARIAN II	G - 7	7172.674	3310.465	41.381	G - 7	7172.674	3310.465	41.380	
T4/24 WT9C	LIBRARIAN II	H- 8	7575.777	3496.512	43.706		7575.777	3496.512	43.706	
		n- 8	7575.777	3496.912	43.706	H- 8	7992.743	3688.958	46.111	
14810 FIRE	FIRE/ENV SFT INSP I	A- 1	5727.689	2643.549	33.044					2080.00
		B- 2	6028.416	2782.346	34.779					
		C - 3	6344.074	2928.034	36.600					
		D-4	6676.794	3081.597	38.520					
		E- 5	7027.642	3243.527	40.544					
14910 MISC	CODE ENFORCMT INSP I	A- 1	4991.866	2303.938	28.799	A- 1	5258.468	2426.985	30.337	2080.00
14920 MISC	ELECTRICIAN	B - 2	5258.468	2426.985	30.337	B - 2	5541.066	2557.415	31.967	2000.00
14975 MISC	P/W INSPECTOR I	C - 3	5557.063	2564.798	32.060	C - 3	5869.521	2709.010	33.862	
14980 MISC	MECHANIC II	D- 4	5869.521	2709.010	33.863	D- 4	6192.643	2858.143	35.726	
21300 11200		E - 5	6192.643	2858.143	35.727	E - 5	6527.496	3012.690	37.658	
			0191.019	2030.143	33.727	E - 5	0327.490	3012.690	37.656	
15000 MISC	LIBRARIAN III	A- 1	5577.324	2574.150	32.177	A- 1	5879.119	2713.440	33.917	2080.00
15040 MISC	COMMUNITY SVCS SUPVR	B- 2	5879.119	2713.440	33.918	B- 2	6197.975	2860.604	35.757	
		C - 3	6197.975	2860.604	35.758	C - 3	6537.093	3017.120	37.713	
		D-4	6537.093	3017.120	37,714	D- 4	6894.341	3182.004	39.775	
		E- 5	6894.341	3182.004	39.775	E-5	7269.717	3355.254	41.940	

				NON-PHYS				PHYSICAL		ANNUAL
CLASS UNIT	JOB TITLE	STEP	MONTHLY	BI-WEEKLY	HOURLY	STEP	MONTHLY	BI-WEEKLY	HOURLY	HOURS
15100 MISC	ASST CIVIL ENGINEER	A- 1	5200.000	2400.000	30.000	A- 1	5486.000	2532.000	31.650	2080.00
		B - 2	5486.000	2532.000	31.650	B- 2	5787.000	2670.923	33.386	
		C - 3	5787.000	2670.923	33.387	C - 3	6106.000	2818.154	35.226	
		D - 4	6106.000	2818.154	35.227	D - 4	6442.000	2973.231	37.165	
		E- 5	6442.000	2973.231	37.165	E- 5	6796.000	3136.615	39.207	
15200 ETER	FF/PARA II	A- 1	6277.956	2897.518	25.172					2992.86
IJZOO IIKZ	II) FARA II	B- 2	6496.570	2998.417	26.048					2332.00
		C - 3	6711.985	3097.839	26.912					
		D- 4	6929.532	3198.246	27.784					
		E- 5	7143.881	3297.176	28.644					
		F- 6	7359.296	3396.598	29.507					
		G - 7	7581.109							
		H - 8	7797.590	3498.973 3598.888	30.397 31.265					
		n- o I- 9	8011.939	3697.818	32.124					
		J-10	8231.619	3799.209	33.005					
		9-10	6231.613	3133.203	33.005					
15300 FIRE	FF/PARA I	A- 1	5950.568	2746.416	23.859					2992.86
		B- 2	6157.451	2841.900	24.689					
		C - 3	6361.136	2935.909	25.505					
		D- 4	6568.020	3031.394	26.335					
		E- 5	6772.770	3125.894	27.156					
		F-6	6976.454	3219.902	27.972					
		G-7	7186.538	3316.864	28.815					
		H- 8	7391.288	3411.364	29.636					
		I- 9	7594.972	3505.372	30.452					
		J-10	7801.856	3600.857	31.282					
15400 ETDE	FF/PARA TRAINEE	A- 1	5640.243	2603.189	22.615					2992.86
ID400 FIRE	FF/FARA IRAINEE	B - 2	5836.462	2693.752	23.402					2332.00
		C - 3	6030.549	2783.330	24.180					
		D- 4	6281.155	2898.995	25.185					
		E - 5	6418.722	2962.487	25.736					
		F- 6	6613.875	3052.558	26.519					
		G- 7	6811.161	3143.613	27.310					
		H- 8	7006.314	3233.683	28.092					
		H- 8 I- 9	7198.268	3322.278	28.862					
		J-10	7395.554	3413.333	29.653					
15500 CONF	HUMAN RESRCE ANALYST	A- 1	5115.569	2361.032	29.513	A- 1	5397.102	2490.970	31.137	2080.00
		B- 2	5397.102	2490.970	31.137	B- 2	5694.629	2628.290	32.853	
		C- 3	5694.629	2628.290	32.854	C - 3	6007.088	2772.502	34.656	
		D- 4	6007.088	2772.502	34.656	D - 4	6337.675	2925.081	36.563	
		E - 5	6337.675	2925.081	36.564	E- 5	6685.325	3085.535	38.569	

CLASS UNIT	JOB TITLE	STEP	MONTHLY	NON-PHYS BI-WEEKLY	HOURLY	STEP	MONTHLY	PHYSICAL BI-WEEKLY	HOURLY	ANNUAL HOURS
15630 MISC	LEAD PSO	A- 1	4733.795	2184.828	27.310	A- 1	4993.999	2304.923	28.811	2080.00
15650 MISC	YTH INTRVNTN PRG SUP	B- 2	4993.999	2304.923	28.812	B - 2	5269.132	2431.907	30.398	2000.00
		C- 3	5269.132	2431.907	30.399	C ~ 3	5559.196	2565.783	32.072	
		D- 4	5559.196	2565.783	32.072	D- 4	5865.255	2707.041	33.838	
		E- 5	5865.255	2707.041	33.838	E- 5	6187.311	2855.682	35.696	
		_ •			33.030		0107.011	2033.002	33.878	
15700 MISC	LIBRARIAN I	A- 1	4832.970	2230.602	27.883	A- 1	5098.507	2353.157	29.414	2080.00
		B- 2	5098.507	2353.157	29.414	B - 2	5378.972	2482.602	31.032	
		C - 3	5378.972	2482.602	31.033	C - 3	5674.368	2618.939	32.736	
		D - 4	5674.368	2618.939	32.737	D- 4	5986.826	2763.150	34.539	
		E- 5	5986.826	2763.150	34.539	E- 5	6315.280	2914.745	36.434	
15810 CONF	MANAGEMENT ASST II C	A- 1	5386.437	2486.048	31.076	A- 1	5680.767	2621.892	32.773	2080.00
		B- 2	5680.767	2621.892	32.774	B - 2	5994.291	2766.596	34.582	2000.00
		C - 3	5994.291	2766.596	34.582	C = 3	6324.878	2919.174	36.489	
		D-4	6324.878	2919.174	36.490	D- 4	6672.528	3079.628	38.495	
		E- 5	6672.528	3079.628	38.495	E- 5	7039.373	3248.941	40.611	
		Y-25	7410.484	3420.223	42.753	Y - 25	7809.321	3604.302	45.053	
							, , , , , , , , , , , , , , , , , , , ,	3331.332	13.033	
15900 MISC	PUB RELATIONS TECH	A- 1	4716.916	2177.038	27.213	A- 1	4976.346	2296.775	28.709	2080.00
		B- 2	4976.346	2296.775	28.710	B - 2	5250.046	2423.098	30.288	
		C - 3	5250.046	2423.098	30.289	C - 3	5538.798	2556.368	31.954	
		D- 4	5538.798	2556.368	31.955	D- 4	5843.431	2696.968	33.712	
		B- 5	5843.431	2696.968	33.712	E- 5	6164.821	2845.302	35.566	
16010 MISC	WATER WELL OPERATOR	A- 1	4663.411	2152.344	26.904	A- 1	4919.350	2270.469	28.380	2080.00
16040 MISC	TRF SIG LGT TECH II	B - 2	4919.350	2270.469	28.381	B- 2	5189.151	2394.993	29.937	2000.00
		C- 3	5189.151	2394.993	29.937	C- 3	5469.617	2524.439	31.555	
		D- 4	5469.617	2524.439	31.555	D- 4	5776.743	2666.189	33.327	
		E- 5	5776.743	2666.189	33.327	E- 5	6091.334	2811.385	35.142	
			37,701.743	2000.205	33.32,	ш — "Д	0091.334	2011.303	33.142	
16100 CONF	MANAGEMENT ASST I C	A- 1	4556.770	2103.125	26.289	A- 1	4806.310	2218.297	27.728	2080.00
		B - 2	4806.310	2218.297	27.729	B- 2	5070.780	2340.360	29.254	
		C - 3	5070.780	2340.360	29.255	C- 3	5349.113	2468.821	30.860	
		D- 4	5349.113	2468.821	30.860	D- 4	5644.509	2605.158	32.564	
		E- 5	5644.509	2605.158	32.564	E- 5	5953.768	2747.893	34.348	
16200 FTRE	FIREFIGHTER	A- 1	5346.980	2467.837	21.439					2992.86
_0200 1211		B - 2	5531.469	2552.986	22.179					4334.8b
		C- 3	5715.958	2638.134	22.179					
		D- 4	5901.513	2723.775	23.662					
		E- 5	6083.870	2807.940	24.394					
		F- 6	6269.425	2893.581	25.138					
		G-7	6456.046	2979.714	25.138					
		H- 8	6640.536	3064.863	26.626					
		I- 9	6823.958	3149.519	27.361					
		~ ~ ~	0023.730	J 4 = J + J 4 J	41.30±					

J-10 7010.579 3235.652 28.109

#### CITY OF SANTA FE SPRINGS SALARY TABLES BY CLASS AS OF PERIOD ENDING: 12/10/2017

				NON-PHYS				PHYSICAL		ANNUAL
CLASS UNIT	JOB TITLE	STEP	MONTHLY	BI-WEEKLY	HOURLY	STEP	MONTHLY	BI-WEEKLY	HOURLY	HOURS
CIASS ONII	OUS ILIES	DIME	MONIME	DI " NDBRBI	11001011	9111	11011111111		HOOKEL	110010
16300 MISC	MANAGEMENT ASST I	A- 1	4556.770	2103.125	26.289	A- 1	4806.310	2218.297	27,728	2080.00
20000 11200		B- 2	4806.310	2218.297	27.729	B - 2	5070.780	2340.360	29,254	
		C- 3	5070.780	2340.360	29.255	C- 3	5349.113	2468.821	30.860	
		D- 4	5349.113	2468.821	30.860	D- 4	5644.509	2605.158	32.564	
		D- 4 E- 5			32.564	E- 5	5953.768	2747.893	34.348	
		B- 5	5644.509	2605.158	32.554	F- 2	5953.768	2/4/.893	34.348	
16440 MISC	WTR UTILITY LEAD WKR	A- 1	4485.320	2070.148	25.877	A- 1	4731.662	2183.844	27.298	2080.00
16450 MISC	HUMN SVC CASE WKR II	B- 2	4717.798	2177.445	27.218	B- 2	4991.866	2303.938	28.799	
		C - 3	4991.866	2303.938	28.799	C - 3	5267.000	2430.923	30.386	
		D- 4	5267.000	2430.923	30.387	D-4	5555.996	2564.306	32.053	
		E-5	5555.996	2564.306	32.054	E- 5	5862.056	2705.564	33.819	
16500 MISC	TRANSPORT SVCS SUPV	A - 1	4398.942	2030.281	25.379	A- 1	4639.950	2141.515	26.768	2080.00
20000 11200	Initial dies by the bost	B - 2	4639.950	2141.515	26.769	B - 2	4895.889	2259,641	28.245	
		C - 3	4895.889	2259.641	28.246	C - 3	5164.624	2383.673	29.795	
		D- 4	5164.624	2383.673	29.796	D- 4	5448.289	2514.595	31.432	
		D- 4 E- 5	5448.289	2514.595	31.432	E- 5	5750.083	2653.884	33.173	
		E- 5	5448.289	2514.575	31.432	E- 5	5/50.083	2653.884	33.1/3	
								0.077	0.5.6.5	
16620 MISC	PUB WKS DEPT SECTY	A- 1	4217.652	1946.609	24.333	A- 1	4449.063	2053.414	25.667	2080.00
16630 MISC	SEC TO CITY MGR & CC	B - 2	4449.063	2053.414	25.668	B- 2	4693.271	2166.125	27.076	
		C - 3	4693.271	2166.125	27.077	C - 3	4951.342	2285.235	28.565	
		D- 4	4951.342	2285.235	28.565	D- 4	5224.343	2411.235	30.140	
		E- 5	5224.343	2411.235	30.140	E- 5	5511.207	2543.634	31.795	
16700 MISC	PRG COORD-LIB OUTRCH	A- 1	4475.499	2065.615	25.820	A- 1	4723.116	2179.900	27.248	2080.00
16710 MISC	PRG COORD-PARK/YOUTH	B- 2	4723.116	2179.900	27.249	B - 2	4983.137	2299.909	28,748	
		C - 3	4983.137	2299.909	28.749	C - 3	5255.030	2425.398	30.317	
		D- 4	5255.030	2425.398	30.317	D- 4	5538.797	2556.368	31.954	
		E- 5	5538.797	2556.368	31.955	E - 5	5843.431	2696.968	33.712	
			3330.75.	2000.00	521755					
16800 CONF	ACCOUNT CLERK SUPV	A- 1	4663.411	2152.344	26.904	A- 1	4919.350	2270.469	28.380	2080.00
10000 COME	ACCOUNT CHERK SOFT	B- 2	4919.350	2270.469	28.381	B- 2	5189.151	2394.993	29.937	2000.00
		C- 3		2394.993	29.937	C- 3	5469.617	2524.439	31.555	
			5189.151							
		D - 4	5469.617	2524.439	31.555	D - 4	5776.743	2666.189	33.327	
		E- 5	5776.743	2666.189	33.327	E - 5	6091.334	2811.385	35.142	
							4505 05-	0106 055	0.5 555	
16990 CONF	PUB RELATIONS SPEC	A- 1	4365.883	2015.023	25.188	A- 1	4606.891	2126.257	26.578	2080.00
		B- 2	4606.891	2126.257	26.578	B- 2	4859.631	2242.907	28.036	
		C- 3	4859.631	2242.907	28.036	C - 3	5126.233	2365.954	29.574	
		D- 4	5126.233	2365.954	29.574	D- 4	5408.832	2496.384	31.204	
		E- 5	5408.832	2496.384	31.205	E- 5	5706.360	2633.705	32.921	

**CONSENT AGENDA** 

Approval of Resolution No. 9566 – A Resolution of the City Council of the City of Santa Fe Springs Setting the Monthly Amount of Reimbursement for Use of Private Vehicles

#### RECOMMENDATION

That the City Council Approve Resolution No. 9566.

### **BACKGROUND**

Seven years ago the City Council voluntarily reduced its established car allowance from \$500 per month to \$250 per month. In my opinion, the reinstatement of this reimbursement is long overdue. Because of the Council's fiscal prudence, the City's financial situation has improved and \$500 reflects a reasonable reimbursement rate for gas, insurance, maintenance and other vehicle related expenses. Budget savings in the City Manager's accounts can underwrite this minor cost. This action would be consistent with the findings previously adopted in Resolution No. 8068, entitled Policy Relating to Expense Reimbursement and Ethics Training.

# FISCAL IMPACT

Budget savings can cover this cost of \$7,500 for the remainder of the current Fiscal year and into the future.

**INFRASTRUCTURE IMPACT** 

None

Don Howell Ull Interim City Manager

Attachment(s)
Resolution No. 9566

APPROVED: ITEM NO.:

#### **RESOLUTION NO. 9566**

# A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS SETTING THE MONTHLY AMOUNT OF REIMBURSEMENT FOR USE OF PRIVATE VEHICLES

**WHEREAS**, City Council policy requires a finding as to the reasonable reimbursable amount for use of private vehicles to conduct city business.

#### NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

SECTION 1. The City Council finds that \$500 represents the reasonable reimbursable rate for gasoline, insurance, maintenance and other expenses per month associated with operating a vehicle while conducting City Council related business.

SECTION 2. Resolution No. 9304 is hereby repealed and replaced with this Resolution No. 9566.

APPROVED and ADOPTED this 14th day of December, 2017 by the following roll

SECTION 3. The City Clerk shall certify to the adoption of this resolution.

call vote:	
AYES:	
NOES:	
ABSENT:	
ABSTAIN:	
	William K. Rounds, Mayor
ATTEST:	,
Janet Martinez, CMC, City Clerk	



# City of Santa Fe Springs

City Council Meeting

December 14, 2017

#### MAYOR REQUESTED ITEM

Consider Adding a Traffic Enforcement Officer Detail on a Six Months Pilot Basis

#### RECOMMENDATION

That the City Council discuss and consider the following:

- Consider adding a Whittier Police Officer overtime detail for traffic enforcement, Monday through Friday (20 to 40 hours per week), on a six month pilot basis.
- Direct staff to develop the costs of labor and equipment for this detail.
- Direct staff to bring this matter back to the City Council on a future agenda for final consideration.

#### **BACKGROUND**

The Whittier Police Department has provided successful law enforcement services to the City of Santa Fe Springs for over twenty years. A few years after the contract's inception, a Traffic Officer was added to the compliment of sworn personnel in order to proactively enforce traffic laws. This includes, investigate hit-and-runs, serve as the primary investigator in major and fatal collisions, and review accident reports that are taken by patrol officers in the field. Over the course of two decades vehicle flow through the City's major arterials has increased significantly. As a result, residential streets have served as "cut through corridors" for eager commuters who at times do not abide by the rules of the road. On a daily basis the Traffic Officer assigned to Santa Fe Springs deals with calls for service regarding speed and unlawful driver behavior and addresses those concerns as best possible. Frequently he requires the assistance of additional Whittier Police Personnel in order to effectively detect and conduct enforcement.

Recently, the Department of Police Services hosted two community safety seminars where residents had the opportunity to voice some of their concerns. Most common, residents were worried about the enforcement of traffic laws in the City. Based on the feedback received at these events and throughout the course of daily public interaction, Mayor Rounds brought forth this request for consideration in order to bolster enforcement of traffic laws.

Don R. Powell

Interim City Manager

Report Submitted By: Dino Torres Director of Police Services

Date of Report: December 6, 2017

ITEM NO. 10



December 14, 2017

# **COUNCIL MEMBER REQUESTED ITEM**

Community Yard Sale

RECOMMENDATION: That the City Council:

Discuss and consider an annual Community Yard Sale.

#### **BACKGROUND**

Per Councilmember Moore and the Beautification Committee's request for the City to hold an annual Community Yard Sale, staff has researched Cities and found that holding a Community Yard Sale has proven to be of great success. These efforts contribute to the City's landfill diversion efforts by enabling residents to re-use items that potentially might end up as solid waste. An Annual Yard Sale can also enhance a sense of community.

City staff will coordinate with the Franchise Waste Haulers to set out large roll off containers throughout the City the weekend following the Community Yard Sale. The containers will be for residents to dispose of all unclaimed sale items. Staff can also work with local charitable organizations to pick up items left at curbside that they can resell on the Monday following the yard sale.

#### FISCAL IMPACT

The City will not charge residents for a permit for the specified dates of the Community Yard Sale. Also, we will post on the City's social media sites to spread the word.

The Franchise Waste Haulers agreed to put out the large roll off bins at no cost to the City.

Don B. Powell

Interim City Manager

Attachment None

# City of Santa Fe Springs



December 14, 2017

# **PUBLIC HEARING**

Alcohol Sales Conditional Use Permit Case No. 73

A request for approval of Alcohol Sales Conditional Use Permit Case No. 73 to allow the operation and maintenance of an alcoholic beverage use involving the wholesale distribution of wine, at Bronco Wine Company, located within the Heavy Manufacturing (M-2) Zone at 9911 Romandel Avenue. (Bronco Wine Company)

# RECOMMENDATION: That the City Council:

- Open the Public Hearing and receive any comments from the public regarding Alcohol Sales Conditional Use Permit Case No. 73, and thereafter close the Public Hearing.
- Approve Alcohol Sales Conditional Use Permit Case No. 73 subject to the conditions of approval contained within this report.

#### **BACKGROUND**

Bronco Wine Company is a family-owned winery entity founded in 1973. Bronco Wine produces and sells high quality wine brands over 90 countries worldwide, making it the fifth-largest winery, and the largest vineyard owner in the United States.

On June 13, 2016, the Planning Commission approved Development Plan Approval Case No. 909 to allow the construction of a 21,563 sq. ft. tilt-up concrete building at 9911 Romandel Avenue. As the building is reaching its completion, Bronco Wine Company obtained a lease agreement to occupy the building as a warehouse distribution center for the storage and distribution of wine.

City Ordinance No. 834 approved by the City Council on March 10, 1994, added Section 155.628 to the City Code requiring all businesses engaged in the sale, storage or manufacture of any type of alcoholic beverage meant for on or off-site consumption to apply for and be granted a valid Alcohol Sales Conditional Use Permit (ASCUP).

In accordance with Section 155.628, Bronco Wine Company is requesting approval of Alcohol Sales Conditional Use Permit Case No. 73 to allow the operation and maintenance of an alcoholic beverage warehouse/distribution facility. Concurrent with this request, the applicant is also in the preliminary review process with the State Alcohol Beverage Commission ("ABC") to obtain a Type 17 Beer and Wine Wholesaler license for the this location. Staff does not foresee that the ABC License will be denied to the applicant; nevertheless, should the license be denied, the applicant will have one-year to make alternative arrangements to satisfy ABC and obtain the necessary licenses, otherwise this Permit will become null and void pursuant to Section 155.811 of the City Code.

Report Submitted By: L. Collazo, Department of Police Services

This matter was presented to the Planning Commission at their regular meeting of November 3, 2017. The Planning Commission unanimously approved the matter to be deferred to the City Council with a recommendation to approve Alcohol Sales Conditional Use Permit Case No. 73 subject to the attached conditions of approval.

#### STREETS AND HIGHWAYS

The subject site has frontage on Santa Fe Springs Road and Romandel Avenue. Santa Fe Springs Road is considered a Major Arterial within the Circulation Element of the City's General Plan; Romandel Avenue is a local industrial street. Property access is only available through Romandel Avenue.

#### **ZONING AND LAND USES**

The site, comprised of a single parcel of approximately 1.33 acres, is addressed 9911 Romandel Avenue and within the M-2, Heavy Manufacturing, Zone. Industrial zoned areas generally surround the subject site, as properties to the north, east, south, and west are also within the Heavy Manufacturing (M-2) Zone.

#### LEGAL NOTICE OF PUBLIC HEARING

This matter was set for Public Hearing in accordance with the requirements of Sections 65090 and 65091 of the State Planning, Zoning and Development Laws and the requirements of Sections 155.860 through 155.864 of the City's Municipal Code.

Legal notice of the Public Hearing for the proposed Alcohol Sales Conditional Use Permit was posted within the Santa Fe Springs City Hall, the City Library, and Town Center Hall as required by the State Zoning and Development Laws and by the City's Zoning Regulations. A Notice was also published in the Whittier Daily Newspaper on November 30, 2017. To date, staff has not received any inquiries regarding the proposal.

#### ZONING ORDINANCE REQUIREMENTS

Section 155.628, regarding the warehousing, 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 City Planning Commission and City Council shall consider, among other criteria, the following":

a. Conformance with parking regulations. The subject property was built under Development Plan Approval Case No. 909 that required a pre-agreed number of parking spaces. The required parking plan and the overall subject site, while under construction, will conform with the Development Plan Approval.

- **b.** Control of vehicle traffic and circulation. The subject property provides its own on-site vehicular circulation with a driveway fronting on Romandel Avenue.
- c. Hours and days of operation. The applicant has noted that the hours of operation will be conducted Tuesday through Friday from 8:00 a.m. to 6:00 p.m.
- d. Security and/or law enforcement plans. A security plan will be required as part of the conditions of approval, however, staff does not feel there is a need of on-site uniformed security.
- 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 site is approximately one-half mile walking-distance from St. Paul High School, however, the facility will not be maintaining an on-site retail element at the location; all orders are done over the telephone or on-line. The subject site is also surrounded by industrial type uses. Staff believes that the proposed alcoholic beverage warehouse and distribution use will have minimal to no impact to sensitive uses in the area.
- f. Proximity to other alcoholic beverage uses to prevent the incompatible and undesirable concentration of such uses in an area. The proposed alcoholic beverage use will not be permitted to have any on-site consumption or on-site retail sales. Moreover, the majority of the visiting customers will be picking up large quantities of alcoholic beverages as a wholesale item to stock their respective shelves. As a result, staff does not feel that there will be any impacts to other retail establishments or possibly create or contribute an undesirable concentration of alcoholic beverages sales to the general area.
- g. Control of noise, including noise mitigation measures. The subject site will operate as a warehouse/distribution facility and all activities will be conducted indoors, at all times. Noise control measures or mitigation measures are not foreseen as a requirement at this time. It should be noted that the City Code has maximum allowable ambient noise requirements, all activities are required to operate under those requirements.
- h. Control of littering, including litter mitigation measures. As part of the Conditions of Approval, the applicant is required to maintain the property free of all trash and debris.
- i. Property maintenance. As part of the conditions of approval, the applicant is required to maintain the immediate area 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 subject proposed alcohol warehouse/distribution facility is a low-key operation providing alcoholic beverages to established businesses outside and within Santa Fe Springs. Staff does not foresee that the business or its respective activities will generate any of the listed public nuisances. Nevertheless, a compliance review will be conducted within the first year from the approval of this permit, and five years thereafter. If any of the listed items occur, and if the applicant is unresponsive to mitigate them, staff has the authority to bring this matter back to the Commission with a request to revoke the Permit.

