



AGENDA

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

**March 28, 2019
6:00 P.M.**

Council Chambers
11710 Telegraph Road
Santa Fe Springs, CA 90670

**John Mora, Councilmember
Annette Rodriguez, Councilmember
Joe Angel Zamora, Councilmember
William K. Rounds, Mayor Pro Tem
Juanita Trujillo, Mayor**

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.

Please Note: 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.

1. **CALL TO ORDER**

2. **ROLL CALL**

John Mora, Councilmember
Annette Rodriguez, Councilmember
Joe Angel Zamora, Councilmember
William K. Rounds, Mayor Pro Tem
Juanita Trujillo, 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.

- a. Minutes of the February 28, 2019 Public Financing Authority
Recommendation: That the Public Financing Authority:
 - Approve the minutes as submitted.
- 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.

WATER UTILITY AUTHORITY

4. **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.

- a. Minutes of the February 28, 2019 Water Utility Authority
Recommendation: That the Water Utility Authority:
 - Approve the minutes as submitted.
- b. 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.
- c. Status Update of Water-Related Capital Improvement Projects
Recommendation: That the Water Utility Authority:
 - Receive and file the report.

NEW BUSINESS

5. Water Rate Study – Award of Contract

Recommendation: That the Water Utility Authority:

- Accept the Proposal to prepare a Water Rate Study;
- Award a Contract to Raftelis of Murrieta, California; and
- Authorize the Mayor to execute a contract with Raftelis in the amount of \$59,991.

6. Water Well No. 12 – Packer Testing – Award of Contract

Recommendation: That the Water Utility Authority:

- Appropriate \$612,000 from the Water Reserve Fund to Activity No. WT195001;
- Accept all Bids;
- Award a contract to Best Drilling and Pump, Inc. from Colton, California, in the amount of \$452,000 to perform Packer Testing for Water Well No. 12.; and
- Authorize the Mayor to sign a contract with Best Drilling to perform Packer Testing for Water Well No. 12.

HOUSING SUCCESSOR

7. 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 Housing Successor.

Minutes of the February 28, 2019 Housing Successor

Recommendation: That the Housing Successor:

- Approve the minutes as submitted.

NEW BUSINESS

8. Consideration of Entering Into an Exclusive Negotiating Agreement by and between the Housing Successor to the Community Development Commission of the City of Santa Fe Springs ("Housing Successor"), The Whole Child, a California nonprofit public benefit corporation, Habitat for Humanity of Greater Los Angeles, a California nonprofit public benefit corporation, and The Richman Group of California Development Company, LLC (jointly known as "Developer") to provide a specified period of time to negotiate a disposition and development agreement ("DDA") to develop an affordable mixed-use housing development on four distinct parcels (APN: 8011-011-906, 907, 912 and 8011-012-902) of land, located at the northeast and northwest corner of Laurel Avenue and Lakeland Road, in the City of Santa Fe Springs

Recommendation: That the Housing Successor:

- Authorize an Exclusive Negotiating Agreement (ENA) by and between the Housing Successor to the Community Development Commission of the City of Santa Fe Springs, The Whole Child, Habitat for Humanity of Greater Los Angeles, and The Richman Group of California Development Company, LLC, to provide a specified period of time to negotiate a disposition and development agreement ("DDA") to develop an affordable mixed-use housing development on four distinct parcels (APN: 8011-011-906, 907, 912 and 8011-012-902) of land, located at the northeast and northwest corner of

Laurel Avenue and Lakeland Road, in the City of Santa Fe Springs.

- Authorize the Mayor or designee to execute the ENA, in a form acceptable to the City Attorney, on behalf of the City.

SUCCESSOR AGENCY

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 Successor Agency.

Minutes of the February 28, 2019 Successor Agency

Recommendation: That the Successor Agency:

- Approve the minutes as submitted.

CITY COUNCIL

10. 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. Minutes of the February 28, 2019 Regular City Council Meetings

Recommendation: That the City Council:

- Approve the minutes as submitted.

b. General Motion to Waive Full Reading and Approve Ordinance by Title Only Pursuant to California Government Code Section 36934

Recommendation: That the City Council:

- Approve a general motion to waive full reading and approve Ordinance by title only pursuant to California Government Code Section 36934.

PUBLIC HEARING

11. Adoption of Mitigated Negative Declaration

Consideration of an appeal of the Planning Commission's decision to approve Tentative Parcel Map No. 82567, Development Plan Approval Case No. 957-962, Recommendation of Zone Change Case No. 138, and Environmental Documents (Initial Study/Mitigated Negative Declaration) concerning the consolidation of twenty-eight (28) existing parcels that make up the subject property (APN's: 8011-002-901, 8011-002-902, 8011-002-903, 8011-003-955, 8011-003-956, 8011-003-957, 8011-003-958, 8011-003-959, 8011-003-960, 8011-003-061, 8011-003-962, 8011-003-963, 8011-003-964, 8011-003-965, 8011-003-966, 8011-003-967, 8011-003-968, 8011-003-969, 8011-003-970, 8011-003-971, 8011-003-972, 8011-003-973, 8011-003-974, 8011-003-975, 8011-003-976, 8011-003-977, 8011-003-978, and 8011-003-979), into a single parcel measuring ±8.68 acres. The project fronts on Telegraph to the South and Romandel to the North near the cross street of Freeman Ave to the East.

Recommendation: That the City Council:

- Consider the information presented in this report, in combination with the February 12, 2019 Planning Commission staff report and minutes, which

- collectively provide necessary background and context; and
- Open the Public Hearing and receive any comments from the public regarding these matters and, thereafter, close the Public Hearing; and
- Deny the appeal by Supporters Alliance For Environmental Responsibility (SAFER)
- Approve and adopt the proposed Mitigated Negative Declaration with Traffic Study and Mitigation Monitoring and Reporting Program (IS/MND/MMRP), which, based on the findings of the Initial Study, indicates that there is no substantial evidence that the proposed project will have a significant adverse effect on the environment that cannot be mitigated; and
- Approve Tentative Parcel Map No. 82567, and Development Plan Approval Case No. 957-962, subject to the conditions of approval as contained within the attached Resolution (114-2019); and
- If the City Council votes to ratify the Planning Commission's recommendation, a Public Hearing for the first reading of Ordinance No. 1100 (Zone Change Case No. 138) shall be conducted immediately following the consideration of appeal.

PUBLIC HEARING – ORDINANCE FOR INTRODUCTION

12. Adoption of Mitigated Negative Declaration
Ordinance No. 1100

An Ordinance of the City Council of the City of Santa Fe Springs, California, approving Zone Change Case No. 138 to change the zoning designation for an 8.68-acre property, from M-2 (Heavy Manufacturing) to M-2-PD (Heavy Manufacturing – Planned Development Overlay).

Recommendation: That the City Council:

- Open the Public Hearing and receive any comments from the public regarding Ordinance No. 1100 and thereafter, close the Public Hearing; and
- Find that Zone Change Case No. 138 satisfies the criteria and conditions set forth in Section 155.829 et seq. of the City's Zoning Regulations for the granting of a change of zone.
- Find and determine that the subject Zone Change is consistent with the City's General Plan; and
- Approve and adopt the proposed Mitigated Negative Declaration which, based on the findings of the Initial Study, indicates that there is no substantial evidence that the proposed project will have a significant adverse effect on the environment; and
- Introduce Ordinance No. 1100 and pass the first reading on Zone Change Case No. 138 to change the zoning designation for an 8.68-acre site, from M-2 (Heavy Manufacturing) to M-2-PD (Heavy Manufacturing – Planned Development Overlay).

NEW BUSINESS

13. FY 2017-18 Financial Year-End Review

Recommendation: That the City Council:

- Amend the fiscal year 2018-19 budget to authorize the transfer of \$173,700

from the General Fund to the Insurance Stabilization Fund.

- Amend the fiscal year 2018-19 budget to authorize the transfer of \$445,000 from the General Fund to the Employee Benefits Fund.
- Amend the fiscal year 2018-19 budget to authorize the transfer of \$1,000,000 from the General Fund to the Prefunded Capital Improvement Projects (CIP) Fund.
- Direct City staff to establish a General Fund reserve for unfunded liability contributions in the amount of \$1,000,000.
- Direct City staff to adjust the General Fund economic uncertainty reserve to \$1,000,000 and apply any remaining balance from the fiscal year 2017-18 year-end results to the General Fund unassigned reserve account.
- Direct City staff to apply the entire residual Water Fund balance from the fiscal year 2017-18 year-end results to the Water CIP Reserve Fund (approximately \$845,500).

14. Presentation and Consideration of the City's Comprehensive Annual Financial Report (CAFR) for the Fiscal Year ending June 30, 2018

Recommendation: That the City Council:

- Receive and file the City's Comprehensive Annual Financial Report (CAFR) for the Fiscal Year ending June 30, 2018.

15. Adoption of Ordinance No. 1099

An Ordinance of the City of Santa Fe Springs adopting Development Agreement No. 01-2019 by and between the City of Santa Fe Springs and General Outdoor Advertising

Recommendation: That the City Council:

- Adopt Ordinance No. 1099, to approve Development Agreement No. 01-2019 by and between the City of Santa Fe Springs and General Outdoor Advertising.

16. Adoption of Ordinance No. 1101 – Repealing Chapters 50 (Garbage and Refuse) and 119 (Recyclable Materials Dealer) and in Their Place Adopting a New Chapter 50 (Collection of Solid Waste and Recyclables)

Recommendation: That the City Council:

- Read by Title only, waive further reading and adopt Ordinance No. 1101.

17. Resolution No. 9624 – Rosecrans/Marquardt Avenue Grade Separation Overpass Project – Authorization to File an Application for Allocation of Section 190 Grade Separation Program Funds

Recommendation: That the City Council:

- Adopt Resolution No. 9624 authorizing filing an application for allocation of Section 190 Grade Separation Funds for the Rosecrans/Marquardt Avenue Grade Separation Overpass Project (Overpass Project); and
- Authorize the City Engineer to file an application for allocation of Section 190 Funds in the amount \$15 million for the Overpass Project.

18. Resolution No. 9625 – Request for Parking Restrictions during Certain Hours on

Sunshine Avenue between Greenstone Avenue and Shoemaker Avenue

Recommendation: That the City Council:

- Adopt Resolution No. 9625 to implement a parking restriction between the hours of 10:00 p.m. and 4:00 a.m. on the both sides of Sunshine Avenue from Greenstone Avenue to Shoemaker Avenue and implement a tow-away zone within the same limits for vehicles that violate the parking restriction.

19. Resolution No. 9626 - Ordering the Preparation of the Engineer's Report for FY 2019/20 in Conjunction with the Annual Levy of Assessments for Heritage Springs Assessment District No. 2001-01 (Hawkins Street and Palm Drive)

Recommendation: That the City Council:

- Adopt Resolution No. 9626, ordering the preparation of the Engineer's Report for FY 2019/20 in conjunction with the annual levy of assessments for Heritage Springs Assessment District No. 2001-01 (Hawkins Street and Palm Drive).

20. Resolution No. 9627 – Ordering the Preparation of the Engineer's Report for FY 2019/20 in Conjunction with the Annual Levy of Assessments for Street Lighting District No. 1

Recommendation: That the City Council:

- Adopt Resolution No. 9627, ordering the preparation of the Engineer's Report for FY 2019/20 in conjunction with the annual levy of assessments for Street Lighting District No. 1.

21. Resolution No. 9628 – Approving the Renewal of the General Services Agreement Between the City of Santa Fe Springs and the County of Los Angeles

Recommendation: That the City Council:

- Approve the renewal of the General Services Agreement between the City of Santa Fe Springs and the County of Los Angeles for a five year period commencing on July 1, 2019, and in so doing, authorize the Mayor to execute the agreement documents.

22. Resolution No. 9629 – Authorizing the Publication Notice to Sell a Franchise to Golden State Water Company for Maintenance and Operation of Pipelines in City Streets

Recommendation: That the City Council:

- Adopt Resolution No. 9629 and set the date of April 25, 2019 for the public hearing to grant a franchise to Golden State Water Company.

23. Santa Fe Springs Road Street Improvements Project – Authorization to Allocate Proposition C Local Return Funds

Recommendation: That the City Council:

- Authorize the Director of Public Works to Allocate \$661,923 of Proposition C Local Return Funds to the Santa Fe Springs Road Street Improvements Project.

24. On-Call Tree Maintenance Services – Contract Amendment No. 1

Recommendation: That the City Council:

- Renew the On-Call Tree Maintenance Services Agreement with West Coast Arborists, Inc. for an additional two years, effective April 14, 2019; and
- Authorize the Director of Public Works to execute Contract Amendment No. 1 with West Coast Arborist for On-Call Tree Maintenance Services.

25. Request Approval to Donate a Department of Fire-Rescue Used Vehicle to the City of Navajoa Fire Department

Recommendation: That the City Council:

- Authorize the donation of a used Environmental Pickup with Service Bed to the City of Navajoa Fire Department.

26. 2019 Aloha Festival – Request for Funding

Recommendation: That the City Council:

- Provide staff direction regarding the request by the Ho’oilina Foundation to fund the City’s associated costs for the Aloha Festival.

27. Abigail Barraza Foundation (ABF) – Request for an Increase in Funding for Events under Community Promotion and Community Organization Support Budget Accounts

Recommendation: That the City Council:

- Provide staff direction regarding the request by Abigail Barraza Foundation (ABF) for an increase in funding for events under the Community Promotion and Community Organization Support budget accounts associated with all events outlined within this report.

CLOSED SESSION

28. PUBLIC EMPLOYMENT

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

TITLE: City Manager Evaluation

CLOSED SESSION

29. CONFERENCE WITH LABOR NEGOTIATORS

(Pursuant to California Government Code Section 54957.6)

Unrepresented Employee: City Manager

CLOSED SESSION

30. REAL PROPERTY NEGOTIATIONS

(Pursuant to California Government Code Section 54956.8)

Property: APN: 8008-029-900 for the property located at 11760 Telegraph Road, Santa Fe Springs, CA 90670

Agency Negotiator: Director of Planning

Negotiation Parties: USPS

Under Negotiation: Terms for the lease renewal

CLOSED SESSION

31. CONFERENCES WITH LABOR NEGOTIATORS

(Pursuant to California Government Code Section 54957.6)

City of Santa Fe Springs
Regular Meetings

March 28, 2019

Agency Designated Representatives: City Manager, Director of Finance, Human Resources Manager, City Attorney

Employee Organizations: Santa Fe Springs City Employees' Association and Santa Fe Springs Firefighters' Association

CLOSED SESSION

32. CONFERENCES WITH LABOR NEGOTIATORS

(Pursuant to California Government Code Section 54957.6)

Agency Designated Representatives: City Manager, City Attorney, Labor Negotiator

Employee Organization: Santa Fe Springs Executive, Management and Confidential Employees' Association

Items 33 – 42 will occur in the 7:00 p.m. hour.

33. INVOCATION

34. PLEDGE OF ALLEGIANCE

35. INTRODUCTIONS

- Representatives from the Chamber of Commerce

36. ANNOUNCEMENTS

37. CITY MANAGER'S AND EXECUTIVE TEAM REPORTS

38. PRESENTATIONS

- Introduction of New Finance and Administrative Services Employee, Human Resources Assistant, Brianna Esquivias
- Proclamation – Declaring the month of March as "American Red Cross Month" in Santa Fe Springs
- Proclamation – Declaring the month of April 2019, as "DMV/Donate Life Month" in Santa Fe Springs
- Proclamation – Declaring April 7-13, 2019 as "National Volunteer Week" in Santa Fe Springs
- Proclamation – Declaring April 7-13, 2019 as "National Library Week" in Santa Fe Springs

39. APPOINTMENTS TO BOARDS, COMMITTEES, COMMISSIONS

- Advisory Committee Appointments

40. 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.

41. COUNCIL COMMENTS

42. ADJOURNMENT

City of Santa Fe Springs
Regular Meetings

March 28, 2019

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
City Clerk

March 21, 2019

Date

FOR ITEM NO. 3A
PLEASE SEE ITEM NO. 10A



CONSENT CALENDAR

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.

Consolidated Redevelopment Project 2006-A Tax Allocation Bonds

Financing proceeds available for appropriation at 2/28/19

None

Outstanding principal at 2/28/19

\$38,668,258

Bond Repayment

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.

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.

2017 Bond Refunding

In December 2017 the Successor Agency issued its 2017 Tax Allocation Refunding Bonds, which paid off the 2007 Tax Allocation Bonds of the former CDC. The 2007 Bonds were originally issued through the Public Financing Authority.



Raymond R. Cruz
City Manager/Executive Director

FOR ITEM NO. 4A
PLEASE SEE ITEM NO. 10A



CONSENT CALENDAR

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 2/28/19

None

Outstanding principal at 2/28/19

\$6,890,000

Water Revenue Bonds, 2018

Financing proceeds available for appropriation at 2/28/19

None

Outstanding principal at 2/28/19

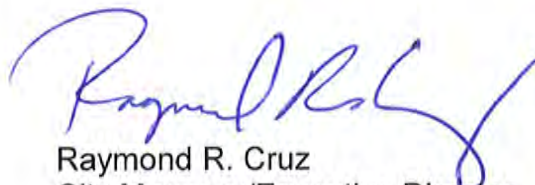
\$1,800,000

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.

In January 2018 the Water Utility Authority issued the 2018 Water Revenue Bonds in the amount of \$1,800,000. The bonds refunded the existing 2005 Water Revenue Bonds (issued through the Public Financing Authority). No additional funds were raised through the issuance of the 2018 Water Revenue Bonds.

The City budget includes sufficient appropriations and adequate revenues are expected to be collected to meet the debt service obligations associated with the 2013 and 2018 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.



Raymond R. Cruz
City Manager/Executive Director



City of Santa Fe Springs

Water Utility Authority Meeting

ITEM NO. 4C

March 28, 2019

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.

Water Well No. 12 – Packer Testing and Installation

The Water Utility Authority (WUA), at their January 24, 2019 meeting, authorized the Director of Public Works to advertise for bids to perform Water Well No. 12 Packer Testing. The purpose of the packers is to eliminate the potential sources of elevated concentrations of iron and hydrogen sulfide. Formal bids were opened on February 26, 2019, and one bid was received from Best Drilling and Pump, Inc. (Best Drilling) from Colton, California in the amount of \$452,000. As a separate item on this agenda, staff is recommending that Best Drilling and Pump be awarded a contract to perform packer testing of Water Well No. 12.

Water Rate Study - Request for Proposals (RFP)

The WUA authorized issuing an RFP to perform a Water Rate Study. The Water Rate study proposal was due on March 5, 2019. The WUA received one (1) proposal in response to the RFP from Raftelis, a firm with extensive experience, including preparation of the 2015 WUA Water Rate Study. Raftelis' familiarity with the WUA's water rate structure will expedite the study process and contribute to the development of an optimal rate structure. As a separate item on this agenda, staff is recommending that the WUA award a contract to Raftelis to perform a Water Rate Study.

FISCAL IMPACT

Staff is recommending an appropriation of \$612,000 for Water Well No. 12 Packer Testing from the Water Reserve Fund. Funding for the Water Rate Study was included in the approved FY 2018-19 mid-year budget adjustment to the Water Utility Fund.

INFRASTRUCTURE IMPACT

The production of quality water from Water Well No. 12 with a cost-effective option is imperative to meeting the City's water needs. The Water Rate Study will assess the current rate structure's performance as a baseline for developing proposed revisions to the water rate structure and rates to encourage efficient use for environmental sustainability.

A handwritten signature in blue ink, appearing to read "Raymond R. Cruz".

Raymond R. Cruz
Executive Director

Attachments:
None

Report Submitted By:

Noe Negrete
Director of Public Works

A handwritten signature in blue ink, appearing to read "Noe Negrete".

Date of Report: March 19, 2019



City of Santa Fe Springs

Water Utility Authority Meeting

March 28, 2019

NEW BUSINESS

Water Rate Study – Award of Contract

RECOMMENDATION

That the Water Utility Authority take the following actions:

- Accept the Proposal to prepare a Water Rate Study;
- Award a Contract to Raftelis of Murrieta, California; and
- Authorize the Mayor to execute a contract with Raftelis in the amount of \$59,991.

BACKGROUND

The Water Utility Authority (WUA), at the January 24, 2019 meeting, authorized the Director of Public Works to issue a Request for Proposals (RFP) to prepare a Water Rate Study. City staff sent the RFP to four (4) firms that specialize in preparing water rates and financial plans for water utilities in California.

The WUA received one (1) proposal in response to the RFP from Raftelis, a firm with extensive experience, including preparation of the 2015 WUA Water Rate Study. Raftelis' familiarity with the WUA's water rate structure will expedite the study process and contribute to the development of an optimal rate structure. The proposed fee (attached) from Raftelis to prepare the Water Rate Study is \$59,991. City staff reviewed the proposal from Raftelis and recommends that the WUA award a contract to the firm in the amount of \$59,991 to perform a Water Rate Study.

The proposed Water Rate Study is intended to address several challenges facing the WUA, including:

- Insufficient funds for capital improvements to the water infrastructure.
- Increase in cost of water purchased from Metropolitan Water District (MWD) and the Water Replenishment District (WRD)
- Compliance with Proposition 218, states that fees and charges shall not exceed the proportional cost of service for the parcel.

The objectives of the Water Rate Study are:

- Develop a water rate structure that will allow the City to meet its financial obligations, specifically ensuring long-term (5 years) financial stability for the Water Fund.
- Assess the current rate structure's performance as a baseline for developing proposed revisions to the water rate structure and rates to encourage efficient use for environmental sustainability.

Report Submitted By:

Noe Negrete

Director of Public Works

Date of Report: March 18, 2019

- Ensure that the proposed rates are consistent with the requirements of Proposition 218.

LEGAL REVIEW

The City Attorney's office has reviewed the contract agreement.

FISCAL IMPACT

Funding for the Water Rate Study in the amount of \$70,000 was included in the approved FY 2018-19 mid-year budget adjustment.

INFRASTRUCTURE IMPACT

The Water Rate Study will assess the current rate structure's performance as a baseline for developing proposed revisions to the water rate structure and rates to encourage efficient use for environmental sustainability and ensure the consistency with the requirements of Proposition 218.



Raymond R. Cruz
Executive Director

Attachments:

Exhibit A: Contract Agreement

**CITY OF SANTA FE SPRINGS
PROFESSIONAL SERVICES AGREEMENT
WITH
RAFTELIS**

THIS PROFESSIONAL SERVICES AGREEMENT ("Agreement") is made and entered into this **28TH** day of **March, 2019**, ("Effective Date"), by and between the CITY OF SANTA FE SPRINGS WATER UTILITY AUTHORITY, a municipal corporation ("City"), and **Raftelis**, a ("Consultant").

W I T N E S S E T H :

WHEREAS, City proposes to utilize the services of Consultant as an independent contractor to conduct a water rate study for Santa Fe Springs, as more fully described herein; and

WHEREAS, Consultant represents that it has that degree of specialized expertise contemplated within California Government Code section 37103, and holds all necessary licenses to practice and perform the services herein contemplated; and

WHEREAS, City and Consultant desire to contract for the specific services described in Exhibit "A" (the "Project") and desire to set forth their rights, duties and liabilities in connection with the services to be performed; and

WHEREAS, no official or employee of City has a financial interest, within the provisions of sections 1090-1092 of the California Government Code, in the subject matter of this Agreement.

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions contained herein, the parties hereby agree as follows:

1.0. SERVICES PROVIDED BY CONSULTANT

1.1. Scope of Services. Consultant shall provide the professional services described in the City's Request for Proposals ("RFP"), attached hereto as Exhibit "A," and Consultant's Response to City's RFP ("Consultant's Proposal"), attached hereto as Exhibit "B," both incorporated herein by this reference.

1.2. Professional Practices. All professional services to be provided by Consultant pursuant to this Agreement shall be provided by personnel experienced in their respective fields and in a manner consistent with the standards of care, diligence and skill ordinarily exercised by professional consultants in similar fields and circumstances in accordance with sound professional practices. Consultant also warrants that it is familiar with all laws that may affect its performance of this Agreement and shall advise City of any changes in any laws that may affect Consultant's performance of this Agreement.

1.3. Performance to Satisfaction of City. Consultant agrees to perform all the work to the complete satisfaction of the City and within the hereinafter specified. Evaluations of the work will be done by the City Manager or his or her designee. If the quality of work is not satisfactory, City in its discretion has the right to:

- (a) Meet with Consultant to review the quality of the work and resolve the matters of concern;
- (b) Require Consultant to repeat the work at no additional fee until it is satisfactory; and/or
- (c) Terminate the Agreement as hereinafter set forth.

1.4. Warranty. Consultant warrants that it shall perform the services required by this Agreement in compliance with all applicable Federal and California employment laws, including, but not limited to, those laws related to minimum hours and wages; occupational health and safety; fair employment and employment practices; workers' compensation insurance and safety in employment; and all other Federal, State and local laws and ordinances applicable to the services required under this Agreement. Consultant shall indemnify and hold harmless City from and against all claims, demands, payments, suits, actions, proceedings, and judgments of every nature and description including attorneys' fees and costs, presented, brought, or recovered against City for, or on account of any liability under any of the above-mentioned laws, which may be incurred by reason of Consultant's performance under this Agreement.

1.5. Non-Discrimination. In performing this Agreement, Consultant shall not engage in, nor permit its agents to engage in, discrimination in employment of persons because of their race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military or veteran status, except as permitted pursuant to section 12940 of the Government Code.

1.6. Non-Exclusive Agreement. Consultant acknowledges that City may enter into agreements with other consultants for services similar to the services that are subject to this Agreement or may have its own employees perform services similar to those services contemplated by this Agreement.

1.7. Delegation and Assignment. This is a personal service contract, and the duties set forth herein shall not be delegated or assigned to any person or entity without the prior written consent of City. Consultant may engage a subcontractor(s) as permitted by law and may employ other personnel to perform services contemplated by this Agreement at Consultant's sole cost and expense.

1.8. Confidentiality. Employees of Consultant in the course of their duties may have access to financial, accounting, statistical, and personnel data of private individuals and employees of City. Consultant covenants that all data, documents, discussion, or other information developed or received by Consultant or provided for performance of this Agreement are deemed confidential and shall not be disclosed by Consultant without written authorization by City. City shall grant such authorization if disclosure is required by law. All City data shall be returned to City upon the termination of this Agreement. Consultant's covenant under this Section shall survive the termination of this Agreement.

2.0. COMPENSATION AND BILLING

2.1. Compensation. Consultant shall be paid in accordance with the fee schedule set forth in Exhibit "C," attached hereto and made a part of this Agreement by this reference (the "Fee

Schedule"). Consultant's total compensation shall not exceed fifty-nine thousand nine hundred ninety-one dollars (\$59,991.00).

2.2. Additional Services. Consultant shall not receive compensation for any services provided outside the scope of services specified in the Consultant's Proposal unless the City or the Project Manager for this Project, prior to Consultant performing the additional services, approves such additional services in writing. It is specifically understood that oral requests and/or approvals of such additional services or additional compensation shall be barred and are unenforceable.

2.3. Method of Billing. Consultant may submit invoices to the City for approval on a progress basis, but no more often than two times a month. Said invoice shall be based on the total of all Consultant's services which have been completed to City's sole satisfaction. City shall pay Consultant's invoice within forty-five (45) days from the date City receives said invoice. Each invoice shall describe in detail, the services performed, the date of performance, and the associated time for completion. Any additional services approved and performed pursuant to this Agreement shall be designated as "Additional Services" and shall identify the number of the authorized change order, where applicable, on all invoices.

2.4. Records and Audits. Records of Consultant's services relating to this Agreement shall be maintained in accordance with generally recognized accounting principles and shall be made available to City or its Project Manager for inspection and/or audit at mutually convenient times from the Effective Date until three (3) years after termination of this Agreement.

3.0. TIME OF PERFORMANCE

3.1. Commencement and Completion of Work. The professional services to be performed pursuant to this Agreement shall commence within five (5) days from the Effective Date of this Agreement. Failure to commence work in a timely manner and/or diligently pursue work to completion may be grounds for termination of this Agreement.

3.2. Excusable Delays. Neither party shall be responsible for delays or lack of performance resulting from acts beyond the reasonable control of the party or parties. Such acts shall include, but not be limited to, acts of God, fire, strikes, material shortages, compliance with laws or regulations, riots, acts of war, or any other conditions beyond the reasonable control of a party.

4.0. TERM AND TERMINATION

4.2. Notice of Termination. The City reserves and has the right and privilege of canceling, suspending or abandoning the execution of all or any part of the work contemplated by this Agreement, with or without cause, at any time, by providing written notice to Consultant. The termination of this Agreement shall be deemed effective upon receipt of the notice of termination. In the event of such termination, Consultant shall immediately stop rendering services under this Agreement unless directed otherwise by the City.

4.3. Compensation. In the event of termination, City shall pay Consultant for reasonable costs incurred and professional services satisfactorily performed up to and including the date of City's written notice of termination. Compensation for work in progress shall be prorated based on the percentage of work completed as of the effective date of termination in accordance with the fees set forth herein. In ascertaining the professional services actually

rendered hereunder up to the effective date of termination of this Agreement, consideration shall be given to both completed work and work in progress, to complete and incomplete drawings, and to other documents pertaining to the services contemplated herein whether delivered to the City or in the possession of the Consultant.

4.4. Documents. In the event of termination of this Agreement, all documents prepared by Consultant in its performance of this Agreement including, but not limited to, finished or unfinished design, development and construction documents, data studies, drawings, maps and reports, shall be delivered to the City within ten (10) days of delivery of termination notice to Consultant, at no cost to City. Any use of uncompleted documents without specific written authorization from Consultant shall be at City's sole risk and without liability or legal expense to Consultant.

5.0. INSURANCE

5.1. Minimum Scope and Limits of Insurance. Consultant shall obtain, maintain, and keep in full force and effect during the life of this Agreement all of the following minimum scope of insurance coverages with an insurance company admitted to do business in California, rated "A," Class X, or better in the most recent Best's Key Insurance Rating Guide, and approved by City:

- (a) Commercial general liability, including premises-operations, products/completed operations, broad form property damage, blanket contractual liability, independent contractors, personal injury or bodily injury with a policy limit of not less than One Million Dollars (\$1,000,000.00), combined single limits, per occurrence. If such insurance contains a general aggregate limit, it shall apply separately to this Agreement or shall be twice the required occurrence limit.
- (b) Business automobile liability for owned vehicles, hired, and non-owned vehicles, with a policy limit of not less than One Million Dollars (\$1,000,000.00), combined single limits, per occurrence for bodily injury and property damage.
- (c) Workers' compensation insurance as required by the State of California. Consultant agrees to waive, and to obtain endorsements from its workers' compensation insurer waiving subrogation rights under its workers' compensation insurance policy against the City, its officers, agents, employees, and volunteers arising from work performed by Consultant for the City and to require each of its subcontractors, if any, to do likewise under their workers' compensation insurance policies.
- (d) Professional errors and omissions ("E&O") liability insurance with policy limits of not less than One Million Dollars (\$1,000,000.00), combined single limits, per occurrence and aggregate. Architects' and engineers' coverage shall be endorsed to include contractual liability. If the policy is written as a "claims made" policy, the retro date shall be prior to the start of the contract work. Consultant shall obtain and maintain, said E&O liability insurance during the life of this Agreement and for three years after completion of the work hereunder.

5.2. Endorsements. The commercial general liability insurance policy and business automobile liability policy shall contain or be endorsed to contain the following provisions:

Water Rate Study-2019

- (a) Additional insureds: "The City of Santa Fe Springs and its elected and appointed boards, officers, officials, agents, employees, and volunteers are additional insureds with respect to: liability arising out of activities performed by or on behalf of the Consultant pursuant to its contract with the City; products and completed operations of the Consultant; premises owned, occupied or used by the Consultant; automobiles owned, leased, hired, or borrowed by the Consultant."
- (b) Notice: "Said policy shall not terminate, be suspended, or voided, nor shall it be cancelled, nor the coverage or limits reduced, until thirty (30) days after written notice is given to City."
- (c) Other insurance: "The Consultant's insurance coverage shall be primary insurance as respects the City of Santa Fe Springs, its officers, officials, agents, employees, and volunteers. Any other insurance maintained by the City of Santa Fe Springs shall be excess and not contributing with the insurance provided by this policy."
- (d) Any failure to comply with the reporting provisions of the policies shall not affect coverage provided to the City of Santa Fe Springs, its officers, officials, agents, employees, and volunteers.
- (e) The Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

5.3. Deductible or Self Insured Retention. If any of such policies provide for a deductible or self-insured retention to provide such coverage, the amount of such deductible or self-insured retention shall be approved in advance by City. No policy of insurance issued as to which the City is an additional insured shall contain a provision which requires that no insured except the named insured can satisfy any such deductible or self-insured retention.

5.4. Certificates of Insurance. Consultant shall provide to City certificates of insurance showing the insurance coverages and required endorsements described above, in a form and content approved by City, prior to performing any services under this Agreement. The certificates of insurance shall be attached hereto as Exhibit "E" and incorporated herein by this reference.

5.5. Non-Limiting. Nothing in this Section shall be construed as limiting in any way, the indemnification provision contained in this Agreement, or the extent to which Consultant may be held responsible for payments of damages to persons or property.

6.0. GENERAL PROVISIONS

6.1. Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to any matter referenced herein and supersedes any and all other prior writings and oral negotiations. This Agreement may be modified only in writing, and signed by the parties in interest at the time of such modification. The terms of this Agreement shall prevail over any inconsistent provision in any other contract document appurtenant hereto, including exhibits to this Agreement.

6.2. Representatives. The City Manager or his or her designee shall be the representative of City for purposes of this Agreement and may issue all consents, approvals, directives and agreements on behalf of the City, called for by this Agreement, except as otherwise expressly provided in this Agreement.

Consultant shall designate a representative for purposes of this Agreement who shall be authorized to issue all consents, approvals, directives and agreements on behalf of Consultant called for by this Agreement, except as otherwise expressly provided in this Agreement.

6.3. Project Managers. City shall designate a Project Manager to work directly with Consultant in the performance of this Agreement.

Consultant shall designate a Project Manager who shall represent it and be its agent in all consultations with City during the term of this Agreement. Consultant or its Project Manager shall attend and assist in all coordination meetings called by City.

6.4. Notices. Any notices, documents, correspondence or other communications concerning this Agreement or the work hereunder may be provided by personal delivery or mail and shall be addressed as set forth below. Such communication shall be deemed served or delivered: (a) at the time of delivery if such communication is sent by personal delivery, and (b) 48 hours after deposit in the U.S. Mail as reflected by the official U.S. postmark if such communication is sent through regular United States mail.

IF TO CONSULTANT:

Raftelis
24640 Jefferson Avenue
Murrieta, CA 92562
Tel: (626) 583-1894
Attn: Sudhir Pardiwala
Executive Vice President

IF TO CITY:

City of Santa Fe Springs
11710 E. Telegraph Road
Santa Fe Springs, CA 90670
Tel: (562) 868-0511
Attn: Noe Negrete
Director of Public Works

6.5. Attorneys' Fees. In the event that litigation is brought by any party in connection with this Agreement, the prevailing party shall be entitled to recover from the opposing party all costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party in the exercise of any of its rights or remedies hereunder or the enforcement of any of the terms, conditions, or provisions hereof.

6.6. Governing Law. This Agreement shall be governed by and construed under the laws of the State of California without giving effect to that body of laws pertaining to conflict of laws. In the event of any legal action to enforce or interpret this Agreement, the parties hereto agree that the sole and exclusive venue shall be a court of competent jurisdiction located in Los Angeles, California.

6.7. Assignment. Consultant shall not voluntarily or by operation of law assign, transfer, sublet or encumber all or any part of Consultant's interest in this Agreement without City's prior written consent. Any attempted assignment, transfer, subletting or encumbrance shall be void and shall constitute a breach of this Agreement and cause for termination of this Agreement. Regardless of City's consent, no subletting or assignment shall release Consultant

of Consultant's obligation to perform all other obligations to be performed by Consultant hereunder for the term of this Agreement.

6.8. Indemnification and Hold Harmless. Consultant agrees to defend, indemnify, hold free and harmless the City, its elected officials, officers, agents and employees, at Consultant's sole expense, from and against any and all claims, actions, suits or other legal proceedings brought against the City, its elected officials, officers, agents and employees arising out of the performance of the Consultant, its employees, and/or authorized subcontractors, of the work undertaken pursuant to this Agreement. The defense obligation provided for hereunder shall apply without any advance showing of negligence or wrongdoing by the Consultant, its employees, and/or authorized subcontractors, but shall be required whenever any claim, action, complaint, or suit asserts as its basis the negligence, errors, omissions or misconduct of the Consultant, its employees, and/or authorized subcontractors, and/or whenever any claim, action, complaint or suit asserts liability against the City, its elected officials, officers, agents and employees based upon the work performed by the Consultant, its employees, and/or authorized subcontractors under this Agreement, whether or not the Consultant, its employees, and/or authorized subcontractors are specifically named or otherwise asserted to be liable. Notwithstanding the foregoing, the Consultant shall not be liable for the defense or indemnification of the City for claims, actions, complaints or suits arising out of the sole active negligence or willful misconduct of the City. This provision shall supersede and replace all other indemnity provisions contained either in the City's specifications or Consultant's Proposal, which shall be of no force and effect.

6.9. Independent Contractor. Consultant is and shall be acting at all times as an independent contractor and not as an employee of City. Consultant shall have no power to incur any debt, obligation, or liability on behalf of City or otherwise act on behalf of City as an agent. Neither City nor any of its agents shall have control over the conduct of Consultant or any of Consultant's employees, except as set forth in this Agreement. Consultant shall not, at any time, or in any manner, represent that it or any of its agents or employees are in any manner agents or employees of City. Consultant shall secure, at its sole expense, and be responsible for any and all payment of Income Tax, Social Security, State Disability Insurance Compensation, Unemployment Compensation, and other payroll deductions for Consultant and its officers, agents, and employees, and all business licenses, if any are required, in connection with the services to be performed hereunder. Consultant shall indemnify and hold City harmless from any and all taxes, assessments, penalties, and interest asserted against City by reason of the independent contractor relationship created by this Agreement. Consultant further agrees to indemnify and hold City harmless from any failure of Consultant to comply with the applicable worker's compensation laws. City shall have the right to offset against the amount of any fees due to Consultant under this Agreement any amount due to City from Consultant as a result of Consultant's failure to promptly pay to City any reimbursement or indemnification arising under this paragraph.

6.10. PERS Eligibility Indemnification. In the event that Consultant or any employee, agent, or subcontractor of Consultant providing services under this Agreement claims or is determined by a court of competent jurisdiction or the California Public Employees Retirement System (PERS) to be eligible for enrollment in PERS as an employee of the City, Consultant shall indemnify, defend, and hold harmless City for the payment of any employee and/or employer contributions for PERS benefits on behalf of Consultant or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City.

Notwithstanding any other agency, state or federal policy, rule, regulation, law or ordinance to the contrary, Consultant and any of its employees, agents, and subcontractors providing service under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any claims to, any compensation, benefit, or any incident of employment by City, including but not limited to eligibility to enroll in PERS as an employee of City and entitlement to any contribution to be paid by City for employer contribution and/or employee contributions for PERS benefits.

6.11. Cooperation. In the event any claim or action is brought against City relating to Consultant's performance or services rendered under this Agreement, Consultant shall render any reasonable assistance and cooperation which City might require.

6.12. Ownership of Documents. All findings, reports, documents, information and data including, but not limited to, computer tapes or discs, files and tapes furnished or prepared by Consultant or any of its subcontractors in the course of performance of this Agreement, shall be and remain the sole property of City. Consultant agrees that any such documents or information shall not be made available to any individual or organization without the prior consent of City. Any use of such documents for other projects not contemplated by this Agreement, and any use of incomplete documents, shall be at the sole risk of City and without liability or legal exposure to Consultant. City shall indemnify and hold harmless Consultant from all claims, damages, losses, and expenses, including attorneys' fees, arising out of or resulting from City's use of such documents for other projects not contemplated by this Agreement or use of incomplete documents furnished by Consultant. Consultant shall deliver to City any findings, reports, documents, information, data, in any form, including but not limited to, computer tapes, discs, files audio tapes or any other Project related items as requested by City or its authorized representative, at no additional cost to the City.

6.13. Public Records Act Disclosure. Consultant has been advised and is aware that this Agreement and all reports, documents, information and data, including, but not limited to, computer tapes, discs or files furnished or prepared by Consultant, or any of its subcontractors, pursuant to this Agreement and provided to City may be subject to public disclosure as required by the California Public Records Act (California Government Code section 6250 *et seq.*). Exceptions to public disclosure may be those documents or information that qualify as trade secrets, as that term is defined in the California Government Code section 6254.7, and of which Consultant informs City of such trade secret. The City will endeavor to maintain as confidential all information obtained by it that is designated as a trade secret. The City shall not, in any way, be liable or responsible for the disclosure of any trade secret including, without limitation, those records so marked if disclosure is deemed to be required by law or by order of the Court.

6.14. Conflict of Interest. Consultant and its officers, employees, associates and subconsultants, if any, will comply with all conflict of interest statutes of the State of California applicable to Consultant's services under this agreement, including, but not limited to, the Political Reform Act (Government Code sections 81000, *et seq.*) and Government Code section 1090. During the term of this Agreement, Consultant and its officers, employees, associates and subconsultants shall not, without the prior written approval of the City Representative, perform work for another person or entity for whom Consultant is not currently performing work that would require Consultant or one of its officers, employees, associates or subconsultants to abstain from a decision under this Agreement pursuant to a conflict of interest statute.

6.15. Responsibility for Errors. Consultant shall be responsible for its work and results under this Agreement. Consultant, when requested, shall furnish clarification and/or explanation

as may be required by the City's representative, regarding any services rendered under this Agreement at no additional cost to City. In the event that an error or omission attributable to Consultant occurs, then Consultant shall, at no cost to City, provide all necessary design drawings, estimates and other Consultant professional services necessary to rectify and correct the matter to the sole satisfaction of City and to participate in any meeting required with regard to the correction.

6.16. Prohibited Employment. Consultant will not employ any regular employee of City while this Agreement is in effect.

6.17. Order of Precedence. In the event of an inconsistency in this Agreement and any of the attached Exhibits, the terms set forth in this Agreement shall prevail. If, and to the extent this Agreement incorporates by reference any provision of any document, such provision shall be deemed a part of this Agreement. Nevertheless, if there is any conflict among the terms and conditions of this Agreement and those of any such provision or provisions so incorporated by reference, this Agreement shall govern over the document referenced.

6.18. Costs. Each party shall bear its own costs and fees incurred in the preparation and negotiation of this Agreement and in the performance of its obligations hereunder except as expressly provided herein.

6.19. No Third Party Beneficiary Rights. This Agreement is entered into for the sole benefit of City and Consultant and no other parties are intended to be direct or incidental beneficiaries of this Agreement and no third party shall have any right in, under or to this Agreement.

6.20. Headings. Paragraphs and subparagraph headings contained in this Agreement are included solely for convenience and are not intended to modify, explain or to be a full or accurate description of the content thereof and shall not in any way affect the meaning or interpretation of this Agreement.

6.21. Construction. The parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises with respect to this Agreement, this Agreement shall be construed as if drafted jointly by the parties and in accordance with its fair meaning. There shall be no presumption or burden of proof favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

6.22. Amendments. Only a writing executed by the parties hereto or their respective successors and assigns may amend this Agreement.

6.23. Waiver. The delay or failure of either party at any time to require performance or compliance by the other of any of its obligations or agreements shall in no way be deemed a waiver of those rights to require such performance or compliance. No waiver of any provision of this Agreement shall be effective unless in writing and signed by a duly authorized representative of the party against whom enforcement of a waiver is sought. The waiver of any right or remedy in respect to any occurrence or event shall not be deemed a waiver of any right or remedy in respect to any other occurrence or event, nor shall any waiver constitute a continuing waiver.

6.24. Severability. If any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable in any circumstance, such determination shall not affect the validity or enforceability of the remaining terms and provisions hereof or of the offending

provision in any other circumstance. Notwithstanding the foregoing, if the value of this Agreement, based upon the substantial benefit of the bargain for any party, is materially impaired, which determination made by the presiding court or arbitrator of competent jurisdiction shall be binding, then both parties agree to substitute such provision(s) through good faith negotiations.

6.25. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original. All counterparts shall be construed together and shall constitute one agreement.

6.26. Corporate Authority. The persons executing this Agreement on behalf of the parties hereto warrant that they are duly authorized to execute this Agreement on behalf of said parties and that by doing so the parties hereto are formally bound to the provisions of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by and through their respective authorized officers, as of the date first above written.

CONSULTANT - RAFTELIS

Sudhir Pardiwala, Executive Vice President

Date: _____

Social Security or Taxpayer ID Number

CITY OF SANTA FE SPRINGS

Juanita Trujillo, Mayor

Date: _____

ATTEST:

Janet Martinez, City Clerk

APPROVED AS TO FORM:

Richard L. Adams II, City Attorney

Date: _____

EXHIBIT A
REQUEST FOR PROPOSALS

CITY OF SANTA FE SPRINGS WATER UTILITY AUTHORITY

REQUEST FOR PROPOSALS WATER RATE STUDY



DEPARTMENT OF PUBLIC WORKS

**INQUIRIES REGARDING THIS PROJECT
MAY BE DIRECTED TO:**

**Al Fuentes, Project Manager
City of Santa Fe Springs
11710 Telegraph Road
Santa Fe Springs, CA 90670
Phone (562) 868-0511, Extension 7355**

REQUEST FOR PROPOSALS

WATER RATE STUDY

The City of Santa Fe Springs Water Utility Authority (“AGENCY”) is requesting proposals from qualified professional consultants to submit written proposals to conduct a water rate study for the AGENCY. In general, the consultant’s services will include assessing the AGENCY’s current water rate structure performance as a baseline for comparing recommended changes; and developing a water rate structure that will allow the AGENCY to meet its financial obligations and ensuring long term financial stability of the Water Fund.

Proposers are requested to submit their proposals and written statements of technical qualifications for completing the work in accordance with and as specified in this Request for Proposals (RFP). Failure to comply with the requirements identified in the RFP may render a proposal non-responsive. The specific services requested are described in the Scope of Services included in this RFP.

The AGENCY invites proposals for the above-stated services and will receive such proposals in the Director of Public Works Office, City of Santa Fe Springs, 11710 Telegraph Road, Santa Fe Springs, California 90670, **until 3:00 p.m. on Tuesday, March 5, 2019.**

Interested proposers must submit six (6) copies of their proposal labeled **“Proposal for Water Rate Study”** to:

Noe Negrete
Director of Public Works
City of Santa Fe Springs
11710 E. Telegraph Road
Santa Fe Springs, CA 90670

Proposals received after the time and date specified above will not be accepted and will be returned to the proposer unopened. No pre-submittal meeting has been scheduled for this project.

The AGENCY reserves the right to reject any or all proposals, to waive any irregularity in any proposal received, and to be the sole judge of the merits of the respective proposals received and to take all proposals under advisement for a period of 45 days. The award, if made, will be made to the Consultant whose proposal best meets the technical requirements of the RFP as determined by the AGENCY. The proposal submitted by the selected Consultant shall be incorporated as part of the final contract accordingly.

All questions regarding this project must be directed to Al Fuentes, Project Manager at (562) 868-0511, ext. 7355.

INSTRUCTIONS TO PROPOSERS

WATER RATE STUDY

1. PROPOSED WATER RATE STUDY SCHEDULE

<u>DESCRIPTION</u>	<u>DATE/TIME</u>
Request for Proposals Released	02/04/2019
Deadline to Submit Questions	02/19/2019 at 4:00 p.m.
Deadline to Receive Proposals	03/05/2019 at 3:00 p.m.
Contract Award	03/28/2019
Notice to Proceed	04/15/2019
Preliminary Report	05/27/2019
Final Report	08/01/2019

The AGENCY reserves the right to modify any element of the timeline should that become necessary.

2. PRE-SUBMITTAL MEETING

No Pre-Submittal Meeting has been scheduled for this project.

3. SUBMISSION OF PROPOSALS

To be considered, the Proposals must be received by the Department of Public Works, City of Santa Fe Springs, by 3:00 p.m. on Tuesday, March 5, 2019. Consultants must submit six (6) copies of their Proposal labeled "Proposal for Water Rate Study" to:

Noe Negrete, Director of Public Works
City of Santa Fe Springs
11710 Telegraph Road
Santa Fe Springs, CA 90670-3658

Proposals, and amendments to proposals, received after the date and time specified above will not be accepted and will be returned to the Consultant unopened.

4. DISSEMINATION OF RFP INFORMATION

From time to time, the AGENCY may issue responses to requests for clarifications, questions, comments, and addenda to this Request for Proposals ("RFP"), or other material related to this solicitation. **By submitting a proposal, Consultants are deemed to have constructive knowledge and notice of all information pertaining to this RFP.**

5. ADDENDA TO THE RFP

Any change(s) to the requirements of this RFP initiated by the AGENCY will be made by written addenda to this RFP. Any written addenda issued pertaining to this RFP shall be incorporated into and made a part of the terms and conditions of any resulting agreement. The AGENCY will not be bound to any modifications to or deviations from the

requirements set forth in this RFP unless they have been documented by addenda to this RFP. Consultants will be required to document that they are aware of all addenda issued by the AGENCY in their proposal.

6. QUESTIONS AND REQUESTS FOR CLARIFICATIONS

A. Contact Person for the Project

All questions or contacts regarding this RFP must be directed to Mr. Al Fuentes who can be reached at (562) 868-0511, ext. 7355 or by email at alfuentes@santafesprings.org

B. Clarifications of the RFP

Consultants are encouraged to promptly notify Mr. Fuentes of any apparent errors or inconsistencies in the RFP, inclusive of all attachments, exhibits and appendices. Should a Consultant require clarifications to this RFP, the Consultant shall notify the AGENCY in writing in accordance with Subsection "a" above. Should it be found that the point in question is not clearly and fully set forth in the RFP, a written addendum clarifying the matter will be issued.

C. Submitting Requests

All questions must be submitted to the AGENCY by 4:00 p.m. on Tuesday, February 19, 2019. The AGENCY is not responsible for failure to respond to a request or question that has not been labeled correctly. Questions can be submitted via U.S. Mail, Personal Courier, Fax or Email as long as they are received no later than the date and time specified above. The AGENCY is not liable for any late arrivals due to courier method or electronic delivery.

Requests for clarifications, questions and comments received after 4:00 p.m. on Tuesday, February 19, 2019 will not be responded to.

C. AGENCY Responses

The AGENCY, in its sole discretion, will respond to requests for clarifications, questions and comments. Responses will be emailed to proposers on or before 5:00 p.m. on Monday, February 25, 2019.

7. COST OF PROPOSAL PREPARATION

Any party responding to this RFP shall do so at their own risk and cost. The AGENCY shall not, under any circumstances, be liable for any pre-contractual expenses incurred by any Consultant who elects to submit a proposal in response to this RFP or by any Consultant that is selected. Pre-contractual expenses are defined as expenses incurred by Consultants and the selected Consultant, if any, in:

- Preparing a Proposal and related information in response to this RFP;
- Submitting a Proposal to the AGENCY;
- Negotiations with the AGENCY on any matter related to this RFP;
- Costs associated with interviews, meetings, travel or presentations; or

- Any and all other expenses incurred by a Consultant prior to the date of award, if any, of an agreement, and formal notice to proceed.

The AGENCY will provide only the staff assistance and documentation specifically referred to herein and will not be responsible for any other cost or obligation of any kind, which may be incurred by the Consultant.

8. **CONFLICT OF INTEREST**

By responding to this RFP, each Consultant represents to the best of its knowledge that:

- Neither Consultant, nor any of its affiliates, proposed subconsultants, and associated staff, have communicated with any member of the AGENCY since the release of this RFP on any matter related to this RFP except to the extent specified in this RFP;
- Neither Consultant, nor any of its affiliates, proposed subconsultants and associated staff, has obtained or used any information regarding this RFP and the proposed services that has not been generally available to all Consultants, and
- No conflict of interest exists under any applicable statute or regulation or as a result of any past or current contractual relationship with the AGENCY;
- Neither Consultant, nor any of its affiliates, proposed subconsultants, or associated staff, have any financial interest in any property that will be affected by any of the referenced projects.

Neither Consultant, nor any of its affiliates, proposed subconsultants, or associated staff, have a personal relationship with any member of the governing body, officer or employee of the AGENCY who exercises any functions or responsibilities in connection with the referenced projects.

9. **KEY PERSONNEL**

It is imperative that key personnel proposed to provide services have the background, experience and qualifications to properly undertake all necessary services for the successful completion of the referenced projects. The Consultant must identify all proposed key personnel in its Proposal. The Team must be well qualified and have sufficient experience in the areas described in the Scope of Services.

The AGENCY reserves the right to approve all key personnel individually for any and all projects authorized by the AGENCY as a result of this solicitation. After an agreement has been executed, the selected consultant may not replace any key staff without written approval from the AGENCY. The AGENCY must approve replacement staff before a substitute person is assigned to a project. The AGENCY reserves the right to require the Consultant to replace a staff person assigned to the contract should the AGENCY consider replacement to be for the good of the project. Replacement staff will be subject to the AGENCY's approval prior to assignment by Consultant.

10. BASIS FOR AWARD OF CONTRACT

The AGENCY intends to select the Consultant on the basis of demonstrated competence and professional qualifications in accordance with applicable State and Federal regulations. To that end, the contract is to be awarded to the Consultant whose proposal best meets the technical requirements of the RFP as determined by the AGENCY. Should an award be made, the proposal submitted by Consultant shall be incorporated as part of the final contract accordingly.

11. FEE SCHEDULE

The AGENCY will compensate the Consultant for actual hours worked by assigned personnel on a monthly basis. Compensation will be based on the fee schedule in the proposal. The consultant will provide an invoice clearly documenting the services performed each day and the number of hours worked.

12. REQUIRED FORMAT FOR PROPOSALS

The AGENCY is requiring all proposals submitted in response to this RFP to follow a specific format. The Proposal, including the Appendices, shall not exceed thirty (30) pages in length, utilizing 8.5" x 11" pages with one-inch margins. As an exception, 11" x 17" pages may be used to display organizational charts. Font size shall not be smaller than 12 point for text or eight (8) point for graphics. Dividers used to separate sections will not be counted. Creative use of dividers to portray team qualifications, etc. is discouraged.

Consultants are required to prepare their written proposals in accordance with the instructions outlined below. Deviations from these instructions may be construed as non-responsive and may be cause for disqualification. Emphasis should be placed on accuracy, completeness, and clarity of content.

The written proposal should be organized as described below. Each section of the written proposal should contain the title of that section, with the response following the title. The following are the required titles with a brief statement as to that section's desired content:

A. Letter of Offer

The Letter of Offer shall be addressed to Noe Negrete, Director of Public Works, City of Santa Fe Springs, and at a minimum, must contain the following:

- Identification of Consultant, including name, address and telephone number.
- Name, title, address, and telephone number of contact person.
- A statement to the effect that the Proposal shall remain valid for a period of not less than 90 calendar days from the date of submittal.
- Identification of all proposed sub-consultants or subcontractors, including legal name of the company, address and contact person.
- Acknowledgement that Consultant is obligated by all addenda to this RFP.
- Signature of a person authorized to bind Consultant to the terms of the Proposal.
- Signed statement attesting that all information submitted with the Proposal is true and correct.

B. Qualifications of the Firm

This section of the Proposal shall explain the ability of the Consultant to satisfactorily perform the required work. More specifically, in this section, the Consultant shall:

- Provide a profile of the Consultant including the types of services offered; the year founded; form of organization (corporate, partnership, sole proprietorship); number, size and location of offices; number of employees.
- Provide a detailed description of Consultant's financial condition, including any conditions (e.g., bankruptcy, pending litigation, outstanding claims in excess of twenty-five thousand dollars (\$25,000) for or against the firm; planned office closures or mergers that may impede Consultant's ability to complete the Water Rate Study.)
- Provide a list of previous projects in which the Consultant and subconsultants have worked together. The list should clearly identify the previous projects and include a summary of the roles and responsibilities of each party.
- Provide information on the strength and stability of the Consultant; current staffing capability and availability; current work load; and proven record of meeting schedules on similar types of projects.

C. Proposed Staffing and Project Organization

The Proposal should include the following information:

- The education, experience and applicable professional credentials of project staff. Include applicable professional credentials of "key" staff.
- Brief resumes, not more than two (2) pages each, for the individuals proposed as key personnel. Key personnel must have extensive knowledge and experience with water rate studies.
- A statement that key personnel will be available to the extent proposed for the duration of the Water Rate Study and an acknowledgement that no person designated as key personnel shall be removed or replaced without the prior written concurrence of the AGENCY. Identify any constraints, conflicts or situations that would prevent the Consultant from being able to begin work on this assignment.

D. Consultants and/or Sub-consultants

The AGENCY desires to enter into a contract with one Consultant that will be responsible for all work, products, and services. There is to be no assignment of any aspect of this project without the prior written authorization of the AGENCY. If the Consultant plans on using consultants and/or subcontractors as part of its implementation plan, then company profile, name, address, and telephone for all consultants and/or subcontractors providing support during the term of this project is required. Define the responsibilities and give a description of services to be provided by consultants and/or subcontractors. Describe the Firm's business and reporting relationship with any consultants and/or subcontractors. Include

references and resumes for all third party Firms in your proposal. The AGENCY has the right to accept or reject any changes made to the proposed project team members, including the use of consultants and/or subcontractors.

E. Work Approach

This section of the Proposal shall include a narrative that addresses the Scope of Services and demonstrates that Consultant understands the scope of this project. More specifically, the Proposal should include the Consultant's general approach for completing the activities specified in the Scope of Services. The work approach shall be of sufficient detail to demonstrate Consultant's ability to accomplish the project tasks.

F. Client References

List your five (5) most recent similar clients (including name, address, contact person, and phone number). The AGENCY is most interested in government and California clients and may randomly select agencies to contact from your list as part of the evaluation process.

G. Appendices

This part shall include brief resumes of proposed staff. Consultant information and general marketing materials will not be considered in the ranking of the Proposals.

H. Rights to Materials

All responses, inquiries, and correspondence relating to this RFP and all reports, charts, displays, schedules, exhibits, and other documentation produced by the Consultant that are submitted as part of the proposal and not withdrawn shall, upon receipt by AGENCY, become property of AGENCY.

I. Fee Proposal.

A Fee Proposal and Schedule of Performance shall be provided in a separately sealed envelope and shall comply with the following guidelines:

- Two copies of a Fee Proposal and Schedule of Performance shall be submitted in a separately sealed envelope plainly labeled "Fee Proposal" with the name of the Consultant and project title "Water Rate Study". This information shall be presented in a manner that allows the AGENCY to understand the Fee and Schedule for each segment.
- The Schedule of Performance shall depict individual project tasks, and basic hourly rates for specific personnel to be used on the project. Personnel hourly rates will reflect all costs for office overhead, including direct and indirect costs. The Proposal shall include a breakdown of the estimated number of hours, by personnel category, needed to complete each task. In addition, the fee shall reflect all anticipated fee increases during the Contract duration. A pre-award audit may be required to confirm and establish a final not-to-exceed fee.
- The terms and conditions for obtaining 'reimbursable costs' shall be identified in the Proposal.

13. **PROPOSAL EVALUATION PROCESS AND CRITERIA**

A. General

All proposals will be evaluated based on the technical information and qualifications presented in the proposal, reference checks, and other information, which may be gathered independently. Requests for clarification and/or additional information from any proposer may be requested at any point in the evaluation process. Pricing (Consultant fees) will be an important criterion; however, the AGENCY reserves the right to select a firm that presents the best qualifications, but not necessarily the lowest price.

B. Evaluation Criteria

- Completeness of proposal.
- Consultant and key project team member's experience in performing similar work.
- Consultant and key project team member's record in accomplishing work assignments for projects.
- Consultant's demonstrated understanding of the scope of work.
- Quality of work previously performed by the firm as verified by reference checks.
- Relevant project experience.
- Fee proposal.

C. Evaluation Process

After evaluating all proposals received, the AGENCY will rank the firms and the three (3) most qualified firms will be invited to an interview with the AGENCY evaluation committee, if deemed necessary by the AGENCY.

D. Interview (If Necessary)

For the interview, the Consultant should have available the project manager and key project personnel to discuss the following:

- Major elements of the proposal
- Proposed project team
- Description of related experience for key project personnel
- Proposed project schedule

E. Final Selection

The final selection will be the consultant which, as determined by the AGENCY, is the most responsive and responsible, meets the AGENCY's requirements in providing this service, and is in the AGENCY's best interest. The AGENCY maintains the sole and exclusive right to evaluate the merits of the proposals received.

14. EXCEPTIONS OR ADDITIONS

The Proposal shall include a detailed description of all of the exceptions to the provisions and conditions of this RFP upon which the Consultant's submittal is contingent and which shall take precedence over this RFP.

15. INSURANCE REQUIREMENTS

Prior to the start of contract negotiations, the highest qualified Consultant will be required to submit to the AGENCY the required insurance certificates for the Consultant and its team. Insurance certificates will also be required, in advance, for any Consultant subsequently identified for negotiations with the AGENCY.

The successful Consultant shall indemnify and hold AGENCY and its officers, agents, employees, and assigns harmless from any liability imposed for injury whether arising before or after completion of work hereunder or in any manner directly or indirectly caused, occasioned, or contributed to, or claims to be caused, occasioned, or contributed to, in whole or in part, by reason of any act or omission, including strict liability or negligence of Consultant, or of anyone acting under Consultant's direction or control or on its behalf, in connection with, or incident to, or arising out of the performance of this contract.

The Consultant selected will be required to maintain the following levels of insurance coverage for the duration of the services provided, as well as any sub-consultants hired by the Consultant:

- Worker's Compensation insurance with statutory limits, and employer's liability insurance with limits not less than \$1,000,000 per accident
- Commercial general liability insurance or equivalent form, with a combined single limit of not less than \$2,000,000 per occurrence
- Business automobile liability insurance, or equivalent form, with a combined single limit of not less than \$1,000,000 per occurrence. Such insurance shall include coverage for owned, hired and non-owned automobiles.
- Professional liability (errors and omissions) insurance, with a combined single limit of not less than \$1,000,000 per occurrence.

16. RIGHTS OF THE AGENCY

The AGENCY reserves the right, in its sole discretion and without prior notice, to terminate this RFP; to issue subsequent RFPs; to procure any project-related service by other means; to modify the scope of the Project; to modify the AGENCY's obligations or selection criteria; or take other actions needed to meet the AGENCY's goals. In addition, the AGENCY reserves the following rights:

- The right to accept or reject any and all proposals, or any item or part thereof, or to waive any informalities or irregularities in any proposal.
- The right to amend, withdraw or cancel this RFP at any time without prior notice.
- The right to postpone proposal openings for its own convenience.
- The right to request or obtain additional information about any and all proposals.

- The right to conduct a background check of any Consultant. This may include, but is not limited to, contacting individuals and organizations regarding capabilities and experience of the potential candidate.
- The right to waive minor discrepancies, informalities and/or irregularities in the RFP or in the requirements for submission of a Proposal.
- The right to modify the response requirements for this RFP. This may include a requirement to submit additional information; an extension of the due date for submittals; and modification of any part of this RFP, including timing of RFP decisions and the schedule for presentations.
- The right to disqualify any potential candidate on the basis of real or perceived conflict of interest that is disclosed or revealed by information available to the AGENCY.
- The right at any time, subject only to restrictions imposed by a written contractual agreement, to terminate negotiations with any potential candidate and to negotiate with other potential candidates who are deemed qualified.
- Although cost is an important factor in deciding which proposal will be selected, it is only one of the criteria used to evaluate consultants. The AGENCY reserves the absolute right, in its sole discretion, to award a contract, if any, which under all the circumstances will best serve the public interest.
- The AGENCY reserves the right to reject any or all proposals or to make no award at all, to determine whether any alternate proposals are equal to the specifications and general requirements, and to accept proposals with minor variations from the Request for Proposals and/or conditions. The AGENCY reserves the right to negotiate for a higher level, lower level or additional services.

This RFP is not a contract or commitment of any kind by the AGENCY. This RFP does not commit the AGENCY to enter into negotiations with any consultant and the AGENCY makes no representations that any contract will be awarded to any consultant that responds to this RFP. Proposals received by the AGENCY are public information and will be made available to any person upon request after the AGENCY has completed the proposal evaluation. Submitted proposals are not to be copyrighted.

Should a contract be subsequently entered into between the AGENCY and Consultant, it shall be duly noted that entering into such an agreement shall be interpreted, construed, and given effect in all respects according to the laws of the State of California. The successful Consultant shall secure a City of Santa Fe Springs business license through the City's Finance and Administrative Services Department at the time the contract is awarded.

Waiver of Proposals

Proposals may be withdrawn by submitting written notice to the AGENCY's Contact Person at any time prior to the submittal deadline. Upon submission, the Proposal and all collateral material shall become the property of the AGENCY.

17. CALIFORNIA PUBLIC RECORDS ACT DISCLOSURES

The Consultant acknowledges that all information submitted in response to this RFP is subject to public inspection under the California Public Records Act unless exempted by

law. If the Consultant believes any information submitted should be protected from such disclosure due to its confidential, proprietary nature or other reasons, it must identify such information and the basis for the belief in its disclosure. **Any proposal submitted with a blanket statement or limitation that would prohibit or limit such public inspection shall be considered non-responsive and shall be rejected.** Notwithstanding that disclaimer, it is the intention of the AGENCY to keep all submittals confidential until such time as negotiations are successfully concluded.

WATER RATE STUDY

SCOPE OF SERVICES

BACKGROUND

The City of Santa Fe Springs Water Utility Authority (WUA) provides water services to approximately 4,955 residential, multifamily and commercial/industrial accounts (excluding fire service accounts) as well as 626 reclaimed water accounts. The City receives water from two (2) main sources: the Central Basin's Water Quality Protection Project, and the Metropolitan Water District of Southern California. The City also has Water Well No. 12 which is undergoing well rehabilitation. A date of operation and production capacity is undetermined at this time for Water Well No. 12. The WUA is responsible for operating and maintaining water production facilities including 110 miles of distribution pipelines, 2 reservoirs, 2,000 valves and 1,150 fire hydrants.

The City's current rate structure consists of a fixed monthly service charge that varies by meter size and a five-tiered quantity rate for all customer classes except recycled customers.

1. STUDY OBJECTIVES

- A.** Develop a water rate structure that will allow the AGENCY to meet its financial obligations, specifically ensuring long-term (5 years) financial stability for the Water Fund.
- B.** Assess the current rate structure's performance as a baseline for developing proposed revisions to the water rate structure and rates to encourage efficient use for environmental sustainability, including but not limited to: (a) revising the single-family tier breakpoint to promote conservation and distinguish between indoor uses and outdoor uses; (b) establish a multi-family rate structure with tier breakpoints to reflect indoor uses and outdoor uses; and (c) establish a uniform rate for commercial/industrial users.
- C.** Ensure that proposed rates are consistent with the requirements of Proposition 218.

2. STUDY REQUIREMENTS

- A.** The recommended rate structure shall be based on cost of service and shall be sufficient to meet the short and long-term revenue requirements of the AGENCY.
- B.** The study shall recommend rates that consider and make provision for the following factors:
 - 1. Current and future cost of providing water in accordance with established and anticipated standards and regulations.
 - 2. Current and future cost of providing water to three (3) classes of customers: (a) single family residences; (b) multi-family residences; (c) commercial customers.

3. Current and future costs of water purchased from outside agencies.
 4. Projected demands, while considering goal of water conservation.
 5. Age and condition of water system and the need to fund long-term capital improvement/replacements for supply, treatment and distribution infrastructure.
 6. Funding requirements for all current long-term liabilities and debt obligations.
 7. Impact of current and future environmental regulations.
 8. Other impacts as identified.
- C.** The recommended rate structures shall provide direct identification of revenues appropriated to major funded activities and infrastructure:
1. Operation and Maintenance (O&M) expenses.
 2. Capital expenses and capital financing.
 3. Bond coverage requirement.
 4. Water purchases from outside sources.
- D.** The benefits of any proposed modifications to the water rates shall be weighed against the financial impacts on ratepayers.
- E.** The recommended rates shall result in no decrease in stability of the revenue stream to the Water Fund, as compared to the current rate structure.
- F.** Consideration should be given to funding past and future depreciation.
- G.** The recommended rate structure and report shall be easy for staff to administer and the customer to understand.
- H.** The AGENCY's utility billing systems must be able to implement the proposed rate structure.
- I.** Analyze the current and historical revenue and billing data to estimate relative liability of rate forecasts for the base fiscal year through five subsequent fiscal years.

- J. The recommended rate structure shall comply with the provisions of Prop. 218. The study shall demonstrate that the rates do not exceed the proportionate cost of serving each class of customers. A sound rationale related to the cost of service is required.

3. **STUDY ELEMENTS**

- A. In making the rate structure recommendations, the Final Report shall include the following elements:

1. Current Rate Structure: Assess the current rate structure's performance as a baseline for comparing recommended changes.
2. Equity: Assess the equity of recommended water rates for single family residences, multi-family residences and commercial customers.
3. Conservation Impacts: Assess the interaction between water conservation elements of the recommended rate structure and their impacts on the ability to fund water operations.
4. Sensitivity Analysis: Assess the ability of the revenue stream generated by the recommended rate structure to continue to fully fund water system costs and other costs under the impacts of future water quality regulations and standards.
5. Comprehensive Summary of Recommended Rate Structure: Assess performance of each studied rate structure against current rate structure performance as baseline and provide recommendation on preferred rate structure.
6. Supporting Data: Provide data supporting conclusions and observations made for each of the areas above and site within the study.
7. Provide a comparison of current water system costs (operations, capital improvements, bonded debt) against appropriate industry benchmarks.
8. Provide a calculation of the bi-monthly water bill for the average residential customer and commercial customer (as determined by water consumption) for each rate structure included in the analysis.
9. Provide a comparison of water rates for similar size southern California water agencies (public and private).
10. It is imperative that the study methodology be fully transparent and understandable by the general public.

4. CONSULTANT SERVICES

- A.** Conduct a detailed review of the existing water rates and status of the Water Fund and develop a general familiarity with the AGENCY's billing system as it relates to the Water Fund.
- B.** Meet or confer with staff as needed; attend four to six meetings, including regular AGENCY meetings, staff meetings, study sessions, subcommittee meetings, and at least one (1) public hearing.
- C.** Conduct analyses as required to address the scope of work.
- D.** Preliminary Report.
 - 1. Provide a preliminary report for AGENCY review and comment, which summarizes the findings and recommendations of the study.
 - 2. Prepare and make presentations of the preliminary report to the AGENCY.
- E.** Final Draft Report.
 - 1. Provide a final draft report that contains AGENCY comments and input to preliminary report.
 - 2. Prepare and make presentations of the final draft report to the AGENCY.
- F.** Provide Assistance to the AGENCY during the Proposition 218 process.
- G.** Provide a Final Report that summarizes the completed action of the AGENCY, providing final rates as adopted, the final rate structure, an explanation of how those rates were calculated, summary of the Proposition 218 process, and project revenue under the adopted rates and rate structure.

5. SERVICES PROVIDED BY THE AGENCY

- A.** Furnish all reasonably available records and information, including financial reports, budgets, and water production and consumption data.
- B.** Provide staff support and assistance as required and agreed to in advance of performing the study.

EXHIBIT B
CONSULTANT'S PROPOSAL

Water Rate Study

PROPOSAL / MARCH 5, 2019

**City of
Santa Fe Springs
Water Utility Authority**



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Appendices

Section D. Consultants and/or Sub-consultants is not included in the proposal, since we will not utilize any sub-consultants.



March 5, 2019

Noe Negrete
Director of Public Works
City of Santa Fe Springs
11710 E. Telegraph Road
Santa Fe Springs, CA 90670

Subject: Proposal for Water Rate Study

Dear Mr. Negrete:

Raftelis is pleased to submit this proposal to conduct a water rate study (Study) for the City of Santa Fe Springs Water Utility Authority (WUA or Agency). We are confident in our ability to develop a sustainable financial plan and optimal water rate structure for the Agency that will comply with Proposition 218 and other regulatory requirements in addition to meeting the Agency's goals such as revenue stability and equity. We have assisted numerous agencies in California with successfully implementing water rate structures that provide sufficient funding for capital projects, customer affordability, and revenue stability while incentivizing water conservation and efficiency. In addition to numerous others, we have recently conducted similar studies for the cities of Ontario, Brea, La Habra, Yorba Linda Water District, El Toro Water District, and Sweetwater Authority.

I, Sudhir Pardiwala, will serve as Project Manager. I am a registered engineer with over 40 years of experience and have worked on hundreds of studies in California assisting utilities with rates and financial plans. I am familiar with the City's system having worked on a rate study previously for the City. Khanh Phan will serve as Assistant Project Manager. She holds degrees in chemical engineering and business administration, bringing more than 15 years of experience to this project having conducted over seventy-five rate studies. The management team will manage the day-to-day aspects of the project, ensuring it stays on schedule and effectively meets the Agency's objectives. Steve Gagnon will be the Technical Reviewer of the Study. He holds graduate degrees in environmental engineering and business administration and has over 20 years of consulting experience for utilities in California. Our talented staff consultants based in Southern California will assist us in conducting analyses and preparing project deliverables.

This letter of offer transmits a firm proposal and is valid for 90 calendar days from the date of submittal. I am authorized to bind the firm and acknowledge that Raftelis is obligated by all addenda included in the RFP. I attest that all information submitted within this proposal is true and correct. Raftelis is proud of the team and resources we can offer the Agency on this important engagement. Should you have any questions, please do not hesitate to contact me.

Sudhir Pardiwala, PE, Executive Vice President

Office: 626 583 1894 / Mobile: 626 827 8931 / Email: spardiwala@raftelis.com

Sincerely,

A handwritten signature in blue ink, appearing to read 'Sudhir Pardiwala', is positioned above the printed name.

Sudhir Pardiwala, PE

Executive Vice President

QUALIFICATIONS OF THE FIRM

PROFILE

Type of Services Offered

Financial Solutions: Affordability analysis and program development; Capital improvements planning/prioritization and financing; Debt issuance support, Economic and financial evaluations; Financial planning and modelling; Rate, charge, and fee studies; Stormwater utility development and support

Performance Solutions: Asset Management, Customer service enhancement, Governance and stakeholder engagement, Organizational and operations optimization, Performance measurement and benchmarking, Strategic planning

Technology Solutions: Analytics and decision support; Business process development; Data management; Software solutions; Training and support; Visualization and dashboarding

Year Founded: 1993

Form of Organization: Corporation

Number, Size, & Location of Offices/Employees

Murrieta, CA (4 employees); Los Angeles, CA (9 employees); Albany, NY (3 employees); Austin, TX (2 employees); Bellingham, WA (6 employees); Boston, MA (2 employees); Charlotte, NC (26 employees); Cincinnati, OH (4 employees); Denver, CO (10 employees); Kansas, MO (5 employees); Memphis, TN (3 employees); Casselberry, FL (5 employees); Cary, NC (9 employees); Scottsdale, AZ (1 employee); Seattle,

WA (2 employee); Remote offices (7 employees)

Total Employees: 96

FINANCIAL CONDITION

Raftelis is fully financially stable and does not have any conditions (e.g., bankruptcy, litigation, claims, office closures, mergers, etc.) that could impede our ability to complete the Water Rate Study.

