

**AGENDA
REGULAR MEETING
SIERRA MADRE CITY COUNCIL,
SUCCESSOR AGENCY, AND
PUBLIC FINANCE AUTHORITY**

Tuesday, July 10, 2018

6:30 pm

**City Hall Council Chambers
232 W. Sierra Madre Boulevard
Sierra Madre, California 91024**

*Denise Delmar, Mayor
John Harabedian, Mayor Pro Tem
Rachelle Arizmendi, Council Member
John Capoccia, Council Member
Gene Goss, Council Member*

*Sue Spears, City Clerk
Michael Amerio, City Treasurer*



PUBLIC COMMENT

The Council will listen to the public on any item on the agenda. Under the Brown Act, Council is prohibited from taking action on items not on the agenda, but the matter may be referred to staff or to a subsequent meeting. Each speaker will be limited to three continuous minutes, which may not be delegated. These rules will be enforced but may be changed by appropriate City Council action.

PUBLIC COMMENT FOR ITEMS ON THE AGENDA:

Persons wishing to speak on any item on the agenda will be called at the time the agenda item is brought forward. Persons wishing to speak on closed session items have a choice of doing so either immediately prior to the closed session or at the time for comments on items at the open session.

PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA:

Time shall be devoted to audience participation early on the agenda.

**CALL TO ORDER/ROLL CALL
MEMBERS OF THE CITY COUNCIL**

Mayor Delmar, Mayor Pro Tem Harabedian, Council Member Arizmendi, Council Member Capoccia, and Council Member Goss

**PLEDGE OF ALLEGIANCE AND
INVOCATION/INSPIRATION**

Mayor Pro Tem John Harabedian

APPROVAL OF AGENDA

Vote of the Council to proceed with City business.

APPROVAL OF MEETING MINUTES

Approval of City Council minutes from the regular meeting on June 26, 2018.

REPORT OUT FROM CLOSED SESSION

City Attorney report from the closed session.

MAYOR AND CITY COUNCIL REPORTS

Council Member activities relating to City business.

PUBLIC COMMENT

Regarding items not on the Agenda.

PRESENTATION

Recognition of retiring City employee Jill Schofield.

ACTION ITEMS

1. CONSENT

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| <p>a) SECOND READING OF ORDINANCE 1399 REAUTHORIZING THE CITY'S PUBLIC, EDUCATIONAL, AND GOVERNMENTAL ACCESS SUPPORT FEE</p> | <p>Recommendation that the City Council read Ordinance 1399 by title only, for second reading, waive further reading, and adopt Ordinance 1399, an ordinance of the City Council amending Ordinance 1398 and reauthorizing the City's Public, Educational, and Governmental Access Support Fee.</p> |
| <p>b) CANCELLATION OF BOTH REGULAR AUGUST 2018 CITY COUNCIL MEETINGS</p> | <p>Recommendation that the City Council approve the cancellation of both the August 7 and August 21, 2018 City Council meetings and direct staff to pay all necessary expenses during that time.</p> |
| <p>c) CONSIDERATION OF AMENDMENT TO THE RAFTELIS FINANCIAL CONSULTANTS PROFESSIONAL SERVICES AGREEMENT TO COVER ADDITIONAL COSTS OF THE WATER AND WASTEWATER RATE STUDY</p> | <p>Recommendation that the City Council approve a payment of \$22,471 for additional consultant costs associated with the preparation of the City's Water and Wastewater Cost of Services Analysis and appropriate said amount from the Fiscal Year 2017-2018 Water Enterprise Fund.</p> |
| <p>d) CONSIDERATION OF RESOLUTION NO. 18-34: AUTHORIZING THE EXECUTION AND DELIVERY OF A FIRST AMENDMENT TO THE 2017 INSTALLMENT PURCHASE AGREEMENT AND AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS AND THE TAKING OF ALL OTHER ACTIONS REQUIRED IN CONNECTION THEREWITH</p> | <p>Recommendation that the City Council approve Resolution 18-34 authorizing the execution and delivery of a First Amendment to the 2017 Installment Purchase Agreement and authorizing the execution and delivery of documents and the taking of all other actions required in connection therewith.</p> |
| <p>e) ADOPTION OF RESOLUTION 18-38 OF THE CITY COUNCIL OF THE CITY OF SIERRA MADRE APPROVING CERTAIN DEMANDS</p> | <p>Recommendation that the City Council approve Resolution 18-38 for approval of payment of City warrants in aggregate amount of \$120,398.52; Library warrants in the aggregate amount of \$6,694.44, and payroll transfer in the aggregate amount of \$394,737.68 for fiscal years ending June 2018 and June 2019.</p> |

DISCUSSION

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| <p>2. SAFE, CLEAN WATER PROGRAM – LOS ANGELES COUNTY PROPOSED SPECIAL PARCEL TAX</p> | <p>Recommendation that the City Council provide staff with direction.</p> |
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ACTION ITEMS

Regardless of staff recommendation on any agenda item, the City Council will consider such matters, including action to approve, conditionally approve, reject, or continue such item.

AVAILABILITY OF AGENDA MATERIALS

Materials related to items on this agenda are available for public inspection on the City's website at www.cityofsierramadre.com, and during normal business hours at City Hall, 232 W. Sierra Madre Blvd. and at the Sierra Madre Public Library, 440 W. Sierra Madre Blvd.

LIVE BROADCASTS

Regular City Council meetings are broadcasted live on Cable Channel 3 and rebroadcast on Wednesday and Saturday at 5:30 p.m.

MEETING ASSISTANCE

If you require special assistance to participate in this meeting, please call the City Manager's office at (626) 355-7135 at least 48 hours prior to the meeting.

ADJOURNMENT

The City Council will adjourn to a Regular Meeting at this same place on Tuesday, July 24, 2018.



CITY OF SIERRA MADRE
CITY COUNCIL REGULAR MEETING MINUTES

SIERRA MADRE CITY COUNCIL
SUCCESSOR AGENCY AND
PUBLIC FINANCE AUTHORITY

Tuesday, June 26, 2018 - 6:30 pm

Sierra Madre City Hall Council Chambers
232 W. Sierra Madre Blvd., Sierra Madre, CA 91024

CALL TO ORDER/ROLL CALL MEMBERS OF THE CITY COUNCIL

Mayor Denise Delmar called the meeting to order at 6:31 p.m. City Clerk Sue Spears called the roll.

Present: Mayor Denise Delmar, Mayor Pro Tem John Harabedian, and Council Member Rachele Arizmendi

Absent: Council Members John Capoccia Gene Goss, both excused

Also Present: Gabe Engeland, City Manager
Teresa Highsmith, Assistant City Attorney
Marcie Medina, Assistant City Manager
Laura Aguilar, Assistant City Clerk
James Carlson, Management Analyst
Chris Cimino, Director of Public Works
Vincent Gonzalez, Planning & Community Preservation Director
Miguel Hernandez, Human Resources Manager
Joe Ortiz, Police Chief
Jill Schofield, Acting Library Services Manager
Rebecca Silva-Barrón, Community Services Manager
Christine Smart, Associate Librarian
Sue Spears, City Clerk

PLEDGE OF ALLEGIANCE AND INVOCATION/INSPIRATION:

Mayor Delmar led the Pledge of Allegiance.

APPROVAL OF MINUTES:

Mayor Delmar requested approval of the Minutes of the Regular Council Meeting of June 12, 2018.

Council Member Arizmendi moved to approve the Minutes of the Regular Council Meeting of June 12, 2018 as written.

Mayor Pro Tem Harabedian seconded the motion to approve the Minutes of the Regular Meeting of June 12, 2018 as written.

Ayes: Mayor Denise Delmar, Mayor Pro Tem John Harabedian, and Council Member Rachelle Arizmendi
Noes: None
Absent: Council Members John Capoccia and Gene Goss
Abstain: None

The motion to approve the Minutes of the Regular Council Meeting June 12, 2018 as written was passed unanimously by those present.

MAYOR AND CITY COUNCIL REPORTS:

- A. Mayor Denise Delmar did not make a report.
- B. Pro Tem John Harabedian did not make a report.
- C. Council Member Rachelle Arizmendi did not make a report.
- D. Council Member John Capoccia was absent.
- E. Council Member Gene Goss was absent.

APPROVAL OF AGENDA AS PRESENTED:

Mayor Delmar asked for a motion to approve the agenda as presented.

Mayor Pro Harabedian stated that Consent Calendar Item 1a is being pulled from the agenda and will be added to the agenda on a future date.

Mayor Pro Tem Harabedian moved to approve the agenda as amended.

Council Member Arizmendi seconded the motion to approve the agenda as amended.

Ayes: Mayor Denise Delmar, Mayor Pro Tem John Harabedian, and Council Member Rachelle Arizmendi
Absent: Council Members John Capoccia and Gene Goss
Noes: None

The motion to approve the agenda as amended was passed unanimously by those present.

PUBLIC COMMENT ON NON-AGENDA ITEMS:

Mayor Delmar opened the meeting for Public Comment on items not on the agenda.

- Barry Gold, Sierra Madre, said that the proposed two-tier water rates were unfair and suggested that the proposed water rates should include three tiers.
- Carol Parker, Sierra Madre, expressed excitement that Mike Smith was at the Council Meeting today and conveyed her concerns with the schedule and operations of the Sierra Madre Pool by Water Works. Ms. Parker volunteered to serve on a SM Pool advisory committee.

City Manager Engeland said that City staff has already contacted Water Works regarding these concerns and is awaiting a response.

Mayor Delmar asked if anyone else would like to come forward to speak on items not on the agenda. Seeing no one come forward, Mayor Delmar closed Public Comment.

PRESENTATION – RECOGNITION OF MIKE E. SMITH, SIERRA MADRE RESIDENT AND JOCKEY, ON HIS WINNING OF THE 2018 TRIPLE CROWN OF THOROUGHBRED RACING (TRIPLE CROWN)

Mayor Delmar presented a Sierra Madre Certificate of Recognition to Mike E. Smith, 12+ year Sierra Madre resident and Jockey, on his winning of the 2018 Triple Crown riding Justify. Mr. Smith said that he is honored, thanked Mayor Delmar, and expressed his appreciation to the Sierra Madre City Council for this recognition. Mr. Smith noted that he is the second Sierra Madre resident to win the Triple Crown, the first being Jockey Victor Espinoza who won the Triple Crown in 2015 riding American Pharaoh. Attending the presentation with Mr. Smith were his fiancée, Cynthia Naanouh, and Pete Siberell, Sierra Madre resident and Director of Community Services and Special Projects, Santa Anita Park.

REPORT ON THE CLOSED SESSION SPECIAL MEETING OF THE SIERRA MADRE CITY COUNCIL ON TUESDAY, JUNE 26, 2018 AT 5:30 PM

City Attorney Highsmith reported that the City Council met in Closed Session with the City's Labor Negotiator to receive an update on the status of labor negotiations and that no action was taken.

1. AGENDA ACTION ITEM: CONSENT CALENDAR:

City Manager Engeland gave the following reports under the Consent Calendar:

- a) ~~CONSIDERATION OF AMENDMENT TO THE RAFTELIS PROFESSIONAL SERVICES AGREEMENT TO COVER ADDITIONAL COSTS OF THE WATER AND WASTEWATER RATE STUDY~~ - Recommendation that the City Council approve the amended Professional Services Agreement, including \$22,471 in additional consultant costs associated with the preparation of the Water and Wastewater Cost Services Analysis, and appropriate said amount from the Fiscal Year 2017-2018 Water Enterprise Fund.
- b) APPOINTMENT OF COMMISSIONERS AND TRUSTEES FOR A SECOND TERM - Recommendation that the City Council reappoint those Commissioners and Board Members seeking a second term and direct City staff to solicit applications for those commissions with vacancies.
- c) ADOPTION OF RESOLUTION 18-33 OF THE CITY COUNCIL OF THE CITY OF SIERRA MADRE APPROVING CERTAIN DEMANDS - Recommendation that the City Council approve Resolution 18-33 for approval of payment of City warrants in the aggregate amount of \$1,015,910.94; Library warrants in the aggregate amount of \$7,317.39, and payroll transfer in the aggregate amount of \$300,673.28 for fiscal year ending June 2018.
- d) APPOINTMENT OF MAYOR PRO TEM HARABEDIAN AS A SECOND ALTERNATE VOTING DELEGATE FOR THE LEAGUE OF CALIFORNIA CITIES ANNUAL CONFERENCE AND BUSINESS MEETING IN SEPTEMBER 2018 - Recommendation that the City Council appoint Mayor Pro Tem John Harabedian as a Second Alternate Voting Delegate for the League of California Cities Annual Conference and Business Meeting on September 12 – 14, 2018.

Mayor Delmar asked if any Member of the Council had questions on items on the Consent Calendar.

Mayor Delmar explained that Council Member Arizmendi and she are the voting delegates from Sierra Madre to the League of California Cities Annual Conference and that, due to the pending birth of her grandson, she will be unable to attend the conference in September.

Council Member Arizmendi commented that she also will not be able to attend the League of California Cities Annual Conference in September and advised Mayor Pro Tem Harabedian that he must be there. Council Member Arizmendi also stated that, after September, she will no longer be on the Board for the League of California Cities.

Mayor Delmar opened the meeting for Public Comment on the Consent Calendar. Seeing no one, Mayor Delmar closed Public Comment and brought the matter back to the Council for discussion.

Mayor Pro Tem Harabedian made a motion to approve Consent Items 1b, 1c, and 1d as presented.

Council Member Arizmendi seconded the motion for approval.

Ayes: Mayor Denise Delmar, Mayor Pro Tem John Harabedian, and Council Member Rachelle Arizmendi
Noes: None
Absent: Council Members John Capoccia and Gene Goss
Abstain: None

The motion to approve Consent Calendar Items 1b, 1c, and 1d as presented was approved unanimously by those present.

2. **AGENDA ACTION ITEM: PUBLIC HEARING – FIRST READING OF ORDINANCE NUMBER 1399 AMENDING AND REAUTHORIZING THE CITY’S PUBLIC, EDUCATIONAL, AND GOVERNMENTAL (PEG) ACCESS SUPPORT FEE – Recommendation that the City Council conduct a Public Hearing and introduce for the first reading, by title only, Ordinance No. 1399, an ordinance amending and reauthorizing the City’s Public, Educational, and Governmental (PEG) Access Support Fee.**

Mayor Delmar opened the item for Public Hearing.

Management Analyst Carlson gave a report on the first reading, by title only, of Ordinance No. 1399, an Ordinance Amending and Reauthorizing the City’s Public Educational, and Governmental (PEG) Access Support Fee, which reauthorizes fees paid to the City by State video franchise holders for public, educational, and government access purposes. He noted that Ordinance No. 1399 amends Ordinance No. 1398, which had a typographical error. Ordinance No. 1398 erroneously listed a 2% fee to be collected from State Franchise Holders, when the maximum amount that the City of Sierra Madre is allowed to collect is 1%.

Mayor Delmar asked if any Member of the Council had questions on this report.

In response to a question from Council Member Arizmendi, Management Analyst Carlson said that the cost to the City to provide community media is approximately \$28,000 and that the City collects about \$32,000 in PEG funds annually, which varies. He said that any surplus income received is allocated to purchase updated equipment, as necessary.

Mayor Delmar said that this is a Public Hearing and asked if anyone else would like to come forward to comment on this item. Seeing no one, Mayor Delmar closed the Public Hearing and brought the matter back to the Council for discussion.

Mayor Pro Tem Harabedian made a motion to approve the first reading, by title only, of Ordinance No. 1399, an Ordinance Amending and Reauthorizing the City's Public Educational, and Governmental (PEG) Access Support Fee.

Council Member Arizmendi seconded the motion for approval.

Ayes: Mayor Denise Delmar, Mayor Pro Tem John Harabedian, and Council Member Rachelle Arizmendi

Noes: None

Absent: Council Members John Capoccia and Gene Goss

Abstain: None

The motion to approve the first reading, by title only, of Ordinance No. 1399, an Ordinance Amending and Reauthorizing the City's Public Educational, and Governmental (PEG) Access Support Fee was approved unanimously by those present.

3. AGENDA DISCUSSION ITEM – CONSIDERATION OF SUPPORT OF ASSEMBLY BILL 533 (HOLDEN) SR 170 NORTH

City Manager Engeland reported that Mayor Pro Tem Harabedian was contacted by staff representing Assemblymember Chris Holden asking the City of Sierra Madre to support Assembly Bill (AB) 533. City Manager Engeland requested direction and clarified that the City Council may direct staff to send a letter supporting AB 533 or may determine to take no action.

Mayor Pro Tem Harabedian said that, given recent new information about potential changes to AB 533, he recommends that the City Council postpone any discussion on this item and move it to the next Sierra Madre City Council meeting.

Mayor Delmar said that she agrees and asked City Manager Engeland whether he had sufficient direction at this time. City Manager Engeland responded in the affirmative.

No action was taken on this item.

4. AGENDA DISCUSSION ITEM – CONSIDERATION OF RESOLUTION 18-35 ADOPTING THE MEMORANDUM OF UNDERSTANDING WITH THE CLASSIFIED EMPLOYEES' ASSOCIATION, RESOLUTION 18-36 ADOPTING THE MEMORANDUM OF UNDERSTANDING WITH THE SIERRA MADRE POLICE OFFICERS ASSOCIATION, AND RESOLUTION 18-37 AMENDING THE CLASSIFICATION PLAN AND SALARY MATRIX

Human Resources Manager Hernandez gave a report on Resolution 18-35 Adopting the Memorandum of Understanding with the Classified Employees' Association, Resolution 18-36 Adopting the Memorandum of Understanding with the Sierra Madre Police Officers Association, and Resolution 18-37 Amending the Classification Plan and Salary Matrix. He said that both parties have agreed to (1) a five year contract in which there will be an opportunity to reopen negotiation through a limited re-opener in Years 3, 4, and 5, for the sole purpose of discussing and considering up to two MOU terms/conditions or benefits, (2) a 1.9% cost of living increase next year, with the

exception of Water Department employees, and (3) a 5% salary increase for Water Department employees retroactive to June 24, 2018 (in lieu of the 1.9% COA above) . Human Resources Manager Hernandez stated that City staff is recommending approval of the three resolutions as presented.

Mayor Delmar asked if any Member of the Council had questions on these items.

In response a question by Council Member Arizmendi, Human Resources Manager Hernandez said that, due to the vote taken today by the POA, there is a change on the impact to the Year 1 and Year 2 General Fund to \$60,600 (from \$86,000), a reduction in General Fund impact of \$25,400.

Mayor Delmar opened this item for Public Comment.

- Barry Gold, Sierra Madre, said the issue of providing employee raises is coming at an inopportune time and is recommending a delay in deciding.
- Debbie Sheridan, Sierra Madre, said that (1) she would like to second Mr. Gold's comments, (2) she questions why only Water Department employees are getting a 5% raise, and (3) this is an unfortunate time to give our hard-working employees a raise.
- Pat Alcorn, Sierra Madre, said that (1) she disagrees with both of the previous speakers' opinions on this issue, (2) she thinks that our public employees are the City's finest asset, (3) our employees deserve a cost of living increase, and (4) this is a five year agreement and, if we do not do it now, when will we do it.

Mayor Delmar asked if anyone else would like to come forward to speak on these items. Seeing no one, Mayor Delmar closed Public Comment and brought the matter back to the Council for discussion.

In response to a request by Mayor Delmar, Human Resources Manager Hernandez explained that the 5% salary increase for Water Department employees was because of the certification required to do their work and as an incentive for employee retention. Furthermore, he stated that the 5% increase for Water Department employees is still under market and continues to put Water Department employees' salaries considerably less than what is paid in neighboring cities. City Manager Engeland said that the Water Department responds to more calls for service than the Fire Department.

Mayor Delmar expanded that, when you come across a job that is hard to fill, we need to be as competitive as possible to attract and retain the outstanding employees that we need, especially at a time when the City is investing so much in its water infrastructure now and in the future.

In response to a question by Council Member Arizmendi, City Manager Engeland stated that the CalPERS Unfunded Liability Plan will be presented to the City Council at its meeting on July 24, 2018.

Mayor Pro Tem Harabedian thanked and expressed kudos to both management representing the City and management representing the bargaining units for conducting historically one of the most efficient and least contentious bargaining processes to date. He opined that this is a great deal for the City and a great deal for the employees. Mayor Pro Tem Harabedian said that (1) he looks at this as a way for employees to maintain their purchasing power to be able to keep up with inflation, (2) that COLAs are important for morale, and (3) that the 5% for Water Department employees is necessary to help the City be somewhat competitive to attract/retain quality employees for one of the most demanding services that the City is providing on a daily basis. He also said that the City is

managing its funds properly and that the fiscal impact of the salary increases over the next two fiscal years, at approximately \$100,000, as a percentage of our General Fund and Sewer and Water Fund is minuscule (approximately ½%). Mayor Pro Tem stressed the importance of retaining well performing employees who are happy to work here. He expressed his full support of the MOUs.

Mayor Delmar expressed that (1) she is excited that, per the MOUs, only employees who meet expectations or higher on their evaluations are eligible for the step increase, (2) this is all part of a compensation philosophy and a way to retain the best employees in Sierra Madre, (3) this is a five year plan, which has not been done before, (4) the fiscal impact is not significant to the point of putting the City in debt, and (5) the MOUs allow the City to acknowledge to its employees that they are valued and that we do expect performance. Mayor Delmar expressed her full support of the MOUs.

Council Member Arizmendi said that (1) looking at what has been done previously in reducing FTEs and other fiscal savings measures, the small fiscal impact in the next two years of the salary increases is a necessary change, (2) recognizing that this is a five year plan, there will be a reduction in staff and employee time devoted to negotiations, thus increasing productivity, (3) the MOUs provide employees with reassurance where they have not felt that consistency over the last 4-5 years, (4) as we plan over the next 5-10 years, this can provide a foundation that our employees are taken care of, and (5) we are looking at pay for performance and holding each other accountable. Council Member Arizmendi thanked all of those involved in the negotiations and recognized that this was a streamlined negotiations process.

Mayor Pro Tem Harabedian made a motion to approve Resolution 18-35 Adopting the Memorandum of Understanding with the Classified Employees' Association, Resolution 18-36 Adopting the Memorandum of Understanding with the Sierra Madre Police Officers Association, and Resolution 18-37 Amending the Classification Plan and Salary Matrix as written.

Council Member Arizmendi seconded the motion for approval.

Ayes: Mayor Denise Delmar, Mayor Pro Tem John Harabedian, and Council Member Rachelle Arizmendi
Noes: None
Absent: Council Members John Capoccia and Gene Goss
Abstain: None

The motion to approve Resolution 18-35 Adopting the Memorandum of Understanding with the Classified Employees' Association, Resolution 18-36 Adopting the Memorandum of Understanding with the Sierra Madre Police Officers Association, and Resolution 18-37 Amending the Classification Plan and Salary Matrix as written was approved unanimously by those present.

NEW ITEMS PLACED FOR FUTURE AGENDA:

Mayor Delmar asked the members of the City Council if there are any new items for future meeting agendas.

Mayor Pro Tem Harabedian suggested that the issues of the Sierra Madre Pool and the possibility of a SM Pool community advisory committee be added to a future City Council Meeting agenda.

ADJOURNMENT:

Mayor Delmar asked for a motion to adjourn.

Council Member Arizmendi made a motion to adjourn the meeting.

The motion to adjourn was seconded by Mayor Pro Tem Harabedian

Ayes: Mayor Denise Delmar, Mayor Pro Tem John Harabedian, and Council Member Rachelle Arizmendi

Noes: None

Absent: Council Members John Capoccia and Gene Goss

Abstain: None

The motion to adjourn was passed unanimously by those present.

THIS SIERRA MADRE CITY COUNCIL REGULAR MEETING WAS ADJOURNED at 7:13 p.m. to a Regular Meeting to be held on Tuesday, July 10, 2018, in the Sierra Madre City Hall Council Chambers.

Denise Delmar, Mayor

Minutes taken and prepared by:

Sue Spears, City Clerk



City of Sierra Madre Agenda Report

*Denise Delmar, Mayor
John Harabedian, Mayor Pro Tem
Rachelle Arizmendi, Council Member
John Capoccia, Council Member
Gene Goss, Council Member*

*Sue Spears, City Clerk,
Michael Amerio City Treasurer*

TO: Honorable Mayor Delmar and Members of the City Council

FROM: James Carlson, Management Analyst 

REVIEWED BY: Gabriel Engeland, City Manager

DATE: July 10, 2018

SUBJECT: **SECOND READING OF ORDINANCE 1399 AMENDING
ORDINANCE 1398 REAUTHORIZING THE CITY'S PUBLIC,
EDUCATIONAL, AND GOVERNMENTAL (PEG) ACCESS
SUPPORT FEE**

SUMMARY

At the June 26, 2018 meeting, City Council introduced for first reading recommending adoption of Ordinance No. 1399 amending Ordinance No. 1398 and reauthorizing the City's Public, Educational, And Governmental (PEG) access fee.

Staff recommends that the City Council introduce and approve for second reading by title only and waive further reading, Ordinance No. 1399 amending Ordinance No. 1398 and reauthorizing the City's Public, Educational, And Governmental (PEG) access fee.

Analysis

On January 23, 2018, the City Council passed ordinance 1398, reauthorizing the City's Public, Educational, and Governmental (PEG) access support fee. There was a typographical error on Ordinance 1398 thus the need for the amendment.

Ordinance 1398 erroneously listed a two percent (2%) fee to be collected from State Franchise Holders. The maximum amount that the City of Sierra Madre is allowed to collect is one percent (1%). This is the percentage that has always been collected and is also the correct percentage to be collected to fund the Community Channel and its operations.

The Digital Infrastructure and Video Competition Act ("DIVCA") authorizes the California Public Utilities Commission to grant State video franchises with a term of 10 years, and authorizes local jurisdictions to take certain actions, including to establish a fee by ordinance to be paid by holders of State video franchises operation in the jurisdiction to support public, educational, and government ("PEG") access. The provision of DIVCA

authorizing localities to establish a PEG fee also includes language indicating that an ordinance establishing such a fee shall expire, and may be renewed, upon the expiration of a State video franchise. The statute is ambiguous and it is unclear to many California cities if it would require the reauthorization of the PEG fees.

As the 10 year State video franchises issued pursuant to DIVCA have recently begun to expire and be renewed, to the extent any action is required of the City of Sierra Madre under DIVCA, it is prudent and in the best interests of the City to reauthorize the attached Ordinance 1398 to ensure that State video franchise holders continue paying PEG fees. The attached ordinance provides for automatic reauthorizations of the PEG fees.

STAFF RECOMMENDATION

Staff recommends that the City Council introduce and approve for second reading by title only and waive further reading, Ordinance No. 1399 amending Ordinance No. 1398 and reauthorizing the City's Public, Educational, And Governmental (PEG) access fee.

ALTERNATIVES

1. The City Council may direct staff to provide additional information and return consideration to a future meeting.

FINANCIAL REVIEW

The City receives approximately \$25,000 in PEG fees per year. The funds are relatively restricted, and are used to fund the Community Cable channel and its operations.

ANALYSIS

There are differing opinions on whether the reauthorization is necessary at this time. Staff has been in contact with the Cities of Arcadia and Glendale who have taken the reauthorization to their respective elected officials as a measure of caution. Staff has also consulted with the City Attorney who also feels it is a safe measure to take.

PUBLIC NOTICE PROCESS

This item has been noticed through the regular agenda notification process. Copies of this report are available at the City Hall public counter, at the Sierra Madre Public Library, and can be accessed on the City's website at www.cityofsierramadre.com.

Attachments (1)

Attachment A: Ordinance 1399 Amending Ordinance 1398 and Reauthorizing the City's Public, Educational, and Governmental (PEG) Access Support Fee

ORDINANCE NO. 1399

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY
OF SIERRA MADRE, CALIFORNIA, AMENDING
ORDINANCE NO. 1398 AND REAUTHORIZING THE
CITY'S PUBLIC, EDUCATIONAL, AND
GOVERNMENTAL (PEG) ACCESS SUPPORT FEE.**

WHEREAS, Section 5870(n) of the Public Utilities Code, which was enacted as part of the Digital Infrastructure and Video Competition Act of 2006, authorized the City adopt an ordinance establishing a fee on state-franchised video service providers to support public, educational, and governmental access channel facilities; and

WHEREAS, under DIVCA, the City may continue to collect a franchise fee from State Franchise holders equal to five percent (5%) of their gross revenue, and the City also may collect a fee from State Franchise holders equal to one percent (1%) of their gross revenues provided the City imposes such a fee to support PEG access channel facilities by ordinance; and

WHEREAS, Section 5870(n) of the Public Utilities Code states that such an ordinance shall expire, and may be reauthorized, upon the expiration of a state franchise.

WHEREAS, Ordinance 1398 erroneously contained a two percent (2%) fee collected from State Franchise holders.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SIERRA MADRE, CALIFORNIA, DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. The City Council hereby amends Ordinance No. 1398 to reflect the correct one percent (1%) fee and thus reauthorizes the fee on state-franchised video service providers to support public, educational, and governmental channel facilities and which fee shall remain unchanged and in full effect as to all state-franchised video service providers.

PASSED, APPROVED, AND ADOPTED ON this 10th day of July, 2018.

Denise Delmar, Mayor

I HEREBY CERTIFY the foregoing ordinance was introduced at a regular meeting of the City Council of the City of Sierra Madre held on the 26th day of June, 2018, and was adopted at its regular meeting on the 10th day of July, 2018 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Sue Spears, City Clerk



City of Sierra Madre Agenda Report

Denise Delmar, Mayor
John Harabedian, Mayor Pro Tem
Rachelle Arizmendi, Council Member
John Capoccia, Council Member
Gene Goss, Council Member

Sue Spears, City Clerk
Michael Amerio, City Treasurer

TO: Honorable Mayor and Members of the City Council

FROM: Laura M. Aguilar, Assistant City Clerk *LM*

REVIEWED BY: Gabriel Engeland, City Manager *GE*

DATE: July 10, 2018

SUBJECT: CANCELLATION OF BOTH REGULAR AUGUST 2018 CITY COUNCIL MEETINGS

STAFF RECOMMENDATION

It is recommended that the City Council approve the cancellation of both regular City Council meetings in August and direct staff to pay all necessary expenses during that time.

SUMMARY

Sierra Madre Municipal Code section 2.04.010 requires that meetings of the City Council shall be held at 6:30 pm on the second and fourth Tuesdays of each calendar month unless and until the City Council establishes another regular meeting time by resolution.

Although it is not formally addressed in the Municipal Code, traditionally in August of each year the City Council has cancelled one or both meetings to allow City Council Members, residents, and staff, many of whom have school-age children, to spend some quality time with their families. Inasmuch as the City Council meetings fall early in the month (August 7) and late in the month (August 21), they often conflict with the permissible time frames during which many families are able to take time off.

ALTERNATIVES

1. The City Council may choose to cancel one or both the August 7 and August 21 meetings, and direct staff to pay all necessary expenses during that time;
2. The City Council may choose to hold both City Council meetings in August; or
3. The City Council may choose to modify the meeting schedule for August.

FINANCIAL REVIEW

There is no fiscal impact related to this agenda item.

PUBLIC NOTICE PROCESS

This item has been noticed through the regular agenda notification process. Copies of the report are available via the City's website at www.cityofsierramadre.com, at the City Hall public counter, and the Sierra Madre Public Library.



City of Sierra Madre Agenda Report

Denise Delmar, Mayor
John Harabedian, Mayor Pro Tem
Rachelle Arizmendi, Council Member
John Capoccia, Council Member
Gene Goss, Council Member

Sue Spears, City Clerk
Michael Amerio City Treasurer

TO: Honorable Mayor and Members of the City Council

FROM: Jose Reynoso, Utility Services Director

REVIEWED BY: Gabriel Engeland, City Manager 

DATE: July 10, 2018

SUBJECT: **CONSIDERATION OF AMENDMENT TO RAFTELIS
PROFFESIONAL SERVICES AGREEMENT TO COVER
ADDITIONAL COST OF WATER AND WASTEWATER RATE
STUDY**

SUMMARY

On May 9, 2017 Council awarded a Professional Services Agreement to Raftelis Financial Consultants in the amount of \$74,025.00 for the preparation of a comprehensive cost of services analysis for water and sewer utilities.

