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REGULAR MEETING AGENDA
125 E. College Street, Covina, California
Council Chamber of City Hall and
Teleconference location:
The Westin Ka'anapali
6 Kai Ala Drive, Room 2220, Lahaina, HI 96761
Tuesday, October 18, 2016

**CITY COUNCIL/SUCCESSOR AGENCY TO THE COVINA
REDEVELOPMENT AGENCY/COVINA PUBLIC FINANCING
AUTHORITY/COVINA HOUSING AUTHORITY
JOINT MEETING—CLOSED SESSION
6:30 p.m.**

CALL TO ORDER

ROLL CALL

Council/Agency/Authority Members Walter Allen III, Peggy A. Delach, John C. King, Mayor Pro Tem/Vice-Chair Jorge A. Marquez and Mayor/Chair Kevin Stapleton

PUBLIC COMMENTS

The Public is invited to make comment on Closed Session items only at this time. To address the Council/Agency/Authority please complete a yellow speaker request card located at the entrance and give it to the City Clerk. Your name will be called when it is your turn to speak. Individual speakers are limited to five minutes each.

The City Council/Successor Agency to the Covina Redevelopment Agency/Covina Public Financing Authority/Covina Housing Authority will adjourn to closed session for the following:

CLOSED SESSION

- A. Government Code § 54956.9(d)(1) – CONFERENCE WITH LEGAL COUNSEL:
EXISTING LITIGATION**
- Name of Case: Powers, Justin v. City of Covina, et al; Case No. 2:15 CV 5877

**B. Government Code § 54956.9(d)(1) – CONFERENCE WITH LEGAL COUNSEL:
EXISTING LITIGATION**

- Name of Case: Oscar Hernandez and Laura Asencio v. City of Covina; Case No. BC620177 Superior Court of the State of California for the County of Los Angeles

C. Government Code § 54957.6 – CONFERENCE WITH LABOR NEGOTIATORS

Agency Designated Representative: Danielle Tellez, Human Resources Director

Employee Organizations: American Federation of State, County and Municipal Employees (AFSCME); Police Association of Covina (PAC); Police Management Group (PMG); and Police Supervisors of Covina (PSC)

D. Government Code § 54957.6 – CONFERENCE WITH LABOR NEGOTIATORS

Agency Designated Representative: Danielle Tellez, Human Resources Director

Unrepresented Employees: Mid-Management, Supervisory and Professional, and Confidential and Technical Employees; and Executive Employees (excluding the City Manager)

RECESS

**CITY COUNCIL/SUCCESSOR AGENCY TO THE COVINA
REDEVELOPMENT AGENCY/COVINA PUBLIC FINANCING
AUTHORITY/COVINA HOUSING AUTHORITY
JOINT MEETING—OPEN SESSION
7:30 p.m.**

RECONVENE AND CALL TO ORDER

ROLL CALL

Council/Agency/Authority Members Walter Allen III, Peggy A. Delach, John C. King, Mayor Pro Tem/Vice-Chair Jorge A. Marquez and Mayor/Chair Kevin Stapleton

PLEDGE OF ALLEGIANCE

Led by Councilmember Allen.

INVOCATION

Given by Covina Police Chaplain Truax.

PRESENTATIONS

Breast Cancer Awareness Proclamation

Red Ribbon Week Proclamation

Covina Concert Band 60th Anniversary Recognition

PUBLIC COMMENTS

To address the Council/Agency/Authority please complete a yellow speaker request card located at the entrance and give it to the City Clerk/Agency/Authority Secretary. Your name will be called when it is your turn to speak. Those wishing to speak on a LISTED AGENDA ITEM will be heard when that item is addressed. Those wishing to speak on an item NOT ON THE AGENDA will be heard at this time. State Law prohibits the Council/Agency/Authority Members from taking action on any item not on the agenda. Individual speakers are limited to five minutes each.

COUNCIL/AGENCY/AUTHORITY COMMENTS

Council/Agency/Authority Members wishing to make any announcements of public interest or to request that specific items be added to future Council/Agency/Authority agendas may do so at this time.

CITY MANAGER COMMENTS

CONSENT CALENDAR

All matters listed under consent calendar are considered routine, and will be enacted by one motion. There will be no separate discussion on these items prior to the time the Council/Agency/Authority votes on them, unless a member of the Council/Agency/Authority requests a specific item be removed from the consent calendar for discussion.

CC 1. Minutes of the September 20, 2016, Study Session and October 4, 2016, Regular Meetings of the City Council/Successor Agency to the Covina Redevelopment Agency/Covina Public Financing Authority/Housing Authority.

Report: [Minutes](#)

CC 2. Payment of City Demands in the Amount of \$3,699,783.21.

Report: [Payment of City Demands](#)

CC 3. Payment of Agency Demands in the Amount of \$62,434.26.

Report: [Payment of Agency Demands](#)

CC 4. City Council to Adopt Resolution No. 16-7539 Confirming Continued Existence of An Emergency Condition for the Residual Control System at the Charter Oak Reservoir Site Pursuant to Chapter 2.5 (Emergency Contracting Procedures) of the Public Contracts Code.

Report: [Resolution No. 16-7539](#)

CC 5. Miscellaneous Concrete and Asphalt Repairs – Approval of Change Order No. 2 and Final Acceptance and Filing Notice of Completion.

Report: [Miscellaneous Concrete and Asphalt Repairs](#)

CC 6. Used Oil Payment Program - Professional Services Agreement with KJServices Environmental Consulting.

Report: [KJServices Environmental Consulting Agreement](#)

CC 7. Urban Water Management Plan – Proposed Professional Services Agreement with Stetson Engineers, Inc. for the Development of the 2015 Urban Water Management Plan.

Report: [Stetson Engineers, Inc. Agreement](#)

CC 8. Covina Housing Authority Annual Report FY 2015-2016.

Report: [Annual Report](#)

CC 9. Lease Agreement with the Covina Valley Historical Society for the Firehouse Jail Museum.

Report: [Covina Valley Historical Society Lease Agreement](#)

CC 10. Second Amendment to Professional Services Agreement with Covina Irrigating Company for Water System and Water Quality Consulting Services and Adoption of Resolution No. 16-7544 to Amend the FY 2017 Operating Budget by \$65,000 to Provide Funding for the Second Amendment to Professional Services Agreement with Covina Irrigating Company.

Report: [Covina Irrigating Company Agreement Amendment](#)

CC 11. Quarterly Report of the Treasurer to the City Council and the Successor Agency to the Covina Redevelopment Agency for the Quarter Ended September 30, 2016.

Report: [Treasurer's Report](#)

PUBLIC HEARING

PH 1. Ordinance No. 16-2062 Setting the City's Refuse Collection Services Rates for Residential, Commercial, and Industrial Customers for FY 2016-17 through FY 2018-19, Effective July 1, 2016 – Public Hearing and Adoption.

Report: [Ordinance No. 16-2062](#)

Staff Recommendation:

1. Conduct the public hearing by (1) receiving a staff presentation pertaining to the proposed refuse rate increase; (2) allow all persons interested in the matter of the proposed rate increase to provide testimony; and (3) receive all written communications regarding the proposed rate increase.
2. Determine at the close of the public hearing whether or not written protests have been received by a majority of record owners or customers.
3. If the City Council determines at the close of the public hearing that written protests have been presented, and not withdrawn, by the Record Owners or Customers of Record of a majority of the Identified Parcels, the City shall not impose the fee or charge (i.e., there is a majority protest), and the Proposed Increase shall not be approved; and
4. If the City Council determines at the close of the public hearing that there is not a majority protest, adopt by a two-thirds vote **Ordinance No. 16-2062**, setting the City's Refuse Collection Services Rates for Residential, Commercial, and Industrial Customers for FY 2016-17 through FY 2018-19, effective July 1, 2016.

CONTINUED BUSINESS

- CB 1. Consideration of Resolutions relating to Covina’s General Municipal Election to be held on March 7, 2017, including Placing a Measure Extending the City’s Utility Users Tax on the March 2017 Ballot.**

Report: [Election Resolutions](#)

Staff Recommendation:

1. Adopt **Resolution No. 16-7540** calling for the holding of a General Municipal Election on Tuesday, March 7, 2017.
2. Adopt **Resolution No. 16-7541** requesting the Board of Supervisors of the County of Los Angeles to direct the Registrar-Recorder/County Clerk’s Office to administer, manage and oversee the Election.
3. Adopt **Resolution No. 16-7544** requesting the Board of Supervisors to render specified services relating to the Election.
4. Adopt **Resolution No. 16-7542** adopting regulations for candidates’ statements.
5. Adopt **Resolution No. 16-7543** ordering that an ordinance to extend the City’s existing utility users tax (Option 1 or Option 2) be submitted to the voters at the General Municipal Election to be held March 7, 2016, directing the City Attorney to prepare an impartial analysis of the measure, setting priorities for filing a written argument relating to the ballot measure, designating up to two councilmembers to prepare and submit a ballot argument in favor of the measure, and providing for rebuttal arguments relating to the ballot measure.

NEW BUSINESS

- NB 1. Request from LA Works for \$20,000 to Pay for Expenses Related to the Closeout of the Agency.**

Report: [Resolution No. 16-7546](#)

Staff Recommendation:

Appropriate \$20,000 from the Liability Insurance Fund.

- NB 2. Ordinance No. 16-2063 - Adopting by Reference the 2016 Edition of the California Building Standards Code (California Code of Regulations, Title 24) including the 2016 California Administrative Code, the 2016 California Building Code Volumes 1 and 2, including Chapters 1-35 and Appendices H, I, and J, the 2016 California Residential Code including Chapters 1-10 and 44, and Appendices A, B, C, G, H, I, J, K, and P, the 2016 California Electrical Code, the 2016 California Mechanical Code, the 2016 California Plumbing Code, the 2016 California Historical Building Code, the 2016 California Fire Code, the 2016 California Existing Code, the 2016 California Green Building Standards Code, the California Reference Standards Code, Together with Certain Additions, Insertions, Deletions and Changes Thereto, and Amending Title 14 (Building and Construction) of the Covina Municipal Code.**

Report: [Ordinance No. 16-2063](#)

Staff Recommendation:

1. Introduce and waive further reading of **Ordinance No. 16-2063** adopting by reference the 2016 Edition of the California Building Standards Code (California Code of Regulations, Title 24) including the 2016 California Administrative Code, the 2016 California Building Code Volumes 1 and 2, including Chapters 1-35 and Appendices H, I, and J, the 2016 California Residential Code including Chapters 1-10 and 44, and Appendices A, B, C, G, H, I, J, K, and P, the 2016 California Electrical Code, the 2016 California Mechanical Code, the 2016 California Plumbing Code, the 2016 California Historical Building Code, the 2016 California Fire Code, the 2016 California Existing Code, the 2016 California Green Building Standards Code, the California Reference Standards Code, together with certain additions, insertions, deletions and changes thereto, and Amending Title 14 (Building and Construction) of the Covina Municipal Code.
2. Schedule a public hearing for November 15, 2016, to receive public input on the proposed adoption by reference of the aforementioned Codes.

ADJOURNMENT

The Covina City Council/Successor Agency to the Covina Redevelopment Agency/Covina Public Finance Authority/Covina Housing Authority will adjourn to its next regular meeting of the Council/Agency/Authority scheduled for Tuesday, November 1, 2016, at 6:30 p.m. for closed session and 7:30 p.m. for open session inside the Council Chamber, 125 East College Street, Covina, California, 91723.

Any member of the public may address the Council/Agency/Authority during both the public comment period and on any scheduled item on the agenda. Comments are limited to a maximum of five minutes per speaker unless, for good cause, the Mayor/Chairperson amends the time limit. Anyone wishing to speak is requested to submit a yellow Speaker Request Card to the City Clerk; cards are located near the agendas or at the City Clerk's desk.

MEETING ASSISTANCE INFORMATION: In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk's Office at (626) 384-5430. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

If you challenge in court any discussion or action taken concerning an item on this agenda, you may be limited to raising only those issues you or someone else raised during the meeting or in written correspondence delivered to the City at or prior to the City's consideration of the item at the meeting.

The Covina City Clerk's Office does hereby declare that, in accordance with California Government Code Section 54954.2(a), the agenda for the Tuesday, October 18, 2016, meeting was posted on October 13, 2016, on the City's website and near the front entrances of: 1) Covina City Hall, 125 East College Street, Covina; and 2) the Covina Public Library, 234 N. Second Avenue, Covina.

MATERIALS RELATED TO AN ITEM ON THIS AGENDA, AND SUBMITTED TO THE CITY COUNCIL AFTER PUBLICATION OF THE AGENDA, ARE AVAILABLE TO THE PUBLIC IN THE CITY CLERK'S OFFICE AT 125 E. COLLEGE STREET, COVINA.



ITEM NO. CC 1

**MINUTES OF SEPTEMBER 20, 2016
JOINT STUDY SESSION MEETING OF THE COVINA CITY COUNCIL/ SUCCESSOR
AGENCY TO THE COVINA REDEVELOPMENT AGENCY/COVINA PUBLIC
FINANCING AUTHORITY/COVINA HOUSING AUTHORITY HELD IN THE
COMMUNITY ROOM OF COVINA PUBLIC LIBRARY, 234 NORTH SECOND
AVENUE, COVINA, CALIFORNIA**

CALL TO ORDER

Mayor Stapleton called the Council/Agency/Authority meeting to order at 5:00 p.m.

ROLL CALL

Councilmembers Present: Walter Allen III, Peggy A. Delach, John C. King (arrived 5:07 p.m.), Mayor Pro Tem/Vice-Chair Jorge A. Marquez, and Mayor/Chair Kevin Stapleton.

Councilmembers Absent: None.

Elected Members Present: City Treasurer Geoffrey Cobbett.

Elected Members Absent: City Clerk Mary Lou Walczak.

Staff Members Present: Interim City Manager Don Penman, City Attorney Candice K. Lee, Interim Police Chief Kim Raney, Public Works Director Siobhan Foster, Community Development Director Brian Lee, Finance Director Anita Agramonte, Parks and Recreation/Library Director Amy Hall-McGrade, and Chief Deputy City Clerk/Records Management Director Sharon F. Clark.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Councilmember Delach.

REORDERING OF THE AGENDA

Mayor Stapleton announced that the agenda would be reordered to consider New Business item NB 2, Covina Senior and Community Center Update, first.

PUBLIC COMMENTS

Bobbie Walker commented on issues regarding Dial-a-ride service. Mayor Stapleton responded that Council was not able to enter into a discussion per the Brown Act since the item was not agendaized, and directed Ms. Walker to Public Works Director Foster for assistance.

Linda Dang submitted a speaker card but declined to speak.

In response to a question from an attendee, Interim City Manager Penman stated that the former Kmart site is a possibility for the senior center and more detail would be given during tonight's meeting.

COUNCIL/AGENCY/AUTHORITY COMMENTS – None.

CITY MANAGER COMMENTS – None.

NEW BUSINESS

NB 2. Covina Senior and Community Center Update.

The item was introduced by Interim City Manager Penman. The staff report and a PowerPoint presentation were presented by Public Works Director Foster who gave a brief summary of the sites which had been considered and explained that the options had been narrowed to four sites: Kelby Park, Covina Woman's Club, Covina iTEC (Innovation, Technology, and Event Center), and an Inter-Community Hospital partnership. She presented opportunities and challenges involved for each of the four sites, explained the role of the architects contracted by the City and financing options for the project, and requested Council input on the site location alternatives.

Interim City Manager Penman explained that Successor Agency funds from the former redevelopment agency could only be spent in certain ways outside the Project Area1 geographic area.

Council discussion included what funds were available for each site; the cost estimate for a new building; the possibility of receiving funds from the County; the challenges of a partnership with Inter-Community Hospital including an increased timeline and the need to show public benefit to use project area funds; which properties the City controls; the challenges of funding in stages for the iTEC site; and the desire to go ahead with demolition of the old senior center in Kelby Park.

Public Works Director Foster explained that the City had issued a Request for Proposals (RFP) for asbestos and lead paint abatement related to demolition at Kelby Park and is in the process of reviewing the proposals received; and that while the demolition is taking place, the assessment of the Covina Woman's Club site can go forward at a cost of \$20,000 with a timeframe of eight weeks.

Interim City Manager Penman commented that the asbestos abatement is a legal requirement; and that while the assessment of the Woman's Club renovation cost is progressing, a comparison of the costs of building a new building can be done.

Councilmember Allen commented that with the money available in Project Area 1 plus grants from the County, there would be about \$7.3 million available which makes it worth keeping the door open with the hospital to build a nice facility and help with operating costs.

Cathy Solorzano commented that she hopes her 91-year old father will get to see senior center built in his lifetime and she would like to see the seniors brought back to Covina from the temporary location in Azusa, suggested the Vita-Pakt property as a site option, and stated she wants to go to Kelby Park.

Barbara Fraisl expressed concerns with locating the senior center in the old Kmart site, stated that it is not a good idea to have seniors around young people in a bus terminal, and that she prefers other proposals than the Kmart property.

Maxine Smith commented that impacted parking in the Downtown area is a problem.

Don Smith cautioned to beware the temptation for federal or state money, stated he doesn't want Adams Park impacted, and concluded he wants the senior center in Kelby Park.

Councilmember King stated that Council hasn't decided anything yet and is still talking it through. In response to a comment from Don Smith that all councilmembers voted in favor of Covina Park as the location, Councilmember King responded the City is looking for money as it doesn't have enough to build, and that all councilmembers are trying to find the right location and funding that makes sense.

Linda W. commented on safety concerns at Covina Park, and stated that she doesn't want the senior center at the Kmart site either as she feels it is not safe for seniors.

Mayor Stapleton reminded attendees that tonight's meeting is to get input; for people to get the same information as Council receives.

Judy Korelle inquired about the empty Albertsons building as a possible location for the senior center. Mayor Stapleton explained that the City can't afford private sector prices.

In response to Councilmember Delach's request for a show of hands as to preference for various locations, about half of the attendees indicated a preference for Kelby Park, four for Covina Woman's Club, and two for Inter-Community Hospital. Councilmember Delach suggested selling part of Kelby Park to the developer for combination with the Vita-pakt property to make his development bigger and using the proceeds for a new center in Kelby Park, commenting that there is currently not enough money to build at Kelby Park.

Lynn G. commented that most seniors don't have faith in the Council; they have received misinformation; 17-acre Taylor Park wasn't considered because the City has a concept for a gymnasium there; information comes out in bits and pieces; and requested one spokesperson to inform them.

RECESS AND RECONVENE

Mayor Stapleton recessed the meeting at 5:54 p.m. and reconvened at 6:00 p.m. with all councilmembers present.

NEW BUSINESS

NB 1. Interviews of Applicants to Various City Advisory Boards and Commissions.

The City Council conducted interviews of the following applicants:

- Susan Zermeno – Planning Commission
- Nick Lopez – Traffic Advisory Commission
- Pedro Ramirez, Jr. – Youth Accountability Board

NB 3. Current Projects Update.

The staff report was presented by Community Development Director Lee.

In response to questions from Councilmember King and Mayor Pro Tem Marquez, Community Development Director Lee explained that the Azo Vino appeal to Council concerns the nature of live entertainment which is currently defined as dancing and a DJ; on whether the person is visual to the patrons; and that there had been a discussion of the Planning Commission on how to define a person with an iPad changing music.

Mayor Stapleton interjected that because an appeal has been filed, it should not be discussed in this forum, and discussion needs to stick to the update on projects.

Community Development Director Lee commented that the current project list is in no particular order, that some items may drop off and some may be added, and that higher profile projects are included.

Council discussion included the status of abatement at the former Dodge dealership property and the steps required if the City performs the abatement. City Attorney Lee reminded Council that the study session is for staff to provide information and gather questions from Council so staff may return with additional information; that the agenda needs to be detailed enough so the public can tell what is going to be discussed.

Mayor Stapleton commented that if councilmembers have questions, he would like to have report at the October 4, 2016, regular meeting regarding properties on the list, so Council can discuss and give direction. Community Development Director Lee stated he understands properties of sensitivity and will prepare additional information.

Councilmember Allen expressed his hope that there is not a problem with Dial-a-Ride and requested staff follow-up.

ADJOURNMENT

At 6:21 p.m., the meeting of the Covina City Council/Successor Agency to the Covina Redevelopment Agency/Covina Public Financing Authority/Covina Housing Authority was adjourned to its next regular meeting of the Council/Agency/Authority scheduled for Tuesday, September 20, 2016, at 6:30 p.m. for closed session and at 7:30 p.m. for open session in the Council Chamber, 125 East College Street, Covina, California, 91723.

Respectfully submitted:

Sharon F. Clark, CMC
Chief Deputy City Clerk

Approved this 18th day of October, 2016:

Kevin Stapleton, Mayor/Chair



MINUTES OF OCTOBER 4, 2016
REGULAR MEETING OF THE COVINA CITY COUNCIL/SUCCESSOR AGENCY TO
THE COVINA REDEVELOPMENT AGENCY/COVINA PUBLIC FINANCING
AUTHORITY/COVINA HOUSING AUTHORITY HELD IN THE COUNCIL
CHAMBER OF CITY HALL, 125 EAST COLLEGE STREET, COVINA, CALIFORNIA

CALL TO ORDER

Mayor Stapleton called the Council/Agency/Authority meeting to order at 6:30 p.m. with all Councilmembers present except Councilmember Allen. There were no public comments. Mayor Stapleton recessed the Council to closed session at 6:30 p.m.

ROLL CALL

Councilmembers Present: Walter Allen III (arrived 6:40 p.m.), Peggy A. Delach, John C. King, Mayor Pro Tem/Vice-Chair Jorge A. Marquez, and Mayor/Chair Kevin Stapleton.

Councilmembers Absent: None.

Elected Members Present: City Clerk Mary Lou Walczak.

Elected Members Absent: City Treasurer Geoffrey Cobbett.

Staff Members Present: Interim City Manager Donald E. Penman, City Attorney Candice K. Lee, Interim Police Chief Kim Raney, Community Development Director Brian Lee, Public Works Director Siobhan Foster, Parks and Recreation/Library Director Amy Hall-McGrade, Human Resources Director Danielle Tellez, Finance Director Anita Agramonte, Acting Assistant Fire Chief Jim Enriquez, and Chief Deputy City Clerk/Records Management Director Sharon F. Clark.

CLOSED SESSION

**A. Government Code § 54956.9(d)(1) – CONFERENCE WITH LEGAL COUNSEL:
EXISTING LITIGATION**

- Name of Case: Powers, Justin v. City of Covina, et al; Case No. 2:15 CV 5877

B. Government Code § 54957.6 – CONFERENCE WITH LABOR NEGOTIATORS

Agency Designated Representative: Danielle Tellez, Human Resources Director
Employee Organizations: American Federation of State, County and Municipal Employees (AFSCME); Police Association of Covina (PAC); Police Management Group (PMG); and Police Supervisors of Covina (PSC)

C. Government Code § 54957.6 – CONFERENCE WITH LABOR NEGOTIATORS

Agency Designated Representative: Danielle Tellez, Human Resources Director

Unrepresented Employees: Mid-Management, Supervisory and Professional, and Confidential and Technical Employees; and Executive Employees (excluding the City Manager)

RECONVENE AND CALL TO ORDER

Mayor Stapleton reconvened the meeting into open session at 7:35 p.m.

CLOSED SESSION REPORT

City Attorney Lee announced that there was no reportable action taken and direction was given to staff.

PLEDGE OF ALLEGIANCE

Mayor Stapleton led the Pledge of Allegiance.

INVOCATION

Covina Police Chaplain Truax gave the invocation.

PRESENTATIONS

2016 USA Taekwondo National Championships

Mayor Stapleton presented the following with certificates of recognition for their achievements in the 2016 USA Taekwondo National Championships: Coach/Master Instructor Rodrigo “Ricky” Negrete; National Gold Medalists Elizabeth Mae Chan and Nicolas Thomas Chan; National Silver Medalist Alexander Daniel Chan; and Honorable Mentions Rodrigo “Lil’ Rocky” Dazaeth Negrete, Joan-Paul Escobar, and Ignacio “Nacho” Bautista.

Introduction of New Employees

Recently-hired City employees were introduced to Council and the community as follows:

- Finance Director Agramonte introduced Senior Accountant Alan Sands.
- Interim Police Chief Raney introduced Public Communications Supervisor Patricia Tachias and Public Safety Dispatcher Kelly Churnside.
- Public Works Director Foster introduced Public Works Manager Jason Lappin and Water Worker John Ericson.

CITY MANAGER COMMENTS

Police Chief Retirement Presentation

Interim City Manager Penman acknowledged the retirement of Interim Police Chief Raney after 39 years with the Covina Police Department.

Glendora Councilmember Karen Davis gave a tribute to Chief Raney for his leadership in the law enforcement community and presented him with a commemorative tile from the City of Glendora.

Dale Kunesh, on behalf of the Covina Public Works Department, presented a Covina street sign reading “Kim Raney Avenue” to Chief Raney.

Mayor Stapleton gave a tribute to Chief Raney on behalf of the City Council; presented him with a shadowbox showcasing badges, awards, and memorial coins related to the Chief’s law enforcement career; and read a proclamation into the record recognizing the Chief’s outstanding achievements and contributions to the City of Covina and the law enforcement community.

Chief Raney commented on his career, recognized the support of his wife, Stacey Raney, and his family, commended the Police Department leadership taking his place, recognized his former Executive Assistant Debbie Quick and current Executive Assistant Eunicee Sierra for their assistance, and thanked Council and community for their support over the years.

Chief Raney received a standing ovation from all present.

PUBLIC COMMENTS

Dale Kunesh thanked Council for caring about the City and expressed appreciation to Interim Police Chief Raney and the Public Works staff.

Michele Durfee, representing the San Gabriel Valley Churches Assisting Neighbors Network, explained the organization’s goal to harness local faith communities to assist the homeless and hungry in the San Gabriel Valley.

COUNCIL/AGENCY/AUTHORITY COMMENTS

Councilmember King commented on Chief Raney’s distinguished and honorable career, his heart for service to the community, and expressed thankfulness for the Chief’s leadership, care, and servitude.

Councilmember Allen commented on the privilege and opportunity to work with Chief Raney, stated that he is at the top of the list in his profession and has left the Department in good hands, and wished him well in retirement.

Councilmember Delach concurred with comments by her colleagues, thanked Chief Raney and congratulated him on his retirement, thanked Stacey Raney for holding down the fort, commented that we still have great people in the Police Department mentored by Chief Raney, and challenged them to walk in the Chief’s big footsteps.

Mayor Pro Tem Marquez agreed with all the comments by his colleagues, commented that in his day job he has seen how other chiefs interact with their communities and how the communities react to them and it has been very different in Covina, wished Chief Raney the best of luck, and concluded that retirement is the time for new adventures and we look forward to the Chief’s new endeavors.

Mayor Stapleton commented on coming to the end of a long trail, on the impressive respect the Chief has from law enforcement and the general community, on his ability to install professionalism and a sense of humanism in the way laws are enforced in Covina, on his legacy of peaceful law enforcement with a fair and firm hand, and thanked the Chief for his contributions to the community, his friendship, and his leadership.

CONSENT CALENDAR

A motion was made by Councilmember King, seconded by Councilmember Allen, to approve Consent Calendar items CC 1 – 12 as presented.

Motion approved Consent Calendar items CC 1 – 12 as follows:

AYES: ALLEN, DELACH, KING, MARQUEZ, STAPLETON

NOES: NONE

ABSTAIN: NONE

ABSENT: NONE

- CC 1. City Council approved the Minutes of the September 20, 2016, Regular Meeting of the City Council/Successor Agency to the Covina Redevelopment Agency/Covina Public Financing Authority/Housing Authority.
- CC 2. City Council approved the payment of City Demands in the Amount of \$1,416,814.91.
- CC 3. Successor Agency to the Covina Redevelopment Agency approved the payment of Agency Demands in the Amount of \$9,040.24.
- CC 4. City Council waived full reading, read by title only and adopted on second reading **Ordinance No. 16-2061** entitled, “AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, AMENDING CHAPTERS 17.62 (CONDITIONAL USE PERMITS), 17.78 (VARIANCES) AND 17.80 (ZONING AMENDMENTS AND ZONE CHANGES) OF TITLE 17 (ZONING) OF THE COVINA MUNICIPAL CODE CONCERNING PUBLIC HEARING DATE AND NOTICING REQUIREMENTS, AND MAKING A DETERMINATION OF EXEMPTION UNDER CEQA.”
- CC 5. City Council adopted **Resolution No. 16-7535** Confirming Continued Existence of An Emergency Condition for the Residual Control System at the Charter Oak Reservoir Site Pursuant to Chapter 2.5 (Emergency Contracting Procedures) of the Public Contracts Code.
- CC 6. City Council directed the Interim City Manager to Represent the City of Covina at the Covina Irrigating Company (CIC) Annual Shareholder’s Meeting and to vote the City’s shares equally for the directors identified on the proxy ballot per the staff report.
- CC 7. City Council received and filed the Notification of lease extension with Elite Dining Services, Inc.
- CC 8. City Council approved the purchase of six Police Department vehicles and six aftermarket police package retrofits.
- CC 9. City Council authorized the Interim City Manager to execute the first amendment to the agreement with Vavrinek, Trine, Day & Co., LLP for accounting services assisting with the preparation of the Fiscal Year 2014-15 Audit and Comprehensive Annual Financial Report (CAFR) in the amount of \$23,900.

- CC 10. City Council waived full reading, read by title only and introduced for first reading **Ordinance No. 16-2062** entitled, “AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA SETTING THE CITY’S REFUSE COLLECTION SERVICES RATES FOR RESIDENTIAL, COMMERCIAL, AND INDUSTRIAL CUSTOMERS, FOR FISCAL YEAR 2016-17 THROUGH FISCAL YEAR 2018-19, EFFECTIVE JULY 1, 2016.”
- CC 11. City Council appointed Susan Zermeno to the Traffic Advisory Commission for a term ending June 30, 2018; and appointed Nick Lopez as an alternate on the Youth Accountability Board for a term ending June 30, 2017.
- CC 12. City Council: 1) Authorized the Interim City Manager to execute the Professional Services Agreement with Doane and Hartwig Water Systems, Inc. to furnish and install a PAX Water Technologies Mixer at Rancho La Merced Reservoir in an amount not-to-exceed \$46,553; and 2) Adopted **Resolution No. 16-7538** amending the FY 2017 Capital Improvement Program (CIP) budget to reflect an additional appropriation of \$17,604 from available Water Capital Improvement Fund balance for the Rancho La Merced Reservoir PAX Water Technologies Mixer Project and increase the FY 2017 Water CIP budget.

COUNCIL/AGENCY/AUTHORITY COMMENTS

Mayor Stapleton commented on recent events:

- Covina Chamber of Commerce 33rd Annual Police & Firefighter Awards Luncheon; and
- Supervisor Antonovich’s resolution presentation to Chief Raney at the September 27, 2016, Board of Supervisors’ meeting in Los Angeles.

He announced the following upcoming events:

- 21st Annual Thunderfest Event on Saturday, October 8, 2016, from 2:00 – 9:00 p.m. in Downtown Covina;
- Retirement Event honoring Chief Raney at Heritage Park on Thursday, October 13, 2016, from 12:00 – 2:00 p.m.;
- Friends of the Covina Library booth at October 8, 2016, at the Thunderfest Event;
- Friends of the Covina Library Semi-annual Book and Bake Sale on October 22, 2016, at the Covina Library Community Room; and
- December 3, 2016, Annual Christmas Parade, for which antique car entries are desired.

PUBLIC HEARING – None.

CONTINUED BUSINESS

- CB 1. Covina Senior and Community Center Project – Designation of Kelby Park and the Covina Woman’s Club as Possible Site Alternatives for Placement of New Center, Adoption of Resolution No. 16-7533 Authorizing Application for Grant Funds from Los Angeles County Regional Park and Open Space District for Fifth Supervisorial District Competitive Excess Funding, and First Amendment to Agreement between City of Covina and Gonzalez Goodale Architects to Provide Planning, Programming, Architectural, and Engineering services for Initial Phase of Covina Senior and Community Center Project.**

The staff report and a PowerPoint presentation were presented by Public Works Director Foster. There was no public comment.

In response to Councilmember King's request for an update on discussion with the Covina's Woman's Club, Public Works Director Foster explained that she and Parks & Recreation/Library Director Hall-McGrade had met with representatives of the Woman's Club and there is definite interest in a partnership with the City to preserve the future of the building.

Councilmember Delach commented that from thinking through the issue more carefully, due to the expressed desire of seniors at the last study session meeting to go back to Kelby Park and for the City to get moving, she did not want to spend money on the Woman's Club assessment due to renovation costs and building-size limitation, and instead go full force on locating the senior center in Kelby Park to build what we want and to get the seniors in place as soon as possible.

Interim City Manager Penman responded that the concept is to have concurrent processes and the demolition process in Kelby Park has already begun, that staff is seeking direction from Council to pursue architectural analysis of the Woman's Club, and that a funding shortfall for Kelby Park still has to be addressed.

Mayor Stapleton stated that he thought the direction Council gave at the conclusion of the last study session was clear to pursue Kelby Park and we need to move forward with Kelby Park.

Councilmember King commented the whole point is to run concurrent processes.

Councilmember Allen commented that both sites should be looked at and other funding sources found, that using existing Project Area 1 funds would have been a better choice, but it seems that a majority of Council wants to move toward Kelby Park.

In response to questions from Mayor Pro Tem Marquez and Mayor Stapleton, Public Works Director Foster explained that the timeframe for the study of the Women's Club is six to seven weeks and the lead and asbestos abatement portion at Kelby Park takes about three weeks plus demolition time, so the demolition will take longer than the architectural study at the Woman's Club, though they can be done concurrently.

Mayor Pro Tem Marquez stated there is no harm in assessing the Woman's Club while demolition at Kelby Park is taking place in order to have all options on the table, especially since the City could acquire the Woman's Club for \$1.

In response to questions from Mayor Stapleton and Councilmember Delach, Public Works Director Foster explained that the study will cover everything needed to make the Woman's Club a proper senior center and will include hiring a structural engineer.

Councilmember Delach reiterated that she is not in favor of doing the Woman's Club assessment due to the renovation aspect, doesn't feel the architect's report will give enough information to make a valid decision, feels the six to seven weeks would be more productive designing a new senior center, and is concerned about the effect on the neighbors at the Woman's Club site.

Councilmember Allen stated he understands Councilmember Delach's concerns, but wants to have a more flexible option on table, and leave the Woman's Club option open for financial reason.

In response to Councilmember King's inquiry about a cooperative agreement with Intercommunity Hospital to facilitate use of redevelopment money, Interim City Manager Penman explained the challenge with that site is site control and the City being at the mercy of their schedule as opposed to having site control at the other locations.

A motion was made by Councilmember Allen, seconded by Councilmember King to:

1. Direct City staff to pursue the placement of the Covina Senior and Community Center in Kelby Park and at the site of the Covina Woman's Club.
2. Adopt **Resolution No. 16-7533** authorizing the application for \$1.9 million in grant funds from the Los Angeles County Regional Park and Open Space District for Fifth Supervisorial District Competitive Excess Funding for the Covina Senior and Community Center Project.
3. Approve and authorize the Interim City Manager to execute on the City Council's behalf, in substantial form, the attached First Amendment to the Agreement between the City of Covina and Gonzalez Goodale Architects to (1) extend the term of the agreement through June 30, 2017, (2) amend the scope of work to (a) reflect the placement of the Covina Senior and Community Center at a location to be designated by the City Council and (b) prepare a General Building and Site Analysis of the Covina Woman's Club, (3) increase the total compensation by \$20,000 to a not-to-exceed amount of \$120,000, and (4) include provisions required for compliancy with federal law and Community Development Block Grant (CDBG) requirements, subject to the City Attorney's review and approval as to form.

Motion approved Continued Business item CB 1 as follows:

AYES: ALLEN, DELACH, KING, MARQUEZ
NOES: STAPLETON
ABSTAIN: NONE
ABSENT: NONE

CB 2. Consideration of Resolutions Amending the Composition of the Finance Advisory Commission and Amending Policies Related to the City's Advisory Boards and Commissions.

The staff report was presented by Chief Deputy City Clerk Clark. There was no public comment.

A motion was made by Councilmember Allen, seconded by Councilmember Delach to:

1. Adopt **Resolution No. 16-7531** amending policies related to the City's Advisory Boards and Commission to change the composition of the Finance Advisory Commission and rescinding Resolution No. 16-7505.
2. Adopt **Resolution No. 16-7532** amending the Bylaws of the Finance Advisory Commission to change the composition of the Commission from five to seven members.

Motion approved Continued Business item CB 2 as follows:

AYES: ALLEN, DELACH, KING, MARQUEZ, STAPLETON
NOES: NONE
ABSTAIN: NONE
ABSENT: NONE

CB 3. Consideration of Appointments to the Finance Advisory Commission.

The staff report was presented by Chief Deputy City Clerk Clark. There was no public comment.

A motion was made by Councilmember King, seconded by Mayor Pro Tem Marquez to reappoint Mark Cook, Diane Fonseca, and Tom Melendrez to the Finance Advisory Commission for full terms ending June 30, 2020.

Motion approved Continued Business item CB 3 as follows:

AYES: ALLEN, DELACH, KING, MARQUEZ, STAPLETON
NOES: NONE
ABSTAIN: NONE
ABSENT: NONE

NEW BUSINESS

NB 1. Professional Services Agreement with HdL Software, LLC (HdL) for Business License Management and Compliance Services.

The staff report was presented by Finance Director Agramonte. There was no public comment.

Councilmember Allen stated that the City had problems with a previous company that did business license collection, that amnesty and the accuracy of records are important, and expressed his hope that HdL understands good customer service and accuracy.

Councilmember Delach stated her wish for the City to collect only for current-year business licenses, and her appreciation for the education component for customers.

A motion was made by Councilmember King to award a Professional Services Agreement (PSA) to HdL Software, LLC (HdL) for Business License Management and Compliance Services along with Consulting Services for a Business Tax Analysis and Ordinance Review, authorize the Interim City Manager to execute the PSA, and adopt **Resolution No. 16-7534** appropriating \$71,500 for this agreement.

In response to questions from Mayor Stapleton, Finance Director Agramonte explained that HdL has variety of options for compliance management including several databases to match the City's business license records against other databases first, and then can also canvass door to door; that the City does not currently have an estimate of the number of non-conforming businesses; that HdL would retain 35% of first-year collection on business license fees from non-conforming businesses; and that Covina's business license fees are set per the Covina Municipal Code and based on type of business.

Mayor Pro Tem Marquez commented that people are frustrated with the backlog on business licenses and this service could be very beneficial; and seconded the motion.

Motion approved New Business item NB 1 as follows:

AYES: ALLEN, DELACH, KING, MARQUEZ
NOES: STAPLETON
ABSTAIN: NONE
ABSENT: NONE

Mayor Stapleton stated that he would rather have this service in-house than using a contractor.

NB 2. Consideration of Resolutions relating to Covina’s General Municipal Election to be held on March 7, 2017, including Placing a Measure Extending the City’s Utility Users Tax on the March 2017 Ballot.

The staff report was presented by Chief Deputy City Clerk Clark and Finance Director Agramonte.

Interim City Manager Penman commented that once Council designates councilmembers to draft the argument in favor of the ballot measure, the 14-day period to complete that process is triggered.

Mayor Stapleton asked whether the first four resolutions could be adopted at this meeting and the resolution placing the measure on the ballot could be adopted at a later date. Chief Deputy City Clerk Clark replied that could be done with the removal of ballot measure language as needed from the resolutions to be adopted tonight. Mayor Stapleton stated he would like to talk to community members before making a decision on the ballot measure resolution.

Speaker Win Patterson congratulated Chief Raney on his retirement; and representing Covina Community Matters, stated the group is going to support passage of the Utility Users Tax (UUT) measure and try to help get it through whatever Council decides, that the group would prefer the 10-year sunset option as to make the tax permanent is giving up hope and there is still hope to fix it.

Speaker Joelle Peelgren stated she strongly supports the UUT as a way to give back to the community and encouraged a 10-year term for the tax as it makes passage of the measure more possible and encourages voters to stay connected.

Councilmember Allen stated he prefers a 10-year sunset for the UUT as he doesn’t want to take any chances and wants to make sure it passes for good of the community and good public safety.

Mayor Stapleton asked councilmembers if they are prepared to designate persons to write the ballot argument.

Councilmember Delach suggested delaying a decision on this item to take the time to get a better idea of who should write the argument.

Councilmember Allen suggested Mayor Stapleton and Mayor Pro Tem Marquez along with members of Community Matters to write the argument.

In response to Mayor Stapleton’s question about deadlines for adoption of the resolutions, Chief Deputy City Clerk Clark explained that the first four resolutions should be adopted no later than November 1, 2016, to give the County adequate time to provide requested services, and that the deadline for the ballot measure resolution to be adopted is December 9, 2016.

- A motion was made by Councilmember Delach, seconded by Mayor Pro Tem Marquez, to adopt:
1. **Resolution No. 16-7526** calling for the holding of a General Municipal Election on Tuesday, March 7, 2017;
 2. **Resolution No. 16-7527** requesting the Board of Supervisors of the County of Los Angeles to direct the Registrar-Recorder/County Clerk’s Office to administer, manage and oversee the City of Covina’s General Municipal Election to be held on March 7, 2017;

3. **Resolution No. 16-7536** requesting the Board of Supervisors to render specified services relating to the Election; and
4. **Resolution No. 16-7528** adopting regulations for candidates' statements;

And to delay a vote until the October 18, 2016, regular City Council meeting on:

5. **Resolution No. 16-7529** ordering that an ordinance to extend the City's existing utility users tax (Option 1 or Option 2) be submitted to the voters at the General Municipal Election to be held March 7, 2016, directing the City Attorney to prepare an impartial analysis of the measure, setting priorities for filing a written argument relating to the ballot measure, and providing for rebuttal arguments relating to the ballot measure.

Following additional discussion, a substitute motion was made by Councilmember Delach, seconded by Mayor Pro Tem Marquez, to delay a decision on all resolutions until the October 18, 2016, regular City Council meeting.

Motion passed as follows:

AYES: ALLEN, DELACH, KING, MARQUEZ, STAPLETON
NOES: NONE
ABSTAIN: NONE
ABSENT: NONE

NB 3. Resolution No. 16-7537; Budget Resolution to Appropriate \$12,600 of the 2016-2017 Budget for Emergency Asbestos and Lead Paint Survey Services and Litigation Guarantee Fees for the Abatement of a Dangerous Building – Update on Fire-Damaged Property at 345 S. Citrus Ave.

The staff report was presented by Community Development Director Lee who explained that since the writing of the staff report, the property owner has made progress on the demolition permit and it is likely that the permit will be pulled before the expiration of the 45-day deadline.

There was no public comment.

Mayor Stapleton commented that this item is a proactive action by Council to encourage compliance by the owner and to ensure that if he doesn't comply, the City is in a position to move forward without delay.

A motion was made by Councilmember King, seconded by Councilmember Allen to adopt **Resolution No. 16-7537** to appropriate \$12,600 of the 2016-2017 Budget for emergency asbestos and lead paint survey services and litigation guarantee fees for the abatement of a dangerous building.

In response to a question from Councilmember Delach, Interim City Manager Penman explained that this action is to appropriate the money needed for abatement, but it will not be spent unless the owner does not move ahead, and that Council could also continue this item to the next meeting.

Discussion followed on the owner's intentions for the property, that the property is currently an eyesore and dangerous, the benefit of giving staff the ability to move ahead with abatement if the owner does not, the arson investigation, and putting a lien on the property if the City pays for abatement.

Acting Assistant Fire Chief Enriquez reported that the cause of the fire is currently under investigation and the case will remain open until further notice.

Motion approved New Business item NB 3 as follows:

AYES: ALLEN, DELACH, KING, MARQUEZ, STAPLETON
NOES: NONE
ABSTAIN: NONE
ABSENT: NONE

NB 4. Request to Reorganize Community Development Department Staffing Structure.

Councilmember King commented that he had read the staff report, had no questions, and with Council’s agreement, did not need to have the staff report presented. Council concurred.

There was no public comment.

A motion was made by Councilmember King, seconded by Councilmember Allen to approve the Staffing Reorganization in the Community Development Department to: 1) Transition the Assistant Planner position into an Associate Planner position; and 2) Transition the Planning Aide position into two part-time Planning Aide positions.

Motion approved New Business item NB 4 as follows:

AYES: ALLEN, DELACH, KING, MARQUEZ, STAPLETON
NOES: NONE
ABSTAIN: NONE
ABSENT: NONE

ADJOURNMENT

At 9:16 p.m., the meeting of the Covina City Council/Successor Agency to the Covina Redevelopment Agency/Covina Public Financing Authority/Covina Housing Authority was adjourned in honor of Chief Raney and in memory of Assistant to the City Manager Carrillo’s father, Aurelio Carrillo, to its next regular meeting of the Council/Agency/Authority scheduled for Tuesday, October 18, 2016, at 5:00 p.m. for study session; and at 6:30 p.m. for closed session and 7:30 p.m. for open session inside the Council Chamber, 125 East College Street, Covina, California, 91723.

Respectfully submitted:

Sharon F. Clark, CMC
Chief Deputy City Clerk

Approved this 18th day of October, 2016:

Kevin Stapleton, Mayor/Chair



CITY OF COVINA AGENDA REPORT

ITEM NO. CC 2

MEETING DATE: October 18, 2016

TITLE: Payment of Demands

PRESENTED BY: Geoffrey Cobbett, City Treasurer
Anita Agramonte, Finance Director

RECOMMENDATION: Approve Payment of Demands in the amount of \$3,699,783.21

BACKGROUND:

Attached is a list of warrants and demands which are being presented for approval and are summarized as follows:

<u>DATE OF DEMANDS</u>		<u>DEMAND NUMBERS</u>	<u>AMOUNT</u>
ACCOUNTS PAYABLE WARRANTS			
Sept. 16 - Sept. 29, 2016	Wires/EFTs	5159-5165	\$ 1,655,828.86
	Checks	81706-81901	\$ 1,512,578.86
<u>PAYROLL</u>			
9/22/16			\$ 517,297.08
<u>VOIDS</u>			
			\$ (3,260.24)
<u>WORKERS COMPENSATION</u>			
Sept. 16 - Sept. 29, 2016			\$ 17,338.65
		GRAND TOTAL:	\$ 3,699,783.21

DISCUSSION:

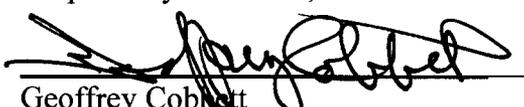
The attached reports have been reviewed by the City Treasurer and by the Finance Director.

FISCAL IMPACT:

Sufficient funding is available and the related costs are included in the Fiscal Year 15/16 and 16/17 Adopted Budgets.

CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT):

Respectfully submitted,



 Geoffrey Cobbett
 City Treasurer



 Anita Agramonte
 Finance Director

ATTACHMENTS:

Attachment A: Check Register

CITY OF COVINA
Check Register
Sept. 16-Sept. 29, 2016

Check #	Check Date	Vendor	Name	Amount
5159	9/26/16	4160	ICMA	100.00
5160	9/26/16	1405	ICMA RETIREMENT	5,013.47
5161	9/26/16	4003	MidAmerica	1,995.01
5162	9/26/16	2033	NATIONWIDE RETI	5,750.00
5163	9/26/16	4223	ZUMWALT, KRISTI	886.00
5164	9/26/16	279	BANK OF NEW YORK	999,828.13
5165	9/26/16	2955	US BANK	642,256.25
			subtotal EFT/wires	\$1,655,828.86
81709	9/20/16	4467	ADOLPH KIEFER A	6,596.53
81710	9/20/16	283	BANK OF THE WEST	8,170.48
81711	9/20/16	634	CHEVRON PRODUCT	54.97
81712	9/20/16	4345	HELTON, JUDITH	250.00
81713	9/20/16	1374	HOTEL HUNTINGTO	2,525.55
81714	9/20/16	1680	LEAGUE OF CALIF	575.00
81715	9/20/16	1680	LEAGUE OF CALIF	575.00
81716	9/20/16	99999	AMBER TARDIF	500.28
81717	9/20/16	99999	GINA GALVAN	352.50
81718	9/22/16	32	ACE-1 AUTO SERV	702.85
81719	9/22/16	51	ADVANCED BATTER	486.69
81720	9/22/16	84	AIRGAS-WEST	640.34
81721	9/22/16	3789	AMAZON LLC	94.88
81722	9/22/16	4529	American Planning	670.00
81723	9/22/16	219	AT&T	737.26
81724	9/22/16	219	AT&T	160.71
81725	9/22/16	219	AT&T	18.84
81726	9/22/16	219	AT&T	18.84
81727	9/22/16	219	AT&T	19.06
81728	9/22/16	219	AT&T	20.54
81729	9/22/16	219	AT&T	20.99
81730	9/22/16	219	AT&T	2,428.79
81731	9/22/16	4475	BLUERAY MANAGEM	10,035.00
81732	9/22/16	4123	CARDENAS, RUDY	175.00
81733	9/22/16	536	CARQUEST AUTO P	248.41
81734	9/22/16	600	CERTIFIED UNDER	68.62
81735	9/22/16	649	CINTAS CORP #69	545.00
81736	9/22/16	700	COLLEY FORD	76.77
81737	9/22/16	766	COVINA DISPOSAL	12,211.35
81738	9/22/16	783	COVINA WATER	3,092.76
81739	9/22/16	4431	CURT PRINGLE &	10,301.71
81740	9/22/16	878	DELTA DENTAL OF	248.92
81741	9/22/16	3268	DESERT DIAMOND	625.00
81742	9/22/16	896	DH MAINTENANCE	18,857.57
81743	9/22/16	970	EDISON CO	44,335.71
81744	9/22/16	3911	FACTORY MOTOR P	101.86

CITY OF COVINA
Check Register
Sept. 16-Sept. 29, 2016

81745	9/22/16	1055	FEDEX	110.98
81746	9/22/16	4455	FRONTIER CALIFO	1,541.52
81747	9/22/16	1156	GAS COMPANY, TH	663.34
81748	9/22/16	1156	GAS COMPANY, TH	2,022.35
81749	9/22/16	1198	GLOBALSTAR LLC	58.60
81750	9/22/16	1204	GOLDEN STATE WA	57.01
81751	9/22/16	1251	GREENS LOCK AND	185.50
81752	9/22/16	1361	HOLLIDAY ROCK C	619.67
81753	9/22/16	1371	HOSE MAN INC, T	296.37
81754	9/22/16	1430	INLAND WATER WO	3,764.86
81755	9/22/16	1463	J.G. TUCKER AND	328.31
81756	9/22/16	1691	LEVEL 3 COMMUNI	1,172.30
81757	9/22/16	1707	LIEBERT CASSIDY	15,319.90
81758	9/22/16	1933	MISSION LINEN S	98.89
81759	9/22/16	4181	ONE STOP BODY S	10,702.48
81760	9/22/16	99999	JIN HUAN	4,397.00
81761	9/22/16	99999	AMAL YACOUB	25.00
81762	9/22/16	99999	BETH LIMAHELU	60.00
81763	9/22/16	99999	CHARLOTTE HORN	110.00
81764	9/22/16	99999	HERLINDA FONSECA	104.00
81765	9/22/16	99999	HOLLY GRIECO	45.00
81766	9/22/16	99999	HOLY TRINITY CHURCH	200.00
81767	9/22/16	99999	JENAE PRIETO	20.00
81768	9/22/16	99999	JENNIFER LOPEZ	20.00
81769	9/22/16	99999	JUANA PARRAL	110.00
81770	9/22/16	99999	LISA KATZ	110.00
81771	9/22/16	99999	MARIBEL MOSLEY	110.00
81772	9/22/16	99999	MICHELLE LOGAN	110.00
81773	9/22/16	99999	PATRICIA EUBANKS	25.00
81774	9/22/16	99999	PATRICIA HYNES	100.00
81775	9/22/16	99999	RAUL MONTENEGRO	110.00
81776	9/22/16	99999	STACY UDRIA	44.00
81777	9/22/16	99999	STEPHANIE TELLEZ	120.00
81778	9/22/16	99999	VINCENT STEWART	120.00
81779	9/22/16	2426	REYNOLDS BUICK	63.22
81780	9/22/16	4531	RICHARD GUZMAN	1,085.00
81781	9/22/16	4451	SERNA'S RELOCAT	795.00
81782	9/22/16	2619	SGV EXAMINER	315.00
81783	9/22/16	2620	SGV NEWSPAPER G	385.36
81784	9/22/16	2705	SOUTH COAST AQM	354.86
81785	9/22/16	2715	SOUTHERN CA TRA	20.46
81786	9/22/16	4437	TELEPACIFIC COM	1,690.11
81787	9/22/16	2853	THYSSENKRUPP EL	4,128.78
81788	9/22/16	2855	TIME WARNER CAB	310.05
81789	9/22/16	3185	TOSHIBA FINANCI	1,908.64

CITY OF COVINA
Check Register
Sept. 16-Sept. 29, 2016

81790	9/22/16	4065	VERIZON BUSINES	611.03
81791	9/22/16	3001	VERIZON WIRELESS	4,507.16
81792	9/22/16	3004	VICTORY EXTERMI	25.00
81793	9/22/16	3014	VISION SERVICE	9.72
81794	9/22/16	4255	VOYA FINANCIAL	57.65
81795	9/22/16	3023	VULCAN MATERIAL	220.82
81796	9/22/16	3043	WARREN DISTRIBU	393.62
81797	9/22/16	3078	WEST PAYMENT CE	310.12
81798	9/22/16	3082	WESTERN WATER W	616.29
81799	9/22/16	3134	XEROX CORPORATI	59.20
81800	9/22/16	3135	XO COMMUNICATIO	5,298.98
81801	9/26/16	68	AFLAC	3,951.78
81802	9/26/16	69	AFSCME	560.00
81803	9/26/16	487	CaIPERS	62,164.01
81804	9/26/16	3846	CLEA	539.00
81805	9/26/16	3846	CLEA	110.25
81806	9/26/16	775	COVINA POLICE A	2,950.00
81807	9/26/16	789	COVINA-FSA, CIT	1,101.56
81808	9/26/16	878	DELTA DENTAL OF	7,016.15
81809	9/26/16	1106	FRANCHISE TAX B	400.00
81810	9/26/16	1247	GREAT WEST LIFE	3,255.10
81811	9/26/16	3795	LEGAL SHIELD	223.24
81812	9/26/16	2234	PERS	145,993.33
81813	9/26/16	2235	PERS LONG TERM	169.84
81814	9/26/16	2946	UNITED WAY OF G	17.50
81815	9/26/16	3014	VISION SERVICE	750.50
81816	9/26/16	4255	VOYA FINANCIAL	4,014.63
81817	9/26/16	3045	WASHINGTON NATI	46.10
81818	9/29/16	11	A & B ELECTRIC	109.00
81819	9/29/16	26	ABSOLUTE SECURI	6,889.32
81820	9/29/16	32	ACE-1 AUTO SERV	151.37
81821	9/29/16	44	ADAMSON INDUSTR	408.76
81822	9/29/16	82	AIR-BREE HEATIN	2,805.60
81823	9/29/16	84	AIRGAS-WEST	95.10
81824	9/29/16	128	ALLIANT INSURAN	367.00
81825	9/29/16	3789	AMAZON LLC	579.69
81826	9/29/16	3789	AMAZON LLC	1,920.37
81827	9/29/16	160	AMERICAN WEST C	75.00
81828	9/29/16	255	AZUSA PLUMBING	317.26
81829	9/29/16	269	BAKER AND TAYLO	3,430.65
81830	9/29/16	4475	BLUERAY MANAGEM	14,365.15
81831	9/29/16	367	BMI GENERAL LIC	336.00
81832	9/29/16	4279	BOSS JANITORIAL	7,572.00
81833	9/29/16	4307	BROADSPEC INC	30,255.00
81834	9/29/16	430	BUILDING ELECTR	75.00

CITY OF COVINA
Check Register
Sept. 16-Sept. 29, 2016

81835	9/29/16	457	CA PARKS AND RE	165.00
81836	9/29/16	475	CALIBER POOL AN	6,959.01
81837	9/29/16	568	CAT SPECIALTIES	77.30
81838	9/29/16	649	CINTAS CORP #69	249.59
81839	9/29/16	720	COMPUTER SERVIC	16,692.94
81840	9/29/16	749	COUNSELING TEAM	300.00
81841	9/29/16	762	COVINA CHAMBER	160.00
81842	9/29/16	771	COVINA IRRIGATI	16,461.25
81843	9/29/16	4431	CURT PRINGLE &	10,233.07
81844	9/29/16	880	DEMCO INC	134.43
81845	9/29/16	947	DUNN EDWARDS CO	43.81
81846	9/29/16	4332	ERIC ARROYO	900.00
81847	9/29/16	1235	GRAINGER	166.87
81848	9/29/16	1275	HAAKER EQUIPMEN	1,018.45
81849	9/29/16	1298	HARRAHS RINCON	400.00
81850	9/29/16	1361	HOLLIDAY ROCK C	370.06
81851	9/29/16	1371	HOSE MAN INC, T	35.76
81852	9/29/16	3865	HOUSTON ENGINEE	2,000.00
81853	9/29/16	3988	HYDRO CONNECTIO	145.41
81854	9/29/16	1430	INLAND WATER WO	4,460.28
81855	9/29/16	3280	INTERNAL REVENU	5,165.00
81856	9/29/16	1441	INTERSTATE BATT	144.92
81857	9/29/16	3854	IPC INC.	15,293.79
81858	9/29/16	1463	J.G. TUCKER AND	64.31
81859	9/29/16	3751	KELLY ASSOCIATE	1,762.50
81860	9/29/16	1614	LA CNTY FIRE DEPT	728,004.04
81861	9/29/16	4341	Landcare	6,746.46
81862	9/29/16	1707	LIEBERT CASSIDY	120.00
81863	9/29/16	1788	MAMMOTH AUDIO S	2,550.00
81864	9/29/16	1860	MCNEILL SOUND &	302.79
81865	9/29/16	1895	MERRIMAC ENERGY	35,188.84
81866	9/29/16	1933	MISSION LINEN S	45.79
81867	9/29/16	4360	MOORE IACOFANO	38,596.36
81868	9/29/16	2091	O REILLY AUTO P	61.70
81869	9/29/16	2101	OCLC/FOREST PRE	2,248.58
81870	9/29/16	2104	OFFICE DEPOT	55.00
81871	9/29/16	99999	CONNIE IBARRA	635.56
81872	9/29/16	99999	COVINA DENTAL ARTS & ORTHODONT	259.00
81873	9/29/16	99999	JIN HUAN	199.00
81874	9/29/16	99999	KIRK JEFFRIES	81.15
81875	9/29/16	99999	LILIAN PEREIRA	32.78
81876	9/29/16	99999	MARK KOPRCINA	162.30
81877	9/29/16	99999	RYAN RASMUSSEN	24.00
81878	9/29/16	2134	ORKIN PEST CONT	232.82
81879	9/29/16	3547	PETERSEN AUTOMO	383.00

CITY OF COVINA
Check Register
Sept. 16-Sept. 29, 2016

81880	9/29/16	2299	PRESENTA PLAQUE	571.11
81881	9/29/16	2312	PROFORCE LAW EN	1,339.55
81882	9/29/16	2335	PYRO-COMM SYSTE	135.00
81883	9/29/16	2345	QUILL	129.24
81884	9/29/16	4101	RANCHO JANITORI	177.52
81885	9/29/16	3796	RICHARDS, WATSO	632.50
81886	9/29/16	4350	RKA Consulting	18,465.00
81887	9/29/16	2676	SMART AND FINAL	520.19
81888	9/29/16	2719	SPARKLETTS	52.10
81889	9/29/16	2737	STAPLES INC	1,708.43
81890	9/29/16	2790	SWANK MOTION PI	5.75
81891	9/29/16	2852	THREE VALLEY MU	16,117.23
81892	9/29/16	2855	TIME WARNER CAB	1,152.50
81893	9/29/16	2926	TYLER TECHNOLOG	51,308.26
81894	9/29/16	2954	URBAN GRAFFITI	3,424.51
81895	9/29/16	2983	VAVRINEK TRINE	14,820.00
81896	9/29/16	2995	VENTEK INTERNAT	5,190.00
81897	9/29/16	3004	VICTORY EXTERMI	50.00
81898	9/29/16	3023	VULCAN MATERIAL	196.04
81899	9/29/16	3043	WARREN DISTRIBU	133.37
81900	9/29/16	4506	WEST COAST SOCC	440.00
81901	9/29/16	3134	XEROX CORPORATI	1,070.45

subtotal checks **\$ 1,512,578.86**

80033	5/25/16	99999	CONNIE IBARRA-VOID CK	(635.56)
81275	8/10/16	2219	PECHANGA RESORT-VOID CK	(500.00)
81379	8/25/16	99999	AMBR TARDIF-VOID CK	(754.68)
81506	9/1/16	145	AMC THEATRE-VOID CK	(550.00)
81626	9/7/16	4518	STEVEN HERNANDEZ-VOID CK	(240.00)
81649	9/15/16	550	CASQA-VOID CK	(580.00)

subtotal voids (prior to current mo.) **-3,260.24**

subtotal payroll **517,297.08**

subtotal workers' compensation **17,338.65**

TOTAL checks/EFTs **\$3,699,783.21**

STATE OF CALIFORNIA)
) ss:
COUNTY OF LOS ANGELES)

I, Anita Agramonte, being first duly sworn, declare that I am the Finance Director of the City of Covina and have read the attached Register(s) of Audited Demands for the City of Covina accounts payable for 9/16-9/29/16; payroll for 9/22/16; workers' compensation and voids for 9/16-9/29/16; know the contents thereof, and do certify as to the accuracy of the attached demands and the availability of funds for their payment pursuant to the Government Code Section 37202.



Anita Agramonte
Finance Director

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**SUCCESSOR AGENCY TO THE
COVINA REDEVELOPMENT AGENCY
AGENDA REPORT**

ITEM NO. CC 3

MEETING DATE: October 18, 2016

TITLE: Payment of Demands

PRESENTED BY: Geoffrey Cobbett, City Treasurer
Anita Agramonte, Finance Director

RECOMMENDATION: Approve Payment of Demands in the amount of \$62,434.26

BACKGROUND: Attached is a list of warrants and demands which are being presented for approval and are summarized as follows:

<u>DATE OF DEMANDS</u>	<u>DEMAND NUMBERS</u>	<u>AMOUNT</u>
Sept. 16 - Sept. 29, 2016	1374-1381	\$55,142.35
<u>VOIDS</u>		\$0.00
<u>PAYROLL</u>		
9/22/16		\$7,291.91
	GRAND TOTAL:	\$62,434.26

DISCUSSION:

The attached reports have been reviewed by the City Treasurer and by the Finance Director.

FISCAL IMPACT:

Sufficient funding is available and the related costs are included in the Fiscal Year 16/17 Adopted Budget.

CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT):

Respectfully submitted,



Geoffrey Cobbett
City Treasurer



Anita Agramonte
Finance Director

ATTACHMENTS:

Attachment A: Check Register

SUCCESSOR AGENCY TO THE
 COVINA REDEVELOPMENT AGENCY
 Check Register
 Sept. 16 - Sept. 29, 2016

Check #	Check Date	Vendor	Name	Amount
1374	9/26/16	4455	FRONTIER CALIFO	87.85
1375	9/26/16	3796	RICHARDS, WATSO	3,053.57
1376	9/26/16	3135	XO COMMUNICATIO	193.99
1377	9/29/16	766	COVINA DISPOSAL	81.15
1378	9/29/16	896	DH MAINTENANCE	95.00
1379	9/29/16	1156	GAS COMPANY, TH	30.79
1380	9/29/16	3796	RICHARDS, WATSO	1,760.00
1381	9/29/16	2452	RJS FINANCIAL	49,840.00
<i>subtotal checks</i>				\$55,142.35
<i>subtotal voids (prior to current mo.)</i>				\$0.00
<i>subtotal payroll</i>				\$7,291.91
TOTAL CHECKS/EFT's				\$62,434.26

STATE OF CALIFORNIA)
) ss:
COUNTY OF LOS ANGELES)

I, Anita Agramonte, first duly sworn, declare that I am the Finance Director of the City of Covina and have read the attached Register(s) of Audited Demands for the Covina Successor Agency to the Covina Redevelopment Agency accounts payable and voids for 9/16-9/29/16 and payroll for 9/22/16; know the contents thereof, and do certify as to the accuracy of the attached demands and the availability of funds for their payment pursuant to the Government Code Section 37202.



Anita Agramonte
Finance Director

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CITY OF COVINA

AGENDA REPORT

ITEM NO. CC 4

MEETING DATE: October 18, 2016

TITLE: City Council to Adopt **Resolution No. 16-7539** Confirming Continued Existence of an Emergency Condition for the Residual Control System at the Charter Oak Reservoir Site Pursuant to Chapter 2.5 (Emergency Contracting Procedures) of the Public Contracts Code

PRESENTED BY: Siobhan Foster, Director of Public Works

RECOMMENDATION:

- 1) Adoption of Resolution No. 16-7539 confirming continued existence of an emergency condition for the Residual Control System at the Charter Oak Reservoir Site Pursuant to Chapter 2.5 (Emergency Contracting Procedures) of the Public Contracts Code;
- 2) Approve Change Order No. 1 to furnish temporary Residual Control System rental unit, increasing the contract cost with Doane and Hartwig Water Systems, Inc. by \$8,500, from \$126,000 to \$134,500; and
- 3) Authorize the Interim City Manager to execute Change Order No. 1.

BACKGROUND:

The Charter Oak site consists of four, above-ground reservoirs each with a 3 million gallon (MG) capacity. Water Zone 1 and Water Zone 2 are supplied via the Charter Oak Booster Pump Station. Water Zone 1 is the largest zone, encompassing the low elevation area that occupies the west and central portion of the City’s water system. The northern and eastern portions of the system comprise Water Zone 2.

Name	Material	Year Constructed	Capacity (MG)
Charter Oak Reservoir 1	Concrete	1954	3.0
Charter Oak Reservoir 2	Steel	1957	3.0
Charter Oak Reservoir 3	Steel	1964	3.0
Charter Oak Reservoir 4	Concrete	2014	3.0

As the City of Covina does not pump its own water, the City relies on water from Covina Irrigating Company (CIC) and the Metropolitan Water District of Southern California (MWD) through the Three Valleys Municipal Water District (TVMWD). CIC’s water comes predominantly from the San Gabriel River and Main San Gabriel Valley Groundwater Basin. Water from CIC enters at two points in the City’s water system. There is a connection at Cypress Reservoir, which is 3000 gallons per minute (gpm), and another at Forestdale Reservoir at 4000 gpm.

The City also has a connection with TVMWD, which treats water from the Metropolitan Water District of Southern California (MWD). The connection is located at the Charter Oak site with an 8,980 gpm capacity. MWD's primary source of water in this area is the Colorado River. Currently, however, MWD is receiving water from the State Water Project system. The City operates this connection during periods of high demand.

The City's water suppliers, CIC and MWD, both use chloramines for disinfection purposes. MWD has used chloramines since 1984, as this disinfection method endures well and provides longer-lasting disinfection to water that travels long distances to its multiple water purveyors. CIC began using chloramines on May 4, 2015, when it implemented ultra-violet treatment at the William B. Temple Water Treatment Plant No 1. The State Water Resources Control Board, Division of Drinking Water (SWRCB), was insistent that CIC use chloramines for disinfection purposes to be compatible with MWD water. Prior to May 2015, CIC used free chlorine as a disinfectant and since Covina's water supply would typically be a blend of CIC and MWD water, a blended combination of chlorine and chloramines would have been present in the City's water supply in varying quantities depending on the mix of water in the City's distribution system at any given time.

The City of Covina is required to test for all regulated contaminants in its water system including bacteriological quality and disinfectant residual at water-sampling stations throughout the system. The City collects and analyzes approximately 50 water samples each month.

Since Covina's water suppliers began supplying the City with chloramine-only treated water in May 2015, the City has been mindful that the water system may experience nitrification in its water supply since nitrites are a byproduct of chloramines. Nitrification can degrade a distribution system's water quality and negatively affect regulatory compliance and lead to health and safety concerns if not properly managed. Once nitrification has started, it can be difficult to control. A key symptom of nitrification may be the decrease of chloramine residual as it travels through the distribution system. Given the potential for serious water quality, health, and safety concerns that may result from nitrification, it is imperative to prevent nitrification from occurring in the first place, or barring that, promptly remediate nitrification as soon as it is discovered.

Nitrification usually occurs when water temperatures are warmer and water usage is low. To mitigate the possibility of nitrification, the City seeks to cycle water in the reservoir tanks, reduce the age of the water stored by keeping water moving through the system, and reduce the volume of water stored in reservoirs during extended periods of low water demand.

Understanding that nitrification may occur at any time when chloramines are used to treat water, the Department of Public Works recommended the implementation of a residual control system (RCS). This system includes the chemical feed system, water quality station, and smart controller as a longer-term strategy at the City's largest reservoir, the Charter Oak site.

On August 16, 2016, the City Council adopted Resolution No. 16-7508 for the RCS at the Charter Oak Reservoir Site Emergency Project, declaring that the public interest and necessity demand the immediate expenditure of public money and completion of certain work without competitive bidding to safeguard life, health, or property pursuant to Chapter 2.5 (Emergency Contracting Procedures) of the Public Contracts Code and authorizing the City Manager to execute all necessary contracts and documents with qualified contractors and vendors to respond to the emergency condition at the Charter Oak Reservoir Site.

On September 6, 2016, the City Council adopted Resolution No. 16-7516 confirming the continued existence of an emergency condition for the Residual Control System at the Charter Oak Reservoir Site Pursuant to Chapter 2.5 (Emergency Contracting Procedures) of the Public Contracts Code.

On September 20, 2016, the City Council adopted Resolution No. 16-7522 confirming the continued existence of an emergency condition for the Residual Control System at the Charter Oak Reservoir Site Pursuant to Chapter 2.5 (Emergency Contracting Procedures) of the Public Contracts Code.

On October 4, 2016, the City Council adopted Resolution No. 16-7535 confirming the continued existence of an emergency condition for the Residual Control System at the Charter Oak Reservoir Site Pursuant to Chapter 2.5 (Emergency Contracting Procedures) of the Public Contracts Code.

Public Contracts Code Section 22050 requires a governing body that takes action pursuant to subdivision (a) of that Section to review the Emergency action at its next regularly scheduled meeting, and by four-fifths vote, determine that there is a need to continue the action. Adoption of Resolution No. 16-7539 will confirm the continued existence of an emergency condition for the RCS at the Charter Oak Reservoir Site pursuant to Chapter 2.5 (Emergency Contracting Procedures) of the Public Contracts Code.

DISCUSSION:

The City Council's adoption of Resolution No. 16-7508 on August 16, 2016 made the findings needed to allow the City Manager to immediately retain the services necessary for the RCS unit at the Charter Oak Reservoir Site, pursuant to the Public Contracts Code Sections 20168 and 22050. The City retained services without competitive bidding, with Doane and Hartwig Water Systems, Inc. to provide an RCS System. This system includes the Chemical Feed System, Water Quality Station, and Smart Controller, and Control Automation Design, Inc. to complete the proper configuration and installation of the SCADA system.

On August 23, 2016, Public Works staff met with CIC and James Ko, Associate Sanitary Engineer, from the State Water Resources Control Board, Division of Drinking Water, and discussed the 1) importance of developing a relationship with the City's assigned engineer; 2) symptoms of nitrification occurring at the Charter Oak Reservoir site; 3) Residual Control System (RCS) project, approved by the City Council on August 16, 2016; and 4) to discern if there are any modifications required to the City's operating permit.

On September 20, 2016, the City and CIC representatives had a follow-up meeting with Mr. Ko and reviewed the water quality enhancements that have been made at the Charter Oak Reservoir site through operational treatment methods and the cleaning of tank No. 4 at the site. Prior to the next meeting with Mr. Ko, scheduled for November 15, 2016, the City is expected to make similar enhancements to the Rancho Simi Reservoir and other reservoir sites. This can be accomplished through tank operational adjustments, tank cleaning, and/or chemical treatment.

To that end, the City requested Doane and Hartwig Water Systems, Inc., the supplier of the RCS unit the City is purchasing, to furnish and install a temporary RCS rental unit beginning in mid-October. As of October 3, 2016, the City Engineer reviewed Change Order No. 1 for completeness and accuracy as to the materials and labor included.

- Change Order No. 1 – Furnish temporary RCS rental unit, including trailer delivery, one month rental fee, and installation of trailer and mixer.

On October 4, 2016, the City partnered with Rowland Water District for technical assistance in addressing the challenges inherent with chloramination through the use of an RCS system. Rowland Water District offered to temporarily assist the City of Covina with the provision of a mobile RCS unit and qualified personnel to enhance the water quality and address the symptoms of nitrification at the Rancho Simi Reservoir. This assistance is expected to last for approximately one week, from approximately October 4, 2016 to October 12, 2016. Rowland Water District is one of a number of local agencies using RCS technology and had found it to be a proven methodology to mitigate the symptoms of nitrification in its water system.

The tentative project schedule is outlined below with project completion expected by the end of January 2017.

August 2016	September 2016	October 2016	November 2016	December 2016	January 2017
Purchase RCS	████████████████████				
Fabrication and installation of RCS System and related equipment	██				
RCS Start-up and training				████████████████	
SCADA installation				████████████████████	
SCADA monitoring					████████████

RCS technology is a proven methodology that has been used by several local municipalities to mitigate symptoms of nitrification in their water systems. RCS technology coupled with operational methods, such as regularly circulating the water in the Charter Oak reservoirs, are best management practices (BMPs) for mitigating the symptoms of nitrification. The combination of technological and operational treatment methods in a timely manner is necessary to safeguard the City’s water supply.

Pursuant to Public Contracts Code Section 22050, the Interim City Manager, through the Department of Public Works, will provide project updates at every regularly scheduled City Council meeting until the emergency project is completed.

FISCAL IMPACT:

The estimated fiscal impact associated with the Charter Oak Reservoir Site – Residual Control System Project is approximately \$163,000. Sufficient funding for the proposed project is available in the Department of Public Works, Water Capital Improvement budget (Account No. 6011-5080-55410-W1709). Proposed Change Order No. 1 to furnish the temporary RCS rental unit would increase the contract cost with Doane and Hartwig Water Systems, Inc. by \$8,500, from \$126,000 to \$134,500 and reduce the Contingency Allowance by an equivalent amount from \$10,000 to \$1,500. The following table represents a summary of the proposed project:

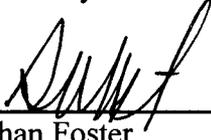
RCS	\$134,500
SCADA Programming/Interface	\$25,000
Contingency Allowance	\$1,500
Contract Administration/Inspection	\$2,000
Estimated Total	\$163,000

The proposed project has no General Fund impact.

CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT):

This project has been determined to be categorically exempt under CEQA in accordance with Section 15301(b) Existing Facilities (Class 1). The project involves negligible or no expansion of an existing use.

Respectfully submitted,



Siobhan Foster
Director of Public Works

ATTACHMENTS:

Attachment A: Resolution 16-7539

Attachment B: Change Order No. 1

RESOLUTION NO. 16-7539

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, CONFIRMING THE CONTINUED EXISTENCE OF AN EMERGENCY CONDITION FOR THE RESIDUAL CONTROL SYSTEM AT THE CHARTER OAK RESERVOIR SITE EMERGENCY PROJECT, PURSUANT TO SECTION 22050 OF THE CALIFORNIA PUBLIC CONTRACT CODE

WHEREAS, the City of Covina is a municipal corporation duly organized and existing pursuant to the Constitution and laws of the State of California (“City”); and

WHEREAS, the City endeavors to provide safe and reliable public facilities for public use; and

WHEREAS, from time-to-time City facilities will experience unexpected failure, stress, or damage in the course of routine operations; and

WHEREAS, the resolution of any unexpected failure, stress, or damage may occur at times when the competitive bidding process is not possible in order to bring a swift resolution to the interruption of regular services, requiring that the City contract with vendors who are most readily and reasonably available to address the urgent situation; and

WHEREAS, The City of Covina has identified that the Charter Oak Reservoir Site, which includes four (4) reservoirs, is in need of immediate action. Since Covina’s water suppliers began supplying the City with chloramine-only treated water in May 2015, the City has been mindful that the water system may experience nitrification in its water supply since nitrites are a byproduct of chloramines. In mid-July 2016, due in part to a series of field tests performed by Covina Irrigating Company (CIC), the City became aware that the Charter Oak reservoirs are experiencing symptoms of nitrification, which require immediate action as nitrification can degrade a distribution system’s water quality and negatively affect regulatory compliance, leading to potential health and safety concerns. Residual Control System (RCS) technology coupled with operational methods, such as regularly circulating the water in the Charter Oak reservoirs, are best management practices (BMPs) for mitigating the symptoms of nitrification. The combination of technological and operational treatment methods in a timely manner is necessary to safeguard the City’s water supply. As a result, the Department of Public Works recommends the immediate procurement and implementation of an RCS system at the Charter Oak site as an emergency action, including the chemical feed system, water quality station, and smart controller; and

WHEREAS, on August 16, 2016, the Covina City Council adopted Resolution No. 16-7508 declaring an emergency condition and declaring that the public interest and necessity requires certain work to be performed without competitive bidding pursuant to California Public Contract Code Sections 20168 and 22050; and

WHEREAS, under Section 22050 of the California Public Contract Code “ a public agency pursuant to a four-fifths vote of its governing body may repair or replace a public facility, take any directly related and immediate action required by that emergency, and procure the necessary equipment, services, and supplies for those purposes, without giving notice for bids to let contracts;” and

WHEREAS, the City Manager immediately retained the services necessary to remediate the Charter Oak Reservoir Site, without competitive bidding, including Doane and Hartwig Water Systems, Inc. to provide an RCS System, which includes the Chemical Feed System, Water Quality Station, and Smart Controller, and Control Automation Design, Inc. to complete the configuration and installation of the SCADA system; and

WHEREAS, the schedule for the RCS at the Charter Oak Reservoir Site Emergency Project runs tentatively from mid-August 2016 through project completion estimated to occur by the end of January 2017; and

WHEREAS, on September 6, 2016 the Covina City Council adopted Resolution No. 16-7516 confirming the continued existence of an emergency condition for the RCS at the Charter Oak Reservoir Site pursuant to Chapter 2.5 (Emergency Contracting Procedures) of the Public Contracts Code; and

WHEREAS, on September 20, 2016 the Covina City Council adopted Resolution No. 16-7522 confirming the continued existence of an emergency condition for the RCS at the Charter Oak Reservoir Site pursuant to Chapter 2.5 (Emergency Contracting Procedures) of the Public Contracts Code; and

WHEREAS, on October 4, 2016 the Covina City Council adopted Resolution No. 16-7535 confirming the continued existence of an emergency condition for the RCS at the Charter Oak Reservoir Site pursuant to Chapter 2.5 (Emergency Contracting Procedures) of the Public Contracts Code; and

WHEREAS, California Public Contract Code Section 22050, subdivision (c) provides that “If the governing body orders any action specified in subdivision (a), the governing body shall review the emergency action at its next regularly scheduled meeting and ...at every regularly scheduled meeting thereafter until the action is terminated, to determine, by a four-fifths vote, and there is a need to continue the action;” and

WHEREAS, Resolution No. 16-7539 constitutes action specified in subdivision (a) of California Public Contract Code Section 22050; and

WHEREAS, the RCS at the Charter Oak Site Emergency Project is ongoing.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The City Council hereby reviews the emergency action approved in City Council Resolution No. 16-7508 for the Charter Oak Reservoir Site – Residual Control System pursuant to California Public Contract Code Section 22050.

SECTION 2. The City Council hereby determines that the emergency action for the Charter Oak Reservoir Site – Residual Control System needs to continue through project completion estimated to occur by the end of January 2017 in order to respond to the emergency pursuant to California Contract Code Section 22050.

SECTION 3. Such action shall be reviewed by the City Council at subsequent regular meetings to determine whether there is a need to further continue the action.

SECTION 4. The City Clerk shall certify to the passage and adoption of this resolution and shall enter the same in the Book of Original Resolutions.

APPROVED and PASSED this 18th day of October, 2016.

City of Covina, California

BY: _____
KEVIN STAPLETON, Mayor

ATTEST:

SHARON F. CLARK, Chief Deputy City Clerk

APPROVED AS TO FORM:

CANDICE K. LEE, City Attorney

CERTIFICATION

I, Sharon F. Clark, Chief Deputy City Clerk of the City of Covina, do hereby certify that Resolution No. 16-7539 was duly adopted by the City Council of the City of Covina at a regular meeting held on the ___ day of _____, 20___, by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:

Dated:

SHARON F. CLARK, Chief Deputy City Clerk



CITY OF COVINA

125 East College Street • Covina, California 91723-2199

www.covinaca.gov

PUBLIC WORKS DEPARTMENT
Engineering

(626) 384-5490 FAX (626) 384-5479

CHANGE ORDER

Change Order No.1

DATE: October 3, 2016
PROJECT No. W1709
CONTRACT: Residual Control System at Charter Oak Reservoir
CONTRACTOR: Doane and Hartwig Water Systems, Inc.

.....
.....

Furnish temporary RCS rental unit.

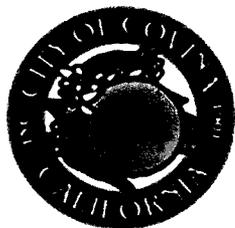
- | | |
|--|-----------------------------|
| 1. Trailer Delivery | Total increase = \$2,000.00 |
| 2. One Month Rental Fee | Total increase = \$5,500.00 |
| 3. Installation of Trailer and Mixer | Total increase = \$1,000.00 |
| 4. Time Extension: 0 days. | |
| 5. Change in contract cost: Increase of \$8,500.00 | |

.....

Submitted by *[Signature]* Date 10/3/16
Title: City Engineer

Accepted by: *[Signature]* Date 10/4/16
Title: Contractor, Doane and Hartwig Water Systems, Inc.

Approved by: _____ Date _____
Title: Interim City Manager



CITY OF COVINA

AGENDA REPORT

ITEM NO. CC 5

MEETING DATE: October 18, 2016

TITLE: Miscellaneous Concrete and Asphalt Repairs – Approval of Change Order No. 2 and Final Acceptance and Filing Notice of Completion

PRESENTED BY: Siobhan Foster, Director of Public Works

RECOMMENDATION:

- 1) Approve Change Order No. 2 for the removal and replacement of additional concrete drive approach and asphalt pavement in the original project area, increasing the contract cost with FS Contractors Incorporated by \$1,416;
- 2) Accept the work performed by FS Contractors Incorporated for the amount of \$95,316; and
- 3) Authorize the City Clerk to file a Notice of Completion for the Miscellaneous Concrete and Asphalt Repairs project.

BACKGROUND:

On July 19, 2016, the City Council adopted Resolution No. 16-7504 approving the FY 2017-2021 Capital Improvement Program (CIP) and the FY 2017 CIP Budget. The FY 2017 CIP Budget includes \$150,000 in Measure R funding for the Miscellaneous Concrete and Asphalt Repairs project, which provides for the removal and replacement of damaged and broken concrete at various locations throughout the City.

This specific project consists of the repair of broken and upraised concrete curb and gutter, driveways, cross gutters, and asphalt pavement at various locations in an existing residential area bounded by Covina Boulevard, Tudor Street, Calvados Avenue, and Viceroy Avenue. The damage to the existing improvements was mainly caused by tree roots from adjacent mature City street trees. Preceding the bidding of this project, the existing mature trees were removed by the City's tree maintenance contractor.

The Department of Public Works prepared informal bid specifications for the project in accordance with the Uniform Public Construction Cost Accounting Act (UPCCA) procedures pursuant to Chapter 2.54 (Public Projects) of the Covina Municipal Code. On May 17, 2016, informal bid specifications were mailed to six (6) local contractors that are on the City's list of qualified contractors for public works construction and have also recently performed work for the City of Covina.