PREVIOUS PROJECTS WITH SUBCONSULTANT

Raftelis will not be including any subconsultants on our team for this engagement. Based on our extensive experience and current workload, we are fully confident in our ability to complete this project with in-house staff to the satisfaction of the WUA.

STRENGTH AND STABILITY

Raftelis' strength and stability is evidenced by our growth and expansion with over 80 consultants. Raftelis places a high priority on being responsive to our clients and, therefore, each of our project schedules are individually formulated to manage and identify the work effort associated with the scope of services, and we actively manage each consultant's project schedule to ensure appropriate availability for addressing client needs. Our Project Team has the necessary availability to provide the services requested for the WUA's engagement. In addition to our dedicated Project Team, the WUA will have the support of Raftelis' full staff who specialize in financial, pricing, and management consulting services for water and wastewater utilities to provide support for this project if necessary.

THE RIGHT FIT

We believe that Raftelis is the right fit for this project. We provide several key factors that will benefit the City and help to make this project a success.

RESOURCES & EXPERTISE

This project will require the resources necessary to effectively staff the project, and the skillsets to complete all of the required components in a timely manner just to stress the importance of having sufficient resources.

With more than 80 consultants, Raftelis has the largest water-industry financial and rate consulting practice in the nation. Our depth of resources will allow us to provide the WUA with the technical expertise necessary to meet your objectives. In addition to having many of the industry's leading rate consultants, we also have experts in key related areas, like stakeholder engagement and data analytics, to provide additional insights as needed.

USER-FRIENDLY MODELING

A modeling tool that your staff can use for scenario analysis and financial planning now and into the future will be key for the WUA going forward.

Raftelis has developed some of the most sophisticated yet user-friendly financial/rate models available in the industry. Our models are tools that allow us to examine different policy options and cost allocations and their financial/customer impacts in real time. Our models are non-proprietary and are developed with the expectation that they will be used by the client as a financial planning tool long after the project is complete.

DEFENSIBLE RECOMMENDATIONS

When your Council and customers are considering the validity and merit of recommended changes, they want to be confident that they were developed by experts using the latest industry standard methodology.

Our senior staff are involved in shaping industry standards by chairing various committees within the AWWA and WEF. Raftelis' staff members have also co-authored many industry standard books regarding utility finance and rate setting. Being so actively involved in the industry will allow us to keep the WUA informed of emerging trends and issues, and to be confident that our recommendations are insightful and founded on sound industry principles. In addition, with Raftelis' registration as a Municipal Advisor, you can be confident that we are fully qualified and capable of providing financial advice related to all aspects of utility financial planning in compliance with federal regulations.

EXPERTS ON CALIFORNIA REGULATORY REQUIREMENTS

This expertise will allow the WUA to be confident that our recommendations take into account all of these regulatory requirements.

The regulatory environment in California has become more stringent due to Proposition 218. Besides developing well thought out financial plans, Raftelis staff are very knowledgeable about these regulations and have made presentations on this subject at various industry conferences. In addition, we are frequently called on to be expert witnesses regarding these regulatory matters.

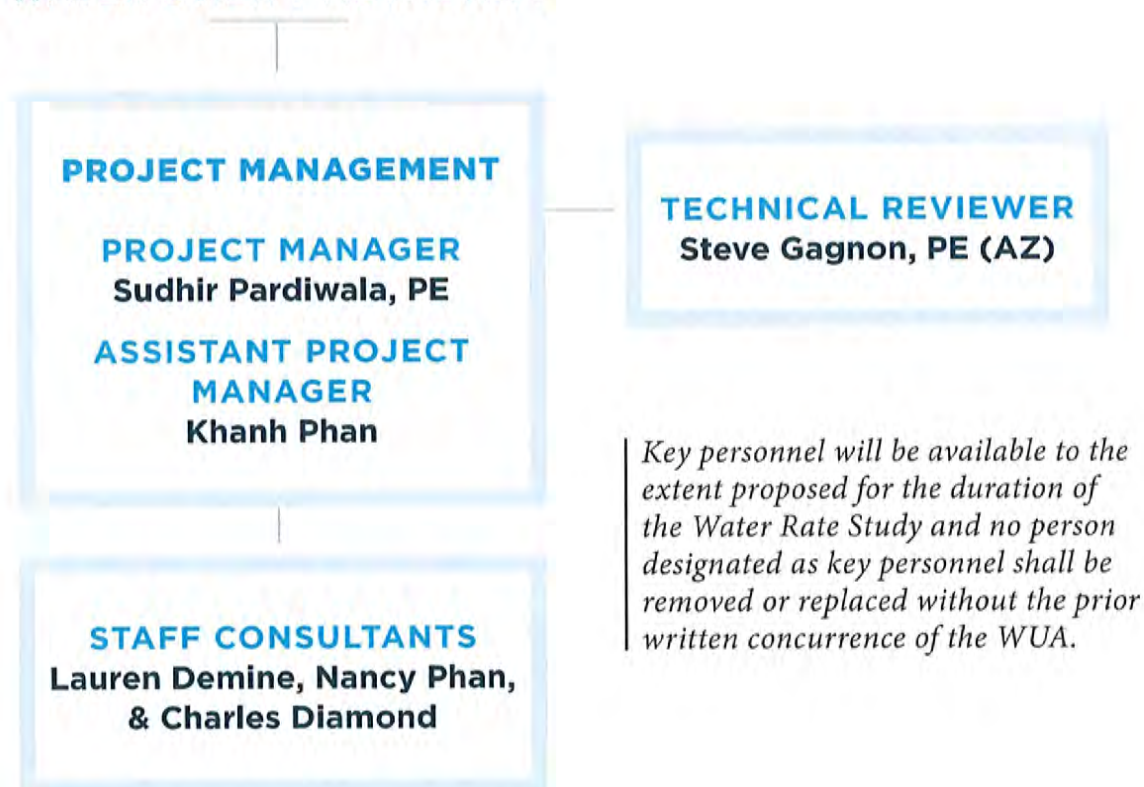
Proposed Staffing

WE HAVE DEVELOPED A TEAM OF CONSULTANTS WHO SPECIALIZE IN THE SPECIFIC ELEMENTS THAT WILL BE CRITICAL TO THE SUCCESS OF THE WUA'S PROJECT.

Our team includes senior-level professionals to provide experienced project leadership, with support from talented consultant staff. This close-knit group has frequently collaborated on similar successful projects, providing the WUA with confidence in our capabilities.

Here, we have included an organizational chart. On the following page, we have included brief qualifications of our team members, and brief resumes are provided in the Appendices section.

CITY OF SANTA FE SPRINGS WATER UTILITY AUTHORITY





PROJECT MANAGER

Sudhir Pardiwala PE

Executive Vice President

PROJECT ROLE

Will manage the day-to-day aspects of the project ensuring it is within budget, on schedule, and effectively meets the WUA's objectives. He will also lead the consulting staff in conducting analyses and preparing deliverables for the project, and he will serve as the WUA's main point of contact.

CAREER HIGHLIGHTS

- 40 years of experience
- Education: MBA - University of California, Los Angeles; MS Chemical Engineering - Arizona State University; BS Chemical Engineering - Indian Institute of Technology, Bombay
- Registered with the Securities and Exchange Commission as a Municipal Advisor; Registered Professional Engineer (CA)



ASSISTANT PROJECT MANAGER

Khanh Phan

Senior Consultant

PROJECT ROLE

Will help the Project Manager with managing the day-to-day aspects of the project ensuring it is within budget, on schedule, and effectively meets the WUA's objectives. She will also lead the consulting staff in conducting analyses and preparing deliverables.

CAREER HIGHLIGHTS

- 15 years of experience
- Education: MBA Finance - California State University, Los Angeles; BS Chemical Engineering - University of California, Berkeley



TECHNICAL REVIEWER

Steve Gagnon PE (AZ) Manager

PROJECT ROLE

Will provide oversight for the project ensuring it meets both Raftelis and industry standards.

CAREER HIGHLIGHTS

- 20 years of experience
- Education: MBA - University of Southern California; MS Environmental Engineering - University of Massachusetts
- BS Civil Engineering - University of Massachusetts
- Registered with the Securities and Exchange Commission as a Municipal Advisor; Registered Environmental Engineer (AZ)

**STAFF
CONSULTANT**

**Lauren
Demine**
Consultant

PROJECT ROLE

Will work at the direction of Mr. Pardiwala and Ms. Phan in conducting analyses and preparing deliverables for the project.

CAREER HIGHLIGHTS

- 12 years of experience
- Education: BA Geology–California State University, San Bernardino

**STAFF
CONSULTANT**

**Nancy
Phan**
Consultant

PROJECT ROLE

Will work at the direction of Mr. Pardiwala and Ms. Phan in conducting analyses and preparing deliverables for the project.

CAREER HIGHLIGHTS

- 3 years of experience
- Education: BA Business Economics – University of California, Irvine

**STAFF
CONSULTANT**

**Charles
Diamond**
Consultant

PROJECT ROLE

Will work at the direction of Mr. Pardiwala and Ms. Phan in conducting analyses and preparing deliverables for the project.

CAREER HIGHLIGHTS

- 3 years of experience
- Education: MESM (Water Resources Management) – UC Santa Barbara; BS Environmental Economics & Policy – UC Berkeley

Work Approach

Understanding

The Agency currently provides retail water service to nearly 5,000 single-family residential, multi-family residential, and commercial/industrial accounts within the City of Santa Fe Springs and a small portion of the City of Downey. Additionally, the Agency provides recycled water service to approximately 600 accounts. The Agency's current water rate structure consists of a fixed Meter Service Charge assessed based on meter size and variable Quantity Rates per hundred cubic feet of water delivered. The Quantity Rates include five inclining tiers applied equally across all customer classes for potable water service and four inclining tiers for recycled water service.

The Agency is interested in engaging a consultant to perform a water rate study that:

- Ensures financial sufficiency to meet operating and capital expenditures, provide adequate reserves consistent with industry standards and prudent fiscal management and adequate debt coverage
- Evaluates potential changes to the Agency's current water rate structure and establishes proposed water rates for the next five years to incentivize conservation, efficient use, equitability amongst different customer classes such as multi-family and commercial which are currently on the same rate structure as single family residences.
- Meets the requirements of Proposition 218.

To ensure that the City achieves these objectives, it is important to identify and prioritize pricing objectives such as rate stability, revenue stability, minimization of customer impacts, simplicity, affordability, fairness, and equitability.

Project Approach

The scope of services provided in the following outlines the individual tasks Raftelis believes will be necessary to achieve the Agency's goals and objectives of the Study. The rate-setting methodologies described within the scope of services represent industry standard practices that ensure consistency with California's regulatory requirements such as Proposition 218.

Task 1

Projection Initiation & Management

At the beginning of the Study, Raftelis will prepare a detailed data request list identifying the information needed from the Agency to perform the Study tasks. Examples of the data required include but are not limited to recent Comprehensive Annual Financial Reports (CAFRs), recent and current budgets, current and historical water production, billing data, and long-term capital improvement plans. Prior to the Study kick-off meeting, Raftelis will thoroughly review any data provided.

We believe a productive in-person kick-off meeting with Agency staff is the most effective way to begin a study of this nature. This meeting provides a forum to discuss objectives, policy considerations, methodologies, and any remaining data needs, as well as to finalize the project schedule. We will discuss the Agency's financial policies and associated reserve levels as well as the capital improvement plan for the water system.

the Excel-based water rate model to be developed for the Study is functioning properly and is in accordance with sound rate-making principles and standard industry practice.

Meeting(s): One in-person kick-off meeting with Agency staff

Deliverable(s): Data request list in Microsoft Word; kick-off meeting presentation materials in Microsoft PowerPoint; meeting minutes in Microsoft Word

Task 2

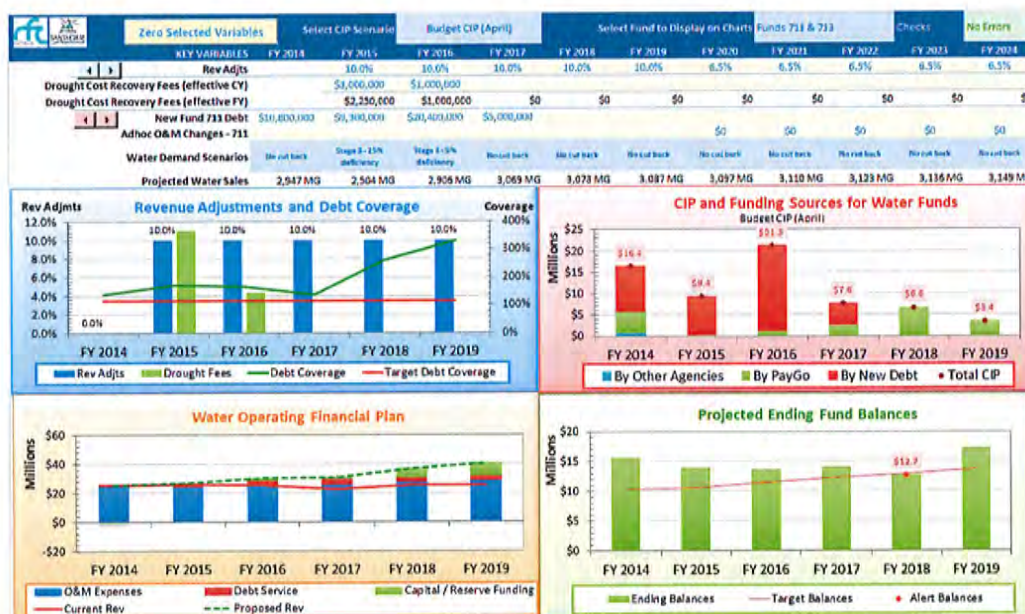
Financial Plan Development

In developing the financial plan, Raftelis first will project revenues based on the Agency's existing water rates. This will

allow Raftelis to examine the water utility's financial health under current rates over a five-year study period. We will also work with Agency staff to project water supply availability and customer demand. It is Raftelis' understanding that the Agency's water supply mix may be impacted by the Water Well No. 12 rehabilitation project, as the date of operation and production capacity of the well is yet to be determined.

Raftelis will develop an Excel-based financial plan model that provides five-year cashflow projections for the water utility while allowing for flexible and convenient adjustment of key assumptions. The model will have the capability to examine different CIP scenarios, allow-

Shown below is a sample dashboard



ing Agency staff to consider the impact of varying levels of CIP spending on water rates. The model will also allow for multiple CIP funding scenarios that include varying levels of future debt and potential grant funding to cover CIP expenditures.

After examining the financial plan under the Agency's current rates, Raftelis will then evaluate the magnitude of revenue adjustments required to ensure the financial sufficiency of the water utility over the five-year planning period. Proposed revenue adjustments, once agreed upon by Agency staff, will provide the basis for the water rate revenue requirement to be used by Raftelis in the cost of service analysis (Task 3) and development of proposed rates (Task 4).

Raftelis will develop a financial plan model that includes a dashboard with the following features:

- Flexibility to change assumptions such as water sales, CIP levels, and revenue adjustments
- Error flagging of results such as failure to meet debt coverage, unmet reserve targets, etc.
- Sensitivity analyses that can be viewed instantaneously with built in-screen graphics

We aim to recommend smooth revenue adjustments and minimal rate impacts while achieving long-term revenue goals. For example, strategic timing of capital expenditures and the use of reserve funds can help mitigate rate fluctuations. Raftelis will hold one in-person meeting and one webinar as needed to review the financial plan development process with Agency staff.

Meeting(s): One in-person meeting and one webinar with Agency staff

Deliverable(s): Financial plan model in Microsoft Excel

Task 3 Cost of Service Analysis

The cost of service analysis provides rate defensibility in light of Proposition 218 requirements and determines the total cost to serve each customer class (single-family residential, multi-family residential, and commercial/industrial, etc.) The cost of service analysis will follow industry standards provided in the *Manual M1: Principles of Water Rates, Fees and Charges, 6th Edition* (M1 Manual). Cost distributions among customer classes are based on the AWWA-approved Base-Extra Capacity method,

which focuses on different usage patterns (or peaking factors) for each customer class. Our cost of service methodology includes three steps:

Step 1: Review Customer Class Usage Patterns and Determine Customer Classifications

Raftelis will review historical water consumption to assess customer class water use patterns. Using this data, we will determine peaking characteristics for each customer class and discuss the rate implications, if any, with Agency staff.

Step 2: Allocate Costs to Cost Components

Raftelis will functionalize costs into water service functions such as supply, transmission/distribution, storage, and customer service. We will then allocate these functions to cost components such as water supply, base demand, extra capacity (demand), and customer service. From this we will determine the unit cost for each cost component.

Step 3: Distribute Costs to Customer Classes

Next, we distribute costs to the customer classes using the unit costs developed in Step 2. This results in the cost to serve each customer class, which is based on how each class uses water.

Meeting(s): None

Deliverable(s): Cost of Service Analysis in Microsoft Excel

Task 4 **Rate Design**

Raftelis will first evaluate the current water rate structure's ability to meet the Agency's goals such as revenue stability, fairness, and water conservation. We will then propose and evaluate changes to the current water rate structure based on the Agency's policy objectives. It is our understanding that the Agency is interested in modifying its Quantity Rates to include inclining tiered rates for single-family and multi-family customers that incorporate tier breakpoints that distinguish between efficient indoor and outdoor use, while charging commercial/industrial customers a uniform Quantity Rate. Based on discussions with Agency staff, Raftelis may also evaluate other rate structure options as well. Important considerations such as compatibility with the Agency's existing billing system will be accounted for when evaluating rate structure options. We will evaluate the pros and cons of the current and proposed rate structures and discuss thoroughly with

Agency staff before proceeding with the calculation of proposed rates for the next five years.

Raftelis will develop an Excel-based water rate model that will have the flexibility to evaluate different fixed/variable revenue splits to enhance revenue stability. To communicate the cost nexus for tiered rates, the water rates may have several cost components for each tier, including but not limited to water supply costs, delivery costs, peaking costs, conservation costs, and revenue offsets. The rate model will include a summary of customer bill impacts of the proposed rate structure. We will graphically illustrate customer bill impacts at different usage levels and meter sizes. This will assist in the development of water rates that are both defensible and appropriate for the Agency and its customers.

Meeting(s): Two in-person meetings and one webinar with Agency staff

Deliverable(s): Water rate model in Microsoft Excel

Task 5 **Water Rate Survey**

Raftelis will compare the Agency's current and proposed

water rates with five to six public water service providers in Southern California. While a useful benchmark, it is worth noting that such comparisons only paint a partial picture since many factors, such as topography and water sources, affect the total cost of providing water service. Raftelis regularly conducts such surveys for our clients. We also co-publish with AWWA the nationally recognized biennial *Water and Wastewater Rate Survey*, and the California-Nevada Water and Wastewater Rate Survey. Raftelis will develop an Excel module to compare the total bi-monthly water bill for a typical residential customer within each agency's service area. The Excel module will include graphs and figures that display the total bi-monthly bill of a typical customer in each agency.

Meeting(s): None

Deliverable(s): Water rate survey module in Microsoft Excel

Task 6 **Draft and Final Reports**

Prior to the Proposition 218 Public Hearing, Raftelis will develop a preliminary draft report that will include

an executive summary highlighting the major issues and decisions reached during development of the proposed water rates. The main body of the report will include background information on the Agency's water system and service area as well as an overview of O&M expenses, CIP, debt service, and the proposed revenue adjustments. The cost of service analysis and rate calculations will be described in detail so that the nexus between water utility costs and water rates is clearly defined. The report will also include bi-monthly customer bill impacts and the results of the water rate survey tasks. We will then prepare a PowerPoint presentation and present the preliminary draft report to Agency staff via webinar. After Agency staff has an opportunity to thoroughly review the preliminary draft report, Raftelis will provide a final draft report that incorporates feedback and input from Agency staff. Raftelis will then hold a subsequent webinar to present the final draft report to Agency staff. After final adoption of the proposed water rates, Raftelis will prepare a final report that includes a summary of the Proposition 218 process.

Meeting(s): Up to two webinars to present the preliminary and final draft reports

Deliverable(s): Preliminary draft report, final draft report, and final report in Microsoft Word; Webinar presentation materials in Microsoft PowerPoint

Task 7

Proposition 218 Public Hearing

Raftelis will assist in the Proposition 218 process by attending and presenting the Study results at a public hearing. PowerPoint presentation materials will be provided to Agency staff beforehand for review. We will be available at the public hearing to address questions and comments from City Council and the public. Mr. Pardiwala has presented at numerous Proposition 218 public hearings in Southern California and have valuable experience in effectively addressing questions and comments from the public.

Meeting(s): One in-person Proposition 218 public hearing

Deliverable(s): Public hearing presentation materials in Microsoft PowerPoint

Client References

RAFTELIS HAS THE MOST EXPERIENCED UTILITY FINANCIAL AND MANAGEMENT CONSULTING PRACTICE IN THE NATION.

Our staff have assisted more than 1,000 utilities across the U.S., including some of the largest and most complex agencies in the nation. In the past year alone, Raftelis worked on more than 600 financial/organizational/technology consulting projects for over 400 water, wastewater, recycled water, and/or stormwater utilities in 40 states, the District of Columbia, and Canada.



Raftelis has provided financial/organizational/technology assistance to utilities serving more than 25% of the U.S. population.

On the following pages, we have provided detailed descriptions of five projects that the assigned staff have worked on which are similar in scope to the WUAs project. We have included references for five clients. We urge you to contact them to better understand our capabilities and the quality of service that we provide.

City of Ontario CALIFORNIA

Reference: Mike Sigsbee

Utilities Admin. Services Manager
1425 South Bon View Avenue, Ontario, CA 91761
P: 909.395.2653; E: msigsbee@ci.ontario.CA.us

Raftelis conducted a water, wastewater, and solid waste study for the City of Ontario (City). The City has a total of 33,000 accounts including 5,000 non-residential accounts and sells approximately 43,000 ac-ft of water annually. Wastewater treatment is provided by Inland Empire Utilities Agency which also establishes a treatment charge for the City's retail customers. The study included a comprehensive review of the City's

revenue requirements and allocation methodology, a review of City's user classification, a cost of service analysis, and rate design for City users. Several recommendations were provided to improve the equity of water and wastewater charges including reclassification of customers, modifying the tiers, etc. The resulting rates were fair and equitable and met the fiscal needs of the City's utilities in the context of the City's overall policy objectives and were designed for simplicity of administration, cost effective implementation and ease of communication to customers. Raftelis has assisted the City with updates to their rates every two years.

City of La Habra CALIFORNIA

Reference: Brian Jones, Water/Sewer Manager
621 W Lambert Rd, La Habra, CA 90631
P: 562.383.4170; E: bjones@lahabraca.gov

Raftelis was engaged by the City of La Habra to conduct a full financial plan and water and wastewater rate study, including connection fees. The City was charging customers a uniform rate and wanted to implement tiered rates for water conservation. Raftelis developed tiers based on domestic usage and average usage for residential customers, with the goal of equitably recovering water supply costs and encouraging conservation. The study also involved calculating connection fees and customer bill impacts based on the latest financial projections and rate derivations. The project also required Raftelis' analysts to work with limited data and to fine-tune assumptions to develop a financial plan. The City had not increased wastewater rates in many years and needed large revenue adjustments to recover capital costs and provide adequate reserves. Raftelis developed fixed plus variable rates for customers to ensure adequate cost recovery and developed a reserve policy to provide risk management to meet working capital and capital funds.

Sweetwater Authority CALIFORNIA

Reference: Rich Stevenson, Director of Finance
505 Garrett Avenue, Chula Vista, CA 91910
P: 619.409.6711; E: rstevenson@sweetwater.org

Sweetwater Authority (SWA) serves drinking water to 190,000 people in southern California.

The utility wished to build community support for investment in infrastructure. Raftelis assisted SWA with revising its rate structure to pass-through all wholesale water purchase costs from the San Diego County Water Authority. The Authority has very wide swings in water purchase costs since during wet years all of the Authority's water comes from local reservoirs. During dry years it has to purchase most/all of its water. The Authority had postponed rate increases two years in a row as the Board favors affordable rates for their-low income community.

SWA has public relations staff and a good communications foundation but sought specialized assistance in messaging and community outreach specific to their rate study. Raftelis provided a strategic communications plan, guidance on messaging strategy and community outreach tactics. The utility approved a five-year rate increase after an extensive communications and outreach campaign to build community support for infrastructure investment.

Yorba Linda Water District CALIFORNIA

Reference: Delia Lugo; Finance Manager
1717 E. Miraloma Avenue, Placentia, CA 92870
P: 715.701.3042; E: dlugo@ylwd.com

Yorba Linda Water District (District) purchases its water supply from Municipal Water District of Orange County (MWDOC) and Orange County Water District (OCWD) to provide water services to over 23,000 residential and commercial accounts located in the City of Yorba Linda, portions of Brea, Anaheim, and Placentia. In 2010, the District engaged Raftelis to conduct a comprehensive water rate study. The study involved

developing a long-term financial plan to ensure financial sufficiency for the operational and capital expenditures of the District's water enterprise, designing an equitable conservation rate structure that enhances revenue stability while also promoting water conservation, and conducting the customer impact analysis of different rate alternatives. The District desired to evaluate both inclining tiers and water budget tiered rate structures for all of its customer classes. Raftelis developed a Financial Plan and Water Rate Model that allows the District to quickly review the impacts of different financial policies and different rate structures in graphical format to help policy makers make informed decisions. Raftelis presented the results of the Study to the District Board at the end of the Study.

In 2012, the District retained Raftelis to assist in updating its Financial Plan Model and its water rates.

El Toro Water District **CALIFORNIA**

Reference: Dennis Cafferty

Assistant General Manager/ District Engineer
24251 Los Alisos Boulevard
Lake Forest, CA 92630
P: 949.837.7050 x223; E: mgrandy@etwd.com

Raftelis has assisted El Toro Water District (District) with the development of its rates on an ongoing basis since 2006. At that time, the District had not updated its water and wastewater rates or rate structure in more than 10 years and was operating at a deficit. Raftelis prepared a 12-year financial plan evaluating the operating and capital expenses, debt service, and reserve requirements. A cost of service analysis

was conducted to review the equity of the rates and existing rate structures. The adopted rates, resulting from the cost of service study in 2006, unbundled rate components to convey the true cost of various service components and to continue to equitably pass on the cost of water, wastewater, and recycled water services to users.

In 2009, the District engaged Raftelis to design a water budget rate structure for its residential and irrigation accounts to help promote water-use efficiency. Raftelis designed a water budget rate structure which ensured revenue stability, financial sufficiency, and provided the appropriate price signal for different supply costs and conservation program funding for the District. The following outlines the methodology used to develop the water budget rate structure:

- Indoor allocations varied by the number of occupants and outdoor allocations varied based on weather data and irrigable area
- The irrigable area was determined by taking the total parcel area less the building area acquired from the Assessors' Secured Roll
- The allocation budgets considered irrigation efficiency and type of landscape

Next, Raftelis developed a water budget rate model that allowed the District to quickly view the impacts of alternative rates and budgets, to aid policy makers in making well-informed decisions in a timely manner. This tool proved invaluable when presenting the results in a graphical format to the District Board of Directors because it enabled them to easily see the impacts of different water budgets on their customers in real-time. As a result, the Board adopted the water budget rate structure in June 2010. To minimize rate shock to upper-tier users, Raftelis developed a three-phase implementation plan that slowly phased in Tier 3 and Tier 4 rates. The rate unbundling and phase-in implementation plan were found

beneficial and useful for the District during public outreach and rate implementation. The findings and recommendations resulting from the Study were summarized and documented in the Study Report.

Since the water budget rate study, each year Raftelis was retained by the District to conduct the cost of service annual study to update its water and wastewater rates. In 2012, the District engaged Raftelis to conduct a recycled water financial plan study to evaluate the impacts of the recycled water expansion on the Water and Wastewater Enterprises.

In late 2014 and early 2015, California experienced one of the most severe droughts in state history. The District purchases 100 percent of its potable water supply from the Metropolitan Water District of Orange County (MDWOC), a wholesale customer of the Metropolitan Water District of Southern California (MWD). To address water supply issues, MWD developed the Water Supply Allocation Plan (WSAP) which provides reduced allocations to wholesale customers within MWD's service area. In turn, on January 20, 2015, MDWOC adopted a methodology to determine the allocation to its member agencies. Member agencies, such as the District, can purchase water above the allocation, but such purchases are subject to severe penalties. The District engaged Raftelis to conduct a drought rate study to determine the indoor and outdoor drought factor adjustments necessary to encourage conservation among its residential and irrigation customers and to develop penalty rates for commercial customers in order to achieve the required reductions in consumption under increasing levels of drought. As part of the study, Raftelis conducted financial impact analysis on revenues, expenditures, and net revenues

for each drought stage. The study analyzed the impacts if: 1) customers continued to consume at normal (non-drought) levels, or 2) customers reduced consumption by the amount required. The methodology and results of the Study were documented in the drought study report and submitted to the District to support the adoption of the District's "Water Conservation & Water Supply Shortage Ordinance" in 2015.

In 2017, the District retained Raftelis to conduct Rate Study Introduction Workshop for its employees. The District also requested Raftelis' services for its annual rate update study for water and recycled water services, and cost of service analysis for its sewer services. Raftelis presented the results of the study to District staff using the Rate Model to run rate scenarios and customer impact analysis. The results of the study were documented in the Final Report submitted to the District in April 2017 and the rates were adopted July 1, 2017.



Sudhir Pardiwala PE

Project Manager

Executive Vice President

PROFESSIONAL HISTORY

- Raftelis: Executive Vice President (2013-present); Vice President (2004-2013)
- Black & Veatch: Principal Consultant (1997-2004)
- MWH: Principal Engineer (1985-1997)
- CF Braun: Senior Engineer (1979-1985)
- PFR Engineering Systems: Research Engineer (1977-1979)

EDUCATION

- Master of Business Administration - University of California, Los Angeles (1982)
- Master of Science in Chemical Engineering - Arizona State University (1976)
- Bachelor of Science in Chemical Engineering - Indian Institute of Technology, Bombay (1974)

PROFESSIONAL REGISTRATIONS

- Registered Professional Engineer: CA (Chemical (1981) and Civil (1988))

PROFESSIONAL MEMBERSHIPS

- American Water Works Association
- Water Environment Federation
- California Municipal Finance Officers Association

CERTIFICATIONS

- Series 50 Municipal Advisor Representative

Mr. Pardiwala has 40 years of experience in financial studies and engineering. He has extensive expertise in water and wastewater utility financial and revenue planning, valuation, and assessment engineering. He has conducted numerous water, wastewater, stormwater, and reclaimed water rate studies involving conservation, drought management, risk analysis, as well as system development fee studies, and has developed computerized models for these financial evaluations. Mr. Pardiwala has assisted public agencies in reviewing and obtaining alternate sources of funding for capital improvements, including low-interest state and federal loans and grants. He has assisted several utilities with State Revolving Fund and Water Reclamation Bond loans. Mr. Pardiwala authored the chapter on reclaimed water rates in the *Manual of Practice No. 27, Financing and Charges for Wastewater Systems*, published by the Water Environment Federation (WEF). He also authored a chapter entitled, "Recycled Water Rates," for the Fourth Edition of the industry guidebook, *Water and Wastewater Finance and Pricing: The Changing Landscape*. Mr. Pardiwala was vice-chairman of the CA-NV AWWA Business Management Division and Chairman of the Financial Management Committee.

RELEVANT PROJECT EXPERIENCE

- City of Anaheim (CA) – Water Rate Study
- City of Atwater (CA) - Water and Wastewater Rate Study
- Casitas Municipal Water District – Water Rate Study
- Castroville Water District (CA) – Water and Wastewater Rate Study
- City of Brentwood (CA) - Water and Wastewater Rate Study
- City of Buena Vista (CA) – Water and Wastewater Rate Study
- City of Burbank (CA) - Bond Feasibility Study, Reclaimed Water Study, and Water and Wastewater Rate Study
- City of Carlsbad (CA) - Asset Replacement Study and

Water, Wastewater and Reclaimed Water Revenue Program

- City of Chino (CA) - Valuation Study and Water Rate Study
- City of Chowchilla (CA) – Water and Wastewater Rates Study
- City of Corona (CA) - Water and Wastewater Rate Study
- El Toro Water District (CA) – Water Budget and Wastewater Rate Studies and Connection Fees
- City of Encinitas (CA) - Water and Wastewater Rate Study
- City of Escondido (CA) - Valuation Study, Water and Wastewater Rate Study
- City of Glendora (CA) - Water and Wastewater Financial Planning and Rate Study
- Goleta Water District (CA) – Water and Wastewater Rates and Connection Fees Studies, Asset Management, and Financing Plan
- City of Livingston (CA) – Water, Wastewater and Solid Waste Rates Study and Litigation Support
- Los Angeles Department of Water and Power (CA) – Water Rate Study and Wheeling Charge Review
- City of Madera (CA) - Water and Wastewater Rate Study
- Mammoth Community Water District (CA) – Water and Wastewater Rate Study
- Metropolitan Wastewater Joint Powers Authority (CA) - Wastewater Valuation Study and Capacity Valuation Study
- Olivenhain Municipal Water District (CA) – Water and Wastewater Financial Planning Studies and Recycled Water Rate Study
- City of Ontario (CA) - Water, Wastewater and Solid Waste Rate Study
- Palmdale Water District (CA) – Water Budget Rate Study
- City of Palo Alto (CA) – Water Rate Study
- City of Poway (CA) – Wastewater Rate Structure

Analysis

- Ramona Municipal Water District (CA) – Water Rate Study
- Rainbow Municipal Water District (CA) - Water, Wastewater Rate and Capacity Fee Studies
- City of Redlands (CA) - Impact Fee Study, Non-Potable Water Fee Study, Rocky MWC, Valuation and Lease Study, Bi-annual Rate Updates, Reclaimed Water Funding, and Water and Wastewater Rate Study
- City of Rialto (CA) – SRF Funding and Water and Wastewater Rate Study
- County of San Bernardino (CA) - Water and Wastewater Rate Study and Connection fees
- City of San Diego (CA) - Recycled Water Rate Study, Valuation Study, and Water and Wastewater Financial Plan, Rate and Connection Fees Study, Litigation Support
- San Diego County Water Authority (CA) - Capacity Valuation, Rate Analysis, Valuation Study, and Wheeling Charge Study
- City of San Fernando (CA) – Water and Wastewater Rates Study
- City of San Francisco (CA) – Water, Wastewater Rate Study and Stormwater Incentives for Low Impact Development
- City of Santa Barbara (CA) – Water and Wastewater Rate Study
- City of Santa Fe springs – Water Rate Study
- Santa Fe Irrigation District (CA) - Wastewater Treatment Plant Cost Evaluation, Water Connection Fees Study, and Water Rate Study and Update
- City of Santa Monica (CA) - Wastewater Rate Study
- City of South Pasadena (CA) – Water and Wastewater Rate Study
- Sweetwater Authority (CA) - Water Rate Study
- City of Vallejo (CA) - Water Financial Plan
- Valley County Water District (CA) - Water Rate Study



Khanh Phan

Assistant Project Manager
Senior Consultant

SPECIALTIES

- Utility cost of service
- Rate structure studies
- Financial plan studies
- Economic feasibility studies
- Conservation rate studies
- Water budget rate studies

PROFESSIONAL HISTORY

- Raftelis Financial Consultants, Inc.: Senior Consultant (2008-present)
- Avery Dennison: Research Chemist (2004-2008)

EDUCATION

- Master of Business Administration in Finance - California State University, Los Angeles (2007)
- Bachelor of Science in Chemical Engineering - University of California, Berkeley (2003)

Ms. Phan has served as Lead Consultant or Deputy Project Manager on numerous water and wastewater studies including rate, cost of service, reserve policy, financial planning, connection fee, conservation rate, and water budget rate studies. Her specific experience includes projects for the following utilities in California: Alameda County Water District, El Toro Water District, Elsinore Valley Municipal Water District, Mesa Consolidated Water District, Mojave Water Agency, Western Municipal Water District, Yorba Linda Water District, and the Cities of Camarillo, Glendora, Huntington Beach, Riverside, San Clemente, and Santa Cruz. She possesses strong analytical and management skills acquired from her background, education, and experience. Ms. Phan has advanced computer skills and is an excellent modeler. Ms. Phan also co-authored a chapter entitled, "Understanding Conservation and Efficiency Rate Structures," for the Fourth Edition of the industry guidebook, *Water and Wastewater Finance and Pricing: The Changing Landscape*.

RELEVANT PROJECT EXPERIENCE

- Alameda County Water District (CA) – Financial Plan Study and Union Negotiation Analysis Study and Rate Study
- City of Camarillo (CA) – Water and Sewer Rate Study and Rate Update Study
- City of Corona (CA) - Water Financial Plan and Water Budget Rate Study
- City of Glendora (CA) – Water Budget Rate Study
- City of Huntington Beach (CA) – Water Budget Rate Study
- City of Ontario (CA) - Water, Wastewater and Solid Waste Rate Study
- City of Riverside (CA) – Water Capital Facility Fees
- City of San Clemente (CA) – Water, Wastewater and Recycled Water Financial Plan Study and Rate Update
- City of San Juan Capistrano (CA) - Water, Recycled Water and Wastewater Rate Study

- City of Santa Cruz (CA) – Financial Policy and Financial Plan Study and annual Rate Update
- City of Signal Hill (CA) – Financial Plan Study and Water Lease Market Analysis
- City of Thousand Oaks (CA) – Water and Wastewater Financial Plan and Rate Study
- East Orange County Water District (CA) – Water Budget Rate Study, Cost of Service Study
- El Toro Water District (CA) – Cost of Service Study, Capital Facility Fees Study, Water Budget Rate Study and Recycled Water Financial Plan Study & Annual Rate Updates
- Elsinore Valley Municipal Water District (CA) – Financial Plan Study, Water and Recycled Water Rate Study
- Goleta West Sanitary District (CA) – Reserve Policy Study and Financial Plan Study
- Jurupa Community Services District (CA) – Water Rate Study, Financial Plan and Water Budget Rate Study
- Las Virgenes Municipal Water District (CA) - Water, Recycled Water and Wastewater Rate Study
- Mesa Water District (CA) – Financial Plan Study and Updates
- Metropolitan Water District of Southern California (CA) - Cost of Service Study and Rate Study Training Session
- Mojave Water Agency (CA) – Financial Plan Study and Updates
- Olivenhain Municipal Water District (CA) – Wastewater Financial Plan
- Rancho California Water District (CA) – Water Budget Rate Study, Water Demand Offset Fees Study, Capacity Fees Study
- San Gabriel County Water District (CA) - Water Rate Study
- Santa Margarita Water District (CA) - Water, Recycled Water and Wastewater Rate Study
- South Coast Water District (CA) – Water Budget Feasibility Study
- Trabuco Canyon Water District (CA) - Water, Recycled Water and Wastewater Rate Study
- Western Municipal Water District, Riverside (CA) - Water Budget Rate Study, Financial Plan Study and Connection Fees Study
- Yorba Linda Water District (CA) – Financial Plan, Cost of Service and Conservation Rate Studies and Rate Update



Steve Gagnon PE (AZ)

Technical Reviewer Manager

PROFESSIONAL HISTORY

- Raftelis: Manager (2017-present); Senior Consultant (2014-2016)
- APTwater, Inc. (Now Ultura): Project Manager (2011-2014)
- PBS&J (now ATKINS): Project Manager – Utility Finance (2005-2011)
- Earth Tech (now AECOM): Senior Project Manager (2004-2005)
- Malcolm Pirnie, Inc. (now ARCADIS): Consultant (2002-2003)
- National Parks Conservation Association – Business Plan Initiative: Business Plan Consultant (2000)
- U.S. Army Corps of Engineers – New England Division: Project Manager (1995-1999)
- Geophex, Limited: Graduate Research Assistant (1994)

EDUCATION

- Master of Business Administration – University of Southern California (2001)
- Master of Science in Environmental Engineering – University of Massachusetts (1995)
- Bachelor of Science in Civil Engineering – University of Massachusetts (1994)

PROFESSIONAL CERTIFICATIONS

- Registered Professional Environmental Engineer in Arizona
- Series 50 Municipal Advisor Representative

PROFESSIONAL MEMBERSHIPS

- American Water Works Association er Works Association

Mr. Gagnon has 20 years of experience in financial analysis and environmental engineering. He has worked for leading engineering consultants as well as the federal government. His broad range of experience includes water and wastewater pricing studies, capacity fees and utility valuations. His financial experience includes water and wastewater rate studies for the City of Redlands, CA, Santa Fe Springs, Henderson, NV, City of Anaheim, La Habra Heights County Water District, Rowland Water District, Walnut Valley Water District, Sweetwater Authority, Helix Water District and Otay Water District. He has also performed strategic financial analysis of water sourcing alternatives and costing of ground water remediation alternatives, asset inventory and condition assessments, utility performance metrics, earned value analysis. He has also managed the construction and installation of water treatment equipment and oversaw Superfund remediation for the US Army.

RELEVANT PROJECT EXPERIENCE

- City of Anaheim (CA) - Wastewater Rate Study
- Boxelder County (CO) - Stormwater Funding Research
- Blue Plains Wastewater Treatment Plant (DC) - Valuation Study
- Confidential Fortune 500 Aerospace Corporation (CA) - Strategic Remediation Financial Planning and Analysis
- City of Coronado (CA) - Wastewater Rate Study
- Earth Tech (CA) - Operation Excellence Plan
- Fallbrook Public Utility District (CA) - Water Conservation Based Sewer Rates
- City of Fullerton (CA) - Sewer Fee Assessment
- Helix Water District (CA) - Conservation Based

- Water Rates; Capacity Fee Study
- Julian and Pine Valley Sanitation Districts (CA) - Wastewater Rate Study
- Keweenaw National Historical Park, National Park Service (MI) - Business Plan
- City of La Habra (CA) - Sewer Rate Study and Long-Range Financial Plan
- La Habra Heights County Water District (CA) - Water User Rate Study and Long-Range Financial Plan
- City of Lemon Grove (CA) - Wastewater Rate Study
- Marine Corps Base Camp Pendleton (CA) - Utility Privatization
- Metro Wastewater Joint Powers Authority (CA) - Valuation of Treatment Capacity
- City of Norman (OK) - Stormwater Rate Study
- Olivenhain Municipal Water District (CA) - Drought Water Rates; Wastewater Rate Update; Capacity and Annexation Fee Update; Long-Term Water Planning Financial Model; Water Supply Cost Benefit Analysis
- Otay Water District (CA) - Capacity Fees Update; Water Rate Structure Update and Drought Phasing Plan; Performance Metrics
- Town of Parker (AZ) - Water Rate Study; Benchmarking and Efficiency Analysis
- City of Pico Rivera (CA) - Valuation of Groundwater Pumping Rights
- City of Poway (CA) - Water and Wastewater Rate Models
- Town of Quartzsite (AZ) - Third Party Rate Review
- Rainbow Municipal Water District (CA) - Water Conservation Based Sewer Rates
- Rowland Water District (CA) - Water Rate Study
- San Antonio Water System (TX) - Sewer Impact Fee Study
- County of San Diego (CA) - Sewer Utility Rate Study
- Sweetwater Authority (CA) - Water Rate Study
- U.S. Army Sudbury Annex Superfund Site (MA) - Base Realignment and Closure
- Walnut Valley Water District (CA) - Water Rate Study
- City of Webster (TX) - Stormwater Rate Study
- Western Municipal Water District (CA) - Long-Range Financial Plan



Lauren Demine

Staff Consultant Consultant

SPECIALTIES

- Geophysical data analysis
- Groundwater sustainability analysis
- Excel modeling
- Database management
- Technical report writing and review

PROFESSIONAL HISTORY

- Raftelis: Consultant (present); Associate Consultant (2017-2018)
- GEOVision Geophysical Services: Senior Staff Geophysicist (2007-2017)
- GeoConcepts, Inc.: Staff Geologist (2005-2007)

EDUCATION

- Bachelors in Geology—California State University, San Bernardino (2012)

Ms. Demine has a background in geology and geophysics. Her expertise includes geophysical data analysis, processing and modeling, and technical report writing and review. During her time as a geophysicist, she has worked with private firms and water districts to address capital infrastructure needs, mitigate the potential of groundwater contaminants, and evaluate the integrity of groundwater basins/well locations.

RELEVANT PROJECT EXPERIENCE

Lake Hemet Municipal Water District (CA)

The District commissioned Raftelis in 2017 to develop financial plans and cost of service studies for the water and wastewater services. The main objectives of the study were to ensure financial sufficiency, meet operation and maintenance costs, and to ensure funding for both capital and reserves. Ms. Demine was responsible for gathering and analyzing data, creating the Garner Valley enterprise financial plan, developing the cost of service model and rate model, and assisted in drafting the detailed report highlighting the decisions made and the explaining the calculation of the final rates. As part of the study, Raftelis evaluated interfund loans between enterprises with varying repayment terms and modeled various rate structures.

Helix Water District (CA)

The Helix Water District (District) hired Raftelis to conduct a comprehensive cost of service analysis and financial plan update. The last cost of service study was conducted back in 1988 and needed to be updated to be in compliance with Government Code Section 54999.7(c). Rates for a five-year period were adopted in October of 2015. Additionally, the District hired Raftelis to perform annual updates of the financial plan. Ms. Demine worked with the District and Project Manager to assist with completing the 2018 annual update.

Leucadia Wastewater District (CA)

The district hired Raftelis to update its financial plan for both its wastewater and recycled water enterprises and to update the capacity fee for its wastewater utility. The main objectives of the study were to ensure long-term financial sufficiency, meet operation and maintenance costs, and to ensure funding for both capital and reserves over a 20-year planning period. The Study was led by Andrea Boehling, who served as the Project Manager for the Study. Ms. Demine assisted with data collection and model development for both enterprises.

Monterey County Water Resources Agency (CA)

Ms. Demine assisted in the preparation of the 2017 new source waters study report for Monterey County Water Resources Agency. In this report, she documented the cost analysis for the operation and maintenance of new source waters as well as the capital costs of the new source waters. New source waters included additional agricultural wash, pond water, and new treated effluent from industrial users.

Sierra Madre (CA)

Ms. Demine assisted in the preparation of the 2018 comprehensive water and wastewater cost of service study report for the City of Sierra Madre. The purpose of this study was to develop a financial plan and design rates for the City's utilities over the next five years.

extent of contamination plumes or seawater intrusion, and determining the best location for the placement of new water wells.

Related Geophysical experience:

- Monterey Interlake Tunnel
- Cadiz Inc. Pipeline
- Stringfellow Acid Pits
- Hinkley, CA Chromium Cleanup
- Catalina Seawater intrusion analysis
- Oroville Dam
- Sierra Madre Dam
- San Vicente Dam

OTHER RELEVANT PROJECT EXPERIENCE

As a geophysicist for GEOVision Geophysical Services, Ms. Demine was responsible for conducting subsurface investigations. She was also involved in helping to determine the best geophysical method to meet the client's needs. Ms. Demine was responsible for efficiently managing and organizing the data collection, analysis, and processing phases of the geophysical investigation. She has worked on projects ranging from determining the depth and lateral extent of groundwater tables in various basins, gathering data on bedrock properties for the construction or repair of various infrastructure projects (e.g. dams, tunnels, and pipelines), relocating abandoned water wells, locating the depth and/or lateral



Nancy Phan

Staff Consultant Consultant

SPECIALTIES

- Financial modeling
- Utility rate studies
- Data analysis

PROFESSIONAL HISTORY

- Raftelis: Consultant (2018-present); Associate Consultant (2016-2017)
- Microsoft Corporation – Partner Account Specialist (2015-2016)

EDUCATION

- Bachelor of Arts in Business Economics – University of California, Irvine (2015)

Ms. Phan has a background in business economics with a focus on data analysis, writing, and communication. Her expertise in working with large data sets brings efficiency and refinement to her financial modeling, and her emphasis on writing establishes a clear and concise communication style. She is particularly interested in improving established processes to increase efficiency and provide creative solutions for her clients. Her experience in working with water, wastewater, and stormwater agencies across the nation have informed her approach to working with utility agencies.

RELEVANT PROJECT EXPERIENCE

Contra Costa Water District (CA)

Ms. Phan served as the consultant for Contra Costa Water District's water rate study. The study involved developing a new rate structure for the District's treated and untreated water systems. The project involved a complete restructuring of the District's treated and untreated water rates to sustain operational and capital needs, enhance equity and fairness amongst the different customer classes, and minimize customer impacts to the extent possible. The water rates were calculated according to cost of service principles and are compliant with Proposition 218.

County of Ventura (CA)

Ms. Phan assisted the County of Ventura in developing water rates for four different districts in the County's service area. The rate study included unique issues related to serving agricultural customers. The proposed rate structure modified the current structure to provide for greater simplicity and ease of implementation. Ms. Phan developed the four financial models and wrote their corresponding reports to explain the process. She also wrote a model manual for the County to update and use the model in the future and assisted in developing bill calculators for each of the districts.

La Habra Heights County Water District (CA)

Ms. Phan developed water rates for the La Habra Heights County Water District. She projected the District's ten-year financial plan, analyzed

the costs of the system, and allocated those costs to determine the proposed water rates. In addition, she developed a capital financing plan for the District to help plan for its large capital obligations during the study period. A formal reserve policy was recommended for this study. The resulting water rates were based on cost of service principles and minimized customer impacts.

Zone 7 Water Agency (CA)

Ms. Phan served as the consultant for the Zone 7 Water Agency's wholesale water rate study update. The update included projecting a long-range financial plan, developing a cost of service analysis, and determining fair and equitable rates for the Agency's direct and retail customers. The Agency was experiencing revenue shortages due to low water usage, and to enhance revenue stability, she assisted in developing a modified rate structure that is both beneficial and fair to the Agency and its customers.

City of Escondido (CA)

Ms. Phan assisted the City of Escondido with developing water and wastewater rates. The rate study included determining a long-term financial plan, analyzing and distributing the City's costs to each customer class, and determining rates that are fair and equitable for both systems. The study also involved determining pass-through rates for Metropolitan Water District and San Diego County Water Authority costs. The proposed rates are compliant with Proposition 218 and maintain the City's financial sufficiency in light of changing water supply conditions.

Marin Municipal Water District (CA)

Ms. Phan served as the lead analyst in a water rate study for Marin Municipal Water District (District), which consisted of a long-term financial plan, rate design analysis, and corresponding

documentation for the administrative record. The rate design process involved analyzing current and alternative rate structures, including a potential capital maintenance fee on the tax roll to fund capital project costs. The District is facing rising operating, water supply, and planned capital project costs in light of increasing conservation due to an environmentally-conscious customer base. The District sought innovative solutions to design a rate structure that minimizes customer impacts while ensuring financial sufficiency.

City of La Habra (CA)

Ms. Phan assisted the City of La Habra in developing wastewater rates and connection fees. The rate study involved an update of the current rate structure to enhance fairness and equity for the City's wastewater customers. She developed four rate structure scenarios to best meet the City's objectives. The revenue requirements, which includes operating and capital expenses, were allocated to each customer class using wastewater flow, which is more defensible for a collection only system. The resulting rates are compliant with Proposition 218, are fair and easy to understand for the City's customers, and recover sufficient revenue for the system's operations.

Rainbow Municipal Water District (CA)

Ms. Phan served as the consultant for the Rainbow Municipal Water District's wastewater system. She developed four rate structure options for wastewater rates to be simple for customers to understand and better align with cost of service principles. The study involved projecting the District's long-range financial plan, which included large capital expense obligations. Ms. Phan analyzed funding scenarios for these projects and their effects on the District's wastewater rates. The cost of service based rates allow the District to fund its operating costs and necessary capital projects.



Charles Diamond

Staff Consultant Consultant

PROFESSIONAL HISTORY

- Raftelis: Consultant (present); Associate Consultant (2017-2018)
- UC Santa Barbara Department of Economics: Teaching Assistant (2017)
- UC Santa Barbara Earth Research Institute: Graduate Student Assistant (2015-2017)
- The Nature Conservancy: Science & Stewardship Practitioner (2013-2015)

EDUCATION

- Master of Environmental Science & Management (Water Resources Management) – UC Santa Barbara (2017)
- Bachelor of Science in Environmental Economics & Policy – UC Berkeley (2013)

Mr. Diamond has a background in natural resource economics and water resources management. His expertise lies in financial modeling and data analysis. He joined Raftelis initially in 2017 as an associate consultant upon receiving a master's degree from UC Santa Barbara's Bren School of Environmental Science & Management. Mr. Diamond has developed financial models and conducted analyses for water and wastewater rate studies as well as capacity fee studies.

RELEVANT PROJECT EXPERIENCE

City of Brentwood (CA)

The City of Brentwood engaged Raftelis to conduct a water and wastewater rate study. In 2017, Raftelis helped the City evaluate the current water and wastewater utilities' cost of service and adjusted rates accordingly. Recently Mr. Diamond updated a financial plan model and performed a cost of service analysis for the City's wastewater utility. Mr. Diamond assisted with the update of existing rates as well as the development of a proposed alternative rate structure and rates.

City of Dixon (CA)

The City of Dixon engaged Raftelis in 2018 to conduct a water rate study to develop updated water rates for the City's water utility. Mr. Diamond developed a ten-year financial plan model, performed a cost of service analysis, and developed a five-year schedule of proposed water rates. Mr. Diamond also assisted in the preparation of presentation materials for water rate workshops with the City Council.

La Cañada Irrigation District (CA)

La Cañada Irrigation District engaged Raftelis to conduct a water rate study. Since the last rate study was performed in 2008, Raftelis helped the District evaluate the cost of service and adjusted rates accordingly. In 2017, Mr. Diamond developed a

financial plan model for the District to support the financial plan development for fiscal years 2018 to 2027. Mr. Diamond also recently performed a cost of service analysis to assist with the update of the District's rates.

Rancho California Water District (CA)

Rancho California Water District (District) engaged Raftelis in 2017 to conduct a water capacity fees study. Raftelis reviewed and updated the existing methodology for calculating the District's water capacity fees, developed a water capacity fee model for use in calculating updated capacity fees. As part of the study, Mr. Diamond developed the water capacity fee model, calculated updated water capacity fees, and drafted the study report.

The District engaged Raftelis in 2018 to conduct a two-year water, recycled water, and wastewater rate study. Raftelis developed a cost of service rate model to allocate costs and calculate rates for fiscal years 2019 and 2020. Mr. Diamond assisted with rate model revisions, prepared presentation materials for meetings with the District's Board of Directors, and drafted the rate study report.

Santa Ana Watershed Project Authority (CA)

The Santa Ana Watershed Project Authority engaged Raftelis in 2017 to develop a rate model for the Inland Empire Brine Line, which is a pipeline used to divert non-reclaimable wastewater of high brine content from the upper Santa Ana River Basin. Raftelis reviewed and recommended changes to the Authority's reserve policies, developed a ten-year financial plan for the Brine Line Enterprise Fund, performed a multi-year cost of service analysis, and developed a rate model for use in

calculating rates assessed to the Brine Line's dischargers. Additionally, Raftelis assessed and recommended potential methodologies to be used in the development of long-term capacity leasing rates and rental charges. Mr. Diamond developed the financial plan, assisted with the cost of service analysis and rate calculation, drafted the study report, and attended multiple meeting with the Authority's staff.

City of Sonoma (CA)

The City of Sonoma engaged Raftelis in 2018 to conduct a water rate study for the City's water utility. The Study included the development of a five-year financial plan, a cost of service analysis, and the development of proposed water rates for fiscal years 2019-2023. Mr. Diamond processed and analyzed account level billed water consumption data, assisted in development of the water rate model, and drafted the water rate study report.

EXHIBIT C
FEE SCHEDULE

Fee Proposal

Raftelis proposes to complete the scope of work outlined above on a time-and-materials basis as shown below. The following work plan provides a breakdown of the estimated level of effort required for completing each task described and the hourly billing rates for the personnel scheduled to complete the project. Raftelis has provided for six meetings with the WUA. We envision the changes in the rate structures requested by the WUA will have significant impacts on customers and believe that the six meetings will be necessary.

Tasks	Webinars	On-Site Meetings	Hours					Total	Total Fees & Expenses
			PM	APM	TR	SC	Admin		
1. Project Administration & Management		1	12	8		8	5	33	\$8,582
2. Financial Plan Development	1	1	4	20	2	24		50	\$11,027
3. Cost of Service Analysis			1	10	1	4		16	\$3,565
4. Rate Design	1	1	8	32	4	6		50	\$11,997
5. Water Rate Survey				1		6		7	\$1,390
6. Draft & Final Reports	2		4	16	4	56	2	82	\$16,960
7. Proposition 218 Public Hearing		1	12	4		4		20	\$6,472
Total Meetings / Hours	4	4	41	91	11	108	7	258	
Hourly Billing Rate			\$325	\$210	\$240	\$185	\$80		
Total Professional Fees			\$13,325	\$19,110	\$2,640	\$19,980	\$560	\$55,615	

PM - Project Manager (Sudhir Pardiwala)
 APM - Assistant Project Manager (Khanh Phan)
 TR - Technical Reviewer (Steve Gagnon)
 SC - Staff Consultants
 Admin - Administrative Staff

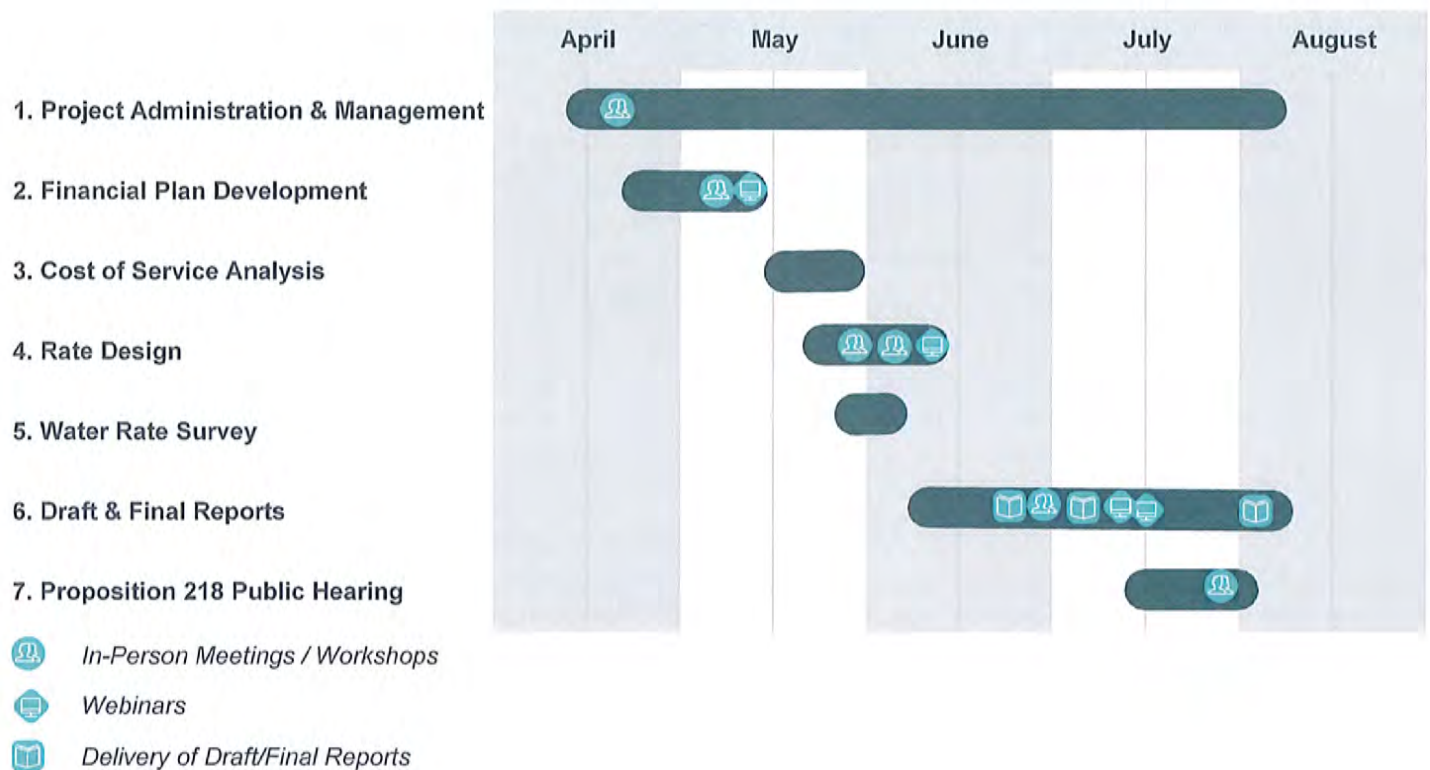
Total Fees	\$55,615
Total Expenses	\$4,376
Total Fees & Expenses	\$59,991

See next page

EXHIBIT D
PROJECT SCHEDULE

Schedule of Performance

Raftelis will complete the scope of services within the timeframe shown in the schedule below. The proposed schedule assumes a notice-to-proceed by April 2019, and that Raftelis will receive the needed data in a timely manner and be able to schedule meetings as necessary. Project completion is estimated for August 2019.





City of Santa Fe Springs

Water Utility Authority Meeting

ITEM NO. 6

March 28, 2019

NEW BUSINESS

Water Well No. 12 – Packer Testing – Award of Contract

RECOMMENDATION

That the Water Utility Authority take the following actions:

- Appropriate \$612,000 from the Water Reserve Fund to Activity No. WT195001;
- Accept all Bids;
- Award a contract to Best Drilling and Pump, Inc. from Colton, California, in the amount of \$452,000 to perform Packer Testing for Water Well No. 12.; and
- Authorize the Mayor to sign a contract with Best Drilling to perform Packer Testing for Water Well No. 12.

BACKGROUND

The Water Utility Authority (WUA), at their January 24, 2019 meeting, authorized the Director of Public Works to advertise for bids to perform Water Well No. 12 Packer Testing. The purpose of the packers is to eliminate the potential sources of elevated concentrations of iron and hydrogen sulfide.

Formal bids were opened on February 26, 2019, and one (1) bid was received from Best Drilling and Pump, Inc. (Best Drilling) from Colton, California in the amount of \$452,000.

The bid submitted by Best Drilling is approximately \$29% more than the Engineer's Construction Cost Estimate.

Following is a summary of the estimated costs for the Water Well No. 12 Packer Testing:

Packer Testing Design	\$ 70,000
Packer Testing Construction	\$ 452,000
Inspection	\$ 45,000
Contingency	\$ 45,000
Total:	\$ 612,000

City staff reviewed the bid and determined the bid submitted by Best Drilling to be responsive and responsible. Furthermore, Best Drilling was the firm that installed the casing on Water Well No. 12, and, therefore, is familiar with the project.

LEGAL REVIEW

The City Attorney's office has reviewed the proposed contract agreement.

Report Submitted By:

Noe Negrete

Director of Public Works

A handwritten signature in blue ink, appearing to be "N. Negrete", is placed over the printed name of the Director of Public Works.

Date of Report: March 18, 2019

FISCAL IMPACT

Funding for this project was not included in the Capital Improvement Plan. City staff recommends appropriating \$612,000 from the Water Reserve Fund to fund Activity No. WT195001.

INFRASTRUCTURE IMPACT

The production of quality water from Water Well No. 12 with a cost-effective option is imperative to meeting the City's water needs.



Raymond R. Cruz
Executive Director

Attachments:

Exhibit A: Contract Agreement

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

CONTRACT AGREEMENT

FOR

WATER WELL NO. 12-PACKER TESTING

IN THE CITY OF SANTA FE SPRINGS

This Contract Agreement is made and entered into the above-stated project this 28th day of March, 2019, BY AND BETWEEN the **SANTA FE SPRINGS WATER UTILITY AUTHORITY**, and **Best Drilling and Pump, Inc.**, as CONTRACTOR in the amount of **\$452,000.**

WITNESSETH that AGENCY and CONTRACTOR have mutually agreed as follows:

ARTICLE I

The contract documents for the aforesaid project shall consist of the Notice Inviting Sealed Bids, Instructions to Bidders, Proposal, General Specifications, Standard Specifications, Special Provisions, Plans, and all referenced specifications, details, standard drawings, CDBG contract provisions and forms, and appendices; together with this Contract Agreement and all required bonds, insurance certificates, permits, notices, and affidavits; and also including any and all addenda or supplemental agreements clarifying, or extending the work contemplated as may be required to ensure its completion in an acceptable manner. All of the provisions of said contract documents are made a part hereof as though fully set forth herein.

ARTICLE II

For and in consideration of the payments and agreements to be made and performed by AGENCY, CONTRACTOR agrees to furnish all materials and perform all work required for the above-stated project, and to fulfill all other obligations as set forth in the aforesaid contract documents.

ARTICLE III

CONTRACTOR agrees to receive and accept the prices set forth in the Proposal as full compensation for furnishing all materials, performing all work, and fulfilling all obligations hereunder. Said compensation shall cover all expenses, losses, damages, and consequences arising out of the nature of the work during its progress or prior to its acceptance including those for well and faithfully completing the work and the whole thereof in the manner and time specified in the aforesaid contract documents; and also including those arising from actions of the elements, unforeseen difficulties or obstructions encountered in the prosecution of the work, suspension or discontinuance of the work, and all other unknowns or risks of any description connected with the work.

ARTICLE IV

AGENCY hereby promises and agrees to employ, and does hereby employ, CONTRACTOR to provide the materials, do the work and fulfill the obligations according to the terms and conditions herein contained and referred to, for the prices aforesaid, and hereby contracts to pay the same at the time, in the manner, and upon the conditions set forth in the contract documents. No work or portion of the work shall be paid for until it is approved for payment by the City Engineer. Payment made for completed portions of the work shall not constitute final acceptance of those portions or of the completed project.

ARTICLE V

CONTRACTOR acknowledges the provisions of the State Labor Code requiring every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions of that code and certifies compliance with such provisions. Contractor further acknowledges the provisions of the State Labor Code requiring every employer to pay at least the minimum prevailing rate of per diem wages for each craft classification or type of workman needed to execute this contract as determined by the Director of Labor Relations of the State of California. The Contractor is required to pay the higher of either the State or Federal Wages.

ARTICLE VI

CONTRACTOR agrees to indemnify, defend and hold harmless AGENCY and all of its officers and agents from any claims, demand or causes of action, including related expenses, attorney's fees, and costs, based on, arising out of, or in any way related to the work undertaken by CONTRACTOR hereunder.

ARTICLE VII

CONTRACTOR affirms that the signatures, titles and seals set forth hereinafter in execution of this Contract Agreement represent all individuals, firm members, partners, joint venturers, and/or corporate officers having principal interest herein.

IN WITNESS WHEREOF, the parties hereto for themselves, their heirs, executors, administrators, successors, and assigns do hereby agree to the full performance of the covenants herein contained and have caused this Contract Agreement to be executed in triplicate by setting hereunto their name, titles, hands, and seals as of the date noted above.

**CONTRACTOR
BEST DRILLING AND PUMP, INC.**

By: _____
Mark E. Best, President

ADDRESS

**SANTA FE SPRINGS WATER UTILITY
AUTHORITY**

By: _____
RAYMOND R. CRUZ, EXECUTIVE
DIRECTOR

ATTEST:

JANET MARTINEZ, CITY CLERK

APPROVED AS TO FORM:

RICHARD L. ADAMS II, CITY ATTORNEY

(Contractor signature must be notarized with proper acknowledgement attached.)

FOR ITEM NO. 7
PLEASE SEE ITEM NO. 10A



NEW BUSINESS

Consideration of Entering Into an Exclusive Negotiating Agreement by and between the Housing Successor to the Community Development Commission of the City of Santa Fe Springs ("Housing Successor"), The Whole Child, a California nonprofit public benefit corporation, Habitat for Humanity of Greater Los Angeles, a California nonprofit public benefit corporation, and The Richman Group of California Development Company, LLC (jointly known as "Developer") to provide a specified period of time to negotiate a disposition and development agreement ("DDA") to develop an affordable mixed-use housing development on four distinct parcels (APN: 8011-011-906, 907, 912 and 8011-012-902) of land, located at the northeast and northwest corner of Laurel Avenue and Lakeland Road, in the City of Santa Fe Springs.

RECOMMENDATIONS: That the Housing Successor:

- Authorize an Exclusive Negotiating Agreement (ENA) by and between the Housing Successor to the Community Development Commission of the City of Santa Fe Springs, The Whole Child, Habitat for Humanity of Greater Los Angeles, and The Richman Group of California Development Company, LLC, to provide a specified period of time to negotiate a disposition and development agreement ("DDA") to develop an affordable mixed-use housing development on four distinct parcels (APN: 8011-011-906, 907, 912 and 8011-012-902) of land, located at the northeast and northwest corner of Laurel Avenue and Lakeland Road, in the City of Santa Fe Springs.
- Authorize the Mayor or designee to execute the ENA, in a form acceptable to the City Attorney, on behalf of the City.

BACKGROUND

The Housing Successor is the owner of four parcels of land located at the northeast and northwest corner of Laurel Avenue and Lakeland Road, in the City of Santa Fe Springs. The largest of the parcels (APN: 8011-012-902), at the northwest corner of Laurel Avenue and Lakeland Road, consist of ± 3.93 -acre and has an address of 13241 Lakeland Road. The adjacent three (3) parcels, (APN: 8011-011-906, 8011-011-907, 8011-011-912), have a combined area of $\pm 36,342$ sq. ft., and are located at the northeast corner of Laurel Avenue and Lakeland Road. All four parcels are unimproved land with perimeter fencing. For the past several years, the ± 3.93 -acre parcel has been leased to the Los Angeles County Chief Executive Office on the behalf of the County Clerk's Office to temporary park their trucks and equipment related to upcoming elections. The current lease expires January 31, 2020.

It was always the intent of the City to develop all four parcels with affordable housing. To accomplish this, all four parcels were rezoned to R-3-PD, Multiple Family Residential-Planned Development in 2013. Those parcels are also listed as potential locations for the development of 139 units, within the Vacant Residential Site Inventory of the City's approved Housing Element.

As noted earlier, all four parcels are currently vacant, undeveloped land. Despite everyone's best efforts, including more than eight years of negotiations with a nonprofit to develop affordable housing on the parcels, the parcels remain undeveloped. Other factors contribution to the lack of housing on the parcels include, but are not limited to the following:

- financial market collapse
- depressed homeownership market
- foreclosure crisis
- tightened underwriting standards for construction financing
- difficulty for potential homeowners to access mortgage financing
- dissolution of redevelopment
- changing regulations regarding how LMIHF could be spent

Notwithstanding, at a City Council meeting on September 27, 2018, Staff requested direction from the Council as to what mechanism (RFP or ENA or other) should be used to develop the parcels with affordable housing. At said meeting, Staff, gave a presentation on:

- the background of the subject properties
- the City's effort to develop the properties with affordable housing through a Request For Proposal (RFP)
- issues with a previous Disposition and Development Agreement (DDA)
- new rules pertaining to how Low-and-Moderate-Income-Housing-Funds (LMIHF) could be spent
- the 2008/2009 financial market collapse
- the establishment of an "Interested Parties" list for prospective developers to be notified through an RFP process, and
- The Whole Child's request to develop affordable housing with supportive services for homeless families, but by bypassing the RFP process.

After a question and answer session, including testimony from The Whole Child's CEO and Housing Director, the Mayor made a motion to bring the item back as a Study Session item.

During the Study Session on October 11, 2018, Staff and the City's housing consultant presented information to the Council on:

- Affordable Housing Options
- Other factors to consider including requirements under State law for the use of affordable housing funds and the City's affordable housing goals and obligations according to its Regional Housing Needs Assessment
- Pros and Cons of the RFP Process

During said meeting, representatives from The Whole Child, Jamboree Housing, National CORE and Azria Homes, all spoke on their ability to provide affordable housing on the parcels. Ivan Sulic, Field Deputy for Supervisor Janice Hahn, also spoke in support of The Whole Child and Habitat for Humanity. He further emphasized supervisor Janice Hahn's support by referring to a letter, signed by supervisor Hahn, which was sent to Council, in support of the Whole Child and Habitat for Humanity.

After further discussion, there was a motion to take a vote. Prior to said vote, City Manager, Ray Cruz, asked that a friendly amendment be included where the County would support the funding of a Community Revitalization and Investment Authority (CRIA) if Council voted in support of the Whole Child and Habitat for Humanity proposal. Mr. Cruz further stated that the County Board of Supervisors have a policy initiative, one component of which is homeless housing. Since homeless housing is proposed for the parcels, the County should provide support to the formation of the City's proposed CRIA. After hearing Mr. Cruz's amendment, the City Council included it.

It was moved by Councilmember Moore, seconded by Mayor Pro Tem Trujillo, to move forward, i.e., negotiate exclusively, with Habitat For Humanity and The Whole Child, with the support of Supervisor's Janice Hahn's office, to develop homeless housing on the parcels. The motion carried with four Ayes and one Nay, with Councilmember Zamora, being the Nay.

The proposed ENA, for the development of an affordable mixed-use housing development on the parcels, is a culmination of the October 11, 2018 meeting. It is intended to enable the parties to better define the scope of the project and to establish a specific, limited period of time to negotiate the eventual sale of the property through a Disposition and Development Agreement.

General ENA Terms:

- Terms of any potential Disposition and Development Agreement between Housing Successor and Developer for the development of the parcels are to be negotiated during the exclusive negotiating period.
- The terms of the exclusive negotiating period shall be 365 days with an additional 120-day extension, by mutual agreement.
- Within 90 days of the effective date, Developer shall submit a Preliminary Development Concept package:
 - A description of the Project
 - An estimate of development cost, including construction and non-construction cost, including the purchase price of the land
 - A construction and operating pro forma identifying all sources and uses of fund
 - Preliminary design, including a scaled site plan indicating building and parking layout

During said meeting, representatives from The Whole Child, Jamboree Housing, National CORE and Azria Homes, all spoke on their ability to provide affordable housing on the parcels. Ivan Sulic, Field Deputy for Supervisor Janice Hahn, also spoke in support of The Whole Child and Habitat for Humanity. He further emphasized supervisor Janice Hahn's support by referring to a letter, signed by supervisor Hahn, which was sent to Council, in support of the Whole Child and Habitat for Humanity.

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 - An estimate of development cost, including construction and non-construction cost, including the purchase price of the land
 - A construction and operating pro forma identifying all sources and uses of fund
 - Preliminary design, including a scaled site plan indicating building and parking layout

- Evidence of financial resources necessary for the development
- Housing Successor is prohibited from negotiating with any other persons regarding the sale or redevelopment of the property during the Negotiation Period.
- Developer may conduct inspections, tests, surveys, and other analyses (Inspections) to determine the condition of the Property or the feasibility of designing, developing, constructing, leasing and financing the Project, but is not obligated to complete such Inspections during the Negotiating Period.