#### STAFF COMMENTS

Staff finds that the proposed use, if conducted in strict compliance with the City's Codes and Regulations, will have minimal to no impact to the overall general area and is consistent with the warehouse/distribution activities already present in the general area.

Staff is recommending approval of the Alcohol Sales Conditional Use Permit request by the applicant, subject to the conditions of approval set forth herein. Staff is also recommending a compliance review report of this Permit within one year from the approval date by the City Council.

#### **CONDITIONS OF APPROVAL**

Staff has generated a list of conditions of approval common with warehouse/distribution uses involved in alcoholic beverage warehousing and recommends the following conditions of approval:

- That this Permit shall be voided if the State Alcohol Beverage Commission does <u>not</u> grant the applicant's request for an Alcohol Sales License to 9911 Romandel Avenue.
- 2. That the applicant is fully aware that the approval of Alcohol Sales Conditional Use Permit does not grant the applicant and/or his business any other privileges or rights, and the approval of this Permit is solely to operate and maintain a warehouse storing alcoholic beverages in compliance with the conditions of approval and all laws and regulations imposed by the California Department of Alcohol Beverage Control.
- 3. That the applicant shall fully comply with the Conditions of Approval imposed in Development Plan Approval Case No. 909.

- 4. That the applicant shall install a video recording surveillance system with the following minimum configuration: Cameras capable of recording in HD at 5Mbs to capture 1080P video at 30 FPS, and a Network Video Recorder (NVR) which can record at 1080P video per channel. The applicant shall maintain the video cameras and shall allow the Director of Police Services, Whittier Police Officers, and any of their representatives to view the security surveillance video footage immediately upon their request.
- 5. That the applicant shall obtain and maintain a Business Operations Tax Certificate (BOTC), commonly known as a business license, prior to taking occupancy of the building.
- 6. That in order to facilitate the removal of unauthorized vehicles parked on the property, the applicant shall post, in plain view and at each entry to the property, a sign not less than 17" wide by 22" long. The sign shall prohibit the public parking of unauthorized vehicles and indicate that unauthorized vehicles will be removed at the owner's expense and also contain the California Vehicle Code that permits this action. The sign shall also contain the telephone number of the local law enforcement agency (Police Services Center (562) 409-1850). The lettering within the sign shall not be less than one inch in height. The applicant shall contact the Police Services Center for an inspection no later than 30 days after the project has been completed and prior to the occupancy permit being issued.
- 7. That the building, including any lighting, fences, walls, cabinets, and poles shall be maintained in good repair, free from trash, debris, litter and graffiti and other forms of vandalism. Any damage from any cause shall be repaired within 72 hours of occurrence, weather permitting, to minimize occurrences of dangerous conditions or visual blight. Paint utilized in covering graffiti shall be a color that matches, as closely possible, the color of the existing and/or adjacent surfaces.
- 8. That the applicant shall be responsible for maintaining control of litter, debris, boxes, pallets and trash on the subject property, and shall implement a daily clean-up program to maintain the area clean and orderly.
- 9. 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.
- 10. That the applicant and/or his employees shall prohibit the consumption of alcoholic beverages on the subject property at all times.
- 11. That the alcoholic beverages shall <u>not</u> be sold to the general public from the subject site at any time.
- 12. 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 passenger-type vehicles.

- 13. That this permit is contingent upon the approval by the Department of Police Services of a security plan that, within thirty (30) 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.
  - 14. That the applicant shall at all times maintain in working order an alarm system that notifies the Whittier Police Department immediately if a breach occurs.
  - 15. That the owner, corporate officers and managers shall cooperate fully with all City officials, law enforcement personnel, and shall not obstruct or impede their entrance into the licensed premises while in the course of their official duties.
  - 16. That in the event the owner(s) intend to sell, lease or sublease the subject business operation or transfer the subject Permit to another 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.
  - 17. That ASCUP Case No. 73 shall be subject to a compliance review in one (1) year, no later than December 14, 2018, to ensure that the business and its related alcohol sales activity is still operating in strict compliance with the original conditions of approval. At which time 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.

- 18. That all other applicable requirements of the City Zoning Ordinance, Uniform Building Code, Uniform Fire Code, the determinations of the City and State Fire Marshall, the security plan as submitted under Condition No. 13 and all other applicable regulations shall be strictly complied with.
- 19. That Alcohol Sales Conditional Use Permit Case No. 73 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.
- 20. 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 is aware of and accepts all the conditions of this Permit.
- 21. 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.

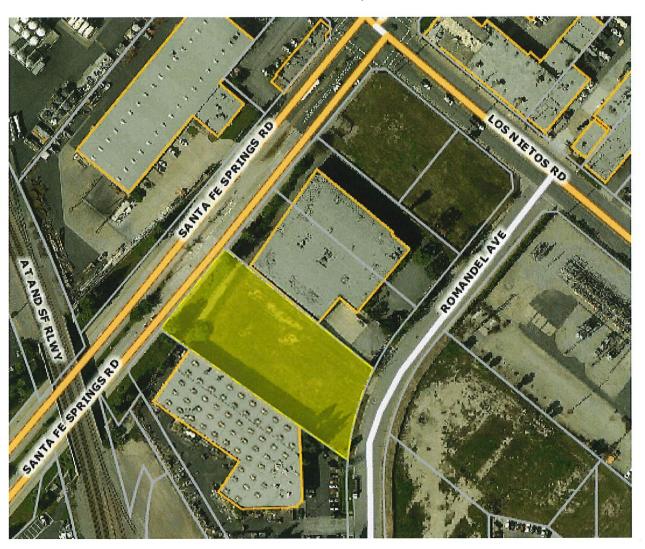
Donald Powell

Interim City Manager

# Attachment(s)

- 1. Location Map
- 2. Application
- 3. Site Pictures

# Location Map



ALCOHOL SALES CONDITIONAL USE PERMIT CASE NO. 73

Bronco Wine Company 9911 Romandel Avenue Santa Fe Springs

# Application

# City of Santa Fe Springs Department of Police Services 11576 Telegraph Road • Santa Fe Springs, CA 90670 • (562) 409-1850 • Fax (562) 409-1854

# Supplemental Application for an Alcohol Sales Conditional Use Permit

	Circle One:	Corporation		Partnership	Sole Proprietor			
	Applicant's Name:	Bronco Win	e Company					
	Doing Business As:	Doing Business As: Bronco Wine Company						
	Business Address:	9911 Romano	del Ave, Sa	nta Fe Springs	Phone: 209-272-3000			
	Mailing Address:	Mailing Address:6342 Bystrum Road, Ceres, Ca 95307						
	Residence Address:				Phone:			
	Age Sex H	t. Wt. Ey	yes Hair	Date of Birth	Place of Birth Drivers Lic.			
	Have you ever been	convicted of a	riminal cha	rge other than a m	inor traffic violation? Yes			
	If yes, complete the	following:						
	Court PER	TTACHED			Date			
	Charge				Disposition			
	Give Name and Ada	dress of owner o						
		ort and Logistic						
		m Dood						
	Bivio Transpo	m Road						
	6342 Bystrur Ceres, CA 9  Describe the type or	m Road 95307 r nature of the bu	ısiness:					
	Bivio Transpo 6342 Bystrur Ceres, CA S Describe the type or Wine, Beer	m Road 95307 r nature of the bu r and Distilled S	ısiness: pirits Whole	esaler				
	Bivio Transpo 6342 Bystrur Ceres, CA S Describe the type or Wine, Beer	m Road 95307 r nature of the bu r and Distilled S	ısiness: pirits Whole	esaler				

	Do you presently or have you in the past owned or operated a business at other locations for which a Conditional Use Permit or Business Regulatory Permit was required? (Circle one) Yes No
	If yes, complete the following for each business: Business Name Address Dates of Operation Type of Permit
	Multiple permits issued by the California Alcoholic Beverage Control but non required
	2. a Conditional Use Permit
	3.
	4.
6.	Do you have applications for doing business which are under review or are in the process of being granted, suspended or revoked before any regulatory agency? (Circle one) Yes No
	If yes, explain by giving the type of action and name of regulatory agency:
	California Alcoholic Beverage Control Permit for this location is in approval process
7.	Have you ever had a business license/permit denied, suspended or revoked? (Circle one)  Yes No  If yes, explain:
8.	Will minors be permitted on the premises? (Circle one) Yes No
	Describe alcoholic beverages and types of foods to be sold or distributed on the premises:
	Describe alcoholic beverages and types of foods to be sold or distributed on the premises:  Wholesale distribution of alcoholic beverages only (wine, beer and distilled spirits)
	Wholesale distribution of alcoholic beverages only (wine, beer and distilled spirits)
10.	Wholesale distribution of alcoholic beverages only (wine, beer and distilled spirits)  No food will be sold  Give days and hours during which alcohol sales are to be conducted:  Tuesday through Friday  Do you presently hold an alcoholic beverage control license from the Department of Alcoholic Beverage Control? (Circle one)  Yes No
10.	Wholesale distribution of alcoholic beverages only (wine, beer and distilled spirits)  No food will be sold  Give days and hours during which alcohol sales are to be conducted:  Tuesday through Friday  Do you presently hold an alcoholic beverage control license from the Department of Alcoholic
10.	Wholesale distribution of alcoholic beverages only (wine, beer and distilled spirits)  No food will be sold  Give days and hours during which alcohol sales are to be conducted:  Tuesday through Friday  Do you presently hold an alcoholic beverage control license from the Department of Alcoholic Beverage Control? (Circle one)  Yes No
10.	Wholesale distribution of alcoholic beverages only (wine, beer and distilled spirits)  No food will be sold  Give days and hours during which alcohol sales are to be conducted:  Tuesday through Friday  Do you presently hold an alcoholic beverage control license from the Department of Alcoholic Beverage Control? (Circle one)  Yes No  If yes, give location and license number:  This location is pending. Multiple permits at various location
10.	Wholesale distribution of alcoholic beverages only (wine, beer and distilled spirits)  No food will be sold  Give days and hours during which alcohol sales are to be conducted:  Tuesday through Friday  Do you presently hold an alcoholic beverage control license from the Department of Alcoholic Beverage Control? (Circle one)  Yes No  If yes, give location and license number:  This location is pending. Multiple permits at various location will there be other activities conducted at your place of business? (Circle one)
10.	Wholesale distribution of alcoholic beverages only (wine, beer and distilled spirits)  No food will be sold  Give days and hours during which alcohol sales are to be conducted:  Tuesday through Friday  Do you presently hold an alcoholic beverage control license from the Department of Alcoholic Beverage Control? (Circle one)  Yes No  If yes, give location and license number:  This location is pending. Multiple permits at various location will there be other activities conducted at your place of business? (Circle one)

-	Pending location at 9911 Romandel Avenue, Santa Fe Springs
Applic	tant is hereby made by the undersigned for a Conditional Use Permit on the property dat:  9911 Romandel Avenue, Sata Fe Springs, Parcel # 8011-007-043
The coutilize	orrect legal description of the property involved: (Include only the portion proposed to be d for the Conditional Use Permit. If the description is lengthy, attach a supplementary
Recor	d owner of the property:Bivio Transport and Logistics Company, LLC
Name	Bivio Transport and Logistics Company, LLC Phone No. 209-272-3000
	g Address: 6342 Bystrum Road, Ceres, CA 95307  of Purchase:
(If file	application being filed by the record owner? No add by anyone other than the record owner, written authorization signed by the owner must ached to this application.)
Name	sentative authorized by the record owner to file this application: Daniel J. Leonard Phone No
Maili	og Address: 6342 Bystrum Road, Ceres, CA 95307
Descr	ibe any casements, covenants or deed restrictions, controlling the use of the property:
The c (Desc propo	onditional Use Permit is requested for the following use: ribe in detail the nature of the proposed use, the buildings and other improvements sed.)  Wholesale distribution of wine, beer and distribed spirits
NOTI	It is the responsibility of the applicant to notify the City of changes in the information submitted within this application. Failure to do so may constitute grounds for revocation of the permit.
I solem shall be	nly swear that the information contained herein is true and correct to the best of my knowledge and belief. I agree that there full compliance with all state and city laws in the conduct of the activities for which the permit is granted.
an	Daniel J. Leonard  Oct 12 2013  Date



Site Picture (Building Under Construction)

# City of Santa Fe Springs

City Council Meeting

December 14, 2017

#### **PUBLIC HEARING**

Resolution No. 9567- Approving the issuance of revenue bonds by the California Municipal Finance Authority (CMFA) for the benefit of Pioneer Gardens Venture LP (Borrower), or a partnership created by MRK Partners (Developer) for the acquisition, rehabilitation, improvement and equipping of a 141-unit multifamily rental housing project located at 11011 Cultura Street, Santa Fe Springs, generally known as Pioneer Gardens and located in the R-3-PD, Multiple-Family Residential-Planned Development Overlay, Zone.

#### **RECOMMENDATIONS:** That the City Council:

- Open the Public Hearing and receive any comments from the public regarding the City the issuance of revenue bonds by the CMFA for the benefit of Pioneer Gardens Venture LP (Borrower), or a partnership created by MRK Partners (Developer) for the acquisition, rehabilitation, improvement and equipping of a 141-unit multifamily rental housing project located at 11011 Cultura Street, Santa Fe Springs, generally known as Pioneer Gardens.
- Conduct the Public Hearing under the requirements of the Tax and Equity Fiscal Responsibility Act (TEFRA) and the Internal Revenue Code of 1986, as amended (the Code).
- Adopt Resolution 9567, approving the issuance of the Bonds by the CMFA for the benefit of Pioneer Gardens Venture LP (Borrower), or a partnership created by MRK Partners (Developer) for the acquisition, rehabilitation, improvement and equipping of a 141-unit multifamily rental housing project located at 11011 Cultura Street, Santa Fe Springs, generally known as Pioneer Gardens, such adoption is solely for the purposes of satisfying the requirements of TEFRA, the Code and the California Government Code Section 6500 (and following)
- Authorize the Mayor of designee thereof to execute the Agreement Regarding TEFRA Hearing.

#### BACKGROUND/DESCRIPTION OF REQUEST

Pioneer Gardens Venture LP (Borrower), or a partnership created by MRK Partners (Developer). has applied for the issuance of an aggregate principal amount not to exceed \$55,000,000 of private activity, tax-exempt revenue bonds, to be issued by California Municipal Finance Authority (CMFA) in support of the acquisition, rehabilitation and improvement of a 141-unit multifamily rental housing project located at 11011 Cultura Street, Santa Fe Springs, generally known as Pioneer Gardens and operated by Apartment Management Consultants, LLC. The proceeds of the Bonds will be used to: (1) finance or refinance the acquisition, rehabilitation, improvement and equipping of Pioneer Gardens.

In order to issue revenue bonds that will be utilized within Santa Fe Springs city limits and for all or a portion of the bonds to qualify as tax-exempt bonds, the City Council has been requested to conduct a Tax and Equity Fiscal Responsibility Act (TEFRA) hearing on behalf of Pioneer Gardens Venture LP (Borrower), or a partnership created by MRK Partners (Developer), Inc. and CMFA. Section 147 (f) of the Internal Revenue Code of 1986 requires that the local elected public body conduct a public hearing related to the proposed issuance Report Submitted By: W. Morrell, Planning and Development Dept.

Date of Report: December 8, 2017

ITEM NO. 13

of revenue bonds and that the public be provided an opportunity to present arguments both for and against the issuance of these bonds by CMFA. Prior to such TEFRA Hearing, reasonable notice must be provided to the members of the community. Following the close of the TEFRA Hearing, an "applicable elected representative" of the governmental unit hosting the Project must provide its approval of the issuance of the Bonds for the financing of the Project.

It is important to understand that the City is in no way associated with the debt issuance and is not obligated to make debt service payments on the bonds. In addition, holding a public hearing and adopting a resolution in no way makes the City a party to the debt issuance. Federal laws governing these types of hearings recognize that non-profit agencies typically do not have the facilities to conduct their own public hearings; therefore, the local jurisdictions are allowed to loan their facilities and process to hold public hearings for the benefit of the issuing agency.

### **CALIFORNIA MUNICIPAL FINANCE AUTHORITY:**

The CMFA was created on January 1, 2004 pursuant to a joint exercise of powers agreement to promote economic, cultural and community development, through the financing of economic development and charitable activities throughout California. To date, over 240 municipalities have become members of CMFA.

The CMFA was formed to assist local governments, non-profit organizations and businesses with the issuance of taxable and tax-exempt bonds aimed at improving the standard of living in California. The CMFA's representatives and its Board of Directors have considerable experience in bond financings.

#### LEGAL NOTICE OF PUBLIC HEARING

This matter was set for Public Hearing in accordance with the requirements of Section 65090 and 65091 of the State Planning, Zoning and Development Laws and the requirements of Sections 155.860 through 155.864 of the City's Municipal Code.

Legal notice of the Public Hearing for the proposed project was sent by first class mail to all property owners whose names and addresses appear on the latest County Assessor's Roll within 500 feet of the exterior boundaries of the subject property. The legal notice was mailed to said property owners, published in a newspaper of general circulation (Whittier Daily News), on and also posted in Santa Fe Springs City Hall, the City Library and Town Center on November 30, 2017, as required by the State Zoning and Development Laws and by the City's Zoning Regulations.

#### TEFRA PUBLIC HEARING REQUIREMENT

This matter was also set for Public Hearing in accordance with the requirements of the Tax and Equity Fiscal Responsibility Act (TEFRA) and the Internal Revenue Code of 1986, as amended (the Code) which is similar to the City's requirement except for the following:

Notice must be published **no fewer than 14 days before** the hearing. As a result, the notice of the Public Hearing was published 14 days before the hearing.

#### **FISCAL IMPACT:**

The Bonds to be issued by the CMFA for the Project will be the sole responsibility of the Borrower, and the City will have no financial, legal, moral obligation, liability or responsibility for the Project or the repayment of the Bonds for the financing of the Project. All financing documents with respect to the issuance of the Bonds will contain clear disclaimers that the Bonds are not obligations of the City or the State of California, but are to be paid for solely from funds provided by the Borrower.

The Board of Directors of the California Foundation for Stronger Communities, a California non-profit public benefit corporation (the "Foundation"), acts as the Board of Directors for the CMFA. Through its conduit issuance activities, the CMFA shares a portion of the issuance fees it receives with its member communities and donates a portion of these issuance fees to the Foundation for the support of local charities. With respect to the City of Santa Fe Springs, it is expected that that a portion of the issuance fee attributable to the City will be granted by the CMFA to the general fund of the City. Such grant may be used for any lawful purpose of the City.

#### **INFRASTRUCTURE IMPACT**

This action will not have impacts on City infrastructure.

Dorfeld R. Powell
Interim City Manager

Attachments
Resolution No. 9567

#### **RESOLUTION NO. 9567**

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS APPROVING THE ISSUANCE OF THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY MULTIFAMILY HOUSING REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$55,000,000 FOR THE PURPOSE OF FINANCING OR REFINANCING THE ACQUISITION, REHABILITATION, IMPROVEMENT AND EQUIPPING OF PIONEER GARDENS AND CERTAIN OTHER MATTERS RELATING THERETO

WHEREAS, Pioneer Gardens Venture LP (the "Borrower") or a partnership created by MRK Partners (the "Developer"), consisting at least of the Developer or a related person to the Developer and one or more limited partners, has requested that the California Municipal Finance Authority (the "Authority") adopt a plan of financing providing for the issuance of one or more series of revenue bonds issued from time to time, including bonds issued to refund such revenue bonds in one or more series from time to time, in an aggregate principal amount not to exceed \$55,000,000 (the "Bonds") for the acquisition, rehabilitation, improvement and equipping of a 141-unit multifamily rental housing project located at 11011 Cultura Street, Santa Fe Springs, California, generally known as Pioneer Gardens (the "Project") and operated by Apartment Management Consultants LLC; and

WHEREAS, pursuant to Section 147(f) of the Internal Revenue Code of 1986 (the "Code"), the issuance of the Bonds by the Authority must be approved by the City of Santa Fe Springs (the "City") because the Project is located within the territorial limits of the City; and

WHEREAS, the City Council of the City (the "City Council") is the elected legislative body of the City and is one of the "applicable elected representatives" required to approve the issuance of the Bonds under Section 147(f) of the Code; and

WHEREAS, the Authority has requested that the City Council approve the issuance of the Bonds by the Authority in order to satisfy the public approval requirement of Section 147(f) of the Code and the requirements of Section 4 of the Joint Exercise of Powers Agreement Relating to the California Municipal Finance Authority, dated as of January 1, 2004 (the "Agreement"), among certain local agencies, including the City; and

**WHEREAS**, pursuant to Section 147(f) of the Code, the City Council has, following notice duly given, held a public hearing regarding the issuance of the Bonds, and now desires to approve the issuance of the Bonds by the Authority;

**NOW, THEREFORE, BE IT RESOLVED**, by the City Council of the City of Santa Fe Springs as follows:

<u>Section 1</u>. The foregoing resolutions are true and correct.

Section 2. The City Council hereby approves the issuance of the Bonds by the Authority. It is the purpose and intent of the City Council that this resolution constitute approval of the issuance of the Bonds by the Authority, for the purposes of (a) Section 147(f) of the Code by the applicable elected representative of the governmental unit having jurisdiction over the area in which the Project is located, in accordance with said Section 147(f) and (b) Section 4 of the Agreement.

Section 3. The issuance of the Bonds shall be subject to the approval of the Authority of all financing documents relating thereto to which the Authority is a party. The City shall have no responsibility or liability whatsoever with respect to the Bonds.

Section 4. The adoption of this Resolution shall not obligate the City or any department thereof to (i) provide any financing to acquire or construct the Project or any refinancing of the Project; (ii) approve any application or request for or take any other action in connection with any planning approval, permit or other action necessary for the acquisition, construction, rehabilitation, installation or operation of the Project; (iii) make any contribution or advance any funds whatsoever to the Authority; or (iv) take any further action with respect to the Authority or its membership therein.

<u>Section 5</u>. The officers of the City are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they deem necessary or advisable in order to carry out, give effect to and comply with the terms and intent of this resolution and the financing transaction approved hereby.

<u>Section 6</u>. This resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the City Council of the City of Santa Fe Springs this 14<sup>th</sup> day of December, 2017.

AYES:	
NOES:	
ABSTAIN:	
ABSENT:	
	William Rounds, MAYOR
ATTEST:	
Janet Martinez, CITY CLERK	



# City of Santa Fe Springs

City Council Meeting

December 14, 2017

#### **OLD BUSINESS**

Procedure for Approving and/or Denying Claims Brought Against the City

#### RECOMMENDATION that the City Council:

Adopt Resolution No. 9562 of the City Council of the City of Santa Fe Springs establishing a policy which delegates to the California Joint Powers Insurance Authority responsibility for handling claims in the amount of \$10,000 or less as authorized by Government Code Section 910 *et. seq.* 

# **BACKGROUND**

At the City Council Meeting of November 20, 2017, the City Council delegated authority to staff, in cooperation with the California Joint Powers Insurance Authority ("JPIA") and Carl Warren & Company ("Carl Warren") as the third-party administrator to approve and/or deny any tort liability claims brought against the City in the amount of \$10,000 or less. Any claims in excess of \$10,000 would be placed on the City Council agenda for final action.

Resolution No. 9562 reflects the Council's direction to delegate claims in the amount of \$10,000 as authorized by Government Code Sections 910 *et. seq.* 

# **FISCAL IMPACT**

None.

Jaterim City Manager

Attachment(s)

Resolution No. 9562 - Delegating Claims under \$10,000 Authority to JPIA

Report Submitted By: Yolanda M. Summerhill City Attorney's Office

Date of Report: December 7, 2017

ITEM NO. 14

#### **RESOLUTION NO. 9562**

A RESOLUTION OF THE CITY COUNCIL OF SANTA FE SPRINGS ESTABLISHING A POLICY WHICH DELEGATES TO THE CALIFORNIA JOINT POWERS INSURANCE AUTHORITY RESPONSIBILITY FOR HANDLING CLAIMS IN THE AMOUNT OF \$10,000 OR LESS AS AUTHORIZED BY GOVERNMENT CODE SECTIONS 910 ET. SEQ.

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

**Whereas,** the City of Santa Fe Springs is a member of the California Joint Powers Insurance Authority (California JPIA), and pursuant to Government Code sections 990.4, *et. seq.* and 6500 *et. seq.* pools its self-insured liability claims and losses with other California JPIA members under a Memorandum of Coverage; and

Whereas, the Joint Powers Agreement creating the California JPIA authorizes it to exercise powers common to members and appropriate to defend and indemnify members from liability claims under the Memorandum of Coverage,

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

SECTION 1. The City of Santa Fe Springs delegates to California JPIA authority to act on its behalf pursuant to Government Code sections 910 *et. seq.* to accept, reject, return as insufficient, or return as untimely any claims against it in the amount of \$10,000 or less, and to provide any notices authorized under those statutes on behalf of the City of Santa Fe Springs.

SECTION 2. This Resolution shall become effective immediately upon its adoption.

SECTION 3. The Santa Fe Springs Clerk shall certify to the adoption of this Resolution.

APPROVED AND ADOPTED this 14th day of <u>December 2017</u>.