The final approved Cost of Services Analysis required significant changes which resulted from meetings with staff, the Water Sub-Committee and the City Council resulting in an additional cost of \$22,471 above the original contract. The main changes were:

- Changes directed by staff to the Waste Water portion of the study (2)
- Changes to the Water study directed by staff and/or the Water Subcommittee (3)
- An update of the base budget from FY 16/17 to 17/18 as directed by staff (1)
- A change to the infrastructure fixed charge as directed by the City Council (1)
- A change to the Waste Water portion of the study as directed by the City Council (1)

The changes, along with additional meetings, resulted in work hours outside of the originally adopted proposal and executed contract for Raftelis in the positions of Senior Manager, Senior Consultant, Associate, and Administration. In total, 121.5 additional hours were expended. For additional information please see the following attachments:

1. May 9, 2017 agenda report including the attachment: *Raftelis Proposal*
2. Original Contract, approved by the City Council in 2017
3. Raftelis Invoice, dated June 11, 2018

STAFF RECOMMENDATION

Staff recommends City Council amend the original contract to include \$22,471 in additional consultant cost associated with the preparation of the Water and Wastewater Cost of Services Analysis and appropriate said amount from the 2017-18 Water Enterprise Fund.

FINANCIAL REVIEW

No budget increase is necessary for this item. The additional \$22,471 is funded through operational savings in the Fiscal Year 2017-2018 budget year.

ANALYSIS

The Professional Services Agreement for preparation of the Water and Sewer Cost of Service Analysis (Water/Sewer Rate Study) was awarded by Council to Raftelis Financial Consultants on May 9, 2017. The final draft report was approved by Council on June 12, 2018. Completion of the study took considerably longer than originally planned due to changes to various drafts of the report which Raftelis was requested to make.

In addition to the changes outlined above, the original scope of work only budgeted four meetings: 1) Kickoff meeting/data collection; 2) Financial plan development meeting for each utility; 3) Customer impact analysis; 4) Final report presentation at a Public Hearing. To date staff has held a total of 7 meetings with Raftelis. The additional meetings were required to meet with the Water Sub-committee, attend an additional Council meeting to present the proposed rates, and additional meetings with City staff.

Staff believes that the additional costs for preparation and for attendance at multiple meetings with City staff, Council Water Sub-Committee, and City Council are a reasonable and appropriate extra cost on the project and recommends approval of that expenditure. The costs for report changes and attendance of additional meetings represent work provided outside of the original Agreement Scope of Services, and are consistent with the Agreement terms and that the time charged appears reasonable.

PUBLIC NOTICE PROCESS

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Attachments:

1. May 9, 2017 agenda report including the attachment: *Raftelis Proposal*
2. Original Contract, approved by the City Council in 2017
1. Raftelis Invoice, dated June 11, 2018



COPY

*Rachelle Arizmendi, Mayor
Denise Delmar, Mayor Pro Tem
John Capoccia, Council Member
Gene Goss, Council Member
John Harabedian, Council Member*

City of Sierra Madre Agenda Report

*Melinda Carrillo, City Clerk
Michael Amerio City Treasurer*

TO: Honorable Mayor and Members of the City Council

FROM: Jose Reynoso, Deputy Director of Public Works/Water

REVIEWED BY: Gabriel Engeland, City Manager 

DATE: May 9, 2017

SUBJECT: **AWARD OF PROFESSIONAL SERVICES AGREEMENT TO RAFTELIS FINANCIAL CONSULTANTS FOR THE COMPLETION OF A WATER AND WASTEWATER RATE STUDY**

SUMMARY

On January 24, 2017 the City Council directed staff to seek a Professional Services Proposal from Raftelis Financial Consultants (RFC) for an update to the City's current water rate structure. The objective of the study will be to ensure financial sufficiency for both the water enterprise and sewer enterprise funds and ensure the City's long-term financial sustainability.

On April 18, 2017 City staff met with the Water Sub-Committee, the City Attorney and Habib Isaac of RFC to provide specific direction regarding the scope of service in the particular rate study.

STAFF RECOMMENDATION

Staff recommends the City Council award a Professional Service Contract to Raftelis Financial Consultants for the Water and Wastewater Rate Study in an amount not to exceed \$74,025.

ALTERNATIVES

- 1.) City Council may reject the proposal submitted by RFC.
- 2.) City Council can direct staff to seek a RFP from another company to complete rate study.

FINANCIAL REVIEW / SOURCE OF FUNDING

The FY 2016-17 Professional Services budget provides \$90,000 from the Water Enterprise Fund for the preparation of a water rate study.

FOR CITY COUNCIL AGENDA _____

COPY

ANALYSIS

1. The 2014 rate study covered a five year period of time, through Fiscal Year 2017/2018. There is one additional year left on the current rate study, with one additional rate increase (4%) to occur in July 2017.
2. Water revenues have not met the water rate study projections due to the increased rate of mandatory water conservation. The revenue trends used for the study were based on actual FY2012 data. The trend did not take into account the State mandatory conservation requirements. At the time of the study, the City had a 10% conservation goal, which was ultimately increased to 30% mandatory conservation. Due to low water levels in the groundwater aquifer the City has maintained water conservation at 30%. In addition to State mandated water conservation requirements, high expense items such as the increased cost to purchase imported water, and the emergency replacement of water mains on Skyland Dr. and Michillinda Ave. have impacted the Water Fund. Furthermore portions of the City's water infrastructure have exceeded their expected useful life and in their current condition are far more fragile. These areas are prone to frequent leaks. In fact in 2016 the Water Department repaired over 400 water leaks throughout the distribution system.
3. Sewer rates were not increased by the recommended amount outlined in the 2014 rate study. As a result sewer rate revenues are not meeting sewer expenditures projections.
4. The current administration of water rates are complex for citizens to understand. The City has a tiered rate structure with 4 "rates". One of the benefits of the new rate study will be the elimination of one to two rates, making it much easier for staff to administer and customers to understand.

Staff is seeking approval for a new rate study now, because the financial trend is not positive, and because it takes up to a year to complete a new study. This provides adequate time to inform our public, to conduct the Proposition 218 process, and for the City Council to approve new rates.

The proposed rate study will conduct a cost of service analysis and review the impact of updating the City's current water rate structure to various alternate water rate structures that take into account the City's adjudicated water rights during time periods where the water basin is below 500 feet and over 500 feet and update the City's Sewer Rates with a comprehensive Cost of Service analysis. Prior to the cost of service analysis and rate design, the first primary objective of the Study will be to ensure financial sufficiency for both the water enterprise and sewer enterprise funds and ensure the City's long-term financial sustainability. Raftelis will work closely with city staff to model the City's revenue requirements, including adequate reserve funding based on the City's current

May 9, 2017

Page 3 of 3

reserve and debt policies. The study will also look into updating the City's current inclining tiered rate structure to account for various alternative rate structures. The Water Rate Model will consider household population, water supplies, adjudicated water pumping rights, potentially the natural replenishment yield of the ground water basin, and the need for supplemental water as well as pass-through provisions for increases associated with external costs, such as, imported water and electricity.

PUBLIC NOTICE PROCESS

This item has been noticed through the regular agenda notification process. Copies of this report are available at City Hall, at the Sierra Madre Public Library, and can be accessed on the City's website at www.cityofsierramadre.com.

Attachment:
Raftelis Proposal

 **COPY**

ASK 1 – PROJECT MANAGEMENT, KICK-OFF, AND DATA COLLECTION

Task 1.1 - Ongoing Project Management and Quality Assurance / Quality Control Process

Our project management approach stresses communication, teamwork, objectivity, and accountability to meet project objectives. Task 1 includes general administrative duties including client correspondence, billing, project documentation, and administration of the study control plan. We believe in a no-surprises approach and communicate with clients on a regular basis through face-to-face meetings, web conferences and telephone conferences, so that the client is aware of project status at all times.

RFC's quality assurance / quality control (QA/QC) process fosters high quality, accurate work. The QA/QC process includes reviews by the Project Director and Project Manager. The Project Director's primary responsibility is to review work products for consistency and validity and ensure that the cost of service and rate model is based on sound rate-making principles and standard industry practice. The Project Director also reviews the report, not only to ensure that it is a high quality comprehensive report that is consistent with model results, but also that it clearly conveys the rationale and derivation of the rates.

Task 1.2 - Project, Initiation, and Data Collection

RFC uses the kick-off meeting to perform our due diligence to ensure that project stakeholders agree to the project's goals, approach, work plan, schedule and the study's priorities. As part of the meeting, RFC will:

- First and foremost, discern the major drivers for the study,
- Discuss the framework for the proposed water rate alternatives,
- Work with staff to identify and prioritize pricing objectives,
- Discuss any changes to reserves and reserve policies since last study,
- Discuss debt policies for capital funding,
- Review the data request list and pinpoint data gaps or questions.

A detailed data request list will be submitted prior to the kick-off meeting so that the City can assemble the appropriate data in the required format. The Project Team will study this data diligently to understand the City's revenue streams, operating and capital expenses, and customer base and use patterns.

Task 1 Meetings: One (1) kick-off meeting with City staff

Deliverables: Data request list, Kick-off meeting summary memorandum/minutes

TASK 2 – FINANCIAL PLAN DEVELOPMENT FOR EACH UTILITY

The objective of this phase is to project the City's revenue requirements for the study period of each enterprise. This major task requires an assessment of revenues based on the current rate and fee schedules, an estimation of future revenue requirements, the City's ability to meet projected revenue requirements, and the determination of the level of revenue adjustments and additional financing requirements.

This task will also include the projections of individual budget items of each enterprise fund, such as annual costs related to sources of water supply, labor, power, materials, capital expenditures, plant investment, operating and maintenance (O&M) expenses, reserve contributions, depreciation, and debt service using assumptions based on different economic factors and growth trends.

RFC will develop a forecast of each utility's revenue requirements over the planning horizon. Rates, debt, grants, or infrastructure bank loans will be provided as options for capital cost financing. Projecting revenue adjustments over a long planning horizon can illustrate future rate impacts and identify potential challenges to the City's financial situation. This will allow the City to make adjustments to expenses, reserve balances, or capital project scheduling to smooth rate impacts and to maintain financial stability.

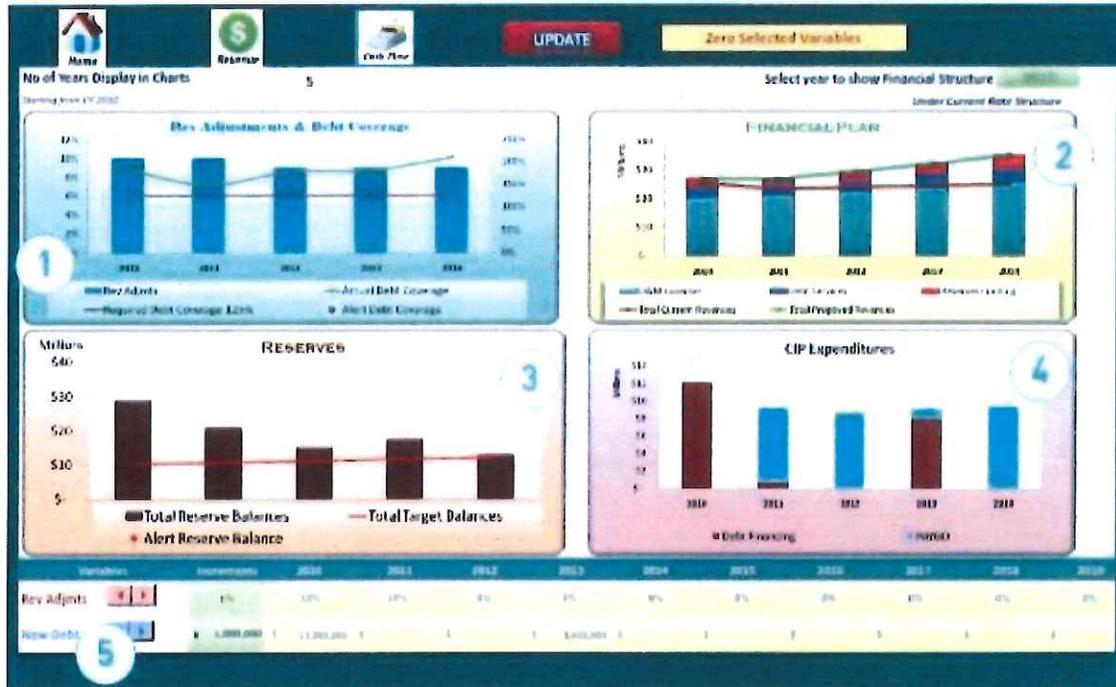
RFC believes it is prudent to develop a 10-year cash flow analysis that correlates to the City's 10-year CIP. Determining the revenue adjustments needed to meet projected revenue requirements over the 10-year planning period helps minimize sharp rate fluctuations. The cash flow worksheet incorporates revenues generated from different sources, expenses needed to maintain the water system, and any coverage necessary to meet current and proposed debt service requirements. RFC will also model the new reserve policies that will identify appropriate targets for reserve balances (operating, capital, rate stabilization, etc.). In addition, RFC will develop a Fund Balance Module as part of each Financial Plan to summarize the budget and actual results for the study period.

The financial plans will be presented in an easy-to-understand format on an interactive 'Dashboard' which shows the impacts of various assumptions so that decisions regarding revenue adjustments, capital financing through pay-go or debt, and reserve balances can all be made quickly and efficiently. A snapshot of the sample Dashboard is shown on the following page.

Sierra Madre

Several features of the Model's Dashboard include the ability to show or indicate:

1. Revenue adjustments required for the next five (or more) years in order to meet debt coverage and target reserve balance(s)
2. Projected operating costs and revenue streams
3. Reserve balances and target levels according to City policies
4. Different funding sources of CIP, PAYGO, or debt financed
5. Spin buttons (dynamic selection options) for scenario analyses



As adjustments are made to different variables and assumptions, it is important that the Model has the capability to save adjustments as separate scenarios for City staff and elected officials to discuss alternatives in order to determine the most appropriate financial plan. As such, RFC has developed a scenario manager which allows up to ten separate and distinct scenarios to be saved and revisited for a comparative analysis between different financial plans and rate options.

Meeting(s)/Conference(s): One (1) in-person meeting with City Staff to review and finalize the Financial Plan options.

Deliverable(s): Financial Plan Model in Microsoft Office Excel® 2013

TASK 3 – COST OF SERVICE ANALYSIS FOR EACH UTILITY AND RATE DESIGN

TASK 3.1 – WATER UTILITY COST OF SERVICE ANALYSIS

The cost of service analysis portion of the Study is often viewed as a compliance measure for regulations such as Proposition 218; another perspective is the defensibility the analysis provides the City in terms of the selected rate structure and rate levels. This level of confidence provides additional support for the City in pursuing the rates and rate structure that are best for the City and its customers.

RFC specializes in the financial and rate development of water enterprises and our analyses for the City will be subject to technical review from personnel who have decades of experience on both the financial and engineering sides, and continue to be recognized as industry thought leaders. Based on this, RFC is confident of its determination of the cost allocation factors that steer the cost of service process.

RFC will develop cost-based rates for both the Water Enterprise and Wastewater Enterprise based on the City's water consumption (discharge for wastewater), peaking, and usage characteristics. The cost of service analysis will be conducted according to the following process according to the industry standards and meet the cost of service provisions of Proposition 218:

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

RFC will review and analyze historical water consumption, revenue records, and billing summaries to determine water usage, discharge flow, as well as peaking characteristics by customer class or subclass. We will then estimate the relative responsibility of each customer class for each of the functional cost elements. This allocation will be based on billing summary data, other locally available data which may be applicable, and RFC's experience with other utilities exhibiting similar usage characteristics and patterns. It will provide the basis for equitable cost allocations to each customer class or subclass.

Step 2 – Allocate Costs to Functional Cost Categories

RFC will functionalize the costs into main functions. For the Water Enterprise, the cost categories may include, but not limited to, supply, transmission & distribution, storage, billing and power. For the Wastewater Enterprise, the cost categories may include collection, treatment, pumping (if applicable), and billing.

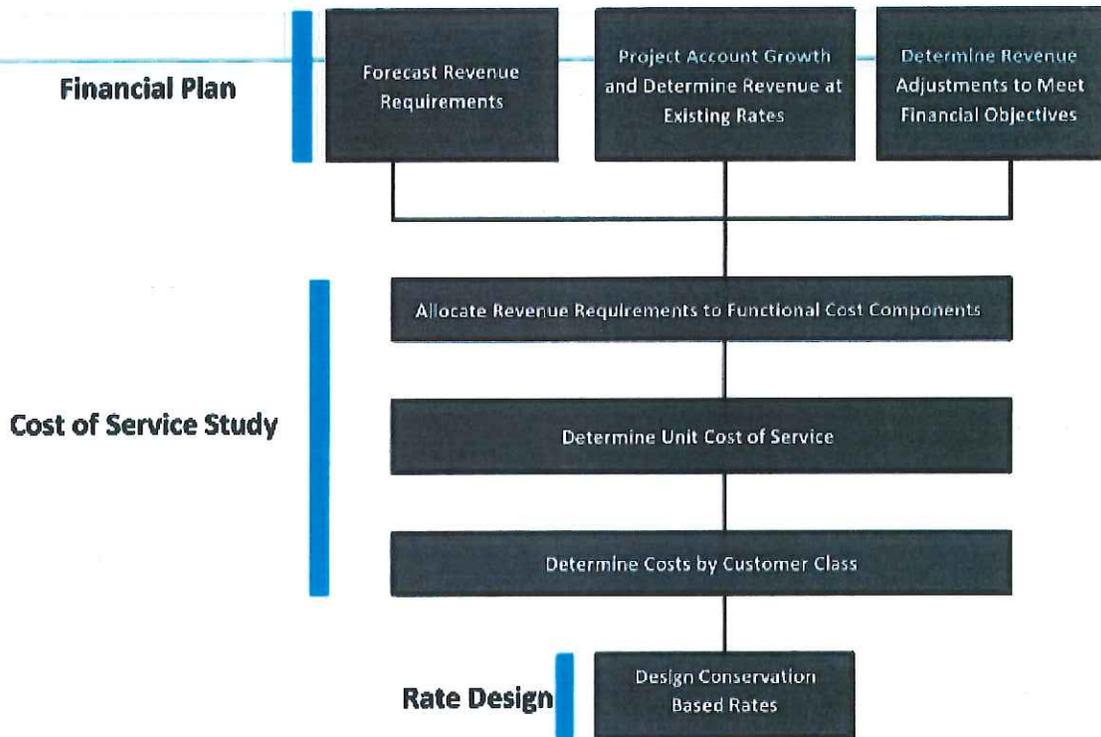
The Water Enterprise functional costs will then be allocated to cost categories such as water supply, water system costs to meet average demand (or base costs), extra capacity costs to meet maximum day, maximum hour demand, customer service, and meter capacity to determine the unit cost for each cost categories.

The Wastewater Enterprise functional costs will then be allocated to cost categories such as flow (discharge), bio-oxygen demand, total suspended solids, and customer service.

Step 3 – Allocate Functional Costs to Customer Classes

Next, the functional expenses allocated to the various cost components will be apportioned to the unique customer classifications on the basis of the relative responsibility of each classification for service provided. Costs will be allocated based on the determination of units of service for each customer classification and the application of unit costs of service to the respective units.

Throughout the cost allocation process, RFC will comply with the City’s policy considerations, procedures, and guidelines applicable to charges for water service and wastewater service and ensure that proposed rates are in compliance with Proposition 218.



TASK 3.2 COST BASED TIERED RATES

As part of RFC’s rate structure review and development, we will update the existing tiered rate based on the most recent usage patterns of the City’s customers analyzed in Task 3.1. We will determine any adjustments to the existing tiered widths, update the unit prices for each rate component which make up each tiered rate, and incorporate pass-through provisions authorized by Government Code Section 53756 for costs outside the control of the City, such as increases in purchased water from the Metropolitan Water District. As part of updating the City’s 3-tiered inclining rate structure, RFC will develop a Water Rate Model that identify total usage passing through each tier, revenue generated from each tier, and customer impacts caused from any updates made to the tiered rates. The rates will be calculated to recover the revenue requirements determined in Task 2 and will have a toggle to turn the pass-through rate component “on” and “off” to clearly show how incorporating the pass-through component affects rates.

The Dashboard (sample Dashboard shown below), which displays key variables and results in real-time on screen, will facilitate discussion to reach a consensus quickly on rates. To help facilitate informed

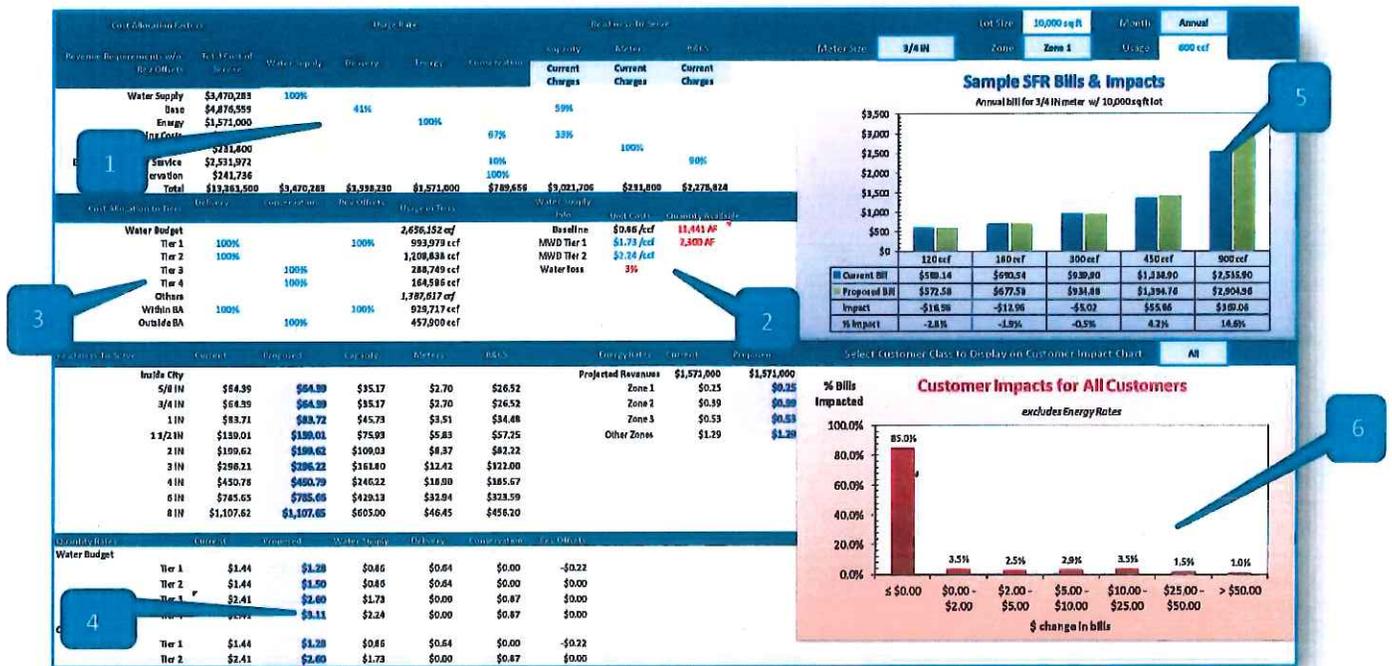
decision making, the Model will also include a summary of financial impacts on customers resulting from the proposed cost-based conservation rate structure as shown on the following page.

Key Variables

1. Cost allocations to different rate components — the total revenue requirement is distributed amongst the various costs such as water supply, pumping, treatment, etc.
2. Water Supply Costs Information for Incremental / Marginal Water Supply Rate Components — the supply costs for the next available source of water supply which is a primary driver of pricing for higher tier usage.
3. Cost recovery in tiers — how the costs to provide service are distributing between tiers.

Results

4. Resulting Proposed Rates — the proposed rates based on the parameters set with the key variables.
5. Sample SFR bills impacts at various usage levels — a graphical representation of how the proposed rate structure will impact customers' bills. Note the ability to change the meter size, lot size, zone and the billing period for the bill calculations. This tool has proven particularly useful for public outreach campaigns and during the Proposition 218 process.
6. Overall customer impact — a summary of how customers will see changes in their bills if the proposed rate structure is adopted and RFC will compare the impact between each rate alternative. In either case, the rates will be cost-based. This is an invaluable tool to facilitate informed decision making and to assist the City in determining which alternative rate structure is the most appropriate rate structure for the City and its customers.



To help communicate with customers about the drivers and the rationale behind the proposed tiered rates. The water rates will have several cost components, including water supply costs, the City's system costs (delivery costs), conservation costs and other revenues to offset water system costs. An example,

the Rate structure developed for East Valley Water District is shown on the next page. The following table conceptually displays the different variable rate components included in each tier.

Tier	Ground Water	Surface Water	Imported Water	GW Recharge	Delivery	Conservation	Tier Demand (Tier 1 = Base)
Tier 1	✓			✓	✓		✓
Tier 2	✓	✓		✓	✓	✓	✓
Tier 3		✓	✓	✓	✓	✓	✓

Note, for example, every tier pays for groundwater recharge and delivery because all tiers benefit from local groundwater and the delivery of every unit of water. At the same time, demand in higher tiers force the East Valley Water District to obtain more expensive sources of water so those costs, and the costs for conservation programs, reflect the relative financial burden of high consumption. The following table summarizes the components that make-up each of the East Valley Water District's tiered rates.

Tiers	Ground Water	Surface Water	Imported Water	GW Recharge	Delivery	Conservation	Tier Demand (Tier 1 = Base)	Rate
Tier 1	\$0.49			\$0.12	\$0.55		\$0.29	\$1.45
Tier 2	\$0.49	\$0.70		\$0.12	\$0.55	\$0.43	\$0.41	\$2.07
Tier 3		\$0.70	\$0.85	\$0.12	\$0.55	\$0.75	\$0.71	\$2.89

This exercise showing the cost components for each tier will be performed with any rate structure selected to clearly show that the tiered rates are cost based.

TASK 3.3 – ALTERNATIVE RATE STRUCTURE ANALYSIS

Task 3.2 provides the nexus and rationale for the City's tiered rates, which is required regardless of what type of tiered rate structure the City desires. Based on our recent meeting on April 18, 2017, the City desires to review various rate structures to continue to promote conservation and account for the limited groundwater water supply the City has based on their adjudicated water rights. RFC will review various alternate rate structures, including a two-tiered rate structure based on ground water availability and imported water, a three-tiered rate structure with the tiered widths based on indoor needs for Tier 1, water availability based on the City's pumping rights when the ground basin is under 500 feet and over 500 feet, and the cost incurred for imported water as well as the potential need for purchasing supplemental water for groundwater recharge and/or storage for reliability purposes due to excessive water usage over groundwater availability. RFC has been instrumental in the evolution of water rate structures in California and the guidelines for developing defensible rate structures that comply with the cost of service principles of Proposition 218.

As part of the rate alternatives to consider, RFC will develop a Water Rate Model that will calculate revenue and customer impacts and conduct sensitivity analyses on up to three different rate alternatives. The Water Rate Model will consider household population, water supplies, adjudicated water pumping rights, potentially the natural replenishment yield of the ground water basin, and the need for supplemental water as well as pass-through provisions for increases associated with external costs, such as, imported water and electricity. The Water Rate Model will have the following features:

- **Basis for Tiered Widths.** The ability to evaluate different policy options associated with defining tiered widths based on defining indoor use efficiency, available groundwater supplies, or historical water usage data. Using the identified criteria, RFC will develop 3 different rate options for defining tiered widths.
- **Rate Calculations and Customer Impact Analysis.** The model determines the revenues recovered in each tier and the associated price for each tier. In addition, the model will be able to easily update tiered rates, based on the future revenue requirements. With each of the three rate alternatives, RFC will conduct a detailed impact analysis at the customer account level for the City to clearly understand and compare how each proposed rate structure would impact its customers.

In addition, the pass-through provisions will be incorporated as part of each rate alternative

TASK 3.4 – WASTEWATER UTILITY COST OF SERVICE ANALYSIS

Based on the revenue requirements identified in the financial plan developed in Task 2, the wastewater expenses are allocated to cost components, including capacity-related costs, commodity costs, customer costs, treatment costs, and other direct and indirect costs consistent with industry standards. The end goal of this task is to distribute the cost components to customer classes based on the cost responsibility of each. The result is the total cost to serve each customer class and is used as the basis to develop rates. RFC will allocate costs using three different methods as follows:

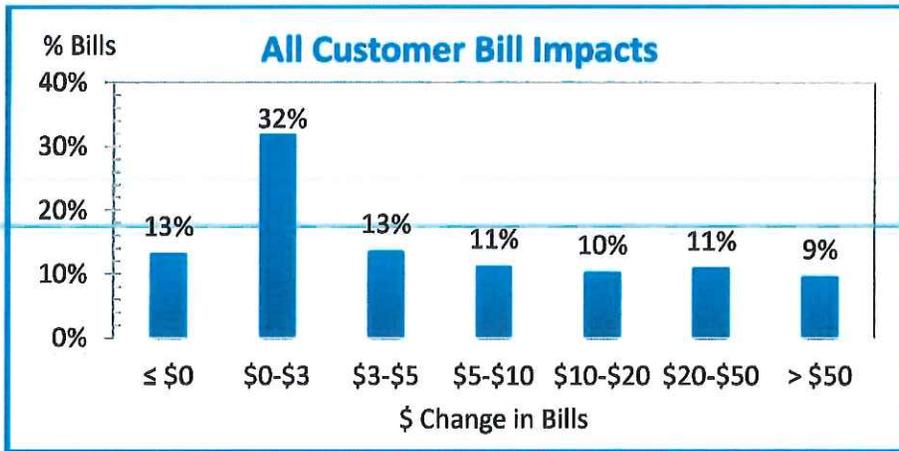
1. Based on winter use flow or gallons used per capita per day by residents
2. Strength blended into volumetric (Non-residential)
3. Volumetric + lbs per of BOD and TSS for higher strength non-residential loads

For the wastewater rate study cost of service analysis, RFC will use methodologies set forth by the WEF in their *Manual of Practice No.27, Financing and Charges for Wastewater Systems*. Cost allocations among customer classes are based on the flow and wastewater “strength” of each class. The strength of each class is determined by the biochemical oxygen demand and total suspended solids of its wastewater effluent.

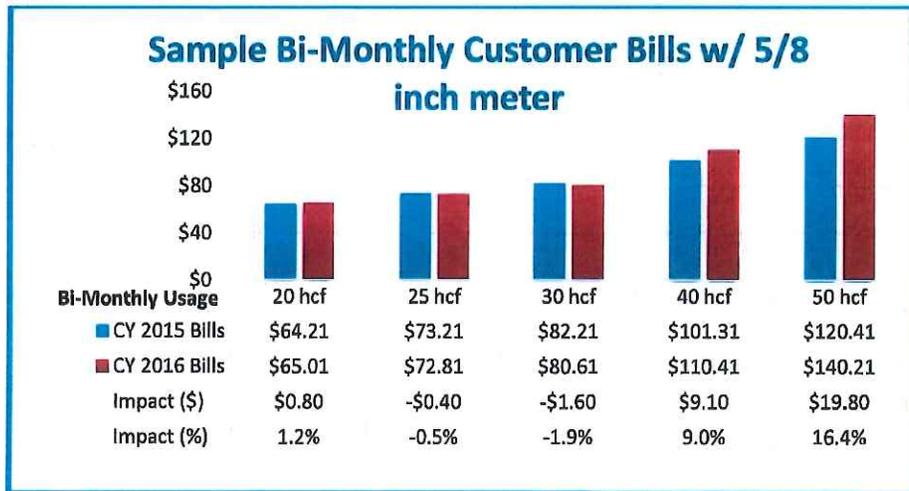
Throughout the wastewater cost allocation process, RFC will incorporate the City’s policy considerations, as well as current federal, state, and local rules and regulations such as Proposition 218 and California Urban Water Conservation Council guidelines. RFC will develop wastewater rate models with the flexibility to compare the current rate structure with the proposed rate structures. The models will have the capability to examine different rate scenarios to enhance revenue stability in light of competing objectives, such as affordability for essential needs and conservation. RFC will evaluate multiple rate structures, including Fixed + volumetric, based on potable water consumption; fixed monthly charge for residential customers, and fixed monthly charge to residential customers based expected flow.

TASK 3.5 – PERFORM CUSTOMER IMPACT ANALYSIS

Regardless of rate structure selected for Water and Wastewater Utilities, each will have the ability to perform customer Impact Analysis. The Impact Analysis charts are a great tool to measure a rate structure’s effect on customer bills and has proven particularly useful during the community outreach stage of an upcoming rate adjustment. Below is a sample customer bill impact chart from San Gabriel County Water District. This chart shows that 13% of customers will experience either a reduction or no change in their bills, 32% will see an increase of \$0 to \$3, etc.



The following chart, also from San Gabriel County Water District, shows bill impacts for new rates at the individual level. This chart shows bill impacts at the individual level at differing levels of consumption with two different rate structures.



Deliverable(s): Utility Rate Models.

Meeting(s)/Conference(s): (1) in person meetings with City Staff to discuss Cost of Service, Water Rates, and Wastewater Rates.

Deliverable(s): Draft COS Utility Rate Models in Microsoft Office Excel® 2013 showing calculated proposed rates and customer impact analyses

COPY

TASK 4 – FINAL REPORT PREPARATION AND PUBLIC HEARING

TASK 4.1 – REPORT PREPARATION

The process for developing the proposed rates will be described in a draft report. This draft report will include an executive summary highlighting the major issues and decisions and an overview of operations, CIP, the financial plans and the final utility rates resulting from the Study. The discussion on rate structure selection from the report developed will be presented as a comprehensive section on the rate design assumptions and methodologies used to develop the user-rate calculations and financial planning. Comments from City staff will be incorporated into the Final Report.

Recent court cases decisions have emphasized the importance for a thorough administrative record and defensible methodology of the final rates for service. As a means to ensure that the study includes a thorough administrative record, the Final Report will include an exhibit listing all rate design assumptions and methodologies used to develop the financial plan and rates. It is imperative that the Report clearly show the nexus between the proposed charges for service and the cost to provide said service. The Report will lead the reader through RFC's methodology to arrive at rates that are equitable, reflect the City's policies and values, and are driven by the City's revenue requirements. The Report's ability to explain the rate development process in a clear and understandable manner will promote financial transparency, heighten legal defensibility, and uphold the City's strong reputation with the public. The Final Report will be submitted to the City and will include appropriate supporting data from the Model to address the requirements of Proposition 218.

TASK 4.2 –PUBLIC HEARING

RFC will be in attendance at one Public Hearing to assist the City with answering questions from the public.

Meeting(s)/Conference(s): One (1) Public Hearing

Deliverable(s): Draft and Final Reports

 COPY

Project Fees

We propose to complete the scope of work outlined above and detailed in the following table on a time and materials basis with a "not-to-exceed" cost of \$74,025. The following work plan provides a breakdown of the estimated level of effort required for completing each phase described and the hourly billing rates for the personnel scheduled to complete the project. In addition, the Fee breakdown for Statistical Research, Inc. is provided as Exhibit A

We appreciate the opportunity to submit this proposal and look forward to assisting the City on this important project. If you have any questions or need additional information, please contact me at (951) 387-4352.

Task	Task Descriptions	No of Webinars	No of Meetings	PD	PM	SC	Total	Total Fees & Expenses
				\$310	\$255	\$190		Total
1	Project Management, Kick-off, and Data Collection		1	4	8	12	24	\$5,950
2	Financial Plan Development For Each Utility	2	1		24	40	64	\$14,510
3	Cost of Service Analysis For Each Utility and Rate Design							
3.1	WATER UTILITY COST OF SERVICE ANALYSIS				4	14	18	\$3,860
3.2	COST BASED TIERED RATES	1		2	8	16	26	\$5,960
3.3	ALTERNATE RATE STRUCTURE ANALYSIS	1		2	25	60	87	\$19,265
3.4	WASTEWATER UTILITY COST OF SERVICE ANALYSIS			2	8	10	20	\$4,760
3.5	PERFORM CUSTOMER IMPACT ANALYSIS		1	2	4	4	10	\$2,650
4	Final Report Preparation and Public Hearing		1	8	24	40	72	\$17,070
TOTAL ESTIMATED MEETINGS / HOURS		1	4	20	105	196	321	
PROFESSIONAL FEES				\$6,200	\$26,775	\$37,240	\$70,215	
Total Fees								\$70,215
RFC Expenses								\$3,810
TOTAL FEES & EXPENSES								\$74,025

PD - Project Director (Sanjay Gaur)
 PM - Project Manger (Habib Isaac)
 SC - Staff Consultants

Sincerely,



Habib Isaac
Senior Manager



**PROFESSIONAL SERVICES AGREEMENT
FOR CONSULTANT SERVICES**

(City of Sierra Madre / Raftelis Financial Consultants, Inc.)

1. IDENTIFICATION

This PROFESSIONAL SERVICES AGREEMENT (“Agreement”) is entered into by and between the City of Sierra Madre, a California municipal corporation (“City”), and Raftelis Financial Consultants, Incorporated, a North Carolina (“Consultant”).

2. RECITALS

- 2.1. City has determined that it requires the following professional services from a consultant: Preparation of water and sewer rate studies, including support through the Proposition 218 rate adoption process.
- 2.2. Consultant represents that it is fully qualified to perform such professional services by virtue of its experience and the training, education and expertise of its principals and employees. Consultant further represents that it is willing to accept responsibility for performing such services in accordance with the terms and conditions set forth in this Agreement.
- 2.3. Consultant represents that it has no known relationships with third parties, City Council members, or employees of City which would (1) present a conflict of interest with the rendering of services under this Agreement under Government Code Section 1090, the Political Reform Act (Government Code Section 81000 *et seq.*), or other applicable law, (2) prevent Consultant from performing the terms of this Agreement, or (3) present a significant opportunity for the disclosure of confidential information.

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

3. DEFINITIONS

- 3.1. “Scope of Services”: Such professional services as are set forth in Consultant’s **June 1, 2017** proposal to City attached hereto as Exhibit A and incorporated herein by this reference.
- 3.2. “Agreement Administrator”: The Agreement Administrator for this project is Jose Reynoso, Utility Service Director. The Agreement Administrator shall be the principal point of contact at the City for this project. All services under this Agreement shall be performed at the request of the Agreement Administrator. The Agreement Administrator will establish the timetable for completion of services and any interim milestones. City reserves the right to change this designation upon written notice to Consultant

- 3.3. "Approved Fee Schedule": Consultant's compensation rates are set forth in the fee schedule attached hereto as Exhibit B and incorporated herein by this reference. This fee schedule shall remain in effect for the duration of this Agreement unless modified in writing by mutual agreement of the parties.
- 3.4. "Maximum Amount": The highest total compensation and costs payable to Consultant by City under this Agreement. The Maximum Amount under this Agreement is Seventy Four thousand twenty five Dollars (\$74,025).
- 3.5. "Commencement Date": May 10, 2016.
- 3.6. "Termination Date": Upon completion of Proposition 218 Rate setting process.

4. TERM

The term of this Agreement shall commence at 12:00 a.m. on the Commencement Date and shall expire at 11:59 p.m. on the Termination Date unless extended by written agreement of the parties or terminated earlier under Section 18 ("Termination") below. Consultant may request extensions of time to perform the services required hereunder. Such extensions shall be effective if authorized in advance by City in writing and incorporated in written amendments to this Agreement.

5. CONSULTANT'S DUTIES

- 5.1. **Services.** Consultant shall perform the services identified in the Scope of Services. City shall have the right to request, in writing, changes in the Scope of Services. Any such changes mutually agreed upon by the parties, and any corresponding increase or decrease in compensation, shall be incorporated by written amendment to this Agreement.
- 5.2. **Coordination with City.** In performing services under this Agreement, Consultant shall coordinate all contact with City through its Agreement Administrator.
- 5.3. **Budgetary Notification.** Consultant shall notify the Agreement Administrator, in writing, when fees and expenses incurred under this Agreement have reached eighty percent (80%) of the Maximum Amount. Consultant shall concurrently inform the Agreement Administrator, in writing, of Consultant's estimate of total expenditures required to complete its current assignments before proceeding, when the remaining work on such assignments would exceed the Maximum Amount.
- 5.4. **Business License.** Consultant shall obtain and maintain in force a City business license for the duration of this Agreement.

- 5.5. **Professional Standards.** Consultant shall perform all work to the standards of Consultant's profession and in a manner reasonably satisfactory to City. Consultant shall keep itself fully informed of and in compliance with all local, state, and federal laws, rules, and regulations in any manner affecting the performance of this Agreement, including all Cal/OSHA requirements, the conflict of interest provisions of Government Code § 1090 and the Political Reform Act (Government Code § 81000 et seq.).
- 5.6. **Avoid Conflicts.** During the term of this Agreement, Consultant shall not perform any work for another person or entity for whom Consultant was not working at the Commencement Date if such work would present a conflict interfering with performance under this Agreement. However, City may consent in writing to Consultant's performance of such work.
- 5.7. **Appropriate Personnel.** Consultant has, or will secure at its own expense, all personnel required to perform the services identified in the Scope of Services. All such services shall be performed by Consultant or under its supervision, and all personnel engaged in the work shall be qualified to perform such services. Habib Isaac shall be Consultant's project administrator and shall have direct responsibility for management of Consultant's performance under this Agreement. No change shall be made in Consultant's project administrator without City's prior written consent.
- 5.8. **Substitution of Personnel.** Any persons named in the proposal or Scope of Services constitutes a promise to the City that those persons will perform and coordinate their respective services under this Agreement. Should one or more of such personnel become unavailable, Consultant may substitute other personnel of at least equal competence upon written approval of City. If City and Consultant cannot agree as to the substitution of key personnel, City may terminate this Agreement for cause.
- 5.9. **Permits and Approvals.** Consultant shall obtain, at its sole cost and expense, all permits and regulatory approvals necessary for Consultant's performance of this Agreement. This includes, but shall not be limited to, professional licenses, encroachment permits and building and safety permits and inspections.
- 5.10. **Notification of Organizational Changes.** Consultant shall notify the Agreement Administrator, in writing, of any change in name, ownership or control of Consultant's firm or of any subcontractor. Change of ownership or control of Consultant's firm may require an amendment to this Agreement.
- 5.11. **Records.** Consultant shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services or expenditures and disbursements charged to City under this Agreement for a minimum of three (3) years, or for any longer period required by law, from the date of final payment to Consultant under this Agreement. All such documents shall be made available for inspection, audit, and/or copying at any time during regular business hours, upon oral or written request of City. In addition, pursuant to

Government Code Section 8546.7, if the amount of public funds expended under this Agreement exceeds ten thousand dollars, all such documents and this Agreement shall be subject to the examination and audit of the State Auditor, at the request of City or as part of any audit of City, for a period of three (3) years after final payment under this Agreement.

6. SUBCONTRACTING

- 6.1. **General Prohibition.** This Agreement covers professional services of a specific and unique nature. Except as otherwise provided herein, Consultant shall not assign or transfer its interest in this Agreement or subcontract any services to be performed without amending this Agreement.
- 6.2. **Consultant Responsible.** Consultant shall be responsible to City for all services to be performed under this Agreement.
- 6.3. **Identification in Fee Schedule.** All subcontractors shall be specifically listed and their billing rates identified in the Approved Fee Schedule, Exhibit B. Any changes must be approved by the Agreement Administrator in writing as an amendment to this Agreement.
- 6.4. **Compensation for Subcontractors.** City shall pay Consultant for work performed by its subcontractors, if any, only at Consultant's actual cost plus an approved mark-up as set forth in the Approved Fee Schedule, Exhibit B. Consultant shall be liable and accountable for any and all payments, compensation, and federal and state taxes to all subcontractors performing services under this Agreement. City shall not be liable for any payment, compensation, or federal and state taxes for any subcontractors.

7. COMPENSATION

- 7.1. **General.** City agrees to compensate Consultant for the services provided under this Agreement, and Consultant agrees to accept payment in accordance with the Fee Schedule in full satisfaction for such services. Compensation shall not exceed the Maximum Amount. Consultant shall not be reimbursed for any expenses unless provided for in this Agreement or authorized in writing by City in advance.
- 7.2. **Invoices.** Consultant shall submit to City an invoice, on a monthly basis or as otherwise agreed to by the Agreement Administrator, for services performed pursuant to this Agreement. Each invoice shall identify the Maximum Amount, the services rendered during the billing period, the amount due for the invoice, and the total amount previously invoiced. All labor charges shall be itemized by employee name and classification/position with the firm, the corresponding hourly rate, the hours worked, a description of each labor charge, and the total amount due for labor charges.

- 7.3. **Taxes.** City shall not withhold applicable taxes or other payroll deductions from payments made to Consultant except as otherwise required by law. Consultant shall be solely responsible for calculating, withholding, and paying all taxes.
- 7.4. **Disputes.** The parties agree to meet and confer at mutually agreeable times to resolve any disputed amounts contained in an invoice submitted by Consultant.
- 7.5. **Additional Work.** Consultant shall not be reimbursed for any expenses incurred for work performed outside the Scope of Services unless prior written approval is given by the City through a fully executed written amendment. Consultant shall not undertake any such work without prior written approval of the City.
- 7.6. **City Satisfaction as Precondition to Payment.** Notwithstanding any other terms of this Agreement, no payments shall be made to Consultant until City is satisfied that the services are satisfactory.
- 7.7. **Right to Withhold Payments.** If Consultant fails to provide a deposit or promptly satisfy an indemnity obligation described in Section 11, City shall have the right to withhold payments under this Agreement to offset that amount.

8. PREVAILING WAGES

Consultant is aware of the requirements of California Labor Code Section 1720, et seq., and 1770, et seq., as well as California Code of Regulations, Title 8, Section 16000, et seq., ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on certain "public works" and "maintenance" projects. Consultant shall defend, indemnify, and hold the City, its elected officials, officers, employees, and agents free and harmless from any claim or liability arising out of any failure or alleged failure of Consultant to comply with the Prevailing Wage Laws.

9. OWNERSHIP OF WRITTEN PRODUCTS

All reports, documents or other written material ("written products" herein) developed by Consultant in the performance of this Agreement shall be and remain the property of City without restriction or limitation upon its use or dissemination by City except as provided by law. Consultant may take and retain copies of such written products as desired, but no such written products shall be the subject of a copyright application by Consultant.

10. RELATIONSHIP OF PARTIES

- 10.1. **General.** Consultant is, and shall at all times remain as to City, a wholly independent contractor.

- 10.2. **No Agent Authority.** Consultant shall have no power to incur any debt, obligation, or liability on behalf of City or otherwise to act on behalf of City as an agent. Neither City nor any of its agents shall have control over the conduct of Consultant or any of Consultant's employees, except as set forth in this Agreement. Consultant shall not represent that it is, or that any of its agents or employees are, in any manner employees of City.
- 10.3. **Independent Contractor Status.** Under no circumstances shall Consultant or its employees look to the City as an employer. Consultant shall not be entitled to any benefits. City makes no representation as to the effect of this independent contractor relationship on Consultant's previously earned California Public Employees Retirement System ("CalPERS") retirement benefits, if any, and Consultant specifically assumes the responsibility for making such a determination. Consultant shall be responsible for all reports and obligations including, but not limited to: social security taxes, income tax withholding, unemployment insurance, disability insurance, and workers' compensation, and other applicable federal and state taxes.
- 10.4. **Indemnification of CalPERS Determination.** 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 CalPERS to be eligible for enrollment in CalPERS as an employee of the City, Consultant shall indemnify, defend, and hold harmless City for the payment of any employee and/or employer contributions for CalPERS 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.

11. INDEMNIFICATION

- 11.1 **Definitions.** For purposes of this Section 11, "Consultant" shall include Consultant, its officers, employees, servants, agents, or subcontractors, or anyone directly or indirectly employed by either Consultant or its subcontractors, in the performance of this Agreement. "City" shall include City, its officers, agents, employees and volunteers.
- 11.2 **Consultant to Indemnify City.** To the fullest extent permitted by law, Consultant shall indemnify, hold harmless, and defend City from and against any and all claims, losses, costs or expenses for any personal injury or property damage arising out of or in connection with Consultant's alleged negligence, recklessness or willful misconduct or other wrongful acts, errors or omissions of Consultant or failure to comply with any provision in this Agreement.
- 11.3 **Scope of Indemnity.** Personal injury shall include injury or damage due to death or injury to any person, whether physical, emotional, consequential or otherwise, Property damage shall include injury to any personal or real property. Consultant shall not be required to indemnify City for such loss or damage as is caused by the sole active negligence or willful misconduct of the City.

- 11.4 **Attorneys Fees.** Such costs and expenses shall include reasonable attorneys' fees for counsel of City's choice, expert fees and all other costs and fees of litigation. Consultant shall not be entitled to any refund of attorneys' fees, defense costs or expenses in the event that it is adjudicated to have been non-negligent.
- 11.5 **Defense Deposit.** The City may request a deposit for defense costs from Consultant with respect to a claim. If the City requests a defense deposit, Consultant shall provide it within 15 days of the request.
- 11.6 **Waiver of Statutory Immunity.** The obligations of Consultant under this Section 11 are not limited by the provisions of any workers' compensation act or similar act. Consultant expressly waives its statutory immunity under such statutes or laws as to City.
- 11.7 **Indemnification by Subcontractors.** Consultant agrees to obtain executed indemnity agreements with provisions identical to those set forth here in this Section 11 from each and every subcontractor or any other person or entity involved in the performance of this Agreement on Consultant's behalf.
- 11.8 **Insurance Not a Substitute.** City does not waive any indemnity rights by accepting any insurance policy or certificate required pursuant to this Agreement. Consultant's indemnification obligations apply regardless of whether or not any insurance policies are determined to be applicable to the claim, demand, damage, liability, loss, cost or expense.

12. INSURANCE

- 12.1. **Insurance Required.** Consultant shall maintain insurance as described in this section and shall require all of its subcontractors, consultants, and other agents to do the same. Approval of the insurance by the City shall not relieve or decrease any liability of Consultant. Any requirement for insurance to be maintained after completion of the work shall survive this Agreement.
- 12.2. **Documentation of Insurance.** City will not execute this agreement until it has received a complete set of all required documentation of insurance coverage. However, failure to obtain the required documents prior to the work beginning shall not waive the Consultant's obligation to provide them. Consultant shall file with City:
- Certificate of Insurance, indicating companies acceptable to City, with a Best's Rating of no less than A:VII showing. The Certificate of Insurance must include the following reference: City of Sierra Madre Water and Sewer Rate Study
 - Documentation of Best's rating acceptable to the City.
 - Original endorsements effecting coverage for all policies required by this Agreement.
 - Complete, certified copies of all required insurance policies, including endorsements affecting the coverage.

12.3. **Coverage Amounts.** Insurance coverage shall be at least in the following minimum amounts:

- Professional Liability Insurance: \$1,000,000 per occurrence,
\$2,000,000 aggregate

- General Liability:
 - General Aggregate: \$2,000,000
 - Products Comp/Op Aggregate \$2,000,000
 - Personal & Advertising Injury \$1,000,000
 - Each Occurrence \$1,000,000
 - Fire Damage (any one fire) \$ 50,000
 - Medical Expense (any 1 person) \$ 5,000

- Workers' Compensation:
 - Workers' Compensation Statutory Limits
 - EL Each Accident \$1,000,000
 - EL Disease - Policy Limit \$1,000,000
 - EL Disease - Each Employee \$1,000,000

- Automobile Liability
 - Any vehicle, combined single limit \$1,000,000

Any available insurance proceeds broader than or in excess of the specified minimum insurance coverage requirements or limits shall be available to the additional insured. Furthermore, the requirements for coverage and limits shall be the greater of (1) the minimum coverage and limits specified in this Agreement, or (2) the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the named insured

12.4. **General Liability Insurance.** Commercial General Liability Insurance shall be no less broad than ISO form CG 00 01. Coverage must be on a standard Occurrence form. Claims-Made, modified, limited or restricted Occurrence forms are not acceptable.

12.5. **Worker's Compensation Insurance.** Consultant is aware of the provisions of Section 3700 of the Labor Code which requires every employer to carry Workers' Compensation (or to undertake equivalent self-insurance), and Consultant will comply with such provisions before commencing the performance of the work of this Agreement. If such insurance is underwritten by any agency other than the State Compensation Fund, such agency shall be a company authorized to do business in the State of California.

12.6. **Automobile Liability Insurance.** Covered vehicles shall include owned if any, non-owned, and hired automobiles and, trucks.

- 12.7. **Professional Liability Insurance or Errors & Omissions Coverage.** The deductible or self-insured retention may not exceed \$50,000. If the insurance is on a Claims-Made basis, the retroactive date shall be no later than the commencement of the work. Coverage shall be continued for two years after the completion of the work by one of the following: (1) renewal of the existing policy; (2) an extended reporting period endorsement; or (3) replacement insurance with a retroactive date no later than the commencement of the work under this Agreement.
- 12.8. **Claims-Made Policies.** If any of the required policies provide coverage on a claims-made basis the Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work. Claims-Made Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract of work. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the Consultant must purchase "extended reporting" coverage for a minimum of five (5) years after completion of contract work.
- 12.9. **Additional Insured Endorsements.** The City, its City Council, Commissions, officers, and employees of Sierra Madre must be endorsed as an additional insured for each policy required herein, other than Professional Errors and Omissions and Worker's Compensation, for liability arising out of ongoing and completed operations by or on behalf of the Consultant. Consultant's insurance policies shall be primary as respects any claims related to or as the result of the Consultant's work. Any insurance, pooled coverage or self-insurance maintained by the City, its elected or appointed officials, directors, officers, agents, employees, volunteers, or consultants shall be non-contributory. All endorsements shall be signed by a person authorized by the insurer to bind coverage on its behalf. General liability coverage can be provided using an endorsement to the Consultant's insurance at least as broad as ISO Form CG 20 10 11 85 or both CG 20 10 and CG 20 37.
- 12.10. **Failure to Maintain Coverage.** In the event any policy is canceled prior to the completion of the project and the Consultant does not furnish a new certificate of insurance prior to cancellation, City has the right, but not the duty, to obtain the required insurance and deduct the premium(s) from any amounts due the Consultant under this Agreement. Failure of the Consultant to maintain the insurance required by this Agreement, or to comply with any of the requirements of this section, shall constitute a material breach of this Agreement.
- 12.11. **Notices.** Consultant shall provide immediate written notice if (1) any of the required insurance policies is terminated; (2) the limits of any of the required policies are reduced; (3) or the deductible or self-insured retention is increased. Consultant shall provide no less than 30 days' notice of any cancellation or material change to policies required by this Agreement. Consultant shall provide proof that cancelled or expired policies of insurance have been renewed or replaced with other policies providing at

least the same coverage. Such proof will be furnished at least two weeks prior to the expiration of the coverages. The name and address for Additional Insured Endorsements, Certificates of Insurance and Notices of Cancellation is: City of Sierra Madre, Attn: [Jose Reynoso], 232 W. Sierra Madre Blvd., Sierra Madre, CA 91024.

- 12.12. **Consultant's Insurance Primary.** The insurance provided by Consultant, including all endorsements, shall be primary to any coverage available to City. Any insurance or self-insurance maintained by City and/or its officers, employees, agents or volunteers, shall be in excess of Consultant's insurance and shall not contribute with it.
- 12.13. **Waiver of Subrogation.** Consultant hereby waives all rights of subrogation against the City. Consultant shall additionally waive such rights either by endorsement to each policy or provide proof of such waiver in the policy itself.
- 12.14. **Report of Claims to City.** Consultant shall report to the City, in addition to the Consultant's insurer, any and all insurance claims submitted to Consultant's insurer in connection with the services under this Agreement.
- 12.15. **Premium Payments and Deductibles.** Consultant must disclose all deductibles and self-insured retention amounts to the City. The City may require the Consultant to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within retention amounts. Ultimately, City must approve all such amounts prior to execution of this Agreement.

City has no obligation to pay any premiums, assessments, or deductibles under any policy required in this Agreement. Consultant shall be responsible for all premiums and deductibles in all of Consultant's insurance policies. The amount of deductibles for insurance coverage required herein are subject to City's approval.

- 12.16. **Duty to Defend and Indemnify.** Consultant's duties to defend and indemnify City under this Agreement shall not be limited by the foregoing insurance requirements and shall survive the expiration of this Agreement.

13. MUTUAL COOPERATION

- 13.1. **City Cooperation in Performance.** City shall provide Consultant with all pertinent data, documents and other requested information as is reasonably available for the proper performance of Consultant's services under this Agreement.
- 13.2. **Consultant Cooperation in Defense of Claims.** If any claim or action is brought against City relating to Consultant's performance in connection with this Agreement, Consultant shall render any reasonable assistance that City may require in the defense of that claim or action.

14. NOTICES

Any notices, bills, invoices, or reports required by this Agreement shall be deemed received on: (i) the day of delivery if delivered by hand, facsimile or overnight courier service during Consultant's and City's regular business hours; or (ii) on the third business day following deposit in the United States mail if delivered by mail, postage prepaid, to the addresses listed below (or to such other addresses as the parties may, from time to time, designate in writing).

If to City

City of Sierra Madre
[Public Works/Utilities Division]
232 W. Sierra Madre Blvd.
Sierra Madre, CA 91024
Telephone: (626) 355-7135
Facsimile: (626) 355-2251

If to Consultant

Raftelis Financial Consultants, Inc.
24640 Jefferson Avenue, Suite 207
Murrieta, CA 92562
Telephone: 951-698-0985

With courtesy copy to:

Teresa L. Highsmith, Esq.
Sierra Madre City Attorney
Colantuono, Highsmith & Whatley, PC
300 South Grand Ave., Ste. 2700
Los Angeles, CA 90071-3137
Telephone: (213) 542-5700
Facsimile: (213) 542-5710

15. SURVIVING COVENANTS

The parties agree that the covenants contained in paragraph 5.11 (Records), paragraph 10.4 (Indemnification of CalPERS Determination), Section 11 (Indemnity), paragraph 12.8 (Claims-Made Policies), paragraph 13.2 (Consultant Cooperation in Defense of Claims), and paragraph 18.1 (Confidentiality) of this Agreement shall survive the expiration or termination of this Agreement, subject to the provisions and limitations of this Agreement and all otherwise applicable statutes of limitations and repose.

16. TERMINATION

- 16.1. **City Termination.** City may terminate this Agreement for any reason on five calendar days' written notice to Consultant. Consultant agrees to cease all work under this Agreement on or before the effective date of any notice of termination. All City data, documents, objects, materials or other tangible things shall be returned to City upon the termination or expiration of this Agreement.

- 16.2. **Consultant Termination.** Consultant may terminate this Agreement for a material breach of this Agreement upon 30 days' notice.
- 16.3. **Compensation Following Termination.** Upon termination, Consultant shall be paid based on the work satisfactorily performed at the time of termination. In no event shall Consultant be entitled to receive more than the amount that would be paid to Consultant for the full performance of the services required by this Agreement. The City shall have the benefit of such work as may have been completed up to the time of such termination.
- 16.4. **Remedies.** City retains any and all available legal and equitable remedies for Consultant's breach of this Agreement.

17. INTERPRETATION OF AGREEMENT

- 17.1. **Governing Law.** This Agreement shall be governed and construed in accordance with the laws of the State of California.
- 17.2. **Integration of Exhibits.** All documents referenced as exhibits in this Agreement are hereby incorporated into this Agreement. In the event of any material discrepancy between the express provisions of this Agreement and the provisions of any document incorporated herein by reference, the provisions of this Agreement shall prevail. This instrument contains the entire Agreement between City and Consultant with respect to the transactions contemplated herein. No other prior oral or written agreements are binding upon the parties. Amendments hereto or deviations herefrom shall be effective and binding only if made in writing and executed on by City and Consultant.
- 17.3. **Headings.** The headings and captions appearing at the commencement of the sections hereof, and in any paragraph thereof, are descriptive only and for convenience in reference to this Agreement. Should there be any conflict between such heading, and the section or paragraph thereof at the head of which it appears, the language of the section or paragraph shall control and govern in the construction of this Agreement.
- 17.4. **Pronouns.** Masculine or feminine pronouns shall be substituted for the neuter form and vice versa, and the plural shall be substituted for the singular form and vice versa, in any place or places herein in which the context requires such substitution(s).
- 17.5. **Severability.** If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, then such term or provision shall be amended to, and solely to the extent necessary to, cure such invalidity or unenforceability, and shall be enforceable in its amended form. In such event, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected, and each term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

- 17.6. **No Presumption Against Drafter.** Each party had an opportunity to consult with an attorney in reviewing and drafting this agreement. Any uncertainty or ambiguity shall not be construed for or against any party based on attribution of drafting to any party.

18. GENERAL PROVISIONS

- 18.1. **Confidentiality.** All data, documents, discussion, or other information developed or received by Consultant for performance of this Agreement are deemed confidential and Consultant shall not disclose it without prior written consent by City. City shall grant such consent if disclosure is legally required. All City data shall be returned to City upon the termination or expiration of this Agreement.
- 18.2. **Conflicts of Interest.** Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. Consultant further agrees to file, or shall cause its employees or subcontractor to file, a Statement of Economic Interest with the City's Filing Officer if required under state law in the performance of the services. For breach or violation of this warranty, City shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer, or employee of City, during the term of his or her service with City, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.
- 18.3. **Non-assignment.** Consultant shall not delegate, transfer, subcontract or assign its duties or rights hereunder, either in whole or in part, without City's prior written consent, and any attempt to do so shall be void and of no effect. City shall not be obligated or liable under this Agreement to any party other than Consultant.
- 18.4. **Binding on Successors.** This Agreement shall be binding on the successors and assigns of the parties.
- 18.5. **No Third-Party Beneficiaries.** Except as expressly stated herein, there is no intended third-party beneficiary of any right or obligation assumed by the parties.
- 18.6. **Time of the Essence.** Time is of the essence for each and every provision of this Agreement.
- 18.7. **Non-Discrimination.** Consultant shall not discriminate against any employee or applicant for employment because of race, sex (including pregnancy, childbirth, or related medical condition), creed, national origin, color, disability as defined by law, disabled veteran status, Vietnam veteran status, religion, age (40 and above), medical condition (cancer-related), marital status, ancestry, or sexual orientation. Employment

actions to which this provision applies shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; or in terms, conditions or privileges of employment, and selection for training. Consultant agrees to post in conspicuous places, available to employees and applicants for employment, the provisions of this nondiscrimination clause.

- 18.8. **Waiver.** No provision, covenant, or condition of this Agreement shall be deemed to have been waived by City or Consultant unless in writing signed by one authorized to bind the party asserted to have consented to the waiver. The waiver by City or Consultant of any breach of any provision, covenant, or condition of this Agreement shall not be deemed to be a waiver of any subsequent breach of the same or any other provision, covenant, or condition.
- 18.9. **Excused Failure to Perform.** Consultant shall not be liable for any failure to perform if Consultant presents acceptable evidence, in City's sole judgment, that such failure was due to causes beyond the control and without the fault or negligence of Consultant.
- 18.10. **Remedies Non-Exclusive.** Each right, power and remedy provided for herein or now or hereafter existing at law, in equity, by statute, or otherwise shall be cumulative and shall be in addition to every other right, power, or remedy provided for herein or now or hereafter existing at law, in equity, by statute, or otherwise. The exercise, the commencement of the exercise, or the forbearance from the exercise by any party of any one or more of such rights, powers or remedies shall not preclude the simultaneous or later exercise by such party of any or all of such other rights, powers or remedies.
- 18.11. **Attorneys' Fees.** If legal action shall be necessary to enforce any term, covenant or condition contained in this Agreement, each party shall pay its own costs, including any accountants' and attorneys' fees expended in the action.
- 18.12. **Venue.** The venue for any litigation shall be Los Angeles County, California and Consultant hereby consents to jurisdiction in Los Angeles County for purposes of resolving any dispute or enforcing any obligation arising under this Agreement.

TO EFFECTUATE THIS AGREEMENT, the parties have caused their duly authorized representatives to execute this Agreement on the dates set forth below.

"City"
City of Sierra Madre

By: _____

Printed: _____

Gabriel Engeland

"Consultant"
Raftelis Financial Consultants, Inc.

By: _____

Printed: _____

Habib Isaac

Title: *[Signature]* City Manager

Title: Senior Manager

Date: August 8, 2017

Date: 6-14-17

Attest:

By: *[Signature]*
Assistant City Clerk

Date: August 8, 2017

Approved as to form:

By: *[Signature]*
~~Teresa L. Highsmith, City Attorney~~
Holly O. Whatley, Assistant City Attorney

Date: 7/12/17

ATTACHMENT 3

RAFTELIS

227 W. Trade Street
 Suite 1400
 Charlotte, NC 28202



Sierra Madre, City of
 232 W. Sierra Madre Blvd.
 Sierra Madre, CA 91024

June 11, 2018
 Invoice No: 10107
 <Draft>

Project R-SRCA1708.00 R-SRCA1708.00 Sierra Madre - Water and Sewer Rate Study

Professional Services from May 1, 2018 to May 31, 2018

Professional Personnel

	Hours	Rate	Amount	
Sr. Manager				
Isaac, Habib	40.00	255.00	10,200.00	
Sr. Consultant				
Boehling, Andrea	2.50	200.00	500.00	
Associate				
Demine, Lauren	15.00	150.00	2,250.00	
Gonzalez, Franklin	63.50	150.00	9,525.00	
Administration				
Jasso, Jessica	.50	75.00	37.50	
Totals	121.50		22,512.50	
Total Professional Fees				22,512.50
		Total this Invoice		\$22,512.50

Outstanding Invoices

Number	Date	Balance
SRCA1708-05.	1/11/2018	7,382.50
Total		7,382.50

	Current	Prior	Total	Received	A/R Balance
Billings to Date	22,512.50	73,983.16	96,495.66	66,600.66	29,895.00



City of Sierra Madre Agenda Report

Denise Delmar, Mayor
John Harabedian, Mayor Pro Tem
Rachelle Arizmendi, Council Member
John Capoccia, Council Member
Gene Goss, Council Member

Sue Spears, City Clerk
Michael Amerio City Treasurer

TO: Honorable Mayor and Members of the City Council

FROM: Marcie Medina, Assistant City Manager 

REVIEWED BY: Gabriel Engeland, City Manager 

DATE: July 10, 2018

SUBJECT: **CITY OF SIERRA MADRE RESOLUTION NO. 18-34:
AUTHORIZING THE EXECUTION AND DELIVERY OF A FIRST
AMENDMENT TO 2017 INSTALLMENT PURCHASE
AGREEMENT AND AUTHORIZING THE EXECUTION AND
DELIVERY OF DOCUMENTS AND THE TAKING OF ALL OTHER
ACTIONS REQUIRED IN CONNECTION THEREWITH.**

STAFF RECOMMENDATION

Staff recommends the City Council approve City of Sierra Madre Resolution 18-34: Resolution of the City of Sierra Madre, authorizing the execution and delivery of a First Amendment to 2017 Installment Purchase Agreement and authorizing the execution and delivery of documents and the taking of all other actions required in connection therewith.

SUMMARY

The City Council approved the 2017 Installment Purchase Agreement which refinanced the the Water 1998A and 2003 Bond Debt at the October 12, 2017 City Council Meeting. The terms of the agreement provided for an adjustment to the interest rate upon change to the Maximum Federal Corporate Tax Rate. This adjustment was made effective January 1, 2018 which increased the interest rate from 3.6% to 4.3754% per annum. The City has worked with the Bank to reduce the interest rate to 4.100% per annum.

FINANCIAL REVIEW

The reduction in the interest rate will result in estimated net savings of over \$140,000 over the term of the agreement to the water fund.

CEQA / ENVIRONMENTAL

N/A

PUBLIC NOTICE PROCESS

This item has been noticed through the regular agenda notification process. Copies of this report are available at the City Hall public counter, at the Sierra Madre Public Library, and can be accessed on the City's website at www.cityofsierramadre.com.

Attachment(s): City of Sierra Madre Resolution No. 18-34
First Amendment to 2017 Installment Purchase Agreement

FOR CITY COUNCIL AGENDA _____

ITEM NUMBER_ 1D

CITY OF SIERRA MADRE RESOLUTION No. 18-34

A RESOLUTION OF THE CITY OF SIERRA MADRE, AUTHORIZING THE EXECUTION AND DELIVERY OF A FIRST AMENDMENT TO 2017 INSTALLMENT PURCHASE AGREEMENT AND AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS AND THE TAKING OF ALL OTHER ACTIONS REQUIRED IN CONNECTION THEREWITH.

WHEREAS, the City of Sierra Madre (the "City"), and Holman Capital Corporation ("Holman") entered into the 2017 Installment Purchase Agreement dated October 31, 2017 (the "Agreement"), pursuant to which the City refinanced its Water Revenue Refunding Bonds, Series 1998A, and its Water Revenue Parity Bonds, Series 2003;

WHEREAS, Holman assigned all of its right, title, and interest in the Agreement to Banner Bank (the "Bank") on October 31, 2017;

WHEREAS, by the terms of the Agreement, the effective interest rate with respect to the City's installment payments increased as of January 1, 2018, from 3.60% to 4.3754% per annum;

WHEREAS, the Bank and the City now wish to reduce the effective interest rate with respect to the City's payments under the Agreement to 4.100% per annum and revise the schedule of installment payments to reflect the interest rate reduction;

WHEREAS, the City will pay the legal fees of counsel to the Bank incurred in connection with the amendment process;

WHEREAS, the First Amendment to 2017 Installment Purchase Agreement (the "First Amendment"), between the City and the Bank, which is incorporated herein by reference, has been presented to the City Council for its review and approval; and

WHEREAS, the execution and delivery of the First Amendment is desirable and in the best interests of the City in that it will lower the payments due under the Agreement;

NOW, THEREFORE, THE CITY OF SIERRA MADRE DOES RESOLVE AS FOLLOWS:

Section 1. Approval of First Amendment. The City Council hereby approves the First Amendment in substantially the form presented to this meeting and authorizes and directs the City Manager and any other officer designated by the City Manager (the "Designated Officers"), and each of them individually, for and in the name of and on behalf of the City, to execute and deliver the First Amendment in such form with such changes, insertions, revisions, corrections, or amendments as shall be approved by the Designated Officer executing it; provided that the effective interest rate with respect to the City's payments under the Agreement shall be 4.100% per annum and the legal fees payable by the City shall not exceed \$7,500. The execution of the foregoing by a Designated Officer constitutes conclusive evidence of such officer's and the City Council's approval

of any such changes, insertions, revisions, corrections, or amendments to the form of the First Amendment presented to this meeting.

Section 2. No General Liability. Nothing contained in this Resolution, the First Amendment, nor any other instrument shall be construed with respect to the City as incurring a pecuniary liability or charge upon the general credit of the City or against its taxing power, nor shall the breach of any agreement contained in this Resolution, the First Amendment, or any other instrument or document executed in connection therewith impose any pecuniary liability upon the City or any charge upon its general credit or against its taxing power, except to the extent that the installment sale payments payable under the First Amendment are special limited obligations of the City as provided therein.

Section 3. General Authorization. The City Council hereby authorizes and directs the officers of the City, and each of them, for and in the name of and on behalf of the City, to do any and all things and to execute and deliver any and all documents that they may deem necessary or advisable in order to complete the delivery of the First Amendment and otherwise to carry out, give effect to, and comply with the terms and intent of this resolution. All actions heretofore taken by such officers and agents that are in conformity with the purposes and intent of this resolution are hereby ratified, confirmed and approved in all respects.

Section 4. Effective Date. This Resolution shall be effective immediately upon its approval and adoption.

APPROVED AND ADOPTED this 10th day of July 2018.

ORIGINAL SIGNED

Denise Delmar, Mayor,
City of Sierra Madre

I hereby certify that the foregoing City Resolution No. 18-34 was adopted at a regular meeting of the City Council of the City of Sierra Madre held on this 10th day of July 2018 by the following vote:

AYES:

NOES:

ABSENT:

ORIGINAL SIGNED

Sue Spears,
City Clerk,
City of Sierra Madre

KMTG draft
circulated 3 JUL 2018

**FIRST AMENDMENT TO
2017 INSTALLMENT PURCHASE AGREEMENT**

between

BANNER BANK

and the

CITY OF SIERRA MADRE, CALIFORNIA

Dated July 3, 2018

THIS FIRST AMENDMENT TO 2017 INSTALLMENT PURCHASE AGREEMENT (this "First Amendment") dated July 11, 2018, is entered into between Banner Bank (the "Bank"), and the City of Sierra Madre, California (the "City").

Recitals

WHEREAS, the City and Holman Capital Corporation ("Holman") entered into the Installment Purchase Agreement dated October 31, 2017 (the "Agreement");

WHEREAS, Holman assigned all of its right, title, and interest in the Agreement to the Bank on October 31, 2017; and

WHEREAS, the Bank and the City now wish to amend the Agreement by revising the schedule of installment payments;

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

I. Definitions. For all purposes of this First Amendment and of any certificate, opinion, or other document herein mentioned, unless the context otherwise requires or unless otherwise defined herein, all defined terms shall have the meanings set forth in the Agreement.

II. Amendment to Agreement. The schedule of 2017 Installment Payments attached to the Agreement as Exhibit B is hereby replaced in its entirety with the schedule attached hereto as Exhibit A.

III. Additional Amounts Payable by the City. On July 11^{bb}, 2018, the City shall pay to the Bank the sum of \$56,114.96, which represents the amount of interest with respect to the Agreement accrued from April 30, 2018, to July 11, 2018. The City shall also pay the fees of counsel to the Bank incurred in connection with this First Amendment, which are \$5,000 for Kronick, Moskovitz, Tiedemann & Girard, a Professional Corporation, and an amount not to exceed \$2,500 for Davis Wright Tremaine LLP.

IV. Provisions of the Agreement. Except as this First Amendment expressly provides, every term and condition contained in the Agreement applies to this First Amendment with the same force and effect as if the same were herein set forth at length, with such omissions, variations and modifications thereof as may be appropriate to make the same conform to this First Amendment.

This First Amendment and all the terms and provisions herein contained form part of the Agreement as fully and with the same effect as if all such terms and provisions had been set forth in the Agreement. The Agreement is hereby ratified and confirmed and continues in full force and effect in accordance with the terms and provisions thereof, as amended hereby.

V. Effect of Headings. The headings or titles of the several Sections hereof are solely for convenience of reference and do not affect the meaning, construction, or effect of this First Amendment.

VI. Execution in Counterparts~~Error! Bookmark not defined.~~ This First Amendment may be executed in several counterparts, each of which shall be deemed an original, and all of which constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment by their officers thereunto duly authorized as of the day and year first written above.

BANNER BANK

By: _____

CITY OF SIERRA MADRE, CALIFORNIA

By: _____
Gabriel Engeland, City Manager

[Signature Page to First Amendment to 2017 Installment Purchase Agreement]

EXHIBIT A

2017 INSTALLMENT PAYMENTS

The installment payments shall be made for the Equipment as follows:

Disbursement Date: July 11, 2018
Interest Rate: 4.100

Repayment Schedule: irregular
Calculation Method: 30 /360 U.S. Rule

Payment Number	Payment Date	Payment Amount	Interest Paid	Principal Paid	Remaining Balance
1	10-31-2018	81,466.51	81,466.51	0.00	6,502,869.78
2	10-31-2018	262,933.55	0.00	262,933.55	6,239,936.23
2018 TOTALS:		344,400.06	81,466.51	262,933.55	
3	04-30-2019	127,918.69	127,918.69	0.00	6,239,936.23
4	04-30-2019	158,711.40	0.00	158,711.40	6,081,224.83
5	10-31-2019	124,665.11	124,665.11	0.00	6,081,224.83
6	10-31-2019	161,568.21	0.00	161,568.21	5,919,656.62
2019 TOTALS:		572,863.41	252,583.80	320,279.61	
7	04-30-2020	121,362.96	121,362.96	0.00	5,919,656.62
8	04-30-2020	164,476.44	0.00	164,476.44	5,755,180.18
9	10-31-2020	117,981.19	117,981.19	0.00	5,755,180.18
10	10-31-2020	167,437.01	0.00	167,437.01	5,587,743.17
2020 TOTALS:		571,247.60	239,334.15	331,913.45	
11	04-30-2021	114,548.73	114,548.73	0.00	5,587,743.17
12	04-30-2021	170,450.88	0.00	170,450.88	5,417,292.29
13	10-31-2021	111,054.49	111,054.49	0.00	5,417,292.29
14	10-31-2021	173,519.00	0.00	173,519.00	5,243,773.29
2021 TOTALS:		569,573.10	226,603.22	343,969.88	
15	04-30-2022	107,497.35	107,497.35	0.00	5,243,773.29
16	04-30-2022	176,642.34	0.00	176,642.34	5,067,130.95
17	10-31-2022	103,876.18	103,876.18	0.00	5,067,130.95
18	10-31-2022	179,821.90	0.00	179,821.90	4,887,309.05
2022 TOTALS:		567,837.77	211,373.53	356,464.24	
19	04-30-2023	100,189.84	100,189.84	0.00	4,887,309.05
20	04-30-2023	183,058.69	0.00	183,058.69	4,704,250.36
21	10-31-2023	96,437.13	96,437.13	0.00	4,704,250.36
22	10-31-2023	186,353.75	0.00	186,353.75	4,517,896.61
2023 TOTALS:		566,039.41	196,626.97	369,412.44	
23	04-30-2024	92,616.88	92,616.88	0.00	4,517,896.61
24	04-30-2024	189,708.12	0.00	189,708.12	4,328,188.49
25	10-31-2024	88,727.86	88,727.86	0.00	4,328,188.49
26	10-31-2024	193,122.86	0.00	193,122.86	4,135,065.63
2024 TOTALS:		564,175.72	181,344.74	382,830.98	
27	04-30-2025	84,768.85	84,768.85	0.00	4,135,065.63
28	04-30-2025	196,599.08	0.00	196,599.08	3,938,466.55
29	10-31-2025	80,738.56	80,738.56	0.00	3,938,466.55
30	10-31-2025	200,137.86	0.00	200,137.86	3,738,328.69
2025 TOTALS:		562,244.35	165,507.41	396,736.94	
31	04-30-2026	76,635.74	76,635.74	0.00	3,738,328.69
32	04-30-2026	203,740.34	0.00	203,740.34	3,534,588.35
33	10-31-2026	72,459.06	72,459.06	0.00	3,534,588.35
34	10-31-2026	207,407.67	0.00	207,407.67	3,327,180.68
2026 TOTALS:		560,242.81	149,094.80	411,148.01	

**AMORTIZATION SCHEDULE
(Continued)**

Loan No: 72198478

Page 2

35	04-30-2027	68,207.20	68,207.20	0.00	3,327,160.68
36	04-30-2027	211,141.00	0.00	211,141.00	3,116,039.68
37	10-31-2027	63,878.81	63,878.81	0.00	3,116,039.68
38	10-31-2027	214,941.54	0.00	214,941.54	2,901,098.14
2027 TOTALS:		588,168.55	132,086.01	426,082.54	
39	04-30-2028	59,472.51	59,472.51	0.00	2,901,098.14
40	04-30-2028	218,810.49	0.00	218,810.49	2,682,287.65
41	10-31-2028	54,986.90	54,986.90	0.00	2,682,287.65
42	10-31-2028	222,749.08	0.00	222,749.08	2,459,538.57
2028 TOTALS:		556,018.98	114,459.41	441,559.57	
43	04-30-2029	50,420.54	50,420.54	0.00	2,459,538.57
44	04-30-2029	226,758.56	0.00	226,758.56	2,232,780.01
45	10-31-2029	45,771.99	45,771.99	0.00	2,232,780.01
46	10-31-2029	230,840.22	0.00	230,840.22	2,001,939.79
2029 TOTALS:		553,791.31	96,192.53	457,598.78	
47	04-30-2030	41,039.77	41,039.77	0.00	2,001,939.79
48	04-30-2030	234,995.34	0.00	234,995.34	1,766,944.45
49	10-31-2030	36,222.36	36,222.36	0.00	1,766,944.45
50	10-31-2030	239,225.26	0.00	239,225.26	1,527,719.19
2030 TOTALS:		551,482.73	77,262.13	474,220.60	
51	04-30-2031	31,318.24	31,318.24	0.00	1,527,719.19
52	04-30-2031	243,531.31	0.00	243,531.31	1,284,187.88
53	10-31-2031	26,325.85	26,325.85	0.00	1,284,187.88
54	10-31-2031	247,914.87	0.00	247,914.87	1,036,273.01
2031 TOTALS:		549,090.27	57,644.09	491,446.18	
55	04-30-2032	21,243.60	21,243.60	0.00	1,036,273.01
56	04-30-2032	252,377.34	0.00	252,377.34	783,895.67
57	10-31-2032	16,069.86	16,069.86	0.00	783,895.67
58	10-31-2032	256,920.13	0.00	256,920.13	526,975.54
2032 TOTALS:		546,610.93	37,313.46	509,297.47	
59	04-30-2033	10,803.00	10,803.00	0.00	526,975.54
60	04-30-2033	261,544.70	0.00	261,544.70	265,430.84
61	10-31-2033	270,872.17	5,441.33	265,430.84	0.00
2033 TOTALS:		543,219.87	16,244.33	526,975.54	
TOTALS:		8,737,006.87	2,234,137.09	6,502,869.78	

NOTICE: This is an estimated loan amortization schedule. Actual amounts may vary if payments are made on different dates or in different amounts.

TABLE WP 774 F 000 Con 11/1/84 Copyright 1997, 2018. Original Version. CA 47, www.fishbase.org, 10/10/2019 09:02

RESOLUTION NUMBER 18-38

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SIERRA MADRE
APPROVING CERTAIN DEMANDS**

WHEREAS, the following demands have been reviewed and approved by the Finance Director; and,

WHEREAS, the Finance Director has verified that appropriated funds are available for payment thereof; and,

WHEREAS, the register of audited demands has been submitted to the City Council for approval; and

WHEREAS, City Warrants are the payment of bills, invoices and contractual obligations incurred by the City of Sierra Madre during the period enumerated therein, based on the approved fiscal year budget and existing budgetary authority, Municipal Code authority, or prior policy direction by the City Council; and

WHEREAS, Payroll Transfer is the transfer of funds to cover the payroll costs for all City employees for the period enumerated therein.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Sierra Madre does hereby approve payment of City Warrants in the aggregate amount of \$120,398.52 ;Sierra Madre Library Warrants in aggregate amount of \$6,694.44 and Payroll Transfer in the aggregate amount of \$394,737.68 for the fiscal year ending June 30, 2018.

APPROVED AND ADOPTED this 10th day of July, 2018.

Mayor, City of Sierra Madre, California

I hereby certify that the foregoing Resolution Number 18-38 was adopted by the City Council of the City of Sierra Madre at a regular meeting held on the 10th day of July, 2018.

AYES:

NOES:

ABSTAIN:

Warrant Register 7/10/18**Attachment 1A**

Fiscal Year	Description	Amount	Page #
FY1718	Manual Warrants	5,398.47	1-3
FY 1718	General Warrants - Utility Bills	1,250.27	4
FY1718	General Warrants	113,749.78	5-8
	Total	120,398.52	

Fiscal Year	Description	Amount	
FY 1718	Library Manual Warrants	250.00	9
FY 1718	Library Warrants	6,444.44	10-11
	Total	6,694.44	

Date: 6/28/18	Payroll # 13: Electronic Tansfers From: City of Sierra Madre-General Acct. To: City of Sierra Madre-Payroll Acct.	\$394,737.68	
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**City of Sierra Madre
Department of Finance
Warrant Register Recap
City Council Meeting of July 10, 2018**

CITY OF SIERRA MADRE AND SIERRA MADRE LIBRARY

City of Sierra Madre Warrants	\$120,398.52
Sierra Madre Library Warrants	\$6,694.44
Payroll #13 Transfer.....	\$394,737.68



City of Sierra Madre, CA

Check Approval Register

Page 1

Packet: APPKT04053 - GEMCTY062018

Check Date: 06/21/2018

Vendor Set: 01 - Vendor Set 01

Vendor Number	Vendor Name	Invoice #	Invoice Description	Account Number	Distribution Amount
Fund: 77003 - SPECIAL EVENTS					
<u>VEN02181</u>	RON TOWLES				
APBWEST	Check	<u>INV022792</u>	CONCERTS IN THE PARK	77003.79002.52999	1,200.00
				Fund 77003 Total:	1,200.00
				Report Total:	1,200.00



City of Sierra Madre, CA

Check Approval Register

Page 2

Packet: APPKT04057 - ST&MFIN062118

Check Date: 06/25/2018

Vendor Set: 01 - Vendor Set 01

Vendor Number	Vendor Name	Invoice #	Invoice Description	Account Number	Distribution Amount
Fund: 38005 - GAS TAX FUND					
<u>1016</u>	STATE CONTROLLER'S OFFICE				
APBWEST	Check	<u>FAUD-00001347-061</u>	ANNUAL STREET REPORT 16/17	38005.83500.52001	2,500.00
				Fund 38005 Total:	2,500.00
Fund: 60003 - INT SVC FND - TECHNOLOGY					
<u>VENO1031</u>	MAILFINANCE				
APBWEST	Check	<u>N7185291</u>	FY 17-18 POSTAGE MACHINE LEASE PYMNT	60003.30000.53210	1,616.47
				Fund 60003 Total:	1,616.47
				Report Total:	4,116.47



City of Sierra Madre, CA

Check Approval Register

Page 3

Packet: APPKT04064 - MNCKPD062818

Check Date: 06/28/2018

Vendor Set: 02 - Vendor Set 02

Vendor Number	Vendor Name	Invoice #	Invoice Description	Account Number	Distribution Amount
Fund: 10000 - GENERAL FUND					
<u>VEN03167</u>	VERONICA SCHLETTE				
APBWEST	Check	<u>INV022851</u>	PARKING CIT REFUND	10000.00000.44003	82.00
				Fund 10000 Total:	82.00
				Report Total:	82.00



City of Sierra Madre, CA

Check Approval Register

Page 4

Packet: APPKT04058 - UB062018

Check Date: 06/25/2018

Vendor Set: 01 - Vendor Set 01

Vendor Number	Vendor Name	Invoice #	Invoice Description	Account Number	Distribution Amount
Fund: 60001 - INT SVC FND - FACILITIES MGT					
<u>0384</u>	SOUTHERN CALIF. EDISON CO.				
APBWEST	Check	<u>2036613305-060518</u>	ELEC CHGS 5/3-6/4/18	60001.83200.55003	1,167.63
				Fund 60001 Total:	1,167.63
Fund: 60003 - INT SVC FND - TECHNOLOGY					
<u>1749</u>	PACIFIC TELEMANAGEMENT SERVICE				
APBWEST	Check	<u>991804</u>	PAY PHONE 7/1-7/31/18	60003.30000.55005	82.64
				Fund 60003 Total:	82.64
				Report Total:	1,250.27



City of Sierra Madre, CA

Check Approval Register

Page 5

Packet: APPKT04079 - GEN071018

Check Date: 07/05/2018

Vendor Set: 01 - Vendor Set 01

Vendor Number	Vendor Name	Invoice #	Invoice Description	Account Number	Distribution Amount
Fund: 10000 - GENERAL FUND					
<u>0109</u>	AIRGAS USA				
APBWEST	Check	<u>9077182466</u>	FY 2017-18 MEDICAL OXYGEN	10000.64000.53300	1,315.81
<u>1644</u>	AMAZON				
APBWEST	Check	<u>2681864</u>	POSTER PAPER	10000.70000.53999	143.00
<u>VEN02212</u>	BLACK & WHITE EMERGENCY VEHICLES				
APBWEST	Check	<u>2552</u>	VEHICLE REPAIR	10000.50000.52302	210.00
<u>1200</u>	BLUE DIAMOND MATERIALS				
APBWEST	Check	<u>1214314</u>	ASPHALT	10000.83500.53206	29.23
		<u>1217144</u>	ASPHALT	10000.83500.53206	31.84
<u>0169</u>	CITY ELECTRIC SUPPLY				
APBWEST	Check	<u>PDA/005614</u>	Inv# PDA 004616	10000.83300.53001	16.12
<u>0326</u>	CITY OF PASADENA				
APBWEST	Check	<u>30002562</u>	blanket po - inmate housing	10000.50000.52003	954.00
<u>VEN02001</u>	ELLEN'S SILKSCREENING				
APBWEST	Check	<u>67254</u>	STAFF UNIFORMS	10000.70000.53303	244.84
<u>1462</u>	FASCHING'S CAR WASH				
APBWEST	Check	<u>INV022804-MAY18</u>	blanket po - car wash/police veh mntc	10000.50000.52302	182.45
<u>0398</u>	HONG L. TAM				
APBWEST	Check	<u>INV022806</u>	Plan Check & Structural Services	10000.40000.52100	7,856.98
		<u>INV022807</u>	Plan Check & Structural Services	10000.40000.52100	6,346.95
<u>VEN02088</u>	JCL TRAFFIC SERVICES				
APBWEST	Check	<u>95355</u>	FY 17-18 STREET MAINTENANCE SUPPLIES	10000.83500.53206	488.09
<u>0463</u>	KUSTOM SIGNALS, INC.				
APBWEST	Check	<u>554058</u>	BATTERY PACK	10000.50000.53300	264.99
<u>VEN01551</u>	LACPCA				
APBWEST	Check	<u>INV022808</u>	LACPCA REGISTRATION	10000.50000.53409	200.00
<u>1348</u>	LANDS' END BUSINESS OUTFITTERS				
APBWEST	Check	<u>SIN6338212</u>	STAFF UNIFORMS	10000.70000.53303	223.16
<u>0515</u>	LANDSCAPE WAREHOUSE				
APBWEST	Check	<u>2561203</u>	FY 17-18 IRRIGATION SUPPLIES	10000.83300.53001	54.51
<u>0640</u>	LIFE-ASSIST INC.				
APBWEST	Check	<u>860283</u>	FY 2017-18 EMS SUPPLIES	10000.64000.53300	3,355.29
<u>1065</u>	MAIL BOX & POSTAL				
APBWEST	Check	<u>INV022805</u>	blanket po - shipping n postage	10000.50000.53101	31.43
<u>0884</u>	MOBILE MINI, INC.				
APBWEST	Check	<u>9004430956</u>	RENTAL STORAGE	10000.50000.53300	114.38
<u>0786</u>	OFFICE DEPOT, INC				
APBWEST	Check	<u>128215144001</u>	OFFICE SUPPLIES	10000.40000.53100	280.00
<u>VEN01608</u>	PHOENIX GROUP INFORMATION SYSTEMS				
APBWEST	Check	<u>052018200</u>	blanket po - parking citation svcs	10000.50000.52200	1,240.22
<u>0336</u>	POST ALARM SYSTEMS				
APBWEST	Check	<u>MK142</u>	ALARM MONITORING	10000.50000.53103	695.56
<u>0552</u>	RKA CONSULTING GROUP				
APBWEST	Check	<u>27681</u>	Engineering Design Services for FY 2017-18 Street	10000.83500.52100	1,190.00
<u>VEN01256</u>	SKY BLUEPRINT & SUPPILES INC				
APBWEST	Check	<u>B60391</u>	PRINTING SERVICES	10000.40000.53102	23.00
<u>VEN01257</u>	STANDARD INSURANCE COMPANY				
APBWEST	Check	<u>INV022865</u>	FF INS	10000.61000.51303	195.30
Fund 10000 Total:					25,687.15
Fund: 37004 - LOCAL TRANSPORTATION/PROP A					
<u>1717</u>	LACMTA				
APBWEST	Check	<u>102156</u>	Senior Disable Tap Card	37004.70000.52001	168.00

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 Vendor Set: 01 - Vendor Set 01

Fund 37004 Total: 168.00
 Check Date: 07/05/2018

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Vendor Number	Vendor Name	Invoice #	Invoice Description	Account Number	Distribution Amount
Fund: 37006 - SENIOR CENTER					
<u>1717</u>	LACMTA				
APBWEST	Check	<u>102156</u>	Senior Disable Tap Card	37006.72000.53999	72.00
Fund 37006 Total:					72.00
Fund: 38004 - ENVIRONMENTAL FUND					
<u>0574</u>	WEST COAST ARBORISTS, INC.				
APBWEST	Check	<u>137417</u>	FY 17-18 ANNUAL TREE MAINTENANCE	38004.83300.52200	2,400.00
Fund 38004 Total:					2,400.00
Fund: 60000 - INT SVC FND - FLEET					
<u>0207</u>	ERNIE'S AUTO PARTS				
APBWEST	Check	<u>14IN332995</u>	FY 17-18 VEHICLE MAINTENACE	60000.83100.53208	91.85
		<u>14IN332976</u>	FY 17-18 VEHICLE MAINTENACE	60000.83100.53208	61.85
<u>0243</u>	HOSE MAN				
APBWEST	Check	<u>2349036-0001-02</u>	FY 17-18 FLEET MAINTENANCE	60000.83100.53208	51.22
<u>1454</u>	JDS TANK TESTING & REPAIR INC				
APBWEST	Check	<u>11967</u>	FY 17-18 TANK TESTING AND MAINTENANCE	60000.83100.55001	140.00
<u>VEN01027</u>	STUBBIES				
APBWEST	Check	<u>17719</u>	DECALS	60000.83100.53208	21.90
Fund 60000 Total:					366.82
Fund: 60001 - INT SVC FND - FACILITIES MGT					
<u>VEN02961</u>	ARAMARK UNIFORM & CAREER APPAREL GROUP INC				
APBWEST	Check	<u>533218813</u>	FY 17-18 JANITORIAL SUPPLIES	60001.83200.53200	34.37
		<u>533390112</u>	FY 17-18 JANITORIAL SUPPLIES	60001.83200.53200	85.02
		<u>533441684</u>	FY 17-18 UNIFORM CLEANING	60001.83200.53303	260.97
		<u>533407208</u>	FY 17-18 UNIFORM CLEANING	60001.83200.53303	260.97
		<u>533424521</u>	UNIFORMS	60001.83200.53303	260.97
<u>0714</u>	CINTAS CORPORATION #693				
APBWEST	Check	<u>693121791</u>	UNIFORM	60001.83200.53303	128.17
		<u>693119788</u>	UNIFORM	60001.83200.53303	122.96
<u>0791</u>	CITY ELECTRIC SUPPLY				
APBWEST	Check	<u>PDA/005739</u>	Maintenance supplies	60001.83200.53200	8.89
		<u>PDA/005718</u>	Maintenance supplies	60001.83200.53200	62.97
<u>0290</u>	MARX BROS FIRE EXTINGUISHERS				
APBWEST	Check	<u>E50952</u>	FY 17-18 FIRE EXTINGUISHER	60001.83200.52200	2,233.99
<u>1278</u>	MICHAEL E POWERS & ASSOC INC.				
APBWEST	Check	<u>6261</u>	Planning Department build out	60001.83200.56010	8,314.51
<u>1372</u>	ORKIN COMMERCIAL SERVICES				
APBWEST	Check	<u>171067768</u>	FY 17-18 PEST CONTROL	60001.83200.52200	162.29
		<u>171066830</u>	FY 17-18 PEST CONTROL	60001.83200.52200	70.00
		<u>171067767</u>	FY 17-18 PEST CONTROL	60001.83200.52200	162.29
		<u>171067627</u>	FY 17-18 PEST CONTROL	60001.83200.52200	250.00
		<u>171067916</u>	FY 17-18 PEST CONTROL	60001.83200.52200	205.15
<u>0336</u>	POST ALARM SYSTEMS				
APBWEST	Check	<u>1077906</u>	FY 17-18 ALARM MONITORING	60001.83200.52200	50.87
		<u>1064027</u>	FY 17-18 ALARM MONITORING	60001.83200.52200	47.50
		<u>1069589</u>	FY 17-18 ALARM MONITORING	60001.83200.52200	50.87
		<u>1067117</u>	FY 17-18 ALARM MONITORING	60001.83200.52200	42.00
		<u>1069749</u>	FY 17-18 ALARM MONITORING	60001.83200.52200	38.00
		<u>1072648</u>	FY 17-18 ALARM MONITORING	60001.83200.52200	21.50
		<u>1064461</u>	FY 17-18 ALARM MONITORING	60001.83200.52200	21.50
		<u>1072188</u>	FY 17-18 ALARM MONITORING	60001.83200.52200	47.50
		<u>1078081</u>	FY 17-18 ALARM MONITORING	60001.83200.52200	38.00
		<u>1075325</u>	FY 17-18 ALARM MONITORING	60001.83200.52200	42.00
Fund 60001 Total:					13,023.26
Fund: 60002 - INT SVC FND - ADMINISTRATION					
<u>0786</u>	OFFICE DEPOT, INC				
APBWEST	Check	<u>128215144001A</u>	Office Supplies	60002.30000.53100	102.78
		<u>139699775001</u>	Office Supplies	60002.30000.53100	93.36

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Vendor Number	Vendor Name	Invoice #	Invoice Description	Account Number	Distribution Amount
Bank Code	Payment Type				
<u>1799</u>	TYLER TECHNOLOGIES INC				
APBWEST	Check	<u>025-225757</u>	SECURE SIGNATURE ENCRYPTION FEE	60002.30000.52200	151.11
Fund 60002 Total:					347.25
Fund: 60003 - INT SVC FND - TECHNOLOGY					
<u>1644</u>	AMAZON				
APBWEST	Check	<u>468654877838</u>	FY 17-18 COMPUTER SUPPLIES	60003.30000.53103	28.78
		<u>458634543475</u>	FY 17-18 COMPUTER SUPPLIES	60003.30000.53103	12.99
		<u>953579857993</u>	FY 17-18 COMPUTER SUPPLIES	60003.30000.53103	83.90
		<u>598769689854</u>	FY 17-18 COMPUTER SUPPLIES	60003.30000.53103	208.04
		<u>497436437849</u>	FY 17-18 COMPUTER SUPPLIES	60003.30000.53103	374.25
		<u>743568759935</u>	FY 17-18 COMPUTER SUPPLIES	60003.30000.53103	59.23
		<u>458348454688</u>	FY 17-18 COMPUTER SUPPLIES	60003.30000.53103	216.89
		<u>464569358889</u>	FY 17-18 COMPUTER SUPPLIES	60003.30000.53103	4,255.00
		<u>453844549894</u>	FY 17-18 COMPUTER SUPPLIES	60003.30000.53103	216.00
		<u>436595533998</u>	FY 17-18 COMPUTER SUPPLIES	60003.30000.53103	24.28
		<u>773777938673</u>	FY 17-18 COMPUTER SUPPLIES	60003.30000.53103	899.64
		<u>889788775498</u>	FY 17-18 COMPUTER SUPPLIES	60003.30000.53103	85.02
		<u>439654963764</u>	FY 17-18 COMPUTER SUPPLIES	60003.30000.53103	1,749.29
		<u>739337566346</u>	FY 17-18 COMPUTER SUPPLIES	60003.30000.53103	71.98
		<u>449579966585</u>	FY 17-18 COMPUTER SUPPLIES	60003.30000.53103	937.06
		<u>733864988533</u>	FY 17-18 COMPUTER SUPPLIES	60003.30000.53103	1,968.82
<u>VEN03084</u>	DEVLYNE NETWORKS LLC				
APBWEST	Check	<u>3552</u>	NETWORK SUPPORT	60003.30000.52200	1,425.00
		<u>3545</u>	NETWORK SUPPORT	60003.30000.52200	1,425.00
		<u>3538</u>	NETWORK SUPPORT	60003.30000.52200	300.00
<u>1278</u>	MICHAEL E POWERS & ASSOC INC.				
APBWEST	Check	<u>6238</u>	COMPUTER DESK	60003.30000.53999	678.27
<u>VEN02829</u>	RINGCENTRAL INC				
APBWEST	Check	<u>534869</u>	FY 17-18 VOIP TELEPHONE SERVICES	60003.30000.55005	4,898.70
<u>VEN03096</u>	WARD M. JOY				
APBWEST	Check	<u>1487</u>	NETWORK WIRING AND INFRASTRUCTURE	60003.30000.52200	1,405.50
<u>VEN02951</u>	YOHTEK CORP				
APBWEST	Check	<u>2047</u>	PROFESSIONAL SERVICES	60003.30000.52100	1,200.00
		<u>2048</u>	PROFESSIONAL SERVICES	60003.30000.52100	1,575.00
		<u>2045</u>	Auvik Network Monitor Software	60003.30000.52200	550.00
Fund 60003 Total:					24,648.64
Fund: 60007 - INT SVC FND - PERSONNEL AND RISK MGMT					
<u>VEN01153</u>	DONNA CAYSON				
APBWEST	Check	<u>INV022864</u>	TUITION REIMBURSEMENT	60007.70100.53401	3,805.07
<u>VEN01177</u>	EYEMED				
APBWEST	Check	<u>INV022802</u>	VISION JUN 18 #9810110	60007.00000.21603	11.49
<u>0913</u>	IRWINDALE INDUSTRIAL CLINIC				
APBWEST	Check	<u>2130-792589</u>	FIRE PRE-EMPLOYMENT	60007.70101.52106	630.00
<u>0277</u>	LIEBERT CASSIDY WHITMORE				
APBWEST	Check	<u>1460941</u>	Professional Services Legal	60007.70100.52201	120.50
		<u>1460942</u>	Professional Services Legal	60007.70100.52201	3,220.00
		<u>1460940</u>	Professional Services Legal	60007.70100.52201	1,407.00
Fund 60007 Total:					9,194.06
Fund: 71000 - WATER ENTERPRISE FUND					
<u>1200</u>	BLUE DIAMOND MATERIALS				
APBWEST	Check	<u>1217144</u>	ASPHALT	71000.81100.53206	127.36
		<u>1214314</u>	ASPHALT	71000.81100.53206	116.91
<u>0507</u>	DIRECT CONNECTION				
APBWEST	Check	<u>72005</u>	ENVELOPES	71000.81100.53102	287.78
<u>0291</u>	MATT-CHLOR, INC.				
APBWEST	Check	<u>20402</u>	WATER TREATMENT SENSOR	71000.81100.56011	1,764.78
<u>VEN01080</u>	PACIFIC COAST TOOL & SUPPLY				
APBWEST	Check	<u>0182822-00</u>	TOOLS AND SUPPLIES	71000.81100.53205	1,235.04
<u>VEN01913</u>	RAFTELIS FINANCIAL CONSULTANTS, INC				
APBWEST	Check	<u>SRCA1708-05</u>	WATER RATE STUDY	71000.81100.52100	7,382.50

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Vendor Number	Vendor Name	Invoice #	Invoice Description	Account Number	Distribution Amount
Bank Code	Payment Type				
<u>VEN01097</u>	SULLY-MILLER CONTRACTING CO.				
APBWEST	Check	<u>INV022803</u>	PORTABLE METER RENTAL REFUND	71000.00000.23004	930.94
<u>1820</u>	TARGET MAILING SERVICES INC				
APBWEST	Check	<u>36324</u>	FY 17-18 MAILING SERVICES/ WATER BILLING	71000.32000.53101	1,168.13
		<u>36340</u>	PROP 218 BALLOT PRINTING	71000.32000.53101	4,709.97
<u>1799</u>	TYLER TECHNOLOGIES INC				
APBWEST	Check	<u>025-224938</u>	FY 17-18 MON UB ONLINE & WEBSITE COMP	71000.32000.52200	180.00
<u>1243</u>	USA BLUEBOOK				
APBWEST	Check	<u>590451</u>	WATER TREATMENT SUPPLIES	71000.81100.53409	122.53
<u>0158</u>	VULCAN MATERIALS COMPANY				
APBWEST	Check	<u>71851681</u>	ASPHALT COLD MIX	71000.81100.53206	159.36
		<u>71842758</u>	ASPHALT COLD MIX	71000.81100.53206	629.52
Fund 71000 Total:					18,814.82
Fund: 72000 - SEWER					
<u>VEN01080</u>	PACIFIC COAST TOOL & SUPPLY				
APBWEST	Check	<u>0182822-00</u>	TOOLS AND SUPPLIES	72000.81200.53205	689.01
<u>2110</u>	PLUMBERS DEPOT INC.				
APBWEST	Check	<u>PD-38661</u>	MAINT SUPPLIES	72000.81200.52302	1,282.00
<u>1799</u>	TYLER TECHNOLOGIES INC				
APBWEST	Check	<u>025-224938</u>	FY 17-18 MON UB ONLINE & WEBSITE COMP	72000.32000.52200	45.00
Fund 72000 Total:					2,016.01
Fund: 77001 - AQUATICS					
<u>VEN01855</u>	WATERWORKS AQUATICS				
APBWEST	Check	<u>INV022866</u>	REPLACE THERMOSTAT	77001.71000.52302	4,150.00
Fund 77001 Total:					4,150.00
Fund: 77003 - SPECIAL EVENTS					
<u>1484</u>	ALLIANT INSURANCE SERVICES				
APBWEST	Check	<u>860514</u>	SPECIAL EVENT INSURANCE	77003.79012.52999	2,102.00
<u>1206</u>	B & H SIGN CO.				
APBWEST	Check	<u>17350</u>	BANNER DATE CHANGES	77003.79002.52999	150.00
				77003.79008.52999	50.00
<u>VEN02851</u>	HEIDI HARTMAN				
APBWEST	Check	<u>INV022859</u>	MWTR SOUVENIRS	77003.79007.52999	451.77
<u>VEN03169</u>	PACIFIC TRAFFIC CONTROL INC				
APBWEST	Check	<u>15645</u>	MWTR SUPPLIES	77003.79007.52999	400.00
<u>1663</u>	SHAKER SHIRTS				
APBWEST	Check	<u>12388</u>	MWTR SHIRTS YOUTH	77003.79007.52999	1,225.00
		<u>12389</u>	MWTR SHIRTS ADULTS	77003.79007.52999	1,905.00
<u>1368</u>	SWANK MOTION PICTURES INC				
APBWEST	Check	<u>RG 2522276</u>	MOVIES IN THE PARK	77003.79008.52999	578.00
Fund 77003 Total:					6,861.77
Fund: 77004 - SERVICES MOVIE/OES DETAILS					
<u>VEN03165</u>	FANTAIL ENTERTAINMENT				
APBWEST	Check	<u>INV022857</u>	DEPOSIT REFUND	77004.00000.23001	2,000.00
<u>VEN03166</u>	TNC PRODUCTIONS LLC				
APBWEST	Check	<u>INV022856</u>	DEPOSIT REFUND	77004.00000.23001	2,000.00
<u>VEN03168</u>	WUYANQIMUGE FNU				
APBWEST	Check	<u>INV022858</u>	DEPOSIT REFUND	77004.00000.23001	2,000.00
Fund 77004 Total:					6,000.00
Report Total:					113,749.78



City of Sierra Madre, CA

Check Approval Register

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Check Date: 06/26/2018

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Vendor Number	Vendor Name	Invoice #	Invoice Description	Account Number	Distribution Amount
Fund: 39006 - FRIENDS OF THE LIBRARY DONATION FUND					
<u>VEN02975</u>	NOTEWORTHY PUPPETS INC				
APBWEST	Check	<u>0000297</u>	SUMMER PERFORMER	39006.90000.53999	250.00
				Fund 39006 Total:	250.00
				Report Total:	250.00



Packet: APPKT04080 - LIB071018
Vendor Set: 01 - Vendor Set 01

Check Date: 07/05/2018

Vendor Number	Vendor Name	Bank Code	Payment Type	Invoice #	Invoice Description	Account Number	Distribution Amount
Fund: 10000 - GENERAL FUND							
<u>1644</u>	AMAZON						
APBWEST	Check			<u>457939839474</u>	Misc-Library(Books/Ref/Prog/Media/Supplies	10000.90000.53100	32.85
				<u>495466833566</u>	Misc-Library(Books/Ref/Prog/Media/Supplies	10000.90000.53100	8.95
				<u>455985779674</u>	Misc-Library(Books/Ref/Prog/Media/Supplies	10000.90000.53100	11.80
				<u>869949464778</u>	Misc-Library(Books/Ref/Prog/Media/Supplies	10000.90000.53100	7.65
				<u>654488877595</u>	Misc-Library(Books/Ref/Prog/Media/Supplies	10000.90000.53100	35.98
				<u>439466344645</u>	COMPUTER SUPPLIES	10000.90000.53103	39.68
				<u>433676898368</u>	COMPUTER SUPPLIES	10000.90000.53103	65.22
				<u>995854477843</u>	Misc-Library(Books/Ref/Prog/Media/Supplies	10000.90000.53406	27.37
				<u>949683797337</u>	SCANNERS	10000.90000.53801	466.32
<u>0598</u>	DEMCO, INC.						
APBWEST	Check			<u>6393495</u>	Library Supplies	10000.90000.53100	168.39
<u>1625</u>	FINDAWAY WORLD LLC.						
APBWEST	Check			<u>259565</u>	USB CORD	10000.90000.53103	45.88
<u>0427</u>	WORLD BOOK SCHOOL AND LIBRARY						
APBWEST	Check			<u>0001578171</u>	LIBRARY BOOKS	10000.90000.53406	1,142.00
Fund 10000 Total:							2,052.09
Fund: 29005 - LIBRARY GRANTS							
<u>1644</u>	AMAZON						
APBWEST	Check			<u>435564497468</u>	STEAM	29005.90000.53999	21.89
				<u>445379774846</u>	STEAM	29005.90000.53999	82.14
				<u>756657487693</u>	STEAM PROGRAM	29005.90000.53999	29.72
				<u>988559443675</u>	COMPUTER SUPPLIES	29005.90000.53999	18.60
				<u>473948644637</u>	STEAM	29005.90000.53999	27.38
				<u>738543953957</u>	STEAM	29005.90000.53999	1,475.18
				<u>695363463879</u>	STEAM	29005.90000.53999	31.98
Fund 29005 Total:							1,686.89
Fund: 39006 - FRIENDS OF THE LIBRARY DONATION FUND							
<u>1644</u>	AMAZON						
APBWEST	Check			<u>438854774464</u>	Misc-Library(Books/Ref/Prog/Media/Supplies	39006.90000.53406	29.04
				<u>984533994553</u>	Misc-Library(Books/Ref/Prog/Media/Supplies	39006.90000.53406	20.68
				<u>468737567946</u>	Misc-Library(Books/Ref/Prog/Media/Supplies	39006.90000.53406	17.79
				<u>978363757656</u>	Misc-Library(Books/Ref/Prog/Media/Supplies	39006.90000.53406	36.35
				<u>975377884796</u>	Misc-Library(Books/Ref/Prog/Media/Supplies	39006.90000.53406	9.86
				<u>454335573964</u>	Misc-Library(Books/Ref/Prog/Media/Supplies	39006.90000.53406	8.21
				<u>465968834634</u>	Misc-Library(Books/Ref/Prog/Media/Supplies	39006.90000.53406	13.13
				<u>449656687546</u>	Misc-Library(Books/Ref/Prog/Media/Supplies	39006.90000.53406	20.75
				<u>983786585436</u>	Misc-Library(Books/Ref/Prog/Media/Supplies	39006.90000.53406	54.84
				<u>463747565784</u>	Misc-Library(Books/Ref/Prog/Media/Supplies	39006.90000.53406	10.08
				<u>659875844365</u>	REFUND	39006.90000.53999	-20.68
				<u>464839733595</u>	REFUND	39006.90000.53999	-21.89
				<u>458885797366</u>	Misc-Library(Books/Ref/Prog/Media/Supplies	39006.90000.53999	12.64
				<u>768998943775</u>	Misc-Library(Books/Ref/Prog/Media/Supplies	39006.90000.53999	93.83
				<u>454773664485</u>	Misc-Library(Books/Ref/Prog/Media/Supplies	39006.90000.53999	86.35
				<u>543434797375</u>	Misc-Library(Books/Ref/Prog/Media/Supplies	39006.90000.53999	650.00
				<u>89599997473</u>	Misc-Library(Books/Ref/Prog/Media/Supplies	39006.90000.53999	49.99
				<u>439647768468</u>	Misc-Library(Books/Ref/Prog/Media/Supplies	39006.90000.53999	139.54
<u>VEN01043</u>	OVERDRIVE INC						
APBWEST	Check			<u>01148CO18114580</u>	Annual Subscription Fees/eBooks	39006.90000.53406	1,437.89
<u>1578</u>	PETTY CASH FUND-LIBRARY						
APBWEST	Check			<u>INV022863</u>	TEEN PROGRAM SUPPLIES	39006.90000.53999	12.01
				<u>INV022861</u>	CHILDREN'S PROGRAM SUPPLIES	39006.90000.53999	21.89

Packet: APPKT04080 - LIB071018
Vendor Set: 01 - Vendor Set 01

Check Date: 07/05/2018

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Vendor Number	Vendor Name	Invoice #	Invoice Description	Account Number	Distribution Amount
Bank Code	Payment Type				
APBWEST	Check	<u>INV022862</u>	ADULT PROGRAM SUPPLIES	39006.90000.53999	23.16
Fund 39006 Total:					2,705.46
Report Total:					6,444.44



City of Sierra Madre Agenda Report

Denise Delmar, Mayor
John Harabedian, Mayor Pro Tem
Rachelle Arizmendi, Council Member
John Capoccia, Council Member
Gene Goss, Council Member

Sue Spears, City Clerk
Michael Amerio City Treasurer

TO: Honorable Mayor Delmar and Members of the City Council

FROM: James Carlson, Management Analyst 

REVIEWED BY: Gabriel Engeland, City Manager 

DATE: July 10, 2018

SUBJECT: **SAFE, CLEAN WATER PROGRAM – LOS ANGELES COUNTY
PROPOSED SPECIAL PARCEL TAX**

SUMMARY

City Councilmember John Capoccia has asked for this subject to be brought to the City Council for discussion. For this report, staff is providing a summary and analysis of the Program's components. The June 29, 2018 Draft Program Elements from the County of Los Angeles has been included with this report as **Attachment A**. Staff has been informed this is the final draft of the Program, and there will not be any substantial changes before the County of Los Angeles Board of Supervisors take the item into consideration on July 17, 2018. Staff is seeking direction from the City Council.

Analysis

As stated in the proposed ordinance, this Program would adopt a special parcel tax within the Los Angeles County Flood Control District "to provide for increased storm water and Urban Runoff capture and reduced storm water and Urban Runoff pollution, and help put Los Angeles County on a path to water resiliency and economic security through equity-focused strategies and policies to increase drought preparedness, improve water quality and public health, create jobs, build capabilities, and remove barriers." The parcel tax will require two-thirds support.

The special parcel tax would be assessed at two and one-half cents (\$0.025) per square foot of impermeable surface upon all parcels located in the Flood Control District (exempting government owned parcels, Antelope Valley parcels, and low income/senior citizens as determined by the Board of Supervisors.)

The special parcel tax is estimated to bring in approximately \$300 million dollars per year. Fifty-percent would be used for regional projects, forty-percent would be allocated to municipal projects, and ten-percent would be used by the Flood Control District for administrative efforts and support of the program.

San Gabriel Valley Council of Governments Water Committee

Staff along with Councilmember Capoccia regularly attend the monthly SGVCOG Water Committee meetings, in which much time has been spent watching the evolution of the Safe, Clean Water Program. On May 9, 2018, the SGVCOG Board of Directors sent a comment letter to Chair Kuehl of the Los Angeles County Board of Supervisors (**Attachment B**).

Staff's Concerns with the Program

Staff shares many of the concerns expressed by the SGVCOG in their correspondence with the Board of Supervisors;

Technology – Flood Control District and County staff have indicated that they will be able to determine the square footage of impermeable surface on all affected parcels with the use of LIDAR technology (fly-over and microwaves or similar). Despite technical explanations and assurances from these representatives, the public will not be able to view this technology until “sometime in August” when they are expected to be able to zoom into their own parcel to get an estimate of their respective parcel tax. The program allows the parcel owners to seek a review with the Flood Control District’s impermeable calculations if there is a mathematical error, or the discrepancy is greater than 10% of the impermeable square footage or \$50.00 in the annual tax amount, whichever is greater. Staff feels that this process alone could create great administrative challenges, even if the technology is extraordinary.

Local Control – In the early developments of this program, municipalities had a greater stake in the development. The Cities are bound by the Stormwater (MS4) Permit for compliance efforts and costs. During the development of the plan, many Committees and Sub-Committees were formed for various assistance and oversight. The “Watershed Area Steering Committees”, of which there are now 9, are comprised of 17 members with only 7 members being from a City in the area. There is now a “Regional Oversight Committee” as well as a project “Scoring Committee” that are entirely appointed by the Board of Supervisors. The Flood Control District also brings “Technical Assistance Teams” in addition to “Watershed Coordinators” to administer the regional program.

Another cause for Staff’s concern is included with **Attachment A**, “Safe, Clean Water Program Draft Program Elements” in section III. B. In the section titled “Agreements for Transfer of SCW Program Funds”, certain projects will be required to conform to the Los Angeles County-Wide Project Labor Agreement as well as additional county-specific provisions including the Disabled Veteran Business Enterprise Preference Program, the Local Small Business Enterprise Preference Program, Woman-Owned Businesses Preference and a Social Enterprise Preference Program. Cities have State and Federal project requirements that should suffice, and recent similar County Measures (Measure M, Measure R) did not require individual Cities to comply with the County’s buffet of project management requirements.

The Program is Complicated and Incomplete – This program has incorporated layers upon layers of granular details. From reporting and auditing requirements, confusing project scoring methodology and the yet, unfinished credit program which would take previous water quality efforts into account for the taxation, this Program will be very difficult to manage for many Cities.

Culver City – Clean Water, Clean Beach Parcel Tax

During the November 8, 2016 Special Municipal Election, Culver City residents voted on a municipal stormwater parcel tax. The results of the election surprised many in the stormwater community, as it was passed with 73.82% of the required two-thirds. The measure charges the following:

- \$99/year for single family residential parcel
- \$69/year per multi-family dwelling unit
- \$1096/year per acre of land or portion thereof for non-residential

The measure generates approximately \$2 million per year, and is the primary source for Culver City water quality projects as well as participation with the Ballona Creek Watershed EWMP. It is not clear at this time, however, the County's Safe, Clean Water Program will account for the few cities that have their own stormwater tax. Staff feels that this may be a better option for Sierra Madre, should the City Council find themselves in a position that additional revenue for stormwater compliance is necessary.

STAFF RECOMMENDATION

Staff is seeking direction from the City Council.

FINANCIAL REVIEW

The City is a member of the Rio Hondo/San Gabriel River Water Quality Group with the cities of Arcadia, Monrovia, Bradbury, Duarte, the Flood Control District, and Los Angeles County (representing unincorporated areas in the boundaries.) In order to remain in compliance with the 2012 Municipal Stormwater Permit (also "MS4" Permit), the Group submitted an Enhanced Watershed Management Plan (EWMP) which was approved by the Los Angeles Regional Water Quality Control Board on April 21, 2016. The estimated cost for implementing the plan over the next 11 years is \$1.4 Billion.

Over the past 18 months, the Group has engaged with Regional Water Control Board staff, hired a new technical experts (hydrology, biology, water modeling, etc.), and submitted a revised EWMP. The Plan is currently under review by the Regional Water Control Board with an expected October or November decision this year. The revised Plan projects a considerable savings from the \$1.4 Billion dollar figure, and as presented the estimated costs amount to \$95.5 Million plus potential land acquisition costs of \$100 Million over the next 10 years.

Staff feels that if the Clean, Safe Water Program is approved by the voters, funding would most likely be sufficient to pay for the revised EWMP by the target date of 2028. Staff feels that the regional projects in the revised EWMP would be very competitive in the Rio Hondo and Upper San Gabriel River regions.

Alternatively, a Culver City-model local fee would be more efficient and retain much more local control of our residents' tax dollars. A full rate study would be required to determine how far it could fund local project and contribute to regional projects that directly benefit Sierra Madre.

PUBLIC NOTICE PROCESS

This item has been noticed through the regular agenda notification process. Copies of this report are available at the City Hall public counter, at the Sierra Madre Public Library, and can be accessed on the City's website at www.cityofsierramadre.com.

Attachments (2)

Attachment A: June 29, 2018 Safe, Clean Water Program Draft Program Elements

Attachment B: May 9, 2018 Letter from SGVCOG to County Board of Supervisors Chair Sheila Kuehl.

SAFE, CLEAN WATER PROGRAM
Draft Program Elements

This document constitutes the Final Draft of the Safe, Clean Water Program Elements. The final document, to be considered by the Board of Supervisors on July 10, 2018, shall be published on July 3. We are providing this Final Draft today, prior to the statutory deadline, to allow for additional time for review in light of the July 4 holiday. No significant changes to this document are planned prior to July 3.

The draft Credit and Incentive Programs are still under discussion and are provided here in draft form. A final version of the Credit and Incentive Programs will be incorporated in the Program Elements published on July 3.

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I. Safe, Clean Water Program Goals

The Safe, Clean Water Program is a multi-benefit Stormwater and/or Urban Runoff capture Program intended to improve water quality in a manner that achieves additional benefits such as increasing water supply and investing in the health and well-being of Los Angeles County communities. The SCW Program helps put Los Angeles County on a path to water resiliency and economic security through strategies, projects, and policies that increase drought preparedness, improve the water quality of rivers, lakes, and streams, and ensure investment in improved quality of life, especially for communities most exposed to pollution and vulnerable to climate change.

The SCW Program Goals are:

- Improve water quality and contribute to attainment of water quality requirements.
- Increase drought preparedness by capturing more Stormwater and/or Urban Runoff to store, clean and reuse.
- Improve public health by preventing and cleaning up contaminated water, increasing access to open space, providing additional recreational opportunities, and helping communities mitigate and adapt to the effects of climate change through activities such as increasing shade and green space.
- Leverage other funding sources to maximize program goals.
- Invest in infrastructure that provides multiple benefits.
- Prioritize Nature-Based Solutions.
- Provide a spectrum of project sizes from neighborhood to regional scales.
- Encourage innovation and adoption of new technologies and practices.
- Invest in independent scientific research.
- Provide funds such that each Municipality receives benefits in proportion to the funds generated within their jurisdiction.
- Provide Disadvantaged Community (DAC) Benefits in proportion to the DAC population in the County.
- Implement an iterative planning and evaluation process to ensure adaptive management.

II. Definitions

The following definitions apply to this SCW Program Elements document:

Auditor: Auditor-Controller of the County of Los Angeles.

Board of Supervisors: Los Angeles County Board of Supervisors acting as the governing body of the Los Angeles County Flood Control District.

Census Block Group: As defined by the United States Census Bureau, a Census Block Group is a statistical division of census tracts, which are generally defined to contain between 600 and 3,000 people and are used to present data and control block numbering. A block group consists of clusters of blocks within the same census tract. A block group usually covers a contiguous area. Each census tract contains at least one block group, and block groups are uniquely numbered within the census tract.

Chief Engineer: Chief Engineer of the District or his/her authorized deputy, agent, or representative.

Community Investment Benefit: Benefit created in conjunction with Stormwater Capture and reduced Stormwater and/or Urban Runoff pollution Projects and Programs as stated in AB 1180, including but not limited to: improved flood management, conveyance, and flood risk mitigation; creation, enhancement and/or restoration of parks, habitat and/or wetlands; improved public access to waterways; enhanced or new recreational opportunities; and greening of schools. May also include a benefit to the community derived from a Project or Program that improves public health by reducing heat island effect, increasing shade, and/or planting of trees and other vegetation that increase carbon reduction/sequestration and improve air quality.

County: County of Los Angeles.

DAC Benefit: A Water Quality Benefit, Water Supply Benefit, and/or Community Investment Benefit located in a DAC or providing benefits directly to a DAC population. Benefits may be achieved by Projects, Programs and/or policies including those that promote living-wage jobs and job training; credit and incentive Programs; technical assistance and capacity building; and education Programs. For purposes of evaluating whether a Project or Program provides benefit to a DAC, benefits will be measured by a variety of means including wages paid to workers constructing or maintaining Projects who reside in DACs; credit and incentives for properties located in DACs; funds expended for technical assistance and capacity building paid to individuals and organizations located in DACs; and the amount expended for construction, operations and maintenance of Multi-Benefit Projects located in a DACs or providing benefits directly to a DAC.

Disadvantaged Community (DAC): A community defined by a Census Block Group with an annual median household income of less than 80 percent of the Statewide annual median household income (as defined in California Water Code §79505.5).

District: Los Angeles County Flood Control District.

District Program: Part of the SCW Program as described in Section 2, subsection 8b(A) of the Flood Control Act.

Feasibility Study: A detailed technical investigation and report that is conducted to determine the feasibility of a proposed Project. At a minimum, a Feasibility Study must provide: a description of the Project and its objectives; an estimate of the benefits provided (determined through best engineering estimates and modeling as appropriate); a preliminary lifecycle cost estimate and schedule required to design, construct, operate and maintain the Project (including land acquisition costs); a historical background for the Project site location; a review of effectiveness of similar types of Projects already constructed; an engineering analysis of site conditions (e.g. soil sampling, preliminary hydrology report, site layout, utility search, environmental impacts, etc.); an assessment of potential CEQA and permitting challenges; details for how operations and maintenance will be carried out; a plan to address and incorporate stakeholder input on the Project; and a summary of any legal requirements or obligations that may arise as a result of constructing the Project. The District will provide guidance on the minimum requirements, as well as a template for Feasibility Studies.

Flood Control Act: Los Angeles County Flood Control Act, as amended by Assembly Bill (AB) 1180 (Holden, 2017).

Impermeable Area: Parcel area covered by materials or constructed surfaces, such as buildings, roofs, awnings, roadways, sidewalks, driveways, parking lots, brick, asphalt, concrete, pavers, covers, slabs, sheds, pools, fountains, and other constructed surfaces. Impermeable Areas do not include permeable surfaces such as vegetated or natural areas, grasses, bushes, shrubs, lawns, bare soil, tree canopy, natural water bodies, wetland areas, gravel, gardens and planters on bare soil, rocky shores, and other natural areas.

Multi-Benefit Project: A Project that has a Water Quality Benefit as well as either or both a Water Supply Benefit and Community Investment Benefit.

Municipal Program: Part of the SCW Program as described in Section 2, subsection 8b(B) of the Flood Control Act.

Municipal Program Project: A Project carried out through the Municipal Program that has a Water Quality Benefit. A Municipal Program Project may also be a Multi-Benefit Project.

Municipality: A city or a County unincorporated area within the District.

Nature-Based Solutions: Projects that utilize natural processes which slow, detain, infiltrate, and/or filter Stormwater and/or Urban Runoff. These methods may include: relying predominantly on soils and vegetation; increasing permeability of Impermeable Areas; protecting undeveloped mountains and floodplains; creating and restoring riparian habitat and wetlands; creating rain gardens, bioswales, and parkway basins; and enhancing soil through composting, mulching, planting trees and vegetation, with preference for native species. Nature-Based Solutions may also be designed to provide additional benefits such as: sequestering carbon, supporting biodiversity, providing shade, and improving quality of life for surrounding communities. Nature-Based Solutions include Projects that mimic natural processes, such as green streets, spreading grounds, and planted areas with water storage capacity.

Parcel: A Parcel of real property situated within the established boundaries of the District, as shown on the latest equalized assessment roll of the County and identified by its Assessor's Parcel Number, and that is tributary to a receiving water as identified in the Water Quality Control Plan for the Los Angeles Region as of January 1, 2018. Parcel shall not include a possessory interest based on a private, beneficial use of publicly owned real property.

Program: A planned, coordinated group of activities designed to further one or more goals of the SCW Program.

Project: The development of Stormwater and/or Urban Runoff infrastructure designed to further the goals of the SCW Program, including the design, preparation of environmental documents, obtaining applicable permits, construction, inspection, operation and maintenance, and similar activities.

Project Applicant: Any entity, which could include but not be limited to an individual, group, business or governmental entity including but not limited to a Municipality, public utility, special district, school, community-based organization, non-governmental organization, non-profit organization, corporation, federally recognized Indian tribe, state Indian tribe listed on Native American Heritage Commission's California Tribal Consultation List or mutual water company that submits a Project or Feasibility Study for consideration.

Project Developer: The entity that carries out or causes to be carried out part or all the actions necessary to complete a Project. The Project Applicant may or may not be the Project Developer.

Regional Oversight Committee (ROC): A body empaneled by the Board of Supervisors whose responsibilities are to assess whether the SCW Program is implemented in accordance with the ordinance, Program Elements, and other implementing documents, and is achieving SCW Program goals.

Regional Program: Part of the SCW Program as described in Section 2, subsection 8b(C) of the Flood Control Act. The Regional Program includes subprograms: Infrastructure Program, Technical Resource Program, and Scientific Studies Program.

Safe, Clean Water (SCW) Program: Program or system established to administer revenues from a tax levied pursuant AB 1180, including criteria and procedures for selecting and implementing Projects and allocating revenues among the Municipal, Regional and District Programs.

Stakeholder: A person, Municipality, citizens' group, homeowner or other property-owner, business, NGO, social justice group, health advocate, local park representative, school board member, environmental group, labor union, academic institution, neighborhood council, town council or other similar community group, water resources agency such as groundwater pumper or manager, private or public water agency, other government agency, or other interested party that has a direct or indirect interest in the SCW Program.

Stormwater: Water that originates from atmospheric moisture (rainfall or snowmelt) and falls onto land, water, and/or other surfaces.

Stormwater Investment Plan: A five (5) year plan developed by Watershed Area Steering Committees that programs funding for Projects in the Regional Program's Technical Resources Program, Infrastructure Program, and Scientific Studies Program.

Surface Water: Water that flows or collects on the surface of the ground.

Threshold Score: A minimum score that Projects must meet or exceed in order to be eligible for Infrastructure Program funding. The initial recommendations for the Threshold Score is sixty (60) points.

Urban Runoff: Surface water flow that may contain but is not entirely comprised of Stormwater, such as water flow from residential, commercial, and industrial activities.

Water Quality Benefit: Reduction in Stormwater and/or Urban Runoff pollution such as improvements in the chemical, physical, and biological characteristics of Stormwater and/or Urban Runoff in the District. Activities resulting in this benefit include but are not limited to: infiltration or treatment of Stormwater and/or Urban Runoff, non-point source pollution control, and diversion of Stormwater and/or Urban Runoff to sanitary sewer system

Water Supply Benefit: Increase in the amount of locally available water supply, provided there is a nexus to Stormwater and/or Urban Runoff capture. Activities resulting in this benefit include but are not limited to the following: reuse and conservation practices, diversion of Stormwater and/or Urban Runoff to sanitary sewer system for direct or indirect water recycling, increased groundwater replenishment, storage or available yield, offset of potable water use. Water Supply Benefit created through the SCW Program is subject to applicable adjudicated judgments of water rights.

Watershed Area: Regional boundary formed considering hydrologic conditions, as well as Enhanced Water Management Plan (E/WMP) group boundaries. Each Watershed Area has its own Watershed Area Steering Committee.

Watershed Area Steering Committees: The nine (9) bodies empaneled by the Board of Supervisors, one for each Watershed Area, whose responsibilities are to program funding for the Regional Program.

III. General SCW Program Requirements

A. Authority and Allocation of Revenues

The Board of Supervisors shall annually levy a tax upon the taxable Parcels within the District. The revenues from the tax will be allocated and used, in accordance with the provisions of Section 2, subsection 8b of the Flood Control Act as follows:

- **District Program:** *“(A) Ten percent shall be allocated to the district for implementation and administration of projects and programs described in subsection 8a, and for payment of the costs incurred in connection with the levy and collection of the tax, fee, or charge and the distribution of the funds generated by imposition of the tax, fee, or charge, in accordance with the procedures established by the ordinance adopted pursuant to subsection 8c.”*
- **Municipal Program:** *“(B) Forty percent shall be allocated to cities within the boundaries of the district and to the County of Los Angeles, in the same proportion as the amount of revenues collected within each jurisdiction and within the unincorporated territories, to be expended by those cities within the cities’ respective jurisdictions and by the County of Los Angeles within the unincorporated territories that are within the boundaries of the district, for the implementation, operation and maintenance, and administration of projects and programs described in subsection 8a, in accordance with the procedures established by the ordinance adopted pursuant to subsection 8c.”*
- **Regional Program:** *“(C) Fifty percent shall be allocated to pay for the implementation, operation and maintenance, and administration of watershed-based projects and programs described in subsection 8a, including projects and programs identified in regional plans such as stormwater resource plans developed in accordance with Part 2.3 (commencing with Section 10560) of Division 6 of the Water Code, watershed management programs developed pursuant to waste discharge requirements for municipal separate storm sewer system (MS4) discharges within the coastal watersheds of the County of Los Angeles, issued by the Los Angeles Regional Water Quality Control Board, and other regional water management plans, as appropriate, in accordance with the procedures established by the ordinance adopted pursuant to subsection 8c.”*

Requirements for use of funds within the District, Municipal, and Regional Programs are discussed in their respective sections of this document.

B. Agreements for Transfer of SCW Program Funds

SCW Program funds will be transferred to Municipalities and Project Developers in advance of eligible expenditures being made. Prior to their receipt of SCW Program funds, Municipalities and Project Developers must enter into an agreement with the District to transfer SCW Program funds. The fund transfer agreement will require recipients of funds to comply with the requirements of the SCW Program and other appropriate provisions established by the Board of Supervisors. A standard agreement will be prepared by the Chief Engineer and approved by the Board of Supervisors, including but not limited to:

- a. Requirements for compliance with the terms of the SCW Program.

- b. Provisions, as necessary, to provide clarity and accountability in the use of SCW Program funds.
- c. Provisions, processes, and schedules for disbursement of funds.
- d. Project parameters such as schedule, budget, scope, and benefits.
- e. Provisions for management of interest funds, debt, liability, and obligations.
- f. Provisions for indemnification of the District.
- g. Requirements for auditing and Annual or Quarterly Progress/Expenditure Reports.
- h. With respect to a Project funded with SCW Program funds through the Regional Program, if the Project has an estimated capital cost over \$25 million, the Project Developer for such a Project shall require that all contractors performing work on such a Project be bound by the provisions of: (1) a County-wide Project Labor Agreement (County PLA), if such an agreement has been successfully negotiated between the County and the Trades and is approved by the Board of Supervisors, or (2) a PLA mirroring the provisions of such County PLA.
- i. With respect to a Project funded with SCW Program funds through the Regional Program, if one or more of the Municipalities that is a financial contributor to a Project has its own PLA, the Project Developer for the Project shall require that contractors performing work on the Project are bound to such PLA.
- j. With respect to all Regional Program Projects funded with SCW Program funds, the Project Developer for such a Project shall apply and enforce provisions mirroring those set forth in the then-current version of the County's Local and Targeted Worker Hire Policy (LTWHP), adopted by the Board of Supervisors on September 6, 2016, as to contractors performing work on such a Project. Alternatively, if the Project Developer is a Municipality and has adopted its own policy that is substantially similar to the LTWHP, the Project Developer may, at its election, choose to apply and enforce the provisions of its own such policy as to contractors performing work on such a Project in lieu of the provisions of the LTWHP.
- k. With respect to all Regional Program Projects funded with SCW Program funds, the Project Developer for such a Project shall apply and enforce provisions mirroring those set forth in County Code Chapter 2.211 (Disabled Veteran Business Enterprise Preference Program), County Code Chapter 2.204 (Local Small Business Enterprise Preference Program), and County Code Chapter 2.205 (Social Enterprise Preference Program), as to contractors performing work on such a Project, subject to statutory authorization for such preference program(s), and subject to applicable statutory limitations for such preference(s); and, furthermore, the Project Developer implementing such a Project shall take actions to promote increased contracting opportunities for Women-Owned Businesses on such a Project, subject to applicable State or federal constitutional limitations.
- l. Requirements for post-construction/implementation monitoring as appropriate.

C. Eligible Expenditures

Expenditures eligible for SCW Program funds include, but are not limited to, the following:

- a. The development of Feasibility Studies to enable interested parties to submit Projects for SCW Program funds.

- b. Infrastructure development tasks including design, preparation of environmental documents, obtaining permits, construction, operations & maintenance (O&M), inspection, and similar activities.
- c. Operation and maintenance of Projects.
- d. Water quality and/or regional resilience planning
- e. Real property acquisition, leases, and easements necessary to implement eligible Projects.
- f. Scientific and technical studies such as Stormwater and/or Urban Runoff modeling and monitoring.
- g. Projects or studies to investigate new technologies or methodologies to increase Stormwater and/or Urban Runoff Capture and reduce Stormwater and/or Urban Runoff pollution for improving water quality, increasing local water supplies, or improving the ability of communities to adapt to the impacts of climate change.
- h. The modification, upgrade, retrofit, or expansion of an existing Project to incorporate new elements to increase Stormwater and/or Urban Runoff Capture and reduce Stormwater and/or Urban Runoff pollution to provide additional Water Quality Benefit, Water Supply Benefit, and/or Community Investment Benefit.
- i. Debt financing, should the District or a Municipality determine that bonds or loans are prudent and necessary to implement Projects. Watershed Area Steering Committees may request the District to issue a bond for their Watershed Area's revenue stream for Regional Projects.
- j. Programs such as but not limited to school education and curriculum, public education, watershed coordinators, technical assistance teams, regional water quality planning and coordination, local workforce job training, and others
- k. Administration and implementation of the SCW Program.
- l. Maintenance of Effort: Use of up to 30% annually of a Municipality's Municipal Program funds to pay for SCW Program eligible activities commenced before the election date of the SCW Program Tax. O&M activities for Projects built to comply with the 2012 Los Angeles MS4 Permit or 2014 Long Beach MS4 Permit are not subject to the 30% limitation so long as they comply with Municipal Program requirements.
- m. Stormwater and/or Urban Runoff residential and/or commercial retrofit Programs.

D. Ineligible Expenditures

Ineligible expenditures for SCW Program funds include, but are not limited to, the following:

- a. Payment of fines imposed by any State, Federal, or local regulatory agency.
- b. Expenditures related to the investigation, defense, litigation, or judgment associated with any regulatory permit violations, notices of violation, or noncompliance with regulations brought forth by any State, Federal, local regulatory agency, or a third party unrelated to eligible Projects.
- c. Expenditures for the investigation or litigation of any claim or action against the District, County, or their officers, employees or agents alleging improper allocation, withholding or reassignment of SCW Program revenues.

- d. Costs associated with any litigation including investigation, defense, litigation, settlement, and payment of any judgements for claims and liability related to the design and implementation of eligible Projects.

IV. Regional Program

A. Regional Program Fund Allocation

Fifty (50) percent of the revenue from the tax is allocated for the Regional Program pursuant to the Flood Control Act section 2, subsection 8b(C). The Regional Program will consist of three (3) Programs:

- Infrastructure Program (not less than 85% of Regional Program funds)
- Technical Resources Program (up to 10% of the Regional Program funds)
- Scientific Studies Program (up to 5% of Regional Program funds)

Infrastructure Program

The objective of the Infrastructure Program is to plan, build, and maintain Multi-Benefit watershed-based Projects that have a Water Quality Benefit as well as either or both a Water Supply Benefit and Community Investment Benefit.

Infrastructure Program funds:

- Shall be spent on post-Feasibility Study activities such as: design, permits, CEQA compliance, right-of-way and land acquisition, construction, O&M, associated staffing costs, and other related eligible activities. Development of Feasibility Studies is funded through the Technical Resources Program.
- Shall be programmed by the nine (9) Watershed Area Steering Committees proportional to the funds generated in each Watershed Area.
- Shall be programmed such that each Municipality receives benefits in proportion to the funds generated within their jurisdiction, after accounting for allocation of the 110% return to DACs, to be evaluated over a ten (10) year period.
- Shall be programmed such that a spectrum of Project types and sizes are implemented throughout the region, to be evaluated over a five (5) year period.
- Shall be programmed such that Nature-Based Solutions are prioritized.
- Shall be allocated such that funding for Projects that provide DAC Benefits be not less than 110% of the ratio of the DAC population to the total population in each Watershed Area.

Table 1. Disadvantaged Community Population by Watershed

Watershed Area	Population*	DAC Population*	Percent DAC
Central Santa Monica Bay	1,757,708	885,846	50%
Lower Los Angeles River	895,933	607,650	68%
Lower San Gabriel River	903,045	177,905	20%
North Santa Monica Bay	71,764	0	0%
Rio Hondo	744,634	259,860	35%
Santa Clara River	286,114	23,753	8%
South Santa Monica Bay	1,003,438	342,049	34%
Upper Los Angeles River	2,969,577	1,496,863	50%
Upper San Gabriel River	1,015,552	218,467	22%
Total	9,647,765	4,012,392	42%

*These figures are based on the 2016 US Census and will be updated periodically.

The following parameters shall apply to the Infrastructure Program:

- A Feasibility Study is required before a Project can be submitted for consideration for funding. Projects that may already have Feasibility Study level information shall be considered functionally equivalent. Projects with functionally equivalent Feasibility Study level information will not need to conduct an additional Feasibility Study as long as the information and metrics available are conducive to scoring by the Infrastructure Program Scoring Criteria. The District will provide guidance on the minimum requirements, as well as a template for Feasibility Studies.
- Projects may receive funding for any post-Feasibility Study phase. Projected and actual O&M costs for Projects are to be considered and included in the Infrastructure Program to ensure that Projects are properly maintained.
- Project Developers are responsible to carry out the actions necessary to complete a Project that is selected for funding.
- Project Applicants must demonstrate technical, financial, and other necessary capabilities to be the Project Developer. If the Project Applicant is unable to be the Project Developer for any aspect of a Project, the District may take on that role for the Project.
- Applicants are encouraged to bundle small and medium scale, community level Projects to promote efficiency, achieve economies of scale and advance local hire and job training goals.
- Project Developers may utilize a construction authority to implement Projects.
- Projects must be designed for a minimum useful life of thirty (30) years. O&M of Projects constructed with Infrastructure Program funds may be funded by the Infrastructure Program for the useful life span of the Project, even if only a portion of the initial capital costs were funded by the Infrastructure Program.
- Projects commenced before the election date of the SCW Program consistent with the SCW Program but constructed using non-Infrastructure Program funds may receive Infrastructure Program funds for O&M.

- Funding for O&M of Projects must include an O&M plan that includes the required maintenance activities for the life of the project and minimum required expertise and training to perform the maintenance. The O&M plan shall identify and include a commitment from the agency(ies) that will be responsible for the maintenance and their specific roles.
- Projects must be included in an approved water quality plan such as E/WMPs and their updates, Integrated Regional Water Management Plans, or other approved water quality plans. Projects can be part of a programmatic EIR, but it is not a requirement. Projects will be scored by the Scoring Committee.

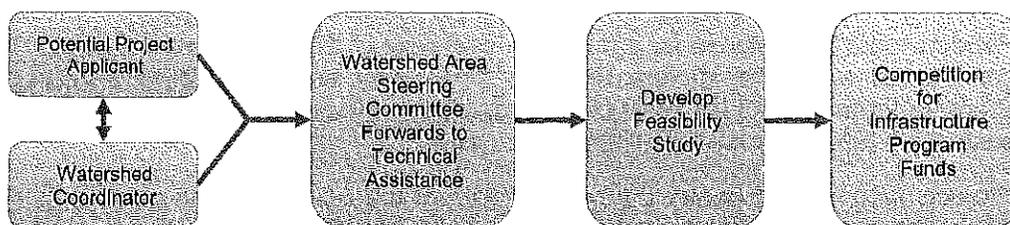
Technical Resources Program

The objective of the Technical Resources Program is to provide resources for the development of Feasibility Studies through support from Technical Assistance Teams; and provide Watershed Coordinators to educate and build capacity in communities and facilitate community and stakeholder engagement. The Technical Resources Program funds shall be allocated to support achievement of SCW Program goals as articulated in Section I. The Technical Resource Program will provide services to and be funded by the Regional Program. Watershed Area Steering Committees will determine how to appropriate funds for the Technical Resources Program.

Technical Assistance Teams

- The District will provide Technical Assistance Teams comprised of subject matter experts in Stormwater and/or Urban Runoff infrastructure design, hydrology, soils, Nature-Based Solutions, green infrastructure, Stormwater and/or Urban Runoff quality, water supply, recreation, open space, community needs, and other areas. The Watershed Area Steering Committees will decide which Project concepts will be forwarded to the Technical Assistance Teams for development. The Technical Assistance Teams will complete Feasibility Studies in partnership with and on behalf of Municipalities, CBOs, NGOs, and others who may not have the technical resources or capabilities to develop Feasibility Studies.
- The Technical Resources Program funds the development of Project Feasibility Studies. Technical Assistance Teams will work with the necessary parties to add the Projects for which there are completed Feasibility Studies to an eligible water quality plan, assist in acquiring a letter of support for non-Municipal Project Applicants, and addressing other prerequisites to apply to the Infrastructure Program. Upon completion, Feasibility Studies shall be submitted to the Watershed Area Steering Committees for consideration.
- The Technical Assistance Teams will be funded through the Technical Resource Program.

Figure 1. Technical Assistance Process



Watershed Coordinators

- In addition to working with Technical Assistance Teams to bring resources to potential Project Applicants, Watershed Coordinators will also:
 - Provide leadership in community outreach efforts related to watershed planning.
 - Work with Municipalities and stakeholders to identify and develop Project concepts that may be elevated to the Watershed Area Steering Committees and Technical Assistance Teams to assist with development of Feasibility Studies.
 - Facilitate collaborative decision-making between private and public entities to develop and implement actions that best address community issues.
 - Identify cost-share partners such as local water agencies, conservancies, transportation agencies.
 - Identify and help leverage and secure additional funding including state bond funds, transportation funding such as Measure M, parks funding such as Measure A, and others.
 - Reach out to Municipalities, community groups, and other watershed stakeholders to ensure diverse perspectives are included in planning and implementation of the Regional Program.
 - Integrate community, Municipality, and regional priorities through partnerships and extensive networks.
 - Educate local stakeholders through public outreach events such as workshops, demonstrations, community forums and restoration activities.
- Not less than one Watershed Coordinator will be funded from Technical Resource Program funds for each Watershed Area plus one additional Watershed Coordinator for each one-million of population.
- The District shall provide a list of eligible Watershed Coordinators; Watershed Area Steering Committees shall select Watershed Coordinators from the eligible list.
- The Watershed Coordinators will be funded through the Technical Resource Program.

Table 2. Watershed Coordinator Breakdown

Watershed Area	Total Population*	Watershed Coordinators
Central Santa Monica Bay	1,757,708	2
Lower Los Angeles River	895,933	1
Lower San Gabriel River	903,045	1
North Santa Monica Bay	71,764	1
Rio Hondo	744,634	1
Santa Clara River	286,114	1
South Santa Monica Bay	1,003,438	1
Upper Los Angeles River	2,969,577	3
Upper San Gabriel River	1,015,552	1

*These figures are based on the 2016 US Census and will be updated periodically.

Scientific Studies Program

The objective of the Scientific Studies Program is to provide funding for eligible scientific and other activities, such as but not limited to: scientific studies, technical studies, monitoring, modeling, and other similar activities. Watershed Area Steering Committees will determine how to appropriate funds for the Scientific Studies Program. The District will administer the Scientific Studies Program and will seek to utilize independent research institutions or academic institutions to carry out or help design and peer review activities carried out by other entities. All activities funded by the Scientific Studies Program shall be conducted in accordance with accepted scientific protocols.

B. Stormwater Investment Plans

Regional Program funds shall be programmed by each Watershed Area Steering Committee via Stormwater Investment Plans. Stormwater Investment Plans shall be formatted substantially similar to the table below. The table reflects the first budget submittal for the Regional Programs starting in fiscal year 2020-21. Each subsequent annual submittal of the Stormwater Investment Plan shall reflect funds programmed for the next five (5) years.

Table 3. Stormwater Investment Plan Budget Template

	FY 2020-2021	FY 2021-2022	FY 2022-2023	FY 2023-2024	FY 2024-2025
	Budget	Projection	Projection	Projection	Projection
PROJECT – FEASIBILITY STUDY DEVELOPMENT					
TECHNICAL RESOURCES PROGRAM (up to 10%)					
Feasibility Studies/Concepts					
Watershed Coordinators					
Technical Assistance Team/Feasibility Study					
Technical Assistance Team/Feasibility Study					
PROJECT – POST-FEASIBILITY STUDY					
INFRASTRUCTURE PROGRAM (not less than 85%)					
Design/Permits/CEQA Budget					
Project					
Project					
Project					
Right of Way Acquisition Budget					
Project					
Project					
Project					
Construction					
Project					
Project					
Project					
O&M					
Project					
Project					
Project					
NON-PROJECT ACTIVITIES					
SCIENTIFIC STUDIES PROGRAM (Up to 5%)					
Special Studies					
Project					
Project					
Monitoring					
Project					
TOTAL =					

Funding Allocations for Projects and Programs

Watershed Area Steering Committees will assign funding for Regional Projects and Programs in the Technical Resources Program, Infrastructure Program, and Scientific Studies Program. Projects and Programs will be given conditional funding approval for their entire budget, including O&M if applicable. Funding will be transferred to Project Developers in annual increments subject to the Project meeting the schedule, budget, scope and benefit terms outlined in the transfer agreement.

Quarterly, the suite of Projects and Programs included in the Stormwater Investment Plans shall be evaluated by the corresponding Watershed Area Steering Committees using the information provided in the Quarterly Expenditure/Progress Report. Watershed Area Steering Committees will verify that the Project schedule, budget, scope and benefits have not significantly changed and are consistent with the transfer agreement. Projects that run over budget, are behind schedule, or reduce scope or benefits may be subject to loss of funding.

C. Regional Program Quarterly Progress/Expenditure Reports

Project Developers receiving Infrastructure Program funds and the District, on behalf of the Technical Resources and Scientific Studies Program, shall arrange for a Quarterly Progress/Expenditure Report for all Projects and Programs. The Project Developer shall be subject to and comply with all applicable requirements of the District regarding Project-reporting requirements. The Quarterly Progress/Expenditure Report details:

- Percent complete estimate.
- SCW Program funds expended.
- Documentation that the SCW Program funds were used for eligible expenditures.
- Discussion of work accomplished during the reporting period.
- Milestones or deliverables completed/submitted during the reporting period.
- Scheduling concerns and issues encountered that may delay completion of the task.
- Work anticipated for the next reporting period.
- Photo documentation, as appropriate.
- Any anticipated schedule or budget modifications.
- Additional information as necessary.

Annually, Quarterly Progress/Expenditure Reports shall include a quantification of the Water Quality Benefits, Water Supply Benefits, and Community Investment Benefits achieved. The annual report shall also include a summary of how funds have been allocated to achieve SCW Program Goals as articulated in Section I for the prior year.

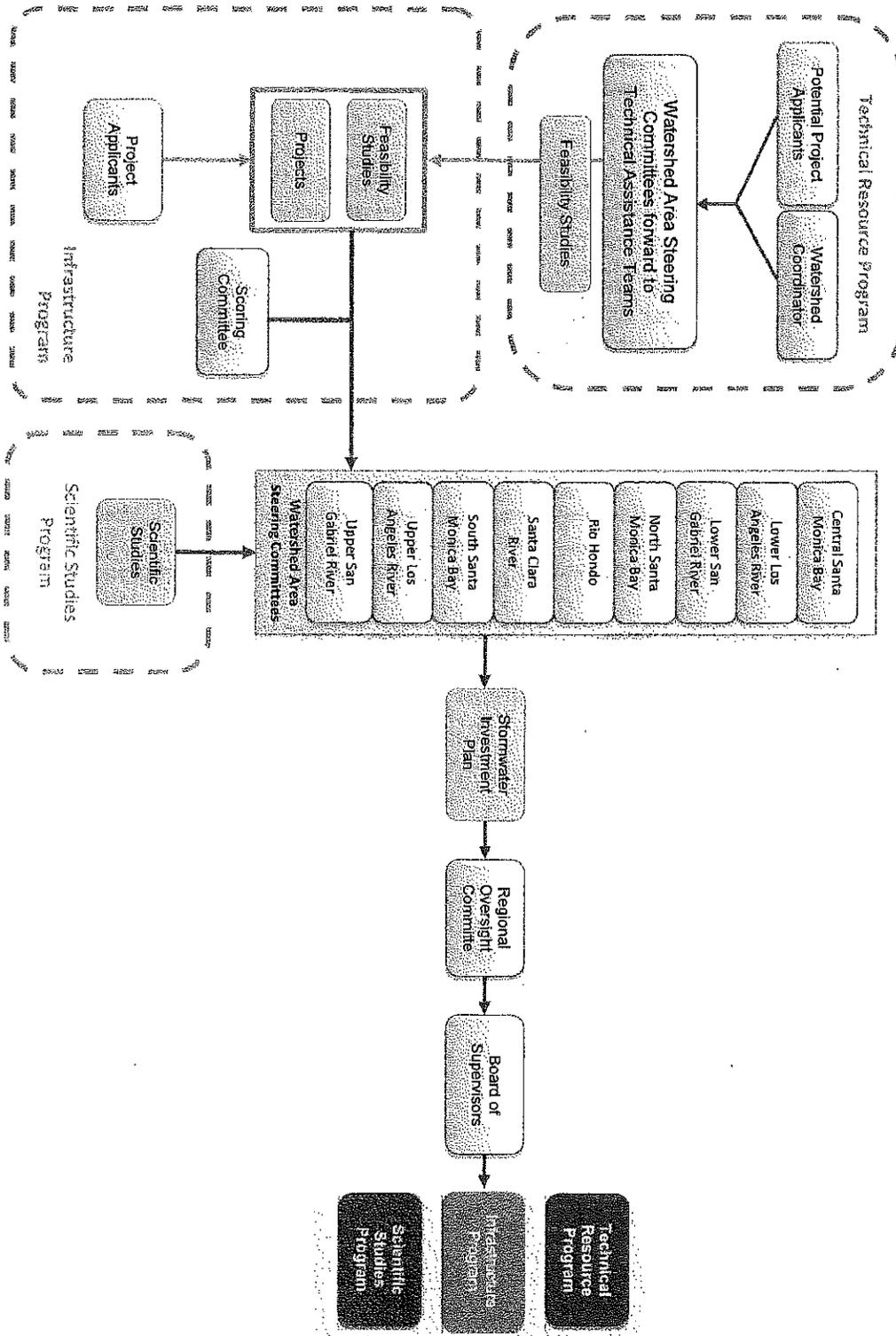
D. Regional Program Governance Structure and Selection Process

A procedure is established for the funding for the Infrastructure, Technical Resources, and Scientific Studies Programs.

Annually, these steps will occur:

- Step 1:
 - Board of Supervisors, via the District, prepares a five (5) year revenue forecast for each Watershed Area.
- Step 2
 - District, on behalf of the Watershed Area Steering Committees, initiates a request for Projects to be funded through the Infrastructure, Technical Resources, and Scientific Studies Programs.
 - Watershed Area Steering Committees forward select Projects and Feasibility Studies received to the Scoring Committee. Scoring Committee scores these Projects and Feasibility Studies and applies a Threshold Score.
 - Scoring Committee returns all scored Projects and Feasibility Studies to the Watershed Area Steering Committee.
- Step 3
 - Watershed Area Steering Committee reviews Projects and Feasibility Studies and prepares a Stormwater Investment Plan which programs funds for the Infrastructure, Technical Resources, and Scientific Studies Programs.
- Step 4
 - Watershed Area Steering Committee submits the Stormwater Investment Plan to the Regional Oversight Committee (ROC). For details on the membership of the ROC.
 - The ROC reviews the Stormwater Investment Plans and makes a recommendation to the Board of Supervisors.
- Step 5
 - Board of Supervisors considers approval of the Stormwater Investment Plans. Board of Supervisors may return Stormwater Investment Plans to the Watershed Area Steering Committees for further revision.
- Step 6
 - Project Developers enter into an agreement with the District to transfer annual funding allocations.

Figure 2. Regional Program Governance Structure and Selection Process Flowchart



E. Regional Program: Initial Year Events

Should voters approve the SCW Program tax in November 2018, the following schedule of events will occur:

- Winter 2018
 - Formation of Watershed Area Steering Committees, the Regional Oversight Committee, and Scoring Committee.
 - Initiation of Technical Assistance Teams and Watershed Coordinators.
 - Initiation of District administered Stormwater and/or Urban Runoff Programs.
- Spring 2019
 - District, on behalf of the Watershed Area Steering Committees, initiates a request for Projects to be funded through the Infrastructure, Technical Resources, and Scientific Studies Programs.
 - Watershed Area Steering Committee forwards select Projects to the Scoring Committee
 - Scoring Committee scores and forwards results to the Watershed Area Steering Committees.
 - Watershed Area Steering Committees prepare Stormwater Investment Plans including budgets for Projects in the Infrastructure, Technical Resources, and Scientific Studies Programs.
 - Develop an evaluation process to quantify Water Quality Benefits, Water Supply Benefits, and other benefits of Nature-Based Solutions for proposed Projects.
 - Develop adaptive management protocols to ensure that SCW Program goals are met.
- Summer 2019
 - Regional Oversight Committee reviews Stormwater Investment Plans and provides a recommendation to the Board of Supervisors.
- Fall/Winter 2019
 - Board of Supervisors considers approval of the Stormwater Investment Plans.
 - District executes agreements for transfer of funds to begin implementation of Projects.
- Beginning of 2020
 - First installment of the tax will be available.
 - District transfers funds to Project Developers.

F. Eligible Project Applicants

A Project Applicant can be any entity, which could include but not be limited to an individual, group, business or governmental entity including but not limited to a Municipality, public utility, special district, school, community-based organization, non-governmental organization, non-profit organization, corporation, federally recognized Indian tribe, state Indian tribe listed on Native American Heritage Commission's California Tribal Consultation List or mutual water company that submits a Project or Feasibility Study for consideration. Non-Municipal Project Applicants are required to secure a Municipal letter of support, from the Municipality(ies) within which the Project is located, to receive funding through the Infrastructure Program.

G. Boundaries of the Watershed Areas

The Chief Engineer will maintain on file detailed maps establishing the precise boundaries of the Watershed Areas. The boundaries of the Watershed Areas are based on hydrologic conditions and modified to keep E/WMP groups whole, wherever practical. The Watershed Area boundaries may be updated as necessary.

There are nine (9) Watershed Areas within the District, as shown in Figure 3 and Figure 4.

Figure 3. Regional Watershed Area Boundaries with City Boundaries

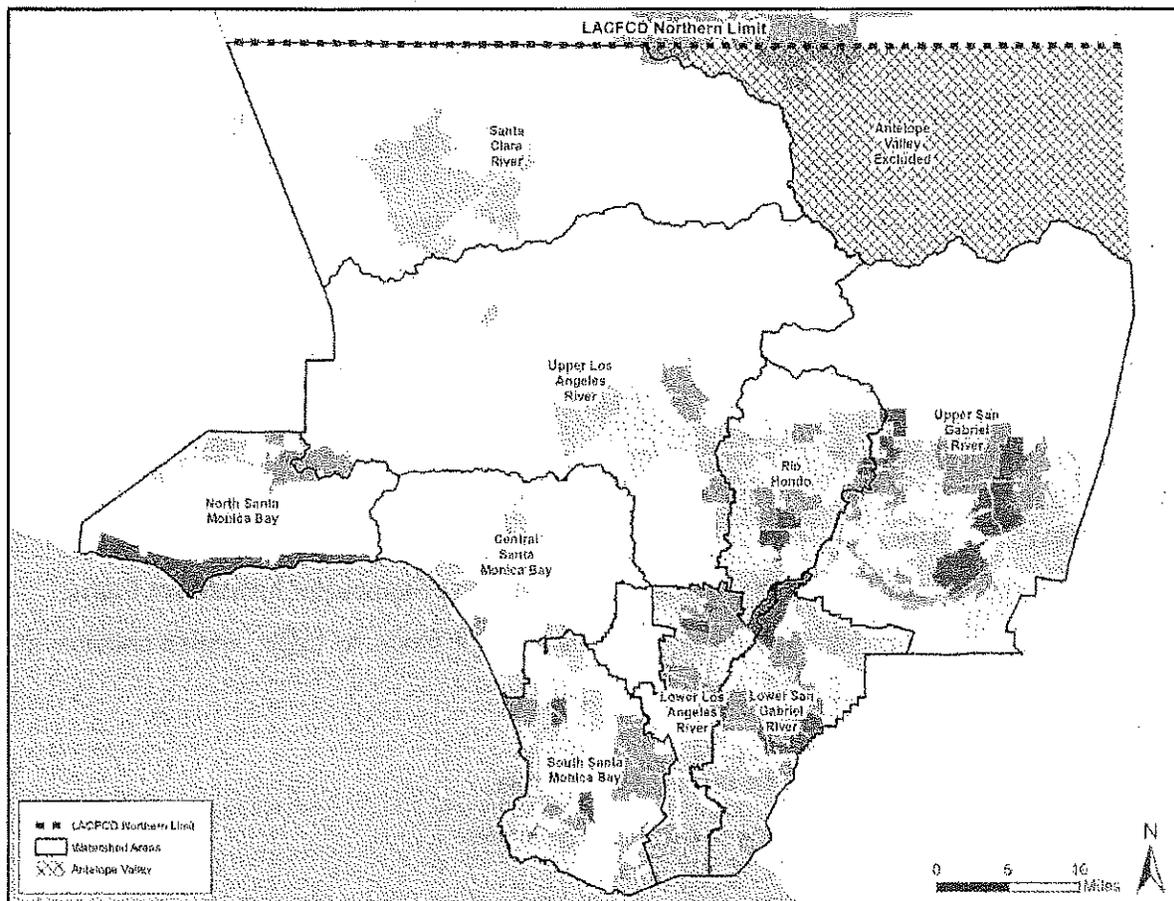
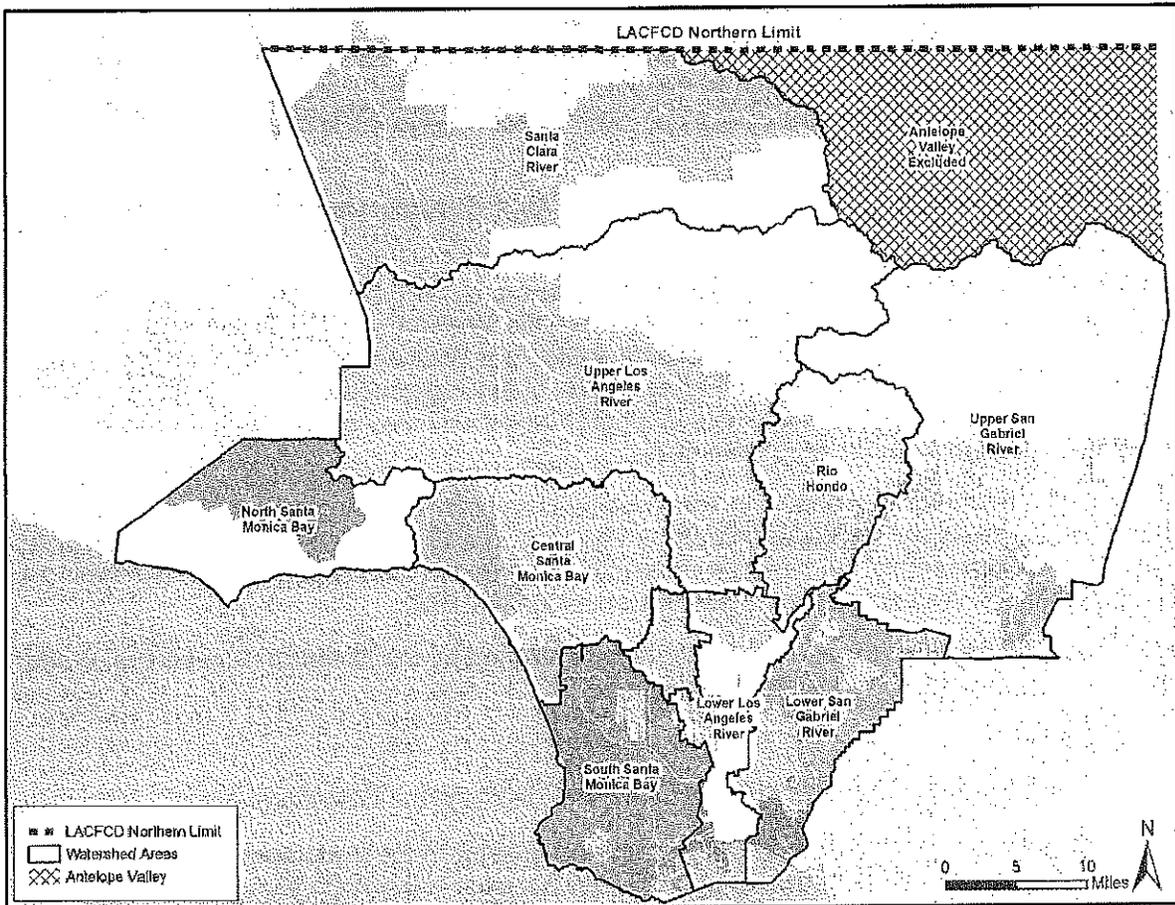


Figure 4. Regional Watershed Area Boundaries with E/WMP Boundaries



H. Membership of the Watershed Area Steering Committees

Watershed Area Steering Committees will be formed for each of the nine (9) Watershed Areas for the purpose of recommending funding allocations for the Regional Program. The District will provide staff support to each Watershed Area Steering Committee and carry out their decisions.

Each Watershed Area Steering Committee consists of seventeen (17) members and each member receives one equally weighted vote. Seven (7) members are designated from Municipalities located within the Watershed Area, five (5) members are agency stakeholder representatives, and five (5) members are community stakeholder representatives, as shown in Table 3.

The five (5) agency stakeholder representatives and five (5) community stakeholder representatives will be chosen to maintain a geographic balance and be representative of a range of interests within the Watershed Area. These representatives must demonstrate a regional focus. Watershed Area Steering Committee members are required to have knowledge of the agency they represent, as described in Appendix A. Each Watershed Area Steering Committee member will assign an alternate, who must also demonstrate knowledge of the agency they represent, to serve in the absence of the member. The alternate will be selected in the same manner the member seat was assigned.

The District will provide staff support to the Watershed Area Steering Committees using funds from the District Program.

Members of the Watershed Area Steering Committees, who are not otherwise compensated to participate, may qualify for a stipend in the amount of one hundred dollars (\$100) per meeting attended, subject to qualifying circumstances. Said compensation will be paid through the District Program.

The anticipated membership for each Watershed Area Steering Committee can be found in Appendix B.

Municipal Members: Seven (7) seats will be assigned to Municipalities. Any Municipality with at least 16% of the Impermeable Area located within the Watershed Area receives one seat. A Municipality with at least 33% of the Impermeable Area located within the Watershed Area receives two seats. A Municipality with at least 50% of the Impermeable Area located within the Watershed Area receives three (3) seats. A single Municipality may occupy up to three (3) seats on each Watershed Area Steering Committee.

Municipal members for the remaining seats will be chosen by the unrepresented Municipalities. The remaining seats are flexible and could be assigned to a Municipality, E/WMP, COG, or other jurisdiction. Each member will assign an alternate to serve in their absence who must meet the requirements of a Watershed Area Steering Committee member.

Agency Members: Five (5) agency seats will be assigned by the Board of Supervisors. A seat will be assigned to each of the following agencies:

- District
- Water agency (to be filled by municipal water district in the Watershed Area)
- Groundwater (to be filled by the largest watermaster in the Watershed Area), or second water agency if a groundwater agency does not exist in the Watershed Area
- Sanitation (to be filled by the largest sanitation service provider in the Watershed Area)
- Municipal Parks/Open Space (to be filled by the largest local park and/or open space agency in the Watershed Area)

Each agency member will assign an alternate from their specific agency to serve in their absence who must meet the requirements of a Watershed Area Steering Committee member, and is subject to Board of Supervisors' approval.

Community Stakeholder Members: Representatives for the five (5) community stakeholder seats will be appointed by the Board of Supervisors. A dedicated seat will be assigned to represent environmental justice interests, business interests, and environment interests. The two remaining seats will be assigned to representatives from the community, such as: public health, labor, non-governmental organization, disadvantaged community, community-based organization, schools, academia, and others.

In addition to these members, the Watershed Coordinator will also participate on the Watershed Area Steering Committee as a non-voting member. Each community stakeholder member will assign an alternate from their organization to serve in their absence who must meet the requirements of a Watershed Area Steering Committee member and is subject to Board of Supervisors' approval.

Table 4. Regional Program Watershed Area Steering Committee Membership

	Member	Appointed By
1	Municipality	Varies for Each Watershed Area
2	Municipality	Varies for Each Watershed Area
3	Municipality	Varies for Each Watershed Area
4	Municipality	Varies for Each Watershed Area
5	Municipality	Varies for Each Watershed Area
6	Municipality	Varies for Each Watershed Area
7	Municipality	Varies for Each Watershed Area
8	District	Appointed by Board of Supervisors
9	Largest Service Provider- Water Agency	Appointed by Board of Supervisors
10	Largest Service Provider- Groundwater/Water Agency #2	Appointed by Board of Supervisors
11	Largest Service Provider- Sanitation	Appointed by Board of Supervisors
12	Largest Municipality Agency- Municipal Parks/Open Space/Recreation	Appointed by Board of Supervisors
13	Business	Appointed by Board of Supervisors
14	Environmental Justice	Appointed by Board of Supervisors
15	Environment	Appointed by Board of Supervisors
16	At large	Appointed by Board of Supervisors
17	At large	Appointed by Board of Supervisors
	Watershed Coordinator	Non-voting

I. Voting and Meeting Requirements of the Watershed Area Steering Committees

The Watershed Area Steering Committees will determine the frequency and schedule for regular meetings necessary to select Projects for inclusion in their Stormwater Investment Plan.

A quorum is required for Watershed Area Steering Committees to act on any item of business. A quorum will consist of a simple majority of the members or their alternates. If a quorum is present, approval of any item of business requires a simple majority vote of those in attendance.

Meetings conducted by the Watershed Area Steering Committee will be made public and meeting materials will be made available

J. Responsibilities of the Watershed Area Steering Committees

Watershed Area Steering Committees have the following responsibilities including, but not limited to:

- a. Select studies for submittal to the Scientific Studies Program.
- b. Select Project concepts for submittal for the Technical Resources Program.
- c. Forward select Project Feasibility Studies or functionally equivalent Feasibility Study level information to the Scoring Committee for scoring.
- d. Review the list of scored Projects and Feasibility Studies returned by the Scoring Committee.

- e. Prepare a Stormwater Investment Plan detailing funding allocations to the Infrastructure Program, Technical Resource Program, and Scientific Studies Program.
- f. Provide the recommended Stormwater Investment Plan to the ROC which will be submitted to the Board of Supervisors.
- g. Quarterly, review Quarterly Progress/Expenditure reports submitted by Project Developers. The Watershed Area Steering Committees will review the Quarterly Progress/Expenditure reports to verify that the Project schedule, budget, scope and benefits have not significantly changed and are consistent with the transfer agreement. Projects that run over budget, are behind schedule, or reduce scope or benefits may be subject to loss of funding.
- h. Quarterly, forward the Quarterly Progress/Expenditure reports to the ROC with any recommendations and/or concerns.
- i. Annually, provide the ROC a Watershed Area Regional Program Progress (WARPP) report on Stormwater Investment Plan activities authorized for the previous year. The WARPP reports shall summarize how funds have achieved SCW Program Goals as articulated in Section I.
- j. Provide additional relevant information, as requested by the Board of Supervisors.
- k. Help identify Project partners and additional sources of funding to augment and leverage SCW Program revenues for Projects and Programs.
- l. Select Watershed Coordinators from a list of eligible candidates provided by the District.

K. Watershed Area Steering Committee Conflict of Interest

No member of the Watershed Area Steering Committee shall participate in discussions or vote where that member has a direct personal financial interest in the Project under consideration.

L. Formation and Composition of the Regional Oversight Committee

The ROC is an independent body that reviews all Regional Program Stormwater Investment Plans to ensure Regional Program goals are met. The ROC consists of nine (9) subject matter experts, with knowledge in Water Quality Benefits, Water Supply Benefits, Nature-Based Solutions and Community Investment Benefits, public health, sustainability, and/or other pertinent subject matter. The Board of Supervisors will confirm the final members of the ROC to ensure a diverse mixture of subject-matter experts. The ROC members shall not have any direct personal connection to Projects implemented through the SCW Program. The District will provide staff support to the Regional Oversight Committee.

Members of the Regional Oversight Committee, who are not otherwise compensated to participate, may qualify for a stipend in the amount of one hundred dollars (\$100) per meeting attended, subject to qualifying circumstances. Said compensation will be paid through the District Program.

The District will provide staff support to the Regional Oversight Committee using funds from the District Program.

Table 5. Regional Oversight Committee Membership

	Member	Appointment
1	<u>Subject Matter Experts:</u> Water Quality Benefits Water Supply Benefits Nature-Based Solutions / Community Investment Benefits	Appointed by Board of Supervisors
2		Appointed by Board of Supervisors
3		Appointed by Board of Supervisors
4		Appointed by Board of Supervisors
5		Appointed by Board of Supervisors
6		Appointed by Board of Supervisors
7		Appointed by Board of Supervisors
8		Appointed by Board of Supervisors
9		Appointed by Board of Supervisors

M. Voting and Meeting Requirements of the Regional Oversight Committee

The ROC will determine the frequency and schedule for regular meetings necessary to process the review of Stormwater Investment Plans submitted by the Watershed Area Steering Committees.

A quorum is required for the ROC to act on any item of business. A quorum will consist of five (5) members of the ROC. If a quorum is present, approval of any item of business requires a simple majority vote of those in attendance.

Meetings conducted by the ROC will be made public and meeting materials will be made available.

N. Responsibilities of the Regional Oversight Committee

The ROC has the following responsibilities including, but not limited to:

- a. Annually, review each of the Watershed Area Steering Committee’s Stormwater Investment Plans to forecast whether Regional Program requirements will be met.

Additionally, the ROC will summarize how the Stormwater Investment Plans will meet the SCW Program Goals as articulated in Section I for the upcoming year.

Through this review process, the ROC will provide feedback to the Watershed Area Steering Committees and report findings and recommendations to the Board of Supervisors.

- b. Annually, review WARPP reports submitted by the Watershed Area Steering Committees to determine whether Regional Program requirements were met for the prior year and make recommendations for adjustments to the following year’s Stormwater Investment Plans if Regional Program requirements were not met the prior year.

Additionally, the ROC will determine the extent to which Regional Program funds were expended to achieve SCW Program Goals as articulated in Section I for the prior year.

The ROC will provide feedback to the Watershed Area Steering Committees and report findings to the Board of Supervisors.

- c. Annually, review the Annual Progress/Expenditure Reports received from Municipalities to determine the extent to which Municipal Program funds were expended to achieve SCW Program Goals as articulated in Section I. The ROC will provide feedback to the Municipalities and report findings to the Board of Supervisors.
- d. Biennially, draft a SCW Program Progress Report that summarizes the Regional Program WARPP reports, the Municipal Program Annual Progress/Expenditure Reports, and District Program's annual summary to determine whether SCW Program requirements were met. Additionally, the ROC will determine the extent to which SCW Program funds were expended to achieve SCW Program Goals as articulated in Section I for the entire region.
- e. Biennially, hold a noticed public hearing to obtain feedback from the public on the SCW Program Progress Report and recommend actions and adjustments to the SCW Program to better achieve SCW Program Goals. Public feedback will be incorporated into the final SCW Program Progress Report and submitted to the Board of Supervisors. The final report will be made publicly available.

O. Regional Oversight Committee Conflict of Interest

The intent of the Regional Oversight Committee is to be a fully independent oversight committee with no direct personal financial connection to Projects or Programs implemented through the SCW Program. However, in the event a member has a direct personal financial interest in a Project, that member shall abstain from discussions or voting on the Project under consideration.

P. Board of Supervisors Approval of Stormwater Investment Plans

The Board of Supervisors shall confirm that the Stormwater Investment Plans conform to the parameters of the SCW Program. Upon approval of each of the Stormwater Investment Plan, the Board of Supervisors will direct the District to transfer funds.

Q. Scoring Committee

The Board of Supervisors will empanel a Scoring Committee composed of six (6) subject matter experts in Water Quality Benefits, Water Supply Benefits, Nature-Based Solutions, and Community Investment Benefits. The Board of Supervisors shall provide a list of eligible candidates for Scoring Committee membership. The Watershed Area Steering Committees will select from the list of eligible candidates. The Board of Supervisors will confirm that the final members of the Scoring Committee will include at least two subject-matter experts in Water Quality Benefits, not less than one subject-matter expert in Nature-Based Solutions/Community Investment Benefits, and not less than one subject-matter expert in Water Supply Benefits.

The members of the Scoring Committee shall not have any personal connection to Projects implemented through the SCW Program. District will provide staff support for the Scoring Committee using funds from the District Program. The Scoring Committee will utilize technical documents for reference and consideration such as new water quality and water supply studies, plans, and white papers.

The Scoring Committee will score Projects and Feasibility Studies selected by the Watershed Area Steering Committee using the Infrastructure Program Project Scoring Criteria and will apply a Threshold Score. The Threshold Score is currently set at sixty (60) points. The Scoring Committee forwards Projects with their respective score to the appropriate Watershed Area Steering Committees. Projects that lack sufficient information to be scored, or that fail to pass the Threshold Score will be referred to the Technical Resources Program at the discretion of the Watershed Area Steering Committee.

Members of the Scoring Committee, who are not otherwise compensated to participate, may qualify for a stipend in the amount of one hundred dollars (\$100) per meeting attended, subject to qualifying circumstances. Said compensation will be paid through the District Program.

Meetings conducted by the Scoring Committee will be made public and meeting materials will be made available.

Table 6. Scoring Committee Membership

	Member	Appointment
1	<u>Subject Matter Experts:</u> Water Quality Benefits Water Supply Benefits Nature-Based Solutions/ Community Investment Benefits	Appointed by Board of Supervisors
2		Appointed by Board of Supervisors
3		Appointed by Board of Supervisors
4		Appointed by Board of Supervisors
5		Appointed by Board of Supervisors
6		Appointed by Board of Supervisors

R. Infrastructure Program Project Scoring Criteria

Scoring of Projects utilizes the Infrastructure Program Project Scoring Criteria, shown in Table 5. Projects will be eligible for scoring if they have a completed Feasibility Study or functional equivalent. The District will provide guidance on the minimum requirements, as well as a template for Feasibility Studies. All Projects must have a Water Quality Benefit and either or both a Water Supply Benefit or a Community Investment Benefit. The Projects shall be scored according to the Infrastructure Program Project Scoring Criteria. All scores will be made available to the public.

Project Scoring Criteria include the following four sections, which are assigned different ranges of points:

- Section A: Water Quality Benefit (50 Points)
 - Wet weather Projects:
 - Applies a range of points for effectiveness and extent of pollution reduction
 - Dry weather Projects:
 - Applies a range of points for full capture of Urban Runoff and tributary size.
- Section B: Water Supply Benefit (25 Points)
 - Applies a range of points for cost effectiveness and volume of supply created or offset

- Section C: Community Investment Benefit (10 Points)
 - Applies a range of points for Projects that provide one or more Community Investment Benefits.
- Section D: Nature-Based Solutions (15 Points)
 - Applies a range of points for Projects that utilize Nature-Based Solutions.
- Section E: Leveraging Funds (10 Points)
 - Applies points for Project funding match, partnerships, and community involvement.
 - Funding matches could include but are not limited to: grants, other local bonds and taxes, in-kind services, Municipal Program funds, and others.

The Scoring Committee will score Projects, apply the Threshold Score, and forward all scored Projects to the appropriate Watershed Area Steering Committee.

Table 7. Infrastructure Program Project Scoring Criteria

Section	Score Range	Scoring Standards				
A.1 Wet Weather Water Quality Benefits	50 points max	The Project provides water quality benefits				
	20 points max	<p>A.1.1: For Wet Weather BMPs Only: Water Quality Cost Effectiveness (Cost Effectiveness) = (24-hour BMP Capacity)¹ / (Capital Cost in \$Millions)</p> <ul style="list-style-type: none"> • <0.4 (acre feet capacity / \$-Million) = 0 points • 0.4-0.6 (acre feet capacity / \$-Million) = 7 points • 0.6-0.8 (acre feet capacity / \$-Million) = 11 points • 0.8-1.0 (acre feet capacity / \$-Million) = 14 points • >1.0 (acre feet capacity / \$-Million) = 20 points <p>¹. Management of the 24-hour event is considered the maximum capacity of a Project for a 24-hour period. For water quality focused Projects, this would typically be the 85th percentile design storm capacity. Units are in acre-feet (AF).</p>				
- OR -	30 points max	<p>A.1.2: For Wet Weather BMPs Only: Water Quality Benefit - Quantify the pollutant reduction (i.e. concentration, load, exceedance day, etc.) for a class of pollutants using a similar analysis as the EWMP which uses the Districts Watershed Management Modeling System (WMMS). The analysis should be an average percent reduction comparing influent and effluent for the class of pollutant over a ten-year period showing the impact of the Project. Modeling should include the latest performance data to reflect the efficiency of the BMP type.</p> <table border="0" style="width: 100%;"> <tr> <td style="text-align: center;"><u>Primary Class of Pollutants</u></td> <td style="text-align: center;"><u>Second or More Classes of Pollutant</u></td> </tr> <tr> <td> <ul style="list-style-type: none"> • >50% = 15 points • >80% = 20 points <p style="text-align: center;">(20 Points Max)</p> </td> <td> <ul style="list-style-type: none"> • >50% = 5 points • >80% = 10 points <p style="text-align: center;">(10 Points Max)</p> </td> </tr> </table>	<u>Primary Class of Pollutants</u>	<u>Second or More Classes of Pollutant</u>	<ul style="list-style-type: none"> • >50% = 15 points • >80% = 20 points <p style="text-align: center;">(20 Points Max)</p>	<ul style="list-style-type: none"> • >50% = 5 points • >80% = 10 points <p style="text-align: center;">(10 Points Max)</p>
	<u>Primary Class of Pollutants</u>	<u>Second or More Classes of Pollutant</u>				
<ul style="list-style-type: none"> • >50% = 15 points • >80% = 20 points <p style="text-align: center;">(20 Points Max)</p>	<ul style="list-style-type: none"> • >50% = 5 points • >80% = 10 points <p style="text-align: center;">(10 Points Max)</p>					
A.2 Dry Weather Water Quality Benefits	20 points	A.2.1: For dry weather BMPs only, Projects must be designed to capture, infiltrate, or divert 100% of all tributary dry weather flows.				
	20 points max	<p>A.2.2: For Dry Weather BMPs Only. Tributary Size of the Dry Weather BMP</p> <ul style="list-style-type: none"> • <200 Acres = 10 points • >200 Acres = 20 points 				
B. Significant Water Supply Benefits	25 points max	The Project provides water supply benefits				
	13 points max	<p>B1. Water Supply Cost Effectiveness. The Total Life-Cycle Cost² per unit of acre foot of Stormwater and/or Urban Runoff volume captured for water supply is:</p> <ul style="list-style-type: none"> • >\$2500/ac-ft = 0 points • \$2,000–2,500/ac-ft = 3 points • \$1500–2,000/ac-ft = 6 points • \$1000–1500/ac-ft = 10 points • <\$1000/ac-ft = 13 points <p>². Total Life-Cycle Cost: The annualized value of all Capital, planning, design, land acquisition, construction, and total life O&M costs for the Project for the entire life span of the Project (e.g. 50-year design life span should account for 50-years of O&M). The annualized cost is used over the present value to provide a preference to Projects with longer life spans.</p>				
	12 points max	<p>B2. Water Supply Benefit Magnitude. The yearly additional water supply volume resulting from the Project is:</p> <ul style="list-style-type: none"> • <25 ac-ft/year = 0 points • 25 - 100 ac-ft/year = 2 points • 100 - 200 ac-ft/year = 5 points • 200 - 300 ac-ft/year = 9 points • >300 ac-ft/year = 12 points 				
C. Community Investments Benefits	10 points max	The Project provides Community Investment Benefits				
	10 points	<p>C2. Project includes:</p> <ul style="list-style-type: none"> • One of the Community Investment Benefits defined above = 1 points • Four distinct Community Investment Benefits = 4 points • Seven distinct Community Investment Benefit = 10 points 				

Table 7. Infrastructure Program Project Scoring Criteria (continued)

Section	Score Range	Scoring Standards
D. Nature-Based Solutions	15 points max.	The Project implements Nature-Based Solutions
	15 points	D1. Project: <ul style="list-style-type: none"> • Implements natural processes or mimics natural processes to slow, detain, capture, and absorb/infiltrate water in a manner that protects, enhances and/or restores habitat, green space and/or usable open space = 5 points • Utilizes natural materials such as soils and vegetation with a preference for native vegetation = 5 points • Removes Impermeable Area from Project (1 point per 20% paved area removed) = 5 points
E. Leveraging Funds and Community Support	10 points max.	The Project achieves one or more of the following:
	6 points max	E1. Cost-Share. Additional Funding has been awarded for the Project. <ul style="list-style-type: none"> • >25% Funding Matched = 3 points • >50% Funding Matched = 6 points
	4 points	E2. The Project demonstrates strong local, community-based support and/or has been developed as part of a partnership with local NGOs/CBOs.
Total	Total Points All Sections 110	

V. Municipal Program

Forty (40) percent of the funds from the SCW Program tax are allocated for the Municipal Program pursuant to the Flood Control Act section 2, subsection 8b(B). Municipal funds shall be allocated proportionally to the revenues generated within each Municipality or the County Unincorporated Areas in the District. Considering the geologic, geographic and demographic diversity within the District, the Municipal Program is designed to maximize the ability of local governments to address local Stormwater and/or Urban Runoff challenges and opportunities. Projects are required to include a Water Quality Benefit. Multi-Benefit Projects and Nature-Based Solutions are strongly encouraged. Municipal Program funds allow flexibility for Municipalities to fund Stormwater and/or Urban Runoff Programs, activities, studies, associated staffing costs, as well as capital Projects along all phases of Project development, including but not limited to: concept development, planning, design, construction, monitoring, and O&M.

A. Municipal Program Responsibilities

Each Municipality receiving Municipal Program funding from the SCW Program will have the following responsibilities including, but not limited to:

- a. Prepare, prior to the start of that Municipality's fiscal year, a budget for how SCW Program funds will be used.
- b. Prepare within six (6) months after the end of that Municipality's fiscal year an Annual Progress/Expenditure Report that details a Program-level summary of expenditures and a description of Water Quality Benefits, Water Supply Benefits, Nature-Based Solutions, and Community Investment Benefits realized through use of Municipal Program funds.
- c. Comply with all SCW Program reporting and audit requirements, and provide the District additional financial and other information, as required by SCW Program or upon request.
- d. As part of the Municipal Program planning process, consider a Municipal level request for Projects from eligible Project Applicants.

- e. Prepare informational materials to provide members of the public with up-to-date information on the Municipality's actual and budgeted use of revenues from the SCW Program and make the information available to the public through the Municipality's websites and upon request.
- f. Operate in accordance with best practices for government agencies.
- g. Be strictly accountable for all funds, receipts, and disbursements by the Municipality.
- h. Engage stakeholders in the planning process for use of the Municipal Program funds during the planning and implementation of Municipal Program Projects.
- i. Comply with revenue transfer agreement requirements.

B. Maintenance of Effort

A Municipality must spend at least 70% of their Municipal Program funds annually on new Projects, which also includes O&M of infrastructure Projects built to comply with the 2012 Los Angeles MS4 Permit or 2014 Long Beach MS4 Permit, so long as the Project complies with Municipal Program requirements. Up to 30% of a Municipality's Municipal Program funds may be used to pay for SCW Program eligible activities commenced before the election date of the SCW Program Tax.

C. Municipal Program Annual Progress/Expenditure Reports

Each Municipality shall arrange for an Annual Progress/Expenditure Report for all Projects. The Annual report shall include details that summarize the expenditures and describe the benefits of Water Quality, Water Supply, and Community Investment realized through use of SCW Program funds. Annual Progress/Expenditure Reports will include a summary of funds that have been allocated to achieve SCW Program Goals as articulated in Section I for the prior year. The Municipality shall be subject to and comply with all applicable requirements of the District regarding Project-reporting requirements. The Annual Progress/Expenditure Report details:

- SCW Program funds expended.
- Documentation that the SCW Program funds were used for eligible expenditures.
- Description of work accomplished during the reporting period.
- Milestones or deliverables completed/submitted during the reporting period.
- Work anticipated for the next reporting period.
- Photo documentation, as appropriate.
- Additional information as necessary.

VI. District Program

Ten (10) percent of the revenue from the tax on each Parcel is allocated for the District Program pursuant to the Flood Control Act section 2, subsection 8b(A).

A. Responsibilities

The District will have the following responsibilities including, but not limited to:

- a. Administer the SCW Program, including activities such as: Tax and payment administration including costs incurred in connection with the levy and collection of the tax and distribution of the funds, review annual budgets and reports, conduct audits, and manage appeals of scoring process.
- b. Annually prepare a five (5) year revenue forecast for each Watershed Area.
- c. Plan, implement, and maintain District Projects.
- d. Administer and provide staffing for the Regional Program.
- e. Provide staff support to the Scoring Committee, Watershed Area Steering Committees, and the ROC.
- f. Provide Technical Assistance Teams and Watershed Coordinators funded by the Technical Resources Program.
- g. Engage stakeholders in the planning process for use of the District Program funds.
- h. Plan, implement, and maintain District Projects.
- i. Operate in accordance with best practices for government agencies.
- j. Conduct independent audits to ensure compliance with requirements of the SCW Program.
- k. Prepare, prior to the start of the District's fiscal year, a budget for how SCW Program funds will be used.
- l. Prepare within six (6) months after the end of the District's fiscal year an annual report that details a Program level summary of expenditures and a quantification of Water Quality Benefits, Water Supply Benefits, and Community Investment Benefits realized through use of Municipal Program funds.
- m. Comply with all SCW Program audit requirements.

B. Programs

The District will administer the Programs below. The District will commence these Programs within the first year of passage of the Safe, Clean Water Tax. Not less than 20% annually of District Program funds shall be allocated for these Programs over a revolving five (5) year period. These Programs will be implemented throughout the region with special attention toward the needs of disadvantaged communities. The District will partner with stakeholders to collaboratively implement these Programs.

The District will create Stormwater and/or Urban Runoff education Programs that proactively involve stakeholders and community groups to carry out activities that may include, but are not limited to:

- a. Public education Programs.
- b. Local workforce job training, which will provide certification classes and vocational training at the community level for the design, construction, inspection, and O&M of Stormwater and/or Urban Runoff management and Multi-Benefit Projects.
- c. Schools education and curriculum Program, such as classroom curriculum, guest speakers, etc.

C. District Projects and Regional Water Quality Planning & Coordination

The District will carry out the following activities:

- a. Regional water quality planning and coordination to carry out activities which may include but are not limited to providing regional leadership and coordination for scientific studies, research, and water quality modeling.
- b. Implementation of Multi-Benefit Projects. The District will engage stakeholders in the planning process for District Projects.

VII. Tax Calculation and Collection Provisions

A. Calculation of the Tax

The tax will be calculated for each Parcel based upon the Parcel's Impermeable Area as determined by the County Landcover Survey. The boundaries of the area, identification of the Parcels subject to the tax, and the method for calculating the tax for each Parcel will be established by the ordinance incorporated by the Los Angeles County Flood Control District Code. The rate used for calculating the tax, as established by the ordinance, will remain the same from year to year, unless a change is approved in accordance with all applicable laws. The Chief Engineer may periodically re-evaluate the characteristics of Parcels to ensure accuracy of tax calculations.

The Board of Supervisors will periodically initiate an update to the County Landcover Survey which is used to determine the Impermeable Area for each Parcel throughout the District.

B. Collection – General Procedure

The tax will be collected for each fiscal year on the property tax roll in the same manner, and at the same time as, the general taxes of the County are collected. The Auditor will provide an annual statement of the revenues collected for the SCW Program to each Municipality as well as each Watershed Area Steering Committee. The Auditor's costs for tax and payment administration including costs incurred in connection with the levy and collection of the tax will be paid by SCW Program funds.

Insofar as feasible and not inconsistent with the SCW Program, the times and procedures regarding exemptions, due dates, installment payments, corrections, cancellations, refunds, late payments, penalties, liens, and collections for secured roll ad valorem property taxes will be applicable to the collection of the tax.

C. Claims for Reimbursement and Appeals

Parcel owners who believe their tax has been calculated incorrectly will be able to seek review on one or more of the following grounds:

- a. Mathematical error in the calculation of the tax.
- b. Discrepancy of more than:
 - 10% error in the actual Impermeable Area; or
 - \$50 in the tax amount, whichever is greater.

Tax appeals must be filed with the District.

D. Passthrough of Tax

There are no provisions in the SCW Program Tax that would limit a Parcel owner's ability to passthrough the proposed Parcel tax to a tenant. Land owners must comply with all applicable rent control ordinances, contractual provisions in the specific lease, federal subsidized housing requirements, and others.

VIII. Revenue Bonds

Bonds issued hereunder by a Municipality or the District, to the extent such entity is authorized by law to issue and sell revenue bonds, may be secured by SCW Program revenues as set forth in this document. Only those amounts specifically allocated to a Municipality or the District may be used as security for its respective bonds. Watershed Area Steering Committees may request the District to bond against their Watershed Area's revenue stream for Regional Projects.

IX. Miscellaneous Provisions

A. Carryover of Uncommitted Municipal and Regional Program Funds

Municipalities and Project Developers will be able to carry over uncommitted SCW Program revenues for up to five (5) years from the end of the fiscal year in which those revenues are transferred from the District to the Municipality or Project Developer. Additional requirements may be included in the transfer agreement.

B. Procedures for Lapsing Funds

Municipalities and Project Developers who are unable to expend their approved funding as described in their Stormwater Investment Plan will be subject to lapsing funds procedures. Lapsing funds are funds that were committed and approved but were not able to be spent per the approved schedule. Funds are considered lapsed five (5) years after the transfer agreement execution date.

SCW Program revenues that are not expended by a Municipality or Project Developer within the five (5) years will revert back to the Watershed Area Steering Committee of the respective Watershed Area and be reprogrammed to a new Project with benefit to that Municipality or Watershed Area.

C. Record-Keeping and Audits

The following recordkeeping and audit requirements will apply:

- a. SCW Program revenues received by the District, Municipalities, and Project Developers will be required to be held in separate interest-bearing accounts and not combined with other funds. Interest earned on SCW Program revenues will be required to be used for SCW Projects in the Watershed Area Steering Committee or Municipality in which it was earned, consistent with the requirements of the SCW Program.
- b. Municipalities, Project Developers, and the District will be required to retain, for a period of seven (7) years after Project completion, all records necessary in accordance with Generally Accepted Accounting Principles to determine the amounts expended, and eligibility of Projects. Municipalities and Project Developers, upon demand by authorized representatives of the District will be required to make such records available for examination and review or audit by the District or its authorized representative. Records shall include: accounting records, written policies and procedures, contract files, original estimates, correspondence, change order files including documentation covering negotiated settlements, invoices, and any other supporting evidence deemed necessary to substantiate charges related to SCW Program funds and expenditures.
- c. At all reasonable times, Municipalities and Project Developers will be required to permit the Chief Engineer, or his or her authorized representative, to examine all Projects that were erected, constructed, implemented, operated, or maintained using SCW Program revenues. Municipalities and Watershed Area Steering Committees will be required to permit the authorized representative, including the Auditor, to examine, review or audit, and transcribe any and all audit reports, other reports, books, accounts, papers, maps, and other records that relate to Projects funded with revenues from the SCW Program.
- d. Municipalities will be subject to an independent audit of their use of SCW Program funds not less than once every five (5) years. Municipal audits are to be funded with Municipal Program funds.
- e. Project Developers will be subject to an independent audit upon completion of the Project. Additional interim audits may be conducted. Project Developer audits are to be funded with Regional Program funds.
- f. District will be subject to an independent audit of their use of SCW Program funds not less than once every five (5) years.

D. Procedures for Addressing Misuse of Funds and Failure to Comply with Requirements

The following procedures apply for misuse of funds and failure to comply with requirements.

- a. If the District determines that a Project Developer or Municipality has misused SCW Program revenues, the District may issue a written notice to the Project Developer or Municipality of that determination and to refund those revenues, including associated interest, to the District within thirty (30) days of notification.
- b. Revenues refunded by a Project Developer or Municipality will, at the District's discretion, be reassigned and used to plan, implement, and maintain Projects in accordance with the following:

- SCW Program revenues refunded by a Municipality will be used to fund Municipal or Regional Projects that are located within the jurisdiction of the Municipality.
 - SCW Program revenues refunded by a Project Developer will be used to implement Projects in the same Watershed Area from which the revenues were collected.
- c. Failure to comply with a notice to refund revenues by the required date will result in immediate suspension of future SCW Program revenue disbursements to that entity until such time as revenues are refunded.
 - d. If the District determines that a Municipality or Project Developer has failed to comply with any applicable requirement of the Program, the District, at its discretion, may issue a written notice to the Municipality or Project Developer of that determination and that the District will withhold future disbursements of SCW Program revenues pending compliance. Withheld disbursements will be retained by the District for a period of five (5) years after which, if the violation has not been resolved, they will revert back to the respective Watershed Area Steering Committee for reprogramming to another Project.
 - e. If a Project Developer or Municipality disputes a determination by the District, as described above, the Project Developer or Municipality may submit a notice of appeal to the District not later than ten (10) business days from the date of the written notice from the District. The District will appoint a hearing officer to conduct a hearing on the appeal. The submission of a notice of appeal does not relieve the Municipality or Project Developer of the obligation to refund the SCW Program revenues in dispute. If the hearing officer determines an adjustment is required, that adjustment will be reflected in the next disbursement of SCW Program revenues.

E. District Held Harmless

The District will not be required to accept ownership or responsibility for any Project developed, implemented or constructed by a Municipality or a Project Developer with SCW Program revenues. Unless the District enters into an express agreement with a Project Developer or Municipality to the contrary, neither the District, nor the County to the extent that it is acting on behalf of the District, their officers, employees, agents or volunteers ("District Indemnitees") will be liable in connection with errors, defects, injuries, property damage caused by or attributed to any Project that is funded in whole or in part with SCW Program revenues, and each Municipality and Project Developer will be required to indemnify the District Indemnitees and hold them harmless for claims, liability, and expenses, including attorneys' fees, incurred by any District Indemnitees as a result of any Project developed, implemented, or constructed by the Municipality or Project Developer that is funded with the SCW Program revenue, except for claims, liability, and expenses, including attorneys' fees, resulting from the sole negligence or willful misconduct of District Indemnitees.

F. Periodic Review of the SCW Program

- a. The Board of Supervisors will review and make revisions to the SCW Program in its reasonable discretion, including but not limited to updates to the Infrastructure Program Project Scoring Criteria; Watershed Area boundaries, County Landcover Survey; Credit Program, Threshold Score; membership of the Watershed Area Steering Committees, Regional Oversight Committee, and Scoring Committee; and other sections.

- b. After a period of thirty (30) years, the Board of Supervisors shall evaluate the need for the SCW Program and make a determination of whether the tax should be reduced or rescinded.

SAFE, CLEAN WATER PROGRAM
Draft Program Elements Appendices

X. APPENDIX

A. Watershed Area Steering Committee Minimum Requirements

Agency	Years of Experience	Description
Municipalities	Five +	<ul style="list-style-type: none"> • General knowledge of pollution abatement projects and knowledge in Stormwater Programs, and knowledge of NPDES Stormwater Permit and TMDL issues as related to the region. • Knowledge of the roles of federal, state and local governmental agencies involved in either the regulation of or the operation of water supply facilities, as well as familiarity with key nongovernmental agencies that influence the operations of water systems.
Groundwater	Five +	<ul style="list-style-type: none"> • Experience in one of the following groundwater areas: remediation, supply, management and/or storage. • Educational background or equivalent work experience in engineering, natural sciences, land use management, conservation, or other water resource-related field.
Water Agency	Five +	<ul style="list-style-type: none"> • Educational background or work experience in engineering, environmental science, biology, chemistry, toxicology, microbiology, urban planning or closely related field. • Ability to provide a regional perspective on water supply issues. • Expertise in the planning, design and construction, financing, and operations of water works facilities which includes storage reservoirs, transmission and distribution systems, pumping plants, water treatment, water conservation, and system optimization particularly as it effects power usage. • Sound knowledge of existing and emerging regulations, as well as environmental matters and familiarity with California water law and regulations. • Knowledge of the roles of federal, state and local governmental agencies involved in either the regulation of or the operation of water supply facilities, as well as familiarity with key nongovernmental agencies that influence the operations of water systems. • Experience in the acquisition of water rights.
Sanitation	Five +	<ul style="list-style-type: none"> • Experience in local or regional agency that provides wastewater collection, treatment, recycling and/or disposal services. • Education background and work experience in science, engineering, waste management or related fields.
Municipal Parks/Open Space	Five +	<ul style="list-style-type: none"> • Experience with habitat, open space and/or recreational issues at a regional level (i.e. across Municipal jurisdictions and watershed boundaries). • Educational background or equivalent work experience in natural sciences, land use management, conservation, or other water resource-related field. • Familiar with the agencies and organizations involved in habitat/open space issues in the District who are likely to be Project Developers, land owners or permittees of Projects.
At large Community Stakeholders	Two +	<ul style="list-style-type: none"> • Experience in community engagement • Knowledge and experience in working with government agencies to achieve community investment • The willingness to be trained and educated on pollution abatement, Stormwater programs, and TMDL related issues.
Environmental	Two +	<ul style="list-style-type: none"> • Experience in water resource issues • Educational background or equivalent work experience in natural sciences, land use management, conservation, or other water resource-related field • Educational background or work experience in engineering, environmental science, biology, chemistry, toxicology, microbiology, urban planning or closely related field.

Agency	Years of Experience	Description
Business	Two +	<ul style="list-style-type: none"> • Experience in developing commercial/business Stormwater and/or Urban Runoff capture facilities • Knowledge and experience in working with government agencies to achieve water resource improvements for residential and commercial properties • Educational background or equivalent work experience in natural sciences, land use management, conservation, or other water resource-related field.
Environmental Justice	Two +	<ul style="list-style-type: none"> • Experience in community engagement • Knowledge and experience in community priorities regarding resource needs for quality of life issues with respect to the development, implementation, and enforcement of environmental law, regulation, and policies. • Knowledge and experience in working with government agencies to achieve community investment.
Watershed Coordinator	Two +	<ul style="list-style-type: none"> • Experience in coordination and implementation of technical assistance. • Knowledge and experience in watershed protection planning, water quality, and/or watershed assessment. • Knowledge and experience to provide and/or coordinate technical assistance that results in Projects that are integrated and result in regionally significant and measurable watershed benefits • Experience in community engagement particularly with disadvantaged communities and small cities is desirable.
<p>General Minimum Qualifications for all Members:</p> <ul style="list-style-type: none"> • The knowledge of or willingness to be trained and educated on pollution abatement, Stormwater Programs, NPDES Stormwater Permit and TMDL related issues as related to the region. • Must be able to attend and participate in Watershed Area Steering Committee meetings. 		

*****DRAFT – PENDING FURTHER DISCUSSIONS *****

C. Credit Program

The Credit Program allows for up to 75% of the Safe, Clean Water Program tax to be credited for Parcel owners (1) who have constructed Stormwater and/or Urban Runoff improvements; or (2) who are located within a Benefited Development (as defined below) and may be eligible for additional credit or payments if they achieve additional benefits identified in the Incentive Program. All Parcels subject to the Safe, Clean Water Program tax are eligible for the Credit Program; there is no minimum tax amount or impermeable area required to be eligible for the credit, although the Board of Supervisors may, in its reasonable discretion, impose a minimum eligibility threshold at a later time. Multiple parcels with common ownership may be aggregated for purposes of the Credit Program.

Parcels located within a master planned community, Specific Plan area, subdivision, or an approved regional or sub-regional stormwater management plan area that are served by a centralized Stormwater and/or Urban Runoff improvement, are considered a "Benefited Development." The Stormwater and/or Urban Runoff improvement in the Benefited Development must collect and treat the runoff of the collective multi-Parcel impermeable area and be operated and maintained by a developer, homeowner or neighborhood association or other non-governmental entity. Notwithstanding the foregoing, if the Stormwater and/or Urban Runoff improvements are operated and maintained by a governmental entity, the Benefited Development will still qualify for the Credit Program if a developer, homeowner or neighborhood association, or other non-governmental entity funds the O&M of such improvements.

The credit shall be based on the total impermeable area of the Parcel (or aggregated Parcels, if applicable) or Benefited Development, not only the portion of the Parcel addressed by the Stormwater and/or Urban Runoff improvement.

Credit will be given for undertaking activities that result in Water Quality Benefits, Water Supply Benefits, and Community Investment Benefits. At a minimum, a Stormwater and/or Urban Runoff improvement must provide a water quality credit to qualify for the Credit Program. The Board of Supervisors may, in its reasonable discretion, revise or update the credit formulas as appropriate at a later time.

Water Quality Credit

Water quality credit is given for Stormwater and/or Urban Runoff improvements that result in a Water Quality Benefit. Water quality credit is calculated based on the extent to which a Parcel(s) or Benefited Development has complied with an applicable Low Impact Development (LID) ordinance, SUSMP requirements, an Industrial General Permit (IGP) or other Los Angeles Regional Water Quality Control Board-approved permit governing the discharge of Stormwater and/or Urban Runoff (RWQCB Stormwater Permit), or some combination of Stormwater and/or Urban Runoff discharge requirements for the Parcel.

Parcels or Benefited Developments with multiple and potentially overlapping Stormwater and/or Urban Runoff improvements may divide their Parcel or Benefited Development into tributary areas for each Stormwater and/or Urban Runoff improvement. Overlapping areas may only be counted once for the maximum applicable water quality credit option.

The water quality credit options are dependent on the construction date of the Stormwater and/or Urban Runoff improvement and are provided below. Percentages provided below are multiplied by the ratio of the improvement volume for the Impermeable Area to the design volume for the Impermeable Area of the Parcel or multi-Parcel area.

*****DRAFT – PENDING FURTHER DISCUSSIONS*****

Prior to election date of SCW Program:

- ***LID Ordinance Compliance (65%):*** Stormwater and/or Urban Runoff improvements on Parcels or in Benefited Developments that comply with applicable LID ordinance requirements are eligible for a water quality credit of 65%. The water quality design storm standard shall be equivalent to that found in the applicable LID ordinance and will be used for the calculation of the credit. In the absence of an applicable LID ordinance, the County's 2013 LID ordinance requirements shall apply.
 - ***Exceeds LID Ordinance Compliance (From 65% to 75%):*** Stormwater and/or Urban Runoff improvements on Parcels or in Benefited Developments that exceed applicable LID ordinance requirements are eligible for additional water quality credit of 75%. The water quality design storm standard shall be greater than or equal to two times (2x) that found in the applicable LID ordinance and will be used for the calculation of the credit.
- ***SUSMP Compliance (50%):*** Stormwater and/or Urban Runoff improvements on Parcels or in Benefited Developments that are in compliance with applicable SUSMP requirements are eligible for a water quality credit of 50%. The water quality design standard shall be equivalent to the standard required by applicable SUSMP requirements.
 - ***Exceeds SUSMP Compliance (From 50% to 65%):*** Stormwater and/or Urban Runoff improvements on Parcels or in a Benefited Development that exceed SUSMP requirements are eligible for additional water quality credit up to 65%.

After the election date of SCW Program:

- ***LID Ordinance Compliance (65%):*** Stormwater and/or Urban Runoff improvements on Parcels or in Benefited Developments that comply with applicable LID ordinance requirements are eligible for a water quality credit of 65%. The water quality design storm standard shall be equivalent to that found in the applicable LID ordinance and will be used for the calculation of the credit. In the absence of an applicable LID ordinance, the County's most up-to-date LID ordinance requirements shall apply.
 - ***LID Equivalency (up to 65%):*** Stormwater and/or Urban Runoff improvements on Parcels or in a Benefited Development that provide Water Quality Benefits comparable to or greater than LID ordinance requirements are eligible for a water quality credit of up to 65%.
 - ***Exceeds LID Ordinance Compliance (From 65% to 75%):*** Stormwater and/or Urban Runoff improvements on Parcels or in Benefited Developments that exceed applicable LID ordinance requirements are eligible for additional water quality credit of 75%. The water quality design storm standard shall be greater than or equal to two times (2x) that found in the applicable LID ordinance and will be used for the calculation of the credit.

*****DRAFT – PENDING FURTHER DISCUSSIONS *****

Other eligible water quality credit activities (pre- or post-election date):

- *IGP Compliance / RWQCB Stormwater Permit (65%):* Stormwater and/or Urban Runoff improvements on Parcels or in Benefited Developments that are subject to and in compliance with their IGP or RWQCB Stormwater Permit are eligible for a water quality credit of 65%. The design standard shall be equivalent to the standard required by the Parcel's IGP or RWQCB Stormwater Permit.
 - *High-Volume IGP Compliance / RWQCB Stormwater Permit (75%):* Stormwater and/or Urban Runoff improvements on Parcels or in Benefited Developments that are subject to and in compliance with an IGP or RWQCB Stormwater Permit that has design volume standard greater than or equal to the runoff volume resulting from a 2-inch, 24-hour rain event are eligible for additional water quality credit of 75%.
- *Dry Weather (20%):* Stormwater and/or Urban Runoff improvements on Parcels or in Benefited Developments that fully retain all dry weather flows are eligible for a water quality credit of 20%.

Water supply credit

Water supply credit is given for Stormwater and/or Urban Runoff improvements on Parcels or in Benefited Developments that result in a Water Supply Benefit.

Community investment credit

Community investment credit is given for Stormwater and/or Urban Runoff improvements on Parcels or in Benefited Developments that result in a Community Investment Benefit.

The Credit Program is based upon Water Quality Benefits, Water Supply Benefits, Community Investments Benefits as shown in the table below.

Table 8. Credit Formula

Stormwater &/or Urban Runoff Improvement	Credit Type (% Maximum)	Formula
Water Quality Credit Percentage (WQ%) CHOOSE ONE (per tributary area)	LID Compliance (65% max)	$WQ\% = \frac{\text{(LID improvement volume for Impermeable Area)}}{\text{(design storm volume for Impermeable Area of the Parcel or multi-Parcel area)}} \times (0.65) \times 100\%$
	LID Equivalency (65% max)	$WQ\% = \frac{\text{(LID Equivalency improvement volume for Impermeable Area)}}{\text{(design volume for Impermeable Area of the Parcel or multi-Parcel area)}} \times (0.65) \times 100\%$
	Exceeds LID (75% max)	$WQ\% = \frac{\text{(LID improvement volume for Impermeable Area)}}{\text{(2 x design volume for Impermeable Area of the Parcel or multi-Parcel area)}} \times (0.75) \times 100\%$
	SUSMP (50% max)	$WQ\% = \frac{\text{(SUSMP improvement volume for Impermeable Area)}}{\text{(design volume for Impermeable Area of the Parcel or multi-Parcel area)}} \times (0.5) \times 100\%$
	Exceeds SUSMP Standard (65% max)	$WQ\% = \frac{\text{(SUSMP improvement volume for Impermeable Area)}}{\text{(design volume for impermeable Area of the Parcel or multi-Parcel area)}} \times (0.65) \times 100\%$
	IGP/RWQCB Stormwater Permit (65% max)	$WQ\% = \frac{\text{(IGP/RWQCB Stormwater Permit BMP improvement volume for Impermeable Area)}}{\text{(design volume for Impermeable Area of Parcel)}} \times (0.65) \times 100\%$
	High Volume IGP/RWQCB Stormwater Permit (75% max)	$WQ\% = \frac{\text{(IGP/RWQCB Stormwater Permit BMP improvement volume for Impermeable Area)}}{\text{(design volume (2" storm) for Impermeable Area of Parcel)}} \times (0.75) \times 100\%$
	Dry weather (20% max)	$WQ\% = \frac{\text{(Impermeable Area benefited by the improvement)}}{\text{(total Impermeable Area of Parcel area or multi-Parcel area)}} \times (0.2) \times 100\%$
Water Supply Credit Percentage (WS%)	Water Supply (20% max)	$WS\% = \frac{\text{(Water Supply Benefit volume)}}{\text{(design storm volume for Impermeable Area of Parcel or multi-Parcel area)}} \times (0.2) \times 100\%$
Community Investments Percentage (CI%)	Community Investment credit percentage. (10% max)	$CI\% = \text{metrics to be determined} \times (0.10) \times 100\%$
Total Credit Percent	Credit percentage (Maximum 75%)	$\text{Credit Percent} = WQ\% + WS\% + CI\% \text{ (Not to exceed 75\%)}$
Final Parcel Credit	Tax Credit (in dollars)	$\text{Final Parcel Credit} = (\text{Parcel tax}) \times (\text{Credit Percent})$

*****DRAFT – PENDING FURTHER DISCUSSIONS *****

Implementation of the Credit Program

Prior to collection of the Safe, Clean Water Program Tax for the first year, the District shall establish procedures and guidelines for implementation of the Credit Program. These should include, at a minimum, the following:

1. Procedures for the submittal of initial and biennial Parcel owner certifications;
2. Procedures for the submittal of initial and biennial certifications for Benefited Developments;
3. Procedures for aggregating multiple parcels with common ownership for purposes of the Credit Program;
4. Procedures to facilitate the implementation of the Credit Program for Benefited Developments; and
5. Guidelines for calculating the water quality credit for (1) Stormwater and/or Urban Runoff improvements on Parcels or Benefited Developments for LID requirements and (2) Stormwater and/or Urban Runoff improvements on Parcels or Benefited Development that exceed SUSMP requirements; and (3) Stormwater and/or Urban Runoff improvements on Parcels or Benefited Developments for IGP or other RWQCB Stormwater permits.
6. Guidelines for calculating community investment credit.

The proposed Ordinance adding Chapter 16 to the Los Angeles County Flood Control District Code shall not go into effect until the Credit Program is established.

Verification Process

Parcel owners and Benefited Developments must recertify their eligibility for the Credit Program every two (2) years. In addition to adhering to the certification requirements contained in the Parcel or Benefited Development's applicable LID ordinance, SUSMP permit, or IGP/RWQCB Stormwater Permit, the Credit Program shall require additional documentation. All certifications submitted pursuant to the Credit Program shall be verified and submitted by a civil engineer licensed to practice in California and incorporate, at a minimum, the following elements:

- a. For a new Stormwater and/or Urban Runoff improvement, photo documentation of the construction or installation of new Stormwater and/or Urban Runoff improvement
- b. For an existing Stormwater and/or Urban Runoff improvement, photo documentation that the Stormwater and/or Urban Runoff improvement has been maintained in good working condition for the preceding two (2) years.
- c. The maintenance management plan for the Stormwater and/or Urban Runoff improvement.
- d. Calculations of the following:
 - i. The total impermeable area of the Parcel or Benefited Development;
 - ii. The impermeable area tributary to the Stormwater and/or Urban Runoff improvement;

*****DRAFT – PENDING FURTHER DISCUSSIONS *****

- iii. The volume of the Stormwater and/or Urban Runoff Improvement;
- iv. Applicable LID design storm volume or IGP/RWQCB Stormwater Permit or SUSMP design standard for the impermeable area of the Parcel or Benefited Development.
- e. Certification that the improvement meets or exceeds the applicable LID, IGP/RWQCB Stormwater Permit, or SUSMP standards.
- f. Certification of ownership of aggregating multiple Parcels with the same owner.

For Parcels or Benefited Developments subject to an IGP/ RWQCB Stormwater Permit, the Parcel or Benefited Development must be in compliance with its IGP/RWQCB Stormwater Permit and in good standing with no pending Notice of Violations or regulatory agency enforcement actions.

Any Water Supply Benefit created through the SCW Program is subject to applicable adjudicated judgments of water rights.

Incentives and Credit Trading

Prior to collection of the Safe, Clean Water Program Tax for the first year, the District will establish an "Incentive Program" and "Stormwater Credit Trading Program."

The Incentive Program will recognize and reward Parcels and Benefited Developments that further advance the goals of the Safe, Clean Water Program in comprehensive, innovative, and efficient manners. Examples of projects that may be eligible for incentives include, but are not limited to:

- Installation and/or maintenance of Stormwater and/or Urban Runoff improvements that exceed the applicable LID, IGP/RWQCB Stormwater Permit, or SUSMP standards in either water quality, capacity, or both, within the Parcel or Benefited Development;
- Installation and/or maintenance of Stormwater and/or Urban Runoff improvements either by a Parcel owner or within a Benefited Development that are sized and designed to manage Stormwater and/or Urban Runoff from outside of the Parcel or Benefited Development within the Parcel or Benefited Development;
- Managing and/or funding of Stormwater and/or Urban Runoff improvements for public facilities (streets, schools, etc.) outside the Parcel or Benefited Development;
- Dedication of natural open space in perpetuity.

Incentives may be provided in the form of additional annual credit to the Parcel owner or Parcels within a Benefited Development beyond what is available in the Credit Program, direct grants for project implementation, and/or other methods to be determined by the District.

The Stormwater Credit Trading Program is intended to provide a market-based approach for Stormwater and/or Urban Runoff management that will allow a Parcel owner to purchase credits to satisfy their Safe, Clean Water Program Tax obligations. The credits will be generated and provided by other Parcel owners who have implemented Stormwater and/or Urban Runoff improvements. The Stormwater Credit Trading Program will be open to all Parcels.



May 9, 2018

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Walnut

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*First District, LA County
Unincorporated Communities*

*Fourth District, LA County
Unincorporated Communities*

*Fifth District, LA County
Unincorporated Communities*

SGV Water Districts

The Honorable Sheila Kuehl, Chair
Los Angeles County Board of Supervisors
821 Kenneth Hahn Hall of Administration
500 W. Temple Street
Los Angeles, CA 90012

Dear Supervisor Kuehl,

The San Gabriel Valley Council of Governments (SGVCOG) appreciates the Board of Supervisors' leadership in the development of the Safe, Clean Water Program and the extended efforts to engage cities in the stakeholder process to draft a parcel tax for stormwater compliance programs, drought preparedness, water quality, and water sustainability.

The SGVCOG includes membership of 30 cities, 3 Supervisorial Districts, and 3 Municipal Water Districts, representing over 2 million residents. We understand and take seriously stewardship of environmental resources and to that end enacted a Stormwater Policy in November of 2016 in which we pledge to protect our watersheds and natural environment from polluted stormwater, and to capture stormwater and dry weather runoff to augment local water supplies. We continue to support compliance with water quality standards and strive to comply in a reasonable, practical, feasible and affordable manner. Over the last two years, the SGVCOG has actively pursued a path toward compliance within the framework of those four guiding principles—reasonable, practical, feasible, and affordable—and earned a reputation within Los Angeles County and the state as a subregional leader on stormwater policy.

On January 18, 2018, the SGVCOG Governing Board adopted an overarching position statement (Attachment 1) on aspects of the Safe, Clean Water program in order to guide our delegates during deliberations. That position statement includes:

- **Regional Funding.** Due to the already high cost of stormwater requirements, the vast majority of revenue from the Safe, Clean Water Program should go to design, construction, and ongoing operations and maintenance of capital projects, especially those identified in approved stormwater permits, not programs.
- **Governance.** Disbursement of Regional Funds should be approved by a strong governance structure, comprised primarily of MS4 permittees, with responsibility for selecting projects according to defined criteria and overseeing how taxpayer money is spent.
- **Local Return.** Cities should have maximum flexibility and independence in spending local return money in a manner consistent with AB 1180.
- **Project Funding Priority.** Funding priority should be given to those projects that cost-effectively address water supply and water quality concerns.

- **Basin Plan.** The Basin Plan establishes the foundation for water quality standards which are then incorporated into MS4 permits. Since the Plan has not received comprehensive review since before stormwater discharges were made subject to it, we support use of the funds allocated to the Flood Control District to fund the cost of studies to update the Basin Plan.
- **Leverage Existing Funding.** Money from existing voter-approved sources should be leveraged as the primary source of funding for community enhancements, leaving all of the stormwater funding raised through this measure strictly for stormwater compliance.

We are very pleased to say that the draft program released on April 12, 2018 largely meets the elements of our overarching position. In an effort to assist the further development of the program, we offer the following specific categorized comments regarding the latest draft.

Definitions/Eligible Expenditures

- **Project Applicants.** Recommend that for the Regional Program, only permittees be allowed to be applicants. Other agencies/organizations can work with a permittee as the “sponsor” of their program. Furthermore, there is no need to define project applicants under the Municipal Program because the authority to spend that money is left to the discretion of the cities.
- **Eligible Expenditures.** Recommend removing “a community’s ability to adapt to climate change.” This is not directly stormwater related. Moreover, other funding sources such as the Caltrans Sustainable Communities grants, are specifically designed to address this.

Municipal Program

- **Stakeholder Engagement.** Recommend that all references and requirements for stakeholder engagement should be deleted. Municipal residents are, by definition, stakeholders and have the opportunity to participate in all city strategic planning and budget review processes already.
- **Los Angeles County Contracting/Hiring Practices.** Recommend removing all requirements to follow Los Angeles County contracting requirements. Municipalities are already guided by state law on hiring and contracting practices. For precedent, note that Measures M, R, and Proposition A do not include the requirement to follow Los Angeles County hiring and contracting requirements as a stipulation for receiving funds.

Regional Program

- **Selection Process/Flowchart.** In general, recommend this process be simplified and streamlined. Specific recommendations are identified below.
- **Watersheds map.**
 - **Arroyo Seco/Rio Hondo Watershed.** Recommend that the Arroyo Seco (AS) watershed be split off from the Upper Los Angeles River (ULAR) watershed and joined with the Rio Hondo (RH) watershed area. Changing the proposed watershed map simply recognizes the on-the-ground reality

of how these watersheds should be grouped. As an example, the current Memorandum of Agreement between AS/RH cities for a Load Reduction Strategy shows that these cities, in practice, are already executing stormwater pollution actions apart from the ULAR.

- **Rio Hondo/San Gabriel River (RH/SGR) EWMP.** Recommend grouping the RH/SGR EWMP in the Upper San Gabriel River (USGR) watershed area. Currently, the proposed map shows this EWMP split between the RH (Arcadia, Monrovia, Sierra Madre) and USGR (Azusa, Bradbury, Duarte) watersheds. This is a concern because the EWMP is in the process of proposing a major revision to their watershed plan, including construction of five regional projects.
- **Watershed Area Steering Committee (WASC)**
 - **County/Municipal Membership.** Have all seats filled by city representatives, given the County already has BOS representation. Consider expanding to 10 seats as well.
 - **Community Stakeholder Qualifications.** Recommend minimum requirements for Community Stakeholders. Because MS4 compliance requires extensive knowledge, we believe there should be minimum qualifications for community stakeholders just like there are for municipal and sector specific representatives.
- **Technical Committee.** Recommend the Technical Committee be staffed by one person from each watershed area steering committee in order to preclude bias in project selection scoring. Those members would be eligible to score all projects except those originating from their own watershed area.
- **Project Selection Scoring Criteria.** Recommend changes to the project selection scoring matrix as such:
 - **A. Water Quality.** 50 points total (split 25/25 for dry and wet weather)
 - **B. Water Supply.** 25 points total
 - **C. Community Investments.** 13 points total.
 - C1. 5 points
 - C2. 8 points
 - C3. Delete C3 as this section duplicates C1 in part.
 - **D. Leveraging/Readiness.** 12 points total
 - D1. 5 points
 - D2. 2 points
 - D3. Delete D3 as there are too many uncertainties with project development to be able to state that a project will commence within 18 months.
 - D4. 5 points
- **Stormwater Investment Plan.**
 - **Staffing, Level of Effort.** Recommend that County provide staff support (funded by the FDC Program) to the development of stormwater investment plans. Because there are more than one E/WMP and/or WMP within the proposed watershed areas, it will be time consuming and difficult to meld existing planned projects into the 5-year stormwater

investment plan. Moreover, County support will lead to consistency in the plans across the entire region.

- **WASC Planning Latitude.** Recommend that the WASC be given latitude to consider project readiness when developing these plans.
- **BOS Review.** Recommend review of this step for consolidation and/or deletion. It is unclear what role the BOS will play in the review and approval of these plans.
- **Stormwater Management Targets.** Recommend deleting development of stormwater management targets from the program for the following reasons.
 - **Water Quality Targets.** Development of these targets duplicates what the regional board and E/WMPs have already established.
 - **Water Supply Targets.** The 2016 Bureau of Reclamation Basin Study identified water supply targets on a regional level and each adjudicated basin has set specific targets year-by-year.
 - **Community Investment Targets.** Establishing these targets is subjective and potentially not measurable.
- **Regional Oversight Committee (ROC).** Recommend review of this step for consolidation and/or deletion. The responsibilities of the ROC are ill defined and it is unclear what value the ROC will add to the project selection process.
- **Disadvantaged Communities (DACs)**
 - **110% Return.** Recommend that the definition of “benefit” be such that a downstream project (built in a non-DAC community) that accepts stormwater from a DAC, be included in the definition. Currently, the program states that the 110% return must “benefit” a DAC. How to define “benefit” requires more discussion.
 - **Accounting for 110% Return.** Recommend that the County develop a system for accounting for the 110% return and report out annually. How the 110% return will be accounted for, and by whom, requires more discussion. Since projects will be built over multiple years and in many places throughout a watershed area, accounting is not straightforward.
 - **DAC Count.** Recommend clarifying if DAC population count is by census block or bounded by permittee (city) jurisdiction.

Flood Control District (FCD) Program

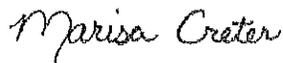
- **Basin Plan Studies.** Recommend that the amount for Basin Plan studies be equal to the amount set aside for FCD education programs (currently \$20 million over five years) and come from FCD funds.
- **Job Training.** Recommend removing certification and vocational training for “design” as this requires an engineering degree.
- **Watershed Monitoring.** Recommend allowing FCD funds for water quality monitoring.
- **Watershed Coordinator.** Recommend removal of this position from the program as the duties of this position are ill defined.

Miscellaneous

- **1st/2nd Ordinance.** Recommend that both ordinances be passed at the same time with wording that says the 2nd ordinance will only go into effect upon voter approval of the tax.
- **Credits/Incentives/Rebates.** In the SGVCOG's letter of April 5, 2018, we stated our recommendations regarding this program element.
- **Conflict of Interest.** Recommend clarification. As written, the conflict of interest policy is ambiguous and could be interpreted that all WASC members have a conflict of interest in a project that benefits the watershed.

The challenges ahead remain daunting, but with your leadership and continued stakeholder outreach we look forward to developing a stormwater funding program that the SGVCOG and its member agencies can support. Should you have any questions, please contact Eric Wolf, Senior Management Analyst, at ewolf@sgvcog.org, (626) 457-1800.

Sincerely,



Marisa Creter
Executive Director
San Gabriel Valley Council of Governments

Attachments

Attachment 1 – SGVCOG Position on SCW Program Elements, Resolution 18-03

Cc.

Hon. Janice Hahn, Chair Pro Tem, Los Angeles County Board of Supervisors
Hon. Hilda L. Solis, Supervisor, First District, Los Angeles County
Hon. Mark Ridley-Thomas, Supervisor, Second District, Los Angeles County
Hon. Kathryn Barger, Supervisor, Fifth District, Los Angeles County
Katy Young, Office of Supervisor Sheila Kuehl
Teresa Villegas, Office of Supervisor Hilda Solis
Mark Pestrella, Director of Public Works, Los Angeles County
Russ Bryden, Los Angeles County Department of Public Works

