Table of Contents

Agenda 3

CC 1. Minutes of the November 9, 2016, Special Meeting and November 15, 2016, Regular Meeting.

Minutes 10

CC 2. Payment of City Demands.

City Demands 24

CC 3. Payment of Agency Demands.

Agenda Demands 34

CC 4. Confirmation of Continued Existence of Emergency Condition at Charter Oak Reservoir Site, Increased Funding, Change Order, and Amendment to Agreement with Doane and Hartwig Water Systems, Inc.

Resolution Nos. 16-7563 and 16-7567 38

CC 5. Resolution Approving the Carryover of Continuing Appropriations from Fiscal Year 2015-2016 to Fiscal Year 2016-2017.

Resolution No. 16-7568 64

CC 6. Authorization to Fill Assistant Public Works Director Position on an Interim Basis.

Interim Assistant Public Works Director 70

CC 7. Proposed Memorandum of Understanding between City and County of Los Angeles for Field Investigations for Feasible Study for Regional Stormwater Project at Kahler Russell Park.

Feasibility Study for Regional Stormwater Project at Kahler Russell Park 74

CC 8. Payment to Air-Bree Heating & Air Conditioning, Inc. for Services at Covina Metrolink Station Parking Complex.

Air-Bree Payment 84

CC 9. Amendment to Agreement with Interwest Consulting Group, Inc. for Planning and Transit Consulting Services.

Interwest Consulting Group, Inc. Agreement Amendment 108

CC 10. Amendment to Contract with Christian Brothers Mechanical Services, Inc. for Heating Ventilation and Air Conditioning Maintenance and Budget Amendment to Increase Contract by $9,580.

Christian Brothers Mechanical Services, Inc. Contract Amendment 166

CC 11. Amendment to Contract with Landcare USA, LLC for Park Landscape Maintenance Services.

Landcare USA, LLC Contract Amendment 202

CC 12. Energy Management Agreement with EnerNoc, Inc. for Management Services to Comply with Southern California Edison's Demand Management Program.

EnerNoc, Inc. Agreement 208

CC 13. Ordinance No. 16-2068 Zone Change 16-002 for the Proposed iTEC Transit-Oriented Mixed-Use Development at 1162 N. Citrus Ave. and 117 E. Covina Blvd.- Second Reading and Adoption.

Ordinance No. 16-2068 228

CC 14. Ordinance No. 16-2069 Development Agreement 16-001 for 117 For-Sale Townhouse Units and Conveyance of Property to the City Located at 1162 N. Citrus Ave. and 117 E. Covina Blvd. - Second Reading and Adoption.

Ordinance No. 16-2069 260

CC 15. Approval of Inmate Food Service Agreement with the County of Los Angeles.

County of Los Angeles Inmate Food Service Agreement 328

CC 16. Resolution Denying the Applicant's Appeal and Sustaining the Planning Commission's Conditions of Approval for Site Plan Review SPR 16-012 and Conditional-Use Permit CUP 16-009 for a New Sit-Down Eating Establishment Located at 211 North Citrus Avenue.

Resolution No. 16-7570 346

PH 1. Public Hearing of 2016 Annual Report for the Covina Downtown Business Area Enhancement District (BAED) and Proposed Assessment.

Resolution No. 16-7566 352

PH 2. Public Hearing of 2016 Annual Report for the Prospero Park Business Area Enhancement District (BAED) and Proposed Assessment.

Resolution No. 16-7565 358

PH 3. Report and Adoption of Urgency Ordinance Extending a Moratorium Prohibiting all Commercial Non-Medical Marijuana Activity in the City, Prohibiting Outdoor Marijuana Cultivation and Restricting Indoor Cultivation in Private Residences.

Ordinance No. 16-2070 364

NB 1. Request to Amend the City's Classification Plan to Establish the Classification of Records Technician and add it to Compensation Rules.

Resolution No. 16-7571 374

NB 2. Approval of City Manager Employment Agreement by and between the City of Covina and Brian Saeki.

City Manager Employment Agreement 382

NB 3. Southern California Edison Schedule LS-1 Option E, Energy Efficient-Light Emitting Diode (LED) Fixture Replacement Rate Agreement.

Resolution No. 16-7568 392

NB 4. Election of Board Member for San Gabriel Basin Water Quality Authority Board Member Representing Cities with Prescriptive Water Pumping Rights.

Resolution No. 16-7569 414

REGULAR MEETING AGENDA
125 E. College Street, Covina, California
Council Chamber of City Hall
Tuesday, December 06, 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 § 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)

B. 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 King.

INVOCATION

Given by Covina Police Chaplain Truax

PRESENTATIONS

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 November 9, 2016, Special Meeting and November 15, 2016, Regular Meeting 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 $1,598,901.78.

Report: **City Demands**

CC 3. Payment of Agency Demands in the Amount of $15,791.54.

Report: **Agenda Demands**

CC 4. City Council to Adopt Resolution No. 16-7563 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, Adopt Resolution No. 16-7567 to Amend FY 2017 Capital Improvement Budget to Increase Funding for Residual Control System at Charter Oak Site, and Authorize Interim City Manager to Execute Change Order No. 2 and Execute First Amendment to Professional Services Agreement with Doane and Hartwig Water Systems, Inc.

Report: **Resolution Nos. 16-7563 and 16-7567**

CC 5. Resolution No. 16-7568 Approving the Carryover of Continuing Appropriations from Fiscal Year 2015-2016 to Fiscal Year 2016-2017.

Report: **Resolution No. 16-7568**

CC 6. Authorization to Fill Assistant Public Works Director Position in Department of Public Works on Interim Basis to Support Water Division Operations.

Report: **Interim Assistant Public Works Director**

CC 7. Proposed Memorandum of Understanding between City of Covina and County of Los Angeles for Field Investigations to Determine Feasibility of Conducting a Regional Stormwater Project at Kahler Russell Park.

Report: **Feasibility Study for Regional Stormwater Project at Kahler Russell Park**

CC 8. Payment to Air-Bree Heating & Air Conditioning, Inc. (Air-Bree) For Heating, Ventilation, and Air Conditioning (HVAC) Services at Covina Metrolink Station Parking Complex.

Report: **Air-Bree Payment**

CC 9. Seventh Amendment to Agreement between City of Covina and Interwest Consulting Group, Inc. for Planning and Transit Consulting Services.

Report: **Interwest Consulting Group, Inc. Agreement Amendment**

CC 10. Second Amendment to Contract with Christian Brothers Mechanical Services, Inc. for Heating Ventilation and Air Conditioning Maintenance and Resolution No. 16-7564 to Amend the FY 2017 Operating Budget to Increase Funding for Heating Ventilation Air Conditioning Maintenance Services Contract by $9,580.

Report: **Christian Brothers Mechanical Services, Inc. Contract Amendment**

CC 11. Fourth Amendment to Contract for Park Landscape Maintenance Services with Landcare USA, LLC.

Report: **Landcare USA, LLC Contract Amendment**

CC 12. Energy Management Agreement with EnerNoc, Inc. for Management Services to Comply with Southern California Edison's Demand Management Program.

Report: **EnerNoc, Inc. Agreement**

CC 13. Ordinance No. 16-2068 for Zone Change (ZCH) 16-002, to Amend the Official Zoning Map of the City of Covina by Changing the Zoning Designation from "C-3A COMMERCIAL ZONE (REGIONAL OR COMMUNITY SHOPPING CENTER)" and "C-R COMMERCIAL ZONE (RECREATION)" to "COVINA FORWARD SPECIFIC PLAN" with 6.12 Acres Zoned for "RD (MULTI-FAMILY)" and 4.54 Acres Zoned for "I (INSTITUTIONAL USE)" for the Proposed iTEC Transit-Oriented Mixed-Use Development for Property Generally Located at 1162 North Citrus Avenue and 117 East Covina Boulevard – APN: 8406-019-019, 8406-019-020 and 8406-019-017 - Second Reading and Adoption.

Report: **Ordinance No. 16-2068**

CC 14. Ordinance No. 16-2069 for Development Agreement (DA) 16-001, approving and Adopting a Development Agreement Between MLC Holdings, Inc. and the City of Covina Related to a Proposed Development Consisting of 117 For-Sale Townhouse Units on Approximately 6.12 Acres, the Conveyance of 1.11 Acres to the City and the Conveyance of 0.351 Acres to the City for Parkland, for Property Generally Located at 1162 North Citrus Avenue and 117 East Covina Boulevard – APN: 8406-019-019, 8406-019-020 and 8406-019-017 - Second Reading and Adoption.

Report: **Ordinance No. 16-2069**

CC 15. Approve the Inmate Food Service Agreement with the County of Los Angeles.

Report: **County of Los Angeles Inmate Food Service Agreement**

CC 16. Resolution No. 16-7570 Denying the Applicant's Appeal and Sustaining the Planning Commission's Approval of Resolution No. 16-025 PC with Conditions of Approval for Site Plan Review SPR 16-012 and Conditional-Use Permit CUP 16-009, a Request to Offer General Alcohol (Type 47 ABC License) for a New Sit-Down Eating Establishment Located on the Ground-Floor Level of the Building Located at 211 North Citrus Avenue within the TCSP-5 Zone of the Town Center Specific Plan.

Report: **Resolution No. 16-7570**

PUBLIC HEARING

PH 1. Public Hearing of 2016 Annual Report for the Covina Downtown Business Area Enhancement District (BAED) and Proposed Assessment.

Report: **Resolution No. 16-7566**

Staff Recommendation:

A. Conduct the public hearing of the 2016 Annual report for the Covina Downtown Business Area Enhancement District and proposed assessment.
B. Adopt **Resolution No. 16-7566**, confirming the 2016 Annual Report for the Downtown Covina Business Area Enhancement District and levying the assessment described therein.

PH 2. Public Hearing of 2016 Annual Report for the Prospero Park Business Area Enhancement District (BAED) and Proposed Assessment.

Report: **Resolution No. 16-7565**

Staff Recommendation:

A. Conduct the public hearing of the 2016 Annual Report for the Prospero Park Business Area Enhancement District and proposed assessment.
B. Adopt **Resolution No. 16-7565** confirming the 2016 Annual Report for the Prospero Park Business Area Enhancement District and levying the assessment described therein.

PH 3. A Public Hearing to Consider Issuing a Report and Subsequent Adoption of Urgency Ordinance No. 16-2070 Extending a Moratorium on Prohibiting all Commercial Non-Medical Marijuana Activity in the City of Covina, Prohibiting Outdoor Marijuana Cultivation on Private Residences and Restricting Indoor Cultivation in Private Residences and Declaring the Urgency Thereof.

Report: **Ordinance No. 16-2070**

Staff Recommendation:

1. Open the public hearing, receive public testimony and close the public hearing; and
2. Adopt and issue the report on measures taken during the moratorium per Government Code Section 65858; and
3. Adopt **Urgency Ordinance No. 16-2070**, An Urgency Ordinance of the City of Covina Extending the Term of Ordinance No. 16-2065 Enacted Pursuant to Government Code Section 65858 Establishing a Moratorium Extending a Moratorium on Prohibiting all Commercial Non-Medical Marijuana Activity in the City of Covina, Prohibiting Outdoor Marijuana Cultivation on Private Residences and Restricting Indoor Cultivation in Private Residences, Declaring the Urgency Thereof and Making a Determination of Exemption under the California Environmental Quality Act; a four-fifths (4/5) vote is required per California Government Code Section 65858(b); and
4. Direct staff to draft revisions to Chapter 17 of the Covina Municipal Code relating to prohibiting all commercial non-medical marijuana activity in the City of Covina, prohibiting outdoor marijuana cultivation on private residences and restricting indoor cultivation in private residences and return to the City Council for consideration of the proposed revisions by June 2017.

CONTINUED BUSINESS – NONE

NEW BUSINESS

NB 1. Request to Amend the City's Classification Plan to Establish the Classification of Records Technician and Add the Classification to the Mid-Management, Supervisory and Professional, and Confidential and Technical Employees Compensation Rules.

Report: **Resolution No. 16-7571**

Staff Recommendation:
Adopt **Resolution No. 16-7571**, amending the City's Classification Plan to establish the classification of Records Technician and add the classification to the Mid-Management, Supervisory and Professional, and Confidential and Technical Employees Compensation Rules.

NB 2. Approval of City Manager Employment Agreement by and between the City of Covina and Brian Saeki.

Report: **City Manager Employment Agreement**

Staff Recommendation:
That the City Council approve the Employment Agreement for the position of City Manager by and between the City of Covina and Brian Saeki.

NB 3. Southern California Edison Schedule LS-1 Option E, Energy Efficient-Light Emitting Diode (LED) Fixture Replacement Rate Agreement.

Report: **Resolution No. 16-7568**

Staff Recommendation:
1. Authorize the Interim City Manager to execute the Southern California Edison Schedule LS-1 Option E, Energy Efficient-Light Emitting Diode (LED) Fixture Replacement Rate Agreement to place the City of Covina in the LS-1 Option E queue to replace current Edison-owned streetlight lamps with LED lamps; and
2. Authorize the Interim City Manager to inform Southern California Edison of the City of Covina's intent not to participate in the street Light Acquisition Program.

NB 4. Election of Board Member for San Gabriel Basin Water Quality Authority Board Member Representing Cities with Prescriptive Water Pumping Rights.

Report: **Resolution No. 16-7569**

Staff Recommendation:
1. Cast the City's five votes for Mayor Pro Tem Jorge Marquez for Board Member to the San Gabriel Basin Water Quality Authority Board.
2. Direct staff to send a resolution casting the City's five votes for Board Member to the San Gabriel Basin Water Quality Authority.

ADJOURNMENT

The Covina City Council/Successor Agency to the Covina Redevelopment Agency/Covina Public Financing Authority/Covina Housing Authority will adjourn to its next regular meeting of the Council/Agency/Authority scheduled for Tuesday, December 20, 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, December 06, 2016, meeting was posted on December 1, 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.

THIS PAGE LEFT INTENTIONALLY BLANK

ITEM NO. CC 1

MINUTES OF THE NOVEMBER 9, 2016 SPECIAL 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 8:05 a.m. with all Councilmembers present. There were no public comments. Mayor Stapleton recessed the Council to closed session at 8:05 a.m.

ROLL CALL

Councilmembers Present: Walter Allen III, 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: None.

Staff Members Present: Interim City Manager Don Penman.

CLOSED SESSION

A. Government Code § 54957 - PUBLIC EMPLOYEE APPOINTMENT
Title: City Manager Interviews

RECONVENE AND CALL TO ORDER

Mayor Stapleton reconvened the meeting into open session at 3:24 p.m.

CLOSED SESSION REPORT

Mayor Stapleton announced that there was no reportable action taken and that direction was given to staff.

ADJOURNMENT

At 3:24 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 the next regular meeting of the Council/Agency/Authority scheduled for Tuesday, November 15, 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.

Respectfully Submitted:

_____
Sharon F. Clark, CMC
Chief Deputy City Clerk

Approved this 6th day of December, 2016:

_____
Kevin Stapleton, Mayor/Chair

MINUTES OF NOVEMBER 15, 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. 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, 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 and City Treasurer Geoffrey Cobbett.
Elected Members Absent: None.
Staff Members Present: Interim City Manager Donald E. Penman, City Attorney Candice K. Lee, Police Chief John Curley, 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 § 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)

B. **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 7:30 p.m. with all councilmembers present.

PLEDGE OF ALLEGIANCE

Councilmember Delach led the Pledge of Allegiance.

INVOCATION

Covina Police Chaplain Truax gave the invocation.

PRESENTATIONS

Recognition of the 2016 Christmas Parade Committee Members

Parks and Recreation/Library Director Hall-McGrade recognized 2016 Covina Christmas Parade Committee Members for their service to the community, introduced Joelle Peelgren, Christmas Parade Committee Chair and Head Announcer, thanked her for her leadership, and presented her with an appreciation gift. Parade Chair Peelgren recognized Police Chief Curley, standing in for Police Liaison to the Parade Committee Lieutenant Tim Doonan and read tributes to Lt. Doonan; shared "I Believe" statements related to the parade theme of "Believe;" recognized fundraising volunteers, Parade Public Relations Committee, Executive Committee, and General Committee members; recognized Parks and Recreation/Library Director Hall-McGrade and presented her with a pillow and plaque with the Parade theme, "Believe;" announced the Tree- Lighting event on November 19, 2016, at 6:00 p.m. at Heritage Plaza, and gave details on the 66th Annual Christmas Parade to be held on December 3, 2016, at 6:30 p.m.

CLOSED SESSION REPORT

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

PUBLIC COMMENTS

Frank Aceves commented on the Field of Valor event and his military service, and thanked the Covina Rotary Club and all the organizations who made the event possible.

Leonard W. Rose, Jr. commented on upcoming events at Covina Assembly of God Church and on Presidential election results, gave some voter statistics, and encouraged veterans to check with their representatives for assistance.

COUNCIL/AGENCY/AUTHORITY COMMENTS

Mayor Pro Tem Marquez asked Police Chief Curley to comment on ramifications of the passage of marijuana initiative Proposition 64, which the Covina City Council opposed. Police Chief Curley explained that commercial activity won't commence until January 1, 2018; there will be no changes related to driving under the influence of marijuana; detailed changes in sentencing for minors; explained that re-sentencing and expungement will be possible by petition for prior convictions related to marijuana; public and private employers still have the right and obligation

to maintain a drug-free workplace; and commented on the urgency ordinance recently adopted that will help law enforcement with local zoning issues related to marijuana.

Councilmember Allen commented that marijuana may not be smoked where tobacco is banned.

Mayor Stapleton commented that the Council adopted an urgency ordinance related to marijuana regulations in the City on November 1, 2016, which will likely need to be extended to allow the City time to consider the factors involved due to this legislation.

Councilmember Delach commended the Veteran's Day ceremonies, and Covina Rotary Club, Linda Logan and the McIntyre Company, and Wayne Partee for their part in the events.

Councilmember Allen commended the Veteran's Day events and credited Wayne Partee, Linda Logan, and all the volunteers for their good work; stated that it is unfortunate that Proposition 64 passed, expressed concern that children are put into jeopardy by this legislation, and reminded parents to keep a watchful eye on their children; and expressed regret that he is unable to attend the Tree-Lighting event due to another obligation.

Councilmember King commended the Veteran's Day event, thanked Mayor Stapleton and all veterans for their service, and expressed his excitement about the coming holiday season.

Mayor Stapleton commented on the Field of Valor event, that he was impressed with the crowds and the recognition for the courage of the individuals who stepped up to serve; and reported that at the recent Sanitation District Board Meeting it was explained that two outfall tunnels which are 60 and 90-years old need to be replaced, and encouraged the community to contact their Council Sanitation District representative for more information.

He announced the following upcoming events:

- Annual Tree Lighting Ceremony on Saturday, November 19, 2016, at 6:00 p.m. at Heritage Plaza.
- 66th Annual Covina Christmas Parade "Believe" on Saturday, December 3, 2016, at 6:30 p.m.
- Parks and Recreation Department's Holiday Homes Tour and Shopping excursion on Sunday, December 4, 2016.
- Historic Society had great appraisal event

Mayor Stapleton read an email he had received expressing concern about nightclub-like activity and alcohol-related issues in the Downtown area, and reported that he had referred the matter to Interim City Manager Penman and Police Chief Curley.

Councilmember Allen requested that a report on this matter be brought back to Council. Mayor Stapleton concurred.

CITY MANAGER COMMENTS

Interim City Manager Penman noted that a revised staff report for agenda item PH 1 had been distributed and requested consideration of the item based on the revised report.

CONSENT CALENDAR

Councilmember King requested that item CC 6 be pulled for separate discussion.

A motion was made by Mayor Pro Tem Marquez, seconded by Councilmember Allen, to approved Consent Calendar items CC 1 – 5 and 7 – 10 as presented.

Motion approved Consent Calendar items CC 1 – 5 and 7 – 10 as follows:

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

CC 1. City Council approved the Minutes of the November 1, 2016, Special Study Session and Regular Meetings 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 $2,171,901.25.

CC 3. Successor Agency to the Covina Redevelopment Agency approved the payment of Agency Demands in the amount of $56,507.55.

CC 4. City Council adopted **Resolution No. 16-7553** 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 5. City Council authorized the Interim City Manager to execute the Third Amendments to Contract with Boss Janitorial Services, Inc. for Janitorial Maintenance Services.

CC 7. City Council approved Professional Services Agreement with Advantage, Inc. for Printing and Binding Services for the City of Covina's Quarterly Newsletter Publication.

CC 8. City Council authorized the Interim City Manager to execute a Professional Services Agreement with Robert Half International, Inc. for Accounting Services.

CC 9. City Council adopted **Resolution No. 16-7555** establishing of the Sum of Bond required of specified city employees.

CC 10. City Council approved the request to increase compensation to Liebert Cassidy Whitmore for legal services provided in Fiscal Year 2016-2017; and adopted **Resolution No. 16-7556** appropriating $25,000 for the regular Pay Audit and Analysis Project for Liebert Cassidy Whitmore.

CONSENT CALENDAR ITEMS PULLED FOR SEPARATE DISCUSSION

CC 6. Set Public Hearing Date of November 29, 2016 Special Meeting for the Consideration of Vesting Tentative Tract Map (VTTM) 74512, to Subdivide the 10.66-acre Project Site into 23 Lots with 21 Lots and 12 Letter-Lots on Approximately 6.12 Acres for the Residential Development of 117 For-Sale Townhouse Units, Private Drive Aisles,

Recreation Facilities and Common Open Space Areas; and 2 Lots (Lots 22 and 23) on Approximately 4.54 Acres for Public/Transit and Public/Civic Uses for Property Located Generally at 1162 North Citrus Avenue and 117 East Covina Boulevard - APN: 8406-019-019, 8406-019-020 and 8406-019-017.

Councilmember King requested and received confirmation that this item is just to set the public hearing date for November 29, 2016, at 6:00 p.m.

A motion was made by Councilmember King, seconded by Councilmember Allen to approve Consent Calendar item CC 6 as presented.

Motion approved Consent Calendar item CC 6 as follows:

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

PUBLIC HEARINGS

PH 1. Ordinance No. 16-2063 Adopting by Reference the 2016 Editions of the California Administrative, Building, Electrical, Mechanical, Plumbing, Energy, Historical Building, Fire, Existing Building, Green Building Standards, and Reference Standards Codes and Related Model Codes, with Appendices and Amendments Thereto; and Amending Title 14 (Building and Construction) of the Covina Municipal Code - Second Reading & Adoption.

Mayor Stapleton opened the public hearing.

The staff report was presented by Community Development Director Lee.

In response to a question from Mayor Stapleton as to whether the City is forced to adopt this ordinance, Community Development Director Lee explained that if the City doesn't adopt the Codes, they become effective anyway and the State of California would enforce them.

There was no public comment.

Mayor Stapleton closed the public hearing.

A motion was made by Councilmember Allen, seconded by Mayor Pro Tem Marquez to waive full reading, read by title only, and adopt **Ordinance No. 16-2063** entitled, "AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, ADOPTING BY REFERENCE THE 2016 EDITIONS OF THE CALIFORNIA ADMINISTRATIVE, BUILDING, ELECTRICAL, MECHANICAL, PLUMBING, ENERGY, HISTORICAL BUILDING, FIRE, EXISTING BUILDING, GREEN BUILDING STANDARDS, AND REFERENCE STANDARDS CODES AND RELATED MODEL CODES, WITH APPENDICES AND AMENDMENTS THERETO; AND AMENDING TITLE 14 (BUILDING AND CONSTRUCTION) OF THE COVINA MUNICIPAL CODE" as amended.

City Attorney Lee read the Ordinance title into the record.

Motion approved Public Hearing item PH 1 as follows:

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

PH 2. Resolution No. 16-7552 to Consider the Appeal of Planning Commission's Decision to Approve Resolution No. 2016-025 PC with Conditions of Approval.

Mayor Stapleton opened the public hearing.

The staff report was presented by Community Development Director Lee.

Cory Briggs, representing property owner Vivian Xie, stated Ms. Xie is in agreement with the Conditions of Approval as approved by the Planning Commission, except that the business needs to be open until 2:00 a.m. on Friday and Saturday, and until 1:30 a.m. on Thursday from a financial standpoint.

Luis Niebla, applicant, stated that necessary changes have been made including no DJ or dance floor, but that some groups won't come in if the restaurant closes too early; and explained the proposed business is not a sports bar, but a themed restaurant which would like to show sports including UFC and boxing matches. In response to a question from Mayor Stapleton, Mr. Niebla confirmed that the appeal is only for the closing hours on Thursday, Friday, and Saturday.

Orlando Cernas, owner of the proposed business, stated he and his business partners just want to open a restaurant on main street Americana with a family atmosphere, where people can go and have a good time with their family, and that they want the opportunity to be part of the Covina community.

In response to a question from Mayor Stapleton as to his connection to the applicant, Mr. Cernas replied that he, Mr. Niebla, and Mr. Cernas' brother-in-law, Alex Ortiz, are business partners who want to open a family restaurant, not a nightclub, and want to be part of the community including participating on the Parade Committee and in the Chamber of Commerce.

Norma Topete stated she has been working with the El Pescador restaurant group for 25 years, that it is a people business that serves food, and that the business can be an asset to the community.

Alex Ortiz, owner of El Pescador in Ontario and West Covina and business partner in the proposed business, stated he wants a long-term business, not short-term; they can bring new things to Covina and its Downtown; he understands concerns about the past and can't change that, but can bring good things to the future; and if they fail, let them know and they will fix it.

In response to a question from Councilmember Allen as to whether he is willing to go with the Planning Commission's approved hours now and return later to request different hours, Mr. Ortiz explained the cost percentages expected for the business and that it is more a measure of how much money they would be losing, that they are trying to capture people who get off work late and having those hours is part of surviving and really important.

Tefei Chen, property owner, translated by Vivian Xie, commented on the business system in China; that they made a mistake with the subject property the first time, but believes everyone deserves a second chance, so the second time they are more careful in choosing the business to come in; they had visited many of the locations run by the proposed business owners and have seen how successfully the businesses run and how happy the employees are; the business only needs five to six more actual hours to make sense - not to make a huge profit, but to survive; and that they want to improve themselves, to work with the City, and want the City to carefully hear them and consider their request.

Richard Rodriquez, manager for 3 Vino's, commented that if the proposed business is an El Pescador, you would be getting El Pescador; business decreases after midnight and he doesn't understand why a restaurant would want to stay open later; there were problems with the previous business and he doesn't want that to repeat; and if the property owners are in good faith with the City, the only complaint is the eyesore of the door which has been boarded up for a year and a half.

Raul Trevino, owner of 3 Vino's, commented that the CUP for the previous business was revoked in December 2015; expressed concern with property owner Xie's past lack of response to him and to the City on various issues with the property; commented that if proposed business OLA leaves in the future, the CUP would transfer to Ms. Xie who is the person the City revoked the CUP for; and urged that the conditions of the CUP be enforced. In conclusion, he stated it is the Council's decision and that he welcomes OLA, if they operate like they say they are going to.

In response to a question from Councilmember King about whether she is part of the business, property owner Xie stated she is not. Applicant Luis Niebla commented that the CUP goes with the property, so Ms. Xie is a co-applicant, but the business belongs to the OLA group.

City Attorney Lee explained that the CUP runs with the land not with the property owner; the applicant is Luis Niebla who is only appealing the Conditions of Approval with regard to the hours of operation; the conditions of approval were designed to address and mitigate possible issues with the proposed use; staff has indicated that the conditions of approval which have been imposed on the OLA Sports Bar CUP are reasonable conditions that staff anticipates would be imposed on future alcohol CUP uses in the Downtown area. She recommended that if Council had additional questions of staff or the applicant, the public hearing be kept open for that purpose, the applicant allowed a few minutes rebuttal time, the public hearing be closed, and Council would then deliberate.

Property Owner Xie rebutted Mr. Trevino's comments and said that although they had made mistakes, the property owners want to follow all regulations and be a good business.

Applicant Niebla, in reference to comments made by Mr. Rodriguez and Mr. Trevino that after 12:00 a.m. they don't sell much food, stated that after 12:00 a.m., OLA's booths and tables stay in place and they continue serving.

Mayor Stapleton closed the public comment portion of the public hearing.

Discussion included the CUP being based on specific conditions of approval for a particular business by evaluating the use being proposed, in the location proposed, given the conditions occurring around the business, in order for the health, safety and welfare of the community to be

protected; the Police Department working with the Downtown merchants over the last four years and presenting their concerns in a detailed report to the Planning Commission in December 2014 about activity experienced in the Downtown regarding types of ABC licenses and hours of operation; the Police Department's 100% agreement with Community Development Director Lee's staff report and the Planning Commission's Conditions of Approval for this CUP; late-night operation of this type of business creating a burden on police services when people are in the downtown area until 2:00 a.m.; the fairness of allowing the proposed business to close at later hours when other local restaurants close at 1:00 a.m.

Mayor Pro Tem Marquez stated that for fairness, the closing time should be 1:00 a.m.

Councilmember Allen stated he has problems with the hours of operation requested by the applicant and due to past issues and looking out for the welfare of the Downtown area, supports the staff proposal and the Planning Commission's recommendation.

Mayor Stapleton stated that the Planning Commission's function is to review this type of application and it came to a 5-0 recommendation for Friday and Saturday closing hours at midnight; indicated his agreement with the Planning Commission, and suggested that if in a year there are not problems associated with this business, they can come back and ask Council again to reconsider the closing hours; and stated his inclination to deny the appeal.

In response to a question from Councilmember King about whether there is an issue of fairness if a similar business is open until 1 a.m., City Attorney Lee responded that you generally want to be consistent, but it depends on a lot of factors including the facts of each individual alcohol CUP with regard to restaurant use, whether other applications may have been approved prior to the specific plan being adopted, and the timing of applications in regard to when amendments may have been made to the specific plan.

Community Development Director Lee commented that the benefit of a CUP process is the analysis of a specific application with a specific proposal in a specific location, with a significant part based upon the health, safety, and welfare of the community and the potential impacts of the business both within and outside of the business site; consideration of the CUP transferring to another business in the future at the same location; and though there is discretion and judgment involved, there is a better measuring stick to manage the performance of the operation for this CUP as opposed to the previous one.

Councilmember Delach stated she wants to be fair but there is the question of whether it is a restaurant or a bar, and prefers to stick with the Planning Commission's recommendation with the option to reassess in a year whether a 1:00 a.m. closing time would be appropriate.

Mr. Briggs stated that while he appreciates the attempt to find a way to balance this, in a year they won't have any operations after midnight to show that they're doing okay and Council is setting a standard they can never meet, and requested that Council rethink the fairness. In conclusion, he referred to the Police Department's comment that once food is no longer being served and alcohol consumption goes up, that is when problems occur, and that this is a restaurant that will be serving food until they close.

City Attorney Lee recommended that if Council wished to uphold the Planning Commission's Conditions of Approval for the CUP and deny the appeal, that the motion be to direct the City

Attorney to prepare a beefed-up resolution to bring back to Council at a future meeting; and received clarification from Mayor Stapleton that Mr. Briggs' second speaking time was his rebuttal time.

Mayor Stapleton closed the public hearing.

A motion was made by Councilmember Allen, seconded by Mayor Stapleton, to deny the applicant's appeal and sustain the City of Covina's Planning Commission's decision to approve Resolution No. 2016-025 PC with Conditions of Approval for SPR 16-012 and CUP 16-009, a request to offer general alcohol (Type 47 ABC License) for a new sit-down eating establishment located on the ground-floor level of the building located at 211 North Citrus Avenue and to direct the City Attorney to prepare a revised Council resolution memorializing the Council's action for the next regular Council meeting.

Motion approved Public Hearing item PH 2 as follows:

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

RECESS AND RECONVENE

Mayor Stapleton recessed the meeting at 9:56 p.m. and reconvened at 10:01 p.m. with all councilmembers present.

PUBLIC HEARINGS

PH 3. The Establishment and Adjustment of Certain Service and Development-Related and Other User Fees.

Mayor Stapleton opened the public hearing. There was no public comment.

The staff report and a PowerPoint presentation were presented by Finance Director Agramonte.

In response to a question from Mayor Stapleton as to what Council action is being requested, Interim City Manager Penman explained that Council is being asked to approve the new fee schedule with the understanding that some ordinances would need to come back to Council at a later time.

Councilmember Allen commented on residents being upset about increased water fees and his preference to not increase those fees.

Discussion included Planning fees being competitive with other communities and improved plan-check turn-around time.

Mayor Stapleton closed the public hearing.

A motion was made by Councilmember Delach, seconded by Councilmember Allen, to adopt **Resolution No. 16-7554** adopting a City-wide Comprehensive User Fee Study; and adopting a comprehensive fee schedule establishing and amending certain service and development-related

fees for City services, as revised to retain current water turn-on and turn-off fees, and authorizing the payment of such fees by credit card, debit card or electronic funds transfer.

Motion approved Public Hearing item PH 3 as follows:

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

PH 4. A Public Hearing to Consider Issuing a Report and Subsequent Adoption of Urgency Ordinance No. 16-2066 Extending a Moratorium on Issuing Any Permits for Any New Used Merchandise, Secondhand and/or Thrift Stores or the Expansion of Any Existing Used Merchandise, Secondhand and/or Thrift Stores.

Mayor Stapleton opened the public hearing.

The staff report was presented by Community Development Director Lee. There was no public comment.

Mayor Stapleton closed the public hearing.

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

1. Adopt and issue the report on measures taken during the moratorium per Government Code Section 65858.
2. Adopt **Urgency Ordinance No. 16-2066** entitled, "An Urgency Ordinance of the City of Covina Extending the Term of Ordinance No. 15-2047 Enacted Pursuant to Government Code Section 65858 Establishing a Moratorium on the Establishment of Any New Used Merchandise Stores and Secondhand Stores, or Thrift Stores in the City of Covina, or the Expansion of Any Existing Used Merchandise Stores, Secondhand Stores or Thrift Stores, Declaring the Urgency Thereof and Making a Determination of Exemption Under the California Environmental Quality Act;" a four-fifths (4/5) vote is required per California Government Code Section 65858.
3. Direct staff to draft revisions to Chapter 17 of the Covina Municipal Code relating to Used Merchandise, Secondhand and/or Thrift Stores and return to the City Council for consideration of the proposed revisions by June 2017.

Motion approved Public Hearing item PH 4 as follows:

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

CONTINUED BUSINESS

CB 1. First Amendment to Professional Services Agreement with Blueray Management LLC to Provide Seasonal Aquatics Programs and Services.

In response to a question from Mayor Stapleton as to whether there were any updates since the Study Session report previously presented to Council, Parks and Recreation/Library Director Hall-McGrade explained that staff costs had been adjusted to show a greater and more accurate cost-savings of just over $100,000.

There was no public comment.

A motion was made by Councilmember Delach, seconded by Councilmember Allen, to approve the First Amendment to Professional Services Agreement with Blueray Management LLC to provide seasonal aquatics programs and services.

Motion approved Continued Business item CB 1 as follows:

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

NEW BUSINESS

NB 1. City Council Consideration of Participation in the 2017 Greater Los Angeles Homeless Count.

The staff report was presented by Community Development Director Lee. There was no public comment.

A motion was made by Councilmember King, seconded by Mayor Pro Tem Marquez, to approve participation in the 2017 Homeless Count and approve the Opt-In Program Agreement for the 2017 Greater Los Angeles Homeless Count Opt-In Program with the Los Angeles Homeless Services Authority, subject to final approval of terms by the City Attorney, and authorize the City Manager or his designee to sign related documents.

Motion approved New Business item NB 1 as follows:

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

ADJOURNMENT

At 10:29 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 special meeting of the Council/Agency/Authority scheduled for Tuesday, November 29, 2016, at 6:00 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 6th day of December, 2016:

_____
Kevin Stapleton, Mayor/Chair

THIS PAGE LEFT INTENTIONALLY BLANK

CITY OF COVINA

AGENDA REPORT

ITEM NO. CC 2

MEETING DATE: December 6, 2016

TITLE: Payment of Demands

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

RECOMMENDATION: Approve Payment of Demands in the amount of $1,598,901.78

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

DATE OF DEMANDS		DEMAND NUMBERS		AMOUNT
ACCOUNTS PAYABLE WARRANTS				
Oct. 28 - Nov. 10, 2016	Wires/EFTs	5176-5180	$	14,525.79
	Checks	82446-82771	$	1,091,426.44
PAYROLL				
11/3/16			$	479,231.47
VOIDS			$	-
WORKERS COMPENSATION				
Oct. 28 - Nov. 10, 2016			$	13,718.08
		GRAND TOTAL:	**$**	**1,598,901.78**

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

CITY OF COVINA
Check Register
Oct. 28 - Nov. 10, 2016

Check #	Check Date	Vendor	Name	Amount
5176	11/3/16	4160	ICMA	150.00
5177	11/3/16	1405	ICMA RETIREMENT	5,138.47
5178	11/3/16	4003	MidAmerica	2,451.32
5179	11/3/16	2033	NATIONWIDE RETI	5,900.00
5180	11/3/16	4223	ZUMWALT, KRISTI	886.00
			subtotal EFT/wires	***$14,525.79***
82446	11/3/16	23	ABORTA BUG INC	80.00
82447	11/3/16	26	ABSOLUTE SECURI	504.00
82448	11/3/16	32	ACE-1 AUTO SERV	160.30
82449	11/3/16	4374	ADMINSURE	28,672.00
82450	11/3/16	69	AFSCME	40.00
82451	11/3/16	91	ALAS, NINA	367.50
82452	11/3/16	158	AMERICAN TRAFFI	16,185.00
82453	11/3/16	4117	ARTISTIC RECONS	211.75
82454	11/3/16	254	AZUSA LIGHT & W	2,260.18
82455	11/3/16	269	BAKER AND TAYLO	15.32
82456	11/3/16	4279	BOSS JANITORIAL	3,786.00
82457	11/3/16	423	BRUNSWICK COVIN	22.97
82458	11/3/16	430	BUILDING ELECTR	75.00
82459	11/3/16	457	CA PARKS AND RE	145.00
82460	11/3/16	4526	CalAct	435.00
82461	11/3/16	572	CATHOLIC CHARIT	14,560.00
82462	11/3/16	617	CHARTER OAK GYM	5,210.97
82463	11/3/16	649	CINTAS CORP #69	479.21
82464	11/3/16	682	CLINICAL LAB OF	533.00
82465	11/3/16	710	COMMUNICATIONS	620.00
82466	11/3/16	720	COMPUTER SERVIC	7,198.21
82467	11/3/16	730	CONTEMPORARY IN	12.00
82468	11/3/16	3235	COOK, SHAWNA	1,039.59
82469	11/3/16	762	COVINA CHAMBER	15.00
82470	11/3/16	766	COVINA DISPOSAL	12,716.62
82471	11/3/16	771	COVINA IRRIGATI	23,152.00
82472	11/3/16	799	CRAIG'S CPR&FIR	126.00
82473	11/3/16	3982	CUGNO, CAROL A	426.27
82474	11/3/16	878	DELTA DENTAL OF	373.38
82475	11/3/16	3701	DEPARTMENT OF J	441.00
82476	11/3/16	3164	DIVERSIFIED TRA	26,953.54
82477	11/3/16	956	DYNO TUNE	990.00
82478	11/3/16	958	E.H. WACHS COMP	270.34
82479	11/3/16	970	EDISON CO	34,380.80
82480	11/3/16	4538	EPIC KIIDS INC	793.10
82481	11/3/16	3911	FACTORY MOTOR P	50.98
82482	11/3/16	4455	FRONTIER CALIFO	1,094.38
82483	11/3/16	4448	FS CONTRACTORS,	89,205.00

82484	11/3/16	4483	GARRISON, DALE	104.38
82485	11/3/16	4338	GOKOO, ROBERT	102.00
82486	11/3/16	1204	GOLDEN STATE WA	232.45
82487	11/3/16	1215	GONZALES, RICHA	280.00
82488	11/3/16	3565	GOVCONNECTION I	3,530.18
82489	11/3/16	1235	GRAINGER	959.43
82490	11/3/16	1241	GRAND PRINTING	496.30
82491	11/3/16	1282	HALL-McGRADE, A	173.66
82492	11/3/16	1361	HOLLIDAY ROCK C	206.56
82493	11/3/16	1387	HUNTER, JOHN L.	3,630.00
82494	11/3/16	3988	HYDRO CONNECTIO	90.59
82495	11/3/16	1428	INGRAM DIST GRO	50.76
82496	11/3/16	4077	INTERWEST CONSU	25,812.50
82497	11/3/16	3749	JCL BARRICADE C	2,563.19
82498	11/3/16	3654	JEREMIAH DONOVA	295.32
82499	11/3/16	1561	KEYSTONE UNIFOR	385.38
82500	11/3/16	1601	L3 COMMUNICATIO	423.16
82501	11/3/16	1605	LA CNTY AUDITOR	26.00
82502	11/3/16	1619	LA CNTY SHERIFF	1,500.66
82503	11/3/16	4341	Landcare	8,772.49
82504	11/3/16	1646	LANGUAGE LINE S	42.30
82505	11/3/16	3190	LAYNE, JONATHAN	790.78
82506	11/3/16	1694	LEWIS ENGRAVING	49.87
82507	11/3/16	4212	MALETZ, CHRISTI	817.44
82508	11/3/16	1792	MANNING & MARDE	18,138.29
82509	11/3/16	3932	MAR, ARLENE D.	397.76
82510	11/3/16	4539	MAYRA MENDOZA	189.00
82511	11/3/16	4089	MEASOM, DEVIN T	59.06
82512	11/3/16	4484	MERCADO, JESSIC	1,792.88
82513	11/3/16	1933	MISSION LINEN S	117.28
82514	11/3/16	4360	MOORE IACOFANO	2,620.00
82515	11/3/16	4302	MYRNA RODRIGUEZ	257.14
82516	11/3/16	3718	NADENE VALDEZ	525.00
82517	11/3/16	4450	NETMOTION WIREL	1,843.75
82518	11/3/16	2091	O REILLY AUTO P	40.08
82519	11/3/16	2104	OFFICE DEPOT	193.15
82520	11/3/16	99999	VILMA RIOS	6.25
82521	11/3/16	99999	ABDELMALAK KHALIL	61.04
82522	11/3/16	99999	AIDA ASFAW	17.40
82523	11/3/16	99999	ALVIN COULTER	55.30
82524	11/3/16	99999	AME LIMON	102.17
82525	11/3/16	99999	ANDREW COOL	20.00
82526	11/3/16	99999	ANNA MOHAN	117.02
82527	11/3/16	99999	BLANCA DONIS	44.00
82528	11/3/16	99999	BRANDY STEPHENS	43.92

82529	11/3/16	99999	CHOMANAD MEEPHAN	76.75
82530	11/3/16	99999	DEVIN LIU	15.88
82531	11/3/16	99999	DIANA BAYLOR	38.29
82532	11/3/16	99999	EILEEN ITO-NEWFELD	75.27
82533	11/3/16	99999	ERIC CHUNG	14.72
82534	11/3/16	99999	FIRST AMERICAN FIN & INVEST CORP	34.14
82535	11/3/16	99999	GH DESIGN GROUP LLC	40.36
82536	11/3/16	99999	HECTOR LARINI	22.00
82537	11/3/16	99999	HILDA LOZANO	57.14
82538	11/3/16	99999	INES CORNEJO	23.23
82539	11/3/16	99999	JON MADISON	60.00
82540	11/3/16	99999	JUAN HERNANDEZ	34.47
82541	11/3/16	99999	JUN ARINCUGUE	55.00
82542	11/3/16	99999	KEITH HARWTIG	55.16
82543	11/3/16	99999	KELLY MARQUES	12.88
82544	11/3/16	99999	LILIAN PEREIRA	33.80
82545	11/3/16	99999	LONG HUOT	162.69
82546	11/3/16	99999	LONI ANG	54.38
82547	11/3/16	99999	LUCY TOO	58.04
82548	11/3/16	99999	LUIS CARDENAS	79.46
82549	11/3/16	99999	LYDIA SORRENTINO	47.13
82550	11/3/16	99999	MARGARET FITZPATRICK	25.00
82551	11/3/16	99999	MARK JOSEPH	63.74
82552	11/3/16	99999	MELANIE SANCHEZ	29.78
82553	11/3/16	99999	MPC INC	19.43
82554	11/3/16	99999	NATURE'S NEST	43.33
82555	11/3/16	99999	RADAR REALTY INC	61.04
82556	11/3/16	99999	RENEE ALARCON	25.83
82557	11/3/16	99999	ROBERT ARTZ	53.89
82558	11/3/16	99999	RONALD GEDDES	13.92
82559	11/3/16	99999	RUBEN CORNEJO	42.07
82560	11/3/16	99999	RUDY BRISENO	27.14
82561	11/3/16	99999	SABA SHAWEL	7.05
82562	11/3/16	99999	SANDRA DECKER	25.00
82563	11/3/16	99999	SHELLY RZONCA	22.30
82564	11/3/16	99999	SUSAN TAM	33.79
82565	11/3/16	99999	THOMAS HARVEY	10.47
82566	11/3/16	99999	TONY TRAM	105.00
82567	11/3/16	99999	TRACY SHEFFER	43.67
82568	11/3/16	99999	V & O INC.	42.07
82569	11/3/16	99999	VERONICA KWOK	7.00
82570	11/3/16	99999	VILMA RIOS	84.75
82571	11/3/16	99999	YONGCHUN TANG	18.97
82572	11/3/16	4535	OSWALDO MONROY	314.99
82573	11/3/16	2189	PARADA, MIGUEL	678.48

82574	11/3/16	4238	PETCO ANIMAL SU	144.56
82575	11/3/16	2270	PLUMBING WHOLES	200.12
82576	11/3/16	4213	PRISK, JOSHUA	252.00
82577	11/3/16	2415	REPUBLIC MASTER	355.50
82578	11/3/16	4350	RKA Consulting	22,175.00
82579	11/3/16	2507	S & J SALES	2,984.00
82580	11/3/16	4106	SCHNEIDER, TINA	45.50
82581	11/3/16	2607	SERESINGHE, AJI	2,344.77
82582	11/3/16	2612	SEVOLD, CHERYL	183.75
82583	11/3/16	2651	SIGN A RAMA COV	259.91
82584	11/3/16	2660	SIMPLEX GRINNEL	175.65
82585	11/3/16	4389	SOCIAL VOCATION	1,065.90
82586	11/3/16	2714	SOUTHERN CA GAS	575.00
82587	11/3/16	2744	STATE DISBURSEM	366.00
82588	11/3/16	3729	SUNBELT RENTALS	190.75
82589	11/3/16	2787	SUTMAN, WILLIAM	233.80
82590	11/3/16	2818	TAVANNA	271.60
82591	11/3/16	2846	THOMAS, TERRI	693.49
82592	11/3/16	2852	THREE VALLEY MU	16,711.78
82593	11/3/16	2886	TRADEWAY GLASS	85.00
82594	11/3/16	2901	TRIFYTT SPORTS	810.00
82595	11/3/16	4247	UNITED WATER WO	2,176.37
82596	11/3/16	2954	URBAN GRAFFITI	6,000.00
82597	11/3/16	2966	V & V MANUFACTU	325.69
82598	11/3/16	2980	VARGAS, MONICA	21.88
82599	11/3/16	3234	VELARDE-KUBANIK	417.00
82600	11/3/16	3004	VICTORY EXTERMI	75.00
82601	11/3/16	3014	VISION SERVICE	9.72
82602	11/3/16	4255	VOYA FINANCIAL	57.65
82603	11/3/16	3023	VULCAN MATERIAL	343.33
82604	11/3/16	3187	WAGONER, PAMELA	503.30
82605	11/3/16	3070	WEST COAST ARBO	640.00
82606	11/3/16	3078	WEST PAYMENT CE	310.12
82607	11/3/16	4544	WHITE NELSON	325.00
82608	11/3/16	3134	XEROX CORPORATI	377.28
82609	11/3/16	3137	Y TIRE SALES	311.14
82610	11/3/16	68	AFLAC	3,854.14
82611	11/3/16	69	AFSCME	660.00
82612	11/3/16	487	CalPERS	59,024.99
82613	11/3/16	3846	CLEA	490.00
82614	11/3/16	3846	CLEA	110.25
82615	11/3/16	775	COVINA POLICE A	2,700.00
82616	11/3/16	789	COVINA-FSA, CIT	1,101.56
82617	11/3/16	878	DELTA DENTAL OF	7,077.16
82618	11/3/16	1106	FRANCHISE TAX B	400.00

82619	11/3/16	1247	GREAT WEST LIFE	3,205.10
82620	11/3/16	3795	LEGAL SHIELD	223.24
82621	11/3/16	2234	PERS	136,679.30
82622	11/3/16	2235	PERS LONG TERM	169.84
82623	11/3/16	4547	PREMIERE CREDIT	291.58
82624	11/3/16	2946	UNITED WAY OF G	17.50
82625	11/3/16	3014	VISION SERVICE	744.63
82626	11/3/16	4255	VOYA FINANCIAL	3,953.46
82627	11/3/16	3045	WASHINGTON NATI	46.10
82628	11/9/16	26	ABSOLUTE SECURI	3,213.38
82629	11/9/16	32	ACE-1 AUTO SERV	45.00
82630	11/9/16	37	ACRYLATEX	272.06
82631	11/9/16	84	AIRGAS-WEST	373.96
82632	11/9/16	99	ALCO TARGETS	177.67
82633	11/9/16	113	ALL CITY MANAGE	6,181.74
82634	11/9/16	173	ANDY'S WELDING	240.00
82635	11/9/16	254	AZUSA LIGHT & W	142.50
82636	11/9/16	260	B & K ELECTRIC	359.13
82637	11/9/16	354	BIOMETRICS4ALL	4,169.58
82638	11/9/16	3771	BLACK & WHITE E	70.00
82639	11/9/16	3929	BOOT BARN INC	750.00
82640	11/9/16	4353	BREA, CITY OF	47,520.00
82641	11/9/16	4307	BROADSPEC INC	30,000.00
82642	11/9/16	411	BRODART CO	61.01
82643	11/9/16	437	BURRO CANYON EN	130.00
82644	11/9/16	457	CA PARKS AND RE	340.00
82645	11/9/16	475	CALIBER POOL AN	1,773.32
82646	11/9/16	4039	VOID	0.00
82647	11/9/16	536	CARQUEST AUTO P	218.10
82648	11/9/16	572	CATHOLIC CHARIT	7,493.00
82649	11/9/16	649	CINTAS CORP #69	946.84
82650	11/9/16	653	CITRUS AUTO UPH	322.55
82651	11/9/16	654	CITRUS CAR WASH	27.98
82652	11/9/16	692	CODE PUBLISHING	600.60
82653	11/9/16	700	COLLEY FORD	98.70
82654	11/9/16	706	COMMERCIAL DOOR	478.70
82655	11/9/16	710	COMMUNICATIONS	75.00
82656	11/9/16	717	COMPLETE PAPERL	1,300.00
82657	11/9/16	749	COUNSELING TEAM	1,300.00
82658	11/9/16	4268	COVINA LAWN MOW	11.00
82659	11/9/16	792	CPOA	375.00
82660	11/9/16	829	CURLEY, JOHN	711.12
82661	11/9/16	4431	CURT PRINGLE &	10,048.15
82662	11/9/16	849	DAPEER ROSENBLI	5,079.47
82663	11/9/16	894	DF POLYGRAPH	150.00

82664	11/9/16	3911	FACTORY MOTOR P	781.34
82665	11/9/16	4455	FRONTIER CALIFO	542.53
82666	11/9/16	1197	GLOBAL WATER MA	56,459.36
82667	11/9/16	1198	GLOBALSTAR LLC	58.51
82668	11/9/16	1235	GRAINGER	787.94
82669	11/9/16	1241	GRAND PRINTING	5,759.49
82670	11/9/16	4530	GVP VENTURES, I	5,005.39
82671	11/9/16	1277	HAEBE, CYNTHIA	2,777.50
82672	11/9/16	1361	HOLLIDAY ROCK C	374.42
82673	11/9/16	1387	HUNTER, JOHN L.	721.25
82674	11/9/16	1407	ICSC	50.00
82675	11/9/16	1437	INTER-CON SECUR	5,143.44
82676	11/9/16	1451	IRWINDALE INDUS	445.00
82677	11/9/16	1463	J.G. TUCKER AND	360.58
82678	11/9/16	1505	JOHNNY'S POOL S	43.59
82679	11/9/16	3731	JUNIOR LIBRARY	100.17
82680	11/9/16	3751	KELLY ASSOCIATE	1,645.00
82681	11/9/16	1561	KEYSTONE UNIFOR	293.63
82682	11/9/16	3721	KRIZIA N VIRBIA	102.01
82683	11/9/16	3987	KYOCERA DOCUMEN	2,080.34
82684	11/9/16	1601	L3 COMMUNICATIO	122.83
82685	11/9/16	1608	LA CNTY CDC/CDB	47,336.99
82686	11/9/16	1609	LA CNTY COUNTY	4,992.47
82687	11/9/16	1612	LA CNTY DEPT OF	1,584.09
82688	11/9/16	1614	LA CNTY FIRE DE	2,131.00
82689	11/9/16	1615	LA CNTY MTA	400.00
82690	11/9/16	1620	LA CNTY TAX COL	1,010.79
82691	11/9/16	1629	LA WORKS	20,000.00
82692	11/9/16	1663	LAW ENFORCEMENT	165.00
82693	11/9/16	4156	LEVERAGE INFORM	3,750.36
82694	11/9/16	1754	LOWE'S COMPANIE	59.77
82695	11/9/16	1814	MARTIN & CHAPMA	1,183.00
82696	11/9/16	1858	MCMASTER CARR S	97.64
82697	11/9/16	1895	MERRIMAC ENERGY	19,095.34
82698	11/9/16	1933	MISSION LINEN S	152.87
82699	11/9/16	4360	MOORE IACOFANO	29,806.86
82700	11/9/16	3843	MOSS, LEVY & HA	16,000.00
82701	11/9/16	2024	NAJERA, DENICE	55.36
82702	11/9/16	4548	NAVEX Global, I	2,470.00
82703	11/9/16	4491	NORMAN SCHALL &	503.65
82704	11/9/16	2091	O REILLY AUTO P	421.99
82705	11/9/16	2101	OCLC/FOREST PRE	1,341.58
82706	11/9/16	2104	OFFICE DEPOT	262.90
82707	11/9/16	99999	ALICE ARCE	101.00
82708	11/9/16	99999	ALMA BURKE	30.00

82709	11/9/16	99999	BEN KJETLAND	45.00
82710	11/9/16	99999	CRAIG TREJO	101.00
82711	11/9/16	99999	DANIEL CABRAL	45.00
82712	11/9/16	99999	DELTA WOODALL	101.00
82713	11/9/16	99999	GARY VINSON	105.00
82714	11/9/16	99999	HECTOR MARTINEZ, APRIL MARTINEZ	101.00
82715	11/9/16	99999	HENRY TRAN	20.00
82716	11/9/16	99999	JESUS CARRANZA	45.00
82717	11/9/16	99999	JOSEPH KASSOUNIAN	45.00
82718	11/9/16	99999	JUAN HUERTA	45.00
82719	11/9/16	99999	KIMBERLY MARTINEZ	303.00
82720	11/9/16	99999	KOLAPO RAJI	45.00
82721	11/9/16	99999	MARICRUZ SANCHEZ	101.00
82722	11/9/16	99999	MARY GRAY	10.00
82723	11/9/16	99999	MAURICE CORTES	45.00
82724	11/9/16	99999	MITCHELL VALDEZ	45.00
82725	11/9/16	99999	PRISCILLA HOFER	72.00
82726	11/9/16	99999	RUBISELI NORVALLEZ	52.90
82727	11/9/16	99999	SANDRA EHRET	101.00
82728	11/9/16	99999	SARAH MC NICHOLS	101.00
82729	11/9/16	99999	SHERRY TAYLOR	35.00
82730	11/9/16	99999	SRA KANE	4.00
82731	11/9/16	2238	PEST OPTIONS IN	360.00
82732	11/9/16	2345	QUILL	77.31
82733	11/9/16	2415	REPUBLIC MASTER	720.42
82734	11/9/16	4385	RESI-SHRED LLC	500.00
82735	11/9/16	3796	RICHARDS, WATSO	36,618.78
82736	11/9/16	4350	RKA Consulting	15,812.50
82737	11/9/16	4201	ROBERT HALF	3,000.00
82738	11/9/16	4552	ROBERT VAN BRUN	275.00
82739	11/9/16	2541	SAN GAB BASIN W	2,369.45
82740	11/9/16	2546	SAN GABRIEL VAL	179.76
82741	11/9/16	2614	SGV CITY MANAGE	60.00
82742	11/9/16	2619	SGV EXAMINER	297.00
82743	11/9/16	2620	SGV NEWSPAPER G	1,361.36
82744	11/9/16	2646	SHOWCASES	77.63
82745	11/9/16	2676	SMART AND FINAL	1,430.53
82746	11/9/16	2714	SOUTHERN CA GAS	575.00
82747	11/9/16	2715	SOUTHERN CA TRA	125.10
82748	11/9/16	2719	SPARKLETTS	34.04
82749	11/9/16	3729	SUNBELT RENTALS	147.15
82750	11/9/16	2775	SUPERB GRAPHICS	174.40
82751	11/9/16	4437	TELEPACIFIC COM	1,615.10
82752	11/9/16	2853	THYSSENKRUPP EL	1,633.26
82753	11/9/16	2855	TIME WARNER CAB	260.16

CITY OF COVINA
Check Register
Oct. 28 - Nov. 10, 2016

82754	11/9/16	2886	TRADEWAY GLASS	102.18
82755	11/9/16	2903	TRI-XECUTEX COR	80.00
82756	11/9/16	2919	TURF STAR INC	24.09
82757	11/9/16	2929	ULINE	124.34
82758	11/9/16	2935	UNDERGROUND SER	72.00
82759	11/9/16	4247	UNITED WATER WO	3,498.05
82760	11/9/16	4444	URBAN RESTORATI	267.56
82761	11/9/16	2955	US BANK	1,365.00
82762	11/9/16	2958	US POSTMASTER	981.56
82763	11/9/16	2958	US POSTMASTER	5,114.00
82764	11/9/16	3001	VERIZON WIRELES	809.94
82765	11/9/16	3023	VULCAN MATERIAL	558.53
82766	11/9/16	3029	WALCZAK, RIC	368.53
82767	11/9/16	3043	WARREN DISTRIBU	644.23
82768	11/9/16	3070	WEST COAST ARBO	4,026.00
82769	11/9/16	3134	XEROX CORPORATI	470.93
82770	11/9/16	3137	Y TIRE SALES	2,475.16
82771	11/9/16	3152	YWCA	2,316.74

subtotal checks	***$1,091,426.44***
subtotal voids (prior to current mo.)	***$0.00***
subtotal payroll	***$479,231.47***
subtotal workers' compensation	***$13,718.08***
TOTAL checks/EFTs	**$1,598,901.78**

STATE OF CALFORNIA)
) 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 10/28-11/10/16; payroll for 11/03/16; workers' compensation and voids for 10/28-11/10/16; 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

SUCCESSOR AGENCY TO THE COVINA REDEVELOPMENT AGENCY

AGENDA REPORT

ITEM NO. CC 3

MEETING DATE: December 6, 2016

TITLE: Payment of Demands

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

RECOMMENDATION: Approve Payment of Demands in the amount of $15,791.54

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

DATE OF DEMANDS	DEMAND NUMBERS	AMOUNT
Oct. 28 - Nov. 10, 2016	1388-1395	$8,726.58
VOIDS		$0.00
PAYROLL 11/03/16		$7,064.96
	GRAND TOTAL:	**$15,791.54**

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
Oct. 28 - Nov. 10, 2016

Check #	Check Date	Vendor	Name	Amount
1388	11/3/16	254	AZUSA LIGHT & W	100.41
1389	11/3/16	572	CATHOLIC CHARIT	4,600.00
1390	11/3/16	970	EDISON CO	460.27
1391	11/3/16	1156	GAS COMPANY, TH	29.40
1392	11/3/16	2942	UNITED SITE SER	68.17
1393	11/9/16	572	CATHOLIC CHARIT	2,303.00
1394	11/9/16	1364	HOME DEPOT	312.83
1395	11/9/16	3796	RICHARDS, WATSO	852.50
			subtotal checks	***$8,726.58***
			subtotal voids (prior to current mo.)	***$0.00***
			subtotal payroll	***$7,064.96***
			TOTAL CHECKS/EFT's	**$15,791.54**

STATE OF CALFORNIA)
) 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 10/28-11/10/16 and payroll for 11/03/16; 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

THIS PAGE LEFT INTENTIONALLY BLANK

CITY OF COVINA

AGENDA REPORT

ITEM NO. CC 4

MEETING DATE: December 6, 2016

TITLE: City Council to Adopt **Resolution No. 16-7563** Confirming Continued Existence of an Emergency Condition for Residual Control System at Charter Oak Reservoir Site Pursuant to Chapter 2.5 (Emergency Contracting Procedures) of Public Contracts Code, Adopt **Resolution No. 16-7567** To Amend FY 2017 Capital Improvement Budget to Increase Funding for Residual Control System at Charter Oak Site, and Authorize Interim City Manager to Execute Change Order No. 2 and Execute First Amendment to Professional Services Agreement with Doane and Hartwig Water Systems, Inc.

PRESENTED BY: Siobhan Foster, Director of Public Works

RECOMMENDATION:

1) Adoption of Resolution No. 16-7563 confirming continued existence of an emergency condition for the Residual Control System (RCS) at the Charter Oak Reservoir Site Pursuant to Chapter 2.5 (Emergency Contracting Procedures) of the Public Contracts Code;
2) Adoption of Resolution No. 16-7567 to amend the FY 2017 Capital Improvement Budget to increase funding by $4,000 to retain the temporary RCS rental unit for an additional one month period through January 3, 2017 and appropriate the necessary funds from Water Capital Improvement Fund balance;
3) Approve Change Order No. 2 to retain the temporary RCS unit for an additional one month period, increasing the contract cost with Doane and Hartwig Water Systems, Inc. by $5,500, from $134,500 to $140,000;
4) Authorize the Interim City Manager to execute Change Order No. 2; and
5) Authorize the Interim City Manager to execute the First Amendment to the Professional Services Agreement with Doane and Hartwig Water System, Inc.

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 RCS 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 RCS 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 RCS at the Charter Oak Reservoir Site Pursuant to Chapter 2.5 (Emergency Contracting Procedures) of the Public Contracts Code.

On October 18, 2016, the City Council adopted Resolution No. 16-7539 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 approved Change Order No. 1 to furnish a temporary RCS rental unit, including trailer delivery, one month rental fee, and installation of trailer and mixer, increasing the contract cost with Doane and Hartwig Water Systems by $8,500, from $126,000 to $134,500. The City Council also authorized the Interim City Manager to execute Change Order No 1.

On November 1, 2016, the City Council adopted Resolution No. 16-7549 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.

On November 15, 2016, the City Council adopted Resolution No. 16-7553 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.

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. 16-7563 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 (SWRCB), 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) 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.

From October 4, 2016 to October 12, 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 assisted 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. 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.

On October 24, 2016, Doane and Hartwig Water Systems, Inc., the supplier of the RCS unit the City is purchasing, furnished the temporary RCS rental unit, pursuant to Change Order No. 1, approved by the City Council on October 18, 2016.

On October 26, 2016, City and CIC personnel performed chlorination treatment in Tank No. 2, at the Charter Oak Reservoir Site, to increase chlorine residuals. Water quality testing conducted after the treatment reflects an increase in the chlorine residual level. On November 1, 2016, similar treatment was conducted in Tank No. 3 with the same results. The chemical treatment performed on both tanks is within the parameters provided by Mr. Ko at the September 20, 2016 meeting.

On November 7, 2016, Doane and Hartwig Water Systems, Inc. trained City and CIC personnel on the use of the temporary, rental RCS unit. The City and CIC representatives subsequently implemented the RCS unit and initiated chemical dosing at the Rancho Simi Reservoir site.

On November 15, 2016, the City and CIC representatives had a follow-up meeting with Mr. Ko to review the water quality enhancements that have been made at the Charter Oak, Rancho Simi, and Rancho La Merced Reservoir sites, and the City's distribution system waterline flushing program. Mr. Ko indicated he is satisfied with the City's efforts to enhance water quality and cited the following beneficial steps:

- Purchase of the mobile Residual Control System (RCS) unit, as approved by the City Council on August 16, 2016;
- Installation of the PAX Mixer at the Rancho La Merced Reservoir, as approved by the City Council on October 4, 2016;
- Partnering with Rowland Water District for technical assistance and use of the District's RCS system. Rowland Water District assisted the City of Covina with the

provision of a mobile RCS unit and qualified personnel at the Rancho Simi Reservoir, from October 4, 2016 to October 12, 2016;

- Rental of a temporary RCS rental unit, furnished by Doane and Hartwig Water Systems, Inc., as approved by the City Council on October 18, 2016;
- Comprehensive training being provided by CIC for two City employees in the areas of water pump operations and distribution system sampling;
- Initial implementation of the City's re-focused distribution system line flushing program; and
- Hiring of Bill Pecsi, Interim Water Services Supervisor, as authorized by the City Council on November 1, 2016.

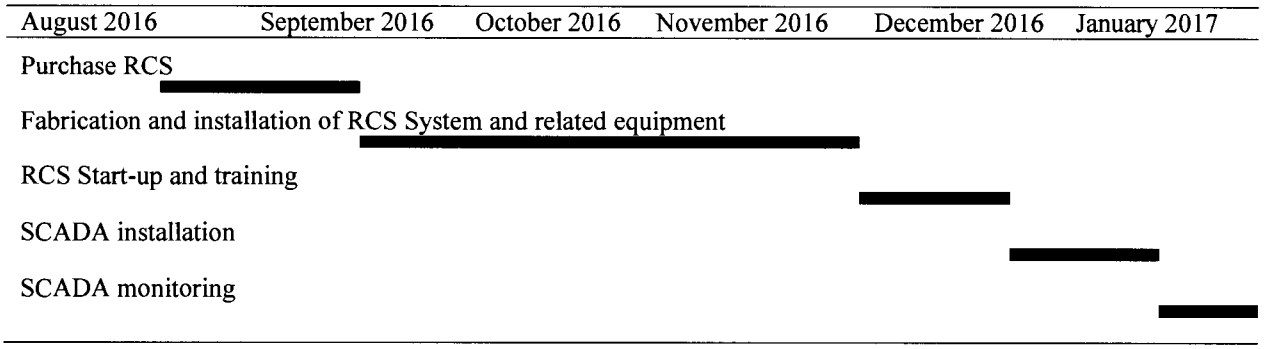
On January 12, 2017, City and CIC representatives will be participating in a follow-up meeting with Mr. Ko from the SWRCB. At that time, Mr. Ko expects to see sustained progress with water quality enhancements and additional results from the City's re-focused distribution system line flushing program. The City will also provide updates on the two capital improvement projects in progress, the purchase of the mobile RCS unit for the Charter Oak Reservoir site and the PAX mixer for the Rancho La Merced Reservoir, as approved by the City Council on August 16, 2016 and October 4, 2016, respectively.

To sustain the enhanced water quality, as specified and expected by the SWRCB, the City requested Doane and Hartwig Water Systems, Inc., the supplier of the RCS unit the City is purchasing, to retain the temporary RCS rental unit for an additional one month period through January 3, 2017 at a cost of $5,500. This will ensure continuity in water quality through the receipt, installation, and implementation of the City's new mobile RCS unit installed at the Charter Oak Reservoir site. As of November 22, 2016, the City Engineer reviewed Change Order No. 2 for completeness and accuracy as to the materials and labor included.

- Change Order No. 2 – Retain temporary RCS rental unit, including one month rental fee, for the period of November 24, 2016 through January 3, 2017.

To facilitate the additional one month rental period, an amendment to the Professional Services Agreement with Doane & Hartwig Water Systems Inc. is necessary. The proposed First Amendment to the Professional Services Agreement with Doane & Hartwig Water Systems, Inc. would increase the compensation by $5,500, for a total contract amount not-to-exceed $140,000.

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



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 fiscal impact associated with the Charter Oak Reservoir Site – RCS Project is approximately $167,000, including proposed Change Order No. 2, which would facilitate the retention of the temporary RCS rental unit for an additional one month period, through January 3, 2017, at a cost of $5,500. Funding in the amount of $163,000 is available in the Department of Public Works, Water Capital Improvement budget (Account No. 6011-5080-55410-W1709). The approval of a $4,000 appropriation from available Water Capital Improvement Fund balance to the FY 2017 CIP budget and allocation of the funds to the Charter Oak Reservoir Site – RCS Project (6011-5080-55410-W1709) is necessary at this time. The following table represents a summary of the estimated project cost:

RCS System/Temporary RCS Rental Unit (including additional one month rental of temporary RCS unit) – Doane & Hartwig Water Systems Inc.	$140,000
SCADA Programming/Interface – Control Automation Design)	$25,000
Contingency Allowance	$0
Contract Administration/Inspection	$2,000
Total Fiscal Impact	$167,000

The following table presents a summary of the sources of funds:

Water Capital Improvement budget (Account No. 6011-5080-55410-W1709)	$163,000
Supplemental Appropriation from Water Capital Improvement Fund Balance (Resolution No. 16-7567)	$4,000
Total Sources	$167,000

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 16-7563
Attachment B: Resolution 16-7567
Attachment C: Change Order No. 2
Attachment D: Proposed Second Amendment to Professional Services Agreement with Doane and Hartwig Water Systems, Inc.

RESOLUTION NO. 16-7563

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, on October 18, 2016 the Covina City Council adopted Resolution No. 16-7539 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 November 1, 2016 the Covina City Council adopted Resolution No. 16-7549 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 November 15, 2016 the Covina City Council adopted Resolution No. 16-7553 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. 16-7563 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 6th day of December, 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. 16-7563 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

RESOLUTION NO. 16-7567

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, TO AMEND THE FISCAL YEAR 2017-2021 CAPITAL IMPROVEMENT PROGRAM AND THE FISCAL YEAR 2017 CAPITAL IMPROVEMENT BUDGET TO REFLECT AN APPROPRIATION OF $4,000 FROM AVAILABLE WATER CAPITAL IMPROVEMENT FUND BALANCE TO INCREASE FUNDING FOR THE RESIDUAL CONTROL SYSTEM (RCS) AT THE CHARTER OAK RESERVOIR SITE AND INCREASE THE FISCAL YEAR 2017 WATER CAPITAL IMPROVEMENT BUDGET (ACCOUNT NO. 6011-5080-55410-W1709) IN THE AMOUNT OF $4,000 FOR EXPENDITURE ON THE RESIDUAL CONTROL SYSTEM AT THE CHARTER OAK RESERVOIR SITE

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 and 2017 Capital Improvement Program Budget were approved on July 19, 2016; and

WHEREAS, the approved Operating Budget and Capital Improvement Program budget are 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 and amendments (increases/decreases) to the adopted 2017 Capital Improvement Program budget shall be by approval and Resolution of the City Council; and

WHEREAS, on July 19, 2016, the City Council adopted Resolution No. 16-7503 approving the Fiscal Year 2017 Operating Budget and Resolution No. 16-7504 approving the Fiscal Year 2017-2021 Capital Improvement Program and the Fiscal Year 2017 Capital Improvement Budget; and

WHEREAS, on August 16, 2016 the City Council adopted Resolution No. 16-7508 declaring an emergency condition and that public interest and necessity requires certain work to be performed without competitive bidding pursuant to Public Contract Code Sections 20168 and 22050 for the RCS at the Charter Oak Reservoir Site. The City retained services without competitive bidding, with Doane and Hartwig Water Systems, Inc. and Control Automation Design, to provide an RCS and configuration and installation of the SCADA system, respectively; and

WHEREAS, on August 16, 2016 the City Council adopted Resolution No. 16-7509 amending the Fiscal Year 2017-2021 Capital Improvement Program and the Fiscal Year 2017 Capital Improvement Budget as follows: Add the RCS at the Charter Oak Reservoir Site as a priority water project for Fiscal Year 2017 and appropriate $163,000 from available Water Capital Improvement Fund balance to Water Capital Improvement Fund expenditure account for the RCS at the Charter Oak Reservoir Site; and

WHEREAS, on September 6, 2016, the City Council adopted Resolution No. 16-7516 confirming the continued existence for 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 City Council adopted Resolution No. 16-7522 confirming the continued existence for 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 City Council adopted Resolution No. 16-7535 confirming the continued existence for 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 18, 2016, the City Council adopted Resolution No. 16-7539 confirming the continued existence for 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 approved Change Order No. 1 to furnish a temporary RCS rental unit, including trailer delivery, one month rental fee, and installation of trailer and mixer, increasing the contract cost with Doane and Hartwig Water Systems, Inc. by $8,500, from $126,000 to $134,500; and

WHEREAS, on November 1, 2016, the City Council adopted Resolution No. 16-7549 confirming the continued existence for 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 November 15, 2016, the City Council adopted Resolution No. 16-7553 confirming the continued existence for 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

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

SECTION 1. Amend the Fiscal Year 2017-2021 Capital Improvement Program and the Fiscal Year 2017 Capital Improvement budget as follows: Increase funding for the RCS at the Charter Oak Reservoir Site by $4,000 and appropriate $4,000 from available Water Capital Improvement Fund balance to Water Capital Improvement Fund expenditure account for the RCS at the Charter Oak Reservoir Site (account no. 6011-5080-55410-W1709).

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 6th day of December, 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. 16-7567 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.2

DATE: November 22, 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. One Month Rental Fee — Total increase = $5,500.00
2. Change in contract cost: Increase of $5,500.00

Submitted by _____ Date 11/22/16
Title: City Engineer

Accepted by: _____ Date 11/22/16
Title: Contractor, Doane and Hartwig Water Systems, Inc.

Approved by: _____ Date _____
Title: Interim City Manager

FIRST AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT BETWEEN THE CITY OF COVINA AND DOANE AND HARTWIG WATER SYSTEMS, INC. RESIDUAL CONTROL SYSTEM (RCS) AT THE CHARTER OAK SITE

THIS FIRST AMENDMENT is made and entered into as of December 6, 2016, by and between the City of Covina, a California municipal corporation (hereinafter referred to as "City"), and Doane and Hartwig Water Systems, Inc., a California corporation (hereinafter referred to as "Contractor"). 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 August 16, 2016, the City and Consultant entered into that certain Professional Services Agreement (the "Agreement") to provide a complete Residual Control System (RCS), including a Chemical Feed System, Water Quality Station and Smart Controller, in the not-to-exceed amount of One Hundred Twenty-Six Thousand Dollars ($126,000) (the "maximum compensation").

B. The Agreement provides that the City Manager may authorize, in writing, additional compensation in excess of the maximum compensation amount up to Ten Thousand Dollars ($10,000) (the "contingency amount"). Concurrent with the City Council's approval of this First Amendment, the City Manager will authorize, in writing, additional compensation in the amount of Ten Thousand Dollars ($10,000).

C. The Agreement further provides that any additional compensation that exceeds the contingency amount requires approval of the City Council and an amendment to the Agreement. The parties desire to add to the scope of work, increase the compensation in the amount of Four Thousand Dollars ($4,000) for a new total agreement amount not-to-exceed One Hundred Forty Thousand Dollars ($140,000) and to amend the Agreement as set forth in this First Amendment.

2. Paragraph A of Section 2 of the Agreement entitled "Compensation" is hereby amended to read as follows:

> "A. Compensation. As full compensation for Contractor's services provided under this Agreement, City shall pay Contractor the total not-to-exceed amount of One Hundred Forty Thousand Dollars ($140,000) (the "maximum compensation"), as set forth in the Proposal, attached hereto as **Exhibit A** and as set forth in **Exhibit D**. "

3. Paragraph A of Section 3 of the Agreement entitled "Scope of Services" is hereby amended to read as follows:

> "A. Scope of Services. Contractor shall perform the services described in the Proposal, attached as **Exhibit A**, and shall furnish to City and install a temporary RCS rental unit, as described in **Exhibit D**. 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."

4. Exhibit "D" is hereby added to the Agreement to read as Exhibit "D" of this Amendment, which is attached hereto and incorporated herein as though set forth in full.

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 First Amendment 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

Contractor:

Doane and Hartwig Water Systems, Inc.,
a California corporation

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
PROPOSAL

D&H WATER SYSTEMS

Trailer Mounted RCS Sales Proposal

Project:	Covina Water District
Tank Details:	Charter Oak Tanks
Disinfectant:	Chloramines
RCS Components:	Trailer, Chemical Feed System, Water Quality Station, Smart Controller, Sample Recovery, Chemical Storage Tanks
Proposal Date:	August 3rd, 2016
Proposal Valid:	1 month from offer date (30 days)

Doane and Hartwig Water Systems, Inc. is pleased to offer a Residual Control System (RCS) proposal for the Charter Oak Tanks in Covina, CA. Per your request, I have detailed pricing for a complete RCS mounted in a 7'x12' trailer, including the Chemical Feed System, Water Quality Station and Smart Controller. Below you will find a brief description of RCS, our scope and pricing tables, standard terms and conditions. A submittal package will be generated for complete review of what is to be received by the City of Covina along with O&M's for all equipment provided.

Reservoir Control System (RCS)
The PAX Residual Control System (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 PAX RCS enables operators to eliminate manual boosting and quickly counteract adverse water quality changes.

Basic SCADA
The RCS comes with basic SCADA capability with functionality for 8 standard outputs (i.e. total chlorine, temperature, pH, etc.). The mixer also comes with standard SCADA functions: input (dry contact required), on/off control, dry contact outputs running, and fault, which is independent of the RCS SCADA function.

Remote Monitoring System (RMS)
The RMS is an augmented version of the SCADA system, which can be programmed to send alarms directly to an operator's cell phone using text messages. It can also transmit data related to water quality and RCS operation to a secure internet data hosting platform accessible by the web.

603 Seagaze Drive #24[illegible], Oceanside, California 92054
PHONE 949.481.4560 FAX 949.48[illegible].456[illegible] WEB www.dandhwatersystems.com EMAIL brian@dandhwatersystems.com

D&H WATER SYSTEMS

Start-up & Service
Equipment commissioning and start-up will be provided by PAX or their representatives. Because this is a complex piece of equipment, calibration and maintenance training will be provided by PAX and is outlined in the following scope and pricing tables.

EQUIPMENT SUPPLIED BY MUNICIPALITY / CONTRACTOR	
Item	**Description**
PAX Water Mixer	Tripod-mounted active mixer that thoroughly blends chemicals being dosed; comes with control panel
Chlorine Supply	12.5% chlorine solution
Ammonia Supply	19% ammonia solution
Power Supply	115VAC to sub panel w/ breaker and safety disconnect switch where RCS control will be located
Conduit	Conduit for Chemical Feed and sample lines to tank penetrations; PAX will help with specifications Conduit for line power from the distribution panel to sub panels for Chemical Feed and PAX Water Mixer controls; PAX will help with specifications Conduit from the Smart Controller to the junction box just prior to entering the wet area of the tank; PAX will help with specifications
Tank Penetrations	Municipality/Contractor will provide fittings for tank penetration at time of installation; PAX will provide recommendations

EQUIPMENT SUPPLIED (PER TANK) BY PAX WATER TECHNOLOGIES		
Item	**Quantity**	**Description**
Water Quality Station (WQS)	1	Advanced sensors that continuously monitor water quality and sends data to the Smart Controller, including temperature, pH and chlorine level
Smart Controller	1	Automated control system that analyzes data from WQS,

603 Segaze Drive #24, Oceanside California 92054
PHONE 949. 481 4560 FAX 949 48 456 WEB www.danchwatersystems.com EMAIL brian@danchwatersystems.com

		maintains operator-set residual level and sends data to SCADA and alerts to operator
Chem Feed Skid: Chlorine	1	Chemical feed skid that automatically doses chlorine based on commands from Smart Controller
Chem Feed Skid: Ammonia	1	Chemical feed skid that automatically doses ammonia based on commands from Smart Controller
Sample Return Kit	1	30-gallon tank, level controls and recovery pump

RCS PRICING (ESSENTIAL COMPONENTS)				
Item		**Quantity**	**Price Per Unit**	**Total Price**
RCS	Water Quality Station	1	$53,000	$53,000
	Smart Controller			
	Chemical Feed System (Chlorine & Ammonia)			
PAX Training Package[1]		1	$6,800	$6,800
SCADA Integration-Modbus Wireless communication		1	2000	2000
Sample Return Kit		1	$1,800	$1,800
Installation I/O Box		1	$900	$900
			Subtotal	$64,500
			Shipping & Handling	$800
			Total Equipment Costs (not including installation and tax[2])	$65,300
Tank Penetrations (TBD)	TBD	PAX will provide fittings for tank penetration at time of installation (usually a modified cathodic protection plate)		

603 Seagaze Drive #24[illegible], Oceanside California 92054
PHONE 949. 481 4560 FAX 949 48[illegible] 456[illegible] WEB www.dandhwatersystems.com EMAIL brian@dandhwatersystems.com

WATER SYSTEMS

RCS PRICING (Additional Components)		
Item	**Quantity**	**Cost**
Site Installation-See Attachment A for Description	1	$20,510.00
Installation of RCS Equipment in Trailer-See Attachment B	1	$28,252.00
	Shipping & Handling	Included

Note:

1. PAX Training Package:
   a. PAX Water will provide one technician for 1-2 days of initial startup of equipment, calibration, initial tuning of software and onsite training.
   b. The PAX RMS is an augmented version of the SCADA system, which can be programmed to send alarms directly to an operator's cell phone via text messages, take commands via secure web portal through operator's smart phone for complete control and receive PAX Service Support. RMS functionality is included for the first three months with the installation beginning at startup.
   c. PAX Remote Monitoring is included for three months to fine tune RCS components and provide technical support to your municipality as you learn RCS functionality.
   d. PAX will provide two additional days of operator training at typically at 4-8 weeks after start-up, with topic of instruction based on RCS operation and personnel needs. Beyond the standard training package, PAX offers advanced operator training on a fee-per-day basis.

603 Seagaze Drive #24[illegible], Oceanside, California 92054
PHONE 949. 481 4560 FAX 949 481 4561 WEB www.danchwatersystems.com EMAIL brian@danchwatersystems.com

D&H WATER SYSTEMS

Lot Price is FOB shipping point with full freight allowed and **does not include sales tax.**

Conditions of Sale:

- If municipality is tax exempt, please provide proper documentation.
- Payment terms: Net 30 Days without retention.
- This quote is firm for 60 days.
- Submittals and O&M's to be provided after receipt of submittal
- Delivery will be made in approximately 6-8 weeks after submittal approval.
- **Quotation does not include any taxes.**
- This quotation is limited to the products and services as listed
  And excludes any item or service not listed.

Resulting Purchase Order should be made out to:

Doane and Hartwig Water Systems Inc
603 Seagaze Dr. #241
Oceanside, CA 92054

Please feel free to give me a call if there are any questions.

Thanks,

Brian Doane
Principal
D&H Water Systems,
Ph-949-481-4560
Cel-949-637-0705

Attachment A

Site Installation of RCS Equipment

Project Scope:

Electrical contractor will install conduit for chemical feed of chlorine and ammonia at 4 different potable reservoirs up the side of the tank for introduction of chemicals inside of existing hatch. Sample lines to and from RCS (Reservoir Control System) analyzer will also be installed.

A. Install ½" and 3/8" poly tubing within conduit and poly tubing within conduit for chemicals (chlorine and ammonia)

B. Steel Reservoir 1" Pipe for Poly Tube (QTY 2 Reservoirs); Conduit for chemical feed lines.

C. Concrete Reservoir 4 – 1 ¼" Pipe for Poly Tube (QTY 2 Reservoirs); Conduit for chemical feed lines.

D. Install Dura Block with Strut for pipe supports.

E. QTY 12 Ball Valves

F. Provide QTY 1 Zoom Boom for pipe support Install on side of Reservoirs.

F. Provide means of 120V power for chem feed Trailer utilize existing power at tanks.

G. Diver to install sample lines in 2 reservoirs to provide sample to analyzers. Other 2 reservoirs don't need this because there are existing sample ports located at the bottom of the reservoirs.

Attachment B

Trailer and Installation of Equipment Within

A. Project Scope

1. The trailer installation is for the equipment that will be housed inside of the trailer that will house the Reservoir Control System and Chemical Storage Tanks within.

   A. Provide one 7x12' Interstate Loadrunner Trailer
   B. Provide LineX Liner on walls and floor of trailer.
   C. Mount Water Quality Station, Smart Controller, Chemical Feed Skids, and Sample Return inside of trailer.
   D. Lot Conduit, Fittings, Plumbing, Ventilation, Wire
   E. 2x Chlorine Chemical Storage Tanks, 120 gallons each, dual wall
   F. 1x Ammonia Chemical Storage Tank, 70 gallons, dual wall

EXHIBIT D
ADDITIONAL SCOPE OF SERVICES AND COMPENSATION

Contractor shall furnish to City and install a temporary RCS rental unit for the Charter Oak Tanks in Covina, California (the "project site"), in accordance with the following rates:

Item	**Quantity**	**Price Per Unit**	**Total Price**
Rental Trailer Delivery	1	$2,000	$2,000
Monthly Trailer Rental Fee	2	$5,500	$11,000
Installation of Rental Trailer and Mixer	1	$1,000	$1,000
Total Cost			$14,000

Contractor shall deliver the temporary RCS rental unit to the project site. The temporary PAX RCS rental unit shall be an intelligent disinfectant boosting system that gives the City the ability to set and maintain residual levels in water storage tanks and key locations in the City's distribution system. The temporary PAX RCS rental unit shall combine advanced water quality sensors with powerful tank mixing and an automated chemical feed system to enable the City to eliminate manual boosting and quickly counteract adverse water quality changes.

THIS PAGE LEFT INTENTIONALLY BLANK

CITY OF COVINA

AGENDA REPORT

ITEM NO. CC 5

MEETING DATE:	December 6, 2016
TITLE:	Carryover of Continuing Appropriations from Fiscal Year 2015-16 to Fiscal Year 2016-17
PRESENTED BY:	Anita Agramonte, Finance Director
RECOMMENDATION:	Adopt Resolution No. 16-7568 approving the carryover of continuing appropriations from Fiscal Year 2015-16 to Fiscal Year 2016-17

BACKGROUND:
The carryover of continuing appropriations is necessary when appropriation and encumbrance balances from a fiscal year that has ended remain unspent are required to be carried forward into the next fiscal year to facilitate the completion of the projects, contracts or activities for which the funds were originally awarded.

Covina's Municipal Code Section 2.08.160 states that the City Manager shall be responsible for the administration of the budget after its final adoption. The City Manager shall be authorized to amend the budget between cost centers within each fund. City council authorization shall be required for increases in total fund appropriation and the use of Council contingency reserve. Continuing appropriations for year-end encumbrances, contractual commitments, and capital projects shall be automatically carried forward. All other appropriations shall lapse at year-end unless carried forward by City Council action. The City Manager shall keep the City Council informed with respect thereto. (Ord. 00-1872, 2000; Ord. 1232 § 1, 1973; 1964 Code § 2.26.)

DISCUSSION:
As part of the year-end process, the Finance Department collaborates with all departments to analyze outstanding purchase orders, contracts, and remaining budget balances to determine which purchase orders and unspent appropriations should be carried over into the new fiscal year.

Exhibit A of Resolution No. 7568 is the proposed Schedule of Continuing Appropriation Carryovers which staff recommends for City Council approval. These appropriations primarily relate to capital improvement projects that were budgeted in fiscal year 2015-16 that were not completed before the end of the fiscal year, making it necessary to carry over the available budget balances to fiscal year 2016-17 to facilitate completion of the projects.