Two (2) bids were received in the City Clerk's Office on June 21, 2016. On August 16, 2016, the City Council awarded the construction contract to FS Contractors Incorporated, as the lowest

responsive and responsible bidder in an amount not to exceed \$37,800. The contract for this project was approved by the City Council as follows:

Base Bid	\$37,800
Contingency Allowance	\$3,780
Contract "Not to Exceed" Amount	\$41,580

On August 31, 2016, the County of Los Angeles contacted the City about an upcoming project in an unincorporated area adjacent to Covina, Bellbrook Street, Et Al Pavement Preservation Supervisorial District (SD 5) (Project ID: RMD1567106), to ascertain the City of Covina's interest in participating in the project. Four of the street segments (Coolfield, Fredkin, Queenside, and Edna) contained in the County's project have City/County boundaries at mid-block. As such and in the interest of improved City/County coordination, County engineers desired to extend the proposed pavement treatment for the four street segments within Covina jurisdiction to the nearest City intersection as outlined below for a cost of \$97,300.

Table 1 – City of Covina Segments

Street	Limits
Coolfield Dr	0800 N Queenside Dr – Homerest Av
Fredkin Dr	0300 N Queenside Dr – Homerest Av
Queenside Dr	0110 E Fredkin Dr – Homerest Av
Edna Pl	0610 E Lark Ellen EF – Homerest Av

The project work includes full width micro-milling of the road surface followed by a cape seal (a scrub seal followed by a slurry seal). The preservation is estimated to extend the pavement life by 6 to 8 years. The upgrade of nine curb ramps to meet ADA standards, miscellaneous concrete repairs, and pavement preparation is not part of the County project.

Since the County project does not include the cost of the necessary curb ramp upgrades, concrete repairs, and pavement preparation that needed to be completed prior to the start of the County's Pavement Preservation Project, the City Engineer obtained a change order proposal (Change Order Proposal No. 1) from FS Contractors, Inc. for this work because the contractor was mobilized and working for the City on a similar project at the time, Miscellaneous Concrete and Asphalt Repairs. On September 1, 2016, FS Contractors, Inc. submitted a change order proposal for this work in an amount not-to-exceed \$56,100.

The City Engineer reviewed the proposed pricing of Change Order Proposal No. 1 and determined the costs are competitive and consistent with current market rates. The City Engineer recommended approval of Change Order Proposal No. 1.

On September 6, 2016, the City Council approved and authorized the Interim City Manager to execute Change Order Proposal No. 1 to the Miscellaneous Concrete and Asphalt Repairs Project with FS Contractors, Inc. to reconstruct nine curb ramps to meet ADA standards, miscellaneous concrete repairs, and pavement dig-outs associated with severe pavement distresses on portions of Coolfield Drive, Fredkin Drive, Queenside Drive, and Edna Place within the City of Covina in an amount not-to-exceed \$56,100.

On September 6, 2016, the City Council also adopted Resolution No. 16-7519 amending FY 2017 CIP Budget to increase funding for the Pavement Preservation Program by \$153,400 and appropriating the necessary funding from Gas Tax Fund balance. This action authorized and provided funding in the amount of \$97,300 for the City's participation in the Los Angeles

County Bellbrook Street, Et Al Pavement Preservation Project and \$56,100 for Change Order Proposal No. 1 for the necessary preparation work for the project.

On August 22, 2016, the City Engineer issued the Notice to Proceed for the Miscellaneous Concrete and Asphalt Repairs project, notifying the contractor to commence work on the referenced contract on or before August 29, 2016, with a completion date of October 12, 2016. The contractor substantially completed the project on September 23, 2016.

DISCUSSION:

During construction in the original project area, an additional concrete driveway was determined to be severely damaged and in need of repair at this time (Change Order No. 2). The change order also necessitated the need to repave the slot cut in the existing pavement adjacent to the repaired driveway. The City Engineer has reviewed and approved the change order for completeness and accuracy as to the materials and labor included:

- Change Order No. 2: During construction the contractor was directed to increase the quantities of the removal and replacement of concrete drive approach and asphalt pavement. Change Order No. 2 increased the contract amount by \$1,416.

FISCAL IMPACT:

The initial cost of the Concrete and Asphalt Repairs project as approved by the City Council on August 18, 2016 was \$44,020. Sufficient Measure R funding was available in the FY 2017 Department of Public Works budget (account no. 2410-0000-59140).

The following table represents the initial project summary:

Base Bid (FS Contractors Incorporated)	\$37,800
Contingency Allowance (10% of construction contract value)	\$3,780
Construction Management and Inspection Services (RKA Consulting Group)	\$2,440
Total Fiscal Impact	\$44,020

The fiscal impact of Change Order No. 1, approved by the City Council on September 6, 2016 was \$56,100. Adoption of Resolution No. 16-7519 by the City Council, also on September 6, 2016, provided \$56,100 in funding from the Gas Tax Fund balance.

The fiscal impact of Change Order No. 2 is \$1,416. As the project has an approved contingency allowance of \$3,780 (10% of construction contract value), the contingency will fund Change Order No. 2. The Los Angeles County Metropolitan Transportation Authority (Metro) has approved the use of available Measure R Fund balance for the additional work associated with Change Order No. 2

The following table presents a summary of available sources of funds for the project:

Measure R Fund Balance – initial appropriation (2410-0000-59140)	\$44,020
Gas Tax Fund Balance – Resolution No. 16-7519 (2300-2200-58220)	\$56,100
Total Sources	\$100,120

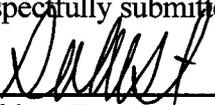
The total project cost is \$97,756, as outlined below in the final project summary:

Item	Source of Funds	Amount
Base Bid (FS Contractors Inc.)	Measure R	\$37,800
Change Order No. 1 (FS Contractors Inc.)	Gas Tax	\$56,100
Change Order No. 2 (FS Contractors Inc.)	Measure R	\$1,416
Construction Management and Inspection Services (RKA)	Measure R	\$2,440
Total Fiscal Impact		\$97,756

CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT):

This project has been determined to be categorically exempt under CEQA in accordance with Title 14, Chapter 3, Class 1, Sections 15301 and 15302. This exemption includes the minor alteration of existing public facilities involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination. The project involves negligible or no expansion of an existing use.

Respectfully submitted,



Siobhan Foster
Director of Public Works

ATTACHMENTS:

- Attachment A: Change Order No. 2
- Attachment B: Notice of Completion



CITY OF COVINA

125 East College Street • Covina, California 91723-2199
www.covinaca.gov

PUBLIC WORKS DEPARTMENT
Engineering

(626) 384-5490 FAX (626) 384-5479

CHANGE ORDER

Change Order No. 02

DATE: September 26, 2016
PROJECT NO. 425001-212
CONTRACT: Miscellaneous Concrete and Asphalt Repairs
CONTRACTOR: FS Contractors, Inc.
CONTRACTOR NO.: 1005940

.....
.....
The Contract Quantities are being adjusted to reflect the total quantities required to complete the project as measured in the field. During Construction the Contractor was directed by the City Engineer to redo a extend portion of the repair to the AC pavement and driveway approach.

Bid Item #	Bid Item Description	Adjustment	Unit Price	Extension
1	Sawcut, remove and replace concrete driveway approach to match existing	148.5 SF	\$ 8.00	\$ 1,188.00
9	Sawcut, remove and replace asphalt to match existing section (4" minimum) including proof rolling for compaction	38 SF	\$ 6.00	\$ 228.00

.....Increase of \$1,416.00

Submitted by *Orlando J. Jarama* Date 9/27/16
Title: City Engineer

Accepted by: *J. Angel Prieto* Date 9-30-16
Title: Contractor, FS Contractors, Inc.

Approved by: _____ Date _____
Title: City Manager

**RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:**

NAME City of Covina
STREET ADDRESS 125 E College Street
CITY Covina
STATE CA
ZIP CODE 91723

SPACE ABOVE THIS LINE FOR RECORDER'S USE

NOTICE OF COMPLETION

Notice pursuant to Civil Code Section 3093, must be filed within 10 days after completion. (See reverse side for complete requirements.)
Notice is hereby given that:

1. The undersigned is owner or corporate officer of the owner of the interest or estate stated below in the property hereinafter described:
2. The full name of the owner is The City of Covina
3. The full address of the owner is 125 E College Street, Covina, CA 91723
4. The nature of the interest or estate of the owner is: In fee.

(If other than Fee, strike "in fee" and insert, for example, "purchaser under contract of purchase", or "Lessee")

5. The full names and full addresses of all persons, if any, who hold title with the undersigned as joint tenants or as tenants in common are:

NAMES

ADDRESSES

6. The full names and full addresses of all the predecessors in interest of the undersigned, if the property was transferred subsequent to the commencement of the work or improvements herein referred to:

NAMES

ADDRESSES

7. A work of improvement on the property hereinafter described was completed on: September 23, 2016. The work done was: Miscellaneous Concrete & Asphalt Repairs

8. The names of the contractor, if any, for such work improvement was:
FS Contractors, Inc.

August 16, 2016

(If no contractor for work of improvement as a whole, insert "None")

(Date of Contract)

9. The property on which said work of improvement was completed in the City of: Covina
County of Los Angeles, State of CA, and is described as follows: miscellaneous concrete and asphalt repairs at various locations of Covina

10. The street address of said property is None

(If no street address has been officially signed, insert "None".)

Dated _____

(Signature of Owner or corporate officer of Owner named in paragraph 2, or his agent)

VERIFICATION

I, the undersigned, say: I am the City Engineer The declarant of the foregoing Notice of Completion;
(President of, Manager of, Partner of, Owner of)

I have read said Notice of Completion and know the contents thereof; the same is true to my own knowledge. I declare under penalty of perjury that the foregoing is true and correct.

Executed on October 5, 2016 at Covina California

(Personal signature of the individual who is swearing that the contents of the Notice of Completion are true.)

DO NOT RECORD

REQUIREMENTS AS TO NOTICE OF COMPLETION

Notice of completion must be filed for record WITHIN 10 DAYS after the completion of the work of improvements (to be computed exclusive of the day of completion) as provided in Civil Code Section 3093.

The "owner" who must file for record a notice of completion of a building or other work of improvement means the owner (or his successor in-interest at the date the notice is filed) on whose behalf the work was done, though his ownership is less than the fee title. For example, if A is the owner in fee, and B, lessee under a lease, causes a building to be constructed, then B, or whoever has succeeded to his interest at the date the notice is filed, must file the notice.

If ownership is in two or more person as joint tenants or tenants in common, the notice may be signed by any one of the co-owners (in fact, the foregoing form is designed for giving of the notice by only one cotenant), but the names and addresses of the co-owners must be stated in paragraph 5 of the form.

Note that any Notice of Completion signed by a successor in interest shall recite the names and addresses of his transferor or transferors.

In paragraphs 3, 5 and 6, the full address called for should include street number, city, county, and state.

As to paragraphs 7 and 8, this form should only be used where the notice of completion covers the work of improvement as a whole. If the notice is to be given only of completion of a particular contract, where the work of improvements is made pursuant to two or more original contracts, then this form must be modified as follows: (1) strike the words "A work of improvement" from paragraph 7 and insert a general statement of the kind of work done or materials furnished pursuant to such contract (e.g., "The foundation for the improvements"); (2) Insert the name of the contractor under the particular contract in paragraph 8.

In paragraph 8 of the notice, insert the name of the contractor for the work of improvement as a whole. No contractor's name need be given if there is no general contractor, e.g. on so-called "owner-builder jobs."

In paragraph 9, insert the full legal description, not merely a street address or tax description. Refer to deed or policy of title insurance. If the space provided for description is not sufficient, a rider may be attached.

In paragraph 10, show the street address, if any, assigned to the property by any competent public or governmental authority.

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CITY OF COVINA

AGENDA REPORT

ITEM NO. CC 6

MEETING DATE: October 18, 2016

TITLE: Used Oil Payment Program – Professional Services Agreement with KJServices Environmental Consulting

PRESENTED BY: Siobhan Foster, Director of Public Works

RECOMMENDATION: Authorize the Interim City Manager to execute the attached Professional Services Agreement with KJServices Environmental Consulting to provide services for the Used Oil Payment Program in an amount not-to-exceed \$24,750.

BACKGROUND:

The Department of Resources Recycling and Recovery (CalRecycle) administers the Used Oil Payment Program (OPP) to provide opportunities for local governments/other eligible jurisdictions to receive payments for used oil and used oil filter collection/recycling programs. Eligible applicants are limited to local governments, which are defined in statute as "any chartered or general law city, chartered or general law county, or any city and county." The applicant's local used oil collection program must include used oil and used oil filter collection opportunities and a public education element as outlined in Public Resources Code (PRC) § 48691. PRC § 48653 provides a maximum of \$11 million per fiscal year for this program. Actual budget amounts are determined annually as part of the State budget process. Payments are calculated per capita using the Department of Finance's population statistics.

In FY 2015-16, based on its population as of January 1, 2016, the City of Covina received a payment of \$13,566. FY 2016-17 budgeted revenue for the OPP totals \$13,800 (account no. 2530-5550-42165).

The City of Covina has provided used oil and used oil filter collection/recycling programs since 1994. Through the program, the Department of Public Works provides education and outreach to residents regarding the safe disposal of used motor oil and filters and supports the operation of four local certified used oil collection centers (CCC) at the following locations:

- Auto Zone, 1445 N. Citrus Avenue
- Grand Auto Care, 744 N. Grand Avenue
- O'Reilly Auto Parts, 501 N. Azusa Avenue
- Pep Boys, 1240 N. Azusa Avenue

On June 2, 2015, the City of Covina entered into a Letter Agreement for FY 2014-15 with KJServices Environmental Consulting for CCC site visits and performance of a used oil collection and filter exchange event. The Scope of Services included:

- Verification of the continuing participation of the four existing Covina businesses registered as CCCs, in accordance with OPP requirements;

- Delivery of City-provided used oil recycling containers to each of the CCCs;
- Maintain an accurate listing of the City's used oil collection centers in the nation-wide Earth's 911 environmental database; and
- Schedule, advertise, and conduct one Used Oil Collection and Filter Exchange Event.

The total compensation of the FY 2014-15 Letter Agreement was for an amount not-to-exceed \$3,919 without written approval from the City Manager.

On August 10, 2015, the City of Covina entered into a second Letter Agreement for FY 2015-16 with KJServices Environmental Consulting to provide similar services, with the provision of an additional filter exchange event with newspaper advertising. Total compensation was in an amount not-to-exceed \$7,400 without written approval from the City Manager.

The Letter Agreement between the City of Covina and KJServices for consulting services expired on June 30, 2016. Due to the initial cost and specialized services required, this contract has never gone through a competitive procurement process.

Recently, the Department of Public Works initiated several inquiries to other agencies to determine if there are other vendors available to provide environmental consulting services for CCC site visits and used oil collection and filter exchange events, in compliance with OPP requirements. Contacts made to potential vendors included the following:

Date	Vendor	Outcome
Sept. 1, 2016	Stephen Groner and Associates	Messages not returned.
Sept. 7, 2016	Recycled Strategic Marketing	Vendor specialized in marketing to Hispanic communities.
Sept. 19, 2016	LA Conservation Corps	Vendor not familiar with OPP, but provided price quote. Upon review of the quote, several key issues were identified that would prevent the City from entering into an agreement with vendor.
Sept. 22, 2016	KJServices Environmental Consulting	Vendor provided price quote and detailed scope of services.

DISCUSSION:

After a thorough search of potential vendors in Southern California, KJServices Environmental Consulting (KJServices) remains the only vendor who provides the specialized consulting services for the OPP. These services include quarterly site visits to verify the continued participation of the four local businesses registered as CCCS. During these site visits, KJServices determines if the CCCs are adhering to all OPP regulations (signage, accepting oil and filters from the public, offering the \$0.40 per gallon rebate, etc.).

In addition, KJServices coordinates two Community Filter Exchange Events per year to encourage residents to bring their used motor oil and filters to these events. Residents, who participate in the event, receive vouchers for up to two free oil filters on the day of the event. In addition to coordinating the event, KJServices arranges for newspaper and print advertising of the event, provides customized vouchers, staffs a booth for up to four hours, and distributes used oil recycling containers and other promotional items (shop towels, funnels, and filter bags). After the event, KJServices provides a post event summary report which is included in the City's OPP Annual Report to the State.

Based on the satisfactory performance of KJServices to date, the Department of Public Works recommends that City Council authorize the Interim City Manager to execute the proposed Professional Services Agreement with KJServices to provide services for the OPP for the period of October 5, 2016 through June 30, 2019 for a not-to-exceed amount of \$24,750. The agreement provides for the option of two, one year extensions at a cost of \$8,700 per year. If the City Council authorizes the Professional Services Agreement with KJServices, the cumulative compensation paid to KJServices for the period of FY 2014-15 through FY 2018-19 will total approximately \$36,069.

Covina Municipal Code Section 2.20.080 (Bidding – Required – Exceptions), Subsection B, allows procurement by noncompetitive proposals when the supply, service, or equipment is available from only one source. KJServices is the only firm in the region providing the consulting services necessary to support the City’s participation in the OPP. As such, the procurement can be considered as a sole source with respect to CMC Section 2.20.080.

FISCAL IMPACT:

The fiscal impact associated with the Professional Services Agreement with KJServices is \$24,750, as detailed below:

Fiscal Year	Amount
2016-17	\$7,800
2017-18	\$8,250
2018-19	\$8,700
Total Not-to-Exceed Amount	\$24,750

Sufficient funding for FY 2016-17 contract cost is included in the Department of Public Works budget for the OPP (account nos. 2530-5550-51005 and 2530-5550-54150). The expenditures will be offset by the Cycle 7 payment from CalRecycle in the amount of \$13,800 (2530-5550-42165). Funding for FY 2017-18 through FY 2018-19 is anticipated through OPP Cycle 8 and 9 funds, yet to be awarded. The revenues and associated expenditures will be included in the Department of Public Works FY 2017-18 and FY 2018-19 budgets.

CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT):

The project has been reviewed for compliance with the California Environmental Quality Act (CEQA) and is exempt per Section 15061 (b) (3). The project is covered by the general rule that CEQA only applies to projects that have the potential for causing a significant effect on the environment.

Respectfully submitted,



Siobhan Foster
 Director of Public Works

ATTACHMENTS:

- Attachment A: Letter Agreement, dated June 2, 2015, for 2014-15 Certified Collection Center Site Visits and Used Oil Collection and Filter Exchange Event
- Attachment B: Letter Agreement, dated August 10, 2015, for 2015-16 Certified Collection Center Site Visits and Used Oil Collection and Filter Exchange Event
- Attachment C: Professional Services Agreement with KJServices Environmental Consulting



CITY OF COVINA

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June 2, 2015

Kevin Sales
Principal
KJServices Environmental Consulting
9020 Hornby Avenue
Whittier, CA 90603

Re: Letter Agreement for 2014-2015 Certified Collection Center Site Visits and Used Oil Collection and Filter Exchange

Dear Mr. Sales:

PARTIES: This letter shall be our agreement ("Letter Agreement") regarding the Used Oil Payment Program (OPP) funding described below ("Services") to be provided by KJServices Environmental Consulting, a sole proprietorship ("Contractor") as an independent contractor to the City of Covina ("City") for the City's 2014-2015 Certified Collection Center Site Visits and Used Oil Collection and Filter Exchange event ("Project"). Contractor is retained as an independent contractor and is not an employee of the City.

SERVICES; SCHEDULE OF PERFORMANCE: The Services to be provided include the following: The Services to be provided are more particularly described in the Scope of Services attached hereto as Exhibit "A" and incorporated herein by reference. Services on the Project shall begin immediately and be completed by June 30, 2015, unless extended by the City in writing.

STANDARD OF CARE: Contractor shall perform all Services under this Letter Agreement in a skillful and competent manner, consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California, and consistent with all applicable laws. Contractor represents that it, its employees and subcontractors have all licenses, permits, qualifications, training, and approvals of whatever nature that are legally required to perform the Services, including a City Business License, State Water Resources and/or Regional Water Quality Control Board permits and training, that such licenses and approvals shall be maintained throughout the term of this Letter Agreement, copies of which shall be provided on request.

SUBSTITUTION OF KEY PERSONNEL: Contractor has represented to City that certain key personnel will perform and coordinate the Services under this Letter Agreement. Should one or more of such personnel become unavailable, Contractor may substitute other personnel of at least equal competence upon written approval of City. In the event that City and Contractor cannot agree as to the substitution of key personnel, City shall be entitled to terminate this Letter Agreement for cause. The key personnel for performance of this Letter Agreement are as follows: Kevin Sales.

COMPENSATION: The total compensation shall not exceed three thousand nine hundred nineteen dollars (\$3,919.00) without written approval of City's City Manager. Contractor's invoice shall include a detailed description of the Services performed. Invoices shall be submitted to the City monthly

as performance of the Services progresses. City shall review and pay the approved charges on such invoices in a timely manner.

PREVAILING WAGES: Contractor is aware of the requirements of California Labor Code Section 1720, *et seq.*, and 1770, *et seq.*, as well as California Code of Regulations, Title 8, Section 16000, *et seq.*, ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on "public works" and "maintenance" projects. If the Services are being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and if the total compensation is \$1,000 or more, Contractor agrees to fully comply with such Prevailing Wage Laws. City shall provide Contractor with a copy of the prevailing rates of per diem wages in effect at the commencement of this Letter Agreement. Contractor shall make copies of the prevailing rates of per diem wages for each craft, classification or type of worker needed to execute the Services available to interested parties upon request, and shall post copies at the Contractor's principal place of business and at the project site. Contractor shall defend, indemnify and hold the City, its elected officials, officers, employees and agents free and harmless from any claim or liability arising out of any failure or alleged failure to comply with the Prevailing Wage Laws.

Effective March 1, 2015, if the Services are being performed as part of an applicable "public works" or "maintenance" project, then pursuant to Labor Code Sections 1725.5 and 1771.1, the Contractor and all subcontractors performing such Services must be registered with the Department of Industrial Relations. Contractor shall maintain registration for the duration of the Project and require the same of any subcontractors, as applicable. This Project may also be subject to compliance monitoring and enforcement by the Department of Industrial Relations. It shall be Contractor's sole responsibility to comply with all applicable registration and labor compliance requirements.

INSURANCE: Contractor shall provide proof of commercial general liability and automobile insurance to the City in amounts and with policies, endorsements and conditions required by the City for the Services. If Contractor is an employer or otherwise hires one or more employees during the term of this Project, Contractor shall also provide proof of workers' compensation coverage for such employees which meets all requirements of state law.

TERMINATION: The City may terminate this Letter Agreement at any time with or without cause. If the City finds it necessary to terminate this Letter Agreement without cause before Project completion, Contractor shall be entitled to be paid in full for those Services adequately completed prior to the notification of termination. Contractor may terminate this Letter Agreement only upon 30 calendar days' written notice to the City only in the event of City's failure to perform in accordance with the terms of this Letter Agreement through no fault of Contractor.

INDEMNIFICATION: To the fullest extent permitted by law, Contractor shall defend, indemnify and hold the City, its directors, officials, officers, employees, volunteers and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, in any manner arising out of, pertaining to, or incident to any alleged acts, errors or omissions of Contractor, its officials, officers, employees, subcontractors, consultants or agents in connection with the performance of the Contractor's Services, the Project or this Letter Agreement, including without limitation the payment of all consequential damages, expert witness fees and attorneys' fees and other related costs and expenses. Notwithstanding the foregoing, to the extent Contractor's Services are subject to Civil Code Section 2782.8, the above indemnity shall be limited, to the extent required by Civil Code Section 2782.8, to

claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Contractor. Contractor's obligation to indemnify shall survive expiration or termination of this Letter Agreement, and shall not be restricted to insurance proceeds, if any, received by the City, its directors, officials officers, employees, agents, or volunteers.

LAWS & REGULATIONS; EMPLOYEE/LABOR CERTIFICATIONS: Contractor shall keep itself fully informed of and in compliance with all local, state and federal laws, rules and regulations in any manner affecting the performance of the Project or the Services, including all Cal/OSHA requirements; all emissions limits and permitting requirements imposed by the South Coast Air Quality Management District (SCAQMD), the California Air Resources Board (CARB) or other governmental agencies; and all water quality laws, rules and regulations of the Environmental Protection Agency, the State Water Resources Control Board, the Los Angeles Regional Water Quality Control Board and the City. By executing this Letter Agreement, Contractor verifies that it fully complies with all requirements and restrictions of state and federal law respecting the employment of undocumented aliens, including, but not limited to, the Immigration Reform and Control Act of 1986, as may be amended from time to time. Contractor shall maintain records of its compliance, including its verification of each employee, and shall make them available to the City or its representatives for inspection and copy at any time during normal business hours. The City shall not be responsible for any costs or expenses related to Contractor's compliance with the requirements. To the same extent and under the same conditions as Contractor, Contractor shall require all of its subcontractors, sub-subcontractors and consultants performing any work relating to the Project or this Letter Agreement to make the same verifications and comply with all requirements and restrictions provided herein. Contractor's failure to comply or any material misrepresentations or omissions relating thereto shall be grounds for terminating this Letter Agreement for cause. By its signature hereunder, Contractor certifies that it is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and agrees to comply with such provisions before commencing the performance of the Services. Finally, Contractor represents that it is an equal opportunity employer and it shall not discriminate against any subconsultant, employee or applicant for employment in violation of state or federal law. As provided for in the indemnity obligations of this Letter Agreement, Contractor shall indemnify City against any alleged violations of this paragraph, including, but not limited to, any fines or penalties imposed by any governmental agency.

GOVERNING LAW; VENUE; GOVERNMENT CODE CLAIM COMPLIANCE ATTORNEYS' FEES: This Letter Agreement shall be interpreted in accordance with the laws of the State of California. If any action is brought to interpret or enforce any term of this Letter Agreement, the action shall be brought in a state or federal court situated in Los Angeles County, State of California. In addition to any and all contract requirements pertaining to notices of and requests for compensation or payment for extra work, disputed work, claims and/or changed conditions, Contractor must comply with the claim procedures set forth in Government Code sections 900 et seq. prior to filing any lawsuit against the City. Such Government Code claims and any subsequent lawsuit based upon the Government Code claims shall be limited to those matters that remain unresolved after all procedures pertaining to extra work, disputed work, claims, and/or changed conditions have been followed by Contractor. If no such Government Code claim is submitted, or if any prerequisite contractual requirements are not otherwise satisfied as specified herein, Contractor shall be barred from bringing and maintaining a valid lawsuit against the City. If either party commences an action against the other party, either legal, administrative or otherwise, arising out of

City of Covina

KJServices Environmental Consulting

Letter Agreement for 2014-2015 Certified Collection Center Site Visits and Used Oil Collection and Filter Exchange event

June 2, 2015

Page 4 of 8

or in connection with this Letter Agreement, the prevailing party shall be entitled to recover all reasonable fees and costs incurred, including reasonable attorneys' fees, as determined by the court.

ASSIGNMENT; AMENDMENT: Contractor shall not assign, sublet, or transfer this Letter Agreement or any rights under or interest in this Letter Agreement without the written consent of the City, which may be withheld for any reason. This Letter Agreement may not be modified or altered except in writing signed by both parties. Except to the extent expressly provided for in the termination paragraph, there are no intended third party beneficiaries of any right or obligation of the Parties.

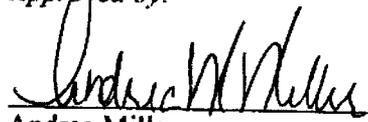
ENTIRE AGREEMENT; CONSTRUCTION & CAPTIONS: This is an integrated Letter Agreement representing the entire understanding of the parties as to those matters contained herein, and supersedes and cancels any prior oral or written understanding or representations with respect to matters covered hereunder. Since the Parties or their agents have participated fully in the preparation of this Letter Agreement, the language of this Letter Agreement shall be construed simply, according to its fair meaning, and not strictly for or against any Party. The captions of the various paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content or intent of this Letter Agreement.

City of Covina
KJServices Environmental Consulting
Letter Agreement for 2014-2015 Certified Collection Center Site Visits and Used Oil Collection and
Filter Exchange event
June 2, 2015
Page 5 of 8

If you agree with the terms of this Letter Agreement, please indicate by signing and
dating where indicated below. An original, executed copy will be forwarded to you.

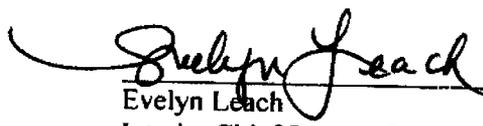
CITY OF COVINA

Approved by:



Andrea Miller
City Manager

Attest:



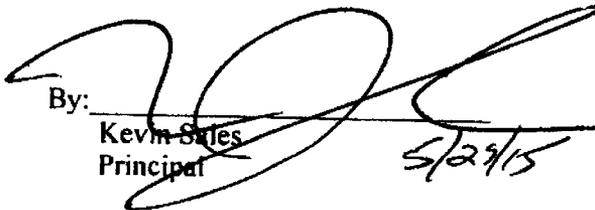
Evelyn Leach
Interim Chief Deputy City Clerk

APPROVED AS TO FORM

By: 

City Attorney

**KJSERVICES ENVIRONMENTAL CONSULTING,
a sole proprietorship**

By: 

Kevin Sales
Principal
5/29/15

EXHIBIT "A"
SCOPE OF SERVICES

Consultant shall ensure that the City maintains an effective and viable used oil collection center network. KJServices staff shall complete the following tasks:

TASK #1 – Used Oil Collection Centers

- Verify the continuing participation of the existing Covina businesses registered as Certified Used Oil Collection Centers (CCCs). This verification will include on-site visits to each Center to check on their participation and adherence to all the Used Oil Program regulations (signs posted, accepting oil from the public, offering the \$.10 per quart rebate, etc.). During these visits KJServices staff shall also answer any questions the operators have and help them with any program related problems they may be experiencing. The Department of Resources Recycling and Recovery (CalRecycle) allows cities to use Oil Payment Program (OPP) funds for up to two Certified Center site visits per year. However, because of the quickly approaching end of the current fiscal year, this task and its associated budget only includes one visit to each of the City's four (4) Certified Collection Centers. KJServices staff will use the visit to complete the CalRecycle required Site Visit Report for inclusion with the City's annual report.
- As part of the site visit, KJServices staff will pick-up a supply of City-provided used oil recycling containers, the quantity to be determined by the City, and will deliver them to each of the Certified Centers.
- KJServices staff will maintain an accurate listing of the City's used oil collection centers in the nation-wide Earth's 911 (1-800-CLEANUP and www.1800CLEANUP.org) environmental database. The Earth's 911 database will allow Covina residents to quickly and easily find their nearest used oil collection center. KJServices will notify CalRecycle of any changes in the status of the City's Certified Centers and ensure that any changes are correctly reflected on their CCC database.

TASK #2 – Community Filter Exchange Event

- KJServices staff will schedule, advertise, and conduct a Used Oil Collection and Filter Exchange event at the O'Reilly Auto Parts located on Azusa Avenue. At this event the public will be encouraged to bring their used motor oil, as well as, their used oil filters. Residents who bring in their used oil filter, will receive a voucher for one free oil filter on the day of the event. The maximum number of free filters that a resident can receive will be two (2).
- KJServices staff will coordinate the event with O'Reilly Auto Parts, which is a Certified Collection Center, making sure to get corporate and property management approval, as necessary, along with City approval. KJServices will also arrange for newspaper advertisement at least two weeks prior to the event with the *PennySaver*. The ad, which will be run twice, will be submitted to the City for approval before going to print.
- KJServices staff will also promote the event through announcements and flyers placed on the City's website, Facebook, and notice to local Covina community, civic, and other appropriate groups and organizations. All materials shall be approved by City staff prior to distribution or posting.

- **KJServices shall create a voucher coupon, customized for the event, to use on the day of the event. Staff will set up the event booth with appropriate signage and education materials to give to all participants. Staff will work with the host business to assure that foot traffic in and out of the store is not hindered.**
- **The event will run for four (4) hours, normally 9:00 A.M. until 1:00 P.M. The actual hours will be determined in conjunction with the store management and the City.**
- **KJServices staff will distribute used oil recycling containers and oil change items such as shop towels, funnels, and filter bags as the City requests. These items will be provided by the City from their stock on-hand.**
- **At the end of the event, KJServices staff shall take down the booth, tally the amount of visitors and how many filters were brought in for exchange, and make sure the area is devoid of any oil spills or litter. The cost of the new filters will be billed to the City directly by O'Reilly Auto Parts. A post event summary report will be prepared and submitted to the City within one week of the date.**

EXHIBIT "B"
COMPENSATION

Task # 1 – Used Oil Collection Centers \$1,200.00

Task # 2 – Community Filter Exchange Event \$2,719.00

Total compensation shall not exceed \$3,919.00.

V412-0
7 11000-19



CITY OF COVINA

125 East College Street • Covina, California 91723-2199
www.covinaca.gov

August 10, 2015

Kevin Sales
Principal
KJServices Environmental Consulting
9020 Hornby Avenue
Whittier, CA 90603

Re: Letter Agreement for 2015-2016 Certified Collection Center Site Visits and Used Oil Collection and Filter Exchange Event

Dear Mr. Sales:

PARTIES: This letter shall be our agreement ("Letter Agreement") regarding the Used Oil Payment Program (OPP) funding described below ("Services") to be provided by KJServices Environmental Consulting, a sole proprietorship ("Contractor") as an independent contractor to the City of Covina ("City") for the City's 2015-2016 Certified Collection Center Site Visits and Used Oil Collection and Filter Exchange Event ("Project"). Contractor is retained as an independent contractor and is not an employee of the City.

SERVICES; SCHEDULE OF PERFORMANCE: The Services to be provided include the following: The Services to be provided are more particularly described in the Scope of Services attached hereto as Exhibit "A" and incorporated herein by reference. Services on the Project shall begin immediately and be completed by June 30, 2016, unless extended by the City in writing.

STANDARD OF CARE: Contractor shall perform all Services under this Letter Agreement in a skillful and competent manner, consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California, and consistent with all applicable laws. Contractor represents that it, its employees and subcontractors have all licenses, permits, qualifications, training, and approvals of whatever nature that are legally required to perform the Services, including a City Business License, State Water Resources and/or Regional Water Quality Control Board permits and training, that such licenses and approvals shall be maintained throughout the term of this Letter Agreement, copies of which shall be provided on request.

SUBSTITUTION OF KEY PERSONNEL: Contractor has represented to City that certain key personnel will perform and coordinate the Services under this Letter Agreement. Should one or more of such personnel become unavailable, Contractor may substitute other personnel of at least equal competence upon written approval of City. In the event that City and Contractor cannot agree as to the substitution of key personnel, City shall be entitled to terminate this Letter Agreement for cause. The key personnel for performance of this Letter Agreement are as follows: Kevin Sales.

COMPENSATION: The total compensation shall not exceed seven thousand four hundred dollars (\$7,400.00) without written approval of City's City Manager. Contractor's invoice shall include a detailed description of the Services performed. Invoices shall be submitted to the City monthly as performance of the Services progresses. City shall review and pay the approved charges on such invoices in a timely manner.

PREVAILING WAGES: Contractor is aware of the requirements of California Labor Code Section 1720, *et seq.*, and 1770, *et seq.*, as well as California Code of Regulations, Title 8, Section 16000, *et seq.*, ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on "public works" and "maintenance" projects. If the Services are being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and if the total compensation is \$1,000 or more, Contractor agrees to fully comply with such Prevailing Wage Laws. City shall provide Contractor with a copy of the prevailing rates of per diem wages in effect at the commencement of this Letter Agreement. Contractor shall make copies of the prevailing rates of per diem wages for each craft, classification or type of worker needed to execute the Services available to interested parties upon request, and shall post copies at the Contractor's principal place of business and at the project site. Contractor shall defend, indemnify and hold the City, its elected officials, officers, employees and agents free and harmless from any claim or liability arising out of any failure or alleged failure to comply with the Prevailing Wage Laws.

Effective July 1, 2015, if the Services are being performed as part of an applicable "public works" or "maintenance" project, then pursuant to Labor Code Sections 1725.5 and 1771.1, the Contractor and all subcontractors performing such Services must be registered with the Department of Industrial Relations. Contractor shall maintain registration for the duration of the Project and require the same of any subcontractors, as applicable. This Project may also be subject to compliance monitoring and enforcement by the Department of Industrial Relations. It shall be Contractor's sole responsibility to comply with all applicable registration and labor compliance requirements.

INSURANCE: Contractor shall provide proof of commercial general liability and automobile insurance to the City in amounts and with policies, endorsements and conditions required by the City for the Services. If Contractor is an employer or otherwise hires one or more employees during the term of this Project, Contractor shall also provide proof of workers' compensation coverage for such employees which meets all requirements of state law.

TERMINATION: The City may terminate this Letter Agreement at any time with or without cause. If the City finds it necessary to terminate this Letter Agreement without cause before Project completion, Contractor shall be entitled to be paid in full for those Services adequately completed prior to the notification of termination. Contractor may terminate this Letter Agreement only upon 30 calendar days' written notice to the City only in the event of City's failure to perform in accordance with the terms of this Letter Agreement through no fault of Contractor

INDEMNIFICATION: To the fullest extent permitted by law, Contractor shall defend, indemnify and hold the City, its directors, officials, officers, employees, volunteers and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, in any manner arising out of, pertaining to, or incident to any alleged acts, errors or omissions of Contractor, its officials, officers, employees, subcontractors, consultants or agents in connection with the performance of the Contractor's Services, the Project or this Letter Agreement, including without limitation the payment of all consequential damages, expert witness fees and attorneys' fees and other related costs and expenses. Notwithstanding the foregoing, to the extent Contractor's Services are subject to Civil Code Section 2782.8, the above indemnity shall be limited, to the extent required by Civil Code Section 2782.8, to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Contractor. Contractor's obligation to indemnify shall survive expiration or termination of this Letter Agreement, and shall not be restricted to insurance proceeds, if any, received by the City, its directors, officials officers, employees, agents, or volunteers.

LAWS & REGULATIONS; EMPLOYEE/LABOR CERTIFICATIONS: Contractor shall keep itself fully informed of and in compliance with all local, state and federal laws, rules and regulations in any manner affecting the performance of the Project or the Services, including all Cal/OSHA requirements; all emissions limits and permitting requirements imposed by the South Coast Air Quality Management District (SCAQMD), the California Air Resources Board (CARB) or other governmental agencies; and all water quality laws, rules and regulations of the Environmental Protection Agency, the State Water Resources Control Board, the Los Angeles Regional Water Quality Control Board and the City. By executing this Letter Agreement, Contractor verifies that it fully complies with all requirements and restrictions of state and federal law respecting the employment of undocumented aliens, including, but not limited to, the Immigration Reform and Control Act of 1986, as may be amended from time to time. Contractor shall maintain records of its compliance, including its verification of each employee, and shall make them available to the City or its representatives for inspection and copy at any time during normal business hours. The City shall not be responsible for any costs or expenses related to Contractor's compliance with the requirements. To the same extent and under the same conditions as Contractor, Contractor shall require all of its subcontractors, sub-subcontractors and consultants performing any work relating to the Project or this Letter Agreement to make the same verifications and comply with all requirements and restrictions provided herein. Contractor's failure to comply or any material misrepresentations or omissions relating thereto shall be grounds for terminating this Letter Agreement for cause. By its signature hereunder, Contractor certifies that it is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and agrees to comply with such provisions before commencing the performance of the Services. Finally, Contractor represents that it is an equal opportunity employer and it shall not discriminate against any subconsultant, employee or applicant for employment in violation of state or federal law. As provided for in the indemnity obligations of this Letter Agreement, Contractor shall indemnify City against any alleged violations of this paragraph, including, but not limited to, any fines or penalties imposed by any governmental agency.

GOVERNING LAW; VENUE; GOVERNMENT CODE CLAIM COMPLIANCE ATTORNEYS' FEES: This Letter Agreement shall be interpreted in accordance with the laws of the State of California. If any action is brought to interpret or enforce any term of this Letter Agreement, the action shall be brought in a state or federal court situated in Los Angeles County, State of California. In addition to any and all contract requirements pertaining to notices of and requests for compensation or payment for extra work, disputed work, claims and/or changed conditions, Contractor must comply with the claim procedures set forth in Government Code sections 900 *et seq.* prior to filing any lawsuit against the City. Such Government Code claims and any subsequent lawsuit based upon the Government Code claims shall be limited to those matters that remain unresolved after all procedures pertaining to extra work, disputed work, claims, and/or changed conditions have been followed by Contractor. If no such Government Code claim is submitted, or if any prerequisite contractual requirements are not otherwise satisfied as specified herein, Contractor shall be barred from bringing and maintaining a valid lawsuit against the City. If either party commences an action against the other party, either legal, administrative or otherwise, arising out of or in connection with this Letter Agreement, the prevailing party shall be entitled to recover all reasonable fees and costs incurred, including reasonable attorneys' fees, as determined by the court.

ASSIGNMENT; AMENDMENT: Contractor shall not assign, sublet, or transfer this Letter Agreement or any rights under or interest in this Letter Agreement without the written consent of the City, which may be withheld for any reason. This Letter Agreement may not be modified or altered except in

City of Covina
KJServices Environmental Consulting
Letter Agreement for 2015-2016 Certified Collection Center Site Visits and Used Oil Collection and
Filter Exchange Event
August 10, 2015

Page 4 of 8

writing signed by both parties. Except to the extent expressly provided for in the termination paragraph, there are no intended third party beneficiaries of any right or obligation of the Parties.

ENTIRE AGREEMENT; CONSTRUCTION & CAPTIONS: This is an integrated Letter Agreement representing the entire understanding of the parties as to those matters contained herein, and supersedes and cancels any prior oral or written understanding or representations with respect to matters covered hereunder. Since the Parties or their agents have participated fully in the preparation of this Letter Agreement, the language of this Letter Agreement shall be construed simply, according to its fair meaning, and not strictly for or against any Party. The captions of the various paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content or intent of this Letter Agreement.

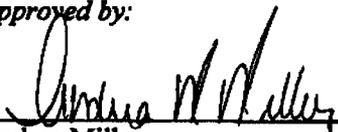
City of Covina
KJServices Environmental Consulting
Letter Agreement for 2015-2016 Certified Collection Center Site Visits and Used Oil Collection and
Filter Exchange Event
August 10, 2015

Page 5 of 8

If you agree with the terms of this Letter Agreement, please indicate by signing and dating where indicated below. An original, executed copy is enclosed for your records- change to An original, executed copy will be forwarded to you.

CITY OF COVINA

Approved by:



Andrea Miller
City Manager

Attest:



Evelyn Leach
Interim Chief Deputy City Clerk

APPROVED AS TO FORM

By: 

City Attorney

**KJSERVICES ENVIRONMENTAL CONSULTING,
a sole proprietorship**

By: 

Kevin Sales
Principal

8/14/15

EXHIBIT "A"
SCOPE OF SERVICES

Consultant shall ensure that the City maintains an effective and viable used oil collection center network. KJServices staff shall complete the following tasks:

TASK #1 – Used Oil Collection Centers

- Verify the continuing participation of the four existing Covina businesses registered as Certified Used Oil Collection Centers (CCCs). This verification will include quarterly on-site visits to each Center to check on their participation and adherence to all the Used Oil Program regulations (signs posted, accepting oil from the public, offering the \$.10 per quart rebate, etc.). During these visits KJServices staff shall also answer any questions the operators have and help them with any program related problems they may be experiencing. KJServices staff will use the visit to complete the CalRecycle required Site Visit Report for inclusion with the City's annual report.
- As part of the site visit, KJServices staff will pick-up a supply of City-provided used oil recycling containers, the quantity to be determined by the City, and will deliver them to each of the Certified Centers.

Participating Certified Collection Centers:

Auto Zone – 1445 N. Citrus Avenue
Grand Auto Care – 744 N. Grand Avenue
O'Reilly Auto Parts – 501 N. Azusa Avenue
Pep Boys – 1240 N. Azusa Avenue

- KJServices staff will maintain an accurate listing of the City's used oil collection centers in the nation-wide Earth's 911 (1-800-CLEANUP and www.1800CLEANUP.org) environmental database. The Earth's 911 database will allow Covina residents to quickly and easily find their nearest used oil collection center. KJServices will notify CalRecycle of any changes in the status of the City's Certified Centers and ensure that any changes are correctly reflected on their CCC database.

TASK #2 – Community Filter Exchange Event

- KJServices staff will schedule, advertise, and conduct two (2) Used Oil Collection and Filter Exchange events at locations selected from the four CCCs listed under Task #1. At these events the public will be encouraged to bring their used motor oil, as well as, their used oil filters. Residents who bring in their used oil filter, will receive a voucher for one free oil filter on the day of the event. The maximum number of free filters that a resident can receive will be two (2).
- KJServices staff will coordinate the event with the selected Certified Collection Centers, making sure to get corporate and property management approval, as necessary, along with City approval. KJServices will also arrange for newspaper advertisement at least a week prior to the event with the *San Gabriel Valley Tribune*. The ad will be submitted to the City for approval before going to print.
- KJServices will create the newspaper ad and have it reviewed and approved, as necessary, by the City and CalRecycle before it is run. The same layout will be used for event flyers that will be distributed at the filter exchange event location.

- **KJServices stall will also promote the events through announcements and flyers placed on the City's website, Facebook, and notices to local Covina community, civic, and other appropriate groups and organizations. An ad or announcement will also be placed in the City's quarterly Covina City View publication. All materials shall be approved by City staff prior to distribution or posting.**
- **KJServices shall create a voucher coupon, customized for the event, to use on the day of the event. Staff will set up the event booth with appropriate signage and educational materials to give to all participants. Staff will work with the host business to assure that foot traffic in and out of the store is not hindered.**
- **The event will run for four (4) hours, normally 9:00 A.M. until 1:00 P.M. The actual hours will be determined in conjunction with the store management and the City.**
- **KJServices staff will distribute used oil recycling containers and oil change items such as shop towels, funnels, and filter bags as the City requests. These items will be provided by the City from their stock on-hand.**
- **At the end of the event, KJServices staff shall take down the booth, tally the amount of visitors and how many filters were brought in for exchange, and make sure the area is devoid of any oil spills or litter. The cost of the new filters will be billed to the City directly by the participating CCC. A post event summary report will be prepared and submitted to the City within one week of the event date.**

**EXHIBIT "B"
COMPENSATION**

Task # 1 – Used Oil Collection Centers \$2,400

Task # 2 – Community Filter Exchange Event \$5,000

Total compensation shall not exceed \$7,400

PROFESSIONAL SERVICES AGREEMENT

This Professional Services Agreement (“Agreement”) is dated October 4, 2016 (“Effective Date”) and is between the City of Covina, a California municipal corporation (“City”) and KJServices Environmental Consulting a sole proprietorship as an independent contractor (“Consultant”). City and Consultant are sometimes individually referred to as “Party” and collectively as “Parties” in this Agreement.

RECITALS

A. City desires to utilize the services of Consultant as an independent contractor to conduct annual Certified Used Oil Collection Center (CCC) site visits; deliver City-provided used oil recycling containers and used oil items, such as shop towels, funnels and filter bags as the City requests; maintain an accurate listing of the centers on Earth 911 and CalRecycle’s databases; conduct, on behalf of the City, two Used Oil Collection and Filter Recycling Exchange events per year at selected CCCs; create event vouchers, flyers, and advertising for exchange events; deliver 9,300 flyers to Athens Services to distribute via their billing insert program; and purchase advertisement in local newspapers and publications to promote used oil and filter recycling.

B. Consultant represents that it is fully qualified to perform such services by virtue of its experience and the training, education and expertise of its principals and employees.

C. City desires to retain Consultant and Consultant desires to serve City to perform these services in accordance with the terms and conditions of this Agreement.

The parties therefore agree as follows:

1. **Term of Agreement.** The term of this Agreement shall be from the Effective Date through June 30, 2019, unless sooner terminated as provided in Section 13 of this Agreement. The City may, upon mutual agreement, extend the contract for two (2) additional one year terms. In no event shall the contract be extended beyond June 30, 2021.

2. **Compensation.**

A. **Compensation.** As full compensation for Consultant’s services provided under this Agreement, City shall pay Consultant the total sum of Twenty Four Thousand Seven Hundred and Fifty Dollars (\$24,750) (the “maximum compensation”), as set forth in the Work Plan and Approved Fee Schedule, attached hereto as **Exhibit A**. Any terms in Exhibit A, other than the payment rates and schedule of payment, are null and void.

B. **Expenses.** The amount set forth in paragraph A shall include reimbursement for all actual and necessary expenditures reasonably incurred in the performance of this Agreement.

C. Additional Services. City shall not allow any claims for additional services performed by Consultant, unless the City Council and the Consultant Representative authorize the additional services in writing prior to Consultant's performance of the additional services or inurrence of additional expenses. Any additional services or expenses authorized by the City Council shall be compensated at the rates set forth in **Exhibit A**, or, if not specified, at a rate mutually agreed to by the parties. City shall make payment for additional services and expenses in accordance with Section 4 of this Agreement.

3. **Consultant's Services.**

A. Scope of Services. Consultant shall perform the services described in the Work Plan and Approved Fee Schedule, attached as **Exhibit B**. City may request, in writing, changes in the scope of services to be performed. Any changes mutually agreed upon by the parties, and any increase or decrease in compensation, shall be incorporated by written amendments to this Agreement.

B. Party Representatives. For the purposes of this Agreement, the City Representative shall be the City Manager, or such other person designated in writing by the City Manager (the "City Representative"). For the purposes of this Agreement, the Consultant Representative shall be Kevin Sales, Principal (the "Consultant Representative"). The Consultant Representative shall directly manage Consultant's services under this Agreement. Consultant shall not change the Consultant Representative without City's prior written consent.

C. Time for Performance. Consultant shall commence the services on the Effective Date and shall perform all services by the deadline established by the City Representative or, if no deadline is established, with reasonable diligence.

D. Standard of Performance. Consultant shall perform all services under this Agreement in accordance with the standard of care generally exercised by like professionals under similar circumstances and in a manner reasonably satisfactory to City.

E. Personnel. Consultant has, or will secure at its own expense, all personnel required to perform the services required under this Agreement. All of the services required under this Agreement shall be performed by Consultant or under its supervision, and all personnel engaged in the work shall be qualified to perform such services.

F. Compliance with Laws. The Consultant shall keep itself informed of all local, state and federal ordinances, laws and regulations which in any manner affect those employed by it or in any way affect the performance of its service pursuant to this Agreement. The Consultant shall at all times observe and comply with all such ordinances, laws and regulations. The City and its agents shall not be liable at law or in equity occasioned by failure of the Consultant to comply with this section.

G. Permits and Licenses. Consultant shall obtain and maintain during the Agreement term all necessary licenses, permits and certificates required by law for the provision of services under this Agreement, including a business license.

4. Method of Payment.

A. Invoices. Consultant shall submit to City an invoice, on a monthly basis or less frequently, for actual services performed pursuant to this Agreement. Each invoice shall itemize the services rendered during the billing period, hourly rates charged, if applicable, and the amount due. If City disputes any of Consultant's fees, it shall give written notice to Consultant within thirty (30) days of receipt of an invoice of any disputed fees set forth on the invoice.

B. Payment. City shall pay all undisputed invoice amounts within thirty (30) calendar days after receipt up to the maximum compensation set forth in Section 2 of this Agreement. City shall not withhold federal payroll, state payroll or other taxes, or other similar deductions, from payments made to Consultant. For all reimbursements authorized by this Agreement, Consultant shall provide receipts on all reimbursable expenses in excess of Fifty Dollars (\$50) in such form as approved by the Finance Director.

C. Audit of Records. Consultant shall make all records, invoices, time cards, cost control sheets and other records maintained by Consultant in connection with this agreement available during Consultant's regular working hours to City for review and audit by City.

5. Ownership of Documents. Upon completion of, or in the event of termination or suspension of this Agreement, all original documents, designs, drawings, maps, models, computer files containing data generated for the work, surveys, notes, and other documents prepared in the course of providing the services to be performed ("written products") pursuant to this Agreement shall become the sole property of the City without restriction or limitation upon its use and may be used, reused, disseminated or otherwise disposed of by the City without the permission of the Consultant. With respect to computer files containing data generated for the work, Consultant shall make available to the City, upon reasonable written request by the City, the necessary computer software and hardware for purposes of accessing, compiling, transferring and printing computer files. Consultant may take and retain copies of the written products as desired, but the written products shall not be the subject of a copyright application by Consultant.

6. Independent Contractor.

A. Consultant is, and shall at all times remain as to City, a wholly independent contractor. The personnel performing the services under this Agreement on behalf of Consultant shall at all times be under Consultant's exclusive direction and control. Consultant shall have no power to incur any debt, obligation, or liability on behalf of City. 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 officers, agents or employees are in any manner employees of City.

B. No employee benefits shall be available to Consultant in connection with the performance of this Agreement. Except for the fees paid to Consultant as provided in the Agreement, City shall not pay salaries, wages, or other compensation to Consultant for performing services hereunder for City. City shall not be liable for compensation or indemnification to Consultant for injury or sickness arising out of performing services hereunder.

7. Confidentiality. All data, documents, discussion, or other information (collectively “data”) developed or received by Consultant or provided for performance of this Agreement are deemed confidential. Consultant shall keep all data confidential and shall not disclose any data to any person or entity without City’s prior written consent. City shall grant such consent if disclosure is legally required. Consultant shall return all data to City upon the expiration or termination of this Agreement. Consultant’s covenant under this Section 7 shall survive the expiration or termination of this Agreement.

8. Conflicts of Interest. Consultant and its officers, employees, associates and subcontractors, if any, shall comply with all conflict of interest statutes of the State of California applicable to Consultant’s services under this Agreement, including the Political Reform Act (Gov. Code, § 81000 *et seq.*) and Government Code Section 1090. During the term of this Agreement, Consultant may perform similar services for other clients, but Consultant and its officers, employees, associates and subcontractors shall not, without the City Representative’s prior written approval, 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 subcontractors to abstain from a decision under this Agreement pursuant to a conflict of interest statute. Consultant shall incorporate a clause substantially similar to this Section 8 into any subcontract that Consultant executes in connection with the performance of this Agreement.

9. Indemnification.

A. Other Indemnities.

1) Other than in the performance of design professional services, and to the fullest extent permitted by law, Consultant shall, at its sole cost and expense, defend, hold harmless and indemnify the Indemnitees from and against any and all damages, costs, expenses, liabilities, claims, demands, causes of action, proceedings, judgments, penalties, liens and losses of any nature whatsoever, including fees of accountants, attorneys or other professionals, and all costs associated therewith, and the payment of all consequential damages (collectively “Claims”), in law or equity, whether actual, alleged or threatened, which arise out of, are claimed to arise out of, pertain to, or relate to the acts or omissions of Consultant, its officers, agents, servants, employees, subcontractors, materialmen, contractors or their officers, agents, servants or employees (or any entity or individual that Consultant shall bear the legal liability thereof) in the performance of this Agreement, including the Indemnitees’ active or passive negligence, except for Claims arising from the sole negligence or willful misconduct of the Indemnitees, as determined by final arbitration or court decision or by the agreement of the parties. Consultant

shall defend the Indemnitees in any action or actions filed in connection with any Claim with counsel of the Indemnitees' choice, and shall pay all costs and expenses, including all attorneys' fees and experts' costs actually incurred in connection with such defense. Consultant shall reimburse the Indemnitees for any and all legal expenses and costs incurred by the Indemnitees in connection therewith.

2) Consultant shall pay all required taxes on amounts paid to Consultant under this Agreement, and 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 shall fully comply with the workers' compensation law regarding Consultant and Consultant's employees. Consultant shall indemnify and hold City harmless from any failure of Consultant to comply with applicable workers' compensation laws. City may 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 Subparagraph B. 2).

3) Consultant shall obtain executed indemnity agreements with provisions identical to those in this Section 9 from each and every subcontractor or any other person or entity involved by, for, with or on behalf of Consultant in the performance of this Agreement. If Consultant fails to obtain such indemnities, Consultant shall be fully responsible and indemnify, hold harmless and defend the Indemnitees from and against any and all Claims in law or equity, whether actual, alleged or threatened, which arise out of, are claimed to arise out of, pertain to, or relate to the acts or omissions of Consultant's subcontractor, its officers, agents, servants, employees, subcontractors, materialmen, contractors or their officers, agents, servants or employees (or any entity or individual that Consultant's subcontractor shall bear the legal liability thereof) in the performance of this Agreement, including the Indemnitees' active or passive negligence, except for Claims arising from the sole negligence or willful misconduct of the Indemnitees, as determined by final arbitration or court decision or by the agreement of the parties.

B. Workers' Compensation Acts not Limiting. Consultant's obligations under this Section 9, or any other provision of this Agreement, shall not be limited by the provisions of any workers' compensation act or similar act. Consultant expressly waives its statutory immunity under such statutes or laws as to City, its officers, agents, employees and volunteers.

C. Insurance Requirements not Limiting. City does not, and shall not, waive any rights that it may possess against Consultant because of the acceptance by City, or the deposit with City, of any insurance policy or certificate required pursuant to this Agreement. This hold harmless and indemnification provisions in this Section 9 shall apply regardless of whether or not any insurance policies are determined to be applicable to the Liability, Claim, tax, assessment, penalty or interest asserted against City.

D. Survival of Terms. The indemnification in this Section 9 shall survive the expiration or termination of this Agreement.

E. Indemnities for Third Party Claims.

1) To the fullest extent permitted by law, Consultant shall, at its sole cost and expense, defend, hold harmless and indemnify City and its elected officials, officers, attorneys, agents, employees, designated volunteers, successors, assigns and those City agents serving as independent contractors in the role of City officials (collectively "Indemnitees"), from and against any and all damages, costs, expenses, liabilities, claims, demands, causes of action, proceedings, expenses, judgments, penalties, liens and losses of any nature whatsoever, including fees of accountants, attorneys or other professionals, and all costs associated therewith, and the payment of all consequential damages (collectively "Liabilities"), in law or equity, whether actual, alleged or threatened, which arise out of, are claimed to arise out of, pertain to, or relate to the acts or omissions of Consultant, its officers, agents, servants, employees, subcontractors, materialmen, contractors or their officers, agents, servants or employees (or any entity or individual that Consultant shall bear the legal liability thereof) in the performance of this Agreement, including the Indemnitees' active or passive negligence, except for Liabilities arising from the sole negligence or willful misconduct of the Indemnitees, as determined by final arbitration or court decision or by the agreement of the parties. Consultant shall defend the Indemnitees in any action or actions filed in connection with any Liability with counsel of the Indemnitees' choice, and shall pay all costs and expenses, including all attorneys' fees and experts' costs actually incurred in connection with such defense. Consultant shall reimburse the Indemnitees for any and all legal expenses and costs incurred by Indemnitees in connection therewith.

2) Consultant shall pay all required taxes on amounts paid to Consultant under this Agreement, and 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 shall fully comply with the workers' compensation law regarding Consultant and Consultant's employees. Consultant shall indemnify and hold City harmless from any failure of Consultant to comply with applicable workers' compensation laws. City may 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 Subparagraph A. 2).

3) Consultant shall obtain executed indemnity agreements with provisions identical to those in this Section 9 from each and every subcontractor or any other person or entity involved by, for, with or on behalf of Consultant in the performance of this Agreement. If Consultant fails to obtain such indemnity obligations, Consultant shall be fully responsible and indemnify, hold harmless and defend the Indemnitees from and against any and all Liabilities in law or equity, whether actual, alleged or threatened, which arise out of, are claimed to arise out of, pertain to, or relate to the acts or omissions of Consultant's subcontractor, its officers, agents,

servants, employees, subcontractors, materialmen, contractors or their officers, agents, servants or employees (or any entity or individual that Consultant's subcontractor shall bear the legal liability thereof) in the performance of this Agreement, including the Indemnitees' active or passive negligence, except for Liabilities arising from the sole negligence or willful misconduct of the Indemnitees, as determined by final arbitration or court decision or by the agreement of the parties.

A. Workers' Compensation Acts not Limiting. Consultant's indemnifications and obligations under this Section 9, or any other provision of this Agreement, shall not be limited by the provisions of any workers' compensation act or similar act. Consultant expressly waives its statutory immunity under such statutes or laws as to City, its officers, agents, employees and volunteers.

B. Insurance Requirements not Limiting. City does not, and shall not, waive any rights that it may possess against Consultant because of the acceptance by City, or the deposit with City, of any insurance policy or certificate required pursuant to this Agreement. The indemnities in this Section 9 shall apply regardless of whether or not any insurance policies are determined to be applicable to the Liability, tax, assessment, penalty or interest asserted against City.

C. Survival of Terms. Consultant's indemnifications and obligations under this Section 9 shall survive the expiration or termination of this Agreement.

10. Insurance.

A. Minimum Scope and Limits of Insurance. Consultant shall procure and at all times during the term of this Agreement carry, maintain, and keep in full force and effect, insurance as follows:

1) Commercial General Liability Insurance with a minimum limit of Two Million Dollars (\$2,000,000) per occurrence for bodily injury, personal injury and property damage and a general aggregate limit of Two Million Dollars (\$2,000,000) per project or location. If Consultant is a limited liability company, the commercial general liability coverage shall be amended so that Consultant and its managers, affiliates, employees, agents and other persons necessary or incidental to its operation are insureds.

2) Automobile Liability Insurance for any owned, non-owned or hired vehicle used in connection with the performance of this Agreement with a combined single limit of Two Million Dollars (\$2,000,000) per accident for bodily injury and property damage. If Consultant does not use any owned, non-owned or hired vehicles in the performance of services under this Agreement, Consultant shall obtain a non-owned auto endorsement to the Commercial General Liability policy required under Subparagraph A. 1) of this Section 10.

3) Workers' Compensation Insurance as required by the State of California and Employer's Liability Insurance with a minimum limit of One Million Dollars (\$1,000,000)

per accident for bodily injury or disease. If Consultant has no employees while performing services under this Agreement, workers' compensation policy is not required, but Consultant shall provide an executed declaration that it has no employees.

B. Acceptability of Insurers. The insurance policies required under this Section 10 shall be issued by an insurer admitted to write insurance in the State of California with a rating of A:VII or better in the latest edition of the A.M. Best Insurance Rating Guide. Self insurance shall not be considered to comply with the insurance requirements under this Section 10.

C. Additional Insured. The commercial general and automobile liability policies shall contain an endorsement naming the City, its officers, employees, agents and volunteers as additional insureds.

D. Primary and Non-Contributing. The insurance policies required under this Section 10 shall apply on a primary non-contributing basis in relation to any other insurance or self-insurance available to City. Any insurance or self-insurance maintained by City, its officers, employees, agents or volunteers, shall be in excess of Consultant's insurance and shall not contribute with it.

E. Consultant's Waiver of Subrogation. The insurance policies required under this Section 10 shall not prohibit Consultant and Consultant's employees, agents or subcontractors from waiving the right of subrogation prior to a loss. Consultant hereby waives all rights of subrogation against City.

F. Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be approved by City. At City's option, Consultant shall either reduce or eliminate the deductibles or self-insured retentions with respect to City, or Consultant shall procure a bond guaranteeing payment of losses and expenses.

G. Cancellations or Modifications to Coverage. Consultant shall not cancel, reduce or otherwise modify the insurance policies required by this Section 10 during the term of this Agreement. The commercial general and automobile liability policies required under this Agreement shall be endorsed to state that should the issuing insurer cancel the policy before the expiration date, the issuing insurer will endeavor to mail thirty (30) calendar days' prior written notice to City. If any insurance policy required under this Section 10 is canceled or reduced in coverage or limits, Consultant shall, within two (2) business days of notice from the insurer, phone, fax or notify City via certified mail, return receipt requested, of the cancellation of or changes to the policy.

H. City Remedy for Noncompliance. If Consultant does not maintain the policies of insurance required under this Section 10 in full force and effect during the term of this Agreement, or in the event any of Consultant's policies do not comply with the requirements under this Section 10, City may either immediately terminate this Agreement or, if insurance is available at a reasonable cost, City may, but has no duty to, take out the necessary insurance and pay, at Consultant's expense, the premium thereon. Consultant shall promptly reimburse City

for any premium paid by City or City may withhold amounts sufficient to pay the premiums from payments due to Consultant.

I. Evidence of Insurance. Prior to the performance of services under this Agreement, Consultant shall furnish City's Risk Manager with a certificate or certificates of insurance and all original endorsements evidencing and effecting the coverages required under this Section 10. The endorsements are subject to City's approval. Consultant may provide complete, certified copies of all required insurance policies to City. Consultant shall maintain current endorsements on file with City's Risk Manager. Consultant shall provide proof to City's Risk Manager that insurance policies expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Consultant shall furnish such proof at least two (2) weeks prior to the expiration of the coverages.

J. Indemnity Requirements not Limiting. Procurement of insurance by Consultant shall not be construed as a limitation of Consultant's liability or as full performance of Consultant's duty to indemnify City under Section 9 of this Agreement.

K. Subcontractor Insurance Requirements. Consultant shall require each of its subcontractors that perform services under this Agreement to maintain insurance coverage that meets all of the requirements of this Section 10.

11. Mutual Cooperation.

A. City's Cooperation. City shall provide Consultant with all pertinent data, documents and other requested information as is reasonably available for Consultant's proper performance of the services required under this Agreement.

B. Consultant's Cooperation. In the event any claim or action is brought against the City relating to Consultant's performance or services rendered under this Agreement, Consultant shall render any reasonable assistance that City requires.

12. Records and Inspections. Consultant shall maintain full and accurate records with respect to all matters covered under this Agreement for a period of five (5) years. Consultant shall, without charge, provide City with access to the records during normal business hours. City may examine and audit the records and make transcripts therefrom, and inspect all program data, documents, proceedings and activities.

13. Termination or Suspension of Agreement.

A. Right to Terminate or Suspend. City may terminate or suspend this Agreement at any time, at will, for any reason or no reason, after giving written notice to Consultant at least seven (7) calendar days before the termination or suspension is to be effective. Consultant may terminate this Agreement at any time, at will, for any reason or no reason, after giving written notice to City at least sixty (60) calendar days before the termination is to be effective.

B. Obligations upon Termination. Consultant shall cease all work under this Agreement on or before the effective date of termination specified in the notice of termination. In the event of City's termination of this Agreement due to no fault or failure of performance by Consultant, City shall pay Consultant based on the percentage of work satisfactorily performed up to the effective date of termination. In no event shall Consultant be entitled to receive more than the amount that would be paid to Consultant for the full performance of the services required by this Agreement.

14. Force Majeure. Consultant shall not be liable for any failure to perform its obligations under this Agreement if Consultant presents acceptable evidence, in City's sole judgment, that such failure was due to strikes, lockouts, labor disputes, embargoes, acts of God, inability to obtain labor or materials or reasonable substitutes for labor or materials, governmental restrictions, governmental regulations, governmental controls, judicial orders, enemy or hostile governmental action, civil commotion, fire or other casualty, or other causes beyond Consultant's reasonable control and not due to any act by Consultant.

15. Notices. Any notices, consents, requests, demands, bills, invoices, reports or other communications which either party may desire to give to the other party under this Agreement must be in writing and conclusively deemed effective: (a) on personal delivery, (b) on confirmed delivery by reputable document delivery service or courier service during Consultant's and City's regular business hours, or (c) five business days after deposit in the United States mail, by first class mail, postage prepaid, and addressed to the party to be notified as set forth below:

If to City:

Attn: Sharon Gallant, Env. Services & Trans. Mgr.
City of Covina
125 E. College Street
Covina, California 91723

If to Consultant:

Kevin Sales, Principal
KJServices Environmental Consulting
9020 Hornby Avenue
Whittier, California 90603

16. Non-Discrimination and Equal Employment Opportunity. In the performance of this Agreement, Consultant shall not discriminate against any employee, subcontractor or applicant for employment because of race, color, religious creed, sex, gender, gender identity, gender expression, marital status, national origin, ancestry, age, physical disability, mental disability, medical condition, genetic information, sexual orientation or other basis prohibited by law. Consultant will take affirmative action to ensure that subcontractors and applicants are employed, and that employees are treated during employment, without regard to their race, color, religious creed, sex, gender, gender identity, gender expression, marital status, national origin, ancestry, age, physical disability, mental disability, medical condition, genetic information or sexual orientation.

17. Prohibition of Assignment and Delegation. Consultant shall not assign any of its rights or delegate any of its duties under this Agreement, either in whole or in part, without City's prior written consent. City's consent to an assignment of rights under this Agreement shall not release

Consultant from any of its obligations or alter any of its primary obligations to be performed under this Agreement. Any attempted assignment or delegation in violation of this Section 17 shall be void and of no effect and shall entitle City to terminate this Agreement. As used in this Section 17, “assignment” and “delegation” means any sale, gift, pledge, hypothecation, encumbrance or other transfer of all or any portion of the rights, obligations, or liabilities in or arising from this Agreement to any person or entity, whether by operation of law or otherwise, and regardless of the legal form of the transaction in which the attempted transfer occurs.

18. No Third Party Beneficiaries Intended. Except as otherwise provided in Section 9, this Agreement is made solely for the benefit of the parties to this Agreement and their respective successors and assigns, and no other person or entity may have or acquire a right by virtue of this Agreement.

19. Waiver. No delay or omission to exercise any right, power or remedy accruing to City under this Agreement shall impair any right, power or remedy of City, nor shall it be construed as a waiver of, or consent to, any breach or default. No waiver of any breach, any failure of a condition, or any right or remedy under this Agreement shall be (1) effective unless it is in writing and signed by the party making the waiver, (2) deemed to be a waiver of, or consent to, any other breach, failure of a condition, or right or remedy, or (3) deemed to constitute a continuing waiver unless the writing expressly so states.

20. Exhibits. Exhibits A and B, constitute a part of this Agreement and are incorporated into this Agreement by this reference. If any inconsistency exists or arises between a provision of this Agreement and a provision of any exhibit, the provisions of this Agreement shall control.

21. Entire Agreement. This Agreement and all exhibits referred to in this Agreement constitute the final, complete and exclusive statement of the terms of the agreement between the parties pertaining to the subject matter of this Agreement and supersede all other prior or contemporaneous oral or written understandings and agreements of the parties. No party has been induced to enter into this Agreement by, nor is any party relying on, any representation or warranty except those expressly set forth in this Agreement.

22. Amendment of Agreement. This Agreement may be amended only by a writing signed by both parties. The City Manager is authorized to sign an amendment to this Agreement on the City Council’s behalf and without the City Council’s prior approval to make the following non-substantive modifications to the Agreement: (a) name changes; (b) extensions of time; (c) non-monetary changes in the scope of work; and (d) termination of the Agreement.

23. Headings. The headings in this Agreement are included solely for convenience of reference and shall not affect the interpretation of any provision of this Agreement or any of the rights or obligations of the parties to this Agreement.

24. Word Usage. Unless the context clearly requires otherwise, (a) the words “shall,” “will” and “agrees” are mandatory and “may” is permissive; (b) “or” is not exclusive; and (c) “includes” or “including” are not limiting.

25. Time of the Essence. Time is of the essence in respect to all provisions of this Agreement that specify a time for performance; provided, however, that the foregoing shall not be construed to limit or deprive a party of the benefits of any grace or use period allowed in this Agreement.

26. Governing Law and Choice of Forum. This Agreement, and any dispute arising from the relationship between the parties to this Agreement, shall be governed by and construed in accordance with the laws of the State of California, except that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be applied in interpreting this Agreement. Any dispute that arises under or relates to this Agreement (whether contract, tort or both) shall be resolved in a municipal, superior or federal court with geographic jurisdiction over the City of Covina.

27. Attorneys' Fees. In any litigation or other proceeding by which on party seeks to enforce its rights under this Agreement (whether in contract, tort or both) or seeks a declaration of any rights or obligations under this Agreement, the prevailing party shall be awarded reasonable attorneys' fees together with any costs and expenses, to resolve the dispute and to enforce the final judgment.

28. Severability. If a court of competent jurisdiction holds any provision of this Agreement to be illegal, invalid or unenforceable for any reason, the validity of and enforceability of the remaining provisions of this Agreement shall not be affected and continue in full force and effect.

29. Authority to Execute Agreement. The person or persons executing this Agreement on behalf of Consultant warrants and represents that he or she has the authority to execute this Agreement on behalf of the Consultant and has the authority to bind Consultant to the performance of its obligations hereunder.

The parties, through their duly authorized representatives, are signing this Agreement on the date stated in the introductory clause.

City:

City of Covina,
a California municipal corporation

By: _____
Name: _____
Title: _____

ATTEST:

By: _____
Name: Sharon F. Clark
Title: Chief Deputy City Clerk

APPROVED AS TO FORM:

By: _____
Name: Candice K. Lee
Title: City Attorney

Consultant:

KJServices Environmental Consulting
a sole proprietorship as an independent
contractor

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

*(Two signatures of corporate officers required
for corporations under Corporations Code
Section 313, unless corporate documents
authorize only one person to sign this
Agreement on behalf of the corporation.)*

EXHIBIT A
APPROVED FEE SCHEDULE

USED OIL BUDGET SUMMARY BY TASK BY YEAR

FY 16/17

TASK #1 – USED OIL COLLECTION CENTERS	\$2,400
TASK #2 – COMMUNITY FILTER EXCHANGE EVENT	\$3,800
TASK #3 – PROGRAM ADMINISTRATION	\$1,600
FY 16/17 PROGRAM EXPENSE	\$7,800

FY 17/18

TASK #1 – USED OIL COLLECTION CENTERS	\$2,550
TASK #2 – COMMUNITY FILTER EXCHANGE EVENT	\$4,000
TASK #3 – PROGRAM ADMINISTRATION	\$1,700
FY 17/18 PROGRAM EXPENSE	\$8,250

FY 18/19

TASK #1 – USED OIL COLLECTION CENTERS	\$2,700
TASK #2 – COMMUNITY FILTER EXCHANGE EVENT	\$4,200
TASK #3 – PROGRAM ADMINISTRATION	\$1,800
FY 18/19 PROGRAM EXPENSE	\$8,700

Optional year 1 and 2 **\$8,700 per year**
(FY 19/20 and FY 20/21)

EXHIBIT B
SCOPE OF SERVICE

WORK PLAN

TASK #1 –USED OIL COLLECTION CENTERS

In order to maintain an effective and viable used oil collection center network, KJServices staff will complete the following:

- Verify the continuing participation of the four existing Covina businesses registered as Certified Used Oil Collection Centers (CCCs) listed below. This verification will include quarterly on-site visits to each Center to check on their participation and adherence to all the Used Oil program regulations (signs posted, accepting oil from the public, offering the \$.10 per quart rebate, etc). During these visits staff will also answer any questions the operators have and help them with any program related problems they may be experiencing. KJServices staff will use the visit to complete the CalRecycle required Site Visit Report for inclusion with the City's annual report.

As part of these site visits, KJServices staff will pick up a supply of City-provided used oil recycling containers, the quantity to be determined by the City, and will deliver them to each of the Certified Centers. Deliveries of used oil containers will occur three times during the contract period.

Participating Certified Collection Centers:

AutoZone - 1445 N. Citrus Ave.

Grand Auto Care - 744 N. Grand Ave.

O'Reilly Auto Parts - 501 N. Azusa Ave.

Pep Boys - 1240 N. Azusa Ave.

KJServices staff will maintain an accurate listing of the City's used oil collection centers in the nation-wide Earth's 911 (1800CLEANUP and www.1800CLEANUP.org) environmental database. The Earth's 911 database will allow Covina residents to quickly and easily find their nearest used oil collection center. KJServices will also notify CalRecycle of any changes in the status of the City's Certified Centers and ensure that any changes are correctly reflected on their CCC database.

COST - \$2,400

KJServices staff – 30 hours @ \$80/hr

TASK #2 –COMMUNITY FILTER EXCHANGE EVENTS

Based on the success of this year's event, and to continue to increase public awareness of the benefits of recycling used oil filters, and to build greater community awareness of the City's Used Oil Recycling Program, KJServices staff will schedule, advertise and conduct two (2) Used Oil Collection and Filter Exchange events at locations selected from the four CCCs listed in Task #1. At these events the public will be encouraged to bring their used motor oil as well as their used oil filters. Residents that bring in their used oil filter, will receive a voucher for one free oil filter on the day of the event. The maximum number of free filters that a resident can receive will be 2.

KJServices staff will coordinate the event with the selected Certified Collection Centers, making sure to get corporate and property management approval, as necessary, along with City approval. KJServices will also arrange for advertisement at least a week prior to the event with the *Red Plum* mailer. The ad will be submitted to the City for approval before going to print.

If desired by the City, KJServices will create a bilingual flyer based on the Red Plum advertisement and deliver 9,300 copies to the Athens Disposal to distribute via their billing insert program.

KJServices staff will also promote the events through announcements and flyers placed on the City's website, Facebook, and notices to local Covina community, civic, and other appropriate groups and organizations.

KJServices will also create a voucher coupon, customized for the event, to use on the day of the event. Staff will set up the event booth with appropriate signage and educational materials to give to all participants. Staff will work with the host business to assure that foot traffic in and out of the store is not hindered.

The events will run for four (4) hours, normally 9 am until 1 pm. The actual hours will be determined in conjunction with the store management and the City.

KJServices staff will distribute used oil recycling containers and oil change items such as shop towels, funnels, and filter bags as the City requests. These items will be provided by the City from their stock on-hand.

At the end of each event, KJServices staff will take down the booth, tally the amount of visitors and how many filters were brought in for exchange, and make sure the area is devoid of any oil spills or litter. The cost of the new filters will be billed to the City directly by the participating CCC. A post event summary report will be prepared and submitted to the City within one week of the event date.

COST - \$3,800

KJServices – 40 hrs @ \$80/hr = \$3,200

Ad and flyer development, editing and production - \$500

1/4 page advertisement in the *Red Plum*, 1 ad per event (cost to be paid directly by the City of Covina)

Event Flyer billing insert (9,300 copies as requested - cost to be paid directly by the City of Covina)

Event Posters - \$100

TASK #3– PROGRAM ADMINISTRATION

This task will include those activities needed to administer the grant on behalf of the City. Activities will include preparation of required documents or updates to CalRecycle, assisting the Certified Centers with administrative compliance issues, and preparation of required

yearly annual report. Regularly scheduled update meetings will also be held with city staff to keep them informed of the progress of the grant tasks.

Cost - \$1,600

KJServices – 20 hrs @ \$80/hr = \$1,600



CITY OF COVINA

AGENDA REPORT

ITEM NO. CC 7

MEETING DATE: October 20, 2016

TITLE: Urban Water Management Plan – Proposed Professional Services Agreement with Stetson Engineers Inc. for the Development of the 2015 Urban Water Management Plan

PRESENTED BY: Siobhan Foster, Director of Public Works

RECOMMENDATION: Authorize the Interim City Manager to execute the attached Professional Services Agreement with Stetson Engineers Inc. for the Development of the 2015 Urban Water Management Plan in an amount not-to-exceed \$24,000.

BACKGROUND:

On July 19, 2016, the City Council adopted Resolution No. 16-7504 approving the FY 2017-2021 Capital Improvement Program (CIP) and the FY 2017 CIP Budget. The FY 2017 CIP Budget includes \$35,000 in Water Utility Administration funding for the Urban Water Management Plan project, which provides an update of the City's UWMP. UWMPs are prepared by California's urban water suppliers to support their long term resource planning and ensure adequate supplies are available to meet existing and future water demands.

The Urban Water Management Planning Act adopted in 1983, requires every urban water supplier that either provides over 3,000 acre-feet of water annually or services more than 3,000 urban connections, to assess the reliability of its water sources over a 20-year planning horizon and report its progress on 20% reduction in per-capita urban water consumption by the year 2020, as required in the Water Conservation Bill of 2009 (SBX7-7). The plans must be prepared every 5 years and submitted to the Department of Water Resources (DWR). DWR staff reviews the submitted plans to make sure they have completed the requirements identified in the Water Code, Section §10608-10656, then submits a report to the Legislature summarizing the status of the plans. While multiple staffing vacancies within the Department of Public Works precluded submission of the document by the June 30, 2016 deadline, the 2015 UMWP will be submitted to DWR in winter 2017.

DISCUSSION:

On August 31, 2016, the Department of Public Works issued the attached Request for Proposals (RFP) to 20 professional consulting firms with extensive experience in the development of UWMPs and whose previous UWMP submittals have all been approved by the State. The RFP was also posted on the City's webpage. By 4 p.m. on September 22, 2016, the City of Covina City Clerk's Office had received responses from five firms.

A review committee consisting of Siobhan Foster, Director of Public Works, Sharon Gallant, Environmental Services and Transportation Manager, and Kevin Ko, Transportation Coordinator, reviewed and evaluated the five proposals received by the City. Proposal review focused on the following criteria, as outlined in the RFP:

- A. Organization (20 points). Does the firm offer the breadth and quality of services required for the services listed in the Scope of Services? Does the firm’s organizational structure show sufficient depth/capacity for its present and additional workload?
- B. Project understanding/project approach (25 points). The firm’s proposal adequately demonstrates an understanding and experience in preparing UWMPs, which is documented in its proposal. In addition, the consultant has experience in conducting data analysis and calculations required by the DWR Guidebook. This understanding can be demonstrated in various manners, including but not limited to, the firm’s successful completion of the UWMPs for other cities in accordance with the DWR Guidebook and identification of critical issues to the project and methods to address those issues to ensure timely and on budget completion of the project.
- C. Experience (25 points). The firm’s expertise and professional qualifications with similar work. Qualifications of the firm and individuals assigned to perform the work.
- D. Project schedule (30 points). The thoroughness of the project schedule: the firm’s ability to complete the project within the selected timeframe.

The review committee rated the proposals based on the above criteria. The following table summarizes the ranking of the proposals.

Table 1 – Summary of Proposal Ratings (*firms listed in alphabetical order*)

Firm	Organization (60 pts)	Understanding (75 pts)	Experience (75 pts)	Schedule (90 pts)	Total (300 pts)	Average	Rank
Civiltech Engineering Inc.	47	59	55	70	231	77	4
SA Associates	45	56	61	75	237	79	3
Stetson Engineers Inc.	53	47	71	73	244	83	2
West & Associates	39	49	42	80	210	70	5
Water System Consulting, Inc.	51	67	70	71	259	86	1*

**Upon review of the proposals, objections to the Professional Services Agreement were provided by several of the proposers. Staff reviewed the objections provided and determined that the objections of the highest rated proposer were not favorable to the City.*

Following the proposal evaluation, the Department of Public Works opened the cost proposal submitted by Stetson Engineers, Inc. and entered negotiations with the firm. The proposed Professional Services Agreement reflects the outcome of the successful negotiations between the City and Stetson Engineers, Inc. Stetson Engineers, Inc. is prepared to begin work upon contract approval by the City Council and subsequent contract execution.

Stetson Engineers Inc. is uniquely qualified to provide the requested services to Covina. Stetson Engineers Inc. is a civil, environmental, and agricultural engineering firm that specializes in a broad range of disciplines, including surface water hydrology and hydraulics, fluvial geomorphology, hydrogeology, geology, and geophysics. Since 1985, Stetson Engineers, Inc. has successfully completed 20 UWMP documents which were approved by the DWR, for a variety of cities and water districts. The project manager will be Mr. Kevin Smead, who will be supported by three staff members with expertise in water resource engineering, water supply plans, hydrologic studies, water rights, supply evaluation, Geographic Information Systems (GIS) mapping, and spatial analysis. Stetson Engineers Inc. also prepared the City of Covina's 2007 Water System Master Plan.

Key milestones of the Proposed Professional Services Agreement include the following:

Milestone	Date
Project Kickoff	October 25, 2016
Initial City Council Presentation (if desired)	January 4, 2017
Public Hearing/City Council Adoption	February 21, 2017
Submit Final 2015 UWMP to DWR	March 31, 2017

Although the failure to submit the 2015 UWMP to the DWR by June 30, 2016 will not result in any fines or violations, this does make the City ineligible for various State-administered water grants and loans, such as Safe Drinking Water (Proposition 81) and Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Prop 1) grant funds, until such time as the City submits and receives approval of the 2015 UWMP by the DWR.

Specifically, this prevents the City from applying for the next cycle of Prop 1 grant funds. The purpose of Prop 1 includes generating funding to address water quality, water supply and watershed protection, and restoration. The City plans to apply for Prop 1 funding once the Kahler Russell Park Stormwater Infiltration Regional EWMP Project has been conceptually designed.

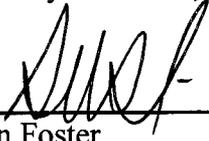
FISCAL IMPACT:

The fiscal impact associated with the proposed Professional Services Agreement with Stetson Engineers Inc. for development of the 2015 UWMP is an amount not-to-exceed \$24,000. Sufficient Water Utility Administration funding is available in the FY 2017 Department of Public Works budget (account no. 6010-5000-51005).

CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT):

The project has been reviewed for compliance with the California Environmental Quality Act (CEQA) and is exempt per Section 15061 (b) (3). The project is covered by the general rule that CEQA only applies to projects that have the potential for causing a significant effect on the environment.

Respectfully submitted,



 Siobhan Foster
 Director of Public Works

ATTACHMENTS:

Attachment A: Professional Services Agreement with Stetson Engineers Inc. for Preparation of the 2015 Urban Water Management Plan

Attachment B: Request for Proposals (RFP) for the Development of the 2015 Urban Water Management Plan (including Addendum #1)

Attachment C: Proposals Received in Response to Request for Proposals (RFP) for the Development of the 2015 Urban Water Management Plan (on file with the City Clerk)

PROFESSIONAL SERVICES AGREEMENT

This Professional Services Agreement (“Agreement”) is dated October 18, 2016 (“Effective Date”) and is between the City of Covina, a California municipal corporation (“City”) and Stetson Engineers Inc., a California corporation (“Consultant”). City and Consultant are sometimes individually referred to as “Party” and collectively as “Parties” in this Agreement.

RECITALS

A. City desires to utilize the services of Consultant as an independent contractor to develop the 2015 Urban Water Management Plan.

B. Consultant represents that it is fully qualified to perform such services by virtue of its experience and the training, education and expertise of its principals and employees.

C. City desires to retain Consultant and Consultant desires to serve City to perform these services in accordance with the terms and conditions of this Agreement.

The parties therefore agree as follows:

1. Term of Agreement. The term of this Agreement shall be from the Effective Date through April 30, 2016, unless sooner terminated as provided in Section 13 of this Agreement.

2. Compensation.

A. Compensation. As full compensation for Consultant’s services provided under this Agreement, City shall pay Consultant a sum not-to-exceed Twenty-four Thousand Dollars (\$24,000) (the “maximum compensation”), based on the hourly rates set forth in the Approved Fee Schedule, attached hereto as **Exhibit A**. Any terms in Exhibit A, other than the payment rates and schedule of payment, are null and void.

B. Expenses. The amount set forth in paragraph A shall include reimbursement for all actual and necessary expenditures reasonably incurred in the performance of this Agreement.

C. Additional Services. City shall not allow any claims for additional services performed by Consultant, unless the City Council and the Consultant Representative authorize the additional services in writing prior to Consultant’s performance of the additional services or incurrence of additional expenses. Any additional services or expenses authorized by the City Council shall be compensated at the rates set forth in **Exhibit A**, or, if not specified, at a rate mutually agreed to by the parties. City shall make payment for additional services and expenses in accordance with Section 4 of this Agreement.

3. Consultant's Services.

A. Scope of Services. Consultant shall perform the services described in the Scope of Services, attached as **Exhibit B**. City may request, in writing, changes in the scope of services to be performed. Any changes mutually agreed upon by the parties, and any increase or decrease in compensation, shall be incorporated by written amendments to this Agreement.

B. Party Representatives. For the purposes of this Agreement, the City Representative shall be the City Manager, or such other person designated in writing by the City Manager (the "City Representative"). For the purposes of this Agreement, the Consultant Representative shall be Stephen Johnson, President (the "Consultant Representative"). The Consultant Representative shall directly manage Consultant's services under this Agreement. Consultant shall not change the Consultant Representative without City's prior written consent.

C. Time for Performance. Consultant shall commence the services on the Effective Date and shall perform all services in conformance with the project timeline, attached hereto as

D. Standard of Performance. Consultant shall perform all services under this Agreement in accordance with the standard of care generally exercised by like professionals under similar circumstances and in a manner reasonably satisfactory to City.

E. Personnel. Consultant has, or will secure at its own expense, all personnel required to perform the services required under this Agreement. All of the services required under this Agreement shall be performed by Consultant or under its supervision, and all personnel engaged in the work shall be qualified to perform such services.

F. Compliance with Laws. The Consultant shall keep itself informed of all local, state and federal ordinances, laws and regulations which in any manner affect those employed by it or in any way affect the performance of its service pursuant to this Agreement. The Consultant shall at all times observe and comply with all such ordinances, laws and regulations. The City and its agents shall not be liable at law or in equity occasioned by failure of the Consultant to comply with this section.

G. Permits and Licenses. Consultant shall obtain and maintain during the Agreement term all necessary licenses, permits and certificates required by law for the provision of services under this Agreement, including a business license.

4. Method of Payment.

A. Invoices. Consultant shall submit to City an invoice, on a monthly basis or less frequently, for actual services performed pursuant to this Agreement. Each invoice shall itemize the services rendered during the billing period, hourly rates charged, if applicable, and the amount due. If City disputes any of Consultant's fees, it shall give written notice to Consultant within thirty (30) days of receipt of an invoice of any disputed fees set forth on the invoice.

B. Payment. City shall pay all undisputed invoice amounts within thirty (30) calendar days after receipt up to the maximum compensation set forth in Section 2 of this Agreement. City shall not withhold federal payroll, state payroll or other taxes, or other similar deductions, from payments made to Consultant. For all reimbursements authorized by this Agreement, Consultant shall provide receipts on all reimbursable expenses in excess of Fifty Dollars (\$50) in such form as approved by the Finance Director.

C. Audit of Records. Consultant shall make all records, invoices, time cards, cost control sheets and other records maintained by Consultant in connection with this agreement available during Consultant's regular working hours to City for review and audit by City.

5. Ownership of Documents. Upon completion of, or in the event of termination or suspension of this Agreement, all original documents, designs, drawings, maps, models, computer files containing data generated for the work, surveys, notes, and other documents prepared in the course of providing the services to be performed ("written products") pursuant to this Agreement shall become the sole property of the City without restriction or limitation upon its use and may be used, reused, disseminated or otherwise disposed of by the City without the permission of the Consultant. The City shall not be limited in any way in its use of the work materials at any time, provided that any such use not within the purposes intended by this Agreement shall be at the City's sole risk and without liability or legal exposure to the Consultant, and the City shall indemnify and hold harmless the Consultant from all claims, damages, losses and expenses, including attorney's fees, arising out of or resulting therefrom. With respect to computer files containing data generated for the work, Consultant shall make available to the City, upon reasonable written request by the City, the necessary electronic work files. Consultant may take and retain copies of the written products as desired, but the written products shall not be the subject of a copyright application by Consultant.

6. Independent Contractor.

A. Consultant is, and shall at all times remain as to City, a wholly independent contractor. The personnel performing the services under this Agreement on behalf of Consultant shall at all times be under Consultant's exclusive direction and control. Consultant shall have no power to incur any debt, obligation, or liability on behalf of City. 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 officers, agents or employees are in any manner employees of City.

B. No employee benefits shall be available to Consultant in connection with the performance of this Agreement. Except for the fees paid to Consultant as provided in the Agreement, City shall not pay salaries, wages, or other compensation to Consultant for performing services hereunder for City. City shall not be liable for compensation or indemnification to Consultant for injury or sickness arising out of performing services hereunder.

7. Confidentiality. All data, documents, discussion, or other information (collectively "data") developed or received by Consultant or provided for performance of this Agreement are deemed confidential. Consultant shall keep all data confidential and shall not disclose any data

to any person or entity without City's prior written consent. City shall grant such consent if disclosure is legally required. Consultant shall return all data to City upon the expiration or termination of this Agreement. Consultant's covenant under this Section 7 shall survive the expiration or termination of this Agreement.

8. Conflicts of Interest. Consultant and its officers, employees, associates and subcontractors, if any, shall comply with all conflict of interest statutes of the State of California applicable to Consultant's services under this Agreement, including the Political Reform Act (Gov. Code, § 81000 *et seq.*) and Government Code Section 1090. During the term of this Agreement, Consultant may perform similar services for other clients, but Consultant and its officers, employees, associates and subcontractors shall not, without the City Representative's prior written approval, 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 subcontractors to abstain from a decision under this Agreement pursuant to a conflict of interest statute. Consultant shall incorporate a clause substantially similar to this Section 8 into any subcontract that Consultant executes in connection with the performance of this Agreement.

9. Indemnification.

A. Indemnities for Third Party Claims.

1) To the fullest extent permitted by law, Consultant shall, at its sole cost and expense, defend, hold harmless and indemnify City and its elected officials, officers, attorneys, agents, employees, designated volunteers, successors, assigns and those City agents serving as independent contractors in the role of City officials (collectively "Indemnitees"), from and against any and all damages, costs, expenses, liabilities, claims, demands, causes of action, proceedings, expenses, judgments, penalties, liens and losses of any nature whatsoever, including fees of accountants, attorneys or other professionals, and all costs associated therewith, and the payment of all consequential damages (collectively "Liabilities"), in law or equity, whether actual, alleged or threatened, which arise out of, are claimed to arise out of, pertain to, or relate to the acts or omissions of Consultant, its officers, agents, servants, employees, subcontractors, materialmen, contractors or their officers, agents, servants or employees (or any entity or individual that Consultant shall bear the legal liability thereof) in the performance of this Agreement, including the Indemnitees' active or passive negligence, except for Liabilities arising from the sole negligence or willful misconduct of the Indemnitees, as determined by final arbitration or court decision or by the agreement of the parties. Consultant shall defend the Indemnitees in any action or actions filed in connection with any Liability with counsel of the Indemnitees' choice, and shall pay all costs and expenses, including all attorneys' fees and experts' costs actually incurred in connection with such defense. Consultant shall reimburse the Indemnitees for any and all legal expenses and costs incurred by Indemnitees in connection therewith.

2) Consultant shall pay all required taxes on amounts paid to Consultant under this Agreement, and 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 shall fully comply with the workers' compensation law regarding Consultant and Consultant's employees. Consultant shall indemnify and hold City harmless from any failure of Consultant to comply with applicable workers' compensation laws. City may 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 Subparagraph A. 2).

3) Consultant shall obtain executed indemnity agreements with provisions identical to those in this Section 9 from each and every subcontractor or any other person or entity involved by, for, with or on behalf of Consultant in the performance of this Agreement. If Consultant fails to obtain such indemnity obligations, Consultant shall be fully responsible and indemnify, hold harmless and defend the Indemnitees from and against any and all Liabilities in law or equity, whether actual, alleged or threatened, which arise out of, are claimed to arise out of, pertain to, or relate to the acts or omissions of Consultant's subcontractor, its officers, agents, servants, employees, subcontractors, materialmen, contractors or their officers, agents, servants or employees (or any entity or individual that Consultant's subcontractor shall bear the legal liability thereof) in the performance of this Agreement, including the Indemnitees' active or passive negligence, except for Liabilities arising from the sole negligence or willful misconduct of the Indemnitees, as determined by final arbitration or court decision or by the agreement of the parties.

B. Workers' Compensation Acts not Limiting. Consultant's indemnifications and obligations under this Section 9, or any other provision of this Agreement, shall not be limited by the provisions of any workers' compensation act or similar act. Consultant expressly waives its statutory immunity under such statutes or laws as to City, its officers, agents, employees and volunteers.

C. Insurance Requirements not Limiting. City does not, and shall not, waive any rights that it may possess against Consultant because of the acceptance by City, or the deposit with City, of any insurance policy or certificate required pursuant to this Agreement. The indemnities in this Section 9 shall apply regardless of whether or not any insurance policies are determined to be applicable to the Liability, tax, assessment, penalty or interest asserted against City.

D. Survival of Terms. Consultant's indemnifications and obligations under this Section 9 shall survive the expiration or termination of this Agreement.

10. Insurance.

A. Minimum Scope and Limits of Insurance. Consultant shall procure and at all times during the term of this Agreement carry, maintain, and keep in full force and effect, insurance as follows:

1) Commercial General Liability Insurance with a minimum limit of Two Million Dollars (\$2,000,000) per occurrence for bodily injury, personal injury and property damage and a general aggregate limit of Two Million Dollars (\$2,000,000) per project or location. If Consultant is a limited liability company, the commercial general liability coverage shall be amended so that Consultant and its managers, affiliates, employees, agents and other persons necessary or incidental to its operation are insureds.

2) Automobile Liability Insurance for any owned, non-owned or hired vehicle used in connection with the performance of this Agreement with a combined single limit of Two Million Dollars (\$2,000,000) per accident for bodily injury and property damage. If Consultant does not use any owned, non-owned or hired vehicles in the performance of services under this Agreement, Consultant shall obtain a non-owned auto endorsement to the Commercial General Liability policy required under Subparagraph A. 1) of this Section 10.

3) Workers' Compensation Insurance as required by the State of California and Employer's Liability Insurance with a minimum limit of One Million Dollars (\$1,000,000) per accident for bodily injury or disease. If Consultant has no employees while performing services under this Agreement, workers' compensation policy is not required, but Consultant shall provide an executed declaration that it has no employees.

4) Professional Liability Insurance or Errors and Omissions Insurance with minimum limits of Two Million Dollars (\$2,000,000) per claim and in aggregate.

B. Acceptability of Insurers. The insurance policies required under this Section 10 shall be issued by an insurer admitted to write insurance in the State of California with a rating of A:VII or better in the latest edition of the A.M. Best Insurance Rating Guide. Self insurance shall not be considered to comply with the insurance requirements under this Section 10.

C. Additional Insured. The commercial general and automobile liability policies shall contain an endorsement naming the City, its officers, employees, agents and volunteers as additional insureds.

D. Primary and Non-Contributing. The insurance policies required under this Section 10 shall apply on a primary non-contributing basis in relation to any other insurance or self-insurance available to City. Any insurance or self-insurance maintained by City, its officers, employees, agents or volunteers, shall be in excess of Consultant's insurance and shall not contribute with it.

E. Consultant's Waiver of Subrogation. The insurance policies required under this Section 10 shall not prohibit Consultant and Consultant's employees, agents or subcontractors from waiving the right of subrogation prior to a loss. Consultant hereby waives all rights of subrogation against City.

F. Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be approved by City. At City's option, Consultant shall either reduce or

eliminate the deductibles or self-insured retentions with respect to City, or Consultant shall procure a bond guaranteeing payment of losses and expenses.

G. Cancellations or Modifications to Coverage. Consultant shall not cancel, reduce or otherwise modify the insurance policies required by this Section 10 during the term of this Agreement. The commercial general and automobile liability policies required under this Agreement shall be endorsed to state that should the issuing insurer cancel the policy before the expiration date, the issuing insurer will endeavor to mail thirty (30) calendar days' prior written notice to City. If any insurance policy required under this Section 10 is canceled or reduced in coverage or limits, Consultant shall, within two (2) business days of notice from the insurer, phone, fax or notify City via certified mail, return receipt requested, of the cancellation of or changes to the policy.

H. City Remedy for Noncompliance. If Consultant does not maintain the policies of insurance required under this Section 10 in full force and effect during the term of this Agreement, or in the event any of Consultant's policies do not comply with the requirements under this Section 10, City may either immediately terminate this Agreement or, if insurance is available at a reasonable cost, City may, but has no duty to, take out the necessary insurance and pay, at Consultant's expense, the premium thereon. Consultant shall promptly reimburse City for any premium paid by City or City may withhold amounts sufficient to pay the premiums from payments due to Consultant.

I. Evidence of Insurance. Prior to the performance of services under this Agreement, Consultant shall furnish City's Risk Manager with a certificate or certificates of insurance and all original endorsements evidencing and effecting the coverages required under this Section 10. The endorsements are subject to City's approval. Consultant may provide complete, certified copies of all required insurance policies to City. Consultant shall maintain current endorsements on file with City's Risk Manager. Consultant shall provide proof to City's Risk Manager that insurance policies expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Consultant shall furnish such proof at least two (2) weeks prior to the expiration of the coverages.

J. Indemnity Requirements not Limiting. Procurement of insurance by Consultant shall not be construed as a limitation of Consultant's liability or as full performance of Consultant's duty to indemnify City under Section 9 of this Agreement.

K. Subcontractor Insurance Requirements. Consultant shall require each of its subcontractors that perform services under this Agreement to maintain insurance coverage that meets all of the requirements of this Section 10.

11. Mutual Cooperation.

A. City's Cooperation. City shall provide Consultant with all pertinent data, documents and other requested information as is reasonably available for Consultant's proper performance of the services required under this Agreement.

B. Consultant's Cooperation. In the event any claim or action is brought against the City relating to Consultant's performance or services rendered under this Agreement, Consultant shall render any reasonable assistance that City requires.

12. Records and Inspections. Consultant shall maintain full and accurate records with respect to all matters covered under this Agreement for a period of five (5) years. Consultant shall, without charge, provide City with access to the records during normal business hours. City may examine and audit the records and make transcripts therefrom, and inspect all program data, documents, proceedings and activities.

13. Termination or Suspension of Agreement.

A. Right to Terminate or Suspend. City may terminate or suspend this Agreement at any time, at will, for any reason or no reason, after giving written notice to Consultant at least seven (7) calendar days before the termination or suspension is to be effective. Consultant may terminate this Agreement at any time, at will, for any reason or no reason, after giving written notice to City at least sixty (60) calendar days before the termination is to be effective.

B. Obligations upon Termination. Consultant shall cease all work under this Agreement on or before the effective date of termination specified in the notice of termination. In the event of City's termination of this Agreement due to no fault or failure of performance by Consultant, City shall pay Consultant based on the percentage of work satisfactorily performed up to the effective date of termination. In no event shall Consultant be entitled to receive more than the amount that would be paid to Consultant for the full performance of the services required by this Agreement.

14. Force Majeure. Consultant shall not be liable for any failure to perform its obligations under this Agreement if Consultant presents acceptable evidence, in City's sole judgment, that such failure was due to strikes, lockouts, labor disputes, embargoes, acts of God, inability to obtain labor or materials or reasonable substitutes for labor or materials, governmental restrictions, governmental regulations, governmental controls, judicial orders, enemy or hostile governmental action, civil commotion, fire or other casualty, or other causes beyond Consultant's reasonable control and not due to any act by Consultant.

15. Notices. Any notices, consents, requests, demands, bills, invoices, reports or other communications which either party may desire to give to the other party under this Agreement must be in writing and conclusively deemed effective: (a) on personal delivery, (b) on confirmed delivery by reputable document delivery service or courier service during Consultant's and City's regular business hours, or (c) five business days after deposit in the United States mail, by first class mail, postage prepaid, and addressed to the party to be notified as set forth below:

If to City:
Attn: Sharon Gallant, Env. Services & Trans. Mgr.
City of Covina
125 E. College Street|
Covina, California 91723

If to Consultant:
Attn: Stephen B. Johnson, P.E.
Stetson Engineers, Inc.
861 Village Oaks Drive, Suite 100
Covina, California 91724

16. Non-Discrimination and Equal Employment Opportunity. In the performance of this Agreement, Consultant shall not discriminate against any employee, subcontractor or applicant for employment because of race, color, religious creed, sex, gender, gender identity, gender expression, marital status, national origin, ancestry, age, physical disability, mental disability, medical condition, genetic information, sexual orientation or other basis prohibited by law. Consultant will take affirmative action to ensure that subcontractors and applicants are employed, and that employees are treated during employment, without regard to their race, color, religious creed, sex, gender, gender identity, gender expression, marital status, national origin, ancestry, age, physical disability, mental disability, medical condition, genetic information or sexual orientation.

17. Prohibition of Assignment and Delegation. Consultant shall not assign any of its rights or delegate any of its duties under this Agreement, either in whole or in part, without City's prior written consent. City's consent to an assignment of rights under this Agreement shall not release Consultant from any of its obligations or alter any of its primary obligations to be performed under this Agreement. Any attempted assignment or delegation in violation of this Section 17 shall be void and of no effect and shall entitle City to terminate this Agreement. As used in this Section 17, "assignment" and "delegation" means any sale, gift, pledge, hypothecation, encumbrance or other transfer of all or any portion of the rights, obligations, or liabilities in or arising from this Agreement to any person or entity, whether by operation of law or otherwise, and regardless of the legal form of the transaction in which the attempted transfer occurs.

18. No Third Party Beneficiaries Intended. Except as otherwise provided in Section 9, this Agreement is made solely for the benefit of the parties to this Agreement and their respective successors and assigns, and no other person or entity may have or acquire a right by virtue of this Agreement.

19. Waiver. No delay or omission to exercise any right, power or remedy accruing to City under this Agreement shall impair any right, power or remedy of City, nor shall it be construed as a waiver of, or consent to, any breach or default. No waiver of any breach, any failure of a condition, or any right or remedy under this Agreement shall be (1) effective unless it is in writing and signed by the party making the waiver, (2) deemed to be a waiver of, or consent to, any other breach, failure of a condition, or right or remedy, or (3) deemed to constitute a continuing waiver unless the writing expressly so states.

20. Exhibits. Exhibits A, B, and C constitute a part of this Agreement and are incorporated into this Agreement by this reference. If any inconsistency exists or arises between a provision of this Agreement and a provision of any exhibit, the provisions of this Agreement shall control.

21. Entire Agreement. This Agreement and all exhibits referred to in this Agreement constitute the final, complete and exclusive statement of the terms of the agreement between the parties pertaining to the subject matter of this Agreement and supersede all other prior or contemporaneous oral or written understandings and agreements of the parties. No party has been induced to enter into this Agreement by, nor is any party relying on, any representation or warranty except those expressly set forth in this Agreement.

22. Amendment of Agreement. This Agreement may be amended only by a writing signed by both parties. The City Manager is authorized to sign an amendment to this Agreement on the City Council's behalf and without the City Council's prior approval to make the following non-substantive modifications to the Agreement: (a) name changes; (b) extensions of time; (c) non-monetary changes in the scope of work; and (d) termination of the Agreement.

23. Headings. The headings in this Agreement are included solely for convenience of reference and shall not affect the interpretation of any provision of this Agreement or any of the rights or obligations of the parties to this Agreement.

24. Word Usage. Unless the context clearly requires otherwise, (a) the words "shall," "will" and "agrees" are mandatory and "may" is permissive; (b) "or" is not exclusive; and (c) "includes" or "including" are not limiting.

25. Time of the Essence. Time is of the essence in respect to all provisions of this Agreement that specify a time for performance; provided, however, that the foregoing shall not be construed to limit or deprive a party of the benefits of any grace or use period allowed in this Agreement.

26. Governing Law and Choice of Forum. This Agreement, and any dispute arising from the relationship between the parties to this Agreement, shall be governed by and construed in accordance with the laws of the State of California, except that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be applied in interpreting this Agreement. Any dispute that arises under or relates to this Agreement (whether contract, tort or both) shall be resolved in a municipal, superior or federal court with geographic jurisdiction over the City of Covina.

27. Attorneys' Fees. In any litigation or other proceeding by which one party seeks to enforce its rights under this Agreement (whether in contract, tort or both) or seeks a declaration of any rights or obligations under this Agreement, the prevailing party shall be awarded reasonable attorneys' fees together with any costs and expenses, to resolve the dispute and to enforce the final judgment.

28. Severability. If a court of competent jurisdiction holds any provision of this Agreement to be illegal, invalid or unenforceable for any reason, the validity of and enforceability of the remaining provisions of this Agreement shall not be affected and continue in full force and effect.

29. Authority to Execute Agreement. The person or persons executing this Agreement on behalf of Consultant warrants and represents that he or she has the authority to execute this Agreement on behalf of the Consultant and has the authority to bind Consultant to the performance of its obligations hereunder.

The parties, through their duly authorized representatives, are signing this Agreement on the date stated in the introductory clause.

City:

City of Covina,
a California municipal corporation

Consultant:

Stetson Engineers Inc.,
a California Corporation

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

ATTEST:

By: _____
Name: _____
Title: _____

By: _____
Name: Sharon F. Clark
Title: Chief Deputy City Clerk

(Two signatures of corporate officers required for corporations under Corporations Code Section 313, unless corporate documents authorize only one person to sign this Agreement on behalf of the corporation.)

APPROVED AS TO FORM:

By: _____
Name: Candice K. Lee
Title: City Attorney

EXHIBIT A
APPROVED FEE SCHEDULE



COST PROPOSAL

TO

CITY OF COVINA

FOR

2015

URBAN WATER MANAGEMENT PLAN

SEPTEMBER 22, 2016



861 Village Oaks Drive, Suite 100 • Covina, California 91724
Phone: (626) 967-6202 • FAX: (626) 331-7065 • Web site: www.stetsonengineers.com

Northern California • Southern California • New Mexico • Arizona • Nevada • Colorado



M0909

September 22, 2016

Ms. Siobhan Foster
Director of Public Works
City of Covina
C/o City of Covina City Clerk's Office
125 E. College Street
Covina, CA 91723

Subject: Cost Proposal
2015 Urban Water Management Plan

Dear Ms. Foster:

Stetson Engineers Inc. (Stetson) is pleased to provide a Cost Proposal to the City of Covina (City) to prepare the 2015 Urban Water Management Plan (UWMP), in accordance with UWMP guidelines. The UWMP Work Proposal is submitted separately.

The enclosed Cost Proposal consists of a "not-to-exceed" budget of \$21,000, to prepare the draft and final UWMP. In addition, there is a not-to-exceed budget of \$3,000 for presentation of the UWMP in up to two (2) City Council meetings. The total not-to-exceed budget is \$24,000 (\$21,000 + \$3,000). Other costs associated with expenses such as travel to the City's office for meetings (mileage) and document reproduction (draft and final) are included in the total budget. Stetson's Fee Rate Schedule is also enclosed.

The enclosed Cost Proposal has been prepared following the requirements of the Request for Proposal and is a firm offer for a 90-day period.

Thank you for considering Stetson's Cost Proposal, in conjunction with the separately-submitted Work Proposal to prepare the City's 2015 Urban Water Management Plan.

Sincerely,

Stephen B. Johnson, P.E.
President
Stetson Engineers Inc.



**STETSON ENGINEERS INC.
PROJECT BUDGET AND STAFF ALLOCATION
CITY OF COVINA
2015 URBAN WATER MANAGEMENT PLAN UPDATE**

STETSON PROPOSAL \$ 24,000
Total Cost:

Task	Task 1 Kick-Off Meeting	Task 2 Data Analysis and Evaluation	Task 3 Information and Data Collection	Task 4 Water Demand Projection	Task 5 City Council Presentations	Task 6 First Draft Report	Task 7 Second Draft Report	Task 8 Final Plan	Task 9 Submittals	Task 10 Deliverables	Subtotal Hrs	Subtotal Cost
225	2	450	0	0	2	450	2	450	0	0	0	1,350
195	1	195	1	195	0	1,770	2	390	1	195	18	3,705
138	2	276	2	276	8	1,104	4	552	2	276	43	6,210
110	1	110	2	220	2	220	10	1,000	2	220	61	9,130
93	0	0	0	0	0	0	0	0	0	0	0	744
100	0	0	0	0	0	0	0	0	0	0	0	1,800
Sub Total	\$ 1,278	\$ 6,461	\$ 1,091	\$ 1,771	\$ 2,844	\$ 2,448	\$ 2,482	\$ 2,042	\$ 891	\$ 1,373		\$ 22,738
Expenses	\$ 100	\$ -	\$ -	\$ -	\$ 56	\$ -	\$ -	\$ -	\$ -	\$ 1,105		\$ 1,261
Total	7	1,378	6,461	1,091	1,771	2,448	2,482	2,042	16	891	12	\$ 24,000

Notes:
Reimbursable expenses include reproduction costs, mileage, computer charges, telephone and other expenses billed at cost on Fee Schedule.



861 Village Oaks Drive, Suite 100 • Covina, California 91724
 Phone: (626) 967-6202 • FAX: (626) 331-7065 • Web site: www.stetsonengineers.com

Northern California • Southern California • New Mexico • Arizona • Nevada • Colorado

Standard Fee Schedule (Effective January 1, 2014)

	\$\$ Per Hour
Principal	225
Special Project Director	225
Project Manager, Senior	195
Supervisor I	195
Supervising Soil Scientist	180
Supervisor II	180
Supervisor III	175
Senior I	154
Senior II	138
Senior III	127
Construction Manager	126
Construction Manager/Oversight	110
Senior Construction Inspector	110
Senior Field Geologist	126
Senior Associate	116
Associate I	110
Associate II	105
Associate III	100
Associate Soil Scientist	100
Senior Assistant	97
Assistant I	93
Assistant II	88
Assistant Soil Scientist	88
Assistant III	83
GIS Manager	110
GIS Specialist I	93
GIS Specialist II	83
Technical Illustrator	83
AutoCAD Technician	83
Soil Technician	73
Aide I	68
Aide II	58
Aide III	53
Project Coordinator I	127
Project Coordinator II	93
Project Coordinator III	83
Contract Management	95
Administrative I (word processing)	68
Administrative II	58
Administrative III	53

Direct Expense Rates

Expense Description	Billing Rate
Fax (In-House)	\$0.30/sheet
CAD (In-House)	\$15.00/hour
GIS Expense (In-House)	\$15.00/hour
Specialty Computer Expense (In-House)	\$5.00/hour
Mileage	\$./mile
Reproduction B & W (In-House)	\$0.15/sheet
Reproduction Color 8.5 x 11 (In-House)	\$0.89/sheet
Reproduction Color 11 x 17 (In-House)	\$1.89/sheet
Plotter Reproduction (In-House)	\$1.50/sq. ft.
4 x 4 Truck w/Drill Rig	\$150.00/day
Survey Equipment	\$120.00/day

*Mileage is billed at the current IRS approved mileage rate and may be subject to change.

All other project reimbursable expenses (i.e., telephone, commercial transportation, meals, lodging, postage, outside reproduction, etc.) will be billed at cost.

Note: Testimony fees are 150% of standard rates and apply to depositions, court time and time spent on standby at attorneys' request. Travel time and preparation time is charged at standard rates. Stetson Engineers Inc. authorizes only staff at associate classification or higher to testify as expert witnesses.

**EXHIBIT B
PROPOSAL**



WORK PROPOSAL

TO

CITY OF COVINA

FOR

2015

URBAN WATER MANAGEMENT PLAN

SEPTEMBER 22, 2016



861 Village Oaks Drive, Suite 100 • Covina, California 91724
Phone: (626) 967-6202 • FAX: (626) 331-7065 • Web site: www.stetsonengineers.com

Northern California • Southern California • New Mexico • Arizona • Nevada • Colorado



M0909

September 22, 2016

Ms. Siobhan Foster
Director of Public Works
City of Covina, C/o City of Covina City Clerk's Office
125 E. College Street
Covina, CA 91723

Subject: 2015 Urban Water Management Plan

Dear Ms. Foster:

Stetson Engineers Inc. (Stetson) is pleased to provide a Proposal to the City of Covina (City) to prepare the City's 2015 Urban Water Management Plan (UWMP), in accordance with UWMP guidelines. Stetson is prepared to commit the engineering professionals, support staff and equipment to provide the City with an up-to-date, comprehensive UWMP that meets all of the California Department of Water Resources' (DWR) requirements, and meet the needs of the City. The enclosed "Work Proposal" has been prepared to address the requirements of the UWMPs.

Stetson's experience with the City includes the preparation of the City's 2007 Water Master Plan, as well as numerous Consumer Confidence Reports (CCR's) prepared annually for the City since 2006. Stetson also has extensive experience with all of the City's sources of water. As Engineer for the Main San Gabriel Basin Watermaster, Stetson is aware the City's primary source of water supply is purchased water from Covina Irrigating Company, but also has a treated imported water connection through Three Valleys Municipal Water District.

Stetson specializes in all phases of water resources engineering, including water system design for complete distribution systems, pipelines, reservoir storage facilities, pumping stations, and water treatment facilities; water well design and development; and hydrogeological studies of groundwater basins. Our services include preparation of UWMPs; water supply assessments; water system valuations; water system master plans; computer modeling of water and wastewater distribution systems and groundwater basins; financial planning and analysis; and water rights valuations.

Stetson has broad experience in all aspects of water resource engineering, along with directly applicable experience based on past preparation of UWMPs. Stetson has prepared UWMPs for over 20 different clients since 1985 when the initial UWMPs were required. Stetson has also assisted with the preparation of the notice of Public Hearing and attendance in the Public Hearing. Stetson prepared the 2010 UWMP for over 15 clients. Stetson has also prepared 2015 UWMPs for 15 clients

consistent with the recommended organization provided in DWR's Final "Guidebook for Urban Water Suppliers", dated March 2016. In addition, Stetson submitted these 2015 UWMPs to DWR through DWR's on-line Water Use Efficiency Data Tool.

In addition to preparation of UWMPs, Stetson's experience in the following related areas will be valuable for preparation of the 2015 Update for the City:

- *Water Supply Assessments* – Stetson has prepared multiple water supply assessments pursuant to Senate Bill 610 (California Water Code Sections 10910-10915) and Senate Bill 221 (Government Code 66473.7), which analyze water demands, sources of supply, and reliability of the water supplies.
- *Water System Master Plans* – Stetson has prepared multiple water system master plans which analyze water quality requirements, water demands, sources of supply, and reliability of the water supplies.

The following contact information is provided:

- *Firm Name:* Stetson Engineers Inc.
- *Office Address:* 861 S. Village Oaks Drive, Suite 100
Covina, California 91724
- *Telephone:* (626) 967-6202
- *Facsimile:* (626) 331-7065
- *Corporate Officer
Authorized to Execute
Agreement:* Mr. Stephen B. Johnson
- *Primary Contact:* Mr. Kevin R. Smead
- *Email:* kevin@stetsonengineers.com

This Work Proposal will remain in effect for 90 calendar days from September 22, 2016.

Thank you for considering Stetson's Work Proposal and this opportunity to assist the City.

Sincerely,



Stephen B. Johnson, P.E.
President
Stetson Engineers Inc.

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LIST OF APPENDICES

APPENDIX A RESUMES

APPENDIX B PROJECT SCHEDULE

1. STATEMENT OF QUALIFICATIONS

Stetson Engineers Inc. (Stetson) was established by Thomas M. Stetson in 1957 as Thomas M. Stetson Civil and Consulting Engineers. In 1977, the company was incorporated as Stetson Engineers Inc. Stetson has offices located in Covina, Carlsbad, and San Rafael, California; and Centennial, Colorado. Stetson's staff consists of technical professionals with expertise in a broad range of relevant disciplines, including surface water hydrology and hydraulics; fluvial geomorphology; hydrogeology; geology; geophysics; and civil, environmental, and agricultural engineering.

Stetson specializes in all phases of water resources engineering, including water system design for complete distribution systems, pipelines, reservoir storage facilities, pumping stations, and water treatment facilities; water well design and development; and hydrogeological studies of groundwater basins. Stetson's include preparation of Urban Water Management Plans (UWMPs); preparation of water system valuations; water supply evaluations/ assessments; water system master plans; computer modeling of water and wastewater distribution systems and groundwater basins; financial planning and analysis; and water rights valuations.

PROJECT PERSONNEL

Stetson has assembled a project staff team that will provide the City with senior staff highly experienced in the preparation of UWMPs. Qualifications of project staff who will be working on the 2015 UWMP for the City are provided below, including current engagements and availability. Project Personnel resumes can be found in Appendix A of this proposal.

Stephen Johnson, P.E.

Principal-in-Charge

Mr. Johnson, President and a principal of Stetson, is the supervising engineer in charge of the Covina office and has over 38 years of experience. Mr. Johnson has been involved in UWMPs, water system analyses, water rights quantification and analysis, supplemental water requirement studies, alternative water supply studies, annual reports, water quality monitoring reports, groundwater management studies, and project feasibility studies. Mr. Johnson has extensive experience with municipal and water district level issues, having been working directly as Engineer for the Main San Gabriel Basin Watermaster and for several watersheds in southern California on such matters as water supply, water quality, management, and financing.

Kevin Smead, P.E.

Project Manager

Mr. Smead has over 35 years of experience in water resource engineering and UWMPs with an emphasis on water system valuation, water rights appraisal, groundwater basin management, water quality regulations and regulatory permitting. Mr. Smead has prepared and/or supervised the preparation of numerous UWMPs for over 20 clients since 1985. Mr. Smead will supervise the preparation of the 2015 UWMP.

Stan Chen, P.E.

Project Engineer

Mr. Chen has experience in water resource engineering including water supply assessments, water system master plans, water supply plans, hydrologic studies, water rights and supply evaluation, Drinking Water Source Assessment and Protection (DWSAP) Program Plans, and water quality studies. Mr. Chen was involved in the preparation of numerous 2010 and 2015 UWMPs.

Jenny Arevalo, E.I.T.

Project Engineer

Ms. Arevalo has been involved in numerous UWMPs, water system master plans, and water supply assessments and has analyzed water system operations. Ms. Arevalo was involved in the preparation of numerous 2010 and 2015 UWMPs.

Noah Wasserman,

GIS Specialist

Mr. Wasserman has been involved in GIS mapping and spatial analysis, including map/figure production and layout, analysis of vector and raster data (including aerial images), data management, online mapping and data applications, etc. He has worked extensively on present/historic irrigation aerial photography interpretation and image georeferencing. Mr. Wasserman is proficient in ArcGIS 10.2.2 and has received GIS Professional (GISP) certification.

EXPERIENCE AND REFERENCES

Urban Water Management Plans

Stetson has broad experience in all aspects of water resource engineering, along with directly applicable experience based on past preparation of UWMPs. Stetson has prepared UWMPs for over 20 different clients since 1985 when the initial UWMPs were required. Stetson has also assisted with the preparation of the notice of Public Hearing and attendance in the Public Hearing. In addition, Stetson has prepared UWMPs for the following public agencies which were approved by DWR on the first submittal:

- City of Arcadia (Approved by DWR: July 27, 2014)
- City of Bakersfield (Approved by DWR: July 28, 2014)
- City of Downey (Approved by DWR: September 19, 2013)
- City of Glendora (Approved by DWR: April 7, 2014)
- City of Lompoc (Approved by DWR: March 21, 2012)
- City of Manhattan Beach (Approved by DWR: March 21, 2014)
- City of San Jacinto (Approved by DWR: May 15, 2014)
- City of Sierra Madre (Approved by DWR: April 22, 2014)
- City of South Pasadena (Approved by DWR: March 25, 2014)
- San Gabriel Valley Municipal Water District (Approved by DWR: July 18, 2014)
- Upper San Gabriel Valley Municipal Water District (Approved by DWR: August 13, 2013)

List of References

Provided below is a list of references of public agency clients where Stetson has completed their 2015 UWMPs.

1. City of Glendora
Mr. Steve Patton
116 E. Foothill Blvd.
Glendora, CA 91741
(626) 914-8200

2. City of South Pasadena
Mr. Anteneh Tesfaye
1414 Mission Street
South Pasadena, CA 91030
(626) 441-4024

3. City of Arcadia
Mr. Tom Tait
11800 Goldring Road
Arcadia, CA 91066
(626) 256-6554

Other Relevant Expertise

City of Covina

Stetson is familiar with the City's operations and water distribution system through preparation of the City's 2007 Water System Master Plan. Stetson has also prepared numerous Consumer Confidence Reports (CCR) prepared annually for the City since 2006.

Main San Gabriel Basin Watermaster

Stetson serves as Engineer for the Main San Gabriel Basin Watermaster (Main Basin Watermaster). As Engineer, Stetson has unique knowledge of management of the Main Basin. Stetson has knowledge of production trends from the Main Basin, the management structure of the groundwater basin, and the supplemental (imported) water demands.

Water Supply Assessments

Stetson has prepared multiple water supply assessments pursuant to California Water Code Division 6, Part 2.10, Sections 10910-10915 (Water Supply Planning to Support Existing and Planned Future Use) and Government Code 66473.7 which analyze water demands, sources of supply, and reliability of the water supplies.

Recycled Water Projects

Stetson has analyzed recycled water demands, feasibility of the recycled water projects, and project design for multiple recycled water projects. Stetson has analyzed the use of advanced treated recycled water for groundwater replenishment.

Water System Master Plans

Stetson has prepared multiple water system master plans which analyze water quality requirements, water demands, sources of supply, reliability of the water supplies, and water system improvements.

2. PROJECT UNDERSTANDING AND APPROACH

The Urban Water Management Planning Act was established by Assembly Bill 797 in 1983 and has been amended on numerous occasions. In particular, Assembly Bill 11X amended the Urban Water Management Planning Act (UWMP Act) in 1991, by including a requirement for a Water Shortage Contingency Plan. Section 10631(b) has been expanded to require additional information on groundwater basin management and reliability of water supply. Sections 10631(h) and 10631(i) were added and require additional information on water supply projects, including the use of desalination. Emphasis on the potential use of recycled water is included in Section 10633. Assembly Bill 1420, which amended Section 10631.5 and added Section 10631.7 in 2007, requires the terms of an eligibility for any water management grant or loan from the California Department of Water Resources (DWR) to be conditioned on the implementation of the water demand management measures described in the UWMP.

In accordance with the UWMP Act, Sections 10617 and 10621, each urban water supplier providing water for municipal purposes either directly or indirectly to more than 3,000 customers or supplying more than 3,000 acre-feet of water annually, shall prepare, update and adopt its UWMP at least once every five years ending in five and zero.

An UWMP must include the following basic items:

- A description of the service area;
- A description of the existing and planned sources of supply and the reliability of those sources during an average year, a single dry year and multiple dry years;
- A description of existing groundwater management activities;
- A description of opportunities for exchanges or transfers of water;
- A description of historic and projected water use;
- A description of Demand Management Measures;
- A description of all water supply projects and water supply programs that may be undertaken to meet the total projected water use;
- A description of opportunities for development of desalinated water, including ocean water, brackish water, and groundwater, as a long-term supply;
- A discussion of an Urban Water Shortage Contingency Plan and analysis;
- A discussion of the opportunity to use recycled water; and
- A discussion of the quality of existing sources of water

Water suppliers are required to coordinate the preparation of the 2015 UWMP with other water suppliers and appropriate agencies in the area. All water suppliers are required to notify cities and counties in their service area of the opportunity to submit comments regarding the UWMP during the preparation. The urban water supplier is required to provide notification to cities and counties within which the supplier provides water supplies at least 60 days prior to a Public Hearing. Water suppliers are required to file their UWMPs, or amendments thereof, with the DWR, the California State Library, and any city or county within which the supplier provides water, no later than 30 days after adoption. UWMPs are reviewed by DWR staff to determine compliance with the

requirements of the Urban Water Management Planning Act. Results of the DWR review are provided to urban water suppliers through a review letter. A copy of the 2015 UWMP must be made available for public review during normal business hours within 30 days of submitting the UWMP to DWR.

In preparing the 2015 UWMP for the City, Stetson will ensure all changes to the UWMP Act are incorporated. Stetson will follow DWR's 2015 UWMP Guidebook to ensure all requirements of the Act are addressed. Stetson will incorporate the additional required information during preparation of the 2015 UWMP, including the following:

1. A Geographic Information System (GIS) map of the City's service area to assess compliance with the Water Conservation Act of 2009 (Senate Bill SBX7_7). A map with the service area, jurisdictional, and municipal boundaries will be included with the 2015 UWMP Update. An electronic, geospatial shape file (such as in the ArcGIS or KML format) version of the map will be included with the following metadata:
 - Map projection
 - Contact information to person that created the map
 - Information on boundary changes
 - Revision dates
 - Constraints
 - Attribute table explanation
 - Base (e.g. quadrangle, digitizing tablet, etc.)
2. Incorporate DWR's standardized tables.
3. Distribution system water losses will be quantified for the most recent 12-month period available.
4. Water suppliers are to calculate their actual 2015 water use (2014-15 fiscal or 2015 calendar year) to determine whether or not they have met their "2015 target water use" and to assess their progress toward meeting their "2020 target water use."
5. A water supplier may select a different Target Method (i.e. Senate Bill SBX7_7 calculation) in the 2015 UWMP than it selected in its 2010 UWMP. (Once the 2015 plan is submitted, the Target Method may not be changed in any amendments to the 2015 plan or in the 2020 plan.) If a water supplier did not use actual 2010 population data to calculate its Target Method, then the water supplier is required by DWR to recalculate its Target Method using actual 2010 population.
6. A narrative description of the water Demand Management Measures (DMMs) that will be implemented to achieve water use targets is required. The narrative will also need to address the nature and extent of each DMM implemented over the past five years, from 2010 through 2015.
7. Both the Governor's Executive Order of April 2015 and the Water Conservation Act of 2009 are in force. The requirements for the Water Conservation Act

(requiring 20 percent reduction by 2020) differ from the requirements in Governor Executive Order (requiring a reduction of 25 percent in urban water use). The Governor's Executive Order is a response to an immediate drought crisis. The Water Conservation Act addresses long-term resource planning.

8. DWR staff have indicated new requirements for groundwater management under the Sustainable Groundwater Management Act (SGMA) will not apply to the 2015 UWMPs. However, DWR's current efforts to identify overdrafted basins should be included.

SCOPE OF SERVICES

Mr. Kevin Smead will be assigned as the Project Manager and will act as the primary contact. Stetson will provide the following as part of our Scope of Work:

Task 1 – Kick-Off Meeting

Stetson will attend a kick-off meeting with City staff to define the project objectives, review and determine the schedule, and establish the approach and methodology that will be used to achieve the project objectives. Stetson will review background information and relevant data in support of the project. Stetson will provide City staff with a list of requested data necessary to prepare the 2015 UWMP.

Task 2 – Data Analysis and Evaluation

Stetson will review and prepare the service area and water supply characteristics. The City will provide a Geographical Information Systems (GIS) boundary map of the City. Stetson will incorporate the GIS map in DWR's on-line Population Tool (incorporating 2010 U.S. Census data) to determine historical population data. Projected population data will be based on information developed by the Southern California Association of Governments. Historical water consumption will be based on information provided by the City.

Stetson will quantify the reliable supply and projected demands under an average year, a single dry year and multiple dry years. Stetson will also provide an overview of the management and reliability of the City's water supplies (including groundwater and surface water from Covina Irrigating Company and surface water from Three Valleys Municipal Water District), as well as review the availability of recycled water in the San Gabriel Valley, and the potential for use by the City as a water resource.

Stetson will work with City staff to review the contents of the existing "Water Shortage Contingency Plan" to determine compliance with current provisions of the UWMP Act. Stetson will provide revisions to the existing Water Shortage Contingency Plan to be consistent with the existing drought and the recent emergency proclamations by the Governor.

Stetson will work with the City staff to identify all Demand Management Measures (DMMs) implemented by the City. Stetson will work with City staff to summarize the

DMMs goals and programs that have been implemented according to the DWR Guidebook. In addition, Stetson will provide a description of DMM programs anticipated to be implemented by the City over the ensuing five years. Stetson is prepared to make presentations to the City Council and public at the scheduled City Council meetings in conjunction with City staff, as described in Task 5 below.

Task 3 – Information and Data Collection

Following the kick-off meeting (see Task 1), Stetson will provide the City with a data request list. Items from the data request list will include historical water demands, user class information, Demand Management Measures information, water shortage contingency plan information, pipeline leak and water loss data, and current rate schedule.

Task 4 – Water Demand Projection

Stetson will utilize the information from Task 2 to develop water demand projections in five-year increments from 2015 through 2035. Stetson will estimate average gross water use (gallons per capita per day) based on historical water demands. Pursuant to Senate Bill SB X7_7 and DWR's 2015 UWMP Guidelines, Stetson will estimate the City's projected water use targets and demands.

Task 5 – City Council Presentations

Stetson will coordinate with City staff to present the draft water demand projections and UWMP to the City Council and public at a maximum of two (2) City Council meetings. Stetson will make any necessary adjustments to the demand projections and UWMP based on the input received and finalize the corresponding chapters of the UWMP. Stetson will also provide technical expertise and assist in answering questions posed at the City Council meetings, prepare and review draft and final agenda reports, as well as assist the City with City Council presentations.

Task 6 – First Draft Report

Based on the information prepared in Tasks 1 through 5 above, Stetson will prepare a First Draft UWMP and provide an electronic copy (Word 2010 format) to City staff. As discussed previously, Stetson will incorporate DWR's standardized tables during preparation of the 2015 UWMP. The tables will be included in the 2015 UWMP and will be prepared in a format suitable for submittal to DWR. If necessary, Stetson will coordinate with City staff to present the First Draft UWMP to the City Council and the public.

Task 7 – Second Draft Report

Based on comments provided by the City to the First Draft UWMP (see Task 6) Stetson will prepare the Second Draft UWMP. Stetson will submit nine (9) hard copies of the Second Draft UWMP to the City and an electronic copy (Word 2010 format) to the City. In addition, Stetson will provide electronic copies in a PDF format of the Second Draft

UWMP to five (5) local water agencies and seven (7) other public agencies designated by City staff. Stetson will also provide advance notification to these agencies prior to the public hearing (see Task 5).

Stetson will provide a Final Draft (of the Second Draft) UWMP to City staff in a Word 2010 format. The Final Draft (of the Second Draft) UWMP will be presented to the City Council and public during the public hearing (see Task 5).

Task 8 – Final Plan

As discussed in Task 5, Stetson will coordinate with City staff to present the Final Draft (of the Second Draft) UWMP to the City Council and public at the public hearing.

Stetson will prepare the adopted Final 2015 UWMP by incorporating comments from the public hearing and adding the adoption resolution. Stetson will obtain the City's approval of any revisions, prior to submittal of the Final 2015 UWMP to DWR (see Task 9).

Task 9 – Submittals

Stetson will assist the City to submit the adopted Final 2015 UWMP to DWR, relevant cities and counties, and the California State Library. As applicable, Stetson will complete the 2015 UWMP checklist and submit the UWMP electronically through DWR's Water Use Efficiency Data Tool website.

Task 10 – Deliverables

Second Draft UWMP – As discussed in Task 7, Stetson will prepare the Second Draft 2015 UWMP and submit one (1) electronic copy in PDF format to stakeholders (up to five (5) local water agencies and seven (7) other public agencies). Stetson will also provide nine (9) printed copies to the City and one (1) electronic version of the complete document in Microsoft Word 2010 file format.

Final UWMP – Stetson will prepare a Final 2015 UWMP, incorporating comments from the public hearing and including the resolution adopting the Final 2015 UWMP. Stetson will submit nine (9) printed copies and one (1) electronic copy in a Microsoft Word 2010 format and one (1) electronic copy in PDF format (with hyperlinked bookmarks connecting Table of Contents, Index and Text Chapters). As indicated in Task 9, Stetson will submit the Final 2015 UWMP to DWR, relevant cities and counties, and the California State Library.

3. OBJECTIONS TO PROFESSIONAL SERVICES AGREEMENT

Stetson has the following requested change to the City's Professional Services Agreement under Section 5, Ownership of Documents. Stetson requests the following clause be added after the first sentence:

"The City shall not be limited in any way in its use of the work materials at any time, provided that any such use not within the purposes intended by this Agreement shall be at the City's sole risk and without liability or legal exposure to the Consultant, and the City shall indemnify and hold harmless the Consultant from all claims, damages, losses and expenses, including attorney's fees, arising out of or resulting therefrom."

In addition, Stetson requests the following sentence be stricken from Section 5, Ownership of Document. It implies Stetson is to purchase software and hardware (computers) for the City.

~~*"With respect to computer files containing data generated for the work, Consultant shall make available to the City, upon reasonable written request by the City, the necessary computer software and hardware for purposes of accessing, compiling, transferring and printing computer files."*~~

4. PROJECT SCHEDULE

The proposed UWMP project schedule is provided in Appendix B and is summarized below. Stetson assumes a start date of October 19, 2016 and that a Final Draft 2015 UWMP will be provided to the City in January 2017. (These dates are provided for planning purposes and will be finalized at the kick-off meeting with the City staff.)

- Notice to Proceed: October 19, 2016
- Provide City with First Draft 2015 UWMP: Late December 2016
- Attend Initial City Council Meeting, if needed: January 2017

- Provide City with Final Draft 2015 UWMP: Late - January 2017
- **UWMP Public Hearing:** **February 21, 2017**

- Provide City with Final 2015 UWMP: Early March 2017
- Submit Final 2015 UWMP to DWR: Early March 2017

(Note: The Final 2015 UWMP will include a copy of the adopting Resolution.)

5. OTHER RELEVANT INFORMATION

INSURANCE REQUIREMENTS

Stetson maintains the following insurance coverage:

General Liability	\$1,000,000 per occurrence/\$2,000,000 aggregate
Professional Errors and Omissions	\$2,000,000 per claim /\$2,000,000 aggregate
Automobile Liability	\$1,000,000 per accident
Worker's Compensation	\$1,000,000 per accident
Umbrella coverage	\$3,000,000 per occurrence/\$3,000,000 aggregate

APPENDIX A

RESUMES



RESUMES

Name & Title: Steve Johnson, P.E., Vice President and Managing Principal	Project Assignment: Principal Engineer
Years of Experience with Firm 36	Years of Experience With Other Firms 0
Education: Degree(s) / Year / Specialization: B.S. Civil Engineering / 1977 / California Polytechnic University, Pomona	Registrations / Certifications: Civil Engineer No. 32396, California 1981
<p>Experience Record</p> <p>Mr. Johnson is Vice President and Managing Principal of the Covina office of Stetson Engineers. Mr. Johnson is responsible for all engineering operations performed by the firm's southern California office, in Covina, California. Mr. Johnson's extremely broad experience covers the southern California work for well over a quarter century. As a Managing Principal, Mr. Johnson is responsible for all corporate management functions and professional engineering support services. Mr. Johnson has represented Stetson for over 30 years, continuous.</p> <p>Mr. Johnson is a designated expert for purposes of water system and water rights evaluation and appraisal. This includes qualification in U.S. Federal Court as an expert under the Daubert rules of qualification. He has provided expert witness testimony on water system/water rights condemnation actions, groundwater contamination cases, and flood damage evaluations and assessments. Mr. Johnson's expertise has supported numerous water systems and water rights transactions and settlements. He has also provided expert witness testimony of the impacts and decision-making associated with water supply contamination, before the California Public Utilities Commission, Administration Law Judge.</p> <p>Mr. Johnson is the designated "Project Engineer" for implementing cleanup of the largest groundwater contamination site in the nation, under the U.S. Environmental Protection Agency's Superfund Program. Under this assignment, Mr. Johnson coordinates with the U.S. EPA, six different water purveyors, the Main San Gabriel Basin Watermaster, the San Gabriel Basin Water Quality Authority, and numerous Responsible Parties and their engineering/legal representatives. This assignment has a current value of \$250 to \$300 million and will produce over 35,000 acre-feet of treated, potable groundwater annually. Mr. Johnson's responsibilities include all phases of project planning, financing, coordination, regulatory compliance, design, contract solicitation, construction management, operations, and performance monitoring for contamination plume control and cleanup.</p> <p>As a predecessor to this assignment, Mr. Johnson supervised the planning, design, construction, operations, and regulatory approval of the first groundwater treatment facility in the United States to successfully treat for Perchlorate and NDMA for potable consumption. This facility was also the first groundwater treatment facility to be permitted for drinking water supply under the California Department of Health Services Policy 97-005 for impaired water supplies.</p> <p>Mr. Johnson represents several prominent water agencies as "Engineer". These agencies include the Main San Gabriel Basin Watermaster, the Upper San Gabriel Valley Municipal Water District, the San Gabriel Valley Municipal Water District, and the San Gabriel Basin Water Quality Authority. Typical assignments include safe yield studies, groundwater contamination characterization and remediation, design, construction management, rate assessment, water supply studies, and reports to the board.</p> <p>Since the early 1980s, Mr. Johnson has been heavily involved with engineering solutions to contamination of drinking water supplies. This work involves a wide range of experience and expertise, including site and regional characterization of soil and groundwater contamination, hydrogeologic studies, groundwater basin modeling, development of cleanup and water supply plans, remediation studies, development and full implementation of treatment projects, and coordination with all regulatory agencies. The contaminants of concern include volatile organic compounds (VOCs), Perchlorate, NDMA, 1-4-dioxane, Chromium and others. This work has been performed in full cooperation with the U.S. Environmental Protection Agency, the State Department of Toxic Substance Control, the Department of Health Services, the State Water Resources Control Board, and the Regional Water Quality Control Board.</p>	

Steve Johnson, Principal Engineer*(Continued)*

The following projects are representative of Mr. Johnson's experience:

City of Los Angeles, Department of Water and Power. Supplemental Water Study.

City of Los Angeles, Department of Water and Power. Hoover Dam Power Contracts.

Upper San Gabriel Valley Municipal Water District

- Supervision of District Engineering Duties
- Area Wide Water Quality Monitoring Plan
- AB 1803 Water Quality Monitoring Plan
- AB 797 Water Conservation Plan
- Feasibility Studies - Use of Reclaimed Water
- Supervision of EPA Superfund Sub-Contract
- Drought Studies
- Puente Hills Landfill Investigation
- District Mapping
- Reclaimed Water Study
- Direct Use Project

San Gabriel River Watermaster. Named one of the three Watermasters in 2011

City of Bakersfield

- Design of Turnout Structure - Kern River
- Design of Turnout Structure - Canal
- Water System Master Plan
- Review of New Development Plans
- Design of Box Culvert
- Acquisition of New Facilities
- Water System Operations Study

Santa Ynez River Water Conservation District

- Design of Reservoir Renovation
- Design of Lake Cachuma Intake Facility
- Design of Well Fields (6.0 cfs, 4.0 cfs and 1.73 cfs)
- Design of Booster Station
- Administration of State Loan and Grant
- Supervision of Cathodic Protection
- Design of Well No. 15 Pumping Equipment
- Lake Cachuma Intake Maintenance
- Zone III Reservoir Design

RESUMES

Steve Johnson, Principal Engineer

(Continued)

- Cachuma Pipeline Rehabilitation
- SWP Facilities Design

East Pasadena Water Company Design of Water Main Extensions for Fire Service.

Kaiser Steel Valuation of Water Related Holdings at Fontana Plant.

City of Solvang

- Design of Wells No. 7 and 8 Water Supply

San Gabriel Valley Municipal Water District

- Feasibility Study Hydroelectric Generation Stations
- Continuing Developer Interaction Responsibilities
- Supervision of Periodic Pipeline As-Built Updates
- Feasibility Study and Acquisition for Turnout Structure
- Transmission Pipeline Rehabilitation Project
- State Water Project Entitlement Report
- Urban Water Management Plans
- Pipeline Extension Project

City of Industry Master Plan of Development

Main San Gabriel Basin Watermaster

- Supervision of Engineering Duties
- Basin Water Quality Studies
- Basin Modeling
- Enforcement of Pumping Control
- Operable Unit Cleanup Plans
- BPOU Cleanup Project
- Full Compliance Permitting

Puente Basin Watermaster Supervision of Engineering Duties

Buellton Community Services District

- Water System Design
- Sewer System Design

City of Torrance Feasibility Study on Hydroelectric Generation

Mr. Riley Metz Site Drainage Study and Improvement

Mr. Redmond Flood Damage Study

Boy Scouts of America Flood Damage Study

Rapid Transit District Waste Discharge Study

Mr. Lapin Flood Damage Study

RESUMES

Steve Johnson, Principal Engineer

(Continued)

U.S. Department of Navy, Camp Pendleton

- Water System Study
- Water System Design

City of Claremont Representative on Proposed Quarry Development

Cabazon Water Company Valuation Study

HLM Water System Valuation Study

Citizens Utilities Company Valuation of Jackson Water Works

County of San Bernardino Safe Yield Study

Walsh v. State of California Flood Damage Study

Three Valleys Municipal Water District Subagency Report

Morongo Water System Valuation Study

La Quinta Water System Valuation Study

City of Ontario Flood Damage Study

Serrano Park Homeowners Association Flood Plain Improvements

California Department of Fish and Game Valuation of Water Rights at Indian Joe Spring

Sunnymead Ranch Lake Reconstruction

City of Livermore and California Water Service Trade of Service Areas – Arbitration

Sparkletts Water Water Supply Study

Cancun Racquet Club Subsidence Evaluation

East Highlands Ranch Water Rights and Consultation Work

Covina Irrigating Company Valuation

Hartman Farms (Ohio) Coordination of basin recharge with rock and sand operations

Turner Ranches Valuation of Sanitary System

City of Barstow

- Water Rights
- Mohave River Water Quality Evaluations
- Contaminant Investigations

City of Glendora Conjunctive Use Study

Lewis Homes Management Corp Water Resources and Supply Studies

City of Oceanside Water Resources Study

City of Upland Water Rights Evaluation

RESUMES

Steve Johnson, Principal Engineer

(Continued)

San Gabriel Basin Water Quality Authority

- Consulting Services
- Arrow Well Project
- Big Dalton Project
- Monrovia Project

City of Bullhead City, Wastewater Treatment Plant Evaluation

Azusa Valley Water Company Valuation

American Water Works, Well Design

City of Covina, Valuation of Covina Irrigating Company

Suburban Water Systems, Valuation of Facilities

City of Whittier Urban Water Plans

Lewis Homes, Monrovia Nursery Water Resources

Beverly Acres Mutual Water User's Association Valuation

Southern California Water Company, Staff Projects

City of Oceanside - Water Resources Study

Prado Dam Flood Damage - Perrizo

Chino Basin Watermaster - Engineering

Santa Margarita Water District - Appraisal

San Gabriel Valley Water Co. v. Sanitation Districts

Tri-Cities/Camp Pendleton - Economic Evaluation of Conjunctive Use Water Supply Project

Three Valleys Water District - General Engineering

San Gabriel River Water Committee - General Engineering

City of Beverly Hills - Water Distribution System Analysis

Valley County Water District - Urban Water Management Plan

Valley County Water District - General Engineering

Montebello Land and Water Company

City of Oceanside - Water Rights and System Modeling

City of Oxnard - Water Quality

Raymond Basin - Perchlorate Study

Star Kist Foods - Water Rights Evaluation

Orange County Water District - Prado Basin Constructed Wetlands

East Highlands Ranch - Water Supply

Elsinore Water District Well Interference

RESUMES

Steve Johnson, Principal Engineer

(Continued)

LPVCWD Perchlorate/NDMA Facility

Tejon Ranch Water/Sanitation

City of San Diego Studies

DHS Permitting - Policy 97-005

SEMOU Cleanup Plans

SCWC SEMOU Water

San Jacinto-Hemet Groundwater Management Plan

Baldwin Park Operable Unit – Groundwater Cleanup Project

San Gabriel Valley Water Company (SGVWC) – General Rate Case Filing Before the Public Utilities Commission for SGVWC's Fontana Water Company Division

People vs. Rosemead

CalTrans vs. San Antonio Lakes Partners, et al.

State of New Mexico, et al. vs. General Electric company

American States Water Company et al. vs. State of California et al., & Aerojet-General Corporation, et al.

Suburban Water Systems Rate Case before the Public Utilities Commission

Paulus Engineering, Inc. vs. Ridge Development, LLC

Summit Water Holdings, LLC/Harper Lake Basin

Villages of Avalon Community Association vs. Perris Public Utility Authority

People of the State of California and the City of San Diego vs. Kinder Morgan Energy Partners

Tahoe City Public Utility Districts vs. Tahoe Park Water Company; Lake Forest Water Company



RESUMES

Name & Title: Kevin Smead, P.E., Supervising Engineer	Project Assignment: Project Engineer
Years of Experience with Firm 32	Years of Experience with Other Firms 0
Education: Degree(s) / Year / Specialization: B.S. Civil Engineering / 1981 / California State Polytechnic University, Pomona	Registrations / Certifications: Civil Engineer No. 47859, California, 1991
<p>Experience Record</p> <p>Mr. Smead has been employed by Stetson Engineers Inc. since 1980. He has participated in many hydrologic investigations of ground-water basins in the southern California area. He specializes in ground-water supply investigations, ground-water basin management and ground-water quality protection.</p> <p>Upper San Gabriel Valley Municipal Water District</p> <ul style="list-style-type: none"> • Evaluate Impacts of Metropolitan Water District new rate structure. • Prepare study identifying existing and potential water recharge facilities. • Develop projections of future supplemental water requirements. <p>Tri-Cities Municipal Water District</p> <ul style="list-style-type: none"> • Evaluate impact of Metropolitan Water District new rate structure regarding proposed lease of basin storage. <p>Main San Gabriel Basin Watermaster</p> <ul style="list-style-type: none"> • Develop and administrate the water quality monitoring program for water companies following monitoring requirements in Title 22. • Participate in the development and implementation of the Five-Year Water Quality and Supply Plan. • Develop staff reports reviewing potential impacts on ground-water contamination as a result of drilling new wells. • Prepare the annual Operating Safe Yield report. • Prepare the Annual Report, which reviews each year's activities, water rights history and water use. • Supervise the meter testing program. • Prepare report on feasibility by use of Reclaimed Water for ground-water recharge. • Review effects of proposed rate structure of Metropolitan Water District of Southern California. • Study impacts to groundwater quality resulting from construction of new wells. <p>San Gabriel River Watermaster</p> <ul style="list-style-type: none"> • Prepare an Annual Report identifying usable surface flow, unusable outflow and subsurface flow across Whittier Narrows. <p>San Gabriel Valley Municipal Water District</p> <ul style="list-style-type: none"> • Prepare water supply study identifying long-term supplemental water requirements. <p>Water System Valuations</p> <ul style="list-style-type: none"> • Beverly Acres Mutual Water Users Association • City of Perris • City of Industry • City of Beverly Hills • County Water Company • Santa Margarita Water District 	

Kevin Smead, Project Engineer

(Continued)

Develop Urban Water Management Plans

- City of Whittier
- Upper San Gabriel Valley Municipal Water District
- San Gabriel Valley Municipal Water District
- Valley County Water District
- City of Azusa
- City of El Monte
- City of Arcadia
- City of Monterey Park
- Suburban Water Systems
- California Domestic Water Company
- City of South Pasadena
- Sunny Slope Water Company



RESUMES

Name & Title: Stan Chen, P.E., Civil Engineer	Project Assignment: Project Engineer
Years of Experience with Firm 14	Years of Experience with Other Firms 2
Education: Degree(s) / Year / Specialization: B.S. Environmental Engineering / 1999 / University of California, Berkeley M.S. Civil Engineering / 2000 / University of California, Los Angeles	Registrations / Certifications: E.I.T. No. 107911, State of California, July 9, 1999 P.E. No. 66883, State of California, June 25, 2004
<p>Experience Record</p> <p>Mr. Chen has experience in water resource engineering including water system master plans, water supply plans, hydrologic studies, water rights and supply evaluation, and water quality studies.</p> <p><u>San Gabriel Valley Water Company – Fontana Division</u></p> <ul style="list-style-type: none"> - Prepared a Comprehensive Master Plan for San Gabriel Valley Water Company's Fontana Division - Prepared Water Supply Assessment reports for San Gabriel Valley Water Company's Fontana Division regarding different specific plans <p><u>San Gabriel Basin Water Quality Authority</u></p> <ul style="list-style-type: none"> - Evaluated differences between granular activated carbon specifications and costs between vendors <p><u>Los Angeles County Local Agency Formation Commission</u></p> <ul style="list-style-type: none"> - Prepared a regional comprehensive water study of Santa Clarita Valley water purveyors <p><u>Newhall County Water District</u></p> <ul style="list-style-type: none"> - Prepared a Water Supply Assessment of the Santa Clarita Valley <p><u>Drinking Water Source Assessment and Protection Program</u></p> <ul style="list-style-type: none"> - Conducted groundwater assessments for approximately 200 sources in the Main San Gabriel Basin and Raymond Basin <p><u>San Luis Rey Indian Water Authority</u></p> <ul style="list-style-type: none"> - Prepared current and projected water supply and demand analysis - Investigated water rights to the San Luis Rey River <p><u>San Luis Obispo, California</u></p> <ul style="list-style-type: none"> - Conducted water rights evaluation and costs - Evaluated nitrate treatment technologies for contaminated groundwater <p><u>Copa de Oro, California</u></p> <ul style="list-style-type: none"> - Performed water conservation study for a 1,200 unit development <p><u>Southern California Water Company</u></p> <ul style="list-style-type: none"> - Performed region wide evaluation of system performance based upon water quality, system capacity, and reliability issues - Conducted groundwater rights/supply cost evaluation due to contamination <p><u>City of Arcadia, California</u></p> <ul style="list-style-type: none"> - Prepared a Water Supply Assessment for the City of Arcadia <p><u>City of Alhambra, California</u></p> <ul style="list-style-type: none"> - Prepared a Water Supply Assessment for the City of Alhambra 	



RESUMES

Stan Chen, Project Engineer

(Continued)

San Gabriel County Water District, California

- Prepared a Water Supply Assessment for the San Gabriel County Water District

Upland, California

- Performed Best Management Practice cost evaluation regarding stormwater runoff from a freeway into a residential development

Newport Beach, California.

- Evaluated hydraulic impacts of stormwater on property.



Name & Title: Jenny Arevalo, E.I.T., Associate Engineer II	Project Assignment: Project Engineer
Years of Experience with Firm 11	Years of Experience with Other Firms
Education: Degree(s) / Year / Specialization: B.S. Environmental Engineering / 2002 / University of California, Irvine	Registrations / Certifications: E.I.T. No. 116828, State of California, June 2003
<p>Experience Record</p> <p>Ms. Arevalo has experience in water resource engineering including water system master plans, water supply plans, hydrologic studies, water rights and supply evaluation, and water quality studies.</p> <p><u>Develop Urban Water Management Plans:</u></p> <ul style="list-style-type: none"> • Upper San Gabriel Valley Municipal Water District • City of Monterey Park • Suburban Water Systems • City of San Jacinto • La Canada Irrigation Districts <p><u>San Gabriel River Watermaster</u></p> <ul style="list-style-type: none"> • Prepare an Annual Report identifying usable surface flow, unusable outflow and subsurface flow across Whittier Narrows <p><u>Main San Gabriel Basin Watermaster</u></p> <ul style="list-style-type: none"> • Participate in the development and implementation of the Five-Year Water Quality and Supply Plan. • Prepare the Annual Report, which reviews each year's activities, water rights history and water use. • Develop staff reports reviewing potential impacts on groundwater contamination as a result of drilling new wells. • Prepare the annual Operating Safe Yield report. <p><u>Develop Water System Master Plan and Sewer Master Plan</u></p> <ul style="list-style-type: none"> - City of San Jacinto 	

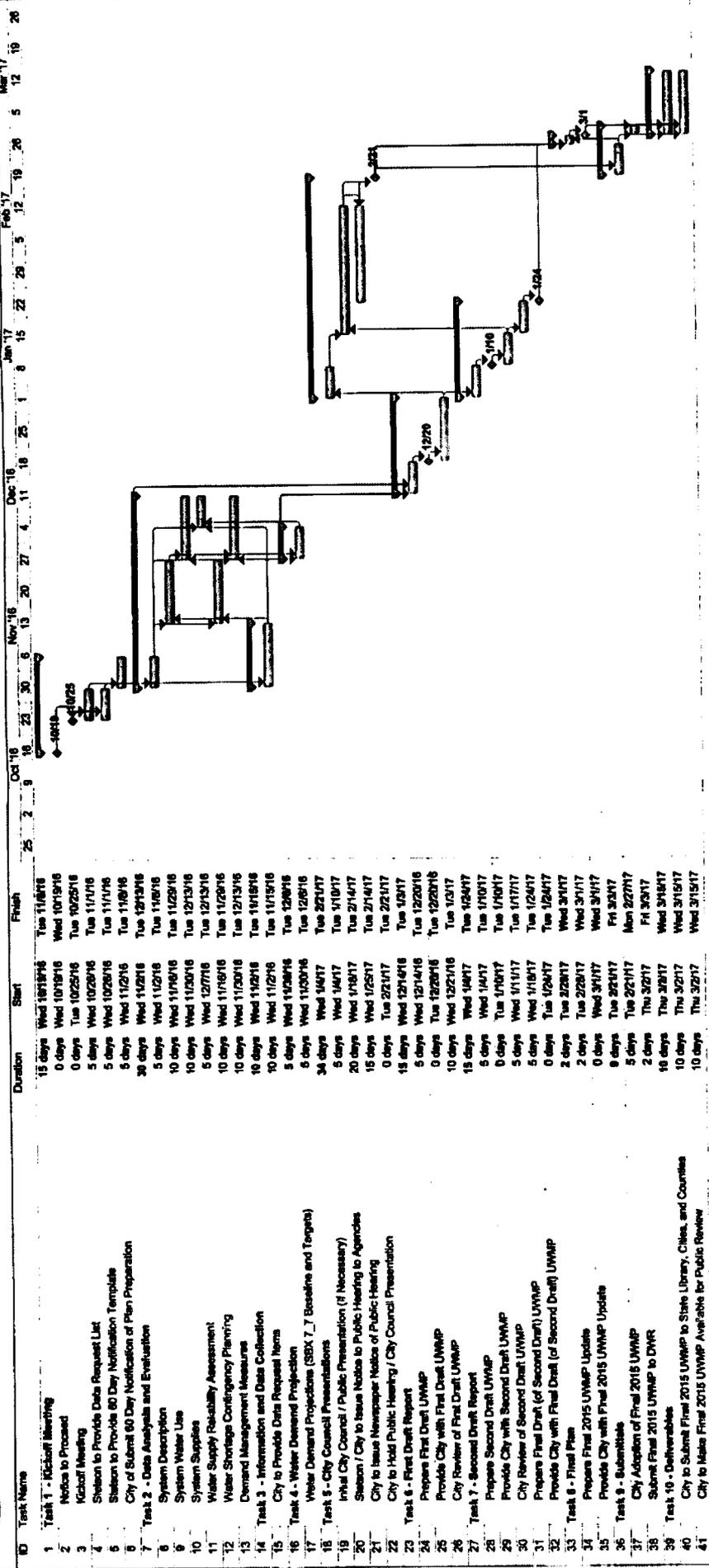
Name & Title: Noah Wasserman, GIS Analysis	Project Assignment: Geographic Information Systems Specialist
Years of Experience with Firm: 8	Years of Experience With Other Firms: 3
Education: Degree(s) / Year / Specialization: M.A./ 2009 / Geography / San Francisco State University B.A. / 2001 / Urban Studies and Planning / University of California, San Diego	Registrations / Certifications: Geographic Information Systems Professional (GISP) / May 2015
Experience Record <p>Mr. Wasserman has been working with GIS since 2007. At Stetson Engineers, Mr. Wasserman has focused on GIS mapping and spatial analysis. Typical tasks include (but are not limited to) map/figure production and layout, analysis of vector and raster data (including aerial images), data management, online mapping and data applications, etc. He has worked extensively on present/historic irrigation aerial photography interpretation and image georeferencing as they relate to Stetson projects.</p> <p>2007 – Present, Stetson Engineers, Inc.</p> <p>GIS and spatial analyst technician, support water resources management projects across the American West. Provide technical support and project design to project managers on irrigation, water rights and resource management projects in addition to map/figure layout production, and online mapping and data applications.</p> <p>Other work experience</p> <p>GIS Consultant for Intersect, LLC, San Jose, CA</p> <p>Mr. Wasserman provided GIS and cartographic support for international materials sampling project. Typical tasks included preparation and analysis of country scale spatial data as well as map/figure production. Created and edited map layouts from collected data for project reporting and planning purposes.</p> <p>Master's Degree Program at San Francisco State University, CA</p> <p>Mr. Wasserman's course work included several GIS classes specific to resource management as well as instruction in remote sensing and analysis techniques. GIS projects included (but were not limited to) analysis of historic serpentine grasslands within San Francisco's Presidio, a report and examples on how GIS tools could be utilized to help assess and guide rebuild/redesign efforts in post-hurricane-Katrina New Orleans, and finally analysis of vegetation changes in alpine and subalpine communities of the Sierra Nevada Mountains, which was completed as a Master's Thesis titled <i>Vegetation Change Trends in Yosemite National Park Over the Last Century (1890-2008)</i>.</p> <p>GIS Intern for Telesis Corporation, San Diego, CA</p> <p>Worked with ArcView software to organize source data and conducted test mapping for various community projects including San Diego crime mapping and PG&E streetlight maintenance projects.</p> <p>Bachelor's Degree Program at University of California, San Diego, CA</p> <p>As part of the UCSD's Urban Studies and Planning department core curriculum, Mr. Wasserman's first exposure to GIS was on the ESRI ArcView 3.x suite. Since then, he has had experience working with a number of spatial analysis software packages including ArcGIS (ArcMap 9.x), ArcExplorer, and Erdas Imagine 9.x. As an undergraduate, he interned for the Telesis Corporation and completed a senior research project which utilized GIS tools to analyze regional socio-economics and various educational indicators of local San Diego high schools as they related to achievement gaps and access to higher education. In 2003, Mr. Wasserman helped research, manage data, and produce the joint Conservation International and United Nations Environment Programme publication <i>Tourism and Biodiversity: Mapping Tourism's Global Footprint</i>. The accompanying ArcExplorer and data CD was designed and developed by Mr. Wasserman.</p>	

APPENDIX B

PROJECT SCHEDULE



City of Covina 2015 Urban Water Management Plan Preliminary Project Schedule



Project: City of Covina 2015 UWWP
 Date: Thu 8/6/16

Task Split

Progress Milestone

Summary Project Summary

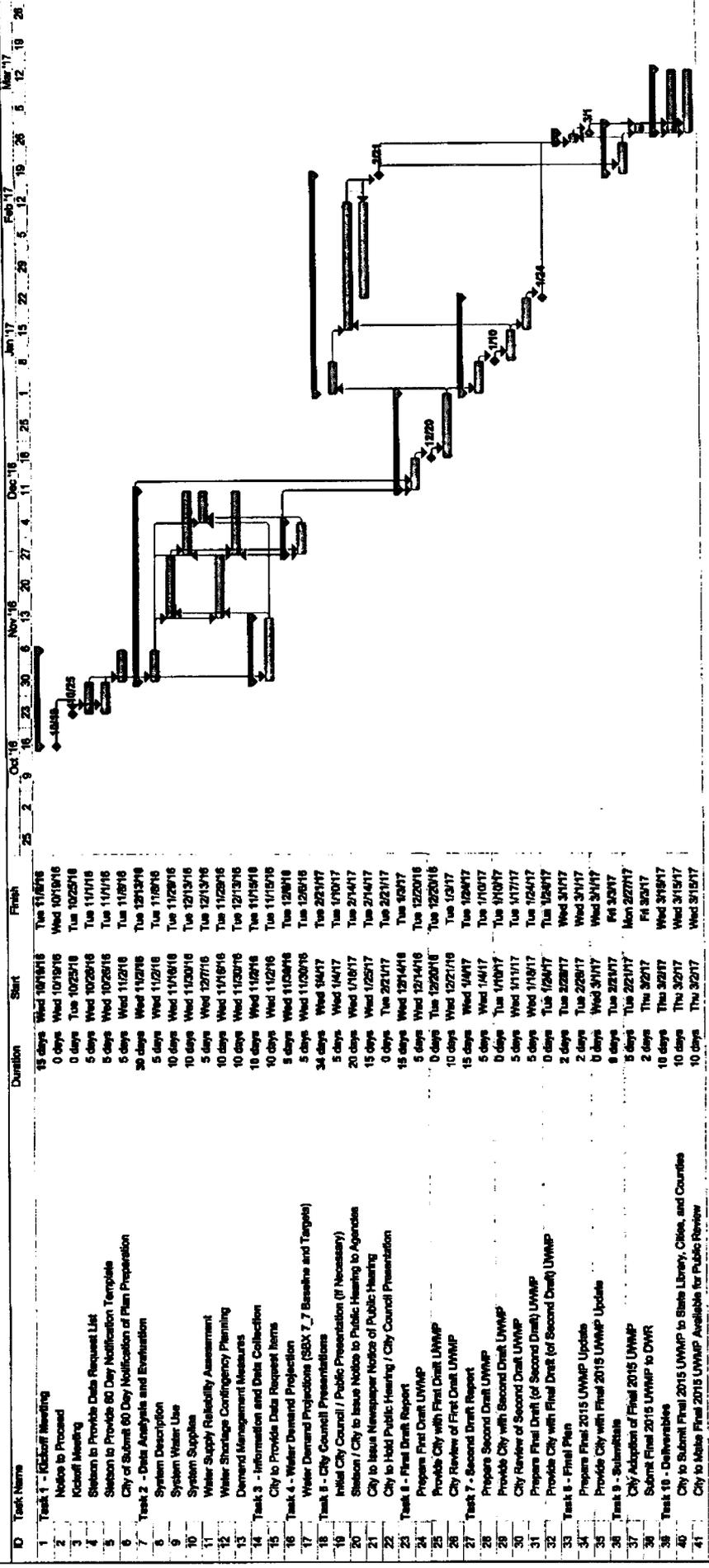
External Tasks External Milestone

Deadline

EXHIBIT C
PROJECT TIMELINE



City of Covina
2015 Urban Water Management Plan
Preliminary Project Schedule



Project: City of Covina 2015 UWWMP
Date: Thu 9/8/16

Task Split

Progress Milestones

Summary Project Summary

External Tasks External Milestones

Deadline



CITY OF COVINA

125 East College Street • Covina, California 91723-2199

Request for Proposals (RFP) for Development of the 2015 Urban Water Management Plan

The City of Covina, California ("City") is requesting proposals from qualified consultants to develop the City's 2015 Urban Water Management Plan ("UWMP").

The UWMP shall be a precise and systemic evaluation conducted in full compliance with the California Urban Water Management Planning Act, as codified in Section 10610 *et.seq.*, of the California Water Code ("Act") and the Department of Water Resources' ("DWR") *2015 Urban Water Management Plan Guidebook for Water Suppliers* ("DWR Guidebook"). The UWMP shall provide the City with analytical data and detailed recommendations in order to meet the above-mentioned regulations and statutory requirements.

1. Introduction

The City of Covina, incorporated in 1901, covers approximately 7 square miles located in the San Gabriel Valley area of Los Angeles County approximately 22 miles east of downtown Los Angeles.

The City owns the water system that serves approximately 60 percent of the properties located throughout its water service area. In 2015, approximately 91 percent of the water supply came from the Covina Irrigating Company, which pumps groundwater from the Main San Gabriel Valley Groundwater Basin and filters surface water from the San Gabriel River. Approximately 9 percent of the water supply was imported surface water from the Metropolitan Water District of Southern California ("MWD"), which during 2015, was sourced from the Colorado River through its Weymouth Plant.

The City of Covina is currently seeking a qualified consultant to complete the 2015 UWMP. The Act requires that every water supplier prepare and adopt an UWMP every five years for submittal to the DWR. The UWMP must describe the adequacy and reliability of all water supplies for existing and future customers and is required for the City to be considered for future grant funding opportunities or to receive drought assistance from the State. The City is distributing this Request for Proposals (RFP) for qualified firms to update the City's UWMP and keep the City in compliance with the Act.

2. Time is of the Essence

Time is of the essence with respect to this contract. Assembly Bill 2067 mandates that all 2015 UWMPs be submitted to the DWR by July 1, 2016. The anticipated deadline for holding the Public Hearing for the UWMP is February 21, 2017. The successful proposer should be able to perform all required tasks set forth in the Scope of Services (see Section 4).