	William K. Rounds, Mayor
ATTEST:	
Janet Martinez, CMC, City Clerk	

**NEW BUSINESS** 

Resolution No. 9563 – Approving Use of Senate Bill 1 Funds for Greenleaf Avenue Rehabilitation Project

### RECOMMENDATIONS

That the City Council take the following actions:

- Adopt Resolution No. 9563 approving the Greenleaf Avenue Rehabilitation Project to be partially funded by Senate Bill 1-The Road Repair and Accountability Act; and
- Authorize the Director of Public Works to submit an application to the California Transportation Commission for Road Maintenance and Rehabilitation Account (RMRA) funds.

#### **BACKGROUND**

On April 28, 2017, Governor Brown signed Senate Bill 1 (SB 1), the Road Repair and Accountability Act of 2017. SB 1, which was created to address basic road maintenance, rehabilitation, and critical safety needs on the State highway and local road systems, increases per gallon fuel excise taxes, increases diesel fuel sales taxes and vehicle registration fees and provides for inflationary adjustments to tax rates in future years.

Beginning November 1, 2017, the State Controller will deposit various portions of this new funding into the newly created Road Maintenance and Rehabilitation Account (RMRA). The State Controller will apportion, by formula, a percentage of RMRA funds to eligible cities and counties in accordance with Streets and Highways Code Section 2032. Pursuant to Streets & Highways Code Section 2030, RMRA funds must be used for projects that include but are not limited to:

- Road maintenance and rehabilitation
- Safety projects
- Railroad grade separations
- Complete street components including active transportation purposes, pedestrian and bicycle safety projects, transit facilities, and drainage and storm water capture projects in conjunction with any other allowable project; and:
- Traffic control devices

According to information provided by the California Transportation Commission (CTC), the City of Santa Fe Springs will receive approximately \$104,000 of additional gas tax funds.

Report Submitted By: Noe Negrete, Director Date of Report: December 4, 2017 Department of Public Works

ITEM NO. 15

- SB 1 imposes several requirements on public agencies in order to receive additional gas tax funds. These requirements are contained in the Streets and Highways Code 2034, which provides:
  - (a) (1) Prior to receiving an apportionment of funds under the program pursuant to paragraph (2) of subdivision (h) of Section 2032 from the Controller in a fiscal year, an eligible city or county shall submit to the commission a list of projects proposed to be funded by these funds. All projects proposed to receive funding shall be adopted by resolution by the applicable city council or county board of supervisors at a regular public meeting. The list of projects proposed to be funded with these funds shall include a description and the location of each proposed project, a proposed schedule for the project's completion, and the estimated useful life of the improvement. The project list shall not limit the flexibility of an eligible city or county to fund projects in accordance with local needs and priorities so long as the projects are consistent with subdivision (b) of Section 2030.

As set forth in the statute, the road repair and maintenance projects must be approved by resolution of the City Council at a regular public meeting. The resolution must also contain a description and location of each proposed project, a proposed completion schedule, and the estimated useful life of each improvement.

Staff is recommending that the Greenleaf Avenue Rehabilitation Project be listed for SB 1 funding. The Greenleaf Avenue Rehabilitation Project is an approved Capital Improvement Plan (CIP) Bond funded project. The total estimated project cost is \$1,211,600. The original project budget was \$1,071,600. The project requires an additional appropriation of \$140,000. Of this amount, Staff is recommending that the City Council authorize the Director of Public Works to submit an application to the CTC in the amount of \$104,000 to provide partial funding for the Greenleaf Avenue Rehabilitation Project.

At the November 20, 2017 meeting, the City Council awarded a contract to Gentry Bros. Inc. in the amount of \$989,115,000 to construct the Greenleaf Avenue Rehabilitation Project.

#### **LEGAL REVIEW**

The City Attorney's office has reviewed the proposed Resolution No. 9563.

## FISCAL IMPACT

The total estimated cost for the Greenleaf Avenue Rehabilitation Project is \$1,211,600. The original project budget was \$1,071,600. The project requires an additional appropriation of \$140,000. Of this amount, Staff is recommending that the City Council authorize Staff to submit an application to the CTC for SB 1 funds in the amount of \$104,000 to provide partial funding for the Project.

Report Submitted By:

Noe Negrete, Director Public Works Date of Report: December 4, 2017

Resolution No. 9563 – Approving Use of Senate Bill 1 Funds for Greenleaf Avenue Rehabilitation Project Page 3 of 3

#### **INFRASTRUCTURE IMPACT**

The rehabilitation work will improve the structural condition of the existing roadway, enhance operational safety and reduce maintenance costs moving forward.

Don R. Powell

Interim City Manager

<u>Attachment:</u>

Resolution No. 9563

#### **RESOLUTION NO. 9563**

A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF SANTA FE SPRINGS, CALIFORNIA
APPROVING THE GREENLEAF AVENUE REHABILITATION PROJECT
TO BE PARTIALLY FUNDED BY SENATE BILL 1 – THE ROAD REPAIR AND
ACCOUNTABILITY ACT - AND AUTHORIZING THE DIRECTOR OF
PUBLIC WORKS TO SUBMIT THE PROJECT AND APPLICATION TO THE
CALIFORNIA TRANSPORTATION COMMISSION FOR FUNDING

WHEREAS, Senate Bill No. 1 (SB1), the Road Repair and Accountability Act of 2017, established a Road Maintenance and Rehabilitation Account (RMRA) to help fund deferred maintenance on the state highway system and the local street and road system; and

WHEREAS, pursuant to SB 1, the State Controller will apportion, by formula, a percentage of the RMRA funds to eligible cities and counties; and

WHEREAS, SB 1 established requirements for holding local governments accountable for the efficient use of public funds to maintain public streets and roads; and

WHEREAS, SB 1, as codified in Streets & Highways Code Section 2034(a)(1), requires that eligible cities submit a list of projects proposed to be paid for with these funds to the California Transportation Commission (CTC) in accordance with statutorily-defined criteria and a schedule established by the CTC; and

WHEREAS, pursuant to Streets & Highways Code Section 2034 (a) (1), the list of projects must be approved by the applicable city council or board of supervisors at a regular public meeting; and

WHEREAS, at a regular public meeting of the City Council held on April 14, 2017, the City Council reviewed and adopted a Three (3) Year Street Improvement Plan as identified by the City-wide Street Pavement Evaluation and Analysis Study and as recommended by Capital Improvement Plan (CIP) Subcommittee of the City Council; and

WHEREAS, the Three (3) Year Street Improvement Plan included the Greenleaf Avenue Rehabilitation Project.

NOW, THEREFORE BE IT RESOLVED the City Council of the City of Santa Fe Springs, State of California, as follows:

Section 1. All of the above recitals are true and correct.

APPROVED: ITEM NO.:

Section 2. The City Council hereby approves the Greenleaf Avenue Rehabilitation Project to be partially funded with Road Maintenance and Rehabilitation Account (RMRA) revenues.

Section 3. Anticipated Funding Sources: SB 1 (\$104,000) and City CIP Bond Funds (\$1,107,600) for a total project budget of \$1,211,600.

Section 4. Project Description: Removal of existing pavement surface, rework underlying base material for a stable base for new asphalt concrete pavement; replace curbs, gutters, sidewalks and driveways.

Section 5. Project Location: Greenleaf Avenue between Telegraph Road and Los Nietos Road

Section 6. Project Schedule:

•	Award of Contract	November 21, 2017
•	Notice to Proceed	January 8, 2018
•	Project Completion	March 30, 2018

Section 7. Estimated Useful Life: The City's Pavement Management System calculates a new useful life of 15-20 years added to the current roadway lifecycle.

Section 8. The Director of Public Works is hereby authorized to submit the project and application to the California Transportation Commission for any and all RMRA funds that may become available to the City, and to execute any and all documents necessary to implement and secure any and all such RMRA funds.

APPROVED and ADOPTED this **14**<sup>th</sup> day of **December, 2017** by the following roll call vote:

AYES: NOES: ABSENT: ABSTAIN:		
ATTEOT.	William K. Rounds, Mayor	_
ATTEST:  Janet Martinez, CMC, City Clerk		



# City of Santa Fe Springs

City Council Meeting

December 14, 2017

#### **NEW BUSINESS**

Renewal and Approval of Use Agreement for Athletic Fields and Facilities with Santa Fe Springs 49ers Youth Football Sport Organization and Other Field Use Updates

#### RECOMMENDATION

That the City Council renew and approve the Use Agreement for Athletic Fields and Facilities with the Santa Fe Springs 49ers Youth Football sport organization.

#### BACKGROUND

Community sports organizations play an important role in fostering youth's interest in athletics. They provide basic understanding of certain sports through practice and games entirely conducted by volunteers. These volunteers give willingly of their time and talents to register and coach community youth, and also work snack bars and fundraise to further grow participation.

At the City Council meeting on June 9, 2016, the City drafted, approved, and entered into a Use Agreement with the Santa Fe Springs 49ers youth sport organization for the 2016 and 2017 seasons. The City Council discussed the renewal of the Use Agreement at their meeting on November 20, 2017 and provided staff with direction on drafting the final agreement.

# **SUMMARY**

The Use Agreement for Athletic Fields & Facilities has been developed to formalize the partnership between the City of Santa Fe Springs and the Santa Fe Springs 49ers youth football sport organization. The agreement specifies the locations, dates, and times of use, establishes the expectations of the community sports organization, outlines the responsibilities of both parties, and memorializes certain practices that both parties have informally adopted and are currently utilizing.

The following outlines the facilities and dates of use:

Facilities: Santa Fe Springs Park for spring conditioning and football practice and Santa Fe Springs Athletic Fields for football practice (fields for practice, concession area, and storage room).

Time of Use: Spring Conditioning begins first Sunday in April 2018 until the last Sunday in June; Football Practice at Santa Fe Springs Park from July 2018 through the Sunday before Labor Day. On the Tuesday after Labor Day, practice will move to Santa Fe Springs Athletic Fields through November 2018.

Report Submitted By: Wayne Bergeron Date of Report: December 7, 2017

Department of Community Services

ITEM NO. 16

### Participant Residency

The table below shows a breakdown of participants that reside in Santa Fe Springs and the cities that surround Santa Fe Springs.

Santa Fe Springs 49ers Youth Football Participants							
SFS	Norwalk	Whittier	Downey	Pico Rivera	Total		
32 (39.5%)	19 (23.5%)	15 (18.5%)	5 (6.2%)	1 (1.2%)	81		

#### Key Inclusions for Field Use Agreements

- Provide a master calendar of events, in writing, to the City's Parks & Recreation Services Division for the purposes of scheduling City facilities.
- Provide a copy of the Certificate of Insurance of \$2 million of liability insurance and a copy of policy endorsement that verifies the City is named as an additional insured and indemnifies the City, its employees, and its agents.
- Obtain and provide proof of required health permits to operate and handle food from the concession stand/kitchen.
- Provision of non-profit status designation and bi-annual financial statement.
- Roster of players that also identifies their city of residence (to determine how many city youth are participating).
- The Field Use Agreement may be terminated at any time by either side by giving at least thirty (30) days written notice of termination.
- The Use Agreement, upon mutual consent of both the City and the community sports organization may renew this agreement every year; provided that sports organization operates the facility in conformance with all regulations and within the terms of the Use Agreement.
- Will have a one-time use of a City facility for end of season banquet

#### FISCAL IMPACT

In accordance to the most recent field use agreement, the 49ers sports organization contributed \$2,000 to the City. This contribution offsets field maintenance costs, utility costs and staffing. Below is the fiscal overview that takes into account staffing and field use costs.

Santa Fe Springs 49ers Youth Football – Fiscal Overview				
April – June Spring Conditioning at SFS Park	No Staff Cost*			
July – August Practices at SFS Park	\$1,300			
September – November Practices at SFS Athletic Fields	\$1,090			
End of Year Banquet – Social Hall	\$100			
Field Rehab (Reseeding and Fertilizer)	\$950			
Total Expenses	\$3,440			
Total Contribution	\$2,000			
Difference	-\$1,440			

<sup>\*</sup>Utilize existing staff that are on the park that are normally scheduled to work.

In addition to the information provided, attached is the document verifying the Santa Fe Springs 49ers current non-profit status. Furthermore, they provided copies of the required 2016 tax return to staff.

Staff recommends the City Council review and approve the agreement for the Use Agreement for Athletic Fields and Facilities with the Santa Fe Springs 49ers Youth Football sport organization.

#### LEGAL REVIEW

The City Attorney has reviewed the proposed use agreement and attachment for the Athletic Fields and facilities with the Santa Fe Springs 49ers Youth Football sport organization.

# **Update on Other Sport Organizations Use Agreements:**

Metropolitan Little League: The Parks & Recreation Services Division and Public Works staff met with a Metro Board representative, Mike Givens, on Monday, December 4, 2017. During this meeting the parties discussed field maintenance and reducing the City's costs. Metro is 100% on board with taking over field maintenance of Lake Center Athletic Park. This will significantly reduce the City's costs for field maintenance at this facility. In addition, Public Works will provide a field maintenance training with Metro volunteers prior to the start of the season and will schedule meetings every two weeks to conduct a walkthrough of the facility and address any areas of concern. Metropolitan Little League is still in the process of gathering their paperwork for non-profit status verification and tax

Report Submitted By: Wayne Bergeron Date of Report: December 7, 2017

Department of Community Services

return. This agreement will be brought to City Council for review and approval at the second meeting in January, 2018.

Norwalk/Santa Fe Springs Saints: The Parks & Recreation Services Division Manager Adam Matsumoto conducted a telephone conference meeting with Babetta Almarez of the Saints organization on Monday, December 4, 2017. During this meeting Babetta informed the City that the Saints organization does not have current non-profit status, but that the organization is currently working with a licensed CPA to draft the necessary forms and paperwork to submit to the IRS for reinstatement. Additionally, the Saints organization does not have tax returns since they are not a non-profit entity. The financial records for the organization have been kept internally. Staff will continue to work with the Saints and report back to City Council.

The Mayor may call upon Community Services Supervisor, Wayne Bergeron to answer questions the Council may have regarding the staff report.

/ MOULLE Don Powell

Interim City Manager

### Attachment(s)

- 1. Use Agreement for Athletic Fields & Facilities 49ers Football
- 2. Verification of Non-Profit Status 49ers Football



# COMMUNITY SERVICES DEPARTMENT PARKS & RECREATION SERVICES DIVISION

#### **USE AGREEMENT FOR ATHLETIC FIELDS & FACILITIES**

THIS AGREEMENT, made and entered into this \_\_\_ day of \_\_\_\_\_, 20\_\_\_, by and between the City of Santa Fe Springs, a municipal corporation duly organized and existing under the laws of the State of California (hereinafter referred to as "AGENCY") and Santa Fe Springs 49ers Youth Football, (hereinafter referred to as "ORGANIZATION").

#### **RECITALS:**

- A. It is AGENCY's desire to serve the public interest of the community by providing a program of organized youth sports; and
- B. The goal and purpose of ORGANIZATION is to provide a football sports program to the youth of the community;
- C. In consideration of the mutual covenants and conditions contained herein, the parties do hereby agree as follows:

#### 1. TERM OF AGREEMENT

AGENCY grants ORGANIZATION the right to use *Santa Fe Springs Park*, located at 10068 Cedardale Drive, Santa Fe Springs, CA and *Santa Fe Springs Athletic Fields*, located at 9720 Pioneer Boulevard, Santa Fe Springs, CA, (collectively referred to as "Subject Facilities") including the use of the fields, the food & beverage concession area (including snack bar & kitchen), and the adjoining west office/utility room (hereinafter "Subject Facilities") subject to the following activities, dates & hours set forth herein:

- Spring Conditioning at Santa Fe Springs Park beginning the 1<sup>st</sup> Sunday in April, 2018 through the last Sunday in June, 2018 between the hours of 9:00 a.m. -11:00 a.m.
- Football & Cheer Practice at *Santa Fe Springs Park* beginning July 1<sup>st</sup>, 2018 through Monday, September 3<sup>rd</sup>, 2018 on Monday through Friday between the hours of 6:00 p.m. 8:00 p.m.
- Football & Cheer Practice at Santa Fe Springs Athletic Fields beginning Tuesday, September 4<sup>th</sup>, 2018 through December 31<sup>st</sup>, 2018 on Tuesdays, Wednesdays and Thursdays between the hours of 7:00 p.m. – 9:00 p.m.

Additionally, AGENCY will grant to ORGANIZATION one-time use of an AGENCY facility, upon availability and at no cost, for use of ORGANIZATION's end of season banquet subject to the AGENCY's prior written approval of the date and time.

This AGREEMENT shall remain in effect through December 31<sup>st</sup>, 2018, unless terminated earlier at any time by either party giving to the other party at least thirty (30) days written notice of termination.

# 2. USE OF FACILITIES

ORGANIZATION's right to use the Subject Facilities will begin on the above stated date and upon submission of the following to the Agency:

- A. Facility Rental Application(s);
- B. Payment in the amount of \$2,000 per season for the time period and hours specified in Section 1 of this Agreement. Any field usage outside of the approved dates would be subject to additional fees and restrictions;
- C. Certificate of nonprofit status of good/active standing from the California Franchise Tax Board and/or the California Secretary of State;
- D. Federal and State of California income tax returns from the previous year;
- E. Semi-annual financial statement for periods ending June 30<sup>th</sup> and December 31<sup>st</sup> and related in support of the financial statement requested by the AGENCY;
- F. Complete list of names, addresses and telephone numbers of the current Board of Directors or other responsible persons of ORGANIZATION;
- G. Name and contact information of ORGANIZATION's liaison who will work directly with designated City staff. All correspondence will be made through liaison. Requests made by any other member of the ORGANIZATION will not be honored until confirmed by the liaison and approved by the AGENCY.
- H. Master calendar of events to include:
  - Practice dates & times
  - Meetings dates & times
- One copy of the Certificate of Insurance (\$2 million liability) listing AGENCY as an additional insured and a copy of the policy endorsement including verbiage verifying AGENCY is named as an additional insured;
- J. A roster identifying the city of residence of each player; and
- K. Any other information or documentation the AGENCY determines is necessary.

The above requested documents must be submitted at least two (2) weeks prior to use. If the documents are not submitted, AGENCY may withhold use of the Subject Facilities.

#### 3. RESPONSIBILITY FOR ACTIVITIES

ORGANIZATION shall provide the personnel necessary to supervise and conduct the activities as set forth in this AGREEMENT at the Subject Facilities, and shall furnish and supply any and all equipment and material, which may be necessary for such activities conducted at the Subject Facilities. Athletic Field Lining and Marking must be done with

prior written approval of AGENCY. Any user failing to comply with established guidelines and notification is subject to invoicing for all damages occurring to fields and termination of this AGREEMENT.

### 4. ORGANIZATION'S RESPONSIBILITIES

- A. ORGANIZATION agrees to observe all rules and regulations as set forth in this AGREEMENT.
- B. Modifications to Park Fields and Facilities: The removal, alteration, painting or addition to any facility or grounds, must be approved by AGENCY. This will include any proposed changes altering design or appearance of the existing landscape of demised premises. No trees, shrubs, or ground covers shall be planted, trimmed or removed without written consent from AGENCY. Any requests to modify or improve park fields and facilities shall be submitted for approval to the Parks & Recreation Services Division, at least sixty (60) days prior to the date of any proposed changes.
- C. ORGANIZATION agrees to erect no fences or advertising matter of any kind on AGENCY grounds without prior approval by the Parks & Recreation Services Division. Banners/advertising may only be displayed during the season; however, banners displaying registration information, may be posted prior to the beginning of the season.
- D. Closure of Fields Fields may be scheduled for closure and rehabilitation to allow for recovery due to heavy usage. The dates and times of closure to be determined by both the Community Services & Public Works Departments.
- E. There will be no use of SUBJECT FIELDS upon AGENCY's determination that they are unplayable due to rain or other conditions. Any user failing to comply with a decision to postpone use is subject to invoicing for all damages occurring to the field and termination of this AGREEMENT and the ability to use the Subject Facilities. ORGANIZATION (Public Works staff) will determine whether fields can be used after rain.
- F. Any damages to the Subject Facilities or appurtenant AGENCY facilities caused by or related to ORGANIZATION or its use of the Subject Facilities, will be ORGANIZATION's responsibility to replace or repair. In the event ORGANIZATION fails or refuses to replace or repair damage, AGENCY may cause such replacement and/or repair to be undertaken and ORGANIZATION agrees to reimburse AGENCY for the costs incurred to do so.
- G. AGENCY will not provide keys and/or alarms to ORGANIZATION. AGENCY will assign City staff during season hours, as set forth in Item 1 of this agreement as to who will supervise facilities and grant facility access to ORGANIZATION.

- H. ORGANIZATION must obtain and provide proof of required health permits to operate and handle food from concession stand/kitchen.
- I. ORGANIZATION is responsible for controlling their players and parents while using the Subject Facilities.
- J. No power vehicles/equipment other than City operated are permitted on the fields.
- K. Any violation of this AGREEMENT by ORGANIZATION and/or any league run by ORGANIZATION using the Subject Facilities, shall lose their privilege and use of the Subject Facilities.

#### 5. <u>LEGAL RESPONSIBILITIES</u>

ORGANIZATION shall keep itself informed of City, State and Federal Laws, ordinances and regulations, which in any manner affect the performance of its activities pursuant to this AGREEMENT. ORGANIZATION shall at all times observe and comply with all such laws, ordinances and regulations. Neither AGENCY, nor its officers, volunteers, attorneys, agents or employees shall be liable at law or in equity as a result of ORGANIZATION's failure to comply with this section.

#### 6. USE OF PREMISES

The Subject Facilities shall be used only for those athletic events as set forth in Paragraph 2 above. ORGANIZATION shall not permit the Subject Facilities or any part thereof to be used for:

- A. The conduct of any offensive, noisy or dangerous activity.
- B. The creation or maintenance of a public nuisance.
- C. Anything which fails to comply with public regulations or rules of any public authority at any time, applicable to the Subject Facility; or
- D. Any purpose or in any manner which will obstruct, interfere with or infringe upon the rights of the residents of adjoining properties.

Under no circumstance may the ORGANIZATION sub-lease field usage to outside travel teams or host division games outside approved calendar of events without AGENCY approval.

Subject Facilities does not include the use of the Betty Wilson Center. Use of the Betty Wilson Center requires another facility use rental application and additional fees.

#### 7. EXCLUSIVE RIGHT

This AGREEMENT does not give the ORGANIZATION any right to the exclusive use of the Subject Facilities, restrooms, or any other public facility. ORGANIZATION agrees

that the rights herein granted **shall not** be assigned to or transferable to any persons, teams, or leagues.

#### 8. MAINTENANCE

- A. ORGANIZATION shall be responsible for all damages or injury to property or equipment caused by ORGANIZATION, its agents, employees, volunteers, participants and/or any other individual at the Subject Facilities during ORGANIZATION's use of the Subject Facilities.
- B. All maintenance such as field preparation to include lining of the fields, marking of the fields and setup of temporary equipment will be performed by ORGANIZATION.
- C. ORGANIZATION is responsible for the facility being free of trash and/or debris caused by group usage upon conclusion of each day's use.
- D. ORGANIZATION is responsible for the daily maintenance of the storage area, office, and concession area (including snack bar & kitchen).
- E. ORGANIZATION is required to report any damage to persons or property or acts of vandalism to AGENCY immediately.
- F. ORGANIZATION is required to leave the concession area (including snack bar & kitchen) neat and clean upon the conclusion of the season in preparation for turnover to any other sports organization or the AGENCY.

#### 9. INSPECTION

- A. ORGANIZATION and AGENCY shall conduct a joint safety walk to inspect the Subject Facilities prior to each use by ORGANIZATION to ensure that it is free from any defects and/or hazards that may pose a danger to participants, spectators and/or any other person who is at the Subject Facilities as part of ORGANIZATION's use of the Subject Facilities. ORGANIZATION shall immediately notify AGENCY of any defect or hazard identified so that AGENCY has sufficient time to warn of the defect or hazard and/or remediate the defect or hazard prior to ORGANIZATION's use of the Subject Facilities. ORGANIZATION's agrees that should it fail to conduct any such inspection and/or fail to timely notify AGENCY of any defect or hazard identified, ORGANIZATION shall be solely responsible for any damage or injury, whether to persons or property, arising from the defect or hazard.
- B. AGENCY shall have the right to enter the Subject Facilities utilized hereunder as needed. However, AGENCY's exercise of the right to enter shall not create any duty on the party of AGENCY to inspect the Subject Facilities for defects or hazards under section A herein.

#### 10. IMPROVEMENTS

The removal, alteration, or addition to any facility or grounds must be approved and performed by AGENCY. This shall include any proposed changes that would alter the design or appearance of the existing landscape of the Subject Facilities. No trees, shrub, or ground covers shall be planted, trimmed or removed without written consent from AGENCY.

Furthermore, all requests for removal, alternation, or addition to any facility or grounds must be submitted to AGENCY for consideration and review at least (10) days prior to the date any proposed change(s) is needed.

Assistance by ORGANIZATION, its agents, employees, or its participants with any such removal, alteration, addition, or painting shall be solely at the discretion and with prior written consent of AGENCY.

Nothing in this section shall be interpreted as prohibiting the normal maintenance of the facility by ORGANIZATION as specified in section 8.

#### 11. TITLE TO IMPROVEMENTS

All alterations and additions to the Subject Facilities or surrounding grounds shall become the property of AGENCY. Nothing contained in this paragraph shall authorize ORGANIZATION to make or place any alterations, changes or improvements on the Subject Facilities without the prior written consent of AGENCY.

#### 12. SIGNS

No signs shall be raised on the Subject Facilities described herein unless written approval is obtained from AGENCY. Such a request for approval shall be directed to the Parks & Recreation Services Division Manager. No sponsor advertising sign shall be installed on buildings or grounds without the prior written consent of AGENCY.