FISCAL IMPACT:
The fiscal impact is an increase in appropriations in fiscal year 2016-17 in the amounts of the necessary available carryover balances totaling $539,012.59. Of this amount, $7,533.87 pertains to the General Fund. The impact to each fund is detailed in Exhibit A of Resolution No. 7568.

CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT):
N/A

Respectfully submitted,

Anita Agramonte
Finance Director

ATTACHMENTS:
Attachment A: Resolution 16-7568

RESOLUTION NO. 16-7568

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, APPROVING THE CARRYOVER OF CONTINUING APPROPRIATIONS FROM FISCAL YEAR 2015-16 TO FISCAL YEAR 2016-17

WHEREAS, the City of Covina has certain operations and projects initiated prior to the fiscal year commencing July 1, 2016, which remain incomplete and will carryover from the previous fiscal year to the current fiscal year; and

WHEREAS, the City Council desires to appropriate the necessary carryover funds for the continuation and completion of certain City operations and projects and to set forth and appropriate certain expenses;

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

SECTION 1. Certain funds (listed in Exhibit A) are carried over from Fiscal Year 2015-16 to Fiscal Year 2016-17 and the City Manager is authorized to implement the same.

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 6th day of December, 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. 16-7568 was duly adopted by the City Council of the City of Covina at a regular meeting held on the 6th day of December, 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

EXHIBIT A

City of Covina
Schedule of Continuing Appropriation Carryovers
FY 2016-17

Fund	Account Number	PO#	Department	Requested Amount	Description
1010-General Fund					
	1010-1410-52220	21600113	Police	$ 445.98	Communication Services - Radio Units
	1010-PT02-54420	21600537	Police	6,261.14	Range Tactical Supplies
	1010-AQ06-52490	21600601	Aquatics	826.75	Pool Heater Repair
				7,533.87	
4300 - Transportation CIP					
	4300-2200-55310-P1502		Public Works	4,011.25	Engineering Services PSA - CalRecycle Rubberized Rollup Grant
				4,011.25	
4600 - Parks & Recreation CIP					
	4600-3400-55100-P1601	21600511	Public Works	78,500.00	Covina Senior Center PSA, approved by Council 1/19/16
	4600-3400-55100-P1601		Public Works	400,000.00	Unexpended/Unencumbered Budget Appropriations - Sr. Ctr.
				478,500.00	
7370 - Public Liability					
	7370-0930-51990-1404	21600544	Public Works	48,967.47	PSA for City Hall Security System
				48,967.47	
Grand Total				$ 539,012.59	

THIS PAGE LEFT INTENTIONALLY BLANK

CITY OF COVINA

AGENDA REPORT

ITEM NO. CC 6

MEETING DATE: December 6, 2016

TITLE: Authorization to Fill Assistant Public Works Director Position in Department of Public Works on Interim Basis to Support Water Division Operations

PRESENTED BY: Siobhan Foster, Director of Public Works

RECOMMENDATION: Authorize the Department of Public Works to fill the Assistant Public Works Director Position on an interim basis to support Water Division operations, for a limited duration, up to a maximum of 960 hours in FY 2017.

BACKGROUND:

On November 1, 2016, the City Council authorized the Department of Public Works to overfill the Water Services Supervisor Position on an interim basis. The Water Division requires day-to-day, consistent, high-level supervisorial and technical expertise, which was not available due to the indefinite absence of the Water Services Supervisor.

On November 14, 2016, William Pecsi started employment with the City as Interim Water Services Supervisor. Mr. Pecsi has a 30 year record of professional accomplishments in public agencies performing complex assignments involving wholesale and retail water utility management and operations, project design and construction management, and water resources management. Mr. Pecsi's experience includes serving as Unit Manager, Section Manager, and Operations and Maintenance Manager with Metropolitan Water District of Southern California and General Manager of Foothill Municipal Water District. Mr. Pecsi has a B.S. in Civil Engineering from Loyola Marymount University and possesses a Treatment Operator 5 certification issued by the State Water Resources Control Board (SWRCB).

Mr. Pecsi is a retired member of the California Public Employees' Retirement System "CalPERS". Under Government Code section 7522.56 and 21224, CalPERS retirees can be hired into retired annuitant positions to perform work of limited duration for up to a maximum of 960 hours per fiscal year, they may be paid up to the maximum hourly rate paid to employees doing similar work without any other compensation or benefits, and must possess critically needed specialized skills in order to work on various special projects for the City. Mr. Pecsi possesses the critically needed specialized skills to ensure that Water Division operations and projects progress.

Mr. Pecsi's extensive water operations background, especially in water quality and project management, enabled him to come in and immediately bring needed leadership to the Water Division. This includes a positive follow-up meeting with James Ko, Associate Sanitary Engineer with the SWRCB, Division of Drinking Water on November 15, 2016, wherein Mr. Ko

reviewed the City's progress in addressing the challenges inherent with chloramination and mitigation of the symptoms of nitrification in the water system.

Mr. Ko was satisfied with the results of the City's efforts to enhance water quality and cited the following as beneficial steps:

- Purchase of the mobile Residual Control System (RCS) unit, as approved by the City Council on August 16, 2016;
- Installation of the PAX Mixer at the Rancho La Merced Reservoir, as approved by the City Council on October 4, 2016;
- Partnering with Rowland Water District for technical assistance and use of the District's mobile RCS system at the Rancho Simi Reservoir, from October 4, 2016 to October 12, 2016;
- Rental of a temporary RCS rental unit, furnished by Doane and Hartwig Water Systems, Inc., as approved by the City Council on October 18, 2016;
- Comprehensive training being provided by CIC for two City employees in the areas of water pump operations and distribution system sampling;
- Initial implementation of the City's re-focused distribution system line flushing program; and
- Hiring of William Pecsi, Interim Water Services Supervisor, as authorized by the City Council on November 1, 2016.

The next meeting with Mr. Ko is scheduled for January 15, 2017. At that time, Mr. Ko expects to see sustained progress with water quality enhancements and additional results from the implementation of the City's re-focused distribution system line flushing program, among other items.

DISCUSSION:
At this time, it is imperative for the City to sustain enhanced water quality, as specified and expected by the SWRCB, and to achieve demonstrable results from the City's re-focused distribution system line flushing program and implementation of the mobile RCS unit at the Charter Oak Reservoir site and PAX mixer at the Rancho La Merced Reservoir. The projects are in various stages of implementation. The retention of Mr. Pecsi is critical to this mission and the continuous improvement of the City's water operations.

Additionally, Mr. Pecsi is an active participant in the multitude of projects and initiatives underway, including the training and mentoring of new and existing Water Division personnel and assisting with planned Capital Improvement Program (CIP) projects, such as the Water Utility Supervisory Control and Data Acquisition (SCADA) system upgrade, Urban Water Management Plan (UWMP), Forestdale Reservoir roof repairs, and various water system upgrades. The effort to update the aged water system master plan, including the development of a new rate structure, also needs to be initiated.

Since the Water Services Supervisor may be returning from leave of absence in early December, it is necessary to seek City Council authorization to fill the Assistant Public Works Director Position on an interim basis to support Water Division operations. This action would create a vacant position that Mr. Pecsi can fill on a temporary basis, since he will not be able to overfill the Water Services Supervisor position when the incumbent returns from leave of absence.

The Assistant Public Works Director is an existing classification that is not included in the FY 2017 budget. Should the City Council authorize the Department of Public Works to fill the Assistant Public Works Director Position on an interim basis, this authorization would expire

when the retired annuitant reaches a maximum of 960 hours or when the services are no longer required, whichever is earliest.

FISCAL IMPACT:
The cumulative fiscal impact of hiring the retired annuitant, initially as an overfill of the Water Services Supervisor and now as the proposed Assistant Public Works Director, for up to 960 hours, is approximately $40,000. The position would be funded using identified salary and benefit savings within the FY 2017 Water Division budget.

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 filling of the Assistant Public Works Director position on an interim basis will not result in any significant effect on the environment.

Respectfully submitted,

Siobhan Foster
Director of Public Works

THIS PAGE LEFT INTENTIONALLY BLANK

CITY OF COVINA

AGENDA REPORT

ITEM NO. CC 7

MEETING DATE:	December 6, 2016
TITLE:	Proposed Memorandum of Understanding between City of Covina and County of Los Angeles for Field Investigations to Determine Feasibility of Conducting a Regional Stormwater Project at Kahler Russell Park
PRESENTED BY:	Siobhan Foster, Director of Public Works
RECOMMENDATION:	Authorize the Interim City Manager to execute the proposed Memorandum of Understanding between the City of Covina and the County of Los Angeles for Field Investigations to determine the feasibility of conducting a regional stormwater project at Kahler Russell Park.

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 $181,000 in Environmental Waste Management funding for the Kahler Russell Stormwater and Infiltration Regional Enhanced Watershed Management Plan (EWMP) project, which provides for the installation of a Regional Tier 1 infiltration project designed to treat stormwater volume from a 1,000 acre drainage area from Covina, Glendora, and unincorporated Los Angeles County.

The anticipated scope of work for the project in FY 2017 includes the development of a conceptual design that would allow the City to seek grant funding for the overall project, valued at more than $16.3 million. The proposed Memorandum of Understanding (MOU) outlined below with the County of Los Angeles, acting by and through its Department of Public Works (DPW), would provide critical information about the feasibility of the project at no cost to the City and facilitate the conceptual planning phase of the project, should the field investigations prove the project is feasible.

On November 8, 2012, the Los Angeles Regional Water Quality Control Board, Los Angeles Region (Regional Board), adopted a new Municipal Separate Storm Sewer System permit (MS4 permit) that went into effect on December 28, 2012. The permit encourages the 86 permittees to collaborate with one another in the development of planning strategies and projects to achieve compliance.

On June 4, 2013, the City Council authorized staff to proceed with notification to the Regional Board of the City's intent to develop an EWMP and Coordinated Integrated Monitoring Plan (CIMP) collaboratively with other Upper San Gabriel River permittees. On June 27, 2013, the

City of Covina submitted a letter to the Regional Board stating the City's intent to collaborate and form a watershed group with Los Angeles County Flood Control District, the County of Los Angeles, and the Cities of Baldwin Park, Glendora, Industry, and La Puente (Upper San Gabriel River EWMP Group) in the development of an EWMP and CIMP for portions of the San Gabriel River Watershed.

On September 3, 2013, the City Council authorized the City to enter into a MOU with the other members of the watershed group to begin the development of the compliance programs. The Upper San Gabriel River EWMP Group then proceeded to hire MWH Americas, Inc. (Consultant) to prepare and deliver the Plans and agreed to contribute funds to the County of Los Angeles that contracted with the Consultant for the preparation of the Plans.

One requirement of the EWMP is the development of a series of regional projects to achieve the water quality objectives through pollutant control measures and watershed management. The projects identified in the EWMP are designed to retain all runoff from the 85th percentile, 24-hour storm event (approximately one inch per day) for the tributary drainage area. Kahler Russell Park was identified as a proposed location for one of the regional projects during the development of the draft EWMP.

On February 17, 2015, the City Council authorized the Temporary License and Right-of-Entry Agreement with the Consultant for geotechnical evaluation of Kahler Russell Park. The initial geotechnical evaluation included preliminary soil, geologic, and infiltration studies to determine the feasibility of siting a regional project at the park. Ninyo and Moore, a sub-contractor to the Consultant, conducted the soil testing on March 3, 2015. The geotechnical evaluation report was incorporated into the draft EWMP.

On June 25, 2015, the Upper San Gabriel River EWMP Group submitted a draft EWMP. As the City of West Covina asked to join the Upper San Gabriel River EWMP Group late, an associated addenda was submitted on August 31, 2015 to the Regional Board. Subsequent public review periods and hearings were held between July and November 2015, and public comments were incorporated, where appropriate, into the Regional Board's review letter to be addressed in the draft EWMP. Regional Board staff provided comments on the EWMP on October 16, 2015, which were addressed and submitted in a revised EWMP on January 14, 2016 for Regional Board review and approval. On April 11, 2016, the Regional Board approved the Upper San Gabriel River EWMP.

The Upper San Gabriel River EWMP Group has initiated expanded technical review of the regional project sites contained in the EWMP. To this end, additional field investigations are necessary, which include geotechnical assessments to determine groundwater conditions, percolation characteristics of soil, and other similar engineering properties, to determine the feasibility of using Kahler Russell Park and the other sites identified in the EWMP, as site locations for underground stormwater infiltration chambers.

DISCUSSION:

As DPW is involved in the development of several projects proposed in the EWMP and there is an economy of scale in reducing costs for multiple field investigations, DPW approached the City of Covina and offered to enter into a MOU to conduct the field investigations to determine the feasibility of constructing a regional stormwater project at Kahler Russell Park. The field investigations will include geotechnical assessments to determine groundwater conditions and percolation characteristics of the soil, perform environmental construction screening and

environmental laboratory testing for the presence of hazardous materials, and evaluate other similar engineering properties at the Park.

Field investigation methods may include soil sampling, drilling borings, Cone Penetration Testing (CPT), constant/falling head percolation testing, Pilot Infiltration Testing (PIT), or other methods as may be applicable. The City will approve the proposed testing locations, ingress/egress, and description and timing of work to be performed prior to any work being performed.

The proposed field investigations will occur between December 2016 and March 2017 to minimize potential impacts to Park and Recreation Department programming. Upon the completion of the field investigations, DPW agrees to promptly restore the premises to a condition equivalent to or better than conditions at the commencement of work. Should DPW fail to repair damages within 60 days to the City's reasonable satisfaction, the City may have reasonable repairs made at DPW's sole cost and expense.

Under the terms and conditions of the proposed MOU, the field investigation at Kahler Russell Park would be funded by DPW and the City would not bear any costs. Further, DPW agrees to provide the City with the final geotechnical and other reports produced to determine the project feasibility and reserves the right to seek a cost reduction to Los Angeles County's fair share in future MOUs between the County and the City for the planning, design, construction, or operation and maintenance of the regional stormwater project proposed at Kahler Russell Park.

FISCAL IMPACT:
There is no fiscal impact associated with the proposed MOU. DPW would fund the proposed project. DPW reserves the right to seek a cost reduction to the County's fair share in future MOUs between the County and the City for the planning, design, construction, or operation and maintenance of the regional stormwater project proposed for Kahler Russell Park.

CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT):
The project has been reviewed for compliance with the California Environmental Quality Act (CEQA) by the County of Los Angeles and found to be categorically exempt according to Sections 15304 and 15306, because the project consists of minor alterations to the land and information collection activities at an existing facility. Community Development Department's Planning staff has reviewed the County analysis and concurs with this finding.

Respectfully submitted,

Siobhan Foster
Director of Public Works

ATTACHMENTS:
Attachment A: Memorandum of Understanding (MOU) By and Between the County of Los Angeles and City
Attachment B: Location Map

MEMORANDUM OF UNDERSTANDING

BY AND BETWEEN
THE COUNTY OF LOS ANGELES
AND
THE CITY OF COVINA

This memorandum of understanding (MOU) is entered into this _____ day of _____, 2016, by and between the County of Los Angeles, acting by and through its Department of Public Works (DPW), and City of Covina (CITY) for the purposes described herein and subject to the below described understandings between the DPW and CITY. Collectively, these entities are herein referred to as PARTIES or individually as PARTY.

1. **Premises.** Kahler Russell Park (Park) at 735 N Glendora Ave, Covina, CA 91724. Premises are under CITY jurisdiction.

2. **Regional Best Management Practices (BMP) Project.** DPW will conduct field investigations to determine the feasibility of conducting a regional stormwater BMP Project at the Park. The field investigations will include geotechnical assessments to determine groundwater conditions and percolation characteristics of the soil, perform environmental construction screening and environmental laboratory testing for the presence of hazardous materials, and evaluate other similar engineering properties at the Park (Work).

   The field investigation methods may include soil sampling, drilling borings, Cone Penetration Testing (CPT), constant/falling head percolation testing, Pilot Infiltration Testing (PIT) or other methods as may be applicable. Soil borings may be obtained by drilling an 8-inch diameter hollow stem auger to a maximum depth of 100 feet below ground surface. The CPT procedure involves pushing a cone with a diameter of approximately 1.5 inches to a depth of up to 100 feet. The falling head percolation test may consist of drilling an approximately 5-foot diameter borehole and introducing water into the hole. The PIT method consists of excavating a test pit of up to 10 feet by 10 feet and introducing water into the hole.

   The proposed testing locations, ingress/egress, and description of work to be performed will be approved by CITY prior to any work being performed.

3. **Permission Granted.** Prior to performing any Work described above, DPW will hold a coordination meeting with CITY at the Premises to discuss the scope and scheduling of the proposed Work. DPW will provide a description of the Work and a location map. Upon approval by CITY, DPW will be granted access to the areas within the Premises necessary to perform the Work and agreed to by CITY. Any considerations or provisions required by

CITY will be discussed at the coordination meeting. The Work will be scheduled around the Park's programs.

4. **CEQA Compliance.** The proposed project is categorically exempt from the California Environmental Quality Act according to Sections 15304 and 15306 of the California Environmental Quality Act Guidelines, and Classes 4 and 6 of the Environmental Document Reporting Procedures and Guidelines, adopted by the Board on November 17, 1987 because the project consists of minor alteration to land and information collection activities.

6. **Notices.** DPW and CITY agree to give the other written notice concerning any operational or other issues which may arise affecting the use of the Premises as follows:

DPW: Paul Alva, Principal Civil Engineer
Department of Public Works
900 South Fremont Avenue, 11th Floor
Alhambra, CA 91803
(626) 458-4325
palva@dpw.lacounty.gov

CITY: Sharon Gallant, Environmental Services and Transportation Manager
Department of Public Works
125 E. College Street
(626) 384-5484
sgallant@covinaca.gov

7. **Costs.** This project is funded by the County. CITY will not bear any costs associated with the field investigations to be performed by DPW pursuant to this MOU. DPW agrees to provide CITY with final geotechnical reports and other reports produced to determine the project feasibility, and reserves the right to seek a cost reduction to the County of Los Angeles' fair share in future MOUs between the County and CITY for the planning, design, construction, or operation and maintenance of the regional stormwater BMP Project at the Park.

8. **Restoration.** Upon completion of the field investigations, DPW agrees to promptly restore the Premises to a condition equivalent to or better than the condition of the Premises at the commencement of the Work. DPW agrees to promptly repair to the reasonable satisfaction of CITY damage caused by DPW's investigation activities or reimburse CITY in an amount equivalent to such reasonable repair. Should DPW fail to repair damages within sixty (60) days to CITY's reasonable satisfaction, CITY may have reasonable repairs made at DPW's sole cost and expense.

9. **Amendments.** This MOU represents the entire understanding of the PARTIES with respect to the use of the Premises and completion of the Work, replaces any previous written or oral understandings, and may be amended only in writing and signed by both DPW and CITY.

   This MOU does not commit DPW or CITY to the implementation or construction of any project at the Park.

10. **Indemnification.** It is understood and agreed that, except for any damage or injuries arising from the acts and omissions of the employees of CITY, CITY will not be responsible for any damage to the Premises, injuries to persons, or any other claims which are directly caused by the Work and occupancy of the Premises by DPW, or for damages to the property of DPW, or for injuries to the employees, contractors, subcontractors, agents, invitees, or successors of DPW or others, which injuries are directly caused by the Work performed hereunder.

11. **Term.** This MOU will commence when signed by both PARTIES and will remain in effect for two years or until completion of the Work, whichever comes first or unless terminated in writing by either PARTY.

12. **Insurance**. DPW, at its sole cost and expense, shall obtain, keep in force, and maintain the following policies of insurance at all times while this MOU is in effect, and shall not commence any work under this MOU until proof of such insurance has been provided to CITY. DPW, at its sole option, may satisfy all or any part of this insurance requirement through use of a program of self-insurance (self-funding of its liabilities). A certificate evidencing coverage or a letter evidencing self-funding will be provided to CITY after execution of this MOU. Such certificate or letter evidencing self-funding shall name CITY as an additional insured for the purposes of this MOU. The coverages provided by such insurance shall not be construed as limitations of liability.

    12.1 **Required Policies**

    12.1.1 **Commercial General Liability Insurance** (contractual, products, and completed operations coverages included) with a combined single limit of no less than $1,000,000 and a general aggregate limit of no less than $1,000,000.
    12.1.2 **Business or Comprehensive Automobile Liability Insurance** for owned, scheduled, non-owned, or hired automobiles, with a combined single limit of no less than $1,000,000 per accident.
    12.1.3 **Professional Liability Insurance** with limits of $1,000,000 per claim and $1,000,000 in the aggregate.

12.1.4 **Employers' Liability Insurance** with limits of $1,000,000 per claim and $1,000,000 in the aggregate.
12.1.5 **Workers' Compensation Insurance** as required under the Workers' Compensation Insurance and Safety Act of the State of California.

12.2 **Required Terms:**

12.2.1 All policies except workers' compensation and professional liability, shall name as additional insureds CITY, its directors, officers, employees, agents, and representatives.
12.2.2 All policies shall be written on an occurrence basis. If a policy may only be obtained on a claims made basis, the policy shall be maintained continuously for a period of no less than three (3) years after the date of final completion of the scope of services under this MOU.
12.2.3 All policies shall provide that coverage cannot be cancelled without twenty (20) days prior written notice to the CITY.
12.2.4 All insurance required under this MOU shall be considered primary to any insurance maintained by the CITY. All policies except Professional Liability shall include waivers of subrogation in favor of the CITY and its insurers.
12.2.5 All policies required under this MOU shall be issued by companies authorized to transact insurance business in the State of California acceptable to the CITY and having a Best rating of A- or better.

/
/
//
/
/

(Signature page follows)

IN WITNESS WHEREOF, the parties hereto have cause this Memorandum of Understanding to be executed by their respective officers, duly authorized by the CITY OF COVINA on _____, 2016 and by the COUNTY OF LOS ANGELES on _____, 2016.

COUNTY OF LOS ANGELES
Department of Public Works

By:_____
Gail Farber
Director

APPROVED AS TO FORM:

MARY C. WICKHAM
County Counsel

By: _____
Deputy

CITY OF COVINA

By:_____
Interim City Manager

ATTEST:

By:_____
Chief Deputy City Clerk

APPROVED AS TO FORM:

By:_____
Attorney

Kahler Russell Park

715.57 Feet

Attachment B

THIS PAGE LEFT INTENTIONALLY BLANK

CITY OF COVINA

AGENDA REPORT

ITEM NO. CC 8

MEETING DATE: December 6, 2016

TITLE: Payment to Air-Bree Heating & Air Conditioning, Inc. (Air-Bree) For Heating, Ventilation, and Air Conditioning (HVAC) Services at Covina Metrolink Station Parking Complex

PRESENTED BY: Siobhan Foster, Director of Public Works

RECOMMENDATION: Authorize the Department of Public Works to make payment of invoices to Air-Bree for HVAC Services in an amount of $1,178.51.

BACKGROUND:
There are currently six HVAC units located at the Covina Metrolink Station Parking Complex that service the mechanical utility rooms, guard shack, restroom unit, and bike parking facility that occasionally require maintenance. Since there were no HVAC preventative maintenance contracts between the period of August 1, 2010 and September 4, 2012, staff needed to identify a contractor to perform occasional repairs when the HVAC units were found to be malfunctioning during that period. Air-Bree was the contractor originally selected for its proximity to the City of Covina, its responsiveness, and reasonable rates.

Over time, as Air-Bree gained familiarity with the City's HVAC equipment, Air-Bree began providing HVAC services for multiple City facilities for several City departments, which included the City Library, City Hall, City Yard, Police Department, Joslyn Center, Parks Hollenbeck Administrative Office, Recreation Hall at Covina Park, and Covina Metrolink Station Parking Complex. Although a typical service request would be of nominal cost compared to the $25,000 expenditure limit before requiring a formal bid and City Council approval pursuant to Covina Municipal Code (CMC) 2.20.090, the cumulative expenditure amount between multiple service requests throughout multiple departments became convoluted as responsibilities were divided amongst each department, which accounted for their own service agreements and expenditures. As a result, each department paid for their own service requests, however, the cumulative amount city-wide was overlooked.

DISCUSSION:
On September 4, 2012, the City Council awarded a bid for HVAC Preventative Maintenance to Christian Brothers Mechanical Services, Inc. (Christian Brothers) to provide HVAC services for the City Hall, City Yard, and Covina Police Department effective between September 4, 2012 and September 4, 2015. Upon expiration of the original agreement, the First Amendment to Agreement with Christian Brothers for HVAC services was approved by the City Council on September 1, 2015 to extend the agreement for a two-year period set to expire on September 4, 2017. At the time of the original agreement and subsequent first amendment, the HVAC units at

the Covina Metrolink Station Parking Complex were inadvertently omitted as it is not a staffed facility and maintenance requests were not a frequent occurrence.

It was not until current staff performed a thorough review of existing service agreements after receiving recent invoices from Air-Bree, that it was discovered there is no existing service agreement with Air-Bree. Although further research revealed a cumulative amount expended solely for HVAC services at the Covina Metrolink Station Parking Complex had totaled to an amount of $6,071.93 since fiscal year 2011-2012 and is under the $25,000 threshold, the cumulative amount expended throughout the multiple departments totaled an amount of $73,256.29 since fiscal year 2011-2012 and exceeds the $25,000 expenditure limit, requiring City Council approval.

While the Department of Public Works has ceased to request maintenance service from Air-Bree since becoming aware of the cumulative expenditure amount, the recent invoices in an amount of $1,178.51 from Air-Bree for HVAC services at the Covina Metrolink Station Parking Complex are still outstanding. However, since staff has had a positive overall experience with Air-Bree and would like Air-Bree to engage in future opportunities with the City of Covina, staff recommends paying the outstanding invoices.

To address HVAC service needs in the interim, the Department of Public Works is preparing to amend the existing agreement with Christian Brothers to include the HVAC units at the Covina Metrolink Station Parking Complex. However, to address future Citywide HVAC service needs, the Department of Public Works will coordinate with the various City departments to seek competitive bids to consolidate HVAC services for all City facilities to be performed by a single provider. The target will be to have the new contract in place in Fiscal Year 2018, effective September 4, 2017.

FISCAL IMPACT:
The fiscal impact associated with submitting payment for the outstanding invoices to Air-Bree is an amount of $1,178.51. Funding is available from the Fiscal Year 2015-16 Proposition A budget for maintenance activities at the Metrolink Station (account no. 2400-TO01-52410).

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 applies to projects that have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

Respectfully submitted,

Siobhan Foster
Director of Public Works

ATTACHMENTS:

Attachment A: Service Agreement with Christian Brothers for HVAC Services, dated September 4, 2012

Attachment B: First Amendment to Agreement with Christian Brothers for HVAC Services, dated September 1, 2015

Attachment C: Air-Bree Invoice for HVAC Services, dated August 10, 2016

Attachment D: Air-Bree Invoice for HVAC Services, dated August 11, 2016

Attachment E: Air Bree Invoices since Fall 2011, sorted by City Facility

CONTRACT FOR
HVAC MAINTENANCE
IN THE CITY OF COVINA

This contract is made and entered into this 4 day of September, 2012, in the State of California, County of Los Angeles, by and between the City of Covina, (hereinafter referred to as the **CITY**), and Christian Brothers Mechanical Services, (hereinafter referred to as the **CONTRACTOR**).

ARTICLE I - RECITALS

A. The City has the responsibility of providing routine, extraordinary and emergency maintenance for all city-owned and operated HVAC systems.

B. As such, the City seeks a contractor who will agree to provide this service, by providing a complete **HVAC MAINTENANCE** to include operation, supervision, equipment, maintenance, tools, labor, materials and incidentals necessary to attain the service level reflected in this Contract.

ARTICLE II - SERVICE DESCRIPTION

Contractor agrees to provide HVAC maintenance operations, supervision, equipment, maintenance, tools, labor and materials as specified within the Notice Inviting Bids packet for the same, the entirety of which is incorporated herein by reference.

ARTICLE III - PAYMENT

A. This Contract is for a period of 3 years, renewable thereafter a maximum of two times with each renewal option being for a two-year period upon satisfactory performance and written mutual consent commencing upon authorization. The City agrees to pay the Contractor in accordance with the following schedule:

1.	City Hall Preventative Maintenance	$ 270	PER SCHEDULED MAINTENANCE
2.	City Yard Preventative Maintenance	$ 182	PER SCHEDULED MAINTENANCE
3.	Police Department Preventative Maintenance	$ 471	PER SCHEDULED MAINTENANCE

B. Extraordinary Maintenance and extra or additional work shall be paid in accordance with the approved rate schedule attached hereto and incorporated herein as specified within the bid documents.

C. Payment to the Contractor shall be requested in the following manner:

1. Commencing with the second month of the Contract, the Contractor shall submit a claim for payment within the first 5 workdays to the City every month for work completed during the previous month. The claim, when submitted by the Contractor, shall constitute certification under penalty of perjury that the work claimed for payment

was completed in accordance with the terms of the Contract. The city has the right to inspect the Contractor's records to verify any extraordinary maintenance costs.

2. Payment will be made within 30 days after receipt of a claim by the City. Payment shall not be construed to be acceptance of any of the work.

ARTICLE IV - PERFORMANCE

A. This agreement shall take effect October 1, 2012 at 12:01 a.m. No costs shall be incurred before the effective date of this agreement.

B. The Contractor shall perform all work necessary to complete the contract in a satisfactory manner established by the City and shall furnish all necessary equipment, tools, labor, materials, supervision, maintenance and incidentals.

C. The City shall monitor the Contractor's work in order to measure objective standards set forth in this agreement, such as compliance with all terms and conditions of said Contract, change order rate, etc.

1. Only competent workers shall be employed for this work. Any person employed, who is found, by the City, to be incompetent, intemperate, troublesome, disorderly or otherwise objectionable, or who fails or refuses to perform the work properly and in an acceptable manner, shall be immediately removed from the work site by the Contractor and not be re-employed for work under this contract.

D. The Contractor shall be responsible for the protection of public and private property and shall exercise due caution to avoid damage to such property. All property damage resulting from the Contractor's operations shall be repaired at the Contractor's expense and to the satisfaction of the City. Contractor is required to submit a written report of said damages to the City on the same day damages occur and a written follow-up report submitted to the City as Contractor completes repair of damages.

1. All costs to the Contractor for protecting and restoring existing improvements shall be included in the cost established by this contract.

E. The Contractor's operations shall cause no unnecessary public inconvenience. The access rights of the public shall not be violated at any time.

F. The City shall have the Right-to-Revoke this Agreement within the first Ninety (90) days if the Contractor demonstrates an inability to meet the minimum requirements of this Contract.

G. The City shall have the Right-to-Review the contract performance of the Contractor at the end of the first six (6) months of service. This review will grant the City a Right-to-Review concessions as contained in this Contract. This Right-to-Review concessions will allow the City to alter concessions as needed to aid in the compliance of this Agreement.

H. Indemnification: The Contractor shall assume the defense of and indemnify and save harmless the City, its elective and appointed boards, officers, agents and employees from all

claims, loss, damage, injury and liability of every kind, nature and description, directly or indirectly arising from the performance of the Contractor's work, and from any and all claims, loss damage, injury and liability, howsoever the same may be caused, resulting directly or from the nature of the work covered by this Contract, provided:

1. That the City does not, and shall not, waive any rights against the Contractor which it may have by reason of the aforesaid hold-harmless Agreement because of the acceptance of the City, or the deposit with the City by the Contractor, of any of the insurance policies hereinafter described in this Contract.

2. That the aforesaid hold-harmless Agreement shall apply to all damages and claims for damages of every kind suffered, or alleged to have been suffered, by reason of any of the aforesaid operations of the Contractor regardless of whether or not such insurance policies shall have been determined to be applicable to any of such damages or claims for damages.

I. Changes in the work, either additions or deletions, shall be made in the following manner:

1. Changes requested in writing by the Contractor, which do not materially affect the work and which are not detrimental to the work or to the interests of the City, may be granted by the City to facilitate the work, when approved in writing by the City. If such

(a) Change Orders shall be in writing and state the dollar value of the change or establish method of payment, and, when negotiated prices are involved, shall provide for the Contractor's signature indicating acceptance. (b) The City may, without Council approval, order changes in work that do not exceed 10 percent, as stated in the above paragraph.

3. Changes resulting from schedule disruption, such as, but not limited to inclement weather, holiday or observance, fire, flood, parade, public gathering, riot or other natural or unanticipated occurrence, will be implemented by the City, possibly requiring the Contractor to maintain the affected areas prior to the next maintenance schedule. As such, this maintenance will be performed by the Contractor at the price in effect at the time and will not be considered additional maintenance as defined in Section I., Parts 1 and 2.

(a) When maintenance is not performed due to holiday or observance thereof, the subject maintenance area shall occur within 2 working days of the regularly scheduled maintenance day without interruption in the regular maintenance schedule. Any such maintenance shall be performed by the Contractor at the curb mile price in effect at the time and shall not be considered additional maintenance.

(b) In the event the Contractor is prevented from completing the maintenance as provided in the approved schedule because of reasons other than inclement weather or holidays, the Contractor will be required to complete the maintenance

services so deferred within 2 calendar days without interruption in the regular maintenance schedule.

4. New or unforeseen work will be classified as "extra work" when the City determines that it is not covered by contract unit prices. Payment for extra work will be made at a price agreed upon between the City and the Contractor or, when the price cannot be agreed upon, the City will pay for the extra work based on the accumulation of **actual** cost.

5. The Contractor shall notify the City in writing of any changed conditions promptly upon discovery. Upon investigation, if the City determines the conditions are changed and will materially increase or decrease the costs of any portion of the work, a Change Order will be issued, upon agreement between the Contractor and the City, adjusting the compensation for such portion of the work. If both parties are unable to reach agreement, the City may direct the Contractor to proceed.

(a) If the City determines that the conditions of which it has been notified do not justify an adjustment in compensation, the Contractor will be so notified in writing. This notice shall advise the Contractor of its obligation to notify the City, in writing, if the Contractor disagrees.

(b) If the Contractor disagrees with such determination, it may submit a written notice of potential claim to the City before commencing the disputed work, and in no terms will the Contractor be excused on account of that disagreement from any scheduled work provided for by the contract, but shall proceed with all work to be performed under the contract. However, the Contractor shall retain any and all rights provided either by contract or by law which pertain the resolution of disputes and protests between the contracting parties. All "disputed work" shall be brought forth to and decided upon by the City Council.

(c) Contractor shall notify the City immediately of any condition which impedes normal maintenance operations.

ARTICLE V - INSURANCE

Contractor shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Contractor, his agents, representatives, employees or subcontractors.

Minimum Scope of Insurance

Coverage shall be at least as broad as:

1. Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001).

2. Insurance Services Office form number CA 0001 (Ed. 1/87) covering Automobile Liability, Code 1 (any auto).
3. Workers' Compensation Insurance as required by the State of California and Employer's Liability Insurance.

Minimum Limits of Insurance

Contractor shall maintain limits no less than:

1. General Liability: $1,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general limit shall be twice the required occurrence limit.
2. Automobile Liability: $1,000,000 per accident for bodily injury and property damage.
3. Employer's Liability: $1,000,000 per accident for bodily injury or disease.

Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to and approved by the Entity. At the option of the Entity, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the Entity, its officers, officials, employees and volunteers; or the Contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

Other Insurance Provisions

The general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

1. The Entity, its officers, officials, employees, agents and volunteers are to be covered as insured as respects: liability arising out of activities performed by or on behalf of the Contractor; products and completed operations of the Contractor; premises owned, occupied or used by the Contractor; or automobiles owned, leased, hired or borrowed by the Contractor. The coverage shall contain no special limitations on the scope of protection afforded to the Entity, its officers, officials, employees, agents or volunteers.
2. For any claims related to this project, the Contractor's insurance coverage shall be primary insurance as respects the Entity, its officers, officials, employees, agents and volunteers. Any insurance or self-insurance maintained by the Entity, its officers, officials, employees, agents or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.
3. Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to the Entity, its officers, officials, employees, agents or volunteers.
4. The Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

5. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the Entity.

Course of construction policies shall contain the following provisions:

1. Entity shall be named as loss payee.
2. The insurer shall waive all rights of subrogation against Entity.

Acceptability of Insurers
Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII.

Verification of Coverage
Contractor shall furnish the Entity with original endorsements effecting coverage required by this clause. The endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. The endorsements are to be on forms provided by the Entity. All endorsements are to be received and approved by the Entity before work commences. As an alternative to the Entity's forms, the Contractor's insurer may provide complete, certified copies of all required insurance policies, including endorsements effecting the coverage required by these specifications.

Subcontractors
Contractor shall include all subcontractors as insured under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

7-5 PERMITS

Prior to start of any work, the Contractor shall take out the applicable CITY permits and make arrangements for CITY inspections. The CITY will issue the permits at no charge to the Contractor.

The Contractor and all subcontractors shall be licensed in accordance with the State Business and Professions Code. The Contractor shall also obtain and pay any and all other permits, licenses, inspections, certificates, or authorizations required by any governing body or entity. The Contractor shall obtain and pay business registration certificate from the City.

ARTICLES VI - WORK SCHEDULE

A. A complete maintenance schedule shall be submitted to the City for approval prior to any work being done under this Contract. The schedule shall include all preventative maintenance.

B. To minimize public inconvenience, the Contractor shall diligently pursue the work to comply with the approved schedule. If, as determined by the City, the Contractor fails to

pursue the work to the extent that the above purpose is not being accomplished, the Contractor shall, upon orders from the City, immediately take steps necessary to fully accomplish said purpose. All cost of insuring the work as described herein shall be included in the amount of this contract. Should the Contractor fail to take the necessary steps to fully accomplish said purpose, after orders of the City to do so, the City may suspend the work in whole or in part, until the Contractor takes said steps. If this should exceed 10 days, the City shall engage alternative means to provide this service. The Contractor will be responsible for all costs in excess of the amount he would have been entitled to if he had provided the service.

ARTICLE VII - SUSPENSION/TERMINATION

A. Suspension of work and/or work performed by others will be executed in the following manner:

1. If the Contractor fails to commence work on the date specified, to execute the work in the manner and at such locations as specified, or fails to maintain a work program which will ensure the City's interest, or, if the Contractor is not carrying out the intent of the contract, a written notice by the City will be served upon the Contractor demanding satisfactory compliance with the contract. If the Contractor does not comply with such notice within 5 days after receiving it, or after starting to comply, fails to continue, the City may exclude it from the work site and complete the work by alternative means. Any cost incurred by the City due to use of alternative means will not relieve the Contractor from liability or any cost incurred in excess of what would have been paid to Contractor if Contractor had performed the work.

2. The work may be suspended in whole or in part when determined by the City that the suspension is necessary in the interest of the City. The Contractor shall comply immediately with any written order of the City suspending work. Such suspension shall be without liability to the Contractor on the part of the City except as otherwise specified above. If work is suspended through no fault of the City, all expenses and losses incurred by the Contractor during such suspensions shall be borne by the Contractor.

B. The City may terminate this Contract in the following manner:

1. When conditions encountered during the work make it impossible or impracticable to proceed, or when the City is prevented from proceeding with the contract by act of God, by law, or by official action of a public authority.

2. The contract may be canceled by the City without liability for damage, when in the City's opinion the Contractor is not complying in good faith, has become insolvent, or assigned or subcontracted any part of the work without the City's consent. In the event of such termination, the Contractor will be paid the actual amount due based on unit prices and the quantity of work completed at the time of termination, less damages caused to the City by acts of the Contractor causing the termination. Such damages shall include costs incurred by the City to complete the work over and above the costs which would have resulted had the work been completed under this contract. These damages may be

deducted from any money due or becoming due to the Contractor from the City. If the sums due under the contract are insufficient, the Contractor shall pay to the City, within ten (10) business days after receipt of an invoice from the City, all costs in excess of the amounts withheld by the City.

3. The provisions of this section shall be in addition to all other rights and remedies available to the City under law.

C. The effective termination of this Contract, unless otherwise determined by the City, shall be midnight, thirty-six (36) months after commencement. (refer to Article VIII - Extension)

D. The City and the Contractor may, in writing, mutually terminate this contract.

ARTICLE VIII - EXTENSION

The City reserves the right to extend this contract to a maximum of twenty-four (24) months per extension [not to exceed two (2) extensions] by enacting an amendment to this Contract. Each such Extension may include a compensation increase, determined by the City, not to exceed the Consumer Price Index, all Urban Consumers, for the Los Angeles-Long Beach-Anaheim Metropolitan Area, for the twelve (12) month period proceeding the amendment. Execution of each such amendment will be contingent on satisfactory performance and mutual agreement of the parties.

ARTICLE IX - CONTRACTOR'S EQUIPMENT

A. The Contractor shall furnish and maintain in good and safe condition all equipment as required for the proper execution of the Contract. Such equipment shall meet all requirements of applicable ordinances and laws. The City may reject any vehicle or piece of equipment not meeting these requirements.

B. The Contractor shall provide adequate equipment properly maintained mechanically and in appearance. The Contractor shall provide backup equipment adequate to ensure completion of scheduled work in the event scheduled equipment is down mechanically. All vehicles shall be clearly marked with the Contractor's name and vehicle number and the Contractor's telephone number prominently displayed for purposes of identification.

ARTICLE X - RECORDKEEPING

A. The Contractor shall keep payroll records and records of all work performed pursuant to this Contract.

1. Each Contractor and Subcontractor shall keep an accurate payroll record, showing the name, address, social security number, work classification, straight time and overtime hours worked each day, and the actual per diem wages paid to each journeyman, apprentice, worker, or other employees employed by him or her in connection with the public work, adhering to the provisions of Labor Code Section 1776.

2. The Contractor, its agents and employees shall be bound by and comply with all applicable provisions of the Labor Code and with Federal, State, and local laws related to labor.

3. The Contractor shall keep fully informed of State, Federal, Local, County and Municipal laws, ordinances and regulations which in any manner affect those employed in the work or in any way affect the conduct of the work. The Contractor shall at all times observe and comply with all such laws, ordinances and regulations.

4. The Contractor shall strictly adhere to the provisions of the Labor Code regarding minimum wages, the 8-hour day and 40-hour week, overtime, Saturday, Sunday, and holiday work, and nondiscrimination because of race, color, national origin, sex or religion. The Contractor shall forfeit to the City the penalties prescribed in the Labor Code for violations.

5. Pursuant to Section 1812 of the California Labor Code, on every day worked the Contractor shall submit to the City a written record of all employees working on the project that day. The record shall include each employee's name, Social Security number, job classification and the number of hours worked.

B. The Contractor's accounting and financial reporting system shall be in accordance with generally accepted accounting principles or with uniform standards that the City may establish.

C. The Contractor's accounting, payroll and work records and all other supporting papers developed for the Service by the Contractor shall be maintained for a minimum of three (3) years following the close of the fiscal year of expenditures and shall be held open to inspection and audit by City. Actual costs charged to the Service shall be supported by properly executed time/work records, invoices or vouchers, providing evidence of the nature and propriety of the charges incurred by the Contractor.

ARTICLE XI - ENTIRE AGREEMENT WAIVERS AND AMENDMENTS

A. This Contract is executed in triplicate, each of which is deemed to be an original.

B. This Contract includes thirteen (13) pages which constitutes the entire understanding and Contract of the parties.

C. This Contract integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous Contracts between the parties with respect to all or any part of the subject matter hereof.

D. All waivers of the provisions of this Contract must be in writing and signed by the appropriate authorities of the City and the Contractor, and all amendments hereto must be in writing and signed by the appropriate authorities of the City and the Contractor.

ARTICLE XII - ACCEPTANCE OF CONTRACT

IN WITNESS WHEREOF, the City and the Contractor have executed this Contract as of the dates set opposite their signatures.

City Manager

10/23/12
Date

Contractor

Date

Contractor Name

Attest:
City Clerk
City of Covina, California

APPROVED AS TO FORM:

City Attorney

10/24/12
Date

CONTRACTOR'S PROPOSAL

INFORMATION REQUIRED OF BIDDERS

Name of Bidder: Christian Brothers Mech Svcs.
Print/Type

Authorized Signature:

Name and Title of Signer: Donald Lemons, President
Print/Type

Address: 11140 Thurston Ln.
Street Name/P.O. Box Print/Type

Mira Loma CA 91752
City State Zip Code

Telephone/Fax: 951 - 361 - 2247 951-361-1581
Area Code Phone No. Fax No.

Date: September 26 2012
Month Day Year

Taxpayer Identification Number: 33-0193531

CITY OF COVINA

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

September 1, 2015

Donald Lemons
President
Christian Brothers Mechanical Services
11140 Thurston Lane
Mira Loma, CA 91752

RE: Extension of HVAC Maintenance Services Contract for City Hall and City Yard with Christian Brothers Mechanical Services

Dear Mrs. Lin:

The enclosed contract ("Contract") between Christian Brothers Mechanical Services and the City of Covina for Maintenance Services has expired. The City is interested in continuing to utilize your services upon substantially the same terms and conditions. Thus, the City is proposing that the parties agree to extend the Contract by entering this letter agreement, pursuant to the terms and conditions stated herein.

By signing below, the parties agree as follows:

1. The Contract, titled HVAC Maintenance in the City of Covina and dated September 4, 2012 is fully incorporated herein by this reference. Except as expressly set forth herein, the terms of the Contract shall be given full force and effect as part of this agreement.

2. The term of this agreement shall be twenty-four (24) months. This term may only be extended by the parties in writing. This term shall not automatically renew unless separately agreed in writing.

3. Either party may terminate this agreement without cause by giving the other party not less than fourteen (14) days' notice. City shall have no cost or liability to Contractor as a result of exercising its right to terminate without cause. This term shall supersede any provisions in the Contract related to termination without cause but shall not alter or replace any remedies or procedures contained in the Contract relating to terminations for cause.

4. To the extent there is a conflict between the terms set forth in this letter and the terms contained in the Contract, the terms of set forth in this letter shall control.

5. This agreement is an integrated agreement and contains the entire agreement between the parties. This agreement does not contain any modifications to the Contract except as stated in this letter. Handwritten or other modifications shall have no effect.

6. This agreement shall be effective upon the date the last party signs in the signature block below.

7. This agreement shall not take effect until the City signs in the signature block after receiving a duly signed agreement from the Contractor. City reserves the right to decline to enter the agreement.

8. The signatories signing this agreement are duly authorized to bind the parties hereto.

9. Notices sent under this agreement shall be sent to Contractor at the address contained in the Contract unless the following is completed:

Contractor:	Christian Brothers Mechanical Services
Attn:	Donald Lemons
Address:	11140 Thurston Lane Mira Loma, CA 91752
Phone:	(951) 361-2247
Facsimile:	(951) 361-2247
E-mail:	steve@cbhvac.com

If you are interested in extending the Contract pursuant to these terms and conditions, please sign in the signature block below and return to the City. Upon receipt of a signed agreement, the City will inform you within a reasonable time whether the City will enter the agreement. If entered, the City will send you a fully executed copy of this agreement. If you have questions, please contact Public Works Director, Siobhan Foster at (626) 384-5217.

CITY OF COVINA

Andrea M Miller

Andrea Miller, City Manager

September 1, 2015

Christian Brothers Mechanical Services

Donald Lemons, President

9/15/2015

September 15, 2015

AMENDMENT NO. 1 TO
CONTRACT FOR
HVAC MAINTENANCE
IN THE CITY OF COVINA

This Amendment No. 1 ("First Amendment") to the September 4, 2012 Contract for HVAC Maintenance in the City of Covina ("Contract") between the City of Covina, a California municipal corporation ("City") and Christian Brothers Mechanical Services, Inc., a California corporation ("Contractor") is dated September 1, 2015 and is between City and Contractor.

RECITALS

A. City and Contractor entered into the Contract for routine, extraordinary and emergency HVAC maintenance services for all City-owned and operated HVAC systems.

B. City and Contractor desire to amend the Contract to: (1) extend the term of the Contract through September 30, 2017; (2) modify the scope services; (3) modify the compensation amount; and (4) add additional miscellaneous terms.

The parties therefore agree as follows:

1. Article II ("Service Description") of the Contract is hereby amended to read as follows:

> "Contractor agrees to provide HVAC maintenance operations, supervision, equipment, maintenance, tools, labor and materials for City-owned and operated HVAC systems located at City Hall and the City Yard, as specified within the Notice Inviting Bids packet for the same, which Notice Inviting Bids is incorporated into this Contract by this reference."

2. Paragraph A of Article III ("Payment") of the Contract is hereby amended to read as follows:

> "A. This Contract is for a period of 5 years, renewable thereafter a maximum of one time with the renewal option being for a two-year period upon satisfactory performance and written mutual consent commencing upon authorization. The City agrees to pay the Contractor in accordance with the following schedule:
>
> 1. City Hall Preventative Maintenance $280 PER SCHEDULED MAINTENANCE
>
> 2. City Yard Preventative Maintenance $182 PER SCHEDULED MAINTENANCE"

3. A new Paragraph E is hereby added to Article VII ("Suspension/Termination") of the Contract to read as follows:

> "E. This Contract may be terminated by either party at any time, at will, without cause, by giving notice to the other party at least fourteen (14) calendar days before the termination is to be effective. Contractor shall be paid for services satisfactorily rendered

to the last working day this Contract is in effect. Neither party shall have any other claim against the other party by reason of such termination."

4. A new Paragraph I is hereby added to Article IV ("Performance") of the Contract to read as follows:

"I. All notices, consents, request, demands and other communications required or permitted under this Agreement shall be in writing and conclusively deemed effective on (1) personal delivery, (2) confirmed delivery by courier service, (3) the first business day after transmission if sent by confirmed facsimile transmission, or (4) the third (3rd) business day after deposit in the United States mail, by first class mail, postage prepaid, to the addresses below, or to such other addresses as the parties may, from time to time, designate in writing pursuant to the provisions of this Paragraph I. All notices shall be delivered to the parties at the following addresses:

If to City:
City Clerk
City of Covina
125 E. College Street
Covina, CA 91723-2199
Fax: (626) 384-5425
E-mail: eleach@covinaca.gov

With a copy to:

Siobhan Foster, Director of Public Works
City of Covina
125 E. College Street
Covina, CA 91723-2199
Fax: (626) 384-5227
E-mail: sfoster@covinaca.gov

It to Contractor:
Attn: Donald Lemons
Christian Brothers Mechanical Services, Inc.
11140 Thurston Lane
Mira Loma, CA 91752
Fax: (951) 361-2247
E-mail: steve@cbhvac.com

A party may change its address for purposes of this Paragraph I by giving written notice of its new address to the other party in the manner set forth above."

5. Except as expressly modified or supplemented by this First Amendment, all other provisions of the Contract shall remain unaltered and in full force and effect. In the event of a conflict between the provisions of this First Amendment and the provisions of the Contract, the provisions of this First Amendment shall control.

6. This First Amendment may be executed in any number of counterparts, each of which will be an original, but all of which together will constitute one instrument.

7. The First Amendment shall be effective only when signed by all parties.

The parties, through their respective duly authorized signatories, are signing this First Amendment on the date stated in the introductory clause.

City

City of Covina,
a California municipal corporation

By: _____
Name: Andrea Miller
Title: City Manager

Contractor

Christian Brothers Mechanical Services, Inc.,
a California corporation

By: _____
Name: Donald Lemons
Title: □ Chairman x President □ Vice President

By: _____
Name: Donald Lemons
Title: □ Secretary □ Asst. Secretary
□ Chief Finance Officer □ Asst. Treasurer

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

ACCOUNT#_____

VENDOR# 82

PO#_____

SIGNATURE_____

COMMERCIAL • RESIDENTIAL
AIR-BREE

Invoice

Air-Bree Heating & A/C Inc
132 S 5th Ave
La Puente, CA 91746
Office Phone: 626-330-7722
air_bree@yahoo.com

Invoice Number: I160810556
Invoice Date: 08/10/2016
Payment Terms Due On Receipt
Invoice Amount: 480.52

Billing Address
CITY OF COVINA- METRO LINK
FINACE DEPARTMENT
125 E. COLLEGE ST.
COVINA, CA 91723

Shipping Address
CITY OF COVINA- METRO LINK
METRO LINK
600 N. CITRUS AVE.
COVINA, CA 91723

Item Name	Quantity	Unit Price	Taxable	Total
Misc. co2 & coil Cleaner	1.00	28.00	X	28.00
LABOR Jose : checked units, washed evaporator and condenser coils, checked all electrical connections, blower and condenser motors, cleaned drain lines and drain pans, washed washable air filter, checked pressures, temperatures and cycled units from tstats. units are working normal at this time.	3.00	85.00		255.00
LABOR LABOR: Junior (2nd tech)	3.00	65.00		195.00

Subtotal:	$ 478.00
LA COUNTY Rate:	9%
LA COUNTY Amount:	2.52
Invoice Amount	$ 480.52

Customer Signature 08/11/2016 Company Signature 08/11/2016

PLEASE MAKE CHECKS PAYABLE TO::
AIR-BREE HEATING & A/C, INC.

Past due invoices will be charged with a 5% finance fee, including monthly payments.

ACCOUNT#_____

VENDOR# 82

PO#_____

SIGNATURE_____

COMMERCIAL • RESIDENTIAL

AIR-BREE

Invoice

Air-Bree Heating & A/C Inc
132 S 5th Ave
La Puente, CA 91746
Office Phone: 626-330-7722
air_bree@yahoo.com

Invoice Number: I160811562
Invoice Date: 08/11/2016
Payment Terms Due On Receipt
Invoice Amount: 697.99

Billing Address
CITY OF COVINA- METRO LINK
FINACE DEPARTMENT
125 E. COLLEGE ST.
COVINA, CA 91723

Shipping Address
COVINA LOT

Item Name	Quantity	Unit Price	Taxable	Total
Misc. AX43 blower belts	2.00	26.00	X	52.00
Misc. co2 & coil Cleaner	1.00	28.00	X	28.00
FILTER 20X20X1 20X20X1 AIR FILTER	2.00	4.95	X	9.90
LABOR checked unit, found extremely dirty evaporator and condenser coils, old & loose blower belts, and dirty air filters. washed evaporator and condenser coils, cleaned drain lines and drain pans, installed new blower belts and new air filters, checked all electrical connections, blower and condenser motors, cleaned electrical compartments, checked pressures, temperatures, airflow and cycled units from tstats. units are working normal at this time.	4.00	85.00		340.00
LABOR Jr : helped jose do the cleaning and repairs.	4.00	65.00		260.00

Subtotal:	$ 689.90
LA COUNTY Rate:	9%
LA COUNTY Amount:	8.09
Invoice Amount	$ 697.99

Customer Signature 08/11/2016

Company Signature 08/11/2016

Air Bree Invoices since MUNIS started Fall 2011
Sorted by City Facility

Invoice Date	Facility	Amount
9/15/2011	Covina - City Hall	$ 170.00
2/23/2012	Covina - City Hall	$ 4,700.00
7/24/2012	Covina - City Hall	$ 378.88
10/5/2012	Covina - City Hall	$ 2,975.00
10/5/2012	Covina - City Hall	$ 517.44
12/21/2012	Covina - City Hall	$ 2,425.00
1/18/2013	Covina - City Hall	$ 333.50
3/17/2014	Covina - City Hall	$ 6,975.00
Subtotal		$ 18,474.82
8/20/2012	Covina - Hollenbeck	$ 217.85
8/22/2012	Covina - Hollenbeck	$ 375.00
Subtotal		$ 592.85
10/4/2013	Covina - Joslyn Center	$ 1,451.77
5/9/2014	Covina - Joslyn Center	$ 489.00
1/15/2015	Covina - Joslyn Center	$ 85.00
9/9/2015	Covina - Joslyn Center	$ 750.00
1/11/2016	Covina - Joslyn Center	$ 450.64
Subtotal		$ 3,226.41
9/19/2011	Covina - Library	$ 226.09
10/11/2011	Covina - Library	$ 27,750.00
11/23/2011	Covina - Library	$ 382.50
1/5/2012	Covina - Library	$ 964.93
3/16/2012	Covina - Library	$ 190.00
3/28/2012	Covina - Library	$ 281.86
7/18/2012	Covina - Library	$ 500.00
1/27/2013	Covina - Library	$ 1,643.19
12/16/2013	Covina - Library	$ 775.00
5/9/2014	Covina - Library	$ 775.00
12/9/2015	Covina - Library	$ 643.01
8/4/2016	Covina - Library	$ 2,805.60
Subtotal		$ 36,937.18
1/18/2012	Covina - Metrolink	$ 639.15
9/26/2012	Covina - Metrolink	$ 212.50
12/14/2012	Covina - Metrolink	$ 413.70
1/8/2014	Covina - Metrolink	$ 1,074.52
2/21/2014	Covina - Metrolink	$ 753.34
9/26/2014	Covina - Metrolink	$ 127.50
12/19/2014	Covina - Metrolink	$ 1,553.12

Invoice Date	Facility	Amount
1/20/2016	Covina - Metrolink	$ 1,298.10
Subtotal		$ 6,071.93
10/5/2012	Covina - Police Dept.	$ 170.00
10/31/2012	Covina - Police Dept.	$ 5,200.00
Subtotal		$ 5,370.00
5/1/2012	Covina - PW Yard	$ 905.38
8/16/2013	Covina - PW Yard	$ 444.92
6/22/2016	Covina - PW Yard	$ 203.63
Subtotal		$ 1,553.93
5/21/2014	Covina - Rec Hall	$ 1,029.17
Subtotal		$ 1,029.17
Total		$ 73,256.29

THIS PAGE LEFT INTENTIONALLY BLANK

CITY OF COVINA

AGENDA REPORT

ITEM NO. CC 9

MEETING DATE:	December 6, 2016
TITLE:	Seventh Amendment to Agreement between City of Covina and Interwest Consulting Group, Inc. for Planning and Transit Consulting Services
PRESENTED BY:	Siobhan Foster, Director of Public Works
RECOMMENDATION:	Authorize the Interim City Manager to execute the Seventh Amendment to the Agreement between the City of Covina and Interwest Consulting Group for Planning and Transit Consulting Services to increase the compensation for transit consulting services by a not-to-exceed amount of $17,160.

BACKGROUND:

On November 19, 2013, the City Council approved a Professional Services Agreement with Interwest Consulting Group for the provision of plan check and building services through December 1, 2016. Compensation for the Agreement is based upon a percentage of the plan review fee.

In Fiscal Year 2013-2014, the City entered into a First Amendment to Professional Services Agreement with Interwest Consulting Group for inspection services and Geographic Information Systems (GIS) programming related to the Rental Inspection Program for the remittance of $28,900. The services were performed, but an executed copy of the First Amendment cannot be located.

On March 10, 2015 the City executed the Second Amendment to Professional Services Agreement with Interwest Consulting Group to expand the Scope of Services to include Community Development Project Management Services augmenting planning services in the Community Development Department for an amount not-to-exceed $25,000.

On July 21, 2015, the City Council approved the Third Amendment to the Professional Services Agreement with Interwest Consulting Group. The Third Amendment facilitates a further augmentation to planning services in the Community Development Department on a case-by-case basis with the addition of 560 hours of planning consultant services and an $82,000 increase to the compensation amount of the Agreement.

In October 2015, the City's Transit Coordinator (Management Analyst) unexpectedly initiated an extended leave of absence from City employment resulting in a significant void in Department of Public Works operations. Initiatives managed by this position at the time included the joint procurement and implementation of transit operations services with the Cities of Duarte and Monrovia, review of Metrolink parking subsidies, and the purchase and

installation of new cameras at the Covina Metrolink Station and Parking Complex, which will feed into the Covina Police Department's camera system. Day-to-day responsibilities involve the provision of transit and parking operations customer service, management of multiple service contracts, and oversight of the City's Proposition A and C and Measure R Local Return programs/funds.

On December 1, 2015, following the review of various temporary, consultant, and other staffing options in coordination with the Human Resources Department, the Department of Public Works proposed to the City Council to retain an Associate Engineer from Interwest Consulting Group at an hourly rate of $85/hour. The City Council approved the Fourth Amendment to the Professional Services Agreement with Interwest Consulting Group to provide transit and transportation consulting services for the Public Works Department in an amount not-to-exceed $42,840 through June 30, 2016. The Associate Engineer is also supported by other Interwest personnel on an as-needed basis at no cost to the City.

On June 21, 2016, the City Council approved the Fifth Amendment to the Professional Services Agreement with Interwest Consulting Group. The Fifth Amendment further continued the provision of planning consultant services for the Community Development Department for an amount not-to-exceed $120,000 in fiscal year 2016-17 and transit and transportation consulting services for the Public Works Department in an amount not-to-exceed $17,680 during the period between July 1, 2016 and September 30, 2016.

On September 20, 2016, the City Council approved the Sixth Amendment to Professional Services Agreement with Interwest Consulting Group. The Sixth Amendment further continued the provision of transit and transportation consulting services in the Public Works Department. It was initially anticipated that the City's Transit Coordinator (Management Analyst) would return from leave of absence in early August 2016, however, the incumbent's return-to-work date remained uncertain, so the Public Works Department retained the consultant during the period of uncertainty. The Sixth Amendment allowed the continuation of consultant services through December 31, 2016 in an amount not-to-exceed $17,680.

DISCUSSION:

Although an extended period of time was given to the City's Transit Coordinator (Management Analyst) through the Sixth Amendment in anticipation that the incumbent's return-to-work date would be between October 1, 2016 and December 31, 2016, an unforeseen continued leave of absence makes the incumbent's return-to-work date uncertain. As the December 31, 2016 expiration date of the Sixth Amendment is approaching, the proposed Seventh Amendment would continue the provision of transit and transportation consulting services in the Public Works Department. The increase in compensation, in an amount not-to-exceed $17,160 proposed in the Seventh Amendment, would allow the continuation of consultant services through March 31, 2017 or until such time as the City's Transit Coordinator (Management Analyst) is able to return, whichever occurs soonest.

This proposed compensation increase of not-to-exceed amount of $17,160 supports twenty-two hours of transportation and transit consulting services on a weekly basis (total of 286 hours) at a rate of $60 per hour through March 31, 2017. The consulting services will provide assistance with the management of multiple transit-related service contracts, purchase and installation of new cameras at the Covina Metrolink Station and Parking Complex, and oversight of the City's Proposition A, Proposition C, and Measure R Local Return Program funds.

FISCAL IMPACT:
The fiscal impact associated with the proposed Seventh Amendment to the Professional Services Agreement with Interwest Consulting Group is a not-to-exceed amount of $17,160 and will be funded through the reallocation of $17,160 from Proposition A - Personnel and Benefit Funds (salary and benefit savings) into Proposition A - Transit Administration Consulting Fees (account no. 2400-4300-51005), for a new total agreement amount not-to-exceed $351,260. Sufficient funding for the Seventh Amendment is included in the proposed 2016-17 Public Works Department budget. The cumulative fiscal impacts are provided below.

	Amount ($)
Initial Agreement (November 19, 2013) for Building Plan Review services	0
First Amendment (FY 13-14) for GIS Rental Inspection Program	28,900
Second Amendment (March 10, 2015) for Community Development services	25,000
Third Amendment (July 21, 2015) for Community Development services	82,000
Fourth Amendment (December 1, 2015) for Transit/Transportation services	42,840
Fifth Amendment (June 21, 2016) for Planning services and Transit/Transportation services	137,680
Sixth Amendment (September 20, 2016) for Transit/Transportation services	17,680
Seventh Amendment (December 6, 2016) for Transit/Transportation services	17,160
If Approved, Total Amount of Compensation	351,260

There is no General Fund impact associated with this item.

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 applies to projects that have the potential for causing a significant effect on the environment. The Seventh Amendment to the Professional Services Agreement with Interwest Consulting Group for transit and transportation consulting services will not result in any significant effect on the environment.

Respectfully submitted,

Sharon Gallant for
Siobhan Foster
Director of Public Works

ATTACHMENTS:

Attachment A: Professional Services Agreement with Interwest Consulting Group

Attachment B: First Amendment to Professional Services Agreement with Interwest Consulting Group unexecuted copy attached

Attachment C: Second Amendment to the Professional Services Agreement with Interwest Consulting Group

Attachment D: Third Amendment to the Professional Services Agreement with Interwest Consulting Group

Attachment E: Fourth Amendment to the Professional Services Agreement with Interwest Consulting Group

Attachment F: Fifth Amendment to the Professional Services Agreement with Interwest Consulting Group

Attachment G: Sixth Amendment to the Professional Services Agreement with Interwest Consulting Group

Attachment H: Seventh Amendment to the Professional Services Agreement with Interwest Consulting Group

AGREEMENT FOR PROFESSIONAL SERVICES

THIS AGREEMENT is entered into this 19th day of November, 2013, by and between the CITY OF COVINA, a California municipal corporation (hereinafter referred to as "CITY") and INTERWEST CONSULTING GROUP, a Colorado corporation (hereinafter referred to as "CONSULTANT").

The parties do agree as follows:

SECTION 1. RECITALS.

This Agreement is made and entered into with respect to the following facts:

(a) CITY has considered the proposal, dated October 30, 2013 (the "Proposal"), from CONSULTANT for professional services including but not limited to, providing the services as described below in Section 6 of this Agreement.
(b) CITY desires to have a highly qualified company to perform such services.
(c) CONSULTANT represents and warrants that it is qualified to perform such services and has agreed to do so pursuant to this Agreement; and
(d) CITY desires to contract with CONSULTANT on the basis of the following terms and conditions.

SECTION 2. EMPLOYMENT.

CITY hereby employs CONSULTANT and CONSULTANT hereby accepts such employment, to perform those services under this Agreement.

SECTION 3. INDEPENDENT CONTRACTOR.

The parties hereby acknowledge that CONSULTANT is an independent contractor and shall not be considered to be an employee of CITY.

SECTION 4. PRINCIPAL REPRESENTATIVE

Kalieh Honish, Interim Director of Public Works for CITY, shall be the principal representative of CITY for purposes of this Agreement. Tim D'Zmura, Municipal Services Director, shall be the principal representative of CONSULTANT for purposes of this Agreement.

SECTION 5. CONSULTANT NOT AGENT OF CITY.

A. CONSULTANT shall have no authority, expressed or implied, to act on behalf of CITY in any capacity whatsoever as an agent.

B. CONSULTANT shall have no authority, express or implied, pursuant to this Agreement to bind CITY to any obligation whatsoever.

SECTION 6. SCOPE OF SERVICES.

CONSULTANT will diligently perform the tasks, in a good and workmanlike manner, which are more specifically identified in the Scope of Services, attached hereto and incorporated herein by reference as Attachment A, unless otherwise instructed by City.

SECTION 7. STANDARD OF PERFORMANCE.

CONSULTANT shall perform all services required pursuant to this Agreement in the manner and according to the standards observed by a competent practitioner of the profession in which CONSULTANT is engaged in the geographical area in which CONSULTANT practices his or her profession.

SECTION 8. TIME.

A. CONSULTANT shall devote such time to the performance of services pursuant to the Agreement as may be reasonably necessary for satisfactory performance of CONSULTANT's obligations pursuant to this Agreement.

B. Neither party shall be considered in default of this Agreement to the extent performance is prevented or delayed by any cause, present or future, which is beyond the reasonable control of the party.

SECTION 9. QUALIFICATIONS.

A. CONSULTANT represents and warrants to CITY that it has all necessary professional licenses and/or certificates to legally perform the Services under this Agreement.

B. CONSULTANT represents and warrants to CITY that CONSULTANT shall, at its sole cost and expense, keep in effect or obtain at all times during the term of this Agreement all necessary licenses and certificates required of CONSULTANT to perform the services.

SECTION 10. TERM.

The term of this Agreement shall be the period commencing from the effective date of this Agreement, as first shown above, and shall terminate on December 1, 2016.

SECTION 11. COMPENSATION.

A. For plan review services, the City shall retain 34% of the of the plan review fee. The construction valuation shall be based on the most recent valuation multiplier published by the International Code Council – Building Valuation Data Table (BVD), ENR 20 Cities Construction Cost Index as published by Engineering News-Record - McGraw-Hill Publishing Company, or by the City Building Official's cost estimate.

C. Authorized work shall be in strict compliance with the provisions of this Agreement. Except as expressly set forth herein, CONSULTANT shall provide all labor, materials and equipment, as necessary to perform the services under this Agreement without any additional charge or compensation.

D. CONSULTANT shall submit to CITY an invoice which indicates Services

completed. Provided the Services have been rendered satisfactorily to CITY and in accordance with this Agreement, CITY shall tender payment to CONSULTANT not later than thirty (30) working days following CITY's receipt of an invoice.

E. CITY shall make no payment for any extra, further, or additional services not expressly set forth in this Agreement unless such extra service and the price thereof is agreed to in writing and executed by CITY prior to the time that such extra service is rendered.

SECTION 12. COMPENSATION WITHHELD.

A. When the CITY shall have reasonable grounds for believing that CONSULTANT will be unable to perform this Agreement fully and satisfactorily within the time fixed for performance; or a meritorious claim exists or will exist against CONSULTANT or CITY arising out of the negligence of CONSULTANT or CONSULTANT's breach of any provision of this Agreement, then the CITY may withhold payment of any amount otherwise due and payable to CONSULTANT under this Agreement.

B. Any amount so withheld may be retained by CITY for that period as it may deem advisable to protect CITY against any loss and may, after written notice to CONSULTANT, be applied in satisfaction of any claim described here.

C. This provision is intended solely for the benefit of CITY and no person shall have any right against the CITY or claim against CITY by reason of the CITY's failure or refusal to withhold monies.

D. No interest shall be payable by CITY on any amounts withheld under this provision.

E. This provision is not intended to limit or in any way prejudice any other right of CITY.

SECTION 13. RIGHT TO AUDIT AND INSPECT.

CITY shall have the right to audit and inspect all books and records kept by CONSULTANT in connection with the Services performed under this Agreement.

SECTION 14. USE OF MATERIALS/CONFIDENTIALITY.

A. Any and all copyrights, designs, and other intellectual property embodied in plans, specifications, data and materials, which are prepared by CONSULTANT under this Agreement ("Documents & Data") shall remain the property of CONSULTANT. Notwithstanding the above, CITY shall have a non-exclusive and perpetual license to copy, use, modify or reuse any such Documents & Data. CONSULTANT represents and warrants that it has the legal right to license any and all Documents & Data. CITY shall not be limited in any way in its use of the Documents & Data at any time, provided however that any such use not within the purposes intended by this Agreement shall be at City's sole risk.

B. All materials, specifications, plans, and data provided to CONSULTANT by CITY or its agents in connection with the performance of this Agreement shall be held confidential by CONSULTANT. Such materials, specifications, plans and data shall not,

without the prior written consent of CITY, be used by CONSULTANT for any purposes other than the performance of the Services. Nor shall such materials be disclosed to any person or entity not connected with the performance of the Services.

SECTION 15. RIGHT OF TERMINATION.

A. This Agreement may be terminated by either party with or without cause, upon ten (10) days written notice to the other party.

B. All work shall cease at the conclusion of the notice period and CONSULTANT shall be paid for all services satisfactorily provided prior to termination in accordance with the rates as provided in this Agreement.

SECTION 16. INDEMNITY.

CONSULTANT hereby agrees to and does indemnify, defend and hold harmless CITY, and any and all of its officers, employees and representatives from any and all claims, liability and expenses, including attorney fees and costs, that arise out of or are related to CONSULTANT's negligent performance of this Agreement.

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

SECTION 17. CONSULTANT'S LIABILITY FOR PUBLIC LIABILITY AND PROPERTY DAMAGE.

CONSULTANT shall assume all responsibility for damages to property or injuries to persons, including accidental death, which may be caused by CONSULTANT's negligent performance of this Agreement, whether such performance be by itself, or its agents, or whether such damage shall accrue or be discovered before or after termination of this Agreement.

SECTION 18. LIABILITIES.

A. CONSULTANT shall not assert any claim arising out of any act or omission by any officer, agent, or employee of CITY in the execution or performance of this Agreement against that officer, agent or employee.

B. Nothing in this Agreement shall be construed to give any person other than CITY and CONSULTANT any legal or equitable rights, remedy or claim under this Agreement.

SECTION 19. CONFLICT OF INTEREST.

A. CONSULTANT covenants that neither it nor any officer of the corporation, or partnership, as the case may be, has any interest, nor shall they acquire any interest, directly or indirectly, which would conflict in any manner with the performance of CONSULTANT's Services under this Agreement.

B. CONSULTANT further agrees that in the performance of this Agreement, no person having an interest of the above nature shall be employed by him or her.

C. No person who contracts with CITY, either for the rendition of personal services shall make any contribution to a CITY official or candidate for CITY office.

SECTION 20. NOTICES.

A. Notices pursuant to this Agreement shall be given by personal service or by deposit of the same in the custody of the United States Postal Service, postage prepaid, addressed as follows:

TO CITY:
City of Covina
125 E. College Street
Covina, CA 91723
Attn: Kalieh Honish, Interim Director of Public Works
Fax: (626) 384-5577

TO CONSULTANT:
Interwest Consulting Group
15061 Springdale Street, Suite 205
Huntington Beach, CA 92649
Attn: Tim D'Zmura, Municipal Services Director
Phone: (714) 899-9039

B. Notices shall be deemed to be given as of the date of personal service, or two (2) days following the deposit of the same by first class mail in the course of transmission of the United States Postal Service.

SECTION 21. BINDING EFFECT.

This Agreement shall be binding upon the parties hereto and their successors in interest.

SECTION 22. ASSIGNMENT.

A. CONSULTANT shall not assign, transfer, convey, pledge or otherwise dispose of its rights or obligations hereunder, except the payment of funds from CITY, without prior written consent of CITY.

B. The consent of CITY to an assignment shall not be unreasonably withheld, but prior to approving any assignment involving the performance of any obligations pursuant to this Agreement, CITY shall be satisfied by competent evidence that the assignee is financially able and technically qualified to perform those services proposed to be assigned.

C. In the event of such assignment, CITY may condition the same so as to ensure

compliance with the provisions of this Agreement.

D. CITY'S consent to one assignment shall not be deemed to constitute consent to future assignments. CONSULTANT acknowledges that CITY'S written consent must be first obtained prior to each assignment, transfer, conveyance, pledge or other disposition.

SECTION 23. COMPLIANCE WITH LAWS.

CONSULTANT shall comply with all applicable laws in performing its obligations under this Agreement.

SECTION 24. INSURANCE.

A. Time for Compliance. Contractor shall not commence Work under this Agreement until it has provided evidence satisfactory to the City that it has secured all insurance required under this Section. In addition, Contractor shall not allow any subcontractor to commence work on any subcontract until it has provided evidence satisfactory to the City that the subcontractor has secured all insurance required under this Section. Failure to provide and maintain all required insurance shall be grounds for the City to terminate this Agreement for cause.

B. Minimum Requirements. Contractor shall, at its expense, procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the Agreement by the Contractor, its agents, representatives, employees or subcontractors. Contractor shall also require all of its subcontractors to procure and maintain the same insurance for the duration of the Agreement. Such insurance shall meet at least the following minimum levels of coverage:

C. Minimum Scope of Insurance. Coverage shall be at least as broad as the latest version of the following: (1) *General Liability*: Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001); (2) *Automobile Liability*: Insurance Services Office Business Auto Coverage form number CA 0001, code 1 (any auto); and (3) *Workers' Compensation and Employer's Liability*: Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance. The policy shall not contain any exclusion contrary to the Agreement, including but not limited to endorsements or provisions limiting coverage for (1) contractual liability (including but not limited to ISO CG 24 26 or 21 29); or (2) cross liability for claims or suits by one insured against another.

D. Minimum Limits of Insurance. Contractor shall maintain limits no less than: (1) *General Liability:* $2,000,000.00 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with general aggregate limit is used including, but not limited to, form CG 2503, either the general aggregate limit shall apply separately to this Agreement/location or the general aggregate limit shall be twice the required occurrence limit; (2) *Automobile Liability:* $1,000,000.00 per accident for bodily injury and property damage; and (3) *Workers' Compensation and Employer's Liability:* Workers' Compensation limits as required by the Labor Code of the State of California. Employer's Liability limits of $1,000,000.00 per accident for bodily injury or disease.

E. Notices; Cancellation or Reduction of Coverage. At least fifteen (15) days prior to the expiration of any such policy, evidence showing that such insurance coverage has been renewed or extended shall be filed with the City. If such coverage is cancelled or reduced, Contractor shall, within ten (10) days after receipt of written notice of such cancellation or reduction of coverage, file with the City evidence of insurance showing that the required insurance has been reinstated or has been provided through another insurance company or companies. In the event any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, the City has the right but not the duty to obtain the insurance it deems necessary and any premium paid by the City will be promptly reimbursed by Contractor or the City may withhold amounts sufficient to pay premium from Contractor payments. In the alternative, the City may suspend or terminate this Agreement.

F. Insurance Endorsements. The insurance policies shall contain the following provisions, or Contractor shall provide endorsements on forms supplied or approved by the City to add the following provisions to the insurance policies:

a. General Liability. The general liability policy shall include or be endorsed (amended) to state that: (1) using ISO CG forms 20 10 and 20 37, or endorsements providing the exact same coverage, the City, its directors, officials, officers, employees, agents and volunteers shall be covered as additional insured with respect to the Services or ongoing and completed operations performed by or on behalf of the Contractor, including materials, parts or equipment furnished in connection with such work; and (2) using ISO form 20 01, or endorsements providing the exact same coverage, the insurance coverage shall be primary insurance as respects the City, its directors, officials, officers, employees, agents and volunteers, or if excess, shall stand in an unbroken chain of coverage excess of the Contractor's scheduled underlying coverage. Any excess insurance shall contain a provision that such coverage shall also apply on a primary and noncontributory basis for the benefit of the City, before the City's own primary insurance or self-insurance shall be called upon to protect it as a named insured. Any insurance or self-insurance maintained by the City, its directors, officials, officers, employees, agents and volunteers shall be excess of the Contractor's insurance and shall not be called upon to contribute with it in any way. Notwithstanding the minimum limits set forth in Section 3.2.11.2(B), any available insurance proceeds in excess of the specified minimum limits of coverage shall be available to the parties required to be named as additional insureds pursuant to this Section 3.2.11.3(A).

b. Automobile Liability. The automobile liability policy shall include or be endorsed (amended) to state that: (1) the City, its directors, officials, officers, employees, agents, and volunteers shall be covered as additional insureds with respect to the ownership, operation, maintenance, use, loading or unloading of any auto owned, leased, hired or borrowed by the Contractor or for which the Contractor is responsible; and (2) the insurance coverage shall be primary insurance as respects the City, its directors, officials, officers, employees, agents, and volunteers, or if excess, shall stand in an unbroken chain of coverage excess of the Contractor's scheduled underlying coverage. Any insurance or self-insurance maintained by the City, its directors, officials, officers, employees, agents, and volunteers shall be excess of the Contractor's insurance and shall not be called upon to contribute with it in any way. Notwithstanding the minimum limits set forth in Section 3.2.11.2(B), any available insurance

proceeds in excess of the specified minimum limits of coverage shall be available to the parties required to be named as additional insureds pursuant to this Section 3.2.11.3(B).

G. Workers' Compensation and Employer's Liability Coverage. The insurer shall agree to waive all rights of subrogation against the City, its directors, officials, officers, employees, agents, and volunteers for losses paid under the terms of the insurance policy which arise from work performed by the Contractor.

H. All Coverages. Each insurance policy required by this Agreement shall be endorsed to state that: (A) coverage shall not be suspended, voided, reduced or canceled except after thirty (30) days (10 days for nonpayment of premium) prior written notice by certified mail, return receipt requested, has been given to the City; and (B) any failure to comply with reporting or other provisions of the policies, including breaches of warranties, shall not affect coverage provided to the City, its directors, officials, officers, employees, agents and volunteers. Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to the City, its officials, officers, employees, agents and volunteers, or any other additional insureds.

I. Separation of Insureds; No Special Limitations; Waiver of Subrogation. All insurance required by this Section shall contain standard separation of insureds provisions. In addition, such insurance shall not contain any special limitations on the scope of protection afforded to the City, its directors, officials, officers, employees, agents, and volunteers. All insurance required by this Section shall contain standard separation of insureds provisions. In addition, such insurance shall not contain any special limitations on the scope of protection afforded to the City, its directors, officials, officers, employees, agents and volunteers. All policies shall waive any right of subrogation of the insurer against the City, its officials, officers, employees, agents, and volunteers, or any other additional insureds, or shall specifically allow Contractor or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. Contractor hereby waives its own right of recovery against City, its officials, officers, employees, agents, and volunteers, or any other additional insureds, and shall require similar written express waivers and insurance clauses from each of its subconsultants.

J. Deductibles and Self-Insurance Retentions. Any deductibles or self-insured retentions must be declared to and approved by the City. Contractor shall guarantee that, at the option of the City, either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City, its directors, officials, officers, employees, agents, and volunteers; or (2) the Contractor shall procure a bond guaranteeing payment of losses and related investigation costs, claims and administrative and defense expenses.

K. Subcontractor Insurance Requirements. Contractor shall not allow any subcontractors to commence work on any subcontract relating to the work under the Agreement until they have provided evidence satisfactory to the City that they have secured all insurance required under this Section. If requested by Contractor, the City may approve different scopes or minimum limits of insurance for particular subcontractors. The Contractor and the City shall be named as additional insureds on all subcontractors' policies of Commercial General Liability using ISO form 20 38, or coverage at least as broad.Acceptability of Insurers. Insurance is to be

placed with insurers with a current A.M. Best's rating no less than A:VIII, licensed to do business in California, and satisfactory to the City.

L. Verification of Coverage. Contractor shall furnish City with original certificates of insurance and endorsements effecting coverage required by this Agreement on forms satisfactory to the City. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf, and shall be on forms provided by the City if requested. All certificates and endorsements must be received and approved by the City before work commences. The City reserves the right to require complete, certified copies of all required insurance policies, at any time.

M. Reporting of Claims. Contractor shall report to the City, in addition to Contractor's insurer, any and all insurance claims submitted by Contractor in connection with the Services under this Agreement.

N. Safety. Contractor shall execute and maintain its work so as to avoid injury or damage to any person or property. In carrying out its Services, the Contractor shall at all times be in compliance with all applicable local, state and federal laws, rules and regulations, and shall exercise all necessary precautions for the safety of employees appropriate to the nature of the work and the conditions under which the work is to be performed. Safety precautions as applicable shall include, but shall not be limited to: (A) adequate life protection and life saving equipment and procedures; (B) instructions in accident prevention for all employees and subcontractors, such as safe walkways, scaffolds, fall protection ladders, bridges, gang planks, confined space procedures, trenching and shoring, equipment and other safety devices, equipment and wearing apparel as are necessary or lawfully required to prevent accidents or injuries; and (C) adequate facilities for the proper inspection and maintenance of all safety measures.

SECTION 25. DISCRIMINATION.

A. CONSULTANT agrees that no person shall be excluded from employment in the performance of this Agreement on grounds of race, creed, color, sex, age, handicap or marital status, place of national origin or any other basis prohibited by local, State or Federal law.

B. CONSULTANT agrees to comply with all local, State and Federal laws relating to equal employment opportunity rights.

SECTION 26. ENTIRETY OF AGREEMENT.

This Agreement contains the entire Agreement of CITY and CONSULTANT with respect to the subject matter hereof, and no other agreement, statement, or promise made by any party, or to any employee, officer, or agent of any party, which is not contained in this Agreement shall be binding or valid.

SECTION 27. ATTORNEYS FEES.

In the event that any action or proceeding is instituted for the breach of this Agreement, the prevailing party shall be entitled to reasonable attorneys fees.

SECTION 28. CONSISTENCY WITH CURRENT LAW.

A. It is the intent and understanding of the parties to this Agreement that every provision of law required to be inserted in this Agreement is inserted here.

B. If through mistakes or otherwise, any of those provisions are not inserted in correct form, then this Agreement shall upon application of either party, be amended by insertion so as to comply strictly with the law and without prejudice to the rights of either party.

C. If this Agreement contains any unlawful provisions, not an essential part of the Agreement and which appear not to have been a controlling or material inducement to the making of this Agreement, those provisions shall be deemed of no effect, and shall upon application of either party be stricken from the Agreement without affecting the binding force of the Agreement as it shall remain after omitting those provisions.

SECTION 29. VENUE.

In the event that suit shall be brought by either party to this contract, the parties agree that venue shall be exclusively vested in the State courts of the County of Los Angeles or where appropriate, in the United States District Court, Central District of California, Los Angeles, California.

SECTION 30. INTERNAL INCONSISTENCIES.

If this Agreement contains any errors, inconsistencies, ambiguities, or discrepancies, including typographical errors, CONSULTANT shall request a clarification of those items by writing to the City Manager whose decision shall be binding upon the parties.

SECTION 31. CAPTIONS AND HEADNOTES.

The captions and headnotes or sections of this Agreement, and marginal notes are intended for convenience and reference purposes only and in no way define, limit or describe the scope or intent of this Agreement.

IN WITNESS WHEREOF, this Agreement for Professional services has been duly authorized and executed by the parties hereto on the day and year first herein above written.

"CITY"
City of Covina

By: _____
Daryl Parrish, City Manager

ATTEST:

_____
City Clerk January 13, 2014

APPROVED AS TO FORM:

_____
City Attorney

"CONSULTANT"

INTERWEST CONSULTING GROUP, INC.
a Colorado corporation

By: _____

Its: Municipal Services Director

ATTACHMENT A
TO AGREEMENT FOR PROFESSIONAL SERVICES

(Scope of Services)

CONSULTANT shall plan check project plans and revisions in conformance with the appropriate California Building Codes and California Amendments and/or effective State Mandated Codes. Current codes include: the 2010 California Building Code; Title 24 disabled access and energy requirements; 2010 California Fire Code with Los Angeles County Amendments; 2010 California Residential Code; 2010 California Mechanical Code; 2010 California Plumbing Code; 2010 California Electrical Code; 2010 Cal Green Building Code and the City of Covina's ordinances and regulations.

1) Consultant Responsibilities

a) Perform traditional preliminary plan review consultations via remote communication (phone or video).
b) Upon receipt of plans, contractor will review plans for compliance with all current codes, including any typical plan attachments such as soils and geological reports, grading, truss design plans and calculations, and structural design calculations when submitted.
c) Provide the applicant's designee and the City with a typed list of items needing clarification or change to achieve conformance with all regulations.
d) Perform all necessary liaisons with applicant's designee by mail, telephone, email, fax, video or in contractor's main office to ensure compliance with all Codes and local policy interpretations.
e) Perform plan reviews of revisions to plans that have previously been approved for permit issuance.
f) Perform extra work when requested in writing by the City.
g) Attend meetings related to the proposed building projects at the request of the City Building Official at locations other than the contractor's office.

2) City Responsibilities

a) Arrange and pay the cost of shipping one set of plans and documents to the consultant's office.
b) Obtain from the applicant, at the time of the project submittal, the necessary items to allow plan review to be completed in the shortest overall time frame.
c) Provide the valuation for the proposed construction.

Service Level Goals

- For buildings less than four stories and of normal complexity, complete initial plan review in less than ten (10) working days.
- For buildings four or more stories in height or of unusual complexity, complete initial plan review in less than fifteen (15) working days or as agreed by the City Building Official.

- For residential and minor building projects, complete initial plan review in less than five (5) working days.
- If a client requests "expedited" services, delivery of initial plan review in one-half of the designated time for double the initial plan review fee.

The City of Covina is open from Monday through Thursday from 7:00 AM to 6:00 PM, excluding holidays and a holiday furlough in late December.

SECTION 4 Fee

PART I - SCHEDULE OF HOURLY RATES FOR SERVICES OUTSIDE OF PLAN REVIEW SERVICES

Certified Classification	Hourly Rate
Building Official	$ 115
Deputy Building Official	95
Permit Technician I	35
Permit Technician II	40
Permit Technician III	45
Code Enforcement Specialist I	60
Code Enforcement Specialist II	70
Engineer I	85
Engineer II	95
Supervising Building Inspector	85
Building Inspector I	60
Building Inspector II	65
Building Inspector III	70
CASp Specialist	85
Code Enforcement Assistant I	45
Code Enforcment Assistant II	55

Rates are typically reviewed yearly on July 1 and may be subject to revision unless under specific contract obligations. There is no charge for mileage.