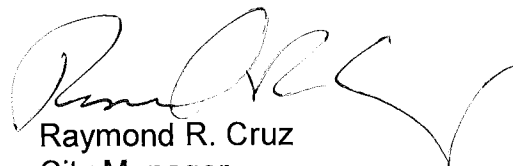
Staff believes that it would be appropriate for the Housing Successor to approve the proposed ENA with The Whole Child, Habitat for Humanity of Greater Los Angeles, and The Richman Group of California Development Company, LLC. The specified time period within the ENA would allow the Developer to estimate development cost, determine method of financing, develop a construction and operating pro forma, develop conceptual site plan and elevations, and investigate the suitability of the parcels for an affordable mixed-use housing development. Ultimately, this information and other information obtained during the negotiating period will help determine the viability of the project so that the Housing Successor and Developer can decide whether to enter into a Development Agreement.

FISCAL IMPACT:

There are no fiscal impacts associated with the approval of the ENA.

INFRASTRUCTURE IMPACTS:

There are no infrastructure impacts associated with the approval of the ENA.



Raymond R. Cruz
City Manager

Attachment:

1. Exclusive Negotiating Agreement

HOUSING SUCCESSOR OF SANTA FE SPRINGS

EXCLUSIVE NEGOTIATION AGREEMENT

(Lakeland Road and Laurel Avenue Affordable Residential Project)

THIS EXCLUSIVE NEGOTIATION AGREEMENT ('Agreement') is dated as of March ____, 2019 for reference purposes only, and is entered into by and between the **Housing Successor to the Community Development Commission of the City of Santa Fe Springs** ("Housing Successor"), **The Whole Child**, a California nonprofit public benefit corporation **Habitat for Humanity of Greater Los Angeles**, a California nonprofit public benefit corporation, and The Richman Group of California Development Company, LLC (jointly known as "Developer") to provide a specified period of time to negotiate a disposition and development agreement ("DDA"). The City and Developer are sometimes referred to in this Agreement individually, as a 'Party' and, collectively, as the 'Parties.' This Agreement is entered into by the Parties with reference to the following recited facts (each, a 'Recital'):

RECITALS

A. The Housing Successor is the current owner of certain real property located at Lakeland Road and Laurel Avenue, in the City of Santa Fe Springs ("City") comprised of four distinct parcels of land and more specifically described in the legal description attached to this Agreement as Exhibit 'A' ('Property') and incorporated into this Agreement by this reference; and

B. The Developer has proposed the redevelopment of the Property as an affordable mixed-use housing development ("Project"), and

C. The intent of both the Housing Successor and the Developer in entering into this Agreement is to establish a specific, limited period of time to negotiate a future agreement between them governing the potential development of the Project on the Property, all subject to mutually agreeable terms, conditions, covenants, restrictions and agreements to be documented in a DDA.

NOW, THEREFORE, IN VIEW OF THE GOALS AND OBJECTIVES OF THE HOUSING SUCCESSOR RELATING TO THE IMPLEMENTATION OF THE PROJECT AND THE PROMISES OF THE HOUSING SUCCESSOR AND THE DEVELOPER SET FORTH IN THIS AGREEMENT, THE HOUSING SUCCESSOR AND THE DEVELOPER AGREE, AS FOLLOWS:

1. **Incorporation of Recitals.** The Recitals of fact set forth above are true and correct and are incorporated into this Agreement, in their entirety, by this reference.

2. **Term of Agreement.**

(a) The rights and duties of the Housing Successor and the Developer established by this Agreement shall commence on the first date on which all of the following have occurred (the 'Effective Date'): (1) execution of this Agreement by the authorized representative(s) of the Developer and delivery of such executed Agreement to the Housing

Successor and (2) execution of this Agreement by the authorized representative(s) of the Housing Successor and delivery of such executed Agreement to the Developer. The Housing Successor shall deliver a fully executed counterpart original of this Agreement to the Developer, within five (5) business days following the execution of this Agreement by the authorized representative(s) of the Housing Successor. This Agreement shall continue in effect for the period of 365 consecutive calendar days immediately following the Effective Date ('Negotiation Period'). Notwithstanding the foregoing, if the Parties have not executed and delivered the DDA within such 365-day period, the Parties may extend the Negotiation Period for an additional 120-day extension period, by mutual agreement. The Negotiation Period may be extended only by written amendment to this Agreement executed by authorized representative(s) of the Parties.

(b) This Agreement shall automatically expire and be of no further force or effect at the end of the Negotiation Period, unless, prior to that time, both the Housing Successor staff and the Developer approve an extension of the ENA for an additional period of time acceptable to both the Housing Successor and the Developer.

3. **Obligations of the Parties.**

(a) Obligations of Developer. During the Negotiation Period, the Developer shall proceed diligently and in good faith to develop and present to Housing Successor staff and, subsequently, to the Housing Successor Board, for review, all of the following:

(i) A proposed conceptual development plan for the Project on the Property that describes and depicts: (1) the location and placement of proposed buildings and (2) the architecture and elevations of the proposed buildings;

(ii) Proposed zoning change or changes to the City's General Plan, if any, necessary to accommodate the Project on the Property;

(iii) A proposed time schedule and cost estimates for the development of the Project on the Property; and

(iv) A proposed financing plan identifying financing sources for all private and public improvements proposed for the Project.

(v) A preliminary project proforma which includes development costs, including, but not limited to, construction and non-construction costs, and project income and return.

(b) Obligations of Housing Successor. During the Negotiation Period, the Housing Successor shall proceed diligently and in good faith to perform the following:

(i) Enter into a Right of Entry Agreement with Developer substantially in the form attached as Exhibit D hereto within five (5) days of the Effective Date;

(ii) Provide the Developer with access to the Property during the Negotiation Period for the purpose of performing due diligence activities in accordance therewith; and

(iii) Provide Developer with a preliminary title report for the Property in accordance with the Timeline.

5. **Milestone Schedule.** Housing Successor and Developer acknowledge and agree that all submittals required by this Agreement shall be made pursuant to the time schedule attached hereto as Exhibit C, as may be amended administratively by Executive Director of the Housing Successor with the concurrence of Developer; provided that the timeline does not exceed the Negotiation Period.

6. **Negotiation of DDA.** During the Negotiation Period, the Housing Successor and the Developer shall negotiate diligently and in good faith to negotiate a DDA between them. The Housing Successor shall not negotiate with any entity other than the Developer regarding the development of the Property or solicit or entertain bids or proposals to do so. The Housing Successor and the Developer shall generally cooperate with each other and supply such documents and information as may be reasonably requested by the other to facilitate the conduct of the negotiations. Both the Housing Successor and the Developer shall exercise reasonable efforts to complete discussions relating to the terms and conditions of a DDA and such other matters, as may be mutually acceptable to both the Housing Successor and the Developer, in their respective sole discretion. The exact terms and conditions of a DDA, if any, shall be determined during the course of these negotiations. Nothing in this Agreement shall be interpreted or construed to be a representation or agreement by either the Housing Successor or the Developer that a mutually acceptable DDA will be produced from negotiations under this Agreement. Nothing in this Agreement shall impose any obligation on either Party to agree to a definitive DDA in the future. Nothing in this Agreement shall be interpreted or construed to be a guaranty, warranty or representation that any proposed DDA that may be negotiated by Housing Successor staff and the Developer will be approved by the Housing Successor governing body. The Developer acknowledges and agrees that the City consideration of any DDA is subject to the sole and absolute discretion of the City governing body and all legally required public hearings, public meetings, notices, factual findings and other determinations required by law.

7. **Restrictions Against Change in Ownership, Management and Control of Developer and Assignment of Agreement.**

(a) The qualifications and identity of the Developer and its principals are of particular concern to the Housing Successor. It is because of these qualifications and identity that the Housing Successor has entered into this Agreement with the Developer. During the Negotiation Period, no voluntary or involuntary successor-in-interest of the Developer shall acquire any rights or powers under this Agreement, except as provided in Section 7(c).

(b) The Housing Successor shall consider additional resources requested by the Developer, financial or institutional, for the successful execution of the Project.

(c) The Developer shall promptly notify the Housing Successor in writing of any and all additions or changes whatsoever in the identity of the business entities or individuals either comprising or in Control (as defined in Section 7(d)) of the Developer, as well as any and all changes in the interest or the degree of Control of the Developer by any such person, of which information the Developer or any of its shareholders, partners, members, directors, managers or

officers are notified or may otherwise have knowledge or information. Upon the occurrence of any significant or material change, whether voluntary or involuntary, in ownership, management or Control of the Developer (other than such changes occasioned by the death or incapacity of any individual) that has not been approved by the Housing Successor, prior to the time of such change, the Housing Successor may terminate this Agreement, without liability to the Developer or any other person, by sending written notice of termination to the Developer, referencing this Section 7(b).

(d) The Developer may assign its rights under this Agreement to an Affiliate (as defined in Section 7(d)), on the condition that such Affiliate expressly assumes all of the obligations of the Developer under this Agreement in writing reasonably satisfactory to the Housing Successor.

(e) For purposes of this Agreement, the term 'Affiliate' means any person, directly or indirectly, controlling or controlled by or under common control with the Developer, whether by direct or indirect ownership of equity interests, by contract, or otherwise. For the purposes of this agreement, 'Control' means possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an entity, whether by ownership of equity interests, by contract, or otherwise.

8. Obligations to Review Draft Agreements and Attend Meetings.

(a) During the Negotiation Period, the Developer shall diligently review and comment on drafts of a DDA prepared by the Housing Successor's legal counsel and, if the terms and conditions of such a DDA are agreed upon between Housing Successor staff and the Developer, submit the DDA fully executed by the authorized representative(s) of the Developer to the Housing Successor's Executive Director for submission to the Housing Successor governing body for review and approval or disapproval. Any future DDA shall consist of terms and conditions acceptable to both the Developer and the Housing Successor governing body, in their respective sole and absolute discretion.

(b) During the Negotiation Period, the Developer shall also keep the Housing Successor governing body and staff advised on the progress of the Developer in performing its obligations under this Agreement, on a regular basis or as requested by Housing Successor staff, including, without limitation, having one or more of the Developer's employees or consultants who are knowledgeable regarding this Agreement, the design and planning of the Project and the progress of negotiation of a DDA, such that such person(s) can meaningfully respond to Housing Successor questions regarding the progress of the design and planning of the Project or the negotiation of a DDA attend both: (1) weekly meetings or conference calls with Housing Successor staff, as reasonably scheduled by Housing Successor staff during the Negotiation Period (each, a 'Weekly Meeting'), and (2) meetings of the Housing Successor governing body, when reasonably requested to do so by Housing Successor staff.

(c) Developer and Housing Successor shall use commercially reasonable best efforts to perform the tasks set forth in the Timeline within the times set forth therein.

9. **Developer to Pay All Costs and Expenses.** All fees or expenses of engineers, architects, financial consultants, legal, planning or other consultants or contractors, retained by the Developer for any study, analysis, evaluation, report, schedule, estimate, environmental review, planning and/or design activities, drawings, specifications or other activity or matter relating to the Property or the Project or negotiation of a DDA that may be undertaken by the Developer during the Negotiation Period, pursuant to or in reliance upon this Agreement or in the Developer's discretion, regarding any matter relating to a DDA, the Property or the Project, shall be the sole responsibility of and undertaken at the sole cost and expense of the Developer and no such activity or matter shall be deemed to be undertaken for the benefit of, at the expense of or in reliance upon the Housing Successor. The Developer shall also pay all fees, charges and costs, make all deposits and provide all bonds or other security associated with the submission to and processing by the Housing Successor and/or the City of any and all applications and other documents and information to be submitted to the Housing Successor and/or the City by the Developer pursuant to this Agreement or otherwise associated with the Project, including, but not limited to, any study, analysis, evaluation, report, schedule, estimate, environmental review, planning and/or design activities, drawings, specifications or other activity or matter relating to the Property or the Project or negotiation of a DDA that may be undertaken by the Housing Successor during the Negotiation Period. The Housing Successor shall not be obligated to pay or reimburse any expenses, fees, charges or costs incurred by the Developer in pursuit of any study, analysis, evaluation, report, schedule, estimate, environmental review, planning and/or design activities, drawings, specifications or other activity or matter relating to the Property or the Project or negotiation of a DDA that may be undertaken by the Developer during the Negotiation Period, whether or not this Agreement is, eventually, terminated or extended or a DDA is entered into between the Housing Successor and the Developer, in the future.

10. **Hazardous Materials and Development Assessment.** During the Negotiating Period, Developer may conduct such inspections, tests, surveys, and other analyses ("Inspections") as Developer deems reasonably necessary to determine the condition of the Property or the feasibility of designing, developing, constructing, leasing and financing the Project but shall not be obligated to complete such Inspections within the Negotiating Period. However, failure to complete the inspections shall not be grounds for extension of the Negotiating Period, unless both Parties agree. Housing Successor shall make available to Developer, upon Developer's written request, existing information and plans in its possession regarding the Property. The Developer at its sole cost and expense shall conduct or cause to be conducted environmental assessments, audits and/or testing and any other activities, audits, tests and assessments to determine the feasibility of the Project ("Tests") of the Property. The Developer shall have the right to terminate this Agreement if the Developer is not reasonably satisfied with the findings and the recommendations made in the Tests, or if the Project is determined not to be feasible in the sole discretion of the Developer. However, both Parties acknowledge and agree that specific representations or warranties, agreements, obligations, liabilities or responsibilities pertaining to the condition or title of the Property and/or the Project may be the subject of negotiations between the Parties in connection with the negotiations of any DDA or other agreement entered into by the Parties.

11. **Housing Successor Not To Negotiate With Others.**

(a) During the Negotiation Period, the Housing Successor shall not negotiate with any other person regarding the sale or redevelopment of the Property. The term 'negotiate,'

as used in this Agreement, means and refers to engaging in any discussions with a person other than the Developer, regardless of how initiated, with respect to that person's redevelopment of the Property to the total or partial exclusion of the Developer from redeveloping the Property, without the Developer's written consent, subject to the provisions of Section 10(b) and further provided that the Housing Successor may receive and retain unsolicited offers regarding redevelopment of the Property, but shall not negotiate with the proponent of any such offer during the Negotiation Period; provided, however, that the Housing Successor may discuss the fact that the Housing Successor is a party to this Agreement.

(b) Nothing in this Agreement shall limit, prevent, restrict or inhibit the Housing Successor from providing any information in its possession or control that would customarily be furnished to persons requesting information from the Housing Successor concerning the Housing Successor's activities, goals, matters of a similar nature relating to implementation of the project as required by law to be disclosed, upon request or otherwise.

12. Acknowledgments and Reservations.

(a) The Housing Successor and the Developer agree that, if this Agreement expires or is terminated for any reason, or a future DDA is not approved and executed by both the Housing Successor and the Developer, for any reason, neither the Housing Successor nor the Developer shall be under any obligation, nor have any liability to each other or any other person regarding the sale or other disposition of the Property or the redevelopment of the Property.

(b) The Developer acknowledges and agrees that no provision of this Agreement shall be deemed to be an offer by the Housing Successor, nor an acceptance by the Housing Successor of any offer or proposal from the Developer for the Housing Successor to convey any estate or interest in the Property to the Developer or for the Housing Successor to provide any financial or other assistance to the Developer for redevelopment of the Project or the Property.

(c) The Developer acknowledges and agrees that the Developer has not acquired, nor will acquire, by virtue of the terms of this Agreement, any legal or equitable interest in real or personal property from the Housing Successor.

(d) Certain development standards and design controls for the Project may be established between the Developer and the Housing Successor, but it is understood and agreed between the Housing Successor and the Developer that the Project and the redevelopment of the Property must conform to all Housing Successor, City and other applicable governmental development, land use and architectural regulations and standards. Drawings, plans and specifications for the Project shall be subject to the approval of the Housing Successor and the City, through the standard development application process in the community. Nothing in this Agreement shall be considered approval of any plans or specifications for the Project or of the Project itself by the Housing Successor.

(e) The Housing Successor reserves the right to reasonably obtain further information, data and commitments to ascertain the ability and capacity of the Developer to develop the Property and/or the Project. The Developer acknowledges that it may be requested to

make certain financial disclosures to the Housing Successor, its staff, legal counsel or other consultants, as part of the financial due diligence investigations of the Housing Successor relating to the potential sale of the Property and redevelopment of the Project on the Property by the Developer and that any such disclosures may become public records. The Housing Successor shall maintain the confidentiality of financial information of the Developer to the extent allowed by law, as determined by the Housing Successor Legal Counsel.

(f) The Housing Successor shall not be deemed to be a Party to any agreement for the acquisition of, lease of or disposition of real or personal property, the provision of financial assistance to the Developer or development of the Project on the Property or elsewhere, until the terms and conditions of a complete future DDA are considered and approved by both the City Council and the Housing Successor governing body, in their respective sole and absolute discretion, following the conclusion of one or more duly noticed public hearings, as required by law. The Developer expressly acknowledges and agrees that the Housing Successor will not be bound by any statement, promise or representation made by Housing Successor staff or representatives during the course of negotiations of a future DDA and that the Housing Successor shall only be legally bound upon the approval of a complete DDA by both the City Council and the Housing Successor Board, in their respective sole and absolute discretion, following one or more duly noticed public hearings, as required by law.

(g) Each Party represents that it has not engaged any broker, agent or finder in connection with this transaction and each party agrees to hold the other party harmless from any claim by any broker, agenda or finder retained by or claimed through such Party.

13. **Nondiscrimination.** The Developer shall not discriminate against nor segregate any person, or group of persons on account of race, color, creed, religion, sex, marital status, handicap, national origin or ancestry in undertaking its obligations under this Agreement.

14. **Default.**

(a) Failure or delay by either Party to perform any material term or provision of this Agreement shall constitute a default under this Agreement. If the Party who is claimed to be in default by the other Party cures, corrects or remedies the alleged default within fifteen (15) calendar days after receipt of written notice specifying such default, such Party shall not be in default under this Agreement. The notice and cure period provided in the immediately preceding sentence shall not, under any circumstances, extend the Negotiation Period. If there are less than fifteen (15) days remaining in the Negotiation Period, the cure period allowed pursuant to this Section 14(a) shall be automatically reduced to the number of days remaining in the Negotiation Period.

(b) The Party claiming that a default has occurred shall give written notice of default to the Party claimed to be in default, specifying the alleged default. Delay in giving such notice shall not constitute a waiver of any default nor shall it change the time of default. However, the injured Party shall have no right to exercise any remedy for a default under this Agreement, without first delivering written notice of the default.

(c) Any failure or delay by a Party in asserting any of its rights or remedies as to any default shall not operate as a waiver of any default or of any rights or remedies associated with a default.

(d) If a default of either Party remains uncured for more than fifteen (15) calendar days following receipt of written notice of such default, a 'breach' of this Agreement by the defaulting Party shall be deemed to have occurred. In the event of a breach of this Agreement, the sole and exclusive remedy of the Party who is not in default shall be to terminate this Agreement by serving written notice of termination on the Party in breach and, in the case of a breach by the Housing Successor, the Developer shall also be entitled to receive the Liquidated Damages Amount.

15. **Compliance with Law.** The Developer acknowledges that any future DDA, if approved by the governing body of the Housing Successor, will require the Developer (among other things) to carry out the development of the Project in conformity with all applicable laws, including all applicable building, planning, housing and zoning laws, environmental laws, safety laws and federal and state labor and wage laws.

16. **Press Releases.** The Developer agrees to obtain the approval of the Housing Successor Executive Director or his or her designee or successor in function of any press releases Developer may propose relating to the redevelopment of the Property or negotiation of a DDA with the Housing Successor, prior to publication.

17. **Notice.** All notices required under this Agreement shall be presented in person, by nationally recognized overnight delivery service or by facsimile and confirmed by first class certified or registered United States Mail, with return receipt requested, to the address and/or fax number for the Party set forth in this Section 17. Notice shall be deemed confirmed by United States Mail effective the third (3rd) business day after deposit with the United States Postal Service. Notice by personal service or nationally recognized overnight delivery service shall be effective upon delivery. Either Party may change its address for receipt of notices by notifying the other Party in writing. Delivery of notices to courtesy copy recipients shall not be required for valid notice to a Party.

TO DEVELOPER:

The Whole Child
10155 Colima Road
Whittier, CA 90603
Attention: Constanza Pachon

Habitat for Humanity of
Greater Los Angeles
8739 Artesia Blvd.
Bellflower, CA 90706
Attention: Darrell Simien

The Richman Group of California Development
Company, LLC
420 31st Street Suite B1
Newport Beach, CA 92663
Attn: Rick Westberg

TO HOUSING
SUCCESSOR:

City of Santa Fe Springs
11710 E. Telegraph Road
Santa Fe Springs, CA 90670
Attention: Wayne Morrell

18. **Warranty against Payment of Consideration for Agreement.** The Developer warrants that it has not paid or given, and will not pay or give, any third party any money or other consideration for obtaining this Agreement. Third parties, for the purposes of this Section 18, shall not include persons to whom fees are paid for professional services, if rendered by attorneys, financial consultants, accountants, engineers, architects and other consultants, when such fees are considered necessary by the Developer.

19. **Acceptance of Agreement by Developer.** The Developer shall acknowledge its acceptance of this Agreement by delivering to the Housing Successor three (3) original counterpart executed copies of this Agreement signed by the authorized representative(s) of the Developer.

20. **Counterpart Originals.** This Agreement may be executed by the Housing Successor and the Developer in multiple counterpart originals, all of which together shall constitute a single agreement.

21. **No Third-Party Beneficiaries.** Nothing in this Agreement is intended to benefit any person or entity other than the Housing Successor or the Developer.

22. **Indemnity.** Developer agrees to defend (with counsel approved by City), hold harmless and indemnify the Housing Successor, City, and each of their officers, agents and employees (the "Indemnified Parties") from and against any and all claims, causes of action, liabilities, damages, judgments, losses, costs or expenses (including, without limitation, attorneys' fees) actually caused by or resulting from Developer's acts or omissions pursuant to this Agreement; provided that the obligation to defend does not apply to actions arising solely from Indemnified Parties' acts or omissions; and provided, further, that the obligation to hold harmless applies only to the extent damages are the result of negligent acts or omissions or willful misconduct of Developer or Developer's agents, officers, owners or employees. Notwithstanding this limitation, Developer agrees to defend or pay the cost of defense of any action brought by any third party challenging the City's or Authority's ability to enter into this Exclusive Negotiation Agreement on any grounds whatsoever.

23. **Non-Liability of City Officials.** No member, official, officer, employee, agent, representative, volunteer, or consultant of the Housing Successor 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.

24. **Governing Law.** The Housing Successor and the Developer acknowledge and agree that this Agreement was negotiated, entered into and is to be fully performed in the City of Santa Fe Springs, California. The Housing Successor and the Developer agree that this Agreement shall be governed by, interpreted under, and construed and enforced in accordance with the laws of the State of California, without application of such laws' conflicts of laws principles.

25. **Waivers.** No waiver of any breach of any term or condition contained in this Agreement shall be deemed a waiver of any preceding or succeeding breach of such term or condition, or of any other term or condition contained in this Agreement. No extension of the time for performance of any obligation or act, no waiver of any term or condition of this Agreement, or any modification of this Agreement shall be enforceable against the Housing Successor or the Developer, unless made in writing and executed by both the Housing Successor and the Developer.

26. **Construction.** Headings at the beginning of each section and sub-section of this Agreement are solely for the convenience of reference of the Housing Successor and the Developer and are not a part of this Agreement. Whenever required by the context of this Agreement, the singular shall include the plural and the masculine shall include the feminine and vice versa. This Agreement shall not be construed as if it had been prepared by one or the other of the Housing Successor or the Developer, but rather as if both the Housing Successor and the Developer prepared this Agreement. Unless otherwise indicated, all references to sections are to this Agreement. All exhibits referred to in this Agreement are attached to this Agreement and incorporated into this Agreement by this reference. If the date on which the Housing Successor or the Developer is required to take any action pursuant to the terms of this Agreement is not a business day of the Housing Successor, the action shall be taken on the next succeeding business day of the City.

24. **Attorneys' Fees.** If either Party hereto files any action or brings any action or proceeding against the other arising out of this Agreement, then the prevailing Party shall be entitled to recover as an element of its costs of suit, and not as damages, its reasonable attorneys' fees and costs as fixed by the court, in such action or proceeding or in a separate action or proceeding brought to recover such attorneys' fees and costs. For the purposes hereof the words 'reasonable attorneys' fees' mean and include, in the case of Housing Successor, salaries and expenses of the lawyers employed by Housing Successor (allocated on an hourly basis) who may provide legal services to Housing Successor in connection with the representation of the Housing Successor in any such matter.

25. **Entire Agreement.** This Agreement contains the entire understanding and agreement of the Parties, integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the Parties or their predecessors in interest with respect to all or any part of the subject matter hereof.

[Signatures on following page]

IN WITNESS WHEREOF, the Housing Successor and the Developer have executed this Negotiation Agreement on the dates indicated next to each of the signatures of their authorized representatives, as appear below.

DEVELOPER:

THE WHOLE CHILD

Dated: _____

By: _____

Constanza Pachon, CEO

HABITAT FOR HUMANITY OF GREATER LOS ANGELES

By: _____

Erin Rank, President & CEO

THE RICHMAN GROUP OF CALIFORNIA
DEVELOPMENT COMPANY, LLC

By: _____

Rick Westberg, Executive VP

HOUSING SUCCESSOR:

HOUSING SUCCESSOR TO THE COMMUNITY
DEVELOPMENT COMMISSION OF THE CITY
OF SANTA FE SPRINGS

Dated: _____

By: _____

ATTEST:

By: _____

APPROVED AS TO FORM:

By: _____

Housing Successor Legal
Counsel

EXHIBIT 'A'
TO
NEGOTIATION AGREEMENT

Property Legal Description

A.P.N. 8011-012-912

LOT 13 OF TRACT 5309, IN THE CITY OF SANTA FE SPRINGS, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 64 PAGES 398 AND 39 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM THAT PORTION OF SAID LOT 13 DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SAID LOT 13' THENCE ALONG THE SOUTHERLY LINE OF SAID LOT, NORTH 89° 55' EAST 234.63 FEET; THENCE NORTH 405.55 FEET TO A POINT IN THE NORTHERLY LINE OF SAID LOT, DISTANT NORTH 89° 55' EAST 234.63 FEET FROM THE NORTHWEST CORNER OF SAID LOT, THENCE SOUTH 89° 55' WEST 234.63 FEET TO SAID NORTHWEST CORNER; THENCE SOUTH 405.55 FEET TO THE POINT OF BEGINNING.

ALSO EXCEPT ALL OIL, GAS OR OTHER HYDROCARBON SUBSTANCES IN SAID LAND AND ALSO EXCEPTING AND RESERVING ALL INTEREST UNDER THE COMMUNITY OIL AND GAS LEASE KNOWN AS "GAULDIN COMMUNITY OIL LEASE," DATED SEPTEMBER 7, 1951, EXECUTED IN VARIOUS COUNTERPARTS IN FAVOR OF T. & T. 011 COMPANY, A PARTNERSHIP, COMPOSED OF WALTER N. THOMPSON, HORACE W. THOMPSON AND JACK H. THOMPSON, PARTNERS, AS LESSEE; A COUNTERPART "ORIGINAL" THEREOF EXECUTED BY VERONICA CONDON NATHHORST, ET AL., WAS REGISTERED ON NOVEMBER 26, 1961 AS DOCUMENT NO. 31139-T AND RECORDED MARCH 12, 1952 AS INSTRUMENT NO 1615 IN BOOK 38460 PAGE 34 OFFICIAL RECORDS, AS EXCEPTED AND RESERVED BY VERONICA CONDON NATHHORST, A WIDOW B DEED RECORDED MARCH 11, 1959.

A.P.N. 8011-011-912

The land referred to herein is situated in the city of Santa Fe Springs, county of Los Angeles, state of California, and is described as follows:

Parcel 1 of Parcel Map NO. 25238, Filed in book 288 pages 65 and 66 of Parcel Maps, in the office of the county recorder of said county.

A.P.N. 8011-011-906

The land referred to herein is situated in the city of Santa Fe Springs, county of Los Angeles, state of California, and is described as follows:

Parcel 2 of Parcel Map NO. 24115, Filed in book 266 pages 94 and 95 of Parcel Maps, in the office of the county recorder of said county.

A.P.N. 8011-011-907

The land referred to herein is situated in the city of Santa Fe Springs, county of Los Angeles, state of California, and is described as follows:

Parcel 3 of Parcel Map NO. 24115, Filed in book 266 pages 94 and 95 of Parcel Maps, in the office of the county recorder of said county.

EXHIBIT 'B'
TO
NEGOTIATION AGREEMENT

Project Description

Developer is proposing to build a multi-use, affordable housing development.

All work described above shall be performed in accordance with all applicable laws.

EXHIBIT 'C'

Exclusive Negotiating Agreement Timeline

Within 90 Days of Effective Date of ENA (March __, 2019) of ENA
Title Report. Housing Successor to provide preliminary title report on property; Developer to commence physical due diligence on Property.
<p>Preliminary Development Concept Package. Developer shall submit to the Housing Successor a "Preliminary Development Concept Package," consisting of the following:</p> <ol style="list-style-type: none">a preliminary development proposal generally describing the Project for the site subject to Housing Successor review and approval.an initial estimate of development costs, including construction and non-construction costs, such as the proposed purchase price for land;a preliminary description of the proposed method of financing;a proposed construction and operating pro forma which identifies all sources and uses of funds;submittal of preliminary design(s) (including a scaled site plan indicating building and parking layout) for the purpose of demonstrating compliance with the design requirements of the City of Santa Fe Springs and to assist the Housing Successor in conducting a review under the California Environmental Quality Act ("CEQA"); andevidence reasonably acceptable to the Housing Successor that the Developer have the significant financial resources necessary for development. <p>Housing Successor staff may solicit proposals and select independent financial or design consulting firms to verify and further analyze the Preliminary Development Concept Package at the Housing Successor's sole expense.</p>
Within 180 Days of Effective Date of ENA as such time may be extended by the Parties
<p>Preliminary Agency Evaluation. Within thirty (90) days of the date of receipt of the Preliminary Development Concept Package, the Housing Successor will provide its evaluation ("Preliminary Housing Successor Evaluation") to the Developer of the Preliminary Development Concept Package. Such evaluation will include:</p> <ol style="list-style-type: none">The Housing Successor's evaluation of items addressed in the Preliminary Development Concept Package. The Preliminary Housing Successor Evaluation shall indicate Housing Successor's preliminary determinations as to the appropriate level of review under CEQA and local planning approvals (e.g., DPA, CUP, TPM, TTM, MOD, etc).The Housing Successor will identify the amount of local City of Santa Fe Springs funding sources for infrastructure and affordable housing development
<p>Draft Disposition & Development Agreement ("DDA"). The Housing Successor will provide the Developer with a 1st draft of the DDA and exhibits.</p>

Within 300 Days of Effective Date of ENA as such time may be extended by the Parties
<p>Finalize DDA. Within one hundred and twenty (120) days of receipt of the 1st draft of the DDA, Developer and Housing Successor will conclude negotiations on a final form of DDA. It is expected that this negotiation will require multiple rounds of review and comment by Developer and Housing Successor, and will also be dependent on identifying and pursuing other funding sources outside of the City of Santa Fe Springs.</p>
<p>Outreach. During the finalization of the DDA, in coordination with City staff and the Housing Successor, the Developer will perform necessary community outreach to garner support for the development and the DDA.</p>
<p>Procurement of Other Funding Sources. Developer will work with the Housing Successor and other affordable housing agencies at the County, State and Federal levels, with industry advocates, to identify, plan for, apply for and secure other funding sources.</p>
Within 365 Days of Effective Date of ENA as such time may be extended by the Parties
<p>Impact of and timing of Disparate Funding Sources. The above timing commitments and subsequent DDA will be impacted by the identification, pursuit and attainment of funding for the agreed upon affordable housing development. The remainder of the ENA period (365 days of effective date of ENA plus any mutually agreed upon extensions, if any) allows further time for the Housing Successor and Developer to gain these commitments to ensure a feasible execution.</p>

EXHIBIT 'D'
TO
NEGOTIATION AGREEMENT

Right of Entry Agreement

[To Be Attached Behind This Cover Page]

EXHIBIT “D”
RIGHT OF ENTRY AGREEMENT
(Lakeland Road and Laurel Avenue Affordable Residential Project)

This Right of Entry Agreement (“Agreement”) is made and entered into this ____ day of _____, 2019, by and between the HOUSING SUCCESSOR TO THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF SANTA FE SPRINGS (“Housing Successor”) and THE WHOLE CHILD, a California nonprofit public benefit corporation HABITAT FOR HUMANITY OF GREATER LOS ANGELES, a California nonprofit public benefit corporation, and THE RICHMAN GROUP OF CALIFORNIA DEVELOPMENT COMPANY, LLC (jointly known as “Developer”) and its employees, officers, members, agents, representatives, invitees, affiliates, and its contractors, including their consultants, subcontractors and suppliers (collectively, the “Affiliated Parties”).

RECITALS

WHEREAS, the Housing Successor owns certain real property (“Property”) located at Lakeland Road and Laurel Avenue, in the City of Santa Fe Springs (“City”) comprised of four distinct parcels of land and more specifically described in the legal description attached to this Agreement as Exhibit ‘A’ (‘Property’) and incorporated into this Agreement by this reference; and

WHEREAS, The Developer has proposed the redevelopment of the Property as an affordable mixed-use housing development (“Project”); and

WHEREAS, The Developer and its Affiliated Parties have requested access to the Property that they may conduct such inspections, tests, surveys, and other analyses (“Inspections”) as Developer deems reasonably necessary to determine the condition of the Property or the feasibility of designing, developing, constructing, leasing and financing the Project; and

WHEREAS, the Housing Successor desires to provide access to Property the Developer and its Affiliated Parties for the purposes of Inspections.

NOW THEREFORE, in consideration of the mutual covenants herein set forth and the mutual benefits to be derived therefrom, the parties agree as follows:

1. **Grant.** Housing Successor, the owner of the Property, hereby grants a right of entry (“Right of Entry”) to the Developer and its Affiliated Parties to enter upon the Property. Use of the Property is for the purpose of conducting Inspections.

2. **Permitted Activities.** The Developer and the Affiliated Parties shall use the Right of Entry to perform the aforementioned Inspections.

3. **Term.** This Agreement will be effective on the date first written above. The Developer and its Affiliated Parties shall have the Right of Entry for a period of _____ weeks commencing on _____, 2019 to _____, 2019 unless this Agreement is earlier terminated as set forth in this Agreement.

4. **Condition of Property.** During the term of this Agreement, the Developer and its Affiliated Parties shall not cause physical damage, create dangerous conditions on the property or otherwise cause any other damage to the Property and shall take all reasonable steps to maintain the Property in an orderly and appealing manner. In addition, the Developer and its Affiliated Parties shall interfere with the peaceful enjoyment of the Property by the current tenant of the Property.

5. **Termination.** This Agreement may be terminated by City if the City determines using its sole discretion that the Developer and its Affiliated Parties' use of the Property is in violation of this Agreement, creates any kind of health and safety hazard, or would impose any liability upon the City.

6. **Access to the Property.** The City shall make a reasonable effort to keep access to the Property open to the Developer and its Affiliated Parties at all times and shall not unreasonably interfere with the Developer and its Affiliated Parties' access to the Property. The Developer and its Affiliated Parties shall not interfere with the City's access to or use of the Property, including the current tenant's use of the property.

7. **Indemnification.** Except as to sole negligence or willful misconduct of the City, the Developer and its Affiliated Parties agree to indemnify, defend, and hold the City and its officers and employees, harmless from and against all claims, damages, losses, liability, cost or expense, including attorney's fees and costs, which arises out of or is in any way connected with the performance of Inspections or use of the Property under this Agreement by the Developer and its Affiliated Parties, any of the Developer and its Affiliated Parties. The Developer and its Affiliated Parties shall also be responsible for any attorneys' fees and costs the Housing Successor may incur in the event the Housing Successor has to file any action in connection with this Agreement.

8. **Workers' Compensation Insurance.** By executing this Agreement, the Developer and its Affiliated Parties certify that they are aware of and will comply with Section 3700 of the Labor Code of the State of California requiring every employer to be insured against liability for workers' compensation, or to undertake self-insurance before commencing any of the work. The Developer and its Affiliated Parties shall carry the insurance or provide for self-insurance required by California law to protect Housing Successor from claims under the Workers' Compensation Act. Prior to Housing Successor's execution of this Agreement, the Developer and its Affiliated Parties shall file with Housing Successor either a certificate of insurance showing that such insurance is in effect, or that they are self-insured for such coverage. Any certificate filed with Housing Successor shall provide that Housing Successor will be given thirty (30) days prior written notice before modification or cancellation thereof.

9. **General Liability Insurance.** Prior to the Housing Successor's execution of this Agreement, Developer and its Affiliated Parties shall provide proof of general liability insurance as required to insure the Housing Successor against damages for personal injury, including accidental death, as well as from claims for property damage, which may arise from or which may concern operations by anyone directly or indirectly employed by, connected with, or acting for or on behalf of the Developer and its Affiliated Parties. The Housing Successor, and its officers, employees and agents, shall be named as additional insureds under the Developer's and its Affiliated Parties'

insurance policies. Said policies shall be in the usual form of commercial general liability insurance policies, but shall include the following provisions:

It is agreed that the Housing Successor, the City and its officers, employees and agents are added as additional insureds under this policy, solely for the inspections done by and on behalf of the named insured.

All liability insurance shall be issued by insurance companies authorized to transact liability insurance business in the State of California with a policy holder's rating of A or higher and a Financial Class of VII or higher.

General liability insurance policies shall cover both bodily injury (including death) and property damage (including, but not limited to, premises operations liability, products-completed operations liability, independent contractor's liability, personal injury liability, and contractual liability) in an amount not less than \$1,000,000 per occurrence and a general aggregate limit in the amount of not less than \$2,000,000, unless otherwise approved or reduced by the Housing Successor.

These minimum amounts of coverage shall not constitute any limitation or cap on the Developer's and its Affiliated Parties' indemnification obligations under Section 7 hereof.

Any policies shall not be canceled unless thirty (30) days prior written notification of intended cancellation has been given to the Housing Successor by certified or registered mail, postage prepaid. Any policies shall include an endorsement stating that any applicable insurance coverage maintained by the Housing Successor shall be excess in relation to the Developer and its Affiliated parties insurance policies.

10. **Venue and Attorneys' Fees.** Any action at law or in equity brought by any of the parties hereto for the purpose of enforcing a right or rights provided for by this Agreement shall be tried in a court of competent jurisdiction in the County of Los Angeles, State of California, and the parties hereby waive all provisions of law providing for a change of venue in such proceedings to any other county. In the event any party hereto shall bring suit to enforce any term of this Agreement or to recover any damage for and on account of the breach of any term or condition of this Agreement, it is mutually agreed that the prevailing party in such action shall recover all costs thereof, including reasonable attorneys' fees, to be set by the court in such action.

11. **Compliance with Law.** The Developer's and its Affiliated Parties' performance under this Agreement shall comply with all applicable local, state, and federal laws, regulations, and ordinances.

12. **Notices.** Service of any notices, bills, invoices or other documents required or permitted under this Agreement shall be sufficient if sent by one party to the other by United States mail, postage prepaid and addressed as follows:

Housing Successor

Director of Planning

Housing Successor of Santa Fe Springs

11710 E. Telegraph Rd.

Santa Fe Springs, CA 90670

(562) 868-0511

The Developer and its Affiliated Parties

13. **Assignment**. It is mutually understood and agreed that this Agreement is personal to both parties and may not be assigned or transferred in any way. Any transfer shall be void and of no effect.

14. **Authority**. The individuals executing this Agreement each represent and warrant that they have the legal power, right and actual authority to bind their respective entities to the terms and conditions hereof and thereof.

15. **Severability**. Each provision, term, condition, covenant, and/or restriction, in whole and in part, in this Agreement shall be considered severable. In the event any provision, term, condition, covenant, and/or restriction, in whole and/or in part, in this Agreement is declared invalid, unconstitutional, or void for any reason, such provision or part thereof shall be severed from this Agreement and shall not affect any other provision, term, condition, covenant, and/or restriction, of this Agreement and the remainder of the Agreement shall continue in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the date and year first written above.

HOUSING SUCCESSOR
OF SANTA FE SPRINGS

By: _____ / _____
Signature Date

DEVELOPER

WHOLE CHILD

By: _____ / _____
Signature Date

HABITAT OF HUMANITY

By: _____ / _____
Signature Date

THE RICHMAN GROUP OF CALIFORNIA
DEVELOPMENT COMPANY, LLC

By: _____ / _____
Signature Date

Approved as to Form:

Richard L. Adams II, Legal Council
Housing Successor Attorney

FOR ITEM NO. 9
PLEASE SEE ITEM NO. 10A

**City of Santa Fe Springs**

City Council Meeting

March 28, 2019

CONSENT AGENDAMinutes of the February 28, 2019 Regular City Council Meetings**RECOMMENDATION**

Staff recommends that the City Council:

- Approve the minutes as submitted.

BACKGROUND

Staff has prepared minutes for the following meetings:

- February 28, 2019

Staff hereby submits the minutes for Council's approval.

A handwritten signature in blue ink, appearing to read "Raymond R. Cruz", followed by a large checkmark.

Raymond R. Cruz
City Manager**Attachment:**

Minutes for February 28, 2019



APPROVED:

MINUTES OF THE MEETINGS OF THE CITY COUNCIL

February 28, 2019

1. CALL TO ORDER

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

2. ROLL CALL

Members present: Councilmembers/Directors: Mora, Rodriguez, Zamora and Mayor Pro Tem/Vice Chair Rounds, and Mayor/Chair Trujillo.

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. Minutes of the January 24, 2019 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.

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

Ayes: Mora, Rodriguez, Zamora, Rounds, Trujillo

Nays: None

Absent: None

WATER UTILITY AUTHORITY

4. CONSENT AGENDA

Approval of Minutes

- a. Minutes of the January 24, 2019 Water Utility Authority Meeting

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 City of Santa 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.

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

Ayes: Mora, Rodriguez, Zamora, Rounds, Trujillo

Nayes: None

Absent: None

NEW BUSINESS

5. Approval to Lease Water Rights to City of Whittier

Recommendation: That the Water Utility Authority:

- Approve the Agreement for Lease of Annual Central Basin Water Production Rights with the City of Whittier; and
- Authorize the Executive Director to execute the Agreement along with all related documents transferring water rights.

It was moved by Mayor Pro Tem Rounds, seconded by Council Member Mora, to approve the agreement for lease of Annual Central Basin Water Production Rights with the City of Whittier; and authorize the Executive Director to execute the Agreement along with all related documents transferring water rights, by the following vote:

Ayes: Mora, Rodriguez, Zamora, Rounds, Trujillo

Nayes: None

Absent: None

6. Whittier Water Connection Design – Award of Contract

Recommendation: That the Water Utility Authority:

- Approve Adding the Whittier Water Connection project to the Capital Improvement Plan;
- Appropriate \$65,000 from Water Reserve Fund to the Whittier Water Connection project;
- Accept the Proposals; and
- Award a contract to Tetra Tech of San Dimas, California in the amount of \$55,035.00.

It was moved by Council Member Rodriguez, seconded by Council Member Zamora, to approve adding the Whittier Water Connection project to the Capital Improvement Plan; appropriate \$65,000 from Water Reserve Fund to the Whittier Water Connection project; accept the Proposals; and award a contract to Tetra

Tech of San Dimas, California in the amount of \$55,035.00, by the following vote:

Ayes: Mora, Rodriguez, Zamora, Rounds, Trujillo

Nayes: None

Absent: None

HOUSING SUCCESSOR

7. CONSENT AGENDA

Minutes of the January 24, 2019 Housing Successor

Recommendation: That the Housing Successor:

- Approve the minutes as submitted.

It was moved by Mayor Pro Tem Rounds, seconded by Council Member Rodriguez, approving the minutes as submitted, by the following vote:

Ayes: Mora, Rodriguez, Zamora, Rounds, Trujillo

Nayes: None

Absent: None

SUCCESSOR AGENCY

8. CONSENT AGENDA

Minutes of the January 24, 2019 Successor Agency

Recommendation: That the Successor Agency:

- Approve the minutes as submitted.

It was moved by Council Member Mora, seconded by Council Member Zamora, approving the minutes as submitted, by the following vote:

Ayes: Mora, Rodriguez, Zamora, Rounds, Trujillo

Nayes: None

Absent: None

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. Minutes of the January 24, 2019 and January 31, 2019 Regular and Special City Council Meetings

Recommendation: That the City Council:

- Approve the minutes as submitted.

- b. General Motion to Waive Full Reading and Approve Ordinance by Title Only Pursuant to California Government Code Section 36934

Recommendation: That the City Council:

- Receive and file the report.

c. Florence Avenue Street Rehabilitation – Final Payment

Recommendation: That the City Council:

- Approve the Final Payment (less 5% Retention) to All American Asphalt of Corona, California in the amount of \$43,320.00 for the subject project.

It was moved by Mayor Pro Tem Rounds, seconded by Council Member Rodriguez, to approve Items No. 9A through 9C, by the following vote:

Ayes: Mora, Rodriguez, Zamora, Rounds, Trujillo

Nayes: None

Absent: None

NEW BUSINESS

10. Renewal of Use Agreement for Athletic Fields and Facilities with Santa Fe Springs 49ers Youth Football and Cheer for the 2019 Season

Recommendation: That the City Council:

- Approve the Use Agreement for Athletic Fields and Facilities with Santa Fe Springs 49ers Youth Football & Cheer for the 2019 season.
- Authorize the Mayor to execute and sign Use Agreement with Santa Fe Springs 49ers Youth Football & Cheer.

It was moved by Council Member Zamora, seconded by Council Member Rodriguez, to approve the use agreement for Athletic Fields and Facilities with Santa Fe Springs 49ers Youth Football & Cheer for the 2019 season, by the following vote:

Ayes: Mora, Rodriguez, Zamora, Rounds, Trujillo

Nayes: None

Absent: None

11. On Call Bartending and Catering at City Facilities

Recommendation: That the City Council:

- Approve the on call bartending and catering preferred list for both Heritage Park and Clarke Estate facilities.

It was moved by Mayor Trujillo, seconded by Mayor Pro Tem Rounds, to approve the on call bartending and catering preferred list for both Heritage Park and Clarke estate facilities and keep the bartending list exclusive; take 10% of the services, and adding 1 year, by the following vote:

Ayes: Mora, Rodriguez, Zamora, Rounds, Trujillo

Nayes: None

Absent: None

12. Abigail Barraza Foundation (ABF) – Request for An Increase in Funding for Events Under Community Promotion and Community Organization Support Budget Accounts

Recommendation: That the City Council:

- Provide staff direction regarding the request by Abigail Barraza Foundation (ABF) for an increase in funding for events under the Community Promotion and Community Organization Support budget accounts associated with all

ABF events outlined within this report.

Item No. 12 was pulled to be considered at a later date.

13. Approval of Memorandum of Understanding (MOU) Agreement between the City of Santa Fe Springs and Empowered 4 Life Foundation

Recommendation: That the City Council:

- Approve and enter into the Memorandum of Understanding with Empowered 4 Life.
- Authorize the Mayor to execute and sign the Memorandum of Understanding with Empowered 4 Life.

It was moved by Council Member Zamora, seconded by Mayor Pro Tem Rounds, to approve and enter into Memorandum of Understanding with Empowered 4 Life; and authorize the Mayor to execute and sign the Memorandum of Understanding with Empowered 4 Life, by the following vote:

Ayes: Mora, Rodriguez, Zamora, Rounds, Trujillo

Nays: None

Absent: None

14. Carmenita Road & Cambridge Street Approval of Reimbursement and Construction Agreement with Cambridge Springs, LLC for Traffic Signal and Street Improvement Costs

Recommendation: That the City Council:

- Approve the Reimbursement and Construction Agreement with Cambridge Springs, LLC for the Traffic Signal and Street Improvement Costs at Carmenita Road and Cambridge Street; and
- Authorize the City Manager to execute the agreement on behalf of the City.

Item No. 14 was pulled to be considered at a later date.

CLOSED SESSION

15. PUBLIC EMPLOYMENT

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

TITLE: City Manager Evaluation

Mayor Trujillo recessed the meetings at 6:17 p.m.

Mayor Trujillo convened the meeting at 7:01 p.m.

Interim City Attorney, Richard Adams II provided a brief report on the closed session item; there was no action taken.

16. INVOCATION

Invocation was led by Council Member Mora.

17. PLEDGE OF ALLEGIANCE

Carlos Serrano, 4th grade student from Rancho Santa Gertrudes Elementary School led the Pledge of Allegiance.

18. INTRODUCTIONS

- Representatives from the Chamber of Commerce: Terri Bazen from Norwalk/La Mirada Plumbing and HVAC.

19. ANNOUNCEMENTS

The Youth Leadership Committee Members made the following announcements:

- March Madness Karaoke, Friday March 1, 2019
- Sock Hop, March 14, 2019
- Art Walk, March 16, 2019
- Disney's Aladdin Live Musical Community Program Excursion, March 16, 2019

20. CITY MANAGER AND EXECUTIVE TEAM REPORTS

- City Manager Raymond Cruz spoke about him and Council Member Mora testifying before the Los Angeles Metropolitan Authority along with the City of Pico Rivera, Whittier and the City of Commerce for the Gold Line Extension. Also, he spoke about him being reaching his one year anniversary working for the City of Santa Fe Springs.
- Director of Public Works, Noe Negrete spoke about the Florence Avenue Street Rehabilitation project and the proposed extension of eastside corridor, phase 2 (gold line).
- Director of Planning, Wayne Morrell spoke about the letter related to CEQA Challenges from Lozeau Drury; also spoke about the King Equipment, noted that they are ultimately located in Colton and showed interest in purchasing a site in Santa Fe Springs. Noted that with the City amending the use for the location, now the business is the highest tax produced company.
- Director of Police Services, Dino Torres spoke about the following: Wednesday, March 13, 2019 Cesar E. Chavez Day of Service at 6:30a.m.; Read Across America was held at local schools, different members of public safety department participated; and stated that the next Council Meeting he will be providing a detailed update on the Santa Fe Springs Traffic Enforcement officer that was hired last year.
- Fire Chief, Brent Hayward spoke about a fire unit they plan to donate to Sister City Navajo.
- Finance Director, Travis Hickey provided an update on the meeting with the tax sales consultant.
- Community Services Director, Maricela Balderas spoke about the Presidents' Day

event and the traffic signal box that was painted with the firefighter theme.

21. PRESENTATIONS

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

22. APPOINTMENTS TO BOARDS, COMMITTEES, COMMISSIONS

- a. Advisory Committee Appointments

23. ORAL COMMUNICATIONS

The following spoke during oral communications: Irma Mille and Mike Givens.

24. COUNCIL COMMENTS

Council Member Rodriguez acknowledged the school Santa Gertrudes and thanked staff.

Council Member Zamora acknowledged staff for putting together the President's Day Penny Carnival event. Noted it was a good turn out; acknowledged for the silver shield. Lastly, he acknowledged the basketball girls that made it to CIF.

Mayor Trujillo spoke about the Penny Carnival; addressed the issue at the Santa Fe Springs Promenade and Cancer Awareness.

Mayor Pro Tem Rounds spoke about the Penny Carnival; status of the Florence bridge project; and thanked staff.

25. ADJOURNMENT

Mayor Trujillo adjourned the meeting at 7:52 p.m.

ATTEST:

Janet Martinez
City Clerk

Juanita Trujillo
Mayor

Date



City of Santa Fe Springs

City Council Meeting

ITEM NO. 10B

March 28, 2019

CONSENT AGENDA

General Motion to Waive Full Reading and Approve Ordinance by Title Only Pursuant to California Government Code Section 36934

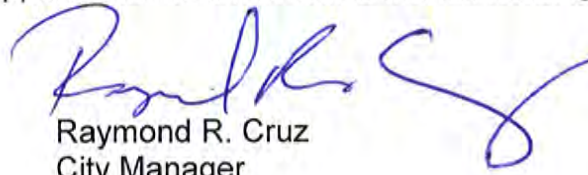
RECOMMENDATION

That the City Council:

- Approve a general motion to waive full reading an approve Ordinance by title only pursuant to California Government Code Section 36934.

BACKGROUND

In order to expedite the conduct of business at City Council meetings, California State Law (California Government Code Section 36934) allows Ordinances to be read by title if a majority of the legislative body supports the motion to waive the full reading.


Raymond R. Cruz
City Manager

Attachments:

None



PUBLIC HEARING

Adoption of Mitigated Negative Declaration

Consideration of an appeal of Tentative Parcel Map No. 82567, Development Plan Approval Case No. 957-962, Zone Change Case No. 138, and Environmental Documents (Initial Study/Mitigated Negative Declaration)

Tentative Parcel Map (TPM 82567) – The Planning Commission's determination to allow the consolidation of twenty-eight (28) existing parcels that make up the subject property (APN's: 8011-002-901, 8011-002-902, 8011-002-903, 8011-003-955, 8011-003-956, 8011-003-957, 8011-003-958, 8011-003-959, 8011-003-960, 8011-003-061, 8011-003-962, 8011-003-963, 8011-003-964, 8011-003-965, 8011-003-966, 8011-003-967, 8011-003-968, 8011-003-969, 8011-003-970, 8011-003-971, 8011-003-972, 8011-003-973, 8011-003-974, 8011-003-975, 8011-003-976, 8011-003-977, 8011-003-978, and 8011-003-979), into a single parcel measuring ±8.68 acres;

Development Plan Approval (DPA 957-962) – The Planning Commission's determination to allow the construction of a six (6) new concrete tilt-up industrial buildings, ranging from 13,582 sq. ft. to 28,500 sq. ft., located along the north side of Telegraph Road with additional frontage on Romandel Avenue;

Zone Change (ZC 138) – The Planning Commission's recommendation to change the zoning designation of an 8.68-acre site, from M-2 (Heavy Manufacturing) to M-2-PD (Heavy Manufacturing – Planned Development Overlay).

The project site is located at 10075 – 10095 Romandel Avenue and 12015 – 12085 Telegraph Road, within the M-2, Heavy Manufacturing, Zone. (PPF Industrial, LLC)

**The Building Official has assigned the following addresses: 10075 Romandel Avenue (Building 1), 10085 Romandel Avenue (Building 2), 10095 Romandel Avenue (Building 3), 12015 Telegraph Road (Building 4), 12051 Telegraph Road (Building 5), and 12085 Telegraph Road (Building 6).*

RECOMMENDATIONS

That the City Council take the following actions:

- Consider the information presented in this report, in combination with the February 12, 2019 Planning Commission staff report and minutes, which collectively provide necessary background and context; and
- Open the Public Hearing and receive any comments from the public regarding these matters and, thereafter, close the Public Hearing; and
- Deny the appeal by Supporters Alliance For Environmental Responsibility (SAFER)

RECOMMENDATIONS (CONT.)

Staff recommends that the City Council:

- Approve and adopt the proposed Mitigated Negative Declaration with Traffic Study and Mitigation Monitoring and Reporting Program (IS/MND/MMRP), which, based on the findings of the Initial Study, indicates that there is no substantial evidence that the proposed project will have a significant adverse effect on the environment that cannot be mitigated; and
- Approve Tentative Parcel Map No. 82567, and Development Plan Approval Case No. 957-962, subject to the conditions of approval as contained within the attached Resolution (114-2019); and
- If the City Council votes to ratify the Planning Commission's recommendation, a Public Hearing for the first reading of Ordinance No. 1100 (Zone Change Case No. 138) shall be conducted immediately following the consideration of appeal.

BACKGROUND

At the February 12, 2019 Planning Commission meeting, the subject entitlements and related environmental documents were presented by staff for the commissioners' consideration. After opening the Public Hearing, the audience had an opportunity to express their concerns towards the proposed project. The applicant also had an opportunity to respond to said concerns. After hearing all testimonies and considerations of facts presented during the meeting, the Planning Commission unanimously voted in favor of the project, thus approving TPM 82567, DPA 957-962, the environmental document (Initial Study/Mitigated Negative Declaration), and recommending approval of ZC 138 to the City Council.

Approximately two (2) weeks following the Planning Commission meeting of February 12, 2019, the City Clerk received a formal appeal of the Planning Commissions actions. The appeal was received within the 14-day appeal period, as specified in Section 155.865 of the City's Zoning Regulations.

Based on recommendations by the City Attorney's office, staff has decided to enact Section 155.866(C) of the City's Zoning Regulations and set the appeal as a public hearing before the City Council. This will allow staff to respond to any issues presented within the appeal letter and also allow for further public comment on this matter.

COMMENTS STATED IN APPEAL

Within the appeal statement presented by Mr. Richard Drury, on behalf of Supporters Alliance For Environmental Responsibility (SAFER), he addresses several concerns related to the Initial Study/Mitigated Negative Declaration prepared for this project. Since the concerns were all related to the environmental document, staff has requested that the environmental consultant, Blodgett/Baylosis Environmental Planning, prepare responses to Mr. Drury's written concerns. Staff has reviewed and agrees with the

environmental consultant's response to various comments provided by the appellant below:

Comment 1.

I am writing on behalf of Supporters Alliance For Environmental Responsibility ("SAFER"). SAFER hereby appeals the February 12, 2019 decision of the City of Santa Fe Springs Planning Commission approving Tentative Parcel Map (TPM) No. 82567, Development Plan Approval (DPA) Case Nos. 957-962, and Zone Change (ZC) Case No. 138 with respect to the MC&C Commerce Center, Site IV, Assessor Parcel Number 8011-002-901 to -903, 8011-003-955 to -979 ("Project"). These project approvals certified that the Mitigated Negative Declaration was completed in compliance with the California Environmental Quality Act and approved the Mitigation Monitoring and Reporting Program.

Response 1.

Comment noted for the record. No response is required.

Comment 2.

The Project involves construction and operation of an industrial park consisting of six warehouse buildings totaling 115,801 square feet of floor area, 263 parking stalls, and 17 dock high doors located on north side of Telegraph Avenue and the southwest corner of Romandel Avenue.

Response 2.

Comment noted for the record. No response is required.

Comment 3.

We appeal the February 12, 2019 approvals, and request that the City of Santa Fe Springs ("City") prepare an environmental impact report ("EIR") to analyze the significant environmental impacts of the Project and to propose all feasible mitigation measures and alternatives to reduce those impacts, for the following reasons.

Response 3.

The comment noted for the record. According to Section 21082.2(a) of the CEQA Guidelines, the Lead Agency has the authority to determine whether or not a project may have a significant effect on the environment. In addition, Section 21082.2(c) of the CEQA Guidelines indicates that:

"Argument, speculation, unsubstantiated opinion, or narrative, evidence which is clearly inaccurate or erroneous, or evidence of social or economic impacts which do not contribute to, or are not caused by, physical impacts on the environment, is not substantial evidence. Substantial evidence shall include facts, reasonable assumptions predicated upon facts, and expert opinion supported by facts."

The statement made by Lozeau Drury LLP fails to include facts, reasonable assumptions predicated upon facts, and/or expert opinion supported by facts. The IS/MND evaluated sixteen issue areas and determined that there were no unmitigable environmental impacts that would result from the proposed project's construction or operation. Mitigation measures were required for certain issue areas, though the IS/MND determined that no significant impacts would result following mitigation.

Comment 4.

There is a fair argument that the Project may have significant adverse environmental impacts, including, but not limited to: traffic during construction and operation.

Response 4.

A Traffic Impact Analysis (TIA) was prepared for the project by Crown City Engineers. This TIA was then reviewed by the City's traffic engineer for completeness and accuracy. The City also determined the scope and extent of the traffic study including those intersections that should be studied in the TIA. The TIA concluded that the trips generated during the project's operation will not cause a decrease in Level of Service (LOS) performance for any of the study intersections. While not in the letter, a representative from Lozeau Drury LLP criticized study for not using trip rates for refrigerated warehouse or fulfillment centers. The proposed project was analyzed as a warehouse complex due to the number of warehouses in the City. The determination to analyze the project as a warehouse was approved by the City Engineer prior to the preparation of the TIA. It is important to note that the specific business and/or tenant(s) that would ultimately occupy the proposed buildings are not known at this time. Any prospective use must be either permitted by right or conditionally permitted under the City of Santa Fe Springs Zoning Ordinance. Should a prospective use require a Conditional Use Permit (CUP), that use would be required to undergo an environmental review since the nature and impacts of the new use would not be consistent with estimates prepared under the previous conditions.

According to the SCAQMD, warehouse proposals with unidentified tenants should use trip rates for non-refrigerated warehouse (ITE Code 150) to calculate a project's trip generation using the non-cold storage rate. Furthermore, the methodology including the trip generation based on the ITE was identified by the City's Engineer, which is more widely used as an industry standard.

Comment 5.

Greenhouse gases during construction and operation.

Response 5.

The analysis of the proposed project's greenhouse gas impacts were analyzed in the IS/MND. The project's construction and operational Greenhouse Gas Emissions (GHG) are presented in Table 1. According to the SCAQMD, warehouse proposals with unidentified tenants are permitted to calculate a project's trip generation using the non-

cold storage rate. Therefore, for the purposes of the Air Quality and GHG emissions modeling, the project was assumed to be an unrefrigerated warehouse use. The CalEEMod was operated taking into account the additional 120 truck trips at a rate of 1.04 trucks per 1,000 square feet.

As indicated in Table 1, the CO₂E total for the project is 3,341 MTCO₂E per year, which is below the aforementioned threshold. The project's construction would result in an annual generation of 255.93 MTCO₂E per year. When amortized over a 30-year period, these emissions decrease to 8.53 MTCO₂E per year. These amortized construction emissions were added to the project's operational emissions to calculate the project's overall GHG emissions. As shown in the table, the project's total operational emissions would be 3,350 MTCO₂E per year, which is well below the 7,000, or 10,000 MTCO₂E thresholds identified for industrial land uses.

Table 1
Greenhouse Gas Emissions Inventory

Source	GHG Emissions (tons/year)			
	CO ₂	CH ₄	N ₂ O	CO ₂ E
Long-Term – Area Emissions	--	--	--	0.01
Long-Term - Energy Emissions	161.00	--	--	161.59
Long-Term - Mobile Emissions	2,995.10	0.22	--	3,000.67
Long-Term – Waste Emissions	22.095	1.30	--	54.74
Long-Term – Water Emissions	100.93	0.74	0.01	124.86
Long-Term - Total Emissions	3,279.15	2.27	0.01	3,341.88
Total Construction Emissions	254.66	0.05	--	255.93
Construction Emissions Amortized Over 30 Yrs.				8.53 MTCO ₂ E
Total Operational Emissions with Amortized Construction Emissions				3,350.41 MTCO ₂ E
Significance Threshold				7,000 MTCO ₂ E (Draft) 10,000 MTCO ₂ E (Established)

Source: CalEEMod.V.2016.3.2

Comment 6.

Potential soil contamination.

Response 6.

As indicated in the IS/MND, the project site is not located on the California Department of Toxic Substances Control's Hazardous Waste and Substances Site List - Site Cleanup (Cortese List). In addition, the project site is not identified on any Leaking

Underground Storage Tank database (LUST). The property located to the north of the project site at 10051 Romandel Avenue is currently listed on the Leaking Underground Storage Tank database (LUST) as a Voluntary Cleanup Site. A search through the California Department of Toxic Substances Control's Envirostor database indicated that the project site was not included on any Federal or State clean up or Superfund lists. The United States Environmental Protection Agency's multi-system search was consulted to determine whether the project site is identified on any Federal Brownfield list; Federal Comprehensive Environmental Response, Compensation and Liability Information System (CERCLIS) List; Federal Resource Conservation and Recovery Act (RCRA) Treatment, Storage, and Disposal (TSD) Facilities List; and/or Federal RCRA Generators List. The project site was not identified on any of the aforementioned lists.

A Phase II Study was completed for the project site by ATC Group Services. This report was prepared in December of 2018. As indicated in the report, ATC collected soil vapor samples on November 21, 2018 at five and nine and a half feet below ground surface (BGS). Samples were taken from four locations along the north and west boundaries of the site to assess potential VOC impacts. A total of 26 different VOCs were detected across all four sample locations at five feet and nine and a half feet bgs. Reported concentrations were greater than respective CRWQCB Tier 1 ESLs for benzene, ethylbenzene, naphthalene, PCE, 1,1,2-TCA, and TCE. Based on the results of the Limited Phase II ESA activities, benzene, ethylbenzene, naphthalene, PCE, 1,1,2-TCA, and TCE were detected in soil vapor samples at concentrations greater than their respective CRWQCB Tier 1 ESLs. The compounds detected in soil vapor on MC&C Site IV are consistent with the historical detections of compounds in soil, soil vapor, and groundwater documented for the adjacent former Productol site. Based on a review historical documentation, it is plausible that the soil vapor concentrations observed in the northwestern portion of MC&C Site IV are related to the historical operations at the former Productol site. ATC recommends that a soil vapor barrier and/or vapor mitigation system be considered for installation during the planning phase for construction in the northern and western portion of the Site. The installation of the vapor barrier or mitigation system will be done in accordance with Chapter 117 – Oil and Gas, Section 117.131 of the City's municipal code.

Comment 7.

Health risk impacts related to airborne emissions; noise; and other impacts.

Response 7.

The project site is located over 1,200 feet (350 meters) east of the Villages at Heritage Springs, the closest sensitive receptor to the project site. In addition, the project site is not located within the line-of-sight of the aforementioned sensitive receptor. Given the distance between the two locations and the presence of structures that obstruct the line-of-sight between the two sites, less than significant health risk impacts are anticipated to occur.

Comment 8.

The City has not adequately considered cumulative impacts with respect to other projects proposed in the area.

Response 8.

The project's cumulative traffic impacts were analyzed in the TIA. The average daily trips generated by both projects will not negative impact any intersection's level of service.

Comment 9.

The City has segmented the MC&C Site III and MC&C Site IV project, which should be considered as a single project under CEQA.

Response 9.

A lead agency is generally not permitted to segment or piecemeal a project into smaller components if the purpose of this piecemealing is to avoid the full disclosure of environmental impacts. Again, the requirement arises from the definition of a CEQA project which includes the phrase "...whole of the action." This phrase has been interpreted by the California Supreme Court to mean that it is generally inappropriate to divide a larger project into smaller segments so as to avoid the preparation of an environmental impact report (EIR). The rule against segmenting does not mean that every activity related to a proposed project's implementation must be included in a single CEQA document. Rather, the California Supreme Court held that related actions only had to be included in a CEQA document when they were reasonably foreseeable, but not when they were remote and speculative.

The two MC&C projects that were filed separately vary in size and intended use. Furthermore, both projects are located on two separate sites. These two projects share no relation to each other. In other words, one project could proceed in the absence of the other. Furthermore, the combined floor area from both projects (294,661 square feet) is below the thresholds of what constitutes a "regionally significant project." According to Section 115206(B) - Projects of Statewide, Regional, or Areawide Significance, the lead agency shall determine that a proposed project is of statewide, regional, or areawide significance if the project meets any of the following criteria:

- (1) A proposed local general plan, element, or amendment thereof for which an EIR was prepared. If a negative declaration was prepared for the plan, element, or amendment, the document need not be submitted for review.
- (2) A project has the potential for causing significant effects on the environment extending beyond the city or county in which the project would be located. Examples of the effects include generating significant amounts of traffic or interfering with the attainment or maintenance of state or national air quality

standards. Projects subject to this subsection include:

- (A) A proposed residential development of more than 500 dwelling units;
- (B) A proposed shopping center or business establishment employing more than 1,000 persons or encompassing more than 500,000 square feet of floor space;
- (C) A proposed commercial office building employing more than 1,000 persons or encompassing more than 250,000 square feet of floor space;
- (D) A proposed hotel/motel development of more than 500 rooms; and,
- (E) A proposed industrial, manufacturing, or processing plant, or industrial park planned to house more than 1,000 persons, occupying more than 40 acres of land, or encompassing more than 650,000 square feet of floor area.

For informational purposes only, when combined, the two projects do not meet the criteria for a regionally significant project in terms of air quality impacts. Table 2 shows the construction emissions from both projects. As shown in the Table, the project's construction will not result in an exceedance for any criteria pollutant.

Table 2
Estimated Daily Construction Emissions for MC&C III and IV

Construction Phase	ROG	NO _x	CO	SO ₂	PM ₁₀	PM _{2.5}
Maximum Daily Emissions	67.08	84.95	47.23	0.10	40.93	24.01
Daily Thresholds	75	100	55o	150	150	55
Significant Impact?	No	No	No	No	No	No

Table 3 shows the operational emissions from both projects. As shown in the Table, the operational air emissions from both projects will not result in an exceedance for any criteria pollutant.

Table 3
Estimated Operational Emissions for MC&C III and IV in
lbs/day

Emission Source	ROG	NO _x	CO	SO ₂	PM ₁₀	PM _{2.5}
Total (lbs/day)	9.33	71.39	33.55	0.30	5.97	1.82
Daily Thresholds	55	55	55o	15o	15o	55
Significant Impact?	No	No	No	No	No	No

The construction and operational GHG emissions from both projects is presented below in Table 4. As shown in Table 4, the CO₂E total for the MC&C Site III and Site IV is 6,190 MTCO₂E per year, which is below the aforementioned threshold. The project's construction would result in an annual generation of 863.08 MTCO₂E per year. When amortized over a 30-year period, these emissions decrease to 28.76 MTCO₂E per year. These amortized construction emissions were added to the project's operational emissions to calculate the project's true GHG emissions. As shown in the table, the project's total operational emissions would be 6,218 MTCO₂E per year, which is still below the thresholds identified for industrial land uses.

Table 4
Greenhouse Gas Emissions Inventory

Source	GHG Emissions (tons/year)			
	CO ₂	CH ₄	N ₂ O	CO ₂ E
Long-Term – Area Emissions	--	--	--	--
Long-Term - Energy Emissions	379.83	0.01	--	381.22
Long-Term - Mobile Emissions	5,284.07	0.35	--	5,293.01
Long-Term – Waste Emissions	56.22	3.32	--	139.29
Long-Term – Water Emissions	304.3	2.23	0.05	376.45
Long-Term - Total Emissions	6,024.45	5.92	0.05	6,189.99
Total Construction Emissions	859.11	0.15	--	863.08
Construction Emissions Amortized Over 30 Years				28.76 MTCO ₂ E
Total Operational Emissions with Amortized Construction Emissions				6,218 MTCO ₂ E
Significance Threshold				7,000 MTCO ₂ E (Draft) 10,000 MTCO ₂ E (Established)

Source: CalEEMod.V.2016.3.2

Comment 10.

The City has not considered all feasible mitigation measures and alternatives to reduce environmental impacts.

Response 10.

The mitigation measures that were proposed will reduce potential impacts to levels that are less than significant. The project's air quality and GHG emissions are below the thresholds of significance established by the SCAQMD. Therefore, no mitigation is required. Adherence to standards Rule 403 regulations is mandatory and will ensure construction impacts remain at less than significant levels. The inclusion of a vapor

barrier would suffice in terms of mitigating potential vapor intrusion. In addition, the inclusion of the post-construction BMPs identified in the Standard Urban Stormwater Management Plan will ensure potential stormwater runoff impacts remain at levels that are less than significant. Lastly, the noise generated within the project site will not be audible due to the distance between the site and the nearest sensitive receptors and the presence of structures that obstruct the line-of-sight between the two points.

Comment 11.

This letter complies with Municipal Code §155.865, which provides that appeals are to be made in writing and filed with the City Clerk. At your direction, we are filing this via overnight mail, without any accompanying appeal fees.

Response 11.

Comment noted for the record. No response is required.

LEGAL NOTICE OF PUBLIC HEARING

This matter was set for Public Hearing in accordance with the requirements of Sections 65090 et seq. and 65854 of the State Planning, Zoning and Development Laws and the requirements of Sections 155.860 through 155.866 of the City's Municipal Code. Legal notice of the Public Hearing for the proposed appeal 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 on March 14, 2019. The legal notice was also posted at Santa Fe Springs City Hall, the City Library and the City's Town Center kiosk and published in a newspaper of general circulation (Whittier Daily News) on March 15, 2019, as required by the State Zoning and Development Laws and by the City's Zoning Regulations.



Raymond R. Cruz
City Manager

Attachments:

1. Planning Commission Minutes – February 12, 2019
2. Planning Commission Staff Report with Attachments (TPM 82567, DPA 957-962, & ZC 138 – February 12, 2019) – Available in the City Clerk's Office
3. Initial Study/Mitigated Negative Declaration (Executive Summary & Mitigation Monitoring and Reporting Program) – Available in the City Clerk's Office
4. Staff Presentation to the Planning Commission – February 12, 2019 – Available in the City Clerk's Office
5. Copies of all written appeals
6. Response to comment letter provided by Lozeua Drury LLP for MC&C Site IV



PUBLIC HEARING – ORDINANCE FOR INTRODUCTION

Adoption of Mitigated Negative Declaration

Ordinance No. 1100

An ordinance of the City Council of the City of Santa Fe Springs, California, approving Zone Change Case No. 138 to change the zoning designation for an 8.68-acre property, from M-2 (Heavy Manufacturing) to M-2-PD (Heavy Manufacturing – Planned Development Overlay).

RECOMMENDATIONS

That the City Council take the following actions:

- Open the Public Hearing and receive any comments from the public regarding Ordinance No. 1100 and thereafter, close the Public Hearing; and
- Find that Zone Change Case No. 138 satisfies the criteria and conditions set forth in Section 155.829 et seq. of the City's Zoning Regulations for the granting of a change of zone.
- Find and determine that the subject Zone Change is consistent with the City's General Plan; and
- Approve and adopt the proposed Mitigated Negative Declaration which, based on the findings of the Initial Study, indicates that there is no substantial evidence that the proposed project will have a significant adverse effect on the environment; and
- Introduce Ordinance No. 1100 and pass the first reading on Zone Change Case No. 138 to change the zoning designation for an 8.68-acre site, from M-2 (Heavy Manufacturing) to M-2-PD (Heavy Manufacturing – Planned Development Overlay)

LOCATION / BACKGROUND

The subject site, located along the north side of Telegraph Road with additional frontage on Romandel Avenue, is comprised of twenty-eight (28) parcels, measuring 378,288 sq. ft. (8.68 acres). The entire site is currently zoned M-2 (Heavy Manufacturing) and is currently occupied by a number of active oil wells located throughout the property. Other existing on-site improvements include utility lines, transformers, oil pumpjacks, pipes, fences, and electrical equipment. Industrial uses are located to the north and east of the property, while the properties to the north, south, and west are occupied by additional oil production activities.

Throughout its history, the subject site has never been developed outside of the oil production activities. Since 2006, there have been at least four (4) different developers that considered developing this site, but the constrained development requirements and proposed "Joint Use Agreement" resulted in failed negotiations.

The applicant, PPF Industrial, LLC, has made the most progress in transforming the underutilized dirt into usable buildings than anyone else before them.

RELATED ENTITLEMENTS

At the February 12, 2019 Planning Commission meeting, the subject entitlements and related environmental documents were presented by staff for the commissioners' consideration. After opening the Public Hearing, the audience had an opportunity to express their concerns towards the proposed project. The applicant also had an opportunity to respond to said concerns. After hearing all testimonies and considerations of facts presented during the meeting, the Planning Commission unanimously voted in favor of the project, thus approving TPM 82567, DPA 957-962, the environmental document (Initial Study/Mitigated Negative Declaration), and recommending approval of ZC 138 to the City Council.