#### 13. TERMINATION OF THIS AGREEMENT

Notwithstanding the TERM, ORGANIZATION or AGENCY may, at any time, terminate this AGREEMENT by serving on the other party such written termination at least fifteen (15) days in advance of such termination.

#### 14. NOTICE

All notices respecting this AGREEMENT shall be served by certified mail, postage prepaid, addressed as follows:

To AGENCY:

City of Santa Fe Springs

Community Services Department

Attention: Director of Community Services

9255 S. Pioneer Boulevard Santa Fe Springs, CA 90670

To ORGANIZATION:

Santa Fe Springs 49ers Youth Football

Attention: President 10617 Orr & Day Road

Santa Fe Springs, CA 90670

Notice shall be deemed to have been served seventy-two (72) hours after the same has been deposited in the United States Postal Service.

#### 15. ATTORNEYS FEES

Should any litigation or other legal action be commenced between the parties hereto to interpret or enforce the provisions of this AGREEMENT, in addition to any other relief to which the party may be entitled in law or equity, the prevailing party in such litigation or legal action shall be entitled to recover costs of suit and reasonable attorney's fees.

#### 16. GOVERNING LAW

This AGREEMENT will be governed by and constructed in accordance with the laws of the State of California.

#### 17. ASSIGNMENT

Neither this AGREEMENT nor any duties, rights or obligations under this AGREEMENT may be assigned by ORGANIZATION, either voluntarily or by operation of law without the express written consent of AGENCY.

#### 18. INSURANCE

ORGANIZATION shall maintain insurance in conformance with the requirements set forth below. ORGANIZATION will use existing coverage to comply with these requirements. If that existing coverage does not meet the requirements set forth herein, ORGANIZATION agrees to amend, supplement or endorse the existing coverage to do so.

ORGANIZATION acknowledges that the insurance coverage and policy limits set forth in this section constitute the minimum amount of coverage required (\$2 million). Any insurance

proceeds available to ORGANIZATION in excess of the limits and coverage identified in this AGREEMENT and which is applicable to a given loss, claim or demand, will be equally available to AGENCY.

ORGANIZATION shall provide the following types and amounts of insurance:

<u>Commercial General Liability Insurance</u>: ORGANIZATION shall maintain commercial general liability insurance including coverage for premises, products and completed operations, independent contractors/vendors, personal injury and contractual obligations. The limits of ORGANIZATION's insurance shall apply to this Agreement as if set forth herein, but in no event shall provide combined single limits of coverage of not less than \$2,000,000 per occurrence, \$4,000,000 general aggregate. There shall be no cross liability exclusion for claims or suits by one insured against another.

ORGANIZATION and AGENCY agree to the following with respect to insurance provided by ORGANIZATION:

Insurance procured pursuant to these requirements shall be written by insurers that are admitted carriers in the state of California and with an A.M. Best's rating of A- or better and a minimum financial size VII.

- A. ORGANIZATION agrees to have its insurer endorse the third party general liability coverage required herein to include as additional insured AGENCY, its officials, employees and agents, using standard ISO endorsement No. CG 2010 with an edition prior to 1992 or similarly worded endorsement. ORGANIZATION also agrees to require all contractors, and subcontractors to do likewise.
- B. No liability insurance coverage provided to comply with this AGREEMENT shall prohibit ORGANIZATION, or ORGANIZATION's employees, or agents, from waiving the right of subrogation prior to a loss. ORGANIZATION agrees to waive subrogation rights against AGENCY regardless of the applicability of any insurance proceeds, and to require all contractors and subcontractors to do likewise.
- C. All insurance coverage and limits provided by Contractor and available or applicable to this AGREEMENT are intended to apply to the full extent of the policies. Nothing contained in this AGREEMENT or any other agreement relating to AGENCY or its operations limits the application of such insurance coverage.
- D. None of the coverage required herein will be in compliance with these requirements if they include any limiting endorsement of any kind that has not been first submitted to AGENCY and approved of in writing.
- E. No liability policy shall contain any provision or definition that would serve to eliminate so-called "third party action over" claims, including any exclusion for bodily injury to an employee of the insured or of any contractor or subcontractor.
- F. All coverage types and limits required are subject to approval, modification and additional requirements by AGENCY, as the need arises. ORGANIZATION shall not

- make any reductions in scope of coverage (e.g. elimination of contractual liability or reduction of discovery period) that may affect AGENCY's protection without AGENCY's prior written consent.
- G. Proof of compliance with these insurance requirements, consisting of certificates of insurance evidencing all of the coverage required and an additional insured endorsement to ORGANIZATION's general liability policy, shall be delivered to AGENCY at or prior to the execution of this AGREEMENT. In the event such proof of any insurance is not delivered as required, or in the event such insurance is canceled at any time and no replacement coverage is provided, AGENCY has the right, but not the duty, to obtain any insurance it deems necessary to protect its interests under this or any other agreement and to pay the premium. Any premium so paid by AGENCY shall be charged to and promptly paid by ORGANIZATION or deducted from sums due ORGANIZATION, at AGENCY option.
- H. Certificate(s) are to reflect that the insurer will provide 30 days' notice to AGENCY of any cancellation of coverage. ORGANIZATION agrees to require its insurer to modify such certificates to delete any exculpatory wording stating that failure of the insurer to mail written notice of cancellation imposes no obligation, or that any party will "attempt" (as opposed to being required) to comply with the requirements of the certificate.
- It is acknowledged by the parties of this AGREEMENT that all insurance coverage required to be provided by ORGANIZATION or any subcontractor, is intended to apply first and on a primary, non-contributing basis in relation to any other insurance or selfinsurance available to AGENCY. ORGANIZATION shall ensure that each policy of insurance required herein reflects this AGREEMENT and is written into each policy.
- J. ORGANIZATION agrees to ensure that its sub consultants, subcontractors, and any other party involved with the project who is brought onto or involved in the project by ORGANIZATION, provide the same minimum insurance coverage required of ORGANIZATION. ORGANIZATION agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section.
- K. ORGANIZATION agrees not to self-insure or to use any self-insured retentions or deductibles on any portion of the insurance required herein. If ORGANIZATION's existing coverage includes a deductible or self-insured retention, the deductible or self-insured retention must be declared to AGENCY. At that time AGENCY shall review options with ORGANIZATION, which may include reduction or elimination of the deductible or self-insured retention, substitution of other coverage, or other solutions. To the extent AGENCY agrees to any deductible or self-insured retention under any policy required under this AGREEMENT to which AGENCY is named as an additional insured, ORGANIZATION shall be required to modify the policy to permit AGENCY to satisfy the deductible or self-insured retention in the event ORGANIZATION is unable or unwilling to do so as a means to ensure AGENCY can avail itself to the coverage provided under each policy.
- L. AGENCY reserves the right at any time during the term of the contract to change the amounts and types of insurance required by giving ORGANIZATION ninety (90) days

- advance written notice of such change. If such change results in substantial additional cost to ORGANIZATION, AGENCY will negotiate additional compensation proportional to the increased benefit to AGENCY.
- M. For purposes of applying insurance coverage only, this AGREEMENT will be deemed to have been executed immediately upon any party hereto taking any steps that can be deemed to be in furtherance of or towards performance of this AGREEMENT.
- N. ORGANIZATION acknowledges and agrees that any actual or alleged failure on the part of AGENCY to inform ORGANIZATION of non-compliance with any insurance requirement in no way imposes any additional obligations on AGENCY nor does it waive any rights hereunder in this or any other regard.
- O. ORGANIZATION will renew the required coverage annually as long as AGENCY, or its employees or agents face an exposure from operations of any type pursuant to this AGREEMENT. This obligation applies whether or not the AGREEMENT is canceled or terminated for any reason. Termination of this obligation is not effective until AGENCY executes a written statement to that effect.
- P. ORGANIZATION shall provide proof that policies of insurance required herein expiring during the term of this AGREEMENT have been renewed or replaced with other policies providing at least the same coverage and upon the same terms and conditions herein. Proof that such coverage has been ordered shall be submitted prior to expiration. A coverage binder or letter from ORGANIZATION's insurance agent to this effect is acceptable. A certificate of insurance and/or additional insured endorsement as required in these specifications applicable to the renewing or new coverage must be provided to AGENCY within five days of the expiration of the coverage.
- Q. Requirements of specific coverage features or limits contained in this section are not intended as limitations on coverage, limits or other requirements, or as a waiver of any coverage normally provided by any given policy. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue, and is not intended by any party or insured to be limiting or all-inclusive.
- R. These insurance requirements are intended to be separate and distinct from any other provision in this AGREEMENT and are intended by the parties here to be interpreted as such.
- S. The requirements in this Section supersede all other sections and provisions of this AGREEMENT to the extent that any other section or provision conflicts with or impairs the provisions of this Section.
- T. ORGANIZATION agrees to be responsible for ensuring that no contract used by any party involved in any way with the project reserves the right to charge AGENCY or ORGANIZATION for the cost of additional insurance coverage required by this AGREEMENT. Any such provisions are to be deleted with reference to AGENCY. It is not the intent of AGENCY to reimburse any third party for the cost of complying with these requirements. There shall be no recourse against AGENCY for payment of premiums or other amounts with respect thereto.

ORGANIZATION agrees to provide immediate notice to AGENCY of any claim or loss against ORGANIZATION arising out of the work performed under this AGREEMENT. AGENCY assumes no obligation or liability by such notice, but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve AGENCY.

#### 19. INDEMNIFICATION

ORGANIZATION shall indemnify, defend, and hold harmless AGENCY, its City Council, each member thereof, present and future, members of boards and commissions, its officers, agents, employees and volunteers from and against any and all liability, claims, allegations, expenses, including defense costs and legal fees, and claims for damages whatsoever, including, but not limited to, those arising from breach of contract, bodily injury, economic loss, death, personal injury, property damage, loss of use, or property loss however the same may be caused and regardless of the responsibility for negligence. ORGANIZATION's obligation to indemnify, defend and hold harmless includes, but is not limited to, any liability or expense, including defense costs and legal fees, arising from the negligent acts or omissions, or willful misconduct of ORGANIZATION, its officers, employees, agents, participants, representative or vendors. It is further agreed. ORGANIZATION's obligations to indemnify, defend and hold harmless will apply even in the event of concurrent active or passive negligence on the part of AGENCY, its City Council, each member thereof, present and future, or its officers, agents and employees, except for liability resulting from the sole negligence or willful misconduct of AGENCY, its officers, employees or agents relating to ORGANIZATION's use of the Subject Facility under this AGREEMENT. In the event AGENCY, its officers, employees, agents and/or volunteers are made a party to any action, lawsuit, or other adversarial proceeding arising from the performance of the services encompassed by this AGREEMENT, and upon demand by AGENCY, ORGANIZATION shall have an immediate duty to defend AGENCY at ORGANIZATION's cost or at AGENCY's option, to reimburse AGENCY for its costs of defense, including reasonable attorney's fees and costs incurred in the defense of such matters.

#### 20. <u>INDEPENDENT CONTRACTOR</u>

Volunteer administrators, volunteer coaches, parents, contractors, employees and/or officers and directors of ORGANIZATION shall not be deemed to be employees or agents of AGENCY as a result of the performance of this AGREEMENT.

#### 21. ENTIRE AGREEMENT OF THE PARTIES

This AGREEMENT supersedes any and all agreements, either oral or written, between the parties hereto with respect to the use of the Subject Facility by ORGANIZATION and contains all of the covenants and conditions between the parties with respect to the use of the Subject Facility. Each party to this AGREEMENT acknowledges that no representations, inducements, promises or agreement, orally or otherwise, have been made by any party, or anyone acting on behalf of any party, which are not embodied herein, and that no other agreement, statement, or promise not contained in this

AGREEMENT has been made by the parties. Modification of this AGREEMENT can only be made in writing, signed by both parties to this AGREEMENT.

ORGANIZATION: Santa Fe Springs 49ers Youth Football

By:
(Signature)

(Print Name)

(Title)
CITY OF SANTA FE SPRINGS A Municipal Corporation
William K. Rounds Mayor
ATTEST:
Janet Martinez, CMC City Clerk
APPROVED AS TO FORM:

Yolanda M. Summerhill

City Attorney

#### Alex Padilla California Secretary of State



## Business Search - Entity Detail

The California Business Search is updated daily and reflects work processed through Tuesday, November 28, 2017. Please refer to document <u>Processing Times</u> for the received dates of fillings currently being processed. The data provided is not a complete or certified record of an entity. Not all images are available online.

# C3879896 SANTA FE SPRINGS 49ERS YOUTH FOOTBALL AND CHEER, INC.

Registration Date: 02/26/2016

Jurisdiction: CALIFORNIA

Entity Type: DOMESTIC NONPROFIT

Status: ACTIVE

Agent for Service of Process: CYNTHIA GUERRERO

9002 MANZANAR AVENUE

DOWNEY CA 90240

Entity Address: 10617 ORR AND DAY ROAD

SANTA FE SPRINGS CA 90670

Entity Mailing Address: 10617 ORR AND DAY ROAD

SANTA FE SPRINGS CA 90670

A Statement of Information is due EVERY EVEN-NUMBERED year beginning five months before and through the end of February.

File Date 17	PDF
12/12/2016	SELECTION OF STREET
02/26/2016	
	12/12/2016

<sup>\*</sup> Indicates the information is not contained in the California Secretary of State's database.

- If the status of the corporation is "Surrender," the agent for service of process is automatically revoked.
   Please refer to California Corporations Code <u>section 2114</u> for information relating to service upon corporations that have surrendered.
- · For information on checking or reserving a name, refer to Name Availability.
- If the image is not available online, for information on ordering a copy refer to <u>Information Requests</u>.
- For information on ordering certificates, status reports, certified copies of documents and copies of
  documents not currently available in the Business Search or to request a more extensive search for records,
  refer to <u>Information Requests</u>.
- · For help with searching an entity name, refer to Search Tips.
- For descriptions of the various fields and status types, refer to <u>Frequently Asked Questions</u>.

ARTS-PB- Articles of Incorporation of a 501(c)(3) Nonprofit Public Benefit Corporation

To form a nonprofit public benefit corporation in California, you can fill out this form or prepare your own document, and submit for filing along with:

- A \$30 filling fee.

- A separate, non-refundable \$15 service fee also must be included, if

you drop off the completed form or document.

Important! California nonprofit corporations are not automatically exempt from paying California franchise tax or income tax each year. A separate application is required in order to obtain tax exempt status. For more information, go to https://www.ftb.ca.gov/businesses/exempt\_organizations or call the California Franchise Tax Board at (916) 845-4171.

3879896

FILED JAW Secretary of State State of California

FEB 2 6 2016

186

	ilide Tex bland of (o to) o to TTT II		II C
Note: / advice	Before submitting this form, you should con about your specific business needs.	sult with a private attorney for	This Space For Office Use Only
	For questions about this	s form, go to www.sos.ca.gov/business	/be/filing-tips.htm
	ate Name (List the proposed corporate name. Go	o to www.sos.ca.gov/business/be/name-availability	t.htm for ganeral corporate name requirements
<b>①</b>	ictions.)  The name of the corporation is Santa Fe	e Springs 49ers Youth Football a	and Cheer, Inc.
orpon impses	rate Purpose (item 2a: Check one or both boxes. s, or if you intend to apply for tax-exempt status in Cal	item 2b: The specific purpose of the corporation	
2	This corporation is a nonprofit Public E organized under the Nonprofit Public Bo	enefit Corporation Law for:   <   public	purposes charitable purposes.
	b. The specific purpose of this corporation	is to provide rootball and cheer:	squads for Santa re Springs
case ve	e of Process (Liet a California resident or an activour corporation is sued. You may list any adult who take a 1505 comporation as the address for service of page 1505 compor	lives in California. You may not list your own corp	your initial agent to accept service of proces oration as the agent. Do not list an address
•	Agent's Name		
	b. 12153 Chechire St.  Agent's Street Address (if agent is not a corporal	Norwalk  tion) - Oo not iist a P.O. Box City (no abbrevia	CA 90650  itions) State Zip
	ate Addresses	3.5 (1.5 day	
		Santa Fe Springs	CA 90670
(E)	a. 10617 Orr & Day Road Initial Street Address of Corporation- Do not list a	P.O. Box City (no abbrevia	
	b. Initial Mailing Address of Corporation, if different	from 4a City (no abbrevia	stlons) State Zip
dditio x Boar	onal Statements (The following statements are add under internal Revenue Code section 501(c)(3). N	required to obtain tax exemption from the internal rote: Corporations seeking other types of tax exem	I Revenue Service or the California Franchis pilons should not use this form.)
(5)	This corporation is organized and op meaning of Internal Revenue Code sec.	tion 501(c)(3).	
	b. No substantial part of the activities of to influence legislation, and this corporation of statements.  Additional contents of the statements of the statements of the statements of the statements of the statements.	this corporation shall consist of carrying O tration shall not participate or intervene in a on behalf of any candidate for public offic	n any political campaign (including ini se.
	c. The property of this corporation is tree income or assets of this corporation shape of any private person.	wocably dedicated to the purposes in Art hall ever inure to the benefit of any direct	or, officer or member thereof or to the
	organized and operated exclusively for its tax-exempt status under Internal Re-	tion shall be distributed to a nonprofit fur charitable, educational and/or religious venue Code section 501(c)(3).	s purposes and which has established
nis for Iter-siz	m must be signed by each incorporator. zed paper (8 1/2" x 11"). All attachments are m	If you need more space, atlach extra pa nade part of these articles of incorporation.	ges that are 1-sided and on standar
	XVXX	Sonia Becerra	
Inco	poráto - Sign here	Print your name here	
ake ch	eskirioney order payable to: Secretary of State	By Mail	Drap-Off
non filir	na, we will return one (1) uncertified copy of your	Secretary of State Business Entitles, P.O. Box 944260	Secretary of State 1500 11th Street, 3rd Floor
ed doc	cument for free, and will certify the copy upon	Sacramento, CA 94244-2600	Sacramento, CA 95814



### **State of California Secretary of State**

#### Statement of Information

(Domestic Nonprofit, Credit Union and General Cooperative Corporations)

Filing Fee: \$20.00. If this is an amendment, see instructions. IMPORTANT – READ INSTRUCTIONS BEFORE COMPLETING THIS FORM

#### 1. CORPORATE NAME

SANTA FE SPRINGS 49ERS YOUTH FOOTBALL AND CHEER, INC.

## FH51486 **FILED**

Ν

In the office of the Secretary of State of the State of California

**DEC-12 2016** 

2. CALIFORNIA C	ORPORATE NUMBER	C3879896		This Space for F	iling Use Only
Complete Princip	al Office Address (	Do not abbreviate the name of the c	ity. Item 3 cannot be a P	O. Box.)	
<u> </u>	S OF PRINCIPAL OFFICE		CITY	STATE	ZIP CODE
10617 ORR AND	DAY ROAD, SANTA	FE SPRINGS, CA 90670			
4. MAILING ADDRES	S OF THE CORPORATION	N	CITY	STATE	ZIP CODE
MARLENE CURT	IS 10617 ORR AND	D DAY ROAD, SANTA FE SPRI	NGS, CA 90670		
					:
Names and Com officer may be added	plete Addresses of f; however, the preprinte	the Following Officers (The cold titles on this form must not be alto	orporation must list these ered.)	e three officers. A compara	ble title for the specific
5. CHIEF EXECUTIV		ADDRESS	CITY	STATE	ZIP CODE
DAVID CURTIS	10617 ORR AND D	AY ROAD, SANTA FE SPRING	SS, CA 90670		
6. SECRETARY MARLENE CURT	'IS 10617 ORR AN	ADDRESS ID DAY ROAD, SANTA FE SPR	CITY RINGS, CA 90670	STATE	ZIP CODE
7. CHIEF FINANCIAL CYNTHIA GUER		ADDRESS (ANAR AVENUE, DOWNEY, CA	CITY A 90240	STATE	ZIP CODE
Agent for Service of Process If the agent is an individual, the agent must reside in California and Item 9 must be completed with a California street address, a P.O. Box address is not acceptable. If the agent is another corporation, the agent must have on file with the California Secretary of State a certificate pursuant to California Corporations Code section 1505 and Item 9 must be left blank.					
8. NAME OF AGENT FOR SERVICE OF PROCESS [Note: The person designated as the corporation's agent MUST have agreed to act in that capacity prior to the designation.] CYNTHIA GUERRERO					
9. STREET ADDRESS OF AGENT FOR SERVICE OF PROCESS IN CALIFORNIA, IF AN INDIVIDUAL CITY STATE ZIP CODE 9002 MANZANAR AVENUE, DOWNEY, CA 90240					
Common Interest Developments					
Check here if the corporation is an association formed to manage a common interest development under the Davis-Stirling Common Interest Development Act, (California Civil Code section 4000, et seq.) or under the Commercial and Industrial Common Interest Development Act, (California Civil Code section 6500, et seq.). The corporation must file a Statement by Common Interest Development Association (Form SI-CID) as required by California Civil Code sections 5405(a) and 6760(a). Please see instructions on the reverse side of this form.					
11. THE INFORMATION CONTAINED HEREIN IS TRUE AND CORRECT.					
12/12/2016	CYNTHIA GUERRE	≣RO .	TREASURER		
DATE	TYPE/PRINT NAME	OF PERSON COMPLETING FORM	TITLE	SIGNA	
PL 400 /DC\/ 04/2016\				APPROVED B	Y SECRETARY OF STATE



#### **Exempt Organizations Select Check**

Exempt Organizations Select Check Home

Organizations Eligible to Receive Tex-Deductible Charitable Contributions (Pub. 78 data) - Search Results

The following list includes tax-exempt organizations that are eligible to receive tax-deductible charitable contributions. Click on the "Deductibility Status" column for an explanation of limitations on the deductibility of contributions made to different types of tax-exempt organizations.

Results are sorted by EIN. To sort results by another category, click on the icon next to the column heading for that category. Clicking on that icon a second time will reverse the sort order. Click on a column heading for an explanation of information in that column.

1-1 of 1 results

Results Per Page 25 V OK

« Prev | 1-1 | Next »

EIN = 81-1233690 Legal Name (Doing Business As) -

Santa Fe Springs 49ers Youth Football and Cheer

City 🖛 Downey State \*Country \* CA United States Deductibility Status =

« Prev | 1-1 | Next »

Return to Search

City Council Meeting

December 14, 2017

#### **NEW BUSINESS**

Consideration of a Second Extension of an Exclusive Negotiating Agreement By and Between the City of Santa Fe Springs and SFS Hospitality, LLC for Development of a Hotel or Hotels within the City of Santa Fe Springs

#### **RECOMMENDATION:** That the City Council:

Authorize the Mayor or designee thereof, to execute all documents and take any actions necessary and appropriate to extend, for an additional 210 days, the Exclusive Negotiating Agreement with SFS Hospitality, LLC for Development of a Hotel or Hotels within the City of Santa Fe Springs.

#### **BACKGROUND:**

The City is interested in promoting the development of a hotel within its boundaries. In September, 2007, the City commissioned an Analysis of Potential Market Demand for a Proposed Hotel to be Located in Santa Fe Springs. This Study was updated in October, 2016. The Hotel Study identified several sites as being suitable for the development of a hotel; some of such sites are privately owned or owned by City or the Successor Agency to the Community Development Commission/Redevelopment Agency of the City of Santa Fe Springs.

At the November 10, 2016 City Council meeting, the City entered into a 210-day, Exclusive Negotiating Agreement (ENA) with Sharad Patel and Mike Patel (Developer) to develop a hotel or hotels within the City. The ENA was scheduled to expire on June 8, 2017, but was extended for an additional 210 days, to January 4, 2018 at the City Council meeting of May 25, 2017, to provide the Developer the opportunity to meet with major hoteliers to finalize the hotel brand, discuss various amenities, determine the architectural style, type of parking, number of parking spaces, number of rooms, size of meeting spaces, etc.

The purpose of the ENA was to provide the City and Developer, the security that each will negotiate in good faith, exclusively with each other, towards the execution of a Development and Disposition Agreement (DDA), pursuant to which Developer will purchase one of the properties identified in the Hotel Study, and on such property develop a hotel or hotels.

It is unlikely that both parties will enter into a DDA by January 4, 2018. Pursuant to Section C "Negotiation Period" of the ENA, if for any reason the parties have not entered into a DDA by the Negotiation Period, this Agreement shall automatically terminate and be of no further force or effect, and all payments made by the Developer to City shall be nonrefundable. Nothing herein shall prevent or preclude the parties Report Submitted By: Wayne Morrell,

Date of Report: December 8, 2017

Planning and Development Dept.

from extending the Negotiation Period by mutual agreement for any duration. City undertakes no commitment or obligation to Developer to extend the Negotiation Period.

Since the last extension, the Developer has submitted plans (October 6, 2017) to Hilton for review. Hilton's review process is approximately 90 days. The Developer has also submitted his financial statements and other paperwork to Keyser Marston Associates, the City's consultant, for analysis. Additionally, the Developer has since formed, through the California Secretary of State, a new Limited Liability Corporation, SFS Hospitality L.L.C., for the proposed hotel in Santa Fe Springs.

Both parties wish to extend the *Negotiation Period*. Staff is recommending that the *Negotiation Period* be extended from January 4, 2018 for an additional 210 days to August 2, 2018. Other minor changes to the agreement include changing the Developer's name from Dellan I to SFS Hospitality LLC, consistent with their name change and a change to the address where the Developer receives notices related to the project. The Right of Entry agreement is hereby extended by the extension of the *Negotiation Period*.