PART II - PLAN CHECK FEES BASED ON CITY FEES

We propose the following fee schedule for plan check services based on the City's Master Fee Schedule:

- ✔ 66% for first time check and any required re-check
- ✔ 66% for expedited plan check (based on the double fee schedule for expedited work)
- ✔ There is no charge for courier or shipping services
- ✔ There is no charge for mileage

BILLING PROCESS

Invoices are typically generated upon the conclusion of the month. Interwest Consulting Group will work with the City to supply the necessary billing information.

FIRST AMENDMENT TO
PROFESSIONAL SERVICES AGREEMENT
WITH INTERWEST CONSULTING GROUP

(For Additional Services Under Attachment A: 1(f) "Scope of Services" of Original Agreement)

This First Amendment to Professional Services Agreement ("First Amendment") is entered into between (i) The City of Covina ("CITY"), a California municipal corporation, and (ii) Interwest Consulting Group, a California corporation ("CONTRACTOR"). This First Amendment is intended to authorize the remittance of $28,900 in payment for services provided in Fiscal Year 2013-2014 in relation to inspection services and Geographic Information Systems programming related to the Rental Inspection Program. This First Amendment shall become effective upon the date of the last signature to this First Amendment.

EFFECT UPON ORIGINAL AGREEMENT. The Original Professional Services Agreement, dated November 19th, 2013, ("Original Agreement") remains in full force and effect according to its terms, unless otherwise expressly amended by this First Amendment.

SIGNATURE AND AUTHORITY TO EXECUTE. The Parties hereto further represent and declare that they carefully read this First Amendment and know the contents thereof, and that they sign the same freely and voluntarily. Each Party represents and warrants that it has the legal right, power and authority to enter into this First Amendment and to consummate the transactions contemplated hereby.

[signatures on following page]

THE CITY OF COVINA,
a California municipal corporation

Date:_____

By: _____
Daryl Parrish, City Manager

Attest:

_____
City Clerk

Approved as to Form:

_____
City Attorney

Interwest Consulting Group,
a California corporation

Date:_____

By: _____

Its: _____

INTERWEST CONSULTING GROUP

March 10, 2015

Andrea Miller, City Manager
Covina City Hall
125 E. College Street
Covina, CA 91723-2199

RE: Proposal to Provide Community Development Project Management Services

Thank you for contacting Interwest Consulting Group regarding Community Development Project Management Services. We are excited about the opportunity to serve the City of Covina.

We are very aware of the challenges and requirements for municipal governments since many of our staff have held senior and executive management positions within numerous California cities. Our staff includes former Building Officials, Public Works Directors, City Engineers, Capital Projects Managers and Construction Managers. This background and experience is important since serving in the capacity of the "owner", especially local agencies, requires a high level of sensitivity towards community and special interest group issues. Accordingly, our professional staff truly understands and values the importance of maintaining a focus on representing the interests of our public agency clients in a manner which reflects positively on the cities we serve. Interwest Consulting Group (ICG) staff will be selected based on the expertise required for the specific assignment received from the City. The City reserves the right of refusal of any ICG staff assigned. Assigned personnel shall be billed at the hourly rate of $125.00. The initial term of service will commence March 30, 2015 and continue up to and including Tuesday, June 30, 2015. ICG will invoice the City on a monthly basis. The total cost of services provided during the term shall not exceed $25,000 without the prior written approval of the City Manager of the City of Covina and approval of the City Council.

Tim D'Zmura, PE, CBO, ACIP, will serve as Principal-in-Charge and as the management contact to the City of Covina. Mr. D'Zmura is an authorized representative of Interwest Consulting Group and has the authority to sign all necessary agreements. Services will be directed out of our Los Angeles office with contact information listed below.

Tim D'Zmura
Interwest Consulting Group
15061 Springdale Street
Huntington Beach, CA 92649
714.975.9048 Office
714-625-5840 Mobile
tdzmura@interwestgrp.com

Thanks again and we look forward to this assignment.

Sincerely,

Tim D'Zmura, PE, CBO, ACIP
Director of Municipal Services

Approved:

_____
Andrea Miller, City Manager

March 10, 2015

INTERWEST CONSULTING GROUP

Andrea Miller, City Manager
Covina City Hall
125 E. College Street
Covina, CA 91723-2199

RE: Proposal to Provide Community Development Project Management Services

Thank you for contacting Interwest Consulting Group regarding Community Development Project Management Services. We are excited about the opportunity to serve the City of Covina.

We are very aware of the challenges and requirements for municipal governments since many of our staff have held senior and executive management positions within numerous California cities. Our staff includes former Building Officials, Public Works Directors, City Engineers, Capital Projects Managers and Construction Managers. This background and experience is important since serving in the capacity of the "owner", especially local agencies, requires a high level of sensitivity towards community and special interest group issues. Accordingly, our professional staff truly understands and values the importance of maintaining a focus on representing the interests of our public agency clients in a manner which reflects positively on the cities we serve. Interwest Consulting Group (ICG) staff will be selected based on the expertise required for the specific assignment received from the City. The City reserves the right of refusal of any ICG staff assigned. Assigned personnel shall be billed at the hourly rate of $125.00. The initial term of service will commence March 30, 2015 and continue up to and including Tuesday, June 30, 2015. ICG will invoice the City on a monthly basis. The total cost of services provided during the term shall not exceed $25,000 without the prior written approval of the City Manager or the City of Covina and approval of the City Council.

Tim D'Zmura, PE, CBO, ACIP, will serve as Principal-in-Charge and as the management contact to the City of Covina. Mr. D'Zmura is an authorized representative of Interwest Consulting Group and has the authority to sign all necessary agreements. Services will be directed out of our Huntington Beach office with contact information listed below.

Tim D'Zmura
Interwest Consulting Group
15061 Springdale Street
Huntington Beach, CA 92649
714-895-3048 Office
714-625-8840 Mobile
tdzmura@interwestgrp.com

Thanks again and we look forward to this assignment.

Sincerely,

Tim D'Zmura, PE, CBO, ACIP
Director of Municipal Services

Approved:

Andrea Miller, City Manager

AMENDMENT NO. 3 TO THE PROFESSIONAL SERVICES AGREEMENT ("AGREEMENT") FOR COMMUNITY DEVELOPMENT PROJECT MANAGEMENT SERVICES BETWEEN THE CITY OF COVINA AND INTERWEST CONSULTING GROUP, INC.

This Amendment No. 3 is hereby entered into by and between the City of Covina, a municipal corporation (hereinafter referred to as "CITY") and Interwest Consulting Group, Inc. (hereinafter referred to as "Consultant"), a Colorado Corporation, with respect to that certain Amendment No. 2 to the Agreement for community development project management services between the parties dated March 10, 2015.

The parties agree as follows:

1. The second paragraph is hereby amended to extend the term of services to expire on June 30, 2016, unless amended;

2. The second paragraph is hereby amended to increase the total budget amount for Community Development Project Management Services established in the second amendment from $25,000 to $107,000. For the current FY 2015/2016, the increase in funding is $82,000; and,

3. All the remaining terms and provisions of the Agreement are hereby reaffirmed.

In witness whereof the parties have executed this Amendment No. 3 on the date set forth below.

CITY OF COVINA

By: _____
Andrea M. Miller, City Manager

Dated: July 30, 2015

ATTEST:

_____
Evelyn Leach
Interim Chief Deputy City Clerk

INTERWEST CONSULTING GROUP, INC

By: _____
Tim D'Zmura, PE CBO
Director of Municipal Services

FOURTH AMENDMENT TO
AGREEMENT FOR PROFESSIONAL SERVICES
WITH INTERWEST CONSULTING GROUP

This Fourth Amendment to the November 19, 2013 Agreement for Professional Services ("Agreement") between the City of Covina, a California municipal corporation ("City") and Interwest Consulting Group, Inc., a Colorado corporation ("Consultant"), is dated and effective December 1, 2015 and is between City and Consultant.

RECITALS

A. City and Consultant entered into the Agreement for Consultant's performance of plan check and building services.

B. The parties amended the Agreement in Fiscal Year 2013-2014 to modify the total compensation amount to include inspection services and Geographic Information Systems programming services related to the Rental Inspection Program ("First Amendment").

C. The parties amended the Agreement on March 15, 2015 to modify the (1) scope of services to include Community Development Project Management Services and (2) the compensation amount for Community Development Project Management Services ("Second Amendment").

D. The parties amended the Agreement on July 30, 2015 to (1) extend the term of the Agreement to June 30, 2016, and (2) modify the compensation amount for Community Development Project Management Services ("Third Amendment").

E. The parties desire to further amend the Agreement to modify the (1) scope of services to include transit and transportation consulting services and (2) the not-to-exceed compensation amount for transit and transportation consulting services.

The parties therefore agree as follows:

Section 1. Subsection (a) of Section 1 ("Recitals") is hereby amended in its entirety to read as follows:

"(a) CITY has considered the proposals attached hereto and incorporated herein as Attachment A ("Scope of Services"); B ("First Amendment to Professional Services Agreement with Interwest Consulting Group"); C ("Proposal to Provide Community Development Project Management Services"); and D ("Amendment No. 3 to the Professional Services Agreement for Community Development Project Management Services between the City of Covina and Interwest Consulting Group, Inc.") (collectively, the "Proposal") from CONSULTANT for professional services, including, but not limited to, providing the services as described in Section 6 of this Agreement."

Section 2. Section 6 ("Scope of Services") is hereby amended in its entirety to read as follows:

"CONSULTANT will diligently perform the tasks, in a good and workmanlike manner, which are more specifically identified in the Scope of Services, attached hereto and incorporated herein by reference in Attachments A, B, C and D, unless otherwise instructed by City. Further, CONSULTANT shall provide transit and transportation consulting services, as more particularly described in Attachment E."

Section 3. A new Subsection F. is hereby added to Section 11 ("Compensation") to read as follows:

"F. As full compensation for transit and transportation consulting services provided under this Agreement, CITY shall pay CONSULTANT a sum not-to-exceed Forty-Two Thousand Eight Hundred Forty Dollars ($42,840), based on the hourly rates for the "Engineer I" certified classification set forth in Attachment A."

Section 4. Attachments B, C, D, and E are hereby added to the Agreement to read as Exhibits B, C, D, and E of this Fourth Amendment.

Section 5. Except as expressly modified or supplemented by this Fourth Amendment, all of the provisions of the Agreement, as amended by the First, Second and Third Amendments, shall remain unaltered and in full force and effect. In the event of a conflict between the provisions of this Fourth Amendment and the provisions of the Agreement or the First, Second and Third Amendments, the provisions of this Fourth Amendment shall control.

[*SIGNATURE PAGE FOLLOWS*]

The parties are signing this Fourth Amendment as of the date stated in the introductory clause:

City:

City of Covina,
a California municipal corporation

By: _____
Name: Andrea M. Miller
Title: 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

Contractor:

Interwest Consulting Group,
a Colorado corporation

By: _____
Name: Terry J. Rodrigue
Title: ☐ Chairman ☒ President
☐ Vice President

By: _____
Name: Debra Thorson
Title: ☐ Secretary ☐ Asst. Secretary
☒ Chief Finance Officer ☐ Asst. Treasurer

[Two signatures required for corporations pursuant to California Corporations Code Section 313, unless corporate documents authorize only one person to sign this Agreement on behalf of the corporation.]

AGREEMENT FOR PROFESSIONAL SERVICES

THIS AGREEMENT is entered into this 19th day of November, 2013, by and between the CITY OF COVINA, a California municipal corporation (hereinafter referred to as "CITY") and INTERWEST CONSULTING GROUP, a Colorado corporation (hereinafter referred to as "CONSULTANT").

The parties do agree as follows:

SECTION 1. RECITALS.

This Agreement is made and entered into with respect to the following facts:

(a) CITY has considered the proposal, dated October 30, 2013 (the "Proposal"), from CONSULTANT for professional services including but not limited to, providing the services as described below in Section 6 of this Agreement.
(b) CITY desires to have a highly qualified company to perform such services.
(c) CONSULTANT represents and warrants that it is qualified to perform such services and has agreed to do so pursuant to this Agreement; and
(d) CITY desires to contract with CONSULTANT on the basis of the following terms and conditions.

SECTION 2. EMPLOYMENT.

CITY hereby employs CONSULTANT and CONSULTANT hereby accepts such employment, to perform those services under this Agreement.

SECTION 3. INDEPENDENT CONTRACTOR.

The parties hereby acknowledge that CONSULTANT is an independent contractor and shall not be considered to be an employee of CITY.

SECTION 4. PRINCIPAL REPRESENTATIVE

Kalieh Honish, Interim Director of Public Works for CITY, shall be the principal representative of CITY for purposes of this Agreement. Tim D'Zmura, Municipal Services Director, shall be the principal representative of CONSULTANT for purposes of this Agreement.

SECTION 5. CONSULTANT NOT AGENT OF CITY.

A. CONSULTANT shall have no authority, expressed or implied, to act on behalf of CITY in any capacity whatsoever as an agent.

B. CONSULTANT shall have no authority, express or implied, pursuant to this Agreement to bind CITY to any obligation whatsoever.

SECTION 6. SCOPE OF SERVICES.

CONSULTANT will diligently perform the tasks, in a good and workmanlike manner, which are more specifically identified in the Scope of Services, attached hereto and incorporated herein by reference as Attachment A, unless otherwise instructed by City.

SECTION 7. STANDARD OF PERFORMANCE.

CONSULTANT shall perform all services required pursuant to this Agreement in the manner and according to the standards observed by a competent practitioner of the profession in which CONSULTANT is engaged in the geographical area in which CONSULTANT practices his or her profession.

SECTION 8. TIME.

A. CONSULTANT shall devote such time to the performance of services pursuant to the Agreement as may be reasonably necessary for satisfactory performance of CONSULTANT's obligations pursuant to this Agreement.

B. Neither party shall be considered in default of this Agreement to the extent performance is prevented or delayed by any cause, present or future, which is beyond the reasonable control of the party.

SECTION 9. QUALIFICATIONS.

A. CONSULTANT represents and warrants to CITY that it has all necessary professional licenses and/or certificates to legally perform the Services under this Agreement.

B. CONSULTANT represents and warrants to CITY that CONSULTANT shall, at its sole cost and expense, keep in effect or obtain at all times during the term of this Agreement all necessary licenses and certificates required of CONSULTANT to perform the services.

SECTION 10. TERM.

The term of this Agreement shall be the period commencing from the effective date of this Agreement, as first shown above, and shall terminate on December 1, 2016.

SECTION 11. COMPENSATION.

A. For plan review services, the City shall retain 34% of the of the plan review fee. The construction valuation shall be based on the most recent valuation multiplier published by the International Code Council – Building Valuation Data Table (BVD), ENR 20 Cities Construction Cost Index as published by Engineering News-Record - McGraw-Hill Publishing Company, or by the City Building Official's cost estimate.

C. Authorized work shall be in strict compliance with the provisions of this Agreement. Except as expressly set forth herein, CONSULTANT shall provide all labor, materials and equipment, as necessary to perform the services under this Agreement without any additional charge or compensation.

D. CONSULTANT shall submit to CITY an invoice which indicates Services

completed. Provided the Services have been rendered satisfactorily to CITY and in accordance with this Agreement, CITY shall tender payment to CONSULTANT not later than thirty (30) working days following CITY's receipt of an invoice.

E. CITY shall make no payment for any extra, further, or additional services not expressly set forth in this Agreement unless such extra service and the price thereof is agreed to in writing and executed by CITY prior to the time that such extra service is rendered.

SECTION 12. COMPENSATION WITHHELD.

A. When the CITY shall have reasonable grounds for believing that CONSULTANT will be unable to perform this Agreement fully and satisfactorily within the time fixed for performance; or a meritorious claim exists or will exist against CONSULTANT or CITY arising out of the negligence of CONSULTANT or CONSULTANT's breach of any provision of this Agreement, then the CITY may withhold payment of any amount otherwise due and payable to CONSULTANT under this Agreement.

B. Any amount so withheld may be retained by CITY for that period as it may deem advisable to protect CITY against any loss and may, after written notice to CONSULTANT, be applied in satisfaction of any claim described here.

C. This provision is intended solely for the benefit of CITY and no person shall have any right against the CITY or claim against CITY by reason of the CITY's failure or refusal to withhold monies.

D. No interest shall be payable by CITY on any amounts withheld under this provision.

E. This provision is not intended to limit or in any way prejudice any other right of CITY.

SECTION 13. RIGHT TO AUDIT AND INSPECT.

CITY shall have the right to audit and inspect all books and records kept by CONSULTANT in connection with the Services performed under this Agreement.

SECTION 14. USE OF MATERIALS/CONFIDENTIALITY.

A. Any and all copyrights, designs, and other intellectual property embodied in plans, specifications, data and materials, which are prepared by CONSULTANT under this Agreement ("Documents & Data") shall remain the property of CONSULTANT. Notwithstanding the above, CITY shall have a non-exclusive and perpetual license to copy, use, modify or reuse any such Documents & Data. CONSULTANT represents and warrants that it has the legal right to license any and all Documents & Data. CITY shall not be limited in any way in its use of the Documents & Data at any time, provided however that any such use not within the purposes intended by this Agreement shall be at City's sole risk.

B. All materials, specifications, plans, and data provided to CONSULTANT by CITY or its agents in connection with the performance of this Agreement shall be held confidential by CONSULTANT. Such materials, specifications, plans and data shall not,

without the prior written consent of CITY, be used by CONSULTANT for any purposes other than the performance of the Services. Nor shall such materials be disclosed to any person or entity not connected with the performance of the Services.

SECTION 15. RIGHT OF TERMINATION.

A. This Agreement may be terminated by either party with or without cause, upon ten (10) days written notice to the other party.

B. All work shall cease at the conclusion of the notice period and CONSULTANT shall be paid for all services satisfactorily provided prior to termination in accordance with the rates as provided in this Agreement.

SECTION 16. INDEMNITY.

CONSULTANT hereby agrees to and does indemnify, defend and hold harmless CITY, and any and all of its officers, employees and representatives from any and all claims, liability and expenses, including attorney fees and costs, that arise out of or are related to CONSULTANT's negligent performance of this Agreement.

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

SECTION 17. CONSULTANT'S LIABILITY FOR PUBLIC LIABILITY AND PROPERTY DAMAGE.

CONSULTANT shall assume all responsibility for damages to property or injuries to persons, including accidental death, which may be caused by CONSULTANT's negligent performance of this Agreement, whether such performance be by itself, or its agents, or whether such damage shall accrue or be discovered before or after termination of this Agreement.

SECTION 18. LIABILITIES.

A. CONSULTANT shall not assert any claim arising out of any act or omission by any officer, agent, or employee of CITY in the execution or performance of this Agreement against that officer, agent or employee.

B. Nothing in this Agreement shall be construed to give any person other than CITY and CONSULTANT any legal or equitable rights, remedy or claim under this Agreement.

SECTION 19. CONFLICT OF INTEREST.

A. CONSULTANT covenants that neither it nor any officer of the corporation, or partnership, as the case may be, has any interest, nor shall they acquire any interest, directly or indirectly, which would conflict in any manner with the performance of CONSULTANT's Services under this Agreement.

B. CONSULTANT further agrees that in the performance of this Agreement, no person having an interest of the above nature shall be employed by him or her.

C. No person who contracts with CITY, either for the rendition of personal services shall make any contribution to a CITY official or candidate for CITY office.

SECTION 20. NOTICES.

A. Notices pursuant to this Agreement shall be given by personal service or by deposit of the same in the custody of the United States Postal Service, postage prepaid, addressed as follows:

TO CITY:
City of Covina
125 E. College Street
Covina, CA 91723
Attn: Kalieh Honish, Interim Director of Public Works
Fax: (626) 384-5577

TO CONSULTANT:
Interwest Consulting Group
15061 Springdale Street, Suite 205
Huntington Beach, CA 92649
Attn: Tim D'Zmura, Municipal Services Director
Phone: (714) 899-9039

B. Notices shall be deemed to be given as of the date of personal service, or two (2) days following the deposit of the same by first class mail in the course of transmission of the United States Postal Service.

SECTION 21. BINDING EFFECT.

This Agreement shall be binding upon the parties hereto and their successors in interest.

SECTION 22. ASSIGNMENT.

A. CONSULTANT shall not assign, transfer, convey, pledge or otherwise dispose of its rights or obligations hereunder, except the payment of funds from CITY, without prior written consent of CITY.

B. The consent of CITY to an assignment shall not be unreasonably withheld, but prior to approving any assignment involving the performance of any obligations pursuant to this Agreement, CITY shall be satisfied by competent evidence that the assignee is financially able and technically qualified to perform those services proposed to be assigned.

C. In the event of such assignment, CITY may condition the same so as to ensure

compliance with the provisions of this Agreement.

D. CITY'S consent to one assignment shall not be deemed to constitute consent to future assignments. CONSULTANT acknowledges that CITY'S written consent must be first obtained prior to each assignment, transfer, conveyance, pledge or other disposition.

SECTION 23. COMPLIANCE WITH LAWS.

CONSULTANT shall comply with all applicable laws in performing its obligations under this Agreement.

SECTION 24. INSURANCE.

A. Time for Compliance. Contractor shall not commence Work under this Agreement until it has provided evidence satisfactory to the City that it has secured all insurance required under this Section. In addition, Contractor shall not allow any subcontractor to commence work on any subcontract until it has provided evidence satisfactory to the City that the subcontractor has secured all insurance required under this Section. Failure to provide and maintain all required insurance shall be grounds for the City to terminate this Agreement for cause.

B. Minimum Requirements. Contractor shall, at its expense, procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the Agreement by the Contractor, its agents, representatives, employees or subcontractors. Contractor shall also require all of its subcontractors to procure and maintain the same insurance for the duration of the Agreement. Such insurance shall meet at least the following minimum levels of coverage:

C. Minimum Scope of Insurance. Coverage shall be at least as broad as the latest version of the following: (1) *General Liability*: Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001); (2) *Automobile Liability*: Insurance Services Office Business Auto Coverage form number CA 0001, code 1 (any auto); and (3) *Workers' Compensation and Employer's Liability*: Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance. The policy shall not contain any exclusion contrary to the Agreement, including but not limited to endorsements or provisions limiting coverage for (1) contractual liability (including but not limited to ISO CG 24 26 or 21 29); or (2) cross liability for claims or suits by one insured against another.

D. Minimum Limits of Insurance. Contractor shall maintain limits no less than: (1) *General Liability:* $2,000,000.00 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with general aggregate limit is used including, but not limited to, form CG 2503, either the general aggregate limit shall apply separately to this Agreement/location or the general aggregate limit shall be twice the required occurrence limit; (2) *Automobile Liability:* $1,000,000.00 per accident for bodily injury and property damage; and (3) *Workers' Compensation and Employer's Liability:* Workers' Compensation limits as required by the Labor Code of the State of California. Employer's Liability limits of $1,000,000.00 per accident for bodily injury or disease.

E. Notices; Cancellation or Reduction of Coverage. At least fifteen (15) days prior to the expiration of any such policy, evidence showing that such insurance coverage has been renewed or extended shall be filed with the City. If such coverage is cancelled or reduced, Contractor shall, within ten (10) days after receipt of written notice of such cancellation or reduction of coverage, file with the City evidence of insurance showing that the required insurance has been reinstated or has been provided through another insurance company or companies. In the event any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, the City has the right but not the duty to obtain the insurance it deems necessary and any premium paid by the City will be promptly reimbursed by Contractor or the City may withhold amounts sufficient to pay premium from Contractor payments. In the alternative, the City may suspend or terminate this Agreement.

F. Insurance Endorsements. The insurance policies shall contain the following provisions, or Contractor shall provide endorsements on forms supplied or approved by the City to add the following provisions to the insurance policies:

a. General Liability. The general liability policy shall include or be endorsed (amended) to state that: (1) using ISO CG forms 20 10 and 20 37, or endorsements providing the exact same coverage, the City, its directors, officials, officers, employees, agents and volunteers shall be covered as additional insured with respect to the Services or ongoing and completed operations performed by or on behalf of the Contractor, including materials, parts or equipment furnished in connection with such work; and (2) using ISO form 20 01, or endorsements providing the exact same coverage, the insurance coverage shall be primary insurance as respects the City, its directors, officials, officers, employees, agents and volunteers, or if excess, shall stand in an unbroken chain of coverage excess of the Contractor's scheduled underlying coverage. Any excess insurance shall contain a provision that such coverage shall also apply on a primary and noncontributory basis for the benefit of the City, before the City's own primary insurance or self-insurance shall be called upon to protect it as a named insured. Any insurance or self-insurance maintained by the City, its directors, officials, officers, employees, agents and volunteers shall be excess of the Contractor's insurance and shall not be called upon to contribute with it in any way. Notwithstanding the minimum limits set forth in Section 3.2.11.2(B), any available insurance proceeds in excess of the specified minimum limits of coverage shall be available to the parties required to be named as additional insureds pursuant to this Section 3.2.11.3(A).

b. Automobile Liability. The automobile liability policy shall include or be endorsed (amended) to state that: (1) the City, its directors, officials, officers, employees, agents, and volunteers shall be covered as additional insureds with respect to the ownership, operation, maintenance, use, loading or unloading of any auto owned, leased, hired or borrowed by the Contractor or for which the Contractor is responsible; and (2) the insurance coverage shall be primary insurance as respects the City, its directors, officials, officers, employees, agents, and volunteers, or if excess, shall stand in an unbroken chain of coverage excess of the Contractor's scheduled underlying coverage. Any insurance or self-insurance maintained by the City, its directors, officials, officers, employees, agents, and volunteers shall be excess of the Contractor's insurance and shall not be called upon to contribute with it in any way. Notwithstanding the minimum limits set forth in Section 3.2.11.2(B), any available insurance

proceeds in excess of the specified minimum limits of coverage shall be available to the parties required to be named as additional insureds pursuant to this Section 3.2.11.3(B).

G. Workers' Compensation and Employer's Liability Coverage. The insurer shall agree to waive all rights of subrogation against the City, its directors, officials, officers, employees, agents, and volunteers for losses paid under the terms of the insurance policy which arise from work performed by the Contractor.

H. All Coverages. Each insurance policy required by this Agreement shall be endorsed to state that: (A) coverage shall not be suspended, voided, reduced or canceled except after thirty (30) days (10 days for nonpayment of premium) prior written notice by certified mail, return receipt requested, has been given to the City; and (B) any failure to comply with reporting or other provisions of the policies, including breaches of warrantics, shall not affect coverage provided to the City, its directors, officials, officers, employees, agents and volunteers. Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to the City, its officials, officers, employees, agents and volunteers, or any other additional insureds.

I. Separation of Insureds; No Special Limitations; Waiver of Subrogation. All insurance required by this Section shall contain standard separation of insureds provisions. In addition, such insurance shall not contain any special limitations on the scope of protection afforded to the City, its directors, officials, officers, employees, agents, and volunteers. All insurance required by this Section shall contain standard separation of insureds provisions. In addition, such insurance shall not contain any special limitations on the scope of protection afforded to the City, its directors, officials, officers, employees, agents and volunteers. All policies shall waive any right of subrogation of the insurer against the City, its officials, officers, employees, agents, and volunteers, or any other additional insureds, or shall specifically allow Contractor or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. Contractor hereby waives its own right of recovery against City, its officials, officers, employees, agents, and volunteers, or any other additional insureds, and shall require similar written express waivers and insurance clauses from each of its subconsultants.

J. Deductibles and Self-Insurance Retentions. Any deductibles or self-insured retentions must be declared to and approved by the City. Contractor shall guarantee that, at the option of the City, either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City, its directors, officials, officers, employees, agents, and volunteers; or (2) the Contractor shall procure a bond guaranteeing payment of losses and related investigation costs, claims and administrative and defense expenses.

K. Subcontractor Insurance Requirements. Contractor shall not allow any subcontractors to commence work on any subcontract relating to the work under the Agreement until they have provided evidence satisfactory to the City that they have secured all insurance required under this Section. If requested by Contractor, the City may approve different scopes or minimum limits of insurance for particular subcontractors. The Contractor and the City shall be named as additional insureds on all subcontractors' policies of Commercial General Liability using ISO form 20 38, or coverage at least as broad.Acceptability of Insurers. Insurance is to be

placed with insurers with a current A.M. Best's rating no less than A:VIII, licensed to do business in California, and satisfactory to the City.

L. Verification of Coverage. Contractor shall furnish City with original certificates of insurance and endorsements effecting coverage required by this Agreement on forms satisfactory to the City. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf, and shall be on forms provided by the City if requested. All certificates and endorsements must be received and approved by the City before work commences. The City reserves the right to require complete, certified copies of all required insurance policies, at any time.

M. Reporting of Claims. Contractor shall report to the City, in addition to Contractor's insurer, any and all insurance claims submitted by Contractor in connection with the Services under this Agreement.

N. Safety. Contractor shall execute and maintain its work so as to avoid injury or damage to any person or property. In carrying out its Services, the Contractor shall at all times be in compliance with all applicable local, state and federal laws, rules and regulations, and shall exercise all necessary precautions for the safety of employees appropriate to the nature of the work and the conditions under which the work is to be performed. Safety precautions as applicable shall include, but shall not be limited to: (A) adequate life protection and life saving equipment and procedures; (B) instructions in accident prevention for all employees and subcontractors, such as safe walkways, scaffolds, fall protection ladders, bridges, gang planks, confined space procedures, trenching and shoring, equipment and other safety devices, equipment and wearing apparel as are necessary or lawfully required to prevent accidents or injuries; and (C) adequate facilities for the proper inspection and maintenance of all safety measures.

SECTION 25. DISCRIMINATION.

A. CONSULTANT agrees that no person shall be excluded from employment in the performance of this Agreement on grounds of race, creed, color, sex, age, handicap or marital status, place of national origin or any other basis prohibited by local, State or Federal law.

B. CONSULTANT agrees to comply with all local, State and Federal laws relating to equal employment opportunity rights.

SECTION 26. ENTIRETY OF AGREEMENT.

This Agreement contains the entire Agreement of CITY and CONSULTANT with respect to the subject matter hereof, and no other agreement, statement, or promise made by any party, or to any employee, officer, or agent of any party, which is not contained in this Agreement shall be binding or valid.

SECTION 27. ATTORNEYS FEES.

In the event that any action or proceeding is instituted for the breach of this Agreement, the prevailing party shall be entitled to reasonable attorneys fees.

SECTION 28. CONSISTENCY WITH CURRENT LAW.

A. It is the intent and understanding of the parties to this Agreement that every provision of law required to be inserted in this Agreement is inserted here.

B. If through mistakes or otherwise, any of those provisions are not inserted in correct form, then this Agreement shall upon application of either party, be amended by insertion so as to comply strictly with the law and without prejudice to the rights of either party.

C. If this Agreement contains any unlawful provisions, not an essential part of the Agreement and which appear not to have been a controlling or material inducement to the making of this Agreement, those provisions shall be deemed of no effect, and shall upon application of either party be stricken from the Agreement without affecting the binding force of the Agreement as it shall remain after omitting those provisions.

SECTION 29. VENUE.

In the event that suit shall be brought by either party to this contract, the parties agree that venue shall be exclusively vested in the State courts of the County of Los Angeles or where appropriate, in the United States District Court, Central District of California, Los Angeles, California.

SECTION 30. INTERNAL INCONSISTENCIES.

If this Agreement contains any errors, inconsistencies, ambiguities, or discrepancies, including typographical errors, CONSULTANT shall request a clarification of those items by writing to the City Manager whose decision shall be binding upon the parties.

SECTION 31. CAPTIONS AND HEADNOTES.

The captions and headnotes or sections of this Agreement, and marginal notes are intended for convenience and reference purposes only and in no way define, limit or describe the scope or intent of this Agreement.

IN WITNESS WHEREOF, this Agreement for Professional services has been duly authorized and executed by the parties hereto on the day and year first herein above written.

"CITY"
City of Covina

By: _____
Daryl Parrish, City Manager

ATTEST:

_____
City Clerk January 13, 2014

APPROVED AS TO FORM:

_____
City Attorney

"CONSULTANT"

INTERWEST CONSULTING GROUP, INC.
a Colorado corporation

By: _____

Its: Financial Services Director

ATTACHMENT A
TO AGREEMENT FOR PROFESSIONAL SERVICES

(Scope of Services)

CONSULTANT shall plan check project plans and revisions in conformance with the appropriate California Building Codes and California Amendments and/or effective State Mandated Codes. Current codes include: the 2010 California Building Code; Title 24 disabled access and energy requirements; 2010 California Fire Code with Los Angeles County Amendments; 2010 California Residential Code; 2010 California Mechanical Code; 2010 California Plumbing Code; 2010 California Electrical Code; 2010 Cal Green Building Code and the City of Covina's ordinances and regulations.

1) Consultant Responsibilities

a) Perform traditional preliminary plan review consultations via remote communication (phone or video).
b) Upon receipt of plans, contractor will review plans for compliance with all current codes, including any typical plan attachments such as soils and geological reports, grading, truss design plans and calculations, and structural design calculations when submitted.
c) Provide the applicant's designee and the City with a typed list of items needing clarification or change to achieve conformance with all regulations.
d) Perform all necessary liaisons with applicant's designee by mail, telephone, email, fax, video or in contractor's main office to ensure compliance with all Codes and local policy interpretations.
e) Perform plan reviews of revisions to plans that have previously been approved for permit issuance.
f) Perform extra work when requested in writing by the City.
g) Attend meetings related to the proposed building projects at the request of the City Building Official at locations other than the contractor's office.

2) City Responsibilities

a) Arrange and pay the cost of shipping one set of plans and documents to the consultant's office.
b) Obtain from the applicant, at the time of the project submittal, the necessary items to allow plan review to be completed in the shortest overall time frame.
c) Provide the valuation for the proposed construction.

Service Level Goals

- For buildings less than four stories and of normal complexity, complete initial plan review in less than ten (10) working days.
- For buildings four or more stories in height or of unusual complexity, complete initial plan review in less than fifteen (15) working days or as agreed by the City Building Official.

- For residential and minor building projects, complete initial plan review in less than five (5) working days.
- If a client requests "expedited" services, delivery of initial plan review in one-half of the designated time for double the initial plan review fee.

The City of Covina is open from Monday through Thursday from 7:00 AM to 6:00 PM, excluding holidays and a holiday furlough in late December.

SECTION 4 — Fee

PART I - SCHEDULE OF HOURLY RATES FOR SERVICES OUTSIDE OF PLAN REVIEW SERVICES

Certified Classification	Hourly Rate
Building Official	$ 115
Deputy Building Official	95
Permit Technician I	35
Permit Technician II	40
Permit Technician III	45
Code Enforcement Specialist I	60
Code Enforcement Specialist II	70
Engineer I	85
Engineer II	95
Supervising Building Inspector	85
Building Inspector I	60
Building Inspector II	65
Building Inspector III	70
CASp Specialist	85
Code Enforcement Assistant I	45
Code Enforcment Assistant II	55

Rates are typically reviewed yearly on July 1 and may be subject to revision unless under specific contract obligations. There is no charge for mileage.

PART II - PLAN CHECK FEES BASED ON CITY FEES

We propose the following fee schedule for plan check services based on the City's Master Fee Schedule

- ✔ 66% for first time check and any required re-check
- ✔ 66% for expedited plan check (based on the double fee schedule for expedited work)
- ✔ There is no charge for courier or shipping services
- ✔ There is no charge for mileage

BILLING PROCESS

Invoices are typically generated upon the conclusion of the month. Interwest Consulting Group will work with the City to supply the necessary billing information.

Attachment B
(Attached)

FIRST AMENDMENT TO
PROFESSIONAL SERVICES AGREEMENT
WITH INTERWEST CONSULTING GROUP

(For Additional Services Under Attachment A: 1(f) "Scope of Services" of Original Agreement)

This First Amendment to Professional Services Agreement ("First Amendment") is entered into between (i) The City of Covina ("CITY"), a California municipal corporation, and (ii) Interwest Consulting Group, a California corporation ("CONTRACTOR"). This First Amendment is intended to authorize the remittance of $28,900 in payment for services provided in Fiscal Year 2013-2014 in relation to inspection services and Geographic Information Systems programming related to the Rental Inspection Program. This First Amendment shall become effective upon the date of the last signature to this First Amendment.

EFFECT UPON ORIGINAL AGREEMENT. The Original Professional Services Agreement, dated November 19th, 2013, ("Original Agreement") remains in full force and effect according to its terms, unless otherwise expressly amended by this First Amendment.

SIGNATURE AND AUTHORITY TO EXECUTE. The Parties hereto further represent and declare that they carefully read this First Amendment and know the contents thereof, and that they sign the same freely and voluntarily. Each Party represents and warrants that it has the legal right, power and authority to enter into this First Amendment and to consummate the transactions contemplated hereby.

[signatures on following page]

Attachment B to
Attachment E

THE CITY OF COVINA,
a California municipal corporation

Date:_____

By: _____
Daryl Parrish, City Manager

Attest:

_____
City Clerk

Approved as to Form:

_____
City Attorney

Interwest Consulting Group,
a California corporation

Date:_____

By: _____

Its: _____

Attachment C
(Attached)

INTERWEST CONSULTING GROUP

March 10, 2015

Andrea Miller, City Manager
Covina City Hall
125 E. College Street
Covina, CA 91723-2199

RE: Proposal to Provide Community Development Project Management Services

Thank you for contacting Interwest Consulting Group regarding Community Development Project Management Services. We are excited about the opportunity to serve the City of Covina.

We are very aware of the challenges and requirements for municipal governments since many of our staff have held senior and executive management positions within numerous California cities. Our staff includes former Building Officials, Public Works Directors, City Engineers, Capital Projects Managers and Construction Managers. This background and experience is important since serving in the capacity of the "owner", especially local agencies, requires a high level of sensitivity towards community and special interest group issues. Accordingly, our professional staff truly understands and values the importance of maintaining a focus on representing the interests of our public agency clients in a manner which reflects positively on the cities we serve. Interwest Consulting Group (ICG) staff will be selected based on the expertise required for the specific assignment received from the City. The City reserves the right of refusal of any ICG staff assigned. Assigned personnel shall be billed at the hourly rate of $125.00. The initial term of service will commence March 30, 2015 and continue up to and including Tuesday, June 30, 2015. ICG will invoice the City on a monthly basis. The total cost of services provided during the term shall not exceed $25,000 without the prior written approval of the City Manager of the City of Covina and approval of the City Council.

Tim D'Zmura, PE, CBO, ACIP, will serve as Principal-in-Charge and as the management contact to the City of Covina. Mr. D'Zmura is an authorized representative of Interwest Consulting Group and has the authority to sign all necessary agreements. Services will be directed out of our Los Angeles office with contact information listed below.

Tim D'Zmura
Interwest Consulting Group
15061 Springdale Street
Huntington Beach, CA 92649
714.975.9048 Office
714-625-5840 Mobile
tdzmura@interwestgrp.com

Thanks again and we look forward to this assignment.

Sincerely,

Tim D'Zmura, PE, CBO, ACIP
Director of Municipal Services

Approved:

_____
Andrea Miller, City Manager

March 10, 2015

INTERWEST CONSULTING GROUP

Andrea Miller, City Manager
Covina City Hall
125 E. College Street
Covina, CA 91723-2199

RE: Proposal to Provide Community Development Project Management Services

Thank you for contacting Interwest Consulting Group regarding Community Development Project Management Services. We are excited about the opportunity to serve the City of Covina.

We are very aware of the challenges and requirements for municipal governments since many of our staff have held senior and executive management positions within numerous California cities. Our staff includes former Building Officials, Public Works Directors, City Engineers, Capital Projects Managers and Construction Managers. This background and experience is important since serving in the capacity of the "owner", especially local agencies, requires a high level of sensitivity towards community and special interest group issues. Accordingly, our professional staff truly understands and values the importance of maintaining a focus on representing the interests of our public agency client in a manner which reflects positively on the client we serve. Interwest Consulting Group (ICG) staff will be selected based on the expertise required for the specific assignment received from the City. The City reserves the right of refusal of any ICG staff assigned. Assigned personnel shall be billed at the hourly rate of $125.00. The initial term of service will commence March 30, 2015 and continue up to and including Tuesday, June 30, 2015. ICG will invoice the City on a monthly basis. The total cost of services provided during the term shall not exceed $25,000 without the prior written approval of the City Manager of the City of Covina and approval of the City Council.

Tim D'Zmura, PE, CBO, ACIP, will serve as Principal-in-Charge and as the management contact to the City of Covina. Mr. D'Zmura is an authorized representative of Interwest Consulting Group and has the authority to sign all necessary agreements. Services will be directed out of our corporate office with contact information listed below.

Tim D'Zmura
Interwest Consulting Group
[illegible] Sanderling Street
Huntington Beach, CA 92[illegible]
[illegible] Office
714-825-5840 Mobile
tdzmura@interwestcgrp.com

Thanks again and we look forward to this assignment.

Sincerely,

Tim D'Zmura, PE, CBO, ACIP
Director of Municipal Services

Approved:

Andrea Miller, City Manager

Attachment D
(Attached)

AMENDMENT NO. 3 TO THE PROFESSIONAL SERVICES AGREEMENT ("AGREEMENT") FOR COMMUNITY DEVELOPMENT PROJECT MANAGEMENT SERVICES BETWEEN THE CITY OF COVINA AND INTERWEST CONSULTING GROUP, INC.

This Amendment No. 3 is hereby entered into by and between the City of Covina, a municipal corporation (hereinafter referred to as "CITY") and Interwest Consulting Group, Inc. (hereinafter referred to as "Consultant"), a Colorado Corporation, with respect to that certain Amendment No. 2 to the Agreement for community development project management services between the parties dated March 10, 2015.

The parties agree as follows:

1. The second paragraph is hereby amended to extend the term of services to expire on June 30, 2016, unless amended;

2. The second paragraph is hereby amended to increase the total budget amount for Community Development Project Management Services established in the second amendment from $25,000 to $107,000. For the current FY 2015/2016, the increase in funding is $82,000; and,

3. All the remaining terms and provisions of the Agreement are hereby reaffirmed.

In witness whereof the parties have executed this Amendment No. 3 on the date set forth below.

CITY OF COVINA

By: _____
Andrea M. Miller, City Manager

Dated: July 30, 2015

ATTEST:

_____
Evelyn Leach
Interim Chief Deputy City Clerk

INTERWEST CONSULTING GROUP, INC

By: _____
Tim D'Zmura, PE CBO
Director of Municipal Services

Attachment D to
Attachment E

Attachment E
(Attached)

INTERWEST CONSULTING GROUP

November 11, 2015

Siobhan Foster
Director of Public Works
125 E. College Street
Covina, CA 91723

Dear Siobhan,

Thank you for meeting with Al Cablay and Kevin Ko this week to discuss possible assistance with various transportation needs. Kevin's proposed billing rate is $85 per hour as an Associate Engineer I. As conveyed during the interview, the City will not be billed for any time Al, I or other experts on our staff assist and provide direction to Kevin. If a specific assignment which would require other individuals than Kevin is requested by the City, we would provide a task specific proposal for approval.

Kevin is available to the City immediately and can start either on a full time or part time basis as you determine your needs. In addition, should your needs increase or decrease over time we can adjust Kevin's schedule accordingly.

Thank you for the opportunity to propose on this assignment. I would be happy to answer any questions or provide any additional information.

Respectfully Submitted,

Terry J. Rodrigue
Interwest Consulting Group
President

15140 Transistor Lane • Huntington Beach, CA 92649
TEL. 714.899.9039 • www.interwestgrp.com

Attachment E to

FIFTH AMENDMENT TO AGREEMENT BETWEEN THE CITY OF COVINA AND INTERWEST CONSULTING GROUP, INC FOR PLANNING AND TRANSIT CONSULTING SERVICES

THIS FIFTH AMENDMENT is made and entered into as of July 1, 2016 by and between the City of Covina, a California municipal corporation (hereinafter referred to as "City"), and Interwest Consulting Group, Inc., a Colorado Corporation (hereinafter referred to as "Consultant"). In consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

1. This Fifth Amendment is made with the respect to the following facts and purposes:

a. On November 19, 2013 the City and Consultant entered into that certain Professional Services Agreement for plan check and building services in the compensation amount based on thirty four percent of the plan review fee.

b. In Fiscal Year 2013-2014, the City and Consultant entered into the First Amendment to that certain Agreement entitled "Agreement for Geographic Information Systems Programing Servives," to modify the scope of work, to include inspection services and Geographic Information Systems programming services related to the Rental Inspection Program, and increase the compensation amount to $28,900.00.

c. On March 10, 2015 the City and Consultant entered into the Second Amendment to that certain Agreement entitled "Agreement for Community Development Project Management Services," to add scope of work to include Community Development Project Management Services, and increase the compensation amount to $25,000.00.

d. On July 30, 2015, the City and Consultant entered into the Third Amendment to that certain Agreement entitled "Agreement for Community Development Project Management Services," to extend the term of the agreement to June 30, 2016, and increase the compensation amount to $82,000.00

e. On December 1, 2015, the City and Consultant entered into the Fourth Amendment to that certain Agreement entitled "Agreement for Transit and Transportation Services," to add scope of work to include transit and transportation consulting services, and increase the compensation amount to $42,840.00.

f. The parties now desire to add scope of work to include planning services and transit and transportation consulting services, and extend the term of the agreement to June 30, 2017, and to increase the compensation in the amount of $137,680.00 for a new total agreement amount not to exceed $316,420.00 and to amend the Agreement as set forth in this Amendment.

2. Section 1 of the Agreement entitled "**RECITALS**" is hereby amended to read as follows:

> "CITY has considered the proposals attached hereto and incorporated herein as Attachment A ("Scope of Services"); Attachment B ("First Amendment to Professional Services Agreement with Interwest Consulting Group"); Attachment C ("Proposal to Provide Community Development Project Management Services"); Attachment D ("Amendment No. 3 to the Professional Services Agreement for Community Development Project Management Services between the City of Covina and Interwest Consulting Group, Inc."); and E ("Fourth Amendment to Professional Services Agreement with Interwest Consulting Group") (collectively, the "Proposal") from CONSULTANT for professional services, including, but not limited to, providing the services as described in Section 6 of this Agreement."

3. Section 6 of the Agreement entitled "**SCOPE OF SERVICES**" is hereby amended to read as follows:

> "CONSULTANT will diligently perform the tasks, in a good and workmanlike manner, which are more specifically identified in the Scope of Services, attached hereto and incorporated herein by reference in Attachments B, C, D, and E unless otherwise instructed by City. Further, CONSULTANT shall provide transit and transportation consulting services, as more particularly described in Exhibit A, of the Fifth Amendment."

4. Section 10 of the Agreement entitled "**TERM**" is hereby amended to read as follows:

> "The term of this Agreement shall be from the Effective Date through June 30, 2017, unless sooner terminated as provided in Section 15 of this Agreement."

5. Paragraph F of Section 11 of the Agreement entitled "**COMPENSATION**" is hereby amended to read as follows:

> F. Compensation. As full compensation for Consultant's services provided under this Agreement, City shall pay Consultant the total flat sum of One Hundred Thirty Seven Thousand, Six Hundred and Eighty Dollars ($137,680) for FY 2016-17. For a total agreement not to exceed sum of Three Hundred Sixteen Thousand, Four Hundred and Twenty Dollars ($316,420) (the "maximum compensation"), as set forth in the Approved Fee Schedule, attached hereto as Attachments B thru E. Any terms in Attachment A of the Professional Services Agreement dated November 19, 2013, other than the payment rates and schedule of payment, are null and void.

6. 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 Fifth Amendment on the date stated in the introductory clause.

City:

City of Covina,
a California municipal corporation

By: Donald Penman
Name: Donald Penman
Title: Interim City Manager

ATTEST:

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

APPROVED AS TO FORM:

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

Consultant:

Interwest Consulting Group,
a Colorado corporation

By: _____
Name: Terry J. Rodrigue
Title: President

By: _____
Name: Debra Thorson
Title: Chief Finance Officer

(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

Attached hereto and incorporated herein is the additional scope of work as provided by the Consultant.

SIXTH AMENDMENT TO AGREEMENT BETWEEN THE CITY OF COVINA AND INTERWEST CONSULTING GROUP, INC FOR TRANSIT CONSULTING SERVICES

THIS SIXTH AMENDMENT is made and entered into as of October 1, 2016 by and between the City of Covina, a California municipal corporation (hereinafter referred to as "City"), and Interwest Consulting Group, Inc., a Colorado Corporation (hereinafter referred to as "Consultant"). In consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

1. This Sixth Amendment is made with the respect to the following facts and purposes:

a. On November 19, 2013, the City and Consultant entered into that certain Professional Services Agreement for plan check and building services in the compensation amount based on sixty-six percent of the plan review fee.

b. In Fiscal Year 2013-2014, the City and Consultant entered into the First Amendment to that certain Agreement entitled "Agreement for Geographic Information Systems Programming Services," to modify the scope of work to include inspection services and Geographic Information Systems programming services related to the Rental Inspection Program, and increase the compensation amount by $28,900.00 for the additional scope of work.

c. On March 10, 2015, the City and Consultant entered into the Second Amendment to that certain Agreement entitled "Agreement for Community Development Project Management Services," to add scope of work to include Community Development Project Management Services, and increase the compensation amount by up to $25,000.00 for the additional scope of work.

d. On July 30, 2015, the City and Consultant entered into the Third Amendment to that certain Agreement entitled "Agreement for Community Development Project Management Services," to extend the term of the Agreement to June 30, 2016, and increase the compensation amount for the Community Development Project Management Services work by $82,000.00.

e. On December 1, 2015, the City and Consultant entered into the Fourth Amendment to that certain Agreement entitled "Agreement for Transit and Transportation Services," to add scope of work to include transit and transportation consulting services, and increase the compensation amount by $42,840.00 for the additional scope of work.

f. On June 21, 2016, the City and Consultant entered into the Fifth Amendment to that certain Agreement entitled "Agreement for Planning and Transit Consulting Services" to add scope of work to include planning services and transit and transportation consulting services, extend the term of the Agreement to June 30, 2017, and to increase the

compensation in the amount of $137,680.00 for a new total Agreement amount not to exceed $316,420.00.

g. The parties now desire to increase the compensation in the amount of $17,680.00 for transit and transportation consulting services between October 1, 2016 and December 31, 2016 for a new total Agreement amount not to exceed $334,100.00, and to amend the Agreement as set forth in this Amendment.

2. Section 4 of the Agreement entitled "PRINCIPAL REPRESENTATIVES" is hereby amended to read as follows:

"Siobhan Foster, Director of Public Works for CITY, shall be the principal representative of City for purposes of this Agreement. Jim Ross, Municipal Services Director, shall be the principal representative of Consultant for purposes of this Agreement."

3. Paragraph F of Section 11 of the Agreement entitled "**COMPENSATION**" is hereby amended to read as follows:

"F. Compensation. As full compensation for Consultant's services provided under this Agreement, City shall pay Consultant the new total Agreement amount not to exceed Three Hundred Thirty-Four Thousand and One Hundred Dollars ($334,100) (the "maximum compensation"), as set forth in the Approved Fee Schedule, attached hereto as Attachments B thru E. Any terms in Attachment A of the Professional Services Agreement dated November 19, 2013, other than the payment rates and schedule of payment, are null and void."

4. 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 Sixth 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:

Interwest Consulting Group,
a Colorado corporation

By: _____
Name: Terry J. Rodrique
Title: President

By: _____
Name: Debra Thorson
Title: Chief Finance Officer

(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.)

SEVENTH AMENDMENT TO AGREEMENT BETWEEN THE CITY OF COVINA AND INTERWEST CONSULTING GROUP, INC FOR TRANSIT CONSULTING SERVICES

THIS SEVENTH AMENDMENT is made and entered into as of January 1, 2017 by and between the City of Covina, a California municipal corporation (hereinafter referred to as "City"), and Interwest Consulting Group, Inc., a Colorado Corporation (hereinafter referred to as "Consultant"). In consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

1. This Seventh Amendment is made with the respect to the following facts and purposes:

a. On November 19, 2013, the City and Consultant entered into that certain Professional Services Agreement for plan check and building services in the compensation amount based on sixty-six percent of the plan review fee.

b. In Fiscal Year 2013-2014, the City and Consultant entered into the First Amendment to that certain Agreement entitled "Agreement for Geographic Information Systems Programming Services," to modify the scope of work, to include inspection services and Geographic Information Systems programming services related to the Rental Inspection Program, and increase the compensation amount by $28,900.00 for the additional scope of work.

c. On March 10, 2015, the City and Consultant entered into the Second Amendment to that certain Agreement entitled "Agreement for Community Development Project Management Services," to add scope of work to include Community Development Project Management Services, and increase the compensation amount by up to $25,000.00 for the additional scope of work.

d. On July 30, 2015, the City and Consultant entered into the Third Amendment to that certain Agreement entitled "Agreement for Community Development Project Management Services," to extend the term of the Agreement to June 30, 2016, and increase the compensation amount for the Community Development Project Management Services work by $82,000.00

e. On December 1, 2015, the City and Consultant entered into the Fourth Amendment to that certain Agreement entitled "Agreement for Transit and Transportation Services," to add scope of work to include transit and transportation consulting services, and increase the compensation amount by $42,840.00 for the additional scope of work.

f. On June 21, 2016, the City and Consultant entered into the Fifth Amendment to that certain Agreement entitled "Agreement for Planning and Transit Consulting Services" to add scope of work to include planning services and transit and transportation consulting services, and extend the term of the Agreement to June 30, 2017, and to increase the compensation in the amount of $137,680.00 for a new total Agreement amount not to exceed $316,420.00.

g. On October 31, 2016, the City and Consultant entered into the Sixth Amendment to that certain Agreement entitled "Agreement for Transit Consulting Services" to extend the term of the agreement to December 31, 2016, and to increase the compensation in an amount of $17,680.00 for transit and transportation consulting services for a new total agreement amount not to exceed $334,100.00.

h. The parties now desire to increase the compensation in an amount up to $17,160.00 for transit and transportation consulting services at a rate of $60.00 per hour between January 1, 2017 and March 31, 2017 for a new total agreement amount not to exceed $351,260.00 and to amend the Agreement as set forth in this Amendment. The parties agree that the City will discontinue using Consultant for the transit and transportation consulting services when the City's Transit Coordinator returns to work, or on March 31, 2017, whichever is sooner. The parties further agree that the parties can further extend this Agreement as needed.

2. Paragraph F of Section 11 of the Agreement entitled "**COMPENSATION**" is hereby amended to read as follows:

> F. Compensation. As full compensation for Consultant's services provided under this Agreement, City shall pay Consultant a new total Agreement amount not to exceed sum of Three Hundred Fifty-One Thousand Two Hundred and Sixty Dollars ($351,260.00) (the "maximum compensation"), based on the hourly rate of $60.00 per hour.

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 Sixth Amendment 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:

Interwest Consulting Group,
a Colorado corporation

By: _____
Name: Terry J. Rodrique
Title: President

By: _____
Name: Debra Thorson
Title: Chief Finance Officer

(*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.*)

CITY OF COVINA

AGENDA REPORT

ITEM NO. CC 10

MEETING DATE: December 6, 2016

TITLE: Second Amendment to Contract with Christian Brothers Mechanical Services, Inc. for Heating Ventilation and Air Conditioning Maintenance and **Resolution No. 16-7564** to Amend the FY 2017 Operating Budget to Increase Funding for Heating Ventilation Air Conditioning Maintenance Services Contract by $9,580

PRESENTED BY: Siobhan Foster, Director of Public Works

RECOMMENDATION:

1) Authorize the Interim City Manager to execute the attached Second Amendment to the Contract with Christian Brothers Mechanical Services, Inc. for Heating Ventilation and Air Conditioning (HVAC) Maintenance; and
2) Adopt **Resolution No. 16-7564** to amend the FY 2017 Operating Budget to increase funding for HVAC maintenance by $9,580 for the installation of a new HVAC system at the Forestdale Reservoir Site and appropriate the necessary funds from Water Capital Improvement Fund balance.

BACKGROUND:

On September 4, 2012, following the completion of a formal bid process, the City Council awarded a three-year contract to Christian Brothers Mechanical Services, Inc. (Christian Brothers) to provide HVAC maintenance for City Hall, the City Yard, and Covina Police Department between September 4, 2012 and September 4, 2015. The contract was awarded to Christian Brothers as the lowest responsible and responsive bidder in the amount of $8,424.

Upon expiration of the original agreement, the City Council approved the First Amendment to the Agreement with Christian Brothers for HVAC maintenance on September 1, 2015, to extend the term of the agreement for a two-year period through September 4, 2017, and remove the Police Department HVAC system from the contract.

On December 16, 2014, the City Council authorized the award of an Energy Efficiency Design-Build Contract to ACCO Engineered Systems in the amount of $219,514 for the Police Department HVAC System Upgrade and approved a three-year maintenance services agreement with ACCO for $20,871 (subject to price escalations for years two and three) to be funded from the Police Department budget. On June 2, 2015, the City Council accepted the work performed by ACCO and authorized the City Clerk to file a Notice of Completion for the Police Department HVAC System Upgrade.

At the time of the original agreement and subsequent First Amendment, the HVAC units at the Covina Metrolink Parking Complex and City Hall Parking Structure were inadvertently omitted, as the facilities are not staffed facilities and maintenance requests were not a frequent occurrence.

DISCUSSION:
Christian Brothers currently provides quarterly HVAC maintenance for City Hall and the City Yard under the contract that expires on September 4, 2017.

In October 2016, the Water Division of the Department of Public Works discovered that the HVAC system at the Forestdale Reservoir site was not functioning properly. The motor control center (MCC) at the Forestdale Reservoir site provides power supply to the pumps and monitors the operating condition of the power system. The MCC is equipped with an HVAC system to provide cooling to the equipment. High temperatures of the power system can result in the equipment failure and pump shutdown. After further investigation, the Water Division ascertained that the existing HVAC system at the Forestdale Reservoir cannot be repaired and needs to be replaced. Since the City has a contract with Christian Brothers through September 4, 2017, the Water Division requested an estimate for the HVAC replacement. Christian Brothers provided an estimate in the amount of $9,580 to perform the work.

There are currently six HVAC units located in the Covina Metrolink Station Parking Complex that serve the mechanical utility rooms, guard shack, restroom unit, and BikeHub and two HVAC units are located at the City Hall Parking Structure. The eight HVAC units require maintenance. The Transportation Division of the Department of Public Works requested an estimate from Christian Brothers for maintenance of these HVAC units on a quarterly basis or the equivalent of three times during the remainder of the contract period. Christian Brothers provided an estimate of $1,152 for the Covina Metrolink Station Parking Complex ($384/visit) and $576 for the City Hall Parking Structure ($192/visit).

Periodically, there is also a need for on-call emergency repair services at City facilities that are not covered under the quarterly, routine HVAC maintenance provided by Christian Brothers. The need for HVAC replacement at the Forestdale Reservoir is one such example.

The Department of Public Works recommends that the City Council authorize the Interim City Manager to execute the proposed Second Amendment to the Contract with Christian Brothers. The proposed Second Amendment would modify the scope of services to include quarterly HVAC maintenance at the Covina Metrolink Station Parking Complex and City Hall Parking Structure, and on-call emergency repair services at City facilities, including HVAC replacement at Forestdale Reservoir. The proposed Second Amendment would also increase the Contract compensation by an amount not-to-exceed $15,308 for the additional services.

While the proposed Second Amendment will address the City's immediate HVAC maintenance needs, to address future Citywide HVAC maintenance requirements, the Department of Public Works will coordinate with the various City departments to seek competitive bids to consolidate HVAC services for all City facilities to be performed by a single provider. The target will be to have the new contract in place in Fiscal Year 2018, effective September 4, 2017.

FISCAL IMPACT:
The estimated fiscal impact associated with the Second Amendment to the Contract with Christian Brothers for HVAC Services through September 4, 2017, is an amount not-to-exceed $16,694, as outlined below. This includes $1,386 for existing services and $15,308 for the new services at

Covina Metrolink Station Parking Complex, City Hall Parking Structure, and for on-call emergency repair services as needed for various City facilities.

Description	Cost($)/Visit	Total ($)
City Hall	280	840
City Yard	182	546
Subtotal – Existing Services		1,386
Covina Metrolink Station Parking Complex	384	1,152
City Hall Parking Structure	192	576
HVAC System Forestdale Reservoir Site	9,580	9,580
On-Call Emergency and Repair Services	---	4,000
Subtotal – New Services		15,308
Total	---	16,694

Since the contract with Christian Brothers expires on September 4, 2017, approximately $14,656 of the costs will be incurred in FY 2017. The remainder of the costs, estimated to be $2,038, will be incurred in FY 2018 and be included in the FY 2018 Operating Budget.

Use of FY 2017 budgeted funds plus the adoption of Resolution 16-7564 that would appropriate $9,580 from available Water Capital Improvement Fund balance for the replacement of the HVAC system at Forestdale Reservoir, provides the necessary FY 2017 funding for the Second Amendment. The following table presents a summary of the sources of funds that will be used in FY 2017:

City Facility	Funding Source (FY 2017)	Total ($)
City Hall	General Fund, Civic Center, Account No. 1010-0930-52400	560
City Yard	General Fund, Yard Center, Account No. 1010-2900-52400	364
City Hall Parking Structure Complex	Parking District Fund, Account No. 2700-2800-52422	384
Covina Metrolink Station Parking Complex	Transportation Fund, Prop A, Account No. 2400-TO01-52410	768
HVAC System Forestdale Reservoir Site	Water Fund, Account No. 6010-5060-52400	9,580
On-Call Emergency and Repair Services	Will be funded by requesting dept.	3,000
Total		14,656

The funding outlined below will need to be included in the FY 2018 Operating Budget for the HVAC maintenance contract with Christian Brothers for the period of July 1 to September 4, 2017:

City Facility	Funding Source (FY 2018)	Total ($)
City Hall	General Fund, Civic Center, Account No. 1010-0930-52400	280
City Yard	General Fund, Yard Center, Account No. 1010-2900-52400	182
City Hall Parking Structure Complex	Parking District Fund, Account No. 2700-2800-52422	192
Covina Metrolink Station Parking Complex	Transportation Fund, Prop A, Account No. 2400-TO01-52410	384
On-Call Emergency and Repair Services	Will be funded by requesting dept.	1,000
Total		2,038

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. The proposed Second Amendment to the Contract with Christian Brothers to provide HVAC services for City Hall and the City Yard will not result in any significant effect on the environment.

Respectfully submitted,

Siobhan Foster
Director of Public Works

ATTACHMENTS:
Attachment A: September 4, 2012, Agenda Item No. CC6, Award the Bid for the HVAC Preventative Maintenance
Attachment B: Executed Contract for HVAC Maintenance, dated September 4, 2012
Attachment C: September 1, 2015, Agenda Item No. CC7, HVAC Maintenance Services for City-owned and Operated HVAC Systems-Approval of First Amendment to Agreement and Authorize City Manager to Execute Two-Year Contract Extension with Christian Brothers
Attachment D: Executed First Amendment to the Contract for HVAC Maintenance Services, dated September 1, 2015
Attachment E: Proposed Second Amendment to Contract for HVAC Maintenance Services with Christian Brothers
Attachment F: Resolution No. 16-7564

☒ Approved by vote 5-0
☐ Not approved/Denied by vote _____
☐ Continued to _____
☐ Adopted Resolution No. _____
☐ Introduced/Adopted Ordinance No. _____

CITY OF COVINA
AGENDA ITEM COMMENTARY

MEETING DATE: September 4, 2012 **ITEM NO.: CC 6**

STAFF SOURCE: Kalieh Honish, Interim Director of Public Works
Paul Hertz, Public Works Superintendent

ITEM TITLE: Award the Bid for the Heating/Ventilation/Air-Conditioning (HVAC) Preventative Maintenance

---

STAFF RECOMMENDATION:
Award the bid for Heating/Ventilation/Air-Conditioning (HVAC) Preventative Maintenance to Christian Brothers Mechanical Services, Inc., as the lowest responsive and responsible bidder in the amount of $8,424.00.

FISCAL IMPACT:
There is no impact to the General Fund, as these funds are budgeted in the current fiscal year for routine maintenance and repair of the HVAC systems in question. Specifically, the service contract total of $8,424.00 will be funded as follows:
$1,680 from the Civic Center (1010-0930-52490);
$1,092 from the Yard Center (1010-2900-52400); and
$5,652 from the Police Department (1010-1000-52400).

BACKGROUND:
The City Hall, Public Works Yard and Police facilities have been without an HVAC preventative maintenance service contract since August 1, 2010 when the previous amended performance services agreement for energy reduction and modernization was completed at the end of its term with Siemens Industry, Inc. That contract was a long term lease-purchase agreement for the equipment, but was not cost effective for maintenance purposes.

Project No. F-1205 consists of routine preventative maintenance, extraordinary maintenance, and additional maintenance and repair of HVAC systems for locations that are the responsibility of the City of Covina in accordance with Exhibits A (Service Locations-City Hall, PW Yard, Police Dept.), B (Routine Preventative Maintenance - Non-Public Safety Service Locations), C (Routine Preventative Maintenance – Public Safety Locations) and D (Extraordinary Maintenance) of the advertised notice of inviting bid package. The service contract will cover a period of three (3) years. The City reserves the right to renew the contract for a maximum of two (2) years per renewal for a maximum of two (2) renewals. A renewal will be predicated on satisfactory performance and mutual consent.

The project was duly noticed and advertised, and bids for the project were received in the City Clerk's office on August 14, 2012. As shown on the attached summary of bids, Christian

Brothers Mechanical Services, Inc. submitted the lowest responsive bid in the amount of $8,424.00. The highest bid was $21,807.00 by Anderson Air Conditioning L.P.

Christian Brothers Mechanical Services, Inc. currently carries a valid Class "C20" license, as required, and staff has also verified that they have successfully completed similar maintenance agreements for the City of Encinitas, Long Beach, and also the City of Santa Fe Springs.

RELEVANCE TO THE STRATEGIC PLAN:
While not directly responsive to any of the currently identified objectives of the Strategic Plan, securing a service maintenance agreement will lock in costs and provide aid in budgetary planning for the next several years which enhances financial stability. Also, a preventative maintenance plan will promote the longetivity and life of the current, older and aging, HVAC equipment.

EXHIBITS:

A. Project Bid Results Summary Sheet
B. Notice of Inviting Bid Package on file with the City Clerk

REVIEW TEAM ONLY
City Attorney: _____ **Finance Director:** _____

City Manager: _____ **Other:** _____

BID RESULTS
HVAC PREVENTATIVE MAINTENANCE
BID OPENING: 8/14/12

BID RECEIVED FROM	DESCRIPTION	QUANTITY	UNIT PRICE	TOTAL PRICE
Christian Brothers Mechanical	City Hall P.M.	6	$280.00	$1,680.00
	City Yard P M.	6	$182.00	$1,092.00
	Police Department P.M.	12	$471.00	$5,652.00
			Grand Total =	$8,424.00
ACCO Engineered Systems	City Hall P.M.	6	$875.00	$5,250.00
	City Yard P M.	6	$467.00	$2,802.00
	Police Department P.M	12	$665.00	$7,980.00
			Grand Total =	$16,032.00
Anderson Air Conditioning L.P.	City Hall P.M.	6	$835.00	$5,010.00
	City Yard P.M.	6	$449.00	$2,697.00
	Police Department P.M.	12	$1,175.00	$14,100 00
			Grand Total =	$21,807.00

SAN GABRIEL VALLEY EXAMINER
623 W. FOOTHILL BLVD.
GLENDORA, CA 91741

NOTICE INVITING SEALED BIDS
CITY OF COVINA
HEATING/VENTILATION/AIR CONDITIONING (HVAC) MAINTENANCE

PUBLIC NOTICE IS GIVEN that the City of Covina will receive sealed bids for the above stated service, until **10:00 A.M., August 14, 2012**, in the office of the City Clerk, Covina City Hall, 125 East College Street, Covina. Bids will be publicly opened and read immediately thereafter in the Council Chamber at the same address. Bids received after 10:00 A.M. will be returned unopened. Faxed or E-mailed bids will not be accepted.

Copies of the service specifications, bid instructions and contract documents are available from the Facility Maintenance Division of the City of Covina, 534 North Barranca Avenue, Covina, California, (Tel. No. 626-384-5220). Copies of the Plans, Specifications, and contract documents may also be downloaded free of charge from the following website - http:/ /cplist.com. There will be a **mandatory** job walk through on **Tuesday August 7, 2012 at 9:00 a.m.** beginning at the Covina City Maintenance Yard 534 North Barranca Avenue, Covina, California. All bidders must have a representative present at this meeting to inspect the job sites and equipment in order for their bid to be accepted by the City of Covina.

Bidders are advised that this Project is a public work for purposes of the California Labor Code, which requires payment of prevailing wages. Accordingly, the bidder awarded the Contract and all subcontractors shall be required to pay not less than the prevailing rate of per diem wages, as determined by the Director of the California Department of Industrial Relations, and otherwise comply with the provisions of Section 1770 et seq. of the California Labor Code, California Code of Regulations, Title 8, Section 16000 et seq., and any other applicable laws, rules and regulations adopted with respect thereto ("California Prevailing Wage Laws"). Copies of such prevailing rates of per diem wages are on file at the Covina City Clerk's office, and copies shall be made available to any interested party on request. The prevailing rates of per diem wages referred to herein are hereby made a part of this Notice by reference. The Contractor shall, in the performance of the work and improvements, conform to the Labor Code, State of California, and other applicable laws of the State of California.

In entering into a public works contract, or a subcontract, to supply goods, services, or materials pursuant to a public works contract, the Contractor, or subcontractor, offers and agrees to assign to the awarding body all rights, title and interest in, and to, all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Section 15) or under the Cartwright Act (Chapter 2 [commencing with Section 16700] of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, services, or materials pursuant to the public works contract or the subcontract. This assignment shall be made and become effective at the time the awarding body tenders final payment to the Contractor, without further acknowledgment by the parties.

Each bid or proposal submitted must be made on the blank form provided therefor and accompanied by a certified or cashier's check or bidder's bond in the amount of 10% of the proposal's value, placed in a sealed envelope and addressed on the outside "Bid on City of Covina HVAC Maintenance Contract". The bidder's name and address shall also appear on the outside.

The City reserves the right to reject any or all bids, to waive any informality in any bid, and to make awards as the interest of the City may require.

Catherine LaCrosse
Deputy City Clerk, Covina
Publish in the San Gabriel Valley Examiner on July 19 and July 26, 2012. #CG05.

CONTRACT FOR
HVAC MAINTENANCE
IN THE CITY OF COVINA

This contract is made and entered into this 4 day of September, 2012, in the State of California, County of Los Angeles, by and between the City of Covina, (hereinafter referred to as the **CITY**), and Christian Brothers Mechanical Services, (hereinafter referred to as the **CONTRACTOR**).

ARTICLE I - RECITALS

A. The City has the responsibility of providing routine, extraordinary and emergency maintenance for all city-owned and operated HVAC systems.

B. As such, the City seeks a contractor who will agree to provide this service, by providing a complete **HVAC MAINTENANCE** to include operation, supervision, equipment, maintenance, tools, labor, materials and incidentals necessary to attain the service level reflected in this Contract.

ARTICLE II - SERVICE DESCRIPTION

Contractor agrees to provide HVAC maintenance operations, supervision, equipment, maintenance, tools, labor and materials as specified within the Notice Inviting Bids packet for the same, the entirety of which is incorporated herein by reference.

ARTICLE III - PAYMENT

A. This Contract is for a period of 3 years, renewable thereafter a maximum of two times with each renewal option being for a two-year period upon satisfactory performance and written mutual consent commencing upon authorization. The City agrees to pay the Contractor in accordance with the following schedule:

1.	City Hall Preventative Maintenance	$270	PER SCHEDULED MAINTENANCE
2.	City Yard Preventative Maintenance	$182	PER SCHEDULED MAINTENANCE
3.	Police Department Preventative Maintenance	$471	PER SCHEDULED MAINTENANCE

B. Extraordinary Maintenance and extra or additional work shall be paid in accordance with the approved rate schedule attached hereto and incorporated herein as specified within the bid documents.

C. Payment to the Contractor shall be requested in the following manner:

1. Commencing with the second month of the Contract, the Contractor shall submit a claim for payment within the first 5 workdays to the City every month for work completed during the previous month. The claim, when submitted by the Contractor, shall constitute certification under penalty of perjury that the work claimed for payment

was completed in accordance with the terms of the Contract. The city has the right to inspect the Contractor's records to verify any extraordinary maintenance costs.

2. Payment will be made within 30 days after receipt of a claim by the City. Payment shall not be construed to be acceptance of any of the work.

ARTICLE IV - PERFORMANCE

A. This agreement shall take effect October 1, 2012 at 12:01 a.m. No costs shall be incurred before the effective date of this agreement.

B. The Contractor shall perform all work necessary to complete the contract in a satisfactory manner established by the City and shall furnish all necessary equipment, tools, labor, materials, supervision, maintenance and incidentals.

C. The City shall monitor the Contractor's work in order to measure objective standards set forth in this agreement, such as compliance with all terms and conditions of said Contract, change order rate, etc.

1. Only competent workers shall be employed for this work. Any person employed, who is found, by the City, to be incompetent, intemperate, troublesome, disorderly or otherwise objectionable, or who fails or refuses to perform the work properly and in an acceptable manner, shall be immediately removed from the work site by the Contractor and not be re-employed for work under this contract.

D. The Contractor shall be responsible for the protection of public and private property and shall exercise due caution to avoid damage to such property. All property damage resulting from the Contractor's operations shall be repaired at the Contractor's expense and to the satisfaction of the City. Contractor is required to submit a written report of said damages to the City on the same day damages occur and a written follow-up report submitted to the City as Contractor completes repair of damages.

1. All costs to the Contractor for protecting and restoring existing improvements shall be included in the cost established by this contract.

E. The Contractor's operations shall cause no unnecessary public inconvenience. The access rights of the public shall not be violated at any time.

F. The City shall have the Right-to-Revoke this Agreement within the first Ninety (90) days if the Contractor demonstrates an inability to meet the minimum requirements of this Contract.

G. The City shall have the Right-to-Review the contract performance of the Contractor at the end of the first six (6) months of service. This review will grant the City a Right-to-Review concessions as contained in this Contract. This Right-to-Review concessions will allow the City to alter concessions as needed to aid in the compliance of this Agreement.

H. Indemnification: The Contractor shall assume the defense of and indemnify and save harmless the City, its elective and appointed boards, officers, agents and employees from all

claims, loss, damage, injury and liability of every kind, nature and description, directly or indirectly arising from the performance of the Contractor's work, and from any and all claims, loss damage, injury and liability, howsoever the same may be caused, resulting directly or from the nature of the work covered by this Contract, provided:

1. That the City does not, and shall not, waive any rights against the Contractor which it may have by reason of the aforesaid hold-harmless Agreement because of the acceptance of the City, or the deposit with the City by the Contractor, of any of the insurance policies hereinafter described in this Contract.

2. That the aforesaid hold-harmless Agreement shall apply to all damages and claims for damages of every kind suffered, or alleged to have been suffered, by reason of any of the aforesaid operations of the Contractor regardless of whether or not such insurance policies shall have been determined to be applicable to any of such damages or claims for damages.

I. Changes in the work, either additions or deletions, shall be made in the following manner:

1. Changes requested in writing by the Contractor, which do not materially affect the work and which are not detrimental to the work or to the interests of the City, may be granted by the City to facilitate the work, when approved in writing by the City. If such

(a) Change Orders shall be in writing and state the dollar value of the change or establish method of payment, and, when negotiated prices are involved, shall provide for the Contractor's signature indicating acceptance. (b) The City may, without Council approval, order changes in work that do not exceed 10 percent, as stated in the above paragraph.

3. Changes resulting from schedule disruption, such as, but not limited to inclement weather, holiday or observance, fire, flood, parade, public gathering, riot or other natural or unanticipated occurrence, will be implemented by the City, possibly requiring the Contractor to maintain the affected areas prior to the next maintenance schedule. As such, this maintenance will be performed by the Contractor at the price in effect at the time and will not be considered additional maintenance as defined in Section I., Parts 1 and 2.

(a) When maintenance is not performed due to holiday or observance thereof, the subject maintenance area shall occur within 2 working days of the regularly scheduled maintenance day without interruption in the regular maintenance schedule. Any such maintenance shall be performed by the Contractor at the curb mile price in effect at the time and shall not be considered additional maintenance.

(b) In the event the Contractor is prevented from completing the maintenance as provided in the approved schedule because of reasons other than inclement weather or holidays, the Contractor will be required to complete the maintenance

services so deferred within 2 calendar days without interruption in the regular maintenance schedule.

4. New or unforeseen work will be classified as "extra work" when the City determines that it is not covered by contract unit prices. Payment for extra work will be made at a price agreed upon between the City and the Contractor or, when the price cannot be agreed upon, the City will pay for the extra work based on the accumulation of **actual** cost.

5. The Contractor shall notify the City in writing of any changed conditions promptly upon discovery. Upon investigation, if the City determines the conditions are changed and will materially increase or decrease the costs of any portion of the work, a Change Order will be issued, upon agreement between the Contractor and the City, adjusting the compensation for such portion of the work. If both parties are unable to reach agreement, the City may direct the Contractor to proceed.

(a) If the City determines that the conditions of which it has been notified do not justify an adjustment in compensation, the Contractor will be so notified in writing. This notice shall advise the Contractor of its obligation to notify the City, in writing, if the Contractor disagrees.

(b) If the Contractor disagrees with such determination, it may submit a written notice of potential claim to the City before commencing the disputed work, and in no terms will the Contractor be excused on account of that disagreement from any scheduled work provided for by the contract, but shall proceed with all work to be performed under the contract. However, the Contractor shall retain any and all rights provided either by contract or by law which pertain the resolution of disputes and protests between the contracting parties. All "disputed work" shall be brought forth to and decided upon by the City Council.

(c) Contractor shall notify the City immediately of any condition which impedes normal maintenance operations.

ARTICLE V - INSURANCE

Contractor shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Contractor, his agents, representatives, employees or subcontractors.

Minimum Scope of Insurance

Coverage shall be at least as broad as:

1. Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001).

2. Insurance Services Office form number CA 0001 (Ed. 1/87) covering Automobile Liability, Code 1 (any auto).
3. Workers' Compensation Insurance as required by the State of California and Employer's Liability Insurance.

Minimum Limits of Insurance

Contractor shall maintain limits no less than:

1. General Liability: $1,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general limit shall be twice the required occurrence limit.
2. Automobile Liability: $1,000,000 per accident for bodily injury and property damage.
3. Employer's Liability: $1,000,000 per accident for bodily injury or disease.

Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to and approved by the Entity. At the option of the Entity, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the Entity, its officers, officials, employees and volunteers; or the Contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

Other Insurance Provisions

The general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

1. The Entity, its officers, officials, employees, agents and volunteers are to be covered as insured as respects: liability arising out of activities performed by or on behalf of the Contractor; products and completed operations of the Contractor; premises owned, occupied or used by the Contractor; or automobiles owned, leased, hired or borrowed by the Contractor. The coverage shall contain no special limitations on the scope of protection afforded to the Entity, its officers, officials, employees, agents or volunteers.
2. For any claims related to this project, the Contractor's insurance coverage shall be primary insurance as respects the Entity, its officers, officials, employees, agents and volunteers. Any insurance or self-insurance maintained by the Entity, its officers, officials, employees, agents or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.
3. Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to the Entity, its officers, officials, employees, agents or volunteers.
4. The Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

5. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the Entity.

Course of construction policies shall contain the following provisions:

1. Entity shall be named as loss payee.
2. The insurer shall waive all rights of subrogation against Entity.

Acceptability of Insurers
Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII.

Verification of Coverage
Contractor shall furnish the Entity with original endorsements effecting coverage required by this clause. The endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. The endorsements are to be on forms provided by the Entity. All endorsements are to be received and approved by the Entity before work commences. As an alternative to the Entity's forms, the Contractor's insurer may provide complete, certified copies of all required insurance policies, including endorsements effecting the coverage required by these specifications.

Subcontractors
Contractor shall include all subcontractors as insured under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

7-5 PERMITS

Prior to start of any work, the Contractor shall take out the applicable CITY permits and make arrangements for CITY inspections. The CITY will issue the permits at no charge to the Contractor.

The Contractor and all subcontractors shall be licensed in accordance with the State Business and Professions Code. The Contractor shall also obtain and pay any and all other permits, licenses, inspections, certificates, or authorizations required by any governing body or entity. The Contractor shall obtain and pay business registration certificate from the City.

ARTICLES VI - WORK SCHEDULE

A. A complete maintenance schedule shall be submitted to the City for approval prior to any work being done under this Contract. The schedule shall include all preventative maintenance.

B. To minimize public inconvenience, the Contractor shall diligently pursue the work to comply with the approved schedule. If, as determined by the City, the Contractor fails to

pursue the work to the extent that the above purpose is not being accomplished, the Contractor shall, upon orders from the City, immediately take steps necessary to fully accomplish said purpose. All cost of insuring the work as described herein shall be included in the amount of this contract. Should the Contractor fail to take the necessary steps to fully accomplish said purpose, after orders of the City to do so, the City may suspend the work in whole or in part, until the Contractor takes said steps. If this should exceed 10 days, the City shall engage alternative means to provide this service. The Contractor will be responsible for all costs in excess of the amount he would have been entitled to if he had provided the service.

ARTICLE VII - SUSPENSION/TERMINATION

A. Suspension of work and/or work performed by others will be executed in the following manner:

1. If the Contractor fails to commence work on the date specified, to execute the work in the manner and at such locations as specified, or fails to maintain a work program which will ensure the City's interest, or, if the Contractor is not carrying out the intent of the contract, a written notice by the City will be served upon the Contractor demanding satisfactory compliance with the contract. If the Contractor does not comply with such notice within 5 days after receiving it, or after starting to comply, fails to continue, the City may exclude it from the work site and complete the work by alternative means. Any cost incurred by the City due to use of alternative means will not relieve the Contractor from liability or any cost incurred in excess of what would have been paid to Contractor if Contractor had performed the work.

2. The work may be suspended in whole or in part when determined by the City that the suspension is necessary in the interest of the City. The Contractor shall comply immediately with any written order of the City suspending work. Such suspension shall be without liability to the Contractor on the part of the City except as otherwise specified above. If work is suspended through no fault of the City, all expenses and losses incurred by the Contractor during such suspensions shall be borne by the Contractor.

B. The City may terminate this Contract in the following manner:

1. When conditions encountered during the work make it impossible or impracticable to proceed, or when the City is prevented from proceeding with the contract by act of God, by law, or by official action of a public authority.

2. The contract may be canceled by the City without liability for damage, when in the City's opinion the Contractor is not complying in good faith, has become insolvent, or assigned or subcontracted any part of the work without the City's consent. In the event of such termination, the Contractor will be paid the actual amount due based on unit prices and the quantity of work completed at the time of termination, less damages caused to the City by acts of the Contractor causing the termination. Such damages shall include costs incurred by the City to complete the work over and above the costs which would have resulted had the work been completed under this contract. These damages may be

deducted from any money due or becoming due to the Contractor from the City. If the sums due under the contract are insufficient, the Contractor shall pay to the City, within ten (10) business days after receipt of an invoice from the City, all costs in excess of the amounts withheld by the City.

3. The provisions of this section shall be in addition to all other rights and remedies available to the City under law.

C. The effective termination of this Contract, unless otherwise determined by the City, shall be midnight, thirty-six (36) months after commencement. (refer to Article VIII - Extension)

D. The City and the Contractor may, in writing, mutually terminate this contract.

ARTICLE VIII - EXTENSION

The City reserves the right to extend this contract to a maximum of twenty-four (24) months per extension [not to exceed two (2) extensions] by enacting an amendment to this Contract. Each such Extension may include a compensation increase, determined by the City, not to exceed the Consumer Price Index, all Urban Consumers, for the Los Angeles-Long Beach-Anaheim Metropolitan Area, for the twelve (12) month period proceeding the amendment. Execution of each such amendment will be contingent on satisfactory performance and mutual agreement of the parties.

ARTICLE IX - CONTRACTOR'S EQUIPMENT

A. The Contractor shall furnish and maintain in good and safe condition all equipment as required for the proper execution of the Contract. Such equipment shall meet all requirements of applicable ordinances and laws. The City may reject any vehicle or piece of equipment not meeting these requirements.

B. The Contractor shall provide adequate equipment properly maintained mechanically and in appearance. The Contractor shall provide backup equipment adequate to ensure completion of scheduled work in the event scheduled equipment is down mechanically. All vehicles shall be clearly marked with the Contractor's name and vehicle number and the Contractor's telephone number prominently displayed for purposes of identification.

ARTICLE X - RECORDKEEPING

A. The Contractor shall keep payroll records and records of all work performed pursuant to this Contract.

1. Each Contractor and Subcontractor shall keep an accurate payroll record, showing the name, address, social security number, work classification, straight time and overtime hours worked each day, and the actual per diem wages paid to each journeyman, apprentice, worker, or other employees employed by him or her in connection with the public work, adhering to the provisions of Labor Code Section 1776.

2. The Contractor, its agents and employees shall be bound by and comply with all applicable provisions of the Labor Code and with Federal, State, and local laws related to labor.

3. The Contractor shall keep fully informed of State, Federal, Local, County and Municipal laws, ordinances and regulations which in any manner affect those employed in the work or in any way affect the conduct of the work. The Contractor shall at all times observe and comply with all such laws, ordinances and regulations.

4. The Contractor shall strictly adhere to the provisions of the Labor Code regarding minimum wages, the 8-hour day and 40-hour week, overtime, Saturday, Sunday, and holiday work, and nondiscrimination because of race, color, national origin, sex or religion. The Contractor shall forfeit to the City the penalties prescribed in the Labor Code for violations.

5. Pursuant to Section 1812 of the California Labor Code, on every day worked the Contractor shall submit to the City a written record of all employees working on the project that day. The record shall include each employee's name, Social Security number, job classification and the number of hours worked.

B. The Contractor's accounting and financial reporting system shall be in accordance with generally accepted accounting principles or with uniform standards that the City may establish.

C. The Contractor's accounting, payroll and work records and all other supporting papers developed for the Service by the Contractor shall be maintained for a minimum of three (3) years following the close of the fiscal year of expenditures and shall be held open to inspection and audit by City. Actual costs charged to the Service shall be supported by properly executed time/work records, invoices or vouchers, providing evidence of the nature and propriety of the charges incurred by the Contractor.

ARTICLE XI - ENTIRE AGREEMENT WAIVERS AND AMENDMENTS

A. This Contract is executed in triplicate, each of which is deemed to be an original.

B. This Contract includes thirteen (13) pages which constitutes the entire understanding and Contract of the parties.

C. This Contract integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous Contracts between the parties with respect to all or any part of the subject matter hereof.

D. All waivers of the provisions of this Contract must be in writing and signed by the appropriate authorities of the City and the Contractor, and all amendments hereto must be in writing and signed by the appropriate authorities of the City and the Contractor.

ARTICLE XII - ACCEPTANCE OF CONTRACT

IN WITNESS WHEREOF, the City and the Contractor have executed this Contract as of the dates set opposite their signatures.