3. Submittal Deadline and Proposal Contents

Proposal packages are to be submitted to the City on or before 4:00 p.m. on September 22, 2016. Proposals received after the stated deadline will not be accepted. The time of delivery shall be definitively determined by the time-stamping clock located in the City of Covina City Clerk's Office, 125 E. College Avenue, Covina, CA 91723. It is the proposer's sole responsibility to see that its proposal is received in proper time, and proposers assume all risks arising out of the means of delivery. Any proposal received after the deadline will be returned to the proposer unopened. Proposal packages are to be submitted to:

Siobhan Foster, Director of Public Works
City of Covina
C/o City of Covina City Clerk's Office
125 E. College Street
Covina, CA 91723

All responses must be completed as required, signed by an officer of the firm who is authorized to enter into a binding agreement with the City on behalf of the company, and must be received in the place and time designated above. Proposals (including both a Work Proposal and a Cost Proposal, as described below) are to be submitted in separate sealed envelopes clearly marked with the consultant's name, address, telephone number, and e-mail address. Each envelope shall be clearly identified as the **"2015 UWMP Work Proposal"** and **"2015 UWMP Cost Proposal,"** respectively. Proposals shall be concise, well-organized and demonstrate the consultant's qualifications and experience relating to the proposed project. At minimum, proposals shall include the following information:

A. Work Proposal (Envelope 1) – submit 3 copies

i. Cover Letter

- a. The consultant's legal name, address, telephone number, e-mail address, and contact person for the remainder of the selection process;
- b. Any qualifying statements or comments regarding the consultant's proposal, including proof of consultant's capabilities to meet the DWR Guidebook; and

- c. Statement indicating the validity of the proposal for a minimum period of 90 calendar days subsequent to the proposal due date.

ii. Statement of Qualifications

- a. Brief description of the consultant's firm, including the year firm was established, the type of organization (partnership, corporation, etc.) and a listing of the proposed project personnel, including personnel experiences and resumes for prime consultants and sub-consultants. Emphasis should be given to highlighting work completed for comparable municipalities and water districts; and
- b. Consultant and sub-consultant experience with preparation of an UWMP, including names and current telephone numbers and e-mail addresses of references for existing and past municipal and water district clients.

iii. Project Understanding and Approach

- a. Description of consultants' understanding of the Scope of Services and how consultant will approach work;
- b. Proposed staffing plan/organizational chart indicating anticipated work hours per week by classification both on and off-site. This should convey how consultant will provide public utility engineering and financial services in most efficient, cost effective manner. Innovative staffing plans are encouraged based on best management practices and/or methods utilized successfully by the firm in other municipalities; and
- c. Other information that will assist City in selecting the most qualified consultant.

iv. Objections to Professional Services Agreement

Objections shall be submitted in writing with justification clearly stated. Any consultant with objections to terms contained in the City's Professional Services Agreement (see Exhibit A) must advise the City of such objections and requested modifications as part of its Technical Proposal. Failure of a proposer to accept the terms of the City's Professional Services Agreement may result in the rejection of the proposal. It shall be the responsibility of the prospective consultants to review all sections and exhibits of the Professional Services Agreement, including insurance requirements. If no objections are received, the City will assume the proposer is able to and will enter into the Professional Services Agreement and fulfill the terms and requirements set therein. The City may recover any damages accruing to the

City as a result of the successful consultant's failure or refusal to execute the City's Professional Services Agreement.

B. Cost Proposal (Envelope 2) – submit 1 copy

The firm should submit a detailed cost proposal for all services and materials anticipated in completing the services/work. This should include the classification and hourly rate of all employees who would be assigned to the contract. Innovation is encouraged to provide the City with comprehensive services in the most efficient, cost effective manner. Cost proposals will only be opened after the ranking process is complete.

i. Project Understanding and Approach

This section should demonstrate the consultant's understanding of the project, how the work will be organized, and anticipated key issues to be addressed. This section should include:

- a. Description of consultant's overall approach to the project, such as an outline work plan that describes how the respondent will organize the Project. A preliminary project schedule that anticipates the adoption of the approved UWMP is mandatory.
- b. Description of those areas in which you are most likely to find challenges, and discuss how you might resolve those conflicts or prevent them in advance; and
- c. Other information that will assist City in selecting the most qualified consultant.

4. Scope of Services

The Scope of Services is comprised of the following tasks:

Task 1 – Kick-Off Meeting

The consultant shall attend a project kick-off meeting with City staff to discuss project parameters, scheduling constraints, and other relevant information regarding services required by this RFP to create the 2015 UWMP. An overall project schedule shall be reviewed, revised and updated by the consultant.

The consultant shall prepare a detailed schedule of the project for a completion date. It shall be the responsibility of the consultant to review and become familiar with all pertinent data for completion of the UWMP.

Task 2 – Data Analysis and Evaluation

The consultant will provide data review and analysis, development of demand projections and analysis of demand management measures. Consultant shall develop the UWMP shall according to the DWR Guidebook. The UWMP should also comply with and address all relevant updated statutes, such as SBX7-7 and Assembly Bill 2067 which mandates that all UWMPs be submitted to the DWR. Specific plan components can be found at www.waterca.gov.

As key sections of the UWMP are developed, namely the demand projection and water shortage contingency planning components, the consultant shall be required to make presentations to the City Council and the public at scheduled Council meetings in conjunction with City staff. The purpose of these presentations will be to solicit City Council and public input well in advance of developing a final draft UWMP. The consultant shall also assist the City with making the required notifications to other local agencies and public hearing notifications as specified by the Act.

Task 3- Information and Data Collection

The consultant shall collect information and data in order to update Water Demand Projections for a 20-year period through 2035. As water demand projections are a core element of an UWMP, collecting data for this task will be the initial priority. Necessary data for this task includes:

- Demographic data (e.g. population, housing unit and employment projections, etc.) from General Plans for the adjacent cities and the 2010 U.S. Census, etc.;
- Historical and current water production data and consumption data by user class (single-family residential, multifamily residential, commercial, institutional, dedicated irrigation, fire and other). Trends in water use reduction at the City since 2000 should be analyzed and factored into the demand projection update;
- Data to estimate impacts of the current and future CALGreen Codes and the City's Water Use Efficiency Standards, as well as the impact of on-going behavioral modification/social forming programs;
- Historical and current water savings estimates from on-going City conservation programs;
- Economic information including historical, current and projected rates in regards to elasticity impacts; and
- Any other information the Consultant feels is necessary or beneficial for this task.

Task 4- Water Demand Projection

Using the above information, the consultant shall develop water demand projections in five-year increments from 2015 through 2035.

Task 5- City Council Presentations

In conjunction with City staff, the consultant shall present the draft water demand projections to the City Council and the public at up to two (2) City Council meetings. Based on the input received, the consultant shall make any necessary adjustments to the demand projections and finalize the corresponding chapters of the UWMP. The Consultant shall provide technical expertise and answer questions posed at the City Council meetings, prepare and review draft and final agenda reports, and assist with creation of City Council presentations.

Task 6- First Draft Report

In conjunction with staff, the consultant shall present the first draft report to the City Council and the public. Subsequent to the presentation, consultant shall make any necessary adjustments/revisions and finalize the draft report.

Task 7- Second Draft Report

The consultant shall identify any remaining data needs and draft any remaining required chapters of the UWMP, any supporting sections (e.g., Table of Contents, List of Tables and Figures, Acronyms and Abbreviations, References, Appendices, etc.), as well as the optional section on climate change impacts to supply, and the checklist developed by DWR to assist DWR with its review. *(Note: City staff may take remaining chapters to the City Council for feedback as they are developed. However, it is not anticipated that the consultant will need to attend.)*

The consultant shall send electronic copies of the draft UWMP (or notify of the UWMPs availability on-line) to 5 local water agencies and 7 other public agencies designated by City staff, and provide advance notification prior to the public hearing. Consultant must inform City staff of all requirements, time frames, and costs for obtaining permits from the required regulatory agencies (if any).

The consultant shall present a final draft of the second draft to the City Council and the public for review and make revisions to the UWMP.

Task 8 – Final Plan

In conjunction with City staff, the consultant shall present the final draft to the Council and the public at a public hearing. After the close of the public hearing, the City Council will consider final adoption of the UWMP.

Task 9 – Submittals

Following adoption of the UWMP, the consultant shall submit the plan electronically as required/requested by the DWR. ***Please note submissions were due by July 1, 2016, and***

the City would like to make a good faith effort to submit the Plan to the DWR as soon as possible.

Task 10- Deliverables

The Consultant shall provide to the City the following products and services as part of this project and any others the consultant deems necessary to provide a complete UWMP.

A. Draft UWMP

- a. One (1) hard copy sent (or notification of plan's availability on-line) to stakeholders (5 local water agencies and 7 other public agencies) as designated by City staff;
- b. Nine (9) printed copies submitted to the City; and
- c. One (1) electronic version of the complete document in Word 2010 file format.

B. Final UWMP

- a. Nine (9) printed copies and one (1) electronic version of the complete document in both PDF and Word 2010.
- b. The consultant shall provide expertise, prepare the draft and final agenda reports, assist with creation of City Council presentations, and to be available to support staff and answer questions, for up to two (2) City of Covina Council meetings.
- c. The consultant shall coordinate UWMP adoption, assuring notification requirements for public hearing; and submittal of draft UWMP to all appropriate State, local agencies and stakeholders,
- d. The consultant shall coordinate with City and County agencies to receive the Final UWMP within 30 days of adoption.
- e. The consultant shall coordinate the posting notice and submittal of the Final UWMP to the DWR.

5. Inquiries and Addenda

For inquiries regarding this RFP, please contact Sharon Gallant, Environmental Services and Transportation Manager via electronic mail at SGallant@covinaca.gov no later than 4:00 PM on September 13, 2016. Inquiries received after that date will be disregarded. Please include the following in the subject line of the email: "Inquiry Re: 2015 UWMP Proposal." Telephonic inquiries will not be taken.

The City will issue any revisions to this RFP as addenda. The City will distribute addenda to all potential proposers. Proposers are responsible for receipt of all addenda. To this end, each proposer should contact the City to verify that he or she has received all addenda issued, if any. The City's issuance of a written addendum is the only official method

whereby the City will interpret, clarify or provide additional information concerning this RFP. No oral revisions to any provision in this RFP shall be binding.

6. Anticipated Schedule

Milestone	Date
RFP Issued	Wednesday, August 31, 2016
Deadline for Clarifications/Inquiries	Tuesday, September 13, 2016
Deadline for Proposal Submittal	Thursday September 22, 2016, at 4:00 PM
Certificate of Insurance Submittal	Monday, October 11, 2016
Award of Contract (tentative)	Tuesday, October 18, 2016
Notice to Proceed (tentative)	Wednesday, October 19, 2016

7. Evaluation Procedure

City staff, selected by the Interim City Manager, or her designee, will evaluate each proposal for completeness and content. Each proposal will be evaluated based upon the relevant qualifications and experience of the consultant. The proposal review will focus on the following criteria:

- A. Organization (20 points).** Does the firm offer the breadth and quality of services required for the services listed in the Scope of Services? Does the firm’s organizational structure show sufficient depth/capacity for its present and additional workload?
- B. Project understanding/project approach (25 points).** The firm’s proposal adequately demonstrates an understanding and experience in preparing UWMPs, which is documented in its proposal. In addition, the consultant has experience in conducting data analysis and calculations required by the DWR Guidebook. This understanding can be demonstrated in various manners, including but not limited to the firm’s successful completion of UWMPs for other cities in accordance with the DWR Guidebook and identification of critical issues to the project and methods to address those issues to ensure timely and on budget completion of the project.
- C. Experience (25 points).** The firm’s expertise and professional qualifications with similar work. Qualifications of the firm and individuals assigned to perform the work.
- D. Project schedule (30 points).** The thoroughness of the project schedule; the firm’s ability to complete the project within the selected timeframe.

8. Professional Services Agreement

The City will identify the firm that best meets the needs of the City and enter contract negotiations with that highest ranked firm. Should the City fail to reach agreement with the top ranked firm, the City may enter negotiations with the next highest rated firm and so on. City Staff will make a recommendation to the City Council for the award of the Professional Services Agreement to the firm that best furthers the City's objectives.

The successful consultant will be expected to execute the attached Professional Services Agreement (Exhibit A) at a minimum of five (5) calendar days prior to the date of City Council consideration (tentatively scheduled for October 18, 2016) of the contract award, if an award is made.

9. Insurance Requirements

Additionally, the successful consultant shall also secure all insurance required under the Professional Services Agreement, and provide any necessary documentation to the City, within five (5) calendar days prior to the date of City Council consideration of the contract award, if an award is made.

10. Acceptance or Rejection of Proposal

The City reserves the right to accept or reject any and all proposals. The City also reserves the right to waive any informality or irregularity in any proposal or in the bidding as deemed to be in its best interest. Additionally, the City may, for any reason, decide not to award an agreement as a result of this RFP or cancel the RFP process. The City shall not be obligated to respond to any proposal submitted, nor be legally bound in any manner by the submission of the proposal. The City reserves the right to negotiate project deliverables and associated costs.

11. Equal Opportunity Clause

Contractors shall ensure against discrimination in employment practices on the basis of race, color, national origin, ancestry, sex or religion will be required. The City hereby ensures that minority business enterprises will be afforded full opportunity to submit proposals in response to this notice and will not be discriminated against on the basis of race, color, national origin, ancestry, sex, or religion in any consideration leading to the award of contract.

12. Equal Opportunity Employment Compliance

Proposer certifies that it has sought out and considered minority business enterprises for those portions of the work to be subcontracted, and has fully documented such actions that said documentation is open to inspection, and that said action will remain in effect for the life of any contract awarded hereunder. Furthermore, Proposer certifies that all steps will

be taken to meet all equal employment opportunity requirements of the contract documents. Proposer certifies that in all previous contracts or subcontracts, all reports which may have been due under the requirements of any agency, State, or Federal equal employment opportunity orders have been satisfactorily filed, and that no such reports are currently outstanding.

13. Legal Responsibilities

All proposals must be submitted, filed, made, and executed in accordance with State and Federal laws relating to proposals for contracts of this nature whether the same or expressly referred to herein or not. Any company submitting a proposal will by such action thereby agree to each and all of the terms, conditions, provision, and requirements set forth, contemplated, and referred to in the RFP, and other contract documents, and to full compliance therewith.

14. Discrepancies and Misunderstandings

Contractors and consultants must satisfy themselves by personal examination of the work site, specifications, and other contract documents and by any other means as they may believe necessary, as to the actual physical conditions, requirements and difficulties under which the work must be performed. No contractor or consultant will at any time after submission of a proposal make any claim or assertion that there was any misunderstanding or lack of information regarding the nature or amount of work necessary for the satisfactory completion of the job. Any errors, omissions, or discrepancies called to the attention of the City of will be clarified by the City in writing to all proposers prior to the submission of proposals.

15. Proposer Interested in More than One Proposal

No person, firm, or corporation will be allowed to make or file, or be interested in more than one proposal for the same work unless alternate bids are specifically called for. No proposal will be accepted from a consultant who has not been licensed in accordance with the provisions of the State Business and Professional Code.

16. Non-Collusion Affidavit

Proposer declares that the only persons or parties interested in this proposal as principals are those named herein; that no officer, agent, or employee of the City is personally interested, directly or indirectly, in this proposal; that this proposal is made without connection to any other individual, firm, or corporation making a bid for the same work and that this proposal is in all respects fair and without collusion or fraud.

Exhibits:

- A. City of Covina Professional Services Agreement



Request for Proposals (RFP) to the 2015 Urban Water Management Plan

Addendum #1 Issued: September 14, 2016

The changes in this Addendum shall be included in the RFP and this Addendum will be part of the RFP documents. All conditions not affected by this Addendum will remain unchanged.

Inquiries:

Question 1: In reviewing the RFP, I did not see the referenced (Exhibit A) Professional Services Agreement. Could you please provide that to me so I can have it reviewed?

Response 1: Exhibit A – Professional Services Agreement template has been attached to this Addendum. The template will be finalized once the successful proposal has been identified.

Question 2: Has the City previously prepared 2010 or 2005 UWMPs? (I was not able to find any online).

Response 2: The 2005 UWMP was adopted by the City Council on December 6, 2005. A copy of the 2005 UWMP will be made available at covina.ca.gov/publicworks. There is not an adopted 2010 UWMP.

Question 3: What is the schedule for completion of the 2015 UWMP? (I noticed the schedule for the RFP and Contract Award but not for the project itself).

Response 3: As provided in Sections 2 and 3 (under Task 9) of the 2015 UWMP RFP, the City of Covina would like to make a good faith effort to submit the Plan to the California Department of Water Resources as soon as possible. The anticipated deadline for holding the Public Hearing for the UWMP is February 21, 2017.

Question 4: The RFP refers to a “Non-Collusion Affidavit.” Sometimes these are required to be included in proposals. I just wanted to confirm that an affidavit form is not required to be attached to this proposal since it was not mentioned in Part 3 (Proposal Contents).

Response 4: This information was inadvertently included in Section 16 of the 2015 UWMP RFP. A non-collusion affidavit form is not required to be included in the proposer’s submittal.

Question 5: On page 4 of the RFP, under Part B “Cost Proposal,” it appears that “Project Understanding and Approach” is a duplicate of the previous page. It may just be a copy and paste error as this text seems out of place. Can you advise if this section is required?

Response 5: The “Project Understanding and Approach” on page 4 of the RFP is a duplicate. Please disregard this section.

Question 6: Could you please clarify if we are to include the Cost Proposal in a separate envelope, or are we to include both the Cost Proposal and Duplicate of the Project Understanding and Approach in a separate envelope?

Response 6: The Cost Proposal is to be submitted in a separate envelope. See Response 5 above in regards to the Understanding and Approach duplication.

Question 7: May we receive a copy of the City’s 2010 UWMP?

Response 7: There is not an adopted 2010 UWMP.

Question 8: Under Section A.iii.b, the RFP states “Proposed staffing plan/organizational chart indicating anticipated work hours per week by classification both on and off-site.” Would the City prefer that we provide a breakdown of staff hours on and off site per week, or is a total number of hours, per staff member, per task acceptable?

Response 8: It is acceptable for proposers to provide the total number of hours, per staff member, per task rather than the work hours per week by classification both on and off-site.

PROFESSIONAL SERVICES AGREEMENT

This Professional Services Agreement (“Agreement”) is dated [month] [day], [year] (“Effective Date”) and is between the City of Covina, a California municipal corporation (“City”) and [Consultant’s Legal Name], a [Legal Form of Entity, e.g., California corporation, limited partnership, limited liability company] (“Consultant”). City and Consultant are sometimes individually referred to as “Party” and collectively as “Parties” in this Agreement.

RECITALS

A. City desires to utilize the services of Consultant as an independent contractor to [provide/perform ... describe required services].

B. Consultant represents that it is fully qualified to perform such services by virtue of its experience and the training, education and expertise of its principals and employees.

C. City desires to retain Consultant and Consultant desires to serve City to perform these services in accordance with the terms and conditions of this Agreement.

The parties therefore agree as follows:

1. Term of Agreement. The term of this Agreement shall be from the Effective Date through [Month] [Day], [Year], unless sooner terminated as provided in Section 13 of this Agreement. The City may, upon mutual agreement, extend the contract for *[Enter Number – i.e. two (2)]* additional one year terms. In no event shall the contract be extended beyond *[Enter Written Date – should be no later than the expiration of the final extension date]*.

2. Compensation.

If compensation is based on an hourly rate, use this first paragraph and delete the flat rate paragraph:

A. Compensation. As full compensation for Consultant’s services provided under this Agreement, City shall pay Consultant a sum not to exceed [Written Amount] Dollars (\$[Numerical Amount]) (the “maximum compensation”), based on the hourly rates set forth in the Approved Fee Schedule, attached hereto as **Exhibit A**. Any terms in Exhibit A, other than the payment rates and schedule of payment, are null and void.

If compensation is based on a flat rate, use the next paragraph and delete the hourly rate paragraph:

A. Compensation. As full compensation for Consultant’s services provided under this Agreement, City shall pay Consultant the total flat sum of [Written Amount] Dollars (\$[Numerical Amount]) (the “maximum compensation”), as set forth in the Approved Fee Schedule, attached hereto as **Exhibit A**. Any terms in Exhibit A, other than the payment rates and schedule of payment, are null and void.

If City reimburses for all or certain expenses in addition to compensation, use this paragraph and delete the other subsection B:

B. Expenses. City shall only reimburse Consultant for those expenses expressly set forth in **Exhibit A**. In no event shall reimbursable expenses collectively exceed the total sum of [Written Amount] Dollars (\$[Numerical Amount]).

If City does not reimburse for expenses, use this paragraph and delete the other subsection B:

B. Expenses. The amount set forth in paragraph A shall include reimbursement for all actual and necessary expenditures reasonably incurred in the performance of this Agreement.

C. Additional Services. City shall not allow any claims for additional services performed by Consultant, unless the City Council and the Consultant Representative authorize the additional services in writing prior to Consultant's performance of the additional services or inurrence of additional expenses. Any additional services or expenses authorized by the City Council shall be compensated at the rates set forth in **Exhibit A**, or, if not specified, at a rate mutually agreed to by the parties. City shall make payment for additional services and expenses in accordance with Section 4 of this Agreement.

3. Consultant's Services.

A. Scope of Services. Consultant shall perform the services described in the Scope of Services, attached as **Exhibit B**. City may request, in writing, changes in the scope of services to be performed. Any changes mutually agreed upon by the parties, and any increase or decrease in compensation, shall be incorporated by written amendments to this Agreement.

B. Party Representatives. For the purposes of this Agreement, the City Representative shall be the City Manager, or such other person designated in writing by the City Manager (the "City Representative"). For the purposes of this Agreement, the Consultant Representative shall be [Name], [Title] (the "Consultant Representative"). The Consultant Representative shall directly manage Consultant's services under this Agreement. Consultant shall not change the Consultant Representative without City's prior written consent.

If there is a project timeline:

C. Time for Performance. Consultant shall commence the services on the Effective Date and shall perform all services in conformance with the project timeline, attached hereto as **Exhibit C**.

If there is no project timeline:

C. Time for Performance. Consultant shall commence the services on the Effective Date and shall perform all services by the deadline established by the City Representative or, if no deadline is established, with reasonable diligence.

D. Standard of Performance. Consultant shall perform all services under this Agreement in accordance with the standard of care generally exercised by like professionals under similar circumstances and in a manner reasonably satisfactory to City.

E. Personnel. Consultant has, or will secure at its own expense, all personnel required to perform the services required under this Agreement. All of the services required under this Agreement shall be performed by Consultant or under its supervision, and all personnel engaged in the work shall be qualified to perform such services.

If none of the work will be performed during the design and preconstruction phases of public works construction (e.g., inspection or land surveying work):

F. Compliance with Laws. The Consultant shall keep itself informed of all local, state and federal ordinances, laws and regulations which in any manner affect those employed by it or in any way affect the performance of its service pursuant to this Agreement. The Consultant shall at all times observe and comply with all such ordinances, laws and regulations. The City and its agents shall not be liable at law or in equity occasioned by failure of the Consultant to comply with this section.

If some or all of the work is to be performed during the design and preconstruction phases of public works construction (e.g., inspection or land surveying work):

F. Compliance with Laws. The Consultant shall keep itself informed of all local, state and federal ordinances, laws and regulations which in any manner affect those employed by it or in any way affect the performance of its service pursuant to this Agreement. The Consultant shall at all times observe and comply with all such ordinances, laws and regulations. The City and its agents shall not be liable at law or in equity occasioned by failure of the Consultant to comply with this section. This Agreement may call for services that, in whole or in part, constitute "public works," as defined in the California Labor Code. Therefore, as to those services that may be "public works", including [*specify type of work*], Consultant shall comply in all respects with all applicable provisions of the California Labor Code, including those set forth in **Exhibit D**.

G. Permits and Licenses. Consultant shall obtain and maintain during the Agreement term all necessary licenses, permits and certificates required by law for the provision of services under this Agreement, including a business license.

4. Method of Payment.

A. Invoices. Consultant shall submit to City an invoice, on a monthly basis or less frequently, for actual services performed pursuant to this Agreement. Each invoice shall itemize the services rendered during the billing period, hourly rates charged, if applicable, and the amount due. If City disputes any of Consultant's fees, it shall give written notice to Consultant within thirty (30) days of receipt of an invoice of any disputed fees set forth on the invoice.

B. Payment. City shall pay all undisputed invoice amounts within thirty (30) calendar days after receipt up to the maximum compensation set forth in Section 2 of this Agreement. City shall not withhold federal payroll, state payroll or other taxes, or other similar deductions, from payments made to Consultant. For all reimbursements authorized by this Agreement, Consultant shall provide receipts on all reimbursable expenses in excess of Fifty Dollars (\$50) in such form as approved by the Finance Director.

C. Audit of Records. Consultant shall make all records, invoices, time cards, cost control sheets and other records maintained by Consultant in connection with this agreement available during Consultant's regular working hours to City for review and audit by City.

5. Ownership of Documents. Upon completion of, or in the event of termination or suspension of this Agreement, all original documents, designs, drawings, maps, models, computer files containing data generated for the work, surveys, notes, and other documents prepared in the course of providing the services to be performed ("written products") pursuant to this Agreement shall become the sole property of the City without restriction or limitation upon its use and may be used, reused, disseminated or otherwise disposed of by the City without the permission of the Consultant. With respect to computer files containing data generated for the work, Consultant shall make available to the City, upon reasonable written request by the City, the necessary computer software and hardware for purposes of accessing, compiling, transferring and printing computer files. Consultant may take and retain copies of the written products as desired, but the written products shall not be the subject of a copyright application by Consultant.

6. Independent Contractor.

A. Consultant is, and shall at all times remain as to City, a wholly independent contractor. The personnel performing the services under this Agreement on behalf of Consultant shall at all times be under Consultant's exclusive direction and control. Consultant shall have no power to incur any debt, obligation, or liability on behalf of City. 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 officers, agents or employees are in any manner employees of City.

B. No employee benefits shall be available to Consultant in connection with the performance of this Agreement. Except for the fees paid to Consultant as provided in the Agreement, City shall not pay salaries, wages, or other compensation to Consultant for performing services hereunder for City. City shall not be liable for compensation or indemnification to Consultant for injury or sickness arising out of performing services hereunder.

7. Confidentiality. All data, documents, discussion, or other information (collectively "data") developed or received by Consultant or provided for performance of this Agreement are deemed confidential. Consultant shall keep all data confidential and shall not disclose any data to any person or entity without City's prior written consent. City shall grant such consent if disclosure is legally required. Consultant shall return all data to City upon the expiration or termination of this Agreement. Consultant's covenant under this Section 7 shall survive the expiration or termination of this Agreement.

8. Conflicts of Interest. Consultant and its officers, employees, associates and subcontractors, if any, shall comply with all conflict of interest statutes of the State of California applicable to Consultant's services under this Agreement, including the Political Reform Act (Gov. Code, § 81000 *et seq.*) and Government Code Section 1090. During the term of this Agreement, Consultant may perform similar services for other clients, but Consultant and its officers, employees, associates and subcontractors shall not, without the City Representative's prior written approval, 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 subcontractors to abstain from a decision under this Agreement pursuant to a conflict of interest statute. Consultant shall incorporate a clause substantially similar to this Section 8 into any subcontract that Consultant executes in connection with the performance of this Agreement.

9. Indemnification.

If the scope of services includes the performance of services by a licensed architect, licensed landscape architect, registered professional engineer or licensed professional land surveyor:

A. Indemnity for Design Professional Services. To the fullest extent permitted by law, Consultant shall, at its sole cost and expense, protect, indemnify and hold harmless City and its elected officials, officers, attorneys, agents, employees, designated volunteers, successors, assigns and those City agents serving as independent contractors in the role of City officials (collectively "Indemnitees"), from and against any and all damages, costs, expenses, liabilities, claims, demands, causes of action, proceedings, judgments, penalties, liens and losses of any nature whatsoever, including fees of accountants, attorneys or other professionals, and all costs associated therewith, and reimbursement of attorney's fees and costs of defense (collectively "Liabilities"), whether actual, alleged or threatened, which arise out of, are claimed to arise out of, pertain to, or relate to, in whole or in part, the negligence, recklessness or willful misconduct of Consultant, its officers, agents, servants, employees, subcontractors, material men, contractors or their officers, agents, servants or employees (or any entity or individual that Consultant shall bear the legal liability thereof) in the performance of design professional services under this Agreement by a "design professional," as the term is defined under California Civil Code Section 2782.8(c)(2).

B. Other Indemnities.

1) Other than in the performance of design professional services, and to the fullest extent permitted by law, Consultant shall, at its sole cost and expense, defend, hold harmless and indemnify the Indemnitees from and against any and all damages, costs, expenses, liabilities, claims, demands, causes of action, proceedings, judgments, penalties, liens and losses of any nature whatsoever, including fees of accountants, attorneys or other professionals, and all costs associated therewith, and the payment of all consequential damages (collectively "Claims"), in law or equity, whether actual, alleged or threatened, which arise out of, are claimed to arise out of, pertain to, or relate to the acts or omissions of Consultant, its officers, agents, servants, employees, subcontractors, materialmen, contractors or their officers, agents, servants

or employees (or any entity or individual that Consultant shall bear the legal liability thereof) in the performance of this Agreement, including the Indemnitees' active or passive negligence, except for Claims arising from the sole negligence or willful misconduct of the Indemnitees, as determined by final arbitration or court decision or by the agreement of the parties. Consultant shall defend the Indemnitees in any action or actions filed in connection with any Claim with counsel of the Indemnitees' choice, and shall pay all costs and expenses, including all attorneys' fees and experts' costs actually incurred in connection with such defense. Consultant shall reimburse the Indemnitees for any and all legal expenses and costs incurred by the Indemnitees in connection therewith.

2) Consultant shall pay all required taxes on amounts paid to Consultant under this Agreement, and 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 shall fully comply with the workers' compensation law regarding Consultant and Consultant's employees. Consultant shall indemnify and hold City harmless from any failure of Consultant to comply with applicable workers' compensation laws. City may 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 Subparagraph B. 2).

3) Consultant shall obtain executed indemnity agreements with provisions identical to those in this Section 9 from each and every subcontractor or any other person or entity involved by, for, with or on behalf of Consultant in the performance of this Agreement. If Consultant fails to obtain such indemnities, Consultant shall be fully responsible and indemnify, hold harmless and defend the Indemnitees from and against any and all Claims in law or equity, whether actual, alleged or threatened, which arise out of, are claimed to arise out of, pertain to, or relate to the acts or omissions of Consultant's subcontractor, its officers, agents, servants, employees, subcontractors, materialmen, contractors or their officers, agents, servants or employees (or any entity or individual that Consultant's subcontractor shall bear the legal liability thereof) in the performance of this Agreement, including the Indemnitees' active or passive negligence, except for Claims arising from the sole negligence or willful misconduct of the Indemnitees, as determined by final arbitration or court decision or by the agreement of the parties.

C. Workers' Compensation Acts not Limiting. Consultant's obligations under this Section 9, or any other provision of this Agreement, shall not be limited by the provisions of any workers' compensation act or similar act. Consultant expressly waives its statutory immunity under such statutes or laws as to City, its officers, agents, employees and volunteers.

D. Insurance Requirements not Limiting. City does not, and shall not, waive any rights that it may possess against Consultant because of the acceptance by City, or the deposit with City, of any insurance policy or certificate required pursuant to this Agreement. This hold harmless and indemnification provisions in this Section 9 shall apply regardless of whether or

not any insurance policies are determined to be applicable to the Liability, Claim, tax, assessment, penalty or interest asserted against City.

E. Survival of Terms. The indemnification in this Section 9 shall survive the expiration or termination of this Agreement.

If the scope of services does not include the performance of services by a licensed architect, licensed landscape architect, registered professional engineer or licensed professional land surveyor:

A. Indemnities for Third Party Claims.

1) To the fullest extent permitted by law, Consultant shall, at its sole cost and expense, defend, hold harmless and indemnify City and its elected officials, officers, attorneys, agents, employees, designated volunteers, successors, assigns and those City agents serving as independent contractors in the role of City officials (collectively "Indemnitees"), from and against any and all damages, costs, expenses, liabilities, claims, demands, causes of action, proceedings, expenses, judgments, penalties, liens and losses of any nature whatsoever, including fees of accountants, attorneys or other professionals, and all costs associated therewith, and the payment of all consequential damages (collectively "Liabilities"), in law or equity, whether actual, alleged or threatened, which arise out of, are claimed to arise out of, pertain to, or relate to the acts or omissions of Consultant, its officers, agents, servants, employees, subcontractors, materialmen, contractors or their officers, agents, servants or employees (or any entity or individual that Consultant shall bear the legal liability thereof) in the performance of this Agreement, including the Indemnitees' active or passive negligence, except for Liabilities arising from the sole negligence or willful misconduct of the Indemnitees, as determined by final arbitration or court decision or by the agreement of the parties. Consultant shall defend the Indemnitees in any action or actions filed in connection with any Liability with counsel of the Indemnitees' choice, and shall pay all costs and expenses, including all attorneys' fees and experts' costs actually incurred in connection with such defense. Consultant shall reimburse the Indemnitees for any and all legal expenses and costs incurred by Indemnitees in connection therewith.

2) Consultant shall pay all required taxes on amounts paid to Consultant under this Agreement, and 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 shall fully comply with the workers' compensation law regarding Consultant and Consultant's employees. Consultant shall indemnify and hold City harmless from any failure of Consultant to comply with applicable workers' compensation laws. City may 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 Subparagraph A. 2).

3) Consultant shall obtain executed indemnity agreements with provisions identical to those in this Section 9 from each and every subcontractor or any other person or

entity involved by, for, with or on behalf of Consultant in the performance of this Agreement. If Consultant fails to obtain such indemnity obligations, Consultant shall be fully responsible and indemnify, hold harmless and defend the Indemnitees from and against any and all Liabilities in law or equity, whether actual, alleged or threatened, which arise out of, are claimed to arise out of, pertain to, or relate to the acts or omissions of Consultant's subcontractor, its officers, agents, servants, employees, subcontractors, materialmen, contractors or their officers, agents, servants or employees (or any entity or individual that Consultant's subcontractor shall bear the legal liability thereof) in the performance of this Agreement, including the Indemnitees' active or passive negligence, except for Liabilities arising from the sole negligence or willful misconduct of the Indemnitees, as determined by final arbitration or court decision or by the agreement of the parties.

B. Workers' Compensation Acts not Limiting. Consultant's indemnifications and obligations under this Section 9, or any other provision of this Agreement, shall not be limited by the provisions of any workers' compensation act or similar act. Consultant expressly waives its statutory immunity under such statutes or laws as to City, its officers, agents, employees and volunteers.

C. Insurance Requirements not Limiting. City does not, and shall not, waive any rights that it may possess against Consultant because of the acceptance by City, or the deposit with City, of any insurance policy or certificate required pursuant to this Agreement. The indemnities in this Section 9 shall apply regardless of whether or not any insurance policies are determined to be applicable to the Liability, tax, assessment, penalty or interest asserted against City.

D. Survival of Terms. Consultant's indemnifications and obligations under this Section 9 shall survive the expiration or termination of this Agreement.

10. Insurance.

A. Minimum Scope and Limits of Insurance. Consultant shall procure and at all times during the term of this Agreement carry, maintain, and keep in full force and effect, insurance as follows:

The risk for each agreement should be evaluated and the insurance limits should correspond to such risk as determined by the City's Risk Manager and/or the City Attorney.

1) Commercial General Liability Insurance with a minimum limit of Two Million Dollars (\$2,000,000) per occurrence for bodily injury, personal injury and property damage and a general aggregate limit of Two Million Dollars (\$2,000,000) per project or location. If Consultant is a limited liability company, the commercial general liability coverage shall be amended so that Consultant and its managers, affiliates, employees, agents and other persons necessary or incidental to its operation are insureds.

2) Automobile Liability Insurance for any owned, non-owned or hired vehicle used in connection with the performance of this Agreement with a combined single limit

of Two Million Dollars (\$2,000,000) per accident for bodily injury and property damage. If Consultant does not use any owned, non-owned or hired vehicles in the performance of services under this Agreement, Consultant shall obtain a non-owned auto endorsement to the Commercial General Liability policy required under Subparagraph A. 1) of this Section 10.

3) Workers' Compensation Insurance as required by the State of California and Employer's Liability Insurance with a minimum limit of One Million Dollars (\$1,000,000) per accident for bodily injury or disease. If Consultant has no employees while performing services under this Agreement, workers' compensation policy is not required, but Consultant shall provide an executed declaration that it has no employees.

If agreement requires professional liability insurance or, if appropriate, errors and omissions insurance:

4) Professional Liability Insurance [or Errors and Omissions Insurance] with minimum limits of Two Million Dollars (\$2,000,000) per claim and in aggregate.

B. Acceptability of Insurers. The insurance policies required under this Section 10 shall be issued by an insurer admitted to write insurance in the State of California with a rating of A:VII or better in the latest edition of the A.M. Best Insurance Rating Guide. Self insurance shall not be considered to comply with the insurance requirements under this Section 10.

C. Additional Insured. The commercial general and automobile liability policies shall contain an endorsement naming the City, its officers, employees, agents and volunteers as additional insureds.

D. Primary and Non-Contributing. The insurance policies required under this Section 10 shall apply on a primary non-contributing basis in relation to any other insurance or self-insurance available to City. Any insurance or self-insurance maintained by City, its officers, employees, agents or volunteers, shall be in excess of Consultant's insurance and shall not contribute with it.

E. Consultant's Waiver of Subrogation. The insurance policies required under this Section 10 shall not prohibit Consultant and Consultant's employees, agents or subcontractors from waiving the right of subrogation prior to a loss. Consultant hereby waives all rights of subrogation against City.

F. Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be approved by City. At City's option, Consultant shall either reduce or eliminate the deductibles or self-insured retentions with respect to City, or Consultant shall procure a bond guaranteeing payment of losses and expenses.

G. Cancellations or Modifications to Coverage. Consultant shall not cancel, reduce or otherwise modify the insurance policies required by this Section 10 during the term of this Agreement. The commercial general and automobile liability policies required under this Agreement shall be endorsed to state that should the issuing insurer cancel the policy before the

expiration date, the issuing insurer will endeavor to mail thirty (30) calendar days' prior written notice to City. If any insurance policy required under this Section 10 is canceled or reduced in coverage or limits, Consultant shall, within two (2) business days of notice from the insurer, phone, fax or notify City via certified mail, return receipt requested, of the cancellation of or changes to the policy.

H. City Remedy for Noncompliance. If Consultant does not maintain the policies of insurance required under this Section 10 in full force and effect during the term of this Agreement, or in the event any of Consultant's policies do not comply with the requirements under this Section 10, City may either immediately terminate this Agreement or, if insurance is available at a reasonable cost, City may, but has no duty to, take out the necessary insurance and pay, at Consultant's expense, the premium thereon. Consultant shall promptly reimburse City for any premium paid by City or City may withhold amounts sufficient to pay the premiums from payments due to Consultant.

I. Evidence of Insurance. Prior to the performance of services under this Agreement, Consultant shall furnish City's Risk Manager with a certificate or certificates of insurance and all original endorsements evidencing and effecting the coverages required under this Section 10. The endorsements are subject to City's approval. Consultant may provide complete, certified copies of all required insurance policies to City. Consultant shall maintain current endorsements on file with City's Risk Manager. Consultant shall provide proof to City's Risk Manager that insurance policies expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Consultant shall furnish such proof at least two (2) weeks prior to the expiration of the coverages.

J. Indemnity Requirements not Limiting. Procurement of insurance by Consultant shall not be construed as a limitation of Consultant's liability or as full performance of Consultant's duty to indemnify City under Section 9 of this Agreement.

K. Subcontractor Insurance Requirements. Consultant shall require each of its subcontractors that perform services under this Agreement to maintain insurance coverage that meets all of the requirements of this Section 10.

11. Mutual Cooperation.

A. City's Cooperation. City shall provide Consultant with all pertinent data, documents and other requested information as is reasonably available for Consultant's proper performance of the services required under this Agreement.

B. Consultant's Cooperation. In the event any claim or action is brought against the City relating to Consultant's performance or services rendered under this Agreement, Consultant shall render any reasonable assistance that City requires.

12. Records and Inspections. Consultant shall maintain full and accurate records with respect to all matters covered under this Agreement for a period of [Written Amount] ([Numerical Amount]) years. Consultant shall, without charge, provide City with access to the

records during normal business hours. City may examine and audit the records and make transcripts therefrom, and inspect all program data, documents, proceedings and activities.

13. Termination or Suspension of Agreement.

A. Right to Terminate or Suspend. City may terminate or suspend this Agreement at any time, at will, for any reason or no reason, after giving written notice to Consultant at least seven (7) calendar days before the termination or suspension is to be effective. Consultant may terminate this Agreement at any time, at will, for any reason or no reason, after giving written notice to City at least sixty (60) calendar days before the termination is to be effective.

B. Obligations upon Termination. Consultant shall cease all work under this Agreement on or before the effective date of termination specified in the notice of termination. In the event of City's termination of this Agreement due to no fault or failure of performance by Consultant, City shall pay Consultant based on the percentage of work satisfactorily performed up to the effective date of termination. In no event shall Consultant be entitled to receive more than the amount that would be paid to Consultant for the full performance of the services required by this Agreement.

14. Force Majeure. Consultant shall not be liable for any failure to perform its obligations under this Agreement if Consultant presents acceptable evidence, in City's sole judgment, that such failure was due to strikes, lockouts, labor disputes, embargoes, acts of God, inability to obtain labor or materials or reasonable substitutes for labor or materials, governmental restrictions, governmental regulations, governmental controls, judicial orders, enemy or hostile governmental action, civil commotion, fire or other casualty, or other causes beyond Consultant's reasonable control and not due to any act by Consultant.

15. Notices. Any notices, consents, requests, demands, bills, invoices, reports or other communications which either party may desire to give to the other party under this Agreement must be in writing and conclusively deemed effective: (a) on personal delivery, (b) on confirmed delivery by reputable document delivery service or courier service during Consultant's and City's regular business hours, or (c) five business days after deposit in the United States mail, by first class mail, postage prepaid, and addressed to the party to be notified as set forth below:

If to City:
Attn: _____
City of Covina
125 E. College Street|
Covina, California 91723

If to Consultant:

16. Non-Discrimination and Equal Employment Opportunity. In the performance of this Agreement, Consultant shall not discriminate against any employee, subcontractor or applicant for employment because of race, color, religious creed, sex, gender, gender identity, gender expression, marital status, national origin, ancestry, age, physical disability, mental disability, medical condition, genetic information, sexual orientation or other basis prohibited by law.

Consultant will take affirmative action to ensure that subcontractors and applicants are employed, and that employees are treated during employment, without regard to their race, color, religious creed, sex, gender, gender identity, gender expression, marital status, national origin, ancestry, age, physical disability, mental disability, medical condition, genetic information or sexual orientation.

17. Prohibition of Assignment and Delegation. Consultant shall not assign any of its rights or delegate any of its duties under this Agreement, either in whole or in part, without City's prior written consent. City's consent to an assignment of rights under this Agreement shall not release Consultant from any of its obligations or alter any of its primary obligations to be performed under this Agreement. Any attempted assignment or delegation in violation of this Section 17 shall be void and of no effect and shall entitle City to terminate this Agreement. As used in this Section 17, "assignment" and "delegation" means any sale, gift, pledge, hypothecation, encumbrance or other transfer of all or any portion of the rights, obligations, or liabilities in or arising from this Agreement to any person or entity, whether by operation of law or otherwise, and regardless of the legal form of the transaction in which the attempted transfer occurs.

18. No Third Party Beneficiaries Intended. Except as otherwise provided in Section 9, this Agreement is made solely for the benefit of the parties to this Agreement and their respective successors and assigns, and no other person or entity may have or acquire a right by virtue of this Agreement.

19. Waiver. No delay or omission to exercise any right, power or remedy accruing to City under this Agreement shall impair any right, power or remedy of City, nor shall it be construed as a waiver of, or consent to, any breach or default. No waiver of any breach, any failure of a condition, or any right or remedy under this Agreement shall be (1) effective unless it is in writing and signed by the party making the waiver, (2) deemed to be a waiver of, or consent to, any other breach, failure of a condition, or right or remedy, or (3) deemed to constitute a continuing waiver unless the writing expressly so states.

20. Exhibits. Exhibits A, B, C and D constitute a part of this Agreement and are incorporated into this Agreement by this reference. If any inconsistency exists or arises between a provision of this Agreement and a provision of any exhibit, the provisions of this Agreement shall control.

21. Entire Agreement. This Agreement and all exhibits referred to in this Agreement constitute the final, complete and exclusive statement of the terms of the agreement between the parties pertaining to the subject matter of this Agreement and supersede all other prior or contemporaneous oral or written understandings and agreements of the parties. No party has been induced to enter into this Agreement by, nor is any party relying on, any representation or warranty except those expressly set forth in this Agreement.

22. Amendment of Agreement. This Agreement may be amended only by a writing signed by both parties. The City Manager is authorized to sign an amendment to this Agreement on the City Council's behalf and without the City Council's prior approval to make the following non-

substantive modifications to the Agreement: (a) name changes; (b) extensions of time; (c) non-monetary changes in the scope of work; and (d) termination of the Agreement.

23. Headings. The headings in this Agreement are included solely for convenience of reference and shall not affect the interpretation of any provision of this Agreement or any of the rights or obligations of the parties to this Agreement.

24. Word Usage. Unless the context clearly requires otherwise, (a) the words “shall,” “will” and “agrees” are mandatory and “may” is permissive; (b) “or” is not exclusive; and (c) “includes” or “including” are not limiting.

25. Time of the Essence. Time is of the essence in respect to all provisions of this Agreement that specify a time for performance; provided, however, that the foregoing shall not be construed to limit or deprive a party of the benefits of any grace or use period allowed in this Agreement.

26. Governing Law and Choice of Forum. This Agreement, and any dispute arising from the relationship between the parties to this Agreement, shall be governed by and construed in accordance with the laws of the State of California, except that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be applied in interpreting this Agreement. Any dispute that arises under or relates to this Agreement (whether contract, tort or both) shall be resolved in a municipal, superior or federal court with geographic jurisdiction over the City of Covina.

27. Attorneys’ Fees. In any litigation or other proceeding by which one party seeks to enforce its rights under this Agreement (whether in contract, tort or both) or seeks a declaration of any rights or obligations under this Agreement, the prevailing party shall be awarded reasonable attorneys’ fees together with any costs and expenses, to resolve the dispute and to enforce the final judgment.

28. Severability. If a court of competent jurisdiction holds any provision of this Agreement to be illegal, invalid or unenforceable for any reason, the validity of and enforceability of the remaining provisions of this Agreement shall not be affected and continue in full force and effect.

29. Authority to Execute Agreement. **The person or persons executing this Agreement on behalf of Consultant warrants and represents that he or she has the authority to execute this Agreement on behalf of the Consultant and has the authority to bind Consultant to the performance of its obligations hereunder.**

[SIGNATURE PAGE FOLLOWS]

The parties, through their duly authorized representatives, are signing this Agreement on the date stated in the introductory clause.

City:

City of Covina,
a California municipal corporation

By: _____
Name: _____
Title: _____

ATTEST:

By: _____
Name: Sharon F. Clark
Title: Chief Deputy City Clerk

APPROVED AS TO FORM:

By: _____
Name: Candice K. Lee
Title: City Attorney

Consultant:

[Consultant's Legal Name],
a [Legal Form of Entity]

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

(Two signatures of corporate officers required for corporations under Corporations Code Section 313, unless corporate documents authorize only one person to sign this Agreement on behalf of the corporation.)

EXHIBIT A
APPROVED FEE SCHEDULE

EXHIBIT B
SCOPE OF SERVICES

**EXHIBIT C
PROJECT TIMELINE**

EXHIBIT D
CALIFORNIA LABOR CODE COMPLIANCE
(Labor Code §§ 1720 et seq., 1813, 1860, 1861, 3700)

If this Agreement calls for services that, in whole or in part, constitute “public works” as defined in the California Labor Code, then:

1. This Agreement is subject to the provisions of Division 2, Part 7, Chapter 1 (commencing with Section 1720) of the California Labor Code relating to public works and the awarding public agency (“City”) and Consultant agrees to be bound by all the provisions thereof as though set forth in full herein.
2. Consultant shall be registered with the Department of Industrial Relations (“DIR”) in accordance with California Labor Code Section 1725.5 and has provided proof of registration to City prior to the Effective Date of this Agreement.
3. Consultant shall comply with the provisions of California Labor Code Sections 1771, 1774 and 1775 concerning the payment of prevailing rates of wages to workers and the penalties for failure to pay prevailing wages. The applicable prevailing wage determination(s) may be obtained at (<http://www.dir.ca.gov/OPRL/DPreWageDetermination.htm>), are on file with City, and are available to any interested party upon request. Consultant shall, as a penalty to City, forfeit not more than two-hundred dollars (\$200) for each calendar day, or portion thereof, for each worker paid less than the prevailing rates as determined by the Director of Industrial Relations for the work or craft in which the worker is employed for any public work done under this Agreement by Consultant or by any subcontractor.
4. Pursuant to California Labor Code Section 1771.4, Consultant’s services are subject to compliance monitoring and enforcement by the Department of Industrial Relations. Consultant shall post job site notices as prescribed by DIR regulations and agrees to furnish the records specified in California Labor Code Section 1776 directly to the Labor Commissioner in the manner prescribed by California Labor Code Section 1771.4(a)(3) and (c)(2).
5. Consultant shall comply with the provisions of California Labor Code Section 1776 which, among other things, require Consultant and each subcontractor to: (1) keep accurate payroll records, (2) certify and make such payroll records available for inspection as provided by Section 1776, and (3) inform City of the location of the records. Consultant is responsible for compliance with Section 1776 by itself and all of its subcontractors.
6. Consultant shall comply with the provisions of California Labor Code Section 1777.5 concerning the employment of apprentices on public works projects, and further agrees that Consultant is responsible for compliance with Section 1777.5 by itself and all of its subcontractors.

7. Consultant shall comply with the provisions of California Labor Code Section 1813 concerning penalties for workers who work excess hours. Consultant shall, as a penalty to City, forfeit twenty-five dollars (\$25) for each worker employed in the execution of this Agreement by Consultant or by any subcontractor for each calendar day during which such worker is required or permitted to work more than eight (8) hours in any one calendar day and forty (40) hours in any one calendar week in violation of the provisions of Division 2, Part 7, Chapter 1, Article 3 of the California Labor Code.
8. California Labor Code Sections 1860 and 3700 provide that every contractor will be required to secure the payment of compensation to its employees. In accordance with the provisions of California Labor Code Section 1861, Consultant hereby certifies as follows:

“I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for workers’ compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this Agreement.”

Date _____ Signature _____



COVINA HOUSING AUTHORITY

AGENDA REPORT

ITEM NO. CC 8

MEETING DATE: October 18, 2016

TITLE: Covina Housing Authority Annual Report FY 2015-2016

PRESENTED BY: Brian K. Lee, Director of Community Development

RECOMMENDATION: Receive and file the report.

BACKGROUND:

In Fiscal Year 2010-2011, the Covina Housing Authority was activated by the Covina City Council. Health and Safety Code Sections 34328 and 34328.1 require all housing authorities to file an annual report by October 1st with the City Clerk and the State of California Department of Housing and Community Development. The report, which was filed with both offices, is attached as Exhibit A.

The purpose of the report is to show the activities for the previous fiscal year. The attached report recounts the process whereby the Housing Authority assumed the housing functions and duties of the Covina Redevelopment Agency when that agency was dissolved pursuant to AB 1X 26, as well as providing other required information.

DISCUSSION:

The audit has been completed and is attached.

FISCAL IMPACT:

None.

CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT):

This activity will not result in a reasonably foreseeable change to the physical environment; it is exempt from CEQA under State CEQA Guidelines 15061 (b) (2) and (3) and does not constitute a project.

Respectfully submitted,



Brian K. Lee
Director of Community Development

ATTACHMENTS:

- A. Covina Housing Authority Annual Report FY 15-16

COVINA HOUSING AUTHORITY

ANNUAL REPORT FY 15-16

Health and Safety Code Sections 34328 and 34328.1 require all housing authorities to file an annual report by October 1st with the City Clerk and the Department of Housing and Community Development. The requirements of the report follow.

A. Background

In FY 2010-2011, the Housing Authority was activated by the Covina City Council. City resolution No. 11-6926, adopted January 25, 2011, declared that there is a need for a housing authority, declared that all members of the City Council shall be the Commissioners of the Housing Authority and designated the mayor as the interim chairman of the housing authority.

On January 30, 2012, by Resolution 12-7045, the Covina City Council elected not to retain the housing assets and functions previously performed by the Covina Redevelopment Agency, which was dissolved pursuant to Part 1.85 of Division 24 of the California Health and Safety Code. All rights, powers, duties and obligations, including any encumbered amounts on deposit in the Agency's Low and Moderate Income Housing Fund, were transferred to the Covina Housing Authority.

On April 3, 2012, by Resolution 12-004, the Successor Agency to the Covina Redevelopment Agency recommended approval of the transfer of housing assets and properties of the former Agency to the Housing Authority by the Oversight Board.

On April 5, 2012, by Resolution 12-01, the Oversight Board directed the Successor Agency to transfer housing responsibilities and all rights, powers, duties and obligations associated with the housing activities of the Covina Redevelopment Agency along with the transfer of encumbered low and moderate income housing funds designated for housing projects to the Covina Housing Authority pursuant to Health and Safety Code Sections 34176, 34177 and 34181. The Oversight Board approval was sent to the state Department of Finance for final approval. The transfer of the housing functions and duties were not questioned by the State Department of Finance, and so were approved.

Pursuant to Health and Safety Code section 34176 (a)(2) the Authority submitted a Housing Assets Transfer Form to the Department of Finance in July 2012. By letter dated August 30, 2012, the State Department of Finance approved the Housing Asset Transfer Form. The form was later amended, and the Amended Housing Asset Transfer Form was approved by the State Department of Finance by letter dated February 21, 2013.

The housing assets and functions assumed by the Housing Authority are as listed in Exhibit A to the Annual Report. In addition, the following rental properties will be monitored annually

Village Green Apartments , 152 E Covina Blvd, Covina CA 91722
 Smith Family Trust Apartments, 227 N Citrus Ave, Covina CA 91723
 Cienega Gardens Apartments, 1211 N. Lyman, Covina CA 91724
 Las Palmas Apartments, 777 W. Covina Blvd, Covina CA 91722
 YWCA Wings domestic violence home, confidential location
 Center Street Apartments, 236 W. Center Street, Covina, CA 91723
 Covina Gardens, 200 W. Rowland Street, Covina, CA 91723

Owner-occupied affordable housing units will continue to be monitored on an annual basis.

Authority-Owned Assets

In FY 10-11, the Housing Authority became the owner of record of two properties. Ownership was affirmed when the Amended Housing Asset Transfer Form was approved by the State Department of Finance by letter dated February 21, 2013. One property has since been sold and the funds realized through the sale were deposited to the Low- and Moderate-Income Housing Asset Fund.

<u>APN</u>	<u>Description</u>
8434-002-904	Residential Property, Covina

APN 8434-002-904 is an occupied residential property, occupied as transitional housing for homeless women with children.

B. Activities for the Preceding Year

In Fiscal Year 2015-2016, the Covina Housing Authority did not issue any bonds, or execute any loans or financing agreements for multi-family rental development.

(1) Percentage Requirements*

Not less than 20% of all units shall be available for occupancy on a priority basis to persons of low-income

Categories:

Rental Housing	100%
Homeownership Developments	N/A
Rehabilitation financing	N/A

Of the one housing unit owned by the Housing Authority, 100% is occupied by households whose gross income does not exceed the applicable limits as of January 1, 2016.

*The only units owned, assisted or monitored by the Housing Authority are in connection with the transfer to the Housing Authority of the rights, powers, duties and obligations associated with housing activities of the former Covina Redevelopment Agency.

- | | | |
|------------|---|------------|
| (2) | Units financed with Bonds | N/A |
| (3) | Multifamily Units | N/A |
| (4) | Recipients of Federal Rent Subsidies | N/A |
| (5) | Increase in Income of Current Occupant | N/A |

C. Recommended Legislation

The Authority does not intend to propose any legislation at this time.

- | | | |
|-----------|------------------------------------|------------|
| D. | Domestic Violence Reporting | N/A |
|-----------|------------------------------------|------------|

**EXHIBIT A
TO THE ANNUAL REPORT**

DEPARTMENT OF FINANCE
AMENDED HOUSING ASSETS LIST November 28, 2012
ASSEMBLY BILL X1 26 AND ASSEMBLY BILL 1484
(Health and Safety Code Section 34176)

Note: Approved per DOF letter dated February 21, 2013 attached.

Former Redevelopment Agency: Covina Redevelopment Agency
 Successor Agency to the Former Redevelopment Agency: City of Covina
 Entity Assuming the Housing Functions of the former Redevelopment Agency: Covina Housing Authority
 Entity Assuming the Housing Functions Contact Name: Dilu de Alwis Title Director of Finance Phone 626-384-5516 E-Mail Address ddealwis@covinaca.gov
 Entity Assuming the Housing Functions Contact Name: Nuala Gasser Title Sr. Housing and CDBG Econ Phone 626-384-5442 E-Mail Address ngasser@covinaca.gov

All assets transferred to the entity assuming the housing functions between February 1, 2012 and the date the exhibits were created are included in this housing assets list. The following Exhibits noted with an X in the box are included as part of this inventory of housing assets:

Exhibit A - Real Property	X
Exhibit B- Personal Property	X
Exhibit C - Low-Mod Encumbrances	X
Exhibit D - Loans/Grants Receivables	X
Exhibit E - Rents/Operations	
Exhibit F- Rents	
Exhibit G - Deferrals	X

Prepared By: Nuala Gasser
 Date Prepared: November 28, 2012 (amended)

Exhibit A - Real Property

City of Covina
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)

Item #	Type of Asset a/	Legal Title and Description	Carrying Value of Asset	Total square footage	Square footage reserved for low/mod housing	Is the property encumbered by a low/mod housing covenant?	Source of low/mod housing covenant b/	Date of transfer to Housing Successor Agency	Is acquisition cost funded with Low-Mod Housing	Construction or acquisition costs funded with other RDA funds	Construction or acquisition costs funded with non-RDA funds	Date of construction or acquisition by the former RDA	Interest in real property (option to purchase, easement, etc.)
1	Vacant Building	147-151 E. College St Covina	\$730,200	Bldg: 6,250sf Land: 8,748sf	None.	No.	N/A	3/10/2011	Yes	N/A	N/A	Acquired May 20, 2005. Time extension obtained May 18, 2010	3/1/2011 entered into DDA to sell property
	Residence	1104 W. McGill St. Covina	\$425,610	Bldg: 1,875 sf Land: 5,641 sf	Bldg: 1,875 sf Land: 5,641 sf	No. In use as transitional housing for homeless women and children	In use as transitional housing for homeless women and children	3/10/2011	Yes	N/A	Federal EDI grant used to rehab home.	7/27/2004	purchased 7/27/2004
2													
3													
4													
5													
6													
7													
		Total	\$1,155,810										

a/ Asset types may include low-mod housing, mixed-income housing, low-mod housing with commercial space, mixed-income housing with commercial space.

b/ May include California Redevelopment Law, tax credits, state bond indentures, and federal funds requirements.

Exhibit B - Personal Property

City of Covina
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)

Item #	Type of Asset s/	Description	Carrying Value of Asset	Date of transfer to Housing Successor Agency	Acquisition cost funded with Low-Mid Housing Fund monies	Acquisition costs funded with other RDA funds	Acquisition costs funded with non-RDA funds	Date of acquisition by the former RDA
All furniture, appliances and fixtures at the Covina Transitional House for homeless women and children, including but not limited to:								
1	Appliances	washer and dryer	\$1,129	1-Feb-12	\$0	\$0	\$1,129	2009
2	Appliances	2 refrigerators and stove	\$2,446	1-Feb-12	\$0	\$0	\$2,446	Aug-06
3	Appliances	dining table w 6 chairs TV stand; coffee table; 2 bookcases; bunk bed and 2 mattresses; chest of drawers	\$2,393	1-Feb-12	\$0	\$0	\$2,393	8/4/2006
4	Appliances	computer and printer	\$1,368	1-Feb-12	\$0	\$0	\$1,368	6/9/2009
5	Fixtures	air conditioning system		1-Feb-12	\$0	\$0		purchased w/house
6	Furniture	1 bunk bed set and chest of drawers	unknown	1-Feb-12	\$0	\$0	donated	2006
7	Furniture	1 single bed	\$371	1-Feb-12	\$0	\$0	\$371	12/1/2009
8	Furniture	2 single beds and night stand	unknown	1-Feb-12	\$0	\$0	donated	2006
9	Furniture	1 queen bed	unknown	1-Feb-12	\$0	\$0	donated	2006
10	Furniture	3 dressers	\$1,342	1-Feb-12	\$0	\$0	\$1,342	2009 & 2011
11	Furniture	couch	\$220	1-Feb-12	\$0	\$0	\$220	Jun-12
12	Furniture	2 closet track systems	\$500	1-Feb-12	\$0	\$0	\$500	2009;2010
13	Furniture	end tables, TV	unknown	1-Feb-12	\$0	\$0	donated	2006
14	Furniture	computer desk	\$217	1-Feb-12	\$0	\$0	\$217	2008
15	Furniture	2 entry tables	unknown	1-Feb-12	\$0	\$0	donated	2006
16	Household goods	dishes, cutlery	unknown	1-Feb-12	\$0	\$0	donated	2006
17	Household goods	pots and pans, pictures	unknown	1-Feb-12	\$0	\$0	donated	2006
	Household goods	small kitchen appliances including coffee maker, griddle, toaster, baking equipment	\$1,000	1-Feb-12	\$0	\$0	\$1,000	2006-2012
18	Household goods	window blinds	\$3,442	1-Feb-12	\$0	\$0	\$3,442	2010
19	Household goods	kitchen cabinets and counters	\$ 6,371.00	1-Feb-12	\$0	\$0	\$ 6,371.00	2006
20	Household goods							

21	Household goods	sheets, blankets, bedspreads, pillows towels	\$1,000	1-Feb-12	\$0	\$0	\$1,000	2009/2010;2011; 2012
22	Household goods	light fixtures, fans, vaccuum	\$1,000	1-Feb-12	\$0	\$0	\$1,000	2006-2012
23	Household goods	Bar B Q and outdoor furniture; hoses;ladder	\$275	1-Feb-12	\$0	\$0	\$275	2008
24	Total personal property at transitional house							
							\$23,074	

All documents related to housing affordability covenants, including but not limited to the following:

25	loan document funding agreement-Wings/YWCA	2011-0712728 Notice of affordability restrictions	\$0	1-Feb-12	\$0	\$0	\$0	5/20/2011
26	loan document funding agreement-Wings/YWCA	2011-1455552 Notice of affordability restrictions	\$0	1-Feb-12	\$0	\$0	\$0	10/27/2011
27	loan document funding agreement-Wings/YWCA	First Amendment to Regulatory Agreement	\$0	1-Feb-12	\$0	\$0	\$0	6/8/2011
28	loan document funding agreement-Wings/YWCA	Regulatory Agreement	\$0	1-Feb-12	\$0	\$0	\$0	4/25/11
29	loan document funding agreement-Wings/YWCA	Affordable Housing Agreement	\$0	1-Feb-12	\$0	\$0	\$0	3/8/11
30	loan document funding agreement-Wings/YWCA	First Amendment to Affordable Housing Agreement	\$0	1-Feb-12	\$0	\$0	\$0	3/8/2011
31	Document-Pomona Valley Habitat for Humanity	2011-1181519 Deed of Trust	\$0	1-Feb-12	\$0	\$0	\$0	8/31/2011
32	Document-Habitat	2010-1597630 Notice of Agreement	\$0	1-Feb-12	\$0	\$0	\$0	11/5/2010
33	Document-Habitat	DDA Habitat	\$0	1-Feb-12	\$0	\$0	\$0	7/20/2010
34	Document-Habitat	Promissory Note-Habitat	\$0	1-Feb-12	\$0	\$0	\$0	8/19/2011
35	Document-Habitat	Assignment and Assumption and Substitution of Trustee and Deed of Reconveyance	\$0	1-Feb-12	\$0	\$0	\$0	7/12/2012
36	Document-Habitat	2011-1181518 Grant Deed to Habitat	\$0	1-Feb-12	\$0	\$0	\$0	8/31/2011
37	Document-Habitat	Declaration of CC&Rs Ontiveros	\$0	1-Feb-12	\$0	\$0	\$0	7/12/2012

38	Document-Habitat	Request for Notice	\$0	1-Feb-12	\$0	\$0	\$0	\$0	7/12/2012
39	Document-Habitat	Notice of Affordability Restrictions	\$0	1-Feb-12	\$0	\$0	\$0	\$0	7/12/2012
40	Document-Habitat	Deed of Trust, Ontiveros	\$0	1-Feb-12	\$0	\$0	\$0	\$0	7/12/2012
41	Document-City Walk	DDA Olson -Covina 5	\$0	1-Feb-12	\$0	\$0	\$0	\$0	5/18/2010
42	Document-City Walk	2011-0378059 Grant Deed-Olson	\$0	1-Feb-12	\$0	\$0	\$0	\$0	3/11/2011
43	Document-City Walk	2011-0378061 Notice of Agreement	\$0	1-Feb-12	\$0	\$0	\$0	\$0	3/11/2011
44	Document-City Walk	Notice of Affordability Restrictions	\$0	1-Feb-12	\$0	\$0	\$0	\$0	3/11/2011
45	Document-Vintage Walk Olson	Participation Agreement-Olson	\$0	1-Feb-12	\$0	\$0	\$0	\$0	12/6/2005
46	Document-Vintage Walk 2 City Ventures	First Amendment to Participation Agreement	\$0	1-Feb-12	\$0	\$0	\$0	\$0	3/9/2011
47	Document-Cienega Gardens Apts	02-2394719 Declaration of CC&Rs Cienega Preservation partnership L.P.	\$0	1-Feb-12	\$0	\$0	\$0	\$0	10/10/2002
48	Document-200 W Rowland	Participation Agreement-Covina	\$0	1-Feb-12	\$0	\$0	\$0	\$0	12/23/2009
49	Document-200 W Rowland	Residual Receipts Note Secured by Deed of Trust	\$0	1-Feb-12	\$0	\$0	\$0	\$0	6/17/10
50	Document-200 W Rowland	2009-1968783- Declaration of CC&Rs for Affordable Rental	\$0	1-Feb-12	\$0	\$0	\$0	\$0	12/28/2009
51	Document-200 W Rowland	2010-0838089 Second Deed of Trust and Security Agreement	\$0	1-Feb-12	\$0	\$0	\$0	\$0	6/18/2010
52	Document-200 W Rowland	2010-0838093 Notice of Affordability Restrictions on Rental	\$0	1-Feb-12	\$0	\$0	\$0	\$0	6/18/2010
53	Document-Village Green	05-2148883 Declaration of CC&Rs Republic Properties	\$0	1-Feb-12	\$0	\$0	\$0	\$0	9/7/2005
54	Document-Village Green	REIG-LA-AU #1224 Lease-Agency and Republic	\$0	1-Feb-12	\$0	\$0	\$0	\$0	5/21/1986
55	Document-Village Green	Purchase and Disposition Agreement Agency and Republic	\$0	1-Feb-12	\$0	\$0	\$0	\$0	1/24/2005

56	Document-Smith Family Trust	95-282447 Declaration of CC&Rs-Smith Family Trust and Agency	\$0	1-Feb-12	\$0	\$0	\$0	\$0	\$0	2/21/1995
57	Document-Smith Family Trust	Participation Agreement, Smith Family Trust and Agency	\$0	1-Feb-12	\$0	\$0	\$0	\$0	\$0	9/20/1994
58	Document-Las Palmas previously Orange Grove Apts	95-1747812 Declaration of CC&Rs LA Recovery 94 Equity Fund and Agency	\$0	1-Feb-12	\$0	\$0	\$0	\$0	\$0	10/30/1995
59	Document-Las Palmas previously Orange Grove Apts	Rehabilitation Agreement	\$0	1-Feb-12	\$0	\$0	\$0	\$0	\$0	10/15/1995
60	Document-Shadowhills Apts	85-738176 Regulatory Agreement and Declaration of Restrictive Covenants	\$0	1-Feb-12	\$0	\$0	\$0	\$0	\$0	6/26/1985
61	Document-Shadowhills Apts/Vista Pointe Apts	94-1988738 Amended and Restated Regulatory Agreement and Declaration of Restrictive Covenants	\$0	1-Feb-12	\$0	\$0	\$0	\$0	\$0	11/2/1994
62	Document-Shadowhills Apts/Vista Pointe Apts	98-2234471 First Amendment to Amended and Restated Regulatory Agreement	\$0	1-Feb-12	\$0	\$0	\$0	\$0	\$0	12/9/2008
63	Document-Shadowhills Apts/Vista Pointe Apts	Amendments 2 and 3 to Amended and Restated Regulatory Agreement	\$0	1-Feb-12	\$0	\$0	\$0	\$0	\$0	July 1, 2007 and July 31, 2007
64	Document-Shadowhills Apts/Vista Pointe Apts Bond Issue	All documents related to the Multifamily Housing Revenue Refunding Bonds, Series A of 1994 (Shadowhills Apartments Project)	\$0	1-Feb-12	\$0	\$0	\$0	\$0	\$0	12/1/1998
65	Document-Center Street	2008-0071770 Deed of Trust with Assignment of Rents-Center Street LLC	\$0	1-Feb-12	\$0	\$0	\$0	\$0	\$0	1/4/2008
66	Document-Center Street	2008-0071769 Declaration of CC&Rs Center Street LLC	\$0	1-Feb-12	\$0	\$0	\$0	\$0	\$0	1/4/2008

67	Document-Darpi	2012-0495235-Deed of Trust	\$0	1-Feb-12	\$0	\$0	\$0	\$0	\$0	\$0	4/2/2012
	Document-Darpi	2012-0495234 Declaration of conditions, Covenants and Restrictions and Moderate Income Borrower disclosure Statement Regarding Declaration	\$0	1-Feb-12	\$0	\$0	\$0	\$0	\$0	\$0	4/2/2012
68	Document-Darpi	Moderate Income Borrower disclosure Statement Regarding Declaration	\$0	1-Feb-12	\$0	\$0	\$0	\$0	\$0	\$0	3/27/2012
69	Document-Darpi	Contingent Promissory Note	\$0	1-Feb-12	\$0	\$0	\$0	\$0	\$0	\$0	3/27/2012
70	Document-Darpi	2012-0520116 Request for Notice	\$0	1-Feb-12	\$0	\$0	\$0	\$0	\$0	\$0	4/6/2012
71	Document-Darpi	Waiver of Right to Cancel	\$0	1-Feb-12	\$0	\$0	\$0	\$0	\$0	\$0	3/27/2012
72	Document-Scott	20072248610 Deed of Trust and Addendum to Deed of Trust Scott	\$0	1-Feb-12	\$0	\$0	\$0	\$0	\$0	\$0	10/1/2007
73	Document-Scott	2007-2248607 Loan Agreement Scott	\$0	1-Feb-12	\$0	\$0	\$0	\$0	\$0	\$0	10/1/2007
74	Document-Scott	2007-2406946 Request for copy of notice of default	\$0	1-Feb-12	\$0	\$0	\$0	\$0	\$0	\$0	10/24/2007
75	Document-Scott	2007-2248606 Declaration of CC&Rs Scott	\$0	1-Feb-12	\$0	\$0	\$0	\$0	\$0	\$0	10/1/2007
76	Document-Scott	Promissory Note Scott	\$0	1-Feb-12	\$0	\$0	\$0	\$0	\$0	\$0	9/17/2007
77	Document-Scott	Contingent Promissory Note Scott	\$0	1-Feb-12	\$0	\$0	\$0	\$0	\$0	\$0	9/17/2007
78	Document-Scott	Modification of Note secured by Deed of Trust	\$0	1-Feb-12	\$0	\$0	\$0	\$0	\$0	\$0	7/24/2012
79	Document-Scott	Subordination Agreement and Substitution of Beneficiary	\$0	1-Feb-12	\$0	\$0	\$0	\$0	\$0	\$0	7/24/2012
80	Document-Scott	Moderate Income Borrower DPAP Disclosure Statement	\$0	1-Feb-12	\$0	\$0	\$0	\$0	\$0	\$0	9/17/2007
81	Document-Scott	Moderate Income Borrower DPAP Disclosure Statement	\$0	1-Feb-12	\$0	\$0	\$0	\$0	\$0	\$0	9/17/2007
82	Document-Scott	Moderate Income Borrower DPAP Disclosure Statement	\$0	1-Feb-12	\$0	\$0	\$0	\$0	\$0	\$0	9/17/2007

83	Document-Scott	2012-0888319 Assignment and Assumption Deed of Trust - Scott	\$0	1-Feb-12	\$0	\$0	\$0	\$0	\$0	6/14/2012
84	Document-Scott	2012-0888320 Assignment and Assumption Loan Agreement - Scott	\$0	1-Feb-12	\$0	\$0	\$0	\$0	\$0	6/14/2012
85	Document-Scott	2012-0888321 Assignment and Assumption Declaration - Scott	\$0	1-Feb-12	\$0	\$0	\$0	\$0	\$0	6/14/2012
86	Document-Scott	Assignment and Assumption Agency Note - Scott	\$0	1-Feb-12	\$0	\$0	\$0	\$0	\$0	6/14/2012
87	Document-Scott	Assignment and Assumption Contingent Promissory Note- Scott	\$0	1-Feb-12	\$0	\$0	\$0	\$0	\$0	6/14/2012
88	Document-Samuel	2007-1838954 Deed of Trust and Addendum to Deed of Trust Samuel	\$0	1-Feb-12	\$0	\$0	\$0	\$0	\$0	8/3/2007
89	Document-Samuel	2007-1838949 Loan Agreement Samuel	\$0	1-Feb-12	\$0	\$0	\$0	\$0	\$0	8/3/2007
90	Document-Samuel	2007-2406945 Request for copy of notice of default Samuel	\$0	1-Feb-12	\$0	\$0	\$0	\$0	\$0	10/24/2007
91	Document-Samuel	2007-1838950 Declaration of CC&Rs Samuel	\$0	1-Feb-12	\$0	\$0	\$0	\$0	\$0	8/3/2007
92	Document-Samuel	Promissory Note Samuel	\$0	1-Feb-12	\$0	\$0	\$0	\$0	\$0	7/25/2007
93	Document-Samuel	Contingent Promissory Note Samuel	\$0	1-Feb-12	\$0	\$0	\$0	\$0	\$0	7/25/2007
94	Document-Samuel	Moderate Income Borrower DPAP Disclosure Statement	\$0	1-Feb-12	\$0	\$0	\$0	\$0	\$0	7/25/2007
95	Document-Samuel	Moderate Income Borrower DPAP Disclosure Statement	\$0	1-Feb-12	\$0	\$0	\$0	\$0	\$0	7/25/2007
96	Document-Shimoji	2007-2761281 Deed of Trust and Addendum to Deed of Trust Shimoji	\$0	1-Feb-12	\$0	\$0	\$0	\$0	\$0	12/17/2007

97	Document-Shimoji	2007-2761280 Loan Agreement Shimoji	\$0	1-Feb-12	\$0	\$0	\$0	\$0	\$0	12/17/2007
98	Document-Shimoji	08-2424531 Declaration of CC&Rs	\$0	1-Feb-12	\$0	\$0	\$0	\$0	\$0	11/11/2006
99	Document-Shimoji	Promissory Note Shimoji	\$0	1-Feb-12	\$0	\$0	\$0	\$0	\$0	10/26/2006
100	Document-Shimoji	Contingent Promissory Note Samuel	\$0	1-Feb-12	\$0	\$0	\$0	\$0	\$0	10/26/2006
101	Document-Shimoji	Moderate Income Borrower DPAP Disclosure Statement	\$0	1-Feb-12	\$0	\$0	\$0	\$0	\$0	9/26/2006
102	Document-Shimoji	Moderate Income Borrower DPAP Disclosure Statement re Declaration	\$0	1-Feb-12	\$0	\$0	\$0	\$0	\$0	9/26/2006
103	Document-Shimoji	2009-0832959 Deed of Trust with Assignment of Rents- Shimoji	\$0	1-Feb-12	\$0	\$0	\$0	\$0	\$0	6/4/2009
104	Document-Amaya	2007-2416071 Deed of Trust and Addendum to Deed of Trust Amaya	\$0	1-Feb-12	\$0	\$0	\$0	\$0	\$0	10/25/2007
105	Document-Amaya	2007-2416088 Loan Agreement Amaya	\$0	1-Feb-12	\$0	\$0	\$0	\$0	\$0	10/25/2007
106	Document-Amaya	2007-2425652 Request for copy of notice of default-Amaya	\$0	1-Feb-12	\$0	\$0	\$0	\$0	\$0	10/26/2007
107	Document-Amaya	2007-2416067 Declaration of CC&Rs Amaya	\$0	1-Feb-12	\$0	\$0	\$0	\$0	\$0	10/25/2007
108	Document-Amaya	Promissory Note Amaya	\$0	1-Feb-12	\$0	\$0	\$0	\$0	\$0	10/16/2007
109	Document-Amaya	Contingent Promissory Note Amaya	\$0	1-Feb-12	\$0	\$0	\$0	\$0	\$0	10/16/2007
110	Document-Amaya	Moderate Income Borrower DPAP Disclosure Statement	\$0	1-Feb-12	\$0	\$0	\$0	\$0	\$0	10/16/2007
111	Document-Amaya	Moderate Income Borrower DPAP Disclosure Statement re Declaration	\$0	1-Feb-12	\$0	\$0	\$0	\$0	\$0	10/16/2007

112	Document-Escalera	2007-2239473 Deed of Trust and Addendum to Deed of Trust Escalera	\$0	1-Feb-12	\$0	\$0	\$0	\$0	\$0	9/28/2007
113	Document-Escalera	2007-2239474 Loan Agreement Escalera	\$0	1-Feb-12	\$0	\$0	\$0	\$0	\$0	9/28/2007
114	Document-Escalera	2008-0317878 Request for copy of notice of default-Escalera	\$0	1-Feb-12	\$0	\$0	\$0	\$0	\$0	2/25/2008
115	Document-Escalera	2007-2239475 Declaration of CC&Rs Escalera	\$0	1-Feb-12	\$0	\$0	\$0	\$0	\$0	9/28/2007
116	Document-Escalera	Promissory Note Escalera	\$0	1-Feb-12	\$0	\$0	\$0	\$0	\$0	9/17/2007
117	Document-Escalera	Contingent Promissory Note Escalera	\$0	1-Feb-12	\$0	\$0	\$0	\$0	\$0	9/17/2007
118	Document-Escalera	Moderate Income Borrower DPAP Disclosure Statement	\$0	1-Feb-12	\$0	\$0	\$0	\$0	\$0	9/17/2007
119	Document-Escalera	Moderate Income Borrower DPAP Disclosure Statement	\$0	1-Feb-12	\$0	\$0	\$0	\$0	\$0	9/17/2007
120	Document-Fields	2007-2389898 Deed of Trust and Addendum to Deed of Trus Fields	\$0	1-Feb-12	\$0	\$0	\$0	\$0	\$0	10/22/2007
121	Document-Fields	2011-0051301 Deed of Trust and Addendum to Deed of Trus Fields	\$0	1-Feb-12	\$0	\$0	\$0	\$0	\$0	1/11/2011
122	Document-Fields	2007-2389897 Loan Agreement Fields	\$0	1-Feb-12	\$0	\$0	\$0	\$0	\$0	10/22/2007
123	Document-Fields	2007-2398329 Request for copy of notice of default-Fields	\$0	1-Feb-12	\$0	\$0	\$0	\$0	\$0	10/23/2007
124	Document-Fields	2007-2389894 Declaration of CC&Rs Fields	\$0	1-Feb-12	\$0	\$0	\$0	\$0	\$0	10/22/2007
125	Document-Fields	Promissory Note Fields	\$0	1-Feb-12	\$0	\$0	\$0	\$0	\$0	10/10/2007

126	Document-Fields	Contingent Promissory Note Fields	\$0	1-Feb-12	\$0	\$0	\$0	\$0	10/15/2007
127	Document-Fields	Moderate Income Borrower DPAP Disclosure Statement	\$0	1-Feb-12	\$0	\$0	\$0	\$0	10/10/2007
128	Document-Fields	Moderate Income Borrower DPAP Disclosure Statement re Declaration	\$0	1-Feb-12	\$0	\$0	\$0	\$0	10/15/2007
Additional Assets									
129	2004 Taxable Tax Allocation Bonds, Series A and B	All documents related to the 2004 Taxable Tax Allocation Bonds, Series A and B	\$0	1-Feb-12	\$0	\$0	\$0	\$0	2004
130	All documents related to housing actions and decisions by the Covina Redevelopment Agency, the Successor Agency to the Covina Redevelopment Agency, the Oversight Board and/or the Covina Housing Authority related to housing	All staff reports, memos, work product, working documents, and resolutions to August 1, 2012	\$0	1-Feb-12	\$0	\$0	\$0	\$0	various
131	All documents submitted in application to qualify for housing grants, loans and/or subsidies to the Covina Redevelopment Agency, the Successor Agency to the Covina Redevelopment Agency, the Oversight Board and/or the Covina Housing Authority related to housing	Miscellaneous personal, financial, business and credit documents	\$0	1-Feb-12	\$0	\$0	\$0	\$0	various

132	All office supplies, equipment and fixtures	All office supplies, fixtures and equipment including but not limited to: files, envelopes, letterhead, calculators, staplers, rolodexes, phones, computers, printers, file cabinets, paper stackers, paper binders, 3-hole punchers, desks, chairs, tables, workstations and wastebaskets.	\$5,000	1-Feb-12	\$5,000	\$0	\$0	\$0	various
133	All appraisal documents and financial determinations made by consultants for housing purposes	All housing related appraisals and financial determinations made by vendors and consultants on behalf of the Covina Redevelopment Agency, the Successor Agency to the Covina Redevelopment Agency and the Covina Housing Authority	Unknown	1-Feb-12	Unknown	\$0	\$0	\$0	various

a/ Asset types any personal property provided in residences, including furniture and appliances, all housing-related files and loan documents, office supplies, software licenses, and mapping programs, that were acquired for low and moderate income housing purposes, either by purchase or through a loan, in whole or in part, with any source of funds.