Approximately two (2) weeks following the Planning Commission meeting of February 12, 2019, the City Clerk received a formal appeal of the Planning Commissions actions. The appeal was received within the 14-day appeal period, as specified in Section 155.865 of the City's Zoning Regulations.

Based on recommendations by the City Attorney's office, staff decided to enact Section 155.866(C) of the City's Zoning Regulations and set the appeal as a public hearing before the City Council on March 28, 2019. If the City Council votes to deny the appeal and ratify the Planning Commission's recommendation, made at the February 12, 2019 public hearing and embodied in a resolution (Resolution 114-2019), then this will serve as the first reading (introduction) for Ordinance No. 1100 as a new public hearing, immediately following the consideration of appeal. If adopted at a subsequent Council Meeting, Ordinance No. 1100 becomes effective thirty (30) days after its adoption.

ZONE CHANGE REQUEST

The zone change request is proposing to rezone the existing site from M-2, Heavy Manufacturing, to M-2-PD, Heavy Manufacturing – Planned Development Overlay. This request is to allow variety and flexibility to the City's Zoning Regulations in order to improve the subject 8.68-acre site, which has never been developed due to existing and on-going oil production activities. In exchange for the Planned Development Overlay, the applicant has provided a project of high standards of design and quality of improvements. It should be noted that, as set forth by Section 155.328 of the City's Zoning Regulations, the project site does exceed the minimum 5-acre requirement. In addition, the proposed project received a 3-0 vote by the Planning Commission and therefore, has satisfied the required two-thirds vote.

ZONING AND LAND USE

The subject property is currently zoned M-2, Heavy Manufacturing, with a general plan land use designation of "Industrial". In conjunction with the subject TPM and

DPA request, the applicant is proposing to rezone the subject property from M-2, Heavy Manufacturing, to M-2-PD, Heavy Manufacturing – Planned Development Overlay. The Zoning, General Plan and Land Use of the surrounding properties are shown in “Table 1” on the following page:

Table 1
General Plan Consistency Analysis

<i>Direction</i>	<i>Zoning District</i>	<i>General Plan</i>	<i>Land Use</i>
North	M-2	Industrial	10207 Freeman Avenue – Electrical contracting (Anthony Electric/RGA Electric) 10140 Romandel Avenue – Ceramics and stone (Forever Tile & Stone)
South	M-2	Industrial	12720 Telegraph Road – Vacant
East	M-2	Industrial	12828 Romandel Avenue – Manufacturing of cable products (Windy City Wire and Cable) 12803 Telegraph Road – Warehouse (Globegistics Inc.)
West	M-2	Industrial	10051 Romandel Avenue – Vacant

STREETS AND HIGHWAYS

The subject site is located on the south side of Romandel Avenue and the north side of Telegraph Road. Romandel Avenue is designated as a “Local” arterial and Telegraph Road is designated as a “Major” arterial, within the Circulation Element of the City’s General Plan.

LEGAL NOTICE OF PUBLIC HEARING

This matter was set for Public Hearing in accordance with the requirements of Sections 65090 et seq. and 65854 of the State Planning, Zoning and Development Laws and the requirements of Sections 155.860 through 155.866 of the City’s Municipal Code. Legal notice of the Public Hearing for the proposed appeal 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 on March 14, 2019. The legal notice was also posted at Santa Fe Springs City Hall, the City Library and the City’s Town Center kiosk and published in a newspaper of general circulation (Whittier Daily News) on March 15, 2019, as required by the State Zoning and Development Laws and by the City’s Zoning Regulations.

ENVIRONMENTAL DOCUMENTS

The environmental analysis provided in the Initial Study indicates that the proposed project will not result in any significant adverse impacts on the environment, therefore, the City caused to be prepared and proposed to adopt a Mitigated Negative Declaration (MND) for the proposed project, including Tentative Parcel Map No. 82567, Development Plan Approval Case Nos. 957-962, and the subject Zone Change Case No. 138. The MND reflects the independent judgment of the City of Santa Fe Springs, and the environmental consultant, Blodgett/Baylosis Environmental Planning. The Draft Initial Study/Negative Declaration was circulated for the required 20-day public review and comments from January 15, 2019 to February 4, 2019. The Notice of Intent to adopt the proposed Mitigated Negative Declaration was posted with the Los Angeles County Clerk. A copy of the Initial Study/Mitigated Negative Declaration was also mailed to responsible and trustee agencies, as well as, the surrounding cities for their review and comment. A digital copy of the Initial Study/Mitigated Negative Declaration is available for viewing on the City's website.

On February 12th, the City received a comment letter dated February 11th from Lozeau Drury LLP on behalf of Supporters Alliance for Environmental Responsibility (SAFER) regarding the IS/MND. Specifically, they requested that an Environmental Impact Report (EIR) be prepared in lieu of the Mitigated Negative Declaration. It should be noted that the comment letter was received after the 20-day public review and comment period. Nevertheless, the Planning Commission approved the Initial Study/Mitigated Negative Declaration at their February 12, 2019 meeting.

STAFF REMARKS

Based on the findings set forth in the attached Resolution (114-2019), which was adopted by the Planning Commission on February 12, 2019, Staff finds that the applicant's request meets the criteria set forth in §155.829 of the City's Zoning Regulations, for the granting of a zone change.



Raymond R. Cruz
City Manager

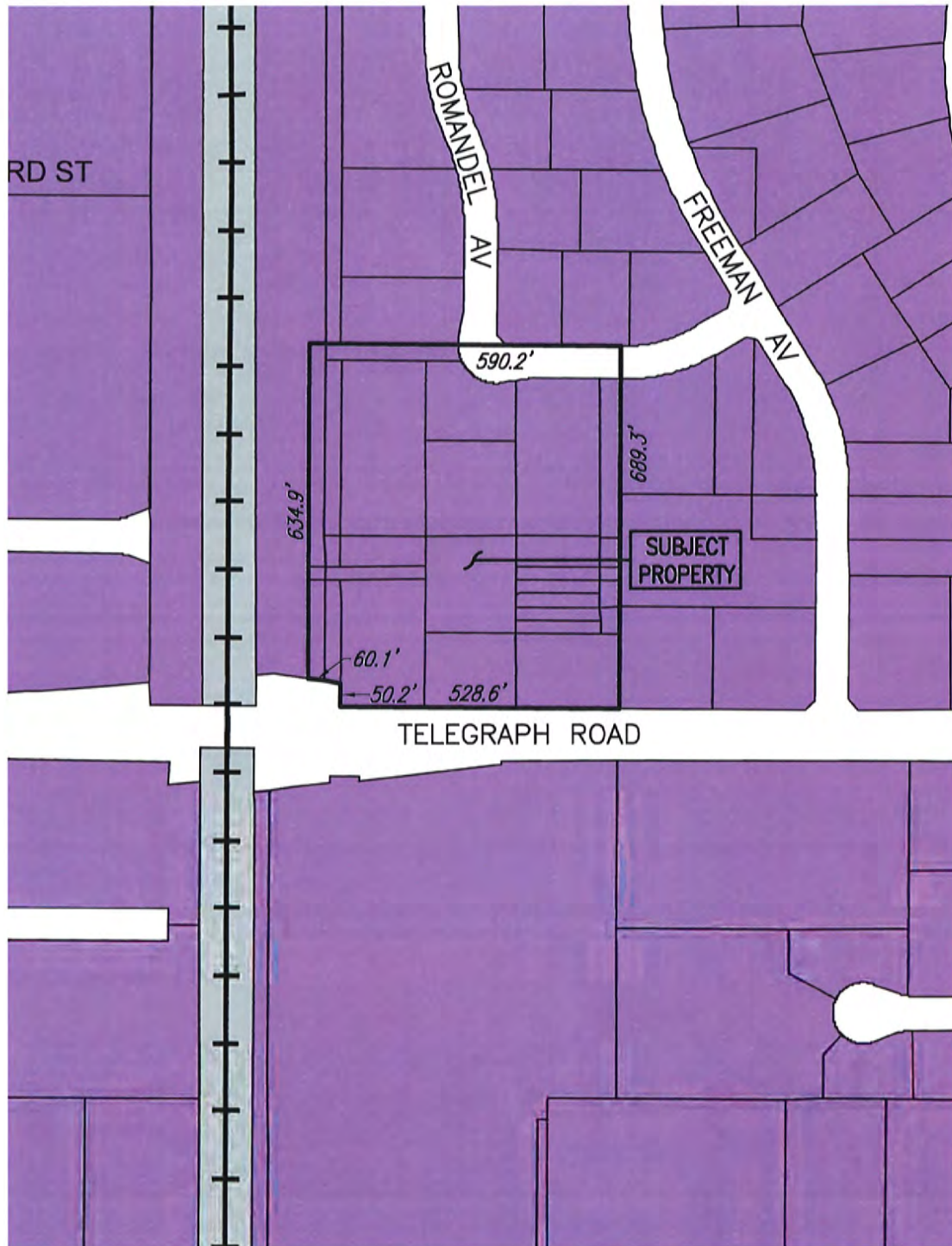
Attachments:

1. Zoning Map – Existing
2. Zoning Map – Proposed
3. Resolution 114-2019
4. Copy of Ordinance No. 1100

ATTACHMENT #1

SCALE: 1" = 300'

EXISTING ZONING



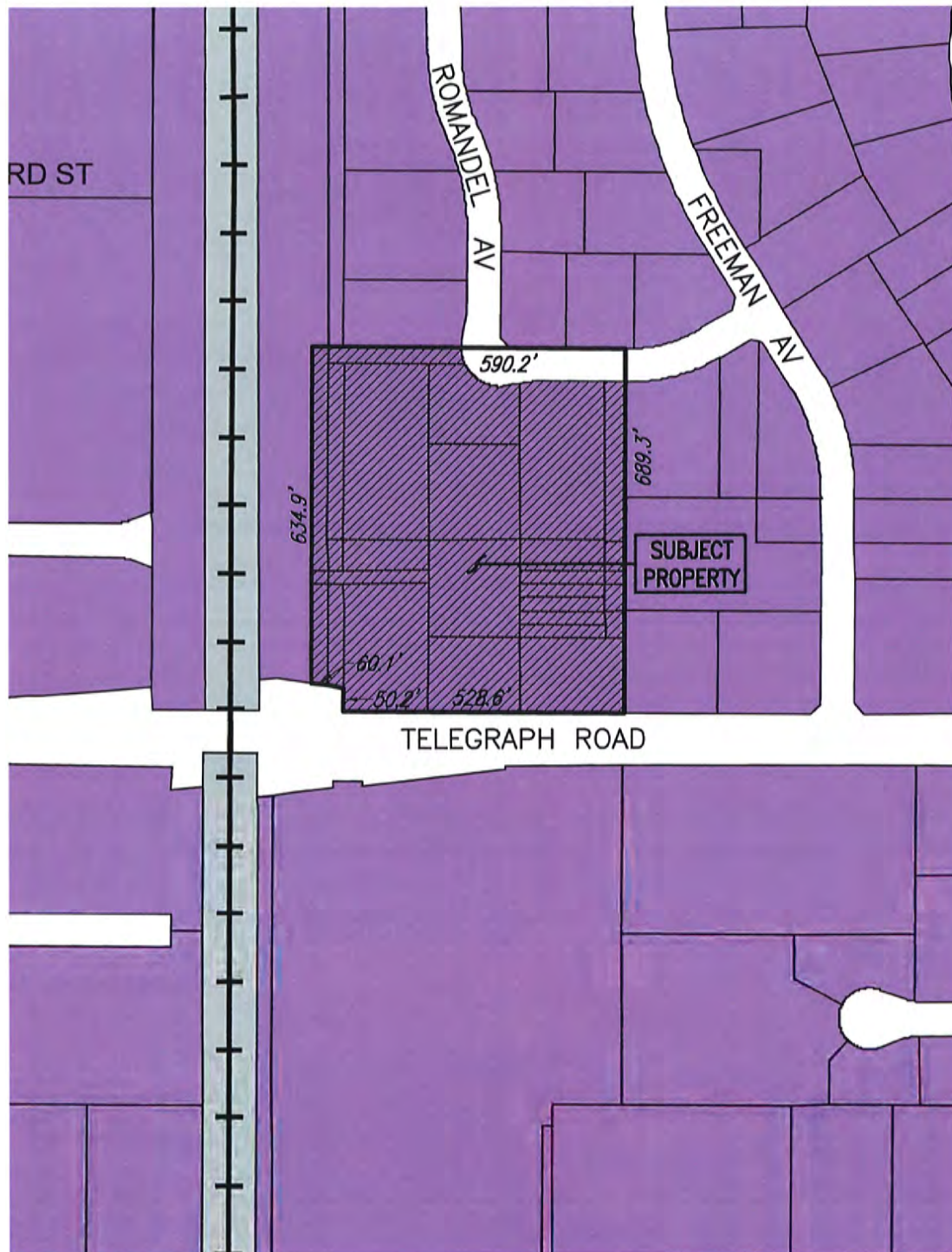
ZONING:

 M-2 MANUFACTURING HEAVY



ATTACHMENT #2

SCALE: 1" = 300'

PROPOSED ZONING



ZONING:

-  M-2 MANUFACTURING HEAVY
-  M-2-PD MANUFACTURING HEAVY - PLANNED DEVELOPMENT OVERLAY ZONE

Thienes Engineering, Inc.
CIVIL ENGINEERING • LAND SURVEYING
14349 FIRESTONE BOULEVARD
LA MIRADA, CALIFORNIA 90638
PH.(714)521-4811 FAX(714)521-4173

CITY OF SANTA FE SPRINGS
RESOLUTION NO. 114-2019

**A RESOLUTION OF THE PLANNING COMMISSION OF
THE CITY OF SANTA FE SPRINGS REGARDING
TENTATIVE PARCEL MAP NO. 82567;
DEVELOPMENT PLAN APPROVAL CASE NOS. 957-962; AND
ZONE CHANGE CASE NO. 138**

WHEREAS, a request was filed for Tentative Parcel Map No. 82567 to allow the consolidation of twenty-eight (28) existing parcels that make up the subject property (APN's: 8011-002-901, 8011-002-902, 8011-002-903, 8011-003-955, 8011-003-956, 8011-003-957, 8011-003-958, 8011-003-959, 8011-003-960, 8011-003-061, 8011-003-962, 8011-003-963, 8011-003-964, 8011-003-965, 8011-003-966, 8011-003-967, 8011-003-968, 8011-003-969, 8011-003-970, 8011-003-971, 8011-003-972, 8011-003-973, 8011-003-974, 8011-003-975, 8011-003-976, 8011-003-977, 8011-003-978, and 8011-003-979), into a single parcel measuring ± 8.68 acres; and

WHEREAS, a request was concurrently filed for Development Plan Approval Case Nos. 957-962 to allow the construction of a six (6) new concrete tilt-up industrial buildings, ranging from 13,582 sq. ft. to 28,500 sq. ft., located along the north side of Telegraph Road with additional frontage on Romandel Avenue; and

WHEREAS, a request was concurrently filed for Zone Change Case No. 138 to change the zoning designation of an 8.68-acre property, from M-2 (Heavy Manufacturing) to M-2-PD (Heavy Manufacturing – Planned Development Overlay); and

WHEREAS, the subject property is located at 10075 – 10095 Romandel Avenue and 12015 – 12085 Telegraph Road, with Accessor's Parcel Numbers of 8011-002-901, 8011-002-902, 8011-002-903, 8011-003-955, 8011-003-956, 8011-003-957, 8011-003-958, 8011-003-959, 8011-003-960, 8011-003-061, 8011-003-962, 8011-003-963, 8011-003-964, 8011-003-965, 8011-003-966, 8011-003-967, 8011-003-968, 8011-003-969, 8011-003-970, 8011-003-971, 8011-003-972, 8011-003-973, 8011-003-974, 8011-003-975, 8011-003-976, 8011-003-977, 8011-003-978, and 8011-003-979, as shown in the latest rolls of the Los Angeles County Office of the Assessor; and

WHEREAS, the property owner is PPF Industrial, LLC, 1875 Century Park East, Suite 380, Los Angeles, CA 90067; and

WHEREAS, the proposed development which includes Tentative Parcel Map No. 82567, Development Plan Approval Case Nos. 957-962 and Zone Change Case No. 138 is considered a project as defined by the California Environmental Quality Act (CEQA), Article 20, Section 15378(a); and

WHEREAS, based on the information received from the applicant and staff's assessment, it was found and determined that the proposed project will not have a

significant adverse effect on the environment following mitigation, therefore, the City caused to be prepared and proposed to adopt an Initial Study/Mitigated Negative Declaration (IS/MND) for the proposed project; and

WHEREAS, On February 1, 2019, the City of Santa Fe Springs Planning and Development Department published a legal notice in the *Whitter Daily News*, a local paper of general circulation, indicating the date and time of the public hearing, and also mailed said public hearing notice on February 1, 2019 to each property owner within a 500 foot radius of the project site in accordance with state law; and

WHEREAS, the City of Santa Fe Springs Planning Commission has considered the application, the written and oral staff report, the General Plan and zoning of the subject property, the testimony, written comments, or other materials presented at the Special Planning Commission Meeting on February 12, 2019 concerning Tentative Parcel Map No. 82567, Development Plan Approval Case Nos. 957-962 and Zone Change Case No. 138.

NOW, THEREFORE, be it RESOLVED that the PLANNING COMMISSION of the CITY OF SANTA FE SPRINGS does hereby RESOLVE, DETERMINE and ORDER AS FOLLOWS:

SECTION I. ENVIRONMENTAL FINDINGS AND DETERMINATION

The proposed development is considered a project under the California Environmental Quality Act (CEQA) and as a result, the project is subject to the City's environmental review process. The environmental analysis provided in the Initial Study indicated that the proposed project will not result in any significant adverse immitigable impacts to the environment, therefore, the City required the preparation and adoption of a Mitigated Negative Declaration (MND) for the proposed Project. The MND reflects the independent judgment of the City of Santa Fe Springs, and the City's environmental consultant, Blodgett/Baylosis Environmental Planning.

The Initial Study determined that the proposed project is not expected to have any significant adverse environmental impacts. The following findings can be made regarding the Mandatory Findings of Significance set forth in Section 15065 of the CEQA Guidelines based on the results of this Initial Study:

- The proposed project *will not* have the potential to degrade the quality of the environment.
- The proposed project *will not* have the potential to achieve short-term goals to the disadvantage of long-term environmental goals.
- The proposed project *will not* have impacts that are individually limited, but cumulatively considerable, when considering planned or proposed development in the immediate vicinity.
- The proposed project *will not* have environmental effects that will adversely affect humans, either directly or indirectly.

In addition, pursuant to Section 21081(a) of the Public Resources Code, findings must be adopted by the decision-maker coincidental to the approval of a Mitigated Negative Declaration, which relates to the Mitigation Monitoring and Reporting Program. These findings shall be incorporated as part of the decision-maker's findings of fact, in response to AB-3180 and in compliance with the requirements of the Public Resources Code. In accordance with the requirements of Section 21081(a) and 21081.6 of the Public Resources Code, the City of Santa Fe Springs can make the following additional findings:

- A mitigation reporting or monitoring program will be required; and,
- An accountable enforcement agency or monitoring agency shall be identified for the mitigation measures adopted as part of the decision-maker's final determination.

A number of mitigation measures have been recommended as a means to reduce or eliminate potential adverse environmental impacts to insignificant levels. AB-3180 requires that a monitoring and reporting program be adopted for the recommended mitigation measures.

SECTION II. TENTATIVE PARCEL MAP DETERMINATION

Pursuant to Section 154.07 of the Municipal Code, a tentative map shall not be approved unless the Planning Commission finds that the proposed subdivision, together with the provisions for its design and improvements, is consistent with the general plan as required by Section 66473.5 of the Subdivision Map Act. Additionally, the Planning Commission shall deny a tentative map if it makes any of the findings set forth in Sections 66474 and 66474.6 of the Subdivision Map Act.

(A) Section 66473.5 and Sections 66474(a) and (b) of the Subdivision Map Act require tentative maps to be consistent with the general plan and specific plans.

The proposed Tentative Parcel Map, subject to the attached conditions, is in accordance with the Subdivision Map Act in that:

Approval of the proposed Tentative Parcel Map would promote a number of Specific General Plan Goal and Policies as described in "Table 1" on the following page:

Table 1
General Plan Consistency Analysis

General Plan Element	Policy	Project Consistency
Land Use	Goal 9: Provide for growth and diversification of industry and industrial related activities within the Santa Fe Springs industrial area.	The consolidation of the individual parcels will produce one lot that will provide industrial uses that provide a more viable development opportunity of the subject site.
	Policy 9.4: Encourage the grouping of adjoining small or odd shaped parcels in order to create more viable development.	The project involves the consolidation of twenty-eight (28) existing parcels measuring approximately +/- 8.68 ac. into one (1) parcel located between Telegraph Rd. & Romandel Ave.
	Goal 11: Support and encourage the viability of the industrial and commercial areas of Santa Fe Springs.	The consolidation of the existing parcels will support and facilitate the development of a new six (6) building industrial center within city limits.

The proposed Tentative Parcel Map, subject to the attached conditions, is compatible with the goals and objectives of various elements of the City of Santa Fe Springs General Plan, and therefore, is in compliance with Government Code Sections 66473.5, and 66474(a) and (b).

- (B) Sections 66474(c) and (d) of the Subdivision Map Act require the site to be physically suitable for the type of development and proposed density of development.

In addition to the proposed parcel map, the applicant is concurrently seeking approval to allow the existing zoning designation of M-2, Heavy Manufacturing, to be changed to M-2-PD, Heavy Manufacturing – Planned Development, and to allow for the construction of six (6) new concrete tilt-up industrial buildings, ranging from 13,582 sq. ft. to 28,500 sq. ft., located along the north side of Telegraph Road with additional frontage on Romandel Avenue. Therefore, the subject site is physically suitable for the proposed development.

- (C) Sections 66474(e) and (f) of the Subdivision Map Act require that the design of the subdivision or the proposed improvements are not likely to cause substantial environmental damage or substantially and avoidably injure fish or wildlife or their habitat or is likely to cause serious public health concerns.

The proposed consolidation is located in an urbanized area that does not contain habitats or would otherwise injure fish and wildlife. Additionally, as required by the California Environmental Quality Act (CEQA), an Initial Study (IS)/Mitigated Negative Declaration (MND) was prepared for the proposed industrial project. According to the IS/MND, the project is not expected to have any impacts on biological resources or cause serious public health problems.

- (D) Section 66474(g) of the Subdivision Map Act requires that the design of the subdivision or the type of improvements will not conflict with easements, acquired by the public at large, for access through or use of, property within the proposed subdivision.

New easements for utility or roadways, if necessary, will be provided prior to final map approval. Moreover, no public easements are anticipated as a result of the proposed consolidation.

- (E) In accordance with Government Code Section 66474.6, it has been determined that the discharge of waste from the proposed subdivision, subject to the attached conditions, into the existing sewer system will not result in a violation of the requirements prescribed by the Regional Water Quality Control Board in that the developer is required to comply with the IS/MND Mitigation Monitoring and Reporting Program, submit an erosion control plan and comply with the NPDES Best Management Practices during the grading and construction phases of the project.

The project is conditioned to meet all federal, state, and local ordinances and requirements including, but not limited to, the California Regional Water Quality Control Board.

- (F) That the proposed subdivision shall be in accordance with Government Code Section 66473.1, entitled "Design of Subdivisions to provide for Future Passive or Natural Heating and Cooling Opportunities."

Future Passive or Natural Heating and Cooling Opportunities will be incorporated with the proposed developments. To the extent feasible, staff will review the proposed developments to ensure that energy-saving devices or materials, including, but not limited to, insulation, double-pane windows, and high efficiency central heating and cooling systems will be incorporated.

SECTION III. DEVELOPMENT PLAN APPROVAL FINDINGS

Pursuant to Section 155.739 of the City of Santa Fe Springs Zoning Regulations, the Planning Commission shall consider the following findings in their review and

determination of the subject Development Plan Approval. Based on the available information, the City of Santa Fe Springs Planning Commission hereby make the following findings:

(A) That the proposed development is in conformance with the overall objectives of this chapter.

The proposed project is located within the M-2, Heavy Manufacturing, Zone. Pursuant to Section 155.240 of the Zoning Regulations, "The purpose of the M-2 Zone is to preserve the lands of the city appropriate for heavy industrial uses, to protect these lands from intrusion by dwellings and inharmonious commercial uses, to promote uniform and orderly industrial development, to create and protect property values, to foster an efficient, wholesome and aesthetically pleasant industrial district, to attract and encourage the location of desirable industrial plants, to provide an industrial environment which will be conducive to good employee relations and pride on the part of all citizens of the community and to provide proper safeguards and appropriate transition for surrounding land uses."

The proposed project is consistent with the purpose of the M-2 Zone in the following manner:

1. The land is appropriate for industrial uses based on its zoning, M-2, Heavy Manufacturing and its General Plan Land Use designation of Industrial.
2. The proposed project will result in six (6) new concrete tilt-up speculative industrial buildings, therefore the land is being maintained for industrial uses.
3. The project involves the construction of six (6) new attractive industrial buildings on a site that is currently underutilized. The assessed value of the property will significantly improve after the project, thus leading to an increase in property values for both the subject property and neighboring properties.
4. The new buildings offers new construction with modern amenities (i.e. greater ceiling height, energy efficient, etc.) that will help to attract local industrial businesses to either locate or remain in Santa Fe Springs.

It should be noted that a Zone Change is being requested to allow a Planned Development Overlay. The proposed Zone Change is to allow variety and flexibility to the City's Zoning Regulations in order to improve the subject 8.68-acre site, which has never been developed due to existing and on-going oil production activities. In exchange for the Planned Development Overlay, the applicant has provided a project of high standards of design and quality of improvements. It should be noted that, as set forth by Section 155.328 of the City's Zoning Regulations, the project will exceed the minimum 5-acre requirement.

(B) That the architectural design of the proposed structures is such that it will enhance the general appearance of the area and be in harmony with the intent of this chapter.

As mentioned previously, the subject site is currently underutilized. The applicant is proposing to construct six (6) new concrete-tilt up industrial buildings on the subject site. The proposed buildings have been designed with variation in the provided setback, height, color, and materials used. The result is an attractive project with contemporary buildings that are comparable to other high quality office/industrial projects here in Santa Fe Springs.

- (C) That the proposed structures be considered on the basis of their suitability for their intended purpose and on the appropriate use of materials and on the principles of proportion and harmony of the various elements of the buildings or structures.

The proposed building is well-designed and should be highly suitable for a variety of office, manufacturing and/or warehouse-type users. The design of the proposed buildings provide quality architectural design, as demonstrated by glazing, pop-outs, and variations in height, materials, and color. These architectural design elements break up the mass of the buildings, and present an attractive, distinctive façade to visitors. As designed, the new buildings are suitable for their intended users, and the distinctive design of the buildings represents the architectural principles of proportion and harmony.

- (D) That consideration be given to landscaping, fencing and other elements of the proposed development to ensure that the entire development is in harmony with the objectives of this chapter.

Extensive consideration has been given to numerous elements associated with the proposed project to achieve harmony with the City's Zoning Regulations. The majority of the landscaping will be provided along Telegraph Road and Romandel Avenue for maximum aesthetic value. Additionally, the majority of truck wells and dock doors have been strategically placed so that they will not be directly visible from the public right-of-way, with exception of Buildings 1, 2, and 5. Considerations have been taken to ensure that the truck wells and dock doors which are visible have been placed in a manner to reduce its visibility from the public street, or otherwise, setback far enough that aesthetic impacts are reduced. And lastly, the proposed trash enclosures have been strategically placed where they are not visible or easily accessible by the public, and where they have least impact on adjacent properties.

- (E) That it is not the intent of this subchapter to require any particular style or type of architecture other than that necessary to harmonize with the general area.

As stated previously, the proposed buildings are contemporary in design. The architect used variations in the provide setback, materials and color. The style and architecture of the proposed buildings are consistent with other high quality buildings in the general area. The architect has applied an extensive amount of glazing, color variation, height variation, recessed areas, and has uniquely

incorporated an Arizona tile known as Aequa Cirrus into the overall design. Specifically, the Aequa Cirrus will be used within, or directly adjacent to, the truck loading areas for the aforementioned buildings, which is not commonly seen for most industrial projects.

- (F) That it is not the intent of this subchapter to interfere with architectural design except to the extent necessary to achieve the overall objectives of this chapter.

Pursuant to Section 155.736 of the Zoning Regulations "The purpose of the development plan approval is to assure compliance with the provisions of this chapter and to give proper attention to the siting of new structures or additions or alterations to existing structures, particularly in regard to unsightly and undesirable appearance, which would have an adverse effect on surrounding properties and the community in general." The Planning Commission believes that proper attention has been given to the location, size, and design of the proposed building. The Planning Commission, therefore, finds that the new contemporary industrial buildings are well-designed and thus will be an enhancement to the overall area.

SECTION IV. ZONE CHANGE FINDINGS

Section 155.829 of the Zoning Regulations stipulates that, in considering any request for a change of zone, the Commission shall satisfy itself that the following conditions prevail before recommending that the change be granted:

- (A) That there is a real need in the community for more of the types of uses permitted by the zone requested than can be accommodated in the areas already zoned for such use.

As proposed, the underlying zone of M-2, Heavy Manufacturing, will remain unchanged. The intent of the Zone Change is to include a PD, Planned Development Overlay to the existing zoning, which will allow variety and flexibility, while at the same time, maintain high standards of design and quality of improvements. The subject site has never been developed due to the existing oil well operations, and therefore, the flexibility of the Planned Development Overlay is needed to cooperate with the Joint Use Agreement imposed by Breitburn-Maverick.

- (B) That the property involved in the proposed change of zone is more suitable for the uses permitted in the proposed zone than for the uses permitted in the present zone classification.

As previously mentioned, the Joint Use Agreement imposed by the oil well operator, Breitburn-Maverick, restricts the overall design configuration for the subject property. The proposed Zone Change will allow the applicant to develop the desired speculative buildings, including truck wells and dock doors for the intended users, while allowing flexibility from the City's Zoning Regulations in

exchange for a high quality project. Without the Zone Change, and specifically the Planned Development Overlay, it would be very challenging for anyone to achieve an economically viable project that also conforms to the Joint Use Agreement with Breitburn-Maverick.

- (C) That the proposed change of zone would not be detrimental in any way to persons or property in the surrounding area, nor to the community in general.

The proposed Zone Change will have the following positive impacts: (1) promote jobs and increase employment opportunities; (2) raise the property value of the subject property, as well as, other properties in the surrounding area; and (3) provide a project that incorporates high-quality landscaping and aesthetics, creating a more beautiful environment.

- (D) That the proposed change of zone will not adversely affect the master plan of the city.

The General Plan is the master plan of the city. The General Plan provides the overall direction for the future development of the City. It is a comprehensive planning document that addresses the many aspects of community life in the City of Santa Fe Springs. It is a long range plan in that it seeks to provide for the needs of the community into the future. The General Plan is also flexible enough to respond to the changing needs and concerns of those who live, work and frequent Santa Fe Springs.

The General Plan consists of six mandatory elements, including: 1) Land Use; 2) Housing; 3) Open Space/Conservation; 4) Safety; 5) Circulation; and 6) Noise. There is no evidence to suggest that the proposed Zone Change will adversely affect the master plan of the city. In fact, the Zone Change, if approved, will help facilitate a development project that may not be possible without the flexibility provided by the Planned Development Overlay Zone.

Additionally, the following table (Table 2) illustrates how the proposed Zone Change will be consistent with the goals and policies of the General Plan.

Table 2
General Plan Consistency Analysis

<u>Element</u>	<u>Policy</u>	<u>Project Consistency/Comment</u>
<u>Land Use</u>	Goal 9: Provide for growth and diversification of industry and industrial related activities within the Santa Fe Springs Industrial area.	Consistent: The proposed development will allow an area of land currently dedicated for the sole purpose of oil extraction to incorporate other industrial and office uses, while constructing six (6) new attractive buildings.
	Policy 9.4: Encourage the grouping of adjoining small or odd shaped parcels in	Consistent: The proposed Tentative Parcel Map will consolidate twenty-eight (28)

	order to create more viable development.	existing parcels into one (1) 8.86 AC lot in order to allow an attractive new development consisting of six (6) industrial buildings.
	Policy 9.5: Encourage the release of land surface no longer needed for petroleum production so the oil field area can be developed in accordance with the goals of the General Plan.	Consistent: The proposed Zone Change will allow flexibility so that the existing oil operations may remain, but to also allow for the land surrounding the wells to be developed.
<u>Circulation</u>	Policy 1.6: Limit driveway access on arterial streets to maintain a desired quality of flow.	Consistent: It has been conditioned that the driveway along Telegraph Road shall only allow the ingress and egress of passenger vehicles. All truck traffic shall occur on Romandel Avenue.

SECTION V. PLANNING COMMISSION ACTION

The Planning Commission hereby adopts Resolution No. 114-2019 to approve Tentative Parcel Map No. 82567 to allow the consolidation of twenty-eight (28) existing parcels that make up the subject property (APN's: 8011-002-901, 8011-002-902, 8011-002-903, 8011-003-955, 8011-003-956, 8011-003-957, 8011-003-958, 8011-003-959, 8011-003-960, 8011-003-061, 8011-003-962, 8011-003-963, 8011-003-964, 8011-003-965, 8011-003-966, 8011-003-967, 8011-003-968, 8011-003-969, 8011-003-970, 8011-003-971, 8011-003-972, 8011-003-973, 8011-003-974, 8011-003-975, 8011-003-976, 8011-003-977, 8011-003-978, and 8011-003-979), into a single parcel measuring ±8.68 acres; Development Plan Approval Case Nos. 957-962 to allow the construction of a six (6) new concrete tilt-up industrial buildings, ranging from 13,582 sq. ft. to 28,500 sq. ft., located along the north side of Telegraph Road with additional frontage on Romandel Avenue; Zone Change Case No. 138 to change the zoning designation of the 8.68-acre property, from M-2 (Heavy Manufacturing) to M-2-PD (Heavy Manufacturing – Planned Development Overlay); and also to approve and adopt the proposed Initial Study/Mitigated Negative Declaration, and Mitigation Monitoring and Reporting Program (IS/MND/MMRP) for the subject property located at 10075 – 10095 Romandel Avenue and 12015 – 12085 Telegraph Road, subject to conditions attached hereto as Exhibit A & Exhibit B.

ADOPTED and APPROVED this 12th day of February, 2019 BY THE PLANNING COMMISSION OF THE CITY OF SANTA FE SPRINGS.

Chairperson

ATTEST:

Wayne M. Morrell, Acting Planning Secretary

Exhibit A – Conditions of Approval

Development Plan Approval Case Nos. 957-962

Telegraph Road & Romandel Avenue (APNs: 8011-002-901, 8011-002-902, 8011-002-903, 8011-003-955, 8011-003-956, 8011-003-957, 8011-003-958, 8011-003-959, 8011-003-960, 8011-003-961, 8011-003-962, 8011-003-963, 8011-003-964, 8011-003-965, 8011-003-966, 8011-003-967, 8011-003-968, 8011-003-969, 8011-003-970, 8011-003-971, 8011-003-972, 8011-003-973, 8011-003-974, 8011-003-975, 8011-003-976, 8011-003-977, 8011-003-978, and 8011-003-979)

CONDITIONS OF APPROVAL

GENERAL

1. The attached list of conditions of approval shall apply to the applicant, PPF Industrial, LLC, and specifically the proposed development project on the subject 8.68-acre site. These conditions do not affect the existing ongoing operations of Breitburn-Maverick.

ENGINEERING / PUBLIC WORKS DEPARTMENT: **(Contact: Robert Garcia 562.868-0511 x7545)**

STREETS

2. That the applicant shall pay a flat fee of \$83,892.10 to reconstruct/resurface the existing street frontage to centerline for Telegraph Road and Romandel Avenue.
3. That applicant shall remove and replace (2) driveway approaches, curb, & gutter per city standard plan R-6.4 along Telegraph Road and along Romandel Avenue.
4. That the applicant shall design and construct a 5-foot wide meandering sidewalk per City standards and dedicate an easement along the entire Romandel Avenue frontage and Telegraph Road frontage from the east property line to the driveway (approximately 120 Feet). If applicable, the dedicated easement shall be shown on the Parcel/Tract Map. Furthermore, said meandering sidewalk shall be shown on both the civil and landscape plans.
5. All above ground oil wells, pipelines, tanks, and related lines within the public right-of-way shall be placed underground unless otherwise approved by the City Engineer.
6. That the applicant shall pay to the City the entire cost (\$30,000) of design, engineering, installation and inspection to relocate (1) street light on Romandel Avenue in conflict with proposed driveway entrance and (1) new street light on Telegraph Road east of the driveway.
7. That adequate "on-site" parking shall be provided per City requirements, and all streets abutting the development shall be posted "No Stopping Any Time." The City will install the offsite signs and the applicant shall pay \$1,600.00 to install (8) new signs.

8. The applicant will be responsible for the installation, replacement or modification of street name signs, traffic control signs, striping and pavement markings required in conjunction with the development.
9. Proposed driveways shall be located to be free and clear of existing fire hydrants, street lights, water meters, etc.

CITY UTILITIES

10. Storm drains, catch basins, connector pipes, retention basin and appurtenances built for this project shall be constructed in accordance with City specifications in Telegraph Road and Romandel Avenue). Storm drain plans shall be approved by the City Engineer.
11. Fire hydrants shall be installed as required by the Fire Department. Existing public fire hydrants adjacent to the site, if any, shall be upgraded if required by the City Engineer. That the applicant shall pay to the City the entire cost of design, engineering, installation and inspection of Fire hydrants.
12. That sanitary sewers shall be constructed in accordance with City specifications to serve the subject development. The plans for the sanitary sewers shall be approved by the City Engineer. A sewer study (including a sewer flow test) shall be submitted along with the sanitary sewer plans.
13. All buildings shall be connected to the sanitary sewers.
14. That the fire sprinkler plans, which show the proposed double-check valve detector assembly location, shall have a stamp 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.
15. That the applicant shall obtain a Storm Drain Connection Permit for any connection to the storm drain system.
16. The applicant shall have an overall site utility master plan prepared by a Registered Civil Engineer showing proposed location of all public water mains, reclaimed water mains, sanitary sewers and storm drains. This plan shall be approved by the City Engineer prior to the preparation of any construction plans for the aforementioned improvements.

TRAFFIC

17. All trucks will only be allowed to enter/exit development from Romandel Avenue. Non truck traffic exiting the development via the Telegraph Road driveway will be restricted

to right turn out. The applicant will modify the existing Telegraph Road median to prohibit left turns out of the Telegraph driveway.

PARCEL MAPS

18. Final parcel map checking of \$4,970 plus \$295 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.
19. The applicant 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.

FEES

20. That the applicant shall comply with Congestion Management Program (CMP) requirements and provide mitigation of trips generated by the development. The applicant and/or developer will receive credit for the demolition of any buildings that formerly occupied the site. For new developments, the applicant and/or developer cannot meet the mitigation requirements, the applicant and/or developer shall pay a mitigation fee to be determined by the City Engineer for off-site transportation improvements.
21. That the applicant shall comply with all requirements of the County Sanitation District, make application for and pay the sewer maintenance fee.
22. That the applicant shall pay the water trunkline connection fee of \$3,700 per acre upon application for water service connection or if utilizing any existing water service.

MISCELLANEOUS

23. That a grading plan shall be submitted for drainage approval to the City Engineer. The applicant shall pay drainage review fees in conjunction with this submittal. A professional civil engineer registered in the State of California shall prepare the grading plan.
24. That a hydrology study shall be submitted to the City if requested by the City Engineer. The study shall be prepared by a Professional Civil Engineer.
25. That upon completion of public improvements constructed by developers, the developer's civil engineer shall submit mylar record drawings and an electronic file (AutoCAD Version 2004 or higher) to the office of the City Engineer.
26. That the applicant 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 (BMPs) on all construction sites in accordance with the current MS4 Permit. The applicant will also be required to submit a Certification for the project and will be

required to prepare a Storm Water Pollution Prevention Plan (SWPPP) and Low Impact Development Plan (LID).

DEPARTMENT OF FIRE - RESCUE (FIRE PREVENTION DIVISION)

(Contact: Raul Diaz 562.868-0511 x3813)

27. When applicable, abandoned oil wells must be exposed and inspected under the oversight of a registered engineer, registered geologist or other Fire-Rescue approved technical expert. The wells must be monitored for methane leaks and the precise location of each abandoned well shall be surveyed. A report of findings, along with a description of any recommended remedial actions (if necessary), signed by a registered engineer, registered geologist or Fire-Rescue approved technical expert, must be provided to the Department of Fire-Rescue.
28. That a methane gas protection system designed in accordance with the standards established by the County of Los Angeles shall be required for all habitable structures. Plans for the proposed methane gas protection system shall be submitted to the Department of Fire-Rescue prior to construction. An alternative to the County of Los Angeles standards may be acceptable if approved by the Department of Fire-Rescue.
29. That all abandoned oil wells located beneath or within 10 feet of the proposed building footprint are abandoned to current Department of Oil, Gas and Geothermal Resources (DOGGR) standards.
30. That all abandoned oil wells located beneath or within 10 feet of the proposed building footprint shall be equipped with a concrete vent cone. The installation of the vent cone and associated vent piping shall be approved by the Department of Fire-Rescue prior to installation.
31. That interior gates or fences are not permitted across required Department of Fire-Rescue access roadways unless otherwise granted prior approval by the City Department of Fire-Rescue.
32. That if on-site fire hydrants are required by the Department of Fire-Rescue, a minimum flow must be in accordance with Appendix B from the current Fire Code flowing from the most remote hydrant. In addition, on-site hydrants must have current testing, inspection and maintenance per California Title 19 and NFPA 25.
33. That the standard aisle width for onsite emergency vehicle maneuvering shall be 26 feet with a minimum clear height of 13 feet 6 inches. Internal driveways shall have a turning radius of not less than 52 feet. The final location and design of this 26 feet shall be subject to the approval of the City's Fire Chief as established by the California Fire Code. A request to provide emergency vehicle aisle width less than 26 feet shall be considered upon the installation/provision of mitigation improvements approved by the City's Fire Chief.

34. That prior to submitting plans to the Building Department, a preliminary site plan shall be approved by the Department of Fire-Rescue 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.
35. 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.
36. That signs and markings required by the Department of Fire-Rescue shall be installed along the required Department of Fire-Rescue access roadways.

DEPARTMENT OF FIRE - RESCUE (ENVIRONMENTAL DIVISION)
(Contact: Tom Hall 562.868-0511 x3815)

37. That prior to issuance of building permits, the applicant shall comply with the applicable conditions below and **obtain notification in writing** from the Santa Fe Springs Department of Fire-Rescue Environmental Protection Division (EPD) that all applicable conditions have been met:
 - a. At a minimum, the applicant must conduct an All Appropriate Inquiries (AAI) Investigation (formerly called a Phase I Environmental Site Assessment) in accordance with ASTM Standard E1527-05. The applicant shall provide the EPD with a copy of the AAI investigation report for review and approval. If the AAI investigation identifies a release, or potential release at the site, the applicant must comply with part b.
 - b. An environmental site assessment may be required based on the information presented in the AAI investigation report. The environmental site assessment report must be reviewed and approved by the EPD in writing. Should the report indicate that contaminate levels exceed recognized regulatory screening levels, remedial action will be required. A remedial action work plan must be approved by the authorized oversight agency before implementation. Once remedial action is complete, a final remedial action report must be submitted and approved by the oversight agency.
 - c. Soil Management Plan & Report. A Soils Management Plan (SMP) which addresses site monitoring and a contingency plan for addressing previously unidentified contamination discovered during site development activities may be required. If required, the SMP shall be submitted to the EPD for review and approval before grading activities begin. Once grading is complete, a SMP report must be submitted to the EPD for final written approval. Building plans will not be approved until the SMP report has been approved by the EPD in writing.
38. Permits and approvals. That the applicant 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 prior to conducting environmental assessment or

remediation on the property. Permits shall be secured prior to beginning work related to the permitted activity.

39. That all 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.
40. That the applicant shall comply with all Federal, State and local requirements and regulations included, but not limited to, the Santa Fe Springs City Municipal Code, California Fire Code, Certified Unified Program Agency (CUPA) programs, the Air Quality Management District's Rules and Regulations and all other applicable codes and regulations.
41. That the applicant shall submit plumbing plans to the Santa Fe Springs Department of Fire-Rescue Environmental Protection Division (EPD) and, if necessary, obtain an Industrial Wastewater Discharge Permit Application for generating, storing, treating or discharging any industrial wastewater to the sanitary sewer.

POLICE SERVICES DEPARTMENT:

(Contact: Luis Collazo 562.409.1850 x3320)

42. That the applicant shall submit and obtain approval of a proposed lighting (photometric) and security plan for the property from the City's Department of Police Services. The photometric plan shall be designed to provide adequate lighting (minimum of 1 foot candle power) throughout the subject 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. The photometric and security plans shall be submitted to the Director of Police Services no later than sixty (60) day from the date of approval by the Planning Commission.
43. That for emergency purposes, the applicant shall provide the name of the construction manager/superintendent, and his contact information to the Department of Police Services. The name, telephone number, fax number and e-mail address of that person shall be provided to the Director of Police Services no later than 60 days from the date of approval by the Planning Commission. Emergency information shall allow emergency service to reach the applicant or their representative any time, 24 hours a day.
44. 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.

45. That the proposed buildings, 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.
46. That during the construction phase of the proposed project, the contractor shall provide an identification number (i.e. address number) at each building and/or entry gate to direct emergency vehicles in case of an emergency. The identification numbers may be painted on wood boards and fastened to the temporary construction fence. The boards may be removed after each building has been identified with their individual permanent number address.
47. That during the construction phase, the developer and/or contractor shall maintain the construction site free of trash and debris where it is not visible from public view. Moreover, all bathroom facilities (outhouses, etc.) shall be placed where they are not visible from the public street.
48. That during the construction phase, the developer and/or contractor shall monitor the site and maintain it clean of any graffiti. Graffiti shall be removed within 72-hours from when it was noticed.
49. That the property owner and/or lease agent shall notify any potential tenant that a city business license is required prior to occupying any portion of the property.
50. That the property owner and/or lease agent shall notify any potential tenants that the parking areas and their respective aisle shall not be reduced or encroached upon with outdoor storage. Moreover, outdoor storage is prohibited at all times. This condition does not apply to Breitburn Operating LP and/or its contractors when servicing wells or their related well equipment
51. That the property manager shall not allow any gardeners or landscaping maintenance crews, or parking sweeping crews to begin their work until after 7:00 a.m. and no later than 7:00 p.m. seven-days per week. This condition does not apply to Breitburn Operating LP and/or its contractors when servicing wells or their related well equipment.
52. That all parking stalls and/or designated on-site parking areas shall be constantly available to all employees during their respective business hours. Parking stalls shall not be sectioned off for reserved or preferred parking. This condition does not apply to Breitburn Operating LP and/or its contractors when servicing wells or their related well equipment.

WASTE MANAGEMENT:

(Contact: Wayne Morrell 562.868.0511 x7362)

53. The applicant shall comply with Section 50.51 of the Municipal Code which prohibits any business or residents from contracting any solid waste disposal company that does not hold a current permit from the City.
54. All projects over \$50,000 are subject to the requirements of Ordinance No. 914 to reuse or recycle 75% of the project waste. Contact the Environmental Consultant, Morgan McCarthy at (562) 432-3700 or (805) 815-2492.
55. The applicant shall comply with Public Resource Code, Section 42900 et seq. (California Solid Waste Reuse and Recycling Access Act of 1991) as amended, which requires each development project to provide adequate storage area for the collection/storage and removal of recyclable and green waste materials.

PLANNING AND DEVELOPMENT DEPARTMENT:

(Contact: Vince Velasco 562.868-0511 x7353)

56. Approval of the subject Development Plan Approval (DPA) Case Nos. 957-962 is still contingent upon approval of Tentative Parcel Map No. 82567, to allow the consolidation of twenty-eight (28) existing parcels that make up the subject property (APN: 8011-002-901, 8011-002-902, 8011-002-903, 8011-003-955, 8011-003-956, 8011-003-957, 8011-003-958, 8011-003-959, 8011-003-960, 8011-003-061, 8011-003-962, 8011-003-963, 8011-003-964, 8011-003-965, 8011-003-966, 8011-003-967, 8011-003-968, 8011-003-969, 8011-003-970, 8011-003-971, 8011-003-972, 8011-003-973, 8011-003-974, 8011-003-975, 8011-003-976, 8011-003-977, 8011-003-978, and 8011-003-979) into a single parcel measuring ±8.68 acres, and Zone Change Case No. 138, to change the zoning designation of the subject ±8.68 acre site, from M-2 (Heavy Manufacturing) to M-2-PD (Heavy Manufacturing – Planned Development).
57. To prevent the travel of combustible methane gas into any structure, all slab or foundation penetrations, including plumbing, communication and electrical penetrations, must be sealed with an appropriate material. In addition, underground electrical conduits penetrating the slab or foundation of the structure, shall comply with the National Electrical Code (NEC), replete with a seal-off device normally required for classified electrical installations, so as to prevent the travel of combustible methane gas into the structure through conduit runs. Refer to California Electrical Code, Chapter 5, Sections 500 and 501.
58. If the subject property is deemed to be located within the "Methane Zone" by the City of Santa Fe Springs Planning Department, the owner/developer shall indicated the subject property is located within the Methane Zone on the first page of the building construction plans. Said indication shall be clearly painted with a minimum front size of 20 point.

59. The Mitigation Monitoring and Reporting Program, which was prepared for the proposed project and adopted by the Planning Commission upon completion of the Initial Study/Mitigated Negative Declaration, shall be made part of the conditions of approval for the subject development. The Mitigation Monitoring and Reporting Program is listed as an attachment to the staff report.
60. Applicant shall be responsible for implementing mitigation measures pursuant to the Mitigation Monitoring and Reporting Program and provide all necessary documentation. Planning Department staff will verify compliance prior to the issuance of the Certificate of Occupancy. *On-going monitoring shall be reported to the City every six (6) months.*
61. During construction, the following information shall be made available on a sign posted at the main entrance(s) to the site:
- a) Name of the development/project.
 - b) Name of the development company.
 - c) Address or Address range for the subject site.
 - d) 24-hour telephone number where someone can leave a message on a particular complaint (dust, noise, odor, etc.)
62. The applicant, PPF Industrial, LLC, shall implement a dust control program for air quality control. The program shall ensure that a water vehicle for dust control operations is kept readily available at all times during construction. The developer shall provide the City Engineer and Building Official with the name, telephone number and e-mail address of the person directly responsible for dust control and operation of the vehicle.
63. Secure fencing around the construction site with locking gates and appropriate lighting shall be installed during construction to prevent trespassing and theft.
64. It shall be unlawful for any person to operate equipment or perform any outside construction or repair work on buildings, structures, or projects, other than emergency work, between 7:00 p.m. on one day and 7:00 a.m. of the following day, if such maintenance activity produces noise above the ambient levels as identified in the City's Zoning Regulations.
65. Prior to the issuance of Building Permits, the applicant shall obtain an Office Trailer Permit for the use of mobile office trailers during the construction process.
66. Except as described in Section 155.462 of the City's Zoning Regulations, the applicant agrees and understands that all electrical distribution lines of 16,000 volts or less, telephone, cable antenna television and similar service wires or cables, which provide direct service to the property being developed shall be placed underground.
67. Applicant shall provide for appropriate cable television systems and for communication systems, including but not limited to, telephone and internet services to each building in

the subdivision. The applicant is responsible for complying with this requirements and shall make necessary arrangements with each of the serving utilities, including licensed cable television operators and other video service providers for the installation of these facilities.

68. The Department of Planning and Development requires that the double-check detector assembly be placed as far back as practical, screened by shrubs or other materials, and painted forest green. All shrubs shall be planted a minimum distance of two (2) feet surrounding the detector assembly; however, the area in front of the OS and Y valves shall not be screened. The screening shall also 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. There shall also be a maximum distance of two (2) feet between the lowest part of the ground and the bottom of the valve shut off wheel.
69. Applicant shall comply with the City's "Heritage Artwork in Public Places Program" in conformance with City Ordinance No. 1054.
70. Applicant understands and agrees that all exterior mechanical equipment shall be screened from view on all sides. Additionally, 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 shall be screened by an enclosure which is consistent with the architecture of the building in terms of materials and color and also approved by the Director of Planning or designee. In addition, rooftop mechanical equipment shall be setback a minimum 15 feet from the exterior edges of the building. If full screening of roof mounted equipment is not designed specifically into the building, the applicant shall submit mechanical plans that includes a roof plan showing the location of all roof mounted equipment and any proposed screening prior to submitting plans to the Building Division for plan check.
 - a. To illustrate the visibility of equipment and/or duct work, the following shall be submitted along with the Mechanical Plans:
 - i. A roof plan showing the location of all roof-mounted equipment;
 - ii. Elevations of all existing and proposed mechanical equipment; and
 - iii. A building cross-section drawing which shows the roof-mounted equipment and its relation to the roof and parapet lines.
71. Applicant shall design and construct meandering sidewalks along the front setback area of Romandel Avenue. Said meandering sidewalks must be reviewed and approved by the Planning Department and Public Works Department prior to construction.
72. Applicant 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, existing and proposed, to be used, shrubs designed to fully screen the interior yard and parking areas from public view, and 24"

box trees along the street frontage. *Said plans shall be consistent with AB 1881 (Model Water Efficient Landscape Ordinance).*

73. The landscaped areas shall be provided with a suitable, fixed, permanent and automatically controlled method for watering and sprinkling of plants. This operating sprinkler system shall consist of an electrical time clock, control valves, and piped water lines terminating in an appropriate number of sprinklers to insure proper watering periods and to provide water for all plants within the landscaped area. Sprinklers used to satisfy the requirements of this section shall be spaced to assure complete coverage of all landscaped areas. *Said plan shall be consistent with AB 1881 (Model Water Efficient Landscape Ordinance).*
74. The applicant, PPF Industrial, LLC, shall submit a lighting program that is integrated into the overall site, landscape design and building design. Lighting shall be used to highlight prominent building features such as entries and other focal points. Up-lighting can also be used as a way to enhance the texture of plants and structures, to create a sense of height in a landscape design.
75. Landscaping shall be provided between Buildings 3 & 6 in a manner that will screen all dock doors and loading activities from both Telegraph Road & Romandel Avenue. Any proposed landscaping shall first be reviewed and approved by the Director of Planning or designee.
76. Prior to the issuance of building permits, the applicant (PPF Industrial, LLC) shall provide proof of request from Breitburn Operating LP for the installation and use of grasscrete where deemed appropriate on the subject property. The final location and overall quantity of grasscrete shall be determined by a mutual agreement between the City of Santa Fe Springs, PPF Industrial, LLC, and Breitburn Operating LP.
77. Upon completion of the new landscaping, the required landscaped areas shall be maintained in a neat, clean, orderly and healthful condition. This is meant to include proper pruning, mowing of lawns, weeding, removal of litter, fertilizing, and replacement of plants when necessary and the regular watering of all plantings.
78. Prior to plan check submittal, the applicant shall submit plans to the Planning Department for review and approval of all private open space areas for the development. At minimum, the proposal (plan) shall include the size and location of the dedicated spaces, as well as, identify the proposed features and/or amenities. Such features shall include, but are not limited to, conceptual landscaping, seating areas, etc.
79. The electrical plans, which show the location of electrical transformer(s), shall be subject to the approval of the Planning Department. Transformers shall not be located within the front yard setback area. The location of the transformer(s) shall be subject to the prior approval of the Director of Planning and Development or designee. The electrical transformer shall be screened with shrubs consistent with Southern California Edison's Guidelines which requires three (3) foot clearance on sides and back of the

equipment, and eight (8) foot clearance in front of the equipment. Additionally, the landscaping irrigation system shall be installed so that they do not spray on equipment. A copy of the Guideline is available at the Planning Department.

80. All activities shall occur inside the building(s). No portion of the required off-street parking and driveway areas 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, Director of Police Services and the Fire Marshall.
81. The proposed grade level roll-up doors located at the rear of Buildings 3 & 6 shall only be used for forklift access and shall not be utilized for truck loading and unloading at any time.
82. 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 would 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.
83. All fences, walls, gates and similar improvements for the proposed development shall be subject to the prior approval of the Department of Fire-Rescue and the Department of Planning and Development.
84. There shall be no roof-mounted mechanical equipment and/or duct work which projects above the roof or roof parapet of any of the proposed buildings and visible from a public street.
85. The Department of Planning and Development shall first review and approve all sign proposals for the development. The sign proposal (plan) shall include a site plan, building elevation on which the sign will be located, size, style and color of the proposed sign. All drawings shall be properly dimensioned and drawn to scale on 11" x 17" maximum-size paper. All signs shall be installed in accordance with the sign standards of the Zoning Ordinance and the Sign Guidelines of the City.
86. Pursuant to the sign standards of the Zoning Regulations and related Sign Guidelines of the City of Santa Fe Springs, a comprehensive Sign Program for the development shall be prepared and submitted to the Director of Planning (or designee) for approval prior to obtaining a building permit for any signs related to the subject development. All signs throughout the subject site shall be installed in accordance with the approved comprehensive Sign Program for the subject development.
87. Sufficient number of approved outdoor trash enclosures shall be provided for the development subject to the approval of the Director of Planning or designee. The calculation to determine the required storage area is: 1% of the first 20,000 sq ft of floor area + ½% of floor area exceeding 20,000 sq ft, but not less than 4 ½ feet in width nor than 6 feet in height. (*Calculations are subject to change*). Further, all trash enclosures shall be designed to architecturally integrate with the overall design theme of the

development. Trash enclosures should be provided with a trellis (or other covered structure) and also provided with vines (if located adjacent to or within a landscaped area) to help minimize the visual impact of said enclosures. Additionally, said enclosure shall be consistent with the County of Los Angeles Building Code requirements, and specifically Title A, Division 7, Section 7313.

88. Applicant shall not allow commercial vehicles, trucks and/or truck tractors to queue on Romandel Avenue or Telegraph Road, use street(s) as a staging area, or to backup onto the street from the subject property.
89. The proposed building shall be constructed of quality material and any material shall be replaced when and if the material becomes deteriorated, warped, discolored or rusted.
90. 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.
91. The applicant, PPF Industrial, LLC, shall provide a bulletin board, display case, or kiosk to display transportation information where the greatest number of employees are likely to see it. In formation shall include, but is not limited to, the following:
 - a) Current maps, routes and schedules for public transit routes serving the site; and
 - b) Telephone numbers for referrals on transportation information including numbers for the regional ridesharing agency and local transit operators; and
 - c) Ridesharing promotional material supplied by commuter-oriented organizations; and
 - d) Bicycle route and facility information, including regional/local bicycle maps and bicycle safety information; and
 - e) A listing of facilities available for carpoolers, vanpoolers, bicyclists, transit riders and pedestrians at the site.
92. A minimum of 187 parking stalls shall be provided and continually maintained on-site at all times. Said parking stalls shall be legibly marked off on the pavement, showing the required parking spaces. Additionally, all compact spaces shall be further identified by having the words "compact" or comparable wording legibly written on the pavement, wheel stop or on a clearly visible sign.
93. 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. Covenants.
 1. Applicant shall provide a written covenant to the Planning Department that, except as owner/developer may have otherwise disclosed to the City, Commission, Planning Commission or their employees, in writing, owner/developer 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. Applicant shall provide a written covenant to the City that, based on reasonable investigation and inquiry, to the best of applicant'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.
 - b. Applicant 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.
 - c. Applicant 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.
94. Applicant shall be responsible for ensuring that information contained in construction drawings and/or landscape & irrigation plans are consistent among architectural, structural, electrical, mechanical, plumbing, fire, utility and public improvement plans as well as other civil drawings. This responsibility may be transferred by the applicant to the project architect. While the City aims to correct inconsistencies, it is the ultimate responsibility of the applicant/project architect to remedy, up to and including completion of construction revisions prior to receiving final occupancy approvals.

95. Applicant shall clarify on the construction drawings that all roof drains (facing the street), shall be provided along the interior walls and not along the exterior of the building.
96. Applicant shall be responsible for reviewing and/or providing copies of the required conditions of approval to his/her architect, engineer, contractor, tenants, etc. Additionally, the conditions of approval contained herein, shall be made part of the construction drawings for the proposed development. *Construction drawings shall not be accepted for Plan Check without the conditions of approval incorporated into the construction drawings.*
97. Prior to occupancy of the property/building, the applicant, and/or his tenant(s), shall obtain a valid business license (AKA Business Operation Tax Certificate), and submit a Statement of Intended Use. Both forms, and other required accompanying forms, may be obtained at City Hall by contacting the Finance Department at (562) 868-0511, extension 7520, or through the City's web site (www.santafesprings.org).
98. Applicant shall require and verify that all contractors and sub-contractors have successfully obtained a Business License with the City of Santa Fe Springs prior to beginning any work associated with the subject project. A late fee and penalty will be assessed to any contractor or sub-contractor that fails to obtain a Business License and a Building Permit final or Certificate of Occupancy will not be issued until all fees and penalties are paid in full. Please contact the Finance Department, at (562) 868-0511, extension 7520 for additional information. A business license application can also be downloaded at www.santafesprings.org.
99. 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.
100. 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.
101. Applicant understands if changes to the original plans (submitted and on file with the subject case) are required during construction, revised plans must be provided to the planning department for review and approval prior to the implementation of such changes. *It should be noted that certain changes may also require approvals from other departments.*
102. The applicant, PPF Industrial, LLC, 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 arising from or in any way related to all entitlements and approvals issued by the City in connection with the Project and from any CEQA challenges relating to the environmental review and determination for the Project, or any actions or operations conducted pursuant thereto. Should the City, its agents, officers or employees receive

notice of any such claim, action or proceeding, the City shall promptly notify the applicant of such claim, action or proceeding, and shall cooperate fully in the defense thereof.

103. All other requirements of the City's Zoning Regulations, Building Code, Property Maintenance Ordinance, State and City Fire Code and all other applicable County, State and Federal regulations and codes shall be complied with.
104. It is hereby declare to be the intent that if any provision of this Approval is violated or held to be invalid, or if any law, statute or ordinance is violated, this Approval shall be void and the privileges granted hereunder shall lapse.
105. All otherwise specified in the action granting Development Plan Approval, said approval which has not been utilized within a period of 12 consecutive months from the effective date shall become null and void. Also, the abandonment or nonuse of a Development Plan Approval for a period of 12 consecutive months shall terminate said Development Plan Approval and any privileges granted thereunder shall become null and void. However, an extension of time may be granted by Commission or Council action.

Exhibit B – Conditions of Approval

Tentative Parcel Map No. 82567

Telegraph Road & Romandel Avenue (APNs: 8011-002-901, 8011-002-902, 8011-002-903, 8011-003-955, 8011-003-956, 8011-003-957, 8011-003-958, 8011-003-959, 8011-003-960, 8011-003-061, 8011-003-962, 8011-003-963, 8011-003-964, 8011-003-965, 8011-003-966, 8011-003-967, 8011-003-968, 8011-003-969, 8011-003-970, 8011-003-971, 8011-003-972, 8011-003-973, 8011-003-974, 8011-003-975, 8011-003-976, 8011-003-977, 8011-003-978, and 8011-003-979)

CONDITIONS OF APPROVAL

ENGINEERING / PUBLIC WORKS DEPARTMENT

(Contact: Robert Garcia 562.868-0511 x7545)

1. Final parcel map checking of \$4,970 plus \$295 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.
2. The applicant 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.

PLANNING AND DEVELOPMENT DEPARTMENT:

(Contact: Vince Velasco 562.868-0511 x7353)

3. Approval of Tentative Parcel Map No. 82567 is subject to compliance with the provisions of the Mitigation Monitoring and Reporting Program (MMRP) which was prepared for the proposed project and adopted by the Planning Commission upon completion of the Initial Study/Mitigated Negative Declaration. The MMRP has been made part of the conditions of approval and is also listed as an attachment to the staff report.
4. Applicant shall provide for appropriate cable television systems and for communication systems, including but not limited to, telephone and internet services to each building in the subdivision. The applicant is responsible for complying with this requirements and shall make necessary arrangements with each of the serving utilities, including licensed cable television operators and other video service providers for the installation of these facilities.

5. The Final Map to be recorded with the Los Angeles County Recorder shall substantially conform to the Tentative Parcel Map submitted by the applicant and on file with the case.
6. Currently, the County of Los Angeles Department of Public Works is utilizing a computerized system to update and digitize the countywide land use base. If the parcel map is prepared using a computerized drafting system, the applicant or their civil engineer shall submit a map in digital graphic format with the final Mylar map to the County of Los Angeles Department of Public Works for recordation and to the City of Santa Fe Springs Department of Public Works for incorporation into its GIS land use map. The City of Santa Fe Springs GIS Coordinate System shall be used for the digital file.
7. Tentative Parcel Map No. 82567 shall expire 24 months after Planning Commission approval, on February 12, 2021, except as provided under the provisions of California Government Code Section 66452.6. During this time period the final map shall be presented to the City of Santa Fe Springs for approval. The consolidation proposed by Tentative Parcel Map No. 82567 shall not be effective until such time that a final map is recorded.
8. As a condition for approval for Tentative Parcel Map No. 82567, the "Consolidator," PPF Industrial, LLC, 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 the subdivision when action is brought within the time period provided for in Government Code, Section 66499.37. Should the City, its agents, officers or employees receive notice of any such claim, action or proceeding, the City shall promptly notify subdivider of such claim, action or proceeding and shall cooperate fully in the defense thereof.
9. Applicant shall comply with Government Code Section 66436 (a)(3) before approval of the final map, and shall provide "no objection" letters from the public entity or utility to the satisfaction of the City Engineer.
10. All other requirements of the City's Zoning Regulations, Building Code, Property Maintenance Ordinance, State and City Fire Code and all other applicable County, State and Federal regulations and codes shall be complied with.

11. It is hereby declare to be the intent that if any provision of this Approval is violated or held to be invalid, or if any law, statute or ordinance is violated, this Approval shall be void and the privileges granted hereunder shall lapse.

ATTACHMENT #4

ORDINANCE NO. 1100

AN ORDINANCE OF THE CITY OF SANTA FE SPRINGS
APPROVING ZONE CHANGE CASE NO. 138 TO CHANGE THE ZONING DESIGNATION
FOR AN 8.68-ACRE PROPERTY, FROM M-2 (HEAVY MANUFACTURING) TO M-2-PD
(HEAVY MANUFACTURING – PLANNED DEVELOPMENT OVERLAY).

THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS DOES HEREBY
ORDAIN AS FOLLOWS:

Section I. The City Council hereby approves and adopts an Initial Study/Mitigated Negative Declaration through its own independent judgment and analysis based on public testimony, the recommendation of the Planning Commission and the environmental consultant, Blodgett/Baylosis Environmental Planning.

Section II. Attached hereto and, by this reference, made a part hereof, is a map entitled "Exhibit A – Summary of Changes." The property which is the subject of this Ordinance is shown on said map as currently being in the M-2, Heavy Manufacturing, Zone.

Section III. Title 15 of the Code of Ordinances of the City of the City of Santa Fe Springs, which chapter is the Zoning Ordinance of the City, is amended by placing the property shown upon Exhibit A as being in the M-2-PD, Heavy Manufacturing – Planned Development Overlay, Zone.

Section IV. The City Clerk shall certify to the adoption of this Ordinance, and shall cause the same to be posted in at least three (3) public places in the City, such posting to be completed no later than fifteen (15) days after passage hereof.

PASSED, APPROVED AND ADOPTED THIS _____ DAY OF MARCH, 2019.

AYES:
NOES:
ABSENT:

MAYOR

ATTEST:

CITY CLERK



City of Santa Fe Springs

City Council Meeting

March 28, 2019

NEW BUSINESS

FY 2017-18 Financial Year-End Review

RECOMMENDATION

That the City Council:

- Amend the fiscal year 2018-19 budget to authorize the transfer of \$173,700 from the General Fund to the Insurance Stabilization Fund.
- Amend the fiscal year 2018-19 budget to authorize the transfer of \$445,000 from the General Fund to the Employee Benefits Fund.
- Amend the fiscal year 2018-19 budget to authorize the transfer of \$1,000,000 from the General Fund to the Prefunded Capital Improvement Projects (CIP) Fund.
- Direct City staff to establish a General Fund reserve for unfunded liability contributions in the amount of \$1,000,000.
- Direct City staff to adjust the General Fund economic uncertainty reserve to \$1,000,000 and apply any remaining balance from the fiscal year 2017-18 year-end results to the General Fund unassigned reserve account.
- Direct City staff to apply the entire residual Water Fund balance from the fiscal year 2017-18 year-end results to the Water CIP Reserve Fund (approximately \$845,500).

BACKGROUND

As part of the City's annual fiscal year-end procedures, staff compiles an "unaudited" recap of the City's actual General Fund and Water Fund revenues and operating expenditures compared to the final estimated budget for the year. The recap is instrumental in helping staff assess prior year revenues/expenditures and incorporate that information into future budget estimates. The complete year-end audited figures are included in the full Comprehensive Annual Financial Report (CAFR), which is also being brought to the City Council this meeting.

"Actual vs. Budget" Information

Although the fiscal year comes to a close each June 30th, all corresponding revenue and expenditure information is typically not fully available until late September. There is an inherent delay in receiving various revenues and invoices for payment, some of which come from the State or County.

For fiscal year 2017-18 additional delays resulted from the implementation of the new Tyler MUNIS financial system in early 2018. Additionally, with the changes to the City Council and composition of the Finance Subcommittee members, this report was put on hold until the results could be reviewed with the new



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Subcommittee members.

Attached are revenue and expenditure summaries illustrating comparisons between budgeted and actual figures. Across the General Fund, the actual year-end financial information is favorable for both budgeted revenue and operating expenditure estimates. Revenues are very slightly higher than anticipated and expenditures are less than the amounts budgeted by 4.6%. The City also received \$2.5 million in loan repayments from the Successor Agency in June 2018. All combined, this resulted in an overall increase in available funds of \$3.3 million.

The Water Fund experienced positive variances for budgeted revenues while operating expenditure exceeded budget estimates. Revenues exceeded the final budget by 3.2%, while expenditures are .4% over budget. The overall increase to available fund balance is approximately \$845,500.

Following is a brief narrative describing some of the key components in the attachments:

GENERAL FUND

Revenues

Overall, General Fund revenues were approximately 1.6% higher than anticipated. At \$45.9 million, revenues exceeded the budget estimate by approximately \$742,000. Most notably, Sales Taxes were \$436,000 higher than budget. Utility Users Taxes, Franchise Taxes, and Property Taxes and were also \$99,000, \$144,000, and \$191,000 higher, respectively, than budgeted.

Use of Money, Property, & Other revenues fell short of the final budget by \$169,000. This was primarily the result of unrealized losses on the City's investment portfolio. Accounting principles require investments to be adjusted to market value on the City's books each year, however, it is important to point out that market values of the investments fluctuate on a daily basis and a loss is not actually realized unless the investment is sold for less than it was purchased. Typically, investments are held for the long-term and the City continues to receive regular interest payments on the investments even when the market value may have declined from the original purchase value. Excluding the unrealized losses, actual interest earnings received amounted to \$551,000 compared to a budget of \$450,000 and a prior year amount of \$378,000.

While overall revenues slightly exceeded the final budget, the revenue budget was lowered by nearly \$750,000 from the original figures included as part the FY 2016-17 and FY 2017-18 two-year budget amounts. While the major revenue categories have remained flat to slightly increasing, we have not seen increases which keep pace with the increasing level of operating expenditures. It is important to monitor



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these sources as a potential indicator of upcoming economic conditions. Sales tax revenues represent nearly 56% of the City's General Fund revenues while UUT accounts for approximately 14%.

Operating Expenditures

Overall in the General Fund, operating department expenditures totaled \$43.0 million, providing a savings of approximately \$2.1 million (4.6%) compared to the budgeted figures. Although there were customary actual-to-budget departmental fluctuations, all departments (except General Government and Overhead Recovery) realized savings. The Fire-Rescue Department realized savings of over \$978,000 through significant labor savings and operations/maintenance savings throughout each of the Fire-Rescue activities, while the Public Works Department savings totaled approximately \$375,000. The Planning Department realized over \$295,000 through higher than anticipated building fee collections, while the Community Services Department savings totaled approximately \$276,000. The Police Services and Finance & Administrative Services Departments also saw savings of \$254,000 and \$183,000, respectively.

Summary

Below is a summary comparing the General Fund's budgeted vs. actual year-end figures followed by a discussion of recommended uses of the available balance.

GENERAL FUND	Final Budget	Actual*
Revenues (see attachment for details)	\$45,132,000	\$45,873,747
Operating Expenditures (see attach. for details)	45,088,000	43,000,080
Transfers/Non-Recurring	2,570,800	2,577,044
Total Uses	47,658,800	45,577,124
Operational Surplus/(Deficit)	\$(2,526,800)	\$ 296,623
Loan Repayments/Other	2,526,800	3,000,573
Net Increase in Available Fund Balance	\$ -	\$3,297,196

*Unaudited figures

Available Fund Balance

The prior year's (FY 2016-17) audited financial statements reflected \$21.9 million in the General Fund's available/unassigned fund balance. For FY 2017-18, the increase was assigned to the General Fund reserve for economic uncertainties. There was a slight decrease in the available/unassigned balance to \$21.7 million due to the carryover of approximately \$160,000 in pending equipment purchases



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that were ordered during FY 2017-18 but were not received by the City before the fiscal year-end (fund balance assigned for encumbrances).

Recommended Uses for General Fund Balance

Several recommendations are proposed to allocate the funds added to the economic uncertainty reserve and are discussed below:

- 1) Amend the fiscal year 2018-19 budget to authorize the transfer of \$173,700 from the General Fund to the Insurance Stabilization Fund. This amount was transferred into the General Fund risk management activity during FY 2017-18 in order to offset insurance costs. This recommendation will restore these funds to the Insurance Stabilization Fund where they can be used to help offset increases in future insurance contribution costs.
- 2) Amend the fiscal year 2018-19 budget to authorize the transfer of \$445,000 from the General Fund to the Employee Benefits Fund. This amount was transferred into the General Fund non-recurring activity during FY 2017-18 to offset costs associated with employee separations (primarily vacation/flex leave payoffs). This recommendation will restore these funds to the Employee Benefits Fund where they can be used to offset future employee separation costs.
- 3) Amend the fiscal year 2018-19 budget to authorize the transfer of \$1,000,000 from the General Fund to the Prefunded CIP Fund. The planned FY 2017-18 funding was cut by this amount in order to help balance the General Fund budget. This recommendation will restore the full annual planned funding for the CIP Fund.
- 4) Direct City Staff to establish a General Fund reserve for unfunded liability contributions in the amount of \$1,000,000. Staff recommends the establishment of an Internal Revenue Code (IRC) Section 115 trust in order to set aside funds which can be used for contributions towards the City unfunded pension liability with the California Public Employees Retirement System (CalPERS).
- 5) Direct City Staff to adjust the General Fund economic uncertainty reserve to \$1,000,000 and apply any remaining balance from the fiscal year 2017-18 year-end results to the General Fund unassigned reserve account. As noted previously, the FY 2017-18 increase of \$3.3 was allocated to the economic uncertainty reserve for purposes of closing out the audit for FY 2017-18. The economic uncertainty reserve was \$530,000 as of June 30, 2017. This recommendation would increase the reserve by \$470,000 to \$1.0 million.