City Manager

10/23/12
Date

Contractor

Date

Contractor Name

Attest:

City Clerk
City of Covina, California

APPROVED AS TO FORM:

City Attorney

10/24/12
Date

CONTRACTOR'S PROPOSAL

INFORMATION REQUIRED OF BIDDERS

Name of Bidder: Christian Brothers Mech Svcs.
Print/Type

Authorized Signature:

Name and Title of Signer: Donald Lemons, President
Print/Type

Address: 11140 Thurston Ln.
Street Name/P.O. Box Print/Type

Mira Loma CA 91752
City State Zip Code

Telephone/Fax: 951 - 361-2247 951-361-1581
Area Code Phone No. Fax No.

Date: September 26 2012
Month Day Year

Taxpayer Identification Number: 33-0193531

☑ Approved by vote 4-0 Stapleton Absent
☐ Not approved/Denied by vote _____
☐ Continued to _____
☐ Adopted Resolution No. _____
☐ Introduced/Adopted Ordinance No. _____

CITY OF COVINA
AGENDA ITEM COMMENTARY

MEETING DATE **September 1, 2015** **ITEM NO. CC 7**

STAFF SOURCE **Siobhan Foster, Director of Public Works**
Kristen Weger, Management Analyst

ITEM TITLE **Heating, Ventilation and Air Conditioning (HVAC) Maintenance Services for City-owned and Operated HVAC Systems – Approval of First Amendment to Agreement and Authorize City Manager to Execute Two-Year Contract Extension with Christian Brothers Mechanical Services**

STAFF RECOMMENDATION

1) Approve the First Amendment to the Agreement with Christian Brothers Mechanical Services for HVAC maintenance services for City-owned and operated HVAC systems to remove the Police Department HVAC system from the contract's scope of services; and
2) Authorize the City Manager to execute the attached two-year contract extension with Christian Brothers Mechanical Services extending the term of the agreement at substantially the same terms and conditions for the period of September 4, 2015 through September 4, 2017.

FISCAL IMPACT

The total General Fund impact of the two-year contract extension totals approximately $3,696 and is comprised of $2,240 for quarterly maintenance at City Hall ($280/quarter) and $1,456 for quarterly maintenance at the City Yard ($182/quarter). The estimated cost for each of fiscal year 2015-16 and 2016-17 is $1,848 per year.

The following represents the contract summary:

Description	Cost ($)/Quarter	Total ($)
City Hall – quarterly maintenance	280	1,120
City Yard – quarterly maintenance	182	728
Subtotal – Fiscal Year 2015-16	**462**	**1,848**
City Hall – quarterly maintenance	280	1,120
City Yard – quarterly maintenance	182	728
Subtotal – Fiscal Year 2015-16	**462**	**1,848**
Total Cost	**924**	**3,696**

The approved fiscal year 2015-16 Department of Public Works budget contains sufficient funding for the $1,848 cost of HVAC maintenance services. Funding for the second year of the contract extension will be included in the fiscal year 2016-17 Department of Public Works budget.

The following table presents a summary of the sources of funds that will be used:

Account	Total ($)
City Hall (account no. 1010-0930-52400)	2,240
City Yard (account no. 1010-2900-52400)	1,456
Total Sources	**3,696**

BACKGROUND

On September 4, 2012, the City Council awarded a bid to Christian Brothers Mechanical Services to provide HVAC maintenance services for City-owned and operated HVAC systems for a three-year period ending on September 4, 2015. Facilities covered by the contract are City Hall, City Yard, and the Police Department. Upon satisfactory contractor performance and if mutually agreeable to both parties, the contract may be extended twice for two-year periods.

The proposed First Amendment to the Agreement with Christian Brothers Mechanical Services for HVAC maintenance services would remove the Police Department HVAC system from the contract. On December 16, 2014, the City Council authorized the award of an Energy Efficiency Design-Build Contract to ACCO Engineered Systems in the amount of $219,514 for the Police Department HVAC System Upgrade and approved a three-year maintenance services agreement with ACCO for $20,871 (subject to price escalations for years two and three) to be funded from the Police Department budget (account no. 1010-1000-52400). On June 2, 2015, the City Council accepted the work performed by ACCO and authorized the City Clerk to file a Notice of Completion for the Police Department HVAC System Upgrade.

Based on the satisfactory performance of the Christian Brothers Mechanical Services to date, the Department of Public Works recommends that the City Council authorize the City Manager to execute proposed contract extension contained in Exhibit A, which would extend the contract with Christian Brothers Mechanical Services for the period of September 4, 2015 through September 4, 2017 for City Hall and the City Yard at the current rates. The proposed contract extension with Christian Brothers Mechanical Services allows for the City to terminate the contract extension without cause upon fourteen days' notice.

EXHIBIT

A. First Amendment to Maintenance Services Agreement
B. Letter Agreement to Extend HVAC Maintenance Services with Christian Brothers Mechanical Services.

Respectfully submitted

Siobhan Foster/Director of Public Works
Public Works Department

AMENDMENT NO. 1 TO
CONTRACT FOR
HVAC MAINTENANCE
IN THE CITY OF COVINA

This Amendment No. 1 ("First Amendment") to the September 4, 2012 Contract for HVAC Maintenance in the City of Covina ("Contract") between the City of Covina, a California municipal corporation ("City") and Christian Brothers Mechanical Services, Inc., a California corporation ("Contractor") is dated September 1, 2015 and is between City and Contractor.

RECITALS

A. City and Contractor entered into the Contract for routine, extraordinary and emergency HVAC maintenance services for all City-owned and operated HVAC systems.

B. City and Contractor desire to amend the Contract to: (1) extend the term of the Contract through September 30, 2017; (2) modify the scope services; (3) modify the compensation amount; and (4) add additional miscellaneous terms.

The parties therefore agree as follows:

1. Article II ("Service Description") of the Contract is hereby amended to read as follows:

> "Contractor agrees to provide HVAC maintenance operations, supervision, equipment, maintenance, tools, labor and materials for City-owned and operated HVAC systems located at City Hall and the City Yard, as specified within the Notice Inviting Bids packet for the same, which Notice Inviting Bids is incorporated into this Contract by this reference."

2. Paragraph A of Article III ("Payment") of the Contract is hereby amended to read as follows:

> "A. This Contract is for a period of 5 years, renewable thereafter a maximum of one time with the renewal option being for a two-year period upon satisfactory performance and written mutual consent commencing upon authorization. The City agrees to pay the Contractor in accordance with the following schedule:
>
> 1. City Hall Preventative Maintenance $280 PER SCHEDULED MAINTENANCE
>
> 2. City Yard Preventative Maintenance $182 PER SCHEDULED MAINTENANCE"

3. A new Paragraph E is hereby added to Article VII ("Suspension/Termination") of the Contract to read as follows:

> "E. This Contract may be terminated by either party at any time, at will, without cause, by giving notice to the other party at least fourteen (14) calendar days before the termination is to be effective. Contractor shall be paid for services satisfactorily rendered

to the last working day this Contract is in effect. Neither party shall have any other claim against the other party by reason of such termination."

4. A new Paragraph I is hereby added to Article IV ("Performance") of the Contract to read as follows:

"I. All notices, consents, request, demands and other communications required or permitted under this Agreement shall be in writing and conclusively deemed effective on (1) personal delivery, (2) confirmed delivery by courier service, (3) the first business day after transmission if sent by confirmed facsimile transmission, or (4) the third (3rd) business day after deposit in the United States mail, by first class mail, postage prepaid, to the addresses below, or to such other addresses as the parties may, from time to time, designate in writing pursuant to the provisions of this Paragraph I. All notices shall be delivered to the parties at the following addresses:

If to City:
City Clerk
City of Covina
125 E. College Street
Covina, CA 91723-2199
Fax: (626) 384-5425
E-mail: eleach@covinaca.gov

With a copy to:

Siobhan Foster, Director of Public Works
City of Covina
125 E. College Street
Covina, CA 91723-2199
Fax: (626) 384-5227
E-mail: sfoster@covinaca.gov

It to Contractor:
Attn: Donald Lemons
Christian Brothers Mechanical Services, Inc.
11140 Thurston Lane
Mira Loma, CA 91752
Fax: (951) 361-2247
E-mail: steve@cbhvac.com

A party may change its address for purposes of this Paragraph I by giving written notice of its new address to the other party in the manner set forth above."

5. Except as expressly modified or supplemented by this First Amendment, all other provisions of the Contract shall remain unaltered and in full force and effect. In the event of a conflict between the provisions of this First Amendment and the provisions of the Contract, the provisions of this First Amendment shall control.

6. This First Amendment may be executed in any number of counterparts, each of which will be an original, but all of which together will constitute one instrument.

7. The First Amendment shall be effective only when signed by all parties.

The parties, through their respective duly authorized signatories, are signing this First Amendment on the date stated in the introductory clause.

City

City of Covina,
a California municipal corporation

By: _____
Name: Andrea Miller
Title: City Manager

Contractor

Christian Brothers Mechanical Services, Inc.,
a California corporation

By: _____
Name: Donald Lemons
Title: □ Chairman x President □ Vice President

By: _____
Name: _____
Title: □ Secretary □ Asst. Secretary
□ Chief Finance Officer □ Asst. Treasurer

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

CITY OF COVINA

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

September 1, 2015

Donald Lemons
President
Christian Brothers Mechanical Services
11140 Thurston Lane
Mira Loma, CA 91752

RE: Extension of HVAC Maintenance Services Contract for City Hall and City Yard with Christian Brothers Mechanical Services

Dear Mrs. Lin:

The enclosed contract ("Contract") between Christian Brothers Mechanical Services and the City of Covina for Maintenance Services has expired. The City is interested in continuing to utilize your services upon substantially the same terms and conditions. Thus, the City is proposing that the parties agree to extend the Contract by entering this letter agreement, pursuant to the terms and conditions stated herein.

By signing below, the parties agree as follows:

1. The Contract, titled HVAC Maintenance in the City of Covina and dated September 4, 2012 is fully incorporated herein by this reference. Except as expressly set forth herein, the terms of the Contract shall be given full force and effect as part of this agreement.

2. The term of this agreement shall be twenty-four (24) months. This term may only be extended by the parties in writing. This term shall not automatically renew unless separately agreed in writing.

3. Either party may terminate this agreement without cause by giving the other party not less than fourteen (14) days' notice. City shall have no cost or liability to Contractor as a result of exercising its right to terminate without cause. This term shall supersede any provisions in the Contract related to termination without cause but shall not alter or replace any remedies or procedures contained in the Contract relating to terminations for cause.

4. To the extent there is a conflict between the terms set forth in this letter and the terms contained in the Contract, the terms of set forth in this letter shall control.

5. This agreement is an integrated agreement and contains the entire agreement between the parties. This agreement does not contain any modifications to the Contract except as stated in this letter. Handwritten or other modifications shall have no effect.

6. This agreement shall be effective upon the date the last party signs in the signature block below.

7. This agreement shall not take effect until the City signs in the signature block after receiving a duly signed agreement from the Contractor. City reserves the right to decline to enter the agreement.

8. The signatories signing this agreement are duly authorized to bind the parties hereto.

9. Notices sent under this agreement shall be sent to Contractor at the address contained in the Contract unless the following is completed:

Contractor:	Christian Brothers Mechanical Services
Attn:	Donald Lemons
Address:	11140 Thurston Lane Mira Loma, CA 91752
Phone:	(951) 361-2247
Facsimile:	(951) 361-2247
E-mail:	steve@cbhvac.com

If you are interested in extending the Contract pursuant to these terms and conditions, please sign in the signature block below and return to the City. Upon receipt of a signed agreement, the City will inform you within a reasonable time whether the City will enter the agreement. If entered, the City will send you a fully executed copy of this agreement. If you have questions, please contact Public Works Director, Siobhan Foster at (626) 384-5217.

CITY OF COVINA	**Christian Brothers Mechanical Services**
Andrea Miller, City Manager	Donald Lemons, President
September 1, 2015	September 1, 2015

CITY OF COVINA

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

September 1, 2015

Donald Lemons
President
Christian Brothers Mechanical Services
11140 Thurston Lane
Mira Loma, CA 91752

RE: Extension of HVAC Maintenance Services Contract for City Hall and City Yard with Christian Brothers Mechanical Services

Dear Mrs. Lin:

The enclosed contract ("Contract") between Christian Brothers Mechanical Services and the City of Covina for Maintenance Services has expired. The City is interested in continuing to utilize your services upon substantially the same terms and conditions. Thus, the City is proposing that the parties agree to extend the Contract by entering this letter agreement, pursuant to the terms and conditions stated herein.

By signing below, the parties agree as follows:

1. The Contract, titled HVAC Maintenance in the City of Covina and dated September 4, 2012 is fully incorporated herein by this reference. Except as expressly set forth herein, the terms of the Contract shall be given full force and effect as part of this agreement.

2. The term of this agreement shall be twenty-four (24) months. This term may only be extended by the parties in writing. This term shall not automatically renew unless separately agreed in writing.

3. Either party may terminate this agreement without cause by giving the other party not less than fourteen (14) days' notice. City shall have no cost or liability to Contractor as a result of exercising its right to terminate without cause. This term shall supersede any provisions in the Contract related to termination without cause but shall not alter or replace any remedies or procedures contained in the Contract relating to terminations for cause.

4. To the extent there is a conflict between the terms set forth in this letter and the terms contained in the Contract, the terms of set forth in this letter shall control.

5. This agreement is an integrated agreement and contains the entire agreement between the parties. This agreement does not contain any modifications to the Contract except as stated in this letter. Handwritten or other modifications shall have no effect.

6. This agreement shall be effective upon the date the last party signs in the signature block below.

7. This agreement shall not take effect until the City signs in the signature block after receiving a duly signed agreement from the Contractor. City reserves the right to decline to enter the agreement.

8. The signatories signing this agreement are duly authorized to bind the parties hereto.

9. Notices sent under this agreement shall be sent to Contractor at the address contained in the Contract unless the following is completed:

Contractor:	Christian Brothers Mechanical Services
Attn:	Donald Lemons
Address:	11140 Thurston Lane Mira Loma, CA 91752
Phone:	(951) 361-2247
Facsimile:	(951) 361-2247
E-mail:	steve@cbhvac.com

If you are interested in extending the Contract pursuant to these terms and conditions, please sign in the signature block below and return to the City. Upon receipt of a signed agreement, the City will inform you within a reasonable time whether the City will enter the agreement. If entered, the City will send you a fully executed copy of this agreement. If you have questions, please contact Public Works Director, Siobhan Foster at (626) 384-5217.

CITY OF COVINA

Andrea Miller, City Manager

September 1, 2015

Christian Brothers Mechanical Services

Donald Lemons, President

9/15/2015

September 15, 2015

AMENDMENT NO. 1 TO
CONTRACT FOR
HVAC MAINTENANCE
IN THE CITY OF COVINA

This Amendment No. 1 ("First Amendment") to the September 4, 2012 Contract for HVAC Maintenance in the City of Covina ("Contract") between the City of Covina, a California municipal corporation ("City") and Christian Brothers Mechanical Services, Inc., a California corporation ("Contractor") is dated September 1, 2015 and is between City and Contractor.

RECITALS

A. City and Contractor entered into the Contract for routine, extraordinary and emergency HVAC maintenance services for all City-owned and operated HVAC systems.

B. City and Contractor desire to amend the Contract to: (1) extend the term of the Contract through September 30, 2017; (2) modify the scope services; (3) modify the compensation amount; and (4) add additional miscellaneous terms.

The parties therefore agree as follows:

1. Article II ("Service Description") of the Contract is hereby amended to read as follows:

"Contractor agrees to provide HVAC maintenance operations, supervision, equipment, maintenance, tools, labor and materials for City-owned and operated HVAC systems located at City Hall and the City Yard, as specified within the Notice Inviting Bids packet for the same, which Notice Inviting Bids is incorporated into this Contract by this reference."

2. Paragraph A of Article III ("Payment") of the Contract is hereby amended to read as follows:

"A. This Contract is for a period of 5 years, renewable thereafter a maximum of one time with the renewal option being for a two-year period upon satisfactory performance and written mutual consent commencing upon authorization. The City agrees to pay the Contractor in accordance with the following schedule:

1. City Hall Preventative Maintenance $280 PER SCHEDULED MAINTENANCE

2. City Yard Preventative Maintenance $182 PER SCHEDULED MAINTENANCE"

3. A new Paragraph E is hereby added to Article VII ("Suspension/Termination") of the Contract to read as follows:

"E. This Contract may be terminated by either party at any time, at will, without cause, by giving notice to the other party at least fourteen (14) calendar days before the termination is to be effective. Contractor shall be paid for services satisfactorily rendered

to the last working day this Contract is in effect. Neither party shall have any other claim against the other party by reason of such termination."

4. A new Paragraph I is hereby added to Article IV ("Performance") of the Contract to read as follows:

"I. All notices, consents, request, demands and other communications required or permitted under this Agreement shall be in writing and conclusively deemed effective on (1) personal delivery, (2) confirmed delivery by courier service, (3) the first business day after transmission if sent by confirmed facsimile transmission, or (4) the third (3rd) business day after deposit in the United States mail, by first class mail, postage prepaid, to the addresses below, or to such other addresses as the parties may, from time to time, designate in writing pursuant to the provisions of this Paragraph I. All notices shall be delivered to the parties at the following addresses:

If to City:
City Clerk
City of Covina
125 E. College Street
Covina, CA 91723-2199
Fax: (626) 384-5425
E-mail: eleach@covinaca.gov

With a copy to:

Siobhan Foster, Director of Public Works
City of Covina
125 E. College Street
Covina, CA 91723-2199
Fax: (626) 384-5227
E-mail: sfoster@covinaca.gov

It to Contractor:
Attn: Donald Lemons
Christian Brothers Mechanical Services, Inc.
11140 Thurston Lane
Mira Loma, CA 91752
Fax: (951) 361-2247
E-mail: steve@cbhvac.com

A party may change its address for purposes of this Paragraph I by giving written notice of its new address to the other party in the manner set forth above."

5. Except as expressly modified or supplemented by this First Amendment, all other provisions of the Contract shall remain unaltered and in full force and effect. In the event of a conflict between the provisions of this First Amendment and the provisions of the Contract, the provisions of this First Amendment shall control.

6. This First Amendment may be executed in any number of counterparts, each of which will be an original, but all of which together will constitute one instrument.

7. The First Amendment shall be effective only when signed by all parties.

The parties, through their respective duly authorized signatories, are signing this First Amendment on the date stated in the introductory clause.

City

City of Covina,
a California municipal corporation

By: _____
Name: Andrea Miller
Title: City Manager

Contractor

Christian Brothers Mechanical Services, Inc.,
a California corporation

By: _____
Name: Donald Lemons
Title: □ Chairman x President □ Vice President

By: _____
Name: Donald Lemons
Title: □ Secretary □ Asst. Secretary
□ Chief Finance Officer □ Asst. Treasurer

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

SECOND AMENDMENT TO CONTRACT BETWEEN THE CITY OF COVINA AND CHRISTIAN BROTHERS MECHANICAL SERVICES, INC.
HVAC MAINTENANCE

This Second Amendment to the September 4, 2012 Contract for HVAC Maintenance in the City of Covina ("Contract") between the City of Covina, a California municipal corporation ("City") and Christian Brothers Mechanical Services, Inc., a California corporation ("Contractor"), is dated and effective December 6, 2016, and is between City and Contractor.

RECITALS

A. City and Contractor entered into the Contract for routine, extraordinary and emergency HVAC maintenance services for all City-owned and operated HVAC Systems.

B. The parties amended the Contract on September 1, 2015, to (1) extend the term of the Contract through September 30, 2017; (2) modify the scope services; (3) modify the compensation amount; and (4) add additional miscellaneous terms.

C. The parties desire to further amend the Contract in accordance with Article III, to modify the scope of service and the compensation amount.

The parties therefore agree as follows:

Section 1. In accordance with Article III (Payment) of the Contract is hereby amended to read as follows:

"A. This contract is for a period of five years, renewable thereafter a maximum of one time with the renewal option being for a two-year period upon satisfactory performance and written mutual consent commencing upon authorization. The City agrees to pay the Contractor in accordance with the following schedule:

1.	City Hall Preventative	$280	Per Scheduled Maintenance
2.	City Yard Preventative	$182	Per Scheduled Maintenance
3.	City Hall Parking Structure Complex Preventative	$192	Per Scheduled Maintenance
4.	Covina Metrolink Station Parking Complex	$384	Per Scheduled Maintenance
5.	On-Call Emergency Maintenance and Repairs for a not-to-exceed amount of $13,580		

In no event shall the City pay the Contractor a total agreement amount that exceeds Forty-Six Thousand One-Hundred and Twenty-Four Dollars ($46,124.00), for the term of the agreement September 4, 2012 to September 4, 2017.

Section 2. Except as expressly modified or supplemented by this Second Amendment, all of the provisions of the Contract, as amended by the First Amendment, shall remain unaltered and in full force and effect. In the event of conflict between the provisions of this Second Amendment and the provisions of the Contract and First Amendment, the provisions of the Second Amendment shall control.

The parties are signing this Second Amendment as of 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

Contractor:

Christian Brothers Mechanical Services, Inc.,
a California Corporation

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.*)

RESOLUTION NO. 16-7564

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 $9,580 FROM AVAILABLE WATER CAPITAL IMPROVEMENT FUND BALANCE TO INCREASE FUNDING FOR THE HEATING VENTILATION AIR CONDITIONING (HVAC) MAINTENANCE CONTRACT WITH CHRISTIAN BROTHERS MECHANICAL SERVICES, INC. AND INCREASE THE FISCAL YEAR 2017 WATER DIVISON POWER AND PUMPING BUDGET (ACCOUNT NO. 6010-5060-52400) IN THE AMOUNT OF $9,580

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, on July 19, 2016, the City Council adopted Resolution No. 16-7503 approving the Fiscal Year 2017 Operating Budget; and

WHEREAS, the approved Fiscal Year 2017 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 and amendments (increases/decreases) to the adopted Fiscal Year 2017 Operating Budget shall be by approval and Resolution of the City Council; and

WHEREAS, the approved Fiscal Year 2017 Operating Budget includes $1,848 for the HVAC Maintenance Contract with Christian Brothers Mechanical Services, Inc., including $1,120 for scheduled HVAC maintenance at City Hall and $728 for the City Yard; and

WHEREAS, on September 4, 2012, the City Council awarded a Contract with Christian Brothers Mechanical Services, Inc. for HVAC maintenance for city-owned and operated HVAC systems at City Hall, the City Yard, and the Police Department; and

WHEREAS, on September 1, 2015, the City Council approved the First Amendment to the Contract with Christian Brothers Mechanical Services, Inc. for HVAC maintenance for city-owned and operated HVAC systems for City Hall and the City Yard, extending the term of the Contract through September 4, 2017, and removed the Police Department HVAC system from the Contract; and

WHEREAS, the City of Covina wishes to expand the scope of services with Christian Brothers Mechanical Systems, Inc. to include city-owned and operated HVAC systems at the Metrolink Station Parking Complex and the City Hall Parking Structure in the amounts of $1,152 and $576, respectively, for FY 2017; and

WHEREAS, the need to have on-call emergency repair maintenance service is crucial and in the City's best interest as it may prevent HVAC system failure; and

WHEREAS, the City of Covina wishes to expand the scope of services with Christian Brothers Mechanical Systems, Inc. to include such on-call emergency repair service in the amount of $13,580 in FY 2017, which includes the expense of $9,580 for the replacement of the HVAC system at the Forestdale Reservoir site.

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 HVAC Maintenance Contract with Christian Brothers Mechanical Services, Inc. and appropriate $9,580 from available Water Capital Improvement Fund balance to the HVAC Maintenance Contract with Christian Brothers Mechanical Services, Inc. for the replacement of the HVAC System at the Forestdale Reservoir (account no. 6010-5060-52400).

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 6th day of December, 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. 16-7564 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

AGENDA REPORT

ITEM NO. CC 11

MEETING DATE:	December 6, 2016
TITLE:	Fourth Amendment to Contract for Park Landscape Maintenance Services with Landcare USA, LLC
PRESENTED BY:	Siobhan Foster, Director of Public Works
RECOMMENDATION:	Authorize the Interim City Manager to execute the attached Fourth Amendment to the Contract for Park Landscape Maintenance with Landcare USA, LLC.

BACKGROUND:

Since 2002, TruGreen Landcare has provided park landscape maintenance services for the City of Covina. On May 21, 2002, the City Council approved a contract with TruGreen Landcare in the amount of $83,926.74 for General Park Maintenance Project No. 93-PR1A, 93-PR1B. The term of the contract was from July 1, 2002 through June 13, 2003.

On June 17, 2003, the City Council approved a contract with TruGreen Landcare in the amount of $86,443.49 for General Park Maintenance Project No. 93-PR1A, 93-PR1B. The term of the contract was from July 1, 2003 through June 13, 2004.

On May 4, 2004, the City Council approved a one-year renewal contract with TruGreen Landcare for Park Landscape Maintenance services in the amount of $89,036.87. This contract includes a 3% Consumer Price Index (CPI) increase of $2,593.38. The term of the contract was from July 1, 2004 to June 13, 2005.

On March 15, 2005, the City Council approved a one-year contract for fiscal year 2005-06 to perform Park Landscape Maintenance services in the amount of $83,503.54.

On June 6, 2006, the City Council approved a one-year contract for fiscal year 2006-07 to perform Park Landscape Maintenance services in the amount of $88,012.75. The contract amount includes an additional 5% contingency to perform any necessary emergency work.

On April 17, 2007, the City Council approved a one-year contract for fiscal year 2007-08 to perform Park Landscape Maintenance services in the amount of $91,093.12. This contract includes a 3.5% CPI increase of $3,080.37.

On June 16, 2009, the City Council approved a one-year contract for fiscal year 2009-10 to perform Park Landscape Maintenance services in the amount of $97,766.56. This contract includes a 3% CPI increase of $2,847.57.

On June 15, 2010, the City Council approved the First Amendment to the Park Landscape Maintenance contract with TruGreen Landcare to expand the scope of services to include maintenance of Edna Park, Civic Center Park, and Covina Park for an additional $19,200 per year for a total contract amount of $107,189.90. The term of the contract is from July 1, 2010 to June 13, 2013.

On June 4, 2013, the City Council approved the Second Amendment to the Park Landscape Maintenance contract for the period of July 1, 2013 through June 30, 2016.

In September 2015, park maintenance functions, including park landscape maintenance responsibilities, transitioned to the Department of Public Works, making the department solely responsible for the maintenance of the City's public landscape throughout the City, including parks and medians.

On June 21, 2016, the City Council approved the Third Amendment to the Park Landscape Maintenance contract for the period of July 1, 2016 through December 31, 2016, for a not-to-exceed amount of $59,400 with TruGreen Land care, LLC.

On July 19, 2016, the City Council approved the revised Third Amendment to the Contract for Park Landscape Maintenance with Landcare USA, LLC. The revised Third Amendment reflects the current name of the Contractor and was necessary because TruGreen Landcare, LLC changed its name to Landcare USA, LLC, effective July 14, 2015. The Contractor failed to notify the City of its legal name change and for that reason the City was unable to fully execute the approved agreement authorized by the City Council on June 21, 2016.

DISCUSSION:

Landcare USA, LLC currently maintains Covina, Edna, Hollenbeck, Kahler Russell, Kelby, and Three Oaks Parks, Heritage Plaza, Jobe's Glen at Jalapa Park, Forest Hills Parkway, City Hall grounds, and the Nature Trail at Kahler Russell Park. Landcare USA, LLC is currently working under a six month contract amendment that expires December 31, 2016.

The Department of Public Works is in the process of initiating the formal bidding process for Park and Median Landscape Maintenance with the goal of having the new contract effective at the start of the new fiscal year, on July 1, 2017. Once the Notice Inviting Bids (NIB) is finalized, the bid opportunity will be advertised for a minimum of two consecutive weeks in accordance with the requirements of Public Contracts Code Section 10140.

The tentative timeline for the formal bidding process is outlined below:

Milestone	Date
Legal review of bid documents	January 3 to January 13, 2017
Release NIB	January 18, 2017
Bid opening	February 8, 2017
Bid evaluation /reference checks	February 9 to March 8, 2017
Prepare contract/agenda report	March 9 to April 17, 2017
Obtain signatures on contract/insurance	April 18 to May 5, 2017
Consideration of bid award by City Council	June 6, 2017
Effective date of new contract	July 1, 2017

To prevent discontinuity of park landscape maintenance services in the interim, the Department of Public Works recommends that the City Council authorize the Interim City Manager to

execute the attached Fourth Amendment to the Contract for Park Landscape Maintenance with Landcare USA, LLC to extend the contract term through June 30, 2017. The proposed contract amendment will retain the current rates and not be adjusted for any fluctuations in the Consumer Price Index (CPI) during the six month term.

Granting authorization to the Interim City Manager to execute the proposed Fourth Amendment to the Contract for Park Landscape Maintenance will allow the Department of Public Works to competitively bid park and median landscape maintenance services, as required by Chapter 2.20.090 (Formal bid procedure – Generally) of the Covina Municipal Code, while ensuring that the City continues to receive quality service from an existing provider that is experienced in responding to and maintaining City parks and trails.

FISCAL IMPACT:
The General Fund impact associated with the Fourth Amendment to the Contract for Park Landscape Maintenance with Landcare USA, LLC is $59,400. The approved FY 2017 Department of Public Works budget contains sufficient funding for the proposed contract period, in the following expenditure accounts:

Account	Amount ($)
1010-2550-52320	35,300
1010-PM03-52320	900
1010-PM02-52320	20,000
1010-PM06-52320	3,200
Total	59,400

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. The proposed Fourth Amendment to the Contract for Park Landscape Maintenance with Landcare USA, LLC will not result in any significant effect on the environment.

Respectfully submitted,

Siobhan Foster
Director of Public Works

ATTACHMENT:
Attachment A: Fourth Amendment to Park Landscape Maintenance Contract with Landcare USA, LLC

FOURTH AMENDMENT TO CONTRACT BETWEEN THE CITY OF COVINA AND LANDCARE USA, LLC FOR LANDSCAPE MAINTENANCE SERVICES

The Fourth Amendment Contract for Landscape Maintenance in the City of Covina ("Contract") between the City of Covina, a California municipal corporation ("City") and LandCare USA, LLC, a limited liability company, formerly TruGreen Landcare, a California corporation ("Contractor") is dated and effective January 1, 2017, and is between City and Contractor.

RECITALS

A. On July 1, 2009, the City and TruGreen Landcare entered into a Contract for Contractor to perform landscape maintenance for City-owned parks.

B. On July 1, 2010, the City and TruGreen Landcare entered into a First Amendment to Contract, to expand the scope of work, increase the compensation amount and extend the term of the Contract for three (3) years to June 13, 2013.

C. On July 1, 2013, the City and TruGreen Landcare entered into a Second Amendment to Contract, to extend the term of the Contract for three (3) years to June 30, 2016.

D. On July 1, 2016, the City and LandCare USA, LLC entered into a Third Amendment to Contract, acknowledging the name change from TruGreen Landcare to LandCare USA, LLC and extending the term of the Contract for six (6) months to December 31, 2016.

E. Section 6(b) of the Contract provides that City and Contractor may extend the Contract, by written amendment to the Contract.

F. The parties desire to further amend the Contract in accordance with Section 6(b), to extend the term of the contract for six (6) months to June 30, 2017.

The parties therefore agree as follows:

Section 1. To further extend the term of the Contract for six (6) months to June 30, 2017.

Section 2. The total amount of compensation to LandCare USA, LLC for the period of January 1, 2017 to June 30, 2017 shall not exceed $59,400.

Section 3. Except as expressly modified or supplemented by this Fourth Amendment, all of the provisions of the Contract, as amended by the First, Second and Third Amendment, shall remain unaltered and in full force and effect. In the event of conflict between the provisions of this Fourth Amendment and the provisions of the Contract, First Amendment, Second Amendment and Third Amendment, the provisions of the Fourth Amendment shall control.

The parties are signing this Fourth Amendment as of the date stated in the introductory clause:

[SIGNATURE PAGE FOLLOWS]

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

Contractor:

LandCare USA, LLC
a limited liability company

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

(*Two signatures of managers are required under Corporations Code Section 17703.01, unless the articles of organization state that the limited liability company is managed by only one manager.*)

CITY OF COVINA

AGENDA REPORT

ITEM NO. CC 12

MEETING DATE: December 6, 2016

TITLE: Energy Management Agreement with EnerNoc Inc. for management services to comply with Southern California Edison's Demand Management Program

PRESENTED BY: Siobhan Foster, Director of Public Works

RECOMMENDATION:

1) Authorize the Interim City Manager to execute the attached Energy Management Agreement and Statement of Work with EnerNoc Inc. for management services to comply with Southern California Edison's Demand Management Program;
2) Authorize the Interim City Manager to execute the attached Customer Information Service Request for Demand Response Provider; and
3) Authorize the Interim City Manager to execute the attached Aggregator Remove Form.

BACKGROUND:

Energy demand response management is used by the power industry to meet peak system demands through customers reshaping or curtailing load on an as-needed basis. The power industry provides monetary incentives to its customers that can shed their energy load. This is a mutually beneficial arrangement. The power supplier can save on capital costs for expansion of power production facilities and its customers, through participation in demand response programs, and are able to leverage their individual flexibility in energy consumption to create value for themselves. The City has successfully participated in demand response management programs as provided below. Utility companies offer these programs through a third-party contractor.

On September 27, 2012, the City entered into an Energy Response and Service Agreement (ERSA) with EnerNOC, Inc. for the Aggregator-Managed Program (AMP). Through this agreement, the City obtained management services for compliance with the Southern California Edison's (SCE) AMP to receive credit for power costs for the following site locations: 701 South Sunflower Avenue (Charter Oak), 1051 E. Cypress Street (Cypress), and 285 North Forestdale Avenue (Forestdale). The ERSA duration was for 51 months with the option to extend for successive two-year terms. The current ESRA expires in December 2016. Cost savings from the City's participation in the AMP was $5,264 for Fiscal Year 2015/16. Effective October 31, 2016, SCE no longer provides the AMP.

SCE is offering a new demand response program, Demand Response Auction Mechanism (DRAM) that is also offered through EnerNOC, Inc. for participants to enroll. The new program requires agencies to execute an Energy Management Agreement and a Statement of Work for

enrollment and participation in SCE's DRAM Program. The Aggregator Remove Form authorizes SCE to remove accounts from the AMP, revoke agent authorization, and revoke authorization to release customer information.

The new program has been modified to include various methods to manage demand response events. A demand response event is when the demand for electricity is high and it is determined that the system reliability is at risk. The city operates under the DRAM option available through EnerNOC. The call period under DRAM is from 1 p.m. to 6p.m. with up to 24 hour notice from EnerNOC. It is anticipated that cost savings under the new program will be consistent with past performances. Of course, SCE's ability to meet energy demands plays a significant role in the frequency of calls to perform in the demand response program, which may directly impact the amount of cost savings to the City.

DISCUSSION:
EnerNOC, Inc. currently provides energy management services to comply with SCE's AMP for the City of Covina's pumping facilities located at: 701 South Sunflower Avenue (Charter Oak), 1051 E. Cypress Street (Cypress), and 285 North Forestdale Avenue (Forestdale) under an agreement that expires in December 2016.

The Department of Public Works, Water Division recommends that the City Council authorize the Interim City Manager to execute the attached Energy Management Agreement and Statement of Work with EnerNOC Inc. for management services to comply with SCE's Demand Management Program, Customer Information Service Request for Demand Response Provider, and the Aggregator Remove Form. The attached Energy Management Agreement with EnerNOC, Inc. will allow the City to receive cost savings for curtailing power at the following pumping facilities: 701 South Sunflower Avenue (Charter Oak), 1051 E. Cypress Street (Cypress), and 285 North Forestdale Avenue (Forestdale).

Since September 27, 2012, the City has not experienced any negative water system operational impacts from its participation in the expiring EnerNOC AMP and is not anticipating that there would be impacts resulting from participation in the new DRAM Program for a period of 60 months, from January 1, 2017 through December 31, 2021. There is no penalty for underperformance or non-performance with the program. Should this occur, the service provider will evaluate the City's eligibility for future enrollment in the program.

FISCAL IMPACT:
There is no General Fund fiscal impact associated with the Energy Management Agreement and Statement of Work with EnerNOC, Inc. Savings from the City's participation in the AMP was $5,264 for Fiscal Year 2015/16. The City expects to realize similar annual savings through participation in the new DRAM Program.

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. The attached Energy Management Agreement and Statement of Work with EnerNOC, Inc. will not result in any significant effect on the environment.

Respectfully submitted,

Siobhan Foster
Director of Public Works

ATTACHMENTS:
Attachment A: Energy Management Agreement and Statement of Work with EnerNOC, Inc.
Attachment B: Customer Information Service Request for Demand Response Provider
Attachment C: Aggregator Remove Form

ENERNOC

Energy Management Agreement

This Energy Management Agreement (this "EMA"), entered into on _____ (the "Effective Date"), is made by and between EnerNOC, Inc., located at One Marina Park Drive, Suite 400, Boston, MA 02210 ("EnerNOC"), and City of Covina, located at 534 N Barranca Ave, Covina, CA 91723 ("Customer"). EnerNOC and Customer are referred to herein collectively as the "Parties" and each individually as a "Party" to this EMA.

1. **Solutions.** This EMA is a master agreement between the Parties and sets forth the terms and conditions that will govern the rights, responsibilities, and obligations of the Parties with respect to the provision of the solutions (the "Solutions"), the scope of which are described in the applicable statements of work attached hereto (each a "SOW" and together with this EMA, the "Agreement"). EnerNOC will provide the Solutions in accordance with the Agreement and the applicable SOW. Each time Customer desires to procure any of the Solutions from EnerNOC, EnerNOC and Customer will execute a SOW that specifies, among other things, a description of the Solutions to be provided, the compensation for those Solutions, and any other details related to the engagement.

2. **Use and Access License.** For the duration of the term of any duly executed SOW, EnerNOC grants to Customer a limited, revocable, non-transferrable (except as set forth herein) and non-exclusive right to use and access (including through remote means) the Solutions solely for Customer's internal business operations and subject to the terms of this EMA and the applicable SOW. Without limiting the terms of the Agreement, Customer agrees not to decompile, disassemble, reverse engineer or otherwise attempt to perceive the source code relating to the Solutions or any web-based portal relating thereto or assign, sublicense, sell, resell, lease or otherwise transfer, convey, or pledge as security or encumber, any right in the Solutions. Except as expressly permitted herein, Customer agrees that it shall not receive any right, title or interest in, or any license or right to use or access, the Solutions or any patent, copyright, trade secret, trademark or other intellectual property rights therein by implication or otherwise.

3. **Term.** This EMA shall commence on the Effective Date and continue until terminated in accordance with the terms herein (the "Term").

4. **Confidentiality.**

   a. ***Nondisclosure to Third Parties.*** In providing the Solutions under the Agreement, each Party will be exposed to certain Confidential Information (as hereinafter defined) of the other Party. Each Party on its own behalf and on behalf of its employees, contractors and agents (collectively, "Representatives") agrees not to, except as required by applicable law or regulation or in accordance with this EMA, use or disclose such Confidential Information without the prior written consent of the other Party, either during or after the Term. To protect Confidential Information, each Party agrees to: (i) limit dissemination of Confidential Information to only those Representatives having a "need to know"; (ii) advise each Representative who receives Confidential Information of the confidential nature of such information; and (iii) have appropriate agreements, policies and/or procedures in place with such Representatives sufficient to enable compliance with the confidentiality obligations contained herein. The term "Confidential Information" means all information, including, without limitation, any trade secrets, which is disclosed, either orally or in written form, by either Party or its Representatives and shall be deemed to include: (x) any notes, analyses, compilations, studies, interpretations, memoranda or other documents prepared by either Party or its Representatives which contain, reflect or are based upon, in whole or in part, any Confidential Information furnished to a receiving Party or its Representatives pursuant hereto; and (y) any information concerning the business relationship between the Parties.

   b. ***Use of Confidential Information.*** Customer acknowledges that EnerNOC may receive Confidential Information of Customer from the applicable independent system/grid operator and/or utility, through data collected through the Solutions or otherwise, which may be used or disclosed by EnerNOC as necessary for the performance of the Agreement.

5. **Aggregate Data Collection and Usage.** Customer acknowledges and agrees that EnerNOC may: (i) collect, process and aggregate any data used with, stored in, or related to the Solutions, including, without limitation, end-user energy usage and demand data, and create aggregate data records ("Aggregate Data") by removing any personally identifiable information ("PII") from the underlying data; (ii) use such Aggregate Data to improve the Solutions, develop new solutions, understand actual energy usage and demand trends and general industry trends, develop white papers, reports, or databases summarizing the foregoing, and generally for any legitimate purpose related to EnerNOC's business; and (iii) share Aggregate Data with third parties or publish any reports, white papers, or other summaries based on Aggregate Data.

6. **Logo Authorization.** In connection with the Agreement, Customer hereby consents to EnerNOC's use of Customer's name and logo in EnerNOC's promotional materials, including, but not limited to, website, presentations and other printed materials. EnerNOC acknowledges that Customer is the owner of all right, title and interest in and to Customer's name and logo and shall not take any action that is inconsistent with such ownership.

7. **Limitation on Liability.** Except for breaches of confidentiality, EnerNOC's liability hereunder is limited to direct actual damages as the sole and exclusive remedy, and total damages under the Agreement shall not exceed $100,000.00. In no event shall either

Party, its parent, officers, directors, partners, shareholders, employees or affiliates, or any contractor or subcontractor or its employees or affiliates, be liable to the other Party for special, indirect, exemplary, punitive, incidental or consequential damages of any nature whatsoever connected with or resulting from the Solutions or from performance or non-performance of obligations under the Agreement, including without limitation, damages or claims in the nature of lost revenue, income or profits, loss of use, or cost of capital, irrespective of whether such damages are reasonably foreseeable and irrespective of whether such claims are based upon negligence, strict liability contract, operation of law or otherwise.

8. **Warranty Limitations.** IF THE SOLUTIONS BECOME OR ARE LIKELY TO BECOME THE SUBJECT OF ANY THIRD PARTY INTELLECTUAL PROPERTY INFRINGEMENT CLAIM OR ACTION, ENERNOC MAY, AT ENERNOC'S SOLE OPTION, EITHER: (I) REPLACE SUCH SOLUTIONS WITH AN EQUALLY SUITABLE SOLUTION FREE OF INFRINGEMENT; (II) MODIFY OR OBTAIN A LICENSE FOR THE SOLUTIONS SO THAT THEY NO LONGER INFRINGE ON ANY RIGHTS; OR (III) AFTER ENERNOC HAS DEMONSTRATED ITS GOOD FAITH EFFORTS TO ACHIEVE THE FOREGOING WITHOUT SUCCESS, TERMINATE THE APPLICABLE SOW. EXCEPT AS PROVIDED HEREIN, THE SOLUTIONS (AND ANY SOFTWARE, HARDWARE, OR OTHER COMPONENT THEREOF) ARE PROVIDED AS IS WITHOUT ANY WARRANTY OF ANY KIND. ALL WARRANTIES, WHETHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ALL WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, ARE EXPRESSLY DISCLAIMED TO THE FULLEST EXTENT PERMISSIBLE UNDER APPLICABLE LAW.

9. **Choice of Law.** The Agreement shall be governed by and construed and enforced in accordance with the laws of State of California, without giving effect to choice of law rules.

10. **Miscellaneous.** Customer may not assign any of its rights or delegate any of its performance obligations hereunder without the prior written consent of EnerNOC; except that Customer may assign the Agreement to its successor or any entity acquiring all or substantially all of the assets of Customer by providing EnerNOC with written notice promptly following the acquisition date. The Agreement, including all exhibits, attachments and SOWs, constitutes the entire agreement between Customer and EnerNOC and may only be amended in writing signed by each of the Parties. In the event of any conflict between this EMA and a SOW, the terms of this EMA shall control with respect to the applicable SOW. If any of its provisions shall be held invalid or unenforceable, the Agreement shall be construed as if not containing those provisions and the rights and obligations of the Parties hereto shall be construed and enforced accordingly. The Agreement shall be binding upon the Parties together with their successors and permitted assigns. Each Party shall be responsible for its Representatives' compliance with the Agreement. Customer shall promptly notify EnerNOC in writing of any changes occurring during the Term to the Customer address(es) set forth in this EMA.

11. **Taxes.** Fees, costs, and expenses described in the Agreement do not include any sales, use, personal property, duty, levy, or similar governance charge, value added or good/services taxes. EnerNOC may include applicable taxes as separate items on Customer's invoice, and Customer shall be responsible to pay and/or reimburse EnerNOC for all taxes (other than taxes based on EnerNOC's income), unless Customer has provided adequate evidence of exemption upon execution of this EMA or the applicable SOW. If withholding of taxes is required by any government, Customer shall remit such taxes in accordance with applicable law, gross up the applicable payment amounts so that EnerNOC receives the full amount of fees invoiced, and provide EnerNOC with applicable evidence of withholding.

12. **Force Majeure.** The Parties shall be excused for any failure or delay in the performance of their obligations hereunder due to acts of God or any other legitimate cause beyond their reasonable control.

13. **Termination.** Either Party may terminate this EMA (i) in the event of the other Party's material breach of this EMA or any SOW, provided that the breaching Party fails to cure the specific breach within thirty (30) days following date of written notice from the non-breaching Party specifying the purported breach; (ii) immediately upon the institution by or against the other Party of insolvency, receivership or bankruptcy proceedings or any other proceedings for the settlement of the other Party's debts; or (iii) for convenience by giving the other Party sixty (60) days prior written notice; provided, however, that neither Party may terminate this EMA so long as any SOW executed by the Parties hereunder remains in effect.

14. **Notices.** Any notices required or permitted to be given hereunder by either Party to the other Party shall be given in writing by: (i) personal delivery; (ii) bonded courier or nationally recognized overnight delivery company; or (iii) electronic mail. If notice is given by personal delivery, bonded courier or nationally recognized overnight delivery company, such notice shall be addressed to the Parties as follows (or to such other addresses as the Parties may request in writing by notice given pursuant to this Section): to EnerNOC at EnerNOC, Inc., Attn: Legal Department, One Marina Park Drive, Suite 400, Boston, MA 02210; and to Customer at City of Covina, 534 N Barranca Ave, Covina, CA 91723. If notice is sent by electronic mail, such notice shall be sent to EnerNOC at contractmanagement@enernoc.com; and/or to Customer at ddospital@covinaca.gov.

ENERNOC

IN WITNESS WHEREOF, and intending to be legally bound, the Parties have duly executed this EMA by their authorized representatives as of the Effective Date.

EnerNOC, Inc.		**City of Covina**	
Name:	_____	Name:	_____
Title:	_____	Title:	_____
Signature:	_____	Signature:	_____

ENERNOC

Demand Response
Statement of Work

This Statement of Work (this "SOW"), entered into on _____ (the "SOW Effective Date"), is made by and between EnerNOC, Inc., located at One Marina Park Drive, Suite 400, Boston, MA 02210 ("EnerNOC"), and City of Covina, located at 534 N Barranca Ave, Covina, CA 91723 ("Customer"). Unless otherwise defined herein, capitalized terms in this SOW shall have the meanings given to them in the Energy Management Agreement by and between the Parties effective as of _____ (the "EMA"), the terms and conditions of which are hereby incorporated by reference.

1. **Term.** This SOW shall commence on the SOW Effective Date and continue until the last day of the month that is 60 months following the SOW Effective Date, unless earlier terminated in accordance with the terms herein (the "SOW Term"). Notwithstanding the foregoing, if Customer is enrolled in a Program (as defined below) with a Program Period (as defined in the Program Rule Attachment(s) attached hereto) that would otherwise extend beyond the SOW Term, then the SOW Term with respect to such Program shall be extended until the end of such Program Period.

2. **Enablement.** If required by EnerNOC for Customer's use and access to the Solutions, Customer shall, within twelve (12) days following execution by the Parties of this SOW, provide EnerNOC with reasonable access to install an EnerNOC site server ("ESS") that allows for Internet-based power metering, data collection, near real-time data communication, and Internet-based reporting and analytics for each Customer facility address identified on the Site Address Attachment attached hereto (each a "Site Address"). Customer agrees to collaborate with EnerNOC in a timely manner in testing, enabling and maintaining the installed ESS, the Solutions, and any other components of the EnerNOC system ("EnerNOC System"). If required for any Site Address(es), as determined solely by EnerNOC and indicated on the Site Address Attachment, the Parties shall execute an EnerNOC System enablement plan ("Enablement Plan") for such Site Address(es), the terms of which shall be attached to this SOW.

3. **Demand Response Solutions.** EnerNOC agrees to provide Customer with the following Solutions at each Site Address:

   a. ***Demand Response.*** EnerNOC will manage Customer's participation in the demand response programs further described in the Program Rule Attachment(s) attached hereto ("Programs") by:
      - working with Customer to develop an appropriate energy curtailment plan for Customer's business;
      - working with Customer to facilitate necessary air regulatory filings on Customer's behalf as required by federal or national law, as applicable, in order to utilize on-site generation in connection with Customer's participation in the Program(s);
      - registering Customer's Accepted Capacity (as defined in the Program Rule Attachment(s));
      - managing Customer's curtailable electrical capacity in the Programs and upon notification by EnerNOC and acceptance by Customer, provide real-time support to Customer during demand response events ("Demand Response Events");
      - reconciling all Program payments;
      - enabling data transfer, monitoring and reporting of meter data through the EnerNOC System and providing technical assistance, maintenance, repair and hosting of the EnerNOC System; and
      - as necessary, coordinating with Customer's host utility to capture kilowatt-hour (kWh) pulses from Customer's primary utility meter to provide Customer near real-time, Internet-enabled power monitoring.

4. **Payments.**

   a. ***Enablement Fee.*** For each Site Address, Customer shall pay to EnerNOC a one-time enablement fee equal to the following (the "Enablement Fee"):

      i. If the Site Address does not have an associated Enablement Plan, then the Enablement Fee shall be the amount set forth opposite each Site Address on the Site Address Attachment. Such Enablement Fee is calculated according to the number of electric utility meters to be installed as listed in the Site Address Attachment. If additional meters are required to provide the Solutions herein, then the Enablement Fee shall be increased by $5,000.

      ii. If the Site Address does have an associated Enablement Plan, then the Enablement Fee shall be the amount agreed to in such Enablement Plan and both Parties acknowledge and agree that the Enablement Fee listed in the Site Address Attachment is a good faith best estimate only.

   b. ***Demand Response Payments.*** In connection with Customer's participation in the Programs, EnerNOC shall make payments to Customer in the amounts and in accordance with the payment terms set forth in the Program Rule Attachment(s); provided that the Enablement Fee shall be amortized in equal monthly installments over the SOW Term and offset against any demand response payments owed by EnerNOC to Customer, and provided further that, upon termination or expiration of this SOW, Customer shall remit the balance, if any, of the Enablement Fee to EnerNOC within thirty (30) days following date of invoice.

ENERNOC

5. **Customer Support Requirements.**

   a. ***Representations and Warranties.*** Customer holds all applicable licenses and/or permits not otherwise facilitated by EnerNOC pursuant to the Agreement that are required for the proper participation in the Program, including any local licenses and/or permits necessary to utilize on-site electric generation.

   b. ***Demand Response Performance.*** Customer has the intent and ability to generate and/or reduce electrical demand to achieve Accepted Capacity at each Site Address when notified by EnerNOC during Demand Response Events. Customer and EnerNOC understand that the curtailable electrical capacity identified in the Site Address Attachment does not represent Accepted Capacity and is solely the Parties' best estimate of performance and that Accepted Capacity may vary.

   c. ***General Support Requirements.*** Customer agrees to provide or cause to be provided to EnerNOC contact, billing and energy usage data, and facility information concerning each Site Address ("Customer Data") as is necessary to support the Solutions, including, but not limited to: (i) at least twelve (12) months of historical utility bills and supply contracts; (ii) any account/supply point data including, without limitation, account numbers, meter serial numbers, meter identifiers, and change of tenancy information; (iii) square footage, operating hours (including holiday schedules) and average occupancy for each Site Address; (iv) major heating ventilation and air conditioning equipment, lighting type used, and any other significant equipment for each Site Address; (v) a contact list for all key personnel; and (vi) a letter of authorization or such other form as may be necessary for EnerNOC to act on behalf of Customer and interface directly with Customer's utility companies. Customer (x) represents that it has the right to provide Customer Data to EnerNOC and will provide Customer Data to EnerNOC in compliance with applicable legal requirements; (y) authorizes EnerNOC to use, copy, store, modify and display Customer Data for Customer's benefit and as expressly set forth in Section 5 of the EMA; and (z) authorizes EnerNOC to access Customer Data to provide quality assurance, perform software maintenance, and deliver customer service and technical support. During the SOW Term and for thirty (30) days following expiration or termination of this SOW, EnerNOC will preserve and maintain Customer Data. Thereafter, EnerNOC will have no obligation to preserve or return any Customer Data.

6. **General Terms.**

   a. ***Provider Limitation.*** EnerNOC shall be Customer's exclusive provider for the Solutions, including for any demand response program, during the SOW Term for the Site Addresses listed on the Site Address Attachment.

   b. ***Payments to Utilities or Other Suppliers.*** In no event shall EnerNOC or its affiliates, directors, employees and agents (collectively, the "Indemnified Parties") be responsible or liable for payment of any utility bill of Customer or any amount Customer may owe to any utility or other supplier. To the fullest extent permitted by law, Customer shall defend and indemnify, at its own expense, any third party claim against the Indemnified Parties, that arise due to any allegation that the Indemnified Parties are responsible for payment of any utility bill of Customer or a portion thereof, or any other amounts due by Customer to any utility or other supplier. In connection with the foregoing indemnification obligations, Customer shall pay reasonable legal fees as incurred and such damages or costs as are finally awarded against EnerNOC or agreed to in settlement for such claim.

   c. ***Termination.*** Either Party may terminate this SOW (i) in the event of the other Party's material breach of this SOW, provided that the breaching Party fails to cure the specific breach within thirty (30) days following date of written notice from the non-breaching Party specifying the purported breach; (ii) immediately upon the institution by or against the other Party of insolvency, receivership or bankruptcy proceedings or any other proceedings for the settlement of the other Party's debts; (iii) if the Program is materially altered, suspended or ended; or (iv) with respect to a Program in accordance with the terms set forth in the Program Rule Attachment for such Program.

ENERNOC

IN WITNESS WHEREOF, and intending to be legally bound, the Parties have duly executed this SOW by their authorized representatives as of the SOW Effective Date.

EnerNOC, Inc.		**City of Covina**	
Name:	_____	Name:	_____
Title:	_____	Title:	_____
Signature:	_____	Signature:	_____

ENERNOC

Program Rule Attachment A
SCE Territory Demand Response Program

1. **Program Description.** EnerNOC shall enroll and manage Customer's Accepted Capacity in one or more demand response Programs operated in the Southern California Edison ("SCE") service territory (each a "DRP" and collectively, the "SCE Territory Program"). The SCE Territory Program compensates electricity users for either their ability to reduce consumption or for reducing consumption, as applicable, when demand for electricity is high and system reliability is at risk. The SCE Territory Program is meant to help alleviate the potential for blackouts and brownouts by providing the utility or grid-operator with a resource to call upon in situations of system stress and high energy prices.

2. **Accepted Capacity.** "Accepted Capacity" shall represent the best estimate of Customer's expected curtailment based on EnerNOC's analysis of consumption data and pre-enrollment testing. Customer agrees that the Accepted Capacity may be adjusted by EnerNOC in the future to reflect Customer's actual performance, facility operations, DRP rules, applicable regulations, and/or other relevant information, including availability of capacity. Customer and EnerNOC understand that the curtailable electrical capacity identified in the Site Address Attachment is solely the Parties' best estimate of performance and does not represent Accepted Capacity.

3. **Program Rules.** The terms and conditions applicable to the SCE Territory Program are summarized in the table below:

Program Availability and Enrollment	Customer authorizes EnerNOC to enroll Customer in the Demand Response Auction Mechanism Program ("DRAM"), the Base Interruptible Program ("BIP"), and/or any other DRP operated in the SCE service territory at any time during the SOW Term. EnerNOC will choose a DRP for Customer enrollment at EnerNOC's sole discretion based on DRP availability and Customer's ability to perform. Each year, EnerNOC will provide Customer with an enrollment notification email that confirms the DRP in which Customer will be enrolled for that year, the applicable lead time notification window and any additional terms relevant to the DRP. Customer has the intent and ability to respond to Demand Response Events called by EnerNOC during the program period ("Program Period") of any DRP in which Customer is enrolled. The Program Period for DRAM and for BIP is as follows: 1. DRAM: 1:00PM to 6:00PM (Pacific Prevailing Time) during non-holiday weekdays between April 1 and October 31 and 4:00PM to 9:00PM (Pacific Prevailing Time) during non-holiday weekdays between November 1 and March 31. 2. BIP: 12:00PM to 12:00AM (Pacific Prevailing Time) between January 1 and December 31.
Advanced Notification	Customer is expected to reduce demand by the start of a Demand Response Event. For DRAM, EnerNOC will use commercially reasonable efforts to notify Customer prior to the day of a Demand Response Event. For BIP, EnerNOC will use commercially reasonable efforts to notify Customer at least thirty (30) minutes prior to a Demand Response Event.
Event Frequency & Duration	Demand Response Events may last up to six (6) hours.
Testing Requirement	Customer may be dispatched by EnerNOC for one (1) or more test Demand Response Events each year.
Delivered Capacity	For DRAM, with respect to each hourly interval of a DRAM Demand Response Event, "Delivered Capacity" is defined as the average difference between Customer's measured energy demand (in kW) and energy usage Baseline (as defined below). "Baseline" is established as an hourly average by taking the average of each hour during the most recent ten (10) non-holiday weekdays without a DRAM Demand Response Event, and may be adjusted up or down based on day-of conditions of Customer's electricity demand per DRAM rules. Notwithstanding the foregoing, if Delivered Capacity for DRAM is not greater than 75% of Accepted Capacity ("Delivered Capacity Minimum") for any given DRAM Demand Response Event hour, then Delivered Capacity for such DRAM Demand Response Event hour shall equal zero (0) kW. For BIP (i) "Delivered Capacity" is defined as Customer's Accepted Capacity, which is based on Customer's Firm Service Level ("FSL"); and (ii) a Performance Adjustment (as defined below) shall apply. The "Performance Adjustment" for BIP shall be equal to $8.50 per kilowatt-hour multiplied by the total energy usage over or under the FSL during a BIP Demand Response Event. If the total energy usage during a BIP Demand Response Event is greater than Customer's FSL multiplied by the number of BIP Demand Response Event hours, the Performance Adjustment will be negative and will offset

ENERNOC

	Capacity Payments; provided that such offset will not exceed the sum of the Capacity Payments for the quarter of the BIP Demand Response Event. If the total energy usage during a BIP Demand Response Event is less than Customer's FSL multiplied by the number of BIP Demand Response Event hours, the Performance Adjustment will be positive; provided that the positive Performance Adjustment will not exceed 10% of the Capacity Payments for the month of the BIP Demand Response Event.
Delivered Capacity Maximum	The maximum Delivered Capacity shall be as follows ("Maximum Delivered Capacity"): For DRAM, the Maximum Delivered Capacity shall be (i) 110% of Accepted Capacity for purposes of calculating Capacity Payments, and (ii) 150% of Accepted Capacity for purposes of calculating Energy Payments. For BIP, the Maximum Delivered Capacity shall be 110% of Accepted Capacity for purposes of calculating Capacity Payments. EnerNOC may, at its discretion, remove any Delivered Capacity Minimum or Delivered Capacity Maximum for a single Demand Response Event on a case-by-case basis as conditions warrant.

The foregoing table reflects the current terms and conditions of the SCE Territory Program, which terms and conditions may be amended by EnerNOC from time to time by providing email notice to Customer with no further act required by EnerNOC or Customer.

4. Payments.

a. *Payments to Customer.*

i. ***Capacity Payments.*** EnerNOC will pay Customer capacity payments ("Capacity Payments") equal to $53.00 per kilowatt per year (the price for each month during the Program Period varies) multiplied by either (i) Customer's Accepted Capacity if no Demand Response Events have been initiated, or (ii) Customer's Delivered Capacity following a Demand Response Event, up to the Delivered Capacity Maximum. Capacity Payments shall be increased by any positive Performance Adjustment and reduced by any negative Performance Adjustment, as described for Delivered Capacity in Section 3, if a Performance Adjustment is applicable to the DRP in which Customer is enrolled.

ii. ***Energy Payments.*** In months when one (1) or more Demand Response Events are called for a DRP that pays energy payments, EnerNOC will pay Customer 100.00% of the energy payments available from the utility or grid operator of the applicable DRP to EnerNOC per kilowatt hour in connection with Customer performance, up to the Maximum Delivered Capacity, in responding to a Demand Response Event when notified by EnerNOC ("Energy Payments"). For the avoidance of doubt, if the DRP does not provide for energy payments, EnerNOC shall not pay Energy Payments to Customer.

iii. ***Underperformance.*** In no event shall Customer be penalized for underperformance or non-performance, other than to have future and/or event-month payments reduced to reflect Delivered Capacity.

b. *Payment Timing.* EnerNOC shall make all payments associated with Customer's participation in the SCE Territory Program to Customer on a quarterly basis, and such payments shall be made within forty-five (45) days of EnerNOC's receipt of total payment from the utility or grid operator of the applicable DRP.

Site Address Attachment
Site Addresses

Site Name	Site Address	Enablement Fee	# of Electric Utility Meters	Enablement Plan Required (Yes/No)?	Demand Response Program Attachment	Estimated Capacity (kW)

ENERNOC

City of Covina - 701 S Sunflower	701 S Sunflower Avenue Covina, CA 91723	$0	0	No	A	43
City of Covina - 285 N Forestdal	285 N Forestdale Avenue Covina, CA 91723	$0	0	No	A	114
City of Covina - 1051 E Cypress	1051 E Cypress Street Covina, CA 91723	$0	0	No	A	47

SOUTHERN CALIFORNIA
EDISON
An *EDISON INTERNATIONAL* Company

CUSTOMER INFORMATION SERVICE REQUEST FOR DRP (CISR-DRP) (T)

IMPORTANT INFORMATION FOR CUSTOMERS – BE SURE TO READ FIRST
THIS IS A LEGALLY BINDING CONTRACT – READ IT CAREFULLY

Southern California Edison's (SCE's) Rule 25 and its corresponding privacy policies, which can be found at (N)
https://www.sce.com/wps/portal/home/privacy/, generally do not allow for the disclosure of personal information about (T)
you, such as your name, address, phone number, or electric or gas account and billing information, to third parties
unless you expressly authorize us to do so. The purpose of this form is to allow you, the customer, to exercise your (T)
right to disclose your personal electricity-related information to a third party Demand Response Provider (DRP) so (T)
that you may obtain Demand Response services offered by DRP(s) pursuant to SCE's Rule 24, which can be (T)
accessed at https://www.sce.com/NR/sc3/tm2/pdf/Rule_24.pdf. In some cases two different DRPs may work in (N)
concert to help a customer obtain Rule 24 Demand Response services. In those cases, each DRP must submit their (N)
own CISR-DRP form with your consent to receive personal information about you. Once you authorize access by the (T)
DRP(s) to your personal information, you are responsible for ensuring that the DRP safeguards this information from (T)
further disclosure without your consent.

This form grants the DRP the ability to request that SCE make limited changes to the SCE electric meter(s) serving (N)
your Service Account(s), as specified in Section B below. (N)

This form also authorizes the specified DRP to access your data to provide demand response services under Rule (T)
24. If you intend to authorize the DRP or a different third party to receive additional billing records or billing
information, and/or to act as your agent for purposes of making changes to your account and services with SCE, then
you must complete the "Authorization To: Receive Customer Information or Act on a Customer's Behalf" Form (Form
14-796), which can be accessed at SCE.com: www.sce.com/tariffbooks/.

(D)

I, (Customer), (N)

Customer Name According To SCE Records	COVINA, CITY OF		
Contact First Name	Siobhan		
Contact Last Name	Foster		
Title (If Applicable)	Public Works Director		
Mailing Address	125 E. College Street		
Mailing City	Covina	Mailing State	CA
Mailing Country	USA	Postal Code	91723
E-Mail Address	sfoster@covinaca.gov	Phone Number	(626) 384-5220

do hereby ☑ AUTHORIZE ☐ REVOKE (check only one) the following DRP:

Name of DRP	Olivine in support of EnerNOC		
Contact First Name	California		
Contact Last Name	Customer Support C13		
Mailing Address	2010 Crow Canyon Pl #100		
Mailing City	San Ramon	Mailing State	CA
Mailing Country	USA	Postal Code	94583
E-Mail Address	enernoc-3p@olivineinc.com	Phone Number	925-586-5066

(N)

access to the following electric Service Accounts:

(N)

SERVICE ADDRESS	SERVICE CITY	SERVICE ACCOUNT NUMBER
285 N FORESTDALE AVE	COVINA	456831
701 N SUNFLOWER AVE	COVINA	456827
1051 E CYPRESS ST	COVINA	456830

(You can include additional service accounts by attaching a list to this form.)

To grant a DRP access to your personal information, please sign Section F and Section I (if applicable). If authorization is being revoked, please complete Section J.

A. MANDATORY INFORMATION AUTHORIZED

I, (Customer), authorize SCE to disclose to the above DRP the following information for the above Service Account(s). The timeframe for this Authorization is specified in Section C.

1. Customer Account information, Service Account ID, including service address and rate schedule,
2. Unique number(s) to track your service account(s) in the CAISO's Relevant Systems (also to be provided to your LSE),
3. Customer's meter read cycle letter,
4. Service voltage,
5. Meter number and meter type,
6. Location of the Service Account on the CAISO-controlled grid (including Sub-LAP, PNode, Local Capacity Area),
7. Meter Data Management Agent (MDMA),
8. Meter Service Provider (MSP),

(N)

9. Load Serving Entity (LSE),

(N)

10. Access to historical and ongoing monthly electric meter usage data for bill calculation,
11. Access to historical and ongoing electric meter interval data,
12. SCE Demand Response program(s), tariff schedule(s), and tariff options in which the Service Account(s) are currently enrolled and the estimated earliest eligible date(s) on which I can leave my current SCE Demand Response program or tariff option, if any, without any contractual or program obligations under the terms and conditions of the tariff that may result in financial or tariff implications such as, but not limited to, losing bill protection or incentive payments, return of received incentives, and/or penalties.

B. MANDATORY ACTS AUTHORIZED

1. I, (Customer), grant the DRP permission to request that SCE shorten the interval length of my electric meter(s), as made available by SCE, for the Service Account(s) listed above (when SCE is the Meter Service Provider for the Service Account(s)). The timeframe for this Authorization is specified in Section C below.
2. I, (Customer), understand and agree that if I am on Critical Peak Pricing (CPP), then I will automatically be unenrolled from CPP when a DRP enters my Service Account into the CAISO's Demand Response systems. I agree to bear any resulting financial consequences, including without limitation, loss of bill protection, incentive payments, and return of incentives. The timeframe for this Authorization is specified in Section C below.

C. TIMEFRAME OF AUTHORIZATION

I, (Customer), authorize the MANDATORY INFORMATION and ACTS AUTHORIZED as specified in Sections A and B for the timeframe specified below or until my authorization has been revoked. I further understand and agree that SCE may transmit data to the DRP even after the Authorization has ended. Such post-Authorization data transfers will be limited to updates to the data for the time period during which this Authorization was valid. In all cases, the Authorization for a Service Account will be automatically revoked when the Service Account is closed. (Check only one option below.)

☐ Beginning _____ (mm/dd/yyyy) and continuing until _____ (mm/dd/yyyy).

☐ Indefinitely until I revoke this Authorization.

☑ Indefinitely until the DRP instructs, or I instruct, SCE to revoke the Authorization.

D. TRANSMITTAL OF RELEASED CUSTOMER INFORMATION TO DRP (to be completed by DRP)

The daily interval data and monthly electric meter usage data for bill calculations will be delivered via secured email.

The remaining information (other than daily interval and monthly usage data) will be delivered via one of the following methods: (check only one)

☐ Hard copy via US Mail: _____.

☐ Facsimile at this telephone number: _____.

☑ Secured email r24@r24delta.olivineinc.com (may be different than address listed on Page 1, or secure electronic format via a secured data transmission platform (e.g. ESFT file).

(N)

SOUTHERN CALIFORNIA EDISON
An *EDISON INTERNATIONAL* Company

CUSTOMER INFORMATION SERVICE REQUEST FOR DRP (CISR-DRP) (T)

E. JURISDICTION OF CPUC

(N)

This agreement at all times shall be subject to such modifications and access to information as the California Public Utilities Commission may direct from time to time in the exercise of its jurisdiction.

F. CUSTOMER AUTHORIZATION

I, (Customer), declare under penalty of perjury under the laws of the State of California that I am authorized to execute this agreement on behalf of the Customer of Record listed at the top of this form and that I have authority to financially bind the Customer of Record. I understand SCE reserves the right to verify any authorization request submitted before releasing information or taking any action on my behalf. I authorize SCE to release the requested information specified in Sections A and B for my Service Account(s) to the above-designated DRP. I hereby release, hold harmless, and indemnify SCE from any liability, claims, demands, and causes of action, damages, or expenses resulting from: (1) any release of information to the DRP pursuant to this Authorization; (2) the unauthorized use of this information by the DRP; and (3) any actions taken by the DRP pursuant to this Authorization. I understand that I may cancel this Authorization at any time by submitting a revocation request using this same form. I also hereby indicate my consent to execute and submit this authorization electronically.

	11/10/2016
Authorized Signature of Customer	Date Signed (mm/dd/yyyy)

G. DRP'S ACCEPTANCE OF CUSTOMER RELEASE PROVISION

I, (DRP), hereby release, hold harmless, and indemnify SCE from any liability, claims, demand, causes of action, damages, or expenses resulting from the use of customer information obtained pursuant to this Authorization. I also hereby indicate my consent to execute and submit this document electronically.

	09/01/2016
Authorized Signature of DRP	Date Signed (mm/dd/yyyy)

H. CUSTOMER AUTHORIZATION TO ALLOW DRP(S) TO REVOKE AUTHORIZATION *(Complete this section only if you authorized, in Section C, the DRP (as listed above) to revoke this authorization.)*

I, (Customer), declare under penalty of perjury under the laws of the State of California that I am authorized to execute this document manually or electronically on behalf of the Customer of Record listed at the top of this form and that I have authority to financially bind the Customer of Record. I hereby authorize the DRP (as listed above) to revoke this authorization to release information to the DRP (as listed above). Further, I hereby authorize the DRP (as listed above) to notify SCE when the Customer of Record disenrolls from the DRP demand response program. The Customer of Record hereby releases, holds harmless, and indemnifies SCE from any liability, claims, demands, causes of action, damages, or expenses resulting from: (1) any negligent conduct relating to delegation of authority to revoke the authorization; (2) from any refusal to release information to the DRP (as listed above) pursuant to this revocation; and, (3) any conduct by the DRP (as listed above) in connection with this revocation.

Authorized Signature of Customer	Date Signed (mm/dd/yyyy)

(N)

========Complete Below Only When REVOKING Data Release Authorization======== (N)

I. CUSTOMER REVOCATION OF AUTHORIZATION

I, (Customer), declare under penalty of perjury under the laws of the State of California that I am authorized to execute this document manually or electronically on behalf of the Customer of Record listed at the top of this form and that I have authority to financially bind the Customer of Record. I hereby revoke the authorization to release information to the DRP listed above. I hereby release, hold harmless, and indemnify SCE from any liability, claims, demands, causes of action, damages, or expenses resulting from: (1) any negligent conduct relating to this revocation; (2) any refusal to release information to the DRP pursuant to this revocation; and (3) any conduct by the DRP in connection with this revocation.

_____ _____

Authorized Signature of Customer Date Signed (mm/dd/yyyy)

J. DRP REVOCATION OF AUTHORIZATION/DISENROLLMENT FROM DRP DEMAND RESPONSE SERVICE

I, (DRP), have been authorized under Section H above to revoke the authorization to release information of the Customer of Record listed at the top of this form to the DRP (as listed above), and to notify SCE when the Customer of Record disenrolls from the DRP demand response service. I hereby revoke the authorization to release information to the DRP listed above. Further, I hereby notify SCE that the date of the Customer's actual or anticipated disenrollment from my Demand Response services is _____ (mm/dd/yyyy). I hereby release, hold harmless, and indemnify SCE from any liability, claims, demands, causes of action, damages, or expenses resulting from revocation of the authorization to release information to the DRP listed above, and/or from my failure to timely notify SCE of the Customer's disenrollment from my Demand Response services. I also hereby indicate my consent to execute and submit this authorization electronically.

_____ _____

Authorized Signature of DRP Date Signed (mm/dd/yyyy)

(N)

SOUTHERN CALIFORNIA EDISON

Notice to: (1) Remove Accounts from Aggregator-Managed Programs; (2) Revoke Agent Authorization; (3) Revoke Authorization to Release Customer Information

Short Title: "Aggregator Remove Form"

Customers: If you signed the "Notice to (1) Add Customer Accounts to Aggregator-Managed Programs; (2) Authorize Customers' Agents; (3) Release Customer Information," also known by the short title, "Aggregator Add Form," you may revoke the authorizations you made in that form by signing this one.

I, Customer, _____ (print name of authorized signatory), declare under penalty of perjury under the laws of the State of California that I am authorized to execute this document on behalf of the Customer of Record listed at the bottom of this form and that I have authority to financially bind the Customer of Record. I hereby revoke my authorization to release information to the below-designated Agent (Aggregator) that I previously authorized to act on my behalf. I hereby release, hold harmless, and indemnify SCE from any liability, claims, demands, causes of action, damages, or expenses resulting from: (1) any negligent conduct relating to this revocation, (2) from any refusal to release information to the above-designated Agent (Aggregator) pursuant to this revocation; (3) for any conduct by my previously designated agent in connection with this revocation. This revocation hereby removes my customer accounts from the Aggregator program(s) in which I am currently enrolled.

Customer

Name of Customer Record: COVINA, CITY OF

Name of Authorized Representative: _____

Title of Authorized Representative: _____

Signature of Authorized Representative: _____

Mailing Address (street, city, state, zip): _____

Phone Number: _____

Email Address: _____

Executed this _____day of _____ _____(month, year) at _____ (city and state where executed)

Attachment C, 2 Pages

SOUTHERN CALIFORNIA EDISON

Aggregator [The information below must reflect what is included in the Aggregator Add Form]

Aggregator Name	EnerNOC, Inc.
Name of Authorized Representative:	Brian Im
Title of Authorized Representative:	Energy Markets Operations Analyst
Mailing Address (street, city, state, zip):	One Marina Park Drive Ste #400, Boston, MA 02210
Phone Number:	617-692-2664
Email Address:	brian.im@enernoc.com

ACCOUNTS INCLUDED IN THIS REVOCATION OF AUTHORIZATION

SCE Service Account Number	Service Account Address (street, city, state, zip)
456830	1051 E CYPRESS ST, COVINA, CA, 91724
456827	701 N SUNFLOWER AVE, COVINA, CA, 91724
456831	285 N FORESTDALE AVE, COVINA, CA, 91723

Please submit a signed copy of this form electronically through the APX system, or pursuant to guidelines from SCE. If you have questions, please contact the SCE Demand Response Help Desk at 866-334-7827 or via email at drp@sce.com.

Upon submission of this executed form and verification by SCE that it is true and correct, SCE will remove the above account(s) from the Aggregator programs effective at the end of the current calendar month.

THIS PAGE LEFT INTENTIONALLY BLANK

CITY OF COVINA

AGENDA REPORT

ITEM NO. CC 13

MEETING DATE: December 6, 2016

TITLE: Ordinance No. 16-2068 for Zone Change (ZCH) 16-002, to amend the Official Zoning Map of the City of Covina by changing the Zoning Designation from "C-3A COMMERCIAL ZONE (REGIONAL OR COMMUNITY SHOPPING CENTER)" and "C-R COMMERCIAL ZONE (RECREATION)" to "COVINA FORWARD SPECIFIC PLAN with 6.12 acres zoned for "RD (MULTI-FAMILY)" and 4.54 acres zoned for "I (INSTITUTIONAL USE)" for the proposed iTEC Transit Oriented Mixed-Use development for property general located at 1162 North Citrus Avenue and 117 East Covina Boulevard – APN: 8406-019-019, 8406-019-020 AND 8406-019-017 – Second Reading and Adoption.

PRESENTED BY: Brian K. Lee, AICP, Director of Community Development

RECOMMENDATION: Waive full reading, read by title only, and adopt on second reading **Ordinance No. 16-2068** entitled, "AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, AMENDING THE OFFICIAL ZONING MAP OF THE CITY OF COVINA BY CHANGING THE ZONING DESIGNATION FROM "C-3A COMMERCIAL ZONE (REGIONAL OR COMMUNITY SHOPPING CENTER)" AND "C-R COMMERCIAL ZONE (RECREATION)" TO "COVINA FORWARD SPECIFIC PLAN WITH 6.12 ACRES ZONED FOR "RD (MULTI-FAMILY)" AND 4.54 ACRES ZONED FOR "I (INSTITUTIONAL USE)" FOR THE PROPOSED ITEC TRANSIT ORIENTED MIXED-USE DEVELOPMENT FOR PROPERTY GENERALLY LOCATED AT 1162 NORTH CITRUS AVENUE AND 117 EAST COVINA BOULEVARD – APN: 8406-019-019, 8406-019-020 AND 8406-019-017"

BACKGROUND:

On November 29, 2016, the City Council held a public hearing to consider Zone Change (ZCH) 16-002 to amend the Official Zoning Map of the City of Covina by changing the Zoning Designation from "C-3A COMMERCIAL ZONE (REGIONAL OR COMMUNITY SHOPPING CENTER)" and "C-R COMMERCIAL ZONE (RECREATION)" to "COVINA FORWARD SPECIFIC PLAN with 6.12 acres zoned for "RD (MULTI-FAMILY)" and 4.54 acres zoned for "I (INSTITUTIONAL USE)" for the proposed iTEC Transit Oriented Mixed-Use development for property general located at 1162 North Citrus Avenue and 117 East Covina Boulevard.

The City Council, after receiving the staff report and considering the public comments and testimony received during the November 29, 2016 Public Hearing, concluded the public hearing. The City Council unanimously approved proposed Zone Change 16-002 with a 5-0-0 vote. Attachment B is a copy of the November 29, 2016 Agenda Report for Council reference.

DISCUSSION:
The approval of the Zone Change (ZCH) 16-002 requires the adoption of Ordinance No. 16-2068. The City Council introduced the first reading at the November 29, 2016 meeting. An Ordinance requires a second reading to be adopted by the City Council as follows:

> AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, AMENDING THE OFFICIAL ZONING MAP OF THE CITY OF COVINA BY CHANGING THE ZONING DESIGNATION FROM "C-3A COMMERCIAL ZONE (REGIONAL OR COMMUNITY SHOPPING CENTER)" AND "C-R COMMERCIAL ZONE (RECREATION)" TO "COVINA FORWARD SPECIFIC PLAN WITH 6.12 ACRES ZONED FOR "RD (MULTI-FAMILY)" AND 4.54 ACRES ZONED FOR "I (INSTITUTIONAL USE)" FOR THE PROPOSED ITEC TRANSIT ORIENTED MIXED-USE DEVELOPMENT FOR PROPERTY GENERALLY LOCATED AT 1162 NORTH CITRUS AVENUE AND 117 EAST COVINA BOULEVARD – APN: 8406-019-019, 8406-019-020 AND 8406-019-017

FISCAL IMPACT:
There is no fiscal impact associated with the adoption of the Zone Change. However, when considered in the totality of the overall project evaluated at the November 29, 2016 City Council meeting, it is anticipated the City of Covina will experience a positive fiscal impact, as described in the November 29, 2016 Staff Report.

CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT):
A second reading of the Ordinance is exempt from CEQA.

Respectfully submitted,

Brian K. Lee, AICP
Director of Community Development

ATTACHMENTS:

A. Ordinance No. 16-2068
B. November 29, 2016 Agenda Report

ATTACHMENT "A"

ORDINANCE NO. 16-2068

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, AMENDING THE OFFICIAL ZONING MAP (ZCH 16-002) OF THE CITY OF COVINA BY CHANGING THE ZONING DESIGNATION FROM "C-3A COMMERCIAL ZONE (REGIONAL OR COMMUNITY SHOPPING CENTER)" AND "C-R COMMERCIAL ZONE (RECREATION)" TO "COVINA FORWARD SPECIFIC PLAN WITH 6.12 ACRES ZONED FOR "RD (MULTI-FAMILY)" AND 4.54 ACRES ZONED FOR "I (INSTITUTIONAL USE)" FOR THE PROPOSED ITEC TRANSIT ORIENTED MIXED-USE DEVELOPMENT FOR PROPERTY GENERALLY LOCATED AT 1162 NORTH CITRUS AVENUE AND 117 EAST COVINA BOULEVARD – APN: 8406-019-019, 8406-019-020 AND 8406-019-017

WHEREAS, MLC Holdings, Inc. ("MLC") has an equitable interest in the real properties located at 1162 N. Citrus Avenue (APN 8406-019-019 and 020), and at 117 E. Covina Boulevard (APN 8406-019-017) (collectively, the project site). The project site is comprised of 3 parcels and is approximately 10.66 acres in size. Two parcels contain the former K-Mart building and parking area, which has been vacant since December 2014, while the third parcel is an existing residential like structure and is currently used for a day care center.

WHEREAS, in January 2016, City of Covina (COVINA), Foothill Transit (FT) and MLC have been working to consider jointly developing the project site into the iTEC Transit Oriented Mixed-Use development consisting of three components with a residential use, a transit/civic use and a public/civic use (Project). MLC proposes to develop the residential use on approximately 6.12 acres consisting of 117 for-sale townhouse units with private drive aisles, recreation facilities and common open spaces areas. FOOTHILL TRANSIT proposes to develop the transit/civic use on approximately 2.99 acres consisting of a transit center with up to 6 bus-bays plaza, a park and ride facility with a 3-level parking structure that may accommodate between 350 and 400 vehicles and a 4,800 square feet building for retail use. COVINA proposes to develop the public/civic use on approximately 1.55 acres consisting of a potential menu of civic-oriented uses including approximately 10,000 square feet of civic event center space, approximately 5,000 to 10,000 square feet of professional office space, or approximately 10,000 to 15,000 square feet of a senior/community center with surface parking area.

WHEREAS, the Project necessitates the following land use discretionary entitlements:

a. A General Plan Amendment (GPA) 16-001 to amend the Land Use Map changing the land use designation for the 10.66-acre project site from the "General Commercial (GC)" designation to the "Covina Forward Specific Plan (CFSP)" with 6.12 acres for "High Density Residential (HDR - 15 to 22 dwelling units per acre)" and 4.54 acres for "General Commercial (GC)."

b. A Covina Forward Specific Plan (SP) 16-001 to amend the Official Zoning Map changing the zoning designation for 10.66-acre project site from the "C-3A Commercial Zone

(Regional or Community Shopping Center)" and "C-R (Commercial Recreation)" to Covina Forward Specific Plan "RD (Multi-Family)" for approximately 6.12 acres and to Covina Forward Specific Plan "I (Institutional Use/Zone)" for 4.54 acres; and to establish special development standards and design guidelines for facilitating the proposed iTEC Transit Oriented Mixed-Use development.

c. A Zone Change (ZCH) 16-002 to amend the Official Zoning Map changing the zoning designation for 10.66-acre project site from the "C-3A Commercial Zone (Regional or Community Shopping Center)" and "CR Commercial Zone (Recreation)" to the Covina Forward Specific Plan with 6.12 acres zoned for "CFSP-RD (Multi-Family)" and 4.54 acres zoned for "CFSP-I (Institutional Use/Zone)."

d. A Vesting Tentative Tract Map (TTM) 74512 for dividing the 10.66-acre project site into 23 lots with 21 lots and 12 letters lots on approximately 6.12 acres for the residential development of 117 for-sale townhouse units, private drive aisles, recreation facilities and common open space areas; and, 2 lots (lots 22 and 23) on approximately 4.54 acres for public/transit and public/civic uses.

e. A Site Plan Review (SPR) 16-023 for the construction of 117 for-sale townhouse units with private drive aisles, recreation facilities and common open space area.

f. A Site Plan Review (SPR) 16-033 for the construction of a transit center up to a six-bay bus plaza, a "Park and Ride" vehicle parking structure accommodating between 350 and 400 vehicles, and a retail building of up to 4,800 square feet.

g. A Development Agreement (DA) 16-001 between MLC and COVINA where MLC shall convey 1.11 acres of the project site to COVINA, a parkland conveyance of 0.351 acres of the project site to COVINA and the development of 117 for-sale townhouse units with private drive aisles, recreation facilities and common open spaces area on approximately 6.12 acres.

WHEREAS, in April and through November 2016, COVINA began a robust community outreach program to solicit neighborhood and community inputs and comments regarding the proposed Project. The purpose of the community outreach is to obtain feedback from the neighborhood and community/civic groups so as to address issues and/or concerns early in the development concepts stage of the Project. The community outreach program included contacting residents in the neighborhood in person (one-on-one) and distributing Project information and soliciting input with follow-up contacts for Project updates. In addition to the adjacent residential neighborhood, the community outreach program contacted the adjacent businesses, the larger Covina business community, civic and community groups such as the Covina Chamber of Commerce, Covina Rotary Club, Sunrise Rotary Club, Downtown Covina Merchants Association and the Covina Lions Club, public agencies and quasi-public agencies such as East San Gabriel Valley Council of Governments Planning Technical Advisory Committee, Los Angeles County Metropolitan Authority, Citrus Valley Health Partners, Mt. San Antonio College and Covina Valley Unified School District. The outreach included a combination of large group presentations and one-on-one meetings with organization representatives. Lastly, the community outreach program included the traditional "print media" such as project flyers, public notices and FAQ brochures. A Project-specific website was created and consistently updated as the Project design evolved, based on the community input.

WHEREAS, on February 16, 2016 and on July 19, 2016, the City Council of the City of

Covina conducted the study sessions to review the development concepts of the Project and to provide directions to staff. Both Study Sessions were opened to the general public and the immediate neighborhood was invited to attend.

WHEREAS, on September 10, 2016, a community workshop was held at the project site specifically geared toward the adjacent residents with various Project representatives available to provide Project information to the public and to answer specific questions. More than 60 community members were present at the community workshop and engaged in discussion about the Project, sharing both concerns and praises for the Project.

WHEREAS, on September 13, 2016, the Planning Commission conducted a Study Session on the Project. There were five speakers, who presented their views on the Project.

WHEREAS, the Project is considered a "project" as defined by the California Environmental Quality Act, Public Resources Code § 21000 *et seq.* ("CEQA"). Pursuant to the California Environmental Quality Act ("CEQA") and the State CEQA Guidelines, 14 Cal. Code Regs., § 15000, *et seq.*, the City staff determined that an Environmental Impact Report (EIR) was necessary to evaluate the potential environmental effects of the Project. A Notice of Preparation (NOP) was published in the San Gabriel Valley Tribune on May 11, 2016 for the 30-day review period, and was posted at the Los Angeles County Registrar Office and COVINA City Clerk's office and was distributed to the State Clearinghouse, agencies, organizations, and interested parties. Input was received during this period from public agencies and the general public regarding the environmental issues and concerns related to the Project. The City received four comment letters in response to the NOP.

WHEREAS, the City subsequently contracted for the independent preparation of a Draft Environmental Impact Report (the Draft EIR) for the Project, including all necessary technical studies and reports in support of the Draft EIR.

WHEREAS, in September 2016, the Draft EIR was completed for the Project. In accordance with CEQA and the State CEQA Guidelines, the Draft EIR fully analyzed and disclosed the Project's potential impacts on the environment, proposed mitigation measures where appropriate to reduce potentially significant impacts to the extent possible, and evaluated potential alternatives to the Project.

WHEREAS, the Draft EIR identifies that the Project would result in no impact or less than significant impacts in the following environmental impact categories: agricultural and forestry resources, greenhouse gas emissions, hydrology and water quality, land use and planning, mineral resources, population and housing, recreation, transportation and traffic, and utilities and service systems. With the incorporation of mitigation measures identified in the Draft EIR, the potentially significant impacts of the Project in the following categories would be reduced below a level of significance: aesthetics, air quality, biological resources, cultural resources, geology and soils, hazards and hazardous materials, and noise. No significant and unmitigable impacts have been identified in the EIR.

WHEREAS, the Notice of Availability of the Draft EIR was published in the San Gabriel

Valley Tribune on September 13, 2016 and the Draft EIR was released for a 45-day public comment period beginning on September 13, 2016 and ending on October 27, 2016. The City received nine comment letters on the Draft EIR during this period.

WHEREAS, on November 8, 2016, the Planning Commission considered the General Plan Amendment (GPA) 16-001, Covina Forward Specific Plan (SP) 16-001, Zone Change (ZCH) 16-002, Vesting Tentative Tract Map (TTM) 74512, Site Plan Review (SPR) 16-023, Site Plan Review (SPR) 16-033, Development Agreement (DA) 16-001 and the Draft EIR, and at a duly noticed public hearing as prescribed by law, at which time the City staff and interested persons had an opportunity to, and did testify either in support of or opposition to this matter..

WHEREAS, following consideration of the entire record of information received at the public hearing, the Planning Commission found that there is not substantial evidence that the Project will have a significant effect upon the environment and adopted Resolution No. 16-029PC recommending that the City Council certify the Final Environmental Impact Report for the Project, approve a Mitigation Monitoring Program for the Project and adopt findings pursuant to CEQA.

WHEREAS, following consideration of the entire record of information received at the public hearings and due consideration of the proposed Project, the Planning Commission adopted Resolution No. 16-030 recommending that the City Council approve the General Plan Amendment (GPA) 16-001, Covina Forward Specific Plan (SP) 16-001, Zone Change (ZCH) 16-002, Vesting Tentative Tract Map (TTM) 74512, Site Plan Review (SPR) 16-023, Site Plan Review (SPR) 16-033, Development Agreement (DA) 16-001.

WHEREAS, on November 29, 2016, the City Council of the City of Covina considered the Project, the Final EIR and the Mitigation Monitoring and Reporting Program at a duly noticed public hearing at which time all interested persons had an opportunity to and did testify either in support or in opposition to this matter. The City Council considered all the testimony and any comments received regarding the Project and the Final EIR and the Mitigation Monitoring and Reporting Program prior to and at the public hearing.

WHEREAS, following consideration of the entire record of information received at the public hearing, the City Council found that there is not substantial evidence that the Project will have a significant effect upon the environment and adopted Resolution No. 16-7557 certifying the Final EIR, adopting a Mitigation Monitoring and Reporting Program and adopting findings pursuant to CEQA. Resolution No. 16-7557 and the findings therein are hereby incorporated by this reference as set forth in full.

WHEREAS, on November 29, 2016, 2016, the City Council of the City of Covina held a duly noticed public hearing to consider the Project including the General Plan Amendment (GPA) 16-001, Covina Forward Specific Plan (SP) 16-001, Zone Change (ZCH) 16-002, Vesting Tentative Tract Map (TTM) 74512, Site Plan Review (SPR) 16-023, Site Plan Review (SPR) 16-033 and Development Agreement (DA) 16-001, at which time all interested persons had an opportunity to and did testify either in support or in opposition to this matter. The City Council considered all the testimony and any comments received regarding the Project prior to and at the public hearing

WHEREAS, all legal prerequisites prior to adoption of this Ordinance have occurred.

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

SECTION 1. The foregoing recitals are true and correct and are incorporated herein and made an operative part of this Ordinance.

SECTION 2. After giving full consideration to all evidence presented at the public hearing, both oral and written, and after being fully informed, said City Council does hereby find and decide that Zone Change (ZCH) 16-002 are consistent with the public interest and with the City's General Plan for the follow reasons:

a. The Zone Change is consistent with the General Plan for the City of Covina and with all applicable requirements of State law and other ordinances of the City. The Zone Change to Covina Forward Specific Plan for the project site area will allow the development of a transit oriented mixed-use project for 117 for-sale townhouse units on 6.12 acres, and a transit center and a park & ride facility together with the City's civic use and community event center on the 4.54 acres. The Zone Change will repurpose the project site area with a development concept that is innovative, high-quality in design, meets the community's need for public facilities, infrastructure, transportation and transit-related residences. The Zone Change will meet the General Plan Policy to "accommodate growth and revitalization that is consistent with established land use patterns, revised General Plan and Zoning intensity and development standards and policies, and applicable provisions of any other City plans and that respect local and regional physical, infrastructure, service and environmental constraints." (Land Use Element II.B.1a) With the Zone Change to Covina Forward Specific Plan, the transit oriented mixed-use project will meet the General Plan Policy by "accommodating expansion of existing and new commercial and industrial businesses as high priority for reasons pertaining to employment sales tax generation and related economic development benefits and City image enhancement." (Land Use Element II.B.1b)

b. Through the establishment of the Specific Plan and with the Zone Change, the transit oriented mixed-use project with 117 for-sale townhouse units, a transit center and a park & ride facility together with the City's civic use and community event center will provide an appropriate mixing of public use, residential and commercial land use activities. The Zone Change will meet the General Plan Policy of "... will attain a greater variety of retail businesses, attract more people, and general more sales tax and overall vitality, and consider incorporating mixed-uses within a "urban village" or livable cities concept, including residential on top of commercial, to bolster social and economic activity, to best exploit Metrolink Commuter Train Station proximity, to provide needed housing, and reduce vehicular trips." (Land Use Element III.C.a.10)

c. The Zone Change will meet the General Plan Policy to facilitate, through zoning provisions and applicable procedures, infill development, development of now-underutilized or vacant parcels, and, where necessary, redevelopment of deteriorating properties, particularly for housing creation and rehabilitation and economic development purposes. This Specific Plan project site area is a unique opportunity for the redevelopment of an underutilized site for infill development and the addition of new high-quality residences, which will meet an emerging need for entry-level homeownership opportunities, focused on access to the regional transportation network (Land Use Element III C.1.a.6)

d. Through the Zone Change to Covina Forward Specific Plan, the project will maintain a 15 feet setback for units along the east property boundary, will maintain a 59 feet building setback for the 3 levels parking structure, which is no closer than the same setback for the existing K-Mart building, and will provide a 20-foot wide landscape buffer to minimize the intrusion of privacy. Such buffer elements are consistent with the General Plan Policy in that it has incorporated sufficient physical and visual buffers to ensure compatibility. (Land Use Element III D.1.a.6)

e. With the Zone Change, the project site area will include reconstruction of the existing public sidewalk around the external perimeter of the project site, including a landscaped parkway according to the City's requirements. These requirements further the General Plan Policy that requires developers to mitigate development impacts in the form of street improvements and public dedications as well as other reasonable requirements. (Land Use Element C.1.a.26)

f. The residential component of the Zone Change would provide needed housing to enable the City to provide dwelling units according to the Regional Housing Needs Assessment (RHNA) under the Housing Element of the General Plan. The proposed 117 townhouse units would contribute to the City's remaining unmet need for 991 housing units, reducing the unmet housing need in the City by more than 11.8 percent. The Housing Element requires the City to adopt policies and practices that encourage the development of housing in the community, which has also been declared to be a matter of Statewide policy. (Covina Draft Housing Element Update, dated November 15, 2010).

SECTION 3. In consideration of the findings stated above, the City Council of the City of Covina does hereby approve Zone Change (ZCH) 16-002 and rezone the following described real properties in the City of Covina, County of Los Angeles, California, as follows:

a. Assessor's Parcel Map Numbers 8406-019-019, 8406-019-020 and 8406-019-017 is hereby rezoned from "C-3A Commercial Zone (Regional or Community Shopping Center)" and "CR Commercial Zone (Recreation)" to the Covina Forward Specific Plan with 6.12 acres zoned for "RD (Multi-Family)" and 4.54 acres zoned for "I (Institutional Use/Zone)" as shown in **Exhibit "A"**, attached herein and incorporated by this reference as though set forth in full.

SECTION 4. Zoning Map Amendment. Based upon the findings contained in Section 2 of this Ordinance, the City Council hereby amends the Official Zoning Map of the City of Covina to change the zoning classification for the property located generally located at the 1162 North Citrus Avenue and 117 East Covina Boulevard APNs 8406-019-019, 8406-019-020 and 8406-019-017 from "C-3A Commercial Zone (Regional or Community Shopping Center)" and "CR Commercial Zone (Recreation)" to the Covina Forward Specific Plan with 6.12 acres zoned for "RD (Multi-Family)" and 4.54 acres zoned for "I (Institutional Use/Zone)" as shown in Exhibit "A" and is incorporated herein by this reference as though set forth in full.

SECTION 5. Consistency with General Plan. On November 29, 2016, the City Council adopted Resolution No.16-7558, which Resolution amended the Land Use Map of the Covina General Plan to change the land use designations from the "General Commercial (GC)" to the "Covina Forward Specific Plan" with 6.12 acres for "High Density Residential (HDR - 15 to 22 dwelling units per acre)" and 4.54 acres for "General Commercial (GC)." Therefore, the foregoing amendments outlined in this Ordinance are consistent with the goals and policies of the General Plan for the City of Covina.

SECTION 6. The documents and materials that constitute the record of proceedings on which these findings and this Ordinance are based are located at the City Clerk's office located at 125 E. College Street, Covina, CA 91723. The custodian of these records is the City Clerk.

SECTION 7. If any section, sentence, clause or phrase of this Ordinance or the application thereof to any entity, person or circumstance is held for any reason to be invalid or unconstitutional, such invalidity or unconstitutionality shall not affect other provisions or applications of this Ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this Ordinance are severable. 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 8. This Ordinance shall become effective within thirty (30) days after its adoption.

SECTION 19. The City Clerk shall certify to the adoption of this Ordinance. Not later than fifteen (15) days following the passage of this Ordinance, the Ordinance, or a summary of thereof, along with the names of the City Council members voting for and against the Ordinance, shall be published in a newspaper of general circulation in the City of Covina.

SECTION 10. Certification. The City Clerk shall certify to the passage and adoption of this Ordinance and shall enter the same in the Book of Original Ordinances.

SIGNED AND APPROVED this 6th day of December, 2016.

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. 16-2068 was duly adopted by the City Council of the City of Covina at a regular meeting held on the 6th of December 2016, by the following vote:

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

Dated:

SHARON F. CLARK, Chief Deputy City Clerk

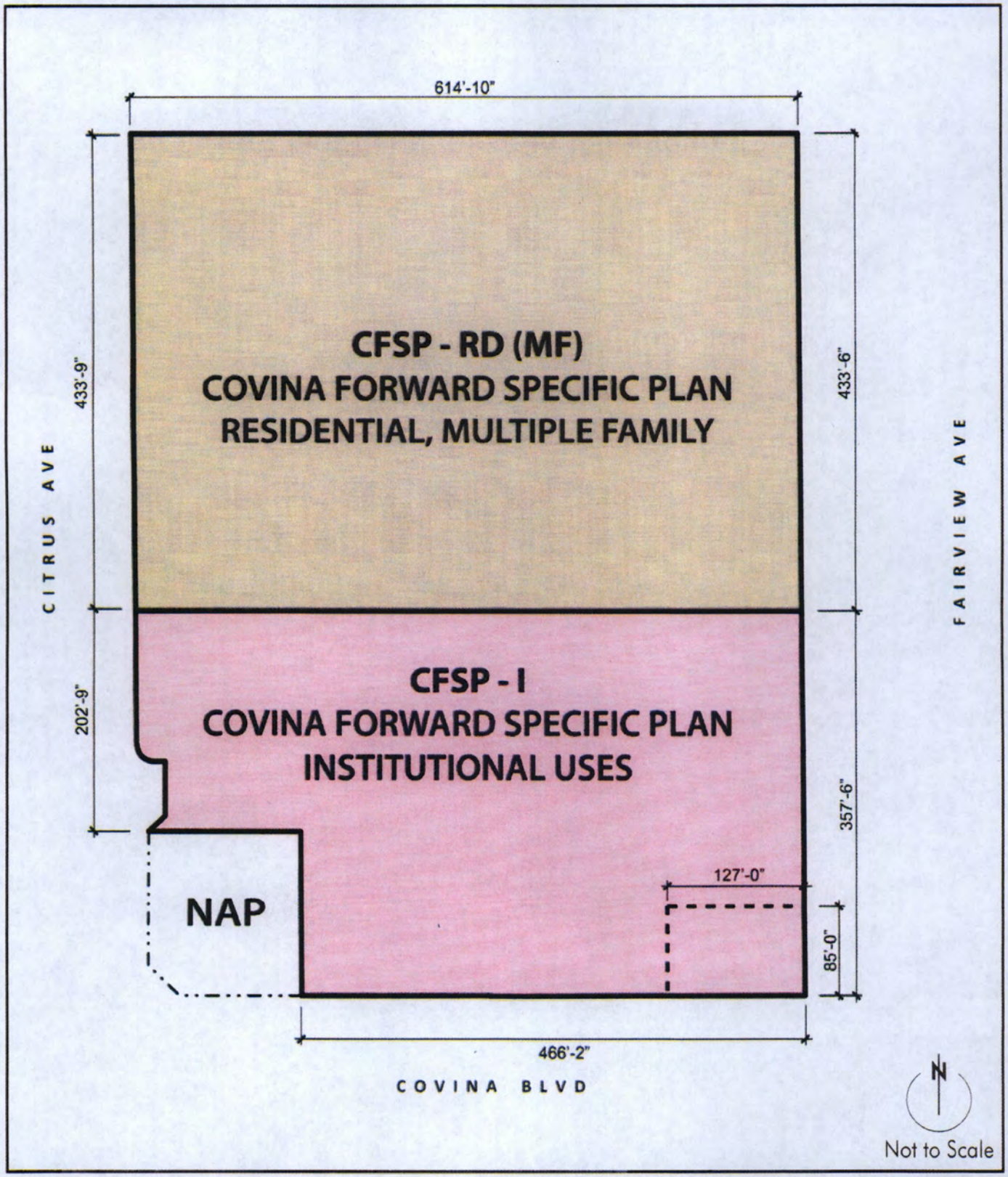


Exhibit A
ZCH 16-002 **COVINA FORWARD SPECIFIC PLAN (CFSP)**

ZONING - PROPOSED

CITY OF COVINA
AGENDA REPORT

ITEM NO. PH 1

MEETING DATE: November 29, 2016

TITLE: Environmental Impact Report (EIR) with Mitigation Monitoring and Reporting Programs and Applications for General Plan Amendment (GPA) 16-001, Covina Forward Specific Plan (SP) 16-001, Zone Change (ZCH) 16-002, Vesting Tentative Tract Map (TTM) 74512, Site Plan Review (SPR) 16-023, and Site Plan Review (SPR) 16-033 and Development Agreement (DA) 16-001. A proposed development on the 10.66 acre site (former K-Mart and an existing institutional use), consisting of a residential development of 117 townhomes on approximately 6.12 acres, a Transit Center and Park and Ride on approximately 3.07 acres and a public/civic use component on approximately 1.47 acres, for property located generally at 1162 North Citrus Avenue – APN: 8406-019-019, 8406-019-020 and 177 East Covina Boulevard – APN: 8406-019-17.

PRESENTED BY: Brian K. Lee, Director of Community Development

RECOMMENDATION:

1. Open public hearing, consider public testimony, and close the public hearing; and
2. After the close of the public hearing, if the City Council wishes to approve the land use entitlements, staff recommends that the Council make the motions and take the actions in the order as listed below:

(a) Adopt Resolution No. 16-7557, A resolution of the City Council of the City of Covina, California, certifying Environmental Impact (SCH2016051053), making environmental findings pursuant to the California Environmental Quality Act, and adopting a Mitigation Monitoring and Reporting Program for the iTEC Transit Oriented Mixed-Use development project (approximately 10.66 acres and generally located at 1162 North Citrus Avenue and 117 East Covina Boulevard - APN: 8406-019-019, 8406-019-020 and 8406-017;

(b) Adopt Resolution No. 16-7558, approving the General Plan Amendment (GPA) 16-001 to amend the Land Use Map changing the land use designation for the 10.66-acre project site from the General Commercial (GC) designation to the "Covina Forward Specific Plan (CFSP)" with 6.12 acres for "High Density Residential (HDR - 15 to 22 dwelling units per acre)" and 4.54 acres for "General Commercial (GC)."

(c) Adopt Resolution No. 16-7559, approving the Covina Forward Specific Plan (SP) 16-001 to establish the "Covina Forward Specific Plan (CFSP)" with 6.12 acres for "CFSP - RD (Multi-

Family)" and 4.54 acres for "CFSP - I (Institutional Use/Zone)"; and to establish special development standards and design guidelines for facilitating the proposed iTEC Transit Oriented Mixed-Use development.

(d) Waive full reading, read by title only, and introduce for first reading Ordinance No. 16-2068, approving the Zone Change (ZCH) 16-002 to amend the Official Zoning Map changing the zoning designation for 10.66-acre project site from the "C-3A Commercial Zone (Regional or Community Shopping Center)" and "CR Commercial Zone (Recreation)" to the "Covina Forward Specific Plan (CFSP)" with 6.12 acres for "CSFP - RD (Multi-Family)" and 4.54 acres for "CFSP - I (Institutional Use/Zone)."

(e) Adopt Resolution No. 16-7560, approving a Vesting Tentative Tract Map (VTTM) 74512 for dividing the 10.66-acre project site into 23 lots with 21 lots and 12 letter-lots on approximately 6.12 acres for the residential development of 117 for-sale townhouse units, private drive aisles, recreation facilities and common open space areas; and, 2 lots (lots 22 and 23) on approximately 4.54 acres for public/transit and public/civic uses.

(f) Adopt Resolution No. 16-7561, approving a Site Plan Review (SPR) 16-023 for the construction of 117 for-sale townhouse units with private drive aisles, recreation facilities and common open space area.

(g) Adopt Resolution No. 16-7562, approving a Site Plan Review (SPR) 16-033 for the construction of a transit center up to a six-bay bus plaza, a "Park & Ride" vehicle parking structure accommodating between 350 and 400 vehicles, and a retail building of up to 4,800 square feet.

(h) Waive full reading, read by title only, and introduce for first reading Ordinance No. 16-2069, approving the Development Agreement (DA) 16-001 between MLC and COVINA where MLC shall convey 1.11 acres of the project site to COVINA, a parkland conveyance of 0.351 acres of the project site to COVINA and the development of 117 for-sale townhouse units with private drive aisles, recreation facilities and common open spaces area on approximately 6.12 acres.

BACKGROUND:

The following provides a brief background of the project from the first submittal up until the City Council hearing.

- ***January 19, 2016:*** MLC Holdings, Inc., Foothill Transit and the City of Covina entered into a Non-Binding Memorandum of Understanding (MOU) to propose a public/private partnership redevelopment of the former K-Mart site located at 1162 N. Citrus Avenue into a transit-oriented development project.

- ***January 19, 2016:*** The Covina City Council approves Deposit Agreement with MLC Holdings, Inc. and Foothill Transit respectively, to jointly share costs incurred by the City during the due diligence portion of the project entitlement process.

- ***February 16, 2016:*** City Council Study Session.
- ***May 11, 2016:*** Notice of Preparation of the project Environmental Impact Report.
- ***July 19, 2016***: City Council Study Session.
- ***September 10, 2016:*** Community Meeting held at the project site.
- ***September 13, 2016:*** Planning Commission Study Session.
- ***September 13, 2016:*** Start of the 45-day EIR public comment period.
- ***October 27, 2016***: End of the 45-day public comment period for the project EIR.
- ***November 8, 2016***: Planning Commission public hearing.
- ***November 18, 2016:*** Responded to nine (9) DEIR comment letters. The Final EIR was sent to all nine (9) commenters. The Final EIR was also posted on the City's website.

The proposed project commenced in the late summer of 2015 when MLC Holdings, Inc. approached City staff with a proposal to redevelop the former K-Mart site into a residential development. Over the following several months, discussions with MLC commenced as to what would be the appropriate future land use for the project site, numerous economic discussions on the viability of traditional commercial uses at the project site and potential development scenarios that would provide the best overall outcome for the entire City of Covina. In approximately the same time period, discussions with Foothill Transit were occurring regarding their need to provide adequate transit service to their existing customers in the Covina area. In January 2016, commencing with the approval by the City Council of the Non-Binding Memorandum of Understanding and the Deposit Agreement, discussion with MLC Holdings, Inc. and Foothill Transit were initiated on the formal development concept.

The resulting land use vision was the repurpose of the former K-Mart property into a transit-oriented mixed use project that would include a residential component, a transit component and a civic component that the City would utilize for a future public event center and/or a business innovation center. Because the proposed project is unique, there is no existing City zoning category that would accommodate the project vision. Therefore, a specific plan would need to be created.

The proposed project includes a series of land use entitlements that would facilitate the redevelopment and reuse of the former K-Mart property, and the adjoining institutional/former daycare property into an innovative reuse of a visually prominent property located within the interior of the City of Covina.

DISCUSSION:

This item was presented to the Planning Commission in a public hearing on November 8, 2016. At the conclusion of the Planning Commission meeting, the Planning Commission took the following action:

1. Adopted PC Resolution No. 2016-029PC; A resolution of the Planning Commission of the City of Covina, California, recommending to the City Council to certify the Environmental Impact Report (SCH # 2016051053) as adequately prepared in accordance with the California Environmental Quality Act and to take actions related thereto for General Plan Amendment (GPA) 16-001, Covina Forward Specific Plan (SP) 16-001, Zone Change (ZCH) 16-002, Vesting Tentative Tract Map (VTTM) 74512, Site Plan Review (SPR) 16-

023, Site Plan Review (SPR) 16-033 and Development Agreement (DA) 16-001, for property generally located at 1162 North Citrus Avenue and 117 East Covina Boulevard – APN: 8406-019-020, 8406-019-020 and 8406-019-017; and,

2. PC Resolution No. 2016-030PC; A resolution of the Planning Commission of the City of Covina, California, recommending to the City Council approve the following land use entitlements:
   - General Plan Amendment (GPA) 16-001 to amend the Land Use Map changing the Land Use designation from General Commercial (GC) to "Covina Forward Specific Plan (CFSP)" with 6.12 acres for "High Density Residential (HDR – 15 to 22 dwelling units per acre)" and 4.54 acres for "General Commercial (GC)";
   - Covina Forward Specific Plan (SP) 16-001;
   - Zone Change (ZCH) 16-002 to amend the Official Zoning Map changing the Zoning Designation from C-4A Commercial Zone (Regional or Community Shopping Center) and CR Commercial Zone (Recreation) to "Covina Forward Specific Plan with 6.12 acres for "CFSP – RD (Multi-Family)" and 4.54 acres for "CFSP – I" (Institutional Uses);
   - Vesting Tentative Tract Map (TTM) 74512;
   - Site Plan Review (SPR) 16-023;
   - Site Plan Review (SPR) 16-033; and,
   - Development Agreement (DA) 16-001, for the proposed development known as iTEC Transit Oriented Mixed-Use Project for property generally located at 1162 North Citrus Avenue and 117 East Covina Boulevard - APN: 8406-019-020, 8406-019-020 and 8406-019-017.

In recommending that the City Council adopt the aforementioned Resolutions and Ordinances to approve the Project, the Planning Commission recommended that the City Council add a single project-related condition of approval for the Transit Center, Site Plan Review (SPR) 16-033 as follows:

"Add a physical barrier parallel with the eastern property line of the site at the southernmost segment where the bus-serving drive aisle exits for glare and noise reduction. Final design is subject to Director of Community Development's review and approval."

- **Project Location and Setting.**

The project site comprises three (3) properties owned by two (2) separate parties. All the properties are under contract with MLC Holdings, Inc. and would be subject to the provisions of the proposed Development Agreement and the proposed land use entitlements. The total project site is 10.66 acres in size. The existing institutional use/former daycare property is 10,865 square feet in size. The former K-Mart property comprises the remainder of the 10.66 acre project site. Since the former K-Mart store ceased operation in December 2014, no subsequent commercial retail use has occupied the building, although an automotive repair use utilized the former K-Mart's automobile service facility until late 2015. Access to the project site is provided via driveways located along North Citrus Avenue and East Covina Boulevard.

To the north of the project site is an existing approximate 6.20 acre multiple-family residential townhouse development. Immediately to the east is an existing low density single family detached residential neighborhood. To the south of the project site is an existing approximate 4.14 acre neighborhood commercial shopping center and an approximate 3.08 acre multiple-family apartment complex. To the west of the project site, across Citrus

Avenue is an existing low density single family detached residential neighborhood. It should be noted the approximate 21,719 square foot commercial property located on the "hard corner" of Citrus Avenue and Covina Boulevard is not part of the proposed project.

The following table provides the General Plan designation, Zoning and existing uses for the site and surrounding areas.

Table 1: Site and Surrounding Land Uses

	General Plan	Zoning	Existing Use
Site	GC General Commercial	C-3A Commercial – Regional or Community Shopping Center and C-R Commercial Recreation	Under contract with MLC Holdings, Inc.
North	Medium Density Residential	RD (Multiple Family Residential)	Multiple family residential
South	GC General Commercial and RD (Multiple Family Residential)	C-2 Neighborhood Shopping Center and R-1-7500 (Single Family Residential)	Commercial shopping center and multiple family residential
East	Low Density Residential	R-1-7500 (Single Family Residential)	Single-family homes
West	Low Density Residential	R-1-7500 (Single Family Residential)	Single-family homes

- **Site Characteristics:**

The approximately 10.66 acre Specific Plan area is located northeast of the Citrus Avenue and Covina Boulevard intersection. Citrus Avenue abuts the Specific Plan area to the west, Covina Boulevard to the south, a residential townhouse development to the north, and a single-family residential neighborhood to the east. The project location consists of a former K-Mart store and parking lot and an existing religious use on a separate parcel located at the southeast of the project site. The former K-Mart structure is a masonry block "big box" store building of approximately 88,500 square feet in size. The building was constructed in 1968. The second property contains a former residential structure that was converted to a day care facility and subsequently an institutional use. The building is approximately 2,186 square feet in floor area.

In addition to the existing buildings, the project site is improved with an asphalt parking lot, drive aisles, landscaped planters and similar improvements typical of a commercial retail establishment. The approximate 21,719 square foot commercial property located on the "hard corner" of Citrus Avenue and Covina Boulevard is not included in the proposed project or Specific Plan.

PROPOSED LAND USE ENTITLEMENTS:

The proposed project would be implemented through the adoption of a series of land use entitlements. These land use entitlements are as follows:

- **General Plan Amendment:**

The proposed project includes the request for a General Plan Amendment from the site's current designation of GC – General Commercial into two (2) General Plan designations. The portion of the Specific Plan area (or project site) that contains the public uses (the Transit Center and the civic component) will remain as GC – General Commercial. The northerly portion of the Specific Plan area, or project site, designated for the residential component will change to High Density Residential (15 – 22 dwelling units/acre). Institutional and public uses are allowed within the GC – General Commercial land use

designation. Therefore, no alteration to the existing General Plan land use designation is necessary for the portion of the Specific Plan area, or project site, proposed for the Transit Center and the civic component. The proposed High Density Residential land use designation will provide a logical transition along Citrus Avenue, from the current Medium Density Residential townhouse complex to the north of the Specific Plan area, to the proposed Transit Center and civic use component to the south of the proposed residential component of the Specific Plan.

Typically higher building intensity is more appropriate along transit routes and arterial roads. Therefore, the High Density Residential designation serves as an appropriate buffer (transition of density) between medium-density residential area to the north and the public uses to the south. The proposed project would also contribute 117 housing units to the City's remaining unmet need for 928 housing units, reducing the unmet housing need in the City by more than 12 percent (Covina Draft Housing Element Update, dated November 15, 2010).

The southerly portion of the project site will retain the existing GC – General Commercial General Plan land use designation. Within the General Commercial land use designation, public uses, such as those proposed within the Specific Plan, are designated as compatible land use activities. Specifically, the General Plan policies the proposed project would support are presented on pages 3 – 7 of the Covina Forward Specific Plan.

- **Specific Plan:**

Due to the unique nature of the proposed development project, and the absence of an existing Covina Zoning designation that would address the mixture of proposed uses and development concept, the preparation of a Specific Plan was determined to be the best approach. The goal of the project is to create a transit-oriented project with a significant public use component. Furthermore, because of the location of the project site, one-half (1/2) mile north of the Covina Metrolink station, within close proximity to downtown Covina, there is an opportunity to create a regional destination activity that would further promote Covina in the region and continue to support Covina economic development efforts.

The Specific Plan area is comprised of three (3) Planning Areas. Planning Area No. 1 is located within the northerly portion of the Specific Plan area and is approximately 6.12 acres in size. Planning Area No. 2 occupies a central location within the interior of the Specific Plan area and is approximately 3.07 acres in size. Planning Area No. 3 is located in the most southerly portion of the Specific Plan area, immediately adjacent to Covina Boulevard, and is approximately 1.47 acres in size.

The Specific Plan area is intended for development of a transit-oriented mixed use development that includes a civic/community use component. For purposes of this Specific Plan, the land use designation for the residential component in Planning Area No. 1 will be amended to High Density Residential and will remain as General Commercial for the Transit Center and Civic/Community components in Planning Area Nos. 2 and 3. Accordingly, the intent of this Specific Plan is to provide for the orderly redevelopment of a vacant, prominent disused commercial property within the City in a manner that addresses the community's needs for transit-oriented residential development, regional transportation facilities and civic/community facilities. This Specific Plan also provides additional development and design standards and guidelines, which will ensure that each future component of the Specific Plan area are creatively and sensitively site planned and developed with high quality architectural treatments and

features, site amenities and infrastructure. This Specific Plan will therefore establish the Specific Plan area as a landmark regional destination and location within the City and will improve the overall economic vitality within the Specific Plan area, surrounding areas, and the entire City.

The complete and detailed project description is provided in the proposed Covina Forward Specific Plan ("Specific Plan") which is attached as Attachment A. The Specific Plan document contains the following:

- ***Chapter I. Introduction and Purpose of Specific Plan.*** This chapter describes the purpose of the Specific Plan; content, chapters, and components of the Specific Plan; and the Specific Plan's relationship to the City's General Plan.
- ***Chapter II. Description of Specific Plan Area.*** This chapter describes the Specific Plan area, including existing conditions; onsite structures, buildings, and uses; and the underlying General Plan and Zoning designations.
- ***Chapter III. Description of Specific Plan.*** This chapter describes the proposed project, including development concepts and intended land uses; conceptual development plans; and required conceptual utilities and services.
- ***Chapter IV. Allowable Uses.*** This chapter describes those uses permitted within the Specific Plan area.
- ***Chapter V. Development Standards.*** This chapter provides development standards to regulate future redevelopment and design within the Specific Plan area.
- ***Chapter VI. Design Guidelines.*** This chapter provides guidelines and direction on how future development should be designed, including architectural theme; building elevations and facades; 360-degree architecture; site planning and building orientation; quality of materials and colors; landscaping theme; wall and fences; signage theme; parking facility/lot layout; vehicular access and circulation; integration of pedestrian-level elements, etc.
- ***Chapter VII. Administration and Implementation.*** This chapter explains how future development within the Specific Plan area will be reviewed and approved.
- ***Chapter VIII. Attachments.*** This chapter will provide relevant exhibits and illustrations to the Specific Plan.

- **Zone Change:**

The proposed zone change will implement the Specific Plan and be consistent with the proposed General Plan land use designation. The portion of the project site that comprises Planning Area No. 1 (Residential Component) of the Specific Plan is proposed to have a General Plan land use designation of High Density Residential. Therefore, the proposed zoning designation for this portion of the project site is proposed to be Covina Forward Specific Plan – Residential, Multiple Family, or CFSP – RD (MF). The southerly portion of the project site comprises the public use features consisting of the Transit Component and the Civic Component, or Planning Area Nos 2 and 3 of the Specific Plan. This portion of the project site, the General Plan land use designation remains GC – General Commercial, but the proposed zoning designation for this portion of the project site is Covina Forward Specific Plan – Institutional Uses, or CFSP – I.

The list of allowable uses and those allowed with the approval of a Conditional Use permit is specified in the Covina Forward Specific Plan document attached as Attachment A.

- **Vesting Tentative Tract Map:**

  The proposed Vesting Tentative Tract Map will create a total of thirty-five (35) parcels within the project boundaries. Currently, the project area consists of three (3) parcels; two (2) comprising the former K-Mart properties and the third the institutional/daycare property. The proposed Vesting Tentative Tract Map will result in the following:

  - Elimination of the existing three (3) parcels comprising the project area;
  - The creation of a total of twenty-three (23) numbered parcels and twelve (12) letter parcels as follows:
    - ✓ Residential Component (Specific Plan Planning Area No. 1): twenty-one 21 numbered lots and twelve (12) letter-lots;
    - ✓ Transit Component (Specific Plan Planning Area No. 2): one (1) numbered lot; and,
    - ✓ Civic Component (Specific Plan Planning Area No. 3): one (1) numbered lot – (includes the parcel for the "park area" and the second parcel for the "public benefit" to be conveyed to the City pursuant to the Development Agreement).

  The proposed 117 residential townhomes will be spread within the twenty-one (21) numbered lots and the residential community's common area comprising the community area, driveways and pedestrian paths will form the twelve (12) lettered lots.

- **Site Plan Review (SPR) 16-023: (Residential Component)**

  SPR 16-023 comprises the Residential Component. This Site Plan Review is the development plan for the Residential Component and provides for the development of 117 transit-oriented residential townhomes within the 6.12 acre portion of the project site that is designated as Planning Area No. 1 within the Covina Forward Specific Plan. The Residential Component will have a single primary access from Citrus Avenue, with a secondary emergency vehicle access-only along the northerly boundary line of Planning Area No. 1 and the overall Specific Plan.

  In addition to the primary vehicular access and the secondary emergency vehicle-only access from Citrus Avenue, there will be multiple pedestrian access points along the southerly boundary line of Planning Area No. 1, which is the shared boundary line between Planning Area Nos. 1 and 2. The pedestrian access points will allow residents of the Residential Component direct access to the Transit Center immediately south of Planning Area No. 1.

  The Residential Component site plan provides for a 44 foot setback along the northerly boundary of Planning Area No. 1, a minimum 16 foot front setback along the Citrus Avenue frontage, a 15 foot setback along the easterly Planning Area No. 1 boundary and a 10 foot setback along the southerly, shared boundary between Planning Area Nos 1 and 2. The site plan for Residential Component is presented as an exhibit in the Covina Forward Specific Plan.

- **Site Plan Review (SPR) 16-033: (Transit Component)**

  SPR 16-033 comprises the Transit Component, which is also Planning Area No. 2 within the Covina Forward Specific Plan. As currently proposed pursuant to modifications made after community input, the Park and Ride parking structure will accommodate 372 vehicle parking spaces. The location of the parking structure will be setback approximately 58 feet from the easterly property line, a setback increase of approximately 28 feet from where the parking structure was originally proposed to be located.

In addition to the parking structure, the Transit Component includes a Transit Center comprising six (6) bus stops, a public plaza and a 4,000 – 4,500 square foot retail building. Ingress/egress vehicle access to the Transit Component will be available only from Citrus Avenue. Foothill Transit buses will ingress into the Transit Center only from Citrus Avenue, and egress from the Transit Center only onto Covina Boulevard. The buses will exit only onto Covina Boulevard will only turn right to travel westbound on Covina Boulevard after exiting. No left turns will be allowed. There will be no public ingress into the Transit Component from Covina Boulevard.

In addition to the vehicular access, there will be multiple locations for pedestrian access from the Residential Component to the north of the Transit Component. The purpose of the pedestrian access link is to strengthen and encourage the residents of the Residential Component to utilize the transportation services provided by Foothill Transit.

- **Development Agreement:**

The Development Agreement is essentially a contract between MLC Holdings, Inc., the entity that has the project site under contract, and the City of Covina. The Development Agreement stipulates the public benefit resulting from the project, as well as conveying the expectations and responsibilities of both MLC Holdings, Inc. and the City of Covina. In addition to the land use, economic development and aesthetic improvements of the project, the public benefit the City of Covina receives will be 1.47 acres of property, which comprises Planning Area No. 3 within the Covina Forward Specific Plan.

COMMUNITY OUTREACH AND INPUT:

A critical component to the development of this Specific Plan has been public outreach and dialog with the community. To that extent, the project proponents have developed a robust community outreach and input effort as part of the Specific Plan's entitlement process. It is estimated that over 500 residents and interested community members were reached in the community outreach and input effort. It is important to note that residents were provided with contact information for outreach representatives, as accessibility was an important component of the outreach strategy. The community outreach and input effort has basically consisted of the following efforts:

- **Public Workshops:**

The public workshops consisted of two (2) City Council Study Sessions held on February 16, 2016 and July 19, 2016; a Planning Commission Study Session held on September 13, 2016 and a community meeting at the Specific Plan area held on September 10, 2016. The September 10, 2016 community meeting was specifically geared toward the adjoining residents, with various project representatives available to provide Specific Plan information to the public and answer specific questions. The September 10, 2016 event was heavily advertised via e-mail and social media by both the outreach team and City representatives. As a result, over 60 community members met with project representatives and engaged in discussions about the Specific Plan, sharing both concerns and praises for the Specific Plan.

- **One-on-one Resident Outreach & Engagement:**

Between the dates of April 2016 and October 2016, project representatives walked adjoining neighborhoods to the Specific Plan area and knocked door-to-door, in person to distribute Specific Plan information and solicit input. Where residents were not home or unavailable, return efforts were made; and where necessary, return visits were made to residents with follow up information and updates on the Specific Plan design revisions addressing expressed concerns. Two (2) community meetings were held on April 28, 2016 and September 7, 2016 at the Village Green Community, just south of the Specific Plan area. For those residents the outreach team

was unable to connect with in-person, an invitation to participate in the September 10, 2016 community event was extended.

- **One-on-one Business Outreach & Engagement:**

  Between the dates of April 2016 and October 2016, project representatives visited with the adjacent businesses to the south and southwest of the Specific Plan area. Specific Plan information was distributed and input solicited. A follow up visit occurred to provide businesses with updates on project design revisions. In addition to the adjacent businesses, other Covina businesses throughout the City were identified and engaged to further inform the larger Covina business community.

- **Civic and Community Groups:**

  Presentations were scheduled between April 2016 and October 2016 with various civic and community groups to further discuss the Specific Plan. A combination of large group presentations and one-on-one meetings with organization representatives occurred. This included the Covina Chamber of Commerce, Covina Rotary Club, Sunrise Rotary Club, Downtown Covina Merchants Association and the Covina Lions Club.

- **Public and Quasi-public Agencies:**

  In an effort to reach the largest possible pool of groups and individuals, outreach was conducted to interested public agencies and quasi-public agencies. Examples of this outreach to public and quasi-public agencies include the San Gabriel Valley Council of Governments Planning Technical Advisory Committee (SGCOG), Los Angeles County Metropolitan Authority (LA Metro), Citrus Valley Health Partners, Mt. San Antonio College and Covina Valley Unified School District.

- **Print and Electronic Media:**

  A wide range of print and electronic media was included in this outreach effort. This included Specific Plan flyers, public notices and FAQ brochures. A Specific Plan website was also created and was prominently featured on all print material. This website was consistently updated as the project design evolved, based on community input.

  The public outreach efforts have helped transform the project design to the ultimate version. Feedback garnered from the community, particularly from the adjacent residents, has influenced the site design and has addressed various concerns expressed by the community. Issues relating to privacy, public safety and parking have been specifically addressed through this engagement process.

DISCUSSION OF PROJECT ISSUES

Pursuant to the public outreach efforts and Planning Commission and City Council study sessions, several design and project issues were raised. As a result of those raised concerns, project design revisions and other adjustments have been incorporated into the Specific Plan and the correlating Site Plan Review for the Residential Component and the Transit Component.

- **Residential Component.**

  Concerns expressed regarding the design of the Residential Component have primarily focused on the following design features:

- **Access through the Residential Component to the single family residences to the east.**

  Residents in the single family residential properties to the east of the Residential Component expressed concern regarding potential trespasser access from the former K-Mart property into the private residences. Trespassers have continually climbed the existing retaining wall on the common property line. When the Residential Component is constructed, this problem will be mitigated, as the ability to "cut through" the neighboring single family properties to the east will be eliminated. This is because the currently vacant former K-Mart site will be no longer offer a hidden "cut through" passage because the site will be developed with residential dwelling units and the existing easterly property line wall will be enhanced through additional landscaping, decorative wall treatment, security lighting and an active community recreation area.

- **Privacy concerns of the single family residences to the east of the residential component.**

  As with privacy concerns expressed by the residents adjoining the Transit Component, the proposed Residential Component design has been sensitive to potential privacy impacts. The proposed residential site plan has a landscaped setback along the easterly property line of fifteen (15) feet or more, which will be landscaped with evergreen trees and shrubs. Only four (4) residential units will be placed along the setback and they are situated with the side façade facing the easterly property line, where the secondary windows will be oriented towards the easterly property line (as opposed to the front of the townhomes). The result is to minimize the number of windows that will be located facing the easterly property line. Furthermore, the units (and windows) along the easterly landscaped setback will be screened with landscaping and evergreen trees to maintain and enhance privacy for both the existing single family residences to the east and the future townhouse owners in the Residential Component.

  The Residential Component also features a community recreation area along the easterly setback. A single story "pool building", which is a building with restrooms, showers and storage, will be located adjacent to the easterly property line to minimize noise and provide a buffer from the outdoor swimming pool, open space patio, landscaping and barbecue area. The anticipated use of the community recreation area will be typical of residential backyard activity, which is compatible with the adjoining single family residences and rules and regulations within the community's CC&R's regarding the use of the community area; this will be managed by the Homeowner's Association and property management company.

- **Adequate on-site parking.**

  Each residential unit will have two (2) enclosed garage parking spaces. In addition to the two (2) enclosed parking spaces per unit, the Residential Component will provide 69 on site guest parking spaces distributed throughout the community. Along the Citrus Avenue frontage, on-street parking will be available to accommodate approximately ten (10) vehicles. The ratio of guest parking space per dwelling unit is .58. If Citrus Avenue on-street parking is considered, then the ratio of available guest parking rises to .67 spaces per dwelling unit.

  In addition to the vehicle parking, each residential unit is required to provide accommodations inside the garage for two (2) bicycles, such as hanging racks or wall racks. When considered with the adjoining Transit Component and Civic Components, there is potential access to 112 public parking spaces on the Civic Component and when available, 375 parking spaces within the Park and Ride parking structure. Thus, when included with the

sixty-nine (69) on-site guest parking spaces, the ten (10) parking spaces on Citrus Avenue and the potentially available 487 parking spaces within the Transit Component and Civic Component, 566 parking spaces are either on-site or within immediate proximity of the Residential Component.

It should be noted the intent of the proposed project is a transit-oriented development, where the Residential Component will have direct pedestrian access to the Transit Component and nearby Covina Metrolink station. The marketing of the Residential Component will be to attract those buyers who value the ability to live within walking distance to public transportation resources. The flexibility to commute to downtown Los Angeles and other regional employment centers via various transportation services, including the Foothill Transit Center, Metrolink and the nearby Gold Line, will be prominently featured in sales and marketing material and is expected to be strong attraction to the project.

- **Comments from the November 8, 2016 Planning Commission meeting.**

  One comment made during the November 8, 2016 Planning Commission meeting concerning the Residential Component was in regards to the proximity of the proposed residential development in relation to the existing townhouses to the north of the project site. The speaker wanted specific information on the distance between the existing townhouses north of the property line and the location of the proposed new townhomes within Planning Area No. 1. The proposed setback from the northerly property line and the northerly-most structure in Planning Area No. 1 is forty-four (44) feet. Within the setback dimension will be landscaping, interior driveway and guest parking. When combined with the existing building separation of the existing townhouses to the north to the common property line (approximately 30 feet), the proposed building separation is approximately 74 feet.

  Another concern expressed from a resident within the northerly townhouse development was a perceived lack of public outreach effort to the townhouse residents. The residents of these townhouses were contacted through a combination of the City's public notice efforts and augmented by the project team's public outreach effort. A total of eight (8) residents and/or property owners from the townhouses attended the September 10, 2016 Community Workshop at the former K-Mart property. In addition, one resident submitted a comment letter in response to the release of the Draft Environmental Impact Report.

- **Transit Component.**

Concerns expressed regarding the design of the Transit Center and Park and Ride facility have primarily focused on the following design and operational features:

- **Easterly setback of the parking structure.**

  Originally proposed, the easterly setback dimension of the Park and Ride parking structure was located approximately thirty (30) feet from the easterly property line (the shared property line with the single family residences to the east of the project site). The residents adjoining the portion of the project site adjacent to the parking structure were concerned that the proposed distance of the parking structure was too close to the easterly property line.

  The design of the parking structure has been modified to reduce the number of parking spaces from 450 to 372, thus the size of the parking structure was reduced. In addition, the location of the parking structure footprint was moved westerly where the new setback is

approximately fifty-eight (58) feet from the easterly property line. The result is the parking structure's easterly elevation will be in the same location as the existing former K-Mart building's easterly wall. Therefore, the distance between the easterly property line and the parking structure has been increased by twenty-eight (28) feet from what was originally proposed.

- **Visual screening/privacy for the single family residences to the east of the parking structure.**

The resident immediately adjacent to the eastern perimeter of the parking structure expressed a concern relating to the potential viewshed impacts from Foothill Transit patrons parking on the second and third levels of the structure. The residents expressed concern with the open parking structure design, as it provided commuters with a direct view into the resident's backyard and rear windows. In addition to project revisions that increased the parking structure setback from thirty (30) feet to approximately fifty-eight (58) feet, the design will also include a solid concrete wall that will be built along the easterly elevation of the parking structure, on the second and third levels. Additional height was also added to the original proposed wall at the top level, from a three (3) foot parapet to a 6 feet, 6 inches solid concrete wall. The result will be that patrons parking on the top and middle deck will not have a view to the east, towards the adjacent single family residences.

In addition to the concrete screen wall, the increased setback between the easterly property line and the parking structure will allow for increased landscape planting of evergreen trees to further reduce potential visual impacts. The evergreen trees within this increased buffer zone will be planted in an "off-set pattern" resembling a triangular or "zig-zag" pattern when viewed from above. The result of the "off-set, zig-zag" planting pattern is essentially a double row of evergreen trees, creating a more robust tree buffer.

The original parking structure design was to incorporate a "green wall" design feature, where climbing vine plant material will grow upwards along screen mesh material attached to the facades of the parking structure. The "green wall" design feature continues to be proposed. The combination of (1) the increased setback and landscaped buffer of the parking structure; (2) the solid concrete wall on the second level along the eastern elevation; (3) the addition of the 6 foot, 6 inch concrete screen wall along the easterly edge of the top deck of the structure and (4) the originally proposed "green wall" design feature will mitigate potential visual and privacy concerns of the easterly single family residences.

- **The buffer along easterly bus exit driveway onto Covina Boulevard.**

Adjoining residents expressed concern about the close proximity of the bus exit driveway along the eastern property line in relation to the common property line. The setback dimension originally proposed was five (5) feet. The originally proposed five (5) foot setback along the easterly property line would incorporate a landscape buffer. The revised design would increase the landscape buffer setback to twenty (20) feet. The fifteen (15) foot increase in landscape buffer would provide increased space to create the "triangle" evergreen tree planting arrangement proposed in the parking structure landscape buffer.

In response to the concerns expressed by public speakers at the November 8, 2016 Planning Commission meeting, the Planning Commission added the project condition to Site Plan Review (SPR) 16-033 as follows:

"Add a physical barrier parallel with the eastern property line of the site at the southernmost segment where the bus-serving drive aisle exits for glare and noise reduction. Final design is subject to Director of Community Development's review and approval."

In response to the November 8, 2016 Planning Commission meeting, Foothill Transit has analyzed the interface between the residences to the east of the project site and the bus exit driveway. In addition to the twenty (20) foot landscaped buffer, a plant screening fence system, installed at a minimum height of 8 feet from finish grade of Foothill Transit's property (Planning Area No. 2) will provide a screen barrier abutting the existing property line wall. The combination of proposed evergreen trees and the plant screen shield will be sufficient to mitigate the potential for light and glare spillage intrusion from the buses exiting the Transit Center. The modified screen barrier is attached as Attachment L.

- **Public safety within the Transit Center.**

One of the concerns consistently expressed by the public was regarding public safety. The primary public safety feature proposed to be utilized within the Transit Center and parking structure will be the Covina Police Department's real-time surveillance camera system. Currently, Covina Police utilizes the real-time surveillance camera system within the downtown area, City Hall, Heritage Park and Cougar Park. The benefit of the surveillance camera system is that it is monitored 24/7 by Covina Police Department personnel. The Police Dispatcher and Watch Commander both have a real-time video feed at their respective work stations. Suspicious activities that are observed by the Police Dispatcher and/or Watch Commander can immediately be addressed by directing Covina Police to the potential issue. The real-time surveillance camera system has been extremely effective in reducing public safety issues within the downtown area, City Hall, Heritage Park and Cougar Park.

One comment expressed at the November 8, 2016 Planning Commission meeting was skepticism that the real-time surveillance camera system will actually be monitored 24/7. The real-time camera surveillance system is currently monitored 24/7 by Covina Police Department (CPD) personnel and with the additional cameras installed at the Transit Center, will continue to be monitored 24/7. The CPD is a 24/7 operation and critical operational systems are in effect 24/7/365. The CPD dispatcher and the Watch Commander both have real-time monitor screens at their work stations. When potential public safety concerns are viewed on the real-time monitors, the CPD dispatcher and/or Watch Commander dispatches Covina Police resources that are in the field to the location in question. In addition, because trained CPD personnel are viewing the real-time surveillance monitor feed, the dispatcher and/or Watch Commander is able to provide a significantly higher and more relevant threat assessment to the responding Covina Police personnel than they might otherwise receive from a call-for-service.

In addition to the installation of the real-time camera surveillance system, the Transit Center will have a dedicated parking space for CPD vehicles. Covina Police out on patrol in the community will be able to always have an accessible location to park their police vehicle at the Transit Center.

- **Operational concerns with the bus operations.**

  Residents also expressed concern regarding potential operational impacts associated with the Transit Center and Park and Ride facility. One misconception shared by residents concern was that the Transit Center was comparable to a bus depot, a place where buses are sheltered and where bus service is provided 24/7. On the contrary, the proposed Transit Center will provide Foothill Transit Commuter Express service to downtown Los Angeles. The patrons of this service are existing residents within the Covina community who currently park on city streets and private parking areas to use the existing Foothill Transit commuter bus service.

  Foothill Transit's Commuter Express will service the proposed Transit Center between 5:30 a.m. to 8:30 a.m. and 4:30 p.m. to 7:00 p.m. every 30 minutes, Monday through Friday only. Commuter Express service will not operate on weekends or holidays. Approximately 6 to 8 Commuter Express buses will travel to the Transit Center in the morning and 6 to 8 buses in the afternoon hours.

  It should be noted, the existing Foothill Transit local line 281, which currently operates and stops on the corner of Citrus Avenue and Covina Boulevard, will continue to operate Monday through Friday between 5:00 a.m. and 9:00 p.m., every 30 minutes. On weekends and holidays, Line 281 will operate from 7:00 a.m. to 7:00 p.m. every 60 minutes. When Foothill Transit buses are not operating, there will be minimal activity at the Transit Center. There will be no late night operations and weekend service for the local bus line will be very limited.

  Another concern expressed was the potential noise and emissions of the Foothill Transit bus fleet. Currently, all Foothill Transit buses are either Compressed Natural Gas (CNG) or electric powered bus vehicles. Foothill Transit does not operate any gasoline or diesel-powered buses. In addition, Foothill Transit has a goal to transition their entire bus fleet to 100% electric powered by 2030. Therefore, noise and emissions concerns typically associated with conventional gasoline or diesel-powered buses will not be a factor at the Foothill Transit facility. Attached as Attachment M is a letter from Doran J. Barnes, Executive Director of Foothill Transit addressing operational policies and procedures in response to concerns raised at the November 8, 2016 Planning Commission meeting.

- **Civic Component.**

  Concerns expressed regarding the design of the Civic Component have primarily focused on the following design features:

  - **Potential noise and activity impacts associated with the Event Center.**

    The proposed uses for the Civic Component are a community event center, a business incubator/innovation center, or other recreation type use, or a combination of these uses. Other than the conceptual design, the actual design of the Civic Component has not proceeded through the Site Plan Review application process. The actual and detailed design of the Civic Component will require Site Plan Review as articulated in the Covina Forward Specific Plan. Therefore, specific design issues will be addressed as part of that formal design approval process. In addition, the on-site availability of alcohol in conjunction with banquet uses will require the approval of a conditional use permit.

- **Comments from the November 8, 2016 Planning Commission meeting.**

  One of the concerns expressed at the November 8, 2016 Planning Commission meeting was potential neighborhood impacts resulting from the operation of a public assembly activity at the proposed Event Center. Specifically, impacts associated with alcohol consumption related impacts from the activities held at the proposed Event Center. Operational issues associated with the on-site consumption of alcohol are always relevant, and as such, the ability to provide on-site alcohol service requires the approval of a Conditional Use Permit. Through the Conditional Use Permit process, appropriate operational conditions and restrictions can be placed on uses that propose the ability to provide on-site alcohol consumption. Furthermore, as a City-owned facility, City personnel will be present at the facility whenever it is in use, thus, on-site City supervision of the activities will always occur.

FISCAL IMPACT:

Pursuant to the provisions of City Council Resolution No. 15- 7351, any proposed General Plan Amendment changing the land use designation from commercial or light industrial to residential requires the preparation of an economic impact assessment. As a component to the various project reports, studies and assessments, a project specific economic impact assessment was prepared. The resulting report is attached and is titled the "Covina Forward Revenue and Cost Summary". The conclusion of the report states as follows:

> *"Total current annual revenues to the City of Covina from the project site are $16,354. Total annual stabilized direct revenues to the City of Covina from the Covina Forward Project are anticipated to be $129,493. In addition off site sales in Covina from new project residents are projected to be $39,000 annually with an indirect economic multiplier of $90,000 to $140,000 annually for Covina economy. New jobs resulting from the Covina Forward Project will be 82 to 98."* (Source: Covina Forward Revenue and Cost Summary – November 2016, Williams & Foster)

In addition, the economic impact assessment estimates an indirect multiplier effect that the project will generate, as follows:

> *"The development of the proposed projects associated with Covina Forward will also produce indirect economic impact for Covina because several of the uses (Foothill Transit Center, Community Event Center and office development) will be more regional in nature and draw people from nearby communities such as Azusa, Glendora, San Dimas and West Covina. People residing in adjacent neighborhoods and communities will not only use the facilities contained in Covina Forward, but also purchase additional goods and services in nearby Covina stores, restaurants and fueling stations.*
>
> *The 117 new Townhomes will also bring more consumers of goods and services for nearby Covina businesses. The projected spending from residents of the new town homes is estimated to produce an additional $39,000 in annual sales tax revenue. This indirect-multiplier effect could produce an additional $90,000 to $140,000 annually in sales tax revenue, along with assisting in new job creation for nearby Covina businesses. The increase in sales tax revenue will help offset the loss of sales tax revenue resulting from the closure of the Kmart store."* (Source: Covina Forward Revenue and Cost Summary – November 2016, Williams & Foster)

CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT):
Pursuant to CEQA) and the State CEQA Guidelines, 14 Cal. Code Regs., § 15000, et seq, the City staff determined that an Environmental Impact Report (EIR) was necessary to evaluate the potential environmental effects of the Project. A Notice of Preparation (NOP) was published in the San Gabriel Valley Tribune on May 11, 2016 for the required 30-day review period. Furthermore, the NOP was posted at the Los Angeles County Registrar Office and the City of Covina City Clerk's office and was distributed to the State Clearinghouse, agencies, organizations, and interested parties. Subsequent to the EIR Notice of Preparation, a State Clearinghouse number was assigned as follows: SCH # 2016051053 - Covina Transit-Oriented Mixed-Use Development Project. Input was received during this period from public agencies and the general public regarding environmental issues and concerns related to the Project. The City received four comment letters in response to the NOP.

The City subsequently contracted for the independent preparation of a Draft Environmental Impact Report (the "Draft EIR") for the Project, including all necessary technical studies and reports in support of the Draft EIR. In September 2016, the Draft EIR was completed for the Project. In accordance with CEQA and the State CEQA Guidelines, the Draft EIR fully analyzed and disclosed the Project's potential impacts on the environment, proposed mitigation measures where appropriate to reduce potentially significant impacts to the extent possible, and evaluated potential alternatives to the Project.

The Draft EIR identifies that the Project would result in no impact or less than significant impacts in the following environmental impact categories: agricultural and forestry resources, greenhouse gas emissions, hydrology and water quality, land use and planning, mineral resources, population and housing, recreation, transportation and traffic, and utilities and service systems. With the incorporation of mitigation measures identified in the Draft EIR, the potentially significant impacts of the Project in the following categories would be reduced below a level of significance: aesthetics, air quality, biological resources, cultural resources, geology and soils, hazards and hazardous materials, and noise. No significant and unmitigable impacts have been identified in the EIR. A Notice of Availability of the Draft EIR was published in the San Gabriel Valley Tribune on September 13, 2016 and the Draft EIR was released for a 45-day public comment period beginning on September 13, 2016 and ending on October 27, 2016. The City received five comment letters on the Draft EIR during this period.

On November 8, 2016, the Planning Commission held a public hearing and received public testimony on the project, including the adequacy of the DEIR. Subsequently, on November 18, 2016 the City responded to nine (9) DEIR comment letters. The Final EIR was sent to all nine (9) commenters. It should also be noted that on November 21, 2016 the Final EIR was posted on the City's website.

The Project has been environmentally reviewed pursuant to the provisions of CEQA and the State CEQA Guidelines. The Planning Commission has reviewed and considered the Draft and, in the exercise of its independent judgment, recommends that the City Council certify the EIR, make appropriate environmental findings, and adopt a Mitigation Monitoring and Reporting Program for the Project. The Planning Commission recommends that the mitigation measures set forth therein be made applicable to the Project. The Planning Commission further finds that substantial evidence in light of the whole record supports the conclusion, as found in the Draft EIR that the Project will not result in any significant effect on the environment following the incorporation of mitigation. Public agencies and interested members of the public have been afforded ample notice and opportunity to comment on the Draft EIR and the Project. Therefore,

the Planning Commission finds that the project will not have a significant effect on the environment and recommends to that the City Council certify the Covina Transit-Oriented Mixed-Use Development Project Environmental Impact Report (EIR) with Mitigation Monitoring and Reporting Programs (SCH # 2016051053).

Respectfully submitted,

_____

Brian K. Lee
Director of Community Development

ATTACHMENTS:

Attachment A: Covina Forward Specific Plan

Attachment B: Resolution No. 16-7557, A resolution of the City Council of the City of Covina, California, certifying Environmental Impact (SCH2016051053), making environmental findings pursuant to the California Environmental Quality Act, and adopting a Mitigation Monitoring and Reporting Program for the iTEC Transit Oriented Mixed-Use development project (approximately 10.66 acres and generally located at 1162 North Citrus Avenue and 117 East Covina Boulevard - APN: 8406-019-019, 8406-019-020 and 8406-019-17

Attachment C: Resolution No. 16-7558, A resolution of the City Council of the City of Covina, California approving the General Plan Amendment (GPA) 16-001 to amend the Land Use Map changing the Land Use Designation from "General Commercial" to "Covina Forward Specific Plan" for approximately 10.66 acres of land with 6.12 acres designated for "High Density Residential 15 – 22 dwelling units per acre" and 4.54 acres designated for "General Commercial" for property generally located at 1162 North Citrus Avenue and 117 East Covina Boulevard – APN: 8406-019-019, 8406-019-020 and 8406-019-017.

Attachment D: Resolution No. 16-7559, A resolution of the City Council of the City of Covina, California establishing the "Covina Forward Specific Plan (CFSP)" with 6.12 acres for "CFSP – RD (Multi-Family)" and 4.54 acres for "CFSP – I (Institutional Use)" and establishing special development standards and design guidelines for the proposed iTEC Transit Oriented Mixed-Use development for property generally located at 1162 North Citrus Avenue and 117 East Covina Boulevard – APN: 8406-019-019, 8406-019-020 and 8406-019-017.

Attachment E: Ordinance No. 16-2068, An ordinance of the City Council of the City of Covina, California, amending the Official Zoning Map of the City of Covina by changing the zoning designation from "C-3A Commercial Zone (Regional or Community Shopping Center)" and "C-R Commercial Zone (Recreation)" to "Covina Forward Specific Plan" with 6.12 acres zoned for "RD (Multi-Family)" and 4.54 acres zoned for "I (Institutional Use)" for the proposed iTEC Transit Oriented Mixed-Use development for property generally located at 1162 North Citrus Avenue and 117 East Covina Boulevard – APN: 8406-019-019, 8406-019-020 and 8406-019-017.

Attachment F: Resolution No. 16-7560, A resolution of the City Council of the City of Covina, California, approving a Vesting Tentative Tract Map 74512 for dividing the 10.66-acre project site into 23 lots with 21 lots and 12 letter lots on approximately 6.12 acres for the residential development of 117 for-sale townhouse units and 2 lots (Lots 22 and 23) on approximately 4.54 acres for Public/Transit and Public/Civic Uses, for property generally located at 1162 North Citrus Avenue and 117 East Covina Boulevard – APN: 8406-019-019, 8406-019-020 and 8406-019-017.

Attachment G: Resolution No. 16-7561, A resolution of the City Council of the City of Covina, California, approving a Site Plan Review (SPR) 16-023 for the construction of 117 for-sale townhouse units with private drive aisles, recreation facilities and common open space area, generally located at 1162 North Citrus Avenue and 117 East Covina Boulevard – APN: 8406-019-019, 8406-019-020 and 8406-019-017.

Attachment H: Resolution No. 16-7562, A resolution of the City Council of the City of Covina, California, approving a Site Plan Review (SPR) 16-033 for the construction of a Transit Center up to a six-bay bus plaza, a park & ride vehicle parking structure and a 4,800 square foot retail building for property generally located at 1162 North Citrus Avenue and 117 East Covina Boulevard – APN: 8406-019-019, 8406-019-020 and 8406-019-017.

Attachment I: Ordinance No. 16-2069, An ordinance of the City Council of the City of Covina, California, approving and adopting a Development Agreement between MLC Holdings, Inc. and the City of Covina related to a proposed development consisting of 117 for-sale townhouse units on approximately 6.12 acres, the conveyance of 1.11 acres to the City and the conveyance of 0.351 acres to the City for parkland, for property generally located at 1162 North Citrus Avenue and 117 East Covina Boulevard – APN: 8406-019-019, 8406-019-020 and 8406-019-017.

Attachment J: Covina Forward Revenue and Cost Summary

Attachment K: November 8, 2016 Planning Commission Staff Report and PC Resolutions

Attachment L: Proposed Screen Barrier – Foothill Transit Center (Per PC Condition)

Attachment M: Letter from Foothill Transit Executive Director regarding Foothill Transit bus operations policies and procedures

Attachment N: Final EIR under separate cover (posted on the City's website)

Attachment O: Development Plan for SPR 16-023

Attachment P: Development Plan for SPR 16-033

the Planning Commission finds that the project will not have a significant effect on the environment and recommends to that the City Council certify the Covina Transit-Oriented Mixed-Use Development Project Environmental Impact Report (EIR) with Mitigation Monitoring and Reporting Programs (SCH # 2016051053).

Respectfully submitted,

Brian K. Lee
Director of Community Development

ATTACHMENTS:

Attachment A: Covina Forward Specific Plan

Attachment B: Resolution No. 16-7557, A resolution of the City Council of the City of Covina, California, certifying Environmental Impact (SCH2016051053), making environmental findings pursuant to the California Environmental Quality Act, and adopting a Mitigation Monitoring and Reporting Program for the iTEC Transit Oriented Mixed-Use development project (approximately 10.66 acres and generally located at 1162 North Citrus Avenue and 117 East Covina Boulevard - APN: 8406-019-019, 8406-019-020 and 8406-019-17

Attachment C: Resolution No. 16-7558, A resolution of the City Council of the City of Covina, California approving the General Plan Amendment (GPA) 16-001 to amend the Land Use Map changing the Land Use Designation from "General Commercial" to "Covina Forward Specific Plan" for approximately 10.66 acres of land with 6.12 acres designated for "High Density Residential 15 – 22 dwelling units per acre" and 4.54 acres designated for "General Commercial" for property generally located at 1162 North Citrus Avenue and 117 East Covina Boulevard – APN: 8406-019-019, 8406-019-020 and 8406-019-017.

Attachment D: Resolution No. 16-7559, A resolution of the City Council of the City of Covina, California establishing the "Covina Forward Specific Plan (CFSP)" with 6.12 acres for "CFSP – RD (Multi-Family)" and 4.54 acres for "CFSP – I (Institutional Use)" and establishing special development standards and design guidelines for the proposed iTEC Transit Oriented Mixed-Use development for property generally located at 1162 North Citrus Avenue and 117 East Covina Boulevard – APN: 8406-019-019, 8406-019-020 and 8406-019-017.

Attachment E: Ordinance No. 16-2068, An ordinance of the City Council of the City of Covina, California, amending the Official Zoning Map of the City of Covina by changing the zoning designation from "C-3A Commercial Zone (Regional or Community Shopping Center)" and "C-R Commercial Zone (Recreation)" to "Covina Forward Specific Plan" with 6.12 acres zoned for "RD (Multi-Family)" and 4.54 acres zoned for "I (Institutional Use)" for the proposed iTEC Transit Oriented Mixed-Use development for property generally located at 1162 North Citrus Avenue and 117 East Covina Boulevard – APN: 8406-019-019, 8406-019-020 and 8406-019-017.

Attachment F: Resolution No. 16-7560, A resolution of the City Council of the City of Covina, California, approving a Vesting Tentative Tract Map 74512 for dividing the 10.66-acre project site into 23 lots with 21 lots and 12 letter lots on approximately 6.12 acres for the residential development of 117 for-sale townhouse units and 2 lots (Lots 22 and 23) on approximately 4.54 acres for Public/Transit and Public/Civic Uses, for property generally located at 1162 North Citrus Avenue and 117 East Covina Boulevard – APN: 8406-019-019, 8406-019-020 and 8406-019-017.

Attachment G: Resolution No. 16-7561, A resolution of the City Council of the City of Covina, California, approving a Site Plan Review (SPR) 16-023 for the construction of 117 for-sale townhouse units with private drive aisles, recreation facilities and common open space area, generally located at 1162 North Citrus Avenue and 117 East Covina Boulevard – APN: 8406-019-019, 8406-019-020 and 8406-019-017.

Attachment H: Resolution No. 16-7562, A resolution of the City Council of the City of Covina, California, approving a Site Plan Review (SPR) 16-033 for the construction of a Transit Center up to a six-bay bus plaza, a park & ride vehicle parking structure and a 4,800 square foot retail building for property generally located at 1162 North Citrus Avenue and 117 East Covina Boulevard – APN: 8406-019-019, 8406-019-020 and 8406-019-017.

Attachment I: Ordinance No. 16-2069, An ordinance of the City Council of the City of Covina, California, approving and adopting a Development Agreement between MLC Holdings, Inc. and the City of Covina related to a proposed development consisting of 117 for-sale townhouse units on approximately 6.12 acres, the conveyance of 1.11 acres to the City and the conveyance of 0.351 acres to the City for parkland, for property generally located at 1162 North Citrus Avenue and 117 East Covina Boulevard – APN: 8406-019-019, 8406-019-020 and 8406-019-017.

Attachment J: Covina Forward Revenue and Cost Summary

Attachment K: November 8, 2016 Planning Commission Staff Report and PC Resolutions

Attachment L: Proposed Screen Barrier – Foothill Transit Center (Per PC Condition)

Attachment M: Letter from Foothill Transit Executive Director regarding Foothill Transit bus operations policies and procedures

Attachment N: Final EIR under separate cover (posted on the City's website)

Attachment O: Development Plan for SPR 16-023

Attachment P: Development Plan for SPR 16-033

CITY OF COVINA

AGENDA REPORT

ITEM NO. CC 14

MEETING DATE: December 6, 2016

TITLE: Ordinance No. 16-2069 for Development Agreement (DA) 16-001, Approving and adopting a Development Agreement between MLC Holdings, Inc. and the City of Covina related to a proposed development consisting of 117 for-sale townhouse units on approximately 6.12 acres, the conveyance of 1.11 acres to the City and the conveyance of 0.351 acres to the City for parkland, for property generally located at 1162 North Citrus Avenue and 117 East Covina Boulevard – APN: 8406-019-019, 8406-019-020 AND 8406-019-17 – Second Reading and Adoption.

PRESENTED BY: Brian K. Lee, AICP, Director of Community Development

RECOMMENDATION: Waive full reading, read by title only, and adopt on second reading **Ordinance No. 16-2069** entitled, "AN ORDINANCE OF THE CITY OF COVINA APPROVING AND ADOPTING A DEVELOPMENT AGREEMENT BETWEEN MLC HOLDINGS, INC. AND THE CITY OF COVINA RELATED TO A PROPOSED DEVELOPMENT CONSISTING OF 117 FOR-SALE TOWNHOUSE UNITS ON APPROXIMATELY 6.12 ACRES, THE CONVEYANCE OF 1.11 ACRES TO THE CITY AND THE CONVEYANCE OF 0.351 ACRES TO THE CITY FOR PARKLAND, FOR PROPERTY GENERALLY LOCATED AT 1162 NORTH CITRUS AVENUE AND 117 EAST COVINA BOULEVARD – APN: 8406-019-019, 8406-019-020 AND 8406-019-17"

BACKGROUND:

On November 29, 2016, the City Council held a public hearing to consider Development Agreement (DA) 16-001, approving and adopting a Development Agreement between MLC Holdings, Inc. and the City of Covina related to a proposed development consisting of 117 for-sale townhouse units on approximately 6.12 acres, the conveyance of 1.11 acres to the City and the conveyance of 0.351 acres to the City for parkland, for property generally located at 1162 North Citrus Avenue and 117 East Covina Boulevard – APN: 8406-019-019, 8406-019-020 AND 8406-019-17 for the proposed iTEC Transit Oriented Mixed-Use development for property general located at 1162 North Citrus Avenue and 117 East Covina Boulevard.

The City Council, after receiving the staff report and considering the public comments and testimony received during the November 29, 2016 Public Hearing, concluded the public hearing. The City Council unanimously approved the proposed zoning code amendment with a 5-0-0 vote. Attachment B is a copy of the November 29, 2016 Agenda Report for Council reference.

DISCUSSION:
The approval of Development Agreement (DA) 16-001 requires the adoption of Ordinance No. 16-2069. The City Council introduced the first reading at the November 29, 2016 meeting. An Ordinance requires a second reading to be adopted by the City Council as follows:

> AN ORDINANCE OF THE CITY OF COVINA APPROVING AND ADOPTING A DEVELOPMENT AGREEMENT BETWEEN MLC HOLDINGS, INC. AND THE CITY OF COVINA RELATED TO A PROPOSED DEVELOPMENT CONSISTING OF 117 FOR-SALE TOWNHOUSE UNITS ON APPROXIMATELY 6.12 ACRES, THE CONVEYANCE OF 1.11 ACRES TO THE CITY AND THE CONVEYANCE OF 0.351 ACRES TO THE CITY FOR PARKLAND, FOR PROPERTY GENERALLY LOCATED AT 1162 NORTH CITRUS AVENUE AND 117 EAST COVINA BOULEVARD – APN: 8406-019-019, 8406-019-020 AND 8406-019-17

FISCAL IMPACT:
Pursuant to the Development Agreement, the City of Covina will receive approximately 1.11 acres of property with the estimated value of $1,387,500. In addition, when considered in the totality of the overall project evaluated at the November 29, 2016 City Council meeting, it is anticipated the City of Covina will experience a positive fiscal impact, as described in the November 29, 2016 Staff Report.

CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT):
A second reading of the Ordinance is exempt from CEQA.

Respectfully submitted,

Brian K. Lee, AICP
Director of Community Development

ATTACHMENTS:

A. Ordinance No. 16-2068
B. November 29, 2016 Agenda Report

ATTACHMENT "A"

ORDINANCE NO. 16- 2069

AN ORDINANCE OF THE CITY OF COVINA APPROVING AND ADOPTING A DEVELOPMENT AGREEMENT (DA 16-001) BETWEEN MLC HOLDINGS, INC. AND THE CITY OF COVINA RELATED TO A PROPOSED DEVELOPMENT CONSISTING OF 117 FOR-SALE TOWNHOUSE UNITS ON APPROXIMATELY 6.12 ACRES, THE CONVEYANCE OF 1.11 ACRES TO THE CITY AND THE CONVEYANCE OF 0.351 ACRES TO THE CITY FOR PARKLAND, FOR PROPERTY GENERALLY LOCATED AT 1162 NORTH CITRUS AVENUE AND 117 EAST COVINA BOULEVARD – APN: 8406-019-019, 8406-019-020 AND 8406-019-017

WHEREAS, to strengthen the public planning process, encourage private participation in comprehensive planning and reduce the economic risk of development, the Legislature of the State of California adopted Government Code Sections 65864 *et seq.* (the Development Agreement Statute) which authorizes cities to enter into agreements for the development of real property in order to establish certain development rights in such property; and

WHEREAS, pursuant to Government Code Section 65865 the City has adopted rules and regulations establishing procedures and requirements for consideration of development agreements; and

WHEREAS, MLC Holdings, Inc. (the "Applicant") proposes to construct 117 for-sale townhouse units with private drive aisles, recreation facilities and common open space areas on approximately 6.12 acres of land, to make an irrevocable offer to dedicate 1.11 acres to the City and to convey 0.351 for parkland, for property generally located at 1162 North Citrus Avenue and 117 East Covina Boulevard. The proposed development will require approvals from the City, potentially including, but not limited to, a general plan amendment, a zone change, a specific plan, vesting tentative tract map, final subdivision maps, site plan review, demolition permits, grading permits, encroachment permits, building permits and certificates of occupancy; and

WHEREAS, a copy of the proposed Development Agreement is attached hereto and incorporated herein as Exhibit "A" to this Ordinance; and

WHEREAS, as part of its consideration of the Project, the City prepared Draft Environmental Impact Report ("EIR") (SCH 2016051053) on the Project pursuant to the California Environmental Quality Act (Public Resources Code Sections 21000 *et seq.*, "CEQA"), the Guideline for Implementation of the California Environmental Quality Act (14 California Code of Regulations, Sections 15000 et seq., the "State EIR Guidelines"); and

WHEREAS, pursuant to the Development Agreement Statute, the Planning Commission held a duly noticed public hearing on November 8, 2016, on the proposed Project and has found that the proposed Development Agreement is consistent with objectives of the general plan,

compatible with the uses authorized for the project area, in conformity with public convenience and beneficial to the public welfare, and will not adversely impact the orderly development of property; and

WHEREAS, the City Council, after published notice, held a public hearing on November 29, 2016 concerning the proposed Project, and has considered the reports and documents presented by City staff, the Planning Commission's recommendation, and the written and oral comments presented at the public hearing.

WHEREAS, on November 29, 2016, the City Council of the City of Covina held a noticed public hearing to review the Project pursuant to the California Environmental Quality Act, Cal. Pub. Res. Code § 21000 *et seq.* ("CEQA"), and the State CEQA Guidelines, 14 C.C.R. § 15000 *et seq.* and considered the reports and documents presented by City staff, the Planning Commission's recommendation, and the written and oral comments presented at the public hearing.

WHEREAS, upon the close of the public hearing, the City Council adopted Resolution No. 16-7557, adopting the Final EIR (SCH 2016051053), adopting the Findings of Facts and adopting a Mitigation Monitoring and Reporting Program for the Project. Resolution No. 16-7557 and the findings therein are hereby incorporated by this reference as though set forth in full.

WHEREAS, on November 29, 2016, the City Council of the City of Covina considered the proposed Project including General Plan Amendment (GPA) 16-001, Covina Forward Specific Plan (SP) 16-001, Zone Change (ZCH) No. 16-002, Vesting Tentative Tract Map (TTM) 74512, Site Plan Review (SPR) No. 16-023, Site Plan Review (SPR) No. 16-033 and Final EIR, Findings of Facts and Mitigation Monitoring and Reporting Program at a duly noticed public hearing at which time all interested persons had an opportunity to and did testify either in support or in opposition to this matter. The City Council considered all the testimony and any comments received regarding the proposed Project, the Final EIR, the Findings of Facts and the Mitigation Monitoring and Reporting Program, prior to and at the public hearing.

WHEREAS, all legal prerequisites prior to adoption of this Ordinance have occurred.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COVINA DOES ORDAIN AS FOLLOWS:

SECTION 1. Based on the full record of these proceedings, the City Council hereby finds the Development Agreement:

1) Is consistent with the General Plan and the City Council finds that the proposed project as conditioned, complies with all applicable provisions of the General Plan;
2) Is in conformity with public conveniences and good land use practices as the project approvals, mitigation monitoring program and development agreement will guarantee adequate infrastructure for the development and land uses that are compatible with their surroundings;

3) Will not be detrimental to the health, safety and general welfare as the project approvals, mitigation monitoring program and development agreement will guarantee adequate infrastructure, safety measures and public services such as police, fire, utilities and sanitation;

4) Will not adversely affect the orderly development of property or the preservation of property values because the proposed development is conditioned so as to be consistent with the General Plan and compatible with surrounding land uses; and

5) Is consistent with the provisions of Government Code 65864 through 65869.5.

SECTION 2. Based upon the aforementioned findings, the City Council hereby approves the Development Agreement between MLC Holdings, Inc. and the City of Covina attached hereto as **Exhibit "A"** and incorporated herein by reference.

SECTION 3. CEQA. The environmental effects of the proposed Development Agreement were analyzed in the Final EIR. The City Council reviewed the Final EIR and found that it reflects the independent judgment of the City Council and its staff, and is an adequate and extensive assessment of the environmental impacts of the Development Agreement. The City Council certified and approved the Final EIR as having been prepared in compliance with the requirements of the California Environmental Quality Act ("CEQA"), made the necessary findings, and adopted a Mitigation Monitoring and Reporting Program through Resolution No. 16-7557. Said Resolution is incorporated herein by this reference as though set forth in full. The City Council incorporates by this reference the findings and mitigation measures contained in the Final EIR, Findings of Facts and Mitigation Monitoring and Reporting Program as to the environmental effects of the Development Agreement. Those actions apply equally to this approval and are incorporated herein by this reference. The Director of Community Development shall file a Notice of Determination with the County Clerk under Title 14, California Code of Regulations Section 15075.

SECTION 4. The Mayor shall sign and the City Clerk shall attest to the passage of this Ordinance. The Mayor is authorized to execute the Development Agreement on behalf of the City once this Ordinance is effective. The executed development agreement shall be recorded against the title to the property.

SECTION 5. Custodian of Records. The documents and materials that constitute the record of proceedings on which these findings and this Ordinance are based are located at the City Clerk's office located at 125 E. College Street, Covina, CA 91723. The custodian of these records is the City Clerk.

SECTION 6. Severability. If any section, sentence, clause or phrase of this Ordinance or the application thereof to any entity, person or circumstance is held for any reason to be invalid or unconstitutional, such invalidity or unconstitutionality shall not affect other provisions or applications of this Ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this Ordinance are severable. 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 7. Effective Date. This Ordinance shall become effective within thirty (30) days after its adoption.

SECTION 8. Publication. The City Clerk shall certify to the adoption of this Ordinance. Not later than fifteen (15) days following the passage of this Ordinance, the City Clerk shall cause to be published once the Ordinance, or a summary of thereof, along with the names of the City Council members voting for and against the Ordinance, shall be published in a newspaper of general circulation in the City of Covina.

SECTION 9. Certification. The City Clerk shall certify to the passage and adoption of this Ordinance and shall enter the same in the Book of Original Ordinances.

SIGNED AND APPROVED this 5th day of January, 2017

_____
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. 16-2069 was duly adopted by the City Council of the City of Covina at a regular meeting held on the 6th day of December 2016, by the following vote:

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

Dated:

_____

SHARON F. CLARK, Chief Deputy City Clerk

EXHIBIT "A"

DEVELOPMENT AGREEMENT

PLEASE RECORD AND WHEN RECORDED
RETURN TO:
City Clerk
City of Covina
125 East College Street
Covina, California 91723

Space above this line for Recorder's use only
No recording fee under Government Code Sections 2783 and 6103

DEVELOPMENT AGREEMENT

PLEASE RECORD AND WHEN RECORDED
RETURN TO:
City Clerk
City of Covina
125 East College Street
Covina, California 91723

Space above this line for Recorder's use only
No recording fee under Government Code Section 27383

DEVELOPMENT AGREEMENT

This Development Agreement (hereinafter "Agreement") is made and entered into on _____, 2016, by and between the CITY OF COVINA (hereinafter "CITY"), a municipal corporation, and MLC HOLDINGS, INC., a California corporation (hereinafter "OWNER").

RECITALS

A. OWNER has an equitable interest in all of the real property ("Property") described on Exhibit "A" and depicted on Exhibit "B." CITY adopted and approved the Initial Development Approvals (as that term is defined below) for the Property generally located at 1162 North Citrus Avenue and 177 East Covina Boulevard (Assessor's Parcel Numbers 8406-019-019, 8406-019-020 and 8406-019-017) allowing for development of the Property with a transit-oriented mixed use development with new public and civic uses, as well as residential and commercial uses and related improvements, including up to 120 residential dwelling units, as described more fully in the Covina Forward Specific Plan ("Specific Plan") (collectively, the "Project"). To facilitate the Project, it is anticipated that OWNER will work collaboratively with CITY as set forth herein. Also in order to implement the Project, it is anticipated that OWNER will work collaboratively with Foothill Transit in connection with the anticipated conveyance of a portion of the Property and potential related cost sharing arrangements with that public agency (as may be documented in a separate mutually acceptable agreement).

B. Government Code Section 65864 *et seq.* ("Development Agreement Law") authorizes CITY to enter into binding development agreements with persons having a legal or equitable interest in real property for the development of such property, all for the purpose of strengthening the public planning process, encouraging private participation and comprehensive planning, and reducing the economic costs of such development. OWNER has therefore asked, and CITY has agreed, that a Development Agreement should be approved and adopted for this Property in order to memorialize and secure the respective expectations of CITY and OWNER.

C. The City Council of the CITY (hereinafter "City Council") has found that this Agreement is in the best public interest of CITY and its residents, that approving this Agreement constitutes a present exercise of CITY's police power, and that the Project is consistent with the applicable goals and policies of CITY's General Plan and Specific Plan, and imposes appropriate standards and requirements with respect to the Development (as that term is defined below) of the Property in order to maintain the overall quality of life and of the environment within CITY. Prior to its approval of this Agreement, CITY considered the environmental impacts of the Project and completed its environmental review of the Project through the certification of the EIR (as that term is defined below) and adoption of a Mitigation Monitoring and Reporting Program ("MMRP").

D. On November 8, 2016, the Planning Commission of CITY held a duly-noticed public hearing on OWNER's application for approval of this Agreement (as well as the other Initial Development Approvals), made certain findings and determinations with respect thereto, and recommended to the City Council that this Agreement (and the other Initial Development Approvals) be approved. On November 29, 2016, the City Council also held a duly-noticed public hearing on OWNER'S application for approval of this Agreement (as well as the other Initial Development Approvals), considered the recommendations of the Planning Commission, and found that this Agreement (and the other Initial Development Approvals) are consistent with and helps to implement CITY's General Plan and the Specific Plan. On _____, 2016, the City Council adopted Ordinance No. ___, enacting this Agreement ("DA Ordinance"). This Agreement shall become effective thirty (30) days after the adoption of Ordinance No. ___ ("Effective Date").

COVENANTS

NOW, THEREFORE, in consideration of the above recitals and of the mutual covenants hereinafter contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. DEFINITIONS AND EXHIBITS.

1.1 **Definitions**. This Agreement uses a number of terms having specific meanings, as defined below. These specially defined terms are distinguished by having the initial letter capitalized, or all letters capitalized, when used in the Agreement. Any terms not defined in this Section 1 below shall have the meaning assigned to them in this Agreement unless otherwise expressly indicated. The defined terms include the following:

1.1.1 "*Agreement*" means this Development Agreement.

1.1.2 "*CEQA*" means the California Environmental Quality Act (California Public Resources Code Section 21000 *et seq.*) and the related CEQA Guidelines (14 Cal. Regs. § 15000 *et seq.*), as it now exists or may hereafter be amended.

1.1.3 "*CITY*" means the City of Covina, a California municipal corporation.

1.1.4 "*City Council*" means the City Council of the CITY.

1.1.5 "*Conditions of Approval*" mean those conditions of approval, if any, which are not set forth in this Agreement and which are otherwise imposed by the CITY in connection with CITY's approval of the Development Approvals.

1.1.6 "*Default*" means a failure or unreasonable delay by CITY or OWNER to perform any material provision herein.

1.1.7 "*Development*" or "*Develop*" means the improvement of the Property for the purposes of completing the structures, improvements and facilities comprising the Project including, but not limited to: grading; the construction of infrastructure, improvements and public facilities related to the Project whether located within or outside the Property; the construction of buildings and structures; and the installation of landscaping and park facilities and improvements. "Development" and "Develop" also includes, without limitation, the maintenance, repair, reconstruction or redevelopment of any building, structure, improvement, landscaping or facility on the Property after the construction and completion thereof.

1.1.8 "*Development Approvals*" means collectively, the Initial Development Approvals and the Subsequent Development Approvals.

1.1.9 "*Development Plan*" means the plan for Development of the Property with the Project, including, without limitation, the planning and zoning standards, regulations, and criteria for the Development of the Property, contained in and consistent with Exhibit "C."

1.1.10 "*Development Impact Fees*" means any requirement of CITY or other governmental or quasi-governmental agency in connection with a Development Approval for the payment of fees in order to lessen, offset, mitigate or compensate for the impacts of development of the Project on the environment, facilities, services, improvements and/or infrastructure; or other public interests.

1.1.11 "*Development Requirement*" means any requirement of CITY in connection with or pursuant to any Development Approval for the dedication of land, the construction or improvement of public facilities, the payment of Development Impact Fees or assessments in order to lessen, offset, mitigate or compensate for the impacts of Development on the environment, or the advancement of the public interest.

1.1.12 "*Discretionary Action(s)*" or "*Discretionary Approval(s)*" means an Initial or Subsequent Development Approval that requires the exercise of judgment, deliberation or discretion on the part of CITY, including any board, agency, commission or department and any officer or employee thereof, in the process of approving or disapproving a particular activity, as distinguished from a Ministerial Permit or Ministerial Approval (as hereafter defined).

1.1.13 "*Effective Date*" means the date the Ordinance adopting this Agreement takes effect.

1.1.14 "*EIR*" shall mean the final Environmental Impact Report (State Clearinghouse No. 2016051053) for the Project which was prepared, circulated and certified in accordance with applicable laws and regulations, including, without limitation, CEQA. "*EIR Mitigation Measures*" shall mean the mitigation measures imposed upon the Project pursuant to the EIR and the Conditions of Approval as reflected in the adopted MMRP.

1.1.15 "*Initial Development Approvals*" means all permits, entitlements, approvals, licenses, consents, rights and privileges, and other actions (both ministerial and discretionary) in connection with Development of the Property with the Project that are considered, issued or approved by CITY on or before the Effective Date of this Agreement, including but not limited to:

(a) General Plan Amendment (GPA) 16-001;

(b) Covina Forward Specific Plan (SP) 16-001;

(c) Zone Change (ZCH) 16-002;

(d) Vesting Tentative Tract Map (TTM) 74512;

(e) this Agreement (DA) 16-001; and

(f) Site Plan Review /Development Review (SPR) 16-023.

1.1.16 "*Land Use Regulations*" means all ordinances, resolutions, laws, general or specific plans, codes, rules, regulations and official policies of CITY adopted and effective on or before the Effective Date of this Agreement governing Development and use of land, including, without limitation, the permitted uses of land, the density or intensity of use, subdivision requirements, the maximum height and size of proposed buildings, the provisions for reservation or dedication of land for public purposes, environmental review; and the design, improvement and construction standards and specifications, all as applicable to the Development of the Property with the Project. "Land Use Regulations" does not include any CITY ordinance, resolution, code, rule, regulation or official policy, governing:

(a) the conduct of businesses, professions, and occupations;

(b) taxes and assessments;

(c) the control and abatement of nuisances;

(d) the granting of encroachment permits and the conveyance of rights and interests which provide for the use of or the entry upon public property; and/or

(e) the exercise of the power of eminent domain.

1.1.17 "*OWNER*" means MLC HOLDINGS, Inc., a California corporation and, where specified in this Agreement, its successors in interest and/or assigns to all or any part of the Property.

1.1.18 "*Ministerial Permit(s)*," or "*Ministerial Approval(s)*" means a permit or approval, including, but not limited to, building permits, grading permits, and certificates of occupancy, which require CITY, including any board, agency, commission or department or any officer or employee thereof, to determine whether there has been compliance with applicable rules, statutes, ordinances, conditions of approval, and/or regulations, as distinguished from an activity which is included in the definition of Discretionary Action or Discretionary Approval.

1.1.19 "*Mortgagee*" means a mortgagee of a mortgage, a beneficiary under a deed of trust or any other security device, a lender or each of their respective successors and assigns.

1.1.20 "*Processing Fees*" means all application, inspection and other regulatory processing fees and charges required by CITY that are adopted for the purpose of defraying CITY's actual costs incurred or to be incurred in the processing and administration of any form of regulatory permit, license, land use entitlement or other approval, which are applied uniformly to all development related activity within CITY, including fees for land use applications. Processing Fees are distinguished from Development Impact Fees (as defined above). As set forth more fully below, Processing Fees are not vested under this Agreement.

1.1.21 "*Project*" means the Development of the Property consistent with the Development Plan and other Initial Development Approvals.

1.1.22 "*Property*" means the real property described in Exhibit "A" and shown on Exhibit "B" to this Agreement.

1.1.23 "Reservation of Authority" means the rights and authority excepted from the assurances and rights provided to OWNER under this Agreement and reserved to CITY under Section 3.6 of this Agreement.

1.1.24 "*Subsequent Development Approvals*" means all permits, entitlements, approvals, licenses, consents, rights and privileges, and other actions (both ministerial and discretionary) considered, issued or approved by CITY subsequent to the Effective Date in connection with Development of the Property.

1.1.25 "*Subsequent Land Use Regulations*" means any Land Use Regulations adopted and effective after the Effective Date of this Agreement.

1.1.26 "*Term*" shall mean the period of time from the Effective Date until the termination of this Agreement as provided in Subsection 9.1, or earlier termination as provided in Section 6.

1.2 **Exhibits**. The following documents are attached to, and by this reference made a part of, this Agreement:

Exhibit "A" Legal Description of the Property.

Exhibit "B" Map showing Property and its location.

Exhibit "C" Development Plan for the Development of the Property.

Exhibit "D" Legal Description and Depiction of City Property.

Exhibit "E" Legal Description and Depiction of Parkland Property.

Exhibit "F" Legal Description and Depiction of Property to be Conveyed to Foothill Transit.

Exhibit "G" Form of Grant Deed

2. GENERAL PROVISIONS.

2.1 **Binding Effect of Agreement**. From and following the Effective Date, Development of the Property with the Project and CITY actions on applications for Subsequent Development Approvals respecting the Property shall be subject to the terms and provisions of this Agreement.

2.2 **Interest in Property**. OWNER represents and covenants that it has an equitable interest in the Property.

2.3 **Assignment**.

2.3.1 *Right to Assign.* OWNER shall have the right to sell, transfer or assign the Property in whole or in part (provided that no such partial transfer shall violate the Subdivision Map Act, Government Code Section 66410 *et seq.*), and in so doing assign its rights and obligations under this Agreement as the same may relate solely to the portion of the Property being sold, transferred, or assigned to any person, partnership, joint venture, firm or corporation at any time during the Term of this Agreement.

2.3.2 *Release of Transferring OWNER.* Upon the sale, transfer or assignment of all or a portion of the Property, the transferring OWNER shall be released of all obligations under this Agreement that relate solely to the portion of the Property being sold, transferred, or assigned; provided that the obligations under this Agreement that relate to the portion of the Property being sold, transferred, or assigned are expressly assumed by and made enforceable against the transferee, pursuant to a written agreement executed by the transferee and provided to CITY not less than fourteen (14) days prior to the effective date of the transfer, and also recorded against the title of the transferred portion of the Property concurrently with the transfer. Notwithstanding the foregoing sentences of this Section 2.3.2, the

transferring OWNER shall remain responsible for all obligations set forth in the Development Plan that do not relate solely to the portion of the Property being sold, transferred, or assigned.

3. DEVELOPMENT OF THE PROPERTY.

3.1 **Rights to Develop; Development Plan Adjustments**. Subject to the terms of this Agreement, OWNER shall have a vested right to Develop the Property in accordance with, and to the extent of, the Development Plan and the other Initial Development Approvals. Development of the Property, as provided for under the Development Plan and other Initial Development Approvals is hereby vested specifically with the Property, and OWNER retains the right to apportion development rights between itself and any subsequent OWNER, upon the sale, transfer, or assignment of any portion of the Property, so long as such apportionment is consistent with the Development Plan, the other Initial Development Approvals and the Land Use Regulations and any such transfer complies with Section 2.3.2. OWNER also is hereby vested into the Development Impact Fees that are in place on the Effective Date as these relate to Development of the Project, and therefore shall not be required to pay any new or increased Development Impact Fees that CITY adopts after the Effective Date. Notwithstanding anything to the contrary in this Section 3.1, in the event of a conflict between any provision of this Agreement and the other Initial Development Approvals, this Agreement shall prevail.

3.2 **Effect of Agreement on Land Use Regulations**. Except as otherwise provided under the terms of this Agreement, the rules, regulations and official policies governing permitted uses of the Property, the density and intensity of use of the Property, the maximum height and size of proposed buildings, and the design, improvement and construction standards and specifications applicable to Development of the Property, shall be those contained in the Development Plan, the other Initial Development Approvals, the Subsequent Development Approval(s) only after and to the extent approved by CITY, and the Land Use Regulations not inconsistent therewith and as otherwise provided for herein.

3.3 **Subsequent Development Approvals**. CITY shall accept for processing, review and action all applications for Subsequent Development Approvals, and such applications shall be processed in the normal manner for processing such matters as established by the Land Use Regulations, for all or a portion of the Property at OWNER's option. CITY further agrees that, unless otherwise requested by OWNER or as expressly authorized by this Agreement, it shall not amend or rescind any Subsequent Development Approval(s) respecting the Property after such approvals have been granted by CITY. Pursuant to Section 66452.6(a) of the Government Code, the life of all Initial Development Approvals and any and all Subsequent Development Approvals approved by CITY with respect to the Property, including, without limitation, tentative or vesting tentative subdivision map(s) approved for the Property, or any portion thereof, shall also be extended for a period equal to the Term of this Agreement and any extensions thereto.

3.4 **Timing of Development**. The parties acknowledge that OWNER cannot at this time predict when, or at what rate the Property will be developed with the Project. Such decisions depend upon numerous factors which are or may not be within the control of OWNER, such as market orientation and demand, interest rates, absorption, completion and other similar

factors. Since the California Supreme Court held in *Pardee Construction Co. v. City of Camarillo* (1984) 37 Cal. 3d 465, that the failure of the parties therein to provide for the timing of development resulted in a later-adopted initiative restricting the timing of development to prevail over such parties' agreement, it is the parties' intent to cure that deficiency by acknowledging and providing that OWNER shall have the right to Develop the Property with the Project in such order and at such rate and at such times as OWNER deems appropriate within the exercise of its subjective business judgment.

3.5 **Changes and Amendments**. The parties acknowledge that Development of the Property with the Project may require Subsequent Development Approvals, and that in connection therewith OWNER may determine that changes are appropriate and desirable in the Initial Development Approvals, including, without limitation, the Development Plan. In accordance with Section 3.1 above, in the event OWNER finds that such a change is appropriate or desirable, OWNER may apply in writing for an amendment to any Initial Development Approval(s), including, without limitation, the Development Plan to effectuate such change, and CITY shall process such application notwithstanding anything in this Agreement that may be to the contrary. CITY shall have no obligation to grant any such application by OWNER that modifies the permitted or conditionally permitted uses or the overall intensity or density of Development of the Property, or otherwise is a substantial modification of the Development Plan having significant adverse environmental impacts that have not been evaluated and mitigated to the extent feasible. CITY's approval of any Subsequent Development Approval (including, without limitation, any change in the Initial Development Approvals (including the Development Plan)) shall not require an amendment to this Agreement except in the event and to the extent that OWNER expressly seeks and CITY approves such amendment in connection therewith. Upon CITY's approval of any Subsequent Development Approval, it shall become a part of the Development Approvals governing Development of the Property and shall be conclusively deemed to be consistent with this Agreement, without any further need for any amendment to this Agreement or any of its Exhibits.

3.6 **Reservation of Authority**.

3.6.1 *Limitations, Reservations and Exceptions*. Notwithstanding any other provision of this Agreement, the following Subsequent Land Use Regulations shall apply to the Development of the Property:

(a) Processing Fees imposed by CITY to cover the estimated actual costs to CITY of processing applications for Development Approvals or for monitoring compliance with any Subsequent Development Approvals granted or issued. The Project shall be subject to any increase in Processing Fees imposed by CITY, provided that such a change is applied on a CITY-wide basis.

(b) Procedural regulations not inconsistent with this Agreement, relating to hearing bodies, petitions, applications, notices, findings, records, hearings, reports, recommendations, appeals and any other matter of procedure.

(c) Changes adopted by the International Conference of Building Officials as part of the then most current versions of the Uniform Building Code,

Uniform Fire Code, Uniform Plumbing Code, Uniform Mechanical Code, Uniform Solar Energy Code, Uniform Swimming Pool, Spa and Hot Tub Code, Uniform Housing Code, Uniform Administrative Code, National Electrical Code, and any other Uniform Code, and also adopted by CITY as Subsequent Land Use Regulations. Notwithstanding any provision of this Agreement to the contrary, construction in connection with the Project shall be subject to changes occurring from time to time in the provisions of the CITY's building standards codes, including the CITY's building, mechanical, plumbing and electrical regulations that are based on the recommendations of multi-state professional organization(s) and become applicable throughout the CITY, including the California Building Code and other similar or related uniform codes.

(d) Regulations which may be in conflict with the Initial Development Approval(s) but which are identified after the Effective Date as necessary to protect the public health, safety, and welfare. To the extent possible, any such regulations shall be applied and construed consistent with Section 3.6.3 below so as to provide OWNER with the rights and assurances provided under this Agreement.

(e) Regulations which are not in conflict with the Initial Development Approvals, including, without limitation, the Development Plan and this Agreement. Any regulation, whether adopted by initiative or otherwise, limiting the rate or timing of Development of the Property, reducing the intensity or density of the Project, or attempting to assess any additional Development Impact Fees or taxes on Development of the Property, or imposing additional and/or more stringent architectural or landscaping requirements or reviews, shall be deemed to conflict with the Initial Development Approvals, and shall therefore not be applicable to Development of the Property with the Project.

(f) Regulations which are in conflict with the Initial Development Approvals provided OWNER has given written consent to the application of such regulations to Development of Property.

(g) Modifications in Federal or State laws and regulations which CITY is required to enforce as against the Project or the Development of the Property. Changes in, or additions to, the Land Use Regulations shall apply to the Project if such changes or additions are specifically mandated to be applied to developments such as the Project by applicable California or federal laws or regulations that go into effect on or after the Effective Date, which prevent or preclude compliance with one or more of the provisions of this Agreement. If CITY or OWNER believes that such a change or addition required by California or federal law or regulation exists, then that party shall provide the other party hereto with a copy of such California or federal law or regulation and a statement of the nature of its conflict with the provisions of the Land Use Regulations and/or of this Agreement. In the event that any such change or addition shall be required by California or federal law or regulation, then the provision(s) of this Agreement that require said change(s) shall be modified or suspended as may be

necessary to comply with such state or federal laws or regulations and CITY shall reasonably cooperate with OWNER in minimizing the impact of such change upon the Project and the Property. This Agreement shall remain in full force and effect to the extent it is not inconsistent with such laws or regulations and to the extent such laws or regulations do not render such remaining provisions impractical to enforce.

3.6.2 *Future Discretion of CITY.* This Agreement shall not prevent CITY, in acting on Subsequent Development Approvals, from applying Subsequent Land Use Regulations which do not conflict with the Initial Development Approvals, including, without limitation, the Development Plan or this Agreement as set forth in Section 3.6.1, nor shall this Agreement prevent CITY from denying or conditionally approving any Subsequent Development Approval subject to Section 3.6.1.

3.6.3 *Intent.* CITY acknowledges that OWNER has reasonably entered into this Agreement and intends to proceed with the Project on the assumption that CITY has adequately provided for the public health, safety and welfare through the Land Use Regulations and the Initial Development Approvals. In the event that any future, unforeseen public health or safety emergency arises, CITY agrees that it shall attempt to address such emergency in such a way as not to adversely impact Development of the Property in accordance with the Initial Development Approvals, and if that is not possible, to select that option for addressing the emergency which has the least adverse impact on Development of the Property in accordance with the Initial Development Approvals. CITY specifically also agrees that it will not adopt any development moratorium applicable to the Property or the Project except as a last resort response to such an emergency, and then shall maintain any such moratorium with respect to the Property and the Project only for so long as required for CITY to address the emergency in such a way as to permit the Project to be completed according to OWNER's timetable.

3.6.4 *Taxes, Assessments and Fees.* This Agreement shall not prevent CITY from enacting, levying or imposing any new or increased tax, assessment or Processing Fees that are levied or imposed on a CITY-wide basis and adopted in accordance with applicable laws and regulations; provided, however, that CITY acknowledges and agrees that it shall not impose any new or increased Development Impact Fees the Development of the Project that are adopted by CITY after the Effective Date. The parties further anticipate that CITY will impose a condition on the Project relating to its annexation into CITY's existing Community Facilities District for police, fire and park services ("Citywide CFD"). If and to the extent this condition is so imposed, the parties shall work diligently and in good faith to promptly process and bring to the City Council for consideration said annexation request upon OWNER's application for same, such that said annexation is complete prior to issuance of the first building permit for the production of units for the Project.

3.7 **Regulation by Other Public Agencies**. It is acknowledged by the parties that other public agencies not subject to control by CITY may possess authority to regulate aspects of the Development of the Property, and this Agreement does not limit the authority of such other

public agencies. At such time as OWNER seeks such Subsequent Development Approvals from non-CITY agencies, CITY agrees to reasonably cooperate and coordinate with OWNER in such efforts for the purpose of implementing the Project, upon OWNER's request and subject to OWNER paying any and all costs incurred by CITY in connection therewith.

3.8 **Tentative Maps**. If any tentative or final subdivision map, or tentative or final parcel map, heretofore or hereafter approved in connection with Development of the Property, is a vesting map under the Subdivision Map Act (Government Code Section 66410 *et seq.*), and if this Agreement is determined by a final judgment to be invalid or unenforceable insofar as it grants a vested right to develop to OWNER, then and to that extent the rights and protection afforded OWNER under the laws and ordinances applicable to vesting maps shall supersede the provisions of this Agreement. Except as set forth immediately above in this Section 3.8, Development of the Property shall occur only as provided in this Agreement and the other Initial Development Approvals (and any Subsequent Development Approval(s) if and to the extent approved by CITY), and the provisions in this Agreement shall be controlling over any conflicting provision of law or ordinance concerning vesting maps.

3.9 **OWNER's Right to Construct Facilities**. It is understood and agreed that, subject to CITY review and approval of plans and specifications, OWNER may elect, and reserves the right, to construct, or cause the construction of, any public or quasi-public facility for which CITY intends to collect a fee, and to dedicate the completed facility to CITY, in lieu of payment of the fee (as well as reimbursement from fees paid to CITY by other benefitted third party property owners (if any), if said fee credit would not be sufficient to reimburse OWNER for costs beyond its proportionate fair share of said facility); provided, however, that any such reimbursement would only come from Development Impact Fees received by CITY from other third party property owners benefitted by OWNER's construction of said facilities in connection with other development projects and CITY shall have no obligation to directly reimburse OWNER for construction of public facilities from CITY's general funds.

3.10 **Provision of Real Property Interests by CITY**. In any instance where OWNER is required to construct any public improvement on land not owned by OWNER, CITY shall first have acquired the necessary real property interests to allow OWNER to construct such public improvements; otherwise, OWNER shall have no obligation to so construct pursuant to Government Code Section 66462.5. Costs associated with such acquisition or condemnation proceedings, if any, shall be OWNER's responsibility, and may be included in an assessment district (if any) on a fair share basis.

3.11 **Cooperation in Completing Project**. CITY agrees to cooperate with OWNER as necessary and lawful, without cost to CITY (except to the extent any such costs relate to CITY's development of the City Property and/or the Parkland Property, in which case CITY shall be responsible for said costs), for the successful completion of the Project, as reflected in the Initial Development Approvals, including, without limitation, the Development Plan and fulfillment of all OWNER's obligations set forth herein as well as all other Conditions of Approval or other Development Requirements, including, without limitation, accomplishment of each and every one of the Development Requirements or conditions that may be imposed on the Development of the Project by CITY or by other public agencies. In connection with the conveyance of the City Property and the Parkland Property (as set forth in Sections 5(a), (b)

below), the parties may enter into a temporary construction easement agreement, or other similar agreement, that provides for the ability of OWNER to stage construction activities on the City Property and/or the Parkland Property as necessary or desirable to facilitate the timely and efficient implementation of the Project, as well as other mutually acceptable terms including, without limitation, those relating to indemnification and insurance.

3.12 **Issuance of Ministerial Permits.** Upon written request of OWNER, CITY shall endeavor to expedite the processing of all applications for Ministerial Permits, including but not limited to building, grading, and other permits necessary to complete construction and occupancy of horizontal and/or vertical improvements on the Property, as set forth in the Initial Development Approvals (including, without limitation, the Development Plan), provided OWNER's applications for such permits comply with all Land Use Regulations applying to the subject matter of the applicable permit and with the other Initial Development Approvals (including any and all Conditions of Approval attached thereto) or any Subsequent Development Approval(s) if and to the extent approved by CITY.

4. PERIODIC REVIEW.

CITY shall review OWNER's performance every twelve (12) months at the anniversary of the adoption of the Agreement, and this periodic review shall be conducted in accordance with the Development Agreement Law ("Periodic Review"). In connection with this Periodic Review, OWNER shall demonstrate good faith compliance with the terms of this Agreement. If, as a result of the review, CITY finds and determines, based upon substantial evidence, that OWNER has not complied in good faith with the terms and conditions of this Agreement, CITY may serve on OWNER a notice to cure setting forth in detail the nature of OWNER's non-compliance with this Agreement. If OWNER fails to cure the non-compliance within sixty (60) days of the date of the notice or, if such cure cannot be effected within such sixty (60) day period and OWNER fails to commence and proceed in good faith in an effort to cure such non-compliance within such sixty (60) day period, CITY may, by written notice to OWNER, terminate this Agreement. The review shall be conducted by the Director of Community Development. Upon completion of a Periodic Review and a finding of OWNER's good faith compliance and further upon OWNER's request, City shall provide an Estoppel Certificate stating: (a) this Agreement is in full force and effect and constitutes a binding obligation of the parties; (b) this Agreement has not been amended either orally or in writing, or if it has been amended, specifying the document number of any recorded amendments; and (c) there are no existing Defaults in the performance of OWNER's obligations under this Agreement to the actual knowledge of the party signing the Estoppel Certificate.

5. PUBLIC BENEFIT.

In consideration for the rights and benefits to OWNER under this Agreement, OWNER, through its compliance with this Agreement and otherwise through implementation of the Project, provides to CITY the following public benefits:

(a) Land Conveyance to CITY: OWNER shall convey to CITY by grant deed a fee simple interest to a portion of real property within the Property,

comprising approximately 1.11 acres of land ("City Property") described and depicted in Exhibit "D", in accordance with the terms and provisions of this subsection (a). OWNER shall adhere to all recommendations set forth in that certain Phase I Environmental Site Assessment (dated August 10, 2015) ("Phase I ESA") and that certain Phase I Environmental Site Assessment Addendum (dated August 27, 2015) ("ESA Addendum"), including, but not limited to the recommendation that OWNER have a qualified environmental professional be present during the demolition of the underground structures on the Property. OWNER shall also adhere to any recommendations made by said professional regarding or resulting from any demolition of underground structures on the Property. In addition, OWNER shall provide to CITY reasonable documentation from said professional that the demolition occurred consistent with the above-referenced professional recommendations set forth in this subsection (a). So long as OWNER adheres to the foregoing requirements, CITY shall accept said conveyance pursuant to its standard acceptance procedures. Said Grant Deed shall be in substantially the same form as Exhibit "G". OWNER's conveyance of the City Property to CITY at the time established herein is a material term of this Agreement and a breach of such term shall entitle CITY to terminate this Agreement as provided herein and avail itself of any available remedy at law or equity in accordance with Section 6 below. OWNER shall demolish any existing structures on the City Property and rough grade it prior to conveying it to CITY. OWNER shall convey the City Property to CITY upon the later of the following: (i) the geotechnical professional's issuance of the rough grading certification of the Property, or (ii) the recordation of the final map for the Property, but in no event later than December 31, 2017; notwithstanding anything to the contrary in the foregoing OWNER's obligation to convey the City Property shall be subject to and contingent on the full and final resolution of any third party litigation challenging this Agreement or any other Development Approvals such that OWNER may proceed with Development of the Project.

(b) Parkland Conveyance to City. OWNER shall convey to CITY by grant deed a fee simple interest to a portion of real property within the Property, comprising approximately 0.351 acres of land ("Parkland Property"), described and depicted in Exhibit "E", in accordance with the terms and provisions of this subsection (b). OWNER shall adhere to all recommendations set forth in the Phase I ESA and the ESA Addendum, including, but not limited to the recommendation that OWNER have a qualified environmental professional be present during the demolition of the underground structures on the Property. OWNER shall also adhere to any recommendations made by said professional regarding or resulting from any demolition of underground structures on the Property. In addition, OWNER shall provide to CITY reasonable documentation from said professional that the demolition occurred consistent with the above-referenced professional recommendations set forth in this subsection (b). So long as OWNER adheres to the foregoing requirements, CITY shall accept said conveyance pursuant to its standard acceptance procedures. The Parkland Property shall be used for City park and recreation facilities pursuant to Chapter 16.28 of the Covina Municipal Code. Said Grand Deed shall be substantially in

the same form as Exhibit "G". OWNER's conveyance of the Parkland Property to CITY at the time established herein is a material term of this Agreement and a breach of such term shall entitle CITY to terminate this Agreement as provided herein and avail itself of any available remedy at law or equity in accordance with Section 6 below. OWNER shall demolish any existing structures on the Parkland Property and rough grade it prior to conveying it to City. OWNER shall convey the Parkland Property to CITY upon the later of the following: (i) the geotechnical professional's issuance of the rough grading certification for the Property, or (ii) the recordation of the final map for the Property, but in no event later than December 31, 2017; notwithstanding anything to the contrary in the foregoing, OWNER's obligation to convey the Parkland Property shall be subject to and contingent on the full and final resolution of any third party litigation challenging this Agreement or any other Development Approvals such that OWNER may proceed with Development of the Project.

(c) OWNER's conveyance of the City Property and the Parkland Property shall be treated as a "offer for dedication of parkland" in lieu of otherwise applicable parkland impact fees pursuant to the Covina Municipal Code Section 16.28.030 and shall be deemed to satisfy the Project's requirements for parkland (as set forth in Section 16.28) and thus OWNER shall not be required to pay any parkland impact fees pursuant to Section 16.28.070. Provided, however, that the parties acknowledge and agree that said conveyances result in a substantial public benefit to CITY since the fair market value of the City Property is significantly more than the amount of parkland impact fees that CITY could otherwise lawfully impose on the Project under Section 16.28 of the Covina Municipal Code.

(d) OWNER shall pay for the cost of a standard owner's title policy in favor of CITY for each of the two above-referenced conveyances to CITY. The liability amount of the title policy for the City Property shall be no less than $1,387,500.00, and the liability amount of the title policy for the Parkland Property shall be no less than $438,750.00.

(e) Public Land Conveyance to Foothill Transit: OWNER shall convey to the Foothill Transit a parcel of real property within the Property, comprising approximately 3.08 acres of land, described and depicted in Exhibit "E", for development and use by Foothill Transit as a park and ride facility, as described more fully in the Specific Plan ("Transit Center Property") for fair market values provided, however, that OWNER'S obligation to convey the Transit Center Property shall be subject to OWNER and Foothill Transit entering into a separate mutually acceptable contractual agreement and accompanying grant deed between OWNER and Foothill Transit.

(f) Demolition of aging, dilapidated retail uses and automobile repair facility uses in connection with Development of the Project.

(g) Elimination of blight and increased property tax revenue as a result of the implementation of the Project.

(h) Increased economic activity throughout the CITY as a result of the implementation of the Project.

(i) Increased access to regional public transportation and reduction of vehicle traffic by locating high-quality housing and providing for opportunities to create new civic and transit center uses near major transportation corridors and transit.

6. DEFAULT, REMEDIES AND TERMINATION.

6.1 Rights of CITY after Default; No Monetary Damages Remedy Against OWNER. In the event of a Default by OWNER, CITY may terminate this Agreement and shall otherwise have hereunder all legal and equitable remedies as provided by law, except for the recovery of monetary damages which shall not be permitted. Before CITY may terminate this Agreement or take action to obtain judicial relief, CITY shall comply with the notice and cure provisions of Section 6.3.

6.2 OWNER Remedy Limited to Specific Performance; No Monetary Damages Remedy Against CITY. The nature of a development agreement under the Development Agreement Law is a very unusual contract involving promoting a very large development project facing many complex issues including geologic, environmental, financial, market, regulatory and other constantly evolving factors over an extremely long time frame. The high level of uncertainty and risk involved justify the extraordinary commitments made to OWNER by CITY. The parties acknowledge that CITY would not have entered into this Agreement had it been exposed to monetary damages claims from OWNER for any termination, or Default hereunder. As such, the parties agree that in no event shall OWNER be entitled to recover monetary damages of any amount or of any kind against CITY for CITY's termination or Default under this Agreement. For purposes of enforcement, therefore, OWNER's sole remedy for any Default of this Agreement shall be the remedy of specific performance. Before OWNER takes action to obtain a judicial order for specific performance against CITY, OWNER shall comply with the notice and cure provisions of Section 6.3.

6.3 Notice and Opportunity to Cure. A non-Defaulting Party in its discretion may elect to declare a Default under this Agreement in accordance with the procedures hereinafter set forth for any alleged Default of the other party ("Defaulting Party"). However, the non-Defaulting Party must provide written notice to the Defaulting Party setting forth the nature of the breach or failure and the actions, if any, required by the Defaulting Party to cure such breach or failure. The Defaulting Party shall be deemed in Default under this Agreement, if the breach or failure can be cured, but the Defaulting Party has failed to take such actions and cure such Default within sixty (60) days after the date of such notice. However, if such Default cannot be cured within such sixty (60) day period, and if the Defaulting Party does each of the following:

1. Notifies the non-Defaulting Party in writing with a reasonable explanation as to the reasons the asserted Default is not curable within the sixty (60) day period;

2. Notifies the non-Defaulting Party of the Defaulting Party's proposed cause of action to cure the Default;

3. Promptly commences to cure the Default within the sixty (60) day period;

4. Makes periodic reports to the non-Defaulting Party as to the progress of the program of cure; and

5. Diligently prosecutes such cure to timely completion, then:

The Defaulting Party shall not be deemed in Default of this Agreement once the Default has been timely cured.

6.4 Termination Notice. Upon receiving a Default Notice, should the Defaulting Party fail to timely cure any Default, or fail to diligently pursue such cure as prescribed above, the non-Defaulting Party may, in its discretion, provide the Defaulting Party with a written notice of intent to terminate this Agreement ("Termination Notice"). The Termination Notice shall state that the non-Defaulting Party will elect to terminate the Agreement within sixty (60) days and state the reasons therefor (including a copy of any specific charges of Default) and a description of the evidence upon which the decision to terminate is based. Once the Termination Notice has been issued, the non-Defaulting Party's election to terminate this Agreement shall only be rescinded (i) if the Defaulting Party fully and completely cures all Defaults prior to the date of termination, or (ii) if the non-Defaulting Party elects to revoke the Termination Notice.

6.5 Waiver of Breach. By not filing a legal challenge to CITY'S action to approve or issue any Development Approval within the period established by applicable law, OWNER shall be deemed to have waived any claim that any condition of approval attached to said Development Approval is improper or that the action, as approved, constitutes a breach of the provisions of this Agreement. By recordation of a final subdivision map on any portion of the Property, OWNER shall be deemed to have waived any claim that any Condition of Approval of such final subdivision map is improper or that the Condition of Approval constitutes a breach of the provisions of this Agreement.

6.6 Attorneys Fees. In the event either party to this Agreement is forced to bring legal action to enforce its rights under this Agreement, and notwithstanding the limitation of the parties' remedies under Section 6.2, the prevailing party in any such action shall be entitled to recover its reasonable attorney's fees and costs of suit.

7. RELEASES AND INDEMNITIES.

7.1 Third-Party Litigation.

7.1.1 Non-liability of Parties. As set forth above, CITY has determined that this Agreement is consistent with the General Plan and meets all of the legal

requirements of State law. The parties acknowledge that:

A. In the future there may be challenges to the legality, validity and adequacy of the Initial Development Approvals, the EIR, and/or this Agreement; and

B. If successful, such challenges could delay or prevent the performance of this Agreement and the Development of the Property.

C. In addition to the other provisions of this Agreement, including, without limitation, the provisions of this Section 7, neither party shall have liability under this Agreement for any failure of either party to perform its respective obligations under this Agreement under this Agreement as the direct result of a judicial determination resulting from any claim or litigation that on the Effective Date, or at any time thereafter, the Land Use Regulations, the Development Approvals, the EIR or any related CEQA determination for the Project ("CEQA Determination"), this Agreement, or portions thereof, are invalid or inadequate or not in compliance with law.

7.1.2 Revision of Land Use Regulations. If, for any reason, the Land Use Regulations, the Initial Development Approvals (including, without limitation, this Agreement), the EIR, or the CEQA Determination or any part thereof is hereafter judicially determined, as provided above, to not be in compliance with applicable laws or regulations and, if such noncompliance can be cured by an appropriate action otherwise conforming to the provisions of this Agreement, then this Agreement shall remain in full force and effect to the extent permitted by law. If required by a judicial decision, CITY shall process any of OWNER's applications for amendments to any of the Initial Development Approvals, the EIR, the CEQA Determination, and this Agreement, as necessary in response to such judicial decision. The Parties understand and agree that no promise can be made as to any future approval, however, because land use regulations involve the exercise of CITY'S police power and it is settled California law that government may not contract away its right to exercise its police power in the future. *Avco Community Developers Inc. v. South Coast Regional Com.*, 17 Cal.3d 785, 800 (1976); *City of Glendale v. Superior Court*, 18 Cal.App.4th 1768 (1993).

7.1.3 Participation in Litigation: Indemnity. To the full extent permitted by law, OWNER agrees to and shall fully indemnify, hold harmless, and defend, CITY and its respective elected and appointed officials, officers, members, agents, employees, and representatives (each an "Agent" and collectively "Agents") from any and all claims, suits, causes of action, fines, penalties, proceedings, damages, injuries or losses of any name, kind or description, specifically including attorneys' fees (collectively, "Claim(s)"), arising in any way out of or challenging the validity of this Agreement, any of the other Development Approvals, the EIR or the CEQA Determination. OWNER's indemnification obligation shall include, but not be limited to, actions to attack, set aside, void, or annul any approval, should it occur, related to this Agreement, any of the other Initial Development Approvals, the EIR or the CEQA Determination, including actions invoking Planning and Zoning Law or

CEQA. OWNER shall reimburse CITY for any court costs and attorneys' fees that CITY may be required by a court to pay as a result of such Claim(s). CITY may, at its sole and absolute discretion, participate in the defense of any such Claim(s) undertaken by OWNER, or (b) retain separate counsel whose attorneys' fees and costs shall be paid by OWNER. Such participation in the defense of such Claim(s) or the retention of separate counsel by CITY shall not relieve OWNER of its obligations under this Agreement.

7.1.4 CITY shall promptly provide written notice to OWNER of any Claim(s). CITY shall take all necessary and reasonable steps to provide such notice to OWNER in a timely fashion and in a manner that will not result in any substantial prejudice to OWNER's ability to defend the relevant Claim(s). Such notice shall contain a copy of any relevant pleadings filed in connection with the relevant Claim(s). CITY acknowledges that OWNER desires to provide the defense of any Claim(s) in a cost efficient manner. CITY and OWNER shall coordinate and cooperate in their defense activities, whether CITY is participating in defense undertaken by OWNER or is retaining separate counsel. As used in this Agreement, cooperation does not include CITY having to take any action or make any decision that CITY does not believe, in the exercise of its good faith judgment, is in its own best interest. Unless expressly provided to the contrary, nothing in this Agreement shall be construed in a manner that requires CITY to exercise its discretion in a particular manner.

7.1.5 OWNER may not resolve such Claim(s) without CITY's prior written consent. In all events, CITY shall have the right to resolve any such Claim(s) in any manner, in its discretion, provided, however, OWNER's consent shall be required (and may be granted or withheld in OWNER's discretion) if the resolution of the Claim(s) shall require a payment by OWNER or limit OWNER's rights under the Development Approvals, including, without limitation, this Agreement. OWNER'S obligation to pay the cost of any such Claim(s), including judgment, post-judgment motions, and any and all appeals, shall extend until any Claim is completely concluded, judgment is entered and completely satisfied.

7.1.6 In the event OWNER fails or refuses to reimburse CITY for its cost to defend any Claim(s), CITY shall have the right to terminate this Agreement, subject to the notice and cure requirements of Section 6.3 above. Additionally, in the event of any such Claim(s), the Term of this Agreement shall be tolled for the period during which such Claim(s) are proceeding until fully and finally resolved.

7.1.7 In order to ensure compliance with this Section 7, within twenty (20) days after notification by CITY of the receipt of any Claim(s), OWNER shall deposit with CITY cash or other security in the amount of one hundred thousand dollars ($100,000), satisfactory in form to the City Attorney, guaranteeing indemnification or reimbursement to CITY of all costs and fees related to any action triggering the obligations of this Section 7. If CITY is required to draw on that cash or security to indemnify or reimburse itself for such costs or fees, OWNER shall restore the deposit to its original amount within fifteen (15) days after notice from CITY that replenishment is required. Additionally, if at any time the City Attorney determines

that an additional deposit or additional security in an amount not to exceed an additional fifty thousand dollars ($50,000) is necessary to secure the obligations of this Section 7, OWNER shall provide such additional payment or security within fifteen (15) days of notice from the City Attorney.

7.2 Hold Harmless: OWNER's Construction and Other Activities. OWNER shall indemnify, defend, save and hold CITY and its Agents, as defined in this Section 7 above, and shall hold and save them and each of them harmless from any and all claims, damages of any kind and litigation which may arise from OWNER's or OWNER's agents, contractors, subcontractors, agents, or employees' operations under this Agreement, whether such operations be by OWNER or by any of OWNER's agents, contractors or subcontractors or by any one or more persons directly or indirectly employed by or acting as agent for OWNER or any of OWNER's agents, contractors or subcontractors. Notwithstanding anything to the contrary in this Section 7.2, nothing herein shall make OWNER liable for the negligence or willful misconduct of CITY's Agent(s).

7.3 Survival of Indemnity Obligations. All indemnity provisions set forth in this Agreement shall survive termination of this Agreement for any reason other than CITY's Default as provided herein and shall continue to be the liability and obligation of OWNER, binding upon OWNER, until the final resolution of all Claims, and shall survive the completion, partial completion, or abandonment of the Project.

8. MORTGAGEE PROTECTION.

The parties hereto agree that this Agreement shall not prevent or limit OWNER, in any manner, at OWNER's sole discretion, from encumbering the Property or any portion thereof or any improvement thereon by any mortgage, deed of trust or other security device securing financing with respect to the Property. CITY acknowledges that the lenders providing such financing may require certain Agreement interpretations and modifications and agrees upon request, from time to time, to meet with OWNER and representatives of such lenders to negotiate in good faith any such request for interpretation or modification. Subject to compliance with applicable laws, CITY shall not unreasonably withhold its consent to any such requested interpretation or modification provided CITY determines such interpretation or modification is consistent with the intent and purposes of this Agreement.

8.1.1 Any Mortgagee of the Property shall be entitled to the following rights and privileges hereunder:

(a) Neither entering into this Agreement nor a breach of this Agreement shall defeat, render invalid, diminish or impair the lien of any mortgage on the Property made in good faith and for value, unless otherwise required by law.

(b) The Mortgagee of any mortgage or deed of trust encumbering the Property, or any part thereof, which Mortgagee has submitted a request in writing to CITY in the manner specified herein for giving notices, shall be entitled to

receive written notification from CITY of any Default by OWNER in the performance of OWNER's obligations under this Agreement.

(c) If CITY timely receives a request from a Mortgagee requesting a copy of any notice of Default given to OWNER under the terms of this Agreement, CITY shall make a good faith effort to provide a copy of that notice to the Mortgagee within ten (10) days of sending the notice of Default to OWNER. The mortgagee shall have the right, but not the obligation, to cure the Default during the remaining cure period allowed such party under this Agreement.

(d) Any Mortgagee who comes into possession of the Property, or any part thereof, pursuant to foreclosure of the mortgage or deed of trust, or deed in lieu of such foreclosure, shall take the Property, or part thereof, subject to the terms of this Agreement. Notwithstanding any other provision of this Agreement to the contrary, no Mortgagee shall have an obligation or duty under this Agreement to perform any of OWNER's obligations or other affirmative covenants of OWNER hereunder, or to guarantee such performance; except that (i) to the extent that any covenant to be performed by OWNER is a condition precedent to the performance of a covenant by CITY, the performance thereof shall continue to be a condition precedent to CITY's performance hereunder; and (ii) in the event any Mortgagee seeks to develop or use any portion of the Property acquired by such Mortgagee by foreclosure, deed of trust, or deed in lieu of foreclosure, such Mortgagee shall strictly comply with all of the terms, conditions and requirements of this Agreement and the Development Plan applicable to the Property or such part thereof so acquired by the Mortgagee.

9. MISCELLANEOUS PROVISIONS.

9.1 **Term of Agreement**. Unless earlier terminated as provided in Section 4 or Section 6 hereof, this Agreement shall continue in full force and effect for a period of ten (10) calendar years from the Effective Date.

9.2 **Recordation of Agreement**. This Agreement shall be recorded with the County Recorder by the City Clerk within the period required by Section 65868.5 of the Government Code. Amendments of this Agreement approved by the parties, and any termination of this Agreement, shall be similarly recorded.

9.3 **Entire Agreement**. This Agreement sets forth and contains the entire understanding and agreement of the parties, and there are no oral or written representations, understandings or ancillary covenants, undertakings or agreements which are not contained or expressly referred to herein. No testimony or evidence of any such representations, understandings or covenants shall be admissible in any proceeding of any kind or nature to interpret or determine the terms or conditions of this Agreement.

9.4 **Interpretation and Governing Law**. This Agreement and any dispute arising hereunder shall be governed and interpreted in accordance with the laws of the State of

California. This Agreement shall be construed as a whole according to its fair language and common meaning to achieve the objectives and purposes of the parties hereto, and the rule of construction to the effect that ambiguities are to be resolved against the drafting party or in favor of CITY shall not be employed in interpreting this Agreement, both parties having been represented by counsel in the negotiation and preparation hereof.

9.5 **Section Headings**. All section headings and subheadings are inserted for convenience only and shall not affect any construction or interpretation of this Agreement.

9.6 **Singular and Plural**. As used herein, the singular of any word includes the plural.

9.7 **Time of Essence**. Time is of the essence in the performance of the provisions of this Agreement as to which time is an element.

9.8 **Waiver**. Failure of a party to insist upon the strict performance of any of the provision(s) of this Agreement by the other party, or the failure by a party to exercise its rights upon the Default of the other party, shall not constitute a waiver of such party's right to insist and demand strict compliance by the other party with the terms of this Agreement thereafter.

9.9 **No Third Party Beneficiaries**. This Agreement is made and entered into for the sole protection and benefit for the parties and their successors and assigns. No other person shall have any right of action based upon any provision of this Agreement.

9.10 **Force Majeure**. Neither party shall be deemed to be in Default where failure or delay in performance of any of its obligations under this Agreement is caused by earthquakes, other Acts of God, fires, wars, riots or similar hostilities, strikes and other labor difficulties beyond the party's control (including the party's employment force), government regulations, court actions (such as restraining orders or injunctions), or other causes beyond the party's control. If any such events shall occur, the term of this Agreement and the time for performance shall be extended for the duration of each such event, provided that the term of this Agreement shall not be extended under any circumstances for more than five (5) years.

9.11 **Notices**. Any notice required under this Agreement shall be in writing and personally delivered, or sent by certified mail (return receipt requested and postage prepaid), overnight delivery, with a courtesy copy by email to the following:

CITY: Covina Community Development Department

ATTN: Community Development Director
125 E College St, Covina, CA 91723
(tel) _____
(email) _____

With a courtesy copy to:

City Attorney's Office
125 E College St, Covina, CA 91723

(tel) _____
(email) _____

OWNER: MLC Holdings, Inc.

Attn: Charles McKeag

_____

(tel) _____

(email) _____

9.12 **Mutual Covenants**. The covenants contained herein are mutual covenants and also constitute conditions to the concurrent or subsequent performance by the party benefited thereby of the covenants to be performed hereunder by such benefited party.

9.13 **Successors in Interest.** As provided in Section 65868.5 of the Government Code, and except as otherwise provided in this Agreement, all of the terms, provisions, covenants and obligations contained in this Agreement shall be binding upon, and inure to the benefit of, CITY and OWNER, and their respective successors and assigns.

9.14 **Counterparts**. This Agreement may be executed by the parties in counterparts, which counterparts shall be construed together and have the same effect as if both of the parties had executed the same instrument.

9.15 **Jurisdiction and Venue**. Any action at law or in equity arising under this Agreement or brought by any party hereto for the purpose of enforcing, construing or determining the validity of any provision of this Agreement shall be filed and tried in the Superior Court of the County of Los Angeles, State of California, and the parties hereto waive all provisions of law providing for the filing, removal or change of venue to any other court.

9.16 **Project as a Private Undertaking**. It is specifically understood and agreed by and between the parties hereto that the Development of the Project is a private development, that neither party is acting as the agent of the other in any respect hereunder, and that each party is an independent contracting entity with respect to the terms, covenants and conditions contained in this Agreement. No partnership, joint venture or other association of any kind is formed by this Agreement. The only relationship between CITY and OWNER is that of a government entity regulating the development of private property and the owner of such property.

9.17 **Further Actions and Instruments**. Each of the parties shall cooperate with and provide reasonable assistance to the other to the extent contemplated hereunder in the performance of all obligations under this Agreement and the satisfaction of the conditions of this Agreement. Upon the request of either party at any time, the other party shall promptly execute, with acknowledgment or affidavit if reasonably required, and file or record such required instruments and writings and take any actions as may be reasonably necessary under the terms of this Agreement to carry out the intent and to fulfill the provisions of this Agreement or to evidence or consummate the transactions contemplated by this Agreement.

9.18 **Eminent Domain**. No provision of this Agreement shall be construed to limit or restrict the exercise by CITY of its power of eminent domain.

9.19 **Amendments in Writing/Cooperation**. This Agreement may be amended only by the written consent of both parties specifically approving the amendment and in accordance with the Development Agreement Law. The parties shall cooperate in good faith with respect to any amendment proposed in order to clarify the intent and application of this Agreement, and shall treat any such proposal on its own merits, and not as a basis for the introduction of unrelated matters.

9.20 **Authority to Execute**. The person or persons executing this Agreement on behalf of OWNER warrants and represents that he/they have the authority to execute this Agreement on behalf of his/their corporation, partnership or business entity and warrants and represents that he/they has/have the authority to bind OWNER to the performance of its obligations hereunder.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first set forth above.

CITY: CITY OF COVINA

By _____
Mayor

ATTEST:

By _____
City Clerk

APPROVED AS TO FORM:

By _____
City Attorney

(SEAL)

OWNER: MLC HOLDINGS, INC.

By _____

Title _____

By _____

Title _____

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of Los Angeles)

On _____, 201__, before me, _____,
(insert name and title of the officer)
Notary Public, personally appeared _____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature_____ (Seal)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of Los Angeles)

On _____, 201__, before me, _____,
(insert name and title of the officer)
Notary Public, personally appeared _____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature_____ (Seal)

Exhibit "A"
Legal Description of the Property

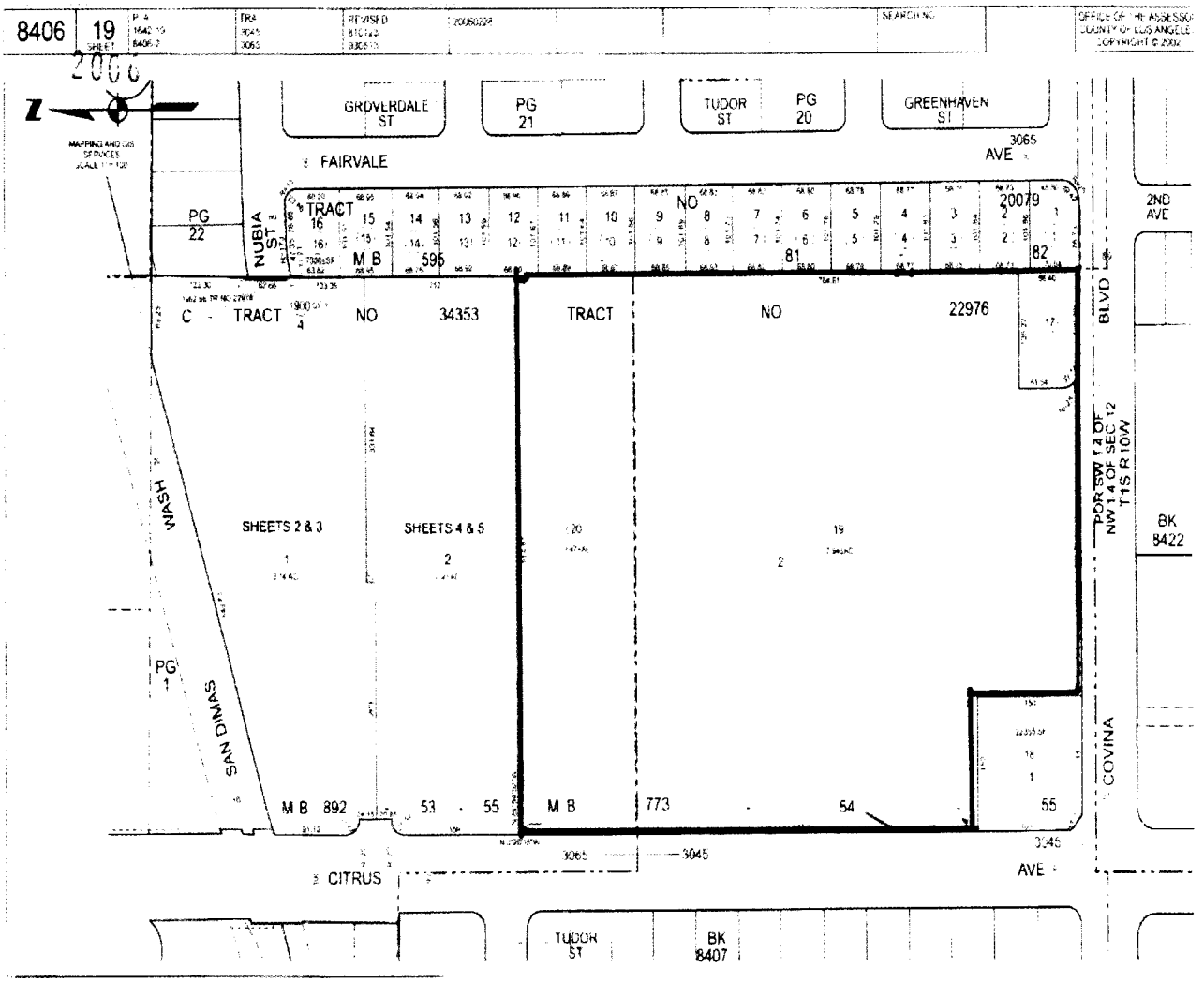
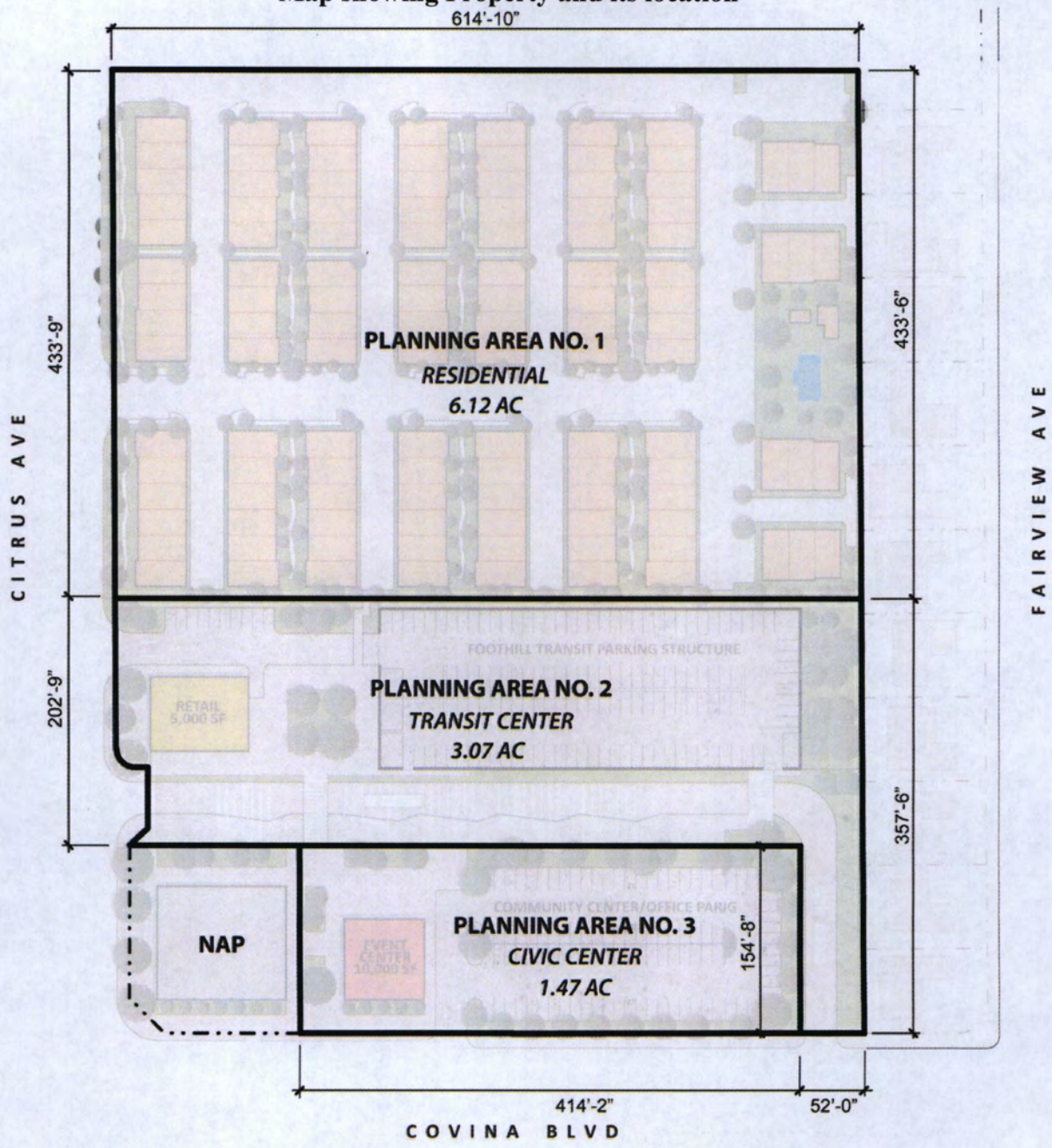


Exhibit "B"
Map showing Property and its location



12923/0008/2012591-2

Exhibit "C"
Development Plan for the Development of the Property

Exhibit "D"
Legal Description and Depiction of City Property and Parkland Property

EXHIBIT "A"
LEGAL DESCRIPTION

Parcel A

In the City of Covina, County of Los Angeles, State of California, being a portion of Lot 2 of Tract No. 22976 filed in Book 773, Pages 53 and 54 Maps in the Office of the County Recorder of said County and a portion of the Southwest Quarter of the Northwest Quarter of Section 12, Township 1 South, Range 10 West, San Bernardino Meridian described as follows:

Commencing at the northwest corner of Lot 1 of said Tract No. 22976; thence along the northerly line of said Lot 1 North 89°54'00" East 150.00 feet to the **True Point of Beginning**; thence leaving said north line along the northerly prolongation of the easterly line of said Lot 1 North 0°24'30" West 4.22 feet; thence leaving said prolongation North 90°00'00" East 413.03 feet to a line parallel with and 52.00 feet westerly of the easterly line of said Lot 2; thence along said parallel line South 0°25'45" East 153.50 feet to the northerly line of Covina Boulevard as shown on said Tract; thence leaving said parallel line along said northerly line of Covina Boulevard South 89°54'00" West 413.09 feet to the easterly line of said Lot 1; thence leaving said northerly line of Covina Boulevard along said easterly line North 0°24'30" West 150.00 feet to the **True Point of Beginning**

Containing an area of 1.459 acres, more or less.

All as shown on Exhibit B attached hereto and by this reference made a part hereof.

Jason R. Kinnie, L.S. No. 7090

Date: 10-20-2016

LICENSED LAND SURVEYOR
JASON R. KINNIE
No. 7090
STATE OF CALIFORNIA

October 20, 2016
WO No. 4089-1X
Page 1 of 1
H&A Legal No. 8940
By: J. Kinnie
Checked By: R. Wheeler

Exhibit "E"
Legal Description and Depiction of City Property and Parkland Property

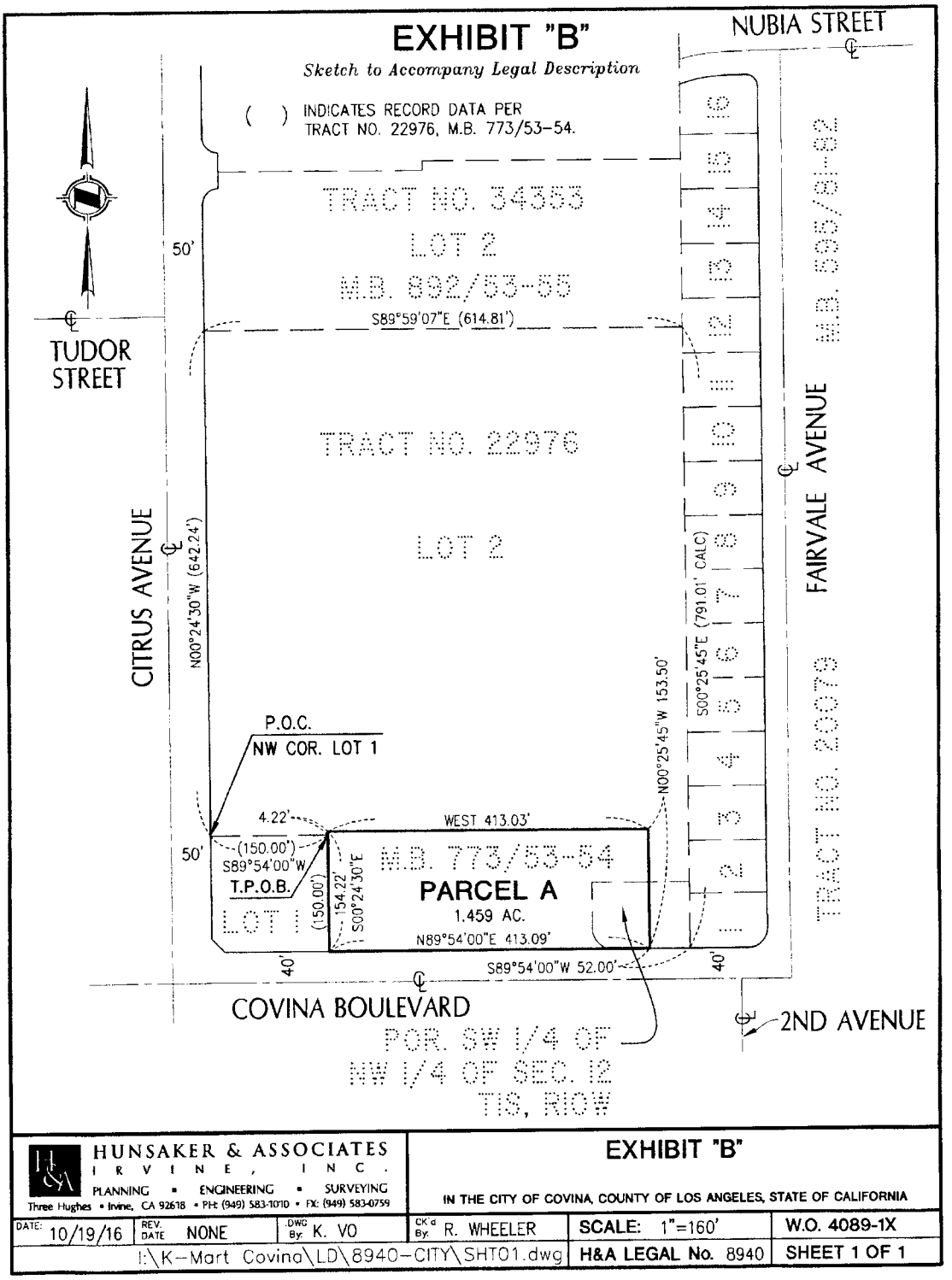


Exhibit "F"
Legal Description and Depiction of Transit Center Property

EXHIBIT "A"
LEGAL DESCRIPTION

Parcel A

In the City of Covina, County of Los Angeles, State of California, being a portion of Lot 2 of Tract No. 22976 filed in Book 773, Pages 53 and 54 Maps in the Office of the County Recorder of said County and a portion of the Southwest Quarter of the Northwest Quarter of Section 12, Township 1 South, Range 10 West, San Bernardino Meridian described as follows:

Beginning at the northwest corner of Lot 1 of said Tract No. 22976; thence along the northerly line of said Lot 1 North 89°54'00" East 150.00 feet; thence leaving said north line along the northerly prolongation of the easterly line of said Lot 1 North 0°24'30" West 4.22 feet; thence leaving said prolongation North 90°00'00" East 413.03 feet to a line parallel with and 52.00 feet westerly of the easterly line of said Lot 2; thence along said parallel line South 0°25'45" East 153.50 feet to the northerly line of Covina Boulevard as shown on said Tract; thence leaving said parallel line along said northerly line of Covina Boulevard North 89°54'00" East 52.00 feet to the southerly prolongation of said easterly line; thence along said prolongation and said easterly line North 0°25'45" West 357.42 feet to a line parallel with and 204.00' northerly of the course hereinabove described as "North 90°00'00" East 413.03 feet"; thence along said last parallel line North 90°00'00" West 614.96 feet to the westerly line of said Lot 2; thence South 0°24'30" East 208.49 feet to the **Point of Beginning**.

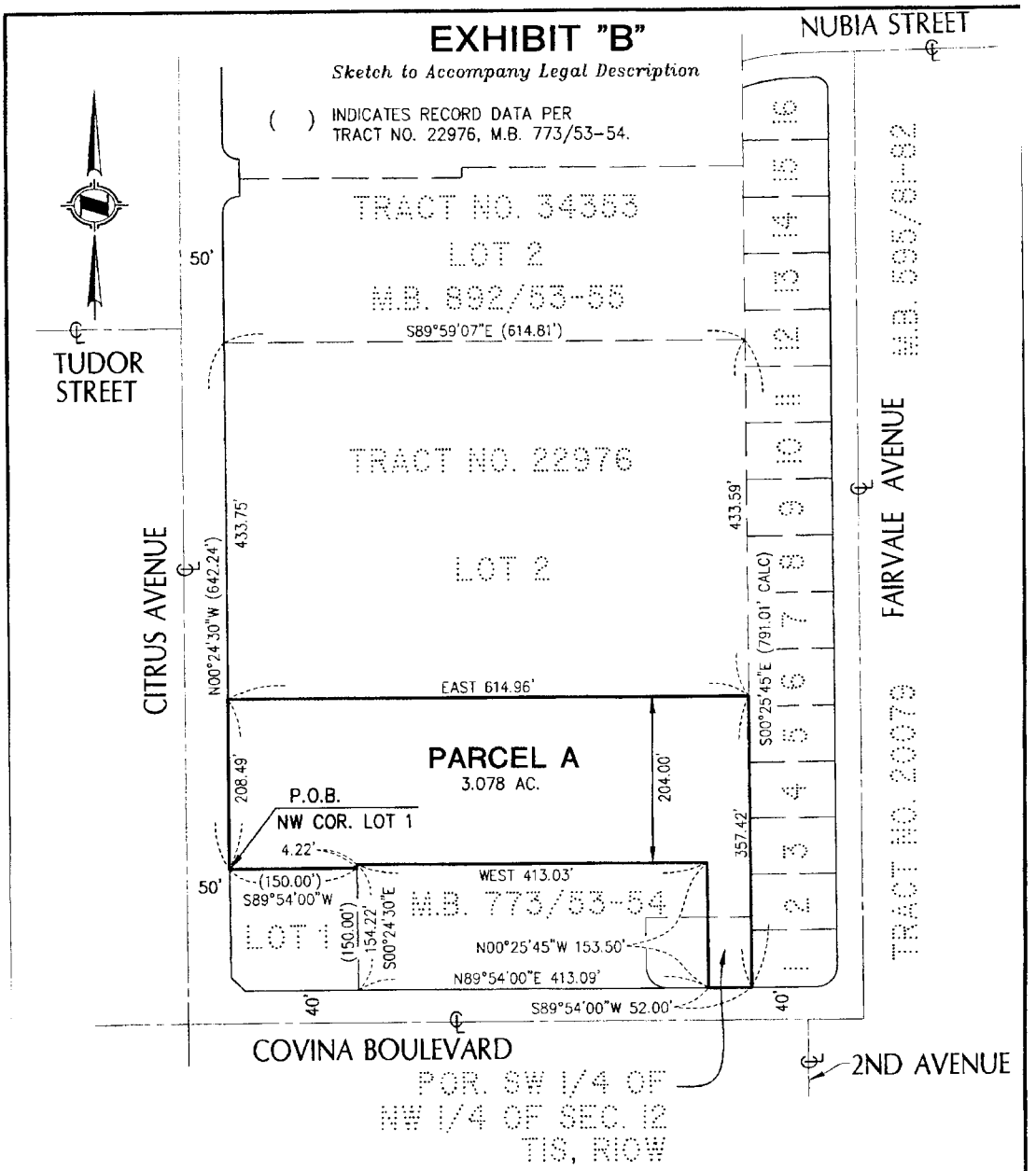
Containing an area of 3.078 acres, more or less.

All as shown on Exhibit B attached hereto and by this reference made a part hereof.

Jason R. Kinnie, L.S. No. 7090
Date: 10-20-2016

LICENSED LAND SURVEYOR
JASON R. KINNIE
No. 7090
STATE OF CALIFORNIA

October 20, 2016
WO No. 4089-1X
Page 1 of 1
H&A Legal No. 8941
By: J. Kinnie
Checked By: R. Wheeler



HUNSAKER & ASSOCIATES IRVINE, INC.
PLANNING • ENGINEERING • SURVEYING
Three Hughes • Irvine, CA 92618 • PH: (949) 583-1010 • FX: (949) 583-0759

EXHIBIT "B"

IN THE CITY OF COVINA, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA

DATE: 10/19/16	REV. DATE NONE	DWG By: K. VO	CK'd By: R. WHEELER	SCALE: 1"=160'	W.O. 4089-1X
I:\K-Mart Covina\LD\8941-TRANSIT CENTER\SHT01.dwg				H&A LEGAL No. 8941	SHEET 1 OF 1

EXHIBIT G
Form of Grant Deed

DRAFT

RECORDING REQUESTED BY,
AND WHEN RECORDED MAIL TO:

City of Covina
125 East College Street
Covina, CA 91723-2199
Attn: City Clerk

APN(s): _____

SPACE ABOVE THIS LINE FOR RECORDER'S USE

This transfer is exempt from Documentary Transfer Tax pursuant to Revenue & Taxation Code Section 11922 (conveyance to a public entity), and is exempt from Recording Fees pursuant to California Government Code Section 6103.

GRANT DEED

_____, a _____ hereby grants to the CITY OF COVINA that certain real property located in the County of Los Angeles, State of California, more particularly described on Exhibit "A" attached hereto, including all improvements and fixtures thereon..

IN WITNESS WHEREOF, the undersigned has executed this Grant Deed as of the date set forth below.

Dated: _____, 2016

_____,
a _____

By: _____
Print Name: _____
Title: _____

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of Los Angeles)

On _____, before me, _____,
(insert name and title of the officer)

Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature_____ (Seal)

EXHIBIT "A"

LEGAL DESCRIPTION

THE LAND IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by that certain Grant Deed dated _____, 2016, from the _____ to the CITY OF COVINA, is hereby accepted by the undersigned officer on behalf of the City of Covina pursuant to the authority conferred by [Resolution No. _____] [action] of the City of Covina [adopted] by the City Council of the City of Covina on _____, 2016, and the grantee consents to recordation thereof by its duly authorized officer.

Dated: _____, 2016

_____
Print Name: _____
Title: _____

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of Los Angeles)

On _____, before me, _____,
(insert name and title of the officer)
Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature_____ (Seal)

CITY OF COVINA

AGENDA REPORT

ITEM NO. PH 1

MEETING DATE: November 29, 2016

TITLE: Environmental Impact Report (EIR) with Mitigation Monitoring and Reporting Programs and Applications for General Plan Amendment (GPA) 16-001, Covina Forward Specific Plan (SP) 16-001, Zone Change (ZCH) 16-002, Vesting Tentative Tract Map (TTM) 74512, Site Plan Review (SPR) 16-023, and Site Plan Review (SPR) 16-033 and Development Agreement (DA) 16-001. A proposed development on the 10.66 acre site (former K-Mart and an existing institutional use), consisting of a residential development of 117 townhomes on approximately 6.12 acres, a Transit Center and Park and Ride on approximately 3.07 acres and a public/civic use component on approximately 1.47 acres, for property located generally at 1162 North Citrus Avenue – APN: 8406-019-019, 8406-019-020 and 177 East Covina Boulevard – APN: 8406-019-17.

PRESENTED BY: Brian K. Lee, Director of Community Development

RECOMMENDATION:

1. Open public hearing, consider public testimony, and close the public hearing; and
2. After the close of the public hearing, if the City Council wishes to approve the land use entitlements, staff recommends that the Council make the motions and take the actions in the order as listed below:

(a) Adopt Resolution No. 16-7557, A resolution of the City Council of the City of Covina, California, certifying Environmental Impact (SCH2016051053), making environmental findings pursuant to the California Environmental Quality Act, and adopting a Mitigation Monitoring and Reporting Program for the iTEC Transit Oriented Mixed-Use development project (approximately 10.66 acres and generally located at 1162 North Citrus Avenue and 117 East Covina Boulevard - APN: 8406-019-019, 8406-019-020 and 8406-017;

(b) Adopt Resolution No. 16-7558, approving the General Plan Amendment (GPA) 16-001 to amend the Land Use Map changing the land use designation for the 10.66-acre project site from the General Commercial (GC) designation to the "Covina Forward Specific Plan (CFSP)" with 6.12 acres for "High Density Residential (HDR - 15 to 22 dwelling units per acre)" and 4.54 acres for "General Commercial (GC)."

(c) Adopt Resolution No. 16-7559, approving the Covina Forward Specific Plan (SP) 16-001 to establish the "Covina Forward Specific Plan (CFSP)" with 6.12 acres for "CFSP - RD (Multi-

Family)" and 4.54 acres for "CFSP - I (Institutional Use/Zone)"; and to establish special development standards and design guidelines for facilitating the proposed iTEC Transit Oriented Mixed-Use development.

(d) Waive full reading, read by title only, and introduce for first reading Ordinance No. 16-2068, approving the Zone Change (ZCH) 16-002 to amend the Official Zoning Map changing the zoning designation for 10.66-acre project site from the "C-3A Commercial Zone (Regional or Community Shopping Center)" and "CR Commercial Zone (Recreation)" to the "Covina Forward Specific Plan (CFSP)" with 6.12 acres for "CSFP - RD (Multi-Family)" and 4.54 acres for "CFSP - I (Institutional Use/Zone)."

(e) Adopt Resolution No. 16-7560, approving a Vesting Tentative Tract Map (VTTM) 74512 for dividing the 10.66-acre project site into 23 lots with 21 lots and 12 letter-lots on approximately 6.12 acres for the residential development of 117 for-sale townhouse units, private drive aisles, recreation facilities and common open space areas; and, 2 lots (lots 22 and 23) on approximately 4.54 acres for public/transit and public/civic uses.

(f) Adopt Resolution No. 16-7561, approving a Site Plan Review (SPR) 16-023 for the construction of 117 for-sale townhouse units with private drive aisles, recreation facilities and common open space area.

(g) Adopt Resolution No. 16-7562, approving a Site Plan Review (SPR) 16-033 for the construction of a transit center up to a six-bay bus plaza, a "Park & Ride" vehicle parking structure accommodating between 350 and 400 vehicles, and a retail building of up to 4,800 square feet.

(h) Waive full reading, read by title only, and introduce for first reading Ordinance No. 16-2069, approving the Development Agreement (DA) 16-001 between MLC and COVINA where MLC shall convey 1.11 acres of the project site to COVINA, a parkland conveyance of 0.351 acres of the project site to COVINA and the development of 117 for-sale townhouse units with private drive aisles, recreation facilities and common open spaces area on approximately 6.12 acres.

BACKGROUND:

The following provides a brief background of the project from the first submittal up until the City Council hearing.

- ***January 19, 2016:*** MLC Holdings, Inc., Foothill Transit and the City of Covina entered into a Non-Binding Memorandum of Understanding (MOU) to propose a public/private partnership redevelopment of the former K-Mart site located at 1162 N. Citrus Avenue into a transit-oriented development project.

- ***January 19, 2016:*** The Covina City Council approves Deposit Agreement with MLC Holdings, Inc. and Foothill Transit respectively, to jointly share costs incurred by the City during the due diligence portion of the project entitlement process.

- ***February 16, 2016:*** City Council Study Session.
- ***May 11, 2016:*** Notice of Preparation of the project Environmental Impact Report.
- ***July 19, 2016***: City Council Study Session.
- ***September 10, 2016:*** Community Meeting held at the project site.
- ***September 13, 2016:*** Planning Commission Study Session.
- ***September 13, 2016:*** Start of the 45-day EIR public comment period.
- ***October 27, 2016***: End of the 45-day public comment period for the project EIR.
- ***November 8, 2016***: Planning Commission public hearing.
- ***November 18, 2016:*** Responded to nine (9) DEIR comment letters. The Final EIR was sent to all nine (9) commenters. The Final EIR was also posted on the City's website.

The proposed project commenced in the late summer of 2015 when MLC Holdings, Inc. approached City staff with a proposal to redevelop the former K-Mart site into a residential development. Over the following several months, discussions with MLC commenced as to what would be the appropriate future land use for the project site, numerous economic discussions on the viability of traditional commercial uses at the project site and potential development scenarios that would provide the best overall outcome for the entire City of Covina. In approximately the same time period, discussions with Foothill Transit were occurring regarding their need to provide adequate transit service to their existing customers in the Covina area. In January 2016, commencing with the approval by the City Council of the Non-Binding Memorandum of Understanding and the Deposit Agreement, discussion with MLC Holdings, Inc. and Foothill Transit were initiated on the formal development concept.

The resulting land use vision was the repurpose of the former K-Mart property into a transit-oriented mixed use project that would include a residential component, a transit component and a civic component that the City would utilize for a future public event center and/or a business innovation center. Because the proposed project is unique, there is no existing City zoning category that would accommodate the project vision. Therefore, a specific plan would need to be created.

The proposed project includes a series of land use entitlements that would facilitate the redevelopment and reuse of the former K-Mart property, and the adjoining institutional/former daycare property into an innovative reuse of a visually prominent property located within the interior of the City of Covina.

DISCUSSION:

This item was presented to the Planning Commission in a public hearing on November 8, 2016. At the conclusion of the Planning Commission meeting, the Planning Commission took the following action:

1. Adopted PC Resolution No. 2016-029PC; A resolution of the Planning Commission of the City of Covina, California, recommending to the City Council to certify the Environmental Impact Report (SCH # 2016051053) as adequately prepared in accordance with the California Environmental Quality Act and to take actions related thereto for General Plan Amendment (GPA) 16-001, Covina Forward Specific Plan (SP) 16-001, Zone Change (ZCH) 16-002, Vesting Tentative Tract Map (VTTM) 74512, Site Plan Review (SPR) 16-

023, Site Plan Review (SPR) 16-033 and Development Agreement (DA) 16-001, for property generally located at 1162 North Citrus Avenue and 117 East Covina Boulevard – APN: 8406-019-020, 8406-019-020 and 8406-019-017; and,

2. PC Resolution No. 2016-030PC; A resolution of the Planning Commission of the City of Covina, California, recommending to the City Council approve the following land use entitlements:
   - General Plan Amendment (GPA) 16-001 to amend the Land Use Map changing the Land Use designation from General Commercial (GC) to "Covina Forward Specific Plan (CFSP)" with 6.12 acres for "High Density Residential (HDR – 15 to 22 dwelling units per acre)" and 4.54 acres for "General Commercial (GC)";
   - Covina Forward Specific Plan (SP) 16-001;
   - Zone Change (ZCH) 16-002 to amend the Official Zoning Map changing the Zoning Designation from C-4A Commercial Zone (Regional or Community Shopping Center) and CR Commercial Zone (Recreation) to "Covina Forward Specific Plan with 6.12 acres for "CFSP – RD (Multi-Family)" and 4.54 acres for "CFSP – I" (Institutional Uses);
   - Vesting Tentative Tract Map (TTM) 74512;
   - Site Plan Review (SPR) 16-023;
   - Site Plan Review (SPR) 16-033; and,
   - Development Agreement (DA) 16-001, for the proposed development known as iTEC Transit Oriented Mixed-Use Project for property generally located at 1162 North Citrus Avenue and 117 East Covina Boulevard - APN: 8406-019-020, 8406-019-020 and 8406-019-017.

In recommending that the City Council adopt the aforementioned Resolutions and Ordinances to approve the Project, the Planning Commission recommended that the City Council add a single project-related condition of approval for the Transit Center, Site Plan Review (SPR) 16-033 as follows:

"Add a physical barrier parallel with the eastern property line of the site at the southernmost segment where the bus-serving drive aisle exits for glare and noise reduction. Final design is subject to Director of Community Development's review and approval."

- **Project Location and Setting.**

The project site comprises three (3) properties owned by two (2) separate parties. All the properties are under contract with MLC Holdings, Inc. and would be subject to the provisions of the proposed Development Agreement and the proposed land use entitlements. The total project site is 10.66 acres in size. The existing institutional use/former daycare property is 10,865 square feet in size. The former K-Mart property comprises the remainder of the 10.66 acre project site. Since the former K-Mart store ceased operation in December 2014, no subsequent commercial retail use has occupied the building, although an automotive repair use utilized the former K-Mart's automobile service facility until late 2015. Access to the project site is provided via driveways located along North Citrus Avenue and East Covina Boulevard.

To the north of the project site is an existing approximate 6.20 acre multiple-family residential townhouse development. Immediately to the east is an existing low density single family detached residential neighborhood. To the south of the project site is an existing approximate 4.14 acre neighborhood commercial shopping center and an approximate 3.08 acre multiple-family apartment complex. To the west of the project site, across Citrus

Avenue is an existing low density single family detached residential neighborhood. It should be noted the approximate 21,719 square foot commercial property located on the "hard corner" of Citrus Avenue and Covina Boulevard is not part of the proposed project.

The following table provides the General Plan designation, Zoning and existing uses for the site and surrounding areas.

Table 1: Site and Surrounding Land Uses

	General Plan	Zoning	Existing Uses
Site	GC General Commercial	C-3A Commercial – Regional or Community Shopping Center and C-R Commercial Recreation	Under contract with MLC Holdings, Inc.
North	Medium Density Residential	RD (Multiple Family Residential)	Multiple family residential
South	GC General Commercial and RD (Multiple Family Residential)	C-2 Neighborhood Shopping Center and R-1-7500 (Single Family Residential)	Commercial shopping center and multiple family residential
East	Low Density Residential	R-1-7500 (Single Family Residential)	Single-family homes
West	Low Density Residential	R-1-7500 (Single Family Residential)	Single-family homes

- **Site Characteristics:**

The approximately 10.66 acre Specific Plan area is located northeast of the Citrus Avenue and Covina Boulevard intersection. Citrus Avenue abuts the Specific Plan area to the west, Covina Boulevard to the south, a residential townhouse development to the north, and a single-family residential neighborhood to the east. The project location consists of a former K-Mart store and parking lot and an existing religious use on a separate parcel located at the southeast of the project site. The former K-Mart structure is a masonry block "big box" store building of approximately 88,500 square feet in size. The building was constructed in 1968. The second property contains a former residential structure that was converted to a day care facility and subsequently an institutional use. The building is approximately 2,186 square feet in floor area.

In addition to the existing buildings, the project site is improved with an asphalt parking lot, drive aisles, landscaped planters and similar improvements typical of a commercial retail establishment. The approximate 21,719 square foot commercial property located on the "hard corner" of Citrus Avenue and Covina Boulevard is not included in the proposed project or Specific Plan.

PROPOSED LAND USE ENTITLEMENTS:

The proposed project would be implemented through the adoption of a series of land use entitlements. These land use entitlements are as follows:

- **General Plan Amendment:**

The proposed project includes the request for a General Plan Amendment from the site's current designation of GC – General Commercial into two (2) General Plan designations. The portion of the Specific Plan area (or project site) that contains the public uses (the Transit Center and the civic component) will remain as GC – General Commercial. The northerly portion of the Specific Plan area, or project site, designated for the residential component will change to High Density Residential (15 – 22 dwelling units/acre). Institutional and public uses are allowed within the GC – General Commercial land use

designation. Therefore, no alteration to the existing General Plan land use designation is necessary for the portion of the Specific Plan area, or project site, proposed for the Transit Center and the civic component. The proposed High Density Residential land use designation will provide a logical transition along Citrus Avenue, from the current Medium Density Residential townhouse complex to the north of the Specific Plan area, to the proposed Transit Center and civic use component to the south of the proposed residential component of the Specific Plan.

Typically higher building intensity is more appropriate along transit routes and arterial roads. Therefore, the High Density Residential designation serves as an appropriate buffer (transition of density) between medium-density residential area to the north and the public uses to the south. The proposed project would also contribute 117 housing units to the City's remaining unmet need for 928 housing units, reducing the unmet housing need in the City by more than 12 percent (Covina Draft Housing Element Update, dated November 15, 2010).

The southerly portion of the project site will retain the existing GC – General Commercial General Plan land use designation. Within the General Commercial land use designation, public uses, such as those proposed within the Specific Plan, are designated as compatible land use activities. Specifically, the General Plan policies the proposed project would support are presented on pages 3 – 7 of the Covina Forward Specific Plan.

- **Specific Plan:**

Due to the unique nature of the proposed development project, and the absence of an existing Covina Zoning designation that would address the mixture of proposed uses and development concept, the preparation of a Specific Plan was determined to be the best approach. The goal of the project is to create a transit-oriented project with a significant public use component. Furthermore, because of the location of the project site, one-half (1/2) mile north of the Covina Metrolink station, within close proximity to downtown Covina, there is an opportunity to create a regional destination activity that would further promote Covina in the region and continue to support Covina economic development efforts.

The Specific Plan area is comprised of three (3) Planning Areas. Planning Area No. 1 is located within the northerly portion of the Specific Plan area and is approximately 6.12 acres in size. Planning Area No. 2 occupies a central location within the interior of the Specific Plan area and is approximately 3.07 acres in size. Planning Area No. 3 is located in the most southerly portion of the Specific Plan area, immediately adjacent to Covina Boulevard, and is approximately 1.47 acres in size.

The Specific Plan area is intended for development of a transit-oriented mixed use development that includes a civic/community use component. For purposes of this Specific Plan, the land use designation for the residential component in Planning Area No. 1 will be amended to High Density Residential and will remain as General Commercial for the Transit Center and Civic/Community components in Planning Area Nos. 2 and 3. Accordingly, the intent of this Specific Plan is to provide for the orderly redevelopment of a vacant, prominent disused commercial property within the City in a manner that addresses the community's needs for transit-oriented residential development, regional transportation facilities and civic/community facilities. This Specific Plan also provides additional development and design standards and guidelines, which will ensure that each future component of the Specific Plan area are creatively and sensitively site planned and developed with high quality architectural treatments and

features, site amenities and infrastructure. This Specific Plan will therefore establish the Specific Plan area as a landmark regional destination and location within the City and will improve the overall economic vitality within the Specific Plan area, surrounding areas, and the entire City.

The complete and detailed project description is provided in the proposed Covina Forward Specific Plan ("Specific Plan") which is attached as Attachment A. The Specific Plan document contains the following:

- ***Chapter I. Introduction and Purpose of Specific Plan.*** This chapter describes the purpose of the Specific Plan; content, chapters, and components of the Specific Plan; and the Specific Plan's relationship to the City's General Plan.
- ***Chapter II. Description of Specific Plan Area.*** This chapter describes the Specific Plan area, including existing conditions; onsite structures, buildings, and uses; and the underlying General Plan and Zoning designations.
- ***Chapter III. Description of Specific Plan.*** This chapter describes the proposed project, including development concepts and intended land uses; conceptual development plans; and required conceptual utilities and services.
- ***Chapter IV. Allowable Uses.*** This chapter describes those uses permitted within the Specific Plan area.
- ***Chapter V. Development Standards.*** This chapter provides development standards to regulate future redevelopment and design within the Specific Plan area.
- ***Chapter VI. Design Guidelines.*** This chapter provides guidelines and direction on how future development should be designed, including architectural theme; building elevations and facades; 360-degree architecture; site planning and building orientation; quality of materials and colors; landscaping theme; wall and fences; signage theme; parking facility/lot layout; vehicular access and circulation; integration of pedestrian-level elements, etc.
- ***Chapter VII. Administration and Implementation.*** This chapter explains how future development within the Specific Plan area will be reviewed and approved.
- ***Chapter VIII. Attachments.*** This chapter will provide relevant exhibits and illustrations to the Specific Plan.

- **Zone Change:**

The proposed zone change will implement the Specific Plan and be consistent with the proposed General Plan land use designation. The portion of the project site that comprises Planning Area No. 1 (Residential Component) of the Specific Plan is proposed to have a General Plan land use designation of High Density Residential. Therefore, the proposed zoning designation for this portion of the project site is proposed to be Covina Forward Specific Plan – Residential, Multiple Family, or CFSP – RD (MF). The southerly portion of the project site comprises the public use features consisting of the Transit Component and the Civic Component, or Planning Area Nos 2 and 3 of the Specific Plan. This portion of the project site, the General Plan land use designation remains GC – General Commercial, but the proposed zoning designation for this portion of the project site is Covina Forward Specific Plan – Institutional Uses, or CFSP – I.

The list of allowable uses and those allowed with the approval of a Conditional Use permit is specified in the Covina Forward Specific Plan document attached as Attachment A.

- **Vesting Tentative Tract Map:**

  The proposed Vesting Tentative Tract Map will create a total of thirty-five (35) parcels within the project boundaries. Currently, the project area consists of three (3) parcels; two (2) comprising the former K-Mart properties and the third the institutional/daycare property. The proposed Vesting Tentative Tract Map will result in the following:

  - Elimination of the existing three (3) parcels comprising the project area;
  - The creation of a total of twenty-three (23) numbered parcels and twelve (12) letter parcels as follows:
    - ✓ Residential Component (Specific Plan Planning Area No. 1): twenty-one 21 numbered lots and twelve (12) letter-lots;
    - ✓ Transit Component (Specific Plan Planning Area No. 2): one (1) numbered lot; and,
    - ✓ Civic Component (Specific Plan Planning Area No. 3): one (1) numbered lot – (includes the parcel for the "park area" and the second parcel for the "public benefit" to be conveyed to the City pursuant to the Development Agreement).

  The proposed 117 residential townhomes will be spread within the twenty-one (21) numbered lots and the residential community's common area comprising the community area, driveways and pedestrian paths will form the twelve (12) lettered lots.

- **Site Plan Review (SPR) 16-023: (Residential Component)**

  SPR 16-023 comprises the Residential Component. This Site Plan Review is the development plan for the Residential Component and provides for the development of 117 transit-oriented residential townhomes within the 6.12 acre portion of the project site that is designated as Planning Area No. 1 within the Covina Forward Specific Plan. The Residential Component will have a single primary access from Citrus Avenue, with a secondary emergency vehicle access-only along the northerly boundary line of Planning Area No. 1 and the overall Specific Plan.

  In addition to the primary vehicular access and the secondary emergency vehicle-only access from Citrus Avenue, there will be multiple pedestrian access points along the southerly boundary line of Planning Area No. 1, which is the shared boundary line between Planning Area Nos. 1 and 2. The pedestrian access points will allow residents of the Residential Component direct access to the Transit Center immediately south of Planning Area No. 1.

  The Residential Component site plan provides for a 44 foot setback along the northerly boundary of Planning Area No. 1, a minimum 16 foot front setback along the Citrus Avenue frontage, a 15 foot setback along the easterly Planning Area No. 1 boundary and a 10 foot setback along the southerly, shared boundary between Planning Area Nos 1 and 2. The site plan for Residential Component is presented as an exhibit in the Covina Forward Specific Plan.

- **Site Plan Review (SPR) 16-033: (Transit Component)**

  SPR 16-033 comprises the Transit Component, which is also Planning Area No. 2 within the Covina Forward Specific Plan. As currently proposed pursuant to modifications made after community input, the Park and Ride parking structure will accommodate 372 vehicle parking spaces. The location of the parking structure will be setback approximately 58 feet from the easterly property line, a setback increase of approximately 28 feet from where the parking structure was originally proposed to be located.

In addition to the parking structure, the Transit Component includes a Transit Center comprising six (6) bus stops, a public plaza and a 4,000 – 4,500 square foot retail building. Ingress/egress vehicle access to the Transit Component will be available only from Citrus Avenue. Foothill Transit buses will ingress into the Transit Center only from Citrus Avenue, and egress from the Transit Center only onto Covina Boulevard. The buses will exit only onto Covina Boulevard will only turn right to travel westbound on Covina Boulevard after exiting. No left turns will be allowed. There will be no public ingress into the Transit Component from Covina Boulevard.

In addition to the vehicular access, there will be multiple locations for pedestrian access from the Residential Component to the north of the Transit Component. The purpose of the pedestrian access link is to strengthen and encourage the residents of the Residential Component to utilize the transportation services provided by Foothill Transit.

- **Development Agreement:**

The Development Agreement is essentially a contract between MLC Holdings, Inc., the entity that has the project site under contract, and the City of Covina. The Development Agreement stipulates the public benefit resulting from the project, as well as conveying the expectations and responsibilities of both MLC Holdings, Inc. and the City of Covina. In addition to the land use, economic development and aesthetic improvements of the project, the public benefit the City of Covina receives will be 1.47 acres of property, which comprises Planning Area No. 3 within the Covina Forward Specific Plan.

COMMUNITY OUTREACH AND INPUT:

A critical component to the development of this Specific Plan has been public outreach and dialog with the community. To that extent, the project proponents have developed a robust community outreach and input effort as part of the Specific Plan's entitlement process. It is estimated that over 500 residents and interested community members were reached in the community outreach and input effort. It is important to note that residents were provided with contact information for outreach representatives, as accessibility was an important component of the outreach strategy. The community outreach and input effort has basically consisted of the following efforts:

- **Public Workshops:**

The public workshops consisted of two (2) City Council Study Sessions held on February 16, 2016 and July 19, 2016; a Planning Commission Study Session held on September 13, 2016 and a community meeting at the Specific Plan area held on September 10, 2016. The September 10, 2016 community meeting was specifically geared toward the adjoining residents, with various project representatives available to provide Specific Plan information to the public and answer specific questions. The September 10, 2016 event was heavily advertised via e-mail and social media by both the outreach team and City representatives. As a result, over 60 community members met with project representatives and engaged in discussions about the Specific Plan, sharing both concerns and praises for the Specific Plan.

- **One-on-one Resident Outreach & Engagement:**

Between the dates of April 2016 and October 2016, project representatives walked adjoining neighborhoods to the Specific Plan area and knocked door-to-door, in person to distribute Specific Plan information and solicit input. Where residents were not home or unavailable, return efforts were made; and where necessary, return visits were made to residents with follow up information and updates on the Specific Plan design revisions addressing expressed concerns. Two (2) community meetings were held on April 28, 2016 and September 7, 2016 at the Village Green Community, just south of the Specific Plan area. For those residents the outreach team

was unable to connect with in-person, an invitation to participate in the September 10, 2016 community event was extended.

- **One-on-one Business Outreach & Engagement:**

  Between the dates of April 2016 and October 2016, project representatives visited with the adjacent businesses to the south and southwest of the Specific Plan area. Specific Plan information was distributed and input solicited. A follow up visit occurred to provide businesses with updates on project design revisions. In addition to the adjacent businesses, other Covina businesses throughout the City were identified and engaged to further inform the larger Covina business community.

- **Civic and Community Groups:**

  Presentations were scheduled between April 2016 and October 2016 with various civic and community groups to further discuss the Specific Plan. A combination of large group presentations and one-on-one meetings with organization representatives occurred. This included the Covina Chamber of Commerce, Covina Rotary Club, Sunrise Rotary Club, Downtown Covina Merchants Association and the Covina Lions Club.

- **Public and Quasi-public Agencies:**

  In an effort to reach the largest possible pool of groups and individuals, outreach was conducted to interested public agencies and quasi-public agencies. Examples of this outreach to public and quasi-public agencies include the San Gabriel Valley Council of Governments Planning Technical Advisory Committee (SGCOG), Los Angeles County Metropolitan Authority (LA Metro), Citrus Valley Health Partners, Mt. San Antonio College and Covina Valley Unified School District.

- **Print and Electronic Media:**

  A wide range of print and electronic media was included in this outreach effort. This included Specific Plan flyers, public notices and FAQ brochures. A Specific Plan website was also created and was prominently featured on all print material. This website was consistently updated as the project design evolved, based on community input.

  The public outreach efforts have helped transform the project design to the ultimate version. Feedback garnered from the community, particularly from the adjacent residents, has influenced the site design and has addressed various concerns expressed by the community. Issues relating to privacy, public safety and parking have been specifically addressed through this engagement process.

DISCUSSION OF PROJECT ISSUES

Pursuant to the public outreach efforts and Planning Commission and City Council study sessions, several design and project issues were raised. As a result of those raised concerns, project design revisions and other adjustments have been incorporated into the Specific Plan and the correlating Site Plan Review for the Residential Component and the Transit Component.

- **Residential Component.**

  Concerns expressed regarding the design of the Residential Component have primarily focused on the following design features:

- **Access through the Residential Component to the single family residences to the east.**

  Residents in the single family residential properties to the east of the Residential Component expressed concern regarding potential trespasser access from the former K-Mart property into the private residences. Trespassers have continually climbed the existing retaining wall on the common property line. When the Residential Component is constructed, this problem will be mitigated, as the ability to "cut through" the neighboring single family properties to the east will be eliminated. This is because the currently vacant former K-Mart site will be no longer offer a hidden "cut through" passage because the site will be developed with residential dwelling units and the existing easterly property line wall will be enhanced through additional landscaping, decorative wall treatment, security lighting and an active community recreation area.

- **Privacy concerns of the single family residences to the east of the residential component.**

  As with privacy concerns expressed by the residents adjoining the Transit Component, the proposed Residential Component design has been sensitive to potential privacy impacts. The proposed residential site plan has a landscaped setback along the easterly property line of fifteen (15) feet or more, which will be landscaped with evergreen trees and shrubs. Only four (4) residential units will be placed along the setback and they are situated with the side façade facing the easterly property line, where the secondary windows will be oriented towards the easterly property line (as opposed to the front of the townhomes). The result is to minimize the number of windows that will be located facing the easterly property line. Furthermore, the units (and windows) along the easterly landscaped setback will be screened with landscaping and evergreen trees to maintain and enhance privacy for both the existing single family residences to the east and the future townhouse owners in the Residential Component.

  The Residential Component also features a community recreation area along the easterly setback. A single story "pool building", which is a building with restrooms, showers and storage, will be located adjacent to the easterly property line to minimize noise and provide a buffer from the outdoor swimming pool, open space patio, landscaping and barbecue area. The anticipated use of the community recreation area will be typical of residential backyard activity, which is compatible with the adjoining single family residences and rules and regulations within the community's CC&R's regarding the use of the community area; this will be managed by the Homeowner's Association and property management company.

- **Adequate on-site parking.**

  Each residential unit will have two (2) enclosed garage parking spaces. In addition to the two (2) enclosed parking spaces per unit, the Residential Component will provide 69 on site guest parking spaces distributed throughout the community. Along the Citrus Avenue frontage, on-street parking will be available to accommodate approximately ten (10) vehicles. The ratio of guest parking space per dwelling unit is .58. If Citrus Avenue on-street parking is considered, then the ratio of available guest parking rises to .67 spaces per dwelling unit.

  In addition to the vehicle parking, each residential unit is required to provide accommodations inside the garage for two (2) bicycles, such as hanging racks or wall racks. When considered with the adjoining Transit Component and Civic Components, there is potential access to 112 public parking spaces on the Civic Component and when available, 375 parking spaces within the Park and Ride parking structure. Thus, when included with the

sixty-nine (69) on-site guest parking spaces, the ten (10) parking spaces on Citrus Avenue and the potentially available 487 parking spaces within the Transit Component and Civic Component, 566 parking spaces are either on-site or within immediate proximity of the Residential Component.

It should be noted the intent of the proposed project is a transit-oriented development, where the Residential Component will have direct pedestrian access to the Transit Component and nearby Covina Metrolink station. The marketing of the Residential Component will be to attract those buyers who value the ability to live within walking distance to public transportation resources. The flexibility to commute to downtown Los Angeles and other regional employment centers via various transportation services, including the Foothill Transit Center, Metrolink and the nearby Gold Line, will be prominently featured in sales and marketing material and is expected to be strong attraction to the project.

- **Comments from the November 8, 2016 Planning Commission meeting.**

  One comment made during the November 8, 2016 Planning Commission meeting concerning the Residential Component was in regards to the proximity of the proposed residential development in relation to the existing townhouses to the north of the project site. The speaker wanted specific information on the distance between the existing townhouses north of the property line and the location of the proposed new townhomes within Planning Area No. 1. The proposed setback from the northerly property line and the northerly-most structure in Planning Area No. 1 is forty-four (44) feet. Within the setback dimension will be landscaping, interior driveway and guest parking. When combined with the existing building separation of the existing townhouses to the north to the common property line (approximately 30 feet), the proposed building separation is approximately 74 feet.

  Another concern expressed from a resident within the northerly townhouse development was a perceived lack of public outreach effort to the townhouse residents. The residents of these townhouses were contacted through a combination of the City's public notice efforts and augmented by the project team's public outreach effort. A total of eight (8) residents and/or property owners from the townhouses attended the September 10, 2016 Community Workshop at the former K-Mart property. In addition, one resident submitted a comment letter in response to the release of the Draft Environmental Impact Report.

- **Transit Component.**

  Concerns expressed regarding the design of the Transit Center and Park and Ride facility have primarily focused on the following design and operational features:

  - **Easterly setback of the parking structure.**

    Originally proposed, the easterly setback dimension of the Park and Ride parking structure was located approximately thirty (30) feet from the easterly property line (the shared property line with the single family residences to the east of the project site). The residents adjoining the portion of the project site adjacent to the parking structure were concerned that the proposed distance of the parking structure was too close to the easterly property line.

    The design of the parking structure has been modified to reduce the number of parking spaces from 450 to 372, thus the size of the parking structure was reduced. In addition, the location of the parking structure footprint was moved westerly where the new setback is

approximately fifty-eight (58) feet from the easterly property line. The result is the parking structure's easterly elevation will be in the same location as the existing former K-Mart building's easterly wall. Therefore, the distance between the easterly property line and the parking structure has been increased by twenty-eight (28) feet from what was originally proposed.

- **Visual screening/privacy for the single family residences to the east of the parking structure.**

The resident immediately adjacent to the eastern perimeter of the parking structure expressed a concern relating to the potential viewshed impacts from Foothill Transit patrons parking on the second and third levels of the structure. The residents expressed concern with the open parking structure design, as it provided commuters with a direct view into the resident's backyard and rear windows. In addition to project revisions that increased the parking structure setback from thirty (30) feet to approximately fifty-eight (58) feet, the design will also include a solid concrete wall that will be built along the easterly elevation of the parking structure, on the second and third levels. Additional height was also added to the original proposed wall at the top level, from a three (3) foot parapet to a 6 feet, 6 inches solid concrete wall. The result will be that patrons parking on the top and middle deck will not have a view to the east, towards the adjacent single family residences.

In addition to the concrete screen wall, the increased setback between the easterly property line and the parking structure will allow for increased landscape planting of evergreen trees to further reduce potential visual impacts. The evergreen trees within this increased buffer zone will be planted in an "off-set pattern" resembling a triangular or "zig-zag" pattern when viewed from above. The result of the "off-set, zig-zag" planting pattern is essentially a double row of evergreen trees, creating a more robust tree buffer.

The original parking structure design was to incorporate a "green wall" design feature, where climbing vine plant material will grow upwards along screen mesh material attached to the facades of the parking structure. The "green wall" design feature continues to be proposed. The combination of (1) the increased setback and landscaped buffer of the parking structure; (2) the solid concrete wall on the second level along the eastern elevation; (3) the addition of the 6 foot, 6 inch concrete screen wall along the easterly edge of the top deck of the structure and (4) the originally proposed "green wall" design feature will mitigate potential visual and privacy concerns of the easterly single family residences.

- **The buffer along easterly bus exit driveway onto Covina Boulevard.**

Adjoining residents expressed concern about the close proximity of the bus exit driveway along the eastern property line in relation to the common property line. The setback dimension originally proposed was five (5) feet. The originally proposed five (5) foot setback along the easterly property line would incorporate a landscape buffer. The revised design would increase the landscape buffer setback to twenty (20) feet. The fifteen (15) foot increase in landscape buffer would provide increased space to create the "triangle" evergreen tree planting arrangement proposed in the parking structure landscape buffer.

In response to the concerns expressed by public speakers at the November 8, 2016 Planning Commission meeting, the Planning Commission added the project condition to Site Plan Review (SPR) 16-033 as follows:

"Add a physical barrier parallel with the eastern property line of the site at the southernmost segment where the bus-serving drive aisle exits for glare and noise reduction. Final design is subject to Director of Community Development's review and approval."

In response to the November 8, 2016 Planning Commission meeting, Foothill Transit has analyzed the interface between the residences to the east of the project site and the bus exit driveway. In addition to the twenty (20) foot landscaped buffer, a plant screening fence system, installed at a minimum height of 8 feet from finish grade of Foothill Transit's property (Planning Area No. 2) will provide a screen barrier abutting the existing property line wall. The combination of proposed evergreen trees and the plant screen shield will be sufficient to mitigate the potential for light and glare spillage intrusion from the buses exiting the Transit Center. The modified screen barrier is attached as Attachment L.

- **Public safety within the Transit Center.**

One of the concerns consistently expressed by the public was regarding public safety. The primary public safety feature proposed to be utilized within the Transit Center and parking structure will be the Covina Police Department's real-time surveillance camera system. Currently, Covina Police utilizes the real-time surveillance camera system within the downtown area, City Hall, Heritage Park and Cougar Park. The benefit of the surveillance camera system is that it is monitored 24/7 by Covina Police Department personnel. The Police Dispatcher and Watch Commander both have a real-time video feed at their respective work stations. Suspicious activities that are observed by the Police Dispatcher and/or Watch Commander can immediately be addressed by directing Covina Police to the potential issue. The real-time surveillance camera system has been extremely effective in reducing public safety issues within the downtown area, City Hall, Heritage Park and Cougar Park.

One comment expressed at the November 8, 2016 Planning Commission meeting was skepticism that the real-time surveillance camera system will actually be monitored 24/7. The real-time camera surveillance system is currently monitored 24/7 by Covina Police Department (CPD) personnel and with the additional cameras installed at the Transit Center, will continue to be monitored 24/7. The CPD is a 24/7 operation and critical operational systems are in effect 24/7/365. The CPD dispatcher and the Watch Commander both have real-time monitor screens at their work stations. When potential public safety concerns are viewed on the real-time monitors, the CPD dispatcher and/or Watch Commander dispatches Covina Police resources that are in the field to the location in question. In addition, because trained CPD personnel are viewing the real-time surveillance monitor feed, the dispatcher and/or Watch Commander is able to provide a significantly higher and more relevant threat assessment to the responding Covina Police personnel than they might otherwise receive from a call-for-service.

In addition to the installation of the real-time camera surveillance system, the Transit Center will have a dedicated parking space for CPD vehicles. Covina Police out on patrol in the community will be able to always have an accessible location to park their police vehicle at the Transit Center.

- **Operational concerns with the bus operations.**

  Residents also expressed concern regarding potential operational impacts associated with the Transit Center and Park and Ride facility. One misconception shared by residents concern was that the Transit Center was comparable to a bus depot, a place where buses are sheltered and where bus service is provided 24/7. On the contrary, the proposed Transit Center will provide Foothill Transit Commuter Express service to downtown Los Angeles. The patrons of this service are existing residents within the Covina community who currently park on city streets and private parking areas to use the existing Foothill Transit commuter bus service.

  Foothill Transit's Commuter Express will service the proposed Transit Center between 5:30 a.m. to 8:30 a.m. and 4:30 p.m. to 7:00 p.m. every 30 minutes, Monday through Friday only. Commuter Express service will not operate on weekends or holidays. Approximately 6 to 8 Commuter Express buses will travel to the Transit Center in the morning and 6 to 8 buses in the afternoon hours.

  It should be noted, the existing Foothill Transit local line 281, which currently operates and stops on the corner of Citrus Avenue and Covina Boulevard, will continue to operate Monday through Friday between 5:00 a.m. and 9:00 p.m., every 30 minutes. On weekends and holidays, Line 281 will operate from 7:00 a.m. to 7:00 p.m. every 60 minutes. When Foothill Transit buses are not operating, there will be minimal activity at the Transit Center. There will be no late night operations and weekend service for the local bus line will be very limited.

  Another concern expressed was the potential noise and emissions of the Foothill Transit bus fleet. Currently, all Foothill Transit buses are either Compressed Natural Gas (CNG) or electric powered bus vehicles. Foothill Transit does not operate any gasoline or diesel-powered buses. In addition, Foothill Transit has a goal to transition their entire bus fleet to 100% electric powered by 2030. Therefore, noise and emissions concerns typically associated with conventional gasoline or diesel-powered buses will not be a factor at the Foothill Transit facility. Attached as Attachment M is a letter from Doran J. Barnes, Executive Director of Foothill Transit addressing operational policies and procedures in response to concerns raised at the November 8, 2016 Planning Commission meeting.

- **Civic Component.**

  Concerns expressed regarding the design of the Civic Component have primarily focused on the following design features:

  - **Potential noise and activity impacts associated with the Event Center.**

    The proposed uses for the Civic Component are a community event center, a business incubator/innovation center, or other recreation type use, or a combination of these uses. Other than the conceptual design, the actual design of the Civic Component has not proceeded through the Site Plan Review application process. The actual and detailed design of the Civic Component will require Site Plan Review as articulated in the Covina Forward Specific Plan. Therefore, specific design issues will be addressed as part of that formal design approval process. In addition, the on-site availability of alcohol in conjunction with banquet uses will require the approval of a conditional use permit.

- **Comments from the November 8, 2016 Planning Commission meeting.**

  One of the concerns expressed at the November 8, 2016 Planning Commission meeting was potential neighborhood impacts resulting from the operation of a public assembly activity at the proposed Event Center. Specifically, impacts associated with alcohol consumption related impacts from the activities held at the proposed Event Center. Operational issues associated with the on-site consumption of alcohol are always relevant, and as such, the ability to provide on-site alcohol service requires the approval of a Conditional Use Permit. Through the Conditional Use Permit process, appropriate operational conditions and restrictions can be placed on uses that propose the ability to provide on-site alcohol consumption. Furthermore, as a City-owned facility, City personnel will be present at the facility whenever it is in use, thus, on-site City supervision of the activities will always occur.

FISCAL IMPACT:

Pursuant to the provisions of City Council Resolution No. 15- 7351, any proposed General Plan Amendment changing the land use designation from commercial or light industrial to residential requires the preparation of an economic impact assessment. As a component to the various project reports, studies and assessments, a project specific economic impact assessment was prepared. The resulting report is attached and is titled the "Covina Forward Revenue and Cost Summary". The conclusion of the report states as follows:

> *"Total current annual revenues to the City of Covina from the project site are $16,354. Total annual stabilized direct revenues to the City of Covina from the Covina Forward Project are anticipated to be $129,493. In addition off site sales in Covina from new project residents are projected to be $39,000 annually with an indirect economic multiplier of $90,000 to $140,000 annually for Covina economy. New jobs resulting from the Covina Forward Project will be 82 to 98."* (Source: Covina Forward Revenue and Cost Summary – November 2016, Williams & Foster)

In addition, the economic impact assessment estimates an indirect multiplier effect that the project will generate, as follows:

> *"The development of the proposed projects associated with Covina Forward will also produce indirect economic impact for Covina because several of the uses (Foothill Transit Center, Community Event Center and office development) will be more regional in nature and draw people from nearby communities such as Azusa, Glendora, San Dimas and West Covina. People residing in adjacent neighborhoods and communities will not only use the facilities contained in Covina Forward, but also purchase additional goods and services in nearby Covina stores, restaurants and fueling stations.*
>
> *The 117 new Townhomes will also bring more consumers of goods and services for nearby Covina businesses. The projected spending from residents of the new town homes is estimated to produce an additional $39,000 in annual sales tax revenue. This indirect-multiplier effect could produce an additional $90,000 to $140,000 annually in sales tax revenue, along with assisting in new job creation for nearby Covina businesses. The increase in sales tax revenue will help offset the loss of sales tax revenue resulting from the closure of the Kmart store."* (Source: Covina Forward Revenue and Cost Summary – November 2016, Williams & Foster)

CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT):
Pursuant to CEQA) and the State CEQA Guidelines, 14 Cal. Code Regs., § 15000, et seq, the City staff determined that an Environmental Impact Report (EIR) was necessary to evaluate the potential environmental effects of the Project. A Notice of Preparation (NOP) was published in the San Gabriel Valley Tribune on May 11, 2016 for the required 30-day review period. Furthermore, the NOP was posted at the Los Angeles County Registrar Office and the City of Covina City Clerk's office and was distributed to the State Clearinghouse, agencies, organizations, and interested parties. Subsequent to the EIR Notice of Preparation, a State Clearinghouse number was assigned as follows: SCH # 2016051053 - Covina Transit-Oriented Mixed-Use Development Project. Input was received during this period from public agencies and the general public regarding environmental issues and concerns related to the Project. The City received four comment letters in response to the NOP.

The City subsequently contracted for the independent preparation of a Draft Environmental Impact Report (the "Draft EIR") for the Project, including all necessary technical studies and reports in support of the Draft EIR. In September 2016, the Draft EIR was completed for the Project. In accordance with CEQA and the State CEQA Guidelines, the Draft EIR fully analyzed and disclosed the Project's potential impacts on the environment, proposed mitigation measures where appropriate to reduce potentially significant impacts to the extent possible, and evaluated potential alternatives to the Project.

The Draft EIR identifies that the Project would result in no impact or less than significant impacts in the following environmental impact categories: agricultural and forestry resources, greenhouse gas emissions, hydrology and water quality, land use and planning, mineral resources, population and housing, recreation, transportation and traffic, and utilities and service systems. With the incorporation of mitigation measures identified in the Draft EIR, the potentially significant impacts of the Project in the following categories would be reduced below a level of significance: aesthetics, air quality, biological resources, cultural resources, geology and soils, hazards and hazardous materials, and noise. No significant and unmitigable impacts have been identified in the EIR. A Notice of Availability of the Draft EIR was published in the San Gabriel Valley Tribune on September 13, 2016 and the Draft EIR was released for a 45-day public comment period beginning on September 13, 2016 and ending on October 27, 2016. The City received five comment letters on the Draft EIR during this period.

On November 8, 2016, the Planning Commission held a public hearing and received public testimony on the project, including the adequacy of the DEIR. Subsequently, on November 18, 2016 the City responded to nine (9) DEIR comment letters. The Final EIR was sent to all nine (9) commenters. It should also be noted that on November 21, 2016 the Final EIR was posted on the City's website.

The Project has been environmentally reviewed pursuant to the provisions of CEQA and the State CEQA Guidelines. The Planning Commission has reviewed and considered the Draft and, in the exercise of its independent judgment, recommends that the City Council certify the EIR, make appropriate environmental findings, and adopt a Mitigation Monitoring and Reporting Program for the Project. The Planning Commission recommends that the mitigation measures set forth therein be made applicable to the Project. The Planning Commission further finds that substantial evidence in light of the whole record supports the conclusion, as found in the Draft EIR that the Project will not result in any significant effect on the environment following the incorporation of mitigation. Public agencies and interested members of the public have been afforded ample notice and opportunity to comment on the Draft EIR and the Project. Therefore,

the Planning Commission finds that the project will not have a significant effect on the environment and recommends to that the City Council certify the Covina Transit-Oriented Mixed-Use Development Project Environmental Impact Report (EIR) with Mitigation Monitoring and Reporting Programs (SCH # 2016051053).

Respectfully submitted,

_____

Brian K. Lee
Director of Community Development

ATTACHMENTS:

Attachment A: Covina Forward Specific Plan

Attachment B: Resolution No. 16-7557, A resolution of the City Council of the City of Covina, California, certifying Environmental Impact (SCH2016051053), making environmental findings pursuant to the California Environmental Quality Act, and adopting a Mitigation Monitoring and Reporting Program for the iTEC Transit Oriented Mixed-Use development project (approximately 10.66 acres and generally located at 1162 North Citrus Avenue and 117 East Covina Boulevard - APN: 8406-019-019, 8406-019-020 and 8406-019-17

Attachment C: Resolution No. 16-7558, A resolution of the City Council of the City of Covina, California approving the General Plan Amendment (GPA) 16-001 to amend the Land Use Map changing the Land Use Designation from "General Commercial" to "Covina Forward Specific Plan" for approximately 10.66 acres of land with 6.12 acres designated for "High Density Residential 15 – 22 dwelling units per acre" and 4.54 acres designated for "General Commercial" for property generally located at 1162 North Citrus Avenue and 117 East Covina Boulevard – APN: 8406-019-019, 8406-019-020 and 8406-019-017.

Attachment D: Resolution No. 16-7559, A resolution of the City Council of the City of Covina, California establishing the "Covina Forward Specific Plan (CFSP)" with 6.12 acres for "CFSP – RD (Multi-Family)" and 4.54 acres for "CFSP – I (Institutional Use)" and establishing special development standards and design guidelines for the proposed iTEC Transit Oriented Mixed-Use development for property generally located at 1162 North Citrus Avenue and 117 East Covina Boulevard – APN: 8406-019-019, 8406-019-020 and 8406-019-017.

Attachment E: Ordinance No. 16-2068, An ordinance of the City Council of the City of Covina, California, amending the Official Zoning Map of the City of Covina by changing the zoning designation from "C-3A Commercial Zone (Regional or Community Shopping Center)" and "C-R Commercial Zone (Recreation)" to "Covina Forward Specific Plan" with 6.12 acres zoned for "RD (Multi-Family)" and 4.54 acres zoned for "I (Institutional Use)" for the proposed iTEC Transit Oriented Mixed-Use development for property generally located at 1162 North Citrus Avenue and 117 East Covina Boulevard – APN: 8406-019-019, 8406-019-020 and 8406-019-017.

Attachment F: Resolution No. 16-7560, A resolution of the City Council of the City of Covina, California, approving a Vesting Tentative Tract Map 74512 for dividing the 10.66-acre project site into 23 lots with 21 lots and 12 letter lots on approximately 6.12 acres for the residential development of 117 for-sale townhouse units and 2 lots (Lots 22 and 23) on approximately 4.54 acres for Public/Transit and Public/Civic Uses, for property generally located at 1162 North Citrus Avenue and 117 East Covina Boulevard – APN: 8406-019-019, 8406-019-020 and 8406-019-017.

Attachment G: Resolution No. 16-7561, A resolution of the City Council of the City of Covina, California, approving a Site Plan Review (SPR) 16-023 for the construction of 117 for-sale townhouse units with private drive aisles, recreation facilities and common open space area, generally located at 1162 North Citrus Avenue and 117 East Covina Boulevard – APN: 8406-019-019, 8406-019-020 and 8406-019-017.

Attachment H: Resolution No. 16-7562, A resolution of the City Council of the City of Covina, California, approving a Site Plan Review (SPR) 16-033 for the construction of a Transit Center up to a six-bay bus plaza, a park & ride vehicle parking structure and a 4,800 square foot retail building for property generally located at 1162 North Citrus Avenue and 117 East Covina Boulevard – APN: 8406-019-019, 8406-019-020 and 8406-019-017.

Attachment I: Ordinance No. 16-2069, An ordinance of the City Council of the City of Covina, California, approving and adopting a Development Agreement between MLC Holdings, Inc. and the City of Covina related to a proposed development consisting of 117 for-sale townhouse units on approximately 6.12 acres, the conveyance of 1.11 acres to the City and the conveyance of 0.351 acres to the City for parkland, for property generally located at 1162 North Citrus Avenue and 117 East Covina Boulevard – APN: 8406-019-019, 8406-019-020 and 8406-019-017.

Attachment J: Covina Forward Revenue and Cost Summary

Attachment K: November 8, 2016 Planning Commission Staff Report and PC Resolutions

Attachment L: Proposed Screen Barrier – Foothill Transit Center (Per PC Condition)

Attachment M: Letter from Foothill Transit Executive Director regarding Foothill Transit bus operations policies and procedures

Attachment N: Final EIR under separate cover (posted on the City's website)

Attachment O: Development Plan for SPR 16-023

Attachment P: Development Plan for SPR 16-033

the Planning Commission finds that the project will not have a significant effect on the environment and recommends to that the City Council certify the Covina Transit-Oriented Mixed-Use Development Project Environmental Impact Report (EIR) with Mitigation Monitoring and Reporting Programs (SCH # 2016051053).

Respectfully submitted,

Brian K. Lee
Director of Community Development

ATTACHMENTS:

Attachment A: Covina Forward Specific Plan

Attachment B: Resolution No. 16-7557, A resolution of the City Council of the City of Covina, California, certifying Environmental Impact (SCH2016051053), making environmental findings pursuant to the California Environmental Quality Act, and adopting a Mitigation Monitoring and Reporting Program for the iTEC Transit Oriented Mixed-Use development project (approximately 10.66 acres and generally located at 1162 North Citrus Avenue and 117 East Covina Boulevard - APN: 8406-019-019, 8406-019-020 and 8406-019-17

Attachment C: Resolution No. 16-7558, A resolution of the City Council of the City of Covina, California approving the General Plan Amendment (GPA) 16-001 to amend the Land Use Map changing the Land Use Designation from "General Commercial" to "Covina Forward Specific Plan" for approximately 10.66 acres of land with 6.12 acres designated for "High Density Residential 15 – 22 dwelling units per acre" and 4.54 acres designated for "General Commercial" for property generally located at 1162 North Citrus Avenue and 117 East Covina Boulevard – APN: 8406-019-019, 8406-019-020 and 8406-019-017.

Attachment D: Resolution No. 16-7559, A resolution of the City Council of the City of Covina, California establishing the "Covina Forward Specific Plan (CFSP)" with 6.12 acres for "CFSP – RD (Multi-Family)" and 4.54 acres for "CFSP – I (Institutional Use)" and establishing special development standards and design guidelines for the proposed iTEC Transit Oriented Mixed-Use development for property generally located at 1162 North Citrus Avenue and 117 East Covina Boulevard – APN: 8406-019-019, 8406-019-020 and 8406-019-017.

Attachment E: Ordinance No. 16-2068, An ordinance of the City Council of the City of Covina, California, amending the Official Zoning Map of the City of Covina by changing the zoning designation from "C-3A Commercial Zone (Regional or Community Shopping Center)" and "C-R Commercial Zone (Recreation)" to "Covina Forward Specific Plan" with 6.12 acres zoned for "RD (Multi-Family)" and 4.54 acres zoned for "I (Institutional Use)" for the proposed iTEC Transit Oriented Mixed-Use development for property generally located at 1162 North Citrus Avenue and 117 East Covina Boulevard – APN: 8406-019-019, 8406-019-020 and 8406-019-017.

Attachment F: Resolution No. 16-7560, A resolution of the City Council of the City of Covina, California, approving a Vesting Tentative Tract Map 74512 for dividing the 10.66-acre project site into 23 lots with 21 lots and 12 letter lots on approximately 6.12 acres for the residential development of 117 for-sale townhouse units and 2 lots (Lots 22 and 23) on approximately 4.54 acres for Public/Transit and Public/Civic Uses, for property generally located at 1162 North Citrus Avenue and 117 East Covina Boulevard – APN: 8406-019-019, 8406-019-020 and 8406-019-017.

Attachment G: Resolution No. 16-7561, A resolution of the City Council of the City of Covina, California, approving a Site Plan Review (SPR) 16-023 for the construction of 117 for-sale townhouse units with private drive aisles, recreation facilities and common open space area, generally located at 1162 North Citrus Avenue and 117 East Covina Boulevard – APN: 8406-019-019, 8406-019-020 and 8406-019-017.

Attachment H: Resolution No. 16-7562, A resolution of the City Council of the City of Covina, California, approving a Site Plan Review (SPR) 16-033 for the construction of a Transit Center up to a six-bay bus plaza, a park & ride vehicle parking structure and a 4,800 square foot retail building for property generally located at 1162 North Citrus Avenue and 117 East Covina Boulevard – APN: 8406-019-019, 8406-019-020 and 8406-019-017.

Attachment I: Ordinance No. 16-2069, An ordinance of the City Council of the City of Covina, California, approving and adopting a Development Agreement between MLC Holdings, Inc. and the City of Covina related to a proposed development consisting of 117 for-sale townhouse units on approximately 6.12 acres, the conveyance of 1.11 acres to the City and the conveyance of 0.351 acres to the City for parkland, for property generally located at 1162 North Citrus Avenue and 117 East Covina Boulevard – APN: 8406-019-019, 8406-019-020 and 8406-019-017.

Attachment J: Covina Forward Revenue and Cost Summary

Attachment K: November 8, 2016 Planning Commission Staff Report and PC Resolutions

Attachment L: Proposed Screen Barrier – Foothill Transit Center (Per PC Condition)

Attachment M: Letter from Foothill Transit Executive Director regarding Foothill Transit bus operations policies and procedures

Attachment N: Final EIR under separate cover (posted on the City's website)

Attachment O: Development Plan for SPR 16-023

Attachment P: Development Plan for SPR 16-033

THIS PAGE LEFT INTENTIONALLY BLANK

CITY OF COVINA

AGENDA REPORT

ITEM NO. CC 14

MEETING DATE:	December 6, 2016
TITLE:	Approve the inmate food service agreement with the County of Los Angeles.
PRESENTED BY:	John Curley, Chief of Police
RECOMMENDATION:	Approve a 5 year agreement and Amendment No. 3 with the County of Los Angeles to provide inmate food service for the City of Covina, Police Department

BACKGROUND:
On July 1, 2013 the City of Covina entered into an agreement with the County of Los Angeles through the Sheriff's Department to provide food service to jail inmates in the Covina Police Department in the form of delivered pre-packaged meals. This is a 5-year agreement that will end on June 30, 2018 unless terminated early or extended. The goal of entering into this service agreement was to provide inmates with balanced meals at a more cost effective manner than what was previously provided. The initial cost of each meal was $2.14 with subsequent amendments made to the agreement to reflect the rising cost of providing the service. The third and most recent amendment to the agreement calls for an increase which now makes each meal $2.63.

DISCUSSION:
This agreement for inmate food service has been in effect since July 1, 2013 and executed by staff of both parties. However, upon further review, this 5-year agreement should have been presented to the Covina City Council for consideration and approval given the fact that the cumulative total of the service would exceed $25,000 through the life of this agreement. This agenda item provides the City Council the opportunity to consider this agreement/amendment for approval. Staff has been very pleased with the service provided by the County and would recommend approval and continuation of the service.

FISCAL IMPACT:
No additional fiscal impact or funding request needed. Annually, there is already $12,000 allocated in the police department jail budget (1010 1150 54410) to pay for food service. The number of meals ordered is determined by the jail staff based on daily inmate population. From the commencement of this agreement on July 1, 2013 to date, $40,530 has been spent on this service.

CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT): None

Respectfully submitted,

John Curley
Chief of Police

ATTACHMENTS:
Attachment A: Agreement
Attachment B: Amendment 3

ATTACHMENT A

FOOD SERVICES AGREEMENT
BETWEEN COUNTY OF LOS ANGELES AND THE CITY OF COVINA

TABLE OF CONTENTS

PARAGRAPH	TITLE	PAGE
RECITALS		2
1.0	SCOPE OF SERVICES	2
2.0	ADMINISTRATION OF COUNTY PERSONNEL	4
3.0	INDEMNIFICATION AND INSURANCE	4
4.0	BILLING RATES	5
5.0	PAYMENT PROCEDURES	5
6.0	TERM OF AGREEMENT	6
7.0	RIGHT OF TERMINATION	6
8.0	AMENDMENTS	7
9.0	ASSIGNMENT, DELEGATION AND SUBCONTRACTING	7
10.0	AUTHORIZATION WARRANTY	7
11.0	INDEPENDENT CONTRACTOR STATUS	7
12.0	GOVERNING LAW, JURISDICTION, AND VENUE	7
13.0	NOTICES	8
14.0	VALIDITY	8
15.0	WAIVER	8
16.0	ENTIRE AGREEMENT	9
SIGNATURES		10

ATTACHMENT A: FOOD SERVICES ORDER
ATTACHMENT B: FOOD SERVICES- CITY CONTRACT RATES

FOOD SERVICES AGREEMENT

This Food Services "Agreement", dated July 2, 2013, is made and entered into by and between by the County of Los Angeles ("COUNTY") and the City of Covina, ("CITY") for the purpose of providing food services to CITY jail facility.

RECITALS

A. WHEREAS, CITY is desirous of contracting with COUNTY, through its Los Angeles County Sheriff's Department ("LASD") for food services to be provided to prisoners of the CITY jail facility; and

B. WHEREAS, COUNTY and LASD are agreeable to rendering such services on the terms and conditions hereinafter set forth; and

C. WHEREAS, such Agreements is authorized and provided for by Sections 56-1/2 and 56-3/4 of the Charter of the County of Los Angeles California Government Code Section 51301.

NOW THEREFORE, in consideration of the mutual covenants contained herein, and for good and valuable consideration, the parties mutually agree as follows:

1.0 SCOPE OF SERVICES

1.1 COUNTY, through LASD, agrees to provide CITY with pre-packaged prepared meals for use in the CITY jail facility.

1.2 Meals provided by COUNTY will meet the nutritional and caloric requirements established by the Food and Nutrition Board of the National Research Council, Institute of Medicine of the National Academies, the California Daily Food Guide, and the Dietary Guidelines for Americans, in accordance with the Title 15 of the California Code of Regulations, at the time of meal delivery to the CITY jail facility.

1.3 Food preparation and the quality of the provided meals shall comply with the standards set forth in the California Health and Safety Code, Division 104, Part 7, Chapter 4, Articles 1-8, at the time of delivery to the CITY jail facility.

1.4 LASD shall deliver the prepared meals to CITY as set forth in Attachment A, Food Services Order, of this Agreement. For any changes in the number of meals requested and/or the delivery days and times set forth on Attachment A, Food Services Order, of this Agreement CITY shall submit a request to COUNTY in writing not less than twenty-one (21) calendar days prior to the date of the requested change in the food service. The written requests shall set forth the effective date of the requested change and the specific change to number of meals and/or delivery date and/or delivery time. The written request shall also be signed by a representative of CITY, who is duly authorized to request such changes. The written requests shall be submitted to COUNTY as follows:

Los Angeles County Sheriff's Department
Attn: Food Services Unit
450 Bauchet Street, Room E815
Los Angeles, California 90012

Upon approval by COUTY of the requested change, Attachment A, Food Services Order, of this Agreement will be amended pursuant to Section 8.0, Amendments, of this Agreement to reflect such change.

1.5 LASD shall be responsible for the transportation of the prepared meals to the CITY jail facility. LASD shall deliver the meals as set forth in Attachment A. Food Services Order, of this Agreement to a pre-designated, mutually agreed upon food storage location. Thereafter, it is the responsibility of CITY to serve the meals and provide any necessary clean-up.

1.6 LASD shall provide CITY with a monthly menu not less than one (1) week prior to

the beginning of the following month. Menus are subject to change due to the availability from the vendors; therefore, LASD reserves the right to make such changes as necessary.

2.0 ADMINISTRATION OF COUNTY PERSONNEL

2.1 The rendition of the services performed by COUNTY, through LASD, the standards of performance, the discipline of officers and civilian employees, and other matters incident to the performance of such services and the control of personnel so employed shall remain with COUNTY and the Sheriff of Los Angeles County. COUNTY shall pay all wages, salaries, worker's compensation, and other amounts due its employees in connection with this Agreement and shall be responsible for all reports and obligations respecting them.

2.2 With regard to Section 2.1, COUNTY, in an unresolved dispute, shall have final and conclusive determination as between the parties hereto.

3.0 INDEMNIFICATION AND INSURANCE

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

3.2 COUNTY shall indemnify, defend, and hold harmless the CITY, its elected and appointed officers, employees, and agents from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, and expenses (including reasonable attorney and expert witness fees), arising from or connected

with the COUNTY's acts and/or omissions arising from and/or relating to this Agreement.

3.3 COUNTY shall provide to CITY a certificate of self- insurance certifying that it is self-insured for general liability, automobile liability, and workers' compensation liability.

4.0 BILLING RATES

4.1 For and in consideration of the rendition of the food services to be performed by COUNTY under this Agreement, CITY shall pay COUNTY for said services according to the rates set forth in the Food Services - City Contract Rates, attached hereto as Attachment B of this Agreement.

4.2 Fees charged for the meals shall be based on the recovery of ingredient costs, mileage costs, labor costs, and other relevant costs prevailing at the time of the execution of this Agreement.

4.3 In the event that the costs for providing the services, as determined by the County's Auditor-Controller, change or the performance requirements under this Agreement change during the term of this Agreement, then COUNTY shall have the right to adjust the rates and costs set forth in Attachment B, Food Services - City Contract Rates, of this Agreement. COUNTY shall notify CITY of any rate or cost modifications, and an Amendment to this Agreement shall be executed pursuant to Section 8.0, Amendments, of this Agreement.

5.0 PAYMENT PROCEDURES

5.1 COUNTY, through LASD, shall render to said CITY within ten (10) calendar days after the close of each calendar month a summarized invoice which covers all services performed during said month, and said CITY shall pay COUNTY

therefore within forty-five (45) calendar days after date of said invoice.

5.2 If such payment is not delivered to the COUNTY office which is described on said invoice within forty-five (45) days after the date of the invoice, COUNTY is entitled to recover interest thereon.

5.3 Said interest shall be at the rate of ten percent (10%) per annum or any portion thereof calculated from the last day of the month in which the services were performed.

6.0 TERM OF AGREEMENT

6.1 The term of this Agreement shall commence July 1, 2013 or upon execution by the Sheriff, whichever is later, and shall terminate June 30, 2018, unless sooner terminated or extended in whole or in part as provided for herein.

7.0 RIGHT OF TERMINATION

7.1 Either party may terminate this Agreement with or without cause by giving not less than sixty (60) calendar days advance written notice to the other party.

7.2 In the event of the termination, each party shall fully discharge all obligations owed to the other party accruing prior to the date of termination, and each party shall be released from all obligations which would otherwise accrue subsequent to the date of termination.

7.3 Notwithstanding the foregoing, COUNTY may cancel the provision of service at any time, in the event of exigent circumstances, if the Sheriff concludes that there are insufficient personnel to provide the agreed upon services and still perform other Sheriff's duties as required by law. In the event of such a circumstance, COUNTY will provide at least a ten (10) calendar day notice of its inability unless circumstances preclude them, as a practical matter, from giving at least a ten (10)

calendar day notice, in which event the COUNTY shall provide such notice of less than ten (10) calendar days as is feasible and practical under the circumstances.

8.0 AMENDMENTS

All changes, modifications, or amendments to this Agreement must be in the form of a written Amendment duly executed by authorized personnel of COUNTY and CITY.

9.0 ASSIGNMENT, DELEGATION, AND SUBCONTRACTING

A party shall not assign its rights and/or subcontract, or otherwise delegate, its duties under this Agreement, either in whole or in part, without the prior written consent of the other party, and any attempted assignment or delegation without such consent shall be null and void.

10.0 AUTHORIZATION WARRANTY

CITY represents and warrants that the person executing this Agreement for CITY is an authorized agent who has actual authority to bind the CITY to each and every term, condition herein.

11.0 INDEPENDENT CONTRACTOR STATUS

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

12.0 GOVERNING LAW, JURISDICTION, AND VENUE

This Agreement shall be governed by, and construed in accordance with, the laws of the State of California. The parties agree and consent to the exclusive jurisdiction of the courts of the State of California for all purposes regarding this Agreement and further agree and consent that venue of any action brought hereunder shall be exclusively in the County

of Los Angeles.

13.0 NOTICES

Unless otherwise specified herein, all notices or demands required or permitted to be given or made under this Agreement shall be in writing and shall be hand delivered with signed receipt or mailed by first class registered or certified mail, postage prepaid, addressed to the parties at the following addresses and to the attention of the person named. Addresses and persons to be notified may be changed by either party by giving ten (10) calendar days prior written notice thereof to the other party.

Notices to COUNTY shall be addressed as follows:

Los Angeles County Sheriff's Department
Food Services Unit
Attn: Unit Commander
450 Bauchet Street, Room E815
Los Angeles, California 90012
Tel No. 213-893-5099
Fax. No. 213-680-1335

Notices to CITY shall be addressed as follows:

City of Covina
Attn: Chief Kim Raney
444 N. Citrus Avenue
Covina, CA 91723
Tel. No. 626-331-3391
Fax No. 626-384-5659

14.0 VALIDITY

If any provision of this Agreement or the application thereof to any person or circumstance is held invalid, the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected thereby.

15.0 WAIVER

No waiver by the parties of any breach of any provision of this Agreement shall constitute

a waiver of any other breach or of such provision. Failure of the parties to enforce at any time, or from time to time, any provision of this Agreement shall not be construed as a waiver thereof.

16.0 ENTIRE AGREEMENT

This Agreement, and any Attachments hereto, constitute the complete and exclusive statement of understanding between the parties which supersedes all previous agreements, written or oral, and all communications between the parties relating the subject matter hereof. No change to this Agreement shall be valid unless prepared pursuant to Section 8.0, Amendments, of this Agreement and signed by both parties.

//

//

//

//

//

//

//

//

//

//

//

//

//

FOOD SERVICES AGREEMENT

IN WITNESS WHEREOF, the Los Angeles County Board of Supervisors has caused this Agreement to be executed on its behalf by the Sheriff of the County of Los Angeles, and CITY has caused this Agreement to be executed on its behalf by its duly authorized representative, on the dates written below.

Los Angeles County Sheriff's Department

By _____
Leroy D. Baca, Sheriff

Date _____

APPROVED AS TO FORM:

John F. Krattli
County Counsel

By _____
Senior Deputy County Counsel

CITY OF COVINA

By _____
Daryl Parrish, City Manager

Date July 2, 2013

APPROVED AS TO FORM:

By _____
City Attorney

ATTACHMENT A

CITY OF COVINA
FOOD SERVICES ORDER

EFFECTIVE DATE:

DELIVERY DAYS:

DELIVERY HOURS: BETWEEN _____ HOURS AND _____ HOURS

NUMBER OF MEALS:
(ex.: 120 PER DELIVERY DAY (40 BREAKFAST, 40 LUNCH, AND 40 DINNER)

7-3-13

CITY OF COVINA REPRESENTATIVE DATE

LASD FOOD SERVICES REPRESENTATIVE DATE

ATTACHMENT B

COUNTY OF LOS ANGELES

SHERIFF'S DEPARTMENT

"A tradition of Service"
Since 1850

FOOD SERVICES - CITY CONTRACT RATES

RATES for FOOD SERVICES

FISCAL YEAR 2013-2014

SERVICE	RATE
PER MEAL	$2.14

CLEB:07/01/13 i/o

ATTACHMENT B

AMENDMENT NUMBER THREE
TO
FOOD SERVICES AGREEMENT

This Amendment Number Three ("Amendment") to Food Services Agreement ("Agreement") is made by and between by the County of Los Angeles ("COUNTY) and the City of COVINA (ACITY,@), effective July 1, 2016.

RECITALS

A. WHEREAS, on July 2, 2013, COUNTY and CITY entered into the Agreement for food services to be provided to prisoners of the CITY jail facility; and

B. WHEREAS, Section 4.3 of the Agreement provides COUNTY the right to adjust the billing rates set forth in Attachment B, Food Services-City Contract Rates, of the Agreement when the costs for providing the services change; and

C. WHEREAS, the COUNTY Auditor-Controller has established the rates for Fiscal Year 2016-2017; and

D. WHEREAS, COUNTY and CITY agree to amend the Agreement pursuant to Section 4.3 of the Agreement to adjust the rates for Fiscal Year 2016-2017.

NOW THEREFORE, in consideration of the mutual covenants contained herein, and for good and valuable consideration, the parties mutually agree to amend the Agreement as follows:

1. Attachment B, Food Services-City Contract Rates, of the Agreement is deleted in its entirety and replaced with the attached revised Attachment B, Food Services-City Contract Rates, to modify the billing rates for Fiscal Year 2016-2017.

2. CITY and the person executing this Amendment on behalf of the CITY hereby represent and warrant that the person executing this Amendment for CITY is an authorized agent who has actual authority to bind the CITY to each and every provision, term, and condition of the Amendment and that all CITY requirements have been fulfilled to provide such actual authority.

3. Except as provided in this Amendment, all other provisions, terms, and conditions of the Agreement shall remain the same and in full force and effect.

AMENDMENT NUMBER THREE
TO
FOOD SERVICES AGREEMENT

IN WITNESS WHEREOF, the County of Los Angeles has caused this Amendment to be executed on its behalf by the Sheriff of the County of Los Angeles, and CITY has caused this Amendment to be executed on its behalf by its duly authorized representative, on the dates written below.

COUNTY OF LOS ANGELES

By_____
Jim McDonnell, Sheriff

Date _____

APPROVED AS TO FORM:
COUNTY COUNSEL

By _____
Senior Deputy County Counsel

CITY OF COVINA

By _____

Date _____

APPROVED AS TO FORM:

By _____
City Attorney

ATTACHMENT B

COUNTY OF LOS ANGELES

SHERIFF'S DEPARTMENT

"A Tradition of Service"
Since 1850

FOOD SERVICES - CITY CONTRACT RATES

RATES for FOOD SERVICES

FISCAL YEAR 2016-2017

[redacted]

PER MEAL	**$2.63**

[redacted]

CLEB: 05/02/16 JTM

THIS PAGE LEFT INTENTIONALLY BLANK

CITY OF COVINA

AGENDA REPORT

ITEM NO. CC 16

MEETING DATE: December 6, 2016

TITLE: Resolution No. 16-7570 denying the Applicant's appeal and sustaining the Planning Commission's Approval of Resolution No. 16-025 PC with Conditions of Approval for Site Plan Review SPR 16-012 and Conditional Use Permit CUP 16-009, a request to offer General Alcohol (Type 47 ABC License) for a new sit-down eating establishment located on the ground-floor level of the building located at 211 North Citrus Avenue within the TCSP-5 Zone of the Town Center Specific Plan.

PRESENTED BY: Brian K. Lee, AICP, Director of Community Development

RECOMMENDATION: Approve Resolution No. 16-7570, a resolution of the City Council of the City of Covina denying the Applicant's appeal and sustaining the Planning Commission's Approval of Resolution No. 16-025 PC with Conditions of Approval for Site Plan Review SPR 16-012 and Conditional Use Permit CUP 16-009, a request to offer General Alcohol (Type 47 ABC License) for a new sit-down eating establishment located on the ground-floor level of the building located at 211 North Citrus Avenue within the TCSP-5 Zone of the Town Center Specific Plan.

BACKGROUND:

On September 13, 2016, the Planning Commission conducted a duly noticed public hearing to consider Site Plan Review SPR 16-012 and Conditional Use Permit CUP 16-009. The application request was for a for a new sit-down eating establishment offering general alcohol (Type 47 ABC License) at 211 North Citrus Avenue, located in the Downtown Covina area.

Pursuant to Planning Commission Resolution No. 16-025 PC, the Planning Commission approved the CUP and Site Plan Review request, with conditions of approval limiting the hours for alcohol sales to 12:00 a.m. instead of the requested time of 2:00 a.m. on Fridays and Saturdays.

Subsequent to the September 13, 2013 Planning Commission meeting, on September 20, 2016, the applicant, Mr. Luis Niebla, filed a letter of appeal to protest the Planning Commission's condition of approval restricting weekend closing time for Ola Sports Bar and Grill to 12:00 a.m. and to seek a closing a time of 2:00 a.m. on Fridays and Saturdays. On November 15, 2016, the City Council conducted a duly noticed public hearing of the appeal, at which time oral and written evidence along with a written recommendation from the Planning Division was presented to the City Council.

DISCUSSION:
At the November 15, 2016, the City Council conducted a duly noticed public hearing of the appeal, at which time oral and written evidence along with a written recommendation from the Planning Division was presented to the City Council. At the November 15, 2016 public hearing, the Applicant clarified and confirmed that he was appealing only the single condition of approval to the CUP restricting the hours of operation and closing time of the restaurant business to 12:00 a.m., and was not appealing any other condition of approval.

At the conclusion of the November 15, 2016 public hearing, a motion was made by Councilmember Allen, seconded by Mayor Stapleton, to deny the applicant's appeal and sustain the City of Covina's Planning Commission's decision to approve Resolution No. 2016-025PC with Conditions of Approval for SPR 16-012 and CUP 16-009, a request to offer general alcohol (Type 47 ABC License) for a new sit-down eating establishment located on the ground-floor level of the building located at 211 North Citrus Avenue and to direct the City Attorney to prepare a revised Council resolution memorializing the Council's action for the next regular City Council meeting, pursuant to City Council Resolution No. 16-7570, which reads:

> A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, DENYING THE APPLICANT'S APPEAL AND SUSTAINING THE PLANNING COMMISSION'S APPROVAL OF RESOLUTION NO. 16-025 PC WITH CONDITIONS OF APPROVAL FOR SITE PLAN REVIEW SPR 16-012 AND CONDITIONAL USE PERMIT CUP 16-009, A REQUEST TO OFFER GENERAL ALCOHOL (TYPE 47 ABC LICENSE) FOR A NEW SIT-DOWN EATING ESTABLISHMENT LOCATED ON THE GROUND-FLOOR LEVEL OF THE BUILDING LOCATED AT 211 NORTH CITRUS AVENUE WITHIN THE TCSP-5 ZONE OF THE TOWN CENTER SPECIFIC PLAN

FISCAL IMPACT:
There is no fiscal impact at this time.

CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT):
A second reading of the Ordinance is exempt from CEQA.

Respectfully submitted,

Brian K. Lee, AICP
Director of Community Development

ATTACHMENTS:

A. Resolution No. 16-7570

RESOLUTION NO. 16-7570

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, DENYING THE APPLICANT'S APPEAL AND SUSTAINING THE PLANNING COMMISSION'S APPROVAL OF RESOLUTION NO. 16-025 PC WITH CONDITIONS OF APPROVAL FOR SITE PLAN REVIEW SPR 16-012 AND CONDITIONAL USE PERMIT CUP 16-009, A REQUEST TO OFFER GENERAL ALCOHOL (TYPE 47 ABC LICENSE) FOR A NEW SIT-DOWN EATING ESTABLISHMENT LOCATED ON THE GROUND-FLOOR LEVEL OF THE BUILDING LOCATED AT 211 NORTH CITRUS AVENUE WITHIN THE TCSP-5 ZONE OF THE TOWN CENTER SPECIFIC PLAN

WHEREAS, the applicant, Mr. Luis Niebla ("Applicant") filed with the City of Covina ("City") applications requesting approval of Site Plan Review (SPR) 16-012 and Conditional Use Permit (CUP) 16-009 for a new sit-down eating establishment offering general alcohol (Type 47 ABC License) on the ground floor level of the building located at 211 North Citrus Avenue, Covina, California 91723 in the Downtown Covina area;

WHEREAS, on September 13, 2016, the City of Covina Planning Commission conducted a duly noticed public hearing, at which time oral and written evidence along with a recommendation from the Planning Division was presented to the Planning Commission; and

WHEREAS, on September 13, 2016, the Planning Commission approved Resolution No. 16-025 PC approving the Conditional Use Permit and Site Plan Review with Conditions of Approval; and

WHEREAS, on September 20, 2016, Mr. Luis Niebla ("Applicant"), filed a letter of appeal to protest the Planning Commission's condition of approval restricting weekend closing time for Ola Sports Bar and Grill to 12:00 a.m. and to seek a closing a time of 2:00 a.m. on Fridays and Saturdays; and

WHEREAS, Mr. Luis Niebla, is the applicant on record for CUP 16-009 and SPR 16-012 at the time of the filing of the appeal; and

WHEREAS, on November 15, 2016, the City Council conducted a duly noticed public hearing of the appeal, at which time oral and written evidence along with a written recommendation from the Planning Division was presented to the City Council; and

WHEREAS, notice of the time, date, place and purpose of the aforesaid hearing was duly given; and

WHEREAS, at the public hearing, the Applicant clarified and confirmed that he was appealing only the single condition of approval to the CUP restricting the hours of operation and closing time of the restaurant business to 12:00 a.m., and was not appealing any other condition of approval; and

WHEREAS, at the public hearing, the Applicant clarified and requested that the single condition of approval to the CUP restricting the hours of operation be amended from 12:00 a.m. to 2:00 a.m. on Fridays and Saturdays.

WHEREAS, the City Council hereby affirms the Findings of Facts approved by Planning Commission Resolution No. 16-025 PC; and

WHEREAS, the City Council finds that Planning Commission Resolution No. 16-025 PC established Conditions of Approval for CUP 16-009 necessary to protect the health, safety and welfare of persons in the neighborhood and in the City a whole; and

WHEREAS, several other surrounding restaurants with alcohol-related conditional-use permits in the Downtown Covina area close at or around 10:00 p.m.; and

WHEREAS, all legal prerequisites to the adoption of this Resolution have occurred.

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

SECTION 1. The foregoing recitals are true and correct and are incorporated herein and made an operative part of this Resolution.

SECTION 2. Based on the evidence presented at the public hearing, including the agenda report and oral and written testimony, the City Council finds, pursuant to Covina Municipal Code Section 17.62.120, that:

A. Granting the Applicant's request to extend with hours of operation until 2:00 a.m. on weekends would have an adverse effect on the abutting properties and the neighborhood, as Covina Police staff testified that with alcohol uses in the Covina Downtown area during late hours currently and would further burden police services.

B. The Condition of Approval limiting the hours of operation for the proposed use to 12:00 a.m. daily set forth in Planning Commission Resolution No. 16-025 PC established for CUP 16-009 is necessary to protect the health, safety and general welfare of persons in the neighborhood and in the City as a whole; and

C. Granting the Applicant's request to extend the Planning Commission's approved hours of operation for the proposed use on Fridays and Saturdays from 12:00 a.m. midnight to 2:00 a.m. would encumber the health, safety and general welfare of persons in the neighborhood and in the City, as both the Community Development Department and the Police Department testified that late night operations of alcohol related types of uses create an undue burden on police services when patrons are in the Downtown Covina area until 2:00 a.m.

SECTION 3. Based on the aforementioned findings and in its own independent judgment, the City Council hereby denies the Applicant's appeal and request to revise the condition of approval regarding hours of operation for the proposed use and hereby sustains the Planning Commission's decision to adopt Resolution No. 16-025 PC and the related the Conditions of Approval in its entirety.

SECTION 4. CEQA. The City Council has reviewed the evidence brought forth during the public hearing of the appeal, and based on its own independent judgment determines that the appeal is not a project under the California Environmental Quality Act (CEQA).

SECTION 5. In consideration of the facts and findings stated above, the City Council of the City of Covina hereby approves this Resolution denying the Applicant's appeal and sustaining the City of Covina Planning Commission's decision to approve Resolution No. 16-025 PC with Conditions of Approval for Site Plan Review SPR 16-012 and Conditional Use Permit CUP 16-009, a request to offer general alcohol (Type 47 ABC license) for a new sit-down eating establishment located on the ground-level of the building located at 211 North Citrus Avenue within the TCSP-5 Zone of the Town Center Specific Plan.

SECTION 6. 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 6th day of December, 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, California, DO HEREBY CERTIFY that Resolution No. 16-7570 was duly approved and adopted at a regular meeting of the City Council on the 6th day of December, 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

THIS PAGE LEFT INTENTIONALLY BLANK

CITY OF COVINA

AGENDA REPORT

ITEM NO. PH 1

MEETING DATE: December 6, 2016

TITLE: Public Hearing of 2016 Annual Report for the Covina Downtown Business Area Enhancement District (BAED) and Proposed Assessment

PRESENTED BY: Anita Agramonte, Finance Director

RECOMMENDATION: A. Conduct the public hearing of the 2016 Annual Report for the Covina Downtown Business Area Enhancement District and Proposed Assessment; and

B. Adopt Resolution **No. 16-7566**, confirming the 2016 Annual Report for the Downtown Covina Business Area Enhancement District, and levying the assessment described therein.

BACKGROUND:

At the City Council meeting of November 1, 2016, Council was presented with the Annual Report for the 2016 Covina Downtown Business Area Enhancement District (BAED). The Report was approved and Resolution 16-7548 was adopted expressing the Council's intention to levy an annual assessment for the fiscal year 2016-17.

The adopted Resolution established a date of December 6, 2016 for a public hearing on this assessment.

DISCUSSION:

Legal requirements for the continuation of this assessment obligate the City to:

1) Approve the Annual Report (Attachment A)
2) Adopt a Resolution of Intention to Levy an Annual Assessment
3) Hold a Public Hearing on this Assessment
4) Adopt a Resolution confirming the Annual Report and Assessment (Attachment B)

The previous meeting satisfied the first two of these requirements. The second two items are being addressed at this meeting.

There are no proposed changes from the Advisory Board this year.

FISCAL IMPACT:

There is no fiscal impact to the City as a result of this action. Each business in the district is assessed

an annual fee of $125 which is charged along with their annual business license renewal. The fees collected are remitted to the Covina Downtown Merchants Association to be utilized on the planned activities outlined in the attached annual report (Attachment A).

CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT):

No CEQA involvement.

Respectfully submitted,

Anita Agramonte
Finance Director

ATTACHMENTS:

Attachment A: Business Area Enhancement District Annual Report
Attachment B: Resolution No. 16-7566

Covina Downtown Merchants Association
Post Office Box 4671
Covina, California 91723

October 14, 2016

Theresa Franke
City of Covina
125 East College Street
Covina, California 91723

RE: Benefit Area Enhancement District

Dear Theresa,

The Board of Directors of the Covina Downtown Association has prepared the following report in order to levy BAED assessment in the Downtown area for the year 2017.

1. Boundary Changes
The Board of Directors requests no changes in the boundaries of the BAED district at this time.

2. Planned Activities for 2017
The Board of Directors has adopted a plan for the fiscal year 2017 which includes continued print and direct mail advertising, promoting the Downtown shopping experience through our website and directories, light pole banner program, and the lighting of the trees on Citrus Avenue.

We also plan to continue our, Covina Charities Wine Walks, the Thunderfest Car & Music Festival and our Winter Wonderland Christmas promotions.

3. Projected budget for 2017 fiscal year
Our budget for the fiscal year 2017 will be $32,100 with estimated $7,500.00 coming from the BAED. We have budgeted 75% to advertising and promotional events, 15% for the Covina.com website, and 8% for insurance and other operating expenses.

4. Method of levying Assessment
The fiscal assessment would be the same as in past years at $125.00 per business.

Covina Downtown Merchants Association
Post Office Box 4671
Covina, California 91723

5. Carryover Revenues
Our 2017 fiscal budget will fund all of the CDMA activities, leaving an estimated $2000.00 to begin the next fiscal year.

6. Outside Contributions
We will continue to solicit associate members, using Puente Street to the railroad track, and Second Street to Fourth Avenue as our perimeters for the district. We will continue to solict sposorships to bring in additional funds to supplement our events and assessments.

On Behalf the Covina Downtown Association, I would like to thank the City for your continued support of our activities in the Downtown area.

Respectfully submitted,

Galen Metz
President
Covina Downtown Association

RESOLUTION NO. 16-7566

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, CONFIRMING THE 2016 ANNUAL REPORT FOR THE COVINA DOWNTOWN BUSINESS AREA ENHANCEMENT DISTRICT AND LEVYING THE ASSESSMENT DESCRIBED THEREIN

WHEREAS, the City Council has previously established the Downtown Business Area Enhancement District (the "BAED"), created pursuant to the Parking and Business Improvement Area Law of 1989 (California Streets and Highways Code, Sections 36500 et seq.), and;

WHEREAS, the City Council desires to continue the BAED by levying the annual assessment permitted by the Ordinance which established the BAED.

WHEREAS, in accordance with State law, the City Council has previously conducted a public hearing to consider the annual report on the BAED; and

WHEREAS, the City Council did pass the resolution of intention to levy an annual assessment for the fiscal year 2016-17 in the Covina Downtown BAED.

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

SECTION 1. The City Council of the City of Covina does hereby confirm the annual report for the Covina Downtown BAED for 2016.

SECTION 2. In accordance with California Streets and Highways Code section 36535(c), the adoption of this resolution shall constitute the levy of the assessment for the fiscal year 2016-17 in the BAED, as described in the Resolution of Intention.

SECTION 3. The City Clerk shall certify as to the adoption of this resolution and shall enter the same in the Book of Original Resolutions.

APPROVED and **PASSED** this 6th day of December, 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. 16-7566 was duly adopted by the City Council of the City of Covina at a regular meeting held on the 6th day of December, 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. PH 2

MEETING DATE: December 6, 2016

TITLE: Public Hearing of 2016 Annual Report for the Prospero Park Business Area Enhancement District and Proposed Assessment

PRESENTED BY: Anita Agramonte, Finance Director

RECOMMENDATION: A. Conduct the public hearing of the 2016 Annual Report for the Prospero Park Business Area Enhancement District and Proposed Assessment; and.

B. Adopt **Resolution No. 16-7565** confirming the 2016 Annual Report for the Prospero Park Business Area Enhancement District and levying the assessment described therein.

BACKGROUND:

At the City Council meeting of November 1, 2016, Council was presented with the Annual Report for the 2016 Prospero Park Business Area Enhancement District (BAED). The Report was approved and Resolution No. 16-7547 was adopted expressing the City Council's intention to levy an annual assessment for the fiscal year 2016-17.

The adopted Resolution established a date of December 6, 2016 for a public hearing on this assessment.

DISCUSSION:

Legal requirements for the continuation of this agreement obligate the City to:

1) Approve the Annual Report (Attachment A)
2) Adopt a Resolution of Intention to Levy an Annual Assessment
3) Hold a Public Hearing on this Assessment
4) Adopt a Resolution confirming the Annual Report and Assessment (Attachment B).

The previous meeting satisfied the first two of these requirements. The second two items are being addressed at this meeting.

There are no proposed changes from the Advisory Board this year.

FISCAL IMPACT:

There is no fiscal impact to the City as a result of this action. Each business in the district is assessed an annual fee of $125 which is charged along with their annual business license renewal. The fees

collected are remitted to Prospero Park Owners Association, Inc. to be utilized on the planned activities outlined in the attached annual report (Attachment A).

CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT):

No CEQA involvement.

Respectfully submitted,

Anita Agramonte
Finance Director

ATTACHMENTS:

Attachment A: Prospero Park Business Area Enhancement District Annual Report
Attachment B: Resolution No. 16-7565

PROSPERO PARK OWNERS ASSOCIATION, INC.

ANNUAL REPORT 2016 -- PROSPERO PARK OWNERS ASSOCIATION, INC
Business Area Enhancement District

1. Boundary Changes
The Board of Directors will request no changes to the boundaries of the Prospero Park Area.

2. 2016 Activities
The Board of directors plans to continue similar activities for the 2017 fiscal year. The activities currently are Covina Night Out Against Crime block party the first Tuesday in August, the newsletter, eradicating graffiti, and quarterly owners meetings at the Covina Library.

To further help in the eradication of graffiti in the Prospero Park area the association continues its contract with Urban Graffiti Enterprises to canvas the area on a bi-weekly basis and remove tagging on all properties that have given permission to enter the premise to do work. Urban Graffiti is to be commended for the fine job they do in the Prospero Park area. Several times their personnel have gone over and above what is expected to eradicate graffiti on Little Vecino.

3. Projected Costs for 2017 Presently we do not know the exact number of owners that will participate in the association. With the information we have we estimate our budget for the year 2017 to be $ 6,724.00 plus approximately $11,000.00 to be carried over from year 2016. A copy of the proposed budget is enclosed.

4. Method of levying assessment
The assessment for 2017 will be $125.00 per business in the BAED district. This is the same assessment as in 2016. The owners appreciate the fee being part of the annual business license and collected by the city for further distribution to the association.

5. Surplus/Deficit
Currently we project $11,000.00 to be left in the Association fund through December 31, 2016. All budgeted expenses are covered prior to our receiving new owner's dues for 2017.

6. Outside funding
Our checking account is an interest bearing account which should produce an additional $18.00 annually. The only other source of income would be possible matching funds from the City of Covina.

On behalf of the owners in the Prospero Park Owner's Association, Inc we thank you for all your support and look forward to a strong relationship with the City of Covina.

Respectfully submitted,

Paul Hannah

Paul Hannah
President
Prospero Park Owner's Association, Inc.
2016 City of Covina Letter BAED

PROSPERO PARK OWNERS ASSOCIATION, INC

PROPOSED BUDGET FOR FISCAL YEAR 2017
JULY 1, 2016 TO JUNE 30, 2017

INCOME	Owner's Dues	$6,600.00
	Interest on checking account	18.00
		$6,618.00

EXPENSES

Postage (Quarterly mailer)	$ 75.00
Stationary	25.00
P.O. Box 4632	60.00
Insurance	2,139.00
Accountant	375.00
Legal fees	100.00
Covina Night out against crime	900.00
Urban Graffiti Enterprise	3,000.00
Yearly California State Forms	50.00
TOTAL EXPENSES	$ 6,724.00

RESOLUTION NO. 16-7565

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, CONFIRMING THE 2016 ANNUAL REPORT FOR THE PROSPERO PARK BUSINESS AREA ENHANCEMENT DISTRICT AND LEVYING THE ASSESSMENT DESCRIBED THEREIN.

WHEREAS, the City Council has previously established the Prospero Park Business Area Enhancement District (the "BAED"), created pursuant to the Parking and Business Improvement Area Law of 1989 (California Streets and Highways Code, Sections 36500 et seq.), and;

WHEREAS, the City Council desires to continue the BAED by levying the annual assessment permitted by the Ordinance which established the BAED.

WHEREAS, IN ACCORDANCE WITH State law, the City Council has previously conducted a public hearing to consider the annual report on the BAED; and

WHEREAS, the City Council did pass the resolution of intention to levy an annual assessment for the fiscal year 2016-17 in the Prospero Park BAED.

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

SECTION 1. The City Council of the City of Covina does hereby confirm the annual report for the Prospero Park BAED for 2016.

SECTION 2. In accordance with California Streets and Highways Code section 36535(c), the adoption of this resolution shall constitute the levy of the assessment for the fiscal year 2016-17 in the BAED, as described in the Resolution of Intention.

SECTION 3. The City Clerk shall certify as to the adoption of this resolution and shall enter the same in the Book of Original Resolutions.

APPROVED and **PASSED** this 6th day of December, 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. 16-7565 was duly adopted by the City Council of the City of Covina at a regular meeting held on the 6th day of December, 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. PH 3

MEETING DATE: December 6, 2016

TITLE: A Public Hearing to Consider Issuing a Report and Subsequent Adoption of an Urgency Ordinance No. 16-2070 Extending a Moratorium on Prohibiting all Commercial Non-Medical Marijuana Activity in the City of Covina, Prohibiting Outdoor Marijuana Cultivation on Private Residences and Restricting Indoor Cultivation in Private Residences and Declaring the Urgency Thereof

PRESENTED BY: Brian K. Lee, AICP, Director of Community Development

RECOMMENDATION:

1. Open the public hearing, receive public testimony and close the public hearing; and
2. Adopt and issue the report on measures taken during the moratorium per Government Code Section 65858 (Attachment B); and
3. Adopt **Urgency Ordinance No. 16-2070**, An Urgency Ordinance of the City of Covina Extending the Term of Ordinance No. 16-2065 Enacted Pursuant to Government Code Section 65868 Establishing a Moratorium Extending a Moratorium on Prohibiting all Commercial Non-Medical Marijuana Activity in the City of Covina, Prohibiting Outdoor Marijuana Cultivation on Private Residences and Restricting Indoor Cultivation in Private Residences, Declaring the Urgency Thereof and Making a Determination of Exemption under the California Environmental Quality Act; a four-fifths (4/5) vote is required per California Government Code Section 65858(b); and
4. Direct staff to draft revisions to Chapter 17 of the Covina Municipal Code relating to prohibiting all commercial non-medical marijuana activity in the City of Covina, prohibiting outdoor marijuana cultivation on private residences and restricting indoor cultivation in private residences and return to the City Council for consideration of the proposed revisions by June 2017.

BACKGROUND

At the November 1, 2016, City Council Meeting, the City Council adopted an urgency ordinance (Ordinance No. 16-2065), which placed a 45 day city-wide moratorium prohibiting all commercial non-medical marijuana activity in the City of Covina, prohibiting outdoor marijuana cultivation on private residences and restricting indoor cultivation in private residences.

On November 8, 2016, the voters of California approved Proposition 64, the "Control, Regulate and Tax Adult Use of Marijuana Act". Pursuant to the provisions of Proposition 64 it will be lawful under State law for California residents to use, possess and cultivate non-medical/recreational marijuana for personal use. A person will be permitted to cultivate up to six (6) marijuana plants at their private residence, and will be able to cultivate those plants outdoors upon the grounds of their private residence unless the city has adopted an ordinance prohibiting outdoor cultivation. Furthermore, Proposition 64 will create a licensing scheme that allows non-medical marijuana businesses to legally operate in the State of California. Under the provisions of Proposition 64, a non-medical marijuana business cannot legally operate in a California city until it obtains a State license, which the State must begin issuing by January 1, 2018.

However, before issuing a State license, the State must first determine whether there is a local ordinance that prohibits the establishment of a marijuana business in a particular city. If a California city wants to prohibit non-medical marijuana businesses from operating within its boundaries, it will need to adopt an ordinance prohibiting commercial marijuana activity in the city before the State begins issuing licenses to such businesses.

DISCUSSION

The purpose of this report is to request City Council approval to extend the moratorium for an additional 10 months and 15 days to October 31, 2017, per California Government Code Section 65858. Because the City's current Municipal Code does not have any development standards regulating or prohibiting the use, distribution, cultivation, sale and/or consumption of commercial non-medical marijuana activities in the City of Covina, staff believes the extension of time is warranted to conduct thorough research on the subject matter that will assist staff in preparing revisions to the Municipal Code.

As stated in Government Code Section 65858, at least 10 days prior to the expiration of the initial 45 day moratorium, the City Council is required to issue a written report (Attachment B) describing the measures taken to alleviate the conditions that led to the adoption of the ordinance. Since Ordinance No. 16-2065 has been in effect, staff has and continues to research and review materials related to the provisions of the recently voter-approved Proposition 64 and the issues and ramifications that could impact the City of Covina. To date, staff is conducting research on how the "Control, Regulate and Tax Adult Use of Marijuana Act" will be implemented in California as well as issues and concerns for all California communities, and specifically the City of Covina.

Therefore, staff believes the extension of Ordinance No. 16-2065, will protect the public safety, health, and welfare. This is because a comprehensive analysis of appropriate zoning regulations within all the various zoning districts that could accommodate commercial non-medical marijuana activity, as well as assessing the potential impacts associated with outdoor marijuana cultivation on private residences, as well as the potential impacts associated with indoor cultivation in private residences is in the best interest of the citizens and businesses of Covina. Furthermore, after a thorough and complete analysis of the "Control, Regulate and Tax Adult Use of Marijuana Act", the City Council may find that it is in the City's best interest to prohibit all commercial non-medical marijuana activity, prohibit all outdoor marijuana cultivation on private residences, and restrict indoor cultivation in private residences to no more than to six (6) marijuana plants. Staff believes that additional time is needed for staff to thoroughly analyze, study and assess the "Control, Regulate and Tax Adult Use of Marijuana Act" and provide the City Council with an appropriate recommended action.

If adopted by a 4/5th vote of the City Council, this extension would prohibit all commercial non-medical marijuana activities in the City of Covina, prohibit outdoor marijuana cultivation on private residences, and restrict indoor cultivation in private residences for an additional 10 months and 15 days. That timeframe does not preclude staff from presenting those findings to the City Council prior to the expiration of the extended moratorium.

FISCAL IMPACT
There is no fiscal impact.

PUBLIC AVAILABILITY
The City issued and made the written report (Attachment B) available in the City Clerk's office as of December 1, 2016. Additionally, the City made this staff report, proposed Ordinance No. 16-2070 (extending Ordinance No. 16-2065), and the written report (Attachment B) available for public review in the City Clerk's Office ten (10) days prior the expiration of Ordinance No. 16-2065.

ENVIRONMENTAL DETERMINATION
Staff finds that it can be seen with certainty that there is no possibility the adoption of this Urgency Ordinance and extension of the moratorium, will have a significant effect on the environment, because the moratorium will maintain the current environmental conditions arising from the current land use regulatory structure as adopted by the City, will preclude the establishment of a category of uses for a limited period of time, and will serve to reduce potential significant adverse environmental impacts caused by the establishment of any commercial non-medical marijuana activity in the City of Covina, as well as prohibiting outdoor marijuana cultivation on private residences and restricting indoor cultivation in private residences. Staff finds that the adoption of Urgency Ordinance No. 16-2070 is therefore exempt under California Environmental Quality Act review pursuant to Title 14, Section 15061(b)(3) of the California Code of Regulations.

Respectfully submitted,

Brian K. Lee, AICP, Director of Community Development

ATTACHMENTS:

A. Ordinance No. 16-2070
B. Report on Measures Taken to Alleviate the Conditions That Led to the Adoption of Ordinance 16-2065

ATTACHMENT "A"
ORDINANCE NO. 16-2070

AN URGENCY ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, EXTENDING THE TERM OF ORDINANCE NO. 16-2065 ENACTED PURSUANT TO GOVERNMENT CODE SECTION 65858 PROHIBITING ALL COMMERCIAL NON-MEDICAL MARIJUANA ACTIVITY IN THE CITY, PROHIBITING OUTDOOR MARIJUANA CULTIVATION ON PRIVATE RESIDENCES AND RESTRICTING INDOOR CULTIVATION IN PRIVATE RESIDENCES AND DECLARING THE URGENCY THEREOF AND MAKING A DETERMINATION OF EXEMPTION UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

WHEREAS, the Control, Regulate and Tax Adult Use of Marijuana Act ("Proposition 64"), was approved by the voters of California on November 8, 2016. Proposition 64, will among other things, legalize the use of non-medical marijuana for those who are 21 years of age or older and establish a comprehensive system to regulate commercial non-medical marijuana activity. Furthermore, the provisions of Proposition 64 related to the possession, use, and cultivation of non-medical marijuana will become effective on November 9, 2016; and

WHEREAS, Proposition 64 permit cities to (1) adopt and enforce local ordinances to regulate non-medical marijuana businesses, including, but not limited to, local zoning and land use requirements, business license requirements, and requirements related to reducing exposure to secondhand smoke, or (2) completely prohibit the establishment or operation of one or more types of marijuana businesses within its jurisdiction; and

WHEREAS, Proposition 64 allows for the planting, cultivation, harvesting, drying and processing ("cultivation activities") of up to six marijuana plants in, or upon the grounds of, a private residence. Proposition 64 authorizes a city to enact and enforce an ordinance that reasonably regulates cultivation activities, and to completely prohibit cultivation activities outdoors upon the grounds of a private residence unless the California Attorney General determines that non-medical use of marijuana is lawful in the State under federal law; and

WHEREAS, the Federal Controlled Substances Act, 21 U.S.C. § 801, *et seq.*, classifies marijuana as a Schedule 1 Drug, which is defined as a drug or other substance that has a high potential for abuse, that has no currently accepted medical use in treatment in the United States, and that has not been accepted as safe for use under medical supervision. The Federal Controlled Substances Act makes it unlawful under federal law for any person to cultivate, manufacture, distribute or dispense, or possess with intent to manufacture, distribute or dispense, marijuana; and

WHEREAS, on October 9, 2015 Governor Brown signed Assembly Bill No. 243, Assembly Bill No. 266, and Senate Bill 643 into law, which collectively are now known as the Medical Cannabis Regulation and Safety Act (hereinafter "MCRSA"). The MCRSA establishes a State licensing scheme for commercial medical marijuana uses, while protecting local control by requiring that all such businesses must have a local license or permit to operate in addition to

a State license. The MCRSA allows the City to completely prohibit commercial medical marijuana activities; and

WHEREAS, cities in California have reported negative effects of marijuana cultivation, processing and distribution activities, including offensive odors, illegal sales and distribution of marijuana, trespassing, theft, violent robberies and robbery attempts, fire hazards, and problems associated with mold, fungus, and pests. Furthermore, as marijuana plants begin to flower, and for a period of two months or more, the plants produce a strong, unique odor, offensive to many people, and detectable far beyond property boundaries if grown outdoors. This odor can have the effect of encouraging theft by alerting persons to the location of the valuable plants, and creating a risk of burglary, robbery or armed robbery of the plants and creating the potential for violent acts related to such criminal activity; and

WHEREAS, based upon the recitals above, the City Council finds that there is a current and immediate threat to the public health, safety and welfare presented with the passage of Proposition 64, because marijuana could begin to be cultivated outdoors on private residences beginning on November 9, 2016. Furthermore, Proposition 64 could also create the potential for commercial non-medical marijuana uses to be established in the City prior to the establishment of zoning regulations under normal planning and zoning processes of the City. Based on the City's need for additional time to fully evaluate the primary and secondary effects of the activities to be licensed under Proposition 64, the City Council finds that the immediate preservation of the public health, safety and welfare requires that Ordinance No. 16-2065 be extended as an urgency ordinance pursuant to Government Code Section 65858 and take effect immediately upon adoption, and its urgency is hereby declared; and

WHEREAS, all legal 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. The City Council finds that the facts set forth in the Recitals of this Ordinance are true and correct.

SECTION 2. Public Hearing. On December 6, 2016, the City Council held a duly noticed public hearing regarding the proposed extension of the urgency ordinance, and after taking all written and oral testimony, closed the public hearing.

SECTION 3. Written Report Supporting Extension. On December 1, 2016, the City prepared and made available for public review a written report regarding the status of the City's moratorium prohibiting all commercial non-medical marijuana activity in the City of Covina, prohibiting outdoor marijuana cultivation on private residences and restricting indoor cultivation in private residences.

SECTION 4. Moratorium Extended. This Interim Ordinance shall become operative concurrent with the expiration of Covina Ordinance No. 16-2065. The moratorium enacted pursuant to City of Covina Ordinance No. 16-2065 is hereby extended pursuant to Government Code Section 65858 for ten (10) months and fifteen (15) days past the initial expiration date of Covina Ordinance No. 16-2065 so as to extend the moratorium until October 31, 2017.

Therefore, this Interim Ordinance shall expire and terminate at midnight on October 31, 2017, unless it is further extended.

SECTION 5. Moratorium Defined. Hereinafter in this Ordinance the following words shall have the meanings set forth below, unless the context otherwise permits or requires:

"Commercial non-medical marijuana activity" shall include the cultivation, possession, manufacture, distribution, processing, storing, laboratory testing, labeling, transportation, delivery or sale of marijuana and marijuana products for non-medical purposes.

"Cultivation" shall include any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of marijuana.

"Delivery" shall mean the commercial transfer of marijuana or marijuana products to a customer. Delivery also includes the use by a retailer of any technology platform owned and controlled by retailer, or independently licensed under Proposition 64 that enables customers to arrange for or facilitate the commercial transfer by a State licensed retailer of marijuana or marijuana products.

"Marijuana" shall include all parts of the plant Cannabis sativa L., whether growing or not; the seeds thereof; the resin extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture or preparation of the plant, its seeds or resin. It does not include (a) industrial hemp, as defined in Section 11018.5 of the Health and Safety Code; (b) the weight of any other ingredient combined with marijuana to prepare topical or oral administrations, food, drink, or other product; and (c) marijuana that is cultivated, processed, transported, distributed, or sold for medical purposes under Chapter 3.4 of Division 8 of the Business and Professions Code.

"Proposition 64" refers to the Control, Regulate and Tax Adult Use of Marijuana Act.

SECTION 6. Activities Prohibited.

A. Commercial non-medical marijuana activity is expressly prohibited in all zones and all specific plan areas in the City of Covina. No person shall establish, operate, maintain, conduct or allow commercial non-medical marijuana activity anywhere within the City. No application for a building permit, conditional use permit, business license, or any other entitlement authorizing the establishment, operation, maintenance, development, or construction of any use that allows for commercial non-medical marijuana activity shall be approved during the term of the prohibition established in this Ordinance.

B. Paragraph A of this section 3 is meant to prohibit all activities for which a State license is required pursuant to Proposition 64. Accordingly, the City shall not issue any permit, license or other entitlement for any activity for which a State license is required under Proposition 64. The City shall also not issue any local license to a non-profit pursuant to provisions of Business and Professions Code section 26070.5.

C. Marijuana shall not be cultivated outdoors upon the grounds of a private residence. Indoor marijuana cultivation will be allowed to the extent permitted by State law,

which permits no more than six live marijuana plants to be planted, cultivated, harvested, dried, or processed within a single private residence or inside an accessory structure located upon the grounds of a private residence that is fully enclosed and secured. Any marijuana cultivation that exceeds the limits set forth in this subsection is prohibited, is unlawful and constitutes a public nuisance.

D. Nothing in this Ordinance, or its adoption, shall be deemed to affect any other prohibitions or regulations relating to marijuana contained in the Covina Municipal Code, including, but not limited to, the provisions of Section 17.60.025 of the Covina Municipal Code. In the event of any conflict between that Section and this Ordinance, the most restrictive provision shall govern. Nothing in this Ordinance shall be deemed to affect or excuse any violation of Section 17.06.025 of the Covina Municipal Code.

SECTION 7. Nothing in this Ordinance shall be interpreted to the effect that the City's permissive zoning scheme allows any other use not specifically listed therein.

SECTION 8. Public Nuisance. Any use or condition caused, or permitted to exist, in violation of any provision of this Ordinance shall be, and hereby is declared to be, a public nuisance and may be summarily abated by the City pursuant to Code of Civil Procedure Section 731 or by any other remedy available to the City.

SECTION 9. Penalty. Violation of any provision of this Ordinance shall constitute a misdemeanor and shall be punishable by a fine not to exceed one thousand dollars ($1,000) or by imprisonment for a period not to exceed six (6) months, or by both such fine and imprisonment. Each and every day such a violation exists shall constitute a separate and distinct violation of this Ordinance.

SECTION 10. Civil Penalties. In addition to any other enforcement permitted by this Ordinance, the City Attorney may bring a civil action for injunctive relief and civil penalties against any person or entity that violates this Interim Ordinance. In any civil action brought pursuant to this Interim Ordinance, a court of competent jurisdiction may award reasonable attorneys' fees and costs to the prevailing party.

SECTION 11. CEQA. It can be seen with certainty that there is no possibility that the adoption of the Interim Ordinance may have a significant effect on the environment because the Interim Ordinance will only impose greater and temporary limitations on marijuana-related uses allowed in the City, and will thereby serve to prevent potentially significant adverse environmental impacts. The City Council has reviewed staff's determination of exemption and based on its own independent judgment, concurs in staff's determination that the Interim Ordinance is exempt from CEQA. The adoption of the Interim Ordinance is therefore not subject to the California Environmental Quality Act review pursuant to Title 14, Chapter 3, Section 15061(b)(3) of the California Code of Regulations.

SECTION 12. Severability. If any section, subsection, subdivision, sentence, clause, phrase or portion of this Ordinance, is for any reason, held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have

adopted this Ordinance and each section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses, phrases, or portions thereof be declared invalid or unconstitutional.

SECTION 13. The Mayor shall sign and the City Clerk shall attest to the adoption of this Ordinance and shall cause the same to be published as required by law.