Exhibit C - Low-Mod Encumbrances

City of Covina
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)

Item #	Type of housing built or acquired with enforceably obligated funds at	Date contract for enforceable obligation was executed	Contractual counterparty	Total amount currently owed for the enforceable obligation	Is the property encumbered by a low-mod housing covenant?	Source of low-mod housing covenant	Current owner of the property	Construction cost funded with Low-Mod Housing Fund monies	Construction or acquisition costs funded with other RDA funds	Construction or acquisition costs funded with non-RDA funds	Date of construction or acquisition of the property
1	436 E. Cypress St Covina. Single family house built by Habitat on lot obtained with	20-Jul-10	Pomona Valley Habitat for Humanity	Forgivable contingent promissory note: \$202,000	1 unit	CRL	Habitat for Humanity	\$202,772.69-land; \$50,000 building and related costs	n/a	Habitat funded	2012
2	236 W Center St Covina two apartment units built by others	1-May-07	Center Street LLC	0	2 units	CRL	Jaygo International LLC	\$236,886	none	By others. Unknown	Mar-09
3	Village Green Apartments 152 E Covina Blvd Covina	Orig-May 21, 1986, amended 9/7/2005	Republic Properties-Covina 1	0	140 units	CRL	Republic Properties-Covina 1	\$1,180,116	none	By others. Unknown	1986
4	Smith Family Trust Apts 227 N. Citrus Ave Covina	2/22/1995	Smith Family Trust	0	12 units	CRL	Mercy Moreno	\$434,000	n/a	By others. Unknown	1995
5	200 W. Rowland Street Covina	6/17/2010	Covina Gardens KBS LP	4,742,000	89 units	CRL	Covina Gardens KBS LP	Acquisition of covenants: \$2,242,000; Rehabilitation \$2,500,000	n/a	n/a	Completion expected Aug 2012
6	Cienega Gardens Apts, 1211 N. Lyman, Covina	10/10/2002	Cienega Preservation Partnership L.P.	0	180 units	CRL	Cienega Preservation Partnership L.P.	\$1,400,000	n/a	By others. Unknown	2002
7	Las Palmas Apts, 777 W. Covina Blvd., Covina	10/30/1995	LA Recovery Fund LP	0	10 units	CRL	DCP Las Palmas Apartments LLC	\$150,000	n/a	By others. Unknown	1995
8	Vista Pointe Apts, 1400 N. Grand Avenue Covina	Original: June 1, 1985 Amended 11/2/1994	Lincoln Shadowhills LLC	0	40 units	Multifamily Housing Revenue Bonds 1985A	Vista Pointe Apts LLC	\$14,565,000	n/a	By others. Unknown	1985
9	YWCA Wings domestic violence home, confidential location	8-Mar-11	YWCA of San Gabriel Valley	0	1 unit	CRL	YWCA of San Gabriel Valley	\$330,000	n/a	By others. Unknown	2012
10	221 W Zinfandel Avenue Covina	8/3/2007	Olson Development	0	1 unit	CRL	Samuel	\$0	\$0	By others. Unknown	Jul-07
11	523 N. Cabernet Drive Covina	11/1/2006	Olson Development	0	1 unit	CRL	Shimoji	\$0	\$0	By others. Unknown	Sep-06

Exhibit D - Loans/Grants Receivables

City of Covina
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)

Item #	Was the Low-Mid Housing Fund amount issued for a loan or a grant?	Amount of the loan or grant	Date the loan or grant was issued	Person or entity to whom the loan or grant was issued	Purpose for which the funds were loaned or granted	Are there contractual requirements specifying the purposes for which the funds may be used?	Repayment date, if the funds are for a loan	Interest rate of loan	Current outstanding loan balance
1	loan	\$4,742,000	Note date 6/17/2010	Covina Gardens KBS LP	1. Secure affordable covenants 2. Rehabilitation	yes	Residual loan due June 17, 2065	2%	\$4,742,000
2	forgivable loan	\$30,000	7/25/2007	Samuel	Down payment assistance- Purchase affordable home	yes	Forgiven in 20 yrs	1.50%	\$30,000
3	forgivable loan	\$200,000	7/25/2007	Samuel	Secure value above sales price	yes	Forgiven in 45 years	5.50%	\$200,000
4	forgivable loan	\$30,000	10/26/2006	Shimoji	Down payment assistance- Purchase affordable home	yes	Forgiven in 20 yrs	1.50%	\$30,000
5	forgivable loan	\$200,000	10/26/2006	Shimoji	Secure value above sales price	yes	Forgiven in 45 years	6.50%	\$200,000
6	forgivable loan	\$30,000	9/17/2007	Scott	Down payment assistance- Purchase affordable home	yes	Forgiven in 20 yrs	1.50%	\$30,000
7	forgivable loan	\$35,000	revised 7/24/2012	Scott	Secure value above sales price	yes	Forgiven in 45 years	6.25%	\$35,000
8	forgivable loan	\$30,000	10/10/2007	Fields	Down payment assistance- Purchase affordable home	yes	Forgiven in 20 yrs	1.50%	\$30,000
9	forgivable loan	\$190,000	10/15/2007	Fields	Secure value above sales price	yes	Forgiven in 45 years	6.63%	\$190,000
10	forgivable loan	\$30,000	9/17/2007	Escalera	Down payment assistance- Purchase affordable home	yes	Forgiven in 20 yrs	1.50%	\$30,000
11	forgivable loan	\$200,000	9/17/2007	Escalera	Secure value above sales price	yes	Forgiven in 45 years	5.75%	\$200,000
12	forgivable loan	\$30,000	10/16/2007	Amaya	Down payment assistance- Purchase affordable home	yes	Forgiven in 20 yrs	1.50%	\$30,000
13	forgivable loan	\$175,000	10/16/2007	Amaya	Secure value above sales price	yes	Forgiven in 45 years	6.83%	\$175,000

14	loan		371	plus interest	May-93	Andrews		housing rehabilitation		yes	upon sale of property	3%	371
15	loan		1,400	plus interest	Nov-91	Campbell		housing rehabilitation		yes	upon sale of property	3%	1,400
16	loan		9,527	plus interest	Jun-00	Davidson		housing rehabilitation		yes	upon sale of property	3%	9,527
17	loan		1,000	plus interest	Sep-91	Farley		housing rehabilitation		yes	upon sale of property	3%	1,000
18	loan		1,790	plus interest	Aug-92	Guzman		housing rehabilitation		yes	upon sale of property	3%	1,790
19	loan		5,785	plus interest	May-02	Harzheim		housing rehabilitation		yes	upon sale of property	3%	5,785
20	loan		6,756	plus interest	Jul-93	Hathaway		housing rehabilitation		yes	upon sale of property	3%	6,756
21	loan		1,710	plus interest	Nov-95	Hunter		housing rehabilitation		yes	upon sale of property	3%	1,710
22	loan		3,173	plus interest	Feb-94	Jensen		housing rehabilitation		yes	upon sale of property	3%	3,173
23	loan		3,235	plus interest	Jan-06	Michitarian		housing rehabilitation		yes	upon sale of property	3%	3,235
24	loan		1,263	plus interest	Jan-00	Phillipson		housing rehabilitation		yes	upon sale of property	3%	1,263
25	loan		2,402	plus interest	Jan-99	Robles		housing rehabilitation		yes	upon sale of property	3%	2,402
26	loan		994	plus interest	Mar-92	Salinas		housing rehabilitation		yes	upon sale of property	3%	994
27	loan		650	plus interest	Feb-92	Stephenson		housing rehabilitation		yes	upon sale of property	3%	650
28	loan		6,000	plus interest	Jun-03	Thomas		housing rehabilitation		yes	upon sale of property	3%	6,000
29	loan		2,200	plus interest	Feb-99	Treat		housing rehabilitation		yes	upon sale of property	3%	2,200
30	loan		3,000	plus interest	Jan-98	Wolford		housing rehabilitation		yes	upon sale of property	3%	3,000
31	loan		3,170	plus interest	May-96	Yslava		housing rehabilitation		yes	upon sale of property	3%	3,170
32													
33				Housing Assistance total									54,425
34				Residual loan total									\$4,742,000
35													plus interest
36													
37				Down Payment Assistance Program and Contingent Notes total:									\$1,180,000
38													plus interest
39													

Exhibit E - Rents/Operations

City of Covina
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)

Item #	Type of payment a/	Type of property with which they payments are associated b/	Property owner	Entity that collects the payments	Entity to which the collected payments are ultimately remitted	Purpose for which the payments are used	is the property encumbered by a low- mod housing covenant?	Source of low-mod housing covenant c/	Item # from Exhibit A the rent/operation is associated with (if applicable)
1									
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20									

a/ May include revenues from rents, operation of properties, residual receipt payments from developers, conditional grant repayments, costs savings and proceeds from refinancing, and principal and interest payments from homebuyers subject to enforceable income limits.

b/ May include low-mod housing, mixed-income housing, low-mod housing with commercial space, mixed-income housing with commercial space.

c/ May include California Redevelopment Law, tax credits, state bond indentures, and federal funds requirements.

Exhibit F - Rents

City of Covina
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)

Item #	Type of payment a/	Type of property with which the payments are associated b/	Property owner	Entity that collects the payments	Entity to which the collected payments are ultimately remitted	Purpose for which the payments are used	Is the property encumbered by a low-mod housing covenant?	Source of low-mod housing covenant c/	Item # from Exhibit A the rent is associated with (if applicable)
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19									
20									

a/ May include rents of home loan payments.

b/ May include low-mod housing, mixed-income housing, low-mod housing with commercial space, mixed-income housing with commercial space.

c/ May include California Redevelopment Law, tax credits, state bond indentures, and federal funds requirements.

Exhibit G - Deferrals

City of Covina
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)

Item #	Purpose for which funds were deferred	Fiscal year in which funds were deferred	Amount deferred	Interest rate at which funds were to be repaid	Current amount owed	Date upon which funds were to be repaid
1	Set-aside, per Health & Safety Code § 33334.6(e)	1986-1989	\$1,142,215	0	\$327,458	Annually through 2019
2	SERAF 2010, per Health & Safety Code § 33690(C)(1)	2010	\$2,540,091	0	\$2,540,091	2014
3	SERAF 2011, per Health & Safety Code § 33690.5 (c)(1)	2011	\$522,454	0	\$522,454	2015
4						
5	Total		\$4,204,760		\$3,390,003	
6						
7						
8						
9						
10						
11						
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February 21, 2013

Ms. Lisa Brancheau, Assistant to the City Manager
City of Covina
125 East College Street
Covina, CA 91723

Dear Ms. Brancheau:

Subject: Approval of Oversight Board Action

The City of Covina Successor Agency (Agency) notified the California Department of Finance (Finance) of its April 5, 2012 and December 5, 2012 oversight board (OB) resolutions no. 12-02 and no. 12-17 on December 10, 2012. Pursuant to Health and Safety Code (HSC) section 34179 (h), Finance has completed its review of the OB action.

Based on our review and application of the law, OB resolution no. 12-02 directing the Agency to transfer ownership of the housing assets and properties of the former redevelopment agency to the Covina Housing Authority and OB resolution no. 12-17 ratifying the amended Housing Asset Transfer form are approved. This is our determination with respect to the OB actions taken.

Please direct inquiries to Kylie Le, Supervisor, or Michael Barr, Lead Analyst at (916) 445-1546.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Szalay", is written over a horizontal line.

STEVE SZALAY
Local Government Consultant

cc: Mr. Dilu de Alwis, Finance Director, City of Covina
Ms. Kristina Burns, Manager, Los Angeles County Department of Auditor-Controller
California State Controller's Office



CITY OF COVINA

AGENDA REPORT

ITEM NO. CC 9

MEETING DATE: October 18, 2016

TITLE: Lease Agreement with the Covina Valley Historical Society for the Firehouse Jail Museum.

PRESENTED BY: Amy Hall-McGrade, Parks & Recreation Director

RECOMMENDATION: Approve the Lease Agreement with the Covina Valley Historical Society for the Firehouse Jail Museum.

BACKGROUND:

The original lease agreement for the Firehouse Jail Museum was for a term of 20 years, commencing July 1, 1977, and ending June 30, 1997. According to the lease terms, the lessee was also granted the option to renew for a period of 20 years upon giving the lessor notice in writing of its intention to do so not less than 180 days prior to the expiration of the initial term. There was no record of this action being taken. Therefore, a ten-year agreement was created and entered into on March 7, 2006.

DISCUSSION:

The current lease agreement expired in March 2016. According to the lease terms, the lessee was also granted the option to renew for a period of 10 years upon giving the lessor notice in writing of its intention to do so not less than 180 days prior to the expiration of the initial term. This did not occur, therefore, to ensure that the City and the Covina Valley Historical Society are in agreement for the use of the Firehouse Jail Museum to be used as it is currently, an updated agreement was created.

The Human Resources Director and City Manager support the continuation of the \$1,000,000 insurance requirements requested by the Covina Valley Historical Society.

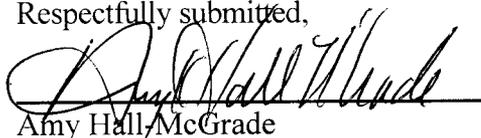
FISCAL IMPACT:

Per lease agreement, the City is responsible to provide general routine building maintenance to include painting of the exterior, maintenance of air conditioning system, plumbing, roofing, and electrical repairs. The general building maintenance requests will be handled according to current work schedules, funding availability, and safety consideration.

CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT):

None.

Respectfully submitted,



Amy Hall-McGrade
Parks & Recreation and Library Services Director

ATTACHMENT:

Attachment A: Proposed Lease Agreement

**CITY OF COVINA
LEASE AGREEMENT – COVINA VALLEY HISTORICAL SOCIETY**

PARTIES:

THIS LEASE AGREEMENT (“LEASE”), is made as of October 18, 2016, between the CITY OF COVINA, a municipal corporation, hereinafter referred to as “LESSOR” and COVINA VALLEY HISTORICAL SOCIETY, a California nonprofit corporation, hereinafter referred to as “LESSEE”.

EFFECTIVE DATE:

This LEASE AGREEMENT is entered into and shall be effective as of October 18, 2016, (the “Effective Date”)

RECITALS:

1. LESSOR owns certain facilities commonly known as the Covina Firehouse Jail Museum (the “Premises”) located upon City property adjacent to and northerly of City Hall at 125 East College Street, Covina, California.

2. LESSEE is a California corporation organized pursuant to the General Nonprofit Corporation Law of California for the purpose, inter alia, of perpetuating the history of the greater Covina area of the San Gabriel Valley and desires to lease and occupy said Premises in furtherance of its purpose.

3. LESSOR finds that leasing said Premises to LESSEE for its purposes at a nominal rental fee for the term hereof is in the public interest.

AGREEMENT:

In consideration of the mutual promises set forth below, the parties agree as follows:

1. **PREMISES:** LESSOR hereby leases the Premises to LESSEE, and LESSEE hereby leases the Premises, from LESSOR, upon the terms hereinafter set forth. The Premises include those improvements commonly known as the “Firehouse Jail Museum” located adjacent to and northerly of Covina City Hall, 125 East College Street, Covina, California. Said Premises are more particularly described in Exhibit “A” attached hereto and made a part hereof by this reference. LESSEE accepts the Premises in their current “AS IS” condition, without representation or warranty, express or implied.

2. **TERM:** The term of this Lease shall be ten (10) years (the “Term”) commencing from the Effective Date. LESSEE is hereby granted the option to renew said term for a period of ten (10) years which may be exercised by LESSEE giving written notice of the extension not less than one hundred eighty (180) days prior to the expiration of the initial term hereof.

Notwithstanding anything in this Lease to the contrary, LESSOR shall have the right to terminate this Lease prior to the expiration of the Term by written notice to LESSEE given at least three hundred sixty-five (365) days prior to the date of such termination. If the City terminates the

lease, the City will cooperate in good faith with the society to find a suitable building to relocate the society and its artifacts and to lease the same upon reasonable terms.

LESSEE shall have the right to terminate this lease prior to expiration of the term for any reason or no reason, upon written notice of termination given at least three hundred sixty-five (365) days prior to the date of such termination.

3. RENT: LESSEE shall pay LESSOR the sum of one dollar (\$1.00) annual rent for each year of the term hereof, with said rent to be paid annually in advance commencing upon the Effective Date.

4. UTILITIES: LESSEE shall pay and be solely responsible for all utilities, with the exception of electricity, furnished to the Premises. LESSOR shall not be liable for any interruption of utilities.

5. USES: LESSEE shall use the Premises exclusively for those purposes for which LESSEE was formed as set forth in its Articles of Incorporation executed October 23, 1976, as described in Exhibit "B" attached hereto and made a part hereof by this reference.

6. MAINTENANCE: LESSEE shall maintain the Premises in a safe and sanitary condition and in good repair.

a. LESSOR shall have no obligation to make any repairs or undertake any maintenance other than general building maintenance as provided in section (b) below.

b. LESSOR shall provide general routine building maintenance to include painting of the exterior, and maintenance of air conditioning system, plumbing, roofing, and electrical repairs.

c. LESSEE shall make general building maintenance repair requests through the City's Public Works Department. Public Works Department will provide general building maintenance request forms.

d. General building maintenance requests will be handled according to current work schedules, funding availability, and safety considerations.

e. LESSOR will coordinate scheduled work with LESSEE's designated representative.

7. INSURANCE: LESSEE shall obtain and maintain at all times during the Term of this LEASE Comprehensive General Liability insurance protecting LESSEE in amounts not less than one million dollars (\$1,000,000) for personal injury to any one person, one million dollars (\$1,000,000) for injuries arising out of any one occurrence, and one million dollars (\$1,000,000) for property damage or a combined single limit of one million dollars (\$1,000,000). Such insurance shall name City of Covina and its officials, officers, employees, volunteers, invitees, and agents as additional insured parties. All of the insurance provided by LESSEE under this Paragraph 7 and all renewals thereof shall be issued by such good, responsible and standard companies rated at least A:Class XII in the current edition of Best's Insurance Guide, and authorized to do business in California.

a. LESSEE shall deliver to the City, file, and annually maintain a certificate(s) of insurance which evidences compliance with the requirements of Paragraph 7 in the City Clerk's office.

b. LESSOR shall maintain fire and extended coverage insurance upon the Premises in accordance with its customary practices.

8. INDEMNIFICATION: The LESSEE agrees to defend, indemnify, and hold harmless the LESSOR (City of Covina), its officers, officials, employees, volunteers, invitees, and agents from and against any and all claims, demands, losses, defense costs, and liabilities of any kind or nature which the LESSOR may sustain or incur or which may be imposed upon them as a result of any acts of LESSEE or its officers, employees, agents, contractors, assignees, sublessees or invitees, or their negligent, wrongful or unlawful performance under the terms of this LEASE, or breach of this LEASE, excepting only liability arising out of the sole negligence of the LESSOR.

9. SIGNS: LESSEE shall place no signs upon the exterior of the Premises without LESSOR's prior written approval.

10. ASSIGNMENT AND SUBLETTING: LESSEE shall not assign this LEASE or any interest therein or sublet the Premises in whole or in part without LESSOR's prior written approval in LESSOR'S sole and absolute discretion.

11. LIENS: LESSEE shall keep the Premises free of all liens.

IN WITNESS WHEREOF, the parties hereto have caused this LEASE to be executed as of the day and year first written above.

LESSOR
CITY OF COVINA

DATE: _____

BY: _____
Kevin Stapleton, Mayor

ATTEST:

Sharon Clark, Chief Deputy City Clerk

DATE: _____

LESSEE
COVINA VALLEY HISTORICAL SOCIETY

DATE: _____

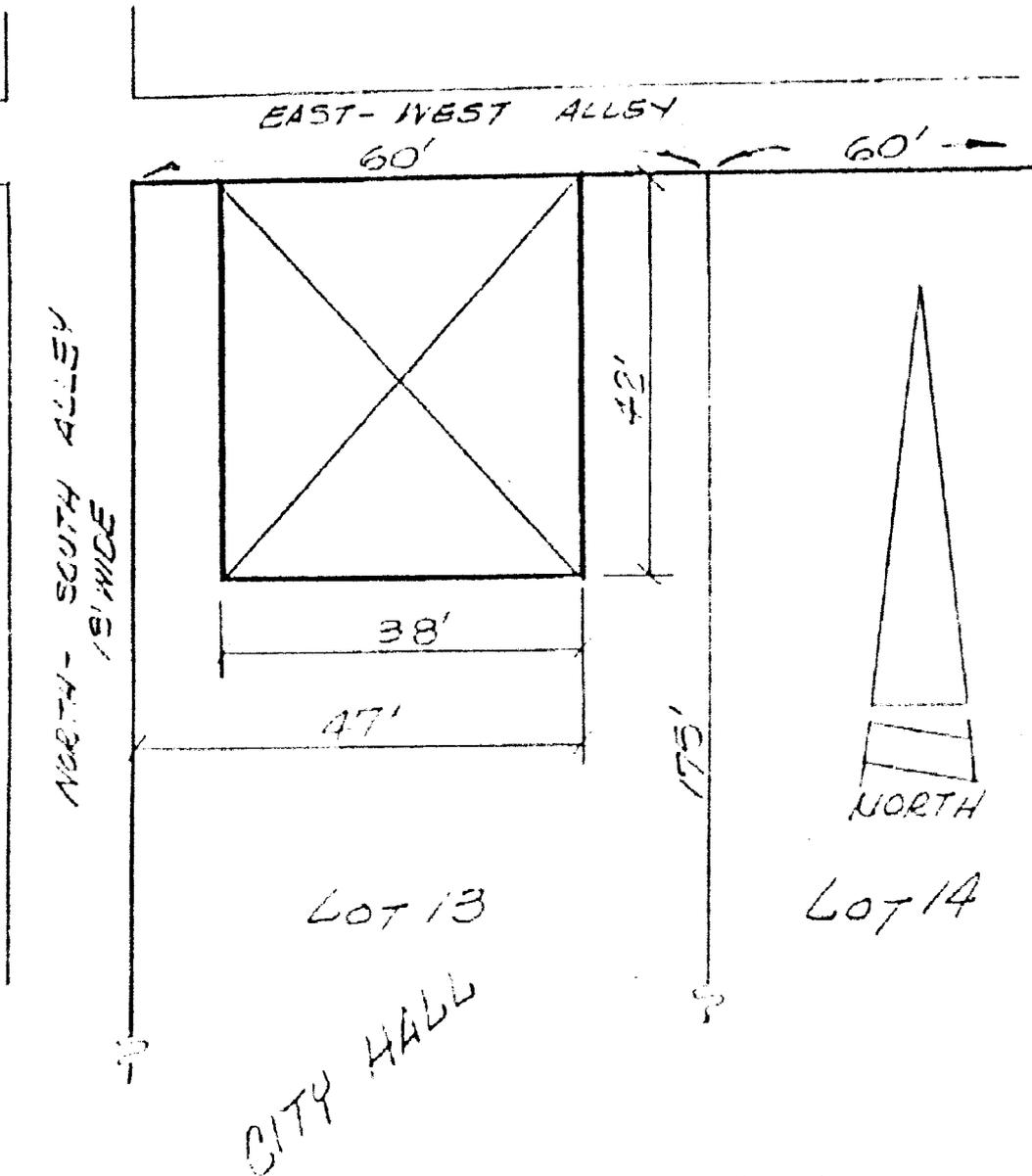
BY: _____

Print Name: _____

Title: _____

Approved as to form this 18th day of October, 2016.

City Attorney



The building having the exterior description as follows:

The Easterly 38 feet of the westerly 47 feet of the northerly 42 feet of Lot 13, Block 2, Map of the Phillips Tract, Rancho La Fuente, as recorded in Book 9, Page 3, Miscellaneous Records, as recorded in the office of the County Recorder, County of Los Angeles, State of California.

II

The purposes for which this corporation is formed are:

- (a) The specific and primary purposes are to conserve historical records and objects which have been collected, and to perpetuate the history of the greater Covina area of the San Gabriel Valley.
- (b) The general purposes and powers are to purchase, receive, take, acquire, hold, sell, convey or otherwise dispose of property, whether real, personal or mixed.

To receive property by devise or bequest, subject to the laws regulating the transfer of property by Will, and to otherwise acquire and hold property, real or personal, including shares of stock, bonds, and securities of any other corporation.

To act as trustee under any trust incidental to the principal objects of the corporation and to receive, hold, administer, and expend funds and property subject to such trust.

To convey, exchange, lease, mortgage, encumber, transfer upon trust, or otherwise dispose of all property, real or personal.

To borrow money, contract debts, and issue bonds, notes and debentures, and secure same.

To contract and be contracted with. To sue and be sued.

To do all acts necessary or expedient for the administration of the affairs and attainment of the purposes of the corporation.

Notwithstanding any of the above statements of purposes and powers, this corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the primary purpose of this corporation.

(c) No substantial part of the activities of this corporation all consist of carrying on propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate or intervene in any political campaign (including the publishing or distribution of statements) on behalf of any candidate for public office.

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CITY OF COVINA

AGENDA REPORT

ITEM NO. CC 10

MEETING DATE: October 18, 2016

TITLE: Second Amendment to Professional Services Agreement with Covina Irrigating Company for Water System and Water Quality Consulting Services and Adoption of **Resolution No. 16-7545** to Amend the FY 2017 Operating Budget by \$65,000 to Provide Funding for the Second Amendment to Professional Services Agreement with Covina Irrigating Company

PRESENTED BY: Siobhan Foster, Director of Public Works

RECOMMENDATION:

- 1) Authorize the Interim City Manager to execute the attached Second Amendment to the Professional Services Agreement with Covina Irrigating Company for water system and water quality consulting services; and
- 2) Adopt Resolution No. 16-7545 to amend the FY 2017 Operating Budget to increase funding for the Water Administration consulting services by \$65,000 for the Second Amendment to the Professional Services Agreement with Covina Irrigating Company and appropriate the necessary funds from Water Utility Administration fund balance.

BACKGROUND:

On June 21, 2016, the City Council authorized the Interim City Manager to execute a Professional Services Agreement with Covina Irrigating Company (CIC) for water system and water quality consulting services. The Water Division of the Department of Public Works was in a transitional period with the recent and anticipated retirements of high-level, seasoned, long-tenured employees. At that time, the Division had experienced the departure of a Water Crew Leader and Water Pump Operator and additional retirements were anticipated during FY 2017.

The purpose of the Professional Services Agreement was to ensure the continued effective and efficient operation of the water system, in accordance with the requirements of the City's Water Supply Permit (Permit #04-07-15P-013), issued by the State Water Resources Control Board, Division of Drinking Water, (SWRCB) on January 20, 2016, while allowing the City to recruit and fill key vacancies.

The City of Covina distribution system is classified as a Distribution Operator 4 water system. The chief operator must possess at a minimum, a Distribution Operator 4 certification. The shift operators must possess a Distribution Operator Class 3 certification. No certified treatment operators are required, as the City itself does not treat its water.

In developing the transition plan, two needs were paramount. First, the City must have appropriately certified personnel available during hours of operation. And secondly, existing familiarity with the City's water system was advantageous, as it allowed the supporting agency to come in and hit the ground running. To this end, the Department of Public Works, with the concurrence of the City Manager, reached out to CIC to ascertain its interest in providing professional services to assist the City's Water Division during the transitional period.

Covina Municipal Code Section 2.20.175 (Purchase – Professional and Specialized Services) recognizes that some professional services are so specialized that procurement of such services by competitive means is not necessary or in the City's best interest. In this case, the availability of appropriately certified personnel familiar with City's water system was critical.

CIC's longstanding role as the City's largest water supplier, its immediate proximity to the City's water system, and familiarity with the City's system, made the company uniquely qualified to provide the necessary assistance. By treating and supplying the majority of the City's water supply and providing technical expertise to the City on an ongoing basis, CIC personnel have a thorough understanding of the City's water quality and have learned intimately over the years how the City's water system operates. Adding to this familiarity was the fact that CIC provided technical expertise to the City as it related to water quality inquiries from regulatory agencies on a limited basis between 2001 and 2015.

In terms of appropriately certified personnel, CIC has two personnel who possess Distribution Operator 5 and Treatment Operator 5 certifications and one employee with a Distribution Operator 4 and Treatment Operator 4 certification.

Following the City's overture, CIC expressed an interest in assisting the City's Water Division for a limited period of time. With the City Manager's concurrence, the Department of Public Works initiated negotiations with CIC to develop the transition plan.

The approved Professional Services Agreement with CIC for water system and water quality consulting services is for an amount not-to-exceed \$55,000. The Scope of Services is comprised of two components. One is a fixed fee component of \$7,500/month that provides for general supervision of field personnel and water supply and quality monitoring by a qualified treatment/distribution operator. This encompasses system monitoring and adjustments as necessary and after hours, on-call standby services.

The Scope of Services also provides for the provision of services on an as needed basis, subject to the hourly rates contained in the Approved Fee Schedule. Such services may include operations oversight, emergency field responses, water quality compliance, capital improvement program management coordination, grant application, award servicing, and compliance, as detailed in the Scope of Services contained in Exhibit B of the Agreement.

CIC commenced services on July 13, 2016, a date mutually acceptable to both parties. The goal of this contractual arrangement was for the City to effectively weather the transition of personnel and emerge with a fully functioning, self-reliant Water Division comprised of a sufficient number of appropriately certified and trained personnel within approximately six months' time.

On July 19, 2016, the City Council authorized the City Manager to execute the First Amendment to the Professional Services Agreement with CIC for water system and water quality consulting services. The First Amendment added a D3/T3 certified operator to the Approved Fee Schedule. Since CIC is assisting/providing the City with water pumping operations, there are times when

this appropriately certified employee is involved in the support of City pumping operations and as such, needed to be included in the Approved Fee Schedule.

DISCUSSION:

While the Department of Public Works remains committed to effectively weathering the transition of personnel and emerging with a fully functioning, self-reliant Water Division comprised of a sufficient number of appropriately certified and trained personnel, the transition period envisioned when developing the Professional Services Agreement with CIC has been more profound and extended than initially anticipated.

As a result, the Department of Public Works recommends that the City Council approve the proposed Second Amendment to the Professional Services Agreement with CIC to extend the term of the Agreement through January 17, 2017 and increase the compensation by \$65,000, for a new total agreement amount not-to-exceed \$120,000. This proposed compensation level includes an increase of \$1,000 for reimbursable expenses, to an amount not-to-exceed \$1,500. Reimbursable expenses are associated with the purchase of sampling cartridges used for real time water quality testing and chemical analyses.

There are three fundamental reasons that CIC involvement has been more intense and will be lengthier than originally anticipated. The reasons are: 1) greater turnover of staff than expected; 2) the need to work with the SWRCB to manage the water quality challenges inherent with chloramination; and 3) difficulty filling key vacancies. The chronology contained in Attachment A to this report depicts this graphically, while a narrative overview is provided below.

Water Division Staffing Levels

When the City entered into the Professional Services Agreement with Covina Irrigating Company on June 21, 2016, three of the Water Division's 13 authorized positions were vacant, including:

- 1 Water Pump Operator
- 1 Water Crew Leader
- 1 Water Worker

- 3 Vacancies

The most critical vacancy was the Water Pump Operator, which is named in the City's Water Supply Permit and requires a Distribution Operator Class 3 certification. Water Pump Operators are responsible for the 24-hour/day operation of the City's storage tanks, pumping, and chlorination systems to ensure compliance with federal and state drinking water standards.

In this scenario, CIC provided approximately one half of the City's pump operation services, including routine system rounds, water quality sampling, and 24-hour monitoring of the City's Supervisory Control And Data Acquisition (SCADA) system. The SCADA system is the remote monitoring and control system that allows system operators to observe and adjust water levels as needed to ensure adequate water supplies to meet customer demand.

Despite the City's diligent efforts to fill the three vacant positions, the number of vacant positions has unexpectedly doubled within the Water Division to the height of seven vacancies in mid-September, including:

- 1 Water Services Supervisor
- 1 Water Foreman
- 2 Water Pump Operator
- 1 Water Crew Leader
- 2 Water Worker

- 7 Vacancies

Note - Water Services Supervisor and Water Foreman on leave of absence through at least December 1, 2016 and November 7, 2016, respectively

When the City’s only Water Pump Operator left City employment on September 15, 2016 to accept a position with the City of Scottsdale, Arizona, CIC had to assume full responsibility for the City’s pumping operations. This is a level of involvement far greater than envisioned.

Additionally, the leaves of absence taken by the Water Services Supervisor and the Water Foreman, coupled with the two vacant Water Pump Operator positions, leaves the Division with almost a complete void of managerial and supervisory level personnel. This is depicted in Attachment B to this report, and most notably leaves the City with none of the certified personnel required by the City's Water Supply Permit (chief operator with a minimum of a Distribution Operator 4 certification and shift operators with Distribution Operator Class 3 certifications). This required CIC, by virtue of its appropriate certified personnel, to take an even greater role in the day-to-day operation of the water system, especially as it relates to water quality.

Water Quality

As indicated in various recent City of Covina Agenda Reports, City and CIC representatives are diligently working with James Ko, Associate Sanitary Engineer with the SWRCB, to address challenges inherent with chloramination. Without key City Water Division personnel, CIC is providing significant technical and advisory assistance in this effort.

The City’s water suppliers, CIC and Metropolitan Water District of Southern California (MWD), both use chloramines for disinfection purposes. MWD has used chloramines since 1984, as this disinfection method endures well and provides longer-lasting disinfection to water that travels long distances to its multiple water purveyors. CIC began using chloramines on May 4, 2015, when it implemented ultra-violet treatment at the William B. Temple Water Treatment Plant No 1. The SWRCB was insistent that CIC use chloramines for disinfection purposes to be compatible with MWD water. Prior to May 2015, CIC used free chlorine as a disinfectant and since Covina’s water supply would typically be a blend of CIC and MWD water, a blended combination of chlorine and chloramines would have been present in the City’s water supply in varying quantities depending on the mix of water in the City’s distribution system at any given time.

The City of Covina is required to test for all regulated contaminants in its water system including bacteriological quality and disinfectant residual at water-sampling stations throughout the system. The City collects and analyzes approximately 50 water samples each month.

Since Covina’s water suppliers began supplying the City with chloramine-only treated water in May 2015, the City has been mindful that the water system may experience nitrification in its water supply since nitrites are a byproduct of chloramines. Nitrification can degrade a distribution system’s water quality and negatively affect regulatory compliance and lead to health and safety concerns if not properly managed. Once nitrification has started, it can be difficult to control. A key symptom of nitrification may be the decrease of chloramine residual as it travels through the distribution system. Given the potential for serious water quality, health, and safety concerns that may result from nitrification, it is imperative to prevent nitrification from occurring in the first place, or barring that, promptly remediate nitrification as soon as it is discovered.

Nitrification usually occurs when water temperatures are warmer and water usage is low. To mitigate the possibility of nitrification, the City seeks to cycle water in the reservoir tanks, reduce the age of the water stored by keeping water moving through the system, and reduce the volume of water stored in reservoirs during extended periods of low water demand.

In mid-July 2016, due in part to a series of field tests performed by CIC as part of the Professional Services Agreement, the City became aware that the Charter Oak reservoirs are experiencing nitrification which required immediate remediation. The effort to shorten the storage cycle of the water in the tanks and the other approaches outlined above are ongoing but are not reducing the nitrite results enough to prevent the onset of nitrification. Nitrification may degrade a distribution system's water quality as it travels through the system, potentially affecting regulatory compliance and leading to health and safety concerns.

The Department of Public Works, in consultation with the Interim City Manager, City Engineer, and CIC, recommended immediate action. Residual Control System (RCS) technology is a proven methodology that has been used by several local municipalities to mitigate symptoms of nitrification in their water systems. RCS technology coupled with operational methods, such as regularly circulating the water in the Charter Oak reservoirs, are best management practices (BMPs) for mitigating the symptoms of nitrification. The combination of technological and operational treatment methods in a timely manner is necessary to safeguard the City's water supply.

On August 16, 2016, the City Council authorized the immediate procurement and implementation of an RCS system at the Charter Oak site as an emergency action, including the chemical feed system, water quality station, and smart controller. The \$163,000 procurement includes the purchase of a trailer-mounted mobile RCS system from Doane and Hartwig Water Systems, Inc. and SCADA programming/interface provided by Control Automation Design, Inc.

On August 23, 2016, City and CIC representatives met with James Ko, Associate Sanitary Engineer with the SWRCB. The purpose of the meeting was fourfold:

1. To meet and begin developing a relationship with the City's assigned engineer;
2. Discuss the symptoms of nitrification occurring at the Charter Oak Reservoir site;
3. Discuss the mobile Residual Control System (RCS) project, approved by the City Council on August 18, 2016; and
4. Discern if there are any modifications required to the City's operating permit.

During the meeting, the parties discussed operational treatment methods for mitigating the symptoms of nitrification and ongoing monitoring. Additionally, Mr. Ko indicated the City should proceed with the RCS project and develop and submit Nitrification Control and Monitoring and Emergency Chlorination Plans within sixty days.

On September 20, 2016, City and CIC representatives had a follow-up meeting with Mr. Ko and reviewed the water quality enhancements that have been made at the Charter Oak Reservoir site through operational treatment methods and the cleaning of tank No. 4 at the site. Prior to the next meeting with Mr. Ko, scheduled for November 15, 2016, the City is expected to make similar enhancements to the Rancho Simi Reservoir and other reservoir sites. This can be accomplished through operational adjustments, tank cleaning, and/or chemical treatment.

Given the Rancho Simi and Rancho La Merced Reservoirs were recently inspected by underwater divers and cleaned (April 27, 2015) and on schedule for underwater inspection and cleaning prior to June 30, 2019, Mr. Ko is amenable to the City and CIC employing RCS technology to enhance water quality in the tanks.

To that end, the City requested Doane and Hartwig Water Systems, Inc., the supplier of the RCS unit the City is purchasing, to furnish and install a temporary RCS rental unit beginning in mid-October. On October 18, 2016, the Department of Public Works will be seeking City Council approval of Contract Change Order No. 1 for the rental, using a portion of the project contingency approved by the City Council on August 16, 2016.

On October 4, 2016, the City partnered with Rowland Water District for technical assistance in addressing the challenges inherent with chloramination through the use of an RCS system. Rowland Water District offered to temporarily assist the City of Covina with the provision of a mobile RCS unit and qualified personnel to enhance the water quality and address the symptoms of nitrification at the Rancho Simi Reservoir. This assistance lasted for one week, from October 4, 2016 to October 11, 2016, and enhanced water quality in the reservoir. Rowland Water District is one of a number of local agencies using RCS technology and has found it to be a proven methodology to mitigate the symptoms of nitrification in its water system.

Concurrently, on October 4, 2016, the City Council authorized and approved a supplemental appropriation for the purchase and installation of a PAX Water Technologies Mixer at Rancho La Merced Reservoir in an amount not-to-exceed \$46,553 from Doane and Hartwig Water Systems, Inc. The Rancho La Merced Reservoir PAX Water Technologies Mixer Project, an approved FY 2017 Capital Improvement Program (CIP) project, provides for the installation of mixing technology at the one million gallon Rancho La Merced Reservoir, one of four City reservoirs that does not have a PAX Mixer in place.

The use of mixers is an industry best practice, which creates a powerful vortex flow pattern inside water storage tanks to circulate the entire volume, top to bottom, and eliminate thermal stratification. Powerful mixing helps prevent conditions favorable to residual loss, disinfection byproducts, and nitrification.

Mixers also facilitate the use of RCS technology. As explained in detail in the August 16, 2016 Agenda Report, Item CC 11, pertaining to the purchase of a mobile RCS unit, RCS is an intelligent disinfectant boosting system that gives operators the ability to set and maintain residual levels in water storage tanks and key locations in the distribution system. By combining advanced water quality sensors with powerful tank mixing and an automated chemical feed system, the RCS enables operators to eliminate manual boosting and quickly counteract adverse water quality changes. RCS technology is a proven methodology that has been used by several local municipalities to address the challenges inherent with chloramination and mitigate symptoms of nitrification in their water systems.

PAX Mixers are the City's standard mixer and were selected based on mixing performance in comparison with other active mixing technologies. In one comparison at a Southern California utility, for example, a side-by-side comparison was performed in one of the agency's most problematic four million gallon tanks. The mixers were tested to see if they could fully mix the four million gallon tank within 38 hours. Measurements were taken at four sample locations and water depths every four hours to track how well the chemicals were being mixed. The PAX Mixer blended the entire tank volume in 24 hours, whereas the other mixer never achieved a mixed condition. Statistical analysis of the data demonstrated that the estimated blend time for the mixer would be 200 to 240 hours, approximately seven to 10 times longer than the PAX Mixer.

CIC is providing project management services, as needed, for both the Residual Control System at the Charter Oak Reservoir Site and Rancho La Merced Reservoir PAX Water Technologies Mixer Projects. CIC personnel also supervised the use of Rowland Water District's mobile RCS unit at the Rancho Simi Reservoir in early-October and will manage the City's use of the temporary RCS rental unit provided by Doane and Hartwig Water Systems, Inc. for a month beginning in mid-October. CIC personnel will also continue to play a leadership role in the ongoing conversations with SWRCB regarding the City's water quality enhancements.

Between now and January 17, 2017, the City will continue diligent efforts to fill its remaining two permanent vacancies (one Water Pump Operator and one Water Crew Leader positions) and await the outcome of the two employees currently on leaves of absence (Water Services Supervisor and Water Foreman).

Hiring Challenges

The City, as are water agencies throughout Southern California, is experiencing difficulty attracting and hiring qualified candidates for journey level classifications, most notably Water Pump Operator and Water Crew Leader. While the City has been advertising for applications for both the Water Pump Operator and Water Crew Leader positions since May 2016, and conducted two interview processes for each classification, the City has only been able to hire one Water Pump Operator (conditional offer of employment made on October 4, 2016 pending successful completion of pre-employment process by applicant) and one Water Crew Leader (internal promotion with start date of July 9, 2016).

To help overcome the recruitment challenges, the City is creatively advertising for the vacancies. For example, the Water Pump Operator job flyer includes verbiage that the applicant should "add 10% to the listed salary for stand by pay as outlined in the AFSCME Memorandum of Understanding (MOU)." Additionally, job flyers have been shared with all local community colleges that offer water technology classes.

Additionally, the City is seeking to increase the compensation rate for the Water Pump Operator classification. A recent salary survey among comparable agencies indicates the City's position is compensated at a rate 6% less than the market. As this likely is a contributing factor to the City's inability to attract a sufficient number of qualified Water Pump Operator candidates, the City's negotiating team is discussing the need to increase the compensation rate by up to 10% with AFSCME representatives, as required by the MOU. Per MOU requirements, the City cannot simply request that the City Council increase the compensation level.

If the City Council elects not to approve the proposed Second Amendment to Professional Services Agreement with CIC to provide essential assistance while the City strives to fill vacancies and work with the SWRCB to enhance water quality, the City will not be in compliance with its Water Supply Permit issued by the State. The City of Covina distribution system is classified as a Distribution Operator 4 water system and requires a chief operator who possesses at a minimum, a Distribution Operator 4 certification and Water Pump Operators that possess Distribution Operator Class 3 certifications.

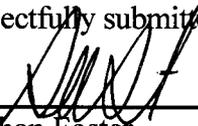
FISCAL IMPACT:

The estimated fiscal impact associated with the Second Amendment to Professional Services Agreement with Covina Irrigating Company is \$65,000. Adoption of Resolution 16-7545 would appropriate \$65,000 from available Water Utility Administration Fund balance and provide the necessary funding for the Second Amendment.

CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT):

The actions proposed herein have been reviewed for compliance with the California Environmental Quality Act (CEQA) and are exempt per Section 15061 (b) (3). The actions are covered by the general rule that CEQA only applies to projects that have the potential for causing a significant effect on the environment. The proposed Second Amendment to the Professional Services Agreement with Covina Irrigating Company for water system and water quality consulting services will not result in any significant effect on the environment.

Respectfully submitted,



Siobhan Foster

Director of Public Works

ATTACHMENTS:

Attachment A: Department of Public Works Water Division – Chronology

Attachment B: Department of Public Works Water Division Organizational Chart as of October 1, 2016

Attachment C: City of Covina Agenda Report Item No. CC5, Approved by City Council on June 21, 2016, including Professional Services Agreement with Covina Irrigating Company

Attachment D: City of Covina Agenda Report Item No. CC12, Approved by City Council on July 19, 2016, including First Amendment Professional Services Agreement with Covina Irrigating Company only

Attachment E: Proposed Second Amendment Professional Services Agreement with Covina Irrigating Company

Attachment F: Resolution No. 16-7545

Attachment A

Department of Public Works Water Division – Chronology

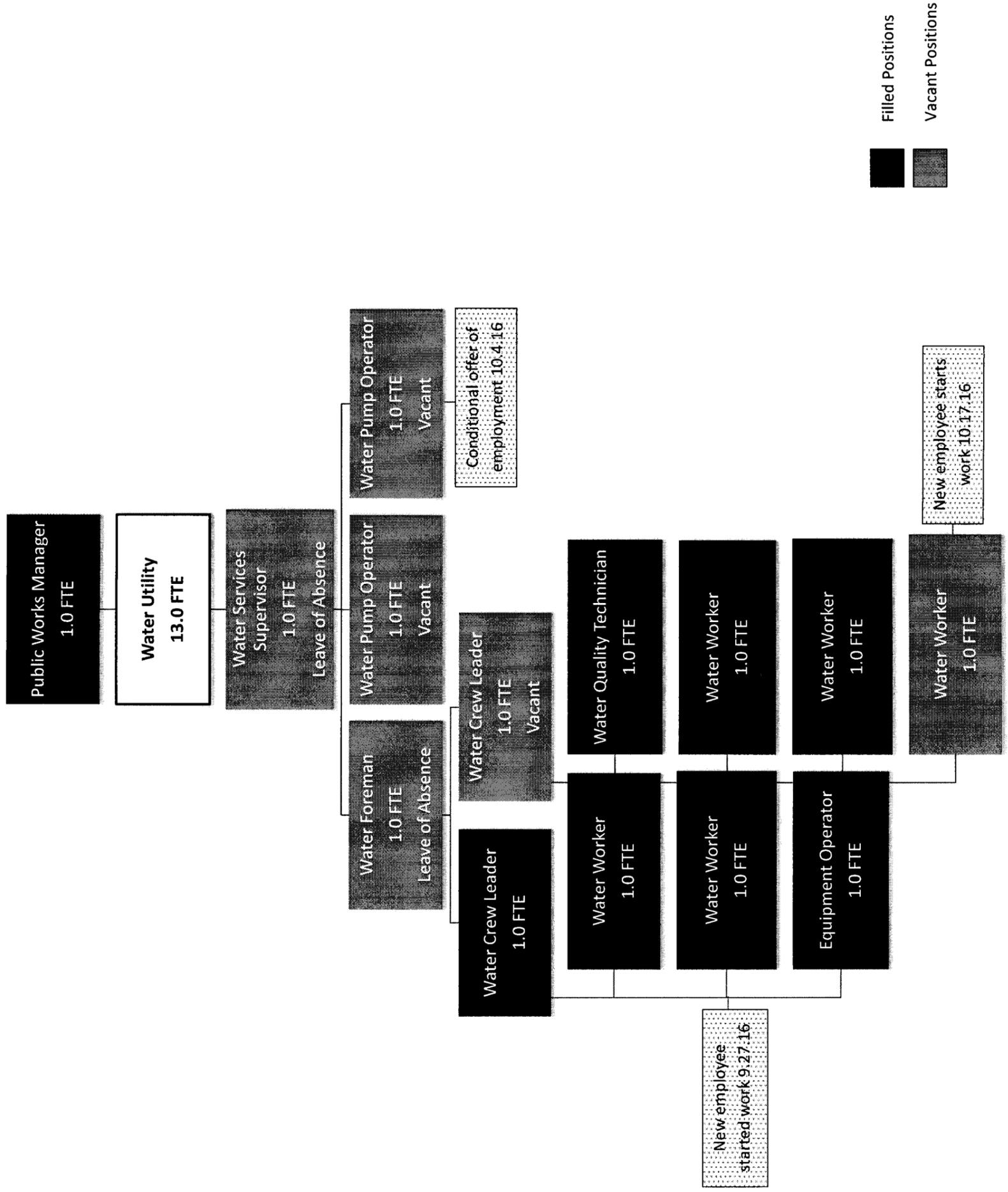
Date	Milestone
May 4, 2015	CIC begins using chloramines to disinfect water; changes City’s water supply to chloramine-only treated water, from a blended combination of chlorine and chloramines
Jun. 21, 2016	Professional Services Agreement executed with CIC
	Jul. 1, 2016 3 vacancies: 1 Water Pump Operator, 1 Water Crew Leader, 1 Water Worker
Jul. 5, 2016	Retirement of 1 Water Crew Leader
Jul. 9, 2016	Start date for 1 Water Crew Leader (internal promotion resulting in additional Water Worker vacancy)
	Jul. 13, 2016 CIC begins providing 50% of City pumping operations
Jul. 19, 2016	First Amendment to Professional Services Agreement with CIC executed
Jul. 20, 2016	CIC field tests reflect Charter Oak tanks experiencing symptoms of nitrification
Jul. 28, 2016	Water Services Supervisor on vacation leave, followed by leave of absence (through at least December 1, 2016)
	Aug. 1, 2016 5 vacancies: 1 Water Services Supervisor, 1 Water Pump Operator, 1 Water Crew Leader, 2 Water Worker
Aug. 16, 2016	Water Foreman on leave of absence (through at least November 7, 2016)
	City Council approval of emergency purchase of mobile Residual Control System (RCS) to mitigate symptoms of nitrification in water system
	CIC begins providing project management services to RCS project
Aug. 23, 2016	Meeting with James Ko, Associate Sanitary Engineer with the State Water Resources Control Board, Division of Drinking Water
	Sep. 1, 2016 6 vacancies: 1 Water Services Supervisor, 1 Water Foreman, 1 Water Pump Operator, 1 Water Crew Leader, 2 Water Worker

Date	Milestone
Sep. 15, 2016	1 Water Pump Operator leaves City employment for employment with City of Scottsdale, AZ (high of 7 vacant positions)
■	CIC begins providing 100% of City pumping operations
Sep. 20, 2016	Meeting with James Ko, Associate Sanitary Engineer with the State Water Resources Control Board, Division of Drinking Water
Sep. 27, 2016	Start date for 1 Water Worker position
▲	Oct. 1, 2016 6 vacancies: 1 Water Services Supervisor, 1 Water Foreman, 2 Water Pump Operator, 1 Water Crew Leader, 1 Water Worker
Oct. 4, 2016	Conditional offer of employment to 1 Water Pump Operator candidate; must successfully complete pre-employment process prior to identification of start date
●	City Council approval of PAX Mixer purchase for Rancho La Merced Reservoir (CIP project)
●	Rowland Water District provides mobile RCS unit and qualified personnel to enhance the water quality and address the symptoms of nitrification at the Rancho Simi Reservoir (through October 11, 2016)
Oct. 17, 2016	Start date for 1 Water Worker position
▲	Oct. 18, 2016 4 vacancies (tentative) : 1 Water Services Supervisor, 1 Water Foreman, 1 Water Pump Operator, 1 Water Crew Leader
●	City Council consideration of Second Amendment to Professional Services Agreement with CIC
●	City Council approval sought for rental of temporary RCS rental unit beginning in mid-October (through mid-November)
●	Oct. 24, 2016 Tentative – delivery/installation of temporary RCS rental unit
Nov. 14, 2016	Tentative – estimated start date for 1 Water Pump Operator
■	Tentative – CIC scales back to providing 50% of City pumping operations
Nov. 15, 2016	Meeting with James Ko, Associate Sanitary Engineer with the State Water Resources Control Board, Division of Drinking Water
●	Dec. 30, 2016 Tentative – completion date for Rancho La Merced Reservoir PAX Water Technologies Mixer Project

Date	Milestone
Jan. 15, 2017	Tentative – completion date for RCS Project at the Charter Oak Reservoir Site
Jan. 17, 2017	Tentative – expiration of proposed Second Amendment to Professional Services Agreement with CIC and target date for City to be fully functioning, self-reliant Water Division, comprised of sufficient number of appropriately certified and trained personnel

Legend:

-  Status of City staffing levels
-  Adjustment in CIC's role
-  Water quality enhancement





CITY OF COVINA

AGENDA REPORT

ITEM NO. CC 5

MEETING DATE: June 21, 2016

TITLE: Authorization to Execute Professional Services Agreement with Covina Irrigating Company for Water System and Water Quality Consulting Services

PRESENTED BY: Siobhan Foster, Director of Public Works

RECOMMENDATION: Authorize the Interim City Manager to execute the attached Professional Services Agreement with Covina Irrigating Company for water system and water quality consulting services in an amount not-to-exceed \$55,000.

BACKGROUND:

The Water Division of the Department of Public Works is in a transitional period with the recent and anticipated retirements of high-level, seasoned, long-tenured employees. In recent months, the Division experienced the departure of a Water Crew Leader and Water Pump Operator and additional retirements are anticipated during fiscal year 2016-17. It is prudent at this juncture for the Department of Public Works to implement a transition plan to ensure the continued effective and efficient operation of the water system, in accordance with the requirements of the City's Water Supply Permit (Permit #04-07-15P-013), issued by the State Water Resources Control Board Division of Drinking Water on January 20, 2016, while the City recruits and fills the key vacancies.

The City of Covina distribution system is classified as a Distribution Operator 4 water system. The chief operator must possess at a minimum, a Distribution Operator 4 certification. The shift operators must possess a Distribution Operator Class 3 certification. No certified treatment operators are required as the City itself does not treat its water. However, the City does have certified treatment operators on staff.

In developing a transition plan, two needs are paramount. First, the City must have appropriately certified personnel available during hours of operation. And secondly, existing familiarity with the City's water system is advantageous, as it allows the supporting agency to come in and hit the ground running. To this end, the Department of Public Works, with the concurrence of the City Manager, reached out to Covina Irrigating Company to ascertain its interest in providing professional services to assist the City's Water Division during this transitional period.

Covina Municipal Code Section 2.20.175 (Purchase – Professional and Specialized Services) recognizes that some professional services are so specialized that procurement of such services by competitive means is not necessary or in the City's best interest. In this case, the availability of appropriately certified personnel familiar with City's water system is critical.

Covina Irrigating Company's longstanding role as the City's largest water supplier, its immediate proximity to the City's water system, and familiarity with the City's system, makes the company uniquely qualified to provide the necessary assistance. By treating and supplying the majority of the City's water supply and providing technical expertise to City staff on an ongoing basis, Covina Irrigating Company personnel have a thorough understanding of the City's water quality and have learned intimately over the years, how the City's water system operates. Adding to this familiarity is the fact that Covina Irrigating Company provided general oversight to the City as it related to water quality inquiries from regulatory agencies on a limited basis between 2001 and 2015.

In terms of appropriately certified personnel, Covina Irrigating Company has two personnel who possess Distribution Operator 5 and Treatment Operator 5 certifications. Another employee is Distribution Operator 4 and Treatment Operator 4 certified.

Following the City's overture, Covina Irrigating Company expressed an interest in assisting the City's Water Division for a limited period of time. With the City Manager's concurrence, the Department of Public Works initiated negotiations with Covina Irrigating Company to develop the proposed transition plan.

DISCUSSION:

The proposed Professional Services Agreement with Covina Irrigating Company for water system and water quality consulting services is for an amount not-to-exceed \$55,000. The Scope of Services is comprised of two components. One is a fixed fee component of \$7,500/month that would provide for general supervision of field personnel and water supply and quality monitoring by a qualified treatment/distribution operator. This encompasses system monitoring and adjustments as necessary and after hours, on-call standby services.

The Scope of Services also provides for the provision of services on an as needed basis, subject to the hourly rates contained in the Approved Fee Schedule. Such services may include operations oversight, emergency field responses, water quality compliance, capital improvement program management coordination, grant application, award servicing, and compliance, as detailed in the Scope of Services contained in Exhibit B of the Agreement.

Under the terms of the proposed Agreement, Covina Irrigating Company will commence services on a date mutually acceptable to both parties, on or reasonably close to the effective date of the Agreement. The goal of this contractual arrangement is for the City to effectively weather the transition of personnel and emerge with a fully functioning, self-reliant Water Division comprised of a sufficient number of appropriately certified and trained personnel within approximately six months' time.

FISCAL IMPACT:

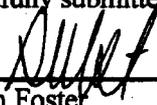
The Water Fund impact associated with the proposed agreement is an amount not-to-exceed \$55,000. The current year's budget contains sufficient budget savings to fund any costs incurred in June 2016. Additional funding for water system and water quality consulting services will be included in the 2016-17 Department of Public Works budget. There is no General Fund impact associated with the proposed Agreement.

CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT):

The actions proposed herein have been reviewed for compliance with the California Environmental Quality Act (CEQA) and are exempt per Section 15061 (b) (3). The actions are covered by the general rule that CEQA only applies to projects that have the potential for

causing a significant effect on the environment. The proposed Professional Services Agreement with Covina Irrigating Company for water system and water quality consulting services will not result in any significant effect on the environment.

Respectfully submitted,



Siobhan Foster
Director of Public Works

ATTACHMENTS:

Attachment A: Professional Services Agreement with Covina Irrigating Company

PROFESSIONAL SERVICES AGREEMENT

This Professional Services Agreement (“Agreement”) is dated June 21, 2016 (“Effective Date”) and is between the City of Covina, a California municipal corporation (“City”) and Covina Irrigating Company], a [California corporation, (“Consultant”). City and Consultant are sometimes individually referred to as “Party” and collectively as “Parties” in this Agreement.

RECITALS

A. City desires to utilize the services of Consultant as an independent contractor to provide water system and water quality consulting services.

B. Consultant represents that it is fully qualified to perform such services by virtue of its experience and the training, education, certifications, and expertise of its principals and employees.

C. City desires to retain Consultant and Consultant desires to serve City to perform these services in accordance with the terms and conditions of this Agreement.

The parties therefore agree as follows:

1. **Term of Agreement.** The term of this Agreement shall be from the Effective Date through December 20, 2016, unless sooner terminated as provided in Section 13 of this Agreement. The City may, upon mutual agreement, extend the contract for one (1) one year term. In no event shall the contract be extended beyond December 20, 2017.

2. **Compensation.**

A. **Compensation.** As full compensation for Consultant’s services provided under this Agreement, City shall pay Consultant a sum not to exceed Fifty-five Thousand Dollars (\$55,000) (the “maximum compensation”) based on the hourly rates and fixed pricing set forth in the Approved Fee Schedule, attached hereto as **Exhibit A**, and consistent with the Scope of Services, attached hereto as **Exhibit B**. Any terms in **Exhibit A**, other than the payment rates and schedule of payment, are null and void.

B. **Expenses.** City shall only reimburse Consultant for those expenses authorized in writing by the City’s representative. In no event shall reimbursable expenses collectively exceed the total sum of Five Hundred Dollars (\$500).

C. **Additional Services.** City shall not allow any claims for additional services performed by Consultant, unless the City Council and the Consultant Representative authorize the additional services in writing prior to Consultant’s performance of the additional services or inurrence of additional expenses. Any additional services or expenses authorized by the City Council shall be compensated at the rates set forth in **Exhibit A**, or, if not specified, at a rate mutually agreed to by the parties. City shall make payment for additional services and expenses in accordance with Section 4 of this Agreement.

3. Consultant's Services.

A. Scope of Services. Consultant shall perform the services described in the Scope of Services, attached as Exhibit B. City may request, in writing, changes in the scope of services to be performed. Any changes mutually agreed upon by the parties, and any increase or decrease in compensation, shall be incorporated by written amendments to this Agreement.

B. Party Representatives. For the purposes of this Agreement, the City Representative shall be the City Manager, or such other person designated in writing by the City Manager (the "City Representative"). For the purposes of this Agreement, the Consultant Representative shall be David De Jesus, President/Chief Executive Officer (the "Consultant Representative"). The Consultant Representative shall directly manage Consultant's services under this Agreement. Consultant shall not change the Consultant Representative without City's prior written consent.

C. Time for Performance. Consultant shall commence the Services on a date mutually acceptable to the Consultant and the City, on or reasonably soon after the Effective Date, and the Consultant shall perform all services by the deadline established by the City Representative or, if no deadline is established, with reasonable diligence.

D. Standard of Performance. Consultant shall perform all services under this Agreement in accordance with the standard of care generally exercised by like professionals under similar circumstances and in a manner satisfactory to City.

E. Personnel. Consultant has, or will secure at its own expense, all competent personnel required to perform the services required under this Agreement. All of the services required under this Agreement shall be performed by Consultant or under its supervision, and all personnel engaged in the work shall be qualified to perform such services.

F. Compliance with Laws. The Consultant shall keep itself informed of all local, state and federal ordinances, laws and regulations which in any manner affect those employed by it or in any way affect the performance of its service pursuant to this Agreement. The Consultant shall at all times observe and comply with all such ordinances, laws and regulations. The City and its agents shall not be liable at law or in equity occasioned by failure of the Consultant to comply with this section.

F. Permits and Licenses. Consultant shall obtain and maintain during the Agreement term all necessary licenses, permits and certificates required by law for the provision of services under this Agreement, including a business license.

4. Method of Payment.

A. Invoices. Consultant shall submit to City an invoice, on a monthly basis, for actual services performed pursuant to this Agreement. Each invoice shall itemize the services rendered during the billing period, hourly rates charged, if applicable, and the amount due. If City disputes any of Consultant's fees, it shall give written notice to Consultant within thirty (30) days of receipt of an invoice of any disputed fees set forth on the invoice.

B. Payment. City shall pay all undisputed invoice amounts within thirty (30) calendar days after receipt up to the maximum compensation set forth in Section 2 of this Agreement. City shall not withhold federal payroll, state payroll or other taxes, or other similar deductions, from payments made to Consultant. For all reimbursements authorized by this Agreement, Consultant shall provide receipts on all reimbursable expenses in excess of Fifty Dollars (\$50) in such form as approved by the Finance Director.

C. Audit of Records. Consultant shall make all records, invoices, time cards, cost control sheets and other records maintained by Consultant in connection with this agreement available during Consultant's regular working hours to City for review and audit by City.

5. Ownership of Documents. Upon completion of, or in the event of termination or suspension of this Agreement, all original documents, designs, drawings, maps, models, computer files containing data generated for the work, surveys, notes, and other documents prepared in the course of providing the services to be performed ("written products") pursuant to this Agreement shall become the sole property of the City without restriction or limitation upon its use and may be used, reused, disseminated or otherwise disposed of by the City without the permission of the Consultant. With respect to computer files containing data generated for the work, Consultant shall make available to the City, upon reasonable written request by the City, the necessary computer software and hardware for purposes of accessing, compiling, transferring and printing computer files. Consultant may take and retain copies of the written products as desired, but the written products shall not be the subject of a copyright application by Consultant.

6. Independent Contractor.

A. Consultant is, and shall at all times remain as to City, a wholly independent contractor. The personnel performing the services under this Agreement on behalf of Consultant shall at all times be under Consultant's exclusive direction and control. Consultant shall have no power to incur any debt, obligation, or liability on behalf of City. 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 officers, agents or employees are in any manner employees of City.

B. No employee benefits shall be available to Consultant in connection with the performance of this Agreement. Except for the fees paid to Consultant as provided in the Agreement, City shall not pay salaries, wages, or other compensation to Consultant for performing services hereunder for City. City shall not be liable for compensation or indemnification to Consultant for injury or sickness arising out of performing services hereunder.

7. Confidentiality. All data, documents, discussion, or other information (collectively "data") developed or received by Consultant or provided for performance of this Agreement are deemed confidential. Consultant shall keep all data confidential and shall not disclose any data to any person or entity without City's prior written consent. City shall grant such consent if disclosure is legally required. Consultant shall return all data to City upon the expiration or termination of this Agreement. Consultant's covenant under this Section 7 shall survive the expiration or termination of this Agreement.

8. **Conflicts of Interest.** Consultant and its officers, employees, associates and subcontractors, if any, shall comply with all conflict of interest statutes of the State of California applicable to Consultant's services under this Agreement, including the Political Reform Act (Gov. Code, § 81000 *et seq.*) and Government Code Section 1090. During the term of this Agreement, Consultant may perform similar services for other clients, but Consultant and its officers, employees, associates and subcontractors shall not, without the City Representative's prior written approval, 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 subcontractors to abstain from a decision under this Agreement pursuant to a conflict of interest statute. Consultant shall incorporate a clause substantially similar to this Section 8 into any subcontract that Consultant executes in connection with the performance of this Agreement.

9. **Indemnification.**

A. Consultant.

1) Covina Irrigating Company agrees to defend, indemnify and hold harmless the City of Covina, its City Council Members, officers, employees, Directors and agents from and against any and all liabilities, claims, suits, actions, demands, settlements, losses, judgments, costs, damages, expenses (including reasonable attorneys' fees), fines, penalties, and all reasonable costs of defense (collectively "Losses") arising out of, caused by or resulting from: (i) any negligent act error or omission by Covina Irrigating Company, its officers, directors, employees, representatives, contractors, consultants and sub-producers related to or arising out of this Agreement; or (ii) a breach by Covina Irrigating Company of any of its representations, warranties or covenants contained in this Agreement (including, without limitation, any failure of Covina Irrigating Company to comply with applicable local, state or federal regulations applicable to the performance of services hereunder).

B. City of Covina

1) The City of Covina agrees to defend, indemnify and hold harmless Covina Irrigating Company, its officers, directors, employees and agents from and against any and all liabilities, claims, suits, actions, demands, settlements, losses, judgments, costs, damages, expenses (including reasonable attorneys' fees), fines, penalties, and all reasonable costs of defense (collectively "Losses") solely arising out of, caused by or resulting from: (i) any negligent act or omission by the City of Covina or its City Council Members, officers, or employees directly related to or arising out of this Agreement; or (ii) a breach by the City of Covina or any of its representations, warranties or covenants contained in this Agreement (including, without limitation, any failure of the City of Covina to comply with applicable local, state or federal regulations).

C. Mutual Responsibility

1) Any right to indemnification under this Section 9 shall not be conditioned upon whether the indemnified parties gives timely written notice to the indemnifying party of the

claim, except to the extent that the indemnifying party is materially prejudiced thereby. The indemnifying party shall conduct the defense for all claims or suits with counsel of its choice, and decide, in its sole opinion, whether any such claims or suits may be settled, provided, however, that the General Liability Carrier for Covina Irrigating Company shall be entitled to conduct the defense in connection with a claim or suit described in Section 9.A.1 with counsel of its choice and that the City of Covina shall be entitled to conduct the defense in connection with a claim or suit described in Section 9.B.1 with counsel of its choice. Covina Irrigating Company shall pay all reasonable costs of defense, expenses and any judgment or settlement amounts in connection with claims or suits described in Section 9.A.1.

10. Insurance.

A. Minimum Scope and Limits of Insurance. Consultant shall procure and at all times during the term of this Agreement carry, maintain, and keep in full force and effect, insurance as follows:

1) Commercial General Liability Insurance with a minimum limit of Two Million Dollars (\$2,000,000) per occurrence for bodily injury, personal injury and property damage and a general aggregate limit of Two Million Dollars (\$2,000,000) per project or location. If Consultant is a limited liability company, the commercial general liability coverage shall be amended so that Consultant and its managers, affiliates, employees, agents and other persons necessary or incidental to its operation are insureds.

2) Automobile Liability Insurance for any owned, non-owned or hired vehicle used in connection with the performance of this Agreement with a combined single limit of Two Million Dollars (\$2,000,000) per accident for bodily injury and property damage. If Consultant does not use any owned, non-owned or hired vehicles in the performance of services under this Agreement, Consultant shall obtain a non-owned auto endorsement to the Commercial General Liability policy required under Subparagraph A. 1) of this Section 10.

3) Workers' Compensation Insurance as required by the State of California and Employer's Liability Insurance with a minimum limit of One Million Dollars (\$1,000,000) per accident for bodily injury or disease. If Consultant has no employees while performing services under this Agreement, workers' compensation policy is not required, but Consultant shall provide an executed declaration that it has no employees.

B. Acceptability of Insurers. The insurance policies required under this Section 10 shall be issued by an insurer admitted to write insurance in the State of California with a rating of A:VII or better in the latest edition of the A.M. Best Insurance Rating Guide. Self insurance shall not be considered to comply with the insurance requirements under this Section 10.

C. Additional Insured. The commercial general and automobile liability policies shall contain an endorsement naming the City, its officers, employees, agents and volunteers as additional insureds.

D. Primary and Non-Contributing. The insurance policies required under this Section 10 shall apply on a primary non-contributing basis in relation to any other insurance or

self-insurance available to City, but only with respect to Consultant's negligence. Any insurance or self-insurance maintained by City, its officers, employees, agents or volunteers, shall be in excess of Consultant's insurance and shall not contribute with it but only with respect to Consultant's negligence.

E. Consultant's Waiver of Subrogation. The insurance policies required under this Section 10 shall not prohibit Consultant and Consultant's employees, agents or subcontractors from waiving the right of subrogation prior to a loss. Consultant hereby waives all rights of subrogation against City, and City hereby waives all rights of subrogation against Consultant.

F. Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be approved by City. At City's option, Consultant shall either reduce or eliminate the deductibles or self-insured retentions with respect to City, or Consultant shall procure a bond guaranteeing payment of losses and expenses.

G. Cancellations or Modifications to Coverage. Consultant shall not cancel, reduce or otherwise modify the insurance policies required by this Section 10 during the term of this Agreement. The commercial general and automobile liability policies required under this Agreement shall be endorsed to state that should the issuing insurer cancel the policy before the expiration date, the issuing insurer will endeavor to mail thirty (30) calendar days' prior written notice to City. If any insurance policy required under this Section 10 is canceled or reduced in coverage or limits, Consultant shall, within two (2) business days of notice from the insurer, phone, fax or notify City via certified mail, return receipt requested, of the cancellation of or changes to the policy.

H. City Remedy for Noncompliance. If Consultant does not maintain the policies of insurance required under this Section 10 in full force and effect during the term of this Agreement, or in the event any of Consultant's policies do not comply with the requirements under this Section 10, City may either immediately terminate this Agreement or, if insurance is available at a reasonable cost, City may, but has no duty to, take out the necessary insurance and pay, at Consultant's expense, the premium thereon. Consultant shall promptly reimburse City for any premium paid by City or City may withhold amounts sufficient to pay the premiums from payments due to Consultant.

I. Evidence of Insurance. Prior to the performance of services under this Agreement, Consultant shall furnish City's Risk Manager with a certificate or certificates of insurance and all original endorsements evidencing and effecting the coverages required under this Section 10. The endorsements are subject to City's approval. Consultant may provide complete, certified copies of all required insurance policies to City. Consultant shall maintain current endorsements on file with City's Risk Manager. Consultant shall provide proof to City's Risk Manager that insurance policies expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Consultant shall furnish such proof at least two (2) weeks prior to the expiration of the coverages.

11. **Mutual Cooperation.**

A. City's Cooperation. City shall provide Consultant with all pertinent data, documents and other requested information as is reasonably available for Consultant's proper performance of the services required under this Agreement.

B. Consultant's Cooperation. In the event any claim or action is brought against the City relating to Consultant's performance or services rendered under this Agreement, Consultant shall render all reasonable assistance that City requires.

12. Records and Inspections. Consultant shall maintain full and accurate records with respect to all matters covered under this Agreement for a period of five (5) years). Consultant shall, without charge, provide City with access to the records during normal business hours. City may examine and audit the records and make transcripts therefrom, and inspect all program data, documents, proceedings and activities.

13. Termination or Suspension of Agreement.

A. Right to Terminate or Suspend. City may terminate or suspend this Agreement at any time, at will, for any reason or no reason, after giving written notice to Consultant at least seven (7) calendar days before the termination or suspension is to be effective. Consultant may terminate this Agreement at any time, at will, for any reason or no reason, after giving written notice to City at least seven (7) calendar days before the termination is to be effective.

B. Obligations upon Termination. Consultant shall cease all work under this Agreement on or before the effective date of termination specified in the notice of termination. In the event of City's termination of this Agreement due to no fault or failure of performance by Consultant, City shall pay Consultant based on the percentage of work satisfactorily performed up to the effective date of termination. In no event shall Consultant be entitled to receive more than the amount that would be paid to Consultant for the full performance of the services required by this Agreement. If this Agreement is terminated as provided herein, City may require Consultant to provide all finished or unfinished documents and data and other information of any kind prepared by the Consultant in connection with the performance of Services under this Agreement. Consultant shall be required to provide such documents and other information within fifteen (15) calendar days of the request.

14. Force Majeure. Consultant shall not be liable for any failure to perform its obligations under this Agreement if Consultant presents acceptable evidence, in City's sole judgment, that such failure was due to strikes, lockouts, labor disputes, embargoes, acts of God, reasonable inability to obtain labor or materials or reasonable substitutes for labor or materials, governmental restrictions, governmental regulations, governmental controls, judicial orders, enemy or hostile governmental action, civil commotion, fire or other casualty, or other causes beyond Consultant's reasonable control and not due to any act by Consultant.

15. Notices. Any notices, consents, requests, demands, bills, invoices, reports or other communications which either party may desire to give to the other party under this Agreement must be in writing and conclusively deemed effective: (a) on personal delivery, (b) on confirmed delivery by reputable document delivery service or courier service during Consultant's and City's

regular business hours, or (c) five business days after deposit in the United States mail, by first class mail, postage prepaid, and addressed to the party to be notified as set forth below:

If to City:
Attn: Siobhan Foster
City of Covina
125 E. College Street
Covina, California 91723

If to Consultant:
David De Jesus
Covina Irrigating Company
146 E. College Street
Covina, California 91723

16. Non-Discrimination and Equal Employment Opportunity. In the performance of this Agreement, Consultant shall not discriminate against any employee, subcontractor or applicant for employment because of race, color, religious creed, sex, gender, gender identity, gender expression, marital status, national origin, ancestry, age, physical disability, mental disability, medical condition, genetic information, sexual orientation or other basis prohibited by law. Consultant will take affirmative action to ensure that subcontractors and applicants are employed, and that employees are treated during employment, without regard to their race, color, religious creed, sex, gender, gender identity, gender expression, marital status, national origin, ancestry, age, physical disability, mental disability, medical condition, genetic information or sexual orientation.

17. Prohibition of Assignment and Delegation. Consultant shall not assign any of its rights or delegate any of its duties under this Agreement, either in whole or in part, without City's prior written consent. City's consent to an assignment of rights under this Agreement shall not release Consultant from any of its obligations or alter any of its primary obligations to be performed under this Agreement. Any attempted assignment or delegation in violation of this Section 17 shall be void and of no effect and shall entitle City to terminate this Agreement. As used in this Section 17, "assignment" and "delegation" means any sale, gift, pledge, hypothecation, encumbrance or other transfer of all or any portion of the rights, obligations, or liabilities in or arising from this Agreement to any person or entity, whether by operation of law or otherwise, and regardless of the legal form of the transaction in which the attempted transfer occurs.

18. No Third Party Beneficiaries Intended. This Agreement is made solely for the benefit of the parties to this Agreement and their respective successors and assigns, and no other person or entity may have or acquire a right by virtue of this Agreement.

19. Waiver. No delay or omission to exercise any right, power or remedy accruing to City under this Agreement shall impair any right, power or remedy of City, nor shall it be construed as a waiver of, or consent to, any breach or default. No waiver of any breach, any failure of a condition, or any right or remedy under this Agreement shall be (1) effective unless it is in writing and signed by the party making the waiver, (2) deemed to be a waiver of, or consent to, any other breach, failure of a condition, or right or remedy, or (3) deemed to constitute a continuing waiver unless the writing expressly so states.

20. Exhibits. Exhibits A and B constitute a part of this Agreement and are incorporated into this Agreement by this reference. If any inconsistency exists or arises between a provision of this Agreement and a provision of any exhibit, the provisions of this Agreement shall control.

21. **Entire Agreement.** This Agreement and all exhibits referred to in this Agreement constitute the final, complete and exclusive statement of the terms of the agreement between the parties pertaining to the subject matter of this Agreement and supersede all other prior or contemporaneous oral or written understandings and agreements of the parties. No party has been induced to enter into this Agreement by, nor is any party relying on, any representation or warranty except those expressly set forth in this Agreement.

22. **Amendment of Agreement.** This Agreement may be amended only by a writing signed by both parties. The City Manager is authorized to sign an amendment to this Agreement on the City Council's behalf and without the City Council's prior approval to make the following non-substantive modifications to the Agreement: (a) name changes; (b) extensions of time; (c) non-monetary changes in the scope of work; and (d) termination of the Agreement.

23. **Headings.** The headings in this Agreement are included solely for convenience of reference and shall not affect the interpretation of any provision of this Agreement or any of the rights or obligations of the parties to this Agreement.

24. **Word Usage.** Unless the context clearly requires otherwise, (a) the words "shall," "will" and "agrees" are mandatory and "may" is permissive; (b) "or" is not exclusive; and (c) "includes" or "including" are not limiting.

25. **Time of the Essence.** Time is of the essence in respect to all provisions of this Agreement that specify a time for performance; provided, however, that the foregoing shall not be construed to limit or deprive a party of the benefits of any grace or use period allowed in this Agreement.

26. **Governing Law and Choice of Forum.** This Agreement, and any dispute arising from the relationship between the parties to this Agreement, shall be governed by and construed in accordance with the laws of the State of California, except that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be applied in interpreting this Agreement. Any dispute that arises under or relates to this Agreement (whether contract, tort or both) shall be resolved in a superior or federal court with geographic jurisdiction over the City of Covina.

27. **Attorneys' Fees.** In any litigation or other proceeding by which one party seeks to enforce its rights under this Agreement (whether in contract, tort or both) or seeks a declaration of any rights or obligations under this Agreement, the prevailing party shall be awarded reasonable attorneys' fees together with any costs and expenses, to resolve the dispute and to enforce the final judgment.

28. **Severability.** If a court of competent jurisdiction holds any provision of this Agreement to be illegal, invalid or unenforceable for any reason, the validity of and enforceability of the remaining provisions of this Agreement shall not be affected and continue in full force and effect.

29. **Authority to Execute Agreement.** The person or persons executing this Agreement on behalf of Consultant warrants and represents that he or she has the authority to execute this

Agreement on behalf of the Consultant and has the authority to bind Consultant to the performance of its obligations hereunder.

[SIGNATURE PAGE FOLLOWS]

The parties, through their duly authorized representatives, are signing this Agreement on the date stated in the introductory clause.

City:

City of Covina,
a California municipal corporation

By: _____
Name: _____
Title: _____

ATTEST:

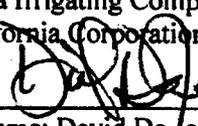
By: _____
Name: Sharon F. Clark
Title: Chief Deputy City Clerk

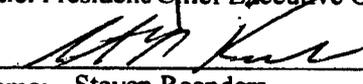
APPROVED AS TO FORM:

By: _____
Name: Candice K. Lee
Title: City Attorney

Consultant:

Covina Irrigating Company,
a California Corporation

By:  _____
Name: David De Jesus
Title: President/Chief Executive Officer

By:  _____
Name: Steven Reenders
Title: Chairman

(Two signatures of corporate officers required for corporations under Corporations Code Section 313, unless corporate documents authorize only one person to sign this Agreement on behalf of the corporation.)

**EXHIBIT A
APPROVED FEE SCHEDULE**

The fixed rate for Covina Irrigating Company Grade 5 services, as required by the State Water Resources Control Board, Division of Drinking Water (SWRCB DDW) for the level of services identified in the Item 1 of the Scope of Services contained in **Exhibit B**, is a fixed fee of \$7,500 per month. A qualified treatment/distribution operator will provide daily field oversight of personnel, system monitoring/adjustments as necessary, and after-hour (on-call) standby services within 45 minutes following receipt of notification. The fixed rate service includes any and all necessary communications with the Consultant to ensure that the goals and objectives of the City are being accomplished. Actual field responses for services rendered other than those listed in Item 1 of the Scope of Services contained in **Exhibit B**, will be subject to the hourly rates reflected in Table 1 below.

For services outside of the Item 1 of the Scope of Services contained in **Exhibit B**, Consultant shall be compensated by the hourly rates listed below. An invoice shall be presented for payment on a monthly basis. Work shall be performed Monday through Friday between the hours of 8:00 a.m. and 5:00 p.m. Any hours performed outside this scheduled time frame shall be compensated at the overtime rate.

For insurance expenses, the City shall reimburse Consultant for actual expenses incurred, in an amount not-to-exceed \$4,750 associated with the Consultant's retention of insurance coverages required in Section 10 (Insurance of this Agreement). Said insurance must be submitted to the City prior to the date of City Council consideration of this Agreement.

In no event shall the City pay Consultant an amount that exceeds \$55,000 under this Agreement without a written amendment to this Agreement.

Table 1 – Hourly Rates for Covina Irrigating Company Personnel

Personnel	Regular Rate	Overtime Rate
David De Jesus – President/CEO, D5/T5 Certified Operator	\$215.00	\$322.00
Steve Sherman – D5/T5 Certified Operator	\$125.00	\$187.50
Matthew Kuns – D4/T4 Certified Operator	\$90.00	\$135.00

EXHIBIT B
SCOPE OF SERVICES

1. Field Operations Administrative Oversight and Management

This service would eliminate the need to either hire or replace a State Water Resources Control Board. Division of Drinking Water (SWRCB DDW) operator of sufficient Grade Level Certification to act on behalf of the City. The previous contract with Covina Irrigating Company included this function under a very limited basis with general oversight as it related to water quality inquiries from regulatory agencies. When requested the Consultant agrees to attend staff meetings to ensure that goals and objectives are being accomplished and ensuring that certified operators maintain required certification, through the coordinated attendance of classes and training without impacting the day-to-day operations. In addition, the Consultant will provide management insight regarding CIC leases, City owned water right transfers, and its import water allocation to ensure the best economic value to the City. Consultant shall receive monthly compensation for services rendered under this item (Item 1) of the Scope of Services of this agreement at the amount set forth in **Exhibit A**, in addition to the hourly rates provided under **Exhibit A, Table 1** for other services rendered.

2. Water Division Operations Oversight

This service will ensure that existing field personnel are being utilized effectively and efficiently. This will include oversight and/or supervision of operations staff as may be defined and negotiated. Water supply assurance will be complied with by providing remote system monitoring and directing the on call pumper in making the necessary flow adjustments from the available water supply sources maintaining water quality integrity and economic value as a goal. Other services will include interaction with SCE field representatives to ensure optimal efficiency to reduce long term operational costs. Recommendations for improvements will be included if requested. In addition, existing CIC staff will be made available to make recommendations to the SCADA System and coordinate those upgrades or repairs to provide reliable operations to its residents. Consultant shall receive hourly compensation for services rendered under this item (Item 2) of the Scope of Services of this agreement at the amount set forth in **Exhibit A, Table 1**.

3. Water Quality Compliance

This function was previously under contract with Covina Irrigating Company under a very limited basis by providing field staff with assistance to their water quality inquiries. This proposal will expand this function to include an extensive range of assistance including but not limited to emergency sampling and delivery to the water quality laboratory minimizing disruption of field operations. Responses to all SWRCB DDW requests regarding issues of concern and assisting with customer complaints and ensuring that all required reporting are completed and submitted as required in a timely manner. The Consultant may be asked to

provide an Annual Consumer Confidence Report, which would be negotiated at the time the task is agreed upon. Consultant shall receive hourly compensation for services rendered under this item (Item 3) of the Scope of Services of this agreement at the amount set forth in **Exhibit A, Table 1**.

4. Capital Improvement Program (C.I.P.) Management Coordination

This service will provide additional assistance during construction of approved projects. Provide support during budget process and system recommendations for future projects. This would reduce, to a degree, the number of billable hours from outside consultants and contracted project inspectors. This service will enhance and provide a realistic view and approach based on ongoing communications with staff, facility maintenance and repair records. Consultant shall receive hourly compensation for services rendered under this item (Item 4) of the Scope of Services of this agreement at the amount set forth in **Exhibit A, Table 1**.

5. Grant Application/Award Servicing and Compliance

These services will include project identification, assistance in grant submission and attendance of required meetings and provide presentations to the appropriate entities for possible award. In addition, services could include oversight of State labor compliance and reporting requirements. Consultant shall receive hourly compensation for services rendered under this item (Item 5) of the Scope of Services of this agreement at the amount set forth in **Exhibit A, Table 1**.



CITY OF COVINA

AGENDA REPORT

ITEM NO. CC 12

MEETING DATE: July 19, 2016

TITLE: First Amendment to Professional Services Agreement with Covina Irrigating Company for Water System and Water Quality Consulting Services

PRESENTED BY: Siobhan Foster, Director of Public Works

RECOMMENDATION: Authorize the Interim City Manager to execute the attached First Amendment to the Professional Services Agreement with Covina Irrigating Company for water system and water quality consulting services.

BACKGROUND:

On June 21, 2016, the City Council authorized the Interim City Manager to execute the Professional Services Agreement with Covina Irrigating Company for water system and water quality consulting services. As the Department of Public Works and Covina Irrigating Company initiated discussions on the type of support required by the City, it became evident that the addition of another Covina Irrigating Company employee to the Approved Fee Schedule in Exhibit A of the Professional Services Agreement would be advantageous to the City.

DISCUSSION:

At this juncture, the Department of Public Works is seeking City Council authorization for the Interim City Manager to execute the attached First Amendment to the Professional Services Agreement with Covina Irrigating Company. The proposed First Amendment would add a D3/T3 certified operator to the Approved Fee Schedule. Covina Irrigating Company will be assisting the City with water pumping operations. There are times when this appropriately certified employee would be involved in the support of City pumping operations and as such, needs to be included in the Approved Fee Schedule.

FISCAL IMPACT:

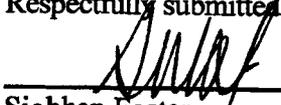
There is no fiscal impact associated with the proposed First Amendment, as the First Amendment does not alter the Compensation value of the Professional Services Agreement. There could be savings, however, as a result of the addition of the employee to the Approved Fee Schedule, since the hourly rates for the D3/T3 certified operator are less than those of other personnel included in the schedule.

CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT):

The actions proposed herein have been reviewed for compliance with the California Environmental Quality Act (CEQA) and are exempt per Section 15061 (b) (3). The actions are covered by the general rule that CEQA only applies to projects that have the potential for causing a significant effect on the environment. The proposed First Amendment to the

Professional Services Agreement with Covina Irrigating Company for water system and water quality consulting services will not result in any significant effect on the environment.

Respectfully submitted,



Siobhan Foster
Director of Public Works

ATTACHMENT:

Attachment A: First Amendment to the Professional Services Agreement with Covina Irrigating Company

Attachment B: Item CC5, Approved by the City Council on June 21, 2016

**FIRST AMENDMENT TO AGREEMENT BETWEEN THE CITY OF COVINA AND
COVINA IRRIGATING COMPANY**

This First Amendment is made and entered into as of July 19, 2016 by and between the City of Covina, a California municipal corporation (hereinafter referred to as "City"), and Covina Irrigating Company, a California Corporation (hereinafter referred to as "Consultant"). In consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

1. This First Amendment is made with the respect to the following facts and purposes:

a. On June 21, 2016 the City and Consultant entered into that certain Professional Services Agreement to provide water system and water quality consulting services in the not to exceed amount of fifty-five thousand dollars (\$55,000) (the "maximum compensation").

b. The parties now desire to amend Exhibit A ("Approved Fee Schedule") to add the rates of additional CIC personnel to provide services to the City as set forth in the Agreement.