#### FISCAL IMPACT:

There is no fiscal impact to the City's General Fund associated with extending the Exclusive Negotiating Agreement.

#### **INFRASTRUCTURE IMPACT:**

There is no infrastructure impact to the City's General Fund associated with extending the Exclusive Negotiating Agreement.

Donald R. Powell Interim City Manager

#### Attachments:

- Agreement
- Amended and Restated Exclusive Negotiating Agreement

# AMENDMENT TO EXCLUSIVE NEGOTIATING AGREEMENT BY AND BETWEEN THE CITY OF SANTA FE SPRINGS AND SFS HOSPITALITY, LLC

This AMENDMENT TO EXC	CLUSIVE NE	GOTIATING AGREE	EMENT BY AND
BETWEEN THE CITY OF S	SANTA FE SP	RINGS AND SFS HO	SPITALITY, LLC is
made and entered into this	day of	December	, 2017 ("Effective Date")
by and between the City of San	ita Fe Springs,	a California municipal	corporation, ("City") and
SFS Hospitality, LLC ("Develo	oper").	_	

#### RECITALS

WHEREAS, on or about November 10, 2016, the CITY OF SANTA FE SPRINGS, a Municipal Corporation ("City"), and Dellan I ("Developer") entered into an Exclusive Negotiating Agreement for the property located at southwest corner of Norwalk Boulevard and Telegraph Road, with APN's of 8009-007-928 and 8009-007-915;

WHEREAS, on or about May 25, 2017, the City and Developer entered into an Amended and Restated Exclusive Negotiating Agreement attached hereto as Exhibit "A" which extended the term of the Agreement for an additional two hundred ten (210) days;

WHEREAS, the term of the Amended and Restated Exclusive Negotiating Agreement expires in or about January 4, 2018 and the City and Developer wish to extend the exclusive negotiating period for an additional two-hundred ten (210) days;

WHEREAS, Developer's corporate name has changed from Dellan I to SFS Hospitality, LLC, therefore, this Amendment to Exclusive Negotiating Agreement by and Between the City of Santa Fe Springs and Dellan I also modifies the Developer's name from Dellan I to SFS Hospitality, LLC

NOW THEREFORE, the Amended and Restated Exclusive Negotiating Agreement is hereby amend as follows:

#### **SECTION 1.** Parties.

The Amended and Restated Exclusive Negotiating Agreement is hereby amended so that the parties to the agreement are the City of Santa Fe Springs and SFS Hospitality, LLC. Any and all references to Developer and/or Dellan I in the Amended and Restated Exclusive Negotiating Agreement is modified with "Developer" and/or "SFS Hospitality, LLC."

**SECTION 2.** Section C entitled "Negotiation Period" is hereby amended to extend the Negotiation Period for an additional two hundred ten (210) days from, on or about, January 4, 2018 through to, on or about August 2, 2018.

Except as provided herein, Section C shall otherwise remain in full force and effect.

**SECTION 3.** Section O of the Amended and Restated Exclusive Negotiating Agreement entitled "Notices" is hereby repealed and replaced with the following:

O. <u>Notices</u>. Any notices or communications required hereunder shall be given by a party hereto to the other party hereto by one of the following means: (i) by personal delivery during normal business hours provided that the delivering party requests and obtains a receipt showing date and time of delivery; (ii) by same-day or overnight messenger or courier service that provides a receipt showing date and time of delivery; (iii) by certified or registered United States mail, prepaid, return receipt requested. Notices personally delivered or delivered by document delivery service shall be deemed effective upon receipt. Notices sent by mail shall be deemed effective upon the earlier of (i) receipt, or (ii) 5:00 p.m. on the second business day following dispatch. Notices shall be sent to the addresses indicated below (a change in the following addresses may be made by following the terms of this paragraph):

To Developer:

SFS Hospitality, LLC

Telegraph Road

Pico Rivera, CA 90660 Attn: Mahandra R. Patel

Sharad R. Patel

To City:

City of Santa Fe Springs 11710 Telegraph Road

Santa Fe Springs, CA 90670 Attn: Janet Martinez/City Clerk

**SECTION 4**. Except as set forth herein, the Amended and Restated Exclusive Negotiating Agreement attached hereto as Exhibit A remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed by and through their respective authorized officers, as of the date above written.

CITY OF SANTA FE SPRINGS
ATTEST:
Janet Martinez, CMC City Clerk
APPROVED AS TO FORM:
City Attorney

## DEVELOPER SFS Hospitality, LLC

Mahandra R. Patel	
Date:	<del></del>
AND	
Sharad R. Patel	
Sharad R. Patel	

## **EXHIBIT A**

#### AMENDED AND RESTATED EXCLUSIVE NEGOTIATING AGREEMENT

THIS AMENDED AND RESTATED EXCLUSIVE NEGOTIATING AGREEMENT (this "Agreement") is made and entered into as of May 25, 2017 (the "Effective Date"), by and between the CITY OF SANTA FE SPRINGS, a Municipal Corporation ("City"), and Dellan 1 Inc., Mike Patel, a California corporation and Sharad R. Patel (collectively, "Developer"). This Agreement supersedes the original agreement between the parties, dated November 10, 2016.

The parties hereby agree as follows:

- A. <u>Purpose.</u> City is interested in promoting the development of a hotel within its territory. Developer states that he is a qualified and experienced hotel developer.
- B. <u>Sites.</u> City commissioned an "Analysis of Potential Market Demand for a Proposed Hotel to be Located in Santa Fe Springs, California", first prepared in September, 2007, and updated in October, 2016 (together, the "Hotel Study"). The Hotel Study identified several sites as being suitable for the development of a hotel; some of such sites are owned by City or the Successor Agency to the Community Development Commission/Redevelopment Agency of the City of Santa Fe Springs, as depicted in the Map attached hereto as Exhibit "A".
- C. <u>Negotiation Period.</u> City and Developer, agree, for the period of 210 days from the Effective Date of this Agreement (the "Negotiation Period"), to negotiate in good faith pursuant to attempt to enter into a Disposition and Development ("DDA"), pursuant to which Developer will purchase one of the properties identified in the Hotel Study, and on such property develop a hotel (the "Proposed Hotel"). City shall not negotiate with any other person or entity for the development of a hotel on any such properties during the Negotiation Period. Nothing herein shall be deemed a covenant, promise, or commitment by City or Developer to approve or enter into any agreement with one another on any particular terms or conditions. City's entry into this Agreement constitutes merely a commitment to enter into a period of exclusive negotiations as described herein.
- If, for any reason, the parties have not entered into a DDA by the expiration of the Negotiation Period, this Agreement shall automatically terminate and be of no further force or effect, and all payments made by Developer to City shall be nonrefundable. Nothing herein shall prevent or preclude the parties from extending the Negotiation Period by mutual agreement for any duration. City undertakes no commitment or obligation to Developer to extend the Negotiating Period.
- D. <u>Hotel Features.</u> Developer understands and agrees that the Proposed Hotel is to: (a) Be operated as a 3.5 to 4.0 Star major hotel brand, such as Marriott, Hilton, Hyatt or similar brand; (b) contain approximately 80 to 140 guest rooms; (c) contain subterranean parking; and (d) feature such amenities as a lounge bar or rooftop bar, business center, fitness center, meeting space, indoor pool and spa. The hotel amenities and hotel description is further delineated in Exhibit "B" attached hereto.
- E. <u>Costs.</u> Developer has paid to City the sum of \$28,700 for direct costs incurred by the City thus far, for a survey and a market analysis. Developer shall bear all costs pertaining to the activities described in this Agreement. No portion of such payments shall be refundable to Developer, whether or not the parties ultimately enter into a DDA for the Proposed Hotel, as a result of expiration of this Agreement or sooner termination for any reason set forth herein.

F. Environmental Site Assessment. During the Negotiation Period, it shall be Developer's sole responsibility, at its expense, to investigate the suitability of the subject site(s) for development of the Proposed Hotel. For such purpose, Developer may enter onto the subject site(s), with City's written permission given in advance, which permission shall not be withheld unreasonably. Developer at its sole cost and expense shall be entitled to conduct or cause to be conducted a hazardous materials assessment, and other environmental assessments, audits and/or testing of the proposed site (the "Site") (the "Environmental Audit"), which Environmental Audit shall be conducted in compliance with the terms and conditions of a right of entry permit to be granted by the City in substantially the form attached hereto as Exhibit "C" (the Right of Entry). Developer shall have the right to terminate this Agreement if Developer is not reasonably satisfied with the findings and the recommendations made in an Environmental Audit.

## G. Development Concept, and Essential Terms & Conditions. The terms and conditions of the DDA shall include:

- Developer shall purchase property for the Proposed Hotel. The sale will occur after Developer has zoning approval, planning entitlements and building permits, as specified in the DDA.
- Developer shall design and construct the private improvements on the Site, at its
  own cost and expense, in accordance with the Schedule of Performance to be
  negotiated as part of the DDA and in accordance with the plans and specifications
  prepared by Developer and approved by City.
- Developer shall design and construct all infrastructure improvements on the property and develop a plan for financing the cost of infrastructure improvements.
- Developer shall secure all necessary planning, zoning, and other entitlement approvals for the proposed development as its own cost and expense.
- Developer, working with City, shall pay the costs to prepare all required environmental analysis documents in accordance with the California Environmental Quality Act (CEQA).
- Developer shall pay the costs for the analysis and construction of any public improvement that may be required as a result of City review and CEQA determination.
- H. <u>Developer Responsibilities and ENA Schedule of Performance</u>. During the term of this Agreement, Developer shall diligently conduct the activities described below in this section, so that the parties may complete negotiation of the DDA in a timely manner. Should Developer fail to complete a specific task within the required time period, Developer shall immediately notify City and provide a written justification for the delay, but the providing of such written justification shall not impinge upon any of the default or termination rights of either party as set forth herein.
  - Within 45 days from the Effective Date, Developer shall provide to City the following information, satisfactory to City:

- The composition of the entity that will enter into the DDA and build the development (the "Development Entity"), including the names of each individual having an interest or percentage in the Development Entity.
- Financial statements of members of the Development Entity.
- A list of similar hotel projects with completion dates, delineation of the roles played by members of the Development Entity, project, location of project and city and project financial references (person's name, contact information).
- o A preliminary site plan for the Proposed Hotel, showing the building layout and dimensions, parking, and access and circulation.
- Within 90 days from the Effective Date, Developer shall provide to City the following information, satisfactory to City:
  - Preliminary environmental assessment and studies, zoning and entitlement process, and other due diligence work which Developer may seek to conduct in its discretion to satisfy itself as to the suitability of the Site for the development of the Proposed Hotel.
  - O Completion of conceptual plans and narrative generally describing the Proposed Hotel. The conceptual plans shall include the following level of detail: a narrative generally describing the Proposed Hotel, elevations of each side of the Proposed Hotel calling out building materials, room sizes and types, common area, landscaping and amenities, and parking and circulation plan.
- Within 120 days from the Effective Date, Developer shall provide to City the following information, satisfactory to City:
  - Cost estimates and project data for the proposal in sufficient detail to permit adequate financial analysis by City.
- Within 150 days from the Effective Date, Developer shall provide to City the following information, satisfactory to City:
  - A detailed Financial Feasibility Study, including a financial pro forma and project budget which shall include, but shall not be limited to including, an estimate of Proposed Hotel income, a description of the proposed method of construction and permanent financing for the Proposed Hotel, and the amounts and sources of equity and debt capital necessary to secure financing for the Proposed Hotel. The information provided to City in the financial feasibility study must be in an adequate level of detail to enable City and/or its consultants to evaluate the financial feasibility of the Proposed Hotel.
  - A detailed description of the type of hotel amenities based upon the hotel brand.

- Within 180 days from the Effective Date, Developer shall provide to City the following information, satisfactory to City:
  - o A Letter of Interest from the hotel brand.
  - A detailed description of Developer's consultants and development team and identification of each individual, agency, company and respective role within the development project (e.g. attorney, architect, engineer, etc).
  - O Developer shall make a full disclosure to City of its principals, officers, stockholders, partners, joint ventures, employees and other associates, and all other pertinent information concerning Developer and its associates. The principals, partners, joint ventures, development manager, consultants, and others directly involved in the Project are subject to the approval of City, which will not be unreasonably withheld.
- I. <u>Default</u>. Failure of either party to negotiate in good faith or to perform any of that party's respective duties as provided in this Agreement shall constitute an event of default under this Agreement. The non-defaulting party shall give written notice of a default to the defaulting party, specifying the nature of the default and the action required to cure the default. If the default remains uncured fifteen (15) days after the date of such notice, the non-defaulting party may exercise the remedies set forth in Section J of this Agreement.
- J. Remedies for Breach of Agreement. In the event of an uncured default under this Agreement, the sole remedy of the non-defaulting party shall be to terminate this Agreement. Following such termination, neither party shall have any further rights, remedies or obligations under this Agreement. Neither party shall have any liability to the other for monetary damages or specific performance for the breach of this Agreement, or failure to reach agreement on the DDA and each party hereby waives and releases any such rights or claims it may otherwise have at law or at equity. Furthermore, Developer knowingly agrees that it shall have no right to specific performance for conveyance of, nor to claim any right of title or any interest in the Site or any portion thereof whatsoever.
- K. Attorneys' Fees. In the event any action of taken by either party to enforce this Agreement, the prevailing party shall be entitled to recover from the other party its actual and reasonable attorneys' fees and costs.
- L. <u>Assumption of Risk.</u> City and Developer each acknowledge that the financial feasibility of the Proposed Hotel and the terms of the DDA are yet to be determined. Each party therefore assumes the risk that, notwithstanding this Agreement, there is no assurance that the parties will enter into a DDA Agreement or will enter into a DDA on any particular terms. In that regard, it is expressly understood and agreed by the parties that this is an agreement regarding contract negotiations only. It is further understood and agreed by the parties that this Agreement does not imply any obligation on the part of City or Developer to enter into any agreement that may result from the negotiations contemplated under this Agreement. The parties' acceptance of this Agreement is merely an agreement to enter into a period of exclusive negotiations subject to the terms and conditions hereof.

- M. <u>Indemnification</u>. Developer shall defend, indemnify and hold harmless City and its officers, employees and agents, against any losses or damages of any kind arising from or related to this Agreement, including reasonable litigation expenses, arising from or related to the acts or omissions of Developer, its principals, employees or agents, in connection with this Agreement.
- N. <u>Duration of Obligations</u>. Developer's indemnification and insurance obligations contained herein shall survive the expiration or termination of this Agreement.
- O. <u>Notices</u>. Any notices or communications required hereunder shall be given by a party hereto to the other party hereto by one of the following means: (i) by personal delivery during normal business hours provided that the delivering party requests and obtains a receipt showing date and time of delivery; (ii) by same-day or overnight messenger or courier service that provides a receipt showing date and time of delivery; (iii) by certified or registered United States mail, prepaid, return receipt requested. Notices personally delivered or delivered by document delivery service shall be deemed effective upon receipt. Notices sent by mail shall be deemed effective upon the earlier of (i) receipt, or (ii) 5:00 p.m. on the second business day following dispatch. Notices shall be sent to the addresses indicated below (a change in the following addresses may be made by following the terms of this paragraph):

To Developer: Dellan 1 Inc., Mike Patel

Chairman/CEO

11403 Long Beach Boulevard

Lynwood, CA 90262

To City: City of Santa Fe Springs

11710 Telegraph Road Santa Fe Springs, CA 90670

Attn: City Manager

- P. <u>Commissions</u>. City shall not be liable for any real estate or other commissions or broker's fees or finder's fees which may arise here from. City represents that it has engaged no broker, agent, or finder in connection with this transaction and City agrees to indemnify, defend, and hold harmless Developer from and against any claims, liabilities, or causes of action by any broker, agent, or finder for any such commission or fee arising out of any engagement by City of any broker, agent, or finder in connection with this transaction.
- Q. <u>Brokers.</u> Developer may engage a broker, agent, or finder pursuant to a separate agreement. Developer agrees that City shall bear no responsibility or liability for payment of any real estate or other commissions or broker's fees or finder's fees which may arise from Developer's engagement of any broker, agent, or finder, and Developer agrees to indemnify, defend, and hold harmless City, and its officers, officials, employees, agents, and representatives from and against any claims, liabilities, or causes of action by any broker, agent, or finder for any such commission or fee arising out of any engagement by Developer of any broker, agent, or finder in connection with this transaction.
- R. <u>Nondiscrimination</u>. Developer covenants for itself and all persons claiming under or through it, that in Developer's performance of this Agreement that Developer shall not discriminate against any person or group of persons on account of any impermissible classification including

but not limited to race, color, creed, gender, sexual orientation, religion, marital status, national origin, or ancestry.

- S. <u>Non-Liability of City Officials</u>. No member, official, officer, employee, agent, representative, volunteer, or consultant of City shall be personally liable to Developer, or any successor in interest of Developer, in the event of any default or breach by City or for any amount which may become due to Developer or to its successor, or on any obligations under the terms of this Agreement.
- T. Governing Laws. City and Developer acknowledge and agree that this Agreement was negotiated and entered into in the City of Santa Fe Springs, California. City and Developer agree that this Agreement shall be governed by, interpreted under, and construed and enforced in accordance with the internal laws of the State of California, without application of principles of conflicts of law. Service of process on City shall be made in accordance with the laws governing service of process on a public City. Service of process on Developer shall be made in any manner permitted by law and shall be effective whether served inside or outside California.
- U. <u>Construction of Agreement</u>. This Agreement shall not be construed as if it had been prepared by one or the other of City or Developer but rather as if both City and Developer prepared this Agreement.
- V. <u>Entire Agreement</u>. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof. This Agreement integrates all of the terms and conditions agreed to by the parties and supersedes all previous negotiations or agreements between the parties with respect to the subject matter hereof. This Agreement may be amended only by a document in writing signed by the parties hereto.
- W. Entity Authority. The person(s) executing this on behalf of each of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said party, (iii) by so executing this Agreement such party is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other agreement to which said party is bound.
- X. <u>Counterparts.</u> This Agreement may be executed in counterparts, each of which shall be deemed to be an original, and such counterparts shall constitute one and the same instrument.
  - Y. <u>Time of Essence</u>. Time is of the essence in the performance of this Agreement.
- Z. <u>Severability</u>. In the event that part of this Agreement shall be declared invalid or unenforceable by a valid judgment or decree of a court of competent jurisdiction, such invalidity shall not affect any of the remaining portions of this Agreement which are hereby declared as severable and shall be interpreted to carry out the intent of the parties hereunder unless the invalid provision is so material that its invalidity deprives either party of the basic benefit of their bargain or renders this Agreement meaningless.
  - AA. <u>Waivers.</u> No waiver of any breach of any covenant or provision contained in this Agreement shall be deemed a waiver of any preceding or succeeding breach or such provision, or of any other covenant or provision contained in this Agreement. No extension of the time for performance of any obligation or act or any waiver of any provision of this Agreement shall

be enforceable against City or Developer, unless made in writing and executed by both City and Developer.

BB. No Third-Party Beneficiaries. None of the terms or provisions of this Agreement are intended to benefit any person or entity other than City or Developer. No affiliate or joint venture or partner of Developer has any rights pursuant to this Agreement.

CC. No Assignment. The identity of Developer is of particular importance to City. Accordingly, Developer may not assign this Agreement. Consequently, no person or entity, whether voluntary or involuntary successor of the Developer, shall acquire any rights or powers under this Agreement and the Developer shall not assign all or any part of this Agreement without the prior written approval of the City, which approval the City may grant, withhold, or deny at its sole and absolute discretion. Any other purported transfer, voluntarily or by operation of law, shall be absolutely null and void and shall confer no rights whatsoever upon any purported assignee or transferee.

Based upon the mutual covenants set forth above and intending to be legally bound, the parties' authorized representatives have executed this Agreement, below, as of the Effective Date.

APPROVED AS TO FORM:

ttorney

CITY OF SANTA FE SPRINGS

Martinez, CMC City Clerk

**DEVELOPER** 

Dellan 1 Inc., Mike Patel A California corporation

By:

Mike Patel

Its: CEO

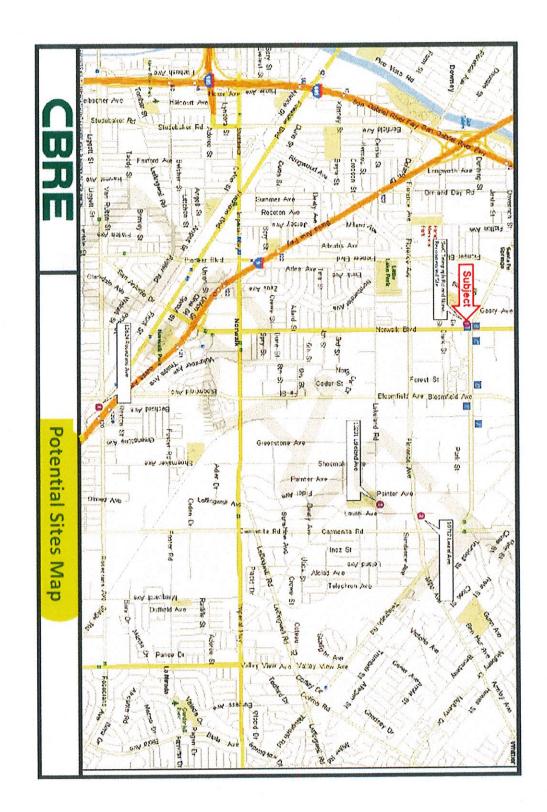
Date:

AND

Sharad R. Patel

al R. Palis

**EXHIBIT "A"** 



#### **EXHIBIT "B"**

#### **Hotel Criteria**

- 1. Name-brand hotel such as, but not limited to, Marriott, Hilton, and Hyatt.
- 2. Gold LEED level for sustainable development and operation.
- 3. Architectural qualities: high lobby ceilings, articulated hallways, window and entrance fenestration, hotel rooms with minimum 10-foot floor to ceiling heights, grand banquet and meeting spaces, state-of-the-art conference facility.
- 4. 80-140 guest rooms/suites, ranging from studio units to executive suites featuring separate rooms, adjoining rooms, and disability access rooms, some with small kitchenettes.
- 5. Climate control rooms (heating/cooling units are not to be visible from exterior of building; wall heaters are prohibited).
- 6. Rooms with views of landscaped courtyard and of the Sculpture Garden
- 7. Conference/Banquet Facility of approximately 5,000 square feet of highly flexible and customizable meeting and event space to accommodate groups from 20 to 500 people. Proposed uses range from general meetings, training sessions, trade shows, corporate events, cocktail parties, weddings, and special events. The facility shall offer the latest audio-visual, data, voice, and multi-media equipment. The ceiling heights should be at least 12' and 16' in the main room.
- 8. Separate meeting rooms and event space such as two-250 s.f. rooms.
- 9. On-site quality sit-down restaurant to accommodate up to 100 customers in an indoor/outdoor seating venue.
- 10. 24-hour room service.
- 11. Business center.
- 12. Fitness center featuring an exercise room with cardio-equipment, free weights, stationary weights, yoga mats, steam room and/or sauna.
- 13. Heated swimming or lap pool and Jacuzzi (indoor or outdoor).
- 14. Complimentary wireless high speed Internet throughout the entire hotel, oversized writing desk, 42" or 50" flat screen television, in-room coffee, in-room safe, iron and ironing board, and small refrigerator.
- 15. On-site parking for guests and customers shall be wither subterranean parking or parking structure facility (surface parking lot is prohibited). Above ground parking structure shall be obscured or architecturally designed and located for aesthetic purposes and not visible from public rights-of-way.
- 16. Porte-cochere entrance for the front of the hotel. A grand approach is desired to accentuate the prominence of the hotel.
- 17. Electronic Pass Key
- 18. Electronic Door Hangar System
- 19. Room(s) with balcony
- 20. Hallway width minimum of 9 feet

#### **EXHIBIT "C"**

#### **RIGHT OF ENTRY PERMIT**

This RIGHT OF ENTRY PERMIT (the "Permit") is entered into on \_\_\_\_\_\_\_, \_\_\_\_\_, 2016 (the "Effective Date") and between the CITY OF SANTA FE SPRINGS, a Municipal Corporation ("CITY") and Dellan1 Inc., Mike Patel a California corporation and Sharad R. Patel (collectively "Developer").

#### RECITALS

- B. Pursuant to the ENA, Developer must complete its Site investigation in order to determine the feasibility of developing the Site with a proposed hotel project prior to entering the DDA with the City. Developer is therefore seeking this Permit for the limited purpose of performing Site investigation and testing in connection with its due diligence investigations as specifically defined herein.

#### RIGHT OF ENTRY PERMIT

- 1. <u>Grant of Entry.</u> City hereby grants to Developer, its officers, employees, consultants, contractors, subcontractors, agents, tenants, purchasers, and designees (collectively, "Developer's Parties"), permission to enter upon the Site for the limited purpose of performing or causing to be performed environmental, soils, and/or topographical tests and surveys, including soil test borings, site survey verification, visual confirmation as to the location of utilities and other existing conditions and other investigations of the Site subject to the terms and conditions of this Permit (the "Investigation").
- 2. <u>Non-Exclusive Use.</u> This Right of Entry Permit (this "Permit") is for the non-exclusive use of Developer and Developer's Parties. This Permit is for the physical investigation of the Site. The Investigation shall be coordinated with City's Planning Department, Public Works Department and City's Department of Fire Rescues, and all notices shall be provided as required by this Permit.
- 3. <u>Grantee Warranty</u>. Developer warrants that each of Developer's Parties who enter onto the Site to perform any portion of the Investigation has knowingly agreed to comply with the terms and conditions of this Permit.
- 4. <u>Term.</u> This Permit shall be effective commencing on the date it is executed by all parties, (the "Effective Date") and shall be valid until the ENA terminates (the "Term"). Provided; however, in the event the Parties hereto enter into the DDA prior to the end of the Term, then this Permit shall terminate on the effective date of the DDA.

- 5. <u>Site Access</u>. City and its officers, agents, employees, and guests may enter onto the Site without notice to Developer, at all reasonable times during the Term of this Permit. Access to the Site by City may be exercised without notice to Developer.
- 6. <u>Required Notices</u>. Developer shall provide City with a minimum 24 hours' advance written notice (which may be by email) prior to entry upon the Site ("Required Notices"). Developer shall enter or work on the Site in a manner that cause the least interference with City and the general public's use of the site. After providing the Required Notices, Developer Parties shall have the right to enter the Site at all reasonable time and as many times as is reasonably necessary to perform the Investigation during the Term subject to any specific access accommodations approved by City after having received notice of Developer request to enter.
- 7. <u>Insurance.</u> During the Term, at its own expense, Developer shall obtain, pay for and maintain an "occurrence" policy for Commercial General Liability (including Contractual Liability) and for Automobile Liability which shall protect it and City from claims for injuries and damages. The policy shall name City, its officers, agents and employees as <u>additional insured</u> under the policy in the following amounts:
  - a. Commercial General Liability Insurance with minimum limits of one million dollars (\$1,000,000) per occurrence for person injuries, including accidental death, to any one person; property damage insurance in an amount not less than one million dollars (\$1,000,000) and subject to the above limits and combined single limit of insurance in an amount not less than one million dollars (\$1,000,000), and
  - b. Automobile Liability Insurance covering all bodily injury and property damage incurred during the performance of this Agreement, with a minimum coverage of \$500,000 combined single limit per accident. Such automobile insurance shall include all vehicles used, whether or not owned by Developer.

At all times, the insurance company issuing said policy shall be an "admitted" insurer in the State of California; shall be domiciled within, and organized under the laws of, a state of the United States; and shall carry an A.M. Best & Company minimum rating of AA:VII. All policies shall contain a "Severability of Interest" clause and a "Primary Coverage" clause for any loss arising out of or caused by Developer performance of the Agreement. In addition, the policies shall contain a statement of obligation on the insurance carrier's part to notify City, by registered mail, at least thirty (30) days in advance of any policy cancellation, termination or reduction in the amount of coverage. Developer or any of the other Developer Parties' entry onto the Site under this Permit, the Developer shall deliver to City a "certificate of insurance" and an "additional insured endorsement", both documents countersigned by the insurance carrier or its authorized representative, on forms satisfactory to the City Attorney, which set forth the above provisions.

The countersigned certificate, along with the additional insured endorsement, shall state: "The City of Santa Fe Springs, its officers, agents and employees are named as additional

insureds under this policy. This insurance is primary to the coverage of the City of Santa Fe Springs. Neither the City nor any of its insurers shall be required to contribute to any loss. This policy contains a severability of interest clause. The issuing company shall mail thirty (30) calendar days advance notice to the City of any policy cancellation, termination or reduction in the amount of coverage."

Additionally, the certificate of insurance shall state if any claim has been paid or is currently pending under the policy, and if so, the amount of the claim(s) and the amount of liability limits as lowered by the paid or pending claim(s). Any deductibles or self-insured retentions shall be set forth on the certificate and shall be subject to the City's review and approval.

All required insurance must be approved by City prior to execution of the Permit.

8. <u>Indemnification.</u> Developer shall release, defend (with counsel satisfactory to City), indemnify and hold City harmless from and against any and all liability, damages, claims, liens, costs, and expenses, (without limitation, including reasonable attorneys' fees) for loss of or damage to the Site and for injuries to or death of any person located on the Site (including, but not limited to, employees of each party hereto) when arising or resulting solely from (i) Developer use of the Site by Developer Parties, or (ii) Developer breach of the provisions hereof; regardless of whether such liability, cost, or expense is caused or contributed to by the negligence, active or passive, of City, or its respective employees, agents, contractors, subcontractors, or their employees or agents ("Indemnitees"); provided, however, that Developer does not release, defend, indemnify or hold Indemnitees harmless for any loss or damage caused by indemnitees' gross negligence or willful misconduct. The foregoing obligation of Developer shall survive the termination of the Permit. It is understood that the duty of Developer to indemnify and hold harmless includes the duty to defend as set forth in Section 277 of the California Civil Code.

Acceptance of insurance certificates and endorsements required under this Permit does not relieve Developer from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply whether or not such insurance policies shall have been determined to be applicable to any of such damage or claim for damages, provided that Developer shall not be required to pay City any amount which City actually recover under insurance policies.

- 9. <u>Cost.</u> All costs incurred by Developer in connection with the Developer Parties' use of the Site shall be the sole responsibility of and be paid by Developer.
- 10. <u>Access.</u> Developer's Parties' access to the Site shall be taken only via designated public streets or crossings.
- 11. <u>Hazardous Materials.</u> Except for the extractions and removal of soil samples from the Site as defined in the Investigation, which soil samples may or may not contain hazardous

materials as defined herein below, no Developer Party shall store, transport upon or handle in any manner at any time hazardous materials or substances upon the Site. For purposes of this Permit,

HAZARDOUS MATERIALS" means any substance, material, or waste which is now or becomes regulated by any local governmental authority, the State of California, or the United States Government under any Environmental Law including, but not limited to, any material or substance which is (i) defined as a "hazardous waste", "extremely hazardous waste", or "restricted hazardous waste" under Sections 25115, 25117, or 25122.7, or listed pursuant to Section 25140 of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law), (ii) defined as "hazardous substance" under Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter-Presley-Tanner Hazardous Substance Account Act), (iii) defined as a "hazardous material", "hazardous substance", or "hazardous waste" under Section 25501 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory), (iv) defined as a "hazardous substance" under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances), (v) a petroleum or refined petroleum product, including without limitation petroleum-based paints and solvents, (vi) asbestos, (vii) polychlorinated biphenyls, (viii) methyl tertiary butyl ether (MTBE); (ix) listed under Article 9 or defined as "hazardous" or "extremely hazardous" pursuant to Article 11 of Title 22 of the California Administrative Code, Division 4, Chapter 20, (x) designated as a "hazardous substance" pursuant to Section 311 of the Clean Water Act (33 U.S.C. Section 1317), (xi) defined as a "hazardous waste" pursuant to section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. section 6901 et seq., (xii) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. section 9601 et seq., (xiii) any flammable or explosive materials, (xiv) a radioactive material, or (x) lead, cyanide, DDT, printing ink, acids, pesticides, ammonia compounds and other chemicals products, asbestos, PCBs and similar compounds and, including any different products and materials which have been found to have adverse effects on the environment or the health and safety of persons.

- 12. <u>Sites Damage and Restoration.</u> In the event the Site, or any part thereof, is damaged as a result of Developer's Parties' operations, Developer shall immediately notify City and restore the Site to the condition prior to the damage event. Developer agrees to reimburse City for any City cost expended to repair or replace the Site do damaged by Developer Party upon presentation of bill thereof.
- 13. <u>Compliance with Laws.</u> Developer's Parties shall comply, at Developer expense, with all applicable laws, regulations, ordinances, rules, and orders with respect to the use of the Site, regardless of when they become or became effective.
- 14. <u>Assumption of Risk.</u> Developer's Parties shall enter onto the Site and perform or cause to be performed the investigation, at their own risk and subject to whatever hazards or conditions may exist on the Site.
- 15. Condition of Site Upon Termination. Upon the occurrence of i) the Termination

Date, or ii) termination of the ENA without entry into a DDA, Developer shall restore the Site to the condition extant immediately prior to the entry by Developer hereunder which shall include the repair or replacement of any pavement, landscaping, structures, fences, driveways, or other improvements that are removed, damaged, or destroyed by Developer's Parties.

- 16. Recording. Neither City nor Developer shall record this Permit.
- 17. <u>Attorneys' Fees</u>. If any legal action or proceeding arising out of or relating to this Permit is brought by either party to this Permit, the prevailing party shall be entitled to receive from the other party, in addition to any other relief that may be granted, the reasonable attorneys' fees, costs, and expenses incurred in the action or proceeding by the prevailing party.
- 18. Notices. Unless otherwise expressly authorized herein, all notices must be in writing and, unless otherwise provided herein, shall be deemed validly given on the date either personally delivered to the address indicated below; or on the third (3rd) business day following deposit, postage prepaid, using certified mail, return receipt requested, in any U.S. Postal mailbox or at any U.S. Post Office; or when sent via facsimile to a party at the facsimile number set forth below or to such other or further facsimile number provided in a notice sent under the terms of this paragraph, on the date of transmission of that facsimile. Should City or Developer have a change of address, the other party shall immediately be notified in writing of such change, provided, however, that each address for notice must include a street address and not merely a post office box.

To Developer:

Dellan 1 Inc., Mike Patel

Chairman/CEO

11403 Long Beach Boulevard

Lynwood, CA 90262

To City:

City of Santa Fe Springs 11710 Telegraph Road Santa Fe Springs, CA 90670

Attn: City Manager

- 19. <u>Time is of the Essence; Entire Agreement</u>. Time is of essence of the terms and provisions of this Permit. This Permit constitutes the entire agreement between Developer and City with respect to the matters contained herein, and no alteration, amendment or any part thereof shall be effective unless in writing signed by parties sought to be charged or bound thereby.
- 20. <u>Assignment.</u> This Agreement shall not be assignable without the written consent of City.

APPROVED BY:		
CITY OF SANTA FE SPRINGS		
ATTEST:		
Janet Martinez, CMC City Clerk		
APPROVED AS TO FORM:		
City Attorney		
DEVELOPER Dellan 1 Inc., Mike Patel A California corporation		
By: Mike Patel Its: CEO Date:		
AND		
Sharad R. Patel		
Sharad R. Patel		

î

City Council Meeting

December 14, 2017

#### **NEW BUSINESS**

Authorize the Purchase of Two (2) 2018 Altec Aerial Utility Vehicles

#### RECOMMENDATION

That the City Council authorize the Director of Purchasing Services to purchase two (2) 2018 Altec Aerial utility vehicles from Altec Industries, Inc. utilizing the National Joint Powers Alliance (NJPA) cooperative contract number 031014-ALT; and authorize a purchase order to be issued in the amount of \$211,861 for this transaction.

#### **BACKGROUND**

Replacement vehicles are budgeted annually for vehicles that have reached the end of their mileage and/or service use life cycle. The City Council approved in the FY 2017/18 Budget for the replacement of one (1) Altec Aerial vehicle used by the Traffic Signal Division of Public Works for the maintenance of Santa Fe Springs and contract cities signal maintenance.

This vehicle purchase was to replace budgeted unit 681 with 94,000 miles, moving 681 into reserve status; unfortunately this was the same unit that was totaled in an accident earlier this summer. Public Works requests purchasing a second unit and move unit 691 with approximately 77,000 miles into reserve status. We currently don't have a vehicle in reserve and are renting an aerial truck for \$2,300 a month.

The Director of Purchasing Services requests approval to authorize the purchase of two (2) vehicles by "piggybacking" on an existing cooperative through NJPA Contract (No. 031014-ALT) from Altec Industries, Inc. This includes authorization to issue a purchase order in the amount of \$211,861 as the cost is \$105,930.50 per vehicle. NJPA issued a contract to Altec Industries, Inc for this type of utility vehicle. The contract is valid for use through April 10, 2019. The quoted amounts include all taxes, fees, and delivery.

#### FISCAL IMPACT

The City Council approved \$120,000 in the FY 2017-18 Budget for the acquisition of a replacement vehicle for unit 681.

Report Submitted By: Paul Martinez,

Finance & Administrative Services

Date of Report: December 8, 2017

City Council Meeting

December 14, 2017

The City carries replacement value insurance on our aerial trucks; unit 681 was insured for \$95,000 with a \$2,500 deductible. Staff places the value of the tools and equipment that were destroyed in the accident at \$5,500, these are covered on our general property insurance policy with a \$5,000 deductible. We are still negotiating the value of the tools and equipment with our insurance carrier.

The insurance only uses one deductible per accident; the highest one. Preliminary discussion with our insurance representative is that we should receive at least the \$95,000 after our deductible.

A cost savings of \$14,069.50 under budget and a conservative estimate of \$95,000 anticipated insurance proceeds would get us the second vehicle and still have a net positive to the City of \$3,139 on this transaction.

Donald Powell

Interim City Manager

Attachment(s)

Altec Quote

NJPA-Altec Contract Extension Doc



Opportunity Number:

793386 383385-1

**Quotation Number:** NJPA Contract #: 031014-ALT

8/21/2017 Date:

Quoted for: City of Santa Fe Springs

**Customer Contact:** Phone: /Fax: /Email: Quoted by: LaRoy Jones

Phone: 707-678-7315 /Email: LaRoy.Jones@altec.com

Altec Account Manager:

REFERENCE ALTEC MODEL

AT37-G	Articulating Telescopic Aerial Device (Insulated)	\$86,00
--------	---	---------

(A.) NJPA OPTIONS ON CONTRACT (Unit)

1	AT37-G-EDC	Secondary Stowage System	\$1,112
2	AT37-G-GAS	Gas Engine	-\$4,508

(A1.) NJPA OPTIONS ON CONTRACT (General)

	THE PARTY OF THE P		
1	RL	COMPARTMENT LIGHTS in Body Compartments (Rope Style) (8 Compartments)	\$680
2	SPOT1	TWO (2) POST-MOUNTED SPOTLIGHTS. Mounted One (1) on Each Side of the Chassis. Controls are Extended in Cab for Ease of Operation.	\$551
3	CEC	CALIFORNIA EMISSIONS CERTIFICATION from Chassis Supplier that States Engine Supplied is Legal in California	\$114
4	FE	FORD POWER EQUIPMENT (Power Locks and Power Windows)	\$945
5	FCD	FORD CD PLAYER, CRUISE CONTROL & TILT STEERING	\$508
6	CHOCKS	Rubber wheel chocks and holders (Qty. two)	\$51
7	TBE	ELECTRIC TRAILER BRAKE CONTROLLER. Controls Trailers with Electric Brakes, Wired to 7-Way PI	\$224
		NJPA OPTIONS TOTAL:	\$85,745

(B.) OPEN MARKET ITEMS (Customer Requested)

		ALTEC STANDARD CONFIGURATION BODY WITH LATEST MODEL YEAR PRE-ENGINEERED	
1	BODY	DESIGNS AND UPGRADES	\$2,155
2	ELECTRICAL	CUSTOM LIGHTING EQUIPMENT	\$1,344
3	CHASSIS	2018 MODEL YEAR PRICING DIFFERENCE	\$6,677
4	OTHER		
		OPEN MARKET OPTIONS TOTAL:	\$10,176

SUB-TOTAL FOR UNIT/BODY/CHASSIS:

\$95,921

**Delivery to Customer:** 

\$832

TOTAL FOR UNIT/BODY/CHASSIS:

\$96,753

#### \*\*Pricing valid for 45 days\*\* **NOTES**

PAINT COLOR: White to match chassis, unless otherwise specified

WARRANTY: Standard Altec Warranty - One (1) year parts warranty One (1) year labor warranty Ninety (90) days warranty for travel charges (Mobile Service) Limited Lifetime Structural Warranty. Chassis to include standard warranty, per the manufacturer. (Parts only warranty on mounted equipment for overseas customers)

TO ORDER: To order, please contact the Altec Inside Sales Representative listed above.

CHASSIS: Per Altec Commercial Standard

DELIVERY: No later than 330 - 360 days ARO, FOB Customer Location

TERMS: Net 30 days

BEST VALUE: Altec boasts the following "Best Value" features: Altec ISO Grip Controls for Extra Protection, Only Lifetime Warranty on Structural Components in Industry, Largest Service Network in Industry (Domestic and Overseas), Altec SENTRY Web/CD Based Training, Dedicated/Direct Gov't Sales Manager, In-Service Training with Every Order.

TRADE-IN: Equiptment trades must be received in operational condition (as initial inspection) and DOT compliant at the time of pick-up. Failure to comply with these requirements, may result in customer bill-back repairs.

BUILD LOCATION: Dixon, CA



Altec, Inc.

August 21, 2017 Our 88th Year

Ship To:

CITY OF SANTA FE SPRINGS 12636 EMMENS WAY SANTA FE SPRINGS, CA 90670

Attn: Phone: Email:

Altec Quotation Number:

Account Manager: **Technical Sales & Support:** 

383385 - 1 Larov Jones

Albert Gutierrez

Item

#### Description

Bill To:

**United States** 

CITY OF SANTA FE SPRINGS

SANTA FE SPRINGS, CA 90670

12636 EMMENS WAY

Qty

1

**Price** 

#### Unit

- ALTEC Model AT37G telescoping/articulating continuous rotation aerial device with an 1. insulating articulating arm, insulating telescopic upper boom, and the patented ISO-Grip insulating system at the boom tip. Includes the following features:
  - Ground to bottom of platform height: 37.8 feet A.
  - Working height: 42.8 feet B.
  - Maximum reach to edge of platform. Side Mounted Platform: 26.6 feet. End Mounted Platform: 28.3 feet (at 14.4 foot platform height).
  - Telescopic boom extension: 9 feet 8 inches
  - Continuous rotation E.
  - Insulating Aerial Device, ANSI Category C, 46kV and Below F.
  - Articulating Arm: Articulation is from -7 to 90 degrees. Insulator provides 12 G. inches of isolation.
  - Compensation System: By raising the articulating arm only, the telescopic boom Η. maintains its relative angle in relation to the ground. The work position is achieved through a single function operation.
  - Telescoping upper boom: Articulation is from -25 to 75 degrees. L
  - Master/ Slave Leveling: Platform automatically maintains level during boom articulation through a lifetime master/slave hydraulic leveling system that requires no major preventive maintenance.
  - The INSULATING UPPER CONTROL SYSTEM includes a single handle controller incorporating high electrical resistance components that is dielectrically tested to 40 kV AC with no more than 400 microampers of leakage. The control handle is green in color to differentiate it from other non-tested controllers.
  - One set of tool outlets at the platform providing up to 5 gpm of flow for open center tools
  - Hydraulic System: Open center system operating at 5gpm and 2,400 psi. M.
  - Unit is painted with a powder coat paint process which provides a finish-painted surface that is highly resistant to chipping, scratching, abrasion and corrosion.
  - Structural Warranty all of the following applicable major components is to be Ο. warranted for so long as the initial purchaser owns the product: Booms, boom



Altec, Inc.

<u>ltem</u>	<u>Description</u>	<u>Qty</u>	<u>Price</u>
	articulation links, hydraulic cylinder structures, outrigger weldments, pedestals, subbases and turntables.  P. Manuals: Two (2) operator and Maintenance/Parts manuals		
2.	AT37G Unit Model	1	
3.	Engine Start/Stop & Secondary Stowage System: 12 VDC powered motor and pump assembly for temporary operation of the unit in a situation wherein the primary hydraulic source fails. Electric motor is powered by the chassis battery. This feature allows the operator to completely stow the booms and platform. Secondary Stowage & Start/Stop is activated with an air plunger at the platform and switch at the lower control station.	1	
4.	Post style pedestal mounting	1	
5.	Poly Hydraulic Reservoir, Pedestal Mounted, 7 Gallon (Includes Sight Gauge)	1	
6.	Single, One (1) Man, Fiberglass Platform; End Mounted with 180 degree rotator. 24 x $30 \times 42$ inches, includes hydraulic tilt.	1	
7.	Two (2) Platform Steps	1	
8.	Soft nylon reinforced vinyl platform cover for a 24 x 30 inch platform	1	
9.	Platform liner for a 24 x 30 x 42 inch platform	1	
10.	Platform Capacity, 400LBS.	1	
11.	Altec Patented ISO-Grip Insulating 4 Function, Proportional Speed, Upper Control Handle - with safety interlock and interlock guard. Forward/back operates upper boom in/out, tiller operates rotation CW/CCW, up/down operates lower boom up/down, and twist operates articulating arm up/down. Platform leveling is controlled with a separate interlocked control handle.	1	
12.	Manual lowering valve located at the boomtip. For use in emergency situations to allow the operator to lower the boom to the ground	1	
13.	Powder coat unit Altec White.	1	
	Unit & Hydraulic Acc.		
14.	HVI-22 Hydraulic Oil (Standard).	9	
15.	Standard Pump For PTO	1	
16.	Hot shift PTO for automatic transmission	1	
17.	Altec recommends any connection made to the tool circuit be done with Non-Conductive hose. If ordering a Hose reel, Altec recommends ordering a hose reel with Non-Conductive hose. The lower tool circuit hoses may be, or become, conductive. Death or serious injury could occur if the unit becomes energized while lower tool circuit is in use.	1	
18.	Install Tool Circuit with Quick Disconnects, Below Rotation (Male Pressure, Female Return) Locate and Install at the Curbside Rear of Pintle Assembly  We Wish To Thank You For Giving Us The Pleasure	1	



Altec, Inc.

Qty **Price Description** <u>Item</u> Body 108 Inch Universal Small Aerial Body for a 60 Inch CA Chassis with 29 Inch Long 1 19. Tailshelf to Meet the Following Specifications: Basic body fabricated from A40 grade 100% zinc alloy coated steel A. All doors are full, double paneled, self-sealed with built-in drainage. B. Stainless steel hinge rods extend full length of door. C. Door hinges are zinc alloy material attached with rivets D. All doors contain stainless steel, flush mounted, paddle activated rotary style E. latches with two-stage locking, including keyed locks and adjustable strikers. Heavy-gauge welded steel frame construction with smooth galvaneal floor. F. G. Possible contact edges are folded for safety. H. Door header drip rail at top for maximum weather protection. Neoprene or rolled fenders on wheel fender panels. I. Steel treated for improved primer bond and rust resistance. J. Automotive underseal applied to body. K. Automotive type non-porous door seals fastened to the door facing. L. 108 Inch Body Length M. 40 Inch Body Height (Standard) N. 94 Inch Body Width (Standard) Ο. 20 Inch Body Compartment Depth (Standard) Finish paint body Altec White at body manufacturer. Q. 8 Inch Body crossmembers (Standard) R. No Treadplate On Compartment Tops S. 6 Inch tall wooden tailboard installed at the rear of body cargo area T. Stainless Steel Rotary Paddle Latch With Lock (Standard) U. Master Body Locking System (Standard) V. One (1) wheel chock holder installed in fender panel on each side of body. W. Gas Shock Type Rigid Door Holders For Vertical Doors (Standard) X. Y. Chains On Horizontal Doors Hotstick shelf extending full length of body on curbside. Z. Drop-Down Hot Stick Door For One (1) Shelf (Right Side) AA. Two (2) Hot Stick Brackets AB. 1st Vertical streetside (LH) - Two (2) Adjustable Shelves With Removable AC. Dividers On 4 Inch Centers 1st Horizontal streetside (LH) - One (1) Fixed Shelf With Removable Dividers On AD. AE. Rear Vertical streetside (LH) - Six (6) Adjustable Locking Swivel Hooks 1st Vertical curbside (RH) - Seven (7) Adjustable Locking Swivel Hooks, AF. Louvered Panel Installed in Cargo Wall AG. 1st Horizontal curbside (RH) - Vacant Rear Vertical curbside (RH) - Two (2) Adjustable Shelves With Removable Dividers On 4 Inch Centers Lexan Rock Guards Installed In Front Of Body At The Bottom AI. One (1) Small Bolt-On Grab Handle Installed At Rear Of Curbside Compartments AJ. 29 Inch Tailshelf with Smooth Galvaneal Floor Installed at Rear of Body Rope Lights (LED) Around Top And Sides Of Compartment Door Facings 6 20. 1 Body Frame Designed For ATG Subbase 21.



Altec, Inc.

<u>tem</u>	<u>Description</u>	Qty	<u>Price</u>	
Body and Chassis Accessories				
22.	ICC Underride Protection	1		
23.	Receiver Hitch, 2", Class 3	1		
24.	Receiver Ball Assembly, Includes 2" Ball And Mounting Bracket Ball to be 2 5/16" in lieu of 2"	1		
25.	Set Of Eye Bolts for Trailer Safety Chain, installed one each side of towing device mount.	1		
26.	Front Torsion Bar Installed On Chassis Customer does not want Front torsion bars due to clearance issues -Please Add Timbren Springs for Extra Stability	1		
27.	Rear Torsion Bar Installed On Chassis Shall be Over Frame	1		
28.	Appropriate counterweight added for stability.	1		
29.	Cable Step Installed At Rear, Single Step Located on the Curbside of the Tailshelf	1		
30.	Platform Rest, Rigid with Rubber Tube	1		
31.	Boom Rest for a Telescopic Unit Locate and install as close to the Streetside Cargo Area Wall as possible to maximize access to the Cargo Area	1		
32.	Mud Flaps With Altec Logo (Pair)	1		
33.	Wheel Chocks, Rubber, 9.75" L x 7.75" W x 5.00" H, with 4" L Metal Hairpin Style Handle (Pair)	1		
34.	U-Shaped Grab Handle Located on the Curbside Rear of the Tailshelf	1		
35.	Small Grab Handle Installed At Rear Locate and Install the following: -One (1) Rear Vertical Curbside of body -One (1) Rear Curbside of tailshelf	2		
36.	Slope Indicator Assembly For Machine Without Outriggers	1		
37.	Safety Harness And 4.5' Lanyard (Fits Medium To Xlarge) Includes Pouch and Placards	1		
38.	5 LB Fire Extinguisher With Heavy Duty Bracket, Installed Shall be mounted behind the seats in Chassis Cab	1		
39.	Triangular Reflector Kit, Shipped Loose	1		
40.	Vinyl manual pouch for storage of all operator and parts manuals	1		
	Electrical Accessories			
41.	Compartment Lights Wired To Dash Mounted Master Switch	1		



Altec, Inc.

<u>tem</u>	<u>Description</u>	Qty	<u>Price</u>
42.	Lights and reflectors in accordance with FMVSS #108 lighting package. (Complete LED, including LED reverse lights)	1	
43.	Altec Standard Amber LED Strobe Light with Brush Guard Post Mounted on Streetside behind cab -Visible above cab roof -Master switch and indicator light in cab	1	
44.	Custom Light Bar LED Arrow Split Stick	1	
	REF P/N 970162247		
45.	Remote Spot Light, Halogen, Permanent Mount with Programmable Wireless Remote Control Locate and Install: -One (1) Mounted on Curbside 1st Vertical -One (1) Mounted on Streetside 1st Vertical	2	
46.	Single tone back up alarm installed between the chassis frame rails at the rear of the chassis. To work in conjunction with chassis reverse drive system	1	
47.	6-Way Trailer Receptacle (Pin Type) Installed At Rear	1	
48.	Ford Upfitter Switches (Supplied With Chassis)	1	
49.	Start/Stop/Throttle Module, 12 Volt System	1	
<b>50</b> .	Install secondary stowage system.	1	
<b>5</b> 1.	PTO Indicator Light Installed In Cab	1	
	Finishing Details		
<b>52</b> .	Powder Coat Unit Altec White	1	
53.	Finish Paint Body Accessories Above Body Floor Altec White	1	
54.	Altec Standard; Components mounted below frame rail shall be coated black by Altec. i.e. step bumpers, steps, frame extension, pintle hook mount, dock bumper mounts, D-rings, receiver tubes, accessory mounts, light brackets, under-ride protection, etc.Components mounted to under side of body shall be coated black by Altec. i.e. Wheel chock holders, mud flap brackets, pad carriers, boxes, lighting brackets, steps, and ladders.	1	
55.	Apply Non-Skid Coating to all walking surfaces	1	
56.	English Safety And Instructional Decals	1	
57.	Vehicle Height Placard - Installed In Cab	1	
58.	Placard, HVI-22 Hydraulic Oil	1	
59.	Dielectric test unit according to ANSI requirements.	1	
60.	Stability test unit according to ANSI requirements.	1	

We Wish To Thank You For Giving Us The Pleasure And Opportunity of Serving You



Altec, Inc.

<u>ltem</u>	<u>Description</u>	Qty	Price
61.	Non-Focus Factory Build	1	
62.	Delivery Of Completed Unit	1	
63.	Inbound Freight	1	
64.	Additional Finishing Detail 4 Keys to Open and Start the chassis	1	
65.	AT37G FA Installation	1	
	<u>Chassis</u>		
66.	Chassis	1 .	
67.	Altec Supplied Chassis	1	
68.	2018 Model Year	1	
69.	Ford F550	1	
70.	4x2	1	
71.	60 Clear CA (Round To Next Whole Number)	1	
72.	Regular Cab	1	
73.	Chassis Cab	1	
74.	Chassis Color - White	1	
75.	Chassis Wheelbase Length - 141 inch	1	
76.	Ford Gas 6.8L	1	
77.	Ford Torqshift 6-Speed (6R140) Automatic Transmission (w/PTO Provision)	1	
78.	GVWR 18,000 LBS	1	
79.	7,500 LBS Front GAWR	1	
80.	13,660 LBS Rear GAWR	1	
81.	225/70R19.5 Front Tire	1	
82.	225/70R19.5 Rear Tire	1	
83.	Hydraulic Brakes	1	
84.	Park Brake In Rear Wheels	1	
85.	Ford E/F250-550 Single Horizontal Right Side Exhaust	1	
86.	No Idle Engine Shut-Down Required	1	



Altec, Inc.

<u>ltem</u>	<u>Description</u>	Qty	<u>Price</u>
87.	50-State Emissions	1	
88.	Ford 40 Gallon Fuel Tank (Rear)	1	
89.	AM/FM Radio	1	
90.	Air Conditioning	1	
91.	Keyless Entry	1	
92.	Power Door Locks	1	
93.	Power Windows	1	
94.	Tachometer	1	
95.	Max Tow Package	1 ,	
96.	Running Boards (Supplied By Chassis OEM)	1	
97.	Trailer Brake Controller (Factory Installed)	1	
98.	Vinyl Split Bench Seat	1	
	Additional Pricing		
99.	Standard Altec Warranty: One (1) year parts warranty, one (1) year labor ninety (90) days warranty for travel charges, limited lifetime structural war		
99.	ninety (90) days warranty for travel charges, limited lifetime structural war		96,753.00 0.00 96,753.00
	ninety (90) days warranty for travel charges, limited lifetime structural war	/ Chassis Total FET Total	0.00
	ninety (90) days warranty for travel charges, limited lifetime structural war	/ Chassis Total FET Total	0.00
Altec In	ninety (90) days warranty for travel charges, limited lifetime structural war	/ Chassis Total FET Total	0.00
Altec In	ninety (90) days warranty for travel charges, limited lifetime structural war	/ Chassis Total FET Total	0.00
Altec In	ninety (90) days warranty for travel charges, limited lifetime structural war	/ Chassis Total FET Total	0.00
Altec In BY La Notes:	ninety (90) days warranty for travel charges, limited lifetime structural war	/ Chassis Total FET Total	0.00



2

3

6

8

**Quote Number:** 

383385 - 1

Altec, Inc.

Ninety (90) days warranty for travel charges.

Warranty on structural integrity of the following major components is to be warranted for so long as the initial purchaser owns the product: Booms, boom articulation links, hydraulic cylinder structures, outrigger weldments, pedestals, subbases and turntables.

Altec is to supply a self-directed, computer based training (CBT) program. This program will provide basic instruction in the safe operation of this aerial device. This program will also include and explain ANSI and OSHA requirements related to the proper use and operation of this unit.

Altec offers its standard limited warranty with the Altec supplied components which make up the Altec Unit and its installation, but expressly disclaims any and all warranties, liabilities, and responsibilities, including any implied warranties of fitness for a particular purpose and merchantability, for any customer supplied parts

Altec designs and manufactures to applicable Federal Motor Vehicle Safety and DOT standards

Altec takes pride in offering solutions that provide a safer work environment for our customers. In an effort to focus on safety, we would encourage you to consider the following items:

Outrigger pads (When Applicable)
Fall Protection System
Fire extinguisher/DOT kit
Platform Liner (When Applicable)
Altec Sentry Training
Wheel Chocks

The aforementioned equipment can be offered in our new equipment quotations. If you find that any of these items have not been listed as priced options in the body of your quotation and are required by your company, we would encourage you to contact your Altec Account Manager and have an updated quotation developed for you. These options must be listed as individual options in the body of the quotation for them to be supplied by Altec.

Altec Extended Warranty Option:

Labor/Material/Expense for 1 Year. Price to be quoted

An Altec Extended Warranty is an extension of Altec's Limited Warranty, that protects you from the repair cost associated with defects of materials and workmanship beyond the first year of ownership.

A number of packages are available and can be quoted upon request.

- Unless otherwise noted, all measurements used in this quote are based on a 40 inch (1016mm) chassis frame height and standard cab height for standard configurations.
- F.O.B. #FOB TERMS#
- Changes made to this order may affect whether or not this vehicle is subject to F.E.T. A review will be made at the time of invoicing and any applicable F.E.T. will be added to the invoice amount.
- Price does not reflect any local, state or Federal Excise Taxes (F.E.T). The quote also does not reflect any local title or licensing fees. All appropriate taxes will be added to the final price in accordance with regulations in effect at time of invoicing.
  - Interest charge of 1/2% per month to be added for late payment.

We Wish To Thank You For Giving Us The Pleasure And Opportunity of Serving You



Altec, Inc.

9

Delivery: 330 days after receipt of order PROVIDING:

- A. Order is received within 14 days from the date of the quote. If initial timeframe expires, please contact your Altec representative for an updated delivery commitment.
- B. Chassis is received a minimum of sixty (60) days before scheduled delivery.
- C. Customer approval drawings are returned by requested date.
- D. Customer supplied accessories are received by date necessary for compliance with scheduled delivery.
- E. Customer expectations are accurately captured prior to releasing the order. Unexpected additions or changes made at a customer inspection will delay the delivery of the vehicle.

Altec reserves the right to change suppliers in order to meet customer delivery requirements, unless specifically identified, by the customer, during the quote and or ordering process.

10

Trade-in offer is conditional upon equipment being maintained to DOT (Department of Transportation) operating and safety standards. This will include, but is not limited to tires, lights, brakes, glass, etc. All equipment, i.e., jibs, winches, pintle hooks, trailer connectors, etc., are to remain with unit unless otherwise agreed upon in writing by both parties. ALTEC Industries reserves the right to re-negotiate its trade-in offer if these conditions are not met.

All reasonable and necessary expenses required of ALTEC Industries to execute transportation of the trade-in will be invoiced to the customer for payment if these conditions are not met to maintain DOT standards.

Customer may exercise the option to rescind this agreement in writing within sixty (60) days after receipt of purchase order. After that time ALTEC Industries will expect receipt of trade-in vehicle upon delivery of new equipment as part of the terms of the purchase order unless other arrangements have been made.

11

This quotation is valid until OCT 19, 2017. After this date, please contact Altec Industries, Inc. for a possible extension.

12

After the initial warranty period, Altec Industries, Inc. offers mobile service units, in-shop service and same day parts shipments on most parts from service locations nationwide at an additional competitive labor and parts rate. Call 877-GO-ALTEC for all of your Parts and Service needs.

13

Please email Altec Capital at finance@altec.com or call 888-408-8148 for a lease quote today.

14

Please direct all guestions to Albert Gutierrez at (205) 323 8751

# Letter of Agreement to Extend the Contract

Between

Altec Industries, Inc. (Vendor)
33 Inverness Center Parkway, Suite 110
Birmingham, AL 35242

and

National Joint Powers Alliance® (NJPA) 202 12<sup>th</sup> Street NE Staples, MN 56479 Phone: (218) 894-1930

The Vendor and NJPA have entered into an Agreement (Contract #031014-ALT) for the procurement of Public Utility Equipment with Related Accessories and Supplies. This Agreement has an expiration date of April 10, 2018, but the parties may extend the Agreement for one additional year by mutual consent.

The parties acknowledge that extending the Agreement for another year benefits the Vendor, NJPA and NJPA's Members. The Vendor and NJPA therefore agree to extend the Agreement listed above for a fifth year. This existing Agreement will terminate on April 10, 2019. All other terms and conditions of the Agreement remain in force.

National Joint Powers Alliance® (NJPA)  By:	, Its: <b>Director of Cooperative</b>
Name printed or typed: <u>Jeremy Schwartz</u>	
Date 4-21-17	
Altec Industries, Inc.	
Riley J Browne State Aprel by the J Brown Co. 1807 Aprel by Co. 1807 Aprel Co. 18	, Its: Contract Specialist
Name printed or typed: Rlley Browne	
Data 4-20-2017	·

#### **NEW BUSINESS**

Clarke Estate Window /Door Frame Restoration Project – Additional Appropriation

#### RECOMMENDATIONS

That the City Council take the following actions:

- Approve appropriation funds of \$52,000 from the Bond Funded Capital Improvement Projects Fund to Activity No. 455-397-S032 to complete installation of the Clarke Estate Windows/Door Frames; and
- Authorize the Director of Public Works to complete installation of the new Clarke Estate windows/door frames with City forces.

#### **BACKGROUND**

The City Council, at their August 25, 2013 meeting, approved a project list for the Capital Improvement Program that included the Clarke Estate Window/Door Frame Project. The project included painting the exterior of the facility, including the windows and door frames. The approved project budget was \$90,000.

Pursuant to Staff evaluation, it was determined that the condition of the Clarke Estate windows required replacement with new windows. The architectural design of the Clarke Estate required that each window be individually measured and fabricated. The total cost for painting the Clarke Estate exterior (including required construction activities) was approximately \$46,000.

Staff solicited bids for fabrication and installation of 32 new windows. Based on the bid amounts (\$98,900 and \$211,088), the City Council approved rejecting all bids. A second bid process resulted in the same outcome.

The approach that was finally implemented was to solicit bids for fabrication of the windows only and Staff would be responsible for installation. The total cost to fabricate the windows is approximately \$65,000. Eighteen (18) windows have been installed to date at a Staff labor cost of \$16,000. The estimated Staff cost to install the balance of fourteen (14) windows is \$15,000.

#### FISCAL IMPACT

Staff is requesting an additional appropriation of \$52,000 for the costs of fabricating the Clarke Estate windows, and for City forces to complete installation of the new windows. Staff is scheduling the project to be completed by March 30, 2018.

Following is a summary of project costs and estimated additional appropriation to complete the Clarke Estate Window/Door Frame Restoration Project:

Report Submitted By: Noe Negrete, Director

Date of Report: December 8, 2017

Department of Public Works

Project Expenditures		Cost
Painting		\$ 46,000
Window Fabrication		\$ 65,000
Window Installation (Staff cost)		\$ 31,000
` '	Total	\$ 142,000

Project Funding		Cost
Approved Project Appropriation		\$ 90,000
Requested Additional Appropriation		\$ 52,000
	Total:	\$ 142,000

#### INFRASTRUCTURE IMPACT

The custom fabricated windows are consistent the architectural integrity and historical designation of the Clarke Estate. In addition, the new windows provide additional security for the building. The Clarke Estate window/door frame restoration project protects a vital City asset for future generations of patrons of this historically significant building.

Don K. Powell Interim City Manager

Attachments:

None

#### **NEW BUSINESS**

Snake Basket Fountain- Review Security Options

#### RECOMMENDATIONS

That the City Council take the following actions:

- Evaluate Snake Basket Fountain security options reviewed by the Heritage Arts Advisory Committee (HAAC);
- Approve a security option for the Snake Basket Fountain;
- Approve an appropriation from the Art Fund; and
- Authorize the Director of Public Works to install the approved security option for the Snake Basket Fountain.

#### **BACKGROUND**

The Heritage Arts Advisory Committee (HAAC), requested Staff to evaluate alternative security options to protect the Snake Basket Fountain located in the Sculpture Garden. Staff evaluated the following three (3) options:

Option Cost Estimate

1 - New Fence

\$9,420

Pros:

Provides perimeter security

Cons:

Most costly option; Fence can be breached;

Aesthetic cover (banner) required.

2 - City-Provided Fence

\$3,500

Pros:

Provides perimeter security;

Utilizes re-furbished fence material;

Least costly option.

Cons:

Fence can be breached; aesthetic cover (banner) required.

3 - Vinyl Cover

\$4,800

Pros:

Provides security to the art piece on the fountain

Cons:

Long-term effect of insulation foam material unknown;

Installation of crisscross straps can be a potential tripping

hazard.

The HAAC reviewed each option and recommends that the City Council approve installing the vinvl cover to protect the art piece pending restoration in the near future. The HAAC recommendation includes the risk mitigation measures of filling the fountain cavity with insulation foam material, and installing crisscross straps anchored to the concrete walkway perimeter of the fountain.

#### FISCAL IMPACT

Pursuant to the City Council approving a Snake Basket Fountain security option, the City Council will appropriate the required amount from the Art Fund to pay for the cost of the selected option.

Report Submitted By: Noe Negrete, Director // Date of Report: December 8, 2017

Department of Public Works

ITEM NO. 20

#### **INFRASTRUCTURE IMPACT**

Installation of a security option for the Snake Basket Fountain will protect an important and recognized work of art in the Sculpture Garden pending its restoration. Discussions regarding the development a hotel in the area adjacent to the Sculpture Garden area include restoring the Snake Basket Fountain as a condition of approval.

Don R. Powell

Interim City Manager

Attachment None



December 14, 2017

#### **NEW BUSINESS**

Adoption of Resolution No. 9564 - Authorizing Library Services Division Director to accept and administer California State Library "Libraries Illuminated" Grant

#### RECOMMENDATION:

That the City Council approves Resolution No. 9564 authorizing the Library Services Division Director in the Department of Community Services to accept and administer the California State Library "Libraries Illuminated" grant.

#### **BACKGROUND**

Last year, the Santa Fe Springs City Library received a grant that paid for updated broadband throughout the building, including the wireless connection. The grant also paid for equipment to facilitate the broadband update and that would accommodate the increased bandwidth (access points, servers, etc.). However, even though our broadband now allows for 1 Gigabyte of upload and download speed, our 7-year-old computers were having trouble keeping up the pace.

In addition to this issue, the projector in the Library's Community Room has been experiencing issues with its resolution. Eight years makes a huge difference in technology and the projector should be updated.

Two months ago, the California State Library announced its Libraries Illuminated grant program that would allow libraries to make hardware and software improvements to maximize benefits to patrons as they access new high-speed broadband connections. With this equipment funding, the Libraries Illuminated grant also required a programmatic aspect, allowing libraries to leverage the equipment to an even greater potential. We decided that this would be the perfect opportunity to apply for a grant that would replace our outdated public access computers and projector and tie them to a program that provides workforce development classes.

The cost of the project is \$28,000 which the California State Library agreed to fund. The grant project year will go to June 30, 2018. Final reports are due to the State Library by July 31, 2018. The payment structure is as follows:

upon execution of agreement \$28,000

#### FISCAL IMPACT

There is no fiscal impact to the General Fund. All costs associated with this project are funded by the California State Library "Libraries Illuminated" grant.

Report Submitted By: Joyce Ryan/Maricela Balderas Date of Report: December 8, 2017 Department of Community Services

Don R. Powell Interim City Manager

Attachments: Resolution No. 9564 Notification of Grant Award

APPROVED: ITEM NO.:

#### **RESOLUTION NO. 9564**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS ACCEPTING GRANT FUNDING FROM THE CALIFORNIA STATE LIBRARY "LIBRARIES ILLUMINATED" GRANT PROGRAM

**WHEREAS**, the California State Library and California Library Services Board has made \$28,000 in California Library Services Act (CLSA) grant funds available for the City of Santa Fe Springs; and

**WHEREAS**, the City of Santa Fe Springs supports the grant goals and wishes to participate in the "Libraries Illuminated" Grant Program; and

**WHEREAS**, the City of Santa Fe Springs City Library staff will purchase new public access computers, a new projector and hold programs focused on workforce development;

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS DECLARES AS FOLLOWS:

**Section 7**. The City Clerk shall certify to the adoption of this Resolution.

PASSED, APPROVED AND ADOPTED this 14th day of December, 2017.

AYES:	
NOES:	
ABSENT:	
ABSTAIN:	
	William Rounds, Mayor
Attest:	



November 14, 2017

Joyce Ryan, Library Services Division Director Santa Fe Springs City Library 11700 E. Telegraph Road Santa Fe Springs, CA 90670

Subject: Libraries, Highninated Grant Program, funded by the California Library Services Act

Dear Ms. Ryan:

It's my pleasure to approve the Libraries Illuminated grant application submitted to the California State Library from Santa Fe Springs City Library for \$28,000. The grant is effective immediately and ends December 31, 2018. Congratulations on being among the public libraries in California to benefit from this program.

A key part of this program is to encourage partnerships that will enrich your library long after these Libraries Illuminated funds are spent. We encourage you to let your partners know about your project as soon as possible and begin developing strong, ongoing collaborations that benefit the communities you serve. We also encourage you to focus efforts on raising awareness of your project and engaging the community with your work.

As noted in the application materials, grantees must: implement and evaluate at least three programs by December 31, 2018; use Project Outcome survey tools to evaluate the impact of their programs; and complete periodic narrative and fiscal reports. Your reports should tell us how your funds were expended and provide a summary of the progress you have made in fulfilling grant requirements. Evaluation and reporting forms and information will follow shortly.

We know you're busy and ask for this information because it helps decision-makers maintain funding not only for this program but for others, too, that benefit you and the rest of the libraries in California. If we can't demonstrate the value of an investment, no-one is going to continue investing.

This funding is contingent upon your completion of a signed agreement with the Southern California Library Cooperative (SCLC), the administrative and fiscal agent for this project. Please work with Diane Satchwell, SCLC Executive Director. She may be contacted at 626-283-5949 or disatchwell@socallibraries.org.

Respectfully yours,

Greg Lucas

California State Librarian

Library – Courts Building P.O. Box 942837 Sacramento, CA 94237-0001 916-323-9759 csl-adm@library.ca.gov www.library.ca.gov Adjourned City Council Meeting

December 14, 2017

#### **NEW BUSINESS**

<u>Appointment of Representative to the Greater Los Angeles County Vector Control</u> District Board of Trustees

#### RECOMMENDATION

That the City Council: appoint a Trustee to the Greater Los Angeles County Vector Control District Board of Trustees to serve as the City's representative for a 2 or a 4 year term commencing on January 1, 2018.

#### **BACKGROUND**

The Greater Los Angeles County Vector Control district has notified us that the term of office for the City's current representative on its Board of Trustees will expire on January 1, 2018. The Council may consider re-appointing the current representative or appoint a new trustee for a 2- or 4-year term.

Don Powell

Interim City Manager

#### Attachments:

Letter from Greater Los Angeles County Vector Control District Excerpt from California Health and Safety Code – Section 2022

Report Submitted By: City Clerk

Date of Report: December 6, 2017

ITEM NO. 22

# GREATER LOS ANGELES COUNTY VECTOR CONTROL DISTRICT

12545 Florence Avenue, Santa Fe Springs, CA 90670 Office (562) 944-9656 Fax (562) 944-7976 Email: info@glacvcd.org Website: www.glacvcd.org

GENERAL MANAGER
Truc Dever

PRESIDENT
Steve Croft, Lakewood
VICE PRESIDENT
Mark W. Bollman, Cerritos
SECRETARY-TREASURER

Baru Sanchez, Cudahy

September 14, 2017

ARTESIA
Sally Flowers
BELL
Ali Saleh
BELL GARDENS
Pedro Aceituno
BELLFLOWER
Sonny R. Santa Ines
BURBANK
Dr. Jeff D. Wassem
CARSON
Elito M. Santarina
COMMERCE
Leonard Mendoza

Leonard Mendoz
DIAMOND BAR
Steve Tye
DOWNEY
Robert Kiefer
GARDENA
Dan Medina
GLENDALE

Jerry Walton
HAWAIIAN GARDENS
Barry Bruce
HUNTINGTON PARK
Marilyn Sanabria

Marilyn Sanabria
LA CAÑADA FLINTRIDGE
Michael T. Davitt
LA HABRA HEIGHTS
Catherine Houwen
LA MIRADA
Larry P. Mowles
LONG BEACH
Robert Campbell
LOS ANGELES CITY
Steven Appleton
LOS ANGELES COUNTY

Martin H. Kreisler
LYNWOOD
Salvador Alatorre
MAYWOOD
Eddie De La Riva
MONTEBELLO
Avik Cordeiro
NORWALK
Leonard Shryock
PARAMOUNT
Dr. Tom Hansen

PICO RIVERA Bob J. Archuleta SAN FERNANDO Nina Herrera SAN MARINO Scott T. Kwong SANTA CLARITA Heidi Heinrich SANTA FE SPRINGS Luis Gonzalez SIGNAL HILL Robert D. Copeland SOUTH EL MONTE Hector Delgado SOUTH GATE Maria Davila

WHITTIER

Josué Alvarado

Honorable Mayor and Members of the City Council City of Santa Fe Springs
11710 Telegraph Rd.
Santa Fe Springs, CA 90670

Re: Appointment/Re-appointment of representative of the Greater Los Angeles County Vector Control District Board of Trustees

Honorable Body:

This correspondence is to inform you that the term of the office of Trustee Luis Gonzalez as a member of the Board of Trustees of the Greater Los Angeles County Vector Control District will expire on January 1, 2018. Pursuant to Section 2024 of the State Health and Safety Code (SHSC) governing the dates of term of office of members appointed to the Board of Trustees, the City Council may consider reappointing Trustee Gonzalez or appointing a new trustee for a 2 or 4 year term of the office, commencing at noon on the first Monday of January (i.e. January 1, 2018) Please note, per the State Health and Safety Code that representatives must be appointed to serve a full 2 or a 4 year term commencing on January 1, 2018 and should not be appointed on a yearly basis. Furthermore, the District does not accept or recognize the appointment of alternate representatives.

Please review all subsections of the SHSC 2022 (i.e. a-e). Subsections a and b require that each person appointed by a board of supervisors or by a city council shall be a voter and resident within the respective county or city of the appointing body. Section 2022 (c) incorporates language that clarifies the issue over the doctrine of Incompatibility of office, exempting and enabling an appointee who holds elected offices to also simultaneously serve on the District's Board of Trustees. Trustees represent the mission and interests of the District at large rather than the individual interests of the appointing body. Once appointed, the representative cannot be removed at-will by the appointing city or county. The representative will serve until the expiration of his/her term unless he/she resigns, vacates the office due to absences, or is no longer a voter and resident within the respective county or city of the appointing body.

Representatives are expected to attend the District's general board meetings held monthly on the 2<sup>nd</sup> Thursday of the month. Pursuant to California Government Code Section 1770(g), the Trustee's seat will be considered abandoned if the person holding the office ceases to discharge the duties of that office for a period of three consecutive months, except when prevented by sickness or specified excuses.

Please make your appointment/reappointment prior to January 1, 2018 as stipulated in the SHSC. Should you have any questions regarding this appointment, please contact Kelly Middleton, Director of Community Affairs at 562-944-9656 ext. 510

Sincerely,

Truc Dever General Manager

Enclosure: Sections 2022 & 2024 of the SHSC

cc: Luis Gonzalez City Clerk

#### California Health and Safety Code

#### 2022.

- (a) Each person appointed by a board of supervisors to be a member of a board of trustees shall be a voter in that county and a resident of that portion of the county that is within the district.
- (b) Each person appointed by a city council to be a member of a board of trustees shall be a voter in that city and a resident of that portion of the city that is within the district.
- (c) Notwithstanding any other provision of law including the common law doctrine that precludes the simultaneous holding of incompatible offices, a member of a city council may be appointed and may serve as a member of a board of trustees if that person also meets the other applicable qualifications of this chapter.
- (d) It is the intent of the Legislature that persons appointed to boards of trustees have experience, training, and education in fields that will assist in the governance of the districts.
- (e) All trustees shall exercise their independent judgment on behalf of the interests of the residents, property owners, and the public as a whole in furthering the purposes and intent of this chapter. The trustees shall represent the interests of the public as a whole and not solely the interests of the board of supervisors or the city council that appointed them.

#### 2024.

- (a) Except as provided in Section 2023, the term of office for a member of the board of trustees shall be for a term of two or four years, at the discretion of the appointing authority. Terms of office commence at noon on the first Monday in January.
- (b) Any vacancy in the office of a member appointed to a board of trustees shall be filled pursuant to Section 1779 of the Government Code. Any person appointed to fill a vacant office shall fill the balance of the unexpired term.

City Council Meeting

December 14, 2017

**NEW BUSINESS** 

Resolution 9565 – Approving the Issuance and Delivery of the Santa Fe Springs Water Utility Authority 2018 Subordinate Water Revenue Bonds, Approving a Second Amendment to the Water Enterprise Lease Agreement, an Indenture of Trust, and a Bond Purchase Contract and Authorizing Official Actions and Execution of Documents Related Thereto

#### RECOMMENDATION

It is recommended that the City Council approve the proposed financing and adopt the attached Resolution 9565 approving the issuance of refunding bonds to refund outstanding 2005 Water Revenue Bonds and the execution of necessary financing documents.

#### **BACKGROUND**

On November 15, 2017 Staff met with the City Council Finance Subcommittee (consisting of Mayor Pro Tem Sarno and Councilmember Moore) to review the status of the Water Utility's outstanding bonds, including the potential to refund (i.e. refinance) one of the outstanding bond issuances and achieve over \$40,000 in average savings per year for the next nine years. The Subcommittee recommended the proposed refunding for City Council consideration.

The City of Santa Fe Springs previously financed improvements to the City's water system in 1996 with the issuance of \$4,170,000 Santa Fe Springs Public Financing Authority Water Revenue Bonds, Series A (the "1996 Bonds"). In 2005, the Public Financing Authority issued \$3,705,000 of Water Revenue Refunding Bonds (the "2005 Bonds") to refund the 1996 Bonds. The 2005 Bonds are secured by the payments due from the City to the Public Financing Authority under an Installment Sale Agreement (the "2005 Installment Sale Agreement").

The proposed transaction includes issuing approximately \$1,800,000 in bonds to refund the currently outstanding principal of the 2005 Bonds in the amount of \$1,960,000. The 2005 Bonds accrue interest at annual rates ranging from 4.375% to 5.00%, with average annual debt service payments of approximately \$264,400 through May 1, 2026.

Based on current market interest rates, the City can generate a total debt service savings of approximately \$392,380 (after subtracting refinancing costs) by refunding the 2005 Bonds with the proceeds of a new bond issuance, the Santa Fe Springs Water Utility Authority 2018 Subordinate Water Revenue Bonds (the "2018 Bonds"). The City recently received bids from interested lenders on the 2018 Bonds, and the bidder being recommended (Opus Bank) has committed to an annual interest rate of 2.39%.

Report Submitted By: Jose Gomez and Travis Hickey
Finance and Administrative Services

Date of Report: December 8, 2017

City Council Meeting

December 14, 2017

The new average annual payments (commencing with a semi-annual payment due May 1, 2018) will be \$220,800, resulting in average annual savings to the City's water enterprise of approximately \$43,600 per year over the next nine years.

#### DISCUSSION

Interest rates are currently at historic lows. The 2005 Bonds are all currently callable on any date with no premium due and are eligible to be refunded with the 2018 Bonds, which would result in an aggregate debt service savings of approximately \$392,380. The current maturity date of the Bonds would not be extended by this refinancing.

Through municipal bond market analysis, and bidding of indicative rates from banks, Staff has determined a private placement is the best financial structure for this transaction, as opposed to a public offering.

Public Offering – A public offering is the sale of bonds, through an underwriter in the open market to any type of investor. The securities are required to be sold in connection with the preparation of an official statement detailing a variety of information about the issuer and security for repayment of the bonds. These bonds typically require a debt service reserve fund to be held by the trustee and/or the purchase of a surety bond policy. Issuance costs can be significantly higher than a private placement due to underwriter's costs, additional professional fees and costs of rating agencies.

Private Placement – A private placement is the sale of bonds, through a placement agent, to one or a small number of select investors, usually large banks, mutual funds, insurance companies, and pension funds. Since a private placement is offered to a few select investors, the preparation of an official statement is not required, and in many cases, the funding of a debt service reserve or purchase of a surety bond policy is not necessary. Usually, issuance costs are significantly less than a public offering.

In general, private placement transactions tend to make more sense for smaller bond issuances and when the final maturity is shorter (i.e. less than 10 years). Conversely, public offerings are more attractive for longer terms (i.e. 30 years) and larger amounts.

Through the bidding process, the City received four (4) placement proposals, with the lowest indicative rate from Opus Bank. The tax-exempt rate is subject to daily adjustments based on a formula tied to the 3-Year Treasury rate with the City able to lock in the rate before closing. Because the market has shown recent volatility and municipal market rates are subject to daily adjustments, and to ensure the City manages market risk, the City's finance team recommends pursuing the private placement structure so that a rate can be locked in several weeks prior to closing. Attached to this report are the summary rate proposals from bidding banks.

The savings analysis (attached to this report) shows a Net Present Value ("NPV")

Report Submitted By: Jose Gomez and Travis Hickey Date of Report: December 7, 2017

Finance and Administrative Services

City Council Meeting

December 14, 2017

savings of the proposed refunding of 3.9%, exceeding the recommended minimum threshold of 3% recommended by the Government Finance Officers Association ("GFOA") and in compliance with the City's Debt Issuance Policy.

#### **DOCUMENTS TO BE APPROVED**

The next step in the refinancing process is the approval of the City, Public Financing Authority, and Water Utility Authority Resolutions, which authorize and direct the execution of certain legal and financing documents, the issuance of the 2018 Bonds, the redemption of the 2005 Bonds, and the prepayment of the 2005 Installment Sale Agreement. The following documents are approved by the proposed Resolutions and are attached in draft form to this report.

- Indenture of Trust This document contains the terms of the 2018 Bonds, including payment and redemption provisions, pledge of net revenues to pay the 2018 Bonds, rights and duties of the trustee, remedies upon a default in the payment of the 2018 Bonds, and final discharge of the 2018 Bonds and other related matters.
- Second Amendment to Water Enterprise Lease Agreement This document contains modifications to the definitions and terms contained in the Water Enterprise Lease Agreement between the City of Santa Fe Springs and the Water Utility Authority.
- Irrevocable Refunding Instructions This document is an instruction from the City and Public Financing Authority to the trustee for the 2005 Bonds with respect to the deposit and application of funds (including 2018 Bond proceeds) to defease and redeem the 2005 Bonds.
- Bond Purchase Contract One or more bond purchase contracts will be entered into with the purchaser(s) of the 2018 Bonds. The bond purchase contract details the conditions under which the purchasers will buy the 2018 Bonds.
- Placement Agent Agreement This document contains the terms and conditions under which the Placement Agent agrees to locate a purchaser for the purchase and delivery of the 2018 Bonds, consistent with the terms of the Indenture.

Date of Report: December 7, 2017

City Council Meeting

December 14, 2017

Based on a preliminary schedule, it is anticipated that the Proposed 2018 Bonds would close by early January 2018, at which time a redemption notice would be issued to fully redeem the refunded bonds.

The Successor Agency's financing team of Urban Futures, Inc. as independent municipal advisor and fiscal consultants, Jones Hall, a Professional Corporation, as bond and disclosure counsel, Stifel, Nicolaus & Company, Incorporated, as placement agent, and US Bank National Association, as trustee, are proposed. The related fees for all firms are payable only upon completion of the financing. The estimated costs of issuance are attached to this report.

#### **FISCAL IMPACT**

The proposed 2018 Bonds will generate an estimated total debt service savings of \$392,380 net of all costs of issuance. The average annual savings are approximately \$43,600 per year for the next nine years. The term of the 2018 Bonds will not exceed the existing term of the 2005 Bonds, and overall debt service will be reduced in each year until 2026, when the 2018 Bonds will be completely repaid.

The source of repayment of the 2018 Bonds would be limited to Water Enterprise net revenues (after payment of operation and maintenance costs) and would not be a debt of the City's General Fund.

Interim City Manager

#### Attachments:

- A. Resolution 9565 of the City Council of the City of Santa Fe Springs;
- B. Resolution WUA-2017-002 of the Water Utility Authority;
- C. Resolution PFA-2017-002 of the Public Financing Authority;
- D. Indenture of Trust:
- E. Second Amendment to Water Enterprise Lease Agreement;
- F. Irrevocable Refunding Instructions;
- G. Bond Purchase Contract;
- H. Placement Agent Agreement;
- I. Savings Analysis;
- J. Bid Summary; and
- K. Estimated Costs of Issuance.

Report Submitted By: Jose Gomez and Travis Hickey
Finance and Administrative Services

Date of Report: December 7, 2017

# SEE AGENDA ITEM 6A FOR ATTACHEMENTS



City Council Meeting

December 14, 2017

#### **PRESENTATION**

Presentation from Assembly Majority Leader Ian Calderon - Legislative Update

RECOMMENDATION: That the City Council Call upon Assembly Majority Leader Ian Calderon.

#### BACKGROUND

Majority Leader Calderon will be providing a brief presentation to the City Council on the 2016-2017 Legislative Cycle for the California State Legislature

On Dulle Don R. Powell

Interim City Manager

Attachment None

#### **PRESENTATION**

Recognition of the Santa Fe Springs Cali Kings for Winning the Xtreme Diamond State Championship

#### RECOMMENDATION:

That the City Council recognize the Santa Fe Springs Cali Kings for Winning the Xtreme Diamond State Championship and present them with a monetary donation of \$1,000.

#### **BACKGROUND**

Council Member Moore requested to recognize the Santa Fe Springs Cali Kings for Winning the Xtreme Diamond State Championship. In addition to their recognition, the City would like to provide the team with a monetary donation of \$1,000 towards their travel to Cooperstown, New York.

The Cali Kings began playing three (3) years ago, traveling from City to City representing Santa Fe Springs. They started with one team, and now have four (4) teams consisting of 4 age groups, 10 years and under; 11 years and under; 12 years and under; 13 years and under. Most of them used to play in the metropolitan little league. With the help of their coach Jose Casillas and their Manager Gabriel Jimenez, they have made it to the championships.

Don Powell

Interim City Manager

December 14, 2017

#### **PRESENTATION**

Appointment of Fire Chief Brent Hayward

#### RECOMMENDATION:

That the City Council call upon Fire Chief Mike Crook.

#### **BACKGROUND**

Fire Chief Mike Crook has announced he will be retiring and Brent Hayward will be taking his place as the new Fire Chief for Santa Fe Springs.

Chief Brent Hayward started his career with the City of Santa Fe Springs Fire Department on April 10, 1990. On February 2, 1998 he was promoted to Engineer. He was a temporary Captain in early 2000 and became permanent on November 6, 2000. He was promoted to Division Chief on November 19, 2012.

Chief Hayward has received several of commendation letters over the past years, including one from the County of Los Angeles thanking Chief Hayward for his heroic effort at a home fire in Cerritos where he, when off duty as a firefighter had forced entry through a door to conduct a primary search for any victims that could have been in the house. He did this without a breathing apparatus or protective clothing. While placing his health and safety at risk, he courageously ensured that no victims remained in the smoke filled house. He returned outside and met arriving L.A. County Engine 35 and Paramedic Squad 30 who treated him for smoke inhalation and transported him to La Palma Hospital.

His efforts and abilities as a firefighter have developed his character to the man he is today and we are proud to call him Chief.

Don Powell

Interim City Manager

Submitted By: Janet Martinez, City Clerk

Date of Report: December 8, 2017

ITEM NO. 29C

#### **PRESENTATION**

Presentation to Retiring Fire Chief Mike Crook.

#### RECOMMENDATION:

That the City Council call upon Interim City Manager Don Powell.

#### **BACKGROUND**

Fire Chief Mike Crook started his career with the Santa Fe Springs Fire Department at the young age of 21, on April 29, 1988. 5 years in service, on August 23, 1993, he was promoted to Engineer. Three years later on July 22, 1996 he was promoted to Captain.

Throughout his career he was active on the Executive Board of the Firemen's Association, as the Vice President and as Chair for other committees. His commitment to the Firemen's Association led him to work with several service organizations within the City including the Soroptomist Club, the Red Cross and the residential emergency preparedness program. His work as a volunteer, teacher and fundraiser with these organization resulted in acquiring many friends and associates in the community.

On November 3. 2012 He accepted the position of Fire Chief and also simultaneously held the positions of Director of Environmental Service, and Fire Marshal. Chief Crook was also the President and Treasurer of the Area "E" Fire District which includes Chiefs from Downey, La Habra Heights, Vernon and Compton. He has done a tremendous job not just for this community but also for the district

His first priority as Chief was to re-open Fire Station 2 that's on Dice Road. This improved emergency response times for the area in the community it services.

Another proud accomplishment; under his direction as Chief and the Director of Environmental he oversaw the safety cleanup of the old oil refinery. We now have a safe, attractive building on land that once was a public safety nuisance for the community.

Don Powell

Interim City Manager

Submitted By: Janet Martinez, City Clerk

Date of Report: December 8, 2017

ITEM NO. 29D

#### APPOINTMENTS TO COMMITTEES AND COMMISSIONS

Committee	<b>Vacancies</b>	Councilmember
Beautification	3	Moore
Beautification	1	Rounds
Beautification	3	Sarno
Beautification	1	Trujillo
Family & Human Services	1	Moore
Historical	2	Rounds
Historical	3	Sarno
Historical	3	Trujillo
Historical	3	Zamora
Parks & Recreation	2	Sarno
Parks & Recreation	1	Zamora
Senior Citizens	3	Moore
Senior Citizens	1	Rounds
Senior Citizens	2	Sarno
Senior Citizens	4	Trujillo
Sister City	3	Rounds
Sister City	4	Sarno
Sister City	3	Trujillo
Sister City	3	Zamora
Traffic Commission	1	Trujillo

Applications Received: None.

Recent Actions: None.

Don Powell Interim City Manager

Attachments: Committee Lists **Prospective Members** 

Report Submitted by: Janet Martinez

City Clerk

Date of Report: December 8, 2017

ITEM NO. 30

# **Prospective Members for Various Committees/Commissions** Beautification Community Program Family & Human Services **Heritage Arts** Historical Personnel Advisory Board Parks & Recreation Planning Commission Senior Citizens Advisory Frank Aguayo Sr. Sister City Traffic Commission

Youth Leadership

## **BEAUTIFICATION COMMITTEE**

updated 10/5/17

Meets the fourth Wednesday of each month, except July, Aug, Dec.

9:30 a.m., Town Center Hall

Qualifications: 18 Years of age, reside or active in the City

Membership: 25 Residents appointed by City Council

APPOINTED BY	NAME	TERM EXPIRES JUNE 30 OF
	Juliet Ray Guadalupe Placensia Vacant Vacant Vacant	(18) (19)
Zamora	Mary Reed Charlotte Zevallos Doris Yarwood Vada Conrad Joseph Saiza	(18) (18) (18) (19) (19)
Rounds	Sadie Calderon Rita Argott Mary Arias Marlene Vernava Vacant	(18) (18) (19) (19)
Sarno	Irene Pasillas May Sharp Vacant Vacant Vacant	(18) (19)
Trujillo	Mary Jo Haller Nora Walsh Margaret Bustos* Vacant	(18) (18) (18)

<sup>\*</sup>Indicates person currently serves on three committees

# FAMILY & HUMAN SERVICES ADVISORY COMMITTEE

updated 10/5/17

Meets the third Wednesday of the month, except Jul., Aug., Sept., and Dec., at 5:45 p.m., Gus Velasco Neighborhood Center

Qualifications: 18 Years of age, reside or active in the City Membership: 15 Residents Appointed by City Council

5 Social Service Agency Representatives Appointed by the Committee

APPOINTED BY	NAME	TERM EXPIRES JUNE 30 OF
Moore	Martha Villanueva	(18)
	Margaret Bustos*	(18)
	Vacant	
Zamora	Gaby Garcia	(18)
	Tina Delgado	(19)
	Gilbert Aguirre	(19)
Rounds	Annette Rodriguez	(18)
	Janie Aguirre	(19)
	Peggy Radoumis	(19)
Sarno	Debbie Belmontes	(18)
	Linda Vallejo	(18)
	Hilda Zamora	(19)
Trujillo	Dolores H. Romero*	(18)
	Laurie Rios	(18)
	Bonnie Fox	(19)
Organizational Representatives:	Nancy Stowe	

(Up to 5) Evelyn Castro-Guillen

\_\_\_\_\_\_

Elvia Torres

(SPIRITT Family Services)

<sup>\*</sup>Indicates person currently serves on three committees

## HERITAGE ARTS ADVISORY COMMITTEE

updated 10/5/17

Meets the Last Tuesday of the month, except Dec., at 9:00 a.m., at the Gus Velasco Neighborhood Center Room 1

Qualifications: 18 Years of age, reside or active in the City

Membership: 9 Voting Members

6 Non-Voting Members

APPOINTED BY	NAME	TERM EXPIRES JUNE 30 OF
Moore	Laurie Rios	6/30/2019
Zamora	Larry Oblea	6/30/2019
Rounds	Pauline Moore	6/30/2019
Sarno	Francis Carbajal	6/30/2019
Trujillo	Amparo Oblea	6/30/2019
Committee Representatives		
Beautification Committee	Charlotte Zevallos	6/30/2019
Historical Committee	Sally Gaitan	6/30/2019
Planning Commission	Gabriel Jimenez	6/30/2019
Chamber of Commerce	Debbie Baker	6/30/2019
Council/Staff Representatives		
Council Liaison	Richard Moore	
Council Alternate	Jay Sarno	
City Manager	Don Powell	
Director of Community Services	Maricela Balderas	
Director of Planning	Wayne Morrell	

<sup>\*</sup>Indicates person currently serves on three committees

## HISTORICAL COMMITTEE

updated 10/12/17

Meets Quarterly - The 2nd Tuesday of Jan., April, July, and Oct., at 5:30 p.m., Heritage Park Train Depot

Qualifications: 18 Years of age, reside or active in the City

APPOINTED BY	NAME	TERM EXPIRES JUNE 30 OF
Moore	Astrid Shesterkin	(18)
	Tony Reyes	(18)
	Amparo Oblea	(19)
	George Felix, Jr.	(19)
Zamora	Vacant	
	Vacant	
	Vacant	
	Larry Oblea	(18)
Rounds	Vacant	
	Vacant	
	Mark Scoggins*	(19)
	Janice Smith	(19)
Sarno	Vacant	
	Vacant	
	Vacant	
	Sally Gaitan	(19)
Trujillo de la	Vacant	
	Vacant	
	Merrie Hathaway  Vacant	(19)

<sup>\*</sup>Indicates person currently serves on three committees

# PARKS & RECREATION ADVISORY COMMITTEE

updated 10/17/17

Meets the First Wednesday of the month, except Jul., Aug., and Dec., 7:00 p.m., Town Center Hall, Meeting Room #1

Subcommittee Meets at 6:00 p.m.

Qualifications: 18 Years of age, reside or active in the City

APPOINTED BY	NAME	TERM EXPIRES JUNE 30 OF
Moore	Mary Tavera	(18)
	Adrian Romero	(19)
	William Logan	(19)
	Ralph Aranda	(19)
	Kurt Hamra	(19)
Zamora	Michael Givens	(18)
	Ruben Gonzalez	(18)
	Frank Aguayo, Sr.	(18)
	Sally Gaitan	(19)
	Vacant	,
Rounds	Kenneth Arnold	(18)
	Mary Anderson	(18)
	Johana Coca*	(18)
	Tim Arnold	(19)
	Mark Scoggins*	(19)
Sarno	Rudy Lagarreta Jr.	(18)
	Debbie Belmontes	(18)
	Lisa Garcia	(19)
	Vacant	(18)
	David Diaz-Infante	(19)
Trujillo	Dolores Romero	(19)
	Andrea Lopez	(18)
	Lydia Gonzalez	(19)
	Anthony Ambris	(19)
	Arcelia Miranda	(19)

<sup>\*</sup>Indicates person currently serves on three committees

# PERSONNEL ADVISORY BOARD

Meets Quarterly on an As-Needed Basis

Membership:

5 (2 Appointed by City Council, 1 by Personnel

Board, 1 by Firemen's Association, 1 by

Employees' Association)

Terms:

Four Years

APPOINTED BY	NAME	TERM EXPIRES JUNE 30 OF
Council	Angel Munoz	6/30/2017
	Ron Biggs	6/30/2017
Personnel Advisory Board	Neal Welland	6/30/2020
Firemen's Association	Jim De Silva	6/30/2017
Employees' Association	Johnny Hernande	ez 6/30/2020

# **PLANNING COMMISSION**

updated 10/17/17

Meets the second Monday of every Month at 4:30 p.m., Council Chambers

Qualifications: 18 Years of age, reside or active in the City

APPOINTED BY	NAME
Moore	Ken Arnold
Rounds	Ralph Aranda
Sarno	John Mora
Trujillo	Frank Ybarra
Zamora	Gabriel Jimenez

## **SENIOR ADVISORY COMMITTEE**

updated 10/9/2017

Meets the Second Tuesday of the month, except Jul., Aug., Sep., and Dec., at 9:30 a.m., Gus Velasco Neighborhood Center

Qualifications: 18 Years of age, reside or active in the City

APPOINTED BY	NAME	TERM EXPIRES JUNE 30 OF
Moore	Paul Nakamura	(18)
	Astrid Shesterkin	(19)
	Vacant	
	Vacant	
	Vacant	
Zamora	Dolores Duran	(18)
	Elena Lopez Armendariz	(18)
	Rebecca Lira	(18)
	Amelia Acosta	(19)
	Gloria Madrid	(19)
Rounds	Vacant	
	Bonnie Fox	(18)
	Gilbert Aguirre	(19)
	Lorena Huitron	(19)
	Janie Aguirre	(19)
Sarno	Yoko Nakamura	(18)
	Linda Vallejo	(18)
	Hilda Zamora	(19)
	Vacant	
	Vacant	
Trujillo	Vacant	
	Vacant	
	Vacant	
	Margaret Bustos*	(19)
	Vacant	

<sup>\*</sup>Indicates person currently serves on three committees

#### SISTER CITY COMMITTEE

updated 10/24/17

Meets the First Monday of every month, except Dec., at 6:45 p.m., Town Center Hall, Mtg. Room #1. If the regular meeting date falls on a holiday, the meeting is held on the second Monday of the month.

Qualifications: 18 Years of age, reside or active in the City

APPOINTED BY	NAME	TERM EXPIRES JUNE 30 OF
Moore	Martha Villanueva	(18)
	Laurie Rios	(18)
	Mary K. Reed	(19)
	Peggy Radoumis	(19)
	Francis Carbajal	(19)
Zamora	Charlotte Zevallos	(18)
	Vacant	(19)
	Vacant	
	Doris Yarwood	(19)
	Vacant	
Rounds	Manny Zevallos	(18)
	Susan Johnston	(18)
	Vacant	
	Vacant	
	Vacant	
Sarno	Jeannette Wolfe	(18)
	Vacant	
Trujillo	Vacant	(18)
	Andrea Lopez	(18)
	Vacant	
	Marcella Obregon	(19)
	Vacant	(18)

<sup>\*</sup>Indicates person currently serves on three committees

## TRAFFIC COMMISSION

Meets the Third Thursday of every month, at 6:00 p.m., Council Chambers

Membership:

5

Qualifications: 18 Years of age, reside or active in the City

APPOINTED BY	NAME
Moore	Bryan Collins
Rounds	Johana Coca
Sarno	Alma Martinez
Trujillo	Vacant
Zamora	Nancy Romo

## YOUTH LEADERSHIP COMMITTEE

updated 10/18

Meets the First Monday of every month, at 6:30 p.m., Gus Velasco Neighborhood Center

Qualifications: Ages 13-18, reside in Santa Fe Springs

Membership:

20

APPOINTED BY	NAME	Term Expires in Year Listed or upon Graduation
Moore	Richard Aguilar	(19)
	Destiny Cornejo	(19)
	Zachary Varela	(18)
	Jazmine A. Duque	(19)
	Giovanni Sandoval	(18)
Zamora	Metztli Mercado-Garcia	(18)
	Savanna Aguayo	(19)
	Valerie Melendez	(19)
	Christian Zamora	(19)
Rounds	Andrew Chavez	(18)
	Jennisa Casillas	(19)
	Walter Alvarez	(18)
	Valerie Yvette A. Gonzales	(18)
Sarno	Angel M. Corona	(19)
	Rafael Gomez	(19)
	Ivan Aguilar	(19)
	Jennifer Centeno Tobar	(19)
Trujillo	Bernardo Landin	(18)
	Ionnis Panou	(18)
	Karla Cardenas	(19)
	Amber Marquez	(18)