PASSED, APPROVED and **ADOPTED** this 6th day of December, 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, California, DO HEREBY CERTIFY that Urgency Ordinance No. 16-2070 was duly approved and adopted at a regular meeting of the City Council on the 6th day of December, 2016, by the following vote:

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

Dated: December 6, 2016

_____
SHARON F. CLARK, Chief Deputy City Clerk

ATTACHMENT "B"

REPORT ON MEASURES TAKEN TO ALLEVIATE THE CONDITIONS THAT LED TO THE ADOPTION OF ORDINANCE 16-2065

DECEMBER 1, 2016

Since the adoption of urgency Ordinance 16-2065, which established a moratorium on all commercial non-medical marijuana activities and outdoor marijuana cultivation in the City of Covina, and restricts indoor cultivation in private residences, staff has and continues to research and review materials related to the provisions of the recently voter-approved Proposition 64 (the "Control, Regulate and Tax Adult Use of Marijuana Act") and the issues and ramifications that could impact the City of Covina. To date, staff is conducting research on how the Control, Regulate and Tax Adult Use of Marijuana Act will be implemented in California, as well as issues and concerns for all California communities, and specifically the City of Covina.

The continued gathering of information and the study of the variety of documents, opinions, and public safety expert suggested public policy analyses, will allow Planning Division and Covina Police Department staff to review and consider any potential impacts of commercial non-medical marijuana activities in the City of Covina, potential impacts of outdoor marijuana cultivation on private residences and the potential impacts of indoor cultivation in private residences. Staff's gathering of information will focus on the following three issue areas.

Education Concerning Potential Public Safety and Land Use Impacts

City staff is currently seeking education opportunities about the Control, Regulate and Tax Adult Use of Marijuana Act, which include important public safety and land use concerns. In order to provide the City Council with thorough, objective and comprehensive analysis on the potential public safety and land use implications of the Control, Regulate and Tax Adult Use of Marijuana Act, it is necessary for City staff to become educated on the context of and issues related to the newly enacted law.

General Plan Consistency Analysis

As a component of the analysis of whether features of the Control, Regulate and Tax Adult Use of Marijuana Act may be appropriate for the City of Covina, staff will analyze whether commercial marijuana activities are consistent with the goals and policies of the City's General Plan.

Covina Municipal Code ("CMC") Consistency Analysis

The CMC has not been comprehensively updated since approximately 1975. If the City Council desires to permit some or all commercial marijuana activities regulated under the Control, Regulate and Tax Adult Use of Marijuana Act within the City, one or more portions of the CMC will need to be amended. Staff will implement a work program to evaluate appropriate commercial marijuana activities for the City and appropriate zones for those uses. At present, staff has not yet conducted an analysis of the provisions of the CMC for consistency with the Control, Regulate and Tax Adult Use of Marijuana Act . City staff is developing a work plan for this analysis. Therefore, it would be appropriate to extend the moratorium on the establishment and operation of commercial non-medical marijuana activities in the City of Covina, extend the

moratorium on outdoor marijuana cultivation on private residences and extend the restrictions on indoor cultivation in private residences, to provide staff with additional and appropriate amount of time to research and review the provisions of Proposition 64 and potential related impacts on the City of Covina.

Since adoption of the 45-day moratorium, staff has been collecting information related to the following:

1) How the provisions of the newly enacted Control, Regulate and Tax Adult Use of Marijuana Act will be implemented within the State of California.

2) How California cities may regulate or prohibit commercial marijuana activities under the Control, Regulate and Tax Adult Use of Marijuana Act.

3) How California cities may be impacted by the provisions of the Control, Regulate and Tax Adult Use of Marijuana Act.

4) How the existing provisions of the Covina Municipal Code may need to be amended, updated or modified in relation to the provisions of the Control, Regulate and Tax Adult Use of Marijuana Act.

5) How the existing provisions of the City's General Plan may need to be amended, updated or modified in relation to the provisions of the Control, Regulate and Tax Adult Use of Marijuana Act.

CITY OF COVINA

AGENDA REPORT

ITEM NO. NB 1

MEETING DATE: December 6, 2016

TITLE: Request to Amend the City's Classification Plan to Establish the Classification of Records Technician and amend the Compensation Rules for the Mid-Management, Supervisory and Professional, and Confidential and Technical Employees Compensation Rules to add the classification

PRESENTED BY: Danielle Tellez, Human Resources Director

RECOMMENDATION: Adopt **Resolution No. 16-7571**, amending the City's Classification Plan to Establish the Classification of Records Technician and amend the Mid-Management, Supervisory and Professional, and Confidential and Technical Employees Compensation Rules to add the classification

BACKGROUND:
For the past twelve months, the Records Management Department has been staffed with one (1) Chief Deputy City Clerk and one (1) part time Administrative Technician. The current staffing structure is the result of the elimination of one (1) full time Administrative Technician position during the June, 2015 layoffs and the separation of an employee, who filled one (1) half-time Administrative Technician position in December, 2015.

As part of the Fiscal Year 2016-17 Budget, the approved staffing structure for the Records Management Department included the addition of one (1) full-time Records Technician position and elimination of the part time Administrative Technician position. The proposed new position would provide for the skill-set necessary to fulfill the statutory obligations inherent to the City Clerk's Office.

DISCUSSION:
The classification of Records Technician is new to the City's classification plan. The position description is included as Attachment A. The request for this department specific classification allows for greater flexibility in handling the duties of records management and supports necessary succession planning efforts.

Approval by City Council is required in order to amend the City's Classification Plan to establish the new classification and amend the Mid-Management, Supervisory and Professional, and Confidential and Technical Employees Compensation Rules to add the classification.

The proposed salary range for this position is $3,555.25 - $4,653.43 per month and is consistent with benchmarking the classification within the City's established salary classifications and ranges.

FISCAL IMPACT:
Funding for this position has been authorized and budgeted in the Records Management Department Fiscal Year 2016-17 Budget Account No. 1010-0700-50010.

CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT):
None.

Respectfully submitted,

Danielle Tellez
Human Resources Director

ATTACHMENT:
Attachment A: Records Technician Position Description
Attachment B: Resolution No. 16-7571

CITY OF COVINA

Records Technician

Class specifications are only intended to present a descriptive summary of the range of duties and responsibilities that are associated with specified positions. Therefore, specifications ***may not include all*** *duties performed by individuals within a classification. In addition, specifications are intended to outline the* ***minimum*** *qualifications necessary for entry into the class and do not necessarily convey the qualifications of incumbents within the position.*

DEFINITION:
Under general supervision, performs a variety of technical and complex duties in the administration of a comprehensive records management and centralized records program; ensures compliance with legal requirements and with records management policies and procedures; acts as liaison between departments and Records Management Department; assists the public according to City policy and procedures, performs related duties as assigned.

DISTINGUISHED CHARACTERISTICS
The Records Technician is a single journey-level classification unique to the City Clerk's Office and is responsible for regular contact with the public, government officials, City Council and Board and Commission members. This class is distinguished from the Chief Deputy City Clerk and/or Deputy City Clerk in that these classifications are responsible for supervising and managing the City Clerk's Office and City-wide records-management program. Furthermore, the classification is distinguished from the Administrative Technician series in that incumbents perform a wide variety of specialized clerical functions specifically related to the maintenance and safeguarding of official City records.

SUPERVISION RECEIVED/EXERCISED:
Receives general direction from the Chief Deputy City Clerk and/or Deputy City Clerk. Incumbents may provide technical training and/or direction to less experienced office support staff.

ESSENTIAL FUNCTIONS: *(include but are not limited to the following:)*

- Maintains centralized City-wide records in accordance with the City's records management policy and all legal requirements, maintains indexing structures and applies appropriate indexing criteria to documents; recommends additions and revisions to established file category and indexing structures; maintains and updates records inventories and databases.

- Compiles and maintains records for all City departments in a centralized records center; prepares records for inventory, storage and destruction; shelves, retrieves, audits, and stores boxed records. Maintains the strategic records management plan including record retention and disposition schedules.

- Prepares documents and operates document imaging equipment to scan, index and store City records on electronic media; reviews scanned images to ensure quality standards are met; troubleshoots and resolves imaging software problems or consults with other City staff or

- vendors; ensures secure storage and safeguarding of digital and paper records and documents.

- May make recommendations for changes and improvements to existing standards, policies and procedures; ensures compliance with established policies and procedures. Interprets and applies knowledge of federal, state and local laws, codes and regulations relevant to municipal records keeping, retention, destruction and the rules impacting record keeping.

- Processes, indexes, files and retrieves official City documents, records and archives including ordinances, resolutions, contracts, bonds, agreements, deeds, insurance documents, and meeting minutes, and maintains corresponding departmental logs; reviews documents for legal and procedural accuracy; maintains the electronic database of records.

- Researches, gathers and retrieves documents for internal and external customers, including those in response to Public Records Act requests within legal response period, City policies and procedures. Obtains advice from Chief Deputy City Clerk, Deputy City Clerk and/or City Attorney as necessary.

- Assists with the preparation of agenda packets and minutes for various meetings.

- Provides notarial services for City staff.

- May assist with the training of temporary and volunteer staff.

PHYSICAL, MENTAL, AND ENVIRONMENTAL WORKING CONDITIONS:

Position requires prolonged sitting, standing, walking, kneeling, squatting, and stooping in the performance of daily activities. The position also requires repetitive hand movement and fine coordination in data entry and preparing reports using a computer keyboard. Additionally, the position requires both near and far vision in reading written reports and work related documents. Acute hearing is required when providing phone and personal service. The need to lift, drag and push files, paper and documents weighing up to 30 pounds is also required.

Some of these requirements may be accommodated for otherwise qualified individuals requiring and requesting such accommodations.

QUALIFICATIONS: *(The following are minimal qualifications necessary for entry into the classification.)*

Education and/or Experience:
A typical way of obtaining the knowledge, skills and abilities outlined above is graduation from high school or G.E.D. equivalent; and at least three years of progressively-responsible experience performing clerical duties, preferably involving the operations of computer-based document-management systems, or an equivalent combination of education and experience. Experience responding to public records act requests is highly desirable.

License/Certificate:
Possession of or ability to obtain, a valid Class C California driver's license.

Current California Notary Public commission or, the ability to obtain a commission within six (6) months from appointment, is highly desirable

Completion of at least one series of the Technical Track for Clerks, or equivalent course which adheres to the International Institute of Municipal Clerks core curriculum requirements for Certified Municipal Clerk (CMC) certification is highly desirable.

KNOWLEDGE/ABILITIES/SKILLS: *(The following are a representative sample of the KAS's necessary to perform essential duties of the position.)*

Knowledge of:
Operations, services, and activities of a records management program; procedures and legal requirements necessary to maintain, archive, preserve, and protect municipal records; principles, practices, and procedures of automated and manual records management, retrieval, and storage including electronic imaging, automated information retrieval systems, and computer applications and capabilities for use in records and document management programs; procedures, techniques and methods of document preservation; principles and practices used in the development and implementation of classification systems; principles and practices used in the development and implementation records retention schedules; principles of business letter writing and basic report preparation; office procedures, methods, and equipment including computers and applicable software applications such as word processing, spreadsheets, and databases; pertinent federal, state, and local laws, codes, and regulations including those pertaining to retention requirements for a variety of documents.

Ability to:
Coordinate and direct a records management program for an assigned department; supervise, organize, and review the work of assigned staff involved in records management; recommend and implement goals, objectives, policies, and procedures for providing records management services and activities; understand the organization and operation of the organization and of outside agencies as necessary to assume assigned responsibilities; understand, interpret, and apply general and specific administrative and departmental policies and procedures as well as applicable federal, state, and local policies, laws, and regulations; implement and maintain a uniform classification filing system; provide information and organize material in compliance with laws, regulations, and policies; understand legal concepts of document discovery and production of records in response to Public Records Act requests and legal subpoenas; prepare clear and concise reports; plan and organize work to meet changing priorities and deadlines; effectively represent the assigned program area to outside individuals and agencies to accomplish the goals and objectives of the unit; work cooperatively with other departments, City officials, and outside agencies; respond tactfully, clearly, concisely, and appropriately to inquiries from the public, staff, or other agencies on sensitive issues in area of responsibility; communicate clearly and concisely, both orally and in writing; and establish and maintain effective working relationships with those contacted in the course of work.

Skill to:
Operate modern office equipment including a telephone, smart phone, computer and document scanner; and variety of software applications, including Microsoft Word, Excel, Outlook and electronic document management system (EDMS) programs.

Approved on:

RESOLUTION NO. 16-7571

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, AMENDING THE CITY'S CLASSIFICATION PLAN TO ESTABLISH THE CLASSIFICATION OF RECORDS TECHNICIAN AND ADD THE CLASSIFICATION TO THE MID-MANAGEMENT, SUPERVISORY AND PROFESSIONAL, AND CONFIDENTIAL AND TECHNICAL EMPLOYEES' COMPENSATION RULES

WHEREAS, the Personnel Rules of the City of Covina require that the City Council, by resolution, amend the City's Classification plan to establish a new classification; and

WHEREAS, the Records Management Department desires to amend the City's Classification Plan to establish a new classification of Records Technician; and

WHEREAS, the Human Resources Department desires to amend the Compensation Rules for the Mid-Management, Supervisory and Professional, and Confidential and Technical Employees to add the classification of Records Technician.

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

SECTION 1. The City Council approves and authorizes amending the City of Covina Classification Plan to establish the classification of Records Technician.

SECTION 2. The City Council approves and authorizes amending the Mid-Management, Supervisory and Professional, and Confidential and Technical Employee Compensation Rules to add the classification of Records Technician.

A. Effective December 6, 2016, the salary range for the Records Technician shall be $3,555.25 - $4,653.43 per month.

APPROVED and **PASSED** this 6th day of December, 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. 16-7571 was duly adopted by the City Council of the City of Covina at a regular meeting held on the 6th day of December, 2016, by the following vote:

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

Dated:

_____

SHARON F. CLARK, Chief Deputy City Clerk

CITY OF COVINA

AGENDA REPORT

ITEM NO. NB 2

MEETING DATE: December 6, 2016

TITLE: Approval of City Manager Employment Agreement by and between the City of Covina and Brian Saeki

PRESENTED BY: Donald Penman, Interim City Manager

RECOMMENDATION: That the City Council Approve the Employment Agreement for the position of City Manager by and between the City of Covina and Brian Saeki

BACKGROUND:
On July 19, 2016, the City Council approved a professional services agreement with Murray and Associates Executive Search Firm to conduct a search to fill the position of City Manager. After a comprehensive search and recruitment process that resulted in receipt of fifty-four (54) applications, the City Council selected Brian Saeki to fill the vacancy on a permanent basis.

DISCUSSION:
Based on the terms as directed by the City Council, Interim City Manager, Donald Penman, has negotiated an employment agreement to retain the services of Brian Saeki as City Manager subject to approval/ratification by the City Council. Saiki would commence work on January 3, 2017. The agreement has been reviewed by the City's Labor Attorney, J. Scott Tiedemann. The salary benefits and other terms and conditions of employment are outlined in Attachment A.

FISCAL IMPACT:
This position is budgeted for in FY 16/17 Budget Account No.

CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT): N/A

Respectfully submitted,

Donald Penman

Donald Penman
Interim City Manager

ATTACHMENTS:
Attachment A: Agreement for Employment – City Manager

Attachment A

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT ("Agreement") is entered into this 6th day of December 2016, by and between the CITY OF COVINA ("CITY"), a California City, and Brian Saeki ("Saeki"), an individual.

RECITALS

WHERAS, the City Council desires to: (1) secure and retain the services of Saeki; (2) have Saeki perform all the regular functions of the City Manager position as specified in the City's Municipal Codes; (3) provide inducement to Saeki to maintain such employment; and (4) establish the terms and conditions of Saeki's services to the City pursuant to this agreement;

WHEREAS, Saeki has the required skills and expertise to fulfill such position and desires to accept employment from the City;

NOW THEREFORE, in consideration of the mutual covenants contained herein, including the Recitals which are made a part hereof, City and Saeki hereby agree as follows:

AGREEMENT

1. Employment:

The City hereby employs Saeki as the City Manager of the City, and Saeki hereby accepts that employment effective December 6, 2016. Saeki's actual start date will be January 3, 2017, when he will begin earning pay and benefits.

2. Duties:

Saeki shall perform those duties and have those responsibilities that are commonly assigned to a city manager of a general law city in California, and as set forth in Section 2.08 of the City's Municipal Code. Saeki shall perform such other legally permissible and proper duties and functions consistent with the office of the City Manager as the City Council shall from time to time assign.

3. Term:

A. The term of Saeki's employment as City Manager shall be for an indefinite term pursuant to Section 2.08.070 of the City's Municipal Code.

B. Saeki acknowledges that he is an at-will employee. Except as set forth in Paragraph 3.C., the City Council may remove Saeki as City Manager at any time by a majority vote. Saeki shall have no right to appeal a decision by the City Council to remove him as City Manager.

C. Saeki may not be removed as City Manager during the ninety (90) calendar days following any general municipal election held in the City in which one or more members of the City Council are elected.

D. Saeki may resign from his employment as City Manager at any time during the term of this Agreement upon giving thirty (30) days written notice to the City Council.

4. Devotion to City Business:

A. Saeki's position as City Manager is considered a full-time position. Saeki shall focus his professional time, ability, and attention on City business during the term of the Agreement. Saeki shall not spend significant time in any other non-employer connected business activities without prior approval from the City Council.

B. Saeki shall not engage, without the express prior written consent of the City Council, in any other business duties or pursuits whatsoever or, directly or indirectly, render any services of a business, commercial, or professional nature to any other person or organization, whether for compensation or otherwise, that is or may be competitive with the City, that might cause a conflict of interest with the City of that otherwise might interfere with the business or operation of the City or the satisfactory performance of Saeki's duties as City Manager.

5. Salary:

A. City agrees to pay Saeki for services rendered, beginning with an annual base salary of Two Hundred Five Thousand Dollars ($205,000). Said amount shall be payable at the same time and in the same manner as other employees of the City are paid. Saeki's base salary may be adjusted upward at any time in the sole discretion of the City Council.

B. The City Council shall evaluate Saeki's performance during the month of January or February of each calendar year. Following the completion of the evaluation, the City Council may in its sole discretion grant Saeki a performance bonus. Following the completion of the evaluation, the City Council may in its sole discretion grant Saeki a performance bonus in any amount from Zero Dollars ($0) to a maximum of Fifteen Thousand ($15,000) or any sum in between.

6. Retirement:

City agrees to maintain Saeki's enrollment as a member of the California Public Employees Retirement System (CalPERS) in accordance with rules set forth by CalPERS. Saeki shall make contributions to CalPERS in the amounts described in the 2013 Executive Compensation Rules, including any revisions thereto, or successor rules which may be adopted from time to time by the City Council.

7. Health and Medical Benefits Insurance:

City shall provide Saeki with the same health and medical benefits plan or plans which are provided to other City executive employees under the 2013 Executive Compensation Rules, including and revisions thereto, or successor rules which may be adopted from time to time by the City Council.

8. Leaves:

Saeki shall receive vacation, holiday, and sick leave according to the terms of the 2013 Executive Compensation Rules, including any revisions thereto, or successor rules which may be adopted from time to time by the City Council. Saeki shall be credited with one (1) seek of sick leave, one (1) week of vacation, and seventy-two (72) hours of administrative leave immediately upon his start date. Thereafter, vacation accrual shall be at the rate of 13.67 hours per month.

9. Miscellaneous Benefits and Insurances:

In addition to the compensation and benefits set forth herein, Saeki shall be entitled to all other non-salary benefits and insurance set forth in the 2013 Executive Compensation Rules, including any revisions thereto, or successor rules which may be adopted from time to time by the City Council, unless any such benefits and/or insurances are or become prohibited by law.

10. Equipment:

A. Saeki shall be provided with appropriate technology, such as a cellular phone and laptop computer, as needed to conduct City business. Saeki agrees that he shall be required to return any such equipment immediately upon separation from employment with the City and that such equipment shall be subject to inspection by the City at any time, with or without notice. If Saeki elects to use his personal cellular phone to conduct City business, then he shall be reimbursed for the expenses associated with his City business use of the phone subject to appropriate IRS reporting requirements. The City agrees that Saeki may request City staff to provide necessary maintenance and repairs to personal devices that Saeki uses to conduct City business, e.g. cell phones and laptop computers Saeki acknowledges that electronic data that is stored on any personal electronic devices he uses to conduct City business, including but not limited to cellular phones and computers, may be subject to disclosure under the California Public Records Act and Saeki therefore agrees to make any such personal electronic devices available to the City for inspection and retrieval of any public records.

B. Saeki will receive an automobile allowance of six hundred dollars and zero cents ($600) to be used for leasing/purchasing, maintaining and/or insuring a personal vehicle which Saeki may use from time to time in conducting City business. Saeki shall maintain all statutorily required liability insurance thereon and is responsible for all expenses and/or liabilities incurred in connection with the vehicle, including maintenance, operating, insurance, and repair expenses, including those which may exceed the monthly automobile allowance provided for herein.

11. Professional and City Business Expenses:

A. City agrees to pay the professional dues and subscriptions which are necessary for Saeki's continuation or full participation in regional, state, or local associations and

organizations necessary and desirable for Saeki's continued professional participation, growth and advancement, or for the good of the City in an amount up to three thousand dollars ($3,000) per year. Furthermore, the City shall budget and pay for the professional dues and subscriptions to such additional organizations as may be approved by the City Council.

B. City agrees to pay the travel and subsistence expenses of Saeki for official travel, meetings and occasions reasonably adequate to continue the professional development of Saeki, and for Saeki's reasonable pursuit of necessary official and other functions for the City including, but not limited to, regional, state, and local conferences, governmental groups, and committees upon which Saeki serves as a member. Notwithstanding the above, the number of conferences or meetings the City will pay for each year and attendance at out-of-state conferences and meetings shall be at the discretion of the City Council as set forth in the City's budget.

12. Taxes:

Saeki shall be responsible for his federal, state, local, or other taxes resulting from any compensation or benefits provided to him by the City. The City shall withhold from any compensation or benefits provided under this Agreement all federal, state, local or other taxes as may be required pursuant to law or governmental regulation or ruling. The City shall not be liable (except in cases of City errors or omissions) for any state or federal tax consequences to Saeki or to any designated beneficiary hereunder, the heirs, administrators, executors, successors, and assigns of Saeki. Saeki shall assume sole liability for any state or federal tax consequences of this Agreement or any related agreement and agrees to indemnify and hold the City harmless from such tax consequences.

13. Work Product:

All data, studies, reports, and any other documents prepared by Saeki while performing his duties during the term of this Agreement shall be furnished to and become the property of the City, without restriction or limitations on their use. All ideas, memoranda, specifications, plans, procedures, drawings, descriptions, computer program data, input record data, written information, and other materials either created by or provided to Saeki in connection with the performance of this Agreement shall be held confidential by written consent of the City Council, and shall not be used by Saeki for any purposes other than the performance of his duties. Nor shall such materials be disclosed to any person or entity not connected with the performance of services under this Agreement, except as required by law.

14. Severance Compensation in the Event Saeki is Removed as City Manager without cause:

The City Council may terminate Saeki as City Manager with or without cause. In the event the City Council removes Saeki as City Manager without cause, Saeki shall be entitled to severance pay in an amount equal to six (6) months of his monthly base salary on the effective

date of his removal to be paid in one lump sum subject to the statutorily mandated tax withholdings.

15. No Severance Compensation in the Event Saeki is Removed as City Manager with cause:

A. City may terminate Saeki for cause. Cause shall include, but not be limited to the following:

(i) Abuse of office of position as described in Paragraph 17.E., below;
(ii) Violation of state or federal law exposing the City to liability;
(iii) Conviction on a misdemeanor or felony charge.

B. In order to determine whether cause for termination exists, the City shall in good faith investigate any charges brought forward by a member of the City Council and provide Saeki with reasonable opportunity to be heard prior to taking any action.

C. In the event that Saeki is terminated for cause, City shall inform Saeki in writing of the cause and no severance pay will be due to Saeki.

16. Conflicts of Interest:

A. During the term of this Agreement, Saeki shall not engage in any business or transaction or maintain a financial interest which conflicts, or reasonably might be expected to conflict in any manner, with the proper discharge of Saeki's duties under this Agreement. Saeki shall comply with all requirements of law, including, but not limited to, Section 87100 *et seq.*, Section 1090, and Section 1125 of the Government Code, and all other similar statutory and administrative rules. Whenever any potential conflict arises or may appear to arise, the obligation shall be on Saeki to seek to legal advice concerning whether such conflict exists and Saeki's obligations arising therefrom.

B. Saeki is responsible for submitting to the Fair Political Practices Commission the appropriate Conflict of Interest Statements within thirty (30) days of appointment, annually thereafter, and at the time of separation from the position.

17. Reimbursement to City:

Notwithstanding anything to the contrary in the Agreement, if Saeki is convicted of a crime involving an abuse of his office or position, Saeki shall fully reimburse the City as follows:

A. For any paid leave salary provided by the City pending an investigation. (See Government Code Section 53243).

B. For any funds provided by the City for the legal criminal defense of Saeki. (See Government Code Section 53243.1).

C. For any such cash settlement provided by the City related to the termination of Saeki's employment. (See Government Code Section 53243.2).

D. For any of the aforementioned types of payments described above that may be paid by the City in the absence of a contractual obligation to do so. (See Government Code Section 53243.3).

E. For purposes of this Agreement, "abuse of office or position" means either of the following:

(i) An abuse of public authority, including, but not limited to, waste, fraud, and violation of the law under color of authority. (See Government Code Section 53243.4(a)).

(ii) A crime against public justice, including, but not limited to, a crime described in Title 5 (commencing with Section 67), Title 6 (commencing with Section 85), or Title 7 (commencing with Section 92) of Part 1 of the Penal Code. (See government Code Section 53243.4(b)).

18. Surety Bond:

Pursuant to Covina Municipal Code Section 2.08.030, Saeki may be required to secure a corporate surety bond to be approved by the City Council, in such sum as may be determined by the City Council, conditioned on the faithful performance of the duties imposed on the City Manager by Chapter 2.08 of the Covina Municipal Code. The fee for such bond shall be paid by the City.

19. Notices:

Any notices to be given hereunder by either party to the other in writing may be effected either by personal delivery or by mail. Mailed notices shall be addressed to the parties as set forth below, but each party may change its address by written notice given in accordance with this paragraph. Notices delivered personally will be deemed communicated as of actual receipt. Mailed notices will be deemed communicated and received as of five (5) calendar days following the date of mailing:

CITY: City of Covina
Attention: Mayor
125 E. College Street
Covina, CA 91723-2199

SAEKI: Brian Saeki
1974 Beverly Drive
Pasadena, CA 91104

20. Entire Agreement:

This Agreement represents the entire agreement between the parties and supersedes any and all other agreements, either oral or in writing, between the parties with respect to the

employment of Saeki by City, and contains all of the covenants and agreements between the parties with respect to that employment. Each party to this Agreement acknowledges that no representations, inducements, promises or agreements, oral or otherwise, have been made by either party, or anyone acting on behalf of either party, which are not embodied herein, and that no other employment agreement, statement or promise not contained in this Agreement shall be valid or binding upon either party.

21. Modifications:

Any modifications to this Agreement shall be effective only if in writing and signed by both of the parties hereto.

22. Effect of Waiver:

The failure of either party to insist upon strict compliance with any of the terms, covenants, or conditions of this Agreement by the other party shall not be deemed a waiver of that term, covenant or condition, nor shall any waiver or relinquishment of any right or power at any one time or times be deemed a waiver or relinquishment of that right or power for all or any other times.

23. Partial Invalidity:

If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provision shall nevertheless continue in full force without being impaired or invalidated in any way.

24. Governing Law:

This Agreement shall be governed by and construed in accordance with the laws of the State of California in full force and effect as of the date of execution.

25. Indemnification:

Except for an act of misappropriation of public funds, an indictment, the filing of an information, a plea of guilty or nolo contendere for a crime involving moral turpitude, or an abuse of office or position as defined herein, the City agrees that it shall defend, hold harmless and indemnify Saeki form any and all demands, claims, suits, actions, and legal proceedings, to the maximum extent permitted by law, brought against Saeki in his individual capacity for acts arising out of or omissions in the scope of his employment or as agent and employee of city. If a legal conflict of interest arises with regard to defense of claims between the legal position of Saeki and that of City, Saeki may engage his own legal counsel, in which event the City shall indemnify Saeki, including direct payment of all such reasonable costs related thereto.

This Agreement is entered into this day of December 6, 2016.

CITY OF COVINA

Mayor Kevin Stapleton

Brian Saeki

Attest:

Mary Lou Walczak, City Clerk

Approved as to form:

J. Scott Tiedemann
Liebert Cassidy Whitmore, Attorneys for the City of Covina

8

THIS PAGE LEFT INTENTIONALLY BLANK

CITY OF COVINA

AGENDA REPORT

ITEM NO. NB 3

MEETING DATE: December 5, 2016

TITLE: Southern California Edison Schedule LS-1 Option E, Energy Efficient-Light Emitting Diode (LED) Fixture Replacement Rate Agreement

PRESENTED BY: Siobhan Foster, Director of Public Works

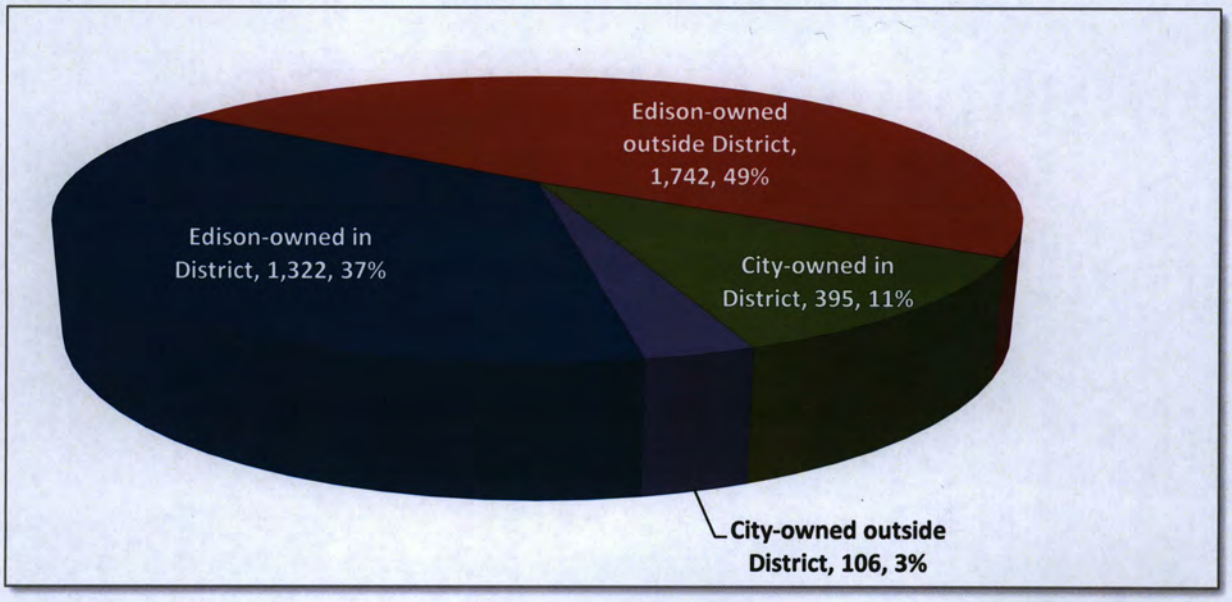
RECOMMENDATION:

1) Authorize the Interim City Manager to execute the attached Southern California Edison Schedule LS-1 Option E, Energy Efficient-Light Emitting Diode (LED) Fixture Replacement Rate Agreement to place the City of Covina in the LS-1 Option E queue to replace current Edison-owned streetlight lamps with LED lamps; and
2) Authorize the Interim City Manager to inform Southern California Edison of the City of Covina's intent not to participate in the Street Light Acquisition Program.

BACKGROUND:

There are approximately 3,565 streetlights located within Covina; 501 (14%) owned by the City and 3,064 (86%) owned by Southern California Edison (Edison). Approximately 1,717 (48%) of the streetlights are located within City of Covina Lighting District No. 1978-79 (Lighting District).

Chart 1 – Covina Streetlight Inventory



The Lighting District was formed on November 20, 1978 in conformity with the requirements of the *California Streets and Highways Code, Division 15, Part 2, Landscaping and Lighting Act of 1972*, to finance the energy and maintenance costs of new streetlights installed by several commercial and residential developers. The District was formed through a public hearing process and the properties within the District were designated Zone A for single-family residential and condominium units and Zone B for commercial, industrial, and apartment properties.

The City expanded the District in 1980 to include all developments that may or may not be required to install new streetlights, but were required to construct public improvements adjacent to the property being developed, except when the development did not increase the existing floor area by fifty percent pursuant to the regulations of Chapter 11 of the Covina Municipal Code. Although a citywide District was not implemented, it was the City's intent to work toward incrementally expanding the District to cover the entire City.

In December 1988, the District was expanded by annexing (through public hearing proceedings) parcels east and west of Azusa Avenue from Arrow Highway to 600 feet south of Badillo Street. A number of parcels were annexed to the District when streetlights were installed in conjunction with utility under-grounding projects. Parcels were also annexed to the District in connection with City sponsored street projects. These annexations were in areas where the property owners requested that streetlights be installed with the owners paying for the installation of the streetlights. Subsequent annexations to the District included similar projects and developments, but also included various individual residential and commercial properties that were annexed to the District as a condition of property improvements (building permits). This process of annexation resulted in the existing District that represents approximately 35 percent of the parcels within the City.

Each fiscal year, prior to making and collecting assessments within the Lighting District, the City Council must adopt resolutions directing the City's Licensed Engineer to prepare and file a report regarding the proposed assessment for each Zone, approving the Engineer's Report, and declaring the City Council's intention to levy and collect assessments for the upcoming fiscal year. Additionally, before any assessments may be made, the City Council must also adopt a resolution establishing a noticed public hearing to hear any protests against the assessment and for the approval of the Engineer's Report and adoption of a resolution ordering the levy of assessments.

On July 19, 2016, the City Council adopted Resolution No. 16-7499 confirming the Engineer's Report dated June 21, 2016 and ordering the levy of assessments on the Covina Lighting District No. 1978-79 for FY 2017.

There are two Zones in the Lighting District designated as Zones A and B. Zone A is comprised of single-family residences and condominium units. Zone B is comprised of commercial, industrial, apartment, and similar multi-family residential properties. The FY 2017 assessments include costs of providing street lighting in these two zones.

Table 1 – Breakdown of Expenses

	Zone A		Zone B		Total
Energy & Maintenance	Units	Cost ($)	Units	Cost ($)	
Edison Owned	622	77,967	700	103,719	181,686
City Owned	48	5,840	347	37,797	43,637
Subtotal	670	83,807	1,047	141,516	225,323
Administration		13,622		16,649	30,271
Total		97,429		158,165	255,594

The FY 2017 assessment rates are $20.80 per unit for Zone A and $2.70 per Benefit Unit (BU) for Zone B. Benefit Units are calculated per 1,000 square feet of land area for Zone B. The rates of $20.80 per unit for Zone A and $2.70 per 1,000 square feet of land area for Zone B have been in effect since 1995-96 and are the maximum assessment rates for each Zone.

Table 2 – Assessment Rates and Revenue

Zone	Units/BU	Proposed Rate ($)	Assessment Revenue ($)
Zone A	2,422 units	20.80/unit	50,377
Zone B	27,832.79 BUs	2.70/BU	75,149

The Engineer's Report reflects a $125,000 General Fund subsidy to the District to finance part of the FY 2017 expenses. Without a General Fund contribution, an assessment increase (rate increase) would be required above the current maximum assessment rates. Any rate increase needs to be submitted to the affected property owners for approval.

Table 3 – Covina Lighting District No. 1978-79 – Fiscal Year 2016-17 Summary

Revenues:	Zone A	Zone B	Total
Budget Item	Amount ($)	Amount ($)	Amount ($)
Proposed Assessments	50,377	75,149	125,526
General Fund	47,052	77,948	125,000
Total Projected Revenue	97,429	153,097	250,526
Expenses:			
Energy & Maintenance	83,807	141,516	225,323
Administration	13,622	16,649	30,271
Total Projected Expenditures	97,429	158,165	255,594
Estimated Ending Fund Balance	0	(5,068)	(5,068)

The assessment of properties within the Lighting District under the proposed assessment rates raises only a portion of the funds necessary to operate the District necessitating a General Fund subsidy to the District of $125,000 in FY 2017. Additionally, the FY 2017 budget for the energy and maintenance costs of the streetlights that are not in the District is approximately $287,880. Approximately $87,880 of this expense is funded by General Fund and $200,000 by the State Gas Tax Fund.

As part of the City's commitment to fiscal responsibility and environmental stewardship, City departments are exploring opportunities to reduce energy costs that would have a positive impact on the General Fund. On December 16, 2014, the City Council approved the Energy Efficient Projects list consisting of projects at various City facilities and authorized the award of an Energy Efficiency Design-Build contract to Facilities Solutions Group (FSG) for the upgrade of City lighting to efficient Light Emitting Diode (LED) technology. The lighting retrofit

projects included the Metrolink Parking Structure, municipal parking lots, and City-owned streetlights throughout the City, including decorative acorn lights in the downtown area and adjacent streets. The other Energy Efficient Project was the Police Department HVAC System Upgrade.

On July 21, 2015, the City Council authorized the City Clerk to file a Notice of Completion for the Energy Efficient Design-Build Lighting Upgrade. The upgrade of City lighting to energy efficient LED technology included the retrofit of 501 City-owned streetlights and 220 lights at the Metrolink Parking Structure and in municipal parking lots.

Funding for these upgrades utilized Edison's On-Bill Financing Program, which is a zero percent interest loan that is paid back in monthly installments over a ten-year period as an additional line item on the City's utility bill. The monthly loan repayment is calculated to be equal to the estimated monthly reduction in the Edison utility bill as a result of the energy efficiency project. The estimated kilowatt savings from the 2015 lighting project is 461,509 kWh, which equates to an estimated energy bill savings of $75,881 per year. The actual amount of savings will be calculated once the final loan term documents for the on-bill financing loan have been finalized. The City should begin to realize the energy savings in FY 2026, once the loan has been retired.

The City is also exploring ways to reduce energy costs associated with Edison-owned street lights. Edison owns approximately 86% of Covina streetlights. Apparently, when these lights were installed, Edison and property developers, rather than the City, paid for the installation, and over the years, Edison has continued to handle the operation, maintenance, and repair of the lights. In return, Edison receives a higher rate for electricity service to these utility-owned lights, known as the LS-1 rate.

This situation, in which Edison owns most of Covina's streetlights, is the norm for Edison customers. Today, Edison owns more than 80% of all streetlights in its service territory; far more than California's other investor-owned electric utilities. Historically, Edison has not allowed cities to purchase their streetlights, while other utilities have been more willing to do so. Between 1983 and 2005, for example, at least 30 cities purchased streetlight assets from Pacific Gas and Electric (PG&E) and San Diego Gas and Electric (SDGE), while during that same period, cities within Edison's service area were unable to purchase any of their streetlights.

However in 2013, Edison changed its position and began discussing the sale of its streetlight systems to cities through the Street Light Acquisition Program. Apparently, questions raised by streetlight advocates in Edison's 2012 General Rate Case (GRC) prompted the utility to reexamine its opposition to streetlight purchases. The GRC is a California Public Utilities Commission (CPUC) process that California's investor-owned electric utilities go through every three years. The utilities request rate adjustments based on detailed analyses of their costs and operations, and the CPUC, with input from various stakeholders, must decide appropriate rate levels.

In early-2015, Edison reversed its course and determined that it would no longer sell its streetlights to cities. For cities that initiated the sales process prior to August 15, 2015, Edison agreed to continue to see the process through to completion, until the sale is completed, or until a city decides it does not want to purchase its streetlights. Additionally, Edison added the requirement that if a city wished to purchase its streetlights from Edison, it must enter into a sales agreement, or at least be engaged in negotiations with Edison to reach an agreement, by August 15, 2016.

In 2014, City Manager Parrish directed the Interim Public Works Director to initiate the streetlight sales process by paying Edison the requisite valuation fee of $10,000 to perform an initial appraisal of the streetlight system. The Department of Public Works conveyed the City's intent to participate in the Streetlight Acquisition Program to Edison. On May 22, 2014, Edison informed the City that due to Edison's backlog for auditing streetlight systems, the City should hold off on requesting the valuation.

On June 15, 2015, the San Gabriel Valley Council of Governments (SGVCOG) Public Works Technical Advisory Committee hosted a presentation by Edison on the status of Edison's Street Light Acquisition Program. At this presentation, the Department of Public Works staff learned of Edison's intent to close the program on August 15, 2015 and of the opportunity to participate in the Program, by entering the valuation queue and paying the $10,000 valuation fee prior to August 15, 2015. Edison provided that cities that entered the valuation queue prior to August 15, 2015 and received their valuation reports after August 15, 2015, would have one year (365 days) from the date that the valuation report was provided to complete and execute a sales agreement with Edison.

On July 1, 2015, as required by California Assembly Bill 719 (Hernandez) signed by Governor Brown on October 7, 2013, Edison filed an AB 719 implementation plan with the CPUC. The law requires the state's major investor-owned utilities to offer a tariff by July 1, 2015 that funds energy efficiency improvements to utility-owned streetlights. For cities that do not purchase Edison-owned streetlights, AB 719 offers a potential way to covert to LEDs with no upfront costs. This is known as the LS-1 Option E Program.

In this filing, Edison proposed a tariff and program that would allow local governments to finance and repay LED retrofit costs for Edison-owned streetlights. Edison would retain ownership of the poles, and cities would pay for LED upgrades over a 20-year period through a monthly charge on their bills. Streetlights would remain on the utility-owned LS-1 tariff and the non-energy charges, combined with the monthly premium to capture the LED upgrade cost, would have increased Covina energy costs under the proposed tariff.

The rates and charges proposed by Edison in its implementation plan were high and negated any financial savings resulting from reduced energy consumption. While PG&E's proposed tariff included a rate reduction of $1.67 (13%) per month with the savings from the retrofit to be used by cities to pay for the upgrade costs (on-bill financing), Edison's proposed tariff would have increased costs for the most common high pressure sodium (HPS) watt fixtures.

On July 17, 2015, the California Street Light Association (CAL-SLA) filed a protest to the Edison proposal. The protest compared Edison's implementation plan to that of PG&E's well-received implementation plan. The protest also explained how Edison was dis-incentivizing energy efficiency and challenged the assumptions underlying the Edison proposal. CAL-SLA also offered alternative rates that would result in modest savings for customers that elect to replace utility-owned HPS lights with LED technology.

Following the City's review of available information about the Streetlight Acquisition and LS-1 Option E Programs, the possibility of reducing Edison's ongoing charges, installing LED lights and adopting other new technologies to reduce electricity use, generate revenues, improve streetlight performance, and giving the City control over how the streetlight system is operated in the future, compelled City Manager Miller to participate in the Street Light Acquisition Program and pay the valuation fee for the initial appraisal to Edison on August 12, 2015. This was done with the understanding that the potential benefits must be weighed against the initial

cost of the streetlight purchase and retrofit of the lights to LED technology, as well as, the ongoing operational costs and risks of ownership.

On August 18, 2016, Edison representatives presented the results of the Covina Streetlight System Valuation to the Department of Public Works, including the characteristics of each streetlight, such as type, wattage, installation date, service account, and structure number. The data provides an overview of the City's streetlight system, which can help the City to understand the assets that are for sale. This information is contained in Attachment A to this report.

Table 4 – Overview of the Total Edison-Owned Streetlight System within Covina

Lamp Wattage (HPS)	Quantity	% of Inventory
50 Watt	3	0%
70 Watt	1,956	64%
100 Watt	343	11%
150 Watt	624	20%
200 Watt	109	4%
250 Watt	29	1%
Total	3,064	100%

Average Age (years)	Quantity	% of Inventory
1950 - 1959	1,124	37%
1960 - 1969	767	25%
1970 - 1979	325	11%
1980 - 1989	396	13%
1990 - 1999	201	7%
2000 - 2009	143	5%
2010 - present	85	3%
Average Age (years)	46.8	100%

With an average age of 46.8 years and approximately 1,900 streetlights in the inventory more than 47 years old, the Edison-owned streetlights within Covina are considered to be "aged" and have an uncertain remaining service life. Edison uses 40 years as the Average Service Life (ASL) for streetlights. Additionally, Edison GRC workpapers acknowledge that the steel streetlight poles in its inventory have an ASL of only 18-22 years, are frequently corroded, and over 50% should be replaced immediately. Edison's cost to replace each steel streetlight pole is more than $6,000, and the replacement cost for Marbelite (concrete) poles is approximately $5,000 to $6,000 per unit. Also, the condition of system components, including conduit, mast arms, and luminaires should be considered.

On August 18, 2016, Edison representatives also presented the Valuation of the Sellable LS-1 Streetlight System, as shown below and contained in Attachment A to this report. Of the 3,064 Edison-owned streetlights within Covina, only 2,370 (77%) are "sellable" to the City. The "non-sellable" lights are ineligible to be purchased by the City because they are streetlights attached to Edison-owned distribution poles, standalone poles with secondary/service and guy attachments, and streetlights that also have equipment from telecom, wireless, or cable television providers.

Sales of streetlights or other utility assets require CPUC approval under Section 851 of the Public Utilities Code. Edison's method of valuing the streetlights, as well as, the method used by PG&E and SDGE in the streetlight sales they have completed, is based on "Replacement Cost Less Depreciation" (RCNLD). While the details of this method vary among utilities, the basic idea is the same—streetlights are valued at their current replacement cost, less the

accumulated depreciation for each light, which is determined, based on its age, useful life, and salvage value.

Table 5 below outlines the quantity, by type of pole, available for purchase by the City, as well as the various components of and the total purchase price. The 2,370 lights are available for purchase by the City for $877,525.

Table 5 – Valuation of the Sellable LS-1 Streetlight System

	Quantity	RCNLD
Marbelite (concrete)	1,082	$337,129
Steel	1,262	$256,025
Fiberglass	12	$2,421
Wood	14	$19,144
Total	2,370	$614,719
	Ad Hoc Replacements	$178,179
	Additional Asset Components	$13,527
	Subtotal	$806,425
	Severance Cost	$71,100
	Valuation Price	$877,525

The cost of purchasing the 2,370 streetlights totals $877,525 and includes the base price of $614,719 for the lights plus $178,179 for ad hoc replacements, $13,527 for additional asset components, and a severance cost of $71,100 to transfer the ownership of the assets. For ad hoc replacements, Edison assumes a certain percentage of Covina's streetlights have been replaced on unplanned basis and without a developer's contribution. Additional asset components are items relevant to the sale, such as riser poles, insulators, guy wires, etc.

At the same time Edison was finalizing the Streetlight Acquisition Program valuation for Covina, and as a result of the previously mentioned CAL-SLA protest of Edison's July 1, 2015 AB 719 implementation plan filed with the CPUC, the utility was developing a revised AB 719 (LS-1 Option E Program) tariff proposal. On March 30, 2016, in compliance with AB 719, Edison issued the revised proposal, wherein customers electing to have Edison install LEDs on utility-owned streetlights, would realize modest reductions in electricity charges. The CPUC approved the amendment on June 1, 2016.

Under the LS-1 Option E Program, the City can obtain LED streetlights with no up-front costs and reduce Edison charges at the same time, making this an opportunity worth considering. The Edison proposal requires cities to commit to this rate structure for 20 years, which may be overly restrictive during the current period when lighting technologies and potential streetlight uses are evolving quickly.

Table 6 below outlines the anticipated electricity savings of $13,407 annually for Covina during the 20-year period that the Energy Efficiency Premium Charge (EEPC) is in effect. The EEPC allows Edison to recapture the cost of the LED fixtures. The premium is a fixed amount that remains on the bill for 20 years, while other rate components of the LS-1 tariff fluctuate in accordance with CPUC rate increases or decreases.

Table 6 – Estimated LS-1 Option E Savings During 20-Year Repayment

Wattage	Lamp Count	HPSV	LED-equiv	Monthly Savings	Annual Savings
50	3	$9.83	$10.20	$1.11	$13.32
70	1,956	$10.46	$10.45	($19.56)	($234.72)
100	343	$11.31	$10.79	($178.36)	($2,140.32)
150	624	$13.58	$12.52	($661.44)	($7,937.28)
200	109	$15.23	$13.25	($215.82)	($2,589.84)
250	29	$16.95	$15.46	($43.20)	($518.40)
Total	3,064			($1,117.27)	($13,407.24)

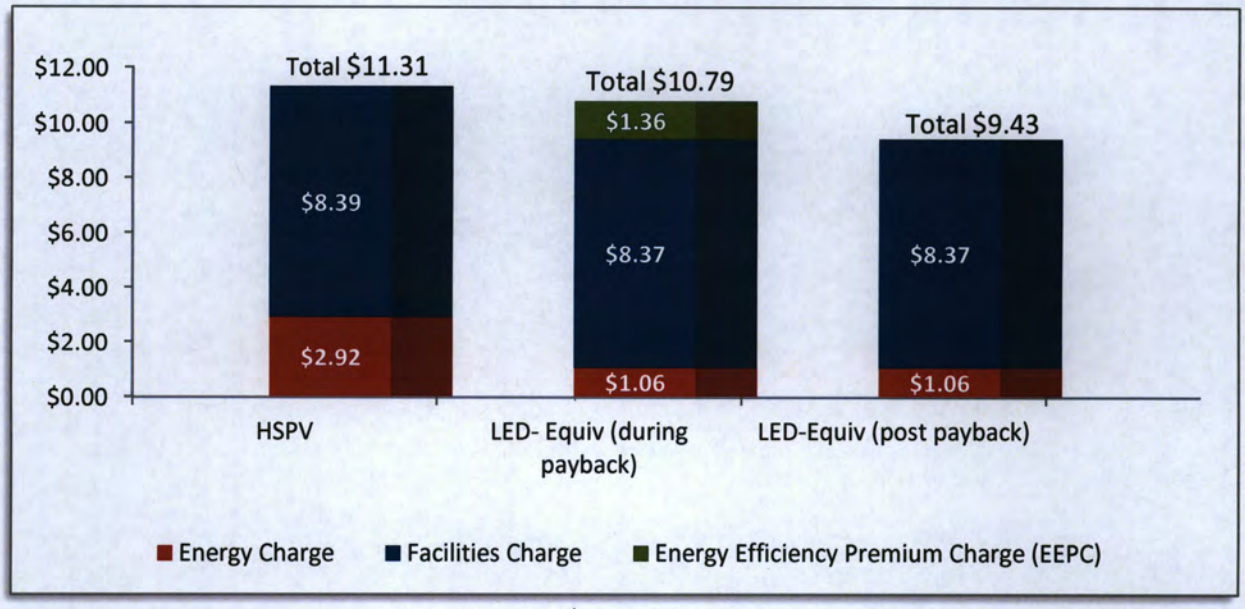
When the repayment of capital costs known as the EEPC is completed in 20 years, Covina will realize an additional annual savings of $50,698.20, increasing the total annual savings to $64,105.20. The EEPC ranges from $1.32/month for a 50 watt lamp to $1.97/month for a 250 watt lamp. Table 7 below illustrates the estimated additional savings following the 20-year repayment.

Table 7 – Estimated Additional LS-1 Option E Savings Following 20-Year Repayment

Wattage	Lamp Count	EEPC	Monthly Savings	Annual Savings
50	3	$1.32	($3.96)	($47.52)
70	1,956	$1.32	($2,581.92)	($30,983.04)
100	343	$1.36	($466.48)	($5,597.76)
150	624	$1.48	($923.52)	($11,082.24)
200	109	$1.76	($191.84)	($2,302.08)
250	29	$1.97	($57.13)	($685.56)
Total	3,064		($4,224.85)	($50,698.20)

For illustrative purposes, a comparison of the rates for a 100 watt lamp is shown in Chart 2 below.

Chart 2 – Current HSPV v LED Rate Comparison for 100 HSPV Watt and Equivalent 41 Watt LED Lamp



Customers interested in participating in the LS-1 Option E Program will be placed into a queue after signing the LS-1 Option E agreement and will enter the queue as agreements are finalized and received by Edison on a first-come first-served basis. Edison has limited capital available to

undertake replacements through 2017. Cities that have elected to participate in the LS-1 Option E Program include, but are not limited to, Baldwin Park, Fontana, La Palma, Laguna Woods, Porterville, Seal Beach, Tulare, and Walnut.

DISCUSSION:
Covina has four options available with respect to the 3,064 Edison-owned streetlights within the City:

1. Do nothing and maintain the existing rate structure;
2. Purchase the Edison-owned lights/poles and maintain the existing HPS lights (Streetlight Acquisition Program);
3. Purchase Edison-owned lights/poles and convert the lights to LED fixtures (Streetlight Acquisition Program); or
4. Covert to the LS-1 Option E Rate wherein Edison retains ownership of lights/poles (LS-1 Option E Program).

Option 1 – Status Quo
The City would continue with the current LS-1 rate and no further action by the City Council would be required. This option would allow the City to wait and see if other opportunities would be presented in the future. This is the highest cost option as the budget for the existing LS-1 rate paid by the City is $543,474 in FY 2017. This is funded by $125,526 in Covina Lighting District assessments, $212,880 in General Fund monies, and $200,000 from the State Gas Tax Fund. The Covina Lighting District No. 1978-79 has a FY 2017 Estimated Ending Fund Balance of ($5,068), even after receiving the $125,000 General Fund subsidy.

Option 2 – Purchase Edison-owned Lights/poles and Maintain Existing HPS lights (Streetlight Acquisition Program)
This option proposes that the City purchase the Edison-owned streetlights at the cost of $877,525 and maintain the HPS fixtures. The primary benefit associated with the purchase of the Edison-owned streetlights is the reduction in Edison charges for electricity. Unmetered streetlights that are owned by Edison are billed on rate schedule LS-1, while those that are customer-owned are billed using the lower rates on schedule LS-2. The LS-1 to LS-2 rate differential is entirely facilities related. Energy is 40kWh/month charged at $0.07230/kWh for LS-1 and LS-2.

If the City were to purchase the identified portfolio of 2,370 Edison-owned lights and keep the lights as HPS, the City would realize monthly savings ranging from $6.09 for 50 watt lights to $6.85 for 250 watt lights or approximately $238,366.48 annually, as shown in Table 8 below.

Table 8 – Estimated Savings between LS-1 and LS-2B Facilities Charge

Lamp Count	HPS Watts per Lamp	LS-1 Facilities Charge	LS-2B Facilities Charge	Monthly Savings	Annual Savings
3	50	$8.38	$2.29	$18.27	$219.24
1,956	70	$8.39	$2.29	$11,931.60	$143,239.20
343	100	$8.39	$2.29	$2,092.30	$25,107.60
624	150	$8.77	$2.29	$4,043.52	$48,522.24
109	200	$9.09	$2.29	$741.20	$8,894.40
29	250	$9.14	$2.29	$198.65	$2,383.80
3,064				$19,025.54	$228,366.48

While this option realizes approximately $228,366.48 in savings for the change from LS-1 to LS-2B rate (energy rate identical but facilities rate reduced), HPS technology will be obsolete in

several years and the energy usage remains high. The City would be taking on significant maintenance responsibilities of an aging lighting system and the liability and claims exposure of owning the system.

Annual maintenance costs would be approximately $94,800 based on an average maintenance cost of $40/HPS fixture/year in other California agencies, plus contingencies for deteriorated or damaged poles and other lighting components, including conduit, mast arms, and luminaires. HPS lamps have a rated lamp life of 24,000 hours, while LEDs have a life span up to 50,000 hours. If powered eight hours/day, HPS lamps have an eight-year lifespan; LED lamps have a 17-year life span.

The characteristics of the overall Edison-owned streetlight inventory include lights that are an average age of 46.8 years and 1,900 streetlights that are more than 47 years old. Additionally, 1,262 sellable poles are steel. Edison uses 40 years as the ASL for streetlights; steel streetlight poles have an ASL of 18-22 years, are frequently corroded, and over 50% should be replaced immediately. Edison's cost to replace each steel streetlight pole is more than $6,000 and the replacement cost for Marbelite (concrete) poles is approximately $5,000 to $6,000 per unit.

If purchased from Edison, liability for the 2,370 streetlights would be assigned to the City. The City would be sole entity liable for claims and accidents related to streetlights, infrastructure, and facilities that may serve the lights. This is an unknown cost that will be contingent upon actual experience.

This option may also allow for potential revenue generation opportunities. City streetlights may be leased to cellular network providers and other communication entities to generate revenue. However, state legislative bills are being initiated and/or pending that may not allow cities to secure the potential revenue sources as originally anticipated.

Under this option, 694 (23%) of the 3,064 Edison-owned streetlights within Covina would remain property of Edison. These unmetered streetlights that are owned by Edison would continue to be billed on the higher rate schedule LS-1. These "non-sellable" include streetlights attached to Edison-owned distribution poles, standalone poles with secondary/service and guy attachments, and streetlights that also have equipment from telecom, wireless, or cable television providers.

<u>Option 3 – Purchase Edison-owned Lights/Poles and Convert Lights to LED Fixtures (Streetlight Acquisition Program)</u>

This option proposes that the City purchase the 2,370 Edison-owned streetlights at the cost of $877,525 and convert the lights to LED technology with a life expectancy of approximately 17 years. The estimated cost to covert the lights to LED technology is approximately $853,200 based on an average cost of $360/light in other agencies. Some cities pay for the conversions out of existing reserves, or use traditional funding sources to complete the projects. Other financing options, such as the ones outlined below, may be available to Covina.

The California Energy Commission (CEC) offers energy efficiency loans at a fixed 1% rate for a term of up to 240 months (20 years). Loans for energy projects must be repaid from energy cost savings within 17 years, including principal and interest. These loans (up to $3 million per application) are distributed on a first-approved, first-served basis and have been used by municipalities to finance streetlight upgrades. Loan funds are periodically exhausted and then replenished, and there is often a waiting list to participate in the program. It is prudent to apply for a loan well in advance of the forecasted project start date.

In some cases, vendors may be willing to pay for LED upgrades in return for a guaranteed revenue stream over a period of time. If that period is long enough, perhaps 15- 20 years, the savings from the LED conversion can exceed the vendor payments, making the cash-flow positive from day one.

Edison's on-bill financing (OBF) program offers interest-free loans to energy efficiency projects that qualify for Edison/SCG rebates and incentives. Government customers are eligible for loans of up to $1 million on a first-approved, first-served basis. Loan terms and monthly payment amounts are determined by the customer's estimated monthly savings from the installation of the new products.

Annual maintenance costs for 2,370 lights converted to LED technology would be approximately $26,000 based on the average cost of $11/LED fixture/year in other California agencies, plus contingencies for deteriorated or damaged poles and other lighting components, including conduit, insulators, mast arms, and luminaires.

Additional costs are similar to those anticipated in Option 2 above. Notably, these costs include the potential of incurring significant costs for deferred maintenance and repairs, especially for the poles that exceed the ASL for streetlights and the 1,262 sellable poles that are steel, as well as, the assumption of liability for claims and accidents related to the 2,370 streetlights, infrastructure, and facilities that may serve the lights. This is an unknown cost that will be contingent upon actual experience.

Energy savings would be realized if the City purchased the streetlights and converted the lights to LED technology. While the Edison energy rate component would not change, LED lights use in the range of 48% to 60% less energy than HPS bulbs. The estimated reduction in electricity usage of 875,281 kWh per year is equivalent to eliminating the greenhouse gases from 126 automobiles or the CO2 emissions from more than 67,000 gallons of gasoline.

Table 9 estimates the reduced energy usage and estimated associated cost savings for Covina, should the City purchase the Edison-owned lights and covert the HPS lights to LED technology.

Table 9 – Estimated LED Energy Electricity Usage and Estimated Associated Cost Savings

Lamp Count	HPS Watts per Lamp	HPS Total kWh/Year	LED Watts per Lamp	LED Total kWh/Year	kWh/Year Savings	Annual LED Savings
3	50	720	25	281	(439)	($31.74)
1,956	70	672,238	32	262,886	(409,352)	($29,596.15)
343	100	166,163	41	60,505	(105,658)	($7,639.07)
624	150	498,626	88	226,137	(272,489)	($19,700.95)
109	200	111,010	90	41,725	(69,285)	($5,009.31)
29	250	37,581	161	19,523	(18,058)	($1,305.59)
3,064		1,486,338		611,057	(875,281)	($63,282.81)

This option may also allow for potential revenue generation opportunities. City streetlights may be able to be leased to cellular network providers and other communication entities to generate revenue. However, state legislative bills are being initiated and/or pending that may not allow cities to secure the potential revenue sources as originally anticipated.

Under this option, 694 (23%) of the 3,064 Edison-owned streetlights within Covina would remain property of Edison. These unmetered streetlights that are owned by Edison would continue to be billed on the higher rate schedule LS-1.

After reviewing the potential costs and benefits of purchasing the Edison-owned streetlights and either maintaining or upgrading the existing HPS lights to LED technology, the Department of Public Works recommends that the City not move forward with the possible purchase (Streetlight Acquisition Program). The costs and risks associated with ownership of the aged lighting system seemingly outweighs the benefits.

Option 4 – Convert to LS-1 Option E Rate Wherein Edison Retains Ownership of Lights/Poles (LS-1 Option E Program)

The LS-1 Option E Program gives Covina the opportunity to replace HPS lighting with LED technology on all 3,064 Edison-owned streetlights within the City, with no up-front costs and a reduction in Edison charges at the same time. On June 1, 2016, the CPUC approved the LS-1 Option E tariff, which includes a 20-year energy EEPC designed to recover the initial capital expenditure associated with LED street light replacements. Covina would not pay any up-front costs and would realize approximately $13,407 in annual savings after implementation when compared to the current HSPV rate. Annual savings would total $64,105.20 following the 20-year repayment.

In addition to the cost savings outlined above, other benefits associated with the LS-1 Option Program include improved visibility and energy savings. Moreover, the City would receive these benefits without having to assume responsibility for maintenance, replacement of aged or failed infrastructure, and liability.

The LS-1 Option E Program requires the City to commit to the LS-1 rate structure for 20 years. This may be considered overly restrictive during the current period when lighting technologies and potential streetlight uses are evolving rapidly.

Conclusion

Based on the review of the Streetlight Acquisition and the LS-1 Option E Programs, as summarized in Attachment C to this report, including several detailed Edison Streetlight Purchase Feasibility Analyses conducted for other agencies, the Department of Public Works recommends that the City Council elect to participate in the LS-1 Option E Program (Option 4) and notify Edison of the City's intent not to participate in the Street Light Acquisition Program (Options 2 and 3). The tangible energy and cost savings offered by the LS-1 Option E Program with no upfront, ongoing maintenance, replacement, and liability costs to the City are the basis for this recommendation. These outweigh the costs of purchasing 77% of the aged Edison-owned streetlight system and additional cost to upgrade the lights to LED technology, if desired. Option 4 also comes without the liability exposure and unknown costs associated with system ownership.

FISCAL IMPACT:

Each of the options outlined above has different fiscal impacts to current and future budgets. Financing options may be available for the acquisition of the lights, as well as, the purchase of LED fixtures (Streetlight Acquisition Program). The fiscal impact associated with the City's participation in the LS-1 Option E Program is favorable and includes no upfront costs and the realization of approximately $13,407 in annual savings during the first 20 years of the program when the EEPC is in effect, as compared to the current HSPV rate. Annual savings would total $64,105.20 following the 20-year repayment period. The EEPC is a fixed amount that remains on the bill for 20 years, while other rate components of the LS-1 tariff fluctuate in accordance with CPUC rate increases or decreases.

CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT):
The proposed Edison Schedule LS-1 Option E, Energy Efficient-Light Emitting Diode (LED) Fixture Replacement Rate Agreement has been reviewed for compliance with CEQA and is exempt per Section 15301 Existing Facilities (Class 1), Subsection (b). 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. There will be no expansion of existing facilities of both investor and publicly owned utilities used to provide electric power, natural gas, sewerage, or other public utility services.

Respectfully submitted,

Siobhan Foster
Director of Public Works

ATTACHMENTS:
Attachment A: City of Covina LS-1 Streetlight System Valuation
Attachment B: Comparison Edison LS-1 Option E to LS-1 HPSV
Attachment C: Summary of Available Options Re: Edison-owned Streetlights within the City of Covina
Attachment D: Southern California Edison Schedule LS-1 Option E, Energy Efficient-Light Emitting Diode (LED) Fixture Replacement Rate Agreement

The City of Covina
LS-1 Streetlight System Valuation

August 18, 2016

Overview of the Total LS-1 Streetlight System

Type	Qty	Type	Overhead	Underground
Non-Wood	2,371	78%	1,345	1,026
Wood	670	22%	670	0
	3,041	100%	2,015	1,026
			66%	34%
1950-1959	1,124	37%		
1960-1969	767	25%		
1970-1979	325	11%		
1980-1989	396	13%		
1990-1999	201	7%		
2000-2009	143	5%		
2010-present	85	3%		

Valuation of the Sellable LS-1 Streetlight System

	Qty	RCNLD
Marbelite (Concrete)	1,082	$337,129
Steel	1,262	$256,025
Fiberglass	12	$2,421
* Wood	14	$19,144
Total:	**2,370**	**$614,720**
	Ad Hoc Replacements	**$178,179**
	Additional Asset Components	**$13,527**
	Subtotal	**$806,425**
	Severance Cost	**$71,100**
	Valuation Price	**$877,525**

*Note: 2% of Wood Poles are sellable (streetlights attached to distribution poles are excluded)

Ad Hoc Replacements represent poles replaced without developer's contribution
Additional asset components relevant to the sale (i.e. riser poles, insulators, down guy, etc.)
Severance Cost is the cost to transfer ownership of the asset

SCE CONFIDENTIAL

Comparison of LS-1 Option E to LS-1 HPSV

	HPSV	LED equiv	HPSV	LED equiv	HPSV	LED equiv	HPSV	LED equiv	HPSV	LED equiv	HPSV	LED equiv	HPSV	LED equiv	HPSV	LED equiv
Watts	50	25	70	32	100	41	150	88	200	90	250	161	310	157	400	193
kWh per month	20.01	7.80	28.64	11.20	40.37	14.70	66.59	30.20	84.87	31.90	107.99	56.10	132.135	54.3	167.33	66.40
Energy Rate ($/kWh)	0.07230	0.07230	0.07230	0.07230	0.07230	0.07230	0.07230	0.07230	0.07230	0.07230	0.07230	0.07230	0.07230	0.07230	0.07230	0.07230
Energy Charge ($/month)	**1.45**	**0.56**	**2.07**	**0.81**	**2.92**	**1.06**	**4.81**	**2.18**	**6.14**	**2.31**	**7.81**	**4.06**	**9.55**	**3.93**	**12.10**	**4.80**
Facilities Charge ($/month)	8.38	8.32	8.39	8.32	8.39	8.37	8.77	8.86	9.09	9.18	9.14	9.43	9.14	NA[3]	9.08	10.37
Energy Efficiency Premium Charge (EEPC) [1] ($/month)	NA	1.32	NA	1.32	NA	1.36	NA	1.48	NA	1.76	NA	1.97	NA	NA[3]	NA	2.79
Undepreciated Book Value ($/month)	NA	0.00	NA	0.00	NA	0.00	NA	0.00	NA	0.00	NA	0.00	NA	0.00	NA	0.00
Total Charge ($/month)	**9.83**	**10.20**	**10.46**	**10.45**	**11.31**	**10.79**	**13.58**	**12.52**	**15.23**	**13.25**	**16.95**	**15.46**	**18.69**	**NA[3]**	**21.18**	**17.96**
Savings[2] ($/month)		**(0.38)**		**0.01**		**0.52**		**1.06**		**1.98**		**1.49**		**NA[3]**		**3.22**

[1] "EEPC" is also known as the "Accelerated Replacement Value," which recovers the capital cost of LED-equivalents of HPSV fixtures to be replaced. The premium will remain on the customer's bill for 20 years.
[2] (+) net savings (-) net loss
[3] Estimations available upon request

Summary of Available Options Re: Edison-owned Streetlights within the City of Covina

Criteria	Option 1: Status Quo	Option 2: Purchase lights, keep HPS Streetlight Acquisition Program	Option 3: Purchase lights, convert to LED Streetlight Acquisition Program	Option 4: Convert to LS-1 Option E Rate LS-1 Option E Program
General View	Maintains existing rate structure; energy costs will continue to increase	Without LED upgrade limited benefit to streetlight purchase	Offers quantitative and qualitative benefits	Implements LED technology without any upfront cost to City
Purchase Cost [i]	---	$877,525	$877,525	---
LED Retrofit Cost [ii]	---	---	$853,200	---
Deferred Maintenance and Repairs	Edison responsibility	Characteristics of streetlight inventory: average age of 46.8 years and 1,900 streetlights more than 47 years old; 1,262 sellable poles are steel. SCE uses 40 years as ASL for streetlights; steel streetlight poles have ASL of 18-22 years, are frequently corroded, and over 50% should be replaced immediately	Characteristics of streetlight inventory: average age of 46.8 years and 1,900 streetlights more than 47 years old; 1,262 sellable poles are steel. SCE uses 40 years as ASL for streetlights; steel streetlight poles have ASL of 18-22 years, are frequently corroded, and over 50% should be replaced immediately	Edison responsibility
Replacement Cost	Edison responsibility	$6,000 for steel pole replacement; $5,000 to $6,000 for Marbelite (concrete pole) replacement	$6,000 for steel pole replacement; $5,000 to $6,000 for Marbelite (concrete pole) replacement	Edison responsibility
Annual Maintenance Cost [iii]	Edison responsibility	$94,800 annually (based on $40/HPS light/year in other jurisdictions)	$26,000 (based on $11/LED light/year in other jurisdictions)	Edison responsibility

Criteria	Option 1: Status Quo	Option 2: Purchase lights, keep HPS Streetlight Acquisition Program	Option 3: Purchase lights, convert to LED Streetlight Acquisition Program	Option 4: Convert to LS-1 Option E Rate LS-1 Option E Program
Liability	Edison responsibility	All liability would be assigned to City; City would be sole entity liable for claims related to streetlights, infrastructure, or facilities that may serve the lights	All liability would be assigned to City; City would be sole entity liable for claims related to streetlights, infrastructure, or facilities that may serve the lights	Edison responsibility
Rate Impact	No change; City's current energy bill for streetlights is $543,474, funded by $125,526 in Covina Lighting District assessments, $212,880 in General Fund monies, and $200,000 from State Gas Tax Fund	Will change from LS-1 to LS-2B rate saving approximately $228,366 annually (energy rate identical but facilities rate reduced)	Will result in approximate more than 50% reduction in electricity usage and estimated corresponding $63,283 reduction in SCE energy charges, based on current SCE estimates of the energy consumption for each type of lamp, as shown in Table 8 below. A reduced facilities rate of $228,366 would also be applicable	Will result in annual savings of approximately $13,407 annually for 20-years until Energy Efficiency Premium Charge (EEPC) is paid off; annual savings approximately $64,105 thereafter

[i] Does not include costs associated with financing the purchase. Interest rate, term, and other conditions will depend on financing option.
[ii] Does not include costs associated with converting lights to LED technology. Interest rate, term, and other conditions will depend on financing option.
[iii] For Options 2 and 3, the amount should do not include contingencies for deteriorated or damaged poles and other lighting system components.

SCHEDULE LS-1 OPTION E,
ENERGY EFFICIENCY-LIGHT EMITTING DIODE (LED) FIXTURE REPLACEMENT
RATE AGREEMENT

Form 14-965

Attachment D, 5 Pages

SOUTHERN CALIFORNIA EDISON COMPANY
SCHEDULE LS-1 OPTION E, ENERGY EFFICIENCY-LIGHT EMITTING DIODE (LED) FIXTURE REPLACEMENT RATE AGREEMENT

This Schedule LS-1 Option E, Energy Efficiency-Light Emitting Diode (LED) Fixture Replacement Rate Agreement (Agreement), effective this _____ day of _____, _____(Effective Date), is entered into between Southern California Edison Company (SCE) and the City of Covina, an SCE customer taking service on Schedule LS-1 (Applicant), referred to collectively as "Parties," and individually as "Party." This Agreement provides for SCE, at Applicant's request, to replace the existing street lighting fixtures serving Applicant's premises with Light Emitting Diode (LED) street lighting fixtures to achieve energy efficiency benefits for Applicant, as set forth in Special Condition 14, Option E, Energy Efficiency-Light Emitting Diode (LED) Fixture Replacement, of Schedule LS-1.

The Parties agree as follows:

1. LED FIXTURES

SCE shall install, own, operate, and maintain LED Fixtures for Applicant as set forth in Exhibit "A" attached hereto and incorporated herein by this reference. The LED Fixtures provided hereunder shall at all times remain the property of SCE.

2. LED FIXTURE REPLACEMENT COSTS

2.1 The replacement costs of the LED Fixtures provided hereunder shall be borne by Applicant.

2.2 Applicant shall pay the charge for the LED Fixtures Replacement rate, which includes an Energy Efficiency Premium Charge (EEPC) and a Base LED Charge, under Option E of Schedule LS-1. Applicant elects Option E in lieu of an upfront, one-time payment of the replacement costs.

2.3 SCE does not guarantee that any energy or bill savings will accrue to Applicant as a result of the LED Fixture replacements.

3. COMMENCEMENT OF SERVICE

The Parties agree that SCE has the right to charge Applicant, and Applicant has an obligation to pay SCE, for the charges set forth in Schedule LS-1, Option E, commencing on the date SCE begins serving the LED Fixtures installed pursuant to this Agreement.

4. TERM AND TERMINATION

4.1 This Agreement shall be effective as of the Effective Date and shall continue for a term of twenty (20) years from the commencement of service as specified in Section 3 above (Term).

4.2 Applicant may terminate this Agreement at any time during the Term upon a thirty (30) - day advance written notice, provided that Applicant, prior to or within the 30-day advance notice period, assigns the Agreement to any New Party In (NPI) that owns, rents or leases the premises served by the street lighting fixtures replaced under this Agreement and will take service under Option E of Schedule LS-1 effective as of the date of termination; *otherwise*, Applicant shall pay a one-time termination charge equal to the present value of the balance of the EEPC of Option E over the remaining Term. The present value is determined based on SCE's authorized rate of return on rate base, or discounted rate of 7.90%.

5. AMENDMENTS; ASSIGNMENTS

5.1 Any changes or amendments to this Agreement must be in writing and must be executed by the Applicant and SCE and, if required, be approved by the California Public Utilities Commission (Commission).

5.2 Applicant shall not assign this Agreement without the prior written consent of SCE; provided, however, that Applicant may assign the Agreement pursuant to the terms and conditions of Section 4.2 above, and the NPI must assume all rights and obligations under this Agreement for the remaining Term. Any assignment and assumption shall be in a form acceptable to SCE.

6. NOTICE

Any notice either Applicant or SCE may wish to provide the other regarding this Agreement must be in writing. Such notice must be either hand-delivered or sent by U.S. certified or registered mail, postage prepaid, to the person designated to receive notice for the other Party below, or to such other address as either may designate by written notice. Notices delivered by hand shall be deemed effective when delivered. Notices delivered by mail shall be deemed effective when received, as acknowledged by the receipt of the certified or registered mailing.

Applicant:	SCE:
Don Penman (Name)	
City Manager (Title)	Business Customer Division
125 E. College (Address)	Southern California Edison Company 2244 Walnut Grove Avenue Rosemead, CA 91770
Covina, CA 91723 (City, State, Zip)	

7. NONWAIVER

The failure of either Party to enforce any of the terms and conditions or to exercise any right or privilege in this Agreement shall not be construed as a waiver of any such term and conditions or rights or privileges, and the same shall continue and remain enforce and effect as if no such failure to enforce or exercise had occurred.

8. SEVERABILITY

In the event that any of the provisions, or portions thereof, of this Agreement are held to be unenforceable or invalid by the Commission, or any court of competent jurisdiction, the validity and enforceability of the remaining provisions or any portion thereof shall not be affected.

9. APPLICABLE LAWS, RULES, AND REGULATIONS

This Agreement shall be subject to, and interpreted under the laws, rules, decisions and regulations of the State of California, without regard to its conflict of laws principles, the Commission, and SCE's Commission-approved tariffs.

10. CALIFORNIA PUBLIC UTILITIES COMMISSION JURISDICTION

10.1 This is a filed form tariff agreement authorized by the Commission for use by SCE. No officer, inspector, solicitor, agent or employee of SCE has any authority to waive, alter, or amend any part of this Agreement except as provided herein or authorized by the Commission. This Agreement is to be used in conjunction with Schedule LS-1 and supplements the terms and conditions of the Applicant's electric service under Schedule LS-1.

10.2 This Agreement shall at all times be subject to such changes or modifications by the Commission as said Commission may, from time to time, direct in the exercise of its jurisdiction.

10.3 Notwithstanding any other provisions of this Agreement, SCE has the right to unilaterally file with the Commission, pursuant to the Commission's rules and regulations, an application for change in rates, charges, classification, service, or rule or any agreement relating thereto.

11. ENTIRE AGREEMENT

This Agreement, including SCE's Commission-approved tariffs, constitutes the complete agreement and understanding between the Applicant and SCE regarding the LED Fixtures replacement costs. Prior agreements, representations, understandings, whether expressed or implied, and communications, oral or written, between the Applicant and SCE shall not be construed to be a part of this Agreement.

12. AUTHORIZATION SIGNATURE

In witness whereof, the Parties hereto have caused this Agreement to be signed by their duly authorized representatives.

APPLICANT

BY: City of Covina

NAME: Don Penman

TITLE: City Manager

DATE SIGNED: _____

SOUTHERN CALIFORNIA EDISON COMPANY

BY: Southern California Edison

NAME: _____

TITLE: _____

DATE SIGNED: _____

SOUTHERN CALIFORNIA EDISON COMPANY
EXHIBIT "A"
SCHEDULE LS-1 OPTION E,
ENERGY EFFICIENCY-LIGHT EMITTING DIODE (LED) FIXTURE REPLACEMENT

APPLICANT

City of Covina

CUSTOMER ACCOUNT NO.

See Attachment List of Accounts

SERVICE ACCOUNT NO.

See Attachment List of Accounts
(Additional account numbers/addresses may be attached hereto.)

SERVICE ADDRESS

See Attachment

APPLICANT REQUESTED READY TO SERVE DATE

_____

SCE READY TO SERVE DATE _____

DESCRIPTION OF **LED** FIXTURES/SCOPE OF WORK: SPECIFY HOW MANY STREET LIGHTING FIXTURE REPLACEMENTS ARE BEING REQUESTED AND AGREED TO UNDER THIS AGREEMENT AND OTHER RELEVANT DETAILS.

W.O. No(s): _____

CITY OF COVINA

AGENDA REPORT

ITEM NO. NB 4

MEETING DATE: December 6, 2016

TITLE: Election of Board Member for San Gabriel Basin Water Quality Authority Board Member Representing Cities with Prescriptive Water Pumping Rights.

PRESENTED BY: Angel Carrillo, Assistant to the City Manager

RECOMMENDATION: 1) Cast the City's Five Votes for Mayor Pro Tem Jorge Marquez for Board Member to the San Gabriel Basin Water Quality Authority Board.

2) Direct Staff to Send a Resolution Casting the City's Five Votes for Board Member to the San Gabriel Basin Water Quality Authority.

BACKGROUND:
The San Gabriel Basin Water Quality Authority (WQA) was established by the State Legislature (SB1679) on February 11, 1993 to develop, finance and implement groundwater treatment programs in the San Gabriel Basin. The WQA is under the direction and leadership of a 7-member board. The board is comprised of one member from each of the overlying municipal water districts, one from a city with prescriptive water pumping rights and one from a city without prescriptive water pumping rights, and two members representing water producers in the San Gabriel Basin. The cities with prescriptive water pumping rights include Alhambra, Arcadia, Azusa, Covina, El Monte, Glendora, Industry, Irwindale, Monterey Park, Monrovia, South Pasadena and Whittier.

DISCUSSION:
At the Council meeting on September 20, 2016, the City Council elected to nominate Mayor Pro Tem Jorge Marquez as a nominee for Board Member to represent cities with prescriptive water pumping rights on the WQA. The nomination period ended on October 21, 2016 and the election will take place at noon on December 21, 2016. There are two nominees for the position including Mayor Pro Tem Jorge Marquez and Council Member Judy Nelson from the City of Glendora. They City's ballot for the election must by resolution and received by the WQA no later than 12:00pm on December 20, 2016.

Each city has one vote for 10,000 residents or a majority fraction thereof, as determined by the most recent decennial census data.

City	2010 Population	# of Votes
Alhambra	83,089	8
Arcadia	56,364	6

Azusa	46,361	5
Covina	47,796	5
El Monte	113,475	11
Glendora	50,073	5
Industry	219	1
Irwindale	1,422	1
Monrovia	36,590	4
Monterey Park	60,269	6
South Pasadena	25,619	3
Whittier	85,331	9
Total Votes		**64**

FISCAL IMPACT:
There is no fiscal impact from this action.

CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT):
None.

Respectfully submitted,

Angel Carrillo
Assistant to the City Manager

ATTACHMENTS:
Attachment A: San Gabriel Basin Water Quality Authority Correspondence
Attachment B: Resolution No. 16-7569

San Gabriel Basin Water Quality Authority

1720 W. Cameron Avenue, Suite 100, West Covina, CA 91790 • 626-338-5555 • Fax 626-338-5775

November 3, 2016

City Manager
CITY OF COVINA
125 East College Street
Covina, CA 91723

RE: ELECTION FOR WQA BOARD MEMBER REPRESENTING CITIES WITH PRESCRIPTIVE PUMPING RIGHTS

Dear City Manager:

The nomination period for the election of the WQA Board Member representing cities with prescriptive pumping rights was closed on Thursday, October 21, 2016 at 5:00 p.m. Enclosed is an election ballot, a sample resolution, a list of nominees, a list of cities with pumping rights and the number of votes to which each is entitled. Each city has one vote for each 10,000 residents or majority thereof, as determined by the 2010 U.S. census data. The enclosed ballot indicates the number of votes your city may cast. Your city may cast its votes for one candidate by resolution of the city council. Please be aware that a city is not limited to voting for its own city council members and that a city may vote in an election whether or not it nominated a candidate.

The resolution must be received at the address below by December 20, 2016 at 12:00 p.m. via certified mail, UPS, FedEx with a signature required or hand delivered. *Any resolutions sent to the WQA without a signature required will not be accepted.* Votes will be officially counted during the Water Quality Authority's regular meeting on Wednesday, December 21, 2016 at 12:00 P.M.

If you should have any questions, please contact me at (626) 338-5555 or Stephanie@wqa.com

Sincerely,

Stephanie Moreno
San Gabriel Basin WQA
1720 W. Cameron Ave., Suite 100
West Covina, CA 91790

Enclosures

BALLOT

ELECTION OF CITY MEMBER FROM
CITIES WITH PUMPING RIGHTS
TO THE BOARD OF THE SAN GABRIEL BASIN WATER QUALITY AUTHORITY

CITY: COVINA

NUMBER OF VOTES TO BE CAST: 5

TO THE CITY COUNCIL:

The following candidates have been duly nominated by qualified cities for the office of city member of the Board of the San Gabriel Basin Water Quality Authority ("the Authority") from cities with pumping rights.

The election of the city member will take place at the regularly scheduled meeting of the Board of the Authority set for December 21, 2016, at 12:00 P.M., at 1720 W. Cameron Ave., Suite 100, West Covina, California.

Your city may cast its votes for one candidate by resolution of the city council. The number of votes to which your city is entitled, based upon population, is set forth above. All your city's votes must be cast for only one candidate.

The resolution of the city council casting its votes must be delivered to the Authority by December 20, 2016 at 12:00 P.M. via certified mail or hand delivered with at signature required, or the votes **will not** be counted.

This Ballot shall be accompanied by the resolution of the city council casting its votes for city member from cities with pumping rights.

Please contact Stephanie Moreno at Stephanie@wqa.com if you would like an electronic version of this resolution

(SAMPLE RESOLUTION)

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF _____, CALIFORNIA, CASTING ITS VOTE(S) FOR COUNCILMEMBER TO REPRESENT CITIES WITH PRESCRIPTIVE PUMPING RIGHTS ON THE BOARD OF THE SAN GABRIEL BASIN WATER QUALITY AUTHORITY

WHEREAS, on September 22, 1992, Senate Bill 1679 was signed into law by Governor Pete Wilson authorizing the creation of the San Gabriel Basin Water Quality Authority; and

WHEREAS, the Board of the San Gabriel Basin Water Quality Authority is composed of seven members with three appointed members from each of the three municipal water districts, one elected city council person from cities in the San Gabriel Basin with prescriptive pumping rights, one elected city council person from cities in the San Gabriel Basin without prescriptive pumping rights, and two appointed members representing water producers in the San Gabriel Basin; and

WHEREAS, the City of _____ is one of the cities in the San Gabriel Basin with prescriptive pumping rights;

WHEREAS, the City of _____ may cast its vote(s) for a representative by resolution no later than December 20, 2016 at 12:00 p.m.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF _____, CALIFORNIA DOES HEREBY FIND, DETERMINE AND RESOLVE AS FOLLOWS:

Section 1. The City Council of the City of _____ casts its full vote(s) for Councilmember _____ as the representative for cities in the San Gabriel Basin with prescriptive pumping rights.

PASS, APPROVED AND ADOPTED this _____ day of _____, 2016.

ELECTION FOR WQA BOARD MEMBER
AND ALTERNATE MEMBER
REPRESENTING CITIES WITH
PRESCRIPTIVE PUMPING RIGHTS

LIST OF NOMINATIONS

(In the order in which they were received)

Name	Nominated by
Jorge Marquez City of Covina	Covina
Judy Nelson City of Glendora	Glendora

Cities with Pumping Rights
2010 Census Data

City	2010 Population	# of Votes
Alhambra	83,089	8
Arcadia	56,364	6
Azusa	46,361	5
Covina	47,796	5
El Monte	113,475	11
Glendora	50,073	5
Industry	219	1
Irwindale	1,422	1
Monrovia	36,590	4
Monterey Park	60,269	6
South Pasadena	25,619	3
Whittier	85,331	9
	Total votes	**64**

SB 1679, Article 5. Sec. 505 (a)

Each City has one vote for each 10,000 residents or majority fraction thereof, as determined by the most recent U. S. decennial census data.

Attachment B

RESOLUTION NO. 16-7569

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, CASTING ITS VOTE(S) FOR MAYOR PRO TEM JORGE MARQUEZ TO REPRESENT CITIES WITH PRESCRIPTIVE WATER PUMPING RIGHTS ON THE BOARD OF THE SAN GABRIEL BASIN WATER QUALITY AUTHORITY

WHEREAS, on September 22, 1992, Senate Bill 1679 was signed into law by Governor Pete Wilson authorizing the creation of the San Gabriel Basin Water Quality Authority; and

WHEREAS, the Board of the San Gabriel Basin Water Quality Authority is composed of seven members with three appointed members from each of the three municipal water districts, one elected city council person from cities in the San Gabriel Basin with prescriptive water pumping rights, one elected city council person from cities in the San Gabriel Basin without prescriptive water pumping rights, and two members representing water producers in the San Gabriel Basin; and

WHEREAS, the City of Covina is one of the cities in the San Gabriel Basin with prescriptive water pumping rights; and

WHEREAS, the City of Covina may cast its vote(s) for a representative by resolution no later than December 20, 2016 at noon.

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

SECTION 1. The City Council of the City of Covina casts its full votes(s) Mayor Pro Tem Jorge Marquez as the representative for cities in the San Gabriel Basin with prescriptive water pumping rights.

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 6th day of December, 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. 16-7569 was duly adopted by the City Council of the City of Covina at a regular meeting held on the 6th day of December, 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

THIS PAGE LEFT INTENTIONALLY BLANK