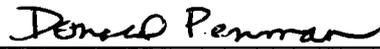
2. Exhibit A to the Agreement is hereby amended by adding thereto the items set forth on Attachment "A" to this Amendment, which is attached hereto and incorporated herein as though set forth in full.

3. Except for the changes specifically set forth herein, all other terms and conditions of the Agreement shall remain in full force and effect.

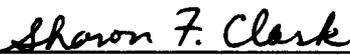
The parties, through their duly authorized representatives, are signing this First Amendment on the date stated in the introductory clause.

City:

City of Covina,
a California municipal corporation

By: 
Name: Donald Penman
Title: Interim City Manager

ATTEST:

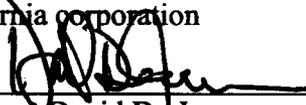
By: 
Name: Sharon F. Clark
Title: Chief Deputy City Clerk

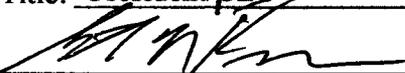
APPROVED AS TO FORM:

By: 
Name: Candice K. Lee
Title: City Attorney

Consultant:

Covina Irrigating Company,
a California corporation

By: 
Name: David De Jesus
Title: President/CEO

By: 
Name: Steven Reenders
Title: Chairman

(Two signatures of corporate officers required for corporations under Corporations Code Section 313, unless corporate documents authorize only one person to sign this Agreement on behalf of the corporation.)

ATTACHMENT A

Attached hereto and incorporated herein is the additional scope of work and associated cost as provided by the Consultant.

ATTACHMENT A

Table 1 –Hourly Rates for Covina Irrigating Company Personnel (revised per First Amendment)

Personnel	Regular Rate	Overtime Rate
David De Jesus - President/CEO D5/T5 Certified	\$215.00	\$322.00
Steven Sherman - D5/T5 Certified	\$125.00	\$187.50
Matthew Kuns - D4/T4 Certified	\$90.00	\$135.00
Jose Enclona - D3/T3 Certified	\$75.00	\$112.00

**SECOND AMENDMENT TO AGREEMENT BETWEEN THE CITY OF COVINA AND
COVINA IRRIGATING COMPANY**

THIS SECOND AMENDMENT is made and entered into as of October 18, 2016 by and between the City of Covina, a California municipal corporation (hereinafter referred to as "City"), and Covina Irrigating Company, a California Corporation (hereinafter referred to as "Consultant"). In consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

1. This Second Amendment is made with the respect to the following facts and purposes:

a. On June 21, 2016, the City and Consultant entered into that certain Professional Services Agreement to provide water system and water quality consulting services in the not-to-exceed amount of Fifty-Five Thousand Dollars (\$55,000) (the "maximum compensation").

b. On July 19, 2016, the City and Consultant entered into the First Amendment to that certain Professional Services Agreement to amend Exhibit A ("Approved Fee Schedule") to add the rates of additional CIC personnel to provide services to the City as set forth in the Agreement.

c. The parties now desire to extend the term of the agreement to January 17, 2017, increase the compensation in the amount of Sixty-Five Thousand Dollars (\$65,000) for a new total agreement amount not-to-exceed One Hundred Twenty Thousand Dollars (\$120,000), and increase the reimbursable expenses in the amount of One Thousand Dollars (\$1,000) for a new total reimbursable expenses amount not-to-exceed One Thousand Five Hundred Dollars (\$1,500) and to amend the Agreement as set forth in this Amendment.

2. Section 1 of the Agreement entitled "**TERM**" is hereby amended to read as follows:

The term of this Agreement shall be from the Effective Date through January 17, 2017, unless sooner terminated as provided in Section 13 of this Agreement.

3. Paragraph A of Section 2 of the Agreement entitled "**COMPENSATION**" is hereby amended to read as follows:

A. Compensation. As full compensation for Consultant's services provided under this Agreement, City shall pay Consultant a sum not-to-exceed One Hundred Twenty Thousand Dollars (\$120,000) (the "maximum compensation"), based on the hourly rates and fixed pricing set forth in the Approved Fee Schedule, attached hereto as Exhibit A, and consistent with the Scope of Services, attached hereto as Exhibit B. Any terms in Exhibit A, other than the payment rates and schedule of payment, are null and void.

4. Paragraph B of Section 2 of the Agreement entitled “**EXPENSES**” is hereby amended to read as follows:

B. Expenses. City shall only reimburse Consultant for those expenses authorized in writing by the City’s representative. In no event shall reimbursable expenses collectively exceed the total sum of One Thousand Five Hundred Dollars (\$1,500).

5. Except for the changes specifically set forth herein, all other terms and conditions of the Agreement shall remain in full force and effect.

The parties, through their duly authorized representatives, are signing this Second Amendment on the date stated in the introductory clause.

City:

City of Covina,
a California municipal corporation

Consultant:

Covina Irrigating Company,
a California Corporation

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

ATTEST:

By: _____
Name: _____
Title: _____

By: _____
Name: Sharon F. Clark
Title: Chief Deputy City Clerk

(Two signatures of corporate officers required for corporations under Corporations Code Section 313, unless corporate documents authorize only one person to sign this Agreement on behalf of the corporation.)

APPROVED AS TO FORM:

By: _____
Name: Candice K. Lee
Title: City Attorney

RESOLUTION NO. 16-7545

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, TO AMEND THE FISCAL YEAR 2017 OPERATING BUDGET TO REFLECT AN APPROPRIATION OF \$65,000 FROM THE AVAILABLE WATER UTILITY ADMINISTRATION FUND BALANCE TO INCREASE FUNDING FOR THE WATER SYSTEM AND WATER QUALITY CONSULTING SERVICES AGREEMENT WITH COVINA IRRIGATING COMPANY AND INCREASING THE FISCAL YEAR 2017 OPERATING BUDGET (ACCOUNT NO. 6010-5000-51005) IN THE AMOUNT OF \$65,000

WHEREAS, the City of Covina is a municipal corporation duly organized and existing pursuant to the Constitution and laws of the State of California (“City”); and

WHEREAS, the Fiscal Year 2017 Operating Budget was approved on July 19, 2016; and

WHEREAS, on July 19, 2016, the City Council adopted Resolution No. 16-7503 approving the City of Covina Budget for July 1, 2016 through June 30, 2017; and

WHEREAS, the approved Operating Budget is in accordance with all applicable ordinances of the City and all applicable statutes of the State; and

WHEREAS, the reallocation of the appropriations between departmental activities may be made by the City Manager, amendments (increases/decreases) to the Budget shall be by approval and Resolution of the City Council; and

WHEREAS, the approved 2017 Water Administration Budget includes \$55,000 for water system and water quality consulting services; and

WHEREAS, the Water Division of the Department of Public Works is in a transitional period with the recent and anticipated retirements of high-level, seasoned long-tenured employees and turnover of other employees; and

WHEREAS, on June 21, 2016, the Covina City Council authorized the Interim City Manager to execute a Professional Services Agreement with Covina Irrigating Company to provide water system and water quality services in an amount not to exceed \$55,000, including reimbursable expenses not to exceed \$500, with an agreement term running from the effective date through December 20, 2016; and

WHEREAS, on July 19, 2016, the City of Covina Council authorized the Interim City Manager to execute the First Amendment to the Professional Services Agreement with Covina Irrigating Company to add a D3/T3 certified operator to the Approved Fee Schedule. The First Amendment did not alter the compensation value of the Professional Services Agreement; and

WHEREAS, the transitional period experienced by the Water Division of the Department of Public Works has been more profound and lengthier than anticipated; and

WHEREAS, the Water Division of the Department of Public Works and Covina Irrigating Company have been working with the State Water Resources Control Board, Division of Drinking Water to address the challenges inherent with chloramination and enhance water quality; and

WHEREAS, the Water Division of the Public Works Department wishes to amend the compensation value of the Professional Services Agreement with Covina Irrigating Company and extend the term of the agreement through January 17, 2017, to reflect higher utilization of services for the reasons outlined above.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. Amend the Fiscal Year 2017 Operating Budget as follows: Increase funding for the Professional Services Agreement with Covina Irrigating Company by \$65,000. Appropriate \$65,000 from available Water Utility Administration Fund balance to Water Administration Consulting (Account No. 6010-5000-51005).

SECTION 2. The City Clerk shall certify to the passage and adoption of this resolution and shall enter the same in the Book of Original Resolutions.

APPROVED and PASSED this 18th day of October, 2016.

City of Covina, California

BY: _____
KEVIN STAPLETON, Mayor

ATTEST:

SHARON F. CLARK, Chief Deputy City Clerk

APPROVED AS TO FORM:

CANDICE K. LEE, City Attorney

CERTIFICATION

I, Sharon F. Clark, Chief Deputy City Clerk of the City of Covina, do hereby certify that Resolution No. 16-7545 was duly adopted by the City Council of the City of Covina at a regular meeting held on the ___ day of _____, 20___, by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:

Dated:

SHARON F. CLARK, Chief Deputy City Clerk

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CITY OF COVINA

AGENDA REPORT

ITEM NO. CC 11

MEETING DATE: October 18, 2016

TITLE: Quarterly Report of the Treasurer to the City Council and the Successor Agency to the Covina Redevelopment Agency for the Quarter Ended September 30, 2016

PRESENTED BY: **Geoffrey Cobbett, Treasurer**
Anita Agramonte, Finance Director

RECOMMENDATION: Receive and File.

BACKGROUND:

Pursuant to Government Code Section 53600 et seq. and Section 4.0 of the City of Covina's Investment Policy, the Treasurer is required to render a report to the City Council and City Manager, containing detailed information of all securities, investments and moneys of the City. The report shall be submitted on a quarterly basis.

DISCUSSION:

The attached quarterly report for the City and Successor Agency reflect the portfolio balances for the quarter ended September 30, 2016. The report is in conformity with the City's Investment Policy as well as Government Code 53601.

There are sufficient funds to meet the pooled expenditure requirements for all City funds for the next 6 months.

FISCAL IMPACT:

None to receive and file.

CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT):

None.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Anita Agramonte".

Anita Agramonte
Finance Director

ATTACHMENTS:

A - CITY	Quarterly Report of the Treasurer to the City Council for the Quarter Ended September 30, 2016
A-1-CITY	Cash and Investment Summary
A - AGENCY	Quarterly Report of the Treasurer to the Successor Agency to the Covina Redevelopment Agency for the Quarter Ended September 30, 2016
A-1-AGENCY	Cash and Investment Summary
A-2	Total Investment Portfolio as of September 30, 2016
A-3	Investment Transaction Summary
A-4	Investment Holdings by Sector
A-5	Cash and Investments - Three Year Comparison
A-6	City LAIF Statement for September 2016
A-7	Successor Agency LAIF Statement for September 2016
A-8	LAIF Market Valuation for September 30, 2016

**EXHIBIT A
 QUARTERLY REPORT OF THE TREASURER TO THE CITY COUNCIL
 FOR THE QUARTER ENDED SEPTEMBER 30, 2016**

CASH BALANCE	6/30/2016	\$45,123,955.92
RECEIPTS	7/1/16-9/30/16	25,604,787.13
DISBURSEMENTS	7/1/16-9/30/16	<u>(31,000,893.10)</u>
CASH BALANCE	9/30/2016	<u><u>\$39,727,849.96</u></u>

ANALYSIS OF CASH AND INVESTMENT BALANCE - BOOK VALUE

LOCAL AGENCY INVESTMENT FUND		20,847,549.00
BOND LOGISTIX INVESTMENT PORTFOLIO	EXHIBIT A-2	13,085,603.18
WELLS FARGO MONEY MARKET AND U.S. TREASURY BILLS	EXHIBIT A-2	<u>29,146.63</u>
TOTAL INACTIVE PUBLIC DEPOSITS		\$33,962,298.81
CHECKING AND PETTY CASH BALANCES		<u>5,765,551.15</u>
CASH AND INVESTMENT BALANCE	6/30/2016	\$39,727,849.96
CASH HELD BY BOND TRUSTEES		<u>13,365,933.96</u>
TOTAL CASH AND INVESTMENT BALANCE	6/30/2016	<u><u>\$53,093,783.92</u></u>

The purpose of this report is to provide readers with the overall cash position of the City. There is sufficient investment liquidity to meet the pooled expenditures of all City's funds for the next 6 months.

Respectfully submitted,



Geoffrey Cobbett
 Treasurer

**EXHIBIT A-1
CITY OF COVINA
CASH AND INVESTMENT SUMMARY
FOR THE QUARTER ENDED SEPTEMBER 30, 2016**

TYPE OF INVESTMENT	ISSUER	BOOK VALUE \$	ACQUISITION DATE	MATURITY DATE	MARKET VALUE \$
City of Covina:					
Drawer & Petty Cash	N/A	8,435.49	N/A	N/A	8,435.49
General - Checking Account	Bank of the West	\$2,832,084.26	N/A	Demand	2,832,084.26
Public Agency Saving - Parking Fines	Bank of the West	73,923.64	N/A	Demand	73,923.64
Utility Billing Account	Wells Fargo	\$549,355.41	N/A	Demand	549,355.41
Workers' Compensation - Checking Account	Bank of the West	30,182.24	N/A	Demand	30,182.24
Payroll - Checking Account	Bank of the West	\$154,512.57	N/A	Demand	154,512.57
Federal Treasury Narcotics - Checking Account	Bank of the West	14,657.90	N/A	Demand	14,657.90
Federal Justice Department Admin - Checking Account	Bank of the West	71,392.03	N/A	Demand	71,392.03
Money Market	Bank of the West	\$2,011,911.20	N/A	Demand	2,011,911.20
AFLAC Flexible Spending Account	Bank of the West	19,096.41	N/A	Demand	19,096.41
Bond Logistix Investment Portfolio	Various	13,085,603.18	Various	Various	13,067,372.90
Wells Fargo Money Market and U.S. Treasury Bills	Various	29,146.63	N/A	Demand	29,146.63
Local Agency Investment Fund	State of California	20,847,549.00	N/A	Demand	20,847,549.00
Subtotal (A)		\$39,727,849.96			\$39,709,619.67
Cash Held Under 3rd Party Administrator:					
2010 Covina Water Revenue Bond	U.S. Bank	4,735,301.78	N/A	Demand	\$4,735,301.78
2009 Covina Wastewater Bonds	BNY Mellon	8,630,632.18	N/A	Demand	\$8,630,632.18
Subtotal (B)		\$13,365,933.96			\$13,365,933.96
TOTAL (A+B)		\$53,093,783.92			\$53,075,553.63

The purpose of this schedule is to show the total cash and investments held by the City of Covina by account.

EXHIBIT A
QUARTERLY REPORT OF THE TREASURER TO THE SUCCESSOR AGENCY TO THE COVINA
REDEVELOPMENT AGENCY
FOR THE QUARTER ENDED SEPTEMBER 30, 2016

CASH BALANCE	6/30/2016	\$12,196,815.58
RECEIPTS	7/1/16-9/30/16	2,924,082.29
DISBURSEMENTS	7/1/16-9/30/16	<u>(4,827,780.96)</u>
CASH BALANCE	9/30/2016	<u><u>\$10,293,116.91</u></u>
 ANALYSIS OF CASH AND INVESTMENT BALANCE		
CHECKING ACCOUNT		2,587,735.95
LOCAL AGENCY INVESTMENT FUND		1,913,393.69
BOND LOGISTIX INVESTMENT PORTFOLIO	EXHIBIT A-2	5,779,114.98
WELLS FARGO MONEY MARKET AND U.S. TREASURY BILLS	EXHIBIT A-2	<u>12,872.29</u>
AVAILABLE CASH BALANCES		\$10,293,116.91
CASH AND INVESTMENTS HELD BY BOND TRUSTEES		<u>4,637,843.52</u>
TOTAL CASH & INVESTMENT BALANCE	9/30/2016	<u><u>\$14,930,960.43</u></u>

The purpose of this report is to provide readers with the overall cash position of the Successor Agency to the Covina Redevelopment Agency (Agency). There is sufficient investment liquidity to meet the pooled expenditures of all Agency's funds for the next 6 months.

Respectfully submitted,



Geoffrey Cobbett
Treasurer

EXHIBIT A-1
SUCCESSOR AGENCY TO THE COVINA REDEVELOPMENT AGENCY
CASH AND INVESTMENT SUMMARY
FOR THE QUARTER ENDED SEPTEMBER 30, 2016

TYPE OF INVESTMENT	ISSUER	BANK VALUE \$	ACQUISITION DATE	DATE	MARKET VALUE \$
Successor Agency to the Covina Redevelopment Agency:					
Checking Account	Bank of the West	\$2,587,735.95	N/A	Demand	2,587,735.95
Bond Logistix Portfolio	Various	5,779,114.98	Various	Various	5,771,063.77
Wells Fargo Money Market and Treasury Bills	Various	12,872.29	N/A	Demand	12,872.29
Local Agency Investment Fund	State of California	1,913,393.69		Demand	1,913,393.69
Subtotal (A)		\$10,293,116.91			\$10,285,065.71
Cash Held Under 3rd Party Administrator:					
(1) 2013 Series A Tax Allocation Bonds Fiscal Agent: U.S. Bank	U.S. Bank*	1,770,509.22	N/A	Demand	1,770,509.22
(2) 2014 Series A Tax Allocation Bonds Fiscal Agent: U.S. Bank	U.S. Bank*	2,538,956.15	N/A	Demand	2,538,956.15
(3) 2004 Series B Tax Allocation Bonds Fiscal Agent: U.S. Bank	U.S. Bank*	328,378.15	N/A	Demand	328,378.15
Subtotal (B)		\$4,637,843.52			\$4,637,843.52
TOTAL (A+B)		\$14,930,960.43			\$14,922,909.23

The purpose of this schedule is to show the total cash and investments held by the Successor Agency to the Covina Redevelopment Agency by account.
* Formerly BNY Mellon

Exhibit A-2
CITY OF COVINA
Bond Logistics
Investment Portfolio as of
September 2016

Dated	Qty	Market Price Per Share	Total Original Cost Value	Original Cost Value-CITY	Original Cost Value-AGENCY	Total Market Value	Market Value-CITY	Market Value-AGENCY	Coupon	CUSIP	Maturity	Issuer
12/2/2013	6,000	100.922000	600,562.50	416,583.09	183,979.41	605,532.00	420,030.21	185,501.79	1.2500	912828A34	11/30/2018	US Treasury
12/31/2013	6,000	101.496000	610,640.63	423,573.83	187,066.80	608,976.00	422,419.15	186,556.85	1.5000	912828A75	12/31/2018	US Treasury
12/5/2013	3,000	101.496000	304,453.13	211,185.39	93,267.74	304,488.00	211,209.58	93,278.42	1.5000	912828A75	12/31/2018	US Treasury
3/31/2014	8,500	101.902000	871,548.83	604,554.07	266,994.76	866,167.00	600,820.94	265,346.06	1.6250	912828C65	3/31/2019	US Treasury
4/30/2014	8,250	101.938000	843,691.41	585,230.64	258,460.77	840,988.50	583,555.75	257,632.75	1.6250	912828D23	4/30/2019	US Treasury
9/2/2014	8,250	102.106000	944,764.65	655,340.58	289,424.07	944,480.50	655,143.48	289,337.02	1.6250	912828D80	8/31/2019	US Treasury
3/16/2015	9,500	100.387000	954,787.11	662,292.71	292,494.40	953,676.50	661,522.33	292,154.17	1.0000	912828J68	3/15/2018	US Treasury
9/15/2015	8,000	100.402000	795,281.25	551,650.69	243,630.56	803,216.00	557,154.67	246,061.33	1.0000	912828L40	9/15/2019	US Treasury
01/15/16	5,500	100.672000	552,320.31	383,119.66	169,200.65	553,696.00	384,073.91	169,622.09	1.1250	912828N63	1/15/2019	US Treasury
11/30/10	7,750	101.773000	802,760.74	556,838.88	245,921.86	788,740.75	547,113.84	241,626.91	2.2500	912828PKO	11/30/2017	US Treasury
12/31/10	5,000	102.508000	525,351.56	364,412.66	160,938.90	512,540.00	355,525.86	157,014.14	2.7500	912828PN4	12/31/2017	US Treasury
12/31/10	4,250	102.508000	445,353.52	308,921.63	136,431.89	435,659.00	302,196.98	135,462.02	2.7500	912828PN4	12/31/2017	US Treasury
09/03/15	6,750	102.813000	705,480.47	489,359.95	216,120.52	693,987.75	481,387.97	212,599.78	2.7500	912828PY0	2/18/2018	US Treasury
08/01/11	8,000	102.680000	828,000.00	574,346.21	253,653.79	821,440.00	569,795.84	251,644.16	2.2500	912828QY9	9/3/2015	US Treasury
04/30/12	8,500	101.027000	858,998.05	595,848.16	263,149.89	858,729.50	595,661.88	263,067.62	1.2500	912828ST8	4/30/2019	US Treasury
08/31/12	8,000	99.973000	790,875.00	548,594.28	242,280.72	799,784.00	554,774.05	245,009.95	0.6250	912828TM2	8/31/2017	US Treasury
10/01/12	4,500	99.953000	444,480.47	308,316.03	136,164.44	449,788.50	311,997.97	137,790.53	0.6250	912828TS9	9/30/2017	US Treasury
10/01/12	6,000	99.953000	599,742.19	416,014.08	183,728.11	599,718.00	415,997.30	183,720.70	0.6250	912828TS9	9/30/2017	US Treasury
01/31/13	9,750	100.211000	969,820.31	672,720.56	297,099.75	977,057.25	677,740.50	299,316.75	0.8750	912828UJ7	1/31/2018	US Treasury
04/30/13	6,500	99.836000	644,007.81	446,719.14	197,288.67	648,934.00	450,136.21	198,797.79	0.6250	912828UZI	4/30/2018	US Treasury
07/01/13	8,000	101.047000	808,437.50	560,776.59	247,660.91	808,376.00	560,333.93	247,642.07	1.3750	912828VK3	6/30/2018	US Treasury
07/31/13	7,750	101.082000	785,837.89	545,100.26	240,737.63	783,385.50	543,399.15	239,986.35	1.3750	912828VQ0	7/31/2018	US Treasury
10/31/13	6,000	100.906000	601,125.00	416,973.27	184,151.73	605,436.00	419,963.62	185,472.38	1.2500	912828WD8	10/31/2018	US Treasury
10/31/13	3,000	100.906000	302,484.38	209,819.76	92,664.62	302,718.00	209,981.81	92,736.19	1.2500	912828WD8	10/31/2018	US Treasury
06/02/14	8,500	101.676000	869,457.03	603,103.08	266,353.95	864,246.00	599,488.43	264,757.57	1.5000	912828WLO	5/31/2019	US Treasury
07/31/14	5,500	102.086000	561,687.50	389,617.26	172,070.24	561,473.00	389,468.47	172,004.53	1.6250	912828WW6	7/31/2019	US Treasury
05/15/15	8,000	100.398000	800,750.00	555,444.12	245,305.88	803,184.00	557,132.47	246,051.53	1.0000	912828XA3	5/15/2018	US Treasury
Subtotal Securities	1,000		\$ 18,822,699.24	\$ 13,056,456.55	\$ 5,766,242.69	\$ 18,796,417.75	\$ 13,038,226.27	\$ 5,758,191.48				
Wells Fargo Mmkt			\$ 42,018.92	29,146.63	12,872.29	\$ 42,018.92	29,146.63	12,872.29				
Total Value of Portfolio			\$ 18,864,718.16	\$ 13,085,603.18	\$ 5,779,114.98	\$ 18,838,436.67	\$ 13,067,372.90	\$ 5,771,063.77				

The purpose is to demonstrate compliance with the city's adopted Investment Policy. This is a required report per Government Code section 53646(b). The investment portfolio as presented is in compliance with the City's and Agency's adopted Investment Policy.

* Agency is the Successor Agency to the Covina Redevelopment Agency

EXHIBIT A-3
CITY OF COVINA & SUCCESSOR AGENCY TO THE COVINA REDEVELOPMENT AGENCY
Investment Transaction Summary
for the Quarter Ended September 30, 2016

Purchased Investments

Qty	Purch Date	Maturity	Share Price at Purch Date	Original Cost Value	Market Value at Purchase Date	Discount / (Premium) on Purchase	Issuer	CUSIP	Held by
8,500	07/06/16	3/31/2019	102.540000	871,548.83	871,590.00	41.17	US Treasury	912828C65	Bond Logistix
8,500	07/06/16	5/31/2019	102.290000	869,457.03	869,465.00	7.97	US Treasury	912828WLO	Bond Logistix
8,250	08/12/16	4/30/2019	102.270000	843,691.41	843,727.50	36.09	US Treasury	912828D23	Bond Logistix
9,250	09/30/16	8/31/2019	102.140000	944,764.65	944,795.00	30.35	US Treasury	912828D80	Bond Logistix
5,500	09/30/16	7/31/2019	102.120000	561,687.50	561,660.00	(27.50)	US Treasury	912828WW6	Bond Logistix
Total				4,091,149.42	4,091,237.50	88.08			

Sold/Matured Investments

Qty	Sale / Maturity Date	Share Price at Sale / Maturity Date	Original Cost Value	Sale / Maturity Price	Gain / (Loss) on Sale / Redemption	Interest Earnings Since Purchase	Issuer	CUSIP	Held by
8,000	7/5/2016	101.990000	825,406.25	815,906.25	(9,500.00)	24,163.93	US Treasury	912828NG1	Bond Logistix
9,250	6/30/2017	100.240000	920,664.06	927,204.10	6,540.04	6,334.24	US Treasury	912828TB6	Bond Logistix
8,250	8/11/2016	99.870000	821,777.34	823,968.75	2,191.41	4,977.40	US Treasury	912828TG5	Bond Logistix
5,000	4/30/2017	100.210000	500,898.44	501,074.22	175.78	14,432.74	US Treasury	912828S00	Bond Logistix
8,500	5/6/2016	100.220000	852,623.05	851,859.38	(763.67)	1,430.29	US Treasury	912828WT3	Bond Logistix
Total			3,921,369.14	3,920,012.70	(1,356.44)	51,338.60			

Net Revenue Analysis - for Period Ending September 30, 2016

Period	Portfolio Manager	Interest Revenue	Gain / (Loss) on Sales	Management Fees	Net revenue / (Loss)	Fees as a % of Revenue
Previous Quarter	Bond Logistix	52,547.46	(1,356.44)	(4,986.30)	46,204.72	10%
Previous 12 mos.	Bond Logistix	263,406.27	\$ (138,512.90)	(23,000.00)	101,893.37	18%

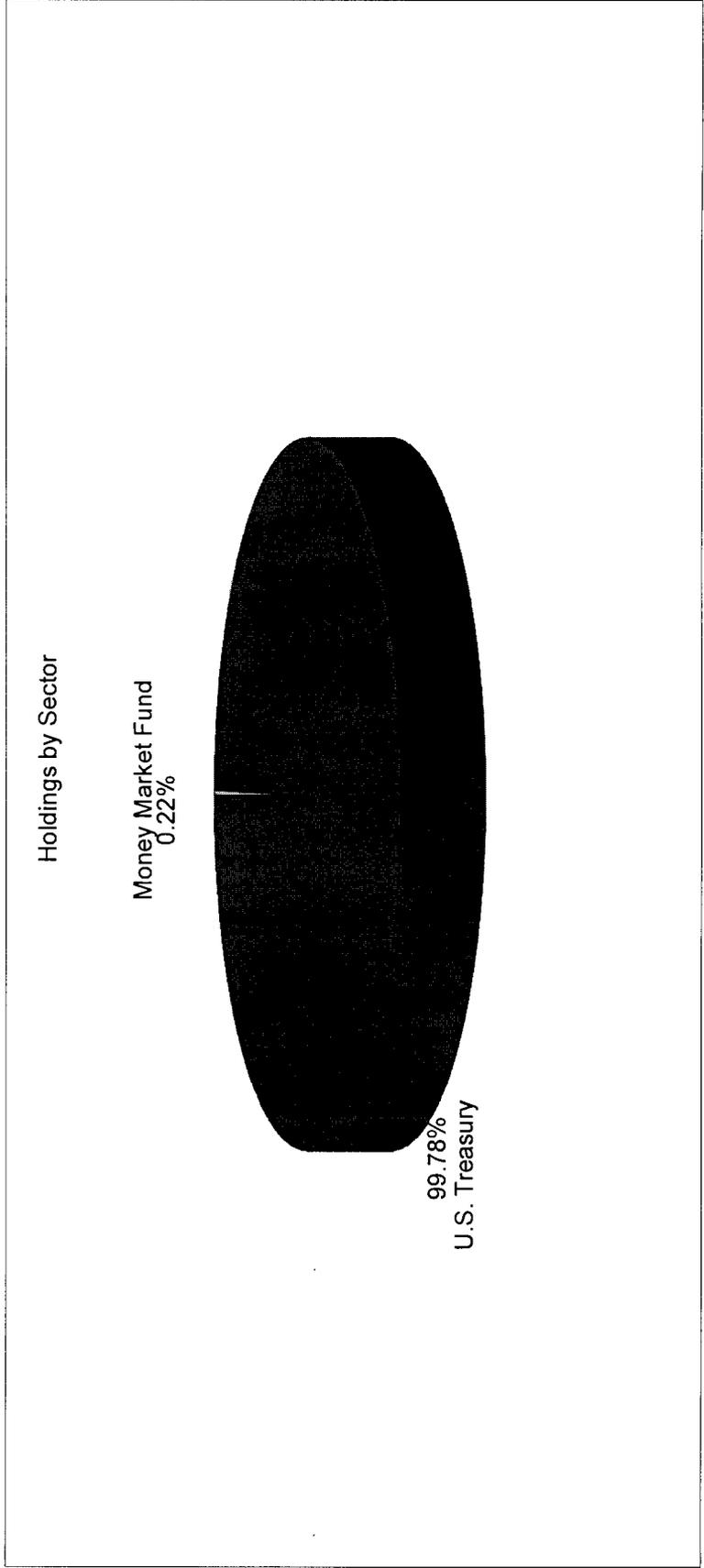
PREVIOUS 12 MONTH FEE ANALYSIS

Oct 2015-Sep 2016

Investments Held (Bond Logistix) **\$ 18,864,718.16**
 Total Fees \$23,000.00
 Fees as a % of Portfolio 0.12%

EXHIBIT A-4
CITY OF COVINA AND SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY
Investment Holdings by Sector

	Bond Logistix* Investment Book Value	Total Percentage
Money Market Fund	42,019	0.22%
U.S. Treasury	18,822,699	99.78%
Total	18,864,718	100.00%

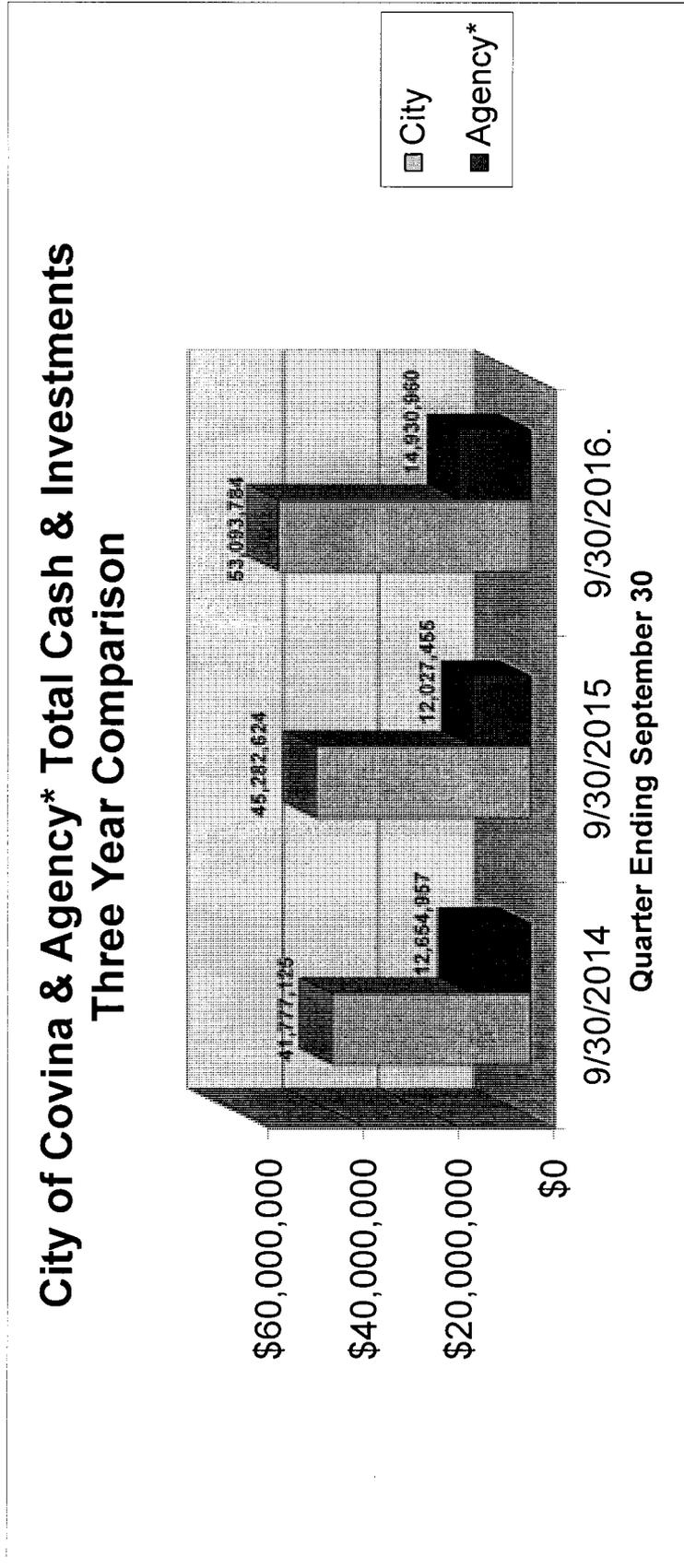


* Bond Logistix average S&P rating: AA+. Average coupon rate: 1.43% (based on weighted average of Original Cost Value)

This chart shows the breakdown of the City's investments into the various investment sectors.

EXHIBIT A-5
CITY OF COVINA AND SUCCESSOR AGENCY TO THE COVINA REDEVELOPMENT AGENCY
Cash and Investments Three Year Comparison

Quarter Ending	City	Agency*
9/30/2014	41,777,125	12,654,957
9/30/2015	45,282,624	12,027,455
9/30/2016.	53,093,784	14,930,960



The purpose of this schedule is to show, for comparison purposes, the total cash and investment values for the last 3 years.

*Successor Agency to Covina Redevelopment Agency

EXHIBIT A-6

Local Agency Investment Fund
 P.O. Box 942809
 Sacramento, CA 94209-0001
 (916) 653-3001
 CITY OF COVINA

www.treasurer.ca.gov/pmia-laif/laif.asp
 October 10, 2016

CITY TREASURER
 125 E. COLLEGE STREET
 COVINA, CA 91723-2199

PMIA Average Monthly Yields

Account Number:
 98-19-219

Tran Type Definitions

September 2016 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
9/13/2016	9/13/2016	RW	1514028	THERESA FRANKE	-1,700,000.00

Account Summary

Total Deposit:	0.00	Beginning Balance:	22,547,549.00
Total Withdrawal:	-1,700,000.00	Ending Balance:	20,847,549.00

EXHIBIT A-7

Local Agency Investment Fund
 P.O. Box 942809
 Sacramento, CA 94209-0001
 (916) 653-3001

www.treasurer.ca.gov/pmia-laif/laif.asp
 October 10, 2016

S/A CITY OF COVINA FOR COVINA
 REDEVELOPMENT AGENCY
 FINANCE DIRECTOR
 125 EAST COLLEGE STREET
 COVINA, CA 91723-2199

PMIA Average Monthly Yields

Account Number:
 65-19-007

Tran Type Definitions

September 2016 Statement

Account Summary

Total Deposit:	0.00	Beginning Balance:	1,913,393.69
Total Withdrawal:	0.00	Ending Balance:	1,913,393.69

EXHIBIT A-8

Description	Carrying Cost Plus		Fair Value	Accrued Interest	
	Accrued Interest	Purch.			
State of California					
Pooled Money Investment Account					
Market Valuation					
8/31/2016					
United States Treasury:					
Bills	\$	11,253,864,725.05	\$	11,281,468,500.00	NA
Notes	\$	20,342,273,888.25	\$	20,352,287,500.00	\$ 22,382,476.50
Federal Agency:					
SBA	\$	725,413,689.76	\$	718,363,051.20	\$ 460,093.07
MBS-REMICs	\$	55,565,585.71	\$	58,793,295.18	\$ 262,588.47
Debentures	\$	1,250,384,239.88	\$	1,250,551,000.00	\$ 2,446,878.75
Debentures FR	\$	-	\$	-	\$ -
Discount Notes	\$	7,577,330,958.27	\$	7,588,165,000.00	NA
GNMA	\$	-	\$	-	\$ -
Supranational Debentures	\$	599,982,831.85	\$	600,478,000.00	\$ 1,972,362.50
CDs and YCDs FR	\$	400,000,000.00	\$	400,000,000.00	\$ 293,856.08
Bank Notes	\$	800,000,000.00	\$	799,591,105.46	\$ 1,692,833.33
CDs and YCDs	\$	13,625,039,915.60	\$	13,620,284,874.37	\$ 21,132,500.03
Commercial Paper	\$	7,334,599,097.18	\$	7,340,395,930.57	NA
Corporate:					
Bonds FR	\$	-	\$	-	\$ -
Bonds	\$	-	\$	-	\$ -
Repurchase Agreements	\$	-	\$	-	\$ -
Reverse Repurchase	\$	-	\$	-	\$ -
Time Deposits	\$	5,222,440,000.00	\$	5,222,440,000.00	NA
AB 55 & GF Loans		556,410,000.00	\$	556,410,000.00	NA
TOTAL	\$	69,743,304,931.55	\$	69,789,228,256.78	\$ 50,643,588.73

Fair Value Including Accrued Interest \$ 69,839,871,845.51

Repurchase Agreements, Time Deposits, AB 55 & General Fund loans, and Reverse Repurchase agreements are carried at portfolio book value (carrying cost).

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CITY OF COVINA

AGENDA REPORT

ITEM NO. PH 1

MEETING DATE: October 18, 2016

TITLE: **Ordinance No. 16-2062** Setting the City's Refuse Collection Services Rates for Residential, Commercial, and Industrial Customers for FY 2016-17 through FY 2018-19, Effective July 1, 2016—Public Hearing and Adoption

PRESENTED BY: Siobhan Foster, Director of Public Works

RECOMMENDATION:

- 1) Conduct the public hearing by (1) receiving a staff presentation pertaining to the proposed refuse rate increase; (2) allow all persons interested in the matter of the proposed rate increase to provide testimony; and (3) receive all written communications regarding the proposed rate increase;
 - 2) Determine at the close of the public hearing whether or not written protests have been received by a majority of record owners or customers;
 - 3) If the City Council determines at the close of the public hearing that written protests have been presented, and not withdrawn, by the Record Owners or Customers of Record of a majority of the Identified Parcels, the City shall not impose the fee or charge (i.e., there is a majority protest), and the Proposed Increase shall not be approved; and
 - 4) If the City Council determines at the close of the public hearing that there is not a majority protest, adopt by a two-thirds vote Ordinance No. 16-2062, Setting the City's Refuse Collection Services Rates for Residential, Commercial, and Industrial Customers for FY 2016-17 through FY 2018-19, Effective July 1, 2016.
-

BACKGROUND:

The City is proposing an increase to its refuse collection services charges. Proposition 218 was approved by the California Voters in 1996 and added Articles XIIC and XIID to the California Constitution. Article XIID imposes substantive and procedural requirements to impose or increase property-related fees, such as the proposed refuse collection services charges.

On October 4, 2016, by a 5-0 vote with no abstentions, the City Council introduced Ordinance No. 16-2062 Setting the City's Refuse Collection Services Rates for Residential, Commercial, and Industrial Customers for FY 2016-17 through FY 2018-19, Effective July 1, 2016.

During the August 16, 2016, City Council Study Session, the Department of Public Works presented the residential and commercial refuse collection services proposed rate structure for the period of July 1, 2016 through June 30, 2019 (FY 2016-17 through FY 2018-19). The City Council reviewed and discussed the item.

At the City Council Meeting on August 16, 2016, the Department of Public Works presented the residential and commercial refuse collection services proposed rate structure for the period of July 1, 2016 through June 30, 2019 (FY 2016-17 through FY 2018-19).

The City Council: (1) conceptually approved the residential and commercial refuse collection services rate structure for the period of July 1, 2016 through June 30, 2019 (FY 2016-17 through FY 2018-19) as outlined in the staff report; (2) authorized the initiation of the State-mandated public hearing process to increase residential and commercial refuse collection services fees as outlined in Attachment F of the August 16, 2016 Agenda Report, Item No. NB3; (3) set a public hearing on October 18, 2016 regarding the proposed refuse collection fee increases; and (4) adopted Resolution No. 16-7513, establishing procedures for the conduct of a public hearing relating to the proposed increase to refuse collection services charges.

The Notice of the public hearing on the Proposed Increase was sent, postage prepaid, by first class mail on August 31, 2016, to the Customer of Record and to the Record Owner, if such person or entity is not the same as the Customer of Record. This mailing was completed at least forty-five (45) days prior to the date set for the public hearing.

Since that time, the Covina City Clerk has been receiving written protests from Customers of Record and Record Owners. Any Customer of Record or Record Owner may file a written protest against the Proposed Increase. Written protests may be mailed (via U.S. mail) to the City Clerk at City Hall or delivered in person to the City Clerk at City Hall or at the public hearing.

To be counted, each written protest must: (1) clearly state opposition to the Proposed Increase; (2) identify the property covered by the protest; and (3) include an original signature (no copies) of the Customer of Record or Record Owner that is filing the written protest with respect to the Identified Parcel.

No protest received after the close of the public hearing shall be counted in determining the existence of a majority protest. The last pick up by the City Clerk of protests mailed or delivered to City Hall will occur at 5:00 p.m. on the date scheduled for the public hearing. To ensure that protests which are mailed or delivered to City Hall are received by the City Clerk prior to the close of the public hearing, such protests must be received by the City Clerk at City Hall prior to 5:00 p.m. on the date scheduled for the public hearing. The City Clerk shall endorse on each written protest the date it is filed with the City. The City Clerk shall identify any protests which are received after the close of the public hearing.

Written protests may be withdrawn in writing at any time before the conclusion of the public hearing by the person who submitted the written protest. For purposes of determining whether a majority protest exists, only one protest for each Identified Parcel will be counted. Prior to the commencement of the public hearing, all written protests submitted shall be kept secret and confidential. After the City Council opens the public hearing, all written protests shall be considered public records.

At the time, date, and place fixed for the public hearing, the City Council shall: (1) hear a staff presentation pertaining to the Proposed Increase; (2) hear all persons interested in the matter of

the Proposed Increase; and (3) receive all written communications regarding the Proposed Increase.

If the City Council determines at the close of the public hearing that written protests have been presented, and not withdrawn, by the Record Owners or Customers of Record of a majority of the Identified Parcels, the City shall not impose the fee or charge (i.e., there is a majority protest), and the Proposed Increase shall not be approved.

If the City Council determines at the close of the public hearing that there is not a majority protest, the City Council may adopt by a two-thirds vote of the members of the City Council, Ordinance No. 16-2062 imposing the Proposed Increase.

DISCUSSION:

The proposed residential and commercial refuse rate adjustment is comprised of several factors and reflects the resolution of the long-standing items between Covina and Athens Services, including the following:

1. Deferred CPI adjustments – Deferred CPI adjustments for July 1, 2014 and July 1, 2015 must be implemented pursuant to Exhibit B of the Amended and Restated Exclusive Franchise Agreement. The adjustments are 0.77% for July 1, 2014 and (0.06%) for July 1, 2015, for a cumulative adjustment of 0.71%.
2. Residential account billing services – Year 4 (FY 2014-15) of the cost for Athens Services, provided residential account billing services, must be implemented pursuant to the Amended and Restated Exclusive Franchise Agreement, as explained in detail in Attachment C of the August 16, 2016 Agenda Report, Item No. NB3. This equates to a onetime, 1% residential rate increase for the period of July 1, 2016.
3. Customer rebate for disposal costs – Athens Services will rebate Covina customers \$941,000 for disposal costs between October 2011 and October 2013, during which time Athens Services paid a discounted rate for disposal at Puente Hills prior to closure of the landfill. The rebate amount must be adjusted to reflect compensation owed to Athens Services by the City and costs incurred by Athens Services during this time between July 1, 2014 and present, including:
 - Deferred July 1, 2014 and July 1, 2015 deferred CPI increases totaling \$99,658;
 - Proportionate share of Athens Services costs for accumulating a higher tonnage necessary to receive the discounted rate at Puente Hills Landfill between October 2011 and 2013, estimated to be \$150,000; and
 - Final installment due to Athens Services for assumption of residential account billing services for the period of July 1, 2014 to June 30, 2016, which equates to \$48,750. The calculation is based on 9,233 residential accounts x \$0.22/month for 24 months.

These adjustments reduce the credit amount to \$642,592 or an 8.87% credit applied to each monthly invoice for the one-year billing period of July 1, 2016 to June 30, 2017, as depicted below.

Table 1 – Proposed Customer Credit Reimbursement, July 1, 2016 through June 30, 2017

Item	Description	Adjustment (\$)
1	Disposal gate rate savings (Oct 2011 to Oct 2013)	941,000
2	July 1, 2014 deferred CPI	(48,194)
3	July 1, 2015 deferred CPI	(51,464)
4	Accumulated costs to achieve disposal gate rate savings (Oct 2011 to Oct 2013)	(150,000)
5	Final installment for Athens to provide residential billing services (Jul 2014 to Jun 2016)	(48,750)
Total – Customer Credit Reimbursement (to be issued from Jul 2016 to Jun 2017)		642,592
Annual Covina net revenue		7,248,431
Total – Credit reimbursement % on invoice (to be issued from Jul 2016 to Jun 2017)		8.87%

4. Reimbursement for city costs – Athens Services will reimburse the City’s General Fund \$150,000 for staff, legal, and consultant costs associated with the negotiations with Athens Services pertaining to cost-effective disposal sites to be utilized upon the closure of the Puente Hills Landfill. Athens Services must remit payment to the City upon City Council adoption of the proposed refuse rate structure.

5. Post-Puente Hills Landfill disposal option – During a time of change in the local landfill industry, Athens Services secured a long-term landfill contract with the County of San Bernardino. The Disposal Component language in the Amended and Restated Exclusive Franchise Agreement entitles Covina to be charged the rates Athens Services negotiated with San Bernardino County to operate the San Bernardino County Landfill System. Under the terms of the Athens Services agreement with San Bernardino County, Athens Services is able to dispose of waste at a cost of \$29.04/ton plus annual CPI adjustments for the ten-year contract period (contract expires in 2023 and extension negotiations are underway) provided Athens Services delivers 800,000 tons per year to the Landfill System.

In exchange for use of this disposal option, Covina proposes to grant Athens Services a one-time Special Rate Adjustment of 3.4% to compensate Athens Services for the increased transportation and additional processing costs associated with taking Covina’s waste to the San Bernardino County Landfill System, rather than Puente Hills Landfill post-closure. The City, at its sole discretion, may grant a Special Rate Adjustment when circumstances beyond the control of Athens Services impose or generate extraordinary costs in the performance of the Agreement.

6. California Paid Sick Leave Law and Los Angeles County minimum wage increases - Athens Services is incurring undue financial hardship associated with the California Paid Sick Leave Law and Los Angeles County minimum wage increases that affect Athens Services MRF employees. The City, at its sole discretion, may grant a Special Rate Adjustment when circumstances beyond the control of Athens Services impose or generate extraordinary costs in the performance of the Agreement. The California Paid Sick Leave Law (AB 1522, operative January 1, 2015, and as amended in AB 304 effective July 13, 2015) requires employers to provide and allow employees to use at least 24 hours or three days of sick leave per year. Los Angeles County minimum wage increases will increase hourly wages from \$9 to \$15/hour by 2020. The City reviewed adjustment requests of 0.05% and 1.22% for the Paid Sick Leave Law and minimum wage increases to residential and commercial rates, respectively, and determined that a one-time increase of 0.80% is merited.

Residential Rate Adjustment

Table 2 summarizes the proposed adjustments to residential rates effective July 1, 2016 (FY 2016-17), based on the items outlined above.

Table 2 – Proposed Adjustments to Residential Rates Effective July 1, 2016

Item	Description	Adjustment
1	Deferred Jul 2014 and Jul 2015 CPI adjustment	0.71%
2	Final installment for Athens to provide residential billing services (Jul 2016 and forward)	1.0%
3	One-time incremental transportation/processing costs for San Bernardino County Landfill System contract	3.40%
4	One-time minimum wage and CA Paid Sick Leave Law	0.80%
5	July 1, 2016 annual rate adjustment for CPI (Jan 2015 to Jan 2016)	3.10%
	Subtotal – Residential Rate Adjustment	9.01%
	Credit reimbursement % on invoice (to be issued from Jul 2016 to Jun 2017)	(8.87%)
	Net – Residential Rate Adjustment for FY 2016-17 *	0.14%

* Prior to application of 6% Franchise Fee and Integrated Waste Management Fee

Commercial Rate Adjustment

Table 3 summarizes the proposed adjustments to commercial rates effective July 1, 2016 (FY 2016-17), based on the items outlined above.

Table 3 – Proposed Adjustments to Commercial Rates Effective July 1, 2016

Item	Description	Adjustment
1	Deferred Jul 2014 and Jul 2015 CPI adjustment	0.71%
2	One-time incremental transportation/processing costs for San Bernardino County Landfill System contract	3.40%
3	One-time minimum wage and CA Paid Sick Leave Law	0.80%
4	July 1, 2016 annual rate adjustment for CPI (Jan 2015 to Jan 2016)	3.10%
	Subtotal – Commercial Rate Adjustment	8.01%
	Credit reimbursement % on invoice (to be issued from Jul 2016 to Jun 2017)	(8.87%)
	Net – Commercial Rate Adjustment for FY 2016-17 *	(0.86%)

* Prior to application of 6% Franchise Fee and Integrated Waste Management Fee

Refuse Rate Adjustment Calculation

The proposed residential and commercial rates for July 1, 2016 through June 30, 2017 (FY 2016-17), were calculated by applying the adjustment percentages shown above to the July 1, 2013 to June 30, 2014 (FY 2013-14) rates that were approved by the City Council on June 7, 2011. The adjustment percentages are being applied to the two components of the residential and commercial refuse rates, the Service Component and Disposal Components, as outlined in Exhibit B of the Amended and Restated Exclusive Franchise Agreement, consisting of a 9.01% increase to residential rates and an 8.01% increase to commercial rates. This calculation determines the net FY 2016-17 refuse rates for each service level. Following this calculation, two City fees, the Franchise Fee and Integrated Waste Management Fee, are applied to net refuse rates to determine the proposed total rate.

1. Franchise Fee – A 6% Franchise Fee is applied to the net rate or sum of the Service Component and Disposal Component plus the Franchise Fee for each service level. The Franchise Fee is a fee for the privilege of using city streets and of the franchise itself. The fee for each customer class is shown on Attachment F of the August 16, 2016 Agenda Report, Item No. NB3.

While no increase to the 6% Franchise Fee is proposed, the fees will be applied to the rate structure for 90 gallon recycling (blue) and 90 gallon green waste (green) barrels in FY 2016-17 and beyond. These franchise fees were inadvertently not applied to these customer classes in the July 1, 2013 through June 30, 2014 (FY 2013-14) rate structure.

2. Integrated Waste Management Fee – The Integrated Waste Management Fee (IWMF) is also applied to the net rate or sum of the Service Component and Disposal Component for each service level. The proposed refuse rate structure reflects adjustments to the Integrated Waste Management Fee to support the City’s approved FY 2016-17 budget. The proposed IWMF shall not be used for any purpose other than funding any services and facilities furnished by the City in connection with solid waste collection, conveyance, recycling, and disposal. The Integrated Waste Management Fee for each customer class is shown on Attachment F of the August 16, 2016 Agenda Report, Item No. NB3.

As a best management practice, the City plans to conduct thorough analyses of the Franchise and Integrated Waste Management Fees prior to the expiration of the proposed rate structure on June 30, 2019.

For illustrative purposes, the proposed residential rates for FY 2016-17 (the period of July 1, 2016 through June 30, 2017) are shown below. This is prior to the application of the 8.87% monthly credit adjustment to customer accounts for the twelve month period of July 1, 2016 through June 30, 2017.

Table 4 – Sampling of Monthly Residential Rates, July 1, 2016 through June 30, 2017*

Service Level	Previous Rate	New Rate	(Savings)/Cost
90 Gallon (Basic)	\$27.05	\$29.89	\$2.84
60 Gallon (Townhomes & Condominiums)	\$24.94	\$27.68	\$2.74
30 Gallon (Verified low-income senior citizens)	\$22.82	\$25.44	\$2.62

* Prior to application of 8.87% monthly credit adjustment to customer accounts for the twelve month period of July 1, 2016 through June 30, 2017

AB 1826 (Mandatory Commercial Organics Recycling)

The proposed commercial rate structure includes costs for organics recycling for the first time. AB 1826 requires cities to implement an organics waste recycling program for commercial businesses to recycle organics and green waste, including food scraps. The law provides for a phased implementation, as outlined below:

- April 1, 2016: businesses generating eight (8) cubic-yards or more of organics waste on a weekly basis must arrange for organics waste recycling services;
- January 1, 2017: businesses generating four (4) cubic-yards or more of organics waste on a weekly basis must arrange for organics waste recycling services; and
- January 1, 2019: businesses generating four (4) cubic-yards or more of solid waste on a weekly basis must arrange for organics waste recycling services.

To minimize costs associated with this mandate, Athens Services will be providing 96 gallon automated containers to commercial customers and service the containers as part of its residential green waste routes. To lessen the cost of the organics container, commercial customers should be able to downsize in other service areas.

To educate the City's commercial customers about the requirements of AB 1826, Athens Services completed a waste assessment of commercial accounts in December 2015 to identify businesses that will require organics recycling as large generators beginning on April 1, 2016 and those whose service requirement will begin on January 1, 2017. Athens Services is meeting one-on-one with large generators to educate them about the new requirements and discuss service options. The City is also planning additional outreach to these customers.

Duration of Rate Structure

The proposed rate structure will be in effect from July 1, 2016 through June 30, 2019, covering FY 2016-17, FY 2017-18, and FY 2018-19. Pursuant to Government Code, Sections 53756 and 53739, such rates shall be automatically adjusted each fiscal year, beginning in FY 2017-18 (July 1, 2017) and ending in FY 2018-19 (June 30, 2019), by a factor equal to CPI without further action on the part of the City Council. In addition, the City Council may amend these rates by ordinance, resolution, or minute action, in accordance with applicable law.

FISCAL IMPACT:

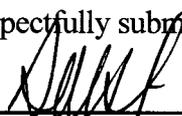
The proposed FY 2016-17 refuse revenues are included in the approved FY 2016-17 City of Covina budget. The revenue budget for the Franchise Fee totals \$575,000 (account no. 1010-0000-40880) and the Integrated Waste Management Fee totals \$712,000 (account no. 6200-5580-46315). Additionally, a one-time revenue of \$150,000 is included in the approved FY 2016-17 City of Covina budget (account no. 1010-2000-43290) for Athens Services reimbursement to the City for the staff, legal, and consultant costs associated with the lengthy negotiations between the parties pertaining to the analysis of disposal options related to the closure of the Puente Hills Landfill.

CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT):

The Proposed Increase to the commercial and residential refuse rates are determined to be statutorily exempt from CEQA per Section 15273 (Rates, Tolls, Fares, and Charges). Under Section 15273 (a), CEQA does not apply to the establishment, modification, structuring, restructuring, or approval of rates, tolls, fares, or other charges by public agencies which the public agency finds are for the purpose of:

1. Meeting operating expenses, including employee wage rates and fringe benefits;
2. Purchasing or leasing supplies, equipment, or materials;
3. Meeting financial reserve needs and requirements;
4. Obtaining funds for capital projects necessary to maintain service within existing service areas; or
5. Obtaining funds necessary to maintain such intra-city transfers as are authorized by city charter. (This provision is non-applicable, as Covina is not a Charter City).

Respectfully submitted,



Siobhan Foster
Director of Public Works

ATTACHMENTS:

Attachment A: City of Covina Agenda Report, Item CC 10, October 4, 2016 (with Attachments A, B, and C only)

Attachment B: Ordinance No. 16-2062

Attachment C: Mailing Transaction Receipt for Notice of Public Hearing



CITY OF COVINA

AGENDA REPORT

ITEM NO. CC 10

MEETING DATE: October 4, 2016

TITLE: Introduction of **Ordinance No. 16-2062** Setting the City's Refuse Collection Services Rates for Residential, Commercial, and Industrial Customers for FY 2016-17 through FY 2018-19, Effective July 1, 2016.

PRESENTED BY: Siobhan Foster, Director of Public Works

RECOMMENDATION:

- 1) Waive full reading, read by title only, and introduce for first reading Ordinance No. 16-2062, which is scheduled for public hearing, consideration, and action, setting the residential and commercial refuse collection services rate structure for the period of July 1, 2016 through June 30, 2019 (FY 2016-17 through FY 2018-19), as contained in Attachment B, and making automatic adjustments to the proposed rates in future years each fiscal year beginning in FY 2017-18 (July 1, 2017) and ending in FY 2018-19 (June 30, 2019), by a factor equal to the Consumer Price Index without further action on the part of the City Council; and
- 2) Hold the State-mandated public hearing on the proposed increase to residential and commercial refuse collection services fees on October 18, 2016 at 7:30 p.m.

BACKGROUND:

On October 5, 2010, the City Council reviewed the solid waste disposal options that were expected to be available to the City after the closure of Puente Hills Landfill in 2013. The City Council directed the Department of Public Works to return to the City Council with a report on possible alternative disposal opportunities available in partnership with the City's licensed solid waste hauler, Arakelian Enterprises, Inc. (Athens Services), in light of Athens' acquisition of American Organics (a composting facility) and its planned construction of a new materials recovery facility (MRF) in Irwindale.

As requested by the City Council, the Department of Public Works conferred with Athens Services regarding the City's projected disposal and diversion needs. The City asked that Athens propose alternatives to assist Covina in achieving the following objectives:

- Reduce waste processing, transportation, disposal, and diversion costs;
- Improve residential refuse account customer service and stabilize refuse rates;
- Improve the community's financial stability;

- Support the City's efforts to comply with state solid waste mandates, including required construction and demolition debris recycling; and
- Facilitate appropriate disposal of solid waste to minimize the detrimental impact of improper disposal on the environment.

On November 2, 2010, the City Council reviewed and approved a proposal from Athens Services in concept and directed the Department of Public Works to draft amendments to the Refuse Collection Exclusive Franchise Agreement to reflect the proposal.

On February 15, 2011, the City Council reviewed and approved the Amended and Restated Exclusive Franchise Agreement with Arakelian Enterprises, Inc. (Athens Services), with the recommendation to include the authority for staff to work with the service provider to make any non-substantive changes and advise the City Council of such changes. Exhibit B of the Amended and Restated Exclusive Franchise Agreement specifies the Rate Adjustment for the services provided under the Agreement.

In summary, each of the rates provided by the Agreement contains a Service Component and a Disposal Component. The Service Component includes the costs of collection and hauling of all refuse, including recyclable materials and green waste for all customers. The Disposal Component shall be based on the per ton costs incurred by Athens Services for disposal of all refuse, processing of recyclable materials at Athens Services' MRF (which costs are defined on a per ton basis as the "MRF Gate Fee"), and for its disposal of green waste.

The Service Component will automatically be adjusted each July 1st in proportion to the increase or decrease in the cost of living as determined by the percentage change in the CPI for the previous period of January through January for All Urban Consumers in the Los Angeles/Anaheim/Riverside area. City staff reviewed all proposed rate increases solely for validity of the submitted data and, upon verification of data, approved the new Service Component rates.

The Disposal Component will automatically be adjusted in proportion to the increase or decrease in disposal costs as determined by the percentage change in the MRF Gate Fee. As soon as the information is available, Athens Services shall submit documentation to the City Manager with evidence of the net change in disposal costs. The City will review the documentation in connection with the net change in disposal costs solely for validity of the submitted data and, upon verification of data, approve the new Disposal Component rates. The net change in disposal costs will be added to, or subtracted from, the Disposal Component of the maximum rates to be effective the next billing cycle once approved by the City Council.

The Agreement also allows Athens Services the opportunity to request a Special Rate Adjustment when circumstances beyond the control of Athens Services impose or generate extraordinary costs in the performance of the Agreement. For each request, Athens Services must prepare a schedule documenting the extraordinary costs. The City will then review Athens Services' request and, in the City's sole judgment, make the final determination on the adjustment.

Between the date of execution of the Amended and Restated Exclusive Franchise Agreement and the closure of the Puente Hills Landfill, on October 31, 2013, Athens Services was required to evaluate cost-effective disposal sites to be utilized upon the closure of the Puente Hills Landfill. Prior to the closure of the Puente Hills Landfill, Athens Services was required to propose its disposal site recommendation to the City for residue from the MRF and provide the

Disposal Component of the rate. Athens Services and the City met and conferred to discuss Athens Services' disposal recommendation and rate.

Key provisions of the Amended and Restated Exclusive Franchise Agreement are outlined in Attachment C of the August 16, 2016 Agenda Report, Item No. NB3. As a result of the approval of the Amended and Restated Exclusive Franchise Agreement, residential refuse rates decreased, as shown below, for the period of March 1, 2011 through June 30, 2011.

Table 1 – Sampling of Monthly Residential Rates, March 1, 2011 through June 30, 2011

Service Level	Previous Rate	New Rate	(Savings)/Cost
90 Gallon (Basic)	\$25.62	\$25.14	(\$0.48)
60 Gallon (Townhomes & Condominiums)	\$23.37	\$23.16	(\$0.21)
30 Gallon (Verified low-income senior citizens)	N/A	\$21.18	(\$4.44)

On May 17, 2011, the City Council introduced Ordinance 11-1994, setting the City's refuse collection rates for residential, commercial, and industrial refuse customers for FY 2011-12, effective July 1, 2011.

On June 7, 2011, the City Council conducted a public hearing on the City's proposed refuse rates for the period of July 1, 2011 through June 30, 2012 (FY 2011-12) and making automatic adjustments to the proposed rates in future years by the change in CPI or 3%, whichever is greater. Following the public hearing, the City Council adopted Ordinance 11-1994, setting refuse rates for the period of July 1, 2011 through June 30, 2012 and making automatic adjustments to the proposed rates in future years by the change in CPI or 3%, whichever is greater.

For illustrative purposes, the rates approved by the City Council for the period of July 1, 2011 through June 30, 2012 (FY 2011-12), established the residential rates shown below.

Table 2 – Sampling of Monthly Residential Rates, July 1, 2011 through June 30, 2012

Service Level	Previous Rate	New Rate	(Savings)/Cost
90 Gallon (Basic)	\$25.14	\$25.50	\$0.36
60 Gallon (Townhomes & Condominiums)	\$23.16	\$23.51	\$0.35
30 Gallon (Verified low-income senior citizens)	\$21.18	\$21.52	\$0.34

Section 2 of Ordinance No. 11-1994 provides, pursuant to Government Code, Sections 53756 and 53739, such rates shall be automatically adjusted each fiscal year, beginning in FY 2012-13 (July 1, 2012) and ending in FY 2015-16 (June 30, 2016), by a factor equal to (i) CPI, or (ii) three percent (3%), whichever is greater, without further action on the part of the City Council. The City is required by State law, however, to notify residents of any such increases.

Subsequently, on June 6, 2013, the Department of Public Works informed the Covina City Council and the City Manager via Inter-Office Memorandum of a refuse rate increase effective July 1, 2013 (FY 2013-14). The memorandum explains that on June 1, 2013, and in accordance with State law and Section 2 of Ordinance No. 11-1994, the City of Covina Schedule of Refuse Rates Effective July 1, 2013 was mailed to all Covina residential and commercial refuse customers as an insert with the June Athens Services' refuse bills. The memorandum and rate sheets are contained in Attachment E of the August 16, 2016 Agenda Report, Item No. NB3.

The rates were calculated in accordance with Exhibit B of the Amended and Restated Exclusive Franchise Agreement and automatically adjusted per Ordinance No. 11-1994, Section 2 and reflect adjustments of 1.96% for CPI and 1.19% for the MRF Gate Fee.

Athens Services and the Department of Public Works developed and verified the rate calculations, which resulted in the following residential rates:

Table 3 – Sampling of Monthly Residential Rates, July 1, 2013

Service Level	Previous Rate	New Rate	(Savings)/Cost
90 Gallon (Basic)	\$25.50	\$27.05	\$1.55
60 Gallon (Townhomes & Condominiums)	\$23.51	\$24.94	\$1.43
30 Gallon (Verified low-income senior citizens)	\$21.52	\$22.82	\$1.30

The refuse rates reflected in Table 3 above and Attachment E of the August 16, 2016 Agenda Report, Item No. NB3, have remained in effect since July 1, 2013 due to lengthy negotiations between Athens Services regarding post-Puente Hills Landfill disposal options and other related items. The Amended and Restated Exclusive Franchise Agreement required Athens Services to propose a new disposal site for City waste prior to the closure of Puente Hills on October 31, 2013 and that Athens Services and the City met and conferred to discuss the disposal site recommendation and rate.

On September 4, 2013, Athens Services representatives met with the City Manager and the Department of Public Works to present three options available to the City for waste disposal after the closure of Puente Hills. Athens Services asserted that the best option was for the City to accept an initial 10% rate increase and annual CPI adjustments to provide Covina customers refuse rate stability and ensure that the City will meet the State’s diversion mandate. The City believed it had additional, more beneficial options beyond those presented by Athens Services and initiated the process to procure a consultant to assist staff in evaluating its options.

On October 8, 2013, Athens Services followed up with a letter reiterating the three options and requesting a 10% rate increase. Similar letters were sent to most or all of Athens Services franchised cities and cited an increase in gate rates at the Puente Hills Transfer Station and additional transportation expenses for disposing of waste at the San Bernardino County Landfill System as justification for the 10% increase.

The City responded that after the closure of Puente Hills, its waste was to be hauled to the San Bernardino County Landfill System at the disposal rates negotiated by Athens Services in its agreement with San Bernardino County. The letter requested additional information to support the requested rate increase and specifically stated that no adjustment to customer rates was authorized by the City at that time.

In December 2013, the City learned from businesses that Athens had increased the per ton disposal rate they were being charged. The City reaffirmed to Athens Services that the increase was not authorized by the City and the overcharge was to be reimbursed to the affected commercial customers. Athens Services asserted that it was passing through the increase in disposal rates as specified in the Agreement. The City Attorney sent Athens a letter on April 4, 2014 explaining how their proposed rate increase was contrary to the rate adjustment and post-Puente Hills disposal site and rate language contained in the Agreement.

On January 21, 2014, the City Council authorized the City Manager to enter into a Professional Services Agreement with HF&H Consultants, LLC (HF&H) for analysis of rate increases

requested by Athens Services for waste disposal and approved Resolution No. 14-7211 amending the FY 2013-14 budget to allocate \$80,000 from Environmental–Waste Management reserve funds for the consulting services.

On July 21, 2015, the City Council authorized the City Manager to execute a subsequent Professional Services Agreement with HF&H for waste management consulting services and adopted Resolution No. 15-7378, amending the FY 2015-16 budget to reflect the carryover of \$46,745.33 in unexpended FY 2014-15 funds previously appropriated for waste management consulting services.

Since January 2014, HF&H has analyzed data, provided reports, and met with Athens Services and City representatives with the objective of reviewing transportation, processing, and tipping fees associated with Athens Services disposal of City waste at the San Bernardino County Landfill System, calculating the CPI adjustments that were to be applied annually per the Amended and Restated Exclusive Franchise Agreement, and comparing the new rates based on these calculations with the increase being requested by Athens Services.

HF&H conducted an initial analysis using monthly tonnage reports provided to the City by Athens Services and solid waste industry data regarding transfer, transportation, and disposal costs. While conducting its analysis, HF&H found that Athens had obtained reduced per ton disposal rates at Puente Hills Landfill from 2011 to 2013 that had not been passed through to the City, as required by the Exclusive Franchise Agreement.

On July 7, 2014, these findings were shared with Athens Services. Athens Services challenged some of the industry standards and assumptions used in the analysis and argued that the lower disposal rate paid at Puente Hills was not due to Covina customers because Athens Services had assumed higher costs for transporting waste from other jurisdictions to Puente Hills to obtain the volume discount. The City then requested that Athens provide its cost factors related to its Covina operations so that HF&H could proceed to calculate the ongoing impact of redirecting waste from Puente Hills to the San Bernardino County Landfill System based on Athens Services own data.

Between July 2014 and present, Athens Services and City representatives continued to work through the items outlined above and reached a tentative resolution in June 2016. Due to the complexity of the matters involved and staff changes at Athens Services and in the City, the post-Puente Hills disposal issues took a significant amount of time to resolve and delayed two regular July 1st rate adjustments (FY 2014-15 and FY 2015-16). While a third CPI adjustment for July 1, 2016 has also been delayed, the proposed rate structure will be retroactive to July 1, 2016. At this juncture, it is necessary to adjust the refuse rate structure that has been in place since July 1, 2013 to reflect changes in the local landfill industry and rate adjustments required by the Amended and Restated Exclusive Franchise Agreement.

DISCUSSION:

During the August 16, 2016, City Council Study Session, the Department of Public Works presented the residential and commercial refuse collection services proposed rate structure for the period of July 1, 2016 through June 30, 2019 (FY 2016-17 through FY 2018-19). The City Council reviewed and discussed the item.

At the City Council Meeting on August 16, 2016, the Department of Public Works presented the residential and commercial refuse collection services proposed rate structure for the period of July 1, 2016 through June 30, 2019 (FY 2016-17 through FY 2018-19). The City Council conceptually approved the residential and commercial refuse collection services rate structure

for the period of July 1, 2016 through June 30, 2019 (FY 2016-17 through FY 2018-19) as outlined in the staff report, authorized the initiation of the State-mandated public hearing process to increase residential and commercial refuse collection services fees as outlined in Attachment F of the August 16, 2016 Agenda Report, Item No. NB3, set a public hearing on October 18, 2016 regarding the proposed refuse collection fee increases, and adopted Resolution No. 16-7513 establishing procedures for the conduct of a public hearing relating to the proposed increase to refuse collection services charges increase.

The proposed residential and commercial refuse rate adjustment is comprised of several factors and reflects the resolution of the long-standing items between Covina and Athens Services, including the following:

1. Deferred CPI adjustments – Deferred CPI adjustments for July 1, 2014 and July 1, 2015 must be implemented pursuant to Exhibit B of the Amended and Restated Exclusive Franchise Agreement. The adjustments are 0.77% for July 1, 2014 and (0.06%) for July 1, 2015, for a cumulative adjustment of 0.71%.
2. Residential account billing services – Year 4 (FY 2014-15) of the cost for Athens Services, provided residential account billing services, must be implemented pursuant to the Amended and Restated Exclusive Franchise Agreement, as explained in detail in Attachment C of the August 16, 2016 Agenda Report, Item No. NB3. This equates to a onetime, 1% residential rate increase for the period of July 1, 2016.
3. Customer rebate for disposal costs – Athens Services will rebate Covina customers \$941,000 for disposal costs between October 2011 and October 2013, during which time Athens Services paid a discounted rate for disposal at Puente Hills prior to closure of the landfill. The rebate amount must be adjusted to reflect compensation owed to Athens Services by the City and costs incurred by Athens Services during this time between July 1, 2014 and present, including:
 - Deferred July 1, 2014 and July 1, 2015 deferred CPI increases totaling \$99,658;
 - Proportionate share of Athens Services costs for accumulating a higher tonnage necessary to receive the discounted rate at Puente Hills Landfill between October 2011 and 2013, estimated to be \$150,000; and
 - Final installment due to Athens Services for assumption of residential account billing services for the period of July 1, 2014 to June 30, 2016, which equates to \$48,750. The calculation is based on 9,233 residential accounts x \$0.22/month for 24 months.

These adjustments reduce the credit amount to \$642,592 or an 8.87% credit applied to each monthly invoice for the one-year billing period of July 1, 2016 to June 30, 2017, as depicted below.

Table 4 – Proposed Customer Credit Reimbursement, July 1, 2016 through June 30, 2017

Item	Description	Adjustment (\$)
1	Disposal gate rate savings (Oct 2011 to Oct 2013)	941,000
2	July 1, 2014 deferred CPI	(48,194)
3	July 1, 2015 deferred CPI	(51,464)
4	Accumulated costs to achieve disposal gate rate savings (Oct 2011 to Oct 2013)	(150,000)
5	Final installment for Athens to provide residential billing services (Jul 2014 to Jun 2016)	(48,750)
Total – Customer Credit Reimbursement (to be issued from Jul 2016 to Jun 2017)		642,592
Annual Covina net revenue		7,248,431
Total – Credit reimbursement % on invoice (to be issued from Jul 2016 to Jun 2017)		8.87%

4. Reimbursement for city costs – Athens Services will reimburse the City’s General Fund \$150,000 for staff, legal, and consultant costs associated with the negotiations with Athens Services pertaining to cost-effective disposal sites to be utilized upon the closure of the Puente Hills Landfill. Athens Services must remit payment to the City upon City Council adoption of the proposed refuse rate structure.
5. Post-Puente Hills Landfill disposal option – During a time of change in the local landfill industry, Athens Services secured a long-term landfill contract with the County of San Bernardino. The Disposal Component language in the Amended and Restated Exclusive Franchise Agreement entitles Covina to be charged the rates Athens Services negotiated with San Bernardino County to operate the San Bernardino County Landfill System. Under the terms of the Athens Services agreement with San Bernardino County, Athens Services is able to dispose of waste at a cost of \$29.04/ton plus annual CPI adjustments for the ten-year contract period (contract expires in 2023 and extension negotiations are underway) provided Athens Services delivers 800,000 tons per year to the Landfill System.

In exchange for use of this disposal option, Covina proposes to grant Athens Services a one-time Special Rate Adjustment of 3.4% to compensate Athens Services for the increased transportation and additional processing costs associated with taking Covina’s waste to the San Bernardino County Landfill System, rather than Puente Hills Landfill post-closure. The City, at its sole discretion, may grant a Special Rate Adjustment when circumstances beyond the control of Athens Services impose or generate extraordinary costs in the performance of the Agreement.

6. California Paid Sick Leave Law and Los Angeles County minimum wage increases - Athens Services is incurring undue financial hardship associated with the California Paid Sick Leave Law and Los Angeles County minimum wage increases that affect Athens Services MRF employees. The City, at its sole discretion, may grant a Special Rate Adjustment when circumstances beyond the control of Athens Services impose or generate extraordinary costs in the performance of the Agreement. The California Paid Sick Leave Law (AB 1522, operative January 1, 2015, and as amended in AB 304 effective July 13, 2015) requires employers to provide and allow employees to use at least 24 hours or three days of sick leave per year. Los Angeles County minimum wage increases will increase hourly wages from \$9 to \$15/hour by 2020. The City reviewed adjustment requests of 0.05% and 1.22% for the Paid Sick Leave Law and minimum wage increases to residential and commercial rates, respectively, and determined that a one-time increase of 0.80% is merited.

Residential Rate Adjustment

Table 5 summarizes the proposed adjustments to residential rates effective July 1, 2016 (FY 2016-17), based on the items outlined above.

Table 5 – Proposed Adjustments to Residential Rates Effective July 1, 2016

Item	Description	Adjustment
1	Deferred Jul 2014 and Jul 2015 CPI adjustment	0.71%
2	Final installment for Athens to provide residential billing services (Jul 2016 and forward)	1.0%
3	One-time incremental transportation/processing costs for San Bernardino County Landfill System contract	3.40%
4	One-time minimum wage and CA Paid Sick Leave Law	0.80%
5	July 1, 2016 annual rate adjustment for CPI (Jan 2015 to Jan 2016)	3.10%
	Subtotal – Residential Rate Adjustment	9.01%
	Credit reimbursement % on invoice (to be issued from Jul 2016 to Jun 2017)	(8.87%)
	Net – Residential Rate Adjustment for FY 2016-17 *	0.14%

* Prior to application of 6% Franchise Fee and Integrated Waste Management Fee

Commercial Rate Adjustment

Table 6 summarizes the proposed adjustments to commercial rates effective July 1, 2016 (FY 2016-17), based on the items outlined above.

Table 6 – Proposed Adjustments to Commercial Rates Effective July 1, 2016

Item	Description	Adjustment
1	Deferred Jul 2014 and Jul 2015 CPI adjustment	0.71%
2	One-time incremental transportation/processing costs for San Bernardino County Landfill System contract	3.40%
3	One-time minimum wage and CA Paid Sick Leave Law	0.80%
4	July 1, 2016 annual rate adjustment for CPI (Jan 2015 to Jan 2016)	3.10%
	Subtotal – Commercial Rate Adjustment	8.01%
	Credit reimbursement % on invoice (to be issued from Jul 2016 to Jun 2017)	(8.87%)
	Net – Commercial Rate Adjustment for FY 2016-17 *	(0.86%)

* Prior to application of 6% Franchise Fee and Integrated Waste Management Fee

Refuse Rate Adjustment Calculation

The proposed residential and commercial rates for July 1, 2016 through June 30, 2017 (FY 2016-17), were calculated by applying the adjustment percentages shown above to the July 1, 2013 to June 30, 2014 (FY 2013-14) rates that were approved by the City Council on June 7, 2011. The adjustment percentages are being applied to the two components of the residential and commercial refuse rates, the Service Component and Disposal Components, as outlined in Exhibit B of the Amended and Restated Exclusive Franchise Agreement, consisting of a 9.01% increase to residential rates and an 8.01% increase to commercial rates. This calculation determines the net FY 2016-17 refuse rates for each service level. Following this calculation, two City fees, the Franchise Fee and Integrated Waste Management Fee, are applied to net refuse rates to determine the proposed total rate.

1. **Franchise Fee** – A 6% Franchise Fee is applied to the net rate or sum of the Service Component and Disposal Component plus the Franchise Fee for each service level. The Franchise Fee is a fee for the privilege of using city streets and of the franchise itself. The fee for each customer class is shown on Attachment F of the August 16, 2016 Agenda Report, Item No. NB3.

While no increase to the 6% Franchise Fee is proposed, the fees will be applied to the rate structure for 90 gallon recycling (blue) and 90 gallon green waste (green) barrels in FY 2016-17 and beyond. These franchise fees were inadvertently not applied to these customer classes in the July 1, 2013 through June 30, 2014 (FY 2013-14) rate structure.

2. **Integrated Waste Management Fee** – The Integrated Waste Management Fee (IWMF) is also applied to the net rate or sum of the Service Component and Disposal Component for each service level. The proposed refuse rate structure reflects adjustments to the Integrated Waste Management Fee to support the City’s approved FY 2016-17 budget. The proposed IWMF shall not be used for any purpose other than funding any services and facilities furnished by the City in connection with solid waste collection, conveyance, recycling, and disposal. The Integrated Waste Management Fee for each customer class is shown on Attachment F of the August 16, 2016 Agenda Report, Item No. NB3.

As a best management practice, the City plans to conduct thorough analyses of the Franchise and Integrated Waste Management Fees prior to the expiration of the proposed rate structure on June 30, 2019.

For illustrative purposes, the proposed residential rates for FY 2016-17 (the period of July 1, 2016 through June 30, 2017) are shown below. This is prior to the application of the 8.87% monthly credit adjustment to customer accounts for the twelve month period of July 1, 2016 through June 30, 2017.

Table 7 – Sampling of Monthly Residential Rates, July 1, 2016 through June 30, 2017*

Service Level	Previous Rate	New Rate	(Savings)/Cost
90 Gallon (Basic)	\$27.05	\$29.89	\$2.84
60 Gallon (Townhomes & Condominiums)	\$24.94	\$27.68	\$2.74
30 Gallon (Verified low-income senior citizens)	\$22.82	\$25.44	\$2.62

* Prior to application of 8.87% monthly credit adjustment to customer accounts for the twelve month period of July 1, 2016 through June 30, 2017

AB 1826 (Mandatory Commercial Organics Recycling)

The proposed commercial rate structure includes costs for organics recycling for the first time. AB 1826 requires cities to implement an organics waste recycling program for commercial businesses to recycle organics and green waste, including food scraps. The law provides for a phased implementation, as outlined below:

- April 1, 2016: businesses generating eight (8) cubic-yards or more of organics waste on a weekly basis must arrange for organics waste recycling services;
- January 1, 2017: businesses generating four (4) cubic-yards or more of organics waste on a weekly basis must arrange for organics waste recycling services; and
- January 1, 2019: businesses generating four (4) cubic-yards or more of solid waste on a weekly basis must arrange for organics waste recycling services.

To minimize costs associated with this mandate, Athens Services will be providing 96 gallon automated containers to commercial customers and service the containers as part of its residential green waste routes. To lessen the cost of the organics container, commercial customers should be able to downsize in other service areas.

To educate the City's commercial customers about the requirements of AB 1826, Athens Services completed a waste assessment of commercial accounts in December 2015 to identify businesses that will require organics recycling as large generators beginning on April 1, 2016 and those whose service requirement will begin on January 1, 2017. Athens Services is meeting one-on-one with large generators to educate them about the new requirements and discuss service options. The City is also planning additional outreach to these customers.

Duration of Rate Structure

The proposed rate structure will be in effect from July 1, 2016 through June 30, 2019, covering FY 2016-17, FY 2017-18, and FY 2018-19. Pursuant to Government Code, Sections 53756 and 53739, such rates shall be automatically adjusted each fiscal year, beginning in FY 2017-18 (July 1, 2017) and ending in FY 2018-19 (June 30, 2019), by a factor equal to CPI without further action on the part of the City Council. In addition, the City Council may amend these rates by ordinance, resolution, or minute action, in accordance with applicable law.

Proposition 218

Residential and commercial refuse fees and all property-related fee increases are subject to the procedural and substantive requirements of voter approved Proposition 218. Specifically, Proposition 218 requires, for residential and commercial refuse fees, that a written notice be mailed to the owner or utility account holder of each parcel upon which the fee will be imposed and that a public hearing be conducted not less than 45 days after mailing the notice. If written protests against the fee increase are not presented by a majority of parcels, the City Council may approve the fee increase. If written protests against the proposed fee are received by a majority of parcels, the City may not impose the fee increase.

On August 16, 2016, the City Council approved the initiation of the Proposition 218-required public hearing process to increase residential and commercial refuse collection services fees. As such, a notice of public hearing was mailed not later than September 1, 2016, advising affected property owners of the proposed increase to residential and commercial refuse collection services fees. Pursuant to Government Code Section 53755, the notice was mailed to the regular billing address and record owner of each parcel. The Notice of Public Hearing is contained in Attachment B. The Public Hearing will be held on October 18, 2016 at 7:30 p.m.

Procedures for the Conduct of a Public Hearing Relating to a Proposed Increase to Refuse Collection Services Charges

The City is proposing an increase to its refuse collection services charges. Proposition 218 was approved by the California Voters in 1996 and added Articles XIIC and XIID to the California Constitution. Article XIID imposes substantive and procedural requirements to impose or increase property-related fees, such as the proposed refuse collection services charges.

The City Council must hold a noticed public hearing on the proposed increase to the refuse collection services charges. At the public hearing, the City Council must consider all protests or objections to the proposed refuse collection services charges. At the conclusion of the public hearing, the City Council must tabulate the written protests against the proposed refuse collection services charges and determine if a majority protest exists.

A majority protest will exist if written protests have been presented, and not withdrawn, by the record owners or customers of record of a majority of the parcels subject to the charges. If a majority protest exists, the City Council cannot adopt the proposed refuse collection services charges. If a majority protest does not exist, the City Council may adopt the refuse collection services charges.

On August 16, 2016, the City Council adopted Resolution No. 16-7513 establishing "Procedures for the Conduct of a Public Hearing Relating to the Proposed Increase to Refuse Collection Services Charges." The Procedures govern the conduct of a public hearing and the submission and tabulation of written protests in connection with the City Council's consideration of the proposed increase to refuse collection services charges, in compliance with the requirements of Proposition 218.