If these recommendations are enacted, the General Fund unassigned/available fund balance will amount to \$21.9 million, unchanged from the balance at June 30, 2017. This equates to approximately 37% of FY 2017-18 expenditures, in line with the City Council policy of maintaining a 40% reserve. The actions recommended



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above are also consistent with the City Council policy to use one-time funds for one-time purposes and not ongoing operations.

WATER FUND

Revenues

In the Water Fund, revenues exceeded the budget by approximately \$388,000 or 2.9% of the budget. This was largely due to metered water sales increasing greater than anticipated during the fiscal year, coming in \$238,000 over budget. Additionally, other revenues exceeded the budget by approximately \$113,000 primarily from trunk line connection charges while interest earnings exceeded the budget by approximately \$37,000.

Operating Expenditures

The Water Fund expenditures exceeded the budget by approximately \$52,000 or 0.4% of the budget. Variances were noted in the administration, billing, backflow, distribution system maintenance and production system maintenance activities. Some activities reported savings while others exceeded their budget. The variances generally relate to differences in the way labor was charged to the activities vs. the way it was allocated in the budget. Taken together, the activities reported overall savings of approximately \$19,000. The water purchases activity exceeded the budget by approximately \$39,000 primarily related to higher volume of water purchases consistent with the increase noted in meter water sales revenue. The Debt Service activity exceeded the budget for interest expense by \$32,000 due to the accrual of interest payable as of the end of the fiscal year.

Summary

Below is a summary comparing the Water Fund's budgeted vs. actual year-end figures followed by a discussion of the recommended use of the available balance.

WATER FUND	Final Budget	Actual*
Revenues (see attachment for details)	\$13,295,900	\$13,684,003
Operating Expenditures (see attach. for details)	11,788,100	11,840,541
Operational Surplus/(Deficit)	\$ 1,507,800	\$ 1,843,462
CIP Set-Aside	\$(1,507,800)	\$(1,507,800)
Accrual Basis Accounting Adjustments	\$ -	\$ 509,834
Adjusted Increase in Available Fund Balance	\$ -	\$ 845,496

*Unaudited figures



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Available Fund Balance

The Water Fund reported a beginning available fund balance of \$2.9 million**. For FY 2017-18, if no further action is taken by the City Council, the net increase in available balance of \$845,496 would be added to the Water Fund's available balance, bringing the new total to approximately \$3.7 million. In addition to the available balance, the Water Fund maintains a CIP Reserve Fund and Equipment Replacement Reserve Fund. The current balances of the reserve funds are \$6.0 million and \$683,000, respectively.

** The available balance does not correspond directly to the City's annual audit report due to the Water Fund being reported on a full-accrual basis of accounting. Under full-accrual accounting long-term assets and liabilities are included in the financial statements. Therefore, the reported available balance is net of these long-term balances and does not reflect the currently available resources, as is the case with the General Fund.

The most significant of these balances is the Net Pension and OPEB liabilities which total \$13.3 million. These liabilities represent the Water Fund's share of the overall City's unfunded pension and OPEB liabilities which will be repaid over the long-term through annual contributions to the pension fund and payment of retiree insurance benefits. It is not uncommon for water or other enterprise type entities to report negative net assets as a result of this liability, while still maintaining cash reserves available to support near-term operations.

Recommended Use for Water Fund Balance

Based on significant capital needs of the Water Fund, staff recommends allocating the increase in available fund balance of \$845,496 to the CIP reserve. Added to the \$6.0 million current balance, the fund will be approximately \$6.8 million.

Based on the recent discussions of water infrastructure needs and available funding for necessary projects, the additional funds will be critical to the long-term improvement of the water system. City Staff will continue to work with the Council CIP Subcommittee and bring individual projects to the City Council for approval.

Future Outlook

As discussed above, overall, the City and Water Funds experienced positive results for FY 2017-18. Both funds are reporting residual balances due to revenues in excess of the budget and the General Fund reported expenditures less than the budget, while the Water Fund expenditures were less than ½% over budget. However, there are a number of issues to call to the City Council's attention as we look to the future. Among the most significant are:

- The passage of Measure Y in November 2018 was a significant step in correcting the City structural budget deficit. The tax becomes effective April



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1, 2019 and is expected to produce revenues in the first 5 years in excess of anticipated cost increases before they are fully realized. A well-defined plan for use of these funds is extremely critical to positioning the City for long-term financial sustainability.

- Other General Fund revenues are mostly flat and are not anticipated to increase substantially in the next several years. Although there is no expectation of a recession in the very near-term, it is just a matter of time before the next recession hits. Revenues are expected to be flat in the current environment, with the results expected to be much worse in a recessionary environment.
- CalPERS contributions are expected to increase over \$7 million between FY 2017-18 and FY 2022-23. These projections are based on currently available data and will be adjusted each year based on actual results experienced by CalPERS. If investment performance does not meet expectations, the rates could climb even higher. The CalPERS contributions issue affects both the General Fund and Water Fund.
- Funding for infrastructure will continue to be an issue in the coming years. While the General Fund has a pool of resources to fund current projects through the Prefunded and Bond Funded Capital Projects Funds, the City will be challenged to continue to set funding aside on an ongoing basis. In the Water Fund, infrastructure needs are acute as well, and while an addition of \$845,000 to the Water CIP Reserve Fund is being proposed tonight, there is no ongoing dedicated revenue source to fund infrastructure projects.

Given the factors outlined above, it is critical for the City to consider other potential sources of revenue, including focusing on economic development projects and reviewing fees/rates for services provided to the public. Every opportunity for cost containment or efficiency in service delivery should be pursued as well. Staff will continue to work with the City Council through the Finance Subcommittee and both Budget Subcommittees to explore not only new revenue options but cost containment strategies as well, with the ultimate outcome of maintaining a structurally balanced budget in the long term.


Raymond R. Cruz
City Manager

Attachment:

Attachment A – General Fund – FY 2017-18 Budget to Actual Summary (Unaudited)
Attachment B – Water Fund – FY 2017-18 Budget to Actual Summary (Unaudited)

Revenues

Type	Final Budget	Actual	Variance: Actual vs. Final Favorable / (Unfavorable)	
			\$	%
Sales Tax	\$ 25,470,000	\$ 25,905,733	\$ 435,733	1.7%
Utility Users Tax	6,425,000	6,523,816	98,816	1.5%
Franchise Tax	2,875,000	3,019,135	144,135	5.0%
Property Tax	3,637,000	3,828,103	191,103	5.3%
Motor Vehicle In Lieu Tax	1,863,000	1,863,969	969	0.1%
Other Taxes	1,678,000	1,718,006	40,006	2.4%
Use of Money, Property, & Other	3,184,000	3,014,985	(169,015)	-5.3%
Total Revenues	45,132,000	45,873,747	741,747	1.6%

Expenditures (Operating Departments)

Department/Activity	Final Budget	Actual	Variance: Actual vs. Final Favorable / (Unfavorable)	
			\$	%
General Government	\$ 1,945,800	\$ 1,955,607	\$ (9,807)	-0.5%
Finance and Admin Svcs.	4,368,000	4,185,279	182,721	4.2%
Police Services	10,819,100	10,565,145	253,955	2.3%
Fire-Rescue	18,134,800	17,156,465	978,335	5.4%
Planning and Development	833,600	537,993	295,607	-35.5%
Public Works				
Engineering	118,500	101,577	16,923	14.3%
Maintenance	6,399,900	6,041,656	358,244	5.6%
Subtotal	6,518,400	6,143,233	375,167	5.8%
Community Services				
Administration	692,400	613,563	78,837	11.4%
Parks and Recreation	2,155,200	1,997,521	157,679	7.3%
Library & Cultural Services	1,612,800	1,637,843	(25,043)	-1.6%
Family & Human Services	1,197,100	1,132,472	64,628	5.4%
Subtotal	5,657,500	5,381,399	276,101	4.9%
Overhead Recovery *	(3,189,200)	(2,925,041)	(264,159)	-8.3%
Total Operating Expenditures	\$ 45,088,000	\$ 43,000,080	\$ 2,087,920	4.6%

* In the budget document, overhead recovery is included within the Finance & Admin. Services Dept.

General Fund - Final FY 2017-18 Budget to Actual Summary (Unaudited)

Other Sources and Uses

Type	Final Budget	Actual	Variance: Actual vs. Final Favorable / (Unfavorable)	
			\$	%
Interfund Transfers	1,452,500	1,452,500	-	0.0%
Non-Recurring	1,118,300	1,124,544	(6,244)	-0.6%
Total Transfers/Non-Recurring	\$ 2,570,800	\$ 2,577,044	\$ (6,244)	-0.2%
Total Before One-Time Sources/Other	\$ (2,526,800)	\$ 296,623	2,823,423	111.7%
Loan Repayments	2,526,800	2,526,810	\$ 10	0.0%
Other Miscellaneous Adjustments	-	473,763	473,763	-
Total Loan Repayments/Other	\$ 2,526,800	\$ 3,000,573	473,773	18.7%
Net Increase in Available Fund Balance	\$ -	\$ 3,297,196	\$ 3,297,196	-

Revenues

Type	Final Budget	Actual	Variance: Actual vs. Final Favorable / (Unfavorable)	
			\$	%
Metered Water Sales	\$ 13,250,000	\$ 13,488,110	\$ 238,110	1.8%
Interest	43,000	80,172	37,172	86.4%
Other	2,900	115,721	112,821	3890.4%
Total Revenues	13,295,900	13,684,003	388,103	2.9%

Expenditures (Operating Departments)

Department/Activity	Final Budget	Actual	Variance: Actual vs. Final Favorable / (Unfavorable)	
			\$	%
Administration	\$ 1,040,900	\$ 1,116,957	\$ (76,057)	-7.3%
Purchases	5,656,200	5,695,698	(39,498)	-0.7%
Billing and Collection	1,024,600	994,456	30,144	2.9%
Backflow	197,000	196,615	385	0.2%
Distribution System Maintenance	1,315,900	1,200,250	115,650	8.8%
Production Facilities Maintenance	806,200	857,203	(51,003)	-6.3%
Debt Service	591,000	623,094	(32,094)	-5.4%
Interfund Transfers	1,156,300	1,156,267	33	0.0%
Total Operating Expenditures	\$ 11,788,100	\$ 11,840,541	\$ (52,441)	-0.4%
Total Revenues Less Expenditures	\$ 1,507,800	\$ 1,843,462	\$ 335,662	-

Other Adjustments

Type	Final Budget	Actual	Variance: Actual vs. Final Favorable / (Unfavorable)	
			\$	%
CIP Set-Aside	(1,507,800)	(1,507,800)	-	0.0%
Total Before Other Adjustments	\$ -	\$ 335,662	\$ 335,662	-
Accrual Basis Accounting Adjustments	-	509,834	\$ 509,834	-
Net Increase in Available Fund Balance	\$ -	\$ 845,496	\$ 845,496	-



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NEW BUSINESS

Presentation and Consideration of the City's Comprehensive Annual Financial Report (CAFR) for the Fiscal Year ending June 30, 2018

RECOMMENDATION

That the City Council receive and file the City's Comprehensive Annual Financial Report (CAFR) for the Fiscal Year ending June 30, 2018

BACKGROUND

The purpose of the City's CAFR is to provide, independently audited, relevant financial information to the City Council, citizens, staff, grant entities, creditors, bond investors, rating agencies, and other concerned readers.

The City's financial statements contained within the CAFR are presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted governmental auditing standards. The statements are reported on a fiscal year basis beginning July 1st and ending June 30th and have been audited by an independent firm of certified public accountants, Lance, Soll, & Lunghard LLP (LSL), to provide reasonable assurance that they fairly present the City's financial condition in all material respects.

In keeping with best practices, the City Council has formed a Finance Subcommittee. Its members worked closely with Staff and LSL throughout the audit process. At the start of the audit cycle the Subcommittee consisted of former Councilmembers Moore and Sarno. At the conclusion of the audit, the Subcommittee consisted of the current members, Councilmembers Zamora and Mora. This is LSL's fifth year auditing the City after being selected through a comprehensive procurement process in the spring of 2014.

In accordance with auditing standards, LSL has also issued an Audit Communication Letter summarizing the results of the audit and a Report on Internal Control and Compliance.

Overall, the City's General Fund Unassigned Reserve balance decreased approximately \$200,000 from \$21.9 million at June 30, 2017 to \$21.7 million at June 30, 2018. The City's General Fund Economic Uncertainty Reserve increased \$3.3 million from \$530,000 at June 30, 2017 to \$3.8 million at June 30, 2018.

In the Water Fund, the Unrestricted Net Assets decreased approximately \$1.5 million from \$332,000 at June 30, 2017 to a deficit \$1.2 million at June 30, 2018. The operating income was \$3.0 million; however, this was overshadowed by the implementation of a new accounting standard which requires reporting the Water



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Fund's full share of the Other Post Employment Benefit (OPEB) liability within the fund. This adjustment resulted in the recognition of an additional \$3.4 million liability. The OPEB liability relates to the cost of retiree health insurance benefits.

Attached is the City's CAFR, Audit Communications Letter, and Report on Internal Control and Compliance.

FISCAL IMPACT

None.


Raymond R. Cruz
City Manager

Attachment(s):

1. Final audited FY 2017-18 CAFR (issued under separate cover)
2. Audit Communication Letter
3. Report on Internal Controls and Compliance



February 22, 2019

To the Honorable Mayor and Members of the City Council
City of Santa Fe Springs, California

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Santa Fe Springs, California (the City) for the year ended June 30, 2018. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 4, 2018. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in the notes to the financial statements.

As described in Note 12 to the financial statements, the City changed its accounting policies related to other postemployment benefits other than pension reporting by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 75, Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions in fiscal year 2017-2018. Accordingly, the cumulative effect of the accounting change as of the beginning of the year is reported in the government-wide statement of activities and the proprietary funds statement of revenues, expenses and changes in net position.

We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the City's financial statements were:

Management's estimates of its net pension liability and net other postemployment benefits liability are based on actuarial valuation specialist assumptions. We evaluated the key factors and assumptions used to develop the net pension liability and net other postemployment benefits liability in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.





To the Honorable Mayor and Members of the City Council
City of Santa Fe Springs, California

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, we detected misstatements as a result of audit procedures which were material, and were subsequently corrected by management. The details of these misstatements are described in a separate letter dated February 22, 2019.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated February 22, 2019.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management discussion and analysis, budgetary comparison information for the General Fund and Low and Moderate Income Housing Asset Fund, the schedules of changes in the net pension liability and related ratios for the agent multiple-employer miscellaneous plan, the schedule of plan contributions for the agent multiple-employer miscellaneous plan, the schedule of proportionate share of the net pension liability for the cost sharing safety plan, the schedule of plan contributions for the cost sharing safety plan, the schedule of changes in the net OPEB liability and related ratios, and the schedule of contributions for OPEB, which are (is) required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for



CPAs AND ADVISORS

To the Honorable Mayor and Members of the City Council
City of Santa Fe Springs, California

consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining and individual nonmajor fund financial statements and schedules and statistical section, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory or statistical sections, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

New Accounting Standards

The following new Governmental Accounting Standards Board (GASB) pronouncements were effective for fiscal year 2017-2018 audit:

GASB Statement No. 75, Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions.

GASB Statement No. 81, Irrevocable Split Interest Agreements.

GASB Statement No. 85, Omnibus 2017.

GASB Statement No. 86, Certain Debt Extinguishment Issues.

The following Governmental Accounting Standards Board (GASB) pronouncements are effective in the following fiscal year audit and should be reviewed for proper implementation by management:

Fiscal year 2018-2019

GASB Statement No. 83, Certain Assets Retirement Obligations.

GASB Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowing and Direct Placements.

Fiscal year 2019-2020

GASB Statement No. 84, Fiduciary Activities.

Fiscal year 2020-2021

GASB Statement No. 87, Leases.



CPAs AND ADVISORS

To the Honorable Mayor and Members of the City Council
City of Santa Fe Springs, California

Restriction on Use

This information is intended solely for the use of the City Council and management of the City and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Lance, Soll & Luyhard, LLP

Brea, California



February 22, 2019

To the Honorable Mayor and Members of the City Council
City of Santa Fe Springs, California

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Santa Fe Springs, California (the City) for the year ended June 30, 2018. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 4, 2018. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

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Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in the notes to the financial statements.

As described in Note 12 to the financial statements, the City changed its accounting policies related to other postemployment benefits other than pension reporting by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 75, Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions in fiscal year 2017-2018. Accordingly, the cumulative effect of the accounting change as of the beginning of the year is reported in the government-wide statement of activities and the proprietary funds statement of revenues, expenses and changes in net position.

We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the City's financial statements were:

Management's estimates of its net pension liability and net other postemployment benefits liability are based on actuarial valuation specialist assumptions. We evaluated the key factors and assumptions used to develop the net pension liability and net other postemployment benefits liability in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.





CPA_s AND ADVISORS

To the Honorable Mayor and Members of the City Council
City of Santa Fe Springs, California

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, we detected misstatements as a result of audit procedures which were material, and were subsequently corrected by management. The details of these misstatements are described in a separate letter dated February 22, 2019.

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For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

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Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management discussion and analysis, budgetary comparison information for the General Fund and Low and Moderate Income Housing Asset Fund, the schedules of changes in the net pension liability and related ratios for the agent multiple-employer miscellaneous plan, the schedule of plan contributions for the agent multiple-employer miscellaneous plan, the schedule of proportionate share of the net pension liability for the cost sharing safety plan, the schedule of plan contributions for the cost sharing safety plan, the schedule of changes in the net OPEB liability and related ratios, and the schedule of contributions for OPEB, which are (is) required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for



To the Honorable Mayor and Members of the City Council
City of Santa Fe Springs, California

consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining and individual nonmajor fund financial statements and schedules and statistical section, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory or statistical sections, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

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CPAs AND ADVISORS

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Lance, Soll & Luyhard, LLP

Brea, California



February 22, 2019

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Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in the notes to the financial statements.

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Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, we detected misstatements as a result of audit procedures which were material, and were subsequently corrected by management. The details of these misstatements are described in a separate letter dated February 22, 2019.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated February 22, 2019.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management discussion and analysis, budgetary comparison information for the General Fund and Low and Moderate Income Housing Asset Fund, the schedules of changes in the net pension liability and related ratios for the agent multiple-employer miscellaneous plan, the schedule of plan contributions for the agent multiple-employer miscellaneous plan, the schedule of proportionate share of the net pension liability for the cost sharing safety plan, the schedule of plan contributions for the cost sharing safety plan, the schedule of changes in the net OPEB liability and related ratios, and the schedule of contributions for OPEB, which are (is) required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for



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consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining and individual nonmajor fund financial statements and schedules and statistical section, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory or statistical sections, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

New Accounting Standards

The following new Governmental Accounting Standards Board (GASB) pronouncements were effective for fiscal year 2017-2018 audit:

GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*.

GASB Statement No. 81, *Irrevocable Split Interest Agreements*.

GASB Statement No. 85, *Omnibus 2017*.

GASB Statement No. 86, *Certain Debt Extinguishment Issues*.

The following Governmental Accounting Standards Board (GASB) pronouncements are effective in the following fiscal year audit and should be reviewed for proper implementation by management:

Fiscal year 2018-2019

GASB Statement No. 83, *Certain Assets Retirement Obligations*.

GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowing and Direct Placements*.

Fiscal year 2019-2020

GASB Statement No. 84, *Fiduciary Activities*.

Fiscal year 2020-2021

GASB Statement No. 87, *Leases*.



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Restriction on Use

This information is intended solely for the use of the City Council and management of the City and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Lance, Soll & Luyhard, LLP

Brea, California



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OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

To the Honorable Mayor and Members of the City Council
City of Santa Fe Springs, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Santa Fe Springs, California, (the City) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 22, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify the following deficiencies in internal control that we consider to be significant deficiencies:

2018-001: Capital Assets Disposals Process

During our capital assets testwork, we noted the City erroneously recorded an asset disposal for an asset with a cost of \$277,270 that had not actually been disposed of. This deficiency could present the risk of misappropriation of assets, however no such misappropriation was identified at this time. We recommend the City to revisit its disposal and review procedures and to implement the appropriate procedures to ensure they are followed and that asset records are accurate.



To the Honorable Mayor and Members of the City Council
City of Santa Fe Springs, California

Management Response: This is an isolated instance where a fully depreciated vehicle was erroneously disposed in the system. The City has revisited the capital assets procedures. The vehicle titles are currently maintained by the Finance Department, while the Fire Department has physical possession of the vehicle and the Public Works Department is the custodian of the inventory records. During the vehicle review period, the Fleet Supervisor is required to provide a listing of obsolete vehicles to the Director of Purchasing for review and approval. Approved requests for vehicle disposals must also be provided to the City Council. Once the vehicle is tagged for disposal, the Director of purchasing will follow the disposition of property procedure with the final action being removing the item from the assets schedule in Finance system. The City believes adequate controls are in place to prevent misappropriation of assets.

2018-002: Revenue Recognition

During our review of due from other governments receivables in the Capital Improvement fund, we noted \$3,747,398 of reimbursable costs incurred for various capital projects for which revenues had been recognized, but for which funding had not yet been requested for reimbursement as of June 30, 2018. This resulted in a restatement of \$2,370,320 for revenues booked in previous years and a reclassification of \$1,377,078 from revenue to unavailable revenue relating to reimbursable costs incurred this fiscal year. We recommend the City request reimbursement in a timely manner and adhere to its revenue recognition standard.

Management Response: The City agrees that there should be a process in place to regularly review receivable balances and request reimbursement in a timely manner and to adhere to our revenue recognition standard. The Finance Department will work with Public Works Department to set up a procedure to periodically review project expenditures and requests for reimbursement.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City's Response to Findings

The City's response to the findings identified in our audit was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.



CPAs AND ADVISORS

To the Honorable Mayor and Members of the City Council
City of Santa Fe Springs, California

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lance, Solt & Loughard, LLP

Brea, California
February 22, 2019



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

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We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Santa Fe Springs, California, (the City) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 22, 2019.

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To the Honorable Mayor and Members of the City Council
City of Santa Fe Springs, California

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CPA_s AND ADVISORS

To the Honorable Mayor and Members of the City Council
City of Santa Fe Springs, California

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Lance, Solt & Loughard, LLP

Brea, California
February 22, 2019



City of Santa Fe Springs

City Council Meeting

ITEM NO. 15

March 28, 2019

NEW BUSINESS

Adoption of Ordinance No. 1099

An Ordinance of the City of Santa Fe Springs adopting Development Agreement No. 01-2019 by and between the City of Santa Fe Springs and General Outdoor Advertising.

RECOMMENDATIONS

That the City Council:

- Adopt Ordinance No. 1099 to approve Development Agreement No. 01-2019 by and between the City of Santa Fe Springs and General Outdoor Advertising.

BACKGROUND

Ordinance No. 1099 was introduced and passed its first reading at the March 14, 2019 City Council meeting. At that meeting the City Council also adopted a Negative Declaration and approved Conditional Use Permit Case No. 792 to allow the construction and operation of a new 50-foot tall V-Shape digital billboard with 14' x 48' display areas located at 13060 Firestone Boulevard (APN: 7005-001-019). Ordinance No. 1036, adopted in November 2012, requires all billboards to have a valid Conditional Use Permit and a Development Agreement, therefore approval of Development Agreement 01-2019 is required before the billboard at 13060 Firestone Boulevard can be built.

DEVELOPMENT AGREEMENT

A city's exercise of its power to enter into a development agreement is a legislative act; therefore development agreements must be approved by ordinance. Under California Law Government Code Sections 65864 et seq. ("Development Agreement law") cities can enter into binding development agreements with persons having a legal or equitable interest in real property for the development of such property, all for the purposes of strengthening the public planning process, encouraging private participation and comprehensive planning and identifying economic costs of such development.

The applicant has worked with city staff to finalize the terms of the development agreement required by Ordinance No. 1036. The attached Development Agreement 01-2019 by and between the City of Santa Fe Springs and General Outdoor Advertising represents the outcome of the negotiations.

If approved by City Council, Ordinance No. 1099 would effectuate the development agreement. Said development agreement would set forth the rules and regulations under which the proposed billboard would be allowed. The main points of Development Agreement 01-2019 are as follows:

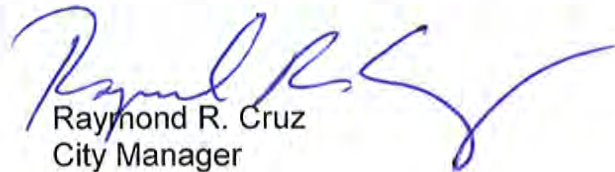
1. The Developer pays an annual development fee to the City to mitigate potential impacts of the Development on the City and surrounding community. The

Report Submitted By: Laurel Reimer
Department of Planning & Development

Date of Report: March 21, 2019

potential impacts of the Development on the City and surrounding community are difficult to identify and calculate. The developer and the City agree that an annual development fee paid by the developer to the City would adequately mitigate all such potential impacts. The parties, therefore, agree that the developer shall pay an annual development fee to the City ("Development Fee"). The initial Development Fee for the Site shall be One Hundred Thousand and No/100 Dollars (\$100,000.00), and shall be increased in an amount equal to the Development Fee payable during the preceding year increased by three percent (3%) on subsequent Anniversary Dates. For any calendar year of the Term, the "Alternative Development Fee" shall be an amount equal to nine percent (9%) of the Gross Revenue made from the digital displays on the Site during the preceding calendar year of the Term. If during any particular year of the Term the Alternative Development Fee calculation is higher than the Development Fee calculation with the 3% increase at the time of calculating the Revenue Report, the developer shall include along with the Revenue Report a payment corresponding to the Alternative Development Fee. Notwithstanding, all fee related criteria is outlined in Development Agreement 01-2019.

2. The Developer is prohibited from utilizing any of the displays on the new digital billboard to advertise tobacco, marijuana, hashish, "gentlemen's clubs", adult entertainment businesses, sexually oriented materials, or use sexually oriented images or language, or as may be prohibited by any City ordinance.
3. The City Council has the right to review the Agreement annually, or may, in its sole and absolute discretion, order a special review for compliance with the Agreement at any time at the City's sole cost ("Special Review"). Developer shall cooperate with the City in the conduct of such any Special Review.



Raymond R. Cruz
City Manager

Attachments:

1. Ordinance No. 1099
2. Development Agreement 01-2019

Attachment 1: Ordinance No. 1099

ORDINANCE NO. 1099

AN ORDINANCE OF THE CITY OF SANTA FE SPRINGS ADOPTING A DEVELOPMENT AGREEMENT BY AND BETWEEN THE CITY OF SANTA FE SPRINGS AND SAN DIEGO OUTDOOR ADVERTISING, INC. DBA GENERAL OUTDOOR ADVERTISING

THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS DOES
HEREBY ORDAIN AS FOLLOWS:

SECTION 1. The City Council hereby approves and adopts a Development Agreement, in substantially the form attached, by and between the City of Santa Fe Springs and San Diego Outdoor Advertising, Inc. dba General Outdoor Advertising, a copy of which is attached hereto, which exhibit is incorporated by reference herein, as an Ordinance of the City.

SECTION 2. The City Council hereby finds and determines that the subject Development Agreement, in substantially the form attached, is consistent with the City's General Plan.

SECTION 3. If any section, subsection, subdivision, paragraph, sentence, clause, or phrase in this Ordinance, or any part hereof, is held invalid or unconstitutional, such decision shall not affect the validity of the remaining sections or portions of this Ordinance, or any part thereof. The City Council hereby declares that it would have adopted each section, subsection, subdivision, paragraph, sentence, clause, or phrase in this Ordinance irrespective of the fact that any one or more sections, subsections, subdivisions, paragraphs, sentences, clauses, or phrases may be declared invalid or unconstitutional.

SECTION 4. The City Clerk shall certify to the adoption of this Ordinance, including the vote for and against and shall post a certified copy of this ordinance, within 15 days after its passage to be posted in at least three (3) public places within the City as established by ordinance, and, in compliance with Section 36933 of the Government Code.

PASSED and ADOPTED this ____ day of **March, 2019**, by the following roll call vote:

AYES:

NOES:

ABSENT:

ATTEST:

Juanita Trujillo, Mayor

APPROVED:
ITEM NO.:

Janet Martinez, CMC, City Clerk

Attachment 2: Development Agreement 01-2019

DEVELOPMENT AGREEMENT NO. 01-2019

This Development Agreement (hereinafter "Agreement") is entered into this _____ day of _____, 2019 (hereinafter the "Effective Date"), by and between the City of Santa Fe Springs (hereinafter "City"), and San Diego Outdoor Advertising Inc. dba General Outdoor Advertising, a California Corporation (hereinafter "Developer").

RECITALS

A. California Government Code Sections 65864 *et seq.* ("Development Agreement Law") authorizes cities to enter into binding development agreements with persons having a legal or equitable interest in real property for the development of such property, all for the purposes of strengthening the public planning process, encouraging private participation and comprehensive planning and identifying the economic costs of such development.

B. Developer has a leasehold or license interest in that certain portion of real property, located adjacent to and on the southerly side of the southbound lanes of the 5 Freeway, at 13060 Firestone Boulevard, in the City of Santa Fe Springs (APN: 7005-001-019), as more specifically described in Exhibit "A" and depicted at Exhibit "C-1", attached hereto and incorporated herein (the "Site"), upon which it seeks to install a new lawfully permitted 50-foot tall, V-Shaped digital billboard with a total of two (2) digital display areas (each display measuring 14' x 48' within the billboard frame) that are oriented toward the 5 Freeway, as depicted in Exhibit "C-2" (the "New Digital Billboard").

C. Developer and City recognize that the Developer has a legal or equitable interest in the Site and thus is qualified to enter into this Agreement in accordance with Development Agreement Law.

D. In exchange for the City approvals sought by Developer for the New Digital Billboard as provided on the Site herein, Developer is agreeable to paying to the City an initial annual Development Fee of One Hundred Thousand and No/100 Dollars (\$100,000.00), on the first Anniversary Date and on subsequent Anniversary Dates the Development Fee shall be increased in an amount equal to the Development Fee payable during the preceding year increased by three percent (3%), or Alternative Development Fee, whichever is greater, as defined and provided in Sections 2.5 and 2.6 below, for the cost to the City to mitigate the impact of the installation of the New Digital Billboard.

E. The Site is located within the City's M-2-FOZ, Heavy Manufacturing-Freeway Overlay Zone, designated by the General Plan as Industrial. Developer and the City agree that a development agreement should be approved and adopted to memorialize the property expectations of the City and Developer, as more particularly described herein.

F. On _____, 2019, the City Council of the City, at a duly noticed hearing, granted "Conditional Use Permit" for the construction and operation of a New Digital Billboard on the Site, in compliance with, and satisfying the requirements of, the California Environmental Quality Act ("CEQA"), on the basis that an Initial Study/Negative Declaration which was also approved at the _____, 2019 City Council meeting, concluded that although the proposed project could have an effect on the environment, the effects are not considered to be significant.

Such CEQA determination considered the impacts of the digital billboard which is the subject of this Agreement.

G. On _____, 2019, at a duly noticed public hearing, the Planning Commission adopted Resolution No. ____-2019, recommending approval of this Agreement (in substantially the form) to the City Council.

H. On _____, 2019, the City Council of the City, at a duly noticed hearing to consider the approval of this Agreement, considered the proposal, heard testimony, and introduced Ordinance No. _____, which Ordinance approves this Agreement.

I. The City Council has found that this Agreement is in the best public interest of the City and its residents, adopting this Agreement constitutes a present exercise of the City's police power, and this Agreement is consistent with the City's General Plan. This Agreement and the proposed Development (as hereinafter defined) will achieve a number of City objectives, including utilizing the Site for a revenue-generating use. Upon any termination of the Term (as defined below) of this Agreement, Developer will remove the digital displays, and restore the Site to its pre-billboard condition, except the columns can be cut off one (1) foot below grade, if a new development agreement is not negotiated with the City.

J. On _____, 2019, the City Council held the second reading and adopted Ordinance No. _____, thereby approving this Agreement.

K. The City finds and determines that all actions required of the City precedent to approval of this Agreement by Ordinance No. _____ of the City Council have been duly and regularly taken.

L. The purpose of this Agreement is to set forth the rules and regulations applicable to the Development, which shall be accomplished in accordance with this Agreement, including the Scope of Development (Exhibit "B") which sets forth Scope of the Development and the Schedule of Performance (Exhibit "D").

COVENANTS

NOW, THEREFORE, in consideration of the above recitals and of the mutual covenants hereinafter contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. DEFINITIONS AND EXHIBITS.

1.1. Definitions. This Agreement uses a number of terms having specific meanings, as defined below. These specially defined terms are distinguished by having the initial letter capitalized, when used in the Agreement. In addition to the terms defined in the Recitals above, the defined terms include the following:

1.1.1 "Agreement" means this Development Agreement and all attachments and exhibits hereto.

1.1.2 "Anniversary Date" is the annual reoccurrence of the Commencement Date.

1.1.3 "City" means the City of Santa Fe Springs, a California municipal corporation.

1.1.4 "City Council" means the City Council of the City.

1.1.5 "Commencement Date" is the date that the building inspector releases the electric meter to Southern California Edison.

1.1.6 "Developer" means San Diego Outdoor Advertising Inc. dba General Outdoor Advertising, a California Corporation duly existing and operating, and its successors and assigns, doing business at 632 S. Hope Ave., Ontario, CA 91761.

1.1.7 "Development" means the installation of a New Digital Billboard on the Site and the undergrounding of all utilities from Southern California Edison's electrical source or an electrical source located elsewhere on Owner's property (e.g., from an electrical panel on a building situation on Owner's property) to the New Digital Billboard.

1.1.8 "Development Approvals" means the approved Development, based on the recommended approval by the Planning Commission on _____, 2019, pursuant to Resolution No. ____-2019, and approval by the City Council by on _____, 2019, pursuant to Resolution No. ____-2019 and Ordinance No. ____ on _____, 2019, as further described at Section 5.3 herein.

1.1.9 "Effective Date" means the date inserted into the preamble of this Agreement, which is thirty (30) days following approval of this Agreement by ordinance of the City Council, provided this Agreement is signed by Developer and the City.

1.1.10 "Final Permits" shall mean all necessary/required permits and inspections by all governmental and utility agencies, to construct, operate and maintain the New Digital Billboard, and are signed and dated by the Building Official, where applicable.

1.1.11 "Gross Revenue" is based solely on the revenue generated from the digital display (basic advertising area of the billboard), as recorded on the City of Santa Fe Springs building permits, and does not include neon channel letters. Developer shall not conceal advertising revenues derived from the digital display within the normal price range the Developer charges for any appurtenances that are installed on the Billboard. Gross Revenue specifically excludes advertising agency fees paid to the advertiser's advertising agency and or brokerage fees paid to the sales broker other than Developer.

1.1.12 "Land Use Regulations" means all ordinances, resolutions, codes, rules, regulations and official policies of the City, including, but not limited to, the City's General Plan, Municipal Code and Zoning Code, which govern development and use of the Site, including, without limitation, the permitted use of land, the density or intensity of use, subdivision requirements, the maximum height and size of the New Digital Billboard, and the design, improvement and construction standards and specifications applicable to the Development or the Site which are in full force and effect as of the Effective Date of this Agreement, subject to the terms of this Agreement. Land Use Regulations shall also include the federal National Pollutant Discharge Elimination System ("NPDES") regulations and approvals from the California Department of Transportation Outdoor Advertising Division, to the extent applicable.

1.1.13 “Lease” means the lease or license agreement, as the case may be, for the Site between Owner, as landlord or licensor, and Developer, as tenant or licensee.

1.1.14 “Mortgagee” means a mortgagee of a mortgage, a beneficiary under a deed of trust or any other security-device, a lender or each of their respective successors and assigns.

1.1.15 “Site” refers to the site described in Recital B and more specifically described on Exhibit “A” attached hereto and incorporated herein.

1.1.16 “Schedule of Performance” means the Schedule of Performance attached hereto as Exhibit “D” and incorporated herein.

1.1.17 “Scope of Development” means the Scope of Development attached hereto as Exhibit “B” and incorporated herein.

1.1.18 “Subsequent Land Use Regulations” means any Land Use Regulations effective after the Effective Date of this Agreement (whether adopted prior to or after the Effective Date of this Agreement) which govern development and use of the Site.

1.1.19 “Subsequent Development Approvals” means any Development Approvals sought by Developer in connection future changes desired to be made by Developer to the Development following its initial completion.

1.1.20 “Term” shall have the meaning provided in Section 2.3, unless earlier terminated as provided in this Agreement.

1.2 **Exhibits.** The following documents are attached to, and by this reference made a part of, this Agreement: Exhibit “A” (Legal Description of Site), Exhibit “B” (Scope of Development), Exhibit “C-1” (Site Plan of Site), Exhibit “C-2” (Billboard Elevation), and, Exhibit “D” (Schedule of Performance).

2. GENERAL PROVISIONS.

2.1. Binding Effect of Agreement. From and following the Effective Date, actions by the City and Developer with respect to the Development, including actions by the City on applications for Subsequent Development Approvals affecting the Site, shall be subject to the terms and provisions of this Agreement, provided, however, that nothing in this Agreement shall be deemed or construed: (i) to modify or amend the Lease, or any of Developer’s obligations thereunder, or to bind or restrict Owner with respect to its ownership or operation of the Site except as expressly set forth herein with respect to the Development, or (ii) to impose any obligation whatsoever on Owner with respect to the Development, except as expressly set forth in this Agreement.

2.2. Interest in Site. The City and Developer acknowledge and agree that Developer is the tenant or licensee of the Site and thus is qualified to enter into and be a party to this Agreement under the Development Agreement Law. The City and Developer acknowledge and agree that Developer has a legal or equitable interest in the Site and thus is qualified to enter into and be a party to this Agreement under the Development Agreement Law. Additionally, prior to the execution of this Agreement, Developer has allowed the City to view a redacted copy of the Lease which demonstrates that Developer has a leasehold or license interest in the Site, which

interest shall be maintained for the entire Term of this Agreement. If Developer's leasehold or license interest is prematurely and legally terminated by Owner in conformance with the Lease, then Developer shall have no further obligations under Section 3(a) of the Scope of Development, attached as Exhibit "B" herein, relative to the maintenance of landscaping thereon that particular Site, except as provided under Section 7.1. Additionally, if Developer's leasehold or license interest is prematurely terminated by Owner, then Developer shall have no further obligations under this Agreement for that particular Site, except as provided under Section 7.1.

2.3. Term of Agreement. Unless earlier terminated as provided in this Agreement, the "Term" of this Agreement shall continue in full force and effect for thirty (30) years from the Commencement Date and will terminate on (i) the expiration or earlier termination of the Lease, or (ii) the permanent removal of the New Digital Billboard constructed pursuant to the terms hereof, other than its removal for repair or replacement. Developer shall completely remove the New Digital Billboard within the times and as provided under Section 7.1 herein. Within thirty (30) days after the termination of this Agreement, the parties shall execute a written cancellation of this Agreement which shall be recorded with the County Recorder pursuant to Section 10.1 below. If no extension or renewal of this Agreement is agreed to following its termination, then the digital displays shall come down and the lease area restored to its pre-billboard condition, except the columns can be cut off one (1) foot below grade.

2.4. Processing Fee. Thirty (30) days after the Commencement Date the Developer shall pay the City a processing fee ("Processing Fee") in the amount of One Hundred Thousand Dollars (\$100,000.00). The City shall retain and use the Processing Fee, or any part thereof, for any public purpose within the City's discretion. The Processing Fee shall be separate from all fees which are standard and uniformly applied to similar projects in the City, including, but not limited to, business license fees (due by Developer to the City annually), one-time plan check fees and building permit fees, and any other fees imposed by Los Angeles County, as may be applicable.

2.5. Development Fee. The potential impacts of the Development on the City and surrounding community are difficult to identify and calculate. Developer and the City agree that an annual development fee paid by Developer to the City would adequately mitigate all such potential impacts. The parties therefore agree that Developer shall pay an annual development fee to the City ("Development Fee"). The initial Development Fee for the Site shall be One Hundred Thousand and No/100 Dollars (\$100,000.00), and shall be increased in an amount equal to the Development Fee payable during the preceding year increased by three percent (3%) on subsequent Anniversary Dates. By way of example: Initial Development Fee \$100,000.00; 2nd year \$103,000.00 (Initial Development fee of \$100,000.00 plus 3% or \$3,000.00); 3rd year \$106,090.00 (Preceding year Development Fee of \$103,000.00 plus % \$3,090.00); 4th year \$109,272.70 (Preceding year Development Fee of 106,090.00 plus 3% or \$3,182.70).

2.6. Alternative Development Fee. For any calendar year of the Term, the "Alternative Development Fee" shall be an amount equal to nine percent (9%) of the Gross Revenue made from the digital displays on the Site during the preceding calendar year of the Term. By way of example only, should the Gross Revenue during 3rd year of the Term total \$1,200,000.00 for the New Digital Billboard, then for that year Developer shall pay to the City for the New Digital Billboard the Alternative Fee of \$108,000.00 assuming no applicable deductions from Section 1.1.11 above (i.e., 9% of \$1,200,000.00 is \$108,000.00 in lieu of the 3rd year Development Fee of \$106,090.00). The Alternative Development Fee of \$108,000.00 will then become the Development Fee for the calculation for the 4th year Development Fee.

2.6.1. Revenue Report & Payment of Alternative Development Fee or Development Fee: Within ninety (90) days following the Anniversary Date Developer shall furnish to the City an itemized statement in writing ("Revenue Report"), certified by Developer to be correct, showing the total Gross Revenue made from each sign face of the New Digital Billboard during the preceding calendar year of the Term attributable to each sign display of the New Digital Billboard. If during any particular year of the Term the Alternative Development Fee calculation is higher than the Development Fee calculation with the 3% increase at the time of calculating the Revenue Report, the Developer shall include along with the Revenue Report a payment corresponding to the Alternative Development Fee. If the Alternative Development Fee calculation is less than the Development Fee with the 3% increase at the time of calculating the Revenue Report, the Developer shall include along with the Revenue Report a payment corresponding to the Development Fee calculation.

2.6.2. Additional Revenue. While Developer is not precluded from generating additional revenue from wireless deployment on the billboard, other than wireless communication devices for the use of operating a billboard, Developer shall not enter any agreement with any party for additional revenue, including revenue derived from wireless deployment on the billboard, without first reaching an agreement with City regarding the additional revenue.

2.6.3. Audit of Alternative Fee. With prior written notice to Developer of not less than ten (10) business days, the City has the right to audit Developer's New Digital Billboard revenue and to view those portions of any advertising space contracts or invoices that only related to this Agreement, at Developer's Corporate office, on any normal workday between 9:00 a.m. and 4:00 p.m. once a year. City also has the option of having the contracts and invoices reviewed at City Hall, 11710 Telegraph Road, Santa Fe Springs, CA 90670, for the audit. Prior to the audit, the City shall sign a confidentiality agreement regarding the advertising space contracts and invoices. If the statement of total Gross Revenue previously provided to the City shall be found to be inaccurate for prior calendar years of the Term, then and in that event, there shall be an adjustment and one party shall pay to the other on demand such sums as may be necessary to settle in full the accurate amount of the Alternative Fee, if any, that should have been paid to the City for the period or periods covered by such inaccurate statement or statements. If said audit discloses an underpayment of greater than three percent (3%) with respect to the amount of total Gross Revenue reported by Developer for the period or periods of said report, then Developer shall immediately pay to the City the cost of such audit, plus ten percent (10%) interest per annum on the amount underpaid, but the application of the said interest is limited to the previous year before the time any underpayment should have been paid to the City; if the audit does not disclose an underpayment of greater than three percent (3%) with respect to the amount of total Gross Revenue reported by Developer for the period or periods of said report, the cost of such audit shall be paid by the City.

3. COMMUNITY BENEFITS. Developer shall also provide the following Community benefits during the entire Term of this Agreement.

3.1. City's Use of the Billboard. Developer shall provide five (5) weeks' worth of display time per year for the Site for public service announcements by the City on either side of the Billboard, subject to availability of space. Developer shall place City-provided announcements, on a space available basis, in one of the eight (8) display images in the current rotation of display images at any time. The City shall be responsible for providing Developer with approved advertising copy and shall also be responsible for any costs associated with providing Developer

with artwork in acceptable format per Developer's specifications. City's use is subject to the following conditions and parameters: (1) all copy must be submitted to Developer at least five (5) days before the proposed display date and will be subject to Developer's standard advertising copy rejection and removal policies, which allow Developer, in its sole discretion, to approve or disapprove copy and remove copy once posted or displayed, and (2) all five (5) weeks' worth of display time for a particular year must be utilized during such year (i.e., no advertisement rights shall accumulate or carryover to the following year).

3.2. Discount Advertising. Developer shall offer a twenty percent (20%) discount off its applicable rates for display of advertising on the Billboard to any business that is a member of the Santa Fe Springs Chamber of Commerce, and has a headquarters and/or office in the City.

4. PROHIBITED USE. Developer shall not utilize any of the displays on the New Digital Billboard to advertise tobacco, marijuana, hashish, "gentlemen's clubs," adult entertainment businesses, sexually oriented materials, or use sexually oriented images or language, or as may be prohibited by any City ordinance existing as of the Effective Date of this Agreement, or as may be amended or implemented from time-to-time after the Effective Date and equally-applicable to all billboard displays by any duly and valid City ordinance.

5. DEVELOPMENT AND IMPLEMENTATION OF THE DEVELOPMENT.

5.1. Rights to Develop. Subject to and during the Term of this Agreement, Developer shall have the right to develop the Site in accordance with, and to the extent of, the Development Approvals, the Land Use Regulations and this Agreement, provided that nothing in this Agreement shall be deemed to modify or amend any of the pre-existing Land Use Regulations, as more particularly set forth in Section 5.2 below.

5.2. Effect of Agreement on Land Use Regulations. Except as otherwise provided under the terms of this Agreement, the rules, regulations and official policies governing permitted uses of the Site, the density and intensity of use of the of the structure on the Site, the maximum height and size of proposed structures on the Site, and the design, improvement and construction standards and specifications applicable to the Site, shall be as set forth in the Land Use Regulations which are in full force and effect as of the Effective Date of this Agreement, subject to the terms of this Agreement.

5.3. Development Approvals. Developer shall, at its own expense and before commencement of demolition, construction or development of any structures or other work of improvement upon the Site, secure or cause to be secured the Development Approvals, a Conditional Use Permit and building permit(s) from the City, and any and all permits and approvals which may be required by any other governmental agency or utility affected by such construction, development or work to be performed by Developer pursuant to the Scope of Development; provided, however, that the City acknowledges that the City's Planning Commission and City Council have approved an Initial Study/Negative Declaration for the project, thus complying with, and satisfying the requirements of, the California Environmental Quality Act ("CEQA"). Not by way of limiting the foregoing, in developing and constructing the Development, Developer shall comply with all: (1) applicable development standards in the City's Municipal Code that were in affect at the time the Development Agreement and Conditional Use Permit were approved by the City Council, (2) applicable NPDES requirements pertaining to the Development, and (3)

applicable building codes that were in affect at the time the Development Agreement and Conditional Use Permit were approved by the City Council, except as may be permitted through approved variances and modifications. Developer shall pay all normal and customary fees and charges applicable to such permits, and any fees and charges hereafter imposed by the City in connection with the Development which are standard and uniformly-applied to similar projects in the City. Nothing contained in this Agreement shall be deemed to impose any obligation on Owner with respect to the Development Approvals or the Development.

5.4. Timing of Development; Scope of Development. Developer shall commence the Development within the time set forth in the Schedule of Performance, attached hereto as Exhibit "D". "Commencement" of the Development is defined herein as commencement of construction or improvements under the City building permit for the construction of the New Digital Billboard on the Site, which shall occur as soon as possible following Developer's receipt of all necessary Development Approvals and Final Permits. In the event that Developer fails to meet the schedule for Commencement of the Development, then after compliance with Section 5.4, either party hereto may terminate this Agreement by delivering written notice to the other party, and, in the event of such termination, neither party shall have any further obligation hereunder. However, if circumstances within the scope of Section 10.10 delay the Commencement or completion of the Development, then such delays shall not constitute grounds for any termination rights found within this Agreement. In such case, the timeline to commence or complete the relevant task shall be extended in the manner set forth at Section 10.10. Notwithstanding the above, Developer shall, at all times, comply with all other obligations set forth in this Agreement regarding the construction or improvement of the New Digital Billboard. Developer shall also maintain the New Digital Billboard at all times during the Term in accordance with the maintenance provisions set forth in Section 3 of the Scope of Development, attached as Exhibit "B" herein.

5.5. Changes and Amendments. Developer may determine that changes to the Development Approvals are appropriate and desirable. In the event Developer makes such a determination, Developer may apply in writing for an amendment to the Development Approvals to effectuate such change(s), provided that the City may request written consent from Owner if the modification is deemed material. The parties acknowledge that the City shall be permitted to use its inherent land use authority in deciding whether to approve or deny any such amendment request; provided, however, that in exercising the foregoing reasonable discretion, the City shall not apply a standard different than that used in evaluating requests of other developers. Accordingly, under no circumstance shall the City be obligated in any manner to approve any amendment to the Development Approvals. The City Manager shall be authorized to approve any non-substantive amendment to the Development Approvals without processing an amendment to this Agreement. All other amendments shall require the approval of the City Council. Nothing herein shall cause Developer to be in default if it upgrades the digital displays installed pursuant to this Agreement during the Term of this Agreement to incorporate newer technology; provided Developer shall secure all applicable ministerial permits to do so and such upgrade is consistent with the dimensions and standards for the displays, as provided under this Agreement, Land Use Regulations and Subsequent Land Use Regulations.

5.6. Reservation of Authority.

5.6.1. ***Limitations, Reservations and Exceptions.*** Notwithstanding any other provision of this Agreement, the following Subsequent Land Use Regulations shall apply to the Development:

(a) Processing fees and charges of every kind and nature imposed by the City to cover the estimated actual costs to the City of processing applications for Subsequent Development Approvals.

(b) Procedural regulations consistent with this Agreement relating to hearing bodies, petitions, applications, notices, findings, records, hearings, reports, recommendations, appeals and any other matter of procedure. Notwithstanding the foregoing, if such change materially changes Developer's costs or otherwise materially impacts its performance hereunder, Developer may terminate this Agreement upon ninety (90) days prior written notice to the City.

(c) Changes adopted by the International Conference of Building Officials, or other similar body, as part of the then most current versions of the Uniform Building Code, Uniform Fire Code, Uniform Plumbing Code, Uniform Mechanical Code, or National Electrical Code, as adopted by the City as Subsequent Land Use Regulations, if adopted prior to the issuance of a building permit for development of the New Digital Billboard. Notwithstanding the foregoing, if such change materially changes Developer's costs or otherwise materially impacts its performance hereunder, Developer may terminate this Agreement upon ninety (90) days prior written notice to the City.

(d) Regulations that are not in conflict with the Development Approvals or this Agreement.

(e) Regulations that are in conflict with the Development Approvals or this Agreement, provided Developer has given written consent to the application of such regulations to the Development.

(f) Applicable federal, state, county and multi-jurisdictional laws and regulations which the City is required to enforce against the Site or the Development, and that do not have an exception for existing signs or legal nonconforming uses.

5.6.2. ***Future Discretion of the City.*** This Agreement shall not prevent the City from denying or conditionally approving any application for a Subsequent Development Approval on the basis of the Land Use Regulations.

5.6.3. ***Modification or Suspension by Federal, State, County, or Multi-Jurisdictional Law.*** In the event that applicable federal, state, county or multi-jurisdictional laws or regulations, enacted after the Effective Date of this Agreement, prevent or preclude compliance with one or more of the provisions of this Agreement, and there is no exception for the legal nonconforming use, such provisions of this Agreement shall be modified or suspended as may be necessary to comply with such federal, state, county or multi-jurisdictional laws or regulations, and this Agreement shall remain in full force and effect to the extent it is not inconsistent with

such laws or regulations and to the extent such laws or regulations do not render such remaining provision impractical to enforce. Notwithstanding the foregoing, if such change materially changes Developer's costs or otherwise materially impacts its performance hereunder, Developer may terminate this Agreement upon ninety (90) days prior written notice to the City.

5.7. Regulation by Other Public Agencies. It is acknowledged by the parties that other public agencies not subject to control by the City may possess authority to regulate aspects of the Development as contemplated herein, and this Agreement does not limit the authority of such other public agencies. Developer acknowledges and represents that, in addition to the Land Use Regulations, Developer shall, at all times, comply with all applicable federal, state and local laws and regulations applicable to the Development and that do not have an exception for a legal nonconforming use. To the extent such other public agencies preclude development or maintenance of the Development and do not have an exception for a legal nonconforming use, Developer shall not be further obligated under this Agreement except as provided in Section 7.1. Notwithstanding the foregoing, if such action by another public agency materially changes Developer's costs or otherwise materially impacts its performance hereunder, Developer may terminate this Agreement upon ninety (90) days prior written notice to the City.

5.8. Public Improvements. Notwithstanding any provision herein to the contrary, the City shall retain the right to condition any Subsequent Development Approvals on the requirement that Developer pay subsequently required development fees, and/or construct certain subsequently required public infrastructure ("Exactions") at such time as the City shall determine, subject to the following conditions:

5.8.1. The payment or construction must be to alleviate an impact caused by the Development or be of benefit to the Development; and

5.8.2. The timing of the Exaction should be reasonably related to the development of the Development, and said public improvements shall be phased to be commensurate with the logical progression of the development of the Development, as well as the reasonable needs of the public.

5.8.3. It is understood, however, that if there is a material increase in cost to Developer, or such action by the City otherwise materially impacts Developer or its performance hereunder, Developer may terminate this Agreement upon ninety (90) days prior written notice to the City.

5.9. Fees, Taxes and Assessments. During the Term of this Agreement, the City shall not, without the prior written consent of Developer, impose any additional fees, taxes or assessments on all or any portion of the Development, except such fees, taxes and assessments as are described in or required by this Development Agreement and/or the Development Approvals. However, this Development Agreement shall not prohibit the application of fees, taxes or assessments upon the Site only and not on the New Digital Billboard or Developer directly, except as follows:

5.9.1. Developer shall be obligated to pay those fees, taxes or City assessments and any increases in same which exist as the Effective Date and applicable to the Development or are included in the Development Approvals;

5.9.2. Developer shall be obligated to pay any fees or taxes, and increases thereof, imposed on a City-wide basis such as, but not limited to, business license fees or taxes or utility taxes applicable to the Development;

5.9.3. Developer shall be obligated to pay all fees applicable to any permit applications as charged by the City at the time such application(s) are filed by Developer; and

5.9.4. Developer shall be obligated to pay any fees imposed pursuant to any Uniform Code that existed when the permit applications are filed by Developer or that exist when Developer applies for any Subsequent Development Approvals.

5.10. Changes. Notwithstanding anything to the contrary herein, if there is a change in such fees as compared to those fees in effect as of the Effective Date, or if any additional fees are charged and such additional or increased fees materially change Developer's costs or otherwise materially impacts its performance hereunder, Developer may terminate this Agreement upon ninety (90) days prior written notice to the City.

6. REVIEW FOR COMPLIANCE.

6.1. Annual Review. The City Council shall have the right to review this Agreement annually at the City's sole cost, on or before the Anniversary Date, to ascertain the good faith compliance by Developer with the terms of this Agreement ("Annual Review"). However, no failure on the part of the City to conduct or complete an Annual Review as provided herein shall have any impact on the validity of this Agreement. Developer shall cooperate with the City in the conduct of such any Annual Review and provide the following information and documentation to the City at least thirty (30) days before the anniversary of the commencement of the Term: (1) any updates to Developer's contact information related to complaints concerning the billboards, as required in the conditions at Exhibit "B", (2) status and amount of all payment obligations to the City required under this Agreement for the year in question and cumulatively beginning from the Commencement of the Development herein, (3) any easement or Lease changes that could in any way materially impact the City or the parties' obligations under this Agreement, but any disclosure shall be via a redacted Lease per Section 2.2, (4) any utility changes that could in any way materially impact the City or the parties' obligations under this Agreement, and (5) any maintenance issues addressed or needing to be addressed per the requirements of Exhibit "B".

6.2. Special Review. The City Council may, in its sole and absolute discretion, order a special review of compliance with this Agreement at any time at the City's sole cost ("Special Review"). Developer shall cooperate with the City in the conduct of such any Special Review.

6.3. City Rights of Access. Subject to the City's execution of a permit to enter in a form reasonably acceptable to Owner, the City and its officers, employees, agents and contractors shall have the right, at their sole risk and expense, to enter the Site without interfering with any railroad or other right-of-way, and at all reasonable times with as little interference as possible, for the purpose of conducting the review under this Article 4, inspection, construction, reconstruction, relocation, maintenance, repair or service of any public improvements or public facilities located on the Site, or to perform any rights of the City under Section 6.2 above. Any damage or injury to the Site or to the improvements constructed thereon resulting from such entry

shall be promptly repaired at the sole expense of the City. Notwithstanding the foregoing or any other provision in this Agreement (including without limitation Section 6.2 above) to the contrary, the City shall have no right whatsoever to enter the Site unless and until the City executes and delivers to Owner a permit to enter in a form reasonably acceptable to Owner (except that this provision is not intended to interfere with the City's police powers to address any nuisance, dangerous condition, or other condition pursuant to the City's ordinances). Notwithstanding anything to the contrary herein, in no event will the City's representatives ever climb up the pole of the New Digital Billboard during any inspection.

6.4. Procedure. Each party shall have a reasonable opportunity to assert matters which it believes have not been undertaken in accordance with this Agreement, to explain the basis for such assertion, and to receive from the other party a justification of its position on such matters. If, on the basis of the parties' review of any terms of this Agreement, either party concludes that the other party has not complied in good faith with the terms of this Agreement, then such party may issue a written "Notice of Non-Compliance" specifying the grounds therefore and all facts demonstrating such non-compliance. The party receiving a Notice of Non-Compliance shall have thirty (30) days to cure or remedy the non-compliance identified in the Notice of Non-Compliance, but if such cure or remedy is not reasonably capable of being cured or remedied within such thirty (30) day period, then the party receiving a Notice of Non-Compliance shall commence to cure or remedy the non-compliance within such thirty (30) day period and thereafter diligently and in good faith prosecute such cure or remedy to completion. If the party receiving the Notice of Non-Compliance does not believe it is out of compliance and contests the Notice of Non-Compliance, it shall do so by responding in writing to said Notice of Non-Compliance within thirty (30) days after receipt of the Notice of Non-Compliance. If the response to the Notice of Non-Compliance has not been received in the office of the party alleging the non-compliance within the prescribed time period, the Notice of Non-Compliance shall be conclusively presumed to be valid. If a Notice of Non-Compliance is contested, the parties shall, for a period of not less than fifteen (15) days following receipt of the response, seek to arrive at a mutually acceptable resolution of the matter(s) occasioning the Notice of Non-Compliance. In the event that a cure or remedy is not timely completed, the party alleging the non-compliance may thereupon pursue the remedies provided in Section 7; provided, however, that if the Notice of Non-Compliance is contested and the parties are not able to arrive at a mutually acceptable resolution of the matter(s) by the end of the fifteen (15) day period, then either party shall have the right to seek a judicial determination of such contested matter. Neither party hereto shall be deemed in breach if the reason for non-compliance is due to "force majeure" as defined in, and subject to the provisions of, Section 10.10.

6.5. Certificate of Agreement Compliance. If, at the conclusion of an Annual Review or a Special Review, Developer is found to be in compliance with this Agreement, the City shall, upon request by Developer, issue within ten (10) days of receipt of the request, a written confirmation ("Certificate") to Developer stating that, after the most recent Annual Review or Special Review, and based upon the information known or made known to the City Manager and the City Council, that (1) this Agreement remains in effect, and (2) Developer is in compliance. The Certificate, whether issued after an Annual Review or Special Review, shall be in recordable form if requested by Developer, and shall contain information necessary to communicate constructive record notice of the finding of compliance. Developer may record the Certificate with the County Recorder. Additionally, Developer may, at any time, request from the City a Certificate stating, in addition to the foregoing, which specific obligations under this Agreement have been fully satisfied with respect to the Site and City shall respond within ten (10) days of receipt of the

request. If the City fails to respond to a Developer's request pursuant to this Section 6.5, the Developer is presumed to be in compliance with this Agreement or any obligation that is the subject of the Developer's request.

7. DEFAULT AND REMEDIES.

7.1. Termination of Agreement.

7.1.1. *Termination of Agreement for Material Default of Developer.* The City, in its discretion, may terminate this Agreement for any material failure of Developer to perform any material duty or obligation of Developer hereunder or to comply in good faith with the terms of this Agreement (hereinafter referred to as "default" or "breach"); provided, however, the City may terminate this Agreement pursuant to this Section only after following the procedures set forth in Section 6.4. In the event of a termination by the City under this Section 7.1.1, Developer acknowledges and agrees that the City may retain all fees accrued up to the date of the termination, including the Processing Fee and the Development Fee or Alternative Fee, as applicable, paid up to the date of termination, and Developer shall pay the prorated amount of the Development Fee or Alternative Fee, as applicable, within sixty (60) days after the date of termination and removal of the New Digital Billboard that equates to the percentage of time elapsed in the year of the Term at the time of termination.

7.1.2. *Termination of Agreement for Material Default of City.* Developer, in its discretion, may terminate this Agreement for any material failure of the City to perform any material duty or obligation of the City hereunder or to comply in good faith with the terms of this Agreement; provided, however, Developer may terminate this Agreement pursuant to this Section only after following the procedures set forth in Section 6.4. In addition, Developer may terminate this Agreement if, despite Developer's good faith efforts, (1) it is unable to secure the necessary permits and/or compliance with requirements under laws necessary to effectuate the Development, or (2) any governmental agency has concluded a taking or regulatory taking of the Site and/or the Development or (3) the Lease is terminated, or (4) it is unable to profitably operate the Development. In the event of a termination by Developer under this Section 7.1.2, Developer acknowledges and agrees that the City may retain all fees, including the Processing Fee and the Development Fee or Alternative Fee, as applicable, paid up to the date of termination, and Developer shall pay the prorated amount of the Development Fee or Alternative Fee, as applicable, within sixty (60) days after the date of termination and removal of the New Digital Billboard that is so terminated that equates to the percentage of time elapsed in the year of the Term at the time of termination.

7.1.3. *Rights and Duties Following Termination.* Upon the termination of this Agreement, no party shall have any further right or obligation hereunder except with respect to (i) any obligations to have been performed prior to said termination of this Agreement, (ii) any default in the performance of the provisions of this Agreement which has occurred prior to said termination of this Agreement, (iii) Developer's obligation to remove the terminated New Digital Billboard pursuant to Section 2.3, or (iv) any continuing obligations to indemnify other parties.

8. INSURANCE, INDEMNIFICATION AND WAIVERS.

8.1. Insurance.

8.1.1. *Types of Insurance.*

(a) *Liability Insurance.* Beginning on the Effective Date hereof and until completion of the Term, Developer shall, at its sole cost and expense, keep or cause to be kept in force for Developer comprehensive broad form general liability insurance against claims and liabilities covered by the indemnification provisions of Section 8.2. Developer has agreed to indemnify the City hereunder to the extent of the liability insurance coverage with respect to its use, occupancy, disuse or condition of the Site, improvements or adjoining areas or ways, affected by such use of the Site or for property damage, providing protection of at least One Million Dollars (\$1,000,000) for bodily injury or death to any one person, at least Two Million Dollars (\$2,000,000) for any one accident or occurrence, and at least One Million Dollars (\$1,000,000) for property damage. Developer shall also furnish or cause to be furnished to the City evidence that any contractors with whom Developer has contracted for the performance of any work for which Developer is responsible maintains the same coverage required of Developer.

(b) *Worker's Compensation.* Developer shall also furnish or cause to be furnished to the City evidence that any contractor with whom Developer has contracted for the performance of any work for which Developer is responsible hereunder carries worker's compensation insurance as required by law.

8.1.2. *Insurance Policy Form, Sufficiency, Content and Insurer.* All insurance required by express provisions hereof shall be carried only by responsible insurance companies qualified to do business by California with an AM Best Rating of no less than "A". All such policies shall be non-assignable and shall contain language, to the extent obtainable, to the effect that (i) the insurer waives the right of subrogation against the City and against the City's agents and representatives except as provided in this Section; (ii) the policies are primary and noncontributing with any insurance that may be carried by the City, but only with respect to the liabilities assumed by Developer under this Agreement; and (iii) the policies cannot be canceled or materially changed except after written notice by the insurer to the City or the City's designated representative as expeditiously as the insurance company agrees to provide such notice. Developer shall furnish the City with certificates evidencing the insurance required to be procured by the terms of this Agreement.

8.1.3. *Failure to Maintain Insurance and Proof of Compliance.* Developer shall deliver to the City, in the manner required for notices, copies of certificates of all insurance policies required of each policy within the following time limits:

(a) For insurance required above, within seven (7) days after the Effective Date or consistent with the requirements of Exhibit "D" (Schedule of Performance), Item No. 8.

(b) The City can request to see updated copies of the current certificates of all insurance policies required. The City reserves the right to obtain copies of the entire insurance policy, including endorsements.

(c) If Developer fails or refuses to procure or maintain insurance as required hereby or fails or refuses to furnish the City with required proof that the insurance has

been procured and is in force and paid for, the City, after complying with the requirements of Section 6.4, may view such failure or refusal to be a default hereunder.

8.2. **Indemnification.**

8.2.1. **General.** To the extent of its liability coverage required under Section 8.1.1(a) above, Developer shall indemnify the City and Owner, and their respective officers, employees, and agents against, and will hold and save them and each of them harmless from, any and all actions, suits, claims, damages to persons or property, losses, costs, penalties, obligations, errors, omissions, or liabilities (herein "claims or liabilities") that may be asserted or claimed by any person, firm, or entity arising out of or in connection with the work, operations, or activities of Developer, its agents, employees, subcontractors, or invitees, hereunder, upon the Site.

(a) Developer will defend any action or actions filed in connection with any of said claims or liabilities covered by the indemnification provisions herein and will pay all costs and expenses, including reasonable legal costs and attorneys' fees incurred in connection therewith, which attorneys will be the attorneys hired by the insurance company where insurance coverage applies.

(b) Developer will promptly pay any judgment rendered against the City or Owner or their respective officers, agents, or employees for any such claims or liabilities arising out of or in connection with such work, operations, or activities of Developer hereunder, and Developer agrees to save and hold the City and Owner and their respective officers, agents, and employees harmless therefrom.

8.2.2. **Exceptions.** The foregoing indemnity shall not include claims or liabilities arising from the negligence or willful misconduct of the City, or its officers, agents or employees who are directly responsible to the City.

8.2.3. **Additional Coverage.** Without limiting the generality of the foregoing, Developer's indemnity obligation shall include any liability arising by reason of:

(a) Any accident or other occurrence in or on the Site causing injury to any person or property whatsoever caused by Developer;

(b) Any failure of Developer to comply with performance of all of the provisions of this Agreement;

(c) Any harm, delays, injuries or other damages incurred by any party as a result of any subsurface conditions on the Site caused solely by Developer, including but not limited to, the presence of buried debris, hazardous materials, hydrocarbons, or any form of soil contamination.

8.2.4. **Loss and Damage.** Except as set forth below, the City shall not be liable for any damage to property of Developer, Owner or of others located on the Site, nor for the loss of or damage to any property of Developer, Owner or others by theft or otherwise. Except as set forth below, the City shall not be liable for any injury or damage to persons or property resulting from fire, explosion, steam, gas, electricity, water, rain, dampness or leaks from any part of Site or from the pipes or plumbing, or from the street, or from any environmental or soil contamination

or hazard, or from any other latent or patent defect in the soil, subsurface or physical condition of Site, or by any other cause of whatsoever nature. The foregoing two (2) sentences shall not apply (i) to the extent the City or its agents, employees, subcontractors, invitees or representatives causes such injury or damage when accessing the Site, or (ii) to the extent covered in any permits to enter executed by the City, or (iii) under the circumstances set forth in Section 8.2.2 above.

8.2.5. *Period of Indemnification.* The obligations for indemnity under this Section 8.2 shall begin upon the Effective Date and shall survive termination of this Agreement.

8.3. *Waiver of Subrogation.* Developer and the City mutually agree that neither shall make any claim against, nor seek to recover from the other or its agents, servants, or employees, for any loss or damage to Developer or the City or to any person or property relating to this Agreement, except as specifically provided hereunder, which include but is not limited to a claim or liability to the extent arising from the negligence or willful misconduct of the City or Developer, as the case may be, or their respective officers, agents, or employees who are directly responsible to the City and Developer, as the case may be.

9. *MORTGAGEE PROTECTION.* The parties hereto agree that this Agreement shall not prevent or limit Developer, in any manner, at Developer's sole discretion, from encumbering Site or any portion thereof or the Development or any improvement on the Site thereon by any mortgage, deed of trust or other security device securing financing with respect to the Site. The City acknowledges that the lenders providing such financing may require certain Agreement interpretations and modifications and the City agrees upon request, from time to time, to meet with Developer or Owner and representatives of such lenders to negotiate in good faith any such request for interpretation or modification. Subject to compliance with applicable laws, the City will not unreasonably withhold its consent to any such requested interpretation or modification, provided the City determines such interpretation or modification is consistent with the intent and purposes of this Agreement. Upon reasonable approval by the City Attorney, the City authorizes the City Manager to execute any Notices of Consent to Assignment on behalf of the City or similar financial documentation. Any Mortgagee of the Site shall be entitled to the following rights and privileges:

9.1.1. Neither entering into this Agreement nor a breach of this Agreement shall defeat, render invalid, diminish or impair the lien of any mortgage on the Development of the Site or any mortgage of the Site made in good faith and for value, unless otherwise required by law.

9.1.2. The Mortgagee of any mortgage or deed of trust encumbering the Development of the Site or any mortgage or deed of trust encumbering the Site, or any part thereof, which Mortgagee has submitted a request in writing to the City in the manner specified herein for giving notices, shall be entitled to receive written notification from the City of any default by Developer in the performance of Developer's obligations under this Agreement.

9.1.3. If the City timely receives a request from a Mortgagee requesting a copy of any Notice of Non-Compliance given to Developer under the terms of this Agreement, the City shall make a good faith effort to provide a copy of that Notice of Non-Compliance to the Mortgagee within ten (10) days of sending the Notice of Non-Compliance to Developer. The Mortgagee shall have the right, but not the obligation, to cure the non-compliance during the period that is the longer of (i) the remaining cure period allowed such party under this Agreement, or (ii) sixty (60) days.

9.1.4. Any Mortgagee who comes into possession of the Development or the Site, or any part thereof, pursuant to foreclosure of the mortgage or deed of trust, or deed in lieu of such foreclosure, shall take the Development or the Site, or part thereof, subject to the terms of this Agreement. Notwithstanding any other provision of this Agreement to the contrary, no Mortgagee shall have an obligation or duty under this Agreement to perform any of Developer's obligations or other affirmative covenants of Developer hereunder, or to guarantee such performance; except that (i) to the extent that any covenant to be performed by Developer is a condition precedent to the performance of a covenant by the City, the performance thereof shall continue to be a condition precedent to the City's performance hereunder, and (ii) in the event any Mortgagee seeks to develop or use any portion of the Development or the Site acquired by such Mortgagee by foreclosure, deed of trust, or deed in lieu of foreclosure, such Mortgagee shall strictly comply with all of the terms, conditions and requirements of this Agreement and the Development Approvals applicable to the Development or the Site or such part thereof so acquired by the Mortgagee.

10. MISCELLANEOUS PROVISIONS.

10.1. Recordation of Agreement. This Agreement shall be recorded in "short form" version with the County Recorder by the City Clerk within 10 days of execution, as required by Government Code Section 65868.5. Amendments approved by the parties, and any cancellation, shall be similarly recorded.

10.2. Entire Agreement. This Agreement sets forth and contains the entire understanding and agreement of the parties with respect to the subject matter set forth herein, and there are no oral or written representations, understandings or ancillary covenants, undertakings or agreements which are not contained or expressly referred to herein. No testimony or evidence of any such representations, understandings or covenants shall be admissible in any proceeding of any kind or nature to interpret or determine the terms or conditions of this Agreement.

10.3. Severability. If any term, provision, covenant or condition of this Agreement shall be determined invalid, void or unenforceable, then that term, provision, covenant or condition of this Agreement shall be stricken and the remaining portion of this Agreement shall remain valid and enforceable if that stricken term, provision, covenant or condition is not material to the main purpose of this Agreement, which is to allow the Development to be permitted and operated and to provide the Development Fee to the City; otherwise, this Agreement shall terminate in its entirety, unless the parties otherwise agree in writing, which agreement shall not be unreasonably withheld.

10.4. Interpretation and Governing Law. This Agreement and any dispute arising hereunder shall be governed and interpreted in accordance with the laws of the State of California. This Agreement shall be construed as a whole according to its fair language and common meaning, to achieve the objectives and purposes of the parties hereto. The rule of construction, to the effect that ambiguities are to be resolved against the drafting party or in favor of the non-drafting party, shall not be employed in interpreting this Agreement, all parties having been represented by counsel in the negotiation and preparation hereof.

10.5. Section Headings. All section headings and subheadings are inserted for convenience only and shall not affect any construction or interpretation of this Agreement.

10.6. Singular and Plural. As used herein, the singular of any word includes the plural.

10.7. Time of Essence. Time is of the essence in the performance of the provisions of this Agreement as to which time is an element.

10.8. Waiver. Failure of a party to insist upon the strict performance of any of the provisions of this Agreement by the other party, or the failure by a party to exercise its rights upon the default of the other party, shall not constitute a waiver of such party's right to insist and demand strict compliance by the other party with the terms of this Agreement thereafter.

10.9. No Third Party Beneficiaries. This Agreement is made and entered into for the sole protection and benefit for the parties and Owner and their respective successors and assigns. No other person shall have any right of action based upon any provision of this Agreement.

10.10. Force Majeure. Notwithstanding any provision to the contrary herein, neither party shall be deemed to be in default where failure or delay in performance of any of its obligations under this Agreement is caused by earthquakes, other acts of God, fires, rains, winds, wars, terrorism, riots or similar hostilities, strikes and other labor difficulties beyond the party's control (including the party's employment force), government actions and regulations (other than those of the City), court actions (such as restraining orders or injunctions), or other causes beyond the party's reasonable control. If any such events shall occur the term of this Agreement then the time for performance shall be extended for the duration of each such event, provided that the Term of this Agreement shall not be extended under any circumstances for more than five (5) years beyond the date it would have otherwise expired, and further provided that if such delay is longer than six (6) months, Developer may terminate this Agreement upon written notice to the City and the City shall return to Developer any portion of the Development fee paid for any period after the effective date of such termination.