FISCAL IMPACT:

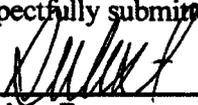
The proposed FY 2016-17 refuse revenues are included in the approved FY 2016-17 City of Covina budget. The revenue budget for the Franchise Fee totals \$575,000 (account no. 1010-0000-40880) and the Integrated Waste Management Fee totals \$712,000 (account no. 6200-5580-46315). Additionally, a one-time revenue of \$150,000 is included in the approved FY 2016-17 City of Covina budget (account no. 1010-2000-43290) for Athens Services reimbursement to the City for the staff, legal, and consultant costs associated with the lengthy negotiations between the parties pertaining to the analysis of disposal options related to the closure of the Puente Hills Landfill.

CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT):

The proposed increase to the commercial and residential refuse rates are determined to be statutorily exempt from CEQA per Section 15273 (Rates, Tolls, Fares, and Charges). Under Section 15273 (a), CEQA does not apply to the establishment, modification, structuring, restructuring, or approval of rates, tolls, fares, or other charges by public agencies which the public agency finds are for the purpose of:

1. Meeting operating expenses, including employee wage rates and fringe benefits;
2. Purchasing or leasing supplies, equipment, or materials;
3. Meeting financial reserve needs and requirements;
4. Obtaining funds for capital projects necessary to maintain service within existing service areas; or
5. Obtaining funds necessary to maintain such intra-city transfers as are authorized by city charter. (This provision is non-applicable, as Covina is not a Charter City).

Respectfully submitted,



Siobhan Foster
Director of Public Works

ATTACHMENTS:

- Attachment A: City Council Study Session Report, Item NB 2, and City of Covina Agenda Report, Item NB 3, August 16, 2016 (without attachments)
- Attachment B: Notice of Public Hearing on Proposed Increase in Refuse Collection Services Rates
- Attachment C: Resolution No. 16-7513
- AttachmentD: Ordinance No. 16-2062



CITY OF COVINA

STUDY SESSION REPORT

MEETING DATE:	August 16, 2016
TITLE:	Residential and Commercial Refuse Collection Services – Proposed Rate Structure for the Period of July 1, 2016 through June 30, 2019 (FY 2016-17 through FY 2018-19)
PRESENTED BY:	Siobhan Foster, Director of Public Works
RECOMMENDATION:	Review and discuss the proposed residential and commercial refuse collection services rate structure for the period of July 1, 2016 through June 30, 2019 (FY 2016-17 through FY 2018-19).

BACKGROUND:

The City's current residential and commercial refuse collection service rates have been in effect since July 1, 2013 and have not been adjusted in accordance with the rate adjustment formula contained in Exhibit B of the Amended and Restated Exclusive Franchise Agreement by and between the City of Covina and Arakelian Enterprises, Inc. (Athens Services), as approved by the City Council on February 15, 2011. This is due to lengthy negotiations with Athens Services regarding post-Puente Hills Landfill disposal options and related items. The Amended and Restated Exclusive Franchise Agreement required Athens Services to propose a new disposal site for City waste prior to the closure of Puente Hills on October 31, 2013 and that Athens Services and the City meet and confer to discuss the disposal site recommendation and rate.

Due to the complexity of the matters involved and staff changes at Athens Services and in the City, the post-Puente Hills disposal issues took a significant amount of time to resolve and delayed two regular July 1st Consumer Price Index-related (CPI) rate adjustments (FY 2014-15 and FY 2015-16). While a third CPI adjustment for July 1, 2016 has also been delayed, the proposed rate structure will be retroactive to July 1, 2016. At this juncture, it is necessary to adjust the refuse rate structure that has been in place since July 1, 2013 to reflect changes in the local landfill industry and rate adjustments required by the Amended and Restated Exclusive Franchise Agreement.

DISCUSSION:

The attached City of Covina Agenda Report on this topic details the proposed residential and commercial refuse collection services rate structure for the period of July 1, 2016 through June 30, 2019 (FY 2016-17 through FY 2018-19).

Following City Council review of the proposed rate structure at this City Council Study Session, the Department of Public Works will be seeking City Council consideration of the following recommendations during the regularly scheduled August 16, 2016 City Council meeting:

1. Conceptually approve the residential and commercial refuse collection services rate structure for the period of July 1, 2016 through June 30, 2019 (FY 2016-17 through FY 2018-19) as outlined in this report;
2. Authorize the initiation of the State-mandated public hearing process to increase residential and commercial refuse collection service fees as outlined in Attachment F;
3. Set a public hearing on October 18, 2016 regarding the proposed refuse collection fee increases; and
4. Adopt Resolution No. 16-7513 establishing procedures for the conduct of a public hearing relating to the proposed increase to refuse collection service charges increase.

FISCAL IMPACT:

The fiscal impact associated with the printing, mailing, and publication of the public notices for the State-mandated public hearing process to increase residential and commercial refuse collection service fees as outlined in Attachment F is approximately \$7,150. Sufficient funding is included in the approved FY 2016-17 Department of Public Works budget (account nos. 6200-5580-53300, 6200-5580-53540, and 6200-5580-53590).

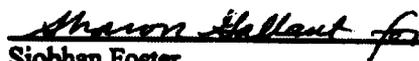
The proposed FY 2016-17 refuse revenues are included in the approved FY 2016-17 City of Covina budget. The revenue budget for the Franchise Fee totals \$575,000 (account no. 1010-0000-40880) and the Integrated Waste Management Fee totals \$712,000 (account no. 6200-5580-46315). Additionally, a one-time revenue of \$150,000 is included in the approved FY 2016-17 City of Covina budget (account no. 1010-2000-43290) for Athens Services reimbursement to the City for the staff, legal, and consultant costs associated with the lengthy negotiations between the parties pertaining to the analysis of disposal options related to the closure of the Puente Hills Landfill.

CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT):

The proposed increase to the residential and commercial refuse rates are determined to be statutorily exempt from CEQA per Section 15273 (Rates, Tolls, Fares, and Charges). Under Section 15273 (a), CEQA does not apply to the establishment, modification, structuring, restructuring, or approval of rates, tolls, fares, or other charges by public agencies which the public agency finds are for the purpose of:

1. Meeting operating expenses, including employee wage rates and fringe benefits;
2. Purchasing or leasing supplies, equipment, or materials;
3. Meeting financial reserve needs and requirements;
4. Obtaining funds for capital projects necessary to maintain service within existing service areas; or
5. Obtaining funds necessary to maintain such intra-city transfers as are authorized by city charter. (This provision is non-applicable, as Covina is not a Charter City).

Respectfully submitted,



Siobhan Foster
Director of Public Works

ATTACHMENT:

Attachment A: August 16, 2016, City of Covina Agenda Report Re: Residential and Commercial Refuse Collection Services – Proposed Rate Structure for the Period of July 1, 2016 through June 30, 2019 (FY 2016-17 through FY 2018-19)



CITY OF COVINA

AGENDA REPORT

<input checked="" type="checkbox"/> Approved by vote <u>4-0-1 DELACH ABSENT</u>
<input type="checkbox"/> Not approved/Denied by vote _____
<input type="checkbox"/> Continued to _____
<input checked="" type="checkbox"/> Adopted Resolution No. <u>16-753</u>
<input type="checkbox"/> Introduced/Adopted Ordinance No. _____

ITEM NO. NB 3

MEETING DATE: August 16, 2016

TITLE: Residential and Commercial Refuse Collection Services – Proposed Rate Structure for the Period of July 1, 2016 through June 30, 2019 (FY 2016-17 through FY 2018-19)

PRESENTED BY: Siobhan Foster, Director of Public Works

RECOMMENDATION:

- 1) Conceptually approve the residential and commercial refuse collection services rate structure for the period of July 1, 2016 through June 30, 2019 (FY 2016-17 through FY 2018-19) as outlined in this report;
- 2) Authorize the initiation of the State-mandated public hearing process to increase residential and commercial refuse collection services fees as outlined in Attachment F;
- 3) Set a public hearing on October 18, 2016 regarding the proposed refuse collection fee increases; and
- 4) Adopt Resolution No. 16-7513 establishing procedures for the conduct of a public hearing relating to the proposed increase to refuse collection services charges increase.

BACKGROUND:

On October 5, 2010, the City Council reviewed the solid waste disposal options that were expected to be available to the City after the closure of Puente Hills Landfill in 2013. The City Council directed the Department of Public Works to return to the City Council with a report on possible alternative disposal opportunities available in partnership with the City's licensed solid waste hauler, Arakelian Enterprises, Inc. (Athens Services), in light of Athens' acquisition of American Organics (a composting facility) and its planned construction of a new materials recovery facility (MRF) in Irwindale.

As requested by the City Council, the Department of Public Works conferred with Athens Services regarding the City's projected disposal and diversion needs. The City asked that Athens propose alternatives to assist Covina in achieving the following objectives:

- Reduce waste processing, transportation, disposal, and diversion costs;
- Improve residential refuse account customer service and stabilize refuse rates;
- Improve the community's financial stability;
- Support the City's efforts to comply with state solid waste mandates, including required construction and demolition debris recycling; and

- Facilitate appropriate disposal of solid waste to minimize the detrimental impact of improper disposal on the environment.

On November 2, 2010, the City Council reviewed and approved a proposal from Athens Services in concept and directed the Department of Public Works to draft amendments to the Refuse Collection Exclusive Franchise Agreement to reflect the proposal.

On February 15, 2011, the City Council reviewed and approved the Amended and Restated Exclusive Franchise Agreement with Arakelian Enterprises, Inc. (Athens Services), with the recommendation to include the authority for staff to work with the service provider to make any non-substantive changes and advise the City Council of such changes. Exhibit B of the Amended and Restated Exclusive Franchise Agreement specifies the Rate Adjustment for the services provided under the Agreement.

In summary, each of the rates provided by the Agreement contains a Service Component and a Disposal Component. The Service Component includes the costs of collection and hauling of all refuse, including recyclable materials and green waste for all customers. The Disposal Component shall be based on the per ton costs incurred by Athens Services for disposal of all refuse, processing of recyclable materials at Athens Services' MRF (which costs are defined on a per ton basis as the "MRF Gate Fee"), and for its disposal of green waste.

The Service Component will automatically be adjusted each July 1st in proportion to the increase or decrease in the cost of living as determined by the percentage change in the CPI for the previous period of January through January for All Urban Consumers in the Los Angeles/Anaheim/Riverside area. City staff reviewed all proposed rate increases solely for validity of the submitted data and, upon verification of data, approved the new Service Component rates.

The Disposal Component will automatically be adjusted in proportion to the increase or decrease in disposal costs as determined by the percentage change in the MRF Gate Fee. As soon as the information is available, Athens Services shall submit documentation to the City Manager with evidence of the net change in disposal costs. The City will review the documentation in connection with the net change in disposal costs solely for validity of the submitted data and, upon verification of data, approve the new Disposal Component rates. The net change in disposal costs will be added to, or subtracted from, the Disposal Component of the maximum rates to be effective the next billing cycle once approved by the City Council.

The Agreement also allows Athens Services the opportunity to request a Special Rate Adjustment when circumstances beyond the control of Athens Services impose or generate extraordinary costs in the performance of the Agreement. For each request, Athens Services must prepare a schedule documenting the extraordinary costs. The City will then review Athens Services' request and, in the City's sole judgment, make the final determination on the adjustment.

Between the date of execution of the Amended and Restated Exclusive Franchise Agreement and the closure of the Puente Hills Landfill, on October 31, 2013, Athens Services was required to evaluate cost-effective disposal sites to be utilized upon the closure of the Puente Hills Landfill. Prior to the closure of the Puente Hills Landfill, Athens Services was required to propose its disposal site recommendation to the City for residue from the MRF and provide the Disposal Component of the rate. Athens Services and the City met and conferred to discuss Athens Services' disposal recommendation and rate.

Key provisions of the Amended and Restated Exclusive Franchise Agreement are outlined in Attachment C to this report. As a result of the approval of the Amended and Restated Exclusive Franchise Agreement, residential refuse rates decreased, as shown below, for the period of March 1, 2011 through June 30, 2011.

Table 1 – Sampling of Monthly Residential Rates, March 1, 2011 through June 30, 2011

Service Level	Previous Rate	New Rate	(Savings)/Cost
90 Gallon (Basic)	\$25.62	\$25.14	(\$0.48)
60 Gallon (Townhomes & Condominiums)	\$23.37	\$23.16	(\$0.21)
30 Gallon (Verified low-income senior citizens)	N/A	\$21.18	(\$4.44)

On May 17, 2011, the City Council introduced Ordinance 11-1994, setting the City's refuse collection rates for residential, commercial, and industrial refuse customers for FY 2011-12, effective July 1, 2011.

On June 7, 2011, the City Council conducted a public hearing on the City's proposed refuse rates for the period of July 1, 2011 through June 30, 2012 (FY 2011-12) and making automatic adjustments to the proposed rates in future years by the change in CPI or 3%, whichever is greater. Following the public hearing, the City Council adopted Ordinance 11-1994, setting refuse rates for the period of July 1, 2011 through June 30, 2012 and making automatic adjustments to the proposed rates in future years by the change in CPI or 3%, whichever is greater.

For illustrative purposes, the rates approved by the City Council for the period of July 1, 2011 through June 30, 2012 (FY 2011-12), established the residential rates shown below.

Table 2 – Sampling of Monthly Residential Rates, July 1, 2011 through June 30, 2012

Service Level	Previous Rate	New Rate	(Savings)/Cost
90 Gallon (Basic)	\$25.14	\$25.50	\$0.36
60 Gallon (Townhomes & Condominiums)	\$23.16	\$23.51	\$0.35
30 Gallon (Verified low-income senior citizens)	\$21.18	\$21.52	\$0.34

Section 2 of Ordinance No. 11-1994 provides, pursuant to Government Code, Sections 53756 and 53739, such rates shall be automatically adjusted each fiscal year, beginning in FY 2012-13 (July 1, 2012) and ending in FY 2015-16 (June 30, 2016), by a factor equal to (i) CPI, or (ii) three percent (3%), whichever is greater, without further action on the part of the City Council. The City is required by State law, however, to notify residents of any such increases.

Subsequently, on June 6, 2013, the Department of Public Works informed the Covina City Council and the City Manager via Inter-Office Memorandum of a refuse rate increase effective July 1, 2013 (FY 2013-14). The memorandum explains that on June 1, 2013, and in accordance with State law and Section 2 of Ordinance No. 11-1994, the City of Covina Schedule of Refuse Rates Effective July 1, 2013 was mailed to all Covina residential and commercial refuse customers as an insert with the June Athens Services' refuse bills. The memorandum and rate sheets are contained in Attachment E to this report.

The rates were calculated in accordance with Exhibit B of the Amended and Restated Exclusive Franchise Agreement and automatically adjusted per Ordinance No. 11-1994, Section 2 and reflect adjustments of 1.96% for CPI and 1.19% for the MRF Gate Fee.

Athens Services and the Department of Public Works developed and verified the rate calculations, which resulted in the following residential rates.

Table 3 – Sampling of Monthly Residential Rates, July 1, 2013

Service Level	Previous Rate	New Rate	(Savings)/Cost
90 Gallon (Basic)	\$25.50	\$27.05	\$1.55
60 Gallon (Townhomes & Condominiums)	\$23.51	\$24.94	\$1.43
30 Gallon (Verified low-income senior citizens)	\$21.52	\$22.82	\$1.30

The refuse rates reflected in Table 3 above and Attachment E to this report have remained in effect since July 1, 2013 due to lengthy negotiations between Athens Services regarding post-Puente Hills Landfill disposal options and other related items. The Amended and Restated Exclusive Franchise Agreement required Athens Services to propose a new disposal site for City waste prior to the closure of Puente Hills on October 31, 2013 and that Athens Services and the City met and conferred to discuss the disposal site recommendation and rate.

On September 4, 2013, Athens Services representatives met with the City Manager and the Department of Public Works to present three options available to the City for waste disposal after the closure of Puente Hills. Athens Services asserted that the best option was for the City to accept an initial 10% rate increase and annual CPI adjustments to provide Covina customers refuse rate stability and ensure that the City will meet the State's diversion mandate. The City believed it had additional, more beneficial options beyond those presented by Athens Services and initiated the process to procure a consultant to assist staff in evaluating its options.

On October 8, 2013, Athens Services followed up with a letter reiterating the three options and requesting a 10% rate increase. Similar letters were sent to most or all of Athens Services franchised cities and cited an increase in gate rates at the Puente Hills Transfer Station and additional transportation expenses for disposing of waste at the San Bernardino County Landfill System as justification for the 10% increase.

The City responded that after the closure of Puente Hills, its waste was to be hauled to the San Bernardino County Landfill System at the disposal rates negotiated by Athens Services in its agreement with San Bernardino County. The letter requested additional information to support the requested rate increase and specifically stated that no adjustment to customer rates was authorized by the City at that time.

In December 2013, the City learned from businesses that Athens had increased the per ton disposal rate they were being charged. The City reaffirmed to Athens Services that the increase was not authorized by the City and the overcharge was to be reimbursed to the affected commercial customers. Athens Services asserted that it was passing through the increase in disposal rates as specified in the Agreement. The City Attorney sent Athens a letter on April 4, 2014 explaining how their proposed rate increase was contrary to the rate adjustment and post-Puente Hills disposal site and rate language contained in the Agreement.

On January 21, 2014, the City Council authorized the City Manager to enter into a Professional Services Agreement with HF&H Consultants, LLC (HF&H) for analysis of rate increases requested by Athens Services for waste disposal, and approved Resolution No. 14-7211 amending the FY 2013-14 budget to allocate \$80,000 from Environmental-Waste Management reserve funds for the consulting services.

On July 21, 2015, the City Council authorized the City Manager to execute a subsequent Professional Services Agreement with HF&H for waste management consulting services and adopted Resolution No. 15-7378, amending the FY 2015-16 budget to reflect the carryover of \$46,745.33 in unexpended FY 2014-15 funds previously appropriated for waste management consulting services.

Since January 2014, HF&H has analyzed data, provided reports, and met with Athens Services and City representatives with the objective of reviewing transportation, processing, and tipping fees associated with Athens Services disposal of City waste at the San Bernardino County Landfill System, calculating the CPI adjustments that were to be applied annually per the Amended and Restated Exclusive Franchise Agreement, and comparing the new rates based on these calculations with the increase being requested by Athens Services.

HF&H conducted an initial analysis using monthly tonnage reports provided to the City by Athens Services and solid waste industry data regarding transfer, transportation, and disposal costs. While conducting its analysis, HF&H found that Athens had obtained reduced per ton disposal rates at Puente Hills Landfill from 2011 to 2013 that had not been passed through to the City, as required by the Exclusive Franchise Agreement.

On July 7, 2014, these findings were shared with Athens Services. Athens Services challenged some of the industry standards and assumptions used in the analysis and argued that the lower disposal rate paid at Puente Hills was not due to Covina customers because Athens Services had assumed higher costs for transporting waste from other jurisdictions to Puente Hills to obtain the volume discount. The City then requested that Athens provide its cost factors related to its Covina operations so that HF&H could proceed to calculate the ongoing impact of redirecting waste from Puente Hills to the San Bernardino County Landfill system based on Athens Services own data.

Between July 2014 and present, Athens Services and City representatives continued to work through the items outlined above and reached a tentative resolution in June 2016. Due to the complexity of the matters involved and staff changes at Athens Services and in the City, the post-Puente Hills disposal issues took a significant amount of time to resolve and delayed two regular July 1st rate adjustments (FY 2014-15 and FY 2015-16). While a third CPI adjustment for July 1, 2016 has also been delayed, the proposed rate structure will be retroactive to July 1, 2016. At this juncture, it is necessary to adjust the refuse rate structure that has been in place since July 1, 2013 to reflect changes in the local landfill industry and rate adjustments required by the Amended and Restated Exclusive Franchise Agreement.

DISCUSSION:

The proposed residential and commercial refuse rate adjustment is comprised of several factors and reflects the resolution of the long-standing items between Covina and Athens Services, including the following:

1. Deferred CPI adjustments – Deferred CPI adjustments for July 1, 2014 and July 1, 2015 must be implemented pursuant to Exhibit B of the Amended and Restated Exclusive Franchise Agreement. The adjustments are 0.77% for July 1, 2014 and (0.06%) for July 1, 2015, for a cumulative adjustment of 0.71%.
2. Residential account billing services – Year 4 (FY 2014-15) of the cost for Athens Services, provided residential account billing services, must be implemented pursuant to the Amended and Restated Exclusive Franchise Agreement, as explained in detail in Attachment C to this report. This equates to a onetime, 1% residential rate increase for the period of July 1, 2016.

3. Customer rebate for disposal costs – Athens Services will rebate Covina customers \$941,000 for disposal costs between October 2011 and October 2013, during which time Athens Services paid a discounted rate for disposal at Puente Hills prior to closure of the landfill. The rebate amount must be adjusted to reflect compensation owed to Athens Services by the City and costs incurred by Athens Services during this time between July 1, 2014 and present, including:

- Deferred July 1, 2014 and July 1, 2015 deferred CPI increases totaling \$99,658;
- Proportionate share of Athens Services costs for accumulating a higher tonnage necessary to receive the discounted rate at Puente Hills Landfill between October 2011 and 2013 estimated to be \$150,000; and
- Final installment due to Athens Services for assumption of residential account billing services for the period of July 1, 2014 to June 30, 2016, which equates to \$48,750. The calculation is based on 9,233 residential accounts x \$0.22/month for 24 months.

These adjustments reduce the credit amount to \$642,592 or an 8.87% credit applied to each monthly invoice for the one-year billing period of July 1, 2016 to June 30, 2017, as depicted below.

Table 4 – Proposed Customer Credit Reimbursement, July 1, 2016 through June 30, 2017

Item	Description	Adjustment (\$)
1	Disposal gate rate savings (Oct 2011 to Oct 2013)	941,000
2	July 1, 2014 deferred CPI	(48,194)
3	July 1, 2015 deferred CPI	(51,464)
4	Accumulated costs to achieve disposal gate rate savings (Oct 2011 to Oct 2013)	(150,000)
5	Final installment for Athens to provide residential billing services (Jul 2014 to Jun 2016)	(48,750)
Total – Customer Credit Reimbursement (to be issued from Jul 2016 to Jun 2017)		642,592
Annual Covina net revenue		7,248,431
Total – Credit reimbursement % on invoice (to be issued from Jul 2016 to Jun 2017)		8.87%

4. Reimbursement for city costs – Athens Services will reimburse the City’s General Fund \$150,000 for staff, legal, and consultant costs associated with the negotiations with Athens Services pertaining to cost-effective disposal sites to be utilized upon the closure of the Puente Hills Landfill. Athens Services must remit payment to the City upon City Council adoption of the proposed refuse rate structure.
5. Post-Puente Hills Landfill disposal option – During a time of change in the local landfill industry, Athens Services secured a long-term landfill contract with the County of San Bernardino. The Disposal Component language in the Amended and Restated Exclusive Franchise Agreement entitles Covina to be charged the rates Athens Services negotiated with San Bernardino County to operate the San Bernardino County Landfill System. Under the terms of Athens Services agreement with San Bernardino County, Athens Services is able to dispose of waste at a cost of \$29.04/ton plus annual CPI adjustments for the ten-year contract period (contract expires in 2023 and extension negotiations are underway) provided Athens Services delivers 800,000 tons per year to the Landfill System.

In exchange for use of this disposal option, Covina proposes to grant Athens Services a one-time Special Rate Adjustment of 3.4% to compensate Athens Services for the increased transportation and additional processing costs associated with taking Covina's waste to the San Bernardino County Landfill System, rather than Puente Hills Landfill post-closure. The City, at its sole discretion, may grant a Special Rate Adjustment when circumstances beyond the control of Athens Services impose or generate extraordinary costs in the performance of the Agreement.

6. California Paid Sick Leave Law and Los Angeles County minimum wage increases - Athens Services is incurring undue financial hardship associated with the California Paid Sick Leave Law and Los Angeles County minimum wage increases that affect Athens Services MRF employees. The City, at its sole discretion, may grant a Special Rate Adjustment when circumstances beyond the control of Athens Services impose or generate extraordinary costs in the performance of the Agreement. The California Paid Sick Leave Law (AB 1522, operative January 1, 2015, and as amended in AB 304 effective July 13, 2015) requires employers to provide and allow employees to use at least 24 hours or three days of sick leave per year. Los Angeles County minimum wage increases will increase hourly wages from \$9 to \$15/hour by 2020. The City reviewed adjustment requests of 0.05% and 1.22% for the Paid Sick Leave Law and minimum wage increases to residential and commercial rates, respectively, and determined that a one-time increase of 0.80% is merited.

Residential Rate Adjustment

Table 5 summarizes the proposed adjustments to residential rates effective July 1, 2016 (FY 2016-17), based on the items outlined above.

Table 5 – Proposed Adjustments to Residential Rates Effective July 1, 2016

Item	Description	Adjustment
1	Deferred Jul 2014 and Jul 2015 CPI adjustment	0.71%
2	Final installment for Athens to provide residential billing services (Jul 2016 and forward)	1.0%
3	One-time incremental transportation/processing costs for San Bernardino County Landfill System contract	3.40%
4	One-time minimum wage and CA Paid Sick Leave Law	0.80%
5	July 1, 2016 annual rate adjustment for CPI (Jan 2015 to Jan 2016)	3.10%
Subtotal – Residential Rate Adjustment		9.01%
Credit reimbursement % on invoice (to be issued from Jul 2016 to Jun 2017)		(8.87%)
Net – Residential Rate Adjustment for FY 2016-17 *		0.14%

* Prior to application of 6% franchise fee and Integrated Waste Management Fee

Commercial Rate Adjustment

Table 6 summarizes the proposed adjustments to commercial rates effective July 1, 2016 (FY 2016-17), based on the items outlined above.

Table 6 – Proposed Adjustments to Commercial Rates Effective July 1, 2016

Item	Description	Adjustment
1	Deferred Jul 2014 and Jul 2015 CPI adjustment	0.71%
2	One-time incremental transportation/processing costs for San Bernardino County Landfill System contract	3.40%
3	One-time minimum wage and CA Paid Sick Leave Law	0.80%
4	July 1, 2016 annual rate adjustment for CPI (Jan 2015 to Jan 2016)	3.10%
	Subtotal – Commercial Rate Adjustment	8.01%
	Credit reimbursement % on invoice (to be issued from Jul 2016 to Jun 2017)	(8.87%)
	Net – Commercial Rate Adjustment for FY 2016-17 *	(0.86%)

* Prior to application of 6% franchise fee and Integrated Waste Management Fee

Refuse Rate Adjustment Calculation

The proposed residential and commercial rates for July 1, 2016 through June 30, 2017 (FY 2016-17), were calculated by applying the adjustment percentages shown above to the July 1, 2013 to June 30, 2014 (FY 2013-14) rates that were approved by the City Council on June 7, 2011. The adjustment percentages are being applied to the two components of the residential and commercial refuse rates, the Service Component and Disposal Components, as outlined in Exhibit B of the Amended and Restated Exclusive Franchise Agreement, consisting of a 9.01% increase to residential rates and an 8.01% increase to commercial rates. This calculation determines the net FY 2016-17 refuse rates for each service level.

Following this calculation, two City fees, the Franchise Fee and Integrated Waste Management Fee, are applied to net refuse rates to determine the proposed total rate.

1. **Franchise Fee** – A 6% Franchise Fee is applied to the net rate or sum of the Service Component and Disposal Component plus the Franchise Fee for each service level. The Franchise Fee is a fee for the privilege of using city streets and of the franchise itself. The fee for each customer class is shown on Attachment F.

While no increase to the 6% Franchise Fee is proposed, the fees will be applied to the rate structure for 90 gallon recycling (blue) and 90 gallon green waste (green) barrels in FY 2016-17 and beyond. These franchise fees were inadvertently not applied to these customer classes in the July 1, 2013 through June 30, 2014 (FY 2013-14) rate structure.

2. **Integrated Waste Management Fee** – The Integrated Waste Management Fee (IWWMF) is also applied to the net rate or sum of the Service Component and Disposal Component for each service level. The proposed refuse rate structure reflects adjustments to the Integrated Waste Management Fee to support the City’s approved FY 2016-17 budget. IWWMF provides funding for the City’s compliance with the State’s AB 939 mandate, including hazardous materials responses and disposal, recycling programs, personnel costs, overhead, and a contingency for supplementary programs if the waste diversion rate drops. The Integrated Waste Management Fee for each customer class is shown on Attachment F.

As a best management practice, the City plans to conduct thorough analyses of the Franchise and Integrated Waste Management Fees prior to the expiration of the proposed rate structure on June 30, 2019.

For illustrative purposes, the proposed residential rates for FY 2016-17 (the period of July 1, 2016 through June 30, 2017) are shown below. This is prior to the application of the 8.87% monthly credit adjustment to customer accounts for the twelve month period of July 1, 2016 through June 30, 2017.

Table 7 – Sampling of Monthly Residential Rates, July 1, 2016 through June 30, 2017*

Service Level	Previous Rate	New Rate	(Savings)/Cost
90 Gallon (Basic)	\$27.05	\$29.89	\$2.84
60 Gallon (Townhomes & Condominiums)	\$24.94	\$27.68	\$2.74
30 Gallon (Verified low-income senior citizens)	\$22.82	\$25.44	\$2.62

* Prior to application of 8.87% monthly credit adjustment to customer accounts for the twelve month period of July 1, 2016 through June 30, 2017

AB 1826 (Mandatory Commercial Organics Recycling)

The proposed commercial rate structure includes costs for organics recycling for the first time. AB 1826 requires cities to implement an organics waste recycling program for commercial businesses to recycle organics and green waste, including food scraps. The law provides for a phased implementation, as outlined below:

- April 1, 2016: businesses generating eight (8) cubic-yards or more of organics waste on a weekly basis must arrange for organics waste recycling services;
- January 1, 2017: businesses generating four (4) cubic-yards or more of organics waste on a weekly basis must arrange for organics waste recycling services; and
- January 1, 2019: businesses generating four (4) cubic-yards or more of solid waste on a weekly basis must arrange for organics waste recycling services.

To minimize costs associated with this mandate, Athens Services will be providing 96 gallon automated containers to commercial customers and service the containers as part of its residential green waste routes. To lessen the cost of the organics container, commercial customers should be able to downsize in other service areas.

To educate the City’s commercial customers about the requirements of AB 1826, Athens Services completed a waste assessment of commercial accounts in December 2015 to identify businesses that will require organics recycling as large generators beginning on April 1, 2016 and those whose service requirement will begin on January 1, 2017. Athens Services is meeting one-on-one with large generators to educate them about the new requirements and discuss service options. The City is also planning additional outreach to these customers.

Proposition 218

Residential and commercial refuse fees and all property-related fee increases are subject to the procedural and substantive requirements of voter approved Proposition 218. Specifically, Proposition 218 requires, for residential and commercial refuse fees, that a written notice be mailed to the owner or utility account holder of each parcel upon which the fee will be imposed and that a public hearing be conducted not less than 45 days after mailing the notice. If written protests against the fee increase are not presented by a majority of parcels, the City Council may approve the fee increase. If written protests against the proposed fee are received by a majority of parcels, the City may not impose the fee increase.

The Department of Public Works recommends the City Council approve the initiation of the Proposition 218-required public hearing process to increase residential and commercial refuse

fees. As such, a notice of public hearing will be mailed no later than September 1, 2016, advising affected parcel owners of the proposed residential and commercial refuse collection fee increases. Pursuant to Government Code Section 53755, the notice will be mailed to the regular billing address and to the record owner of each parcel. A copy of the Notice of Public Hearing can be found in Attachment F.

Notice of these adjustments will also be included with the residential and commercial refuse fee public hearing scheduled for October 18, 2016, for information only.

Procedures for the Conduct of a Public Hearing Relating to a Proposed Increase to Refuse Collection Service Charges

The City is proposing an increase to its refuse collection service charges. Proposition 218 was approved by the California Voters in 1996 and added Articles XIII C and XIII D to the California Constitution. Article XIII D imposes substantive and procedural requirements to impose or increase property-related fees, such as the proposed refuse collection service charges.

As relevant here, the City Council must hold a noticed public hearing on the proposed increase to the refuse collection service charges. At the public hearing, the City Council must consider all protests or objections to the proposed refuse collection service charges. At the conclusion of the public hearing, the City Council must tabulate the written protests against the proposed refuse collection service charges and determine if a majority protest exists.

A majority protest will exist if written protests have been presented, and not withdrawn, by the record owners or customers of record of a majority of the parcels subject to the charges. If a majority protest exists, the City Council cannot adopt the proposed refuse collection service charges. If a majority protest does not exist, the City Council may adopt the refuse collection service charges.

The City Council is being asked to consider a resolution establishing "Procedures for the Conduct of a Public Hearing Relating to Proposed Increase to Refuse Collection Service Charges" (the "Procedures"). The Procedures govern the conduct of a public hearing and the submission and tabulation of written protests in connection with the City Council's consideration of the proposed increase to refuse collection service charges, in compliance with the requirements of Proposition 218.

Duration of Rate Structure

The proposed rate structure will be in effect from July 1, 2016 through June 30, 2019, covering FY 2016-17, FY 2017-18, and FY 2018-19. Pursuant to Government Code, Sections 53756 and 53739, such rates shall be automatically adjusted each fiscal year, beginning in FY 2017-18 (July 1, 2017) and ending in FY 2018-19 (June 30, 2019), by a factor equal to CPI without further action on the part of the City Council. In addition, the City Council may amend these rates by ordinance, resolution, or minute action, in accordance with applicable law.

FISCAL IMPACT:

The fiscal impact associated with the printing, mailing, and publication of the public notices for the State-mandated public hearing process to increase residential and commercial refuse collection service fees as outlined in Attachment F is approximately \$7,150. Sufficient funding is included in the approved FY 2016-17 Department of Public Works budget (account nos. 6200-5580-53300, 6200-5580-53540, and 6200-5580-53590).

The proposed FY 2016-17 refuse revenues are included in the approved FY 2016-17 City of Covina budget. The revenue budget for the Franchise Fee totals \$575,000 (account no. 1010-0000-40880)

and the Integrated Waste Management Fee totals \$712,000 (account no. 6200-5580-46315). Additionally, a one-time revenue of \$150,000 is included in the approved FY 2016-17 City of Covina budget (account no. 1010-2000-43290) for Athens Services reimbursement to the City for the staff, legal, and consultant costs associated with the lengthy negotiations between the parties pertaining to the analysis of disposal options related to the closure of the Puente Hills Landfill.

CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT):

The proposed increase to the commercial and residential refuse rates are determined to be statutorily exempt from CEQA per Section 15273 (Rates, Tolls, Fares, and Charges). Under Section 15273 (a), CEQA does not apply to the establishment, modification, structuring, restructuring, or approval of rates, tolls, fares, or other charges by public agencies which the public agency finds are for the purpose of:

1. Meeting operating expenses, including employee wage rates and fringe benefits;
2. Purchasing or leasing supplies, equipment, or materials;
3. Meeting financial reserve needs and requirements;
4. Obtaining funds for capital projects necessary to maintain service within existing service areas; or
5. Obtaining funds necessary to maintain such intra-city transfers as are authorized by city charter. (This provision is non-applicable, as Covina is not a Charter City).

Respectfully submitted,



Siobhan Foster
Director of Public Works

ATTACHMENTS:

Attachment A: Amended and Restated Exclusive Franchise Agreement, Approved by City Council on February 15, 2011 (Item NB 2)

Attachment B: City of Covina Staff Report, Item NB 2, February 15, 2011 (w/o attachments)

Attachment C: Provisions of Amended and Restated Exclusive Franchise Agreement, Approved by City Council on February 15, 2011 (Item NB 2)

Attachment D: City of Covina Staff Report, Item PH 1, June 7, 2011

Attachment E: June 6, 2013, Inter-Office Memorandum Re: Refuse Rate Increase Effective July 1, 2013 with City of Covina Schedule of Refuse Rate Effective July 1, 2013

Attachment F: Notice of Public Hearing on Proposed Increase in Refuse Collection Services Rates

Attachment G: Residential and Commercial Refuse Rate Survey conducted March 2016

Attachment H: Resolution No. 16-7513



CITY OF COVINA
Notice of Public Hearing on Proposed Increase in
Residential and Commercial Refuse Collection Service Rates Tuesday, October 18, 2016 at 7:30 p.m.
City of Covina Council Chambers, 125 E. College Street, Covina, CA 91723

Reason for Public Hearing: The Covina City Council will hold a public hearing on the above date and time to consider adoption of a resolution increasing rates for residential and commercial refuse collection services. This notice is being provided to you pursuant to Section 6 of Article XIID of the California Constitution (Proposition 218) and Section 53755 of the Government Code which require that a notification be sent 45 days in advance of the public hearing, to the address to which the City customarily mails the refuse service bill, for each identified parcel upon which any new or increased refuse rate or charge is being proposed ("customer of record"). You have been identified as a customer of record.

Public Hearing Process: All Covina customers of record for refuse service are invited to attend this public hearing. The Covina City Council will hear and consider all materials and testimony concerning these matters, as well as, all written protests against the proposed rate increases. At the close of the public hearing, the City Council will be authorized to adopt new refuse rates and related fees if written protests against the proposed increases are not presented by a majority of identified parcels upon which the proposed rates are to be imposed. If the proposed rates and fees are adopted, the increases will be effective retroactive to July 1, 2016.

Basis for Rate Increases: The request for the proposed rate increase is based upon the City's refuse collection franchise agreement with Athens Services ("Franchise Agreement"). The Franchise Agreement provides for increases in refuse rates due to following: (a) the Service Component will automatically be adjusted each July 1st in proportion to the increase or decrease in the cost of living as determined by the percentage change in the Consumer Price Index ("CPI") for the previous period of January through January for All Urban Consumers in the Los Angeles/Anaheim/Riverside area, (b) the Disposal Component will automatically be adjusted in proportion to the increase or decrease in disposal costs as determined by the percentage change in the MRF Gate Fee, (c) changes in AB 939 refuse recycling and diversion compliance costs, and (d) changes in other operational costs in providing refuse collection services. The Franchise Agreement also permits Special Rate Adjustments when circumstances beyond the control of Athens Services impose or generate extraordinary costs in the performance of the Agreement. The proposed rate increase includes a 3.4% Special Rate Adjustment for the increased transportation and additional processing costs associated with taking Covina's waste to the San Bernardino County Landfill System, rather than Puente Hills Landfill post-closure, and a 0.80% Special Rate Adjustment for impacts associated with the California Paid Sick Leave Law and Los Angeles County minimum wage increases. In addition to the information provided in this notice, the bases for the rate adjustments are detailed in the Agenda Report prepared by the City. The Agenda Report is on file at the City Clerk's Office at 125 E. College Street, Covina, CA and may be reviewed there by any interested person. Revenues derived from the refuse service rates and fees are used solely for the purpose of defraying costs incurred in providing efficient refuse collection services and to ensure continued compliance with State law, including but not limited to, refuse pick-up, transportation and disposal. As required by California Government Code Section 66016, the City has prepared a report that provides data indicating amount of cost, or estimated cost, to provide integrated waste management services and the revenue sources anticipated to provide such services. A copy of the report will be available at the office of the City Clerk on or about October 7, 2016.

How will the proposed increase affect my refuse and recycling bill? By way of example, the current residential monthly refuse bill for Basic Service (1-90 gal. black-refuse, 1-90 gal. blue-recyclables, and 1-90 gal. green-yard waste) is \$27.05 per month. If the rate adjustment is approved, the new rate will be \$29.89. The current commercial rate for a 3.0 cubic yard bin serviced one time per week is \$152.33 per month. If the rate adjustment is approved, the new rate will be \$165.25 (See "Proposed Refuse Rates" chart on the back of this page). The refuse collection rate and related fees shall thereafter be increased in Fiscal Year 2017-18 (July 1, 2017) and Fiscal Year 2018-19 (July 1, 2018), by a factor equal to the then-applicable increase in CPI (defined above) without conducting another noticed public hearing.

To protest the proposed rate increases, you must submit a written protest: If you oppose any of the proposed rate increases, your protest must be submitted in writing to be considered, even if you plan to attend the Public Hearing. Your written protest must be actually received (not postmarked) by the City Clerk of the City of Covina prior to the close of the public hearing. **Oral, telephonic, and e-mail protests will not be accepted.** The protest must be signed by you and include: 1) your name; 2) your street address and assessor's parcel number(s); 3) your City of Covina refuse service account number; and 4) an indication of whether you are a residential and/or commercial customer. Please identify on the front of the envelope, whether mailed or submitted in person, that the enclosed letter is for the "Refuse Rate Increase Public Hearing". You may mail or deliver your written protest to: City of Covina, City Clerk's Office, 125 E. College Street, Covina, CA 91723. The City of Covina is required to follow the "majority protest" procedures outlined in the State Constitution, as approved by California voters through Proposition 218.

If you have any questions regarding this notice, please contact the Department of Public Works at (626) 384-5480.

CITY OF COVINA – Schedule of Refuse Rates Effective July 1, 2016

Below is the City of Covina refuse rates effective July 1, 2016. Refuse rates are automatically adjusted each fiscal year, beginning in FY 2016-17 (July 1, 2016) and ending in FY 2018-19 (June 30, 2019), by the annual adjustment based on CPI, without further action on the part of the City Council.

RESIDENTIAL		New Service Component	New Disposal Component	New Net Rate	6% Franchise Fee	Waste Measurement Fee	New Total Rate
90 Gallon Standard Service		20.26	5.83	26.09	1.67	2.13	29.89
60 Gallon Standard Service		20.26	4.43	24.68	1.58	1.42	27.68
30 Gallon Standard Service		20.26	3.00	23.25	1.48	0.71	25.44
Additional 90 Gallon Black		11.74	4.27	16.01	1.02	2.13	19.16
Additional 90 Gallon Green		4.57	1.58	6.15	0.39	-	6.54
Additional 90 Gallon Blue		3.22	-	3.22	0.21	-	3.43
Manual or Backyard Service		40.04	11.70	51.74	3.30	4.27	59.31
Roll-Out Service		17.80	-	17.80	1.14	-	18.94
COMMERCIAL	Times/Week						
1.5 Cubic Yards (First Bin)	1	72.78	24.79	97.57	6.23	7.15	110.94
	2	115.71	49.60	163.31	10.55	14.30	190.16
	3	158.69	74.39	232.98	14.87	21.45	269.30
	4	201.56	99.17	300.73	19.20	28.60	348.53
	5	244.45	123.97	368.42	23.52	35.75	427.69
	6	300.37	148.77	449.14	28.67	42.90	520.71
1.5 Cubic Yards (Ea. Additional Bin)	1	57.35	24.79	82.14	5.24	7.15	94.53
	2	91.66	49.60	141.26	9.02	14.30	164.57
	3	124.28	74.39	198.66	12.68	21.45	232.79
	4	158.60	99.17	257.78	16.45	28.60	302.83
	5	192.94	123.97	316.91	20.23	35.75	372.89
	6	236.80	148.77	385.57	24.61	42.90	453.09
2 Cubic Yards (First Bin)	1	83.66	33.06	116.73	7.45	9.53	133.71
	2	128.28	66.12	194.41	12.41	19.06	225.88
	3	172.99	99.17	272.16	17.37	28.59	318.13
	4	217.65	132.24	349.89	22.33	38.12	410.34
	5	262.33	165.29	427.62	27.30	47.65	502.57
	6	322.55	198.35	520.90	33.25	57.18	611.33
2 Cubic Yards (Each Additional Bin)	1	66.81	33.06	99.88	6.38	9.53	115.78
	2	100.84	66.12	166.96	10.66	19.06	196.68
	3	136.89	99.17	236.07	15.07	28.59	279.72
	4	171.27	132.24	303.51	19.37	38.12	361.00
	5	207.34	165.29	372.62	23.78	47.65	444.06
	6	255.62	198.35	453.97	28.98	57.18	540.12
3 Cubic Yards (First Bin)	1	92.31	49.60	141.90	9.06	14.29	165.25
	2	141.81	99.17	240.98	15.38	28.58	284.94
	3	191.27	148.77	340.05	21.71	42.87	404.62
	4	240.70	198.35	439.05	28.02	57.16	524.23
	5	290.23	247.94	538.17	34.35	71.45	643.97
	6	353.96	297.52	651.48	41.58	85.74	778.81
3 Cubic Yards (Each Additional Bin)	1	73.45	49.60	123.04	7.85	14.29	145.19
	2	112.61	99.17	211.79	13.52	28.58	253.88
	3	151.73	148.77	300.51	19.18	42.87	362.56
	4	190.91	198.35	389.26	24.85	57.16	471.26
	5	230.13	247.94	478.06	30.51	71.45	580.03
	6	280.09	297.52	577.62	36.87	85.74	700.22
30YD Standard Roll-off (+ dump)		290.72	-	290.72	18.56	17.63/ton	ton-based
30YD C&D Roll-off (+ dump)		450.15	-	450.15	28.73	17.63/ton	ton-based
3 Yard Temporary Bin		160.23	-	160.23	10.23	14.29	184.75
Commercial Barrel		28.71	13.24	41.95	2.68	3.20	47.83
Sweeper Service		14.62	2.69	17.31	-	-	17.31
Organics – Primary 96 gallon cart	1	-	-	104.54	6.67	2.13	113.34
	2	-	-	182.51	11.65	4.26	198.42
	3	-	-	260.49	16.63	6.39	283.51
	4	-	-	338.47	21.60	8.52	368.59
	5	-	-	416.45	26.58	10.65	453.68
	6	-	-	494.43	31.56	12.78	538.77
Organics- Additional 96 gallon cart	1	-	-	88.63	5.66	2.13	96.42
	2	-	-	155.20	9.91	4.26	169.37
	3	-	-	221.79	14.16	6.39	242.34
	4	-	-	288.36	18.41	8.52	315.29
	5	-	-	354.95	22.66	10.65	388.26
	6	-	-	421.54	26.91	12.78	461.23
Compactor Haul		-	-	269.16	17.18	-	286.34
Compactor Disposal/Ton		-	-	100.00	6.38	17.63	124.01

RESOLUTION NO. 16-7513

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COVINA
ADOPTING PROCEDURES IN CONNECTION WITH PROPOSED
REFUSE COLLECTION SERVICE CHARGES INCREASE**

WHEREAS, Article XIID of the California Constitution and the Proposition 218 Omnibus Implementation Act (Government Code Section 53750, *et seq.*) (the "Implementation Act") impose certain procedural and substantive requirements for imposing new or increased property-related fees and charges, as defined in Article XIID ("Charges"), including the requirement to conduct a public hearing and majority protest proceedings for consideration of Charges; and

WHEREAS, neither Article XIID of the California Constitution nor the Implementation Act provide specific guidance for the conduct of the public hearing and majority protest proceedings; and

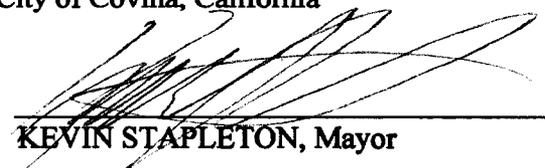
WHEREAS, City Council desires to adopt procedures for the conduct of its public hearings and majority protest proceedings for consideration of Charges which are consistent with Article XIID and the Implementation Act.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COVINA,
CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:**

SECTION 1. In accordance with Article XIID and the Implementation Act, the City Council hereby approves the Procedures for the Conduct of a Public Hearing Relating to a Proposed Increase to Refuse Collection Service Charges, as set forth in Attachment A, attached hereto and incorporated herein by reference (the "Procedures").

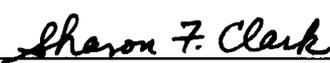
APPROVED and PASSED this 16th day of August, 2016.

City of Covina, California

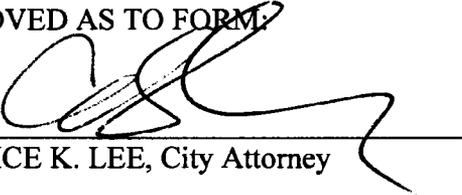
BY: 

KEVIN STAPLETON, Mayor

ATTEST:


SHARON F. CLARK, Chief Deputy City Clerk

APPROVED AS TO FORM:



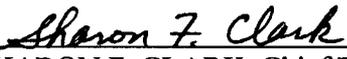
CANDICE K. LEE, City Attorney

CERTIFICATION

I, Sharon F. Clark, Chief Deputy City Clerk of the City of Covina, do hereby certify that Resolution No. 16-7513 was duly adopted by the City Council of the City of Covina at a regular meeting held on the 16th day of August, 2016, by the following vote:

AYES: COUNCIL MEMBERS: ALLEN, KING, MARQUEZ, STAPLETON
NOES: COUNCIL MEMBERS: NONE
ABSTAIN: COUNCIL MEMBERS: NONE
ABSENT: COUNCIL MEMBERS: DELACH

Dated: August 17, 2016



SHARON F. CLARK, Chief Deputy City Clerk

ATTACHMENT A

**PROCEDURES FOR THE CONDUCT OF A PUBLIC HEARING
RELATING TO A PROPOSED INCREASE TO REFUSE COLLECTION SERVICE
CHARGES**

(See attached)

**PROCEDURES FOR THE CONDUCT OF A
PUBLIC HEARING RELATING TO PROPOSED
REFUSE COLLECTION SERVICE CHARGES**

The following Procedures have been adopted by the City Council of the City of Covina for the purpose of conducting a public hearing required by Article XIII D of the California Constitution for consideration of the proposed increase to refuse collection service charges (the "Proposed Increase").

A. Definitions

1. “Customer of Record” means the person whose name appears on the City’s records as the person who contracted for, and became obligated to pay for, refuse collection service for the Identified Parcel.
2. “Identified Parcel” means the parcel to which the Proposed Increase will apply.
3. “Proposed Increase” means a proposed increase to a charge for refuse collection service.
4. “Record Owner” means the owner of an Identified Parcel whose name and address appears on the last Los Angeles County equalized secured property tax assessment roll (the “Assessment Roll”), or in the case of any public entity, the State of California, or the United States, means the representative of that public entity at the address of that entity known to the City.

B. Notice of the Public Hearing on the Proposed Increase

1. Notice of the public hearing on the Proposed Increase shall be sent, postage prepaid, by first class mail at least forty-five (45) days prior to the date set for the public hearing, to the Customer of Record and to the Record Owner, if such person or entity is not the same as the Customer of Record.
2. “Record Owner” means the owner of an Identified Parcel whose name and address appears on the last Los Angeles County equalized secured property tax assessment roll (the “Assessment Roll”), or in the case of any public entity, the State of California, or the United States, means the representative of that public entity at the address of that entity known to the City.
3. Failure of any person to receive notice shall not invalidate the proceedings.

C. Eligibility to File a Protest

1. Any Customer of Record or Record Owner may file a written protest against the Proposed Increase.
2. If the owner of any Identified Parcel is not shown on the Assessment Roll, such owner may file a protest for such parcel by filing with the City Clerk a proxy from the Record Owner in a form satisfactory to the City Attorney or evidence of ownership satisfactory to the City Attorney. Any such proxy or evidence must be received by the City Clerk prior to the conclusion of the public hearing.
3. When a Customer of Record is, or an Identified Parcel is held by, a partnership, as community property, in joint tenancy, or as a tenancy in common, any partner, spouse, joint tenant, or tenant in common, as the case may be, may file a protest for such parcel.
4. An executor, administrator, or guardian may file a protest for an Identified Parcel on behalf of the estate it represents. If such representative is shown on the

Assessment Roll as paying taxes and assessments levied against the parcel, that fact shall establish the right of such representative to file the protest. If such representative is not shown on the Assessment Roll, the representative must file with the City Clerk written documentation satisfactory to the City Attorney establishing the legal representation. Any such documentation must be filed with the City Clerk prior to the conclusion of the public hearing.

5. When a Customer of Record is, or an Identified Parcel is held by, a corporation or unincorporated association, a protest may be filed by any person authorized in writing by the board of directors or trustees or other managing body thereof to take such actions. The corporation or unincorporated association must file with the City Clerk written authorization satisfactory to the City Attorney. Any such written authorization must be filed with the City Clerk prior to the conclusion of the public hearing.

D. Submission of Written Protests

1. Written protests may be mailed (via U.S. mail) to the City Clerk at City Hall or delivered in person to the City Clerk at City Hall or at the public hearing.
2. To be counted, each written protest must: (i) clearly state opposition to the Proposed Increase, (ii) identify the property covered by the protest and (iii) include an original signature (no copies) of the Customer of Record or Record Owner that is filing the written protest with respect to the Identified Parcel
3. No protest received after the close of the public hearing shall be counted in determining the existence of a majority protest. The last pick up by the City Clerk of protests mailed or delivered to City Hall will occur at 5:00 p.m. on the date scheduled for the public hearing. To ensure that protests which are mailed or delivered to City Hall are received by the City Clerk prior to the close of the public hearing, such protests must be received by the City Clerk at City Hall prior to 5:00 p.m. on the date scheduled for the public hearing. The City Clerk shall endorse on each written protest the date it is filed with the City. The City Clerk shall identify any protests which are received after the close of the public hearing.
4. Written protests may be withdrawn in writing at any time before the conclusion of the public hearing by the person who submitted the written protest.
5. For purposes of determining whether a majority protest exists, only one protest for each Identified Parcel will be counted.
6. Prior to the commencement of the public hearing, all written protests submitted shall be kept secret and confidential.
7. After the City Council opens the public hearing, all written protests shall be considered public records.

E. Conduct of the Public Hearing; Determination of A Majority Protest

1. At the time, date and place fixed for the public hearing, the City Council shall:

- (i) Hear a staff presentation pertaining to the Proposed Increase;
 - (ii) Hear all persons interested in the matter of the Proposed Increase; and
 - (iii) Receive all written communications regarding the Proposed Increase.
2. The public hearing may be continued from time to time, as the City Council determines is necessary to complete its consideration of the Proposed Increase.
3. If the City Council determines at the close of the public hearing that written protests have been presented, and not withdrawn, by the Record Owners or Customers of Record of a majority of the Identified Parcels, the agency shall not impose the fee or charge. (i.e., there is a majority protest), the Proposed Increase shall not be approved.
4. If the City Council determines at the close of the public hearing that there is not a majority protest, the City Council may adopt by a two-thirds vote of the members of the City Council an ordinance imposing the Proposed Increase.

ORDINANCE NO. 16-2062

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA SETTING THE CITY'S REFUSE COLLECTION SERVICES RATES FOR RESIDENTIAL, COMMERCIAL, AND INDUSTRIAL CUSTOMERS, FOR FISCAL YEAR 2016-17 THROUGH FISCAL YEAR 2018-19, EFFECTIVE JULY 1, 2016

WHEREAS, the City of Covina ("City") operates a municipal solid waste and refuse collection system that transports and disposes of all solid waste and refuse collected from residential, commercial, and industrial customers within the City, via an Amended and Restated Exclusive Franchise Agreement ("Franchise Agreement") By and Between City of Covina and Arakelian Enterprises, Incorporated, a California corporation dba Athens Services, approved by the City Council on February 15, 2011; and

WHEREAS, the City last conducted a public hearing and adopted Ordinance No. 11-1994 setting refuse collection services rates for residential, commercial, and industrial customers on June 7, 2011 for the period of July 1, 2011 through June 30, 2012 (FY 2011-12); and

WHEREAS, Section 2 of Ordinance No. 11-1994 provides, pursuant to Government Code, Sections 53756 and 53739, such rates shall be automatically adjusted each fiscal year, beginning in FY 2012-13 (July 1, 2012) and ending in FY 2015-16 (June 30, 2016), by a factor equal to (1) Consumer Price Index (CPI), or (2) three percent (3%), whichever is greater, without further action on the part of the City Council. The City is required by State law, however, to notify residents of any such increases; and

WHEREAS, subsequently on June 6, 2013, the Department of Public Works informed the Covina City Council and the City Manager via Inter-Office Memorandum of a refuse rate increase effective July 1, 2013 (FY 2013-14); and

WHEREAS, no further rate adjustments were implemented pursuant to Ordinance No. 11-1994; and

WHEREAS, Exhibit B of the Franchise Agreement specifies the Rate Adjustment for the services provided under the Franchise Agreement and indicates that each of the rates provided by the Agreement contains a Service Component and a Disposal Component. The Service Component includes the costs of collection and hauling of all refuse, including recyclable materials and green waste for all customers. The Disposal Component shall be based on the per ton costs incurred by Athens Services for disposal of all refuse, processing of recyclable materials at Athens Services' Material Recovery Facility ("MRF") (which costs are defined on a per ton basis as the "MRF Gate Fee"), and for its disposal of green waste. The Service Component will automatically be adjusted each July 1st in proportion to the increase or decrease in the cost of living as determined by the percentage change in the Consumer Price

Index ("CPI") for the previous period of January through January for All Urban Consumers in the Los Angeles/Anaheim/Riverside area. The Disposal Component will automatically be adjusted in proportion to the increase or decrease in disposal costs as determined by the percentage change in the MRF Gate Fee. The Franchise Agreement also allows Athens Services the opportunity to request a Special Rate Adjustment when circumstances beyond the control of Athens Services impose or generate extraordinary costs in the performance of the Agreement. For each request, Athens Services must prepare a schedule documenting the extraordinary costs. The City will then review Athens Services' request and, in the City's sole judgment, make the final determination on the adjustment; and

WHEREAS, The Integrated Waste Management Act ("AB 939") enacted by the State of California in 1989, mandated local jurisdictions to meet numerical diversion goals of solid waste from landfill or transformation facilities of 25% by 1995 and 50% by 2000 through source reduction, recycling, and composting activities; and

WHEREAS, Mandatory Organics Recycling ("AB 1826") enacted by the State of California in 2014, requires businesses to recycle their organic waste on and after April 1, 2016, depending on the amount of waste they generate per week. The law also requires that on and after January 1, 2016, local jurisdictions across the state implement an organic waste recycling program to divert organic waste generated by businesses, including multifamily residential dwellings that consist of five or more units. The law phases in the requirements for businesses, including multifamily residential dwellings that consist of five or more units, over time based on the amount and type of waste the business produces on a weekly basis, with full implementation realized in 2019; and

WHEREAS, due to increases in (1) the MRF gate fees charged to the City as a result of landfill disposal costs ("tipping fees"); (2) State-mandated AB 939 recycling and diversion compliance costs; (3) other operational costs in providing refuse collection services; and (4) the annual percentage increase in the CPI, the current level of refuse collection services rates and charges (hereinafter collectively referred to as "rates") is insufficient to recover the total costs of providing said services; and

WHEREAS, the following adjustments must be applied to the customer rebate to reflect compensation owed to Athens Services by the City (1) deferred CPI increases for Fiscal Year 2014-15 (0.77%) and 2015-16 (-0.06%) totaling a cumulative amount of 0.71%; (2) final installment for Athens Services assumption of the residential account billing services for period of July 1, 2014 to June 30, 2016 equivalent to 1.0%; and

WHEREAS, the proposed rate adjustment includes a Special Rate Adjustment (3.4%) for the increased transportation and additional processing costs associated with taking Covina's waste to the San Bernardino County Landfill System, rather than Puente Hills Landfill post-closure, and a Special Rate Adjustment (0.80%) for impacts associated with the California Paid Sick Leave Law and Los Angeles County minimum wage increases; and

WHEREAS, Athens Services will rebate Covina customers \$941,000 for disposal costs between October 2011 and October 2013, during which time Athens Services paid a

discounted rate for disposal at Puente Hills prior to closure of the landfill; and

WHEREAS, adjustments outlined above, reduce the customer rebate to \$642,592 or the equivalent of an 8.87% credit to be applied to each residential and commercial account invoice for the one-year billing period of July 1, 2016 to June 30, 2017; and

WHEREAS, Athens Services will reimburse the City's General Fund \$150,000 for staff, legal, and consultant costs associated with the negotiations with Athens Services pertaining to cost-effective disposal sites to be utilized upon the closure of the Puente Hills Landfill. Athens Services must remit payment to the City immediately upon City Council adoption of this Ordinance; and

WHEREAS, on August 16, 2016, the City Council conducted a Study Session on residential and commercial refuse collection services – proposed rate structure for the period of July 1, 2016 through June 30, 2019 (FY 2016-17 through FY 2018-19); and

WHEREAS, on August 16, 2016, the City prepared a City of Covina Agenda Report analyzing the City's revenue requirements and the proposed rate structure recommended for adoption to proportionately allocate the costs of providing refuse service to its residential, commercial, and industrial customers; and

WHEREAS, a copy of the August 16, 2016 City of Covina Agenda Report is on file with the City Clerk's Office and by this reference is made a part of the record of these proceedings; and

WHEREAS, the Franchise Agreement allows for increases in refuse collection rates due to increasing costs, as outlined more specifically above; and

WHEREAS, based upon the data contained in the August 16, 2016 City of Covina Agenda Report, the City proposes to increase its refuse collection rates in accordance with California Health & Safety Code, Section 5471 in an amount that corresponds to the amount necessary for the collection, conveyance, recycling, and disposal of solid waste via the Franchise Agreement with Athens Services. Therefore, the City Council finds, with respect to the revenue derived from the increased rates, that (1) there is a reasonable relationship between the use of the rates increased herein and the services for which they are imposed; (2) the revenue derived from the increased rates does not exceed the amount necessary to provide the services; (3) the increased rates shall not be used for any purpose other than funding any services and facilities furnished by the City in connection with solid waste collection, conveyance, recycling, and disposal; (4) the increased rates do not exceed the proportional cost of the services attributable to each customer; and (5) the increased rates are not levied for general governmental purposes; and

WHEREAS, pursuant to Section 6 of Article XIIID of the California Constitution (Proposition 218) and Section 53755 of the Government Code which requires that a notification be sent 45 days in advance of the public hearing on this Ordinance, the City has mailed, postage prepaid, a notice of the public hearing on the proposed refuse rate increase to be mailed to the owner or utility account holder of each parcel upon which the fee will be imposed; and

WHEREAS, said notice identified: (1) the amount of the increased rate to be charged; (2) the basis upon which the rate increase was calculated; (3) the reason for the rate increase; and (4) the date, time, and location for the public hearing on the rate increase; and

WHEREAS, on October 18, 2016, at 7:30 p.m., the City Council conducted a duly noticed public hearing at which time all those wishing to be heard were afforded an opportunity to be heard, and at which time the City Council considered any and all written protests concerning the proposed refuse rates; and

WHEREAS, the City did not receive written protests from a majority of the identified parcels that would be subject to the proposed rates; and

WHEREAS, all other prerequisites to the adoption of this Ordinance have occurred.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. Based on the written and verbal evidence presented to the City Council, the amounts of the refuse collection services rates, as set forth in Exhibit "A", attached hereto and incorporated by reference herein, are hereby approved and adopted by the City Council of the City of Covina, by not less than a two-thirds vote pursuant to Government Code, Section 5471. The refuse collection services rates set forth herein shall become effective July 1, 2016.

SECTION 2. Pursuant to Government Code, Section 53756, beginning July 1, 2017, and each July 1 through July 1, 2019, the refuse collection services rates set forth in Exhibit A shall increase by an amount that is equal to the annual percentage increase in the Consumer Price Index for All Urban Consumers (CPI-U) for Los Angeles-Riverside-Orange County, CA area for the twelve-month period ending the immediately preceding March 1, without further action on the part of the City Council. In addition, the City Council may amend these rates by ordinance, resolution, or minute action, in accordance with applicable law.

SECTION 3. This Ordinance supersedes and voids all prior ordinances, resolutions, and other Council actions, which are inconsistent with its terms, including all prior ordinances and resolutions establishing or amending refuse rates.

SECTION 4. Pursuant to Section 21080(b)(8) of the Public Resources Code and Section 15273(a) of the Guidelines for the Implementation of the California Environmental Quality Act ("CEQA"), further review under CEQA is not required because the City Council action increasing refuse collection rates is for the purpose of (1) meeting refuse collection operating expenses, including employee wage rates and fringe benefits; (2) purchasing or leasing supplies, equipment, or materials for the refuse collection services; (3) obtaining funds for capital projects necessary to maintain refuse collection services within existing service areas; and (4) meeting financial reserve needs and requirements.

SECTION 5. If any section, subsection, sentence, clause, phrase, or portion of this Ordinance is for any reason held to be invalid or unenforceable by a court of competent

jurisdiction, the remaining portions of this Ordinance shall nonetheless remain in full force and effect. The people of the City of Covina hereby declare that they would have adopted each section, subsection, sentence, clause, phrase, or portion of this Ordinance, irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases, or portions of this Ordinance be declared invalid or unenforceable.

SECTION 6. The City Clerk shall certify to the passage of this Ordinance and shall cause the same to be entered in the book of original ordinances of said City; shall make a minute passage and adoption thereof in the records of the meeting at which time the same is passed and adopted; and shall, within fifteen (15) days after the passage and adoption thereof, cause the same to be published as required by law, in a local newspaper of general circulation and which is hereby designated for that purpose.

PASSED, APPROVED, and ADOPTED this 18th day of October, 2016.

City of Covina, California

BY: _____
KEVIN STAPLETON, Mayor

ATTEST:

SHARON F. CLARK, Chief Deputy City Clerk

APPROVED AS TO FORM:

CANDICE K. LEE, City Attorney

I, Sharon F. Clark, Chief Deputy City Clerk of the City of Covina, California, do hereby certify that Ordinance No. 16-XXXX was introduced for first reading at a regular meeting on the 4th day of October, 2016. Thereafter, said Ordinance was duly approved and adopted at a regular meeting of said City Council on the 18th day of October, 2016, by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:

Dated:

SHARON F. CLARK, Chief Deputy City Clerk

United States Postal Service
Postage Statement — Standard Mail

Comments:

Post Office: Note Mail Arrival Date & Time
 (Do Not Round-Stamp)

MAILER	Permit Holder's Name and Address and Email Address, if Any City of Covina 125 E College St Covina CA 91723-2199	Telephone (626)-384-5480 Extension	Name and Address of Mail Owner <i>(If other than permit holder)</i> City of Covina 125 E College St Covina CA 91723-2199
	CAPS Cust. Ref. No. _____ CRID _____		CRID _____

MAILING	Post Office of Mailing Covina, CA	Processing Category <input checked="" type="checkbox"/> Letters <input type="checkbox"/> Catalogs <input type="checkbox"/> Flats <input type="checkbox"/> Marketing Parcels <input type="checkbox"/> Parcels - Machinable <input type="checkbox"/> Parcels - Irregular <input type="checkbox"/> CMM	Mailer's Mailing Date 8/31/2016	Federal Agency Cost Code	Statement Seq. No. GRANDP	No. of Containers 1' MM Trays 7 2' MM Trays 45 2' EMM Trays Total Trays 52
	Type of Postage <input checked="" type="checkbox"/> Permit Imprint <input type="checkbox"/> Precanceled Stamps <input type="checkbox"/> Metered	Weight of a Single Piece 0.0218 pounds	Combined Mailing <input type="checkbox"/> Mixed Class <input type="checkbox"/> Single Class	SSF Transaction #	Total # of Pieces in Mailing 22,582	Flat Trays Sacks Pallets Other
	Permit # 120	For Mail Enclosed Within Another Class <input type="checkbox"/> Periodicals <input type="checkbox"/> Bound Printed Matter <input type="checkbox"/> Library Mail <input type="checkbox"/> Media Mail	<input type="checkbox"/> Mailpiece is a product sample. _____ % Samples		Total Weight 492.2876	
	For Automation Price Pieces, Enter Date of Address Matching and Coding 8/26/2016	For Carrier Route Price Pieces, Enter Date of Address Matching and Coding 8/26/2016	For Carrier Route Price Pieces, Enter Date of Carrier Route Sequencing 8/26/2016	For Pieces Bearing a Simplified Address Enter Date of Delivery Statistics File or Alternative Method		

Move Update Method: Ancillary Service Endorsement NCOALink ACS Alternative Method Multiple OneCode ACS n/a Alternative Address Format

This is a Political Mailing Yes No This is Official Election Mail Yes No Letter-size or flat mailpiece contains DVD/CD or other disk.

POSTAGE	Parts Completed (Select all that apply) <input checked="" type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> D <input type="checkbox"/> E <input type="checkbox"/> F <input type="checkbox"/> G <input type="checkbox"/> H <input type="checkbox"/> L <input type="checkbox"/> M <input type="checkbox"/> S <input type="checkbox"/> NSA	
	1	Subtotal Postage (Add Parts Totals) 4,903.14
	2	Price at Which Postage Affixed (Check one) Complete if the mailing includes pieces bearing metered/PC Postage or precanceled stamps. <input type="checkbox"/> Correct <input type="checkbox"/> Lowest <input type="checkbox"/> Neither pcs. x \$ = Postage Affixed
	3	Incentive/Discount Flat Dollar Amount
	4	Fee Flat Dollar Amount
5	Permit # _____ Net Postage Due (Line 1 +/- Lines 2, 3, 4) 4,903.14	

USPS	Additional Postage Payment (State reason)	Total Adjusted Postage Affixed
	For postage affixed add additional payment to net postage due; for permit imprint add additional payment to total postage.	
	Postmaster: Report Total Postage in AIC 130 (Permit Imprint Only, Excluding Simplified Addressing (EDDM))	Total Adjusted Postage Permit Imprint
Postmaster: Report Total Postage in AIC 208 (Simplified Addressing (EDDM), Permit Imprint Only)	Total Adjusted Postage Simplified Addressing (EDDM)	

Incentive/Discount Claimed: _____ Type of Fee: _____

The mailer's signature certifies acceptance of liability for and agreement to pay any revenue deficiencies assessed on this mailing, subject to appeal. If an agent signs this form, the agent certifies that he or she is authorized to sign on behalf of the mailer and that the mailer is bound by the certification and agrees to pay any deficiencies. In addition, agents may be liable for any deficiencies resulting from matters within their responsibility, knowledge, or control. The mailer hereby certifies that all information furnished on this form is accurate, truthful, and complete; that the mail and the supporting documentation comply with all postal standards and the mailing qualifies for the prices and fees claimed; and that the mailing does not contain any matter prohibited by law or postal regulation. I understand that anyone who furnishes false or misleading information on this form or who omits information requested on this form may be subject to criminal and/or civil penalties, including fines and imprisonment.

Signature of Mailer or Agent _____
 Printed Name of Mailer or Agent Signing Form: Whalen Bindery & Mailing Services
 Telephone: (909)-592-8552
 Extension: _____
 Privacy Notice: For information regarding our Privacy Policy visit www.usps.com.

USPS ONLY	Weight of a Single Piece _____ pound	Are postage figures at left adjusted from mailer's entries? If yes, reason: <input type="checkbox"/> Yes <input type="checkbox"/> No	USPS ONLY
	Total Pieces _____ Total Weight _____	Date Mailed Notified _____ Contact _____	
	Total Postage _____		
	Presort Verification Performed? (If required) <input type="checkbox"/> Yes <input type="checkbox"/> No	By (Initials) _____ Time _____ AM/PM	
	I CERTIFY that this mailing has been inspected for each item below if required: (1) eligibility for postage prices claimed; (2) proper preparation (and presort where required); (3) proper completion of postage statement; (4) payment of annual fee; and (5) sufficient funds on deposit (if required).	Print USPS Employee's Name _____	
	USPS Employee's Signature _____		

Part A — Standard Mail — Automation Letters

Letters 3.3 oz. (0.2063 lbs.) or less

Entry	Category	Price	No. of Pieces	Subtotal Postage	Discount Total*	Fee Total	Total Postage
A1	None	5-Digit					
A2	None	3-Digit	362	99.1880			99.1880
A3	None	AADC	388	106.3120			106.3120
A4	None	Mixed AADC	811	236.0010			236.0010
A5	DNDC	5-Digit					
A6	DNDC	3-Digit					
A7	DNDC	AADC					
A8	DNDC	Mixed AADC					
A9	DSCF	5-Digit	19,974	4,214.5140			4,214.5140
A10	DSCF	3-Digit	965	221.9500			221.9500
A11	DSCF	AADC					

Letters Over 3.3 oz. up to 3.5 oz.

Entry	Category	Piece Price	No. of Pieces	Pieces Subtotal	Pound Price	Pounds	Pounds Subtotal	Subtotal Postage	Discount Total*	Fee Total	Total Postage
A12	None	5-Digit									
A13	None	3-Digit									
A14	None	AADC									
A15	None	Mixed AADC									
A16	DNDC	5-Digit									
A17	DNDC	3-Digit									
A18	DNDC	AADC									
A19	DNDC	Mixed AADC									
A20	DSCF	5-Digit									
A21	DSCF	3-Digit									
A22	DSCF	AADC									

A23

Part A Total (Add lines A1-A22)

\$ 4,877.9650

Full Service Intelligent Mail Option

A24 DISPLAY ONLY

Letters - Number of pieces that comply: x 0.001 = \$

* May contain both Full Service Intelligent Mail and other discount.

Part B — Standard Mail — Nonautomation Letters

Machinable Letters 3.3 oz. (0.2063 lbs.) or less

Entry	Category	Price	No. of Pieces	Subtotal Postage	Discount Total	Fee Total	Total Postage
B1	None	AADC	0.290				
B2	None	Mixed AADC	0.307				
B3	DNDC	AADC	0.255				
B4	DNDC	Mixed AADC	0.272				
B5	DSCF	AADC	0.246				
				25.1740			25.1740

Nonmachinable Letters 3.3 oz. (0.2063 lbs.) or less

Entry	Category	Price	No. of Pieces	Subtotal Postage	Discount Total	Fee Total	Total Postage
B6	None	5-Digit	0.464				
B7	None	3-Digit	0.553				
B8	None	ADC	0.579				
B9	None	Mixed ADC	0.653				
B10	DNDC	5-Digit	0.429				
B11	DNDC	3-Digit	0.518				
B12	DNDC	ADC	0.544				
B13	DNDC	Mixed ADC	0.618				
B14	DSCF	5-Digit	0.420				
B15	DSCF	3-Digit	0.509				
B16	DSCF	ADC	0.535				

Nonmachinable Letters Over 3.3 oz. but less than 16 oz.

Entry	Category	Piece Price	No. of Pieces	Pieces Subtotal	Pound Price	Pounds	Pounds Subtotal	Subtotal Postage	Discount Total	Fee Total	Total Postage
B17	None	5-Digit	0.268		0.763						
B18	None	3-Digit	0.337		0.763						
B19	None	ADC	0.389		0.763						
B20	None	Mixed ADC	0.423		0.763						
B21	DNDC	5-Digit	0.268		0.602						
B22	DNDC	3-Digit	0.337		0.602						
B23	DNDC	ADC	0.389		0.602						
B24	DNDC	Mixed ADC	0.423		0.602						
B25	DSCF	5-Digit	0.268		0.554						
B26	DSCF	3-Digit	0.337		0.554						
B27	DSCF	ADC	0.389		0.554						

Part B Total (Add lines B1-B27)

\$	25.1740
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CITY OF COVINA

AGENDA REPORT

ITEM NO. CB 1

-
- MEETING DATE:** October 18, 2016
- TITLE:** Consideration of Resolutions relating to Covina's General Municipal Election to be held on March 7, 2017, including Placing a Measure Extending the City's Utility Users Tax on the March 2017 Ballot.
- PRESENTED BY:** Sharon Clark, Chief Deputy City Clerk/Records Management Director
Anita Agramonte, Finance Director
Candice K. Lee, City Attorney
- RECOMMENDATION:** 1) Adopt **Resolution No. 16-7540** calling for the holding of a General Municipal Election on Tuesday, March 7, 2017; 2) Adopt **Resolution No. 16-7541** requesting the Board of Supervisors of the County of Los Angeles to administer, manage and oversee the Election; 3) Adopt **Resolution No. 16-7544** requesting the Board of Supervisors to render specified services relating to the Election; 4) Adopt **Resolution No. 16-7542** adopting regulations for candidates' statements, and 5) Adopt **Resolution No. 16-7543** ordering that an ordinance to extend the City's existing utility users tax (Option 1 or Option 2) be submitted to the voters at the General Municipal Election to be held March 7, 2016, directing the City Attorney to prepare an impartial analysis of the measure, setting priorities for filing a written argument relating to the ballot measure, designating up to two councilmembers to prepare and submit a ballot argument in favor of the measure, and providing for rebuttal arguments relating to the ballot measure.
-

BACKGROUND:

General Municipal Election

In accordance with Section 1301 of the California Elections Code, Covina's General Municipal Elections are held on the first Tuesday after the first Monday in March of each odd-numbered year. The next regularly-scheduled General Municipal Election date will be March 7, 2017, for the election of three councilmembers, city clerk, and city treasurer for the full term of four years. In addition, on August 16, 2016, the City Council directed that staff prepare two options for putting a Utility Users Tax ("UUT") measure on the same ballot: one option with another 10 year expiration date for the Tax, and second without an expiration date, for Council consideration.

Ballot Measure

The UUT was originally implemented in 1992 with the adoption of Ordinance 92-1780. The

UUT is charged on telephone, electricity, natural gas and water services. Over the years, there have been changes to the ordinance including rate increases, rate decreases, extensions, amendments and a sunset. The UUT rate has fluctuated between 5.5% and 8.25% over the years, and is currently set at 6%.

In 1999, in accordance with Proposition 218, voters approved extending the tax for ten years. In 2004, Ordinance No. 04-1899 was adopted and amended Chapter 3.14 of the Covina Municipal Code (CMC) to clear up ambiguous language and clarify the existing regulations with respect to imposition and collection of the UUT. This ordinance also established a more clear definition of the telephone users tax. In 2008, voters again approved an extension of the UUT setting a new sunset date in March 2019.

On December 15, 2015, the City Council held a joint study session with Finance Advisory Committee (FAC). During that meeting, Council and FAC discussed several aspects of the existing UUT that will sunset on March 16, 2019. Direction was given to the FAC to meet and discuss the various alternatives available to the City. On December 21, 2015, the FAC met and discussed the potential impact on the General Fund and loss of service should the City lose \$5.0 million in revenue annually. The FAC unanimously agreed to recommend to the City Council that an effort be made to extend the UUT. At the March 30, 2016 FAC meeting, the committee directed staff to put the UUT on the agenda for the next meeting so the issue could be discussed. The FAC's desire for Council consideration of the UUT was reiterated at the last FAC meeting on August 9, 2016. A joint workshop of the City Council and the FAC was held on August 16, 2016 and staff was directed to prepare the necessary resolutions and ordinances to place a measure on the March 2017 ballot asking the voters to extend the UUT past the existing expiration date of 2019.

DISCUSSION:

General Municipal Election

In preparation for this election, it is necessary for the City Council to adopt resolutions calling the General Municipal Election (Attachment A), requesting specified election services from the County of Los Angeles (Attachments B and C), adopting regulations for candidates' statements (Attachment D), and, if it is the Council's pleasure, ordering that an ordinance to extend the UUT (Option 1 or 2) be submitted to the voters, along with directing the City Attorney to prepare an impartial analysis, setting priorities for filing a written argument regarding the City measure and providing for the filing of rebuttal arguments for City measures (Attachment E). The wording on Resolution No. 16-7541 Section 2 regarding ballot measure language will be revised as needed to correspond with Council's selection of Ordinance Option 1 or 2.

On September 9, 2016, staff began to receive communications from the Los Angeles County Registrar-Recorder/County Clerk (RRCC) regarding an opportunity to consolidate with the County in a proposed countywide special election in March 2017, and requested a cost estimate. On September 23, 2016, the RRCC provided a cost estimate of \$56,367 for consolidation, less than half the cost currently budgeted for a stand-alone election. Because the special election has not yet been called, the City was asked to adopt a resolution requesting that the County "administer, manage and oversee" Covina's General Municipal Election, and include a section indicating that if there is a County measure, then the request would convert to a request for consolidation.

On October 7, 2016, the RRCC provided new resolution template wording ensuring that the cost estimate of \$56,367 provided by the RRCC would be honored regardless of whether the RRCC administers or consolidates Covina's election. This new wording has been incorporated into proposed Resolution No. 16-7541.

In addition, on September 22, 2016, staff received an email from the City's election consultant, Martin & Chapman Company, indicating that if the cities/districts the County has asked to consolidate with the County do so for the March 2017 election, Martin & Chapman Company would be out of business by the end of the 2016. If this occurs, the City will have no choice but to request consolidation with the County as there is no other full-service election supplier available.

Based on these late-breaking developments and the potential for a great savings on election costs, staff recommends that Council call the General Municipal Election asking the County to administer/consolidate the Election in the manner requested. Council could also direct staff to proceed with a stand-alone election, understanding that the City may still be forced into consolidation at a very late hour.

Ballot Measure

The UUT generates approximately \$5.0 million in General Fund revenues annually to be utilized for general City services including Police, Fire, Public Works, Parks, Library and Recreation, as well as General Administration services. The UUT represents about 15% of total General Fund revenues. Resolution No. 16-7529 (Attachment E) is provided for Council consideration with two options: Option 1, in which the ordinance wording continues the past practice of including a sunset date for the tax, which is ten years beyond the existing 2019 sunset date – or 2029; and Option 2, which repeals the existing language of the UUT ordinance that includes a sunset date, so that the UUT will not expire and will not require future renewals by the voters.

For Resolution No. 16-7543, Section 4B, Council may designate up to two Councilmembers to prepare and submit a ballot argument in favor of the measure. Thereafter, arguments for and against the measure must be received by the City Clerk no later than 14 days after adoption of Resolution No. 16-7543. Rebuttals to arguments must be received no later than 10 days after the deadline for arguments, advanced to the next business day when the deadline falls on a day City Hall is closed. Priority for arguments will be given per California Elections Code Section 9287.

FISCAL IMPACT:

General Municipal Election

The adopted Budget for Fiscal Year 2016-17 contains funding in the amount of \$125,070 for a stand-alone election (Account No. 1010-0600). Administration by/consolidation with the County could save the City as much as \$66,000, as well as significant savings in staff time. The City would have minimal costs associated with the publication of notices, nomination materials, and other election incidentals.

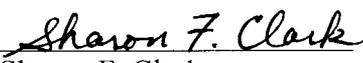
Ballot Measure

The UUT currently generates approximately \$5.0 million annually, which equates to 15% of the City's General Fund revenues. If this tax is not extended past 2019 (allowed to lapse or is not extended via the ballot), significant cuts to all city services, including public safety, will be needed to continue operating with a balanced budget.

CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT):

None required.

Respectfully submitted,


Sharon F. Clark
Chief Deputy City Clerk


Anita Agramonte
Finance Director

Candice K. Lee
City Attorney

ATTACHMENTS:

Attachment A: Resolution No. 16-7540

Attachment B: Resolution No. 16-7541

Attachment C: Resolution No. 16-7544

Attachment D: Resolution No. 16-7542

Attachment E: Resolution No. 16-7543, Option 1 and Option 2

RESOLUTION NO. 16-7540

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, CALLING FOR THE HOLDING OF A GENERAL MUNICIPAL ELECTION TO BE HELD ON TUESDAY, MARCH 7, 2017, FOR THE ELECTION OF CERTAIN OFFICERS AS REQUIRED BY THE PROVISIONS OF THE LAWS OF THE STATE OF CALIFORNIA RELATING TO GENERAL LAW CITIES

THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, DOES RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. That pursuant to the requirements of the laws of the State of California relating to General Law Cities, there is called and ordered to be held in the City of Covina, California, on Tuesday, March 7, 2017, a General Municipal Election for the purpose of electing three Members of the City Council, a City Clerk, and a City Treasurer for the full term of four years, and such other matters as the City Council may determine to submit to the voters.

SECTION 2. That the ballots to be used at the election shall be in form and content as required by law.

SECTION 3. That the City Clerk is authorized, instructed and directed to coordinate with the County of Los Angeles Registrar-Recorder/County Clerk to procure and furnish any and all official ballots, notices, printed matter and all supplies, equipment and paraphernalia that may be necessary in order to properly and lawfully conduct the election.

SECTION 4. That the polls for the election shall be open at seven o'clock a.m. of the day of the election and shall remain open continuously from that time until eight o'clock p.m. of the same day when the polls shall be closed, pursuant to Election Code § 10242, except as provided in § 14401 of the Elections Code of the State of California.

SECTION 5. That in all particulars not recited in this resolution, the election shall be held and conducted as provided by law for holding municipal elections.

SECTION 6. That notice of the time and place of holding the election is given and the City Clerk is authorized, instructed and directed to give further or additional notice of the election, in time, form and manner as required by law.

SECTION 7. That in the event of a tie vote (if any two or more persons receive an equal and the highest number of votes for an office) as certified by the County of Los Angeles Registrar-Recorder/County Clerk, the City Council, in accordance with Election Code § 15651(a), shall set a date and time and place and summon the candidates who have received the tie votes to appear and will determine the tie by lot.