10.11. Mutual Covenants. The covenants contained herein are mutual covenants and also constitute conditions to the concurrent or subsequent performance by the party benefited thereby of the covenants to be performed hereunder by such benefited party.

10.12. Counterparts. This Agreement may be executed by the parties in counterparts, which counterparts shall be construed together and have the same effect as if all of the parties had executed the same instrument.

10.13. Litigation. Any action at law or in equity arising under this Agreement or brought by any party hereto for the purpose of enforcing, construing or determining the validity of any provision of this Agreement shall be filed and tried in the Superior Court of the County of Los Angeles, State of California, or such other appropriate court in said county. Service of process on the City shall be made in accordance with California law. Service of process on Developer shall be made in any manner permitted by California law and shall be effective whether served inside or outside California. In the event of any action between the City and Developer seeking enforcement of any of the terms and conditions to this Agreement, the prevailing party in such action shall be awarded, in addition to such relief to which such party is entitled under this Agreement, its reasonable litigation costs and expenses, including without limitation its expert witness fees and reasonable attorneys' fees.

10.14. Covenant Not To Sue. The parties to this Agreement, and each of them, agree that this Agreement and each term hereof are legal, valid, binding, and enforceable. The parties to this Agreement, and each of them, hereby covenant and agree that each of them will not commence, maintain, or prosecute any claim, demand, cause of action, suit, or other proceeding against any other party to this Agreement, in law or in equity, which is based on an allegation, or assert in any such action, that this Agreement or any term hereof is void, invalid, or unenforceable.

10.15. Development as a Private Undertaking. It is specifically understood and agreed by and between the parties hereto that the Development is a private development, that neither party is acting as the agent of the other in any respect hereunder, and that each party is an independent contracting entity with respect to the terms, covenants and conditions contained in this Agreement. No partnership, joint venture or other association of any kind is formed by this Agreement. The only relationship between the City and Developer is that of a government entity regulating the development of private property, on the one hand, and the holder of a legal or equitable interest in such private property on the other hand. The City agrees that by its approval of, and entering into, this Agreement, that it is not taking any action which would transform this private development into a "public work" development, and that nothing herein shall be interpreted to convey upon Developer any benefit which would transform Developer's private development into a public work project, it being understood that this Agreement is entered into by the City and Developer upon the exchange of consideration described in this Agreement, including the Recitals to this Agreement which are incorporated into this Agreement and made a part hereof, and that the City is receiving by and through this Agreement the full measure of benefit in exchange for the burdens placed on Developer by this Agreement.

10.16. Further Actions and Instruments. Each of the parties shall cooperate with and provide reasonable assistance to the other to the extent contemplated hereunder in the performance of all obligations under this Agreement and the satisfaction of the conditions of this Agreement. Upon the request of either party at any time, the other party shall promptly execute, with acknowledgment or affidavit if reasonably required, and file or record such required instruments and writings and take any actions as may be reasonably necessary under the terms of this Agreement to carry out the intent and to fulfill the provisions of this Agreement or to evidence or consummate the transactions contemplated by this Agreement.

10.17. Eminent Domain. No provision of this Agreement shall be construed to limit or restrict the exercise by the City of its power of eminent domain or Developer's right to seek and collect just compensation or any other remedy available to it.

10.18. Amendments in Writing/Cooperation. This Agreement may be amended only by written consent of both parties specifically approving the amendment (which approval shall not be unreasonably withheld, conditioned or delayed) and in accordance with the Government Code provisions for the amendment of development agreements. The parties shall cooperate in good faith with respect to any amendment proposed in order to clarify the intent and application of this Agreement, and shall treat any such proposal on its own merits, and not as a basis for the introduction of unrelated matters. Minor, non-material modifications may be approved on behalf of the City by the City Manager upon reasonable approval by the City Attorney.

10.19. Assignment. Developer shall have the right to transfer or assign its rights and obligations under this Agreement (collectively, an "Assignment") to any person or entity (an "Assignee") in connection with a transfer or assignment of all of Developer's interest in the Lease without the prior approval of the City; provided that, (a) Developer shall notify City in writing of such proposed Assignment at least thirty (30) days prior to the effective date of any proposed Assignment, and (b) Developer and Assignee shall enter into a written assignment and assumption agreement, executed in recordable form, pursuant to which Assignee shall agree to assume all duties and obligations of Developer under this Agreement remaining to be performed at the time of the Assignment.

10.20. Corporate Authority. The person(s) executing this Agreement on behalf of each of the parties hereto represent and warrant that (i) such party, if not an individual, 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 such party is bound.

10.21. Notices. All notices under this Agreement shall be effective when delivered by United States Postal Service mail, registered or certified, postage prepaid return receipt requested, and addressed to the respective parties as set forth below, or to such other address as either party may from time to time designate in writing by providing notice to the other party:

If to the City: City of Santa Fe Springs
 11710 E. Telegraph Road
 Santa Fe Springs, CA 90670
 Attn: City Manager

If to Developer: San Diego Outdoor Advertising Inc. dba General Outdoor
 Advertising
 632 S. Hope Avenue
 Ontario, CA 91761
 Attn: _____

With a copy to: _____

10.22. Nonliability of City Officials. No officer, official, member, employee, agent, or representatives of the City shall be liable for any amounts due hereunder, and no judgment or execution thereon entered in any action hereon shall be personally enforced against any such officer, official, member, employee, agent, or representative.

10.23. No Brokers. The City and Developer each represent and warrant to the other that it has not employed any broker and/or finder to represent its interest in this transaction. Each party agrees to indemnify and hold the other free and harmless from and against any and all liability, loss, cost, or expense (including court costs and reasonable attorneys' fees) in any manner connected with a claim asserted by any individual or entity for any commission or finder's fee in

connection with this Agreement or arising out of agreements by the indemnifying party to pay any commission or finder's fee.

10.24. No Amendment of Lease. Nothing contained in this Agreement shall be deemed to amend or modify any of the terms or provisions of the Lease. Nothing contained in this Agreement shall constitute or be deemed to constitute a limit on any of Developer's obligations under the Lease, or any of Owner's rights or remedies against Developer under the Lease.

[Signatures on the following page]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first set forth above.

CITY:

CITY OF SANTA FE SPRINGS
a California municipal corporation

By: _____
Mayor

DEVELOPER:

SAN DIEGO OUTDOOR ADVERTISING INC.
dba GENERAL OUTDOOR ADVERTISING
a California Corporation

By: _____

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF _____

On _____, _____, before me, _____
(here insert name and title of the officer)

personally appeared _____

,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of _____ that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature (Seal)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF _____

On _____, _____, before me, _____
(here insert name and title of the officer)

personally appeared _____

,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of _____ that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature (Seal)

EXHIBIT "A"

LEGAL DESCRIPTION OF SITE

All that certain real property located in the City of Santa Fe Springs, County of Los Angeles, State of California more particularly described as follows:

THAT PORTION OF THE WEST HALF OF THE NORTHEAST QUARTER QUARTER OF SECTION 20, TOWNSHIP 3 SOUTH, RANGE 11 WEST, IN THE RANCHO LOS COYOTES, IN THE CITY OF SANTA FE SPRINGS, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN UPON A MAP RECORDED IN BOOK 41819 PAGES 141, ET SEQ. OF OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE WEST LINE OF THE EAST HALF OF THE NORTHEAST QUARTER OF SAID SECTION 20, WITH THE SOUTHWESTERLY LINE OF FIRESTONE BOULEVARD (218 FEET WIDE); THENCE ALONG SAID SOUTHWESTERLY LINE OF FIRESTONE BOULEVARD, NORTH 56 DEGREES 46 MINUTES 52 SECONDS WEST 856.70 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING ALONG THE SOUTHWESTERLY LINE OF FIRESTONE BOULEVARD, NORTH 56 DEGREES 46 MINUTES 52 SECONDS WEST 158.76 FEET; THENCE SOUTH 13 DEGREES 13 MINUTES 08 SECONDS WEST 337.01 FEET TO THE NORTHEASTERLY LINE OF SOUTHERN PACIFIC RAILWAY RIGHT OF WAY, (100 FEET WIDE); THENCE ALONG SAID LAST MENTIONED LINE, SOUTH 56 DEGREES 46 MINUTES 52 SECONDS EAST 158.76 FEET TO A LINE WHICH BEARS SOUTH 33 DEGREES 13 MINUTES 08 SECONDS WEST AND WHICH PASSES THROUGH THE TRUE POINT OF BEGINNING; THENCE NORTH 33 DEGREES 13 MINUTES 08 SECONDS EAST 337.01 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM ALL OIL, MINERAL, GAS OR OTHER HYDROCARBON SUBSTANCES, TOGETHER WITH THE RIGHT OF TO DRILL AND MAINTAIN WELL HOLES, UNDER, THROUGH AND BEYOND SAID LAND, AND TO EXTRACT OIL, GAS OR OTHER HYDROCARBON SUBSTANCES, TOGETHER WITH THE RIGHT OF WAY AND EASEMENTS FOR ALL PURPOSES, NECESSARY TO EXTRACT OIL, MINERALS, GAS AND OTHER SUBSTANCES THEREFROM, BUT WITH NO RIGHT OF ENTRY, UPON OR THROUGH SAID LAND, EXCEPT BELOW A DEPTH OF 500 FEET BELOW THE PRESENT SURFACE OF SAID LAND, AS RESERVED BY YOUNG-LOFTUS CONSTRUCTION CO., A CORPORATION, RECORDED DECEMBER 30, 1955 AS INSTRUMENT NO. 1549 IN BOOK 49933 PAGE 132, OFFICIAL RECORDS.

APN: 7005-001-019

EXHIBIT "B"

SCOPE OF DEVELOPMENT

Developer and the City agree that the Development shall be undertaken in accordance with the terms of the Agreement, which include the following:

1. The Development. Developer shall install the New Digital Billboard in accordance with the terms of this Agreement. The New Digital Billboard consists of one (1) 50 foot tall, "bulletin" size V-Shaped freeway-oriented billboard with a total of two (2) digital displays (each display measuring 14' x 48' within the billboard frame) on the 5 Freeway. Before the issuance of final inspection of the Final Permits, Developer shall underground all utilities necessary for the New Digital Billboard and the Site shall be maintained in accordance with the conditions at Paragraph 3 below.

2. Building Fees. Developer shall pay all applicable City building fees, as described at Section 2.4 of the Agreement, at the time that the building permit is issued for the installation of the New Digital Billboard.

3. Maintenance and Access. Developer, for itself and its successors and assigns, hereby covenants and agrees to be responsible for the following:

(a) Maintenance and repair of the New Digital Billboard (where authorized pursuant to the Agreement, and including but not limited to, the displays installed thereon, and all related on-site improvements and, if applicable, easements and rights-of-way, at its sole cost and expense), including, without limitation, landscaping, poles, lighting, signs and walls (as they relate to the Development) in good repair, free of graffiti, rubbish, debris and other hazards to persons using the same, and in accordance with all applicable laws, rules, ordinances and regulations of all federal, state, and local bodies and agencies having jurisdiction over the Site, unless those federal, state, and local bodies have an exception for a legal nonconforming use. Such, maintenance and repair shall include, but not be limited to, the following: (i) sweeping and trash removal related to the Development; (ii) the care and replacement of all shrubbery, plantings, and other landscaping or the painted backing in a healthy condition if damaged by the Development; (iii) the ongoing maintenance by Developer of any access road to the New Digital Billboard if damaged by the Development and to minimize dust caused by the Development; and (iii) the repair, replacement and repainting of the New Digital Billboard's structures and displays as necessary to maintain such billboards in good condition and repair.

(b) Maintenance of the New Digital Billboard and surrounding portion of the Site in such a manner as to avoid the reasonable determination of a duly authorized official of the City that a public nuisance has been created by the absence of adequate maintenance of the Development such as to be detrimental to the public health, safety or general welfare, or that such a condition of deterioration or disrepair causes appreciable harm or is materially detrimental to property or improvements within three hundred (300) feet of the Site.

(c) Developer shall reasonably coordinate with any neighboring property owners who share utilities or access roads to their separate respective billboards. The City may

designate alternative access for planning purposes so long as such alternative access allows Developer to access its billboard and related utilities.

4. Other Rights of the City. In the event of any violation or threatened violation of any of the provisions of this Exhibit "B", then in addition to, but not in lieu of, any of the rights or remedies the City may have to enforce the provisions of the Agreement, the City shall have the right, after complying with Section 6.4 of the Agreement, (i) to enforce the provisions hereof by undertaking any maintenance or repairs required by Developer under Paragraph 3 above (subject to the execution of a permit to enter in form reasonably acceptable to Owner) and charging Developer for any actual maintenance costs incurred in performing same, and (ii) to withhold or revoke, after giving written notice of said violation, any building permits, occupancy permits, certificates of occupancy, business licenses and similar matters or approvals pertaining to the Development or any part thereof or interests therein as to the violating person or one threatening violation.

5. No City Liability. The granting of a right of enforcement to the City does not create a mandatory duty on the part of the City to enforce any provision of the Agreement. The failure of the City to enforce the Agreement shall not give rise to a cause of action on the part of any person. No officer or employee of the City shall be personally liable to Developer, its successors, transferees or assigns, for any default or breach by the City under the Agreement.

6. Conditions of Approval. The following additional conditions shall apply to the installation of the New Digital Billboard and, where stated, landscaping adjacent to New Digital Billboard, which billboard and landscaping or painted backing adjacent to the billboard, respectively, shall conform to all applicable provisions of the Development Approvals and the following conditions, in a manner subject to the approval of the Director of Planning or his or her designee:

(a) A building permit will be required, and structural calculations shall be prepared by a licensed civil engineer and approved by the City Building Official.

(b) The Billboard shall be located in the portion of the Site shown on Exhibit "C-1", and shall be of the dimensions described in Section 1, above.

(c) The size of each sign display of the New Digital Billboard shall not exceed the dimensions set forth in the Ordinance, and shall not to exceed the maximum height set forth in the Ordinance, including all extensions, and shall be spaced at intervals from any other billboard on the same side of the freeway and measured parallel to the freeway as set forth in the Ordinance and depicted in the Site Plan at Exhibit "C-1" and Billboard Elevation at Exhibit "C-2" both approved by the City as part of the Development Approvals.

(d) The New Digital Billboard pole shall have a column cover as depicted in the Billboard Elevation within Exhibit "C-2".

(e) Plans and specifications for the proposed installation of the New Digital Billboard shall be submitted to the City Planning and Building Departments for plan check and approval prior to the issuance of building permits. Plans and specifications for the proposed

installation of the undergrounding of all utilities, shall be submitted to the City Planning and Building Departments for plan check and approval prior to the issuance of electrical permits.

(f) Prior to the approval of the final inspection, all applicable conditions of approval and all mandatory improvements shall be completed to the reasonable satisfaction of the City.

(g) Developer shall maintain the New Digital Billboard and use thereof in full compliance with all applicable codes, standards, policies and regulations imposed by the City, county, state or federal agencies by any duly and valid City, county or state ordinance with jurisdiction over the facilities, unless the Development is exempted as a legal nonconforming use.

(h) Developer shall, at all time, comply with the approval for the New Digital Billboard from the California Department of Transportation Outdoor Advertising Division, and shall maintain acceptable clearance between proposed billboards and Southern California Edison distribution lines.

(i) Developer shall pay any and all applicable fees due to any public agency prior to the final issuance of the applicable building or electrical permits.

(j) The activities proposed in the Agreement shall be conducted completely upon the Site and shall not use or encroach on any public right-of-way.

(k) Developer shall ensure that all access to the New Digital Billboard is kept restricted to the general public to the extent permitted under local laws and by the Development Approvals.

(l) If any portion of the landscaping or painted backing installed adjacent to the New Digital Billboard is damaged by the Development or becomes damaged, unhealthy or otherwise in need of replacement, as determined by the City's Director of Planning or his or her designee, Developer shall ensure that the replacement is accomplished within fourteen (14) days of notification by the City, unless such time is extended by the City's Director of Planning or his or her designee if Developer shows unusual circumstances requiring more time to accomplish such replacement. Developer or Owner may trim such landscaping so as not to block the billboards or with the reasonable consent of the Director of Planning, the Developer at the Developer's own cost, can remove and relocate any landscaping.

(m) Developer shall be required to install all utilities underground in connection with the New Digital Billboard in conformance with Ordinance 1036 and 1092. Developer shall coordinate its work with the requirements of Southern California Edison to achieve the undergrounding of all utilities.

(n) Developer shall comply with all necessary federal National Pollutant Discharge Elimination System (NPDES) requirements pertaining to the proposed use, to the extent applicable.

(o) All graffiti shall be adequately and completely removed or painted over within 48 hours of notice to Developer of such graffiti being affixed on the Development.

(p) Prior to final sign off of the building permit for the New Digital Billboard, the applicable landscaping or painted backing shall be installed at the Site.

(q) Developer shall comply with State law regarding the limitation of light or glare or such other standards as adopted by the Outdoor Advertising Association of America, Inc. (OAAA), including but not limited to, the 0.3 foot-candles limitation over ambient light levels and ensuring additional flexibility in reducing such maximum light level standard given the lighting environment, the obligation to have automatic dimming capabilities, as well as providing the City's Director of Planning or his or her designee with a designated Developer employee's phone number and/or email address for emergencies or complaints that will be monitored 24 hours a day/7 days per week. Upon any reasonable complaint by the City's Planning Officer or designee, Developer shall dim the display to meet these guidelines and further perform a brightness measurement of the display using OAAA standards and provide the City with the results of same within 5 days of the City's complaint.

EXHIBIT "C-1"

SITE PLAN

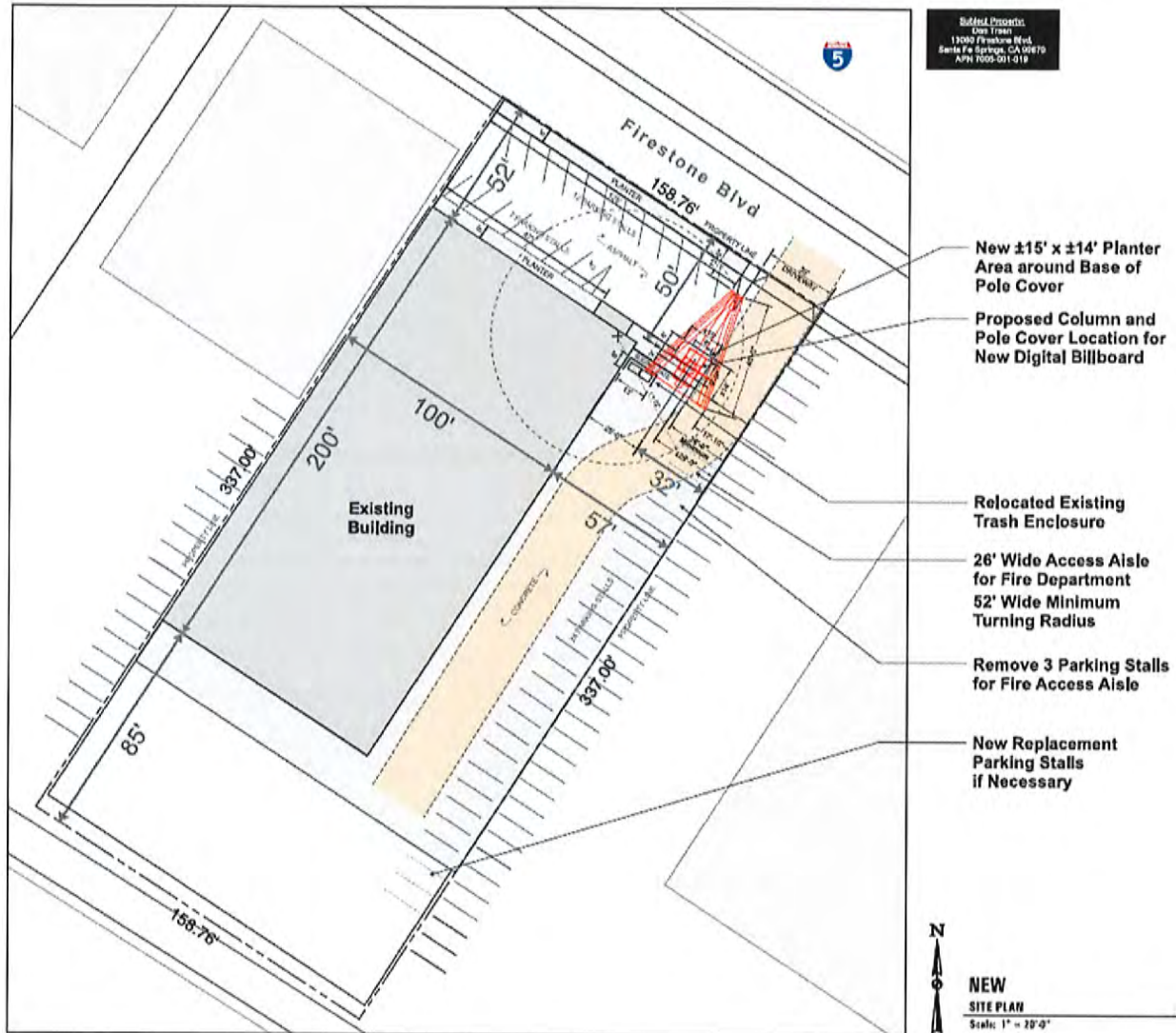


EXHIBIT "C-2"

BILLBOARD ELEVATION

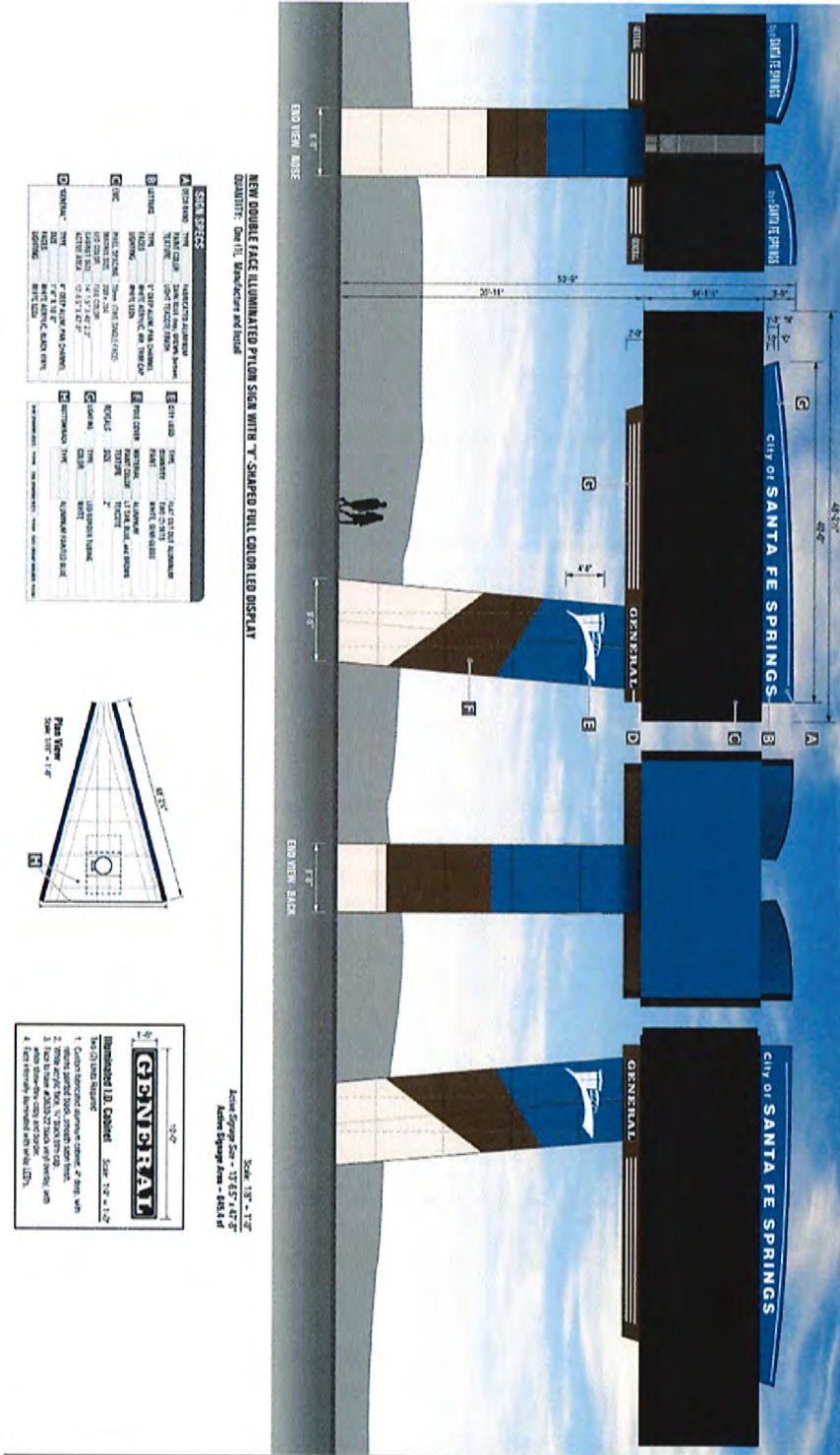


EXHIBIT "D"

SCHEDULE OF PERFORMANCE

ITEM OF PERFORMANCE	TIME FOR PERFORMANCE	REFERENCE
1. City's Planning Commission holds public hearing and recommends approval of Agreement and Conditions of Approval		Recitals
2. City's City Council holds hearings to approve Agreement and first and second reading of Ordinance	_____, 2019 (1st Reading); _____, 2019 (2nd Reading), provided Developer has fully executed the Agreement	Recitals
3. Effective Date of this Agreement.	30 days following City Council's second reading of Ordinance, or _____, 2019	N/A
4. Developer prepares and submits to City working drawings specifications and engineering, the City commences approval process.	Within 120 days of the Council's second reading of the Ordinance approving this Agreement	5.4
5. City to approve all construction and engineering drawings and specifications with a plan check approval, and issue a building permit and an electrical permit. City agrees to any necessary building or electrical permits need for Developer to acquire the Caltrans approvals. Developer agrees not to commence construction until it receives the applicable Caltrans approvals.	Within 30 days of City's receipt of Developer's construction drawings and specifications addressing all of City's comments.	

ITEM OF PERFORMANCE	TIME FOR PERFORMANCE	REFERENCE
6. Developer to provide copy of Caltrans approval to City	Prior to commencing any inspections and work on the Development.	5.3, 5.4
7. Developer to submit proof of insurance to City.	Prior to commencing any inspections and work on the Development	8.1.2
8. Developer pays Processing Fee	Thirty days from the date that the building official releases the electrical meter to Southern California Edison (Commencement Date)	2.4
9. Developer pays City annual installments of the Development Fee or Alternate Development Fee.	Within ninety (90 days) following the Anniversary Date and after the termination of the Term.	2.5, 2.6
10. Developer pays the Alternative Fee if in excess of the Development Fee.	Within 90 days of the end of each calendar year of the Term	2.6

It is understood that this Schedule of Performance is subject to all of the terms and conditions of the text of the Agreement. The summary of the items of performance in this Schedule of Performance is not intended to supersede or modify the more complete description in the text; in the event of any conflict or inconsistency between this Schedule of Performance and the text of the Agreement, the text shall govern.

The time periods set forth in this Schedule of Performance may be altered or amended only by written agreement signed by both Developer and the City. Notwithstanding any extension of the Term in the manner described in, and subject to the provisions of Section 5.5 of the Agreement, the City Manager shall have the authority to approve extensions of time set forth in this Schedule of Performance without action of the City Council, not to exceed a cumulative total of 180 days.



City of Santa Fe Springs

City Council Meeting

March 28, 2019

NEW BUSINESS

Adoption of Ordinance No. 1101 – Repealing Chapters 50 (Garbage and Refuse) and 119 (Recyclable Materials Dealer) and in Their Place Adopting a New Chapter 50 (Collection of Solid Waste and Recyclables)

RECOMMENDATION(S)

That the City Council take the following action:

- Read by Title only, waive further reading and adopt Ordinance No. 1101.

BACKGROUND

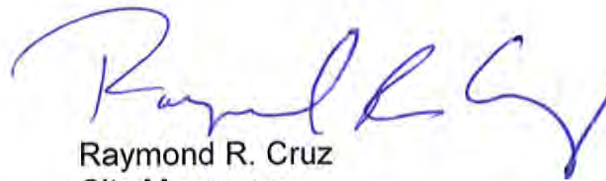
In June of 2016, the City of Santa Fe Springs tasked the Solid Waste and Recycling consulting firm of MuniEnvironmental, LLC (Consultant) to review Chapter 50 and 119 of the City Ordinance to prepare recommendations for City to consider.

Consultant found that the existing Ordinance was deficient, did not address current regulatory recycling requirements, lacked measures to enforce rogue haulers, and needed language that coincides with current solid waste collection and recycling efforts.

The proposed Ordinance presented here for your consideration replaces Chapter 50 (Solid Waste and Recycling) and repeals Chapter 119 (Recycling). Incorporated in the proposed Ordinance is language that addresses requirements from CalRecycle, CalGreen Building code, proposes a new Recycling Permit program and addresses Construction Debris recycling requirements.

FISCAL IMPACT

The ordinance alone will not have a fiscal impact; however it provides a mechanism in which through Council resolutions the City could increase its cost recovery for the solid waste and recycling program and thereby cover the cost of the program.



Raymond R. Cruz
City Manager

Attachment:

1. Ordinance No. 1101

ORDINANCE NO. 1101

AN ORDINANCE OF THE CITY OF SANTA FE SPRINGS AMENDING THE SANTA FE SPRINGS MUNICIPAL CODE WITH THE REPEAL OF CHAPTERS 50 (GARBAGE AND REFUSE) AND 119 (RECYCLABLE MATERIALS DEALER) AND THE ADOPTION OF A NEW CHAPTER 50 (COLLECTION OF SOLID WASTE AND RECYCLABLES)

THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. In compliance with the California Environmental Quality Act (CEQA), the City Council in its independent judgment has determined that the herein Municipal Code Amendment is exempt from environmental review pursuant to Section 15061(b)(3) of CEQA, in that it can be seen with certainty that there is no possibility that Amendment would have a significant effect on the environment.

SECTION 2. The City Council hereby repeals Chapters 50 (Garbage and Refuse) and 119 (Recyclable Materials) of the Santa Fe Springs Municipal Code.

SECTION 3. The City Council hereby amends the Santa Fe Municipal code with the adoption of a new Chapter 50 (Collection of Solid Waste and Recyclables) which is attached hereto as Exhibit "A."

SECTION 4. The City Clerk shall certify to the adoption of this Ordinance, including the vote for and against and shall post a certified copy of this ordinance, within 15 days after its passage to be posted in at least three (3) public places within the City as established by ordinance, and, in compliance with Section 36933 of the Government Code.

PASSED and ADOPTED this ____ day of **March, 2019**, by the following roll call vote:

AYES:

NOES:

ABSENT:

ATTEST:

Juanita Trujillo, Mayor

Janet Martinez, CMC, City Clerk

CHAPTER 50

COLLECTION OF SOLID WASTE, RECYCLABLE MATERIAL AND CONSTRUCTION AND DEMOLITION DEBRIS

GENERAL PROVISIONS

50.01 Definitions

“AB 939” aka **“The Act”** means the California Integrated Waste Management Act of 1989, and subsequent mandatory recycling legislations as may be amended in the Public Resources Code Section 40000 et seq. and implementing regulations of CalRecycle.

“Applicant” means any individual, firm, Permittee, limited liability company, association, partnership, political subdivision, government agency, municipality, industry, public or private corporation, or any other entity whatsoever who applies to the city for the applicable permit(s) or any individual, firm, Permittee, limited liability company, association, partnership, political subdivision, government agency, municipality, industry, public or private corporation, or any other entity submitting a Waste Management Plan to undertake any construction, demolition or renovation project within the city.

“Application Fee” means the fee or assessment imposed by the City on new or returning Permittee’s. The fee is paid annually on or before permit expiration on June 30th of each year. Applications received after said date will not be pro-rated. The fee shall vary depending on status of applicant (“New” or “Renewal”) and shall change from time to time upon council resolution.

“Automated Cart” or **“AGCs”**) means automated guided carts that are used to transport material between locations without human involvement and without a conveyor.

“Baling” means the process of compacting by pressure resulting in a homogenous mass of like composition bound together by straps or wire.

“Bin” means containers, whether residential, multi-family residential, commercial, industrial, or institutional, provided for temporary accumulation and collection of solid waste or recyclables for removal from all premises located within the city. Bins include but are not limited to, containers with capacity of at least one cubic yard and roll-off type service containers.

“Building Official” means the chief building official of the City.

“CalRecycle” Department of Resources Recycling and Recovery.

“City Manager” means the City Manager or another person designated by the City Manager.

“Collection” means the act of collecting Solid Waste, Recyclables, and Construction and Demolition Debris, at or near the place of generation.

“Collection Vehicle” means the vehicle utilized in the collection, transportation, storage, transfer, or processing of solid waste or recyclable solid waste.

“Commercial Permit” means a permit issued to Permittee to collect, transport, store, transfer or process solid-waste, source-separated material, and/or mixed-waste material, including Construction & Demolition material, from any Commercial business or establishment located within the City. A maximum of four (4) Commercial Permits may be issued by the City at any time.

“Composting” means the process of collecting, grinding, mixing, piling, and supplying sufficient moisture and air to organic materials, such as leaves, grass clippings, brush, and food waste, to speed natural decay to a finished product suitable for incorporating into topsoil as a soil amendment and for growing plants. Compost is different than mulch, which is a shredded or chipped organic product placed on top of soil as a protective layer.

“Construction” means the building of any facility or structure or any portion thereof including any tenant improvement or renovation to an existing facility or structure.

“Construction and Demolition Debris” means bricks, stones, mortar, concrete, asphaltic concrete, wood, or other debris including used or discarded materials removed from premises during construction, renovation, remodeling, repair, or demolition operations on any pavement, house, commercial or industrial building, or other structure.

“Container” means a receptacle constructed of metal, plastic or some other impervious material and having a solid bottom.

“Permittee” means the individual, firm, limited liability company, association, partnership, or private corporation, or any other entity person, company, or corporation entering into a contract with and receiving a permit for the collection and/or disposal of solid waste, other commodities, and/or recyclable materials within the city.

“Conversion Rate” means the rate set forth in the standardized conversion rate table approved by the city pursuant to this Chapter for use in estimating the volume or weight of materials identified in a Waste Management Plan.

“Covered Project” means any and every construction, demolition or renovation project within the city. Each project must meet a diversion rate of 75% (which may be changed time to time), failure to do so may result in fines, fee, penalties, civil and/or criminal charges, and a denial letter from City Manager or his/her designee at project completion.

“Demolition” means the disseminating, razing, ruining, tearing down or wrecking of any facility, structure, pavement or building, whether in whole or in part, whether interior or exterior including, but not limited to soft demolition such as that associated with remodeling or the replacement of roofs.

“Disposal” means the complete operation of treating and disposing of the accumulations of solid waste and the products or residue arising from such treatment.

“Divert” means to use material for any purpose other than disposal in a landfill or transformation facility.

“Diversion rate” means the percentage of total waste that a jurisdiction diverted from disposal at a Department of Resources Recycling and Recovery permitted landfill, MRF’s, waste-to-energy, reclamation and transformation facilities through reduction, reuse, recycling programs, and/or composting programs , pursuant to California Code of Regulations Title 27. As of the year 2000, jurisdictions are required by law to achieve 50 percent diversion, which may change from time to time per City and/or State regulations.

“Electronic Waste” or “E-Waste” means consumer and business electronic equipment that is near or at the end of its useful life including but not limited to, computers, computer peripherals, telephones, answering machines, radios, stereo equipment, tape players/recorders, phonographs, video cassette players/recorders, compact disc players/recorders, calculators, and some appliances. Certain components of some electronic products contain materials that render them hazardous, depending on their condition and density. For instance, California law currently views nonfunctioning CRTs (cathode ray tubes) from televisions and monitors as hazardous.

“Franchise” means the right of a person or entity to make arrangements for the collection and transportation of solid waste, recyclable material and recyclable solid waste to landfills, transformation facilities, material recovery facility or other Department of Resources Recycling and Recovery permitted solid waste management facilities, and/or the ability to extricate recyclable material from all solid waste including recyclable solid waste and green waste, or composting material. A franchise is only applicable to Residential and/or Commercial Permittees.

“Franchise Fee” means the applicable percentage of gross receipts of Residential and/or Commercial permittees that must be submitted monthly or quarterly upon submission of tonnage report for the applicable time period.

“Garbage” means waste, animal and vegetable matter of every kind and character including such waste food, animal and vegetable matter as accumulates in hotels, restaurants, eating houses and private homes in the kitchens and on the tables of such places; and also including such waste, animal and vegetable matter as accumulates in meat markets, grocery stores and fruit and vegetable markets.

“Generator” means any individual, partnership, joint venture, unincorporated private organization or corporation which accumulates, exports or causes to be exported, from the city Solid Waste and/or Recyclable Materials which is sold, donated, or charged a fee by a Permittee identified in Section 50.20.

“Graffiti” means a non-permitted inscription or drawing, including “tagging,” written on a public or private surface, wall, or building.

“Green Building” means the practice of creating buildings that are designed, built, renovated, operated, or reused in an ecological and resource-efficient manner. Also known as sustainable building. Green building includes the practices of salvaging material from building demolition for reuse in new buildings and for recycling. The term, green building, is also applied to buildings that minimize impact to the environment, protect health and enhance productivity of occupants, and utilize energy, water, and other resources efficiently.

“Green Waste” means leaves, grass clippings, brush, branches and other forms of organic matter generated from landscapes and gardens and incidental pieces of untreated and unpainted scrap lumber no longer than twenty-four inches and containing no metal objects, separated from other forms of Solid Waste. Green Waste also includes holiday trees from which all tinsel, flock, base attachments and ornaments have been removed. Green Waste does not include stumps or branches exceeding six inches in diameter or two feet in length, palm fronds, yucca, food waste, manure, dirt, rocks, garbage or any other form of Solid Waste which are not suitable for composting.

“Gross Receipts” means the summation of all revenue/receipts that a Permittee/recycler collects during a certain period of time; either monthly or quarterly. It shall be the decision of the City whether payments based on Gross Receipts should be made monthly or quarterly.

“Gross Tonnage Collected” means all commodities (regardless of the type) collected by a Permittee from within the City’s borders within a certain time-period; such as monthly, quarterly, annually.

“Hazardous Waste” means (a) all waste defined or characterized as hazardous waste by the Resource Conservation and Recovery Act of 1976 (42 U.S.C. Section 6901 et seq.) in 42 U.S.C. Section 6903 (5) as amended from time to time, and all implementing regulations, (b) all waste defined or characterized as a hazardous substance pursuant to the provisions of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601 et seq. (“CERCLA” or “Superfund”), as in 42 U.S.C. Section 9601 (14), may be amended from time to time, and all implementing regulations, and (c) all waste defined or characterized as hazardous waste by agencies of the state of California (including without limitations the Department of Health Services, the Department of Toxic Substances Control and CalRecycle) having jurisdiction over solid and hazardous waste. The term “hazardous waste” means, in addition to any substance, included in any of the foregoing categories, those substances which are not normally permitted to be disposed of by generally accepted, sanitary landfill disposal methods, but which may be contained in solid waste streams. In the event of a conflict in the definitions employed by two or more governmental agencies having concurrent or overlapping jurisdiction over hazardous waste, the broader, more encompassing definition shall apply.

“Materials Recovery Facility” or “MRF” means a Materials Recovery Facility permitted by the Department of Resources Recycling and Recovery (CalRecycle) and capable of guaranteeing a reduction

in the amount of waste residue through the diversion of materials, including but not limited to papers, glass, plastic, metal, organics, wood products, or fiber board.

“Permit Fee” means the fee or assessment imposed by the City on a Permittee that 1) charges a generator/customer to pick up a commodity (regardless of the type), or 2) Permittee which purchases a commodity or receives a commodity through donation from a Recycling Generator. The fee is due at the time Permittee submits their tonnage report, either monthly or quarterly. The fee shall be determined by City council resolution and shall vary time to time.

“Permittee” means any individual, partnership, joint venture, unincorporated private organization or private corporation who has been issued a valid “Residential Collection Permit”, “Commercial Collection Permit”, and/or “Recyclable Material Dealer Permit” by the city as required by Section 50.20 that has not been suspended and/or revoked.

“Project” means any activity for which the City requires a Waste Management Plan (WMP) for a building, construction, demolition or similar permit.

“Receptacle” means containers, automated carts, or bins whether residential, multi-family residential, commercial, industrial, or institutional, provided for temporary accumulation and collection of solid waste or recyclables for removal from any premises located within the city. Receptacles include but are not limited to, containers, automated carts, bins, and roll-off type service containers.

“Recyclable Dealer” means any individual, partnership, joint venture, unincorporated private organization, or private corporation that has been issued a Recyclable Dealer Permit in accordance with this Chapter in order to legally provide collection services for any source separated recyclable material, and/or any other material that is transported within City limits and either recycled or disposed of at a CalRecycle permitted facility within or outside City limits. This includes dealers that purchase recyclable material from generators.

“Recyclable Dealer Permit” means a permit which has been issued by City Council to any individual, partnership, joint venture, unincorporated private organization, or private corporation for the collection, transportation, storage, or processing of material which has a commercial value, and which is sold or donated to the permitted entity.

“Recyclable Dealer Tonnage Fee” means a per ton permit fee that city may charge for collected recyclables to Recyclable Dealer Permittees, which will be determined from time to time upon City Council Resolution.

“Recyclable Material” means material which has been source-separated from other forms of solid waste, whether or not there is a fee-for-purchase or a fee-for-hauling associated with the material. Any Permittee which transports recyclable material within the City shall have a valid permit per the requirements of Section 50.20.

“Recyclable Material Bin” means a bin, vessel, can, cart or other receptacle used for accumulating and collecting recyclable material.

“Recycle” or “Recycling” means the process of collecting, sorting, cleansing, treating, and reconstituting source separated single-category materials that would otherwise become solid waste and returning them to the economic mainstream in the form of raw material, reused, or reconstituted products which meet the quality standards necessary to be used in the marketplace.

“Recycling Generator” means any individual, partnership, joint venture, unincorporated private organization or corporation which accumulates, exports or causes to be exported “Recyclable Materials” which is sold or donated to a Permittee in good-standing.

“Redeemable Material” means a material which has commercial value, and which is sold or donated to an entity. Redeemable materials are commodities that have been source-separated from the solid waste

stream at the point of generation. If the Generator of redeemable material pays a Permittee (entity), such as a "Recyclable Material Dealer", any consideration for collecting, processing, recycling, or transporting of "redeemable material," the transaction shall be regarded as a sale or donation of "Redeemable Material" and therefore falls under Section 50.20 which requires purchaser/buyer to have a valid "Recyclable Material Dealer Permit" and submit the required reports and fees per Section 50.30. Redeemable Material shall be deemed to be contaminated if the container into which it has been placed contains more than one percent nonrecyclable material, or any amount of hazardous waste.

"Refuse" or **"Rubbish"** means solid waste.

"Renovation" means any change, addition or modification to an existing structure.

"Residential Permit" means a permit issued to any individual, partnership, joint venture, unincorporated private organization or corporation to collect, transport, store or process solid-waste, source-separated material, and/or mixed-waste material, including Construction & Demolition material, from any residential property located within the City. A maximum of three (3) Residential Permits may be issued by the City at any time.

"Residential property" means every lot in the city upon which is situated one or more but not more than four dwelling units including planned development projects and any other parcel which has been improved with a "duplex" or "triplex" residential dwelling unit designated and used as living quarters by human beings. Residential units shall not include hotels, motels, lodge halls, clubs, tourist camps, trailer camps, churches, commercial and industrial establishments, or any other lot containing more than four dwelling units or upon which commercial or industrial occupation is conducted.

"Residue" means residual solid waste that is unable to be recycled and must therefore be taken to a landfill, transformation facility, or other permitted disposal facility pursuant to Title 27 of the California Code of Regulations. All facilities mentioned must be permitted with the Department of Resources Recycling and Recovery at the time of disposal.

"Reuse" means further or repeated use of construction or demolition debris.

"Scavenging" means the unauthorized removal of recyclable material or any other commodity designated by the City to have recyclable properties or value by any person, individual, business, or solid waste entity other than those authorized by the City or established in accordance with this Chapter.

"Self-Haul" means the activity of a Generator, whether it be Residential, Commercial, Industrial or Construction Demolition Debris, that hauls, transfers, or conveys any Solid Waste or Recyclables upon any public property, street or alley or upon any property of another. Any person that self-hauls any solid waste or recyclables within the City without a valid permit, shall be subject to all fines, fees, and penalties identified in this Chapter.

"Salvage" means the controlled removal of construction or demolition debris from a permitted building or demolition site for the purpose of recycling, reuse, or storage for later recycling or reuse.

"Solid Waste" means refuse, rubbish, garbage, sludges, and other discarded solid materials resulting from residential activities, and industrial and commercial operations including but not limited to: tree and shrubbery trimmings, lawn clippings, grass, weeds, leaves, chips, paper, pasteboard, magazines, books, rags, rubber, carpets, clothing, boots, shoes, hats, straw, packing boxes and cartons, crates, packing material and other kinds of combustible rubbish, trash or waste material. This does not include hazardous waste, radioactive waste, electronic waste, universal waste, or medical waste nor does it include solids or dissolved material in domestic sewage or other significant pollutants in water such as silt, dissolved or suspended solids in industrial wastewater effluents, dissolved materials in irrigation return flows or other common water pollutants. However, if any of these materials are separated from the water that carries them and are solidified, then they are considered solid waste.

Solid Waste additionally includes non-source separated or commingled material that is ten percent (10%) or more non-source separated, including:

1. All putrescible and non-putrescible solid and semisolid waste;
2. Garbage;
3. Trash;
4. Refuse;
5. Paper (including all forms of paper products, shredded documents and cardboard);
6. Rubbish;
7. Ashes;
8. Industrial wastes;
9. Demolition and construction wastes;
10. Abandoned vehicle parts;
11. Discarded home and industrial appliances (does not include u-waste or e-waste);
12. Dewatered, treated or chemically fixed sewage sludge which is not hazardous waste;
13. Manure;
14. Sludge; and
15. Vegetable or animal solid and semisolid wastes and other discarded solid and semisolid wastes.

“Solid Waste Collection Services” means the collection, transportation, storage, transfer, or processing of solid waste or recyclable solid waste for residential, commercial, industrial, construction or institutional user(s), customers, patrons, or residents. Only entities holding a valid Residential Collection Permit and/or Commercial Collection Permit in accordance with this Chapter shall be allowed to collect this material.

“Solid Waste Permittee” means any individual, partnership, joint venture, unincorporated private organization, or private corporation that holds a valid Residential Collection Permit and/or Commercial Collection Permit in accordance with this Chapter to collect, transport, transfer or process solid-waste from a residential and/or commercial location within the city.

“Source Separated Recyclable Material” means single type or category of Recyclable or Redeemable Material that has been segregated from all other materials. Source Separated Recyclable Material shall be deemed *contaminated* if the container into which it has been placed contains more than ten percent (10%) of any other type of material (including but not limited to any mixed waste and/or any amount of hazardous waste). If a container is deemed “contaminated” it is therefore considered “Solid Waste” as defined under this Chapter. Effective June 30, 2019: Should the “Recyclable Dealer” Permittee’s charge to pick-up this material or any other type of material, they shall be subject to all fines, fees, penalties, and civil and/or criminal prosecution as provided herein.

“Spill Kit” means a kit containing material designed to absorb liquids in an emergency situation.

“Special Waste” shall mean an item or element of solid waste identified in 22 California Code of Regulations Sections 66261.120, 66261.122 (or provision subsequently enacted in place of this provision) or any other waste which has been classified as special waste by resolution of the City Council.

“The Act” shall mean the same as “AB 939”.

“Transformation” Incineration, pyrolysis, distillation, gasification, or biological conversion other than composting. Transformation (Public Resources Code section 40201) does not include composting or biomass conversion. For purposes of diversion rate measurement, only waste sent to CalRecycle-permitted transformation facilities is used in diversion rate calculations. Transformation counts as disposal, except in special circumstances beginning in the year 2000, when limited amounts of waste sent to CalRecycle-permitted transformation facilities may count as diversion.

“Universal Waste” or **“U-Waste”** reflects the traditional federal concept of identifying processes. In the case of universal wastes, there are supposedly no processes that can be clearly identified as the source of generation because they come from an infinite number of sources. California universal waste includes but is not limited to:

- **Batteries**--Includes AAA, AA, C, D, button cell, 9-volt, both rechargeable and single use. These may contain some corrosive or reactive chemicals, as well as toxic heavy metals like cadmium. (Automotive type batteries are not universal waste. However, when they become waste, they are banned from the trash.).
- **Fluorescent lamps and tubes**--Includes fluorescent tubes, compact fluorescent lamps, metal halide lamps, sodium vapor lamps, high intensity discharge (HID) lamps, and neon bulbs. These lamps contain Mercury. Mercury vapor might be released to the environment when they are broken. The mercury from broken lamps in trash bins could find its way to lakes and rivers during rain storms.
- **Thermostats**--There is mercury inside the sealed glass "tilt switch" of the old-style thermostats (not the newer electronic kind).
- **Electronic Devices**--Includes televisions and computer monitors, computers, printers, VCRs, cell phones, telephones, and radios. These devices often contain heavy metals like lead, cadmium, copper, and chromium.
- **Electrical Switches**--Some electrical switches and relays contain mercury. Such mercury switches can be found in some chest freezers, pre-1972 washing machines, sump pumps, electric space heaters, clothes irons, silent light switches, automobile hood and trunk lights, and ABS brakes.
- **Pilot Light Sensors**--Mercury-containing switches associated with pilot light sensors are found in some gas appliances such as stoves, ovens, clothes dryers, water heaters, furnaces and space heaters.
- **Mercury Gauges**--Some gauges, such as barometers, manometers, blood pressure, and vacuum gauges contain mercury.
- **Mercury Added Novelties**--Examples include greeting cards that play music when opened; athletic shoes (made before 1997) with flashing lights in soles; and mercury maze games.
- **Mercury Thermometers**--Mercury thermometers typically contain about a half gram of mercury. Many health clinics, pharmacies and doctor's offices have thermometer exchange programs that will give you a new mercury-free fever thermometer in exchange for your old one.
- **Non-Empty Aerosol Cans that Contain Hazardous Materials**--Many products in aerosol cans are toxic. And many aerosol cans contain flammables, like butane, as propellants for products like paint. If your aerosol can is labeled with words like TOXIC or FLAMMABLE don't put it in the trash unless it is completely empty.

“Unpermitted Haulers” means any person or entity that does not have a valid permit and/or is hauling material which they are not permitted to collect as identified in Section 50.20 and 50.25.

“Waste Management Plan” means a completed Waste Management Plan form, approved by the City Manager or his/her designee in compliance with this Chapter, submitted by the applicant for any Covered Project.

“WMP Compliance Official” means the City Manager or his/her designee authorized and responsible for implementing this Chapter.

§ 50.20 SOLID WASTE FRANCHISE/RECYCLABLE DEALER PERMIT REQUIRED.

- (A) No person shall remove, collect, convey, transport, store, or process, or cause to be removed, collected, conveyed, transported stored or processed any solid waste, recyclable material, and/or Construction and Demolition Debris upon, along or across any public street, alley, highway or other public place without first applying for and receiving a valid Residential Franchise, Commercial Franchise, or Recyclable Dealer Permit as provided herein and complying with the provisions of Chapter 50.
- (B) **Residential Franchise.** No person shall remove, collect, convey, transport, store or process, or cause to be removed, collected, conveyed, transported, stored or processed any solid waste, construction and demolition debris, and/or recyclable material from residential property within the city without first having obtained a valid Residential Franchise. A maximum of three (3) Residential Franchises may be issued by the City at any time.
 - 1) Residents conveying generated bulky items, generated recyclables or small quantities of debris generated at owned or rented residential properties, shall have the option of subscribing with a Franchise hauler or Self-Haul their own generated materials to a CalRecycle permitted recycling or disposal facility, without procuring a Franchise or Recyclable Dealer Permit.
 - 2) Home-based businesses, including but not limited to home-based contractors and hired contractors generating waste, shall subscribe to collection services provided by a Franchised or Permitted collector, subject to the requirements of this Chapter.
- (C) **Commercial Franchise.** No person shall remove, collect, convey, transport, store or process, or cause to be removed, collected, conveyed, transported, stored or processed any solid waste, Construction and Demolition Debris, and/or recyclable material from any non-residential property within the City without first having obtained a valid Commercial Franchise. A maximum of four (4) Commercial Franchises may be issued by the City at any time.
- (D) **Recyclable Dealer Permit.** No person shall remove, collect, convey, transport, store or process, or cause to be removed, collected, conveyed, transported, stored or processed any Source-Separated Recyclable Material and/or Redeemable Material within the city without first having obtained a valid Recyclable Dealer Permit.

§ 50.21 PERMIT APPLICATION; CONSIDERATION BY CITY COUNCIL.

- (A) An applicant for a Recyclable Material Dealer Permit shall submit an application fee as set by resolution of the City Council, file a permit application in the form required by the City Manager or his/her designee and any other documentation necessary for consideration of the application to ensure the applicant is likely to comply with the requirements of this Chapter and to meet public health, safety and welfare standards.
- (B) Any applicant for a Residential/Commercial Franchise, or Recyclable Materials Dealer permit shall have their application considered by City Council. City Council shall have the sole authority whether to grant or reject the permit(s) sought.
- (C) Any person or entity applying for a permit at any time must first meet the following requirements:
 - 1) Submittal of completed application packet; including any and all forms approved by the City Manager or his/her designee.
 - 2) Payment of Application fee
 - 3) Payment and acquisition of Business license
 - 4) Must be in good standing with the City. Any applicant that has previously had their permit suspended or revoked shall not be eligible to apply for a new permit indefinitely.

§ 50.22 FEE(S)

(A) **Franchise Haulers - Residential, Commercial and Construction Demolition Debris**

- 1) **Franchise Fee:** Each of the approved three (3) Residential Franchise haulers, and four (4) commercial Franchise haulers, shall pay quarterly Franchise Fees in the amount and/or percentage of gross revenue, set by resolution of the City Council.

(B) **Recyclable Dealer Permit**

- 1) **Application Fee:** Each applicant shall pay an initial application fee in the amount as set by resolution of the City Council.
- 2) **Renewal Fee:** Thereafter, on an annual basis, any holder of a Recyclable Dealer's Permit shall file for and pay an annual renewal fee in the amount as set by resolution of the City Council.
- 3) **Per Ton Fee:** In addition to the Application fee required herein, any holder of a Recyclable Dealer Permit that Self-Hauls their own Recyclables utilizing their own vehicles and driver, shall pay a per ton fee in the amount as set by resolution of the City Council.
- 4) **Decal Fee:** Any and all bins, roll-offs and/or containers, utilized by a Recyclable Dealer and its generator, for the storage and handling of Recyclable materials, shall apply for and procure on an annual basis, a "Bin Decal". Said Bin Decal shall be affixed to each bin, roll-off or container at all times. Bin Decal fees shall be set by resolution of the City Council.

§ 50.23 MANDATORY SERVICE; VIOLATION; FEES AND PENALTIES.

- (A) Except as otherwise provided in this Chapter, all solid waste collected from residential or non-residential property including commercial/industrial premises for a fee, service charge, or other consideration, may only be collected, conveyed, and/or transported across city streets by the holder of a valid Residential Franchise or Commercial Franchise.

- (B) **VIOLATION.** Notwithstanding any other provision of the Santa Fe Springs Municipal Code to the contrary, any person/company who violates any provision of this Chapter, or who fails to comply with any obligation or requirement of this Chapter, is guilty of a misdemeanor unless the offense is charged as an infraction by a prosecuting attorney.

- 1) Each person/company shall be guilty of a separate offense for each and every day, or part thereof, during which a violation of this Chapter, or of any law or regulation referenced in this Chapter, is allowed, committed, continued, maintained or permitted by such person, and shall be punishable accordingly.

- (C) **FEES & PENALTIES.** Notwithstanding any other provision of the Santa Fe Springs Municipal Code to the contrary, any Permittee and or person/company who violates any provision of this Chapter, or who fails to comply with any obligation or requirement of this Chapter, shall be liable to the City for all Permit fees (same calculation used to determine permittee fee(s) due), in addition to any and all costs associated with auditing and other applicable fees accumulated in the efforts of collecting any fees/penalties due as provided herein.

Penalty, see § 10.97

§ 50.24 REQUIRED COMPLIANCE WITH ALL LAWS, REGULATIONS

Each Solid Waste Generator, Solid Waste Franchisee and Recyclable Dealer Permittee shall comply with the provisions of this Chapter and any and all applicable sections of the City's Municipal Code, Public Resources Code or any other local, state or federal code having jurisdiction. The collector(s) and generator shall be required to cooperate with the city in solid waste generation studies, preparation of waste stream audits and the submission of information required by the city to meet the reporting requirements of The Act or other applicable legislation as may be amended from time to time, and to implement measures consistent with the city's source reduction and recycling element and household hazardous waste element in order for the city to reach the mandated diversion and other goals as established by the act as it may be amended from time to time. The collector(s) shall submit to the city monthly and or quarterly reports which show the number of tons collected and the tonnage delivered to disposal facilities, itemized by disposal facility.

(A) **Mandatory Solid Waste Services:** Each Solid Waste Generator, including but not limited to Residential, Commercial and Industrial, shall subscribe to regular solid waste collection services provided by a Franchise Hauler for the collection, transportation, processing, recycling, and/or disposal of solid waste generated materials.

- 1) Each occupied residential unit shall, at a minimum of once per week, subscribe for the collection transportation, processing, recycling, and/or disposal of solid waste generated materials.
- 2) Each commercial/industrial generator shall, at a minimum of once per week, subscribe for the collection transportation, processing, recycling, and/or disposal of solid waste generated materials.

(B) **Mandatory Recycling:** Pursuant to Assembly Bill 939 ("The Act"), and subsequent legislation mandating compulsory recycling programs. Each generator of Solid Waste, including Residential, Commercial and Industrial generators, shall cooperate with the City and/or its service provider, in the establishment and implementation of mandatory recycling programs.

- 1) **Mandatory Commercial Recycling:** Pursuant to Assembly Bill 341, solid waste generators, meeting the criteria established by said Assembly Bill, shall implement a regulator approved solid waste recycling and diversion program and subscribe for collection and recycling services with either a Franchise Hauler or a Permitted Materials Recyclable Dealer.
- 2) **Mandatory Organics Recycling:** Pursuant to AB 1826 and subsequent legislation, any and all solid waste generators, meeting the criteria established by certain legislation and/or CalRecycle, shall subscribe for organics collection and recycling services. Said services may include source separated organics recycling, commingled materials recovery processing or solid waste containing organic materials or any permitted and established program that meets the requirements of said legislation.

§ 50.25 NUMBER OF PERMITTEES ALLOWED; TYPE OF MATERIAL COLLECTED

Notwithstanding the foregoing, a holder of one type of permit shall not be prohibited from also holding another type of permit, subject to approval by the City Council.

(A) **Residential & Commercial Permits:**

- 1) Not more than three (3) Residential Franchisees, and four (4) Commercial Franchisees for the collection of solid waste shall be issued and outstanding at any given time.

- 2) The holder of a commercial and/or residential Franchise shall be allowed to collect any type of material as allowed under this Chapter.
- 3) Each Permittee shall have a local or toll-free telephone number and a customer service call center within the southern California region.

(B) Recyclable Dealer Permits:

- 1) There shall be no limit on the amount of Recyclable Dealer Permits.
- 2) Any Generator using the services of a Recyclable Dealer shall first separate ("source-separated material") such recyclable materials from all solid waste, as defined herein. Solid waste and recyclable/redeemable materials shall not intentionally be mixed in the same container.
- 3) All containers used for the storage of recyclable materials shall be clearly marked with the words, "Recyclable Materials Only," and shall identify the Material contained within the Bin (e.g. "Metal", "Cardboard", etc.).
 - i All Recycling bins or containers shall have affixed, in a highly visible location, a current and valid City of Santa Fe Springs "Container Decal". Said Container Decals are available to permitted Recyclable Dealers only.
- 4) Any holder of a Recyclable Dealer Permit that collects, conveys, transports or hauls any material other than Recyclable Material that they are permitted to handle, shall be subject to all fine and penalties in accordance with Section 50.30, Section 10.97 and the current Rate/Fee Schedule, as well as suspension and/or revocation of any and all permits currently being held by Permittee.
- 5) Certain Generators, utilizing Generator owned vehicles, bins, and drivers, may apply for a Recyclable Dealers Permit to haul recyclables to a permitted recycling and diversion facility. Generator shall pay all applicable fees and report all weights and commodities as required by this Chapter and the current Rate/Fee Schedule
- 6) Each Permittee shall have a local or toll-free telephone number and a customer service call center within the Southern California region.
- 7) **Hauling – Purchase – of - Recyclables**
 - i A Recyclable Dealer Permittee is only authorized for the collection of Recyclable Material as identified in their permit application to purchase and haul Recyclable and/or Redeemable Materials, as defined in this Chapter, from any property within the city, provided that not less than 90% of the material removed is source-separated and is recycled, reused and/or taken to a certified recycling center. **On July 1, 2019, the applicable fee(s) as set forth in Section 50.22 and the current Rate/Fee Schedule shall apply.**
- 8) **Hauling – Fee – for – Service**
 - i Permitted Recyclable Materials Dealers shall be allowed to charge a generator/customer a fee to haul any Recyclable Material (that said Permittee is permitted to haul), from any business located within the city, provided that 90% of the material removed is Source Separated, and no more than 10% of each commodity is contaminated with other material, except in the case of construction debris, where the requirement shall be 75% diverted. *The fee-for-service permittee as set forth herein shall remain in effect until June 30, 2019, upon which fee-for-service permits shall expire and are not renewable.*

§50.26 COMPLIANCE WITH DIVERSION REQUIREMENTS

Pursuant to the requirements of The Act, each California municipality is mandated to implement certain recycling and diversion program, having been identified in the City's Source Reduction and Recycling Element (SRRE), to meet the state minimum diversion rate requirements.

- (A) Under no circumstance shall a **Recyclable Dealer** Permittee collect, convey, or transport loads containing more than 10% residue for source-separated recyclable and/or redeemable material from any property within the city.
- (B) Each holder of **Solid Waste Franchise** is required to implement by means of a submitted and approved "Recycling and Diversion Plan", including but not limited Residential, Commercial, Industrial and Construction Demolition Debris sectors, prescribed programs, activities and practices in order to meet CalRecycle's mandated minimum diversion and recycling requirements. Each approved **Recycling and Diversion Plan** shall be reviewed for compliance every six (6) months. Additionally, City is, by way of this Chapter, requiring a minimum diversion rate of 75% for each construction and demolition project. Franchisee's failure to implement said Plan may be subject to suspension and or revocation of Franchise privileges by the City Council, City Manager or his/her designee. Each Franchisee hereby agree to and shall Indemnify and hold harmless the City, it's elected and appointed boards, commissions, officers, employees, and agents (collectively the indemnitees) from and against any and all loss, liability, penalty, claim, demand, action, proceeding or fines associated with The Act, in the event that Franchisee fails to meet the diversion target(s) set forth in said Recycling and Diversion Plan. In addition, with regard to said Franchisee, the following procedures shall be enforced to remedy the diversion short-fall:
- 1) Franchisee shall be given a 30-day notice of correction to remedy diversion deficiencies. Franchisee shall submit a revised Recycling and Diversion Plan within 30-days of a correction notice.
 - 2) Should Franchisee fail to remedy aforementioned diversion deficiency and/or fail to submit a plan of remedy after 60-days from the correction notice, Franchisee may be given a six (6) months' notice to cease all or certain collection operations. City Council, City Manager or his/her designee may choose to not impose a permit suspension if good cause is shown.

Franchise Hauler(s) may take into account each generator's recycling and diversion activities in their diversion quantification. Should a Franchise Hauler decide to incorporate a generator's recycling and diversion activities in order to meet state mandated diversion requirements, hauler shall include documentation and evidence of the materials and weights being utilized in determining the diversion rate calculation.

City is aware that certain recyclable material markets may/are under duress and could negatively impact Franchisee's ability to meet the requirements of The Act. Should CalRecycle regulators relax certain policies and/or adjust recycling requirement mandates, City and Solid Waste Franchisees shall jointly prescribe to said remedies.

Penalty, see § 10.97

§50.27 COOPERATION WITH CITY

Each Franchisee, Permittee and Generator shall cooperate with City and/or designated consultants in solid waste disposal characterization studies and waste stream audits and shall implement measures adequate to achieve the city's source reduction, recycling and waste stream diversion goals for the solid waste stream. Each Franchisee and Permittee, at its own expense shall submit to the city information and reports necessary for the city to meet its reporting obligations imposed by The Act and/or other legislation, and the regulations implementing The Act and/or subsequent legislation.

§50.28 EDUCATIONAL MATERIALS AND PUBLIC AWARENESS PROGRAMS

It shall be the responsibility of each Permittee to develop and distribute materials and information sufficient to:

- (A) Educate its customers as to the recycling services provided by the Permittee;
- (B) Allow the city to meet recycling educational needs of the city, as may be required by local, state or federal authorities during the period of the collector's permit.

§50.29 COST RECOVERY SPECIAL FUND

- (A) Upon determination of the City Council, each Permittee shall be required to pay a fee for purposes of establishing a "cost recovery special fund" pursuant to the act in an amount to be established from time to time by the City Manager.
- (B) Funds deposited into the cost recovery special fund shall be used and applied to pay for costs associated with the preparation, adoption, and implementation of the city's source reduction and recycling element (SRRE).
- (C) Any and all such fees shall be paid concurrently with the regular submission of the monthly/quarterly weight report.

§ 50.30 RECYCLABLE DEALERS TONNAGE REPORTS, FEES, PENALTY FOR LATE PAYMENT, AND RECORD RETENTION

- (A) On a monthly basis, at their sole expense, all Permitted Recyclable Dealers shall furnish monthly tonnage reports to the city, on a form provided by, or acceptable to the City Manager and/or his/her designee of the Permittee's total collected tonnage for the reporting period as set forth herein.
- (B) The afore mentioned tonnage report shall include, at a minimum, the following:
 - (a) Total number of tons collected,
 - (b) Total number of tons recycled,
 - (c) The number of tons per commodity collected,
 - (d) Number of tons of residue and where the residue was disposed of during the previous month,
 - (e) The name, address, and telephone number of each solid waste disposal and/or recycling facility used by the Permittee during the reporting period,
 - (f) The generator of the recyclable material and or permit number, and
 - (g) Each report shall be signed by an officer of Permittee.
- (C) Each tonnage report shall be submitted with payment to the city no later than thirty (30) days following the last calendar reporting month to the City Manager or his/her designee by 5:00 p.m.
- (D) At the time the tonnage report is filed, the full amount of all fees due, as set forth herein, shall be remitted to the city. The City Manager or his/her designee may establish shorter reporting periods for any Permittee if it is deemed necessary in order to insure remittance of the Permit Fee. The City Manager or his/her designee may require additional information from the Permittee in order to verify the permit/tonnage fee payment. *A final filing and payment are due immediately upon cessation of business by Permittee for any reason (including the sale of company and/or assets).*
 - 1) Each holder of a Recyclable Dealer Permit ("**Hauling – Purchase-of-Recyclables**", **See Section 50.25**) shall pay a quarterly/monthly per ton fee. The fee shall be determined from time to time by resolution of the City Council.
 - 2) Each holder of a Recyclable Dealer Permit ("**Hauling – Fee- for-Service.**", **See Section 50.25**) shall pay a monthly permit Fee. The fee shall be determined from time to time by resolution of the City Council. *NOTE: All Recyclable Dealer Permits ("Hauling – Fee-for-service") shall expire on June 30, 2019 at midnight. This type of permit cannot be renewed.*

- (E) The penalty for late payment of any Permit Fee or due, shall be 50% of the amount payable. The City Manager or his/her designee may excuse the payment of any such penalty upon good cause being shown for such late payment.
- (F) The city shall have the right, upon reasonable advance notice, to inspect, audit and copy all records relating to the permit subject to applicable laws. In the absence of extraordinary circumstances, five business day notice shall be considered reasonable. Such records should be made available to the city at the Permittee's regular place of business, but in no event outside the County of Los Angeles. The city reserves the right to employ third party consultant to examine the Permittee's records as necessary to obtain data relating to the permit and Permit Fees.
 - 1) **If the examination discloses a three percent (3%) or greater material deviation with respect to the gross receipts reported by the Permittee or the examination discloses the Permittee is charging or billing below or above the collection and disposal rates approved by the City Council, the cost of the audit (including attorney fees, etc.) shall be borne entirely by the permittee.**
 - 2) If the examination discloses Permit Fees that are due, these Permit Fees are considered delinquent and subject to the 50% late payment penalty outlined in this section.
- (G) **Additionally, a material deviation with respect to the gross receipts reported by the permittee or the examination discloses the permittee is charging or billing below or above the City Council approved rates,** the collection permit will be subject to revocation as set forth in Section 50.36, 50.37 and 50.38, and all other applicable remedies permitted by law. The City Manager or his/her designee may immediately suspend any and/or all permits that the Permittee may hold.
- (H) It shall be the duty of every Permittee liable for the collection and payment to the city of any fee imposed by this Chapter to keep and preserve for a period of (5) five-years, all records as may be necessary to determine the amount of such Permit Fee.
- (I) It shall be the duty of every Permittee, to keep invoices and any other relevant records, for the purpose of determining fees owed by Permittee for a period of 5 years. Permittee shall provide any relevant records to City upon request within five (5) business days. Permittee must keep and preserve for a period of (5) five-years, all records as may be necessary to determine the amount of such Permit Fee that Permittee owes to City.

Penalty, see § 10.97

§ 50.31 COMMERCIAL AND RESIDENTIAL COLLECTION AND DISPOSAL RATES

The rates charged by the holder of a Residential Permit and/or Commercial Permit for collecting and disposing of solid waste shall be established by City Council resolution.

§ 50.32 COMMERCIAL AND RESIDENTIAL FRANCHISE QUARTERLY REPORTS, PENALTY FOR LATE PAYMENT, AND RECORD RETENTION

- (A) On not less than quarterly basis, the holder of Commercial and/or Residential Franchise at their sole expense shall furnish collection, disposal and diversion reports to the city, on a form provided by, or acceptable to, the City Manager or his/her designee the information required in this section.
- (B) If the Franchisee has more than one Collection Franchise, Franchisee shall submit a separate tonnage report for each Franchise.
- (C) The quarterly tonnage reports shall include, at a minimum, the following:
 - (a) Total number of tons collected,
 - (b) Total number of tons recycled,
 - (c) The number of tons per commodity collected, i.e. solid waste, recyclables and/or organics.

- (d) The number of residue tons and where the residue was disposed of during the reporting period,
 - (e) The name, address, and telephone number of each solid waste disposal and/or recycling facility used by the Franchisee during the reporting period,
 - (f) The generator of the recyclable material, and
 - (e) Each report shall be signed by an officer of the entity reporting.
- (D) Each quarterly tonnage report and payment shall be submitted to the city no later than thirty (30) days following the reporting period to the City Manager or his/her designee by 5:00 p.m. At the time the report is filed, the full amount of the Permit Fee shall be remitted to the city. The City Manager or his/her designee may establish shorter reporting periods for any Franchisee if it is deemed necessary by the City Manager in order to insure remittance of the Franchise Fee. The City Manager or his/her designee may require additional information from the Franchisee in order to verify the Franchise Fee payment. ***A final filing and payment are due immediately upon cessation of business by Franchisee for any reason.***
- (E) The penalty for late payment of any Fee shall be 50% of the amount payable. The City Manager or his/her designee may excuse the payment of any such penalty upon good cause being shown for such late payment.
- (F) The city shall have the right, upon reasonable advance notice, to inspect, audit and copy all records relating to the Franchise as authorized by law. In the absence of extraordinary circumstances, (5) five business day notice shall be considered reasonable. Such records should be made available to the city at the Franchisee's regular place of business, but in no event outside the County of Los Angeles. The city reserves the right to employ a third-party consultant to examine the Franchisee's records as necessary to obtain data relating to the Franchise Fees.
 - a **If the examination discloses a three percent (3%) or greater material deviation with respect to the gross receipts reported by the Permittee or the examination discloses the Permittee is charging or billing below or above the collection and disposal rates approved by the City Council, the cost of the audit shall be borne entirely by the Permittee.**
 - b If the examination discloses Franchise or Permit Fees that are due, these Fees are considered delinquent and subject to the 50% late payment penalty outlined in this Chapter.
- (G) Additionally, **a material three percent (3%) or greater deviation with respect to the gross receipts reported by the Permittee or the examination discloses the Franchisee is charging or billing below or above the City Council approved rates**, the Franchise will be subject to revocation. The City Manager or his/her designee may immediately suspend any and/or all permits that the Franchisee may hold.
- (H) It shall be the duty of every Franchisee liable for the collection and payment to the city of any fee imposed by this Chapter to keep and preserve for a period of five years all records as may be necessary to determine the amount of said Franchise and or Permit Fee.

Penalty, see § 10.97

§ 50.33 DURATION OF RESIDENTIAL AND/OR COMMERCIAL FRANCHISE.

Any Franchise which is in effect on the date of the ordinance enacting this Chapter shall remain in full force and effect through the duration of the respective Franchise term. A Franchisee shall comply with the provisions of this Chapter so long as the requirements set forth for compliance do not conflict with any current Franchise agreement or the constitutionally protected rights provided for under any existing Franchise agreement. The provisions of this Chapter in no way confirm, modify or extend existing contractual agreements.

§ 50.34 DURATION OF RECYCLABLE DEALER PERMIT.

Recyclable Dealer Permits shall renew annually so long as Permittee is in full compliance with this ordinance and pays the renewal fee prior to its expiration of June 30th of each fiscal year. "Fee-for-Service Recyclable Dealer Permittee" shall expire on June 30th, 2019.

§ 50.35 TRANSFERABILITY.

No permit granted pursuant to the provisions of this Chapter shall be assigned or transferred by the Permittee.

§50.36 SUSPENSION OF PERMIT BY CITY MANAGER

Based upon prima facie evidence of a violation of the provisions of this Chapter, a Residential Franchise, Commercial Franchise, and/or Recyclable Dealer Permit may be suspended by the City Manager by providing written notice of suspension of the Franchise/Permit that includes information regarding the violation, specifies the length of time the permit is suspended and specifies requirements for removal of the suspension.

§ 50.37 REVOCATION.

If after notice has been given to a Franchisee or Permittee that the right to collect has been suspended by the City Manager or his/her designee, Franchisee/Permittee shall have the opportunity to appeal that decision to City Council. City Council shall have the sole authority to permanently revoke Franchise(s)/Permit(s) or shall remove suspension. If the right to collect has been revoked, no right to collect shall thereafter be granted to said Franchisee/Permittee. City Council Revocation is not subject to cause and the Franchisee/Permittee will be given 6-months to cease operations for any permanent services provided, and 1-week notice for any temporary bin/construction and demolition project(s). The decision of the City Council shall be final.

§50.38 APPEAL TO CITY COUNCIL.

The City Manager's decision to suspend or revoke a permit as set forth in § 50.36 may be appealed to the City Council. Such appeal shall be in writing and filed with the City Clerk within 7 calendar days from the date of the notice of suspension/revocation. The appeal shall set forth in summary, the position of the appellant with respect to the alleged violation specified by the City Manager as the grounds of suspension. The City Council shall hear the appeal within 60-days of the filing of the notice of appeal with the City Clerk and the Clerk shall provide the appellant at least 10 days prior written notice of the date and time of hearing. At such hearing, the appellant shall be entitled to be present, to be represented by an attorney and to present witnesses and testimony on behalf of his appeal. Following completion of the hearing, if the City Council finds that the appellant violated the provisions of this Chapter, the City Council may uphold or overturn the City Manager's decision, permanently revoke the permit, or take such lesser punitive action as in its discretion it may deem proper under the circumstances. The decision of the City Council shall be final.

MEANS OF COLLECTION AND DISPOSAL

§ 50.39 RESIDENTIAL FRANCHISE: FREQUENCY AND ROUTES OF COLLECTION

The city shall provide for the collection and disposal of solid waste from all premises in the city at least once each calendar week. The City Manager or his/her designee shall have charge and supervision of such collection and removal and shall have prior approval of all routes and days for the collection and removal of solid waste from all residential areas of the city so as to conform to the provisions of this Chapter. When such routes or days of collection are established or changed, the City Manager or his/her designee shall give notice thereof in such manner as is deemed best by the City Manager or his/her designee.

§ 50.40 COMMERCIAL FRANCHISE: FREQUENCY AND ROUTES OF COLLECTION

The city shall provide for the collection and disposal of solid waste from all premises in the city at least once each calendar week. The City Manager or his/her designee shall have charge and supervision of such collection and removal and shall have prior approval of all routes and days for the collection and removal of solid waste from all non-residential areas of the city so as to conform to the provisions of this Chapter. When such routes or days of collection are established or changed, the City Manager or his/her designee shall give notice thereof in such manner as is deemed best by the City Manager or his/her designee.

§ 50.41 INTERFERENCE WITH THE COLLECTION

No person, except a Franchisee/Permittee possessing a valid Franchise/Permit for the collection of solid waste, recyclable material, or demolition and construction debris shall collect, remove, dispose of, or interfere in any manner with any container or receptacle, or the contents thereof.

§ 50.42 FLOW CONTROL

The city reserves whatever, if any, right it may receive from local, state or federal authorities to exercise "flow control", i.e., the right to select disposal facilities and materials recovery facilities to which the solid waste collected, pursuant to the Franchise, is taken. In the event that the city directs collector to transport solid waste to a particular disposal facility or materials recovery facility, city and collector agree to use their best efforts to obtain indemnification against CERCLA Superfund and related claims from the operator of the disposal facility or materials recovery facility to which solid waste collected, pursuant to the Franchise, is taken for disposal or materials recovery. In the event that the city requires collector to utilize a disposal facility or materials recovery facility not owned or operated by collector or an affiliate of collector pursuant to this provision, the city shall indemnify and hold harmless collector for delivering solid waste to the designated disposal facility or materials recovery facility. In the event that the city selects a transfer or disposal facility pursuant to this provision, collector shall be entitled to a rate adjustment to offset for any substantiated increase in expenses resulting from the city's exercise of "flow control".

§50.43 MAINTENANCE OF EQUIPMENT; VEHICLES TO HAVE NAME OF COLLECTOR ON SIDES.

- (A) Each Franchisee/Permittee shall provide an adequate number of vehicles and equipment for the collection, transportation, recycling, and disposal services for which it is responsible under this Chapter. All equipment used in the collection of solid waste and recyclable materials shall conform to the highest industry standards, shall be maintained in a clean and efficient condition, and shall comply with all measures and procedures promulgated by all agencies with jurisdiction including but not limited to Air Quality Management District (AQMD) California Department of Transportation (CALTRANS) and the Highway Patrol.
- (B) All vehicles used by a collector shall be maintained in compliance with all applicable State and local laws, and shall include by the following:

- (1) The name of the collection firm, together with the phone number of the collector, shall be printed or painted in legible letters, not less than four inches in height, on both sides of all trucks and conveyances used to collect or transport collected materials within the city;
 - (2) Each vehicle shall be constructed and used so that no material will blow, fall, or leak out of the vehicle. Any material dropped or spilled in collection or transfer shall immediately be cleaned up by the operator. A broom, shovel, and Spill Kit shall be carried at all times on each vehicle for this purpose; and
 - (3) Should the City Manager, or designee, at any time give notification in writing to a collector that any vehicle does not comply with the standards set forth herein, the vehicle shall immediately be removed from service in the city and shall not be used again until approved in writing by the City Manager, or designee.
- (C) All equipment used to collect materials, including vehicles and containers, shall be kept free of graffiti.

Penalty, see § 10.97

§ 50.44 RECEPTACLES REQUIRED FOR RESIDENTIAL PROPERTY; SPECIFICATIONS.

Every holder of a valid Residential Franchise shall provide containers for automated collection as specified by the City Manager and/or this Chapter.

Penalty, see § 10.97

§ 50.45 PLACEMENT OF RESIDENTIAL AND COMMERCIAL BINS

All solid waste to be collected shall be set out or placed by the owner or occupant of a residential or commercial property as follows:

Residential Property:

- (A) Where a residential property is contiguous to a paved alley, all articles for collection shall be set out or placed at one and the same location at the alley or property line;
- (B) Where the residential property is not contiguous to a paved alley, all articles for collection shall be set out or placed at one and the same location in the public parkway or at the curb line;
- (C) No solid waste shall be set out for collection except that which is accumulated on the residential premises from which the collection is made, by the owners or occupants of said premises in the use of the premises;
- (D) All waste and recycling containers shall be removed from the curb or alley within 24-hours of the scheduled collection day by the service recipient.

Commercial Property:

- (A) Each owner or occupant of a commercial property shall place all solid waste originating from such property in bins provided by the collector(s). Such bins shall be placed at the rear of such properties, or if the premises are so situated that the collector is unable to collect at such location, then at the sides of such properties if space is available at such location.
- (B) Solid waste shall not be compacted in bins furnished by the collector by any mechanical means without permission of the collector.
- (C) The owner or occupant of commercial or industrial property shall arrange with the collector for as many collections per week as shall be necessary, but in no case less than one time per week to remove all such solid waste from said property as frequently as the bin becomes filled.

§ 50.46 METHOD OF KEEPING CONTENTS FOR COLLECTION.

Every person occupying or having charge or control of any premises in the city shall keep all solid waste and recyclable material, except baled recyclables, in such containers and receptacles as are required by this Chapter, in accordance with stormwater best management practices as established by NPDES.

Penalty, see § 10.97

§ 50.47 TIME OF PLACING FOR RESIDENTIAL COLLECTION.

- (A) Receptacles shall be placed along the street curb in front of the premises from which the solid waste and recyclable material are to be removed or along the property line of the alley in the rear or at the side thereof, according to the route prescribed by the City Manager along such street or such alley, before 7:00 a.m. on the days prescribed by the City Manager for the collection on such route.
- (B) No person shall place, or permit any collection receptacle to be, on the curb, parkway, street, alley or any other area near any residence earlier than 6:00 p.m. on the day preceding regular collection, and no person shall leave or permit any solid waste receptacle to remain on the curb, parkway, street, alley or any other area near any residence after 6:00 a.m. on the day following collection.

Penalty, see § 10.97

§ 50.48 FREQUENCY OF COLLECTION.

Every person occupying or having charge or control of any property within the city shall cause the containers or receptacles for solid waste to be emptied and all solid waste material removed from the premises and disposed of in a lawful manner. Such removal and disposal shall be accomplished at least once each calendar week, except as provided in § 50.50(A).

Penalty, see § 10.97

§ 50.49 SIZE OF BRANCHES OF TREES, HEDGES, AND THE LIKE.

Branches of trees, hedges, and the like, shall be cut in lengths of not over four feet and placed in containers or tied in bundles and weigh no more than 75 pounds when placed out for collection.

Penalty, see § 10.97

§ 50.50 HEAVY OBJECTS; REMOVAL AND ARRANGEMENTS FOR COLLECTION.

- (A) Every person occupying or having charge or control of any property shall, at least once in each calendar month, collect and dispose of all such heavy objects, such as discarded automobile bodies and similar heavy or bulky objects, and all materials not included in the term "solid waste" which may have accumulated on the premises. However, building or construction waste and debris need be removed only upon completion of construction operations.
- (B) Heavy articles will not be picked up at the date and time set forth in Section 50.47, unless previous arrangements have been scheduled. Arrangements may be made by every person occupying or having charge or control of any property with the holder of a Residential Permit and/or franchised Permittee for collecting this material and an extra charge will be assessed depending on the amount of time required.

Penalty, see § 10.97

§ 50.51 DISPOSAL OF SOLID WASTE BY FRANCHISEE; METHOD OF DESIGNATING THE MEANS OF DISPOSAL OF NON-RESIDENTIAL SOLID WASTE.

Franchisee shall dispose of accumulated solid waste by hauling the solid waste to any CalRecycle permitted solid waste disposal facility. In order to fulfill the waste reduction requirements imposed by AB 939 and subsequent legislation, the City Council has mandated that any Franchisee(s) for Residential and/or Commercial Collection shall meet and maintain a minimum of 50% diversion For Residential/Commercial waste and 75% for Construction and Demolition Debris. Due to this mandate, the following standards shall also apply:

- (A) All non-residential solid waste generated in the City of Santa Fe Springs and hauled by Franchisee shall meet the mandatory diversion and recycling requirements administered by CalRecycle. Franchisee shall demonstrate and achieve a minimum fifty percent (50%) diversion rate for

commercial and residential generated waste, and seventy-five percent (75%) for construction and demolition debris generated waste, by implementing a combination of the following procedures, in order to ensure adequate diversion rates and the implementation of legislative mandated recycling.

- 1) Process waste at a materials recovery facility (MRF) that is permitted by CalRecycle. Such facility shall provide diversion documentation identifying the City of Santa Fe Springs as the recipient of said diversion.
 - 2) Establish on-site source separated recycling services pursuant to AB 341 and this Chapter.
 - 3) Identify and document any quantifiable third-party AB 341 recycling services for each generator serviced by Franchisee and this Chapter.
 - 4) Deliver residual waste, after recyclables have been removed, to a CalRecycle permitted transformation facility. Pursuant to SB 1016, jurisdictions can claim no more than 10 percent of the average calculated per capita generation tonnage (in most cases, years 2003 through 2006).
 - 5) Establish on-site organics recycling pursuant to AB 1826 and subsequent legislation.
- (B) Materials hauled by a permitted Recyclable Dealer that contain only source-separated recyclable materials, may be taken directly to a CalRecycle permitted recycling facility or permitted transfer station.

Penalty, see § 10.97

§ 50.52 ILLEGAL TRASH CONTAINERS; BIN IMPOUNDMENT; FEES AND PENALTIES.

- (A) No person other than an authorized Franchisee/Permittee may place a bin or container for the collection of any solid waste/recyclable material within the city.
- (B) Any bin or container ("container") placed in violation of this section is hereby declared to be a nuisance and is subject to abatement pursuant to applicable provisions of this code. Should the city become aware of any container which does not belong to any one of the city's established collectors, located on private property in the city, the city may cause removal of such container.
- (C) The city shall post a notice in a conspicuous place on any unauthorized container directing it to be removed within twenty-four (24) hours and provide the notice, to the generator (business or resident), either posted on the container, by hand delivery to occupant or by certified mail.
- (D) The notice pursuant to division (C) shall state that:
 - 1) The container is illegal and the nature of the violation;
 - 2) The container must be removed within twenty-four hours of the posting or delivery;
 - 3) The time the notice was posted or delivered;
 - 4) The name and phone number of a person designated by the City Manager to hear any appeal or challenge to the requirement that the container be removed and that any appeal of the order for removal must occur within Twenty-four (24) hours of the posting of the notice;
 - 5) If the container is not removed within twenty-four (24) hours of posting the notice, the city will have the bin impounded (to a stated location);
 - a) If the city has the bin impounded, the unpermitted collector/hauler and the generator (business owner and/or occupant of the property) will be joint and severally liable for all fees and fines charged as described below;
 - b) In order to recover the costs of disposing of the contents of any such container caused to be removed by the city, including both the costs incurred by the collector/hauler performing such removal and the city's administrative costs, the city shall charge an amount equal to twice the city's maximum authorized daily service rate charged for the

- subject size container, plus any disposal charges and storage fees incurred by the Permittee; and
- c) If the city impounds or causes the container to be impounded, the owner of the container may retrieve such container from the city by providing to the city proof of ownership and by paying to the city an impound charge equal to the City's maximum authorized daily service rate for a 10yd roll-off bin, with an additional 20% of total cost added on for each additional 10yd (e.g. 20yd bin = 10yd bin cost + 20% (10yd bin cost); 30yd bin = 20yd bin + 20% (20yd bin cost); 40yd bin = 30yd bin + 20% (30yd bin); and
 - d) If any impounded container is not retrieved within ninety (90) days after its removal, the container will be deemed abandoned and the city may dispose (by auction or direct sale) of such container and is authorized to retain funds collected in disposing of the container.
- (E) The Posting of the Notice to remove on the container shall constitute constructive notice to the owner of the container and the generator of the requirement to remove the unauthorized container, and a copy of the notice shall be provided to the owner of the unauthorized container once said owner's identity is ascertained by city, and if not provided sooner, a copy of the notice shall be provided at such time as the owner of the unauthorized container seeks to retrieve any such container removed hereunder.
- (F) Between the date following the date upon which any unauthorized container is removed by the city, and the date which is five (5) business days following its retrieval from city, the owner of the unauthorized container may request a hearing to appeal the city's determination that the container is an unauthorized container subject to removal by city as set forth herein. The City Manager or his/her designee shall establish a procedure for such a hearing and the method for requesting such a hearing shall be included on the notice to remove. If the appeal is granted, any payments due to city shall be forgiven and any amounts paid reimbursed.

MISCELLANEOUS PROVISIONS

§ 50.53 BURNING

No person shall burn any trash, material or rubbish without having first complied with all rules and regulations of the city, the County of Los Angeles, the South Coast Air Quality Management District (AQMD), and the State of California.

Penalty, see § 10.97 Statutory reference: Burning garbage and refuse, see Cal. Health and Safety Code §§ 49600 to 49602, and § 49620

§ 50.54 DUMPING ON PUBLIC OR PRIVATE PROPERTY.

- (A) No person shall throw, place, scatter, deposit, dispose of or dump any solid waste, trash, garbage, rubbish, refuse, recyclable material, construction debris, U-Waste, E-Waste, special waste, green waste or other objects of any kind or composition upon or below the surface of any public property, street or alley or except as may be provided and set apart for such use by the city.
- (B) No person shall throw, place, scatter, deposit, dispose of or dump any solid waste, trash, garbage, rubbish, refuse, recyclable material, construction debris, U-Waste, E-Waste, special waste, green waste or other objects of any kind or composition upon or below the surface of any private property, private property of another, or into any container or receptacle owned or leased by another, within the city.

Penalty, see § 10.97

RECYCLING AND DISPOSAL OF CONSTRUCTION, DEMOLITION AND RENOVATION DEBRIS

§ 50.55 WASTE MANAGEMENT PLAN REQUIREMENT.

- (A) **Covered Projects.** Prior to beginning any construction or demolition activities, the applicant shall submit a Waste Management Plan to the WMP Compliance Official and shall be subject to all applicable provisions of this Chapter. Failure to comply with any of the terms of this section shall subject the project applicant to the full range of enforcement mechanisms set forth in this Chapter.
- (B) **Compliance as a condition of approval.** Compliance with the provisions of this Chapter shall be listed as a condition of approval on any building or demolition permit issued for a Covered Project.

Penalty, see § 10.97.

§ 50.62 SUBMISSION OF WASTE MANAGEMENT PLAN.

- (A) **WMP forms.** Applicants for building or demolition permits involving any Covered Project shall complete and submit a Waste Management Plan ("WMP"), on a city-approved WMP form, as part of the application packet for the building or demolition permit. The completed WMP shall indicate all of the following:
 - (1) The estimated volume or weight of project construction and demolition debris to be generated, sorted by type of material;
 - (2) The Residential or Commercial Franchisee that the applicant proposes to use to collect and receive the material;
 - (3) The estimated volume or weight of construction and demolition materials that will be landfilled; and
 - (4) Any special or specific activities that the applicant will use to comply with the provisions of this Chapter.

(B) **Deposit:** Upon submittal of a Waste Management Plan, the applicant must submit a deposit based upon project valuation as established by resolution of the City Council.

- i. Exception to Deposit Submittal: Minor Residential equipment installations or renovations with a total project value of less than \$10,000.00. To be determined on a case by case basis by the City Manager or his/her designee.

Penalty, see § 10.97.

§ 50.63 REVIEW OF WASTE MANAGEMENT PLAN.

(A) **Approval.** Notwithstanding any other provision of this code, no building or demolition permit shall be issued for any Covered Project unless and until the WMP Compliance Official has approved applicants WMP. Approval shall not be required, however, where the Building Official determines that an emergency demolition is required to protect public health or safety.

(1) The WMP Compliance Official shall only approve a WMP, if he or she first determines that all of the following conditions have been met:

- i. The WMP provides all of the information set forth in § 50.62; and
- ii. The WMP indicates that at least 75% of all construction and demolition debris generated by the project will be diverted.
- iii. The deposit has been submitted along with the WMP application.

(2) If the WMP Compliance Official determines that these conditions have been met, he or she shall mark the WMP "Approved," return a copy of the WMP to the applicant and notify the Building Official that the WMP has been approved.

(B) **Denial.** If the WMP Compliance Official determines that the WMP is incomplete or fails to indicate that at least 75% of all construction and demolition debris generated by the project will be reused or recycled, the WMP Compliance Official shall either:

- (1) Return the WMP to the applicant marked "Denied," including a statement of reasons, and so notify the Building Official, who shall then immediately stop processing the building or demolition permit application; or
- (2) Return the WMP to the applicant marked "Further Information Required."

Penalty, see § 10.97

§ 50.64 COMPLIANCE WITH WASTE MANAGEMENT PLAN.

(A) **Documentation.** Prior to the completion of any Covered Project, the applicant shall submit to the WMP Compliance Official documentation that the diversion requirement has been met. The diversion requirement shall be that the applicant has diverted at least 75% of the total construction and demolition debris generated by the project via reuse or recycling. This documentation shall include all of the following:

- (1) Receipts from the vendor and facility that collected and received each type of material, showing its actual weight or volume;
- (2) A copy of the previously approved WMP for the project adding the actual volume or weight of each type of material diverted and landfilled;
- (3) Any additional information the applicant believes is relevant to determining his efforts to comply in good faith with the approved WMP for the project.

(B) **Weighting of wastes.** Applicants shall make reasonable efforts to ensure that, whether diverted or landfilled, all construction and demolition debris is measured and recorded, using the most accurate method of measurement available. To the extent practical, all construction and demolition debris

shall be weighed by way of certified scales. In instances which, due to small size or other considerations, weighing construction and demolition debris is not practical, a volumetric measurement shall be used. To convert volumetric measurements to weight, the applicant shall use the standardized Conversion Rate approved by the city for this purpose.

(C) **Determination of compliance and release of building permit.** The WMP Compliance Official (as appointed by the City Manager or his/her designee) shall review the information submitted under this Chapter and determine which of the following standards best describes the extent the applicant has complied with the diversion requirement

- (1) **Full compliance.** If the WMP Compliance Official determines that the applicant has fully complied with the diversion requirement, he or she shall cause the building permit to be released to the applicant.
- (2) **Good faith effort to comply.** If the WMP Compliance Official determines that the diversion requirement has not been achieved, he or she shall determine, on a case-by-case basis, whether the applicant has made a good faith effort to comply with the diversion requirement. In making this determination, the WMP Compliance Official shall consider: the availability of markets for the construction and demolition debris landfilled, the size of the project, and the documented efforts of the applicant to divert construction and demolition debris. If the WMP Compliance Official determines that the applicant has made a good faith effort to comply with the diversion requirement, he or she shall release the building permit to the applicant.
- (3) **Noncompliance.** If the WMP Compliance Official determines that the applicant has not made a good faith effort to comply with the diversion requirement, or if the applicant fails to submit the documentation required by this Chapter within the required time period, then the WMP Compliance Official shall so notify the applicant and the Building Official. The Building Official shall not release the building permit until the applicant has complied with this Chapter and/or has paid the penalty fees and/or the deposit submitted during application submittal was kept and deposited by the City.

Penalty, see § 10.97.

§ NON-COMPLIANCE OF WASTE MANAGEMENT PLAN

- (A) Violation of meeting the requirements and/or following a submitted and approved WMP means that the WMP applicant shall lose the deposit that was submitted to the Planning/Building Permit during permit issuance.
- (B) Additionally, City Manager or his/her designee may choose to prohibit applicant and/or contractor/generator from continuing business and/or doing future business in the City. Violation of this Chapter shall also be subject to all fees and penalties identified in this Chapter.

Penalty, see § 10.97.



City of Santa Fe Springs

City Council Meeting

ITEM NO. 17

March 28, 2019

NEW BUSINESS

Resolution No. 9624 - Rosecrans/Marquardt Avenue Grade Separation Overpass Project – Authorization to File an Application for Allocation of Section 190 Grade Separation Program Funds

RECOMMENDATION

That the City Council take the following actions:

- Adopt Resolution No. 9624 authorizing filing an application for allocation of Section 190 Grade Separation Funds for the Rosecrans/Marquardt Avenue Grade Separation Overpass Project (Overpass Project); and
- Authorize the City Engineer to file an application for allocation of Section 190 Funds in the amount \$15 million for the Overpass Project.

BACKGROUND

The City Council has previously taken action in support of the proposed Overpass Project. Most recently, was the adoption of Resolution No. 9571 on March 22, 2018, to authorize the filing of an application for allocation of FY 2016/17 and 2017/18 Section 190 Grade Separation Program funds for the Overpass Project.

The Los Angeles County Metropolitan Transportation Authority (LACMTA) is the lead agency for the Overpass Project. LACMTA has encountered unforeseen project delays, including but not limited to delays in right-of-way acquisition. As a result, Caltrans has requested:

1. A letter from the City withdrawing its application for FY 2016/17, and FY 2017/18 Section 190 Grade Separation Program funding for the Overpass Project; and
2. An application from the City for FY 2018/19 Section 190 Grade Separation Program Funding for the Overpass Project.

The FY 2018/19 Section 190 Grade Separation Program requires City Council adoption of Resolution No. 9624 (attached) authorizing filing the funding application for \$15 million for the Overpass Project. Section 190 funds will contribute to the project through an approved Cooperative Agreement with LACMTA. The City will not pay in advance for project costs with City funds. LACMTA will pay for project costs and request reimbursement from Caltrans through the City's requisition and reimbursement process. LACMTA's current project cost estimate for the Overpass Project is \$155 million.

LEGAL REVIEW

The City Attorney has reviewed Resolution No. 9624.

Report Submitted By:

Noe Negrete
Director of Public Works

A handwritten signature in blue ink, appearing to be "N" followed by a stylized flourish.

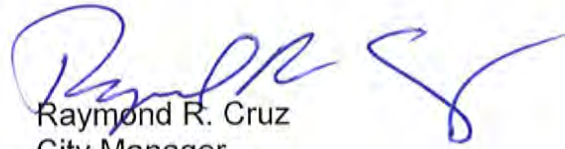
Date of Report: March 18, 2019

FISCAL IMPACT

The \$15 million Section 190 Grade Separation Funds for the Overpass Project Section is critical to funding completion of the project with an estimated total cost of \$155 million.

INFRASTRUCTURE IMPACT

The proposed Overpass Project will improve safety by separating pedestrians and vehicles from trains at the railroad crossing. The Project will also enhance mobility and quality of life for the community.


Raymond R. Cruz
City Manager

Attachments:

Exhibit A: Resolution No. 9624

RESOLUTION NO. 9624

**A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF SANTA FE SPRINGS, CALIFORNIA
AUTHORIZING FILING AN APPLICATION WITH CALTRANS, DIVISION OF RAIL,
FOR ALLOCATION OF SECTION 190 GRADE SEPARATION PROGRAM FUNDS
FOR THE ROSECRANS/MARQUARDT AVENUES GRADE SEPARATION
OVERPASS PROJECT**

WHEREAS, the City of Santa Fe Springs ("CITY") was incorporated in 1957 as a general law city and is responsible for transportation planning with respect to local streets and roads within the boundaries of the CITY; and

WHEREAS, BNSF Railway Company ("BNSF") owns and operates a line of railroad in and through the City of Santa Fe Springs, State of California, hereinafter referred to as ("Rail Corridor");

WHEREAS, the CITY and Los Angeles County Transportation Authority (LACMTA) desire to improve the existing Rosecrans Avenue and Marquardt Avenue at grade crossing by constructing a new crossing at separated grades to be known as the Rosecrans/Marquardt Avenues Overpass, hereinafter referred to as ("Overpass") D.O.T. No. 967635B;

WHEREAS, on June 29, 2017, the California Public Utilities Commission ("CPUC") filed an Order Instituting Investigation ("OII") for the purpose of establishing the California Grade Separation Priority Lists for Fiscal Years 2018-2019 and 2019-2020; and

WHEREAS, the OII requested nominations from interested parties for grade separation projects involving existing or proposed crossings at-grade of city streets, county roads or state highways in need of separation, or projects affecting the elimination of grade crossings by removal or relocation of streets or railroad tracks, or existing separations in need of alterations or reconstruction in accordance with Section 2452 of the Streets and Highways Code; and

WHEREAS, the CITY has sponsored the nomination to the CPUC of the Rosecrans/Marquardt Avenues Railroad At-Grade Crossing Overpass Project ("Project"); and

WHEREAS, the Project is presently ranked as Priority No. 3 on the State Grade Separation Priority List (I.17-06-025) as adopted by the California Public Utilities Commission for Fiscal Years 2018-2019 and 2019-2020 pursuant to Section 2452 of the California Streets and Highways Code; and

WHEREAS, following to the CPUC's issuance of the California Grade Separation Program Priority List, the California Department of Transportation ("Caltrans") accepts

applications for the allocation of State Section 190 Grade Separation funds for projects included in the California Grade Separation Priority List; and

WHEREAS, requests for the allocation of Section 190 funds require an agreement between the railroad and the project applicant and a certified resolution from the applicant's governing body attesting to specified conditions that are further described below; and

WHEREAS, Section 2456 of the Streets and Highways Code requires that local agencies receiving allocations for railroad grade separation projects furnish evidence that sufficient funds will be made available as the work of the project progresses and that all other matters prerequisite to the awarding of a construction contract can be accomplished within two years after allocation of funds for the project by the California Transportation Commission; and

WHEREAS, the CITY desires LACMTA to construct and manage the construction of the Project that is located within the CITY and to enter into a Cooperative Agreement to define roles and responsibilities in the delivery of the project and to facilitate the satisfaction of the requirements of the Section 190 program; and

WHEREAS, there is no pending or threatened litigation that might adversely affect the implementation of the Project, or that might impair the ability of the CITY and LACMTA to implement it; and

WHEREAS, the CITY is not legally impeded from filing an allocation request for Section 190 funds, nor is the LACMTA legally impeded from undertaking the Project; and

WHEREAS, LACMTA has determined that the Project is in compliance with the requirements of the California Environmental Quality Act (CEQA, Public Resources Code Section 21080); and

WHEREAS, LACMTA is completing an Environmental Assessment pursuant to Federal Transit Administration regulations implementing the National Environmental Policy Act (23 Code of Federal Regulations 771.117(d) (3)) and a Finding of No Significant Impact is anticipated.

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

Section 1. That the City Engineer is authorized to file an application with the California Department of Transportation for allocation of Section 190 Grade Separation Funds in the amount of \$15,000,000 for the Rosecrans/Marquardt Avenues Grade Separation Overpass Project and execute all required grant documents including, but not limited to, agreements, amendments and payment requests.

Section 2. That the City Council has authorized the Mayor to enter into a Cooperative and Funding Agreement with LACMTA to define roles and responsibilities in the delivery of the project and to facilitate the satisfaction of the requirements of the Section 190 program.

Section 3. That the City Council has authorized the Mayor to enter into a Construction and Maintenance Agreement with LACMTA and BNSF for the construction and management of the Project, and define roles and responsibilities in the construction and maintenance of the project.

Section 4. That all matters prerequisite to awarding the construction contract will be accomplished within two years after allocation of the funds for the Project by the California Transportation Commission.

Section 5. That sufficient local funds will be made available by the City and LACMTA as the work of the project progresses.

APPROVED and ADOPTED this 28th day of March, 2019 by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Juanita Trujillo, Mayor

ATTEST:

Janet Martinez, CMC, City Clerk



City of Santa Fe Springs

City Council Meeting

ITEM NO. 18

March 28, 2019

NEW BUSINESS

Resolution No. 9625 – Request for Parking Restrictions during Certain Hours on Sunshine Avenue between Greenstone Avenue and Shoemaker Avenue

RECOMMENDATION

That the City Council adopt Resolution No. 9625 to implement a parking restriction between the hours of 10:00 p.m. and 4:00 a.m. on the both sides of Sunshine Avenue from Greenstone Avenue to Shoemaker Avenue and implement a tow-away zone within the same limits for vehicles that violate the parking restriction.

BACKGROUND

The Traffic Commission at their meeting of February 21, 2019, reviewed the attached Traffic Engineers report for implementation of an overnight parking restriction during the hours of 10:00 p.m. and 4:00 a.m. on both sides of Sunshine Avenue between Greenstone Avenue and Shoemaker Avenue. The businesses on Sunshine Avenue between Greenstone Avenue and Shoemaker Avenue have been experiencing problems associated with recreational vehicles and semi-trucks with trailers parking long-term and limiting parking space for their customers, dumping trash in the street and on the landscaped areas. The Traffic Commission voted 4 to 0 in favor of recommending to the City Council consideration and approval of the proposed parking restriction along with a provision that allows the towing of vehicles violating the parking restriction.

City staff recommends implementation of the parking restriction request from the businesses located along Sunshine Avenue between Greenstone Avenue and Shoemaker Avenue along with a provision that allows the towing of vehicles violating the parking restriction.


Raymond R. Cruz
City Manager

Attachments:

Exhibit A: Resolution No. 9625

Exhibit B: Traffic Commission Report – 02/21/2019

Report Submitted By:

Noe Negrete
Director of Public Works



Date of Report: March 18, 2019

EXHIBIT A

APPROVED:
ITEM NO.:

RESOLUTION NO. 9625

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

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

Section 1. Pursuant to the provision of Section 72.21 of the City Code, when authorized signs are in place giving notice thereof, the following location is designated as a place where no person shall stop, stand or park a vehicle for any purpose other than the loading or unloading of passengers or materials between the hours of 10:00 PM to 4:00 AM:

Both sides of Sunshine Avenue between Greenstone Avenue and Shoemaker Avenue

When signs are posted giving notice thereof, any vehicle which is parked or left standing in violation of the provisions of this Resolution, shall be removed pursuant to the provisions of Vehicle Code Section 22651 (n).

APPROVED and ADOPTED this 28th day of March 2019.

Juanita Trujillo, Mayor

ATTEST:

Janet Martinez, CMC, City Clerk

EXHIBIT B



City of Santa Fe Springs

Traffic Commission Meeting

February 21, 2019

TRAFFIC ENGINEER'S REPORT

Request for Parking Restriction on Sunshine Avenue between Greenstone Avenue and Shoemaker Avenue

RECOMMENDATION

That the Commission recommend to the City Council that a parking restriction between the hours of 10:00 p.m. and 4:00 a.m. be implemented on the both sides of Sunshine Avenue between Greenstone Avenue and Shoemaker Avenue.

BACKGROUND

The businesses along Sunshine Avenue between Shoemaker Avenue and Greenstone Avenue have been experiencing problems associated with the impacts of recreational vehicles and semi-trucks with trailers parking long-term as outlined in the attached letter from Life Paint Corporation located at 12927 Sunshine Avenue. Several of the impacted businesses have gotten together and submitted a request to the City to prohibit overnight parking on Sunshine Avenue between the hours of 10:00 p.m. and 4:00 a.m. The impacted businesses and their corresponding addresses are as follows:

Company	Address
1. Life Paint	12927 Sunshine Ave.
2. JANUS et Cie	12310 Greenstone Ave.
3. B.D. Classic	12903, 12811 Sunshine Ave.
4. Roberts Honing & Gundrilling, Inc.	12805 Sunshine Ave.
5. Accuride	12311 Shoemaker Ave.

Sunshine Avenue, built in 1962, is an industrial collector street that is about 880 feet long and has a curb-to-curb street width of 52 feet. It connects Greenstone Avenue and Shoemaker Avenue. Sunshine Avenue is not striped but is wide enough for one lane in each direction and has parking permitted on both sides of the street. The street is flat and has a straight alignment with an east/west orientation. The average daily traffic for Sunshine Avenue in 2016 was found to be 2,960 vehicles on a typical weekday. The speed limit for Sunshine Avenue is 30 miles-per-hour and has a critical speed of 29 miles per hour. The abutting development along Sunshine Avenue is light manufacturing-type development.

City staff reviewed the request for the location and verified the long-term parking of trucks and RVs. Staff recommends that the Traffic Commission concur with the request from business owners on Sunshine Avenue and recommend that the City Council prohibit parking on both sides of Sunshine Avenue between the hours of 10:00 p.m. and 4:00 a.m. between Shoemaker Avenue and Greenstone Avenue.


Noe Negrete
Director of Public Works

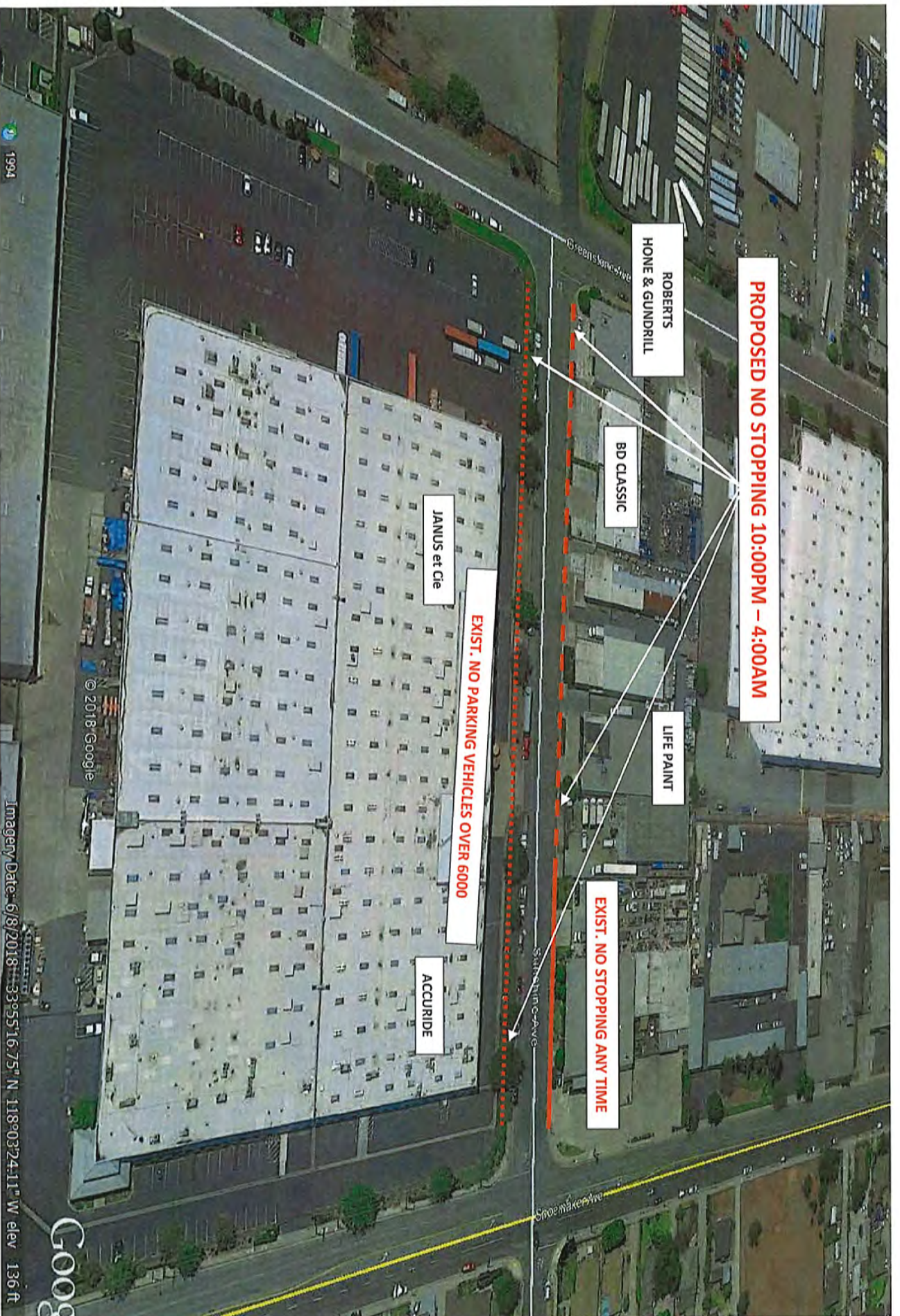
Attachments:

- 1) Location Map
- 2) Letters from Sunshine Avenue Businesses Residents

Report Submitted By:

Noe Negrete
Director of Public Works

 Date of Report: February 14, 2019



PROPOSED NO STOPPING 10:00PM - 4:00AM

ROBERTS
HONE & GUNDRILL

BD CLASSIC

LIFE PAINT

EXIST. NO STOPPING ANY TIME

EXIST. NO PARKING VEHICLES OVER 6000

JANUS et Cie

ACCURIDE

LOCATION MAP

SUNSHINE AVENUE (GREENSTONE AVENUE TO SHOEMAKER AVENUE)

1994

Imagery Date: 6/8/2018 11:33:55 16.75° N 118°03'24.11" W elev 136 ft



City of Santa Fe Springs

City Council Meeting

ITEM NO. 19

March 28, 2019

NEW BUSINESS

Resolution No. 9626 – Ordering the Preparation of the Engineer's Report for FY 2019/20 in Conjunction with the Annual Levy of Assessments for Heritage Springs Assessment District No. 2001-01 (Hawkins Street and Palm Drive).

RECOMMENDATION

That the City Council adopt Resolution No. 9626, ordering the preparation of the Engineer's Report for FY 2019/20 in conjunction with the annual levy of assessments for Heritage Springs Assessment District No. 2001-01 (Hawkins Street and Palm Drive).

BACKGROUND

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

The District also included a mechanism to provide funding on an annual basis for ongoing street maintenance to include slurry sealing, street resurfacing and street reconstruction as needed. The requirement for a street maintenance district component was a condition of approval for the development. In FY 2017-2018, the two streets within the Heritage Springs Assessment District, Palm Drive and Hawkins Street, were slurry-sealed.

The approval of Resolution No. 9626 orders the preparation of plans, specifications, cost estimates, assessment diagram, assessment, and the Engineer's Report for the annual update of the Assessment District.


Raymond R. Cruz
City Manager

Attachments:

Exhibit A: Resolution No. 9626

Exhibit B: Boundary Map

Report Submitted By:

Noe Negrete
Director of Public Works



Date of Report: March 19, 2019

EXHIBIT A

APPROVED:
ITEM NO.:

RESOLUTION NO. 9626

**RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF SANTA FE SPRINGS, CALIFORNIA
ORDERING THE PREPARATION OF THE ENGINEER'S REPORT
FOR FY 2019-20 IN CONJUNCTION WITH THE ANNUAL UPDATE FOR
HERITAGE SPRINGS ASSESSMENT DISTRICT NO. 2001-01
(HAWKINS STREET AND PALM DRIVE)**

WHEREAS, the City Council of the City of Santa Fe Springs, California, desires to initiate proceedings for the annual levy of assessments for an assessment district established in May 2001, pursuant to the Municipal Improvements Act of 1913 (Division 12 of the California Streets and Highways Code.)

**CITY OF SANTA FE SPRINGS
HERITAGE SPRINGS ASSESSMENT DISTRICT NO. 2001-01
(HAWKINS STREET AND PALM DRIVE)**

(Hereinafter referred to as the "District"); and,

WHEREAS, these proceedings for the annual levy of assessments shall relate to the fiscal year commencing July 1, 2019 and ending June 30, 2020; and,

WHEREAS, there has been submitted to this City Council, for its consideration at this time, a map showing the boundaries of the area affected by the levy of the assessment for the above referenced fiscal year, said map further showing and describing in general the works of improvement proposed to be maintained in said District, and description being sufficient to identify the works of improvement and the areas proposed to be assessed for said maintenance thereof; and

WHEREAS, the provisions of said Division 12 require a written "Report" consisting of the following:

1. Plans and specifications of the area of the work improvement to be maintained; and
2. An estimate of the costs for maintaining the improvements for the above referenced fiscal year; and
3. A diagram of the area proposed to be assessed; and
4. A proposed assessment of the estimated costs for maintenance work for said fiscal year.

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

Section 1: That the above recitals are true and correct.

Section 2: That a map entitled "Boundary Map Heritage Springs Assessment District No. 2001-01" as submitted to this City Council, showing the boundaries of the proposed area to be assessed and showing the work of improvement to be maintained and a copy is on file in the Office of the City Clerk and open to public inspection. The proposed parcels and properties within said area are those to be assessed to pay certain costs and expenses for said maintenance work.

Section 3: That the proposed maintenance work within the area proposed to be assessed shall be for certain improvements, as said maintenance work is set forth in the "Report" to be presented to this City Council for consideration.

Section 4: That Noe Negrete, City Engineer, is hereby ordered to prepare and file with this City Council, a "Report" relating to said annual assessment and levy in accordance with the provisions of Municipal Improvements Act of 1913 (Division 12 of the California Streets and Highway Code).

Section 5: That, upon completion, said "Report" shall be filed with the City Clerk who shall then submit the same to this City Council for its consideration pursuant to section 10203 and 10204 of said Streets and Highways Code.

Section 6: That the City Clerk shall certify to the adoption of this resolution.

APPROVED and ADOPTED this 28th day of March, 2019.

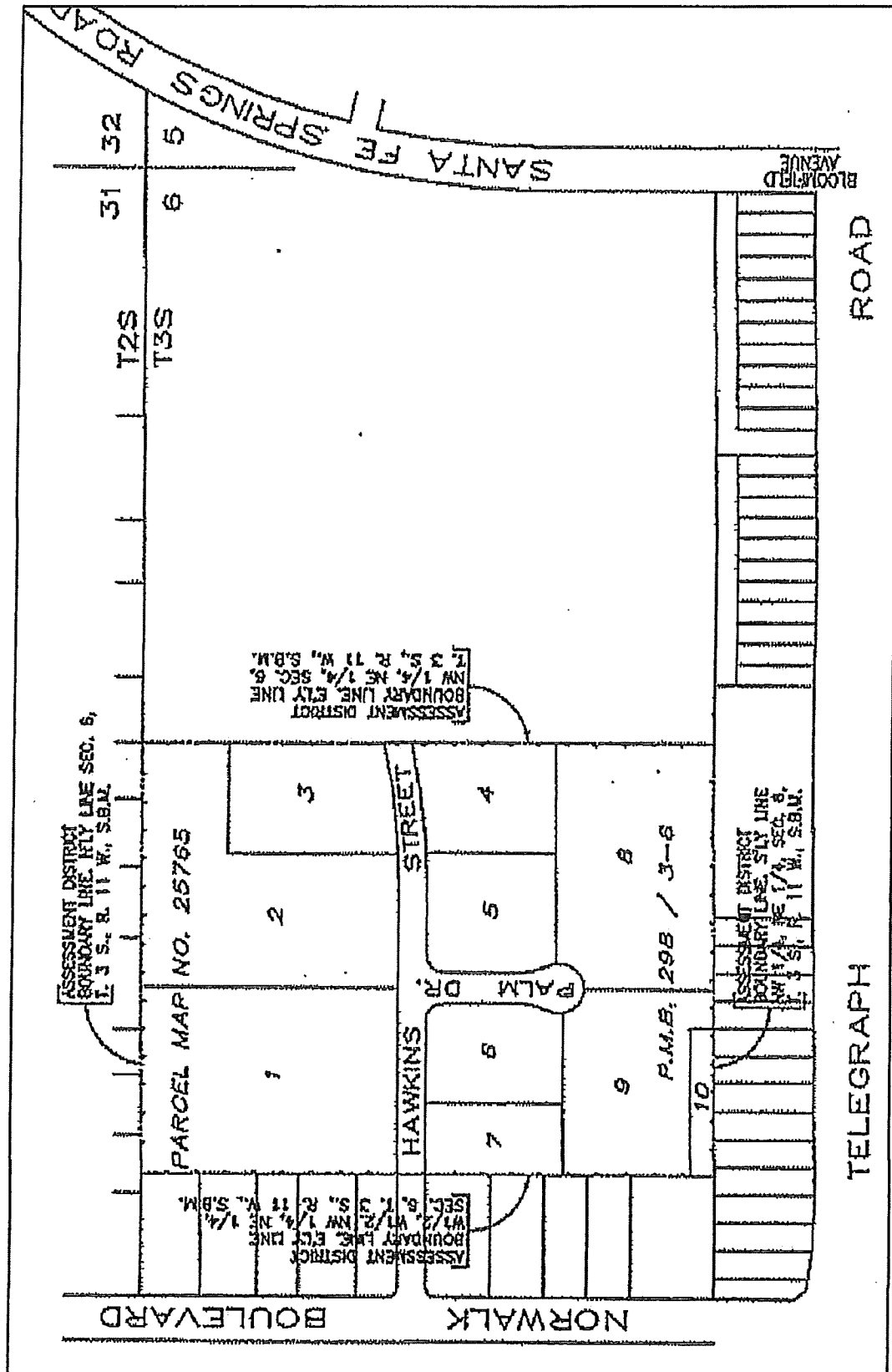
Juanita Trujillo, Mayor

ATTEST:

Janet Martinez, CMC, City Clerk

BOUNDARY MAP HERITAGE SPRINGS ASSESSMENT DISTRICT 2001-1

EXHIBIT B





City of Santa Fe Springs

City Council Meeting

March 28, 2019

NEW BUSINESS

Resolution No. 9627 – Ordering the Preparation of the Engineer's Report for FY 2019/20 in Conjunction with the Annual Levy of Assessments for Street Lighting District No. 1

RECOMMENDATION

That the City Council adopt Resolution No. 9627, ordering the preparation of the Engineer's Report for FY 2019/20 in conjunction with the annual levy of assessments for Street Lighting District No. 1.

BACKGROUND

The Santa Fe Springs Lighting District No. 1 was formed on May 26, 1982, pursuant to the provisions of the Landscaping and Lighting Act of 1972. After the initial formation of the District, it became necessary for the City to update the Lighting District annually, in order to levy annual assessments against the properties located within the Lighting District.

The required documents that meet the legal requirements are outlined in Chapter 3 of the Landscaping and Lighting Act of 1972 as contained in the Streets and Highways Code.

The approval of Resolution No. 9627 orders the preparation of cost estimate, assessment diagram, assessment, and Engineer's Report for the annual update of the Lighting District.


Raymond R. Cruz
City Manager

Attachments:

Exhibit A: Resolution No. 9627

Exhibit B: Boundary Map

Report Submitted By:

Noe Negrete
Director of Public Works



Date of Report: March 18, 2019

EXHIBIT A

APPROVED:
ITEM NO.:

RESOLUTION NO. 9627

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS, CALIFORNIA ORDERING THE PREPARATION OF THE ENGINEER'S REPORT FOR FY 2019-20 IN CONJUNCTION WITH THE ANNUAL UPDATE FOR STREET LIGHTING DISTRICT NO. 1

WHEREAS, the City Council of the City of Santa Fe Springs, California, desires to initiate proceedings for the annual levy of assessments for a street lighting district pursuant to the terms and provisions of the "Landscaping and Lighting Act of 1972," being Division 15, Part 2 of the Streets and Highways Code of the State of California, in what is known and designated as

CITY OF SANTA FE SPRINGS LIGHTING DISTRICT NO. 1

(Hereinafter referred to as the "District"); and,

WHEREAS, these proceedings for the annual levy of assessments shall relate to the fiscal year commencing July 1, 2019 and ending June 30, 2020; and,

WHEREAS, there has been submitted to this City Council, for its consideration at this time, a map showing the boundaries of the area affected by the levy of the assessment for the above referenced fiscal year, said map further showing and describing in general the works of improvement proposed to be maintained in said District, and description being sufficient to identify the works of improvement and the areas proposed to be assessed for said maintenance thereof; and

WHEREAS, the provisions of said Division 15, Part 2 require a written "Report" consisting of the following:

1. Plans and specifications of the area of the work improvement to be maintained; and
2. An estimate of the costs for maintaining the improvements for the above referenced fiscal year; and
3. A diagram of the area proposed to be assessed; and
4. An assessment of the estimated costs for maintenance work for said fiscal year.

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

Section 1: That the above recitals are true and correct.

Section 2: That a map entitled "City of Santa Fe Springs Lighting District No. 1

Annual Levy" as submitted to this City Council, showing the boundaries of the proposed area to be assessed and showing the work of improvement to be maintained, and a copy is on file in the Office of the City Clerk and open to public inspection. The proposed parcels and properties within said area are those to be assessed to pay certain costs and expenses for said maintenance work.

Section 3: That the proposed maintenance work within the area proposed to be assessed shall be for certain street lighting improvements, as said maintenance work is set forth in the "Report" to be presented to this City Council for consideration.

Section 4: That Noe Negrete, City Engineer, is hereby ordered to prepare and file with this City Council, a "Report" relating to said annual assessment and levy in accordance with the provisions of Article IV, commencing with Section 22565 of Chapter 1 of the Streets and Highways Code of the State of California.

Section 5: That, upon completion, said "Report" shall be filed with the City Clerk who shall then submit the same to this City Council for its consideration pursuant to section 22623 and 22624 of said Streets and Highways Code.

Section 6: That the City Clerk shall certify to the adoption of this resolution.

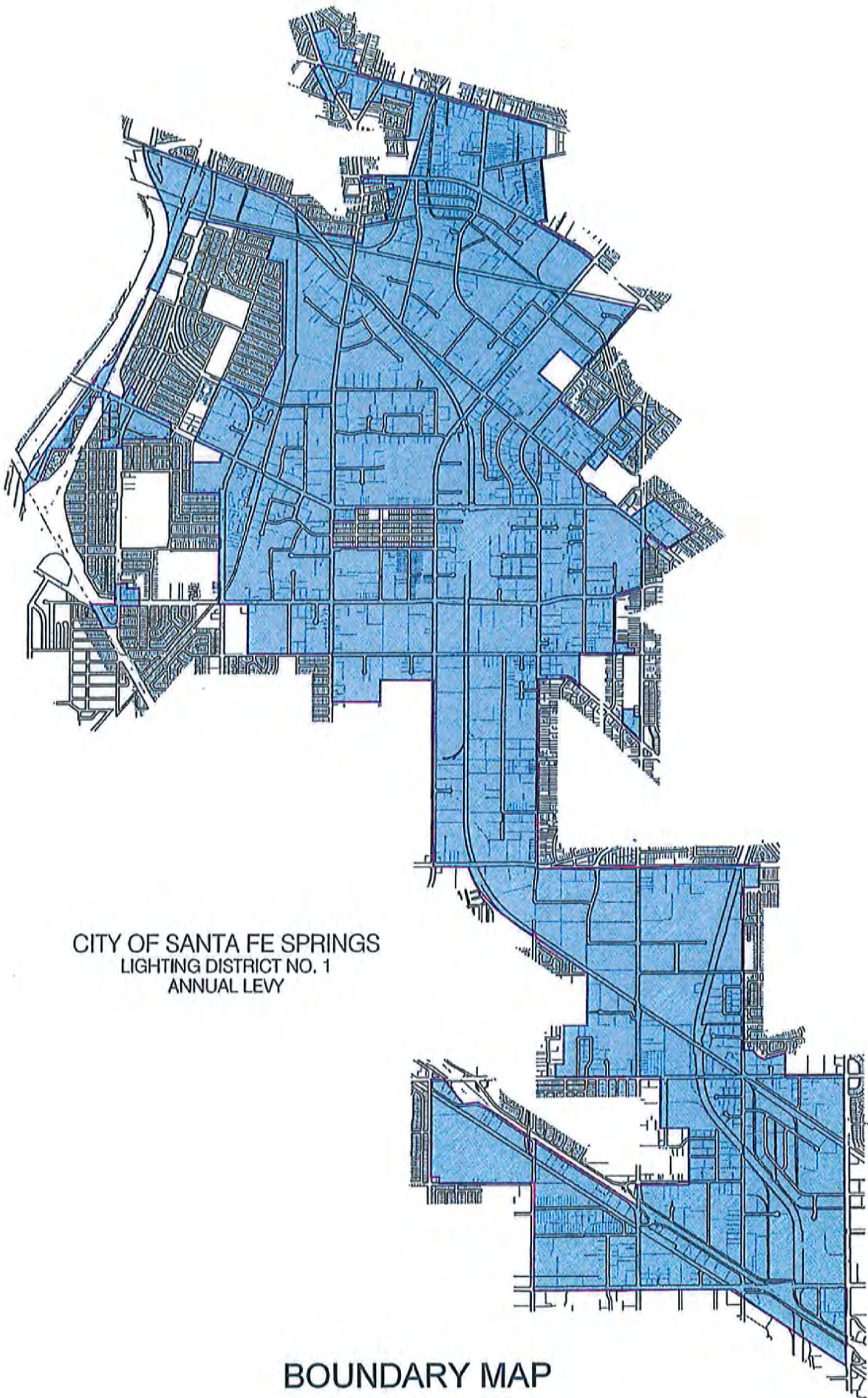
APPROVED and ADOPTED this 28th day of March, 2019.

Juanita Trujillo, Mayor

ATTEST:

Janet Martinez, CMC, City Clerk

EXHIBIT B



March 28, 2019



City of Santa Fe Springs

City Council Meeting

NEW BUSINESS

Resolution No. 9628-Approving the Renewal of the General Services Agreement Between the City of Santa Fe Springs and the County of Los Angeles

RECOMMENDATION:

That the City Council:

- Approve Resolution No. 9628- the renewal of the General Services Agreement between the City of Santa Fe Springs and the County of Los Angeles for a five year period commencing on July 1, 2019, and in so doing, authorize the Mayor to execute the agreement documents.

BACKGROUND

The General Services Agreement (GSA) between the City of Santa Fe Springs and Los Angeles County provides authority for the County to provide services, other than plan check and inspection services, as requested by the City of Santa Fe Springs. Services under the GSA are miscellaneous in nature and occur on an "as-needed" time limited services such as street maintenance, prosecution of City ordinances, direct assessment collection and a variety of public works activities. Ongoing service such as public health code enforcement is provided by the responsible County department through Specific Service Agreements. Any Specific Service Agreements between the City and the County of Los Angeles are not affected by renewal of this GSA.

Rates for services provided under the GSA are determined by the County Auditor-Controller annually effective on July 1 of each year to reflect the cost of such service in accordance with the policies and procedures for the determination of such rates as adopted by the County Board of Supervisors. Cost would only be incurred if and when the City requests the services. There is no regular fee charged with the implementation of this Agreement.

The GSA with Los Angeles County is a 5-year agreement. It was previously executed in 2014 and expires June 30, 2019. The new agreement is also a 5-year agreement and will commence on July 1, 2019 and expire on June 30, 2024. Failure to execute the GSA means the City cannot request service from the County of Los Angeles without first executing a contract for the services requested. This process could take several months as it would require approval from both the Santa Fe Springs City Council and the Los Angeles County Board of Supervisors.

FISCAL IMPACT

Approval of the attached GSA with Los Angeles County will have no financial impact on the City of Santa Fe Springs until service is requested. At the time service is rendered, the contract provides a mechanism whereby the County of Los Angeles can bill the City of Santa Fe Springs according to the rate schedule then in effect.

INFRASTRUCTURE IMPACT

Approval of the attached GSA with Los Angeles County will have no infrastructure impact on the City of Santa Fe Springs.



Raymond R. Cruz
City Manager

Attachments:

1. Resolution No. 9628
2. General Services Agreement-Exhibit "A"

RESOLUTION NO. 9628

A RESOLUTION OF THE CITY OF SANTA FE SPRINGS APPROVING THE RENEWAL OF THE GENERAL SERVICES AGREEMENT BETWEEN THE CITY OF SANTA FE SPRINGS AND THE COUNTY OF LOS ANGELES

WHEREAS, Section 51300, et seq., of the California Government Code authorizes the execution of contracts between counties and cities within those counties for the provision of services related to city functions by the county for the city; and

WHEREAS, Section 56½ of the Charter of the County of Los Angeles authorizes and provides for the execution of such contracts; and

WHEREAS, the current General Services Agreement (GSA) between the City of Santa Fe Springs and the County of Los Angeles expires on June 30, 2019; and

WHEREAS, the County of Los Angeles has requested that in order to continue the services the City is currently receiving, and to offer the ability to add or augment services in the future, that the City renew the existing agreement for a five-year period, commencing on July 1, 2019 through June 30, 2024

NOW, THEREFORE BE RESOLVED, THAT THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS HEREBY FINDS, DETERMINES, RESOLVES, AND ORDERS AS FOLLOWS:

Section 1: The City of Santa Fe Springs hereby notifies the County of Los Angeles Board of Supervisors that the City desires to renew the GSA between the County of Los Angeles and the City of Santa Fe Springs for a five-year period, July 1, 2019 through June 30, 2024. The City Council requests that the County of Los Angeles Board of Supervisors consent to the renewal of said agreement.

Section 2: The Mayor of the City of Santa Fe Springs is hereby authorized to sign, on behalf of the City of Santa Fe Springs, a GSA between the City of Santa Fe Springs and the County of Los Angeles, effective July 1, 2019. A copy of said agreement is attached as Exhibit "A" and by reference made a part hereof.

Section 3: The City Clerk shall attest and certify to the passage and adoption of Resolution No. 9628.

PASSED AND ADOPTED, this 28th day of March, 2019, by the following roll call vote.

Juanita Trujillo, Mayor

ATTEST:

Janet Martinez, City Clerk

GENERAL SERVICES AGREEMENT

THIS GENERAL SERVICES AGREEMENT ("Agreement"), dated for purposes of reference only, June 1, 2019, is made by and between the County of Los Angeles, hereinafter referred to as the "County", and the City of Santa Fe Springs, hereinafter referred to as the "City."

RECITALS:

(a) The City is desirous of contracting with the County for the performance by its appropriate officers and employees of City functions.

(b) The County is agreeable to performing such services on the terms and conditions hereinafter set forth.

(c) Such contracts are authorized and provided for by the provisions of Section 56½ of the Charter of the County of Los Angeles and Section 51300, *et seq.*, of the Government Code.

THEREFORE, THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. The County agrees, through its officers, agents and employees, to perform those City functions, which are hereinafter provided for.

2. The City shall pay for such services as are provided under this Agreement at rates to be determined by the County Auditor-Controller in accordance with the policies and procedures established by the Board of Supervisors.

These rates shall be readjusted by the County Auditor-Controller annually effective the first day of July of each year to reflect the cost of such service in accordance with the policies and procedures for the determination of such rates as adopted by the Board of Supervisors of County.

3. No County agent, officer or department shall perform for said City any function not coming within the scope of the duties of such agent, officer or department in performing services for the County.

4. No service shall be performed hereunder unless the City shall have available funds previously appropriated to cover the cost thereof.

5. No function or service shall be performed hereunder by any County agent, officer or department unless such function or service shall have been requested in writing by the City on order of the City Council thereof or such officer as it may designate and approved by the Board of Supervisors of the County, or such officer as it may designate, and each such service or function shall be performed at the times and under circumstances which do not interfere with the performance of regular County operations.

6. Whenever the County and City mutually agree as to the necessity for any such County agent, officer or department to maintain administrative headquarters in the City, the City shall furnish at its own cost and expense all necessary office space, furniture, and furnishings, office supplies, janitorial service, telephone, light, water, and other utilities. In all instances where special supplies, stationery, notices, forms and the like must be issued in the name of the City, the same shall be supplied by the City at its expense.

It is expressly understood that in the event a local administrative office is maintained in the City for any such County agent, officer or department, such quarters may be used by the County agent, officer or department in connection with the performance of its duties in territory outside the City and adjacent thereto provided, however, that the performance of such outside duties shall not be at any additional cost

to the City.

7. All persons employed in the performance of such services and functions for the City shall be County agents, officers or employees, and no City employee as such shall be taken over by the County, and no person employed hereunder shall have any City pension, civil service, or other status or right.

For the purpose of performing such services and functions, and for the purpose of giving official status to the performance hereof, every County agent, officer and employee engaged in performing any such service or function shall be deemed to be an agent, officer or employee of said City while performing service for the City within the scope of this agreement.

8. The City shall not be called upon to assume any liability for the direct payment of any salary, wages or other compensation to any County personnel performing services hereunder for the City, or any liability other than that provided for in this agreement.

Except as herein otherwise specified, the City shall not be liable for compensation or indemnity to any County employee for injury or sickness arising out of his or her employment.

9. The parties hereto have executed an Assumption of Liability Agreement approved by the Board of Supervisors on December 27, 1977 and/or a Joint Indemnity Agreement approved by the Board of Supervisors on October 8, 1991. Whichever of these documents the City has signed later in time is currently in effect and hereby made a part of and incorporated into this agreement as set out in full herein. In the event that the Board of Supervisors later approves a revised Joint Indemnity Agreement and the City executes the revised agreement, the subsequent agreement as of its effective date

shall supersede the agreement previously in effect between the parties hereto.

10. Each County agent, officer or department performing any service for the City provided for herein shall keep reasonably itemized and in detail work or job records covering the cost of all services performed, including salary, wages and other compensation for labors; supervision and planning, plus overhead, the reasonable rental value of all County-owned machinery and equipment, rental paid for all rented machinery or equipment, together with the cost of an operator thereof when furnished with said machinery or equipment, the cost of all machinery and supplies furnished by the County, reasonable handling charges, and all additional items of expense incidental to the performance of such function or service.

11. All work done hereunder is subject to the limitations of the provisions of Section 23008 of the Government Code, and in accordance therewith, before any work is done or services rendered pursuant hereto, an amount equal to the cost or an amount 10% in excess of the estimated cost must be reserved by the City from its funds to ensure payment for work, services or materials provided hereunder.

12. The County shall render to the City at the close of each calendar month an itemized invoice which covers all services performed during said month, and the City shall pay County therefore within thirty (30) days after date of said invoice.

If such payment is not delivered to the County office which is described on said invoice within thirty (30) days after the date of the invoice, the County is entitled to recover interest thereon. Said interest shall be at the rate of seven (7) percent per annum or any portion thereof calculated from the last day of the month in which the services were performed.

13. Notwithstanding the provisions of Government Code Section 907, if such

payment is not delivered to the County office which is described on said invoice within thirty (30) days after the date of the invoice, the County may satisfy such indebtedness, including interest thereon, from any funds of any such City on deposit with the County without giving further notice to said City of County's intention to do so.

14. This Agreement shall become effective on the date herein-above first mentioned and shall run for a period ending June 30, 2024, and at the option of the City Council of the City, with the consent of the Board of Supervisors of County, shall be renewable thereafter for an additional period of not to exceed five (5) years.

15. In the event the City desires to renew this Agreement for said five-year period, the City Council shall not later than the last day of May 2024, notify the Board of Supervisors of County that it wishes to renew the same, whereupon the Board of Supervisors, not later than the last day of June 2024, shall notify the City Council in writing of its willingness to accept such renewal. Otherwise such Agreement shall finally terminate at the end of the aforescribed period.

Notwithstanding the provisions of this paragraph herein-above set forth, the County may terminate this Agreement at any time by giving thirty (30) days' prior written notice to the City. The City may terminate this Agreement as of the first day of July of any year upon thirty (30) days' prior written notice to the County.

16. This Agreement is designed to cover miscellaneous and sundry services which may be supplied by the County of Los Angeles and the various departments thereof. In the event there now exists or there is hereafter adopted a specific contract between the City and the County with respect to specific services, such contract with respect to specific services shall be controlling as to the duties and obligations of the parties anything herein to the contrary notwithstanding, unless such special contract

adopts the provisions hereof by reference.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers.

Executed this _____ day of _____ 2019.

The City of Santa Fe Springs,

By _____
Mayor

ATTEST:

City Clerk

THE COUNTY OF LOS ANGELES

By _____
Deputy

By _____
Chair, Board of Supervisors

ATTEST:

CELIA ZAVALA
Executive Officer/Clerk
of the Board of Supervisors

By _____
Senior Deputy

APPROVED AS TO FORM:

MARY C. WICKHAM
County Counsel

By _____
Senior Deputy



City of Santa Fe Springs

City Council Meeting

ITEM NO. 22

March 28, 2019

NEW BUSINESS

Resolution No. 9629 Authorizing the Publication of Notice to Sell a Franchise to Golden State Water Company for Maintenance and Operation of Pipelines in City Streets

RECOMMENDATION

That the City Council adopt Resolution No. 9629 and set the date of April 25, 2019 for the public hearing to grant a franchise to Golden State Water Company.

BACKGROUND

Golden State Water Company is a private water purveyor that operates water pipelines within the City of Santa Fe Springs. They were formerly known as Southern California Water Company until September 2005, when the company underwent a name change. On June 24, 1999, the City granted Southern California Water Company a twenty-year franchise through Ordinance No. 889, allowing them to operate their water pipelines in the City in order to serve the properties along Carmenita Road south of Telegraph Road, and on Imperial Highway between Bloomfield Avenue and Shoemaker Avenue and between Carmenita Road and Marquardt Avenue. The franchise is scheduled to expire on June 24, 2019. Consequently, they are requesting to renew the franchise agreement with the City.

A franchise agreement may be granted to Golden State Water Company to include the City's standard requirements as follows:

1. A ten-year franchise term;
2. Golden State Water Company shall pay to the City the one-time franchise application fee of \$4,670.00;
3. Annual franchise fee of 2% of gross annual receipts;
4. The City reserves the right to revise the annual franchise fee following one year's written notice to Golden State Water Company;
5. The proposed franchise provides for the method of abandonment of pipelines and the payment of a fee to the City of one-half the estimated cost of removal.
6. Golden State Water Company shall maintain an insurance policy at all times with minimum liability coverage of \$1,000,000 and also name the City of Santa Fe Springs as additional insured.

FISCAL IMPACT

The City will receive an annual franchise fee of 2% of gross annual receipts from Golden State Water Company.

Report Submitted By:

Noe Negrete
Director of Public Works

Date of Report: March 20, 2019

INFRASTRUCTURE IMPACT

The Golden State Water Company franchise renewal will provide for procedures for the abandonment of pipelines.



Raymond R. Cruz
City Manager

Attachment:
Resolution Number No. 9629

RESOLUTION NO. 9629

**A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF SANTA FE SPRINGS, CALIFORNIA
AUTHORIZING THE PUBLICATION OF A NOTICE TO SELL FRANCHISE
FOR A PERIOD OF 10 YEARS, TO CONSTRUCT, MAINTAIN, OPERATE,
RENEW, REPAIR, CHANGE THE SIZE OF, REMOVE AND/OR ABANDON IN PLACE
PIPELINES FOR THE TRANSPORTATION OF WATER, TOGETHER WITH ALL
MANHOLES, VALVES, COMMUNICATION CABLES, APPURTENANCES AND
SERVICE CONNECTIONS USED IN CONNECTION THEREWITH, NECESSARY OR
CONVENIENT FOR THE OPERATION OF SUCH LINES, IN, UNDER, ALONG AND
ACROSS ANY AND ALL PUBLIC STREETS, ALL ALLEYS AND HIGHWAYS NOW
OR HEREAFTER DEDICATED TO PUBLIC USE IN THE CITY OF SANTA FE
SPRINGS (GOLDEN STATE WATER COMPANY)**

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

WHEREAS, GOLDEN STATE WATER COMPANY, INCORPORATED, a corporation has made application to the City Council of the City of Santa Fe Springs for a franchise more particularly described in the "Notice of Sale of Franchise" hereinafter set forth:

NOW, THEREFORE, BE IT RESOLVED that the City Council proposed to grant said franchise in the manner provided by law, substantially in the form and upon the terms and conditions hereinafter set forth in the "Notice of Sale of Franchise;"

BE IT FURTHER RESOLVED that the City Clerk of the City of Santa Fe Springs be, and she is hereby, authorized and directed to publish the following Notice of Sale of Franchise in a newspaper of general circulation within the City at least once within fifteen (15) days after the passage of this resolution, substantially in the following form, to wit:

NOTICE OF SALE OF FRANCHISE

NOTICE IS HEREBY GIVEN that an application has heretofore been made to the City Council of the City of Santa Fe Springs, State of California, by GOLDEN STATE WATER COMPANY, INCORPORATED, a corporation, for the franchise hereinafter described, and it is proposed by said City Council to grant said application on the terms and conditions hereinafter mentioned.

Said franchise is described and will be granted substantially in the following form:

The franchise is hereby granted to GOLDEN STATE WATER COMPANY, INCORPORATED, a corporation, its successors and assigns, for a period of ten (10) years, to construct, maintain, operate, renew, repair, change the size of, remove and/or abandon in place pipelines for the transportation of water, together with all manholes,

valves, communication cables, appurtenances and service connections used in connection therewith, necessary or convenient for the operation of such lines, in, under, along and across any and all public streets, alleys and highways now or hereafter dedicated to public use in the City of Santa Fe Springs.

The grantee shall, during the life of this franchise, pay to the City of Santa Fe Springs, in lawful money of the United States, and in the manner provided by law, an annual franchise fee of two percent (2%) of the gross annual receipts of the Grantee arising from the use, operation or possession of the franchise. In the event that such payment is not made, the City Council of the City of Santa Fe Springs may declare said franchise forfeited.

The City reserves the right, upon one year's written notice to the Grantee to revise the foregoing annual franchise fee to any fee or fee basis which is then allowable under the laws of the State of California and of the City. If the franchise fee as determined by the City is unacceptable to Grantee, Grantee shall have the right, upon six months advance written notice to City, to terminate this franchise. Any such change shall be prospective in operation.

Abandonment of pipelines shall be done according to City specifications. Said specifications shall include that all pipes, valves, etc., shall be removed, ends shall be plated after filling pipes with slurry sand, and a fee of one-half (1/2) the estimated cost of removal shall be paid to the City of Santa Fe Springs. The franchise holder shall then have no further responsibility for the abandoned facilities, nor shall Grantee pay any annual fees for such facilities. If these conditions are not satisfied, the proposed abandoned facilities shall be considered as being deactivated and shall remain the responsibility of the Grantee and shall remain on their records and maps and the annual fees shall be paid. In the event that such payment is not made, the City Council of the City of Santa Fe Springs may declare said franchise forfeited and Grantee shall pay to the City all costs for removal of the pipelines and appurtenances.

This franchise will be issued subject to and pursuant to the provisions of Chapter 114 of the Santa Fe Springs City Code of Ordinances entitled "Franchises," except as otherwise specified herein. Said Chapter 114 shall be deemed to be a part of any franchise granted hereunder.

NOTICE IS HEREBY GIVEN that any person interested may make written protest, stating objections against the granting of the franchise, which written protest must be filed with the City Clerk not later than 6:00 o'clock p.m. on the 25th day of April 2019. At the time abovementioned in the Council Chambers of the City Council of the City of Santa Fe Springs, the City Council shall proceed to hear and pass upon all protests so made.

Such franchise shall also be subject to the provisions of the Franchise Act of 1937 (Sections 6201, et seq. of the Public Utilities Code of the State of California).

APPROVED:
ITEM NO.:

Prior to the issuance of any excavation permit or the construction of any pipeline, the Grantee shall obtain approval from the Director of Public Works of the City. In granting or withholding such approval, the Director of Public Works shall take into consideration the following factors:

- (a) Whether or not the proposed route or location of the pipeline will create excessive problems during construction or during maintenance of said pipelines.
- (b) Traffic density along the proposed route.
- (c) The condition of existing pavement in the public right-of-way when pavement reconstruction is required for the installation of the proposed pipeline.
- (d) The density of population or structural development in the area through which the pipeline is proposed to be routed.
- (e) The extent of other subsurface structures in the vicinity of the proposed route.
- (f) The need for the City to install City facilities within the trench.

By order of the City Council of the City of Santa Fe Springs, California.

APPROVED and ADOPTED this 28th day of March, 2019.

Juanita Trujillo, Mayor

ATTEST:

Janet Martinez, CMC, City Clerk



City of Santa Fe Springs

City Council Meeting

March 28, 2019

NEW BUSINESS

Santa Fe Springs Road Street Improvements Project – Authorization to Allocate Proposition C Local Return Funds

RECOMMENDATION

That the City Council authorize the Director of Public Works to Allocate \$661,923 of Proposition C Local Return Funds to the Santa Fe Springs Road Street Improvements Project.

BACKGROUND

The Proposition C (Prop C) sales tax, approved by voters in 1990, is an additional one-half of 1% tax on retail sales in Los Angeles County. Los Angeles County Metropolitan Transportation Authority (LACMTA) returns 20% of the Prop C tax to the cities in the County for the maintenance and improvements to streets and highways used as public transit thoroughfares. Street maintenance projects with a direct benefit to transit are eligible for Prop C funding.

The City receives varying annual amounts from the Prop C Local Return Fund. In 2018, the City received \$285,881. The City's Prop C fund balance effective June 30, 2018, was \$661,923.

On March 14, 2018, City Council authorized advertising for construction bids for the Santa Fe Springs Road Street Improvements project. The total project cost estimate is \$2,607,000 and the construction cost estimate is \$2,185,000.

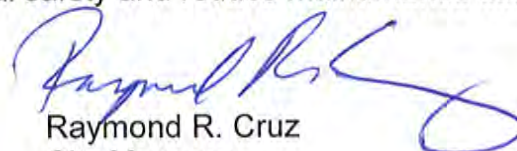
City staff determined that the Santa Fe Springs Road Street Improvements project meets the Prop C funding eligibility requirements as a public transit thoroughfare in the City and is recommending that the City Council authorize the Director of Public Works to allocate \$661,923 of Prop C Local Return Funds to the Santa Fe Springs Road Street Improvements Project construction costs. Upon City Council approval the Director of Public Works will submit required Project Description Form to LACMTA.

FISCAL IMPACT

Allocation of Prop C Funds in the amount of \$661,923 to the Santa Fe Springs Road Improvements Project reduces the amount required from the Capital Improvement Plan (CIP) Bond Fund.


INFRASTRUCTURE IMPACT

The Santa Fe Springs Road Improvements Project will improve the condition of the existing roadway, enhance operational safety and reduce maintenance costs.


Raymond R. Cruz
City Manager

Attachments:
None

Report Submitted By: Noe Negrete
Director of Public Works

 Date of Report: March 18, 2019



City of Santa Fe Springs

City Council Meeting

ITEM NO. 24

March 28, 2019

NEW BUSINESS

On-Call Tree Maintenance Services – Contract Amendment No. 1

RECOMMENDATION

That the City Council take the following actions:

- Renew the On-Call Tree Maintenance Services Agreement with West Coast Arborists, Inc. for an additional two years, effective April 14, 2019; and
- Authorize the Director of Public Works to execute Contract Amendment No. 1 with West Coast Arborist for On-Call Tree Maintenance Services.

BACKGROUND

The City Council awarded a two-year On-Call Tree Maintenance Services contract to West Coast Arborist (WCA) effective April 13, 2017. The contract contains a stipulation allowing the City Council to renew the contract an additional two years at the end of the first term based on performance and approval by the City Council.

City staff evaluated the service provided by WCA over the last two years and gives WCA an "Excellent" service rating. Their staff provides quality service at competitive rates, are responsive to emergencies and maintain professional interaction with the community while conducting their services.

City staff recommends that the City Council approve the renewal agreement with WCA for an additional two years. West Coast Arborist has agreed to keep the same unit prices per the original agreement. Staff recommends increasing the annual budget for On-Call Tree Maintenance Services to \$275,000.

LEGAL REVIEW

The City Attorney's office has reviewed the proposed contract amendment with WCA.

FISCAL IMPACT

Proposed funding for On-Call Tree Maintenance Service is included in the Department of Public Works budget.

INFRASTRUCTURE IMPACT

The City's tree maintenance program provides for the general upkeep of the existing 7,005 trees inventory and allows for tree replacement of damaged, dead and diseased trees.

A handwritten signature in blue ink, appearing to read "Raymond R. Cruz".

Raymond R. Cruz
City Manager

Attachments:

Exhibit A: Agreement – WCA

Exhibit B: Contract Amendment No. 1

Report Submitted By: Noe Negrete
Director of Public Works

A handwritten signature in blue ink, appearing to read "Noe Negrete".

Date of Report: March 19, 2019

THE CITY OF CITY OF SANTA FE SPRINGS
ON-CALL TREE MAINTENANCE SERVICES AGREEMENT

THIS AGREEMENT is entered into this 13TH day of April, 2017, by and between the **City of Santa Fe Springs**, a municipal corporation ("City"), and West Coast Arborists, Inc. ("Contractor").

RECITALS

WHEREAS, the City desires to employ the Contractor to perform On-Call Tree Maintenance Services ("Services").

WHEREAS, the City has determined that the Contractor is willing to perform such Services.

NOW, THEREFORE, THE PARTIES HERETO DO MUTUALLY AGREE AS FOLLOWS:

1. **ENGAGEMENT OF CONTRACTOR**

The City hereby agrees to engage the Contractor and the Contractor hereby agrees to perform the Services hereinafter set forth in accordance with all terms and conditions contained herein.

The Contractor represents that all Services required hereunder will be performed directly by the Contractor.

2. **SCOPE OF SERVICES**

The Contractor will perform Services as set forth in the attached **Exhibit A**.

3. **PROJECT COORDINATION AND SUPERVISION**

City shall designate the Director of Public Works or his designee as the City's Contract Administrator, and shall act as the City's representative for the performance of the Agreement. Contractor shall designate a Supervisor to act as the Contractor's representative for the performance of the Agreement.

4. **COMPENSATION AND PAYMENT**

AGENCY shall compensate Contractor for SERVICES rendered at the unit prices detailed in **Exhibits B and C** attached and made part of this Agreement. The rates include full compensation for direct labor and overhead costs.

AGENCY shall compensate CONSULTANT for SERVICES an annual amount not to exceed \$235,000.

The Contract Administrator will review and approve the invoice for payment of services rendered consistent with the Agreement. If after written notice to the Contractor of any deficiencies in the work, or of failure to comply with the Agreement provisions, or failure

On-Call Tree Maintenance Services
Agreement

to comply with the work schedule, the City may suspend all or a portion of the monthly payment due until the Contractor corrects any such deficiency.

Invoices will be processed monthly for payment and remitted within thirty (30) days from receipt of invoice, provided that work is accomplished consistent with Agreement as determined by the Contract Administrator.

5. **LENGTH OF AGREEMENT**

The term of this Agreement shall be for two (2) years from the effective date of this Agreement. The AGENCY reserves the right to renew the Agreement for an additional two (2) years at the end of the first term based on performance and approval by the City Council.

6. **INDEPENDENT CONTRACTOR**

Both parties hereto in the performance of this Agreement will be acting in an independent capacity and not as agents, employees, partners or joint venturers with one another. Neither the Contractor nor the Contractor's employees are employee of the City and are not entitled to any of the rights, benefits, or privileges of the City's employees, including but not limited to retirement, medical, unemployment, or workers' compensation insurance.

Neither this Agreement nor any interest herein may be assigned by the Contractor without the prior written consent of the City. Nothing herein contained is intended to prevent the Contractor from employing or hiring as many employees, or subcontractors, as the Contractor may deem necessary for the proper and efficient performance of this Agreement. All agreements by Contractor with its subcontractor(s) shall require the subcontractor to adhere to the applicable terms of this Agreement.

7. **CONTROL**

Neither the City nor its officers, agents or employees shall have any control over the conduct of the Contractor or any of the Contractor's employees except as herein set forth, and the Contractor expressly agrees not to represent that the Contractor or the Contractor's agents, servants, or employees are in any manner agents, servants or employees of the City, it being understood that the Contractor, its agents, servants, and employees are as to the City wholly independent contractors and that the Contractor's obligations to the City are solely such as are prescribed by this Agreement.

8. **COMPLIANCE WITH APPLICABLE LAW**

The Contractor, in the performance of the services to be provided herein, shall comply with all applicable State and Federal statutes and regulations, and all applicable ordinances, rules and regulations of the City of Santa Fe Springs, whether now in force or subsequently enacted. The Contractor, and each of its subcontractors, shall obtain and maintain a current City of Santa Fe Springs business license prior to and during performance of any work pursuant to this Agreement.

9. **LICENSES, PERMITS, ETC**

The Contractor represents and covenants that it has all licenses, permits, qualifications, and approvals of whatever nature that are legally required to practice its profession. The Contractor represents and covenants that the Contractor shall, at its sole cost and expense, keep in effect at all times during the term of this Agreement, any license, permit, or approval which is legally required for the Contractor to practice its profession.

10. **STANDARD OF CARE**

The Contractor in performing any services under this Agreement shall perform in a manner consistent with that level of care and skill ordinarily exercised by members of the Contractor's trade or profession currently practicing under similar conditions and in similar locations. The Contractor shall take all special precautions necessary to protect the Contractor's employees and members of the public from risk of harm arising out of the nature of the work and/or the conditions of the work site.

Unless disclosed in writing prior to the date of this agreement, the Contractor warrants to the City that it is not now, nor has it for the five (5) years preceding, been debarred by a governmental agency or involved in debarment, arbitration or litigation proceedings concerning the Contractor professional performance or the furnishing of materials or services relating thereto.

11. **NON-DISCRIMINATION PROVISIONS**

The Contractor shall not discriminate against any employee or applicant for employment because of age, race, color, ancestry, religion, sex, sexual orientation, marital status, national origin, physical handicap, or medical condition. The Contractor will take positive action to insure that applicants are employed without regard to their age, race, color, ancestry, religion, sex, sexual orientation, marital status, national origin, physical handicap, or medical condition. Such action shall include but not be limited to the following: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places available to employees and applicants for employment any notices provided by the City setting forth the provisions of this non-discrimination clause.

12. **INDEMNIFICATION AND HOLD HARMLESS**

The Contractor agrees to defend, indemnify, and hold harmless the City of Santa Fe Springs, its officers and employees, against and from any and all liability, loss, damages to property, injuries to, or death of any person or persons, and all claims, demands, suits, actions, proceedings, reasonable attorneys' fees, and defense costs, of any kind or nature, including workers' compensation claims, of or by anyone whomsoever, resulting from or arising out of the Contractor's negligent performance of this Agreement.

13. **WORKERS' COMPENSATION**

The Contractor shall take out and maintain during the life of this Agreement, worker's compensation insurance for all Contractor's employees engaged as part of the required services and as required by the Labor Code of the State of California.

No member of the City Council or any other official or authorized assistant, employee, or agent of the City shall be personally responsible for any damage resulting from the performance liability arising under the Agreement, or nonperformance, negligently, or intentionally of any portion of the services contracted.

14. **LIABILITY INSURANCE**

- A. Commercial General Liability Insurance - The Contractor shall take out and maintain during the life of this contract such public liability and property damage insurance as shall protect him and the City from all claims for personal injury, including accidental death, as well as from claims for property damage arising from operations under this Agreement. The amount of such insurance shall be as hereinafter set forth.

As provided above, the Contractor shall take out and maintain public liability insurance for injuries, including accidental death to any one person, in an amount not less than One Million Dollars (\$1,000,000); and subject to the same limit for each person; on account of any one accident in an amount of not less than Two Million Dollars (\$2,000,000); and property damage insurance in an amount of not less than Five Hundred Thousand Dollars (\$500,000); Contractor's contingent or protective insurance for public liability and property damage in amounts not less than the respective amounts noted above.

- B. Business Auto Liability Insurance - The Contractor shall carry and maintain insurance coverage for property damage resulting from the Contractor's operations, in the sum of not less than Two Million Dollars (\$2,000,000) resulting from any one occurrence, which may arise from the operation of the Contractor in the performance of the work that is provided herein. Said insurance coverage shall provide that Contractor and his/her insurers are primarily responsible for any claim which arises from Contractor's performance of this Agreement and that neither City nor any of its insurers shall be required to contribute to any such claim. The Contractor shall during the life of the Agreement, keep on file with the Public Works Department evidence that the Contractor is fully and properly insured as set forth herein and which evidence shall be approved by the Contract Administrator as to form and sufficiency.

All certificates of insurance with respect to liability insurance of any kind shall name the City of Santa Fe Springs with respect to the performance by the Contractor of the work which is the subject of the Agreement. The full and complete name of services shall be shown on the Certificate of Insurance.

- C. Notification of Cancellation of Insurance - Certificates of proof of carriage of insurance shall provide for not less than thirty (30) days notice of change or cancellation prior to acceptance of the work.

- D. Renewal of Insurance - The insurance required herein will be renewed annually as long as Contractor continues operations in any way related to this Agreement. This obligation applies whether the contract is canceled or terminated for any reason. Termination of this obligation is not effective until the City executes a written statement to that effect. This requirement is in addition to coverage required to be maintained for completed and discontinued operations as required elsewhere.

15. **LEGAL FEES**

If any party brings a suit or action against the other party arising from any breach of any of the covenants or agreements or any inaccuracies in any of the representations and warranties on the part of the other party arising out of this Agreement, then in that event, the prevailing party in such action or dispute, whether by final judgment or out-of-court settlement, shall be entitled to have and recover of and from the other party all costs and expenses of suit, including attorneys' fees.

For purposes of determining who is to be considered the prevailing party, it is stipulated that attorney's fees incurred in the prosecution or defense of the action or suit shall not be considered in determining the amount of the judgment or award. Attorney's fees to the prevailing party if other than the City shall, in addition, be limited to the amount of attorney's fees incurred by the City in its prosecution or defense of the action, irrespective of the actual amount of attorney's fees incurred by the prevailing party.

16. **MEDIATION/ARBITRATION**

If a dispute arises out of or relates to this Agreement, or the breach thereof, the parties agree first to try, in good faith, to settle the dispute by mediation in Santa Fe Springs, California, in accordance with the Commercial Mediation Rules of the American Arbitration Association (the "AAA") before resorting to arbitration. The costs of mediation shall be borne equally by the parties. Any controversy or claim arising out of, or relating to, this Agreement, or breach thereof, which is not resolved by mediation, shall be settled by arbitration in Santa Fe Springs, California, in accordance with the Commercial Arbitration Rules of the AAA then existing. Any award rendered shall be final and conclusive upon the parties, and a judgment thereon may be entered in any court having jurisdiction over the subject matter of the controversy. The expenses of the arbitration shall be borne equally by the parties to the arbitration, provided that each party shall pay for and bear the costs of its own experts, evidence and attorneys' fees, except that the arbitrator may assess such expenses or any part thereof against a specified party as part of the arbitration award.

17. **CANCELLATION OF AGREEMENT**

If at any time in the opinion of the Contract Administrator the Contractor has failed to supply adequate working force, or equipment of proper quality, or has failed in any other respect to prosecute the work with the diligence and force specified and intended in and by the terms of the Agreement, notice thereof in writing will be served upon the Contractor. Should the Contractor neglect or refuse to provide means for a satisfactory compliance with the agreement, as directed by the Contract Administrator, within the time specified in such notice, the City in such case shall have the power to terminate the Agreement and shall notify the Contractor, in writing, 30 days prior to cancellation.

18. NOTICES

All notices or other communications required or permitted hereunder shall be in writing, and shall be personally delivered; or sent by overnight mail (Federal Express or the like); or sent by registered or certified mail, postage prepaid, return receipt requested; or sent by ordinary mail, postage prepaid; or telegraphed or cabled; or delivered or sent by telex, telecopy, facsimile or fax; and shall be deemed received upon the earlier of (i) if personally delivered, the date of delivery to the address of the person to receive such notice, (ii) if sent by overnight mail, the business day following its deposit in such overnight mail facility, (iii) if mailed by registered, certified or ordinary mail, five (5) days (ten (10) days if the address is outside the State of California) after the date of deposit in a post office, mailbox, mail chute, or other like facility regularly maintained by the United States Postal Service, (iv) if given by telegraph or cable, when delivered to the telegraph company with charges prepaid, or (v) if given by telex, telecopy, facsimile or fax, when sent. Any notice, request, demand, direction or other communication delivered or sent as specified above shall be directed to the following persons:

To the City: Noe Negrete, Director of Public Works
City of Santa Fe Springs
11710 Telegraph Road
City of Santa Fe Springs, CA 90670-3658

To the Contractor: Patrick Mahoney, President
West Coast Arborists, Inc.
2200 Via Burton
Anaheim, CA 92806

Notice of change of address shall be given by written notice in the manner specified in this Section. Rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was given shall be deemed to constitute receipt of the notice, demand, request or communication sent. Any notice, request, demand, direction or other communication sent by cable, telex, telecopy, facsimile or fax must be confirmed within forty-eight (48) hours by letter mailed or delivered as specified in this Section.

19. CONFLICT OF INTEREST AND POLITICAL REFORM ACT OBLIGATIONS

During the term of this Agreement, the Contractor shall not perform services of any kind for any person or entity whose interests conflict in any way with those of the City of Santa Fe Springs. The Contractor also agrees not to specify any product, treatment, process or material for the project in which the Contractor has a material financial interest, either direct or indirect, without first notifying the City of that fact. The Contractor shall at all times comply with the terms of the Political Reform Act and the City of Santa Fe Springs Conflict of Interest Code. The Contractor shall immediately disqualify itself and shall not use its official position to influence in any way any matter coming before the City in which the Contractor has a financial interest as defined in Government Code Section 87103. The Contractor represents that it has no knowledge of any financial interests that would require it to disqualify itself from any matter on which it might perform services for the City.


IN WITNESS WHEREOF the parties hereto for themselves, their heirs, executors, administrators, successors, and assigns do hereby agree to the full performance of the covenants herein contained and have caused this Contract Agreement to be executed in triplicate by setting hereunto their name, titles, hands, and seals as of the date noted above.


WEST COAST ARBORISTS, INC.
CONTRACTOR

By: 
PATRICK MAHONEY, PRESIDENT

CITY OF SANTA FE SPRINGS

By: 
WILLIAM K. ROUNDS, MAYOR

ATTEST

JANET MARTINEZ, CITY CLERK

APPROVED AS TO FORM

STEVE SKOLNIK, CITY ATTORNEY

CITY OF ROSEMEAD

EXHIBIT B

BID PRICE FORM

1. The Contractor agrees that for requested and/or required changes in the scope of work, including additions and deletions on work not performed, the Contract sum shall be adjusted in accordance with the following unit prices.
2. Contractor is advised that the submitted unit prices will be used as one of the determining factors in the Contract award. Unreasonable prices may result in rejection of the entire bid proposal. Unit prices listed below refer to all services provided, including but not limited to, materials, labor, overhead, and profit for the contractor.
3. The unit price quoted by the contractor shall be those unit prices that will be charged or credited for labor and materials to be provided regardless of the total number units and/or amount of labor required for added or deleted items of work.
4. All work shall be performed in accordance with specifications or otherwise herein specified. Workmanship shall be in accord with the best standard practices.

Grid Tree Pruning

	Description	Qty.	Unit Cost	Total Cost
1	Grid Tree Trimming Services	3000	\$53.00	\$159,000.00

Special Request Tree Pruning in DBH

	Description	Unit	Unit Cost	
2	Small Trees (0-4")	EA	\$39.00	\$39.00
3	Medium Trees (5-12")	EA	\$84.00	\$84.00
4	Large Trees (13-36")	EA	\$194.00	\$194.00
5	Extra Large Trees (37" & Over)	EA	\$284.00	\$284.00
6	Palm Tree Trim	EA	\$144.00	\$144.00

Special Request Tree Removal in DBH

	Description	Unit.	Unit Cost	
7	Small Trees (0-4")	EA	\$84.00	\$84.00
8	Medium Trees (5-12")	EA	\$284.00	\$284.00
9	Large Trees (13-36")	EA	\$754.00	\$754.00
10	Extra Large Trees (37" & Over)	EA	\$954.00	\$954.00

Special Request Stump Removal in DBH

	Description	Unit	Unit Cost	
11	Medium Trees (5-12")	EA	\$84.00	\$84.00
12	Large Trees (13-36")	EA	\$144.00	\$144.00
13	Extra Large Trees (37" & Over)	EA	\$254.00	\$254.00

EXHIBIT B
BID PRICE FORM

Tree Planting (Includes: Tree, Material, Equipment, Planting, Labor, & 90 Day Est. Period)

	Description	Unit	Unit Cost	
14	15 Gal. Tree	EA	\$154.00	\$154.00
15	24" box Tree	EA	\$254.00	\$254.00
16	36" box Tree	EA	\$854.00	\$854.00
17	48" box Tree	EA	\$1,784.00	\$1,784.00

EXHIBIT C

ADDITIONAL SERVICES BID PRICE FORM

Emergency Response

	Description	Unit	Unit Cost
1	Emergency Call Out (3-man crew w/ equipment)	Hour	\$285.00
2	Labor Rate	Hour	\$95.00

Additional Services

	Description	Unit	Unit Cost
3	Crew Rental (3-man crew w/ equipment)	Hour	\$210.00
4	Tree Inventory Management System	EA	NO FEE
5	Specialty Equipment Rental (100-foot Boom Truck)	Hour	\$140.00
6	Tree Watering	Man Hour	\$70.00
7	Tree Injection	Per Injection	\$24.00
8	Root Pruning	Per Linear Ft.	\$24.00
9	Root Barrier Installation	Per Linear Ft.	\$24.00

COOPERATIVE PURCHASING

It is intended that any other public agency (e.g., city, county district, public authority, public agency, municipality, and other political subdivision or public corporation) shall have the option to participate in any award made as a result of this solicitation at the same prices. The City shall incur no financial responsibility in connection with any purchase by another public agency. The public agency shall accept sole responsibility for placing orders and making payments to the vendor.

**ON-CALL TREE MAINTENANCE SERVICES
CONTRACT AMENDMENT NO. 1**

In accordance with the Contract Agreement dated April 13, 2017 as executed by West Coast Arborists, Inc., (Contractor), a California corporation, and the City of Santa Fe Springs (CITY), a municipal corporation, Contract Amendment No. 1 is issued to extend the tree maintenance services agreement for an additional two years effective April 14, 2019.

CITY OF SANTA FE SPRINGS:

Authorized Representative: Noe Negrete, Director of Public Works/City Engineer
Address: 11710 Telegraph Road
City of Santa Fe Springs, California 90670
Telephone No.: (562) 868-0511

WEST COAST ARBORIST:

Authorized Representative: Patrick Mahoney, President
West Coast Arborist, Inc.
Address: 2200 Via Burton
Anaheim, CA 92806
Telephone No.: (714) 956-3745

SERVICES: CITY hereby proposes that West Coast Arborist continue providing on-call tree maintenance services in accordance with the agreement dated April 13, 2017, for a not to exceed fee of \$275,000 and retain the same unit prices in effect from the Contract Agreement. West Coast Arborist does hereby agree to provide said services.

ACCEPTANCE of the terms of Contract Amendment No. 1 is acknowledged by the following signatures of the Authorized Representatives.

SUBMITTED BY:
CITY OF SANTA FE SPRINGS

ACCEPTED BY:
WEST COAST ARBORIST:

Noe Negrete, Director of Public Works

Patrick Mahoney, President

Date

Date



City of Santa Fe Springs

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NEW BUSINESS

Request Approval to Donate a Department of Fire-Rescue Used Vehicle to the City of Navajoa Fire Department

RECOMMENDATION

That the City Council authorize the donation of a used Environmental Pickup with Service Bed to the City of Navajoa Fire Department.

BACKGROUND

The Department of Fire Rescue has a surplus 1998 Environmental Response Unit (Unit 859). The City Council authorized the replacement of this vehicle at the March 9, 2017 City Council meeting. The vehicle is over 20 years of age, out of service, and has no useful life for Fire-Rescue operations. Replacement parts for the service body and roll-up compartment on the rear of the vehicle are not available due to the age of the vehicle.


In discussions with the Fire Chief from our Sister City, Navajoa, he stated they currently have a need for any Fire related vehicle for their 1600 square-mile community of over 150,000. The vehicle has a service box that can be utilized to carry equipment for various emergencies from medical emergencies, similar to our Paramedic Squad vehicle, or could be used for heavy rescue equipment, environmental cleanup, or any other purpose the Department of Navajoa sees fit. It has a service lift gate on the back for lifting heavy equipment or personnel and a lockable roll-up center compartment for storage of equipment.

Unit	Year	Dept.	Make/Model	VIN#	Mileage
859	1998	Fire	Chevy/Sierra	1GTHC39J8WE533605	9,683*

*The mileage appears low due to the fact the vehicle is a specialty unit and dispatched only by request. At each incident the vehicle can operate between 2-10 hours which is not recorded by the odometer.

FISCAL IMPACT

All costs to transport the vehicle will be paid for by the City of Navajoa.


Raymond R. Cruz
City Manager

Attachment(s)

Photos of 1998 Chevy Sierra with Royal Truck Body and Lift Gate

Attachments

Fire-Rescue 1998 Environmental Response Unit 859







City of Santa Fe Springs

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NEW BUSINESS

2019 Aloha Festival – Request for Funding

RECOMMENDATION

That the City Council take the following action:

- Provide staff direction regarding the request by the Ho'oilina Foundation to fund the City's associated costs for the Aloha Festival.

BACKGROUND

The Ho'oilina Foundation is a 501(c)3 non-profit whose mission is to establish and conduct cultural, educational, and recreational programs that promote, support and preserve the Polynesian culture, practices and traditions. The Ho'oilina Foundation provides grants, scholarships, and resource assistance to support groups and individuals of California who are continuing the Polynesian culture through art, music, dance, education, and recreation.

The Foundation has held the annual two-day Aloha Festival in Santa Fe Springs for over 20 years now. The event, which takes place in May, is held at Heritage Park with an estimated attendance of 10,000-15,000 participants for the weekend. This event showcases the heritage of Hawaii and Polynesia with island cuisine, an outdoor marketplace, cultural workshops, and musical entertainment. All proceeds from the event are awarded to selected community groups who apply for the grants aforementioned.

The Aloha Festival is largely funded by the Ho'oilina Foundation; however there are costs associated with this event that the City has absorbed over many years. For the last four years, the Ho'oilina Foundation has paid \$3,500.00 for the use of Heritage Park for the entire weekend event; whereas the City charges \$3,500.00 for a 7 hour wedding of 300 guests. Additionally, the Department of Public Works has assisted with all electrical needs of the event which can be a liability to the City; hence, it has been recommended that Public Works no longer assist with the electrical needs.

The City costs associated with this event are as follows:

Department of Community Services

Heritage Park Facility Use Fees and Staff Time:

The Aloha festival generally uses Heritage Park starting Friday at 9:00 a.m. through Sunday at 10:00 p.m. for a total of 59 hours. To cover this use, the following staff time is required:

- Friday setup – 3 Park Rangers for 4 hours = \$360.00



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- Friday overnight – 1 Ranger for 11 hours = \$330.00
- Saturday - Facility fee includes 2 Park Rangers and 1 staff = \$3,500.00
- Saturday overnight – 1 Ranger for 11 hours = \$330.00
- Sunday – Facility fee includes 2 Park Rangers and 1 staff = \$3,500.00
- Sunday clean-up – 2 Rangers for 5 hours = \$300.00
- Overhead Equipment - \$200.00

Estimated Total Cost: \$8,520.00

Department of Public Works

Public Works Staff Time and Equipment:

- Public Works Overtime - 1 Electrician and 1 Facility Specialist – 16hrs. x 2 = \$3,000.00
- Overhead Equipment cost and Vehicle Use = \$2,000.00

Estimated Total Cost: \$5,000.00

TOTAL CITY COSTS ASSOCIATED WITH THE ALOHA FESTIVAL = \$13,520.00

On March 15, 2019, staff met with members of the Ho'oilina Foundation to discuss total City costs associated with the festival. The next Aloha Festival is scheduled for the weekend of May 18-19, 2019; hence due to the late notification, the Ho'oilina Foundation has requested that the City Council consider funding the event as is this year and adopt any funding changes next year (FY 2019-20).

If the City Council approves the funding for this year's event, facility fees and staff costs will need to be adjusted to support the Aloha Festival; however, staff is highly recommending that City Council not approve the involvement of Public Works to avoid overall liability to the City. After a meeting on March 21st, the Foundation has asked to take on these costs themselves.

Additionally, the festival has never applied for an electrical use permit for their event. The Fire Department is now requiring that an electrical permit be acquired. The cost is estimated to be \$100.00 and is the responsibility of the Foundation to obtain. Staff is willing to coordinate with the Aloha Festival electrician to help minimize their costs. Staff estimates the cost for them to hire an electrician at \$2,000 - \$3,000.



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FISCAL IMPACT

The City's support is estimated to be \$13,520.00 to cover expenses associated with the Aloha Festival. These costs have not been budgeted in the Departments of Public Works or Community Services budgets.

The Mayor may call upon Family & Human Services Division Manager, Ed Ramirez to answer questions the Council may have regarding the staff report.

A handwritten signature in black ink, appearing to read "Raymond R. Cruz".

Raymond R. Cruz
City Manager

Attachments:

1. 501(c)3 Approval Letter from IRS
2. Aloha Festival 2019 Park Layout aka Plot Plan

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: JUN 17 2014

HO OILINA FOUNDATION INC
C/O ALVIN HIROSHI GOYA
10836 MAYES DRIVE
WHITTIER, CA 90604

Employer Identification Number:
46-1367909
DLN:
17053094336013
Contact Person:
CUSTOMER SERVICE ID# 31954
Contact Telephone Number: '
(877) 829-5500
Accounting Period Ending:
December 31
Public Charity Status:
170(b)(1)(A)(vi)
Form 990 Required:
Yes
Effective Date of Exemption:
October 30, 2012
Contribution Deductibility:
Yes
Addendum Applies:
Yes

Dear Applicant:

We are pleased to inform you that upon review of your application for tax exempt status we have determined that you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code. Contributions to you are deductible under section 170 of the Code. You are also qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Code. Because this letter could help resolve any questions regarding your exempt status, you should keep it in your permanent records.

Organizations exempt under section 501(c)(3) of the Code are further classified as either public charities or private foundations. We determined that you are a public charity under the Code section(s) listed in the heading of this letter.

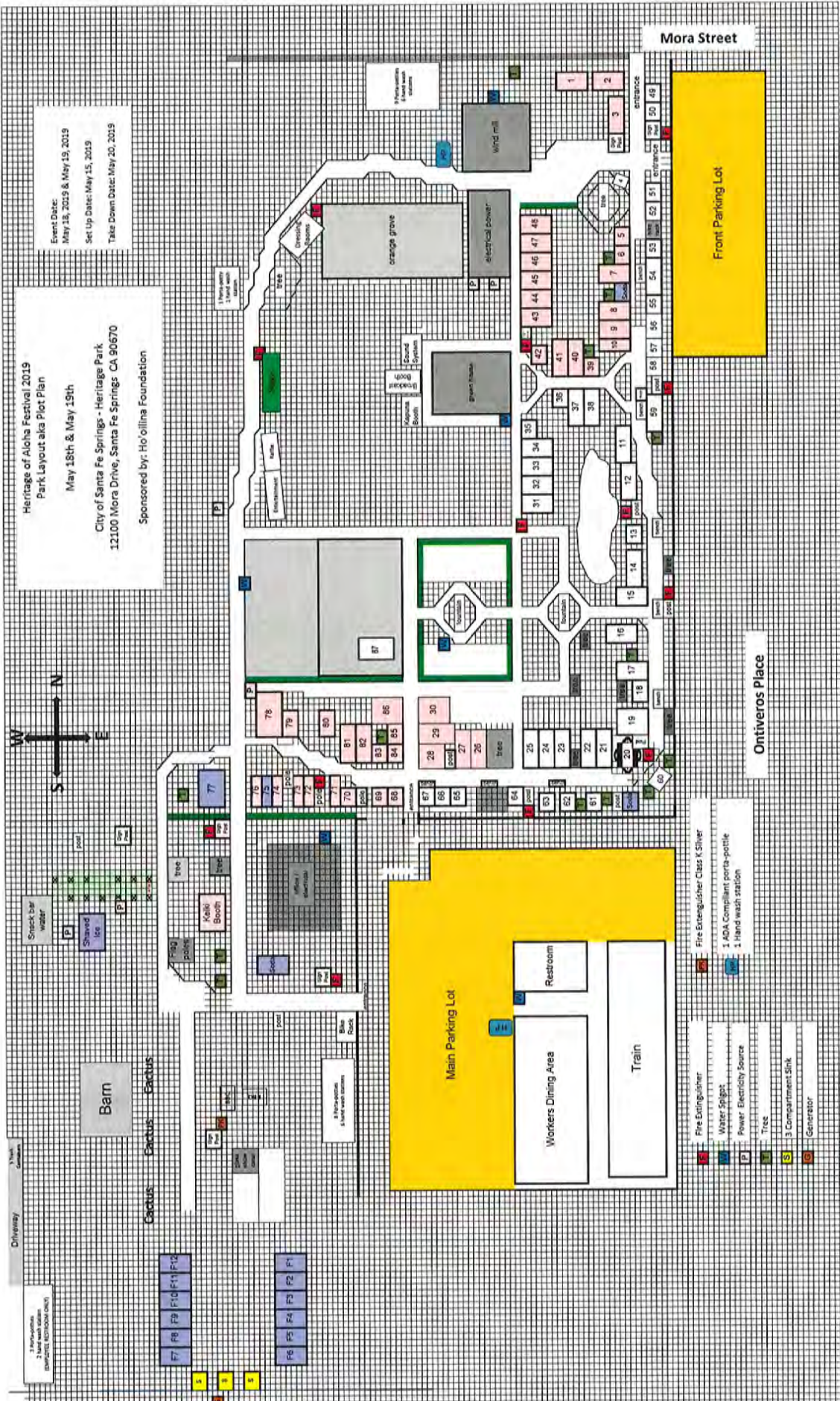
Please see enclosed Publication 4221-PC, Compliance Guide for 501(c)(3) Public Charities, for some helpful information about your responsibilities as an exempt organization.

Sincerely,



Director, Exempt Organizations

Enclosure: Publication 4221-PC





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NEW BUSINESS

Abigail Barraza Foundation (ABF) - Request for an Increase in Funding for Events under Community Promotion and Community Organization Support Budget Accounts

RECOMMENDATION

That the City Council take the following action:

- Provide staff direction regarding the request by Abigail Barraza Foundation (ABF) for an increase in funding for events under the Community Promotion and Community Organization Support budget accounts associated with all events outlined within this report.

BACKGROUND

The Abigail Barraza Foundation (ABF) thrives on educating women, teens, and young girls on the importance of early breast cancer detection and breast cancer awareness. ABF believes that through their work they have, and continue to, instill the power of knowledge through lifelong connections. Through their foundation, ABF has taken a unique approach on targeting supporters and those affected by breast cancer by creating bonds through relationships, education, and events.

Now in its 13th year, the Abigail Barraza Foundation works collaboratively with the City of Santa Fe Springs to kick off Breast Cancer Awareness Month in the City during the month of October by "Painting the Town Pink". In October, pink ribbons are attached to street median trees and other landscape throughout the City, and water features & street lights are changed to a pink color, a symbol of awareness. The efforts of ABF have continued to expand to now include a Fashion Friday event which hosts food trucks, music, raffles, and a fashion show. ABF also participates in the annual Concert Series where they secure fashion vendors as an added feature for participants to enjoy while listening to live entertainment. Most recently, ABF attained oversight of the Miss Santa Fe Springs Pageant event.

As a result of these added events, expenses associated with the City's support have increased. These expenses have surpassed the \$12,500.00 currently allocated amount in the Community Organization Support and Community Promotion budget accounts.

On March 14, 2019 staff met with members of the Abigail Barraza Foundation to discuss the events, establish definitive costs associated with these events, and consider viable cost savings options.

The events and respective expenses are as follows:



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1. "PAINT THE TOWN PINK" – This activity is coordinated and implemented by the Departments of Public Works and Police Services where pink ribbons are attached to street median trees and illuminated pink ribbons are displayed on street lights throughout the City; additionally, water features and a pedestrian bridge are changed to a pink color, a symbol of breast cancer awareness. Currently, this activity is budgeted under the Community Promotions budget in the amount of \$7,500.00. The actual cost associated with this activity is \$15,500. This amount includes Public Works and Police Services labor (i.e. hanging of ribbons throughout City, changing lighting in water features and City fixtures, and traffic safety control while installing).

Paint The Town Pink (Community Promotions Budget)	Budgeted	Actual	Variance
	\$7,500.00	\$17,500.00	(\$10,000.00)

2. FASHION FRIDAY – ABF hosts an evening of fashion in the month October for breast cancer awareness. This Fashion Friday event includes fashion vendors, food vendors, entertainment and a fashion show. The event includes staff support from the Departments of Community Services and Public Works. The Santa Fe Springs Firefighters Association Local 3507 provides in-kind support and volunteers their time. Currently, this activity is budgeted under the Community Promotions budget in the amount of \$3,000.00. The actual cost associated with this event is \$10,535.00. There is also a component of Fashion Friday which is part of the City's concert series with no cost associated to the City. City support includes:

Department of Community Services

➤ Pre-Event Support

- Full-time staff person takes the lead on securing the Health Dept. food permit for the event
- Host up to three planning meetings with ABF
- Staff creates event flyer, prints, and delivers flyers to local schools
- Insurance coverage cost (new requirement) - Estimated \$3,100.00

➤ Event Implementation

- PA system
- Up-lighting (6 lights)
- Spotlights (2)
- 8ft x 4ft Panels (11)
- Belly bar tables (3)
- Round tables(8-10) and chairs (100) for eating and spectating
- Light Tower rental cost (\$300.00)



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- Estimated Staff Labor
 - 15 part-time staff @ 53.5 hrs. = \$1,605.00
 - 2 full-time staff @14 hrs. = \$1,000.00

Estimated Total Cost: \$5,985.00 (light tower and insurance included)

Department of Public Works

- Custodial Services (\$150.00)
 - Hang pink bistro lighting in Town Center Plaza
 - Changing Veterans Fountain lights to pink color
 - Spider box and cables (3)
 - 50ft extension cords (16)
 - Power Strips (16)
 - Delineators (10)
 - Cones (40)
 - Cable Trays (10)
- Estimated Staff labor
 - 1 full-time Electrician
 - 1 full-time Facility Specialist
 - 1 part-time Public Works Aide = \$4,400.00

Estimated Total Cost = \$4,550.00

Firefighters Association Local 3507

- In-kind donation and volunteer service

Fashion Friday (Community Promotions Budget)	Budgeted	Actual	Variance
	\$3,000.00	\$10,535.00	(\$7,535.00)

3. MISS SANTA FE SPRINGS PAGEANT – In 2018, ABF acquired oversight of the Miss Santa Fe Springs Pageant event. This event allows young ladies to learn team building exercises, public speaking techniques and develop lifetime experiences. Winners receive scholarships and hold the crown of Miss Santa Fe Springs for one year. Currently, this activity is budgeted under the Community Organization Support budget in the amount of \$2,000.00. The actual cost associated with this activity is \$4,512.00. City support includes:



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Department of Community Services

➤ Pre-Event Support

- Facility usage and staff labor (previously facility fee usage has been waived):
 - Sunday, January 27 – Clarke Estate
 - Sunday, February 10 – Heritage Park Train Depot
 - Sunday, February 24 – TCH Mtg. Room 1
 - Sunday, March 10 – TCH Mtg. Room 1
 - Sunday, March 24 – Heritage Park Train Depot
- Pre-Event Facility Use Fees: \$752.00

➤ Event Implementation

- Facility usage and staff labor (past facility usage has been waived)
 - Rehearsals/Interviews approximately 4 days x 2 hours x 1 staff = \$240.00
 - Event on Friday, April 26, 2019 from 5 pm – 9 pm at Clarke Estate = \$2,460.00 for facility rental fees
- Extra decorating time to enter facility early 2 hours = \$60.00
- Staff fees for set-up and take-down, 3 staff x 2 hours = \$360.00
- Facility fee covers the cost of 2 staff; however, 2 additional staff are needed for the size of this event = \$240.00

➤ Other items provided:

- Up lighting (6 lights)
- Spotlights (1)
- Round tables for guest seating (33)
- Chairs 375
- 6' & 8' Long Banquet tables
- 8 facility trash cans and trash bags
- Insurance Coverage Cost (new requirement) - Estimated \$400.00
-

Pre-event and event implementation facility usage, staff labor, and insurance totals: \$4,512.00

Miss Santa Fe Springs Pageant (Community Organization Support Budget)	Budgeted	Actual	Variance
	\$2,000.00	\$4,512.00	(\$2,512.00)



City of Santa Fe Springs

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ESTIMATED GRAND TOTAL EXPENDITURES FOR ALL ABF EVENTS	Budgeted	Actual	Variance
Paint the Town Pink (Community Promotions Budget)	\$7,500.00	\$17,500.00	(\$10,000.00)
Fashion Friday (Community Promotions Budget)	\$3,000.00	\$10,535.00	(\$7,535.00)
Miss Santa Fe Springs Pageant (Community Organization Support Budget)	\$2,000.00	\$4,512.00	(\$2,512.00)
	\$12,500.00	\$32,547.00	(\$20,047.00)

The Abigail Barraza Foundation is recommending the following actions regarding the cost variance of \$18,047.00:

1. Continue with implementation of "Paint the Town Pink", and eliminate the hanging of the pink ribbons (this is a \$2,000 reduction in labor costs). There is a request for an additional \$8,000.00 to cover staff labor costs.
2. Eliminate the Fashion Friday event and reallocate existing \$3,000.00 budget to Miss Santa Fe Springs Pageant event.
3. Continue Miss Santa Fe Springs Pageant with additional funding from eliminated Fashion Friday event budgeted funds.

NEW PROPOSED ESTIMATED GRAND TOTAL	Current Budget	New Budget Request	Variance
Paint the Town Pink (Community Promotions Budget)	\$7,500.00	\$15,500.00	(\$8,000.00)
Miss Santa Fe Springs Pageant (Community Organization Support Budget)	\$2,000.00	\$5,000.00; (\$3,000.00 reallocate funds from Fashion Friday	0
	\$12,500.00	\$20,500.00	(\$8,000.00)



City of Santa Fe Springs

City Council Meeting

March 28, 2019

FISCAL IMPACT

There is currently \$12,500.00 in the Community Organization Support and Community Promotion budget accounts; however, after meeting with ABF, staff estimates a total of \$20,047.00 to cover all expenses associated with ABF events. However, with the elimination of the Fashion Friday event and the reallocation of budget expenses (\$3,000 from Fashion Friday to Miss Santa Fe Springs Pageant), an additional \$8,000 is needed to cover all costs associated with the aforementioned events. There are no costs associated with the participation of ABF during the summer Concert Series as they are self-contained and bring additional resources for participants to enjoy.

The Mayor may call upon Family & Human Services Division Manager, Ed Ramirez to answer questions the Council may have regarding the staff report.

Raymond R. Cruz
City Manager

Attachments:

1. Miss Santa Fe Springs Pageant Special Events Insurance Proposal
2. Fashion Friday Special Events Insurance Proposal

**CITY OF SANTA FE SPRINGS
MISS SANTA FE SPRINGS PAGEANT
SPECIAL EVENTS PROPOSAL**

EVENT DATE: April 26, 2019
EVENT LOCATION: Clarke Estate, 10211 Pioneer Blvd, Santa Fe Springs CA 90670

COMMERCIAL GENERAL LIABILITY

INSURANCE COMPANY: Evanston Insurance Company

A.M. BEST GUIDE RATING:* A(Excellent); Financial Size Category XV (\$2 Billion or greater) as of December 20, 2017

GENERAL LIABILITY LIMITS:

\$2,000,000	General Aggregate
\$1,000,000	Products / Completed Operations Aggregate (food products only)
\$1,000,000	Personal and Advertising Injury
\$1,000,000	Each Occurrence
\$ 100,000	Fire Damage
\$ 5,000	Medical Payments

All Aggregates apply separately

COVERAGE: Combined Single Limit of Liability for Bodily Injury and Property Damage Per Occurrence and Aggregate as shown above. Coverage Includes:

- Event Holder as Named Insured
- Venue Owner as Additional Insured
- Liquor Liability (only if coverage is purchased)

DEDUCTIBLE: None

MAJOR EXCLUSIONS:
(Including but not limited to)

- Automobile Liability
- Aircraft / Watercraft Liability
- Property Damage to Entity Premises
- Property of Others in the Care, Custody and Control of the Insured
- Workers' Compensation
- Collapse of Tents and Concert Limitations
- Attendance Limitation Exclusion
- Outdoor Concerts Limitation Exclusion
- Seating, Glass & Fixtures Exclusion
- Fireworks, Pyrotechnics, Explosives and Flashbox Exclusion
- Exclude Specific Performances (without prior company approval)

**See last page for additional information*

**CITY OF SANTA FE SPRINGS
MISS SANTA FE SPRINGS PAGEANT
SPECIAL EVENTS PROPOSAL**

**MAJOR EXCLUSIONS:
(Including but not limited to)**

CONT:

- Bodily Injury, Property Damage, Personal and Advertising Injury to any entertainer, stage hand, crew, independent contractor, audience member, patron or customer of the insured as a result of participating in a demonstration or show. Damage to property or equipment belonging to entertainer, stage hand, crew, independent contractor, audience member, patron or customer of the insured.
- Assault and Battery
- Terrorism
- Punitive Damages
- Unmanned Aircraft
- Marijuana Exclusion
- Organic Pathogen and Legionellae Exclusion) Assault and Battery
- Terrorism
- Punitive Damages

EXCLUDED EVENTS:

- Circus and Carnivals including Rides
- Mechanical Amusement Devices
- Motorized Sporting Events
- Tractor/Truck Pulls
- Boxing, Wrestling, Hockey, Contact Karate Events (including practice)
- Rodeos and Roping Events (including practice)
- Aircraft and Balloon Events
- Professional Sporting Events
- Pyrotechnical Uses / Fireworks Shows (does not apply to spectators)
- Heavy Metal, Alternative Music, Hip-Hop and Rap Concerts (without prior underwriter approval)
- Moonbounces, Trampolines and Inflatable Amusement Devices
- Obstacle Course, Races and Mud Runs
- Veterinary Legal Liability (NO animals)

PARTICIPANTS:

- Not covered unless specifically approved by the carrier
- Not approved for this event

**ENDORSEMENT & EXCLUSIONS:
(Including but not limited to)
Please see the policy for the full
description of each exclusion**

- Suicide or any attempt at suicide or intentionally self-inflicted injury...
- Sickness, disease, mental incapacity...
- Insured's commission of or attempt to commit a crime
- Infections of any kind regardless of how contracted...
- Declared or undeclared war...
- Participation in any team sport or any other athletic activity, except participation in a Covered Activity
- Full-time active duty in the armed forces...
- Travel or flight in or on...
- Insured being under the influence of intoxicants while operating any vehicle or means of transportation or conveyance

**CITY OF SANTA FE SPRINGS
MISS SANTA FE SPRINGS PAGEANT
SPECIAL EVENTS PROPOSAL**

ENDORSEMENT & EXCLUSIONS:
(Including but not limited to)
Please see the policy for the full
description of each exclusion
(COND)

- Medical or surgical treatment of sickness, disease, mental incapacity or bodily infirmity whether the loss result directly or indirectly from the treatment
- Stroke or cerebrovascular accident or event...
- Workers' Compensation Act or similar law...
- Insured riding in or driving any type of motor vehicle as part of a speed contest, scheduled race...
- Any loss incurred while outside the US, its Territories or Canada

PREMIUMS:

ATTENDANCE PREMIUM: 600 \$367.00

GL ADDITIONAL INSURED: None

GL EXHIBITORS INCLUDED: None

**GL CONCESSIONAIRES
INCLUDED:** None

**GL LIQUOR COVERAGE
INCLUDED:** No

PROPERTY DAMAGE: No

TOTAL EVENT PREMIUM: \$367.00
(Includes Taxes and Fees)

MINIMUM RETAINED PREMIUM: Event Premium is Fully Earned

QUOTE VALID UNTIL: April 24, 2019

**CITY OF SANTA FE SPRINGS
MISS SANTA FE SPRINGS PAGEANT
SPECIAL EVENTS PROPOSAL**

Alliant embraces a policy of transparency with respect to its compensation from insurance transactions. Details on our compensation policy, including the types of income that Alliant may earn on a placement, are available on our website at www.alliant.com. For a copy of our policy or for any inquiries regarding compensation issues pertaining to your account you may also contact us at: Alliant Insurance Services, Inc., Attention: General Counsel, 701 B Street, 6th Floor, San Diego, CA 92101.

*Analyzing insurers' over-all performance and financial strength is a task that requires specialized skills and in-depth technical understanding of all aspects of insurance company finances and operations. Insurance brokerages such as Alliant Insurance typically rely upon rating agencies for this type of market analysis. Both A.M. Best and Standard and Poor's have been industry leaders in this area for many decades, utilizing a combination of quantitative and qualitative analysis of the information available in formulating their ratings.

A.M. Best has an extensive database of nearly 6,000 Life/Health, Property Casualty and International companies. You can visit them at www.ambest.com. For additional information regarding insurer financial strength ratings visit Standard and Poor's website at www.standardandpoors.com.

NY REGULATION 194 DISCLOSURE

Alliant Insurance Services, Inc. is an insurance producer licensed by the State of New York. Insurance producers are authorized by their license to confer with insurance purchasers about the benefits, terms and conditions of insurance contracts; to offer advice concerning the substantive benefits of particular insurance contracts; to sell insurance; and to obtain insurance for purchasers. The role of the producer in any particular transaction typically involves one or more of these activities.

Compensation will be paid to the producer, based on the insurance contract the producer sells. Depending on the insurer(s) and insurance contract(s) the purchaser selects, compensation will be paid by the insurer(s) selling the insurance contract or by another third party. Such compensation may vary depending on a number of factors, including the insurance contract(s) and the insurer(s) the purchaser selects. In some cases, other factors such as the volume of business a producer provides to an insurer or the profitability of insurance contracts a producer provides to an insurer also may affect compensation.

The insurance purchaser may obtain information about compensation expected to be received by the producer based in whole or in part on the sale of insurance to the purchaser, and (if applicable) compensation expected to be received based in whole or in part on any alternative quotes presented to the purchaser by the producer, by requesting such information from the producer.

**CITY OF SANTA FE SPRINGS
FASHION FRIDAY
SPECIAL EVENTS PROPOSAL**

EVENT DATE: October 18, 2019
EVENT LOCATION: Town Center Plaza, 11740 E Telegraph Road, Santa Fe Springs
CA 90670

COMMERCIAL GENERAL LIABILITY

INSURANCE COMPANY: Evanston Insurance Company

A.M. BEST GUIDE RATING:* A(Excellent); Financial Size Category XV (\$2 Billion or greater) as of
December 20, 2017

GENERAL LIABILITY LIMITS:

\$2,000,000	General Aggregate
\$1,000,000	Products / Completed Operations Aggregate (food products only)
\$1,000,000	Personal and Advertising Injury
\$1,000,000	Each Occurrence
\$ 100,000	Fire Damage
\$ 5,000	Medical Payments

All Aggregates apply separately

COVERAGE: Combined Single Limit of Liability for Bodily Injury and Property Damage
Per Occurrence and Aggregate as shown above. Coverage Includes:

- Event Holder as Named Insured
- Venue Owner as Additional Insured
- Liquor Liability (only if coverage is purchased)

DEDUCTIBLE: None

MAJOR EXCLUSIONS: (Including but not limited to)

- Automobile Liability
- Aircraft / Watercraft Liability
- Property Damage to Entity Premises
- Property of Others in the Care, Custody and Control of the Insured
- Workers' Compensation
- Collapse of Tents and Concert Limitations
- Attendance Limitation Exclusion
- Outdoor Concerts Limitation Exclusion
- Seating, Glass & Fixtures Exclusion
- Fireworks, Pyrotechnics, Explosives and Flashbox Exclusion
- Exclude Specific Performances (without prior company approval)

**See last page for additional information*

**CITY OF SANTA FE SPRINGS
FASHION FRIDAY
SPECIAL EVENTS PROPOSAL**

**MAJOR EXCLUSIONS:
(Including but not limited to)**

CONT:

- Bodily Injury, Property Damage, Personal and Advertising Injury to any entertainer, stage hand, crew, independent contractor, audience member, patron or customer of the insured as a result of participating in a demonstration or show. Damage to property or equipment belonging to entertainer, stage hand, crew, independent contractor, audience member, patron or customer of the insured.
- Assault and Battery
- Terrorism
- Punitive Damages
- Unmanned Aircraft
- Marijuana Exclusion
- Organic Pathogen and Legionellae Exclusion) Assault and Battery
- Terrorism
- Punitive Damages

EXCLUDED EVENTS:

- Circus and Carnivals including Rides
- Mechanical Amusement Devices
- Motorized Sporting Events
- Tractor/Truck Pulls
- Boxing, Wrestling, Hockey, Contact Karate Events (including practice)
- Rodeos and Roping Events (including practice)
- Aircraft and Balloon Events
- Professional Sporting Events
- Pyrotechnical Uses / Fireworks Shows (does not apply to spectators)
- Heavy Metal, Alternative Music, Hip-Hop and Rap Concerts (without prior underwriter approval)
- Moonbounces, Trampolines and Inflatable Amusement Devices
- Obstacle Course, Races and Mud Runs
- Veterinary Legal Liability (NO animals)

PARTICIPANTS:

- Not covered unless specifically approved by the carrier
- Not approved for this event

**ENDORSEMENT & EXCLUSIONS:
(Including but not limited to)
Please see the policy for the full
description of each exclusion**

- Suicide or any attempt at suicide or intentionally self-inflicted injury...
- Sickness, disease, mental incapacity...
- Insured's commission of or attempt to commit a crime
- Infections of any kind regardless of how contracted...
- Declared or undeclared war...
- Participation in any team sport or any other athletic activity, except participation in a Covered Activity
- Full-time active duty in the armed forces...
- Travel or flight in or on...
- Insured being under the influence of intoxicants while operating any vehicle or means of transportation or conveyance

**CITY OF SANTA FE SPRINGS
FASHION FRIDAY
SPECIAL EVENTS PROPOSAL**

Alliant embraces a policy of transparency with respect to its compensation from insurance transactions. Details on our compensation policy, including the types of income that Alliant may earn on a placement, are available on our website at www.alliant.com. For a copy of our policy or for any inquiries regarding compensation issues pertaining to your account you may also contact us at: Alliant Insurance Services, Inc., Attention: General Counsel, 701 B Street, 6th Floor, San Diego, CA 92101.

*Analyzing insurers' over-all performance and financial strength is a task that requires specialized skills and in-depth technical understanding of all aspects of insurance company finances and operations. Insurance brokerages such as Alliant Insurance typically rely upon rating agencies for this type of market analysis. Both A.M. Best and Standard and Poor's have been industry leaders in this area for many decades, utilizing a combination of quantitative and qualitative analysis of the information available in formulating their ratings.

A.M. Best has an extensive database of nearly 6,000 Life/Health, Property Casualty and International companies. You can visit them at www.ambest.com. For additional information regarding insurer financial strength ratings visit Standard and Poor's website at www.standardandpoors.com.

NY REGULATION 194 DISCLOSURE

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Compensation will be paid to the producer, based on the insurance contract the producer sells. Depending on the insurer(s) and insurance contract(s) the purchaser selects, compensation will be paid by the insurer(s) selling the insurance contract or by another third party. Such compensation may vary depending on a number of factors, including the insurance contract(s) and the insurer(s) the purchaser selects. In some cases, other factors such as the volume of business a producer provides to an insurer or the profitability of insurance contracts a producer provides to an insurer also may affect compensation.

The insurance purchaser may obtain information about compensation expected to be received by the producer based in whole or in part on the sale of insurance to the purchaser, and (if applicable) compensation expected to be received based in whole or in part on any alternative quotes presented to the purchaser by the producer, by requesting such information from the producer.



City of Santa Fe Springs

City Council Meeting

ITEM NO. 38A

March 28, 2019

PRESENTATION

Introduction of New Finance and Administrative Services Employee, Human Resources Assistant, Brianna Esquivias.

RECOMMENDATION(S)

The Mayor may wish to call upon Director of Finance and Administrative Services, Travis Hickey, to introduce Brianna Esquivias.

BACKGROUND

Brianna Esquivias, Human Resources Assistant, recently began full-time employment with the City after a period of serving in a part-time temporary capacity. She is at tonight's Council meeting to be introduced to the City Council and the community.

A handwritten signature in blue ink, appearing to read "Raymond R. Cruz".

Raymond R. Cruz
City Manager



City of Santa Fe Springs

City Council Meeting

March 28, 2019

PROCLAMATION

Declaring the Month of March 2019 "American Red Cross Month"

RECOMMENDATION:

The Mayor may wish to call upon Raelene Barraza, Public Relations Specialist, to assist with this presentation.

BACKGROUND

The humanitarian mission of the American Red Cross connects us to people and communities across the nation and around the world. The common bonds of humanity and compassion unite us together, not just in the face of emergencies and disasters, but in helping our neighbors every day.

Since being founded by Clara Barton in 1881, the Red Cross has been a consistent lifeline for people when they need it the most.

Every eight minutes, the American Red Cross brings help and hope to people in need. Whether you donate funds, donate blood or volunteer, they depend on support to make a difference in communities across the country.

Each year, the president of the United States proclaims the month of March as "American Red Cross Awareness Month." They use this month as a chance to honor and celebrate the everyday heroes who help them fulfill their mission.

A handwritten signature in blue ink, appearing to read "Raymond R. Cruz".

Raymond R. Cruz
City Manager

Attachment(s):

1. Proclamation

WHEREAS, More than 137 years ago, the American Red Cross was established as a humanitarian organization, guided by seven fundamental principles—including humanity, impartiality and independence—to provide services to those in need regardless of race, religion, gender, sexual orientation or citizenship status. Today, the American Red Cross is one of the largest humanitarian organizations in the world, and delivers its mission every day to prevent and alleviate human suffering in the face of emergencies; and

WHEREAS, Every year, the American Red Cross responds to an average of more than 62,000 disasters across the country, from small home fires to devastating massive disasters. Last year's large crises included mudslides in California, a volcano in Hawaii, wildfires in Colorado and California, destructive hurricanes in Florida and the Carolinas, and a devastating typhoon in U.S. territories. Thousands of American Red Cross volunteers provided around-the-clock shelter for disaster victims, served millions of meals and snacks with partners, and distributed millions of relief items; and

WHEREAS, In your community, the Red Cross has a long history of helping our neighbors in need. The Greater Long Beach, Rio Hondo, South Bay Chapter assisted with 73 local disasters—serving 463 clients—in the past year alone and helped save lives through our Home Fire Campaign. Last year, the Greater Long Beach, Rio Hondo, South Bay Chapter has worked with community partners to install 1529 smoke alarms and make 477 households safer. Meanwhile, in our area, the Red Cross handles an average of 290 emergency military calls every year and collects an average of 31,500 units of blood from our generous blood donors; and

WHEREAS The American Red Cross shelters, feeds and provides emotional support to victims of disasters; supplies about 40 percent of the nation's blood; teaches skills that save lives; provides international humanitarian aid; and supports military members and their families:

NOW, THEREFORE, the City of Santa Fe Springs, do hereby proclaim March 2019 as

“AMERICAN RED CROSS MONTH”

In the City of Santa Fe Springs and encourage all our citizens to recognize to recognize and thank the Red Cross volunteers and donors who give of their time and resources to help members of the community. The Red Cross depends on these local heroes to deliver help and hope during a disaster. We applaud our heroes here in Greater Long Beach, Rio Hondo, and the South Bay who give of themselves to assist their neighbors when they need a helping hand.

Dated this 28th day of March, 2019.

Juanita Trujillo, Mayor

ATTEST:

Janet Martinez, City Clerk



City of Santa Fe Springs

City Council Meeting

March 28, 2019

PRESENTATION

Proclaiming the Month of April 2019, as DMV/Donate Life Month in Santa Fe Springs


RECOMMENDATION

That the City Council designate the Month of April 2019, as "DMV/Donate Life Month in Santa Fe Springs."

BACKGROUND

In recognition of National Donate Life Month, the California Organ and Tissue Donor Registry encourages others to become organ and tissue donors, by registering on-line, or when they apply for, or renew, their driver's license or I.D. card. More than 113,000 individuals nationwide and more than 21,000 Californians are currently on the national organ transplant waiting list. In addition to there being a need for organs and tissue donors, the nation is also in urgent need of blood and marrow donors.

The Mayor has invited a representative from the Donate Life Run/Walk to be at the City Council meeting to receive a proclamation declaring April 2019 as "DMV/Donate Life Month" in Santa Fe Springs.


Raymond R. Cruz
City Manager

Attachment:

1. Proclamation – DMV/Donate Life California Month

WHEREAS, organ, tissue, marrow and blood donation are life-giving acts recognized worldwide as expressions of compassion to those in need;

WHEREAS, more than 113,000 individuals nationwide and more than 21,000 in California are currently on the national organ transplant waiting list, and on average, 20 people die each day while waiting due to the shortage of donated organs;

WHEREAS, the need for donated organs is especially urgent in Hispanic and African American communities;

WHEREAS, more than 600,000 units of blood per year are needed to meet the need in California;

WHEREAS, at any given time, 6,000 patients are in need of volunteer marrow donors;

WHEREAS, a single individual's donation of the heart, lungs, liver, kidneys, pancreas and small intestine can save up to eight lives; donation of tissue can save and heal the lives of more than 75 others; and a single blood donation can help three people in need;

WHEREAS, millions of lives each year are saved and healed by donors of organs, tissues, marrow and blood;

WHEREAS the spirit of giving and decision to donate are not restricted by age or medical condition;

WHEREAS, over fifteen million Californians have signed up with the state-authorized Donate Life California Donor Registry to ensure their wishes to be organ, eye and tissue donors are honored;

WHEREAS, California residents can sign up with the Donate Life California Donor Registry when applying for or renewing their driver's licenses or ID cards at the California Department of Motor Vehicles;

NOW, THEREFORE, BE IT RESOLVED that in recognition of National Donate Life Month, the month of April 2019 is hereby proclaimed "DMV/Donate Life California Month" in the City of Santa Fe Springs, and in doing so we encourage all Californians to check "YES!" when applying for or renewing their driver's license or I.D. card, or by signing up at www.donateLIFecalifornia.org or www.doneVIDAcalifornia.org.

Dated this 28th day of March, 2019.

Juanita Trujillo, Mayor

Attest:

Janet Martinez, CMC



City of Santa Fe Springs

City Council Meeting

March 28, 2019

PROCLAMATION

Declaring April 7-13, 2019 as "National Volunteer Week" in Santa Fe Springs

RECOMMENDATION

That the City Council proclaim the week of April 7-13, 2019 as "National Volunteer Week" in the City of Santa Fe Springs.

BACKGROUND

National Volunteer Week was established in 1974 as a way to inspire, recognize and encourage people to seek out resourceful ways to engage in their communities. This week is about demonstrating to the nation that by working together, we have the strength to meet our challenges and accomplish our goals.

Six years ago, the City of Santa Fe Springs' Department of Community Services launched a volunteer program for teens and adults. Since then, the program has grown to approximately 150 active teen and adult volunteers in our City. Through their volunteerism at events and programs such as the Haunted House, Santa Float, Holiday Basket Programs, Adult & Youth Sports, Adult & Children's Literacy, and numerous other activities (including our advisory boards and committees), volunteers have enriched the lives of countless children and adults in Santa Fe Springs. Last year alone, our volunteers worked approximately 7,500 hours combined, amounting to approximately \$90,000 in labor savings for the City.

In order to encourage our community members to come out and volunteer, as well as to provide them a means to perform service, the City is hosting a Day of Service at Santa Fe Springs Park on Saturday, April 13, 2019 from 8-10 a.m. Many volunteers have already signed up to lend a hand to this project.

National Volunteer Week is not only our opportunity to celebrate our volunteers, but to enable them to continue sharing their ideas, practices, and stories – wherever they happen. It promotes working together and taking action to help those in need. The City of Santa Fe Springs, along with other municipalities and agencies across America, will be celebrating volunteers for their service and acknowledging them for their extraordinary work in their communities. The City will be hosting its fifth Volunteer Recognition Reception on Friday, April 12, 2019 at Town Center Hall from 6-8 p.m. Volunteers will receive a certificate for their commitment to service. The evening will be dedicated to them for their support in helping the City accomplish many of our program goals.

Volunteers perform vital functions in our community and, therefore, the City wishes to recognize our volunteers for their time, effort, and commitment by proclaiming



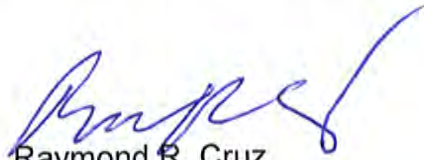
City of Santa Fe Springs

City Council Meeting

March 28, 2019

April 7- 13, 2019 as National Volunteer Week in the City of Santa Fe Springs.

The Mayor may wish to call upon Joyce Ryan, Library Services Division Director, to assist with the presentation of the proclamation to recognize City volunteers.


Raymond R. Cruz
City Manager

Attachment

Proclamation – National Volunteer Week

WHEREAS, the City of Santa Fe Springs volunteer program is a vital function in our community; and

WHEREAS, through their volunteerism at events and programs such as the Haunted House, Christmas Santa Float, Holiday Basket Programs, Sports, Adult & Children's Literacy, and numerous other activities, volunteers have enriched the lives of countless children and adults in Santa Fe Springs; and

WHEREAS, Santa Fe Springs volunteers are part of the country's volunteer force of over 63 million. Our City government could not function without volunteers who serve on our boards, commissions, and committees; and

WHEREAS, municipalities, volunteers, and supporters across America are celebrating National Volunteer Week; and the City of Santa Fe Springs wishes to recognize all the volunteers for their time, effort, and commitment to serve the residents and our City;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Santa Fe Springs, hereby proclaim April 7 through 13, 2019 as

“NATIONAL VOLUNTEER WEEK”

in Santa Fe Springs and urge fellow residents to volunteer and make a difference in our community.

DATED this 28th day of March 2019

JUANITA TRUJILLO, MAYOR

ATTEST:

JANET MARTINEZ, CMC, CITY CLERK

**City of Santa Fe Springs***City Council Meeting**March 28, 2019***PROCLAMATION**

Declaring April 7-13, 2019 as "National Library Week" in Santa Fe Springs

RECOMMENDATION

That the City Council proclaim the week of April 7-13, 2019 as "National Library Week" in the City of Santa Fe Springs.

BACKGROUND

April 7-13 is National Library Week, an annual celebration of the life-changing work of libraries, librarians and library workers. Libraries aren't just places to borrow books or study – they're also creative and engaging community centers where people can collaborate using new technologies and develop their skills and passions. First sponsored in 1958, National Library Week is a national observance sponsored by the American Library Association (ALA) and libraries across the country each April.

During National Library Week, the Santa Fe Springs City Library will join libraries in schools, campuses, and communities nationwide in celebrating the many ways libraries lead their communities through the transformative services, programs and expertise they offer.

Libraries of all types have long been evolving to meet the needs of the communities they serve. We encourage lifelong learning in all stages of our residents' lives. Although we have many programs for youth, we also encourage the lifelong learning of our adult residents by offering them an opportunity to receive a scholarship to earn a high school diploma online.

Libraries are many things to many people. Whether through offering e-books and technology classes, materials for English-language learners, programs for job seekers or offering a safe haven in times of crisis, libraries and librarians listen to the community they serve, and they respond.

The Santa Fe Springs City Library is celebrating National Library Week by offering afterschool crafts for children all week long.

The Mayor may wish to call upon Joyce Ryan, Library Services Division Director, to assist with the presentation of the proclamation to the Santa Fe Springs Friends of the Library.


Raymond R. Cruz
City Manager

Attachment

Proclamation – National Volunteer Week

WHEREAS, libraries have long served as trusted and treasured institutions where people of all backgrounds can be together and connect;

WHEREAS, libraries and librarians build strong communities through transformative services, programs, and expertise;

WHEREAS, libraries and librarians empower their communities to make informed decisions by providing free access to information;

WHEREAS, libraries are a resource for all members of the community regardless of race, ethnicity, creed, ability, sexual orientation, gender identity or socio-economic status, by offering services and educational resources that transform lives and strengthen communities;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Santa Fe Springs, hereby proclaim April 7 through 13, 2019 as

“NATIONAL LIBRARY WEEK”

in Santa Fe Springs and urge fellow residents to visit the library and explore what's new; because of you and our library leaders, Libraries Equal Strong Communities.

DATED this 28th day of March 2019

JUANITA TRUJILLO, MAYOR

ATTEST:

JANET MARTINEZ, CMC, CITY CLERK



City of Santa Fe Springs

City Council Meeting

March 28, 2019

APPOINTMENTS TO COMMITTEES AND COMMISSIONS

Committee	Vacancies	Councilmember
Beautification	1	Rounds
Beautification	5	Rodriguez
Beautification	2	Zamora
Beautification	1	Trujillo
Family & Human Services	1	Rodriguez
Family & Human Services	1	Rounds
Historical	2	Rounds
Historical	3	Rodriguez
Historical	3	Trujillo
Historical	2	Zamora
Historical	2	Mora
Parks & Recreation	1	Mora
Parks & Recreation	1	Rounds
Parks & Recreation	2	Trujillo
Parks & Recreation	2	Zamora
Senior Citizens	3	Mora
Senior Citizens	2	Rodriguez
Senior Citizens	3	Trujillo
Sister City	1	Mora
Sister City	2	Rounds
Sister City	3	Rodriguez
Sister City	3	Zamora
Youth Leadership Committee	3	Rounds

Applications Received: Nicolas Gonzalez for Parks and Recreation Committee

Recent Actions: Annette Ramirez was appointed to the Beautification Committee. Anthony Ambriz and Johana Coca were removed from the Parks and Recreation Committee.

Attachments:

1. Prospective Members
2. Committee Lists

Raymond R. Cruz
City Manager

Prospective Members for Various Committees/Commissions

Beautification

Family & Human Services

Heritage Arts

Historical

Personnel Advisory Board

Parks & Recreation

Nicolas Gonzalez

Planning Commission

Senior Citizens Advisory

Sister City

Traffic Commission

Youth Leadership

BEAUTIFICATION COMMITTEE

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
Mora	Juliet Ray	(20)
	Guadalupe Placencia	(19)
	Francis Carbajal	
	Eileen Ridge	(19)
	Jeannie Hale	(19)
Zamora	Annette Ramirez	(20)
	Charlotte Zevallos	(20)
	Doris Yarwood	(20)
	Vacant	(19)
	Vacant	
Rounds	Sadie Calderon	(20)
	Jeanette Lizaraga	(20)
	Mary Arias	(19)
	Marlene Vernava	(19)
	Vacant	
Rodriguez	Vacant	
	Vacant	
	Vacant	
	Vacant	
	Vacant	
Trujillo	Jacqueline Martinez	(20)
	AJ Hayes	(20)
	Vacant	
	Debra Cabrera	(19)
	Kay Gomez	

**Indicates person currently serves on three committees*

FAMILY & HUMAN SERVICES ADVISORY COMMITTEE

Meets the third Wednesday of the month, except Jun., 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
Mora	Martha Villanueva	(20)
	Margaret Bustos*	(20)
	Miriam Herrera	
Zamora	Gaby Garcia	(20)
	Tina Delgado	(19)
	Gilbert Aguirre	(19)
Rounds	Vacant	
	Janie Aguirre	(19)
	Peggy Radoumis	(19)
Rodriguez	Vacant	
	Linda Vallejo	(20)
	Hilda Zamora	(19)
Trujillo	Dolores H. Romero*	(20)
	Laurie Rios	(20)
	Bonnie Fox	(19)

Organizational Representatives: Nancy Stowe
(Up to 5) Evelyn Castro-Guillen
Elvia Torres
(SPIRITT Family Services)

**Indicates person currently serves on three committees*

HERITAGE ARTS ADVISORY COMMITTEE

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
Mora	AJ Hayes	6/30/2021
Zamora	Larry Oblea	6/30/2019
Rounds	Richard Moore	6/30/2021
Rodriguez	Francis Carbajal	6/30/2021
Trujillo	Laurie Rios	6/30/2021

Committee Representatives

Beautification Committee	Jacqueline Martinez	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	Bill Rounds
Council Alternate	Vacant
City Manager	Ray Cruz
Director of Community Services	Maricela Balderas
Director of Planning	Wayne Morrell

**Indicates person currently serves on three committees*

HISTORICAL COMMITTEE

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

Membership: 20

APPOINTED BY	NAME	TERM EXPIRES JUNE 30 OF
Mora	Astrid Shesterkin	(20)
	Tony Reyes	(20)
	Vacant	
	Vacant	
Zamora	Francis Carbajal	(19)
	Vacant	
	Vacant	
	Larry Oblea	(20)
Rounds	Vacant	
	Adrienne Matte	(20)
	Mark Scoggins*	(19)
	Vacant	(19)
Rodriguez	Vacant	
	Vacant	
	Vacant	
	Sally Gaitan	(19)
Trujillo	Vacant	
	Vacant	
	Merrie Hathaway	(19)
	Vacant	

**Indicates person currently serves on three committees*

PARKS & RECREATION ADVISORY COMMITTEE

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

Membership: 25

APPOINTED BY	NAME	TERM EXPIRES JUNE 30 OF
Mora	Vacant	
	Adrian Romero	(19)
	William Logan	(19)
	Ralph Aranda	(19)
	Kurt Hamra	(19)
Zamora	Michael Givens	(20)
	Ruben Gonzalez	(20)
	Frank Aguayo, Sr.	(20)
	Vacant	
	Vacant	
Rounds	Kenneth Arnold	(20)
	Mary Anderson	(20)
	Vacant	(20)
	Tim Arnold	(19)
	Mark Scoggins*	(19)
Rodriguez	Rudy Lagarreta Jr.	(20)
	Priscilla Rodriguez	(20)
	Lisa Garcia	(19)
	Sylvia Perez	(20)
	David Diaz-Infante	(19)
Trujillo	Dolores Romero	(19)
	Andrea Lopez	(20)
	Lydia Gonzalez	(19)
	Vacant	
	Vacant	

**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	6/30/2019
	Ron Biggs	6/30/2019
Personnel Advisory Board	Neal Welland	6/30/2020
Firemen's Association	Jim De Silva	6/30/2019
Employees' Association	Johnny Hernandez	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

Membership: 5

APPOINTED BY

NAME

Mora

Ken Arnold

Rounds

Ralph Aranda

Rodriguez

Francis Carbajal

Trujillo

Frank Ybarra

Zamora

Gabriel Jimenez

SENIOR ADVISORY COMMITTEE

Meets the Second Tuesday of the month, except Jun., Sep., and Dec., at 9:30 a.m., Gus Velasco Neighborhood Center

Qualifications: 18 Years of age, reside or active in the City

Membership: 25

APPOINTED BY	NAME	TERM EXPIRES JUNE 30 OF
Mora	Paul Nakamura	(20)
	Astrid Shesterkin	(19)
	Vacant	
	Vacant	
	Vacant	
Zamora	Dolores Duran	(20)
	Elena Lopez Armendariz	(20)
	Rebecca Lira	(20)
	Amelia Acosta	(19)
	Gloria Madrid	(19)
Rounds	Sally Gaitan	(20)
	Bonnie Fox	(20)
	Gilbert Aguirre	(19)
	Lorena Huitron	(19)
	Janie Aguirre	(19)
Rodriguez	Yoko Nakamura	(20)
	Linda Vallejo	(20)
	Hilda Zamora	(19)
	Vacant	
	Vacant	
Trujillo	Eduardo Duran	(20)
	Vacant	
	Vacant	
	Margaret Bustos*	(19)
	Vacant	

**Indicates person currently serves on three committees*

SISTER CITY COMMITTEE

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

Membership: 25

APPOINTED BY	NAME	TERM EXPIRES JUNE 30 OF
Mora	Martha Villanueva	(20)
	Laurie Rios	(18)
	Vacant	
	Peggy Radoumis	(19)
	Francis Carbajal	(19)
Zamora	Charlotte Zevallos	(20)
	Vacant	(19)
	Vacant	
	Doris Yarwood	(19)
	Vacant	
Rounds	Manny Zevallos	(20)
	Susan Johnston	(20)
	Jacqueline Martinez	(19)
	Vacant	
	Vacant	
Rodriguez	Jeannette Wolfe	(20)
	Kayla Perez	(20)
	Vacant	
	Vacant	
	Vacant	
Trujillo	Beverly Radoumis	(19)
	Andrea Lopez	(20)
	A.J. Hayes	(19)
	Marcella Obregon	(19)
	Debra Cabrera	(19)

**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

Mora

Bryan Collins

Rounds

Johana Coca

Rodriguez

Felix Miranda

Trujillo

Linda Vallejo

Zamora

Nancy Romo

*Albert Hayes removed on 7/19/17

YOUTH LEADERSHIP COMMITTEE

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
Mora	Kharisma Ruiz	(20)
	Destiny Cornejo	(19)
	Zachary Varela	(20)
	Jazmine A. Duque	(19)
Zamora	Joseph Casillas	(20)
	Savanna Aguayo	(19)
	Valerie Melendez	(19)
	Christian Zamora	(19)
Rounds	Abraham Walters	(21)
	Vacant	
	Vacant	
	Vacant	
Rodriguez	Angel M. Corona	(19)
	Jasmine Rodriguez	(21)
	Ivan Aguilar	(19)
	Jennifer Centeno Tobar	(19)
Trujillo	Bernardo Landin	(20)
	Isaac Aguilar	(21)
	Andrew Bojorquez	(20)
	Alan Avalos	(21)