SECTION 8. That the City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original Resolutions.

SECTION 9. The City Council authorizes the City Clerk to administer said election and all reasonable and actual election expenses shall be paid by the City upon presentation of a properly submitted bill.

PASSED, APPROVED AND ADOPTED this 18th day of October, 2016.

City of Covina, California

BY: _____
KEVIN STAPLETON, Mayor

ATTEST:

SHARON F. CLARK, Chief Deputy City Clerk

APPROVED AS TO FORM:

CANDICE K. LEE, City Attorney

CERTIFICATION

I, Sharon F. Clark, Chief Deputy City Clerk of the City of Covina, do hereby certify that Resolution No. 16-7540 was duly adopted by the City Council of the City of Covina at a regular meeting held on the 18th day of October, 2016, by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:

Dated:

SHARON F. CLARK, Chief Deputy City Clerk

RESOLUTION NO. 16-7541

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES TO DIRECT THE REGISTRAR-RECORDER/COUNTY CLERK TO ADMINISTER, MANAGE AND OVERSEE THE CITY OF COVINA'S GENERAL MUNICIPAL ELECTION TO BE HELD ON MARCH 7, 2017; AND REQUEST FOR CONSOLIDATION OF THE GENERAL MUNICIPAL ELECTION WITH ANY COUNTYWIDE ELECTION HELD ON MARCH 7, 2017

WHEREAS, the City Council of the City of Covina, California, called a General Municipal Election to be held on Tuesday, March 7, 2017, for the purpose of the election of three Members of the City Council, a City Clerk, and a City Treasurer for the full term of four years, and such other matters as the City Council may determine to submit to the voters; and

WHEREAS, it is desirable that the General Municipal Election be consolidated with a potential Special Countywide Election to be held on the same date and that within the City the precincts, polling places, and election officers of the two elections be the same, and that the County Elections Official canvass the returns of the General Municipal Election, and that the election be held in all respects as if there were only one election;

WHEREAS, Elections Code section 10002 authorizes the City to request by resolution that the Board of Supervisors authorize the County Elections Official to conduct specified election services.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COVINA DOES RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. That pursuant to the laws of the State of California relating to General Law Cities, there is called and ordered to be held in the City of Covina, California, on Tuesday, March 7, 2017, a General Municipal Election for the purpose of electing three Members of the City Council, a City Clerk, and a City Treasurer for the full term of four years.

SECTION 2. That the City Council also has ordered a measure to appear on the ballot as follows:

To continue to provide about \$5 million annually to preserve essential City services like Police, Fire, Parks, Library, Recreation and Public Works and other local programs and general services, shall an ordinance be adopted to extend the City of Covina's current 6% utility users tax on telephone, gas, electricity and water services to March of 2029, without raising the rate of the tax or taxing any additional utility services?	YES
	NO

SECTION 3. That the proposed complete text of the measure submitted to the voters is attached as Exhibit A. The proposed measure extends an existing 6% tax on electricity, telephone, gas and water services to be collected by providers and remitted to the City, as detailed in the ballot question above and the Municipal Code.

SECTION 4. That the vote requirement for the measure to pass is a majority (50%+1) of the votes cast.

SECTION 5. The City Council further requests that the Board of Supervisors of the County of Los Angeles (“Board of Supervisors”) direct the Registrar-Recorder/County Clerk for the County of Los Angeles (“County Registrar”) to administer, manage and oversee all facets of the City of Covina’s March 7, 2017, General Municipal Election and further direct the Registrar-Recorder/County Clerk to perform all necessary functions, services and tasks related to the complete and successful conduct of the election; the provision of all election materials and equipment; the hiring, training and supervision of poll workers and other election personnel; the printing and distribution of ballot materials; the translation of ballot materials; the collection of submitted ballots; the tallying of votes; canvassing and the certification of election results.

SECTION 6. That the City Council further requests the Board of Supervisors to consent and agree to the consolidation of the City of Covina’s General Municipal Election with a Special Countywide Election that may be held on March 7, 2017, and that the County of Los Angeles take all necessary steps to hold a consolidated election.

SECTION 7. That the City Council understands that, should a Special Countywide Election not be held on March 7, 2017, the Board of Supervisors will direct the Registrar-Recorder/County Clerk to administer the General Municipal Election for the City of Covina and to apply the same cost estimate provided to the City of Covina on September 23, 2016. This provision is pursuant to action taken by the Board of Supervisors of the County of Los Angeles on September 13, 2016.

SECTION 8. That the City of Covina recognizes that all necessary expenses incurred by the County in performing these services shall be paid by the City of Covina, in accordance with the cost estimate provided by the Registrar-Recorder/County Clerk on September 23, 2016, as described in Section 4. Should the County not conduct a Special Countywide Election on March 7, 2017, the County will conduct the city’s election and has agreed to pay the difference between the total cost of the election without a Countywide measure less the estimated amount provided on September 23, 2016 to ensure a cost neutral effect for the City.

SECTION 9. The foregoing notwithstanding, County Registrar’s services shall not include final declaration of the results by the City Council pursuant to Elections Code sections 10262 through 10265.

SECTION 10. That in all particulars not otherwise specifically provided in this Resolution, the Election shall be held and conducted as provided by law.

SECTION 11. Pursuant to Elections Code section 10002, the City shall reimburse the County Registrar of the County of Los Angeles for costs incurred in providing all of the services, tasks, equipment, materials and personnel required by the County Registrar to administer and conduct the City of Covina’s General Municipal Elections of March 7, 2017, upon receipt of a bill stating the amount due as determined by the County Registrar or upon such payment terms and conditions as may otherwise be set forth by the County Registrar or the Board of Supervisors. The City Manager and City Clerk are authorized to enter into such contracts as are necessary for the administration of the election.

SECTION 12. This Resolution shall conclusively provide evidence that notice of the time and place of holding the City of Covina's General Municipal Election for Tuesday, March 7, 2017, has been given by the City Council and the City Clerk is authorized, instructed and directed to cause further additional notice of the election for Tuesday, March 7, 2017 (including the publication of such notices printed in English and Spanish languages) to be given at the time and in the form and manner required by law.

SECTION 13. This Resolution shall rescind, supersede and take the place of all provisions of all previous and existing Resolutions, orders and policies of the City pertaining to the subject matter to the extent that they conflict with this Resolution.

SECTION 14. That the City Clerk is directed to file an original certified copy of this Resolution with the Board of Supervisors and a copy with the County Elections Official.

SECTION 15. That the City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

PASSED, APPROVED AND ADOPTED this 18th day of October, 2016.

City of Covina, California

BY: _____
KEVIN STAPLETON, Mayor

ATTEST:

SHARON F. CLARK, Chief Deputy City Clerk

APPROVED AS TO FORM:

CANDICE K. LEE, City Attorney

CERTIFICATION

I, Sharon F. Clark, Chief Deputy City Clerk of the City of Covina, do hereby certify that Resolution No. 16-7541 was duly adopted by the City Council of the City of Covina at a regular meeting held on the 18th day of October, 2016, by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:

Dated:

SHARON F. CLARK, Chief Deputy City Clerk

RESOLUTION NO. 16-7544

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES TO RENDER SPECIFIED SERVICES TO THE CITY RELATING TO THE CONDUCT OF A GENERAL MUNICIPAL ELECTION TO BE HELD ON TUESDAY, MARCH 7, 2017

WHEREAS, a General Municipal Election is to be held in the City of Covina, California, on Tuesday, March 7, 2017; and

WHEREAS, in the course of conduct of the Election it is necessary for the City to request services of the County; and

WHEREAS, all necessary expenses in performing these services shall be paid by the City of Covina;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, DOES RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. That pursuant to the provisions of § 10002 of the Elections Code of the State of California, this City Council requests the Board of Supervisors of the County to permit the County Election Department to prepare and furnish the following for use in conducting the election:

1. A listing of county precincts with number of registered voters in each, so city may consolidate election precincts into city voting precincts, and maps of the voting precincts;
2. A list of polling places and poll workers the county uses for their elections;
3. The computer record of the names and addresses of all eligible registered voters in the City in order that the City's consultant may:
 - a. Produce labels for vote-by-mail voters;
 - b. Produce labels for sample ballot pamphlets;
 - c. Print Rosters of Voters and Street Indexes;
4. Voter signature verification services as needed;
5. Make available to the City election equipment and assistance as needed according to state law.

SECTION 2. That the City shall reimburse the County for services performed when the work is completed and upon presentation to the City of a properly-approved bill.

SECTION 3. That the City Clerk is directed to forward without delay to the Board of Supervisors and to the County Election Department, each a certified copy of this resolution.

SECTION 4. The City Clerk shall certify to the passage and adoption of this resolution and shall enter the same in the Book of Original Resolutions.

APPROVED and **PASSED** this 18th day of October, 2016.

City of Covina, California

BY: _____
KEVIN STAPLETON, Mayor

ATTEST:

SHARON F. CLARK, Chief Deputy City Clerk

APPROVED AS TO FORM:

CANDICE K. LEE, City Attorney

CERTIFICATION

I, Sharon F. Clark, Chief Deputy City Clerk of the City of Covina, do hereby certify that Resolution No. 16-7544 was duly adopted by the City Council of the City of Covina at a regular meeting held on the 18th day of October, 2016, by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:

Dated:

SHARON F. CLARK, Chief Deputy City Clerk

RESOLUTION NO. 16-7542

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, ADOPTING REGULATIONS FOR CANDIDATES FOR ELECTIVE OFFICE PERTAINING TO CANDIDATES STATEMENTS SUBMITTED TO THE VOTERS AT AN ELECTION TO BE HELD ON TUESDAY, MARCH 7, 2017

WHEREAS, §13307 of the Elections Code of the State of California provides that the governing body of any local agency adopt regulations pertaining to materials prepared by any candidate for a municipal election, including costs of the candidate's statement;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, DOES HEREBY RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. GENERAL PROVISIONS. That pursuant to §13307 of the Elections Code of the State of California, each candidate for elective office to be voted for at an Election to be held in the City of Covina on March 7, 2017, may prepare a candidate's statement on an appropriate form provided by the City Clerk. The statement may include the name, age and occupation of the candidate and a brief description of no more than 200 words of the candidate's education and qualifications expressed by the candidate himself or herself. The statement shall not include party affiliation of the candidate, nor membership or activity in partisan political organizations. The statement shall be filed in typewritten form in the office of the City Clerk at the time the candidate's nomination papers are filed. The statement may be withdrawn, but not changed, during the period for filing nomination papers and until 5:00 p.m. of the next working day after the close of the nomination period.

SECTION 2. FOREIGN LANGUAGE POLICY.

- A. Pursuant to the Federal Voting Rights Act, candidates' statements will be translated into all languages required by the County of Los Angeles. The County is required to translate candidates' statements into the following languages: Spanish.
- B. The County will mail separate sample ballots and candidates statements in Spanish to only those voters who are on the county voter file as having requested a sample ballot in a particular language. The County will make the sample ballots and candidates statements in the required languages available at all polling places, on the County's website, and in the Election Official's office.

SECTION 3. PAYMENT.

A. Translations:

- 1. The candidate shall be required to pay for the cost of translating the candidate's statement into any required foreign language as specified in (A) and/or (B) of Section 2 above pursuant to Federal and/or State law.
- 2. The candidate shall be required to pay for the cost of translating the candidate's statement into any foreign language that is not required as specified in (A) and/or (B) of Section 2 above, pursuant to Federal and/or State law, but is requested as an option by the candidate.

B. Printing:

1. The candidate shall be required to pay for the cost of printing the candidate's statement in English in the main voter pamphlet.
2. The candidate shall be required to pay for the cost of printing the candidate's statement in a foreign language required in (A) of Section 2 above, in the main voter pamphlet.
3. The candidate shall be required to pay for the cost of printing the candidate's statement in a foreign language requested by the candidate per (B) of Section 2 above, in the main voter pamphlet.
4. The candidate shall be required to pay for the cost of printing the candidate's statement in a foreign language required by (A) of Section 2 above, in the facsimile voter pamphlet.

The City Clerk shall estimate the total cost of printing, handling, translating, and mailing the candidates' statements filed pursuant to this section, including costs incurred as a result of complying with the Voting Rights Act of 1965 (as amended), and require each candidate filing a statement to pay in advance to the local agency his or her estimated pro rata share as a condition of having his or her statement included in the voter's pamphlet. In the event the estimated payment is required, the estimate is just an approximation of the actual cost that varies from one election to another election and may be significantly more or less than the estimate, depending on the actual number of candidates filing statements. Accordingly, the clerk is not bound by the estimate and may, on a pro rata basis, bill the candidate for additional actual expense or refund any excess paid depending on the final actual cost. In the event of underpayment, the clerk may require the candidate to pay the balance of the cost incurred. In the event of overpayment, the clerk shall prorate the excess amount among the candidates and refund the excess amount paid within 30 days of the election.

SECTION 4. MISCELLANEOUS.

- A) All translations shall be provided by professionally-certified translators.
- B) The City Clerk shall comply with all recommendations and standards set forth by the California Secretary of State regarding occupational designations and other matters relating to elections.

SECTION 5. ADDITIONAL MATERIALS. No candidate will be permitted to include additional materials in the sample ballot package.

SECTION 6. That the City Clerk shall provide each candidate or the candidate's representative a copy of this Resolution at the time nominating petitions are issued.

SECTION 7. That all previous resolutions establishing council policy on payment for candidates statements are repealed.

SECTION 8. That this resolution shall apply only to the election to be held on March 7, 2017, and shall then be repealed.

SECTION 9. That the City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

PASSED, APPROVED AND ADOPTED this 18th day of October, 2016.

City of Covina, California

BY: _____
KEVIN STAPLETON, Mayor

ATTEST:

SHARON F. CLARK, Chief Deputy City Clerk

APPROVED AS TO FORM:

CANDICE K. LEE, City Attorney

CERTIFICATION

I, Sharon F. Clark, Chief Deputy City Clerk of the City of Covina, do hereby certify that Resolution No. 16-7542 was duly adopted by the City Council of the City of Covina at a regular meeting held on the 18th day of October, 2016, by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:

Dated:

SHARON F. CLARK, Chief Deputy City Clerk

RESOLUTION NO. 16 -7543

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COVINA ORDERING THAT AN ORDINANCE TO EXTEND THE CITY’S EXISTING UTILITY USERS TAX BE SUBMITTED TO THE VOTERS AT THE GENERAL MUNICIPAL ELECTION TO BE HELD ON MARCH 7, 2017, DIRECTING THE CITY ATTORNEY TO PREPARE AN IMPARTIAL ANALYSIS OF THE MEASURE, SETTING PRIORITIES FOR FILING A WRITTEN ARGUMENT RELATING TO THE BALLOT MEASURE, AND PROVIDING FOR REBUTTAL ARGUMENTS RELATING TO THE BALLOT MEASURE

THE CITY COUNCIL OF THE CITY OF COVINA DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The City Council has previously called the City’s General Municipal Election, to be held on Tuesday, March 7, 2017, for the purpose of electing members of the City Council, through the adoption of Resolution Nos. 16-7540, 16-7541 and 16-7544 (collectively “the 2017 Election Resolutions”).

SECTION 2. Pursuant to California Elections Code Sections 9222, the City Council hereby orders that an ordinance also be submitted to the voters of the City at the General Municipal Election for the purpose of considering an extension of the City’s existing utility users tax. The full text of Ordinance No. 17-____ to be submitted to the voters is attached to this Resolution as Exhibit A and shall be printed in the voter pamphlet. The measure to be submitted to the voters shall appear on the ballot as follows:

City of COVINA	
To continue to provide about \$5 million annually to preserve essential City services like Police, Fire, Parks, Library, Recreation and Public Works and other local programs and general services, shall an ordinance be adopted to extend the City of Covina’s current 6% utility users tax on telephone, gas, electricity and water services to March of 2029, without raising the rate of the tax or taxing any additional utility services?	YES
	NO

SECTION 3. The proposed ordinance extends an existing voter-approved general tax as defined in Article XIIC of the California Constitution, and shall not take effect unless and until approved by a vote of at least a majority of the voters voting on the question at the election.

SECTION 4. The proposed ordinance shall be submitted to the voters for approval in compliance with the 2017 Election Resolutions previously adopted by the City Council, with the addition of the following:

- A. The City Attorney is hereby directed to prepare an impartial analysis of the measure pursuant to Elections Code Section 9280.
- B. The City Council hereby designates Council Member(s) _____ to prepare and submit a ballot argument in favor of the measure pursuant to Elections Code Section 9282 and further authorizes rebuttal arguments, for this measure only, to be

submitted pursuant to, and consistent with the requirements of, Elections Code Section 9285.

- C. In all particulars not recited in this Resolution and the 2017 Election Resolutions previously adopted by the City Council, said election for the ballot measure described in Section 2 shall be held and conducted as provided by general law for holding municipal elections.

SECTION 5. The City Clerk shall certify to the passage and adoption of this resolution.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Covina this 18th day of October, 2016.

City of Covina, California

BY: _____
KEVIN STAPLETON, Mayor

ATTEST:

SHARON F. CLARK, Chief Deputy City Clerk

APPROVED AS TO FORM:

CANDICE K. LEE, City Attorney

CERTIFICATION

I, Sharon F. Clark, Chief Deputy City Clerk of the City of Covina, do hereby certify that Resolution No. 16-7543 was duly adopted by the City Council of the City of Covina at a regular meeting held on the 18th day of October, 2016, by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:

Dated:

SHARON F. CLARK, Chief Deputy City Clerk

ORDINANCE NO. 17-____

AN ORDINANCE OF THE PEOPLE OF THE CITY OF COVINA EXTENDING THE EXISTING UTILITY USERS TAX FOR A PERIOD OF TEN ADDITIONAL YEARS

THE PEOPLE OF THE CITY OF COVINA DO HEREBY ORDAIN AS FOLLOWS:

Section 1. Amendment. Section 3.14.260 of the Covina Municipal Code is hereby amended to read as follows:

“3.14.260. **Sunset of Tax.** The tax imposed by this chapter shall automatically be terminated, without further action by the City Council, or the electors of the City, on March 16, 2029. As part of the yearly budget process, the City Council shall conduct an annual review of the tax to determine potential downward adjustment. After March 16, 2029, the tax imposed by this chapter can only be continued or re-established by at least a majority vote of the City Council following required public hearings and a majority vote of Covina voters pursuant to California Propositions 62 and 218.”

Section 2. Effective Date. This ordinance is subject to a vote of the citizens of Covina and shall take effect, if approved by a majority of the voters voting at such election, ten (10) days following the date the election result is declared by the City Council, pursuant to Elections Code Section 9217. This ordinance does not increase the City’s current utility users tax.

Section 3. Severability. If any section, sentence, clause or phrase of this ordinance is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining provisions of this ordinance. The People of the City of Covina hereby declare that they would have adopted this ordinance and each section, sentence, clause or phrase thereof, irrespective of the fact that any one or more section, subsections, sentences, clauses or phrases be declared invalid or unconstitutional.

Section 4. Certification /Summary. Following the City Clerk's certification that the citizens of Covina have approved this Ordinance, he or she shall cause the same to be entered in the book of original ordinances of said City; and shall cause the same, or a summary thereof, to be published as required by law.

I hereby certify that the foregoing ordinance was adopted by the people of the City of Covina at the regular municipal election held on March 7, 2017.

Mayor

ATTEST:

City Clerk

ORDINANCE NO. 17-___

**AN ORDINANCE OF THE PEOPLE OF THE CITY OF COVINA
EXTENDING THE EXISTING UTILITY USERS TAX**

THE PEOPLE OF THE CITY OF COVINA DO HEREBY ORDAIN AS FOLLOWS:

Section 1. Extension. Section 3.14.260 of the Covina Municipal Code is hereby repealed.

Section 2. Effective Date. This ordinance is subject to a vote of the citizens of Covina and shall take effect, if approved by a majority of the voters voting at such election, ten (10) days following the date the election result is declared by the City Council, pursuant to Elections Code Section 9217. This ordinance does not increase the City’s utility users tax.

Section 3. Severability. If any section, sentence, clause or phrase of this ordinance is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining provisions of this ordinance. The People of the City of Covina hereby declare that they would have adopted this ordinance and each section, sentence, clause or phrase thereof, irrespective of the fact that any one or more section, subsections, sentences, clauses or phrases be declared invalid or unconstitutional.

Section 4. Certification /Summary. Following the City Clerk's certification that the citizens of Covina have approved this Ordinance, he or she shall cause the same to be entered in the book of original ordinances of said City; and shall cause the same, or a summary thereof, to be published as required by law.

I hereby certify that the foregoing ordinance was adopted by the people of the City of Covina at the regular municipal election held on March 7, 2017.

Mayor

ATTEST:

City Clerk

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CITY OF COVINA

AGENDA REPORT

ITEM NO. NB 1

MEETING DATE: October 18, 2016

TITLE: Request from LA Works for \$20,000 to Pay for Expenses Related to the Closeout of the Agency

PRESENTED BY: Don Penman, Interim City Manager

RECOMMENDATION: Appropriate \$20,000 from the Liability Insurance Fund

BACKGROUND:

The City of Covina is one of three remaining cities in the LA Works Joint Powers Authority, along with Azusa and West Covina. All three cities have served notice to LA Works of their intent to withdraw effective July 1, 2017. LA Works has not operated any programs since the County of Los Angeles ceased providing funding in 2014. As part of the wind down or closeout of the JPA, LA Works has requested \$20,000 from each of the three remaining cities to provide funding through June 2017 for various administrative/operational expenses. The cities of Azusa and West Covina have already approved the funding.

DISCUSSION:

LA Works has not received any funding from the County since 2014 and has laid off all of its staff. The JPA is operating with consultants and outside contractors to assist with the closeout of the agency. Anticipated expenses through June 30, 2017 include the following:

- Legal \$9,600
- Management consulting \$14,400
- Insurance 2,400
- Finance, accounting, IT
Records, Board support 36,000
- Miscellaneous 3,600

It is the goal of the three cities to have the JPA closed out on or before July 1, 2017. Whether or not all the outstanding issues facing the JPA are resolved by July 2017 is uncertain. However it is staff's position that this should be a one-time appropriation, if the Council determines to approve the funds.

RECOMMENDATION:

It is staff's recommendation that the City Council appropriate \$20,000 from the Liability Reserve Fund to Account No. 7370-0870-51890 for wind down and closeout expenses of LA Works JPA.

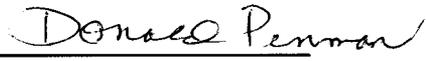
FISCAL IMPACT:

Funds will need to be appropriated as money was not budgeted in the Adopted City Budget for FY2016-2017. Even with this appropriation to assist with the wind down, the City

should not be liable for the JPA's debts and obligations.

CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT): N/A

Respectfully submitted,

A handwritten signature in cursive script that reads "Donald Penman".

Donald Penman
Interim City Manager

RESOLUTION NO. 16-7546

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, TO APPROPRIATE \$20,000 OF THE 2016-2017 BUDGET TO LA WORKS JOINT POWERS AUTHORITY (JPA) FOR WIND DOWN/CLOSEOUT EXPENSES FOR THE JPA

WHEREAS, the City of Covina is a municipal corporation duly organized and existing pursuant to the Constitution and laws of the State of California (“City”); and

WHEREAS, the budget for the City of Covina for fiscal year commencing July 1, 2016 and ending June 30, 2017 was approved on July 19, 2016; and

WHEREAS, the approved budget is in accordance with all applicable ordinances of the City and all applicable statutes of the State; and

WHEREAS, the reallocation of the appropriations between departmental activities may be made by the City Manager, amendments (increases/decreases) to the Budget shall be by approval and Resolution of the City Council; and

WHEREAS, the City of Covina is a member of the LA Works JPA; and

WHEREAS, the City of Covina has served notice on the JPA of its intention to withdraw from the JPA on June 30, 2017.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. Amend the Fiscal Year 2016-2017 City of Covina Operating Budget as follows: appropriate \$20,000 from the Liability Reserve Fund balance to Account No. 7370-0870-51890 for wind down and closeout expenses of LA Works JPA.

SECTION 2. The City Clerk shall certify to the passage and adoption of this resolution and shall enter the same in the Book of Original Resolutions.

APPROVED and PASSED this 18th day of October, 2016.

City of Covina, California

BY: _____
KEVIN STAPLETON, Mayor

ATTEST:

SHARON F. CLARK, Chief Deputy City Clerk

APPROVED AS TO FORM:

CANDICE K. LEE, City Attorney

CERTIFICATION

I, Sharon F. Clark, Chief Deputy City Clerk of the City of Covina, do hereby certify that Resolution No. 16-7546 was duly adopted by the City Council of the City of Covina at a regular meeting held on the 18th day of October, 2016, by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:

Dated:

SHARON F. CLARK, Chief Deputy City Clerk



CITY OF COVINA

AGENDA REPORT

ITEM NO. NB 2

MEETING DATE: October 18, 2016

TITLE: **Ordinance No. 16-2063** - Adopting by reference the 2016 Edition of the California Building Standards Code (California Code of Regulations, Title 24) including the 2016 California Administrative Code, the 2016 California Building Code Volumes 1 and 2, including Chapters 1-35 and Appendices H, I, and J, the 2016 California Residential Code including Chapters 1-10 and 44, and Appendices A, B, C, G, H, I, J, K, and P, the 2016 California Electrical Code, the 2016 California Mechanical Code, the 2016 California Plumbing Code, the 2016 California Historical Building Code, the 2016 California Fire Code, the 2016 California Existing Code, the 2016 California Green Building Standards Code, the California Reference Standards Code, Together with Certain Additions, Insertions, Deletions and Changes Thereto, and Amending Title 14 (Building and Construction) of the Covina Municipal Code.

PRESENTED BY: Brian K. Lee, AICP, Director of Community Development
Stephen L. Patterson, Building Official

- RECOMMENDATION:**
1. Introduce and waive further reading of **Ordinance No. 16-2063** Adopting by reference the 2016 Edition of the California Building Standards Code (California Code of Regulations, Title 24) including the 2016 California Administrative Code, the 2016 California Building Code Volumes 1 and 2, including Chapters 1-35 and Appendices H, I, and J, the 2016 California Residential Code, including Chapters 1-10 and 44, and Appendices A, B, C, G, H, I, J, K, and P, the 2016 California Electrical Code, the 2016 California Mechanical Code, the 2016 California Plumbing Code, the 2016 California Historical Building Code, the 2016 California Fire Code, the 2016 California Existing Code, the 2016 California Green Building Standards Code, and the California Reference Standards Code, together with certain additions, insertions, deletions and changes thereto; and amending Title 14 (Building and Construction) of the Covina Municipal Code.
 2. Schedule a public hearing for November 15, 2016, to receive public input on the proposed adoption by reference of the aforementioned Codes.
-

BACKGROUND:

The California Health and Safety Code mandates that the California Building Standards Commission adopt and publish the California Building Standards Code (Title 24, California Code of Regulations) every three (3) years. The 2016 Edition of the California Code of Regulations, Title 24, becomes effective statewide on January 1, 2017. Local agencies may amend Title 24 to include more restrictive requirements which account for local climatic, geological, or topographical conditions. Local agencies may also amend Title 24 to include administrative requirements.

DISCUSSION:

The list below identifies the 2016 California Building Standards Code and appendices proposed for adoption:

California Building Standards Code

2016 California Administrative Code
2016 California Building Code, Volumes 1 and 2, Chapters 1-35 & Appendices H, I, and J
2016 California Residential Code, Chapters 1-10, 44 Appendices A, B, C, G, H, I, J, K, and P
2016 California Electrical Code
2016 California Mechanical Code
2016 California Plumbing Code
2016 California Energy Code
2016 California Historical Building Code
2016 California Fire Code
2016 California Existing Building Code
2016 California Green Building Standards Code
2016 California Reference Standards Code

In addition, the 1997 Uniform Code for the Abatement of Dangerous Buildings (“Uniform Abatement Code”) has been included and will continue to be in effect. The Uniform Abatement Code is based upon, and is consistent with, the provisions found within the California Building Code. The benefit of adopting the Uniform Abatement Code is that it provides Building and Fire Inspectors, Officials and Plan Examiners with further clarification of the intent and applicability of the California Building Code when presented with a variety of construction issues.

State Law allows local agencies to amend the California Building Standards Code and other uniform codes. However, to maintain a uniform minimum level of regulation throughout the State, any amendments must be justified by expressed findings reflecting specific conditions unique to the local jurisdiction. The amendments being proposed by staff are limited to administrative or procedural clarifications and concern themselves with subjects that either are not covered by the 2016 California Building Standards Code or are reasonably necessary to effectively implement its provisions. None of the proposed amendments make substantive changes to the standards set forth in the 2016 California Building Standards Code and, therefore, expressed findings of unique local conditions are not required.

FISCAL IMPACT:

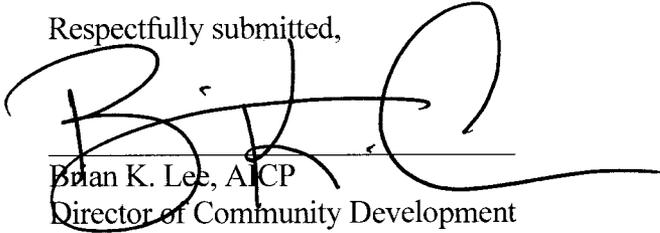
The Ordinance, as proposed, adopts a variety of regulatory codes by reference; updating the City’s Building and Safety Codes, as well as the Fire Code. As the Ordinance addresses only

regulations and not fee schedules, the proposed action entails no fiscal impact.

ENVIRONMENTAL DETERMINATION:

This action qualifies for a Class 21 Categorical Exemption (Section 15) pursuant to the provisions of CEQA.

Respectfully submitted,



Brian K. Lee, AICP
Director of Community Development

ATTACHMENTS:

A. Ordinance No.16-2063

ORDINANCE NO. 16-2063

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COVINA, ADOPTING BY REFERENCE THE 2016 EDITION OF THE CALIFORNIA BUILDING STANDARDS CODE (CALIFORNIA CODE OF REGULATIONS, TITLE 24), INCLUDING THE 2016 CALIFORNIA ADMINISTRATIVE CODE; THE 2016 CALIFORNIA BUILDING CODE VOLUMES 1 & 2, INCLUDING CHAPTERS 1-35 AND APPENDICES H, I, AND J; THE 2016 CALIFORNIA RESIDENTIAL CODE INCLUDING CHAPTERS 1-10 AND 44, AND APPENDICES A, B, C, G, H, I, J, K, AND P; THE 2016 CALIFORNIA ELECTRICAL CODE; THE 2016 CALIFORNIA MECHANICAL CODE; THE 2016 CALIFORNIA PLUMBING CODE; THE 2016 CALIFORNIA ENERGY CODE; THE 2016 CALIFORNIA HISTORICAL BUILDING CODE; THE 2016 CALIFORNIA FIRE CODE; THE 2016 CALIFORNIA EXISTING BUILDING CODE; THE 2016 CALIFORNIA GREEN BUILDING STANDARDS CODE; AND THE 2016 CALIFORNIA REFERENCE STANDARDS CODE; TOGETHER WITH CERTAIN ADDITIONS, INSERTIONS, DELETIONS AND CHANGES THERETO, AND AMENDING TITLE 14 (BUILDING AND CONSTRUCTION) OF THE COVINA MUNICIPAL CODE

THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, DOES HEREBY ORDAIN AS FOLLOWS:

WHEREAS, California Government Code Section 50022.1 *et seq.* authorizes the City of Covina (“City”) to adopt by reference the California Building Standards Code, 2016 Edition (Title 24 of the California Code of Regulations) adopting certain uniform codes, including the 2016 California Administrative Code, the 2016 California Building Code, the 2016 California Residential Code, the 2016 California Electrical Code, the 2016 California Mechanical Code, the 2016 California Plumbing Code, the 2016 California Energy Code, the 2016 Historical Building Code, the 2016 California Fire Code, the 2016 California Existing Building Code, the 2016 California Green Building Standards Code, and, the 2016 California Referenced Standards Code; and

WHEREAS, the California Building Standards Commission recently adopted new amendments to the California Building Standards Code; and

WHEREAS, California Health & Safety Code, Sections 17958.5 and 18941.5 authorize cities and counties to modify the California Building Standards Code by adopting more restrictive building standards and modifications if such standards and modifications are accompanied by express findings that they are reasonably necessary because of local climatic, geologic or topographic conditions; and

WHEREAS, except as noted below, no findings of reasonable necessity on the basis of local climatic, geologic or topographic conditions are necessary because the proposed amendments to the 2016 California Building Standards Code are for administrative clarification,

and do not modify a building standard pursuant to California Health & Safety Code Sections 17958.5 and 18941.5; and

WHEREAS, the City of Covina desires to adopt the 2016 California Building Standards Code as adopted by the State of California Building Standards Commission in Title 24 of the California Code of Regulations (collectively “the Codes”), with necessary amendments that are administrative or procedural in nature or concern subjects not covered in the Codes and which do not affect the technical building standards set forth in the Codes; and

WHEREAS, the City held a public hearing on November 15, 2016 at which time all interested persons had the opportunity to appear and be heard on the matter of adopting the 2016 California Building Standards Code as amended herein; and

WHEREAS, the City published notice of the aforementioned public hearing pursuant to California Government Code section 6066; and

WHEREAS, any and all other legal prerequisites relating to the adoption of this Ordinance have occurred;

SECTION 1. Section 14.02.010 of Title 14 of the Covina Municipal Code is hereby amended to read as follows:

“14.02.010 Adoption of codes by reference.

The City adopts by reference and makes part of this chapter by reference, subject to those certain amendments set forth in Chapters 14.04 through 14.18 of the Covina Municipal Code, the following California Building Standards Codes (California Code of Regulations, Title 24), and Uniform Codes (one copy of each is on file for use and examination by the public in the office of the clerk of the council of the City of Covina):

- A. 2016 California Administrative Code;
- B. 2016 California Building Code, including Volumes 1 and 2, and Chapters 1- 35 and Appendices H, I, J;
- C. 2016 California Residential Code, Chapters 1-10 and 44, and Appendices A, B, C, G, H, I, J, K, P;
- D. 2016 California Electrical Code;
- E. 2016 California Mechanical Code;
- F. 2016 California Plumbing Code;
- G. 2016 California Energy Code;
- H. 2016 California Historical Building Code;
- I. 2016 California Fire Code;

- J. 2016 California Existing Building Code;
- K. 2016 California Green Building Standards Code;
- L. 2016 California Reference Standards Code;
- M. Uniform Code for the Abatement of Dangerous Buildings, 1997 Edition; and
- N. Uniform Housing Code, 1997 Edition”

SECTION 2. Chapter 14.04 of Title 14 of the Covina Municipal Code is hereby amended to read as follows:

**“Chapter 14.04
BUILDING CODE**

Sections:

- 14.04.010 2016 California Building Code adoption by reference.
- 14.04.020 Amendments to the 2016 California Building Code.
- 14.04.030 Section 101 of Division II California Administration amended – General.
- 14.04.040 Section 105 Permits- amended – Work exempt from permit.
- 14.04.050 Section 105 – Permits – amended – Time limitation for application.
- 14.04.060 Section 105 – Permits – amended – Expiration.
- 14.04.070 Section 107 Submittal Documents –amended -- General.
- 14.04.080 Section 107 Submittal Documents –amended – Retention of construction documents.
- 14.04.090 Section 109 – Fees – amended – Payment of fees.
- 14.04.100 Section 109 – Fees – amended – Schedule of permit fees.
- 14.04.110 Section 109 – Fees – amended – Work commencing before permit issuance.
- 14.04.120 Section 109 – Fees – amended – Refunds.
- 14.04.130 Section 111 – Certificate of Occupancy – amended – Use and occupancy.
- 14.04.140 Section 111 – Certificate of Occupancy – amended – Temporary occupancy.
- 14.04.150 Section 112 – Service Utilities – amended – Temporary connection.
- 14.04.170 Section 114 – Violations – amended – Unlawful acts.
- 14.04.180 Section 114 – Violations – amended – Violation penalties.
- 14.04.190 Section 114 – Violations – amended – Legalizing procedures.
- 14.04.200 Appendix J – Grading – amended.

14.04.010 2016 California Building Code adoption by reference.

The city adopts the 2016 California Building Code (“this Code”), Volumes 1 and 2, including Chapter 1-35 and Appendices H, I, J, together with the amendments provided in this chapter, for the purpose of regulating the erection, construction, enlargement, alteration, repair, moving, removal, demolition, conversion, occupancy, equipment, use, height, area and maintenance of all non-residential buildings and/or structures in the city. Said code shall be and become the Building Code of Covina.

One copy of said code is on file in the office of the city clerk, and is hereby referred to, adopted and made a part hereof as if fully set out in this chapter.

14.04.020 Amendments to the 2016 California Building Code.

The 2016 California Building Code, including the appendices adopted pursuant to Section 14.04.010 of this chapter, is amended as set forth in Covina Municipal Code Sections 14.04.030 through 14.04.200.

14.04.030 Section 101 of Division II California Administration amended - General.

Subsection 101.4 of Section 101 is amended to read as follows:

101.4 Referenced codes. Whenever any of the names or terms defined in this Section is used, each such name or term shall be deemed or construed to have the following meaning within the Covina Municipal Code:

‘Building Code’ shall mean Chapter 14.04 of the Covina Municipal Code.

‘Residential Code’ shall mean Chapter 14.05 of the Covina Municipal Code.

‘Electrical Code’ shall mean Chapter 14.06 of the Covina Municipal Code.

‘Mechanical Code’ shall mean Chapter 14.08 of the Covina Municipal Code.

‘Plumbing Code’ shall mean Chapter 14.10 of the Covina Municipal Code.

‘Fire Code’ shall mean Chapter 14.12 of the Covina Municipal Code.

‘Uniform Housing Code’ shall mean Chapter 14.14 of the Covina Municipal Code.

‘Uniform Code for the Abatement of Dangerous Buildings’ shall mean Chapter 14.16 of the Covina Municipal Code.

‘Technical Codes’ shall mean Chapters 14.04, 14.06, 14.08, 14.10, 14.12, 14.13, 14.14, 14.16, 14.18, 14.20, and 14.44 of the Covina Municipal Code.

14.04.040 Section 105 Permits - amended – Work exempt from permit.

Subsection 105.2 is amended to read as follows:

105.2 Work exempt from permit. Exemptions from permit requirements of this code shall not be deemed to grant authorization for any work to be done in any manner in violation of the provisions of this code or any other laws or ordinances of this jurisdiction. Permits shall not be required for the following:

Building:

1. One-story detached accessory structures used as tool and storage sheds, playhouses and similar uses, provided the floor area does not exceed 120 square feet (11 m²).
2. Fences not over 6 feet (1829 mm) high.
3. Oil derricks.
4. Retaining walls that are not over 4 feet (1219 mm) in height measured from the bottom of the footing to the top of the wall, unless supporting a surcharge or impounding Class I, II or III A liquids.

5. Water tanks supported directly on grade if the capacity does not exceed 5,000 gallons (18 925 L) and the ratio of height to diameter does not exceed 2:1.
6. Sidewalks and driveways not more than 30 inches (762 mm) above adjacent grade, and not over any basement or story below and not part of an accessible route.
7. Painting, papering, tiling, carpeting, cabinets, counter tops and similar finish work.
8. Temporary motion picture, television and theater stage sets and scenery.
9. Prefabricated swimming pool accessory to a Group R-3 occupancy that are less than 24 inches (610 mm) deep, do not exceed 5,000 gallons (18,925 L) and are installed entirely above ground.
10. Shade cloth structures constructed for nursery or agricultural purposes, not including service systems.
11. Swings and other playground equipment accessory to detached one-and two-family dwellings.
12. Window awnings supported by an exterior wall that do not project more than 54 inches (1372 mm) from the exterior wall and do not require additional support of Groups R-3 and U occupancies.
13. Nonfixed and movable fixtures, cases, racks, counters and partitions not over 5 feet 9 inches (1753 mm) in height.
14. Walls constructed of masonry materials including but not limited to brick, stone, block and concrete that are six (6) feet or less in height measured from the top of the footing to the top of the wall.
15. Window replacements which do not otherwise enlarge or reduce an existing opening or require the removal of an exterior or interior finish material.

Electrical:

Repairs and maintenance: Minor repair work, including the replacement of lamps or the connection of approved portable electrical equipment to approved permanently installed receptacles.

Radio and television transmitting stations: The provisions of this code shall not apply to electrical equipment used for radio and television transmissions, but do apply to equipment and wiring for a power supply and the installations of towers and antennas.

Temporary testing systems: A permit shall not be required for the installation of any temporary system required for the testing or servicing of electrical equipment or apparatus.

Low Voltage Systems: Electrical wiring, devices, appliances, apparatus, or equipment operating at less than 25 volts and not capable of supplying more than 50 watts of energy.

Gas:

1. Portable heating appliance.
2. Replacement of any minor part that does not alter approval of equipment or make such equipment unsafe.

Mechanical:

1. Portable heating appliance.

2. Portable ventilating equipment.
3. Portable cooling unit.
4. Steam, hot or chilled water piping within any heating or cooling equipment regulated by this code.
5. Replacement of any part that does not alter its approval or make it unsafe.
6. Portable evaporative cooler.
7. Self-contained refrigeration system containing 10 pounds (4.54 kg) or less of refrigerant and actuated by motors of 1 horsepower (746 w) or less.

Plumbing:

1. The stopping of leaks in drains, water, soil, waste or vent pipe, provided, however, that if any concealed trap, drain pipe, water, soil, waste or vent pipe becomes defective and it becomes necessary to remove and replace the same with new material, such work shall be considered as new work and a permit shall be obtained and inspection made as provided in this code.
2. The clearing of stoppages or the repairing of leaks in pipes, valves or fixtures and the removal and reinstallation of water closets, provided such repairs do not involve or require the replacement or rearrangement of valves, pipes or fixtures.

14.04.050 Section 105 – Permits – amended – Time limitation of application.

Subsection 105.3.2 is hereby amended to read as follows:

105.3.2 Time limitation of application. Applications for which no permit is issued within 180 days following the date of application shall expire by limitation. Submittal documents and other data submitted for review may thereafter be returned to the applicant or destroyed by the Building Official.

The Building Official may extend the time for action by the applicant for a period not exceeding 180 days on written request by the applicant showing that circumstances beyond the control of the applicant have prevented action from being taken. An application shall not be extended more than once.

An application shall not be extended if this Code, or other pertinent laws or ordinances, have been amended after the date of application. In order to renew action on an application after expiration, the applicant shall resubmit submittal documents and pay a new plan review fee.

14.04.060 Section 105 – Permits – amended – Expiration.

Subsection 105.5 is hereby amended to read as follows:

105.5 Expiration. Except as set forth in subsection 105.5.1, every permit issued for property within the City of Covina shall expire by limitation and become null and void as follows:

- (i) If work authorized by such permit is not commenced within 180 days from the issuance date of such permit.

(ii) If work authorized by such permit is commenced within 180 days from the issuance date of such permit, such permit shall expire by limitation and become null and void if the work authorized by such permit is suspended or abandoned. For purposes of this subsection, ‘suspended or abandoned’ shall mean that the permittee has, for a period of 180 days or longer after commencing the work authorized by such permit, failed to make substantial progress toward completion of the work, as determined by the Building Official after inspection. The Building Official may, in his or her discretion, grant, in writing, one or more extensions of time, for periods of not more than 180 days each. The extension shall be requested in writing and justifiable cause demonstrated.

(iii) In the event of permit expiration, before work authorized by the expired permit can be commenced or recommenced, a new permit shall first be obtained (hereafter, a ‘renewal permit’). To obtain a renewal permit, the applicant may be required to resubmit plans and specifications, if deemed necessary by the Building Official and/or Chief Planning Official. The applicant must pay all applicable fees, including but not limited to, a plan check fee and building permit fees, in the amount then established by resolution of the City Council. If renewal permits are applied for, a mandatory site inspection shall be performed by the Building Division to determine compliance of existing conditions and materials with this Code. All work to be performed under a renewal permit must be performed in accordance with all applicable technical codes, regulations, laws, and ordinances in effect on the date of issuance of the renewal permit. Renewal permits are subject to expiration as set forth in (ii), above.

(iv) In the event of permit expiration, any work performed under that permit is ‘unpermitted’ as defined in Section 114.1.1 of this chapter, and is subject to the legalization provisions of Section 114.5 of this chapter.

105.5.1 Unpermitted structures or grading. Notwithstanding any provision of Section 105.5, if a building permit was issued in order to bring an unpermitted structure or unpermitted grading (as defined in Section 14.04.100 of this Code) or other unlawful, substandard, or hazardous condition into compliance with any applicable law, ordinance, rule or regulation, such permit shall expire by limitation and become null and void sixty (60) days after the date on which the permit was issued. The Building Official may, in his or her sole discretion, extend the validity of the permit for a period not exceeding 180 days beyond the initial 60 day limit upon written request by the applicant filed with the Building Official prior to the expiration date of the original permit, if the Building Official determines that substantial progress has been made toward completing the work authorized by the permit.

14.04.070 Section 107 Submittal Documents –amended – General..

Subsection 107.1 is hereby amended to read as follows:

107.1 General. Submittal documents consisting of construction documents, statement of special inspections, geotechnical report and other data shall be submitted in two or more sets with each permit application. The construction documents shall be prepared by a registered design professional where required by the statutes of the jurisdiction in which the project is to be constructed. Where special conditions exist, the Building Official is authorized to require additional construction documents to be prepared by a registered design professional.

Exception: The Building Official is authorized to waive the submission of construction documents and other data not required to be prepared by a registered design professional if it is found that the nature of the work applied for is such that review of construction documents is not

necessary to obtain compliance with this code. Further, except for plans of a common interest development as defined in section 1351 of the California Civil Code, plans need not to be prepared by registered licensed professionals for the following projects:

- (a) One and two family dwellings of wood frame construction, not exceeding one story in height where design follows latest LARC Wood Frame Prescriptive Provision.
- (b) Garages and other structures appurtenant to buildings where design follows latest LARC Wood Frame Prescriptive Provision.

14.04.080 Section 107 Submittal Documents –amended – Retention of construction documents.

Subsection 107.5 is hereby amended to read as follows:

107.5 Retention of construction documents. The Building Official shall maintain an official copy, which may be on microfilm, electronic media, or other type of photographic copy, of the plans of every building, during the life of the building, for which a permit was issued.

14.04.090 Section 109 – Fees - amended – Payment of fees.

Subsection 109.1 is hereby amended to read as follows:

109.1 Payment of fees. A permit shall not be valid until the fees prescribed by law have been paid, nor shall an amendment to a permit be released until the additional fee, if any, has been paid.

When submittal documents are required by Section 107, a plan review fee shall be paid at the time of the submittal of the documents for plan review. Said plan review fees shall be established by resolution of the City Council and may be amended from time to time. When plans are incomplete or structurally/architecturally changed after submittal, additional plan review fees shall be charged as established from time to time by resolution of the City Council.

14.04.100 Section 109 – Fees – amended – Schedule of permit fees.

Subsection 109.2 is hereby amended to read as follows:

109.2 Schedule of permit fees. The fee for each permit shall be established by resolution of the City Council and may be amended from time to time. An additional permit application fee shall be charged for issued permit alterations.

109.2.1 - Fee waiver.

A. The City Manager may waive permit fees for projects that meet one or more of the following criteria:

- (1) City projects when the contractor is expressly exempt, under the terms of the contract, from payment of such fees.
- (2) City projects that do not incur external consultant costs when the permit applicant is an employee, official, or representative of the City acting in his/her official capacity.

14.04.110 Section 109 – Fees – amended – Work commencing before permit issuance.

Subsection 109.4 is hereby amended to read as follows:

109.4 Work commencing before permit issuance. Any person who commences any work on a building, structure, electrical, gas, mechanical or plumbing system before obtaining the necessary permits shall be subject to a fee established from time to time by resolution of the city council in addition to the required permit fees. Any person who wishes to legalize an unpermitted structure or unpermitted grading, as defined in Section 114.1 and 114.2, shall submit construction documents as set forth in Section 107 of this chapter.

14.04.120 Section 109 – Fees – amended – Refunds.

Subsection 109.6 is hereby amended to read as follows:

109.6 Refunds. The Building Official may authorize the refund of any fee paid hereunder which was erroneously paid or collected.

The Building Official may authorize refunding of not more than 80 percent of the permit, plan review, and energy fee paid when no work has been commenced under a permit, or when an application for a permit for which a plan review fee has been paid is withdrawn.

The Building Official shall not authorize refunding of any fee paid except on written application filed by the original permittee not later than 180 days after the date of the fee payment.

14.04.130 Section 111 - Certificate of Occupancy – amended – Use and occupancy.

Subsection 111.1 is amended to read as follows:

111.1 Use and occupancy. No building or structure shall be used or occupied, and no change in the existing occupancy classification of a building or structure or portion thereof shall be made, nor shall any person, firm, company, corporation or officer, agent or employee thereof, permit or allow a building or structure to be used or occupied or a change in the existing occupancy classification of a building or structure or portion thereof to be made until the Building Official has issued a certificate of occupancy therefor as provided herein. Issuance of a certificate of occupancy shall not be construed as an approval of a violation of the provisions of this code.

14.04.140 Section 111 – Certificate of Occupancy – amended – Temporary occupancy.

Subsection 111.3 is hereby amended to read as follows:

111.3. Temporary occupancy. The Building Official is authorized to issue a temporary certificate of occupancy before the completion of the entire work covered by the permit, provided that such portion or portions shall be occupied safely. The Building Official shall set a time period during which the temporary certificate of occupancy is valid. The fee for issuance of each temporary certificate of occupancy shall be established by resolution of the City Council and may be amended from time to time.

14.04.150 Section 112 - Service Utilities – amended – Temporary connection.

Subsection 112.2 is hereby amended to read as follows:

112.2 Temporary connection. The Building Official shall have the authority to authorize the temporary connection of the building or system to the utility source of energy, fuel or power. Each such method of temporary connection shall be submitted to the Building Official for review. The fee for review of each temporary connection of utilities application shall be established by resolution of the city council and may be amended from time to time.

14.04.170 Section 114 – Violations – amended – Unlawful acts.

Subsection 114.1 is hereby amended to read as follows:

114.1 Unlawful Acts. It shall be unlawful for any person, firm, or corporation to erect, construct, alter, extend, repair, move, remove, demolish, occupy or maintain any building, structure, equipment, installation or land regulated by the Technical Codes, or cause or permit the same to be done, in conflict with or in violation of any of the provisions of the Technical Codes.

114.1.1 Unpermitted Structures. No person shall own, use, occupy, or maintain an unpermitted structure. For purposes of this section, ‘unpermitted structure’ shall be defined as any building or structure, or portion thereof, that was erected, constructed, enlarged, altered, repaired, moved, improved, removed, connected, converted, demolished, or equipped, at any point in time by any person, without the required permit(s) having first been obtained from the Building Official or with a valid permit as issued by the Building Official which subsequently expired and became null and void.

114.1.2 Unpermitted Grading. No person shall own, use, occupy or maintain unpermitted grading. For purposes of this section, ‘unpermitted grading’ shall be defined as any land which has been excavated, cut, filled, graded, compacted or terraced, at any point in time by any person, without the required permit(s) having first been obtained from the Building Official or with a valid permit as issued by the Building Official which subsequently expired and became null and void.

14.04.180 Section 114 – Violations – amended – Violation penalties.

Subsection 114.4 is hereby amended to read as follows:

114.4 Violation Penalties. Any person, firm or corporation who violates any provision of the Technical Codes, or fails to comply with any of the requirements thereof, or who erects, constructs, alters, repairs or maintains a building, structure, installation or equipment, or excavates, cuts, fills, grades, compacts or maintains land in violation of approved construction documents or directive of the Building Official, or of a permit or certificate issued under the provisions of the Technical Codes, shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be subject to the punishments set forth in Chapter 1.16 of the Covina Municipal Code.

Each and every day, or portion thereof, during which any violation of the Technical Codes occurs or continues constitutes a separate and distinct offense.

14.04.190 Section 114 – Violations – amended – Legalizing procedures.

Section 114 is hereby amended by adding thereto Subsection 114.5 Procedure for legalizing unpermitted structures or grading to read as follows:

114.5 Procedure for legalizing unpermitted structures or grading. The procedures specified within subsections 114.5.1 through 114.5.6 shall be followed whenever an attempt is made to legalize an unpermitted structure or unpermitted grading.

114.5.1 Permits. Any person who wishes to legalize an unpermitted structure or unpermitted grading, as defined in Section 114.1.1 and 114.1.2, shall obtain all applicable permits. Unpermitted structures and grading shall comply with all current Technical Code requirements and other required approvals pursuant to the Covina Municipal Code in order to be legalized.

Permits obtained to legalize unpermitted structures or grading shall expire as set forth in Section 105.5.1 of this code.

114.5.2 Plans. Prior to the issuance or granting of any permit to legalize an unpermitted structure, plans showing the plot plan, exterior elevations, existing structures proposed structures, and proposed finish materials shall be submitted to the Chief Planning Official and Building Official for review and approval.

114.5.3 Grading. Prior to the issuance or granting of any permit to legalize unpermitted grading, a grading and drainage plan showing the original grade and existing unpermitted grade on the premises and the existing grade on adjoining properties, and a soils report shall be submitted to the Chief Planning Official, Building Official, and City Engineer for review and approval.

114.5.4 Inspections. Unpermitted structures or unpermitted grading for which a permit has subsequently been obtained shall be subject to inspection by the Building Official in accordance with, and in the manner prescribed in, the Technical Codes. The Building Official may require the removal of finish materials in order to expose framing elements, electrical components, plumbing fixtures, or mechanical systems, or may require the removal of fill, to verify that installation, construction, or grading was performed in conformance with the Technical Codes.

114.5.5 Investigation. Whenever any work for which a permit is required by this code has commenced on land or in connection with any type of structure without first obtaining said permit, a special investigation shall be made before a permit may be issued for such work. For purposes of this section, "special investigation" shall include, but is not limited to, inspecting premises and structures, reviewing permit, license and other records of the City or other agencies, reviewing plans, taking photographs, engaging in conferences and communications with other officials of the City or other agencies, and engaging in conferences and communications with owners or other responsible persons concerning the unpermitted structure or grading.

14.5.5.1 Fee. A special investigation fee shall be paid prior to the issuance of a permit for an unpermitted structure or unpermitted grading. The fee shall be equal to the amount of time expended by city officials in undertaking the special investigation, as defined in Section 114.5.5, charged at the hourly rate that has been established by resolution of the City Council for recovery of code enforcement fees pursuant to Section 1.28.020.

The payment of such investigation fee shall not exempt any person from compliance with all other provision of this code nor from any penalty prescribed by law.

114.5.6 Unpermitted structures or grading which cannot be legalized.

If the Chief Planning Official determines that the City’s zoning regulations prohibit legalization of any unpermitted structure, the structure shall be demolished or, if previously permitted, restored to its original approved condition, with all requisite permits, inspections and approvals.

If the Building Official determines that an unpermitted structure cannot be made to conform to the current applicable Technical Code requirements, the structure shall be demolished or, if previously permitted, restored to its original approved condition, with all requisite permits, inspections and approvals.

If the Building Official and/or City Engineer determines that unpermitted grading and/or lot drainage cannot be made to conform with current applicable Technical Code requirements, the land shall be fully restored to the condition that preceded the unpermitted grading, with all requisite permits, inspections and approvals.

14.04.200 Appendix J – Grading - amended.

Where the term ‘Building Official’ appears in Appendix J, it shall mean ‘Building Official or City Engineer.’”

SECTION 3. Title 14 of the Covina Municipal Code is hereby amended by adding thereto a new Chapter 14.05 to read as follows:

**“Chapter 14.05
RESIDENTIAL CODE**

Sections:

- 14.05.010 2016 California Residential Code adoption by reference.
- 14.05.020 Amendments to the 2016 California Residential Code.
- 14.05.030 Section R105 – Permits – amended – Work exempt from permit.
- 14.05.040 Section R105 – Permits – amended – Time limitation for application.
- 14.05.050 Section R105 – Permits – amended – Expiration.
- 14.05.060 Section R106 – Construction Documents – amended – Submittal documents.
- 14.05.070 Section R106 – Construction Documents – amended – Retention of construction documents.
- 14.05.080 Section R108 – Fees – amended in its entirety.
- 14.05.090 Section R110 – Certificate of Occupancy – amended – Use and occupancy.
- 14.05.100 Section R110 – Certificate of Occupancy – amended – Temporary occupancy.
- 14.05.110 Section R111 – Service Utilities – amended – Temporary connections.
- 14.05.130 Section R113 - Violations – amended – Unlawful acts.
- 14.05.140 Section R113 – Violations – amended – Violation penalties.
- 14.05.150 Section R113 – Violations – amended – Legalizing procedure.

14.05.010 2016 California Residential Code adoption by reference.

The City adopts the 2016 California Residential Code (“this Code”), together with the amendments provided in this chapter, for the purpose of regulating the erection, construction, enlargement, alteration, repair, moving, removal, demolition, conversion, occupancy, equipment, use, height, area and maintenance of residential buildings and their accessory structures within the city. Said code shall be and become the Residential Code of Covina.

14.05.020 Amendments to the 2016 California Residential Code.

The 2016 California Residential Code is amended as set forth in Covina Municipal Code Sections 14.05.030 through 14.05.150.

14.05.030 Section R105 – Permits – amended – Work exempt from permit.

Subsection R105.2 is hereby amended to read as follows:

105.2 Work exempt from permit. Permits shall not be required for the following. Exemption from permit requirements of this code shall not be deemed to grant authorization for any work to be done in any manner in violation of the provisions of this code or any other laws or ordinances of this jurisdiction.

Building:

1. One-story detached accessory structures used as tool and storage sheds, playhouses and similar uses, provided the floor area does not exceed 120 square feet (11.15 m2).
2. Fences not over 6 feet (1829 mm) high.
3. Retaining walls that are not over 4 feet (1219 mm) in height measured from the bottom of the footing to the top of the wall, unless supporting a surcharge.
4. Water tanks supported directly upon grade if the capacity does not exceed 5,000 gallons (18,927 L) and the ratio of height to diameter or width does not exceed 2:1.
5. Sidewalks and driveways not more than 30 inches (762 mm) above adjacent grade, and not over any basement or story below and not part of an accessible route.
6. Painting, papering, tiling, carpeting, cabinets, counter tops and similar finish work.
7. Prefabricated swimming pools that are less than 24 inches (610 mm) deep.
8. Swings and other playground equipment.
9. Window awnings supported by an exterior wall that do not project more than 54 inches (1372 mm) from the exterior wall and do not require additional support.
10. Decks not exceeding 200 square feet (18.58 m2) in area that are not more than 30 inches (762 mm) above grade at any point, are not attached to a dwelling and do not serve the exit door required by Section R311.4.
11. Walls constructed of masonry materials including but not limited to brick, stone, block and concrete that are six (6) feet or less in height measured from the top of the footing to the top of the wall.
12. Window replacements which do not otherwise enlarge or reduce an existing opening or require the removal of an exterior or interior finish material.

Electrical:

1. Listed cord-and-plug connected temporary decorative lighting.
2. Reinstallation of attachment plug receptacles but not the outlets therefor.

3. Replacement of branch circuit overcurrent devices of the required capacity in the same location.
4. Electrical wiring, devices, appliances, apparatus or equipment operating at less than 25 volts and not capable of supplying more than 50 watts of energy.
5. Minor repair work, including the replacement of lamps or the connection of approved portable electrical equipment to approved permanently installed receptacles.

Gas:

1. Portable heating, cooking or clothes drying appliances.
2. Replacement of any minor part that does not alter approval of equipment or make such equipment unsafe.
3. Portable-fuel-cell appliances that are not connected to a fixed piping system and are not interconnected to a power grid.

Mechanical:

1. Portable heating appliances.
2. Portable ventilation appliances.
3. Portable cooling units.
4. Steam, hot- or chilled-water piping within any heating or cooling equipment regulated by this code.
5. Replacement of any minor part that does not alter approval of equipment or make such equipment unsafe.
6. Portable evaporative coolers.
7. Self-contained refrigeration systems containing 10 pounds (4.54 kg) or less of refrigerant or that are actuated by motors of 1 horsepower (746 W) or less.
8. Portable-fuel-cell appliances that are not connected to a fixed piping system and are not interconnected to a power grid.

Plumbing:

1. The stopping of leaks in drains, water, soil, waste or vent pipe, provided, however, that if any concealed trap, drain pipe, water, soil, waste or vent pipe becomes defective and it becomes necessary to remove and replace the same with new material, such work shall be considered as new work and a permit shall be obtained and inspection made as provided in this code.
2. The clearing of stoppages or the repairing of leaks in pipes, valves or fixtures and the removal and reinstallation of water closets, provided such repairs do not involve or require the replacement or rearrangement of valves, pipes or fixtures.

14.05.040 Section R105 – Permits – amended – Time limitation of application.

Subsection R105.3.2 is hereby amended to read as follows:

R105.3.2 Time limitation of application. Applications for which no permit is issued within 180 days following the date of application shall expire by limitation. Submittal

documents and other data submitted for review may thereafter be returned to the applicant or destroyed by the Building Official.

The Building Official may extend the time for action by the applicant for a period not exceeding 180 days on written request by the applicant showing that circumstances beyond the control of the applicant have prevented action from being taken. An application shall not be extended more than once.

An application shall not be extended if this Code, or other pertinent laws or ordinances, have been amended after the date of application. In order to renew action on an application after expiration, the applicant shall resubmit submittal documents and pay a new plan review fee.

14.05.050 Section R105 – Permits – amended – Expiration.

Subsection R105.5 is hereby amended to read as follows:

R105.5 Expiration. Except as set forth in Section R105.5.1, every permit issued for property within the City of Covina shall expire by limitation and become null and void as follows:

(1) If work authorized by such permit is not commenced within 180 days from the issuance date of such permit.

(2) If work authorized by such permit is commenced within 180 days from the issuance date of such permit, such permit shall expire by limitation and become null and void if the work authorized by such permit is suspended or abandoned. For purposes of this subsection, ‘suspended or abandoned’ shall mean that the permittee has, for a period of 180 days or longer after commencing the work authorized by such permit, failed to make substantial progress toward completion of the work, as determined by the Building Official after inspection. The Building Official may, in his or her discretion, grant, in writing, one or more extensions of time, for periods of not more than 180 days each. The extension shall be requested in writing and justifiable cause demonstrated.

(3) In the event of permit expiration, before work authorized pursuant by the expired permit can be commenced or recommenced, a new permit shall first be obtained (hereafter, a ‘renewal permit’). To obtain a renewal permit, the applicant may be required to resubmit plans and specifications, if deemed necessary by the Building Official and/or Chief Planning Official. The applicant must pay all applicable fees, including but not limited to, a plan check fee and building permit fees, in the amount then established by resolution of the City Council. If renewal permits are applied for, a mandatory site inspection shall be performed by the Building Division to determine compliance of existing conditions and materials with this Code. All work to be performed under a renewal permit must be performed in accordance with all applicable technical codes, regulations, laws, and ordinances in effect on the date of issuance of the renewal permit. Renewal permits are subject to expiration as set forth in (ii), above.

(4) In the event of permit expiration, any work performed under that permit is ‘unpermitted’ as defined in Section R113.1.1 of this chapter, and is subject to the legalization provisions of Section R116 of this chapter.

R105.5.1 Unpermitted structures or grading.

Notwithstanding any provision of Section R105.5, if a building permit was issued in order to bring an unpermitted structure or unpermitted grading (as defined in Section 14.05.090 of this Code) or other unlawful, substandard, or hazardous condition into compliance with any applicable law, ordinance, rule or regulation, such permit shall expire by limitation and become

null and void sixty (60) days after the date on which the permit was issued. The Building Official may, in his or her sole discretion, extend the validity of the permit for a period not exceeding 180 days beyond the initial 60 day limit upon written request by the applicant filed with the Building Official prior to the expiration date of the original permit, if the Building Official determines that substantial progress has been made toward completing the work authorized by the permit.

14.05.060 Section R106 – Construction Documents – amended – Submittal documents.

Subsection R106.1 is hereby amended to read as follows:

R106.1 Submittal documents. Submittal documents consisting of construction documents, statement of special inspections, geotechnical report and other data shall be submitted in two or more sets with each permit application. The construction documents shall be prepared by a registered design professional where required by the statutes of the jurisdiction in which the project is to be constructed. Where special conditions exist, the Building Official is authorized to require additional construction documents to be prepared by a registered design professional.

Exception: The Building Official is authorized to waive the submission of construction documents and other data not required to be prepared by a registered design professional if it is found that the nature of the work applied for is such that review of construction documents is not necessary to obtain compliance with this Code. Further, except for plans of a common interest development as defined in section 1351 of the California Civil Code, plans need not to be prepared by a registered licensed professional for the following projects:

- (a) One and two family dwellings of wood frame construction, not exceeding one story in height where design follows latest LARC Wood Frame Prescriptive Provision.
- (b) Garages and other structures appurtenant to buildings where design follows latest LARC Wood Frame Prescriptive Provision.

14.05.070 Section R106 – Construction Documents – amended – Retention of construction documents.

Subsection R106.5 is hereby amended to read as follows:

R106.5 Retention of construction documents. The Building Official shall maintain an official copy, which may be on microfilm, electronic media, or other type of photographic copy, of the plans of every building, during the life of the building, for which a permit was issued.

14.05.080 Section R108 – Fees – amended in its entirety.

Section R108 is hereby amended to read as follows:

**SECTION R108
FEES**

R108.1 Payment of fees. A permit shall not be valid until the fees prescribed by law have been paid. Nor shall any amendment to a permit be released until the additional fee, if any, has been paid. When submittal documents are required by Section R106, a plan review fee shall

be paid at the time of the submittal of the documents for plan review. Said permit and plan review fees shall be established by resolution of the city council and may be amended from time to time. When plans are incomplete or structurally/architecturally changed after submittal, additional plan review fees shall be charged as established by resolution of the city council.

R108.2 Schedule of permit fees. The fee for each permit shall be established by resolution of the City Council and may be amended from time to time. An additional permit application fee shall be charged for issued permit alterations.

R108.2.1 Fee waiver. A. City Manager may waive permit fees for projects that meet one or more of the following criteria:

(1) City projects when the contractor is expressly exempt, under the terms of the contract, from payment of such fees.

(2) City projects that do not incur external consultant costs when the permit applicant is an employee, official, or representative of the City acting in his/her official capacity.

R108.3 Building permit valuations. Building permit valuations shall include total value of the work for which a permit is being issued, such electrical, gas, mechanical, plumbing equipment and other permanent systems, including materials and labor.

R108.4 Related fees. The payment of the fee for the construction, alteration, removal or demolition for work done in connection with or concurrently with the work authorized by a building permit shall not relieve the applicant or holder of the permit from the payment of other fees that are prescribed by law.

R108.5 Refunds. The Building Official may authorize refunding of any fee paid hereunder which was erroneously paid or collected.

The Building Official may authorize refunding of not more than 80 percent of the permit, plan review, and energy fee paid when no work has been commenced under a permit, or when an application for a permit for which a plan review fee has been paid is withdrawn.

The Building Official shall not authorize refunding of any fee paid except on written application filed by the original permittee not later than 180 days after the date of the fee payment.

R108.6 Work commencing before permit issuance. Any person who commences work requiring a permit on a building, structure, electrical, gas, mechanical or plumbing system before obtaining the necessary permits shall be subject to a fee established from time to time by resolution of the city council that shall be in addition to the required permit fees. Any person who wishes to legalize an unpermitted structure or unpermitted grading, as defined in Section R113.1.1 and R113.1.2, shall submit construction documents as set forth in Section R106 of this chapter.

14.05.090 Section R110 - Certificate of Occupancy – amended – Use and occupancy.

Subsection R110.1 is hereby amended to read as follows:

R110.1 Use and occupancy. No building or structure shall be used or occupied, and no change in the existing occupancy classification of a building or structure or portion thereof shall be made, nor shall any person, firm, company, corporation or officer, agent or employee thereof, permit or allow a building or structure to be used or occupied or a change in the existing occupancy classification of a building or structure or portion thereof to be made until the Building Official has issued a certificate of occupancy therefor as provided herein. Issuance of a certificate of occupancy shall not be construed as an approval of a violation of the provisions of this code or of other ordinances of the city. Certificates presuming to give authority to violate or cancel the provisions of this code or other ordinances of the city shall not be valid.

14.05.100 Section R110 – Certificate of Occupancy – amended – Temporary occupancy.

Subsection R110.4 is hereby amended to read as follows:

R110.4 Temporary occupancy. The Building Official is authorized to issue a temporary certificate of occupancy before the completion of the entire work covered by the permit, provided that such portion or portions shall be occupied safely. The Building Official shall set a time period during which the temporary certificate of occupancy is valid. The fee for issuance of each temporary certificate of occupancy shall be established by resolution of the City Council and may be amended from time to time.

14.05.110 Section R111 - Service Utilities – amended – Temporary connection.

Subsection R111.2 is hereby amended to read as follows:

R111.2 Temporary connection. The Building Official shall have the authority to authorize the temporary connection of the building or system to the utility source of energy, fuel or power. Each such method of temporary connection shall be submitted to the Building Official for review. The fee for review of each temporary connection of utilities application shall be established by resolution of the city council and may be amended from time to time.

14.05.130 Section R113 – Violations – amended – Unlawful acts.

Subsection R113.1 is hereby amended to read as follows:

R113.1 Unlawful acts. It shall be unlawful for any person, firm, or corporation to erect, construct, alter, extend, repair, move, remove, demolish, occupy or maintain any building, structure, equipment, installation or land regulated by this code, or cause or permit the same to be done, in conflict with or in violation of any of the provisions of this code.

R113.1.1 Unpermitted structures. No person shall own, use, occupy, or maintain an unpermitted structure. For purposes of this section, ‘unpermitted structure’ shall be defined as any building or structure, or portion thereof, that was erected, constructed, enlarged, altered, repaired, moved, improved, removed, connected, converted, demolished, or equipped, at any point in time by any person, without the required permit(s) having first been obtained from the Building Official or with a valid permit as issued by the Building Official which subsequently expired and became null and void.

R113.1.2 Unpermitted grading. No person shall own, use, occupy or maintain unpermitted grading. For purposes of this section, ‘unpermitted grading’ shall be defined as any

land which has been excavated, cut, filled, graded, compacted or terraced, at any point in time by any person, without the required permit(s) having first been obtained from the Building Official or with a valid permit as issued by the Building Official which subsequently expired and became null and void.

14.05.140 Section R113 – Violations – amended – Violation penalties.

Subsection R113.4 is hereby amended to read as follows:

R113.4 Violation penalties. Any person, firm or corporation who violates any provision of the Technical Codes, or fails to comply with any of the requirements thereof, or who erects, constructs, alters, repairs or maintains a building, structure, installation or equipment, or excavates, cuts, fills, grades, compacts or maintains land in violation of approved construction documents or directive of the Building Official, or of a permit or certificate issued under the provisions of the Technical Codes, shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be subject to the punishments set forth in Chapter 1.16 of the Covina Municipal Code.

Each and every day, or portion thereof, during which any violation of the Technical Codes occurs or continues constitutes a separate and distinct offense.

14.05.150 Section R113 – Violations – amended – Legalizing procedure.

Subsection R113.5 Procedure for legalizing unpermitted structures or grading is hereby added to read as follows:

R113.5 Procedure for legalizing unpermitted structures or grading. The procedures specified within subsections R113.5.1 through R113.5.6 shall be followed whenever an attempt is made to legalize an unpermitted structure or unpermitted grading.

R113.5.1 Permits. Any person who wishes to legalize an unpermitted structure or unpermitted grading, as defined in Section R113.1.1 and R113.1.2, shall obtain all applicable permits. Unpermitted structures and grading shall comply with all current Technical Code requirements and other required approvals pursuant to the Covina Municipal Code in order to be legalized.

Permits obtained to legalize unpermitted structures or grading shall expire as set forth in Section R105.5.1 of this code.

R113.5.2 Plans. Prior to the issuance or granting of any permit to legalize an unpermitted structure, plans showing the plot plan, exterior elevations, existing structures proposed structures, and proposed finish materials shall be submitted to the Chief Planning Official and Building Official for review and approval.

R113.5.3 Grading. Prior to the issuance or granting of any permit to legalize unpermitted grading, a grading and drainage plan showing the original grade and existing unpermitted grade on the premises and the existing grade on adjoining properties, and a soils report shall be submitted to the Chief Planning Official, Building Official, and City Engineer for review and approval.

R113.5.4 Inspections. Unpermitted structures or unpermitted grading for which a permit has subsequently been obtained shall be subject to inspection by the Building Official in accordance with, and in the manner prescribed in, the Technical Codes. The Building Official may require the removal of finish materials in order to expose framing elements, electrical components, plumbing fixtures, or mechanical systems, or may require the removal of fill, to verify that installation, construction, or grading was performed in conformance with the Technical Codes.

R113.5.5 Investigation. Whenever any work for which a permit is required by this code has commenced on land or in connection with any type of structure without first obtaining said permit, a special investigation shall be made before a permit may be issued for such work. For purposes of this section, “special investigation” shall include, but is not limited to, inspecting premises and structures, reviewing permit, license and other records of the City or other agencies, reviewing plans, taking photographs, engaging in conferences and communications with other officials of the City or other agencies, and engaging in conferences and communications with owners or other responsible persons concerning the unpermitted structure or grading.

R113.5.5.1 Fee. A special investigation fee shall be paid prior to the issuance of a permit for an unpermitted structure or unpermitted grading. The fee shall be equal to the amount of time expended by city officials in undertaking the special investigation, as defined in Section R113.5.5, charged at the hourly rate that has been established by resolution of the City Council for recovery of code enforcement fees pursuant to Section 1.28.020.

The payment of such investigation fee shall not exempt any person from compliance with all other provision of this code nor from any penalty prescribed by law.

R113.5.6 Unpermitted structures or grading which cannot be legalized. If the Chief Planning Official determines that the City’s zoning regulations prohibit legalization of any unpermitted structure, the structure shall be demolished or, if previously permitted, restored to its original approved condition, with all requisite permits, inspections and approvals.

If the Building Official determines that an unpermitted structure cannot be made to conform to the current applicable Technical Code requirements, the structure shall be demolished or, if previously permitted, restored to its original approved condition, with all requisite permits, inspections and approvals.

If the Building Official and/or City Engineer determine that unpermitted grading and/or lot drainage cannot be made to conform with current applicable Technical Code requirements, the land shall be fully restored to the condition that preceded the unpermitted grading, with all requisite permits, inspections and approvals.”

SECTION 4. Chapter 14.06 of Title 14 of the Covina Municipal Code is hereby amended to read as follows:

**“Chapter 14.06
ELECTRICAL CODE**

Sections:

- 14.06.010 2016 California Electrical Code adoption by reference.
- 14.06.020 Amendments to the 2016 California Electrical Code.
- 14.06.030 Subsection 89.108.4.2 – Fees – amended.
- 14.06.050 Subsection 89.108.9.2 – Violations and penalties – amended.

14.06.010 2016 California Electrical Code adoption by reference.

The City adopts the 2016 California Electrical Code (“this Code”), together with the amendments provided in this chapter, for the purpose of regulating all installation, arrangement, alteration, repair, use and other operation of electrical wiring, connections, fixtures and other electrical appliances on premises within the city.

One copy of said code is on file in the office of the city clerk, and is hereby referred to, adopted and made a part hereof as if fully set out in this chapter. Said code shall be and become the Electrical Code of Covina.

14.06.020 Amendments to the 2016 California Electrical Code.

The 2016 California Electrical Code adopted by this chapter are amended and changed as set forth in CMC 14.06.030 through 14.06.050.

14.06.030 Subsection 89.108.4.2 – Fees - amended.

Subsection 89.108.4.2 is hereby amended to read as follows:

89.108.4.2 Permit fees. A fee for each electrical permit shall be established by resolution of the City Council and may be amended from time to time. An additional permit application fee shall be charged for issued permit alterations.

89.108.4.2.1 Plan review fees. A fee for each plan review shall be established by resolution of the City Council and may be amended from time to time. When plans are incomplete or the design is changed after submittal, additional plan review fees shall be charged as established by resolution of the City Council.

14.06.050 Subsection 89.108.9.2 – Actions and Proceedings - amended.

Subsection 89.108.9.2 is hereby amended to read as follows:

89.108.9.2 Violations and Penalties. Any person, firm or corporation violating any provisions of this code shall be deemed guilty of a misdemeanor and, upon conviction thereof shall be punishable in accordance with Chapter 1.16 of this Code. The issuance or granting of a permit or approval of plans and specifications shall not be deemed or construed to be a permit for, or an approval of, any violation of any of the provisions of this code. No permit presuming to give authority to violate or cancel the provisions of this code shall be valid, except insofar as the work or use which is authorized is lawful.”

SECTION 5. Chapter 14.08 of Title 14 of the Covina Municipal Code is hereby amended to read as follows:

**“Chapter 14.08
MECHANICAL CODE**

Sections:

- 14.08.010 2016 California Mechanical Code adoption by reference.
- 14.08.020 Amendments to the 2016 California Mechanical Code.
- 14.08.040 Section 106.3 – Violations – amended.
- 14.08.050 Section 104.5 – Fees – amended.

14.08.010 2016 California Mechanical Code adoption by reference.

The City adopts the 2016 California Mechanical Code (“this Code”), together with the amendments provided in this chapter, for the purpose of regulating all related installations, arrangements, alterations, repairs, uses and other operations of mechanical systems, appliances, and apparatus on premises within the city.

One copy of said code is on file in the office of the city clerk, and is hereby referred to, adopted and made a part hereof as if fully set out in this chapter. Said code shall be and become the Mechanical Code of Covina.

14.08.020 Amendments to the 2016 California Mechanical Code.

The 2016 California Mechanical Code adopted by this chapter are amended and changed as set forth in CMC 14.08.030 through 14.08.050.

14.08.040 Section 106.3 – Penalties - amended.

Section 106.3 is hereby amended to read as follows:

Section 106.3 Penalties. Any person, firm or corporation violating any provisions of this code shall be deemed guilty of a misdemeanor and, upon conviction thereof shall be punishable in accordance with Chapter 1.16 of the Covina Municipal Code. The issuance or granting of a permit or approval of plans and specifications shall not be deemed or construed to be a permit for, or an approval of, any violation of any of the provisions of this code. No permit presuming to give authority to violate or cancel the provisions of this code shall be valid, except insofar as the work or use which is authorized is lawful.

14.08.050 Section 104.5 – Fees - amended.

Sections 104.5 of the Mechanical Code is hereby amended to read as follows:

104.5 Permit fees. A fee for each mechanical permit shall be established by resolution of the City Council and may be amended from time to time. An additional permit application fee shall be charged for issued permit alterations.

104.5.1. Plan review fees. A fee for each mechanical plan review shall be established by resolution of the City Council and may be amended from time to time. When plans are incomplete or the design changed after submittal, additional plan review fees shall be charged as established by resolution of the City Council.”

SECTION 6. Chapter 14.10 of Title 14 of the Covina Municipal Code is hereby amended to read as follows:

**“Chapter 14.10
PLUMBING CODE**

Sections:

- 14.10.010 2016 California Plumbing Code adoption by reference.
- 14.10.020 Amendments to 2016 California Plumbing Code.

- 14.10.040 Section 106.3 – Penalties – amended.
14.10.050 Section 104.5 – Fees – amended.

14.10.010 2016 California Plumbing Code adoption by reference.

The city adopts the 2016 California Mechanical Code (“this Code”), together with the amendments provided in this chapter, for the purpose of regulating the erection, installation, alteration, repair, relocation, replacement, maintenance or use of plumbing systems within the city.

One copy of said code is on file in the office of the city clerk, and is hereby referred to, adopted and made a part hereof as if fully set out in this chapter. Said code shall be and become the Plumbing Code of Covina.

14.10.020 Amendments to 2016 California Plumbing Code.

The 2016 California Plumbing Code adopted by this chapter are amended and changed as set forth in CMC 14.10.030 through 14.10.050.

14.10.040 Section 106.3 – Penalties --- amended.

Section 106.3 of the Plumbing Code is hereby amended to read as follows:

106.3 Violations and penalties. Any person, firm or corporation violating any provisions of this code shall be deemed guilty of a misdemeanor and, upon conviction thereof shall be punishable in accordance with chapter 1.16 of this Code. The issuance or granting of a permit or approval of plans and specifications shall not be deemed or construed to be a permit for, or an approval of, any violation of any of the provisions of this code. No permit presuming to give authority to violate or cancel the provisions of this code shall be valid, except insofar as the work or use which is authorized is lawful.

14.10.050 Section 104.5 –Plan Review and Permit Fees - amended.

Section 104.5 is hereby amended to read as follows:

104.5 Permit Fees. A fee for each Plumbing permit shall be established by resolution of the City Council and may be amended from time to time. An additional permit application fee shall be charged for issued permit alterations.

104.5.1 Plan Review Fees. A fee for each plan review shall be established by resolution of the City Council and may be amended from time to time. When plans are incomplete or the design changed after submittal, additional plan review fees shall be charged as established by resolution of the City Council.”

SECTION 7. The Building Official is hereby directed to file a copy of this Ordinance No. 16-0000 with the California Building Standards Commission.

SECTION 8. Severability. If any section, subsection, subdivision, paragraph, sentence, clause or phrase of this ordinance, or any part thereof, is for any reason held to be unconstitutional or void, such decision shall not affect the validity of the remaining portion of this ordinance or any part thereof. The City Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause or phrase thereof, irrespective of the fact that any one or more section, subsection, subdivision, paragraph, sentence, clause or phrase be declared unconstitutional or void.

SECTION 9. Certification. The City Clerk shall certify the passage of this ordinance and shall cause the same to be entered in the book of original ordinances of said City; shall make a minute passage and adoption thereof in the records of the meeting at which time the same is passed and adopted; and shall, within fifteen (15) days after the passage and adoption thereof, cause the same to be published as required by law, in a local weekly newspaper of general circulation and which is designated for that purpose.

SECTION 10. Effective Date. This ordinance and the rules, regulations, provisions, requirements, orders and matters established and adopted hereby shall take effect and be in full force and effect on January 1, 2017 which is to be no less than thirty (30) days from and after the date of its final passage and adoption.

SECTION 11. CEQA. The City Council finds that it can be seen with certainty that adoption of this ordinance will not have a significant adverse effect on the environment and is therefore exempt from California Environmental Quality Act pursuant to Section 15061(b)(3) of the CEQA Guidelines. City staff is directed to file a notice of exemption within five (5) days of the adoption of this ordinance.

SECTION 12. If any section, subsection, sentence, clause, phrase, or portion of this Ordinance is for any reason held to be invalid or unenforceable by a court of competent jurisdiction, the remaining portions of this Ordinance shall nonetheless remain in full force and effect. The people of the City of Covina hereby declare that they would have adopted each section, subsection, sentence, clause, phrase, or portion of this Ordinance, irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases, or portions of this Ordinance be declared invalid or unenforceable.

SECTION 13. The City Clerk shall certify to the passage of this ordinance and shall cause the same to be entered in the book of original ordinances of said City; shall make a minute passage and adoption thereof in the records of the meeting at which time the same is passed and adopted; and shall, within fifteen (15) days after the passage and adoption thereof, cause the same to be published as required by law, in a local weekly newspaper of general circulation and which is hereby designated for that purpose.

PASSED, APPROVED and ADOPTED this 15th day of November 2016

City of Covina, California

KEVIN STAPLETON
MAYOR

ATTEST:

SHARON F. CLARK, Chief Deputy City Clerk

APPROVED AS TO FORM:

CANDICE K. LEE, City Attorney

CERTIFICATION

I, Sharon F. Clark, Chief Deputy City Clerk of the City of Covina, do hereby certify that Ordinance No. 16-2063 was introduced for first reading at a regular meeting on the 18th day of October, 2016. Thereafter, said Ordinance was duly approved and adopted at a regular meeting of said City Council on the 15th day of November 2016 by the following vote:

AYES:	COUNCIL MEMBERS:
NOES:	COUNCIL MEMBERS:
ABSTAIN:	COUNCIL MEMBERS:
ABSENT:	COUNCIL MEMBERS:

Dated: