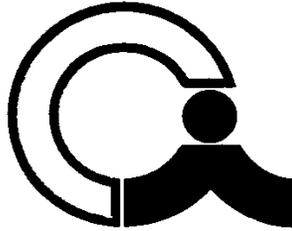


CITY OF INDUSTRY

CITY COUNCIL
REGULAR MEETING AGENDA

JULY 14, 2016
9:00 AM



Mayor Mark Radecki
Mayor Pro Tem Cory Moss
Council Member Abraham Cruz
Council Member Roy Haber, III
Council Member Newell Ruggles

Location: City Council Chamber, 15651 East Stafford Street, City of Industry, California 91744

Addressing the City Council:

- ▶ **Agenda Items:** Members of the public may address the City Council on any matter listed on the Agenda. In order to conduct a timely meeting, there will be a three-minute time limit per person for any matter listed on the Agenda. Anyone wishing to speak to the City Council is asked to complete a Speaker's Card which can be found at the back of the room and at the podium. The completed card should be submitted to the City Clerk prior to the Agenda item being called and prior to the individual being heard by the City Council.
- ▶ **Public Comments (Non-Agenda Items):** Anyone wishing to address the City Council on an item not on the Agenda may do so during the "Public Comments" period. In order to conduct a timely meeting, there will be a three-minute time limit per person for the Public Comments portion of the Agenda. State law prohibits the City Council from taking action on a specific item unless it appears on the posted Agenda. Anyone wishing to speak to the City Council is asked to complete a Speaker's Card which can be found at the back of the room and at the podium. The completed card should be submitted to the City Clerk prior to the Agenda item being called by the City Clerk and prior to the individual being heard by the City Council.

Americans with Disabilities Act:

- ▶ In compliance with the ADA, if you need special assistance to participate in any City meeting (including assisted listening devices), please contact the City Clerk's Office (626) 333-2211. Notification of at least 48 hours prior to the meeting will assist staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting.

Agendas and other writings:

- ▶ In compliance with SB 343, staff reports and other public records permissible for disclosure related to open session agenda items are available at City Hall, 15625 East Stafford Street, Suite 100, City of Industry, California, at the office of the City Clerk during regular business hours, Monday through Friday 9:00 a.m. to 5:00 p.m. Any person with a question concerning any agenda item may call the City Clerk's Office at (626) 333-2211.

-
1. Call to Order
 2. Flag Salute
 3. Roll Call
 4. Public Comments

4.1 Presentation by Eric J. Scriven, Financial Advisor with NHA Advisors, LLC

5. **CONSENT CALENDAR**

All matters listed under the Consent Calendar are considered to be routine and will be enacted by one vote. There will be no separate discussion of these items unless members of the City Council, the public, or staff request specific items be removed from the Consent Calendar for separate action.

5.1 Consideration of the Register of Demands

RECOMMENDED ACTION: Approve the Register of Demands and authorize the appropriate City Official to pay the bills.

5.2 Consideration of Resolution No. CC 2016-43 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDUSTRY, CALIFORNIA, IN SUPPORT OF THE LOS ANGELES COUNTY DEPARTMENT OF PARKS AND RECREATION PUENTE HILLS LANDFILL PARK MASTER PLAN

RECOMMENDED ACTION: Adopt Resolution No. CC 2016-43.

5.3 Consideration of a Conflict Waiver for Casso & Sparks, LLP, regarding Skyscraper Brewing Company, Inc. v. The Successor Agency to the Industry Urban-Development Agency, et al. (LASC KC068505)

RECOMMENDED ACTION: Approve the Conflict Waiver.

6. **ACTION ITEMS**

6.1 Consideration of Resolution No. CC 2016-44 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDUSTRY, CALIFORNIA, ELECTING TO BE SUBJECT TO THE PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT, AND FIXING THE EMPLOYER'S CONTRIBUTION AT AN EQUAL AMOUNT FOR EMPLOYEES AND ANNUITANTS

RECOMMENDED ACTION: Adopt Resolution No. CC 2016-44.

6.2 Consideration of Resolution No. CC 2016-45 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDUSTRY, CALIFORNIA, APPROVING AN INCREASE TO THE FISCAL YEAR 2015-16 GENERAL FUND BUDGET OF \$194,350 FOR PAYMENT OF THE CALIFORNIA STATE CONTROLLER'S OFFICE REVIEW SERVICES

RECOMMENDED ACTION: Adopt Resolution No. CC 2016-45.

- 6.3 Consideration of Resolution No. CC 2016-46 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDUSTRY, CALIFORNIA, DECLARING MEMBERSHIP IN THE MUNICIPAL INSURANCE COOPERATIVE JOINT POWERS AUTHORITY (MIC JPA) AND AUTHORIZING THE CITY MANAGER TO EXECUTE ALL RELEVANT DOCUMENTS FOR INCLUSION AND BINDING OF PROPERTY, LIABILITY AND WORKER’S COMPENSATION INSURANCE FOR FISCAL YEAR 2016-2017

RECOMMENDED ACTION: Adopt Resolution No. CC 2016-46.

- 6.4 Consideration of Ordinance No. 794 – AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF INDUSTRY, CALIFORNIA AMENDING SECTION 10.40.010 (PORTION OF VINELAND AVENUE) AND REPEALING SECTIONS 10.40.020 (BALDWIN PARK BOULEVARD AND RAILROAD AVENUE), 10.40.030 (VALLEY BOULEVARD), 10.40.040 (HACIENDA BOULEVARD), 10.40.050 (CERTAIN STREETS), 10.40.060 (PROCTOR AVENUE, DON JULIAN ROAD AND TURNBULL CANYON ROAD), 10.40.070 (GALE AVENUE), 10.40.080 (PASS AND COVINA ROAD), 10.40.090 (SAN GABRIEL RIVER PARKWAY), 10.40.100 (AZUSA AVENUE), 10.40.110 (PORTION OF VALLEY BOULEVARD), 10.40.120 (PORTION OF TEMPLE AVENUE), 10.40.130 (PORTION OF AMAR ROAD), 10.40.140 (PORTION OF TEMPLE AVENUE), 10.40.150 (PORTION OF BREA CANYON ROAD), 10.40.160 (PORTION OF GALE AVENUE), 10.40.170 (PORTION OF MOHR AVENUE), 10.40.180 (PORTION OF WALNUT DRIVE), 10.40.190 (PORTION OF GALE AVENUE), AND 10.40.200 (PORTION OF GRAND AVENUE) OF CHAPTER 10.40 (SPEED LIMITS) OF TITLE 10 (VEHICLES AND TRAFFIC) OF THE CITY OF INDUSTRY MUNICIPAL CODE
(SECOND READING)

RECOMMENDED ACTION: Adopt Ordinance No. 794.

- 6.5 Consideration of Amendment No. 1 to the Betterment Agreement between the City of Industry and Alameda Corridor-East Construction Authority (ACE) regarding the installation of intersection improvements to Fairway Drive and Walnut Drive in conjunction with the Fairway Drive Grade Separation Project

RECOMMENDED ACTION: Approve Amendment No. 1.

- 6.6 Consideration of Amendment No. 1 to the Betterment Agreement between the City of Industry and Alameda Corridor-East Construction Authority (ACE) regarding the Fullerton Grade Separation Project

RECOMMENDED ACTION: Approve Amendment No. 1.

- 6.7 Discussion and direction of a draft concept for the proposed Turnbull Canyon Grade Separation Project by the Alameda Corridor-East Construction Authority (ACE), for a two lane overpass structure

RECOMMENDED ACTION: Discuss and provide direction to Staff.

- 6.8 Consideration of Resolution No. CC 2016-47 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDUSTRY APPROVING THE PURCHASE AND SALE AGREEMENT BETWEEN THE CITY AND CHALMERS SOUTH MISSION ROAD LLC, FOR THE 0.60-ACRE SOUTHERLY PORTION OF PARCEL 71 AND MAKING THE REQUISITE CEQA FINDINGS

RECOMMENDED ACTION: Adopt Resolution No. CC 2016-47.

- 6.9 Consideration of a donation for the Annual City Appreciation Lunch

RECOMMENDED ACTION: Approve the donation.

- 6.10 Discussion and consideration of appointment of two (2) City representatives to serve on the Civic-Recreational-Industrial Authority

RECOMMENDED ACTION: Discuss and appoint two (2) representatives to serve on the Civic-Recreational-Industrial Authority.

7. **CITY COUNCIL COMMITTEE REPORTS**

8. **AB 1234 REPORTS**

9. **CITY COUNCIL COMMUNICATIONS**

10. **CLOSED SESSION**

- 10.1 CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to Government Code Section 54956.9(d)(2): One Potential Case

- 10.2 CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Pursuant to Government Code Section 54956.9(d)(1)
Case: City of Industry v. Crafton Elite, et al.
Los Angeles Superior Court East District
Case No. KC068259

- 10.3 Conference with real property negotiators pursuant to Government Code Section 54956.8

Property: 17201-17301 Gale Avenue, City of Industry
City Negotiators: Paul J. Philips, City Manager and
James M. Casso, City Attorney
Negotiating Parties: City of Industry, Successor Agency to the Industry
Urban-Development Agency, and R.Y. Properties, Inc.
Under Negotiation: Price and Terms of Payment

11. Adjournment. Next regular meeting: Thursday, July 28, 2016 at 9:00 a.m.

CITY COUNCIL

ITEM NO. 4.1

POWERPOINT PRESENTATION
PRESENTED DURING MEETING



CITY OF INDUSTRY
Refunding of 2010 Sales Tax Revenue Bonds
Council Discussion

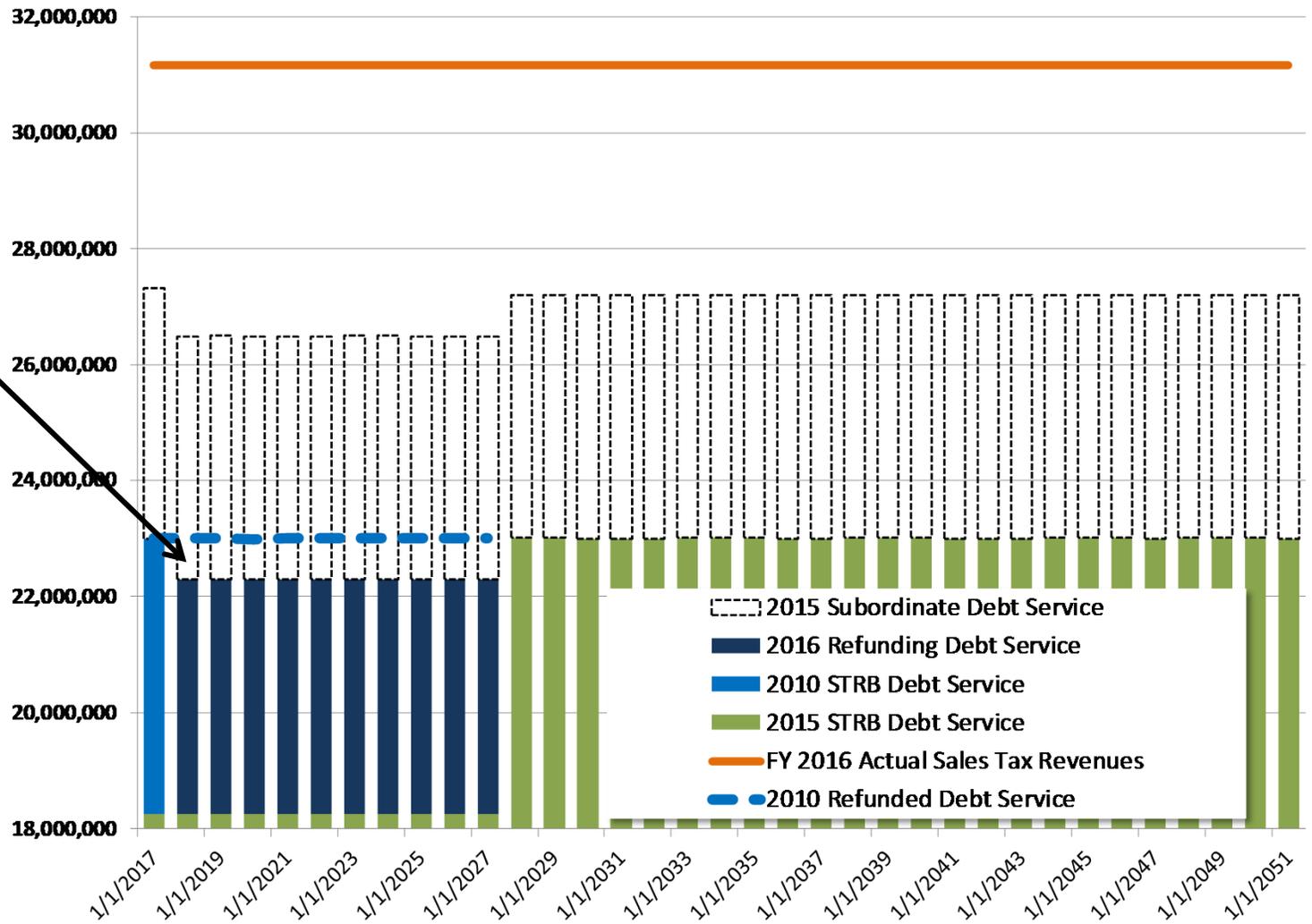
July 14, 2016

Background

- ▶ City currently has \$422.6 million of outstanding Sales Tax Revenue Bonds (STRBs)
 - ▶ \$34.57 million of 2010 STRBs
 - ▶ \$388.03 million of 2015 STRBs
 - ▶ \$336.57 of senior bonds and \$51.46 million of subordinate bonds
 - ▶ Refunded the 2005 and 2008 STRBs and raised new money to fully exhaust the City's \$500 million authorization
- ▶ Annual debt service on 2015 senior bonds structured to achieve \$23 million of aggregate annual debt service over next 35 years
 - ▶ Subordinate Bonds annual debt service of \$4.2 million (currently owned by City)
- ▶ Given historically low interest rates, the 2010 STRBs can be refunded despite 2020 call date
 - ▶ ≈\$1.5 million present value savings based on current rates (4.5% of refunded par)
 - ▶ Harvesting of old DSRF increases cash flow savings, significantly reducing City's annual payment and improving debt service coverage

Refunding Savings Analysis*

- ▶ \$1.5 Million PV savings
 - ▶ 4.4% of refunded par
- ▶ **\$700K annual savings 2018 thru 2027**
 - ▶ \$22.3 million aggregate senior debt service through 2027



* Estimated; based on current interest rates

Potential Next Steps

- ▶ July 14 – City Council Review of Financing Plan
- ▶ July 27 – Obtain Credit Rating from S&P
- ▶ July 28 – City Council Approval of Financing Plan and Legal Documents
 - ▶ City Authorizing Resolution
 - ▶ Irrevocable Refunding Instructions
 - ▶ Indenture of Trust
 - ▶ Official Statement
 - ▶ Continuing Disclosure Agreement
- ▶ August 12 – Price Bonds (Set Interest Rates)
- ▶ August 30 – Closing

Proposed Financing Team

- ▶ Project Manager: City of Industry
- ▶ Issuer's Counsel: Casso & Sparks
- ▶ Municipal Advisor: NHA Advisors
- ▶ Bond and Disclosure Counsel: Norton Rose Fulbright
- ▶ Underwriter: Stifel Nicolaus
- ▶ Trustee: U.S. Bank

CITY COUNCIL

ITEM NO. 5.1

**CITY OF INDUSTRY
AUTHORIZATION FOR PAYMENT OF BILLS
CITY COUNCIL MEETING OF JULY 14, 2016**

FUND RECAP:

<u>FUND</u>	<u>DESCRIPTION</u>	DISBURSEMENTS
100	GENERAL FUND	3,075,601.74
103	PROP A FUND	7,215.72
120	CAPITAL IMPROVEMENT FUND	52,228.96
140	CITY DEBT SERVICE	7,500.00
161	IPUC - ELECTRIC	250,635.18
TOTAL ALL FUNDS		3,393,181.60

BANK RECAP:

<u>BANK</u>	<u>NAME</u>	DISBURSEMENTS
BOFA	BANK OF AMERICA - CKING ACCOUNTS	223,711.06
PROP A	PROP A - CKING ACCOUNT	7,215.72
W/T	WORKMAN TEMPLE - CKING ACCOUNT	9,703.94
REF	REFUSE - CKING ACCOUNT	537,090.27
WFBK	WELLS FARGO - CKING ACCOUNT	2,615,460.61
TOTAL ALL BANKS		3,393,181.60

**CITY OF INDUSTRY
BANK OF AMERICA
July 14, 2016**

Check	Date		Payee Name	Check Amount
CITYELEC.CHK - City Electric				
1383	06/21/2016		CITY OF INDUSTRY	\$206,970.03
	Invoice	Date	Description	Amount
	06/21/16	06/21/2016	TRANSFER FUNDS-ELECTRIC	\$206,970.03
CITYGEN.CHK - City General				
24314	06/20/2016		CITY OF INDUSTRY	\$11,974.30
	Invoice	Date	Description	Amount
	06/20/16	06/20/2016	TRANSFER FUNDS-SAVINGS	\$11,974.30
PARKCIT.CHK - Parking Citation Checking				
570	06/22/2016		SUPERIOR COURT OF CALIFORNIA,	\$4,302.50
	Invoice	Date	Description	Amount
	MAY 2016	06/07/2016	PARKING CITATIONS REPORT-MAY 2016	\$4,302.50
571	06/22/2016		TURBO DATA SYSTEMS, INC	\$409.23
	Invoice	Date	Description	Amount
	24472	05/31/2016	CITATION PROCESSING APR/MAY 2016	\$409.23
572	06/29/2016		HO, LEE CHUNG	\$55.00
	Invoice	Date	Description	Amount
	06/29/16	06/29/2016	REFUND-CITATION #133982	\$55.00

CITY OF INDUSTRY
BANK OF AMERICA
July 14, 2016

Check	Date	Payee Name	Check Amount
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Checks	Status	Count	Transaction Amount
	Total	5	\$223,711.06

CITY OF INDUSTRY
PROP A
July 14, 2016

Check	Date		Payee Name	Check Amount
PROPA.CHK - Prop A Checking				
11642	06/28/2016		VOIDED- PAPER JAM	\$0.00
11643	06/24/2016		CITY OF INDUSTRY-REFUSE	\$78.80
	Invoice	Date	Description	Amount
	2516381	06/01/2016	DISP SVC-METROLINK	\$78.80
11644	06/24/2016		INDUSTRY SECURITY SERVICES	\$6,667.62
	Invoice	Date	Description	Amount
	14-17585	05/20/2016	SECURITY SVC-METROLINK	\$1,729.73
	14-17664	05/27/2016	SECURITY SVC-METROLINK	\$1,729.73
	14-17737	06/03/2016	SECURITY SVC-METROLINK	\$1,393.25
	14-17739	06/03/2016	VEHICLE FUEL-METROLINK	\$85.18
	14-17838	06/10/2016	SECURITY SVC-METROLINK	\$1,729.73
11645	06/24/2016		SO CAL INDUSTRIES	\$93.87
	Invoice	Date	Description	Amount
	227043	05/24/2016	RR RENTAL-METROLINK	\$93.87
11646	06/24/2016		SO CALIFORNIA EDISON COMPANY	\$224.54
	Invoice	Date	Description	Amount
	2016-00001546	06/18/2016	4/22-5/23/16 SVC-600 S. BREA CYN B	\$224.54
11647	06/24/2016		WALNUT VALLEY WATER DISTRICT	\$150.89
	Invoice	Date	Description	Amount
	2327065	06/13/2016	5/6-6/7/16 SVC-PLATFORM METROLINK BREA CYN	\$18.87
	2326064	06/09/2016	4/30-5/31/16 SVC-IRR METROLINK STA-SPANISH LN	\$132.02

Checks	Status	Count	Transaction Amount
	Total	6	\$7,215.72

**CITY OF INDUSTRY
WORKMAN TEMPLE**

July 14, 2016

Check	Date		Payee Name	Check Amount
WRKTMPHM.WF.CHK - Workman Temple Homestead Chking				
1039	06/29/2016		HISTORICAL RESOURCES, INC.	\$9,703.94
	Invoice	Date	Description	Amount
	06/29/16	06/29/2016	HISTORICAL COLLECTIBLES	\$9,703.94

Check	Status	Count	Transaction Amount
	Total	1	\$9,703.94

**CITY OF INDUSTRY
WELLS FARGO REFUSE
July 14, 2016**

Check	Date		Payee Name	Check Amount
REFUSE - Refuse Account				
WT201	06/30/2016		CITY OF INDUSTRY DISPOSAL CO.	\$538,284.61
	Invoice	Date	Description	Amount
	2519417	06/30/2016	REFUSE SVC 6/1-6/30/16	\$538,284.61
4184	12/1/2015		CAFFE BENE	(\$1,194.34)
	Invoice	Date	Description	Amount
	12/1/2015	6/27/2016	VOIDED-STALE CHECK	(\$1,194.34)

Checks	Status	Count	Transaction Amount
	Total	2	\$537,090.27

CITY OF INDUSTRY
WELLS FARGO VOIDED CHECK
July 14, 2016

Check	Date		Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo				
64039	05/26/2016		MAUREEN KANE & ASSOCIATES,	(\$1,550.00)
	Invoice	Date	Description	Amount
	06/21-6/24/16	05/01/2016	VOIDED-CHECK WAS LOST	(\$1,550.00)

Check	Status	Count	Transaction Amount
	Total	1	(\$1,550.00)

**CITY OF INDUSTRY
WELLS FARGO BANK
July 14, 2016**

Check	Date	Payee Name		Check Amount
CITY.WF.CHK - City General Wells Fargo				
64237	06/16/2016	MAUREEN KANE & ASSOCIATES,		\$1,550.00
	Invoice	Date	Description	Amount
	06/21-06/24/16-A	05/01/2016	CONFERENCE-D. SCHLICHTING	\$1,550.00
64238	06/21/2016	BANK OF AMERICA - VISA		\$300.90
	Invoice	Date	Description	Amount
	2016-00001529	06/17/2016	05/07-06/16/16 AUTHORIZED RED	\$300.90
64239	06/21/2016	FRONTIER		\$646.99
	Invoice	Date	Description	Amount
	2016-00001533	06/10/2016	6/10-7/9/16 SVC-GENERATOR SITE-TELEMETRY	\$144.45
	2016-00001534	06/10/2016	6/10-7/9/16 SVC-ELECTRIC MODEM	\$50.36
	2016-00001535	06/10/2016	6/10-7/9/16 SVC-GENERATOR SITE-TELEMETRY	\$25.80
	2016-00001536	06/10/2016	6/10-7/9/16 SVC-600 BREA CYN RD	\$217.01
	2016-00001537	06/10/2016	6/10-7/9/16 SVC-ELECTRIC MODEM	\$61.82
	2016-00001538	06/10/2016	6/10-7/9/16 SVC-GENERATOR SITE-TELEMETRY	\$50.36
	2016-00001539	06/10/2016	6/10-7/9/16 SVC-841 S 7TH AVE	\$97.19
64240	06/21/2016	GAS COMPANY, THE		\$59.23
	Invoice	Date	Description	Amount
	2016-00001530	05/25/2016	5/1-6/1/16 SVC-1 INDUSTRY HILLS PKY UNIT B	\$59.23
64241	06/21/2016	SO CALIFORNIA EDISON COMPANY		\$17,555.40
	Invoice	Date	Description	Amount
	2016-00001540	06/10/2016	5/1-6/1/16 SVC-GALE AVE/L STREET	\$34.73
	2016-00001541	06/11/2016	4/22-6/18/16 SVC-VALLEY BLVD U VARIOUS SITES	\$527.87
	2016-00001542	06/11/2016	5/11-6/10/16 SVC-575 BALDWIN PK AVE U	\$62.42
	2016-00001543	06/09/2016	5/1-6/1/16 SVC-208 WADDINGHAM WAY	\$16,826.40
	2016-00001544	06/09/2016	5/6-6/7/16 SVC-VARIOUS	\$103.98
64242	06/21/2016	VERIZON BUSINESS		\$161.83

**CITY OF INDUSTRY
WELLS FARGO BANK
July 14, 2016**

Check	Date		Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo				
	Invoice	Date	Description	Amount
	2016-00001531	06/10/2016	5/1-5/31/16 SVC-VARIOUS SITES	\$36.87
	2016-00001532	06/10/2016	5/1-6/1/16 SVC-VARIOUS SITES	\$124.96
64243	06/21/2016		WALNUT VALLEY WATER DISTRICT	\$4,739.71
	Invoice	Date	Description	Amount
	2326213	06/09/2016	4/30-5/31/16 SVC-BAKER PKY METER #2	\$417.72
	2326212	06/09/2016	4/30-5/31/16 SVC-BAKER PKY METER #1	\$361.99
	2326222	06/09/2016	4/30-5/31/16 SVC-22002 VALLEY BLVD	\$401.93
	2326275	06/09/2016	4/30-5/31/16 SVC-END OF BAKER PKY-TEMP	\$449.79
	2326249	06/09/2016	4/30-5/31/16 SVC-E/S GRAND 215'S/O BAKER PKY	\$127.89
	2326241	06/09/2016	4/30-5/31/16 SVC-GRAND CROSSING WEST-25'E	\$40.07
	2326240	06/09/2016	4/30-5/31/16 SVC-GRAND CROSSING EAST-35' N	\$43.33
	2326239	06/09/2016	4/30-5/31/16 SVC-21350 VALLEY-MEDIAN	\$85.71
	2326242	06/09/2016	4/30-5/31/16 SVC-BAKER PKY & GRAND N/W CNR	\$1,598.15
	2326256	06/09/2016	4/30-5/31/16 SVC-BREA CYN 60' N OF CURRIER	\$36.80
	2326255	06/09/2016	4/30-5/31/16 SVC-BREA CYN 100' N OF RR TRKS	\$149.27
	2326179	06/09/2016	4/30-5/31/16 SVC-BREA CYN RD & OLD RANCH RD	\$46.59
	2326219	06/09/2016	4/30-5/31/16 SVC-GRAND AVE XING-1200 E OF	\$241.96
	2326220	06/09/2016	4/8-5/31/16 SVC-GRAND XING-1200' E OF BAKER	\$73.34
	2326258	06/09/2016	4/30-5/31/16 SVC-60 FWY INTERCHANGE FAIRWAY	\$18.87
	2326093	06/09/2016	4/30-5/31/16 SVC-IRR 820 FAIRWAY DR	\$61.06
	2326145	06/09/2016	4/30-5/31/16 SVC-LEMON AVE N OF CURRIER RD	\$87.34
	2326195	06/09/2016	4/30-5/31/16 SVC-FERRERO & GRAND EAST RAMP	\$497.90
64244	06/22/2016		SAN GABRIEL VALLEY WATER AND	\$500,000.00
	Invoice	Date	Description	Amount
	REQUISITION #1	06/17/2016	ADVANCE FOR PROJECT EXPENSES-CLAUSE 25.2	\$500,000.00
64245	06/22/2016		UNIVERSITY OF LA VERNE	\$3,801.00
	Invoice	Date	Description	Amount

**CITY OF INDUSTRY
WELLS FARGO BANK
July 14, 2016**

Check	Date		Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo				
	SPRING 2016	06/15/2016	2016 SPRING TUITION BALANCE-MARIA HAGERTY	\$3,801.00
64246	06/29/2016		AT & T	\$252.05
	Invoice	Date	Description	Amount
	2016-00001570	06/17/2016	06/17-07/16/16 SVC - 17001 CARBON CYN - TONNER-	\$136.56
	2016-00001571	06/17/2016	06/17-07/16/16 SVC - 15000 TONNER CYN-GUARD	\$115.49
64247	06/29/2016		CITY OF CHINO HILL UTILITY	\$394.06
	Invoice	Date	Description	Amount
	2016-00001547	06/17/2016	05/16-06/15/16 SVC - 1550 RANCHO HILLS DR	\$394.06
64248	06/29/2016		FRONTIER	\$480.62
	Invoice	Date	Description	Amount
	2016-00001572	06/16/2016	06/16-07/15/16 SVC - PH AUTO PLAZA	\$163.24
	2016-00001573	06/16/2016	06/16-07/15/16 SVC - GENERATOR SITE-TELEMETRY	\$48.12
	2016-00001574	06/16/2016	06/16-07/15/16 SVC - BREA CYN PUMP STN	\$64.53
	2016-00001575	06/19/2016	06/19-07/18/16 SVC - 23400 E FORK - FOLLOW'S	\$61.50
	2016-00001576	06/19/2016	06/19-07/18/16 SVC - EM-21415 BAKER PKWY	\$50.36
	2016-00001577	06/19/2016	06/19-07/18/16 SVC - GENERATOR SITE-TELEMETRY	\$42.51
	2016-00001578	06/19/2016	06/19-07/18/16 SVC - ELECTRIC MODEM	\$50.36
64249	06/29/2016		GAS COMPANY, THE	\$37.74
	Invoice	Date	Description	Amount
	2016-00001550	06/20/2016	05/17-06/15/16 SVC - 610 S BREA CYN RD	\$37.74
64250	06/29/2016		INDUSTRY PUBLIC UTILITY	\$2,407.58
	Invoice	Date	Description	Amount
	2016-00001551	06/16/2016	05/10-06/10/16 SVC - 600 BREA CYN RD	\$2,407.58
64251	06/29/2016		SAN GABRIEL VALLEY WATER CO.	\$579.91
	Invoice	Date	Description	Amount

**CITY OF INDUSTRY
WELLS FARGO BANK
July 14, 2016**

Check	Date		Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo				
	2016-00001548	06/16/2016	05/16-06/15/16 SVC - 14329 VALLEY	\$395.66
	2016-00001549	06/17/2016	05/17-06/16/16 SVC - 336 EL ENCANTO	\$40.91
	841 7TH-JUN16	06/20/2016	05/18-06/17/16 SVC - 841 S SEVENTH	\$143.34
64252	06/29/2016		SO CALIFORNIA EDISON COMPANY	\$56,543.37
	Invoice	Date	Description	Amount
	2016-00001552	06/14/2016	05/12-06/13/16 SVC - 490 7TH U	\$78.58
	19835WAL-JUN16	06/15/2016	05/13-06/14/16 SVC - 19835 E WALNUT DR	\$63.18
	2016-00001554	06/17/2016	05/17-06/16/16 SVC - 1341 FULLERTON RD	\$35.23
	2016-00001555	06/17/2016	05/17-06/16/16 SVC - 17635 GALE	\$1,639.01
	2016-00001556	06/18/2016	05/17-06/16/16 SVC - PECK RD S/O PELLISSIER	\$39.68
	841 7TH-JUN16	06/18/2016	05/17-06/16/16 SVC - 841 7TH AVE	\$798.33
	2016-00001558	06/18/2016	05/17-06/16/16 SVC - VARIOUS SITES	\$5,661.28
	2016-00001559	06/18/2016	05/17-06/16/16 SVC - VARIOUS SITES	\$1,583.65
	2016-00001560	06/18/2016	05/17-06/16/16 SVC - VARIOUS SITES	\$79.66
	2016-00001561	06/18/2016	05/17-06/16/16 SVC - VARIOUS SITES	\$2,817.92
	2016-00001562	06/18/2016	04/01-06/01/16 SVC - VARIOUS SITES	\$37,410.22
	2016-00001563	06/18/2016	05/01-06/01/16 SVC - VARIOUS SITES	\$3,814.51
	2016-00001564	06/18/2016	04/28-06/16/16 SVC - VARIOUS SITES	\$2,522.12
64253	06/29/2016		SO CALIFORNIA EDISON COMPANY	\$74.78
	Invoice	Date	Description	Amount
	2016-00001557	06/18/2016	05/17-06/16/16 SVC - 19001 TONNER CYN RD	\$74.78
64254	06/29/2016		SO CALIFORNIA EDISON COMPANY	\$12,219.60
	Invoice	Date	Description	Amount
	7500662248	06/17/2016	05/01-05/31/16 SVC - OLD RANCH RD/MAYO AVE	\$5,623.22
	7500662249	06/17/2016	05/01-05/31/16 SVC - 208 S. WADDINGHAM WAY	\$3,667.31
	7500662250	06/17/2016	05/01-05/31/16 SVC - 745 ANAHEIM-PUENTE RD	\$1,027.46
	7500662260	06/17/2016	05/01-05/31/16 SVC - 133 N. AZUSA AVE	\$1,901.61

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Check	Date		Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo				
64255	06/29/2016		WALNUT VALLEY WATER DISTRICT	\$200.65
	Invoice	Date	Description	Amount
	2327046	06/13/2016	05/06-06/07/16 SVC - PUMP STN N/W CHERYL	\$23.77
	2327066	06/13/2016	05/06-06/07/16 SVC - PUMP STN BREA CYN	\$18.87
	19835WAL-2327202	06/13/2016	05/06-06/07/16 SVC - 19835 WALNUT DR	\$101.84
	2327290	06/13/2016	05/06-06/07/16 SVC - NOGALES PUMP STN	\$56.17
64256	06/30/2016		CITY OF LA PUENTE	\$30,000.00
	Invoice	Date	Description	Amount
	06/29/16	06/29/2016	CONTRIBUTION-INDEPENDENCE DAY CELEBRATION	\$30,000.00
64257	07/01/2016		CARTEGRAPH SYSTEMS, INC.	\$15,400.00
	Invoice	Date	Description	Amount
	SIN001687	05/25/2016	IMPLEMENTATION SERVICE	\$13,400.00
	SIN001788	06/22/2016	SOFTWARE SERVICE	\$2,000.00
64258	07/06/2016		FRONTIER	\$103.43
	Invoice	Date	Description	Amount
	2016-00001592	06/22/2016	06/22-07/21/16 SVC - GENERATOR SITE-TELEMETRY	\$53.07
	2016-00001593	06/22/2016	06/22-07/21/16 SVC - ELECTRIC MODEM	\$50.36
64259	07/06/2016		GAS COMPANY, THE	\$78.67
	Invoice	Date	Description	Amount
	2016-00001582	06/27/2016	05/24-06/23/16 SVC - 15415 DON JULIAN RD	\$78.67
64260	07/06/2016		SO CALIFORNIA EDISON COMPANY	\$1,182.99
	Invoice	Date	Description	Amount
	2016-00001583	06/23/2016	05/23-06/22/16 SVC - 580 S BREA CYN	\$24.67
	2016-00001584	06/23/2016	05/23-06/22/16 SVC - 575 S BREA CYN	\$24.99
	2016-00001585	06/23/2016	05/23-06/22/16 SVC - 21380 VALLEY PED	\$74.82
	2016-00001587	06/25/2016	05/25-06/24/16 SVC - 745 ANAHEIM PUENTE RD CP	\$65.15

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Check	Date		Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo				
	2016-00001588	06/25/2016	05/25-06/24/16 SVC - 17378 E GALE B	\$42.38
	2016-00001589	06/25/2016	05/01-06/23/16 SVC - 600 S BREA CYN RD	\$96.26
	2016-00001590	06/28/2016	05/25-06/24/16 SVC - BREA CYN VARIOUS SITES	\$527.12
	2016-00001591	06/29/2016	05/27-06/28/16 SVC - 137 N HUDSON AVE	\$327.60
64261	07/06/2016		SO CALIFORNIA EDISON COMPANY	\$50.43
	Invoice	Date	Description	Amount
	2016-00001586	06/24/2016	05/24-06/23/16 SVC - 5010 ENGLISH RD	\$50.43
64262	07/06/2016		SUBURBAN WATER SYSTEMS	\$1,188.45
	Invoice	Date	Description	Amount
	180050783984	06/21/2016	05/21-06/21/16 SVC - 205 HUDSON AVE	\$48.05
	180021031092	06/23/2016	05/24-06/22/16 SVC - AZUSA & GEMINI	\$1,140.40
64263	07/14/2016		ADMIN SURE	\$3,800.00
	Invoice	Date	Description	Amount
	9404	06/15/2016	CLAIM ADMIN-JUL 2016	\$1,900.00
	9102	01/15/2016	CLAIM ADMIN-FEB 2016	\$1,900.00
64264	07/14/2016		APPLIED METERING	\$480.00
	Invoice	Date	Description	Amount
	5469	06/14/2016	METER MAINT-MAY 2016	\$480.00
64265	07/14/2016		AT & T	\$176.00
	Invoice	Date	Description	Amount
	2020042301	06/23/2016	05/19-06/18/16 SVC - 600 BREA CYN RD-METROLINK	\$176.00
64266	07/14/2016		AVANT-GARDE, INC	\$1,530.00
	Invoice	Date	Description	Amount
	4042	06/20/2016	PROJECT MGMT-CITY BRIDGES	\$1,530.00

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Check	Date		Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo				
64267	07/14/2016		B AND T CATTLE	\$14,580.00
	Invoice	Date	Description	Amount
	53	05/24/2016	MAINT SVC-JUN 2016	\$14,580.00
64268	07/14/2016		BIGGS CARDOSA ASSOCIATES, INC.	\$28,789.26
	Invoice	Date	Description	Amount
	69682	06/05/2016	REPAINTING AZUSA AVE BRIDGE	\$28,789.26
64269	07/14/2016		CASC ENGINEERING AND	\$14,913.96
	Invoice	Date	Description	Amount
	35451	03/31/2016	NPDES ENG SVC-COI	\$4,540.59
	35604	04/30/2016	NPDES ENG SVC-COI	\$8,037.00
	35807	05/31/2016	NPDES ENG SVC-COI	\$2,336.37
64270	07/14/2016		CASSO & SPARKS, LLP	\$76,861.70
	Invoice	Date	Description	Amount
	20158	06/27/2016	COI-LEGAL SVC FOR JAN 2016	\$76,861.70
64271	07/14/2016		CHEM PRO LABORATORY, INC	\$269.00
	Invoice	Date	Description	Amount
	604807	06/22/2016	WATER TREATMENT-MAY 2016	\$269.00
64272	07/14/2016		CITY OF INDUSTRY	\$1,125.07
	Invoice	Date	Description	Amount
	2016-00000085	05/31/2016	IH FUEL PUMP-CITY HALL VEHICLES	\$273.49
	2016-00000083	05/31/2016	IH FUEL PUMP-SECURITY VEHICLES	\$851.58
64273	07/14/2016		CITY OF INDUSTRY-MEDICAL	\$238,000.00
	Invoice	Date	Description	Amount
	REG 7/14/16	07/06/2016	TRANSFER FUNDS-MEDICAL	\$238,000.00

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Check	Date		Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo				
64274	07/14/2016		CITY OF INDUSTRY-PAYROLL ACCT	\$100,000.00
	Invoice	Date	Description	Amount
	P/R 6/30/16	06/28/2016	PAYROLL REIMBURSEMENT FOR 6/30/16	\$100,000.00
64275	07/14/2016		CITY OF INDUSTRY-PETTY CASH	\$745.90
	Invoice	Date	Description	Amount
	06/2716	06/27/2016	REIMBURSE FOR PETTY CASH	\$745.90
64276	07/14/2016		CITY OF INDUSTRY-REFUSE	\$299.47
	Invoice	Date	Description	Amount
	2516311	06/01/2016	DISP SVC-CITY HALL	\$299.47
64277	07/14/2016		CITY OF LA PUENTE	\$421,574.00
	Invoice	Date	Description	Amount
	16-012	06/21/2016	VALLEY BLVD SOUND WALL-AGRMT #15-1213	\$421,574.00
64278	07/14/2016		CNC ENGINEERING	\$5,000.00
	Invoice	Date	Description	Amount
	072016	07/01/2016	MEALS/WHEELS RENT-JUL 2016	\$5,000.00
64279	07/14/2016		CORDOBA CORPORATION	\$180,000.00
	Invoice	Date	Description	Amount
	216-168	03/07/2016	REAL ESTATE ADVISORY SVC-FEB 2016	\$45,000.00
	216-217	04/18/2016	REAL ESTATE ADVISORY SVC-MAR 2016	\$45,000.00
	216-251	05/19/2016	REAL ESTATE ADVISORY SVC-APR 2016	\$45,000.00
	216-286	06/15/2016	REAL ESTATE ADVISORY SVC-MAY 2016	\$45,000.00
64280	07/14/2016		COUNTY OF LA DEPT OF PUBLIC	\$30,427.06
	Invoice	Date	Description	Amount
	PW-16060812548	06/08/2016	INSPECTION OF SIDEWALK	\$83.54
	PW-16060812811	06/08/2016	TRAFFIC SIGNAL MAINT	\$16,538.31

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Check	Date		Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo				
	PW-16060812550	06/08/2016	EMERGENCY ROAD-LANE CLOSURE	\$578.59
	PW-16060812544	06/08/2016	RELOCATION OF STORM DRAIN	\$554.17
	PW-16060812552	06/08/2016	PAVEMENT PATCHING	\$760.40
	PW-16060812573	06/08/2016	EMERGENCY CALL FOR ROAD SERVICE	\$1,396.99
	PW-16060812551	06/08/2016	LITTER/DEBRIS REMOVAL	\$763.94
	PW-16060812638	06/08/2016	FAIRWAY GRADE SEPARATION	\$1,135.45
	PW-16060812561	06/08/2016	PUMP HOUSE MAINT	\$4,072.33
	PW-16060812549	06/08/2016	STREET MAINT/INSPECTION	\$4,214.96
	PW-16060812553	06/08/2016	TRAFFIC SIGNING	\$328.38
64281	07/14/2016		COUNTY OF LOS ANGELES	\$675.84
	Invoice	Date	Description	Amount
	1981M	06/15/2016	WEED ABATEMENT-VARIOUS SITES	\$675.84
64282	07/14/2016		DEPT OF ANIMAL CARE & CONTROL	\$2,555.97
	Invoice	Date	Description	Amount
	06/15/16	06/15/2016	SHELTER COSTS-MAY 2016	\$2,555.97
64283	07/14/2016		DIGITAL ASSURANCE	\$7,500.00
	Invoice	Date	Description	Amount
	30865	05/02/2016	DISSEMINATION SVC/STORAGE FEE-OUTSTANDING	\$7,500.00
64284	07/14/2016		ELECTRA-MEDIA, INC	\$1,763.00
	Invoice	Date	Description	Amount
	4755	06/15/2016	PUENTE HILLS AUTO DISPLAY-JUL 2016	\$1,763.00
64285	07/14/2016		FEDERAL EXPRESS CORP.	\$213.62
	Invoice	Date	Description	Amount
	5-444-82446	06/10/2016	MESSENGER SVC	\$213.62
64286	07/14/2016		FRAZER, LLP	\$25,730.00

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Check	Date	Payee Name	Check Amount	
CITY.WF.CHK - City General Wells Fargo				
	Invoice	Date	Description	Amount
	144173	06/15/2016	COI-ACCTG SVC 6/1-6/15/16	\$25,730.00
64287	07/14/2016		FRY'S ELECTRONICS	\$123,234.50
	Invoice	Date	Description	Amount
	OCT-MAR 2016	06/17/2016	SALES TAX REBATE-OCT 2015 THRU MAR 2016	\$123,234.50
64288	07/14/2016		FUEL PROS, INC.	\$150.00
	Invoice	Date	Description	Amount
	0000025441	05/29/2016	INDUSTRY HILLS FIEL STN MAINT	\$150.00
64289	07/14/2016		GONSALVES & SON, JOE A.	\$5,000.00
	Invoice	Date	Description	Amount
	26242	06/01/2016	LEGISLATIVE SVC-JUL 2016	\$5,000.00
64290	07/14/2016		HADDICK'S AUTO BODY	\$100.00
	Invoice	Date	Description	Amount
	158986	06/16/2016	CONTAINER STORAGE	\$100.00
64291	07/14/2016		HAGERTY, MARIA L.	\$1,448.94
	Invoice	Date	Description	Amount
	SPRING 2016	06/15/2016	REIMBURSE FOR TUITION/BOOKS	\$1,448.94
64292	07/14/2016		HOME DEPOT CREDIT SERVICE	\$84.70
	Invoice	Date	Description	Amount
	3056722	05/25/2016	MISC SUPPLIES	\$84.70
64293	07/14/2016		INDUSTRY MANUFACTURERS	\$71,187.80
	Invoice	Date	Description	Amount
	06/16/16	06/16/2016	EXPENSE REIMBURSEMENT FOR MAY 2016	\$71,187.80

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Check	Date		Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo				
64294	07/14/2016		INDUSTRY SECURITY SERVICES	\$37,602.53
	Invoice	Date	Description	Amount
	14-17875	06/17/2016	SECURITY SVC 6/10-6/16/16	\$16,637.81
	14-17886	06/17/2016	SECURITY SVC-TRES HERMANOS	\$2,187.12
	14-17939	06/24/2016	SECURITY SVC 6/17-6/23/16	\$16,590.48
	14-17950	06/24/2016	SECURITY SVC-TRES HERMANOS	\$2,187.12
64295	07/14/2016		INDUSTRY TIRE SERVICE	\$35.00
	Invoice	Date	Description	Amount
	0269471	06/23/2016	TIRE REPAIR FOR BACKHOE	\$35.00
64296	07/14/2016		INTERNATIONAL LINE BUILDERS	\$13,416.65
	Invoice	Date	Description	Amount
	777202	12/23/2015	TRENCH AND CONDUIT INSTALL-66KV SUBSTATION	\$13,416.65
64297	07/14/2016		INTERTIE	\$8,550.00
	Invoice	Date	Description	Amount
	1698	06/15/2016	ENERGY CONSULTING	\$8,550.00
64298	07/14/2016		JANUS PEST MANAGEMENT	\$1,290.00
	Invoice	Date	Description	Amount
	177196	05/02/2016	PEST SVC-TRES HERMANOS	\$125.00
	177928	06/01/2016	PEST SVC-HOMESTEAD	\$580.00
	177736	05/20/2016	PEST SVC-IMC	\$145.00
	177197	05/02/2016	PEST SVC-TONNER CYN	\$125.00
	177733	05/20/2016	PEST SVC-CITY HALL	\$145.00
	177734	06/19/2016	PEST SVC-15660 STAFFORD	\$85.00
	177735	05/20/2016	PEST SVC-15559 RAUSCH RD	\$85.00
64299	07/14/2016		L A COUNTY DEPT OF PUBLIC	\$52,672.50
	Invoice	Date	Description	Amount

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CITY.WF.CHK - City General Wells Fargo				
	SA160000500	06/13/2016	HAZARDOUS MATERIAL-GALE/FULLERTON	\$2,746.14
	IN160001348	06/15/2016	ACCIDENT-FULLERTON RD @ VALLEY BLVD	\$2,840.51
	IN160001218	06/20/2016	ACCIDENT-GALE AVE @ STONER CREEK	\$8,309.14
	IN160001351	06/15/2016	ACCIDENT-FULLERTON RD @ VALLEY BLVD	\$2,396.17
	IN160001206	06/02/2016	ACCIDENT-GALE AVE @ AUTO MALL WEST	\$23,004.11
	IN160001190	06/02/2016	ACCIDENT-TEMPLE AVE @ VINELAND	\$823.99
	IN160001375	06/27/2016	ACCIDENT-HACIENDA BLVD @ NELSON AVE	\$4,246.90
	IN160001385	06/27/2016	ACCIDENT-FULLERTON RD @ GALE AVE	\$486.12
	IN160001384	06/27/2016	ACCIDENT-GALE AVE @ STONER CREEK	\$7,819.42
64300	07/14/2016		L A COUNTY REGISTRAR-	\$75.00
	Invoice	Date	Description	Amount
	CUP16-6	06/21/2016	FEE-NOTICE OF EXEMPTION FOR CUP 16-6	\$75.00
64301	07/14/2016		L A COUNTY REGISTRAR-	\$75.00
	Invoice	Date	Description	Amount
	CUP16-7	06/21/2016	FEE-NOTICE OF EXEMPTION FOR CUP 16-7	\$75.00
64302	07/14/2016		L A COUNTY SHERIFF'S	\$21,133.38
	Invoice	Date	Description	Amount
	164711NH	06/23/2016	SPECIAL EVENT-DIRECTED PATROL	\$21,133.38
64303	07/14/2016		LA PUENTE VALLEY COUNTY	\$199.51
	Invoice	Date	Description	Amount
	15660STAFF-JUN16	06/21/2016	04/19-06/21/16 SVC - 15660 STAFFORD ST	\$199.51
64304	07/14/2016		LA PUENTE VALLEY COUNTY	\$285.43
	Invoice	Date	Description	Amount
	BS;06/16	06/22/2016	WATER MONITORING-BOY SCOUTS RESERVOIR	\$285.43
64305	07/14/2016		LANCAB, INC.	\$675.45

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Check	Date		Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo				
	Invoice	Date	Description	Amount
	SI-16-6162	06/01/2016	REPAIR PHONE LINES-HOMESTEAD	\$675.45
64306	07/14/2016		LANG, HANSEN, O'MALLEY &	\$25,000.00
	Invoice	Date	Description	Amount
	5576	06/28/2016	LEGISLATIVE SVC-JUL 2016	\$25,000.00
64307	07/14/2016		LOCKS PLUS	\$253.40
	Invoice	Date	Description	Amount
	23316	06/20/2016	DUPLICATE KEYS	\$48.00
	23381	06/17/2016	INSTALL LINE ON METAL DOOR-IMC	\$141.80
	23270	04/26/2016	DUPLICATE KEYS	\$63.60
64308	07/14/2016		LOS ANGELES AREA COUNCIL	\$2,117.64
	Invoice	Date	Description	Amount
	#05/31/2016	05/31/2016	TONNER CYN WATER CHARGES-MAY 2016	\$1,655.52
	#4/30/2016	04/30/2016	TONNER CYN WATER CHARGES-APR 2016	\$462.12
64309	07/14/2016		MERRITT'S ACE HARDWARE	\$61.83
	Invoice	Date	Description	Amount
	092759	06/20/2016	MISC SUPPLIES-TRES HERMANOS	\$18.29
	092665	06/14/2016	MISC SUPPLIES-205 HUDSON	\$21.78
	092900	06/28/2016	MISC SUPPLIES-HATCHER	\$21.76
64310	07/14/2016		METHOD TECHNOLOGIES	\$293.75
	Invoice	Date	Description	Amount
	32699	06/24/2016	UPDATE CITY WEBSITE	\$227.50
	32546	06/13/2016	UPDATE CITY WEBSITE	\$66.25
64311	07/14/2016		MR PLANT & INTERIOR BOTANICAL	\$702.00
	Invoice	Date	Description	Amount

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CITY.WF.CHK - City General Wells Fargo				
	JULY 4196	07/01/2016	PLANT MAINT-JUL 2016	\$114.00
	JULY 4197	07/01/2016	PLANT MAINT-JUL 2016	\$588.00
64312	07/14/2016		MYERS & SONS HI-WAY SAFETY,	\$3,453.96
	Invoice	Date	Description	Amount
	45574	05/24/2016	STREET SIGNS	\$3,453.96
64313	07/14/2016		NHA ADVISORS, LLC	\$11,348.30
	Invoice	Date	Description	Amount
	2016-0620	06/21/2016	FINANCIAL ADVISORY SVC-GENERAL FINACIAL	\$11,348.30
64314	07/14/2016		OLMOS PROFESSIONAL SERVICES	\$8,782.00
	Invoice	Date	Description	Amount
	215	06/30/2016	JANITORIAL SVC-FIRE PREVENTION STN	\$1,815.00
	214	06/30/2016	JANITORIAL SVC-CITY HALL	\$5,500.00
	216	06/30/2016	JANITORIAL SVC-IMC	\$1,467.00
64315	07/14/2016		PAETEC COMMUNICATIONS	\$762.80
	Invoice	Date	Description	Amount
	59481129	06/10/2016	CITY HALL PHONE SVC-JUN 2016	\$762.80
64316	07/14/2016		PHILIPS, PAUL J.	\$269.30
	Invoice	Date	Description	Amount
	06/15/16	06/15/2016	REIMBURSE FOR EXPENSES-LUNCH MEETINGS	\$269.30
64317	07/14/2016		PITNEY BOWES, INC.	\$106.72
	Invoice	Date	Description	Amount
	3100254859	06/04/2016	POSTAGE MACHINE-JUN 2016	\$106.72
64318	07/14/2016		PLACEWORKS	\$250.00
	Invoice	Date	Description	Amount

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CITY.WF.CHK - City General Wells Fargo				
	59484	05/31/2016	CT REALTY INVESTORS	\$250.00
64319	07/14/2016		POST ALARM SYSTEMS	\$273.25
	Invoice	Date	Description	Amount
	881304	06/07/2016	MONITORING SVC-HOMESTEAD FOR JUL 2016	\$273.25
64320	07/14/2016		ProcureIT USA, LLC	\$10,137.43
	Invoice	Date	Description	Amount
	PIT18827	06/10/2016	PRODUCTION SUPPORT & SUBSCRIPTION-ONE YR	\$4,635.28
	PITQ8775	06/16/2016	CARE PACK FOUNDATION CARE	\$1,520.70
	PITQ8818	06/16/2016	SECURITY PLATFORM WARRANTY SVC	\$263.78
	PITQ8781	06/16/2016	DELL EXTENDED WARRANTY	\$1,386.43
	PITQ8773	06/16/2016	MAINTENANCE RENEWAL	\$1,042.31
	PIT18611	06/28/2016	COMPUTER SUPPLIES	\$1,288.93
64321	07/14/2016		REGIONAL GOVERNMENT	\$10,581.00
	Invoice	Date	Description	Amount
	6022	05/31/2016	HR SERVICES-MAY 2016	\$10,581.00
64322	07/14/2016		RICOH USA, INC.	\$2,813.17
	Invoice	Date	Description	Amount
	5042728364	06/12/2016	METER READING-HR COPIER	\$26.75
	5042585258	06/03/2016	METER READING-CODE ENFORCEMENT COPIER	\$42.51
	5042827625	06/16/2016	METER READING-VARIOUS COPIERS	\$2,743.91
64323	07/14/2016		RICOH USA, INC.	\$3,737.76
	Invoice	Date	Description	Amount
	50397125	06/11/2016	COPIER LEASE-HR	\$282.73
	50375303	06/11/2016	COPIER LEASE-JUL 2016	\$3,166.14
	50636701	06/25/2016	COPIER LEASE-CODE ENFORCEMENT	\$288.89

**CITY OF INDUSTRY
WELLS FARGO BANK
July 14, 2016**

Check	Date			Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo					
64324	07/14/2016			ROWLAND WATER DISTRICT	\$2,140.42
	Invoice	Date	Description	Amount	
	2016-00001594	06/22/2016	05/17-06/14/16 SVC - 1100 AZUSA AVE	\$152.66	
	2016-00001595	06/22/2016	05/17-06/14/16 SVC - AZUSA AVE-CENTER	\$77.37	
	2016-00001596	06/22/2016	05/17-06/14/16 SVC - AZUSA AVE 205597	\$148.65	
	2016-00001597	06/22/2016	05/18-06/15/16 SVC - 755 NOGALES (RC)	\$112.31	
	2016-00001598	06/22/2016	05/18-06/15/16 SVC - 17217 & 17229 CHESTNUT - IRR	\$142.71	
	1123DHTCHR-JUN16	06/22/2016	05/18-06/15/16 SVC - 1123D HATCHER ST	\$65.49	
	2016-00001599	06/22/2016	05/18-06/15/16 SVC - 17401 VALLEY BLVD	\$376.59	
	2016-00001600	06/22/2016	05/18-06/15/16 SVC - 930 AZUSA AVE	\$447.87	
	2016-00001601	06/22/2016	05/18-06/15/16 SVC - 18044 ROWLAND-LAWSON	\$107.07	
	1135HATCH-JUN16	06/22/2016	05/18-06/15/16 SVC - 1135 HATCHER ST	\$56.58	
	1123CHTCHR-JUN16	06/22/2016	05/18-06/15/16 SVC - 1123C HATCHER ST	\$127.86	
	2016-00001602	06/22/2016	05/19-06/15/16 SVC - HURLEY ST & VALLEY	\$245.91	
	2016-00001603	06/22/2016	05/19-06/15/16 SVC - AZUSA AVE (RC)	\$79.35	
64325	07/14/2016			SAN GABRIEL VALLEY WATER CO.	\$10,710.97
	Invoice	Date	Description	Amount	
	2016-00001604	06/28/2016	05/26-06/27/16 SVC - CROSSROADS PKWY SOUTH	\$1,388.54	
	2016-00001605	06/28/2016	05/26-06/27/16 SVC - CROSSROADS PKWY STA 103-	\$163.75	
	2016-00001606	06/28/2016	05/26-06/27/16 SVC - CROSSROADS PKWY SOUTH	\$2,966.81	
	2016-00001607	06/28/2016	05/26-06/27/16 SVC - PELLISSIER	\$301.89	
	2016-00001608	06/28/2016	05/26-06/27/16 SVC - CROSSROADS PKWY NORTH	\$1,312.56	
	2016-00001609	06/28/2016	05/26-06/27/16 SVC - CROSSROADS PKWY STA 129-	\$1,704.03	
	2016-00001610	06/28/2016	05/26-06/27/16 SVC - CROSSROADS PKWY STA 111-	\$505.65	
	2016-00001611	06/28/2016	05/26-06/27/16 SVC - PELLISSIER	\$362.83	
	2016-00001612	06/28/2016	05/26-06/27/16 SVC - PELLISSIER	\$360.60	
	2016-00001613	06/28/2016	05/26-06/27/16 SVC - PECK/UNION PACIFIC BRIDGE	\$597.67	
	2016-00001614	06/28/2016	05/26-06/27/16 SVC - S/E COR OF PELLISSIER	\$1,046.64	
64326	07/14/2016			SATSUMA LANDSCAPE & MAINT.	\$130,654.02

**CITY OF INDUSTRY
WELLS FARGO BANK
July 14, 2016**

Check	Date		Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo				
	Invoice	Date	Description	Amount
	0616CH-1	06/29/2016	LANDSCAPE SVC-VARIOUS AGENCY SITES	\$24,104.66
	0616XROADS	06/29/2016	LANDSCAPE SVC-CROSSROADS PKY NORTH &	\$25,137.52
	0616TA	06/29/2016	LANDSCAPE SVC-TEMPLE AND AZUSA	\$37,084.00
	0616EC	06/29/2016	LANDSCAPE SVC-EXPO CENTER	\$16,441.92
	0616CH	06/29/2016	LANDSCAPE SVC-CIVIC FINANCIAL CENTER	\$27,885.92
64327	07/14/2016		SC FUELS	\$17,613.29
	invoice	Date	Description	Amount
	3085833	06/20/2016	DIESEL FUEL-INDUSTRY HILLS PUMPS	\$17,613.29
64328	07/14/2016		SCS FIELD SERVICES	\$23,393.46
	Invoice	Date	Description	Amount
	0278670	05/31/2016	IH-MAINT LANDFILL GAS SYSTEM	\$23,393.46
64329	07/14/2016		SET-POINT CONTROL	\$1,512.00
	Invoice	Date	Description	Amount
	56125	06/15/2016	SCADA SUPPOER RENEWAL 9/1/16-8/31/17	\$1,512.00
64330	07/14/2016		SNOWDEN ELECTRIC COMPANY,	\$8,721.00
	Invoice	Date	Description	Amount
	16-0238	06/20/2016	STREET LIGHT MAINT-VARIOUS SITES	\$6,744.00
	16-0237	06/20/2016	MAINT SVC-METRO SOLAR	\$1,977.00
64331	07/14/2016		SO CAL INDUSTRIES	\$84.90
	Invoice	Date	Description	Amount
	228504	06/06/2016	RR RENTAL-TONNER CYN/57FWY	\$84.90
64332	07/14/2016		SOUTH COAST A.Q.M.D.	\$9,406.61
	Invoice	Date	Description	Amount
	2971361	06/02/2016	LANDFILL GAS COLLECTIONS-INDUSTRY HILLS	\$9,406.61

**CITY OF INDUSTRY
WELLS FARGO BANK
July 14, 2016**

Check	Date		Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo				
64333	07/14/2016		SOUTH COAST A.Q.M.D.	\$124.35
	Invoice	Date	Description	Amount
	2972349	06/02/2016	FLAT FEE EMISSIONS-INDUSTRY HILLS	\$124.35
64334	07/14/2016		SQUARE ROOT GOLF &	\$170,976.71
	Invoice	Date	Description	Amount
	1231H	06/29/2016	LANDSCAPE SVC-CITY SITES	\$138,912.02
	1230ELHM	06/29/2016	LANDSCAPE SVC-HOMESTEAD	\$17,546.96
	1228ELHM	06/29/2016	LANDSCAPE SVC-VARIOUS CITY SITES	\$8,033.73
	1229ELHM	06/29/2016	LANDSCAPE SVC-EL ENCANTO	\$6,484.00
64335	07/14/2016		STAPLES BUSINESS ADVANTAGE	\$1,012.81
	Invoice	Date	Description	Amount
	8039596796	06/04/2016	OFFICE SUPPLIES	\$199.84
	8039508900	05/28/2016	OFFICE SUPPLIES	\$812.97
64336	07/14/2016		STEINKE ELECTRIC, KIRK	\$2,318.00
	Invoice	Date	Description	Amount
	1417	06/07/2016	REPLACE TIME CLOCK-EL ENCANTO	\$425.00
	1412	06/01/2016	REPAIR LIGHTS-HOMEASTEAD MUSEUM POND	\$1,893.00
64337	07/14/2016		STOTZ EQUIPMENT	\$1,441.10
	Invoice	Date	Description	Amount
	W11321	05/30/2016	EMERGENCY REPAIR OF LANDSCAPE TRACTOR	\$1,441.10
64338	07/14/2016		SWEINHART ELECTRIC COMPANY	\$749.94
	Invoice	Date	Description	Amount
	12218	06/15/2016	REPAIR POWER SYSTEM-CITY HALL	\$749.94
64339	07/14/2016		THE DOLPHIN GROUP, INC.	\$5,042.68

**CITY OF INDUSTRY
WELLS FARGO BANK
July 14, 2016**

Check	Date		Payee Name	Check	Amount
CITY.WF.CHK - City General Wells Fargo					
	Invoice	Date	Description		Amount
	30339	04/30/2016	VISIONING MEETINGS-IMC		\$5,042.68
64340	07/14/2016			UNDERGROUND SERVICE ALERT OF	\$28.50
	Invoice	Date	Description		Amount
	520160158	06/01/2016	DIG ALERTS		\$28.50
64341	07/14/2016			WEATHERITE SERVICE	\$559.91
	Invoice	Date	Description		Amount
	L167132	06/06/2016	A/C MAINT-HOMESTEAD		\$395.91
	L167171	06/10/2016	A/C MAINT-IMC BLDG		\$164.00
64342	07/14/2016			WEST COAST ARBORISTS, INC.	\$390.00
	Invoice	Date	Description		Amount
	I-2524	06/03/2016	REMOVE FALLEN TREE-EL ENCANTO		\$390.00
64343	07/14/2016			WILLDAN ENGINEERING	\$4,950.00
	Invoice	Date	Description		Amount
	00614240	06/21/2016	ENGINEERING SVC-VARIOUS SITES		\$4,950.00

Checks	Status	Count	Transaction Amount
	Total	107	\$2,617,010.61

CITY COUNCIL

ITEM NO. 5.2

RESOLUTION NO. CC 2016-43

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDUSTRY, CALIFORNIA, IN SUPPORT OF THE LOS ANGELES COUNTY DEPARTMENT OF PARKS AND RECREATION PUENTE HILLS LANDFILL PARK MASTER PLAN

WHEREAS, the Los Angeles County Department of Parks and Recreation has the unprecedented opportunity to transform the Puente Hills Landfill into a unique scenic and recreational destination park in the San Gabriel Valley for all to enjoy; and

WHEREAS, the Puente Hills Landfill Park Master Plan intends to fill a critical need for parkland in the region by dedicating approximately 142 acres of valuable open space to the public that is majestically poised at the top of the 1,365-acre Puente Hills Landfill site and along the 26-mile Puente-Chino Hills wildlife corridor; and

WHEREAS, the Puente Hills Landfill was formerly the nation's second largest landfill that operated for over 56 years, the Puente Hills Landfill Park Master Plan aims to create a special destination that is a catalyst for change by offering educational programs that examine sustainable living, getting to zero waste, natural and cultural history of the San Gabriel Valley, native wildlife and habitat, landfill history and innovation; and

WHEREAS, the Puente Hills Landfill Park Master Plan provides for diverse, healthy and active outdoor recreational experiences and programming that will promote healthier and more active lifestyles and encourage partnership opportunities and collaboration with neighboring communities; and

WHEREAS, the vision for the future park at the Puente Hills Landfill is the culmination of a broad-based and inclusive community participation process, resulting in the Final Park Concept and twelve essential project objectives.

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

Section 1. The City of Industry supports and agrees to the Puente Hills Landfill Park Master Plan Project Objectives to:

- (1) Offer diverse, healthy and active recreational experiences and programming for visitors of all ages, abilities, interests and backgrounds.
- (2) Create a unique regional destination which uniquely reflects the site's history, urban-wildland location, scale and topography.

- (3) Develop a range of active and passive amenities to meet varied recreational demands and provide outdoor fitness opportunities to help address national trends related to inactivity, obesity and nature-deficit disorder.
- (4) Attract diverse, new audiences, particularly underrepresented or disadvantaged populations, to inspire connection to outdoor activities, nature, and environmental stewardship.
- (5) Integrate active recreational facilities with natural habitats to enhance and sustain both the recreational and ecological functions of the park.
- (6) Promote and supports wildlife movement and habitat connectivity through the Puente Hills Significant Ecological Area (SEA), the Rio Hondo College Wildlife Sanctuary SEA and the San Gabriel River.
- (7) Demonstrate environmentally sustainable design and practices.
- (8) Provide multi-modal, universal access and circulation into and through the park to the extent feasible.
- (9) Incorporate design elements for education and interpretation on the park's unique landfill history and natural environmental features.
- (10) Provide a captivating trail experience within the park which also alleviates the overuse and degradation of the adjacent trail network.
- (11) Balance development of park facilities with landfill maintenance activities to protect public safety, water quality and meet the Sanitation Districts' regulatory requirements.
- (12) Balance multiple project objectives in a manner that considers the complex site constraints, park needs of the overall region, and the competing interests and needs of adjacent entities.

Section 2. The City Council of the City of Industry hereby approves the filing of a Resolution of support for the Puente Hills Landfill Master Plan.

Section 3. The City Clerk shall certify to the adoption of this Resolution.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Industry at a regular meeting held on July 14, 2016, by the following vote:

Resolution No. CC 2016-43
July 14, 2016
Page 3 of 3

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

Mark D. Radecki, Mayor

ATTEST:

Cecelia Dunlap, Deputy City Clerk

CITY COUNCIL

ITEM NO. 5.3



CITY OF INDUSTRY

P.O. Box 3366 • 15625 E. Stafford St. • City of Industry, CA 91744-0366 • (626) 333-2211 • FAX (626) 961-6795

MEMORANDUM

To: City Council and Successor Agency Board
From: Paul J. Philips, City Manager *Paul J. Philips*
Date: July 14, 2016
SUBJECT: Conflict Waiver for Casso & Sparks, LLP

Background:

On June 10, 2015, the Industry City Council appointed James M. Casso of Casso & Sparks, LLP, as the City Attorney. Casso & Sparks was also appointed to serve as General Counsel for the Successor Agency to the Industry Urban-Development Agency ("Successor Agency").

As the Council and Successor Agency Board are aware, on June 13, 2016, the City and Successor Agency were served with a lawsuit by Skyscraper Brewing Company. The suit alleges breach of contract, breach of the covenant of good faith and fair dealing, promissory estoppel, forcible entry, forcible detainer, illegal seizure of property without notice, misappropriation of trade secrets, inverse condemnation, violation of due process and wrongful eviction. Skyscraper is asking the court for damages in excess of \$32 million.

Given that the City and Successor Agency are separate legal entities, it is advisable that both the City and Successor Agency approve a conflict waiver to allow the City Attorney/Successor Agency General Counsel to represent both parties.

Discussion:

The attached letter from Mr. Casso explains the rules and how the conflict waiver works for both the City and the Successor Agency.

Budget Impact:

The cost of services provided by Casso & Sparks for these projects is included in the City's 2015-2016 budget.

Recommendation:

It is recommended that the City Council and Successor Agency Board approve the Conflict Waiver for Casso & Sparks, LLP.

Attachment "A": July 14, 2016, Letter from Casso & Sparks, LLP

James M. Casso
Principal
jcasso@cassosparks.com
www.cassosparks.com



July 14, 2016

The Honorable Mark Radecki
Mayor, City of Industry
15625 E. Stafford Street, Suite 100
City of Industry, CA 91744

The Honorable Mark Radecki
Chairperson, Successor Agency to the
Industry Urban-Development Agency
15625 E. Stafford Street, Suite 100
City of Industry, CA 91744

RE: Conflict of Interest Waiver-*Skyscraper Brewing Company, Inc. v. The Successor Agency to the Industry Urban Development Agency, et al.* (LASC KC068505)

Dear Mayor/Chairperson Radecki:

As you are aware, I serve as the City Attorney for the City of Industry (“City”) and as General Counsel to the Successor Agency to the Industry Urban-Development Agency (“Successor Agency”). Both the City and the Successor Agency were named as defendants in the above referenced lawsuit, by Skyscraper Brewing Company. My office has been requested to represent both the City and Successor Agency in this matter, and given that the City and Successor Agency are separate legal entities, under the Rules of Professional Conduct of the State Bar of California (the “Rules”), prior to engaging in this work, it is necessary for me to obtain a conflict waiver from both the City and the Successor Agency.

This letter will confirm that I have informed you about the potential conflict of interest inherent in any representation of both entities. It is important that you understand that since I would be representing both the City and Successor Agency, each entity would be my client. As a result, matters which one of you might discuss with me would not be protected by the attorney/client privilege from disclosure to the other of you. The Rules prohibit me from agreeing with either entity to withhold information from the other. Of course, anything either the City or Successor Agency discusses with me is privileged from disclosure to third parties. If the two entities have a difference of opinion concerning the litigation, I can point out the pros and cons of such differing opinions.

The Rules prohibit me, as the lawyer for both of you, from advocating one of your positions over the other.

Although it is unlikely to occur, if conflicts do arise between the two of you of such nature that it is impossible in my judgment to perform my obligations to each of you in accordance with this letter, it would become necessary for me to withdraw as your joint attorney and to advise one or both entities to obtain independent counsel.

Please sign and return the enclosed copy of this letter. By signing and returning the letter you are acknowledging that you have read and understand this letter and wish me to proceed with your representation.

Very truly yours,

James M. Casso

We have read the foregoing letter and understand its contents. We consent to having you represent both the City and Successor Agency on the terms and conditions set forth therein. We understand the discussion of conflicts set forth above and agree that between the City and Successor Agency, with respect to information either of us provides you, there shall be no confidential communications.

Date: _____

Date: _____

Agreed and accepted:

Agreed and accepted:

By: _____

Mark D. Radecki, Mayor
City of Industry

By: _____

Mark D. Radecki, Chairperson
Successor Agency to the Industry
Urban-Development Agency

CITY COUNCIL

ITEM NO. 6.1



CITY OF INDUSTRY

P.O. Box 3366 • 15625 E. Stafford St. • City of Industry, CA 91744-0366 • (626) 333-2211 • FAX (626) 961-6795

MEMORANDUM

To: Honorable Mayor and Members of the City Council

From: Paul J. Philips, City Manager *Paul J. Philips*

Staff: Alex Gonzalez, Director of Development Services and Administration *AG*
Susan Paragas, City Controller
Tiffany Bose, RGS, Human Resources Advisor

Date: July 14, 2016

SUBJECT: Consider Resolution No. CC 2016-44 - A Resolution of the City Council of the City of Industry to contract with CalPERS Medical and fixing the employer's contribution at an equal amount for employees and annuitants under the Public Employees Medical and Hospital Care Act

BACKGROUND: In June 2016, the City of Industry began a comprehensive review of its existing health plan and found the City to be paying premiums well above the market in terms of cost when compared to surrounding cities throughout Southern California; particularly, cities participating in the CalPERS health benefit plans and the Public Employee's Medical & Hospital Care Act (PEMHCA) that governs the CalPERS health plans. The review also found the existing health plan to be insufficient to meet the needs of the agency's retirees and employees, as it only offered one plan choice that lacked many provisions related to service offerings. On June 23, 2016, the City Council approved contracting for health benefits through CalPERS and directed staff to complete the necessary paperwork for enrollment.

The Public Employees Medical and Hospital Care Act (PEMHCA) is part of the California government code and directs the administration of the CalPERS health program. PEMHCA regulations require that medical insurance contributions for retired annuitants paid for by a contracting agency be equal to the medical insurance contributions paid for its active employees. Additionally, PEMHCA regulations require that a contracting agency file a resolution, adopted by its governing body, with the CalPERS Board of Trustees, establishing any new contribution rate. By today's valuation the current benefit is \$125 per month or \$1,500 annually, per person. The employer contribution shall be adjusted annually by the Board to reflect any change in the medical component of the Consumer Price Index, and shall be rounded to the nearest dollar. Historically, this contribution amount has increased by approximately \$3.00 each year.

In accordance with Article 8 of PEMHCA, the City's contract with CalPERS would provide that the City's contribution towards medical insurance (and the effective date of said contribution) be the same for active employees and retirees when such employees have been vested with 5 years of service with the City who file for retirement within 120 days. CalPERS has agreed to waive the 120 day rule for any currently retired annuitant to allow them into the plan.

Currently, the City contributes the same amounts to cover medical premiums and reimburses costs for active Council members, management and miscellaneous employees, and retired annuitants depending on their years of service and retirement from the City. In order to meet the CalPERS' requirement, the City's medical contribution for all agency employees and retirees must be paid in an equal amount to CalPERS.

Therefore, effective September 1, 2016, the City agrees to make a monthly contribution of the PEMHCA minimum (currently \$125/month) for active employees and retired annuitants. This amount is directly billed to the City on a monthly basis. Any employer contributions that are provided to employees in excess of the PEMHCA minimum will be done outside of CalPERS to make up the difference in the monthly medical premium cost.

Once employees and annuitants are enrolled in a CalPERS health plan, the City will continue to provide an employer contribution to cover the additional cost for monthly healthcare premiums, above the PEMHCA minimum. City staff will return to the City Council at a future date with a resolution to update the benefit plans, so that they align with CalPERS requirements and the directives given to City staff regarding benefit plan updates on June 23, 2016.

Open Enrollment

Open enrollment meetings will be held with employees on July 28th to educate staff on upcoming medical plan choices. A CalPERS representative will be present to explain the medical plans and answer questions related to changes.

FISCAL REVIEW

The cost of this amendment has been provided for in the 2015/2016 budget.

PJP:AG:SP:TB:mk

EXHIBIT A

Resolution No. CC 2016-44

[Attached]

RESOLUTION NO. CC 2016-44

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDUSTRY, CALIFORNIA, ELECTING TO BE SUBJECT TO THE PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT, AND FIXING THE EMPLOYER'S CONTRIBUTION AT AN EQUAL AMOUNT FOR EMPLOYEES AND ANNUITANTS

WHEREAS, the Public Employees' Retirement Law, California Government Code §§ 20000 *et seq.*, permits the participation of public agencies and their employees in the Public Employees' Retirement System by the execution of a contract, and sets forth the procedure by which said public agencies may elect to subject themselves and their employees to amendments to said Law; and

WHEREAS, the City of Industry, under Government Code Section 22920, shall be subject to the Public Employees' Medical and Hospital Care Act (the "Act" or "PEMHCA"); and

WHEREAS, Government Code Section 22892(a) provides that a contracting agency subject to the Act shall fix the amount of the employer contribution by resolution; and

WHEREAS, Government Code Section 22892(b) provides that the employer contribution shall be an equal amount for both employees and annuitants, but may not be less than the amount prescribed by Section 22892(b) of the Act; and

WHEREAS, the City of Industry, is a local agency contracting with the Public Employees' Retirement System; and

WHEREAS, the City desires to obtain for its employees and annuitants the benefits of the Act and to accept the liabilities and obligations of an employer under the Act and related regulations.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF INDUSTRY DOES HEREBY RESOLVE, DETERMINE, FIND, AND ORDER AS FOLLOWS:

SECTION 1: The above recitals are true and correct and are incorporated herein by reference.

SECTION 2: That the City hereby elects to be subject to the provisions of the Act, effective September 1, 2016.

SECTION 3: The employer contribution for each employee or annuitant shall be the amount necessary to pay the full cost of his/her enrollment, including the enrollment of qualified dependents, in a health benefits plan or in an amount not less than that set forth in Section 22892(b)(2) of the Act, plus administrative fees.

SECTION 4: The City has fully complied with any and all applicable provisions of Government Code Section 7507 in electing the benefits set forth above.

SECTION 5: That the City Council hereby directs the City Manager to contract with the California Public Employees' Retirement System ("CalPERS") for its Health Program, and file with the CalPERS Board of Administration, a verified copy of this Resolution, and authorizes the City Manager, or his designee, to perform on behalf of the City all functions required of it under the Act and regulations of the Board of Administration, and that coverage under the Act be effective on September 1, 2016.

SECTION 6: The participation of the employees and annuitants of the City shall be subject to determination of its status as an "agency or instrumentality of the state or political subdivision of a State" that is eligible to participate in a governmental plan within the meaning of Section 414(d) of the Internal Revenue Code, upon publication of final Regulations pursuant to such Section. If it is determined that the City would not qualify as an agency or instrumentality of the state or political subdivision of a State under such final Regulations, CalPERS may be obligated, and reserves the right to terminate the health coverage of all participants of the employer.

SECTION 7: The provisions of this Resolution are severable and if any provision, clause, sentence, word or part thereof is held illegal, invalid, unconstitutional, or inapplicable to any person or circumstances, such illegality, invalidity, unconstitutionality, or inapplicability shall not affect or impair any of the remaining provisions, clauses, sentences, sections, words or parts thereof of the Resolution or their applicability to other persons or circumstances.

SECTION 8: The City Clerk shall certify to the adoption of this Resolution and that the same shall be in full force and effect.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Industry at a regular meeting held on July 14, 2016, by the following vote:

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

Mark D. Radecki, Mayor

ATTEST:

Cecelia Dunlap, Deputy City Clerk

*CITY COUNCIL
JULY 14, 2016
REGULAR MEETING*

ITEM NO. 6.1

HANDOUT ITEM

RESOLUTION NO. CC 2016-44

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDUSTRY, CALIFORNIA, ELECTING TO BE SUBJECT TO THE PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT AT AN EQUAL AMOUNT FOR EMPLOYEES AND ANNUITANTS

WHEREAS, a contracting agency meeting the eligibility requirements set forth in Government Code Section 22920, may obtain health benefit plan(s), as defined under Government Code Section 22777, by submitting a resolution to the Board of Administration of the California Public Employees' Retirement System (the "Board"), and upon approval of such resolution by the Board, become subject to the Public Employees' Medical and Hospital Care Act (the "Act"); and

WHEREAS, the City of Industry is a contracting agency eligible to be subject to the Act under Government Code Section 22920; and

WHEREAS, Government Code Section 22892(a) provides that a contracting agency subject to Act shall fix the amount of the employer contribution by resolution; and

WHEREAS, Government Code Section 22892(b) provides that the employer contribution shall be an equal amount for both employees and annuitants, but may not be less than the amount prescribed by Section 22892(b) of the Act; and

WHEREAS, the City of Industry desires to obtain for its employees and annuitants the benefit of the Act and to accept the liabilities and obligations of an employer under the Act.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF INDUSTRY DOES HEREBY RESOLVE, DETERMINE, FIND, AND ORDER AS FOLLOWS:

SECTION 1: The City of Industry elects to be subject to the provisions of the Act.

SECTION 2: That the employer contribution for each employee or annuitant shall be the amount necessary to pay the full cost of his/her enrollment, including the enrollment of family members, in a health benefits plan up to a maximum of the PEMHCA minimum per month, plus administrative fees and Contingency Reserve Fund assessments.

SECTION 3: That the City of Industry has fully complied with any and all applicable provisions of Government Code 7507 in electing the benefits set forth above.

SECTION 4: That the participation of the employees and annuitants of the City of Industry shall be subject to determination of its status as an "agency or instrumentality

of the state or political subdivision of a State” that is eligible to participate in a governmental plan within the meaning of Section 414(d) of the Internal Revenue Code, upon publication of final Regulations pursuant to such Section. If it is determined that the City of Industry would not qualify as an agency or an instrumentality of the state or political subdivision of a State under such final Regulations, CalPERS may be obligated, and reserves the right to terminate the health coverage of all participants of the employer.

SECTION 5: That the executive body appoint and direct, and it does hereby appoint and direct, the City Manager to perform on behalf of the City of Industry all functions required of it under the Act.

SECTION 6: The provisions of this Resolution are severable and if any provision, clause, sentence, word or part thereof is held illegal, invalid, unconstitutional, or inapplicable to any person or circumstances, such illegality, invalidity, unconstitutionality, or inapplicability shall not affect or impair any of the remaining provisions, clauses, sentences, sections, words or parts thereof of the Resolution or their applicability to other persons or circumstances.

SECTION 7: The City Clerk shall certify to the adoption of this Resolution and that the same shall be in full force and effect, and to file with the Board a verified copy of this Resolution.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Industry at a regular meeting held on July 14, 2016, by the following vote:

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

Mark D. Radecki, Mayor

ATTEST:

Cecelia Dunlap, Deputy City Clerk

CITY COUNCIL

ITEM NO. 6.2



CITY OF INDUSTRY

P.O. Box 3366 • 15625 E. Stafford St • City of Industry, CA 91744-0366 • (626) 333-2211 • FAX (626) 961-6795

MEMORANDUM

TO: Honorable Mayor and Council Members

FROM: Paul J. Philips, City Manager *Paul J. Philips*

STAFF: Susan Paragas, City Controller *SP*

DATE: July 14, 2016

SUBJECT: Resolution No. CC 2016-45 of the City of Industry, California, Approving an Increase to the Fiscal Year 2015-16 General Fund Budget for \$194,350 for Payment of the California State Controller's Review Services

BACKGROUND:

From July 1, 2012 through June 30, 2014, the California State Controller's Office ("SCO") reviewed the City's administrative and internal accounting controls. On January 28, 2016, the SCO released their final report on their audit.

DISCUSSION:

As authorized in Government Code section 12464(b), the SCO's costs to compile a report is borne by the City. Thus, having completed their audit, the SCO issued two invoices to the City for the SCO's costs related to their review of the City's administrative and internal accounting controls and the issuance of the report. The costs consisted nearly \$161,300 in billable hours and \$33,050 in travel expenses for almost a total cost of \$194,350. The invoices will be charged to fiscal year 2015-16 ("FY16") as the work was completed in FY16.

The invoices from the SCO were unanticipated and unbudgeted. Therefore, staff recommends that the FY16 General Fund budget be increased by \$194,350 so a payment can be remitted to the SCO for their services.

FISCAL IMPACT:

The recommended action will increase the FY16 General Fund appropriations by \$194,350 in account number 100-515-5120.01.

RECOMMENDED ACTION:

Staff recommends the City Council adopt Resolution CC 2016-45, approving an increase to the FY16 General Fund Budget for \$194,350 for payment of the SCO's services for the review of the City's administrative and internal accounting controls.

ATTACHMENT:

Resolution No. CC 2016-45: Council Approval of an increase to the FY2015-16 General Fund Budget for \$194,350

RESOLUTION NO. CC 2016-45

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
INDUSTRY, CALIFORNIA, APPROVING AN INCREASE TO
THE FISCAL YEAR 2015-16 GENERAL FUND BUDGET FOR
\$194,350 FOR PAYMENT OF THE CALIFORNIA STATE
CONTROLLER'S REVIEW SERVICES**

WHEREAS, Resolution No. CC 2016-13 was adopted on February 11, 2016 amending the City of Industry's Budget for the Fiscal Year 2015-16; and

WHEREAS, it is now necessary to amend Resolution No. CC 2016-13 to increase the annual budget for Fiscal Year 2015-16.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF INDUSTRY DOES
HEREBY RESOLVE AS FOLLOWS:**

SECTION 1. Section 1 of Resolution No. CC 2016-13 is increased and amended by \$194,350 in the General Fund, account number 100-515-5120.01, due to the unanticipated expenditures of the California State Controller's Office ("SCO") invoices number FAUD-00000482 and number 53147, both dated June 15, 2016, for the costs related to the SCO's review of the City of Industry's Administrative and Internal Accounting Controls (see Exhibit A).

SECTION 2. The City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

PASSED, APPROVED and ADOPTED by the City Council of the City of Industry at a regular meeting held on July 14, 2016 by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

Mark D. Radecki, Mayor

ATTEST:

Cecelia Dunlap, Deputy City Clerk

EXHIBIT A

California State Controller's Office Invoices
(See Attachment A)



Controller of the State of California
Sacramento

To: 5409
INDUSTRY CITY
ATTN: PAUL PHILLIPS
15625 EAST STAFFORD STREET
INDUSTRY, CA 91744

Invoice No: 53147
Total Amount Due: \$59,936.89
Invoice Date 6/15/2016

THIS INVOICE REPRESENTS THE AMOUNT DUE TO THE STATE CONTROLLER'S OFFICE FOR:

Services provided in reference to LGOI AUDIT S15-SPA-9004 14/15

Enclosed is the billing invoice detailing the State Controller's Office costs relating to our review of the City of Industry's Administrative and Internal Accounting Controls under Government Code section 12464(a). The cost of this review, including preparing a report of the results, will be borne by the City, as authorized in Government Code section 12464(b).

Any questions concerning this invoice should be referred to Christine Nahmens at (916) 324-1899
Please accept our thanks for your prompt attention to this invoice.

PLEASE DETACH BOTTOM PORTION REMIT WITH YOUR PAYMENT

Customer Name INDUSTRY CITY
Customer Number: 5409
Account Number: 5415 AR account for 5409

Division: 060

DUE DATE	INVOICE NO
7/15/2016	53147

Please remit payment by the due date to:

STATE CONTROLLER'S OFFICE
Departmental Accounting Office
P.O. Box 942850
Sacramento, CA 94250-5877

TOTAL AMOUNT DUE: \$59,936.89

AMOUNT PAID: _____

INVOICE



State Controller

INDUSTRY CITY
 15625 EAST STAFFORD STREET
 ATTN: PAUL PHILLIPS
 INDUSTRY CA 91744

Invoice Number: FAUD-00000482
 Invoice Date: 06/15/2016
 Due Date: 07/15/2016
 Customer ID: CITY218

Enclosed is the bill invoice detailing the SCO's costs relating to our review of Industry's Admin and Internal Acctg Controls under GC 12464(a). The review cost, including a report of the result, will be borne by the City, as authorized in GC 12464(b).

<u>Line</u>	<u>Description</u>	<u>Service Period</u>	<u>Quantity</u>	<u>Rate</u>	<u>Amount</u>
1	LGOI AUDIT S15-SPA-9004	07/01/2015 - 11/30/2015	1.00	134,388.70	134,388.70

Amount Due (USD): \$ 134,388.70

For billing questions, please contact us at (916)-324-1899
 Contains confidential information and unauthorized use or disclosure is prohibited by State law.

 Please detach this portion of the bill and return it with your payment.

Customer Name: INDUSTRY CITY
 Customer ID: CITY218
 Invoice ID: FAUD-00000482
 Due Date: 07/15/2016
 Fiscal Year: 2015-2016
 Amount Due: \$ 134,388.70
 Amount Paid: _____

Remit Payment To:

State Controller
 Departmental Accounting Office
 Attn: Accounts Receivables
 P.O. Box 942850
 Sacramento CA 94250-0001

CITY218FAUD-000004820013438870

LGOI Billing Cover Sheet

June 10, 2016

Agency: City of Industry

DESCRIPTION	AMOUNT
Division of Audits Billable Hours FY15/16	\$ 117,848.90
Division of Audits Travel Expenses FY15/16	\$ 16,539.80
Division of Audits Billable Hours FY14/15	\$ 42,868.51
Division of Audits Travel Expenses FY14/15	\$ 16,506.21
Division of Accounting and Reporting Billable Hours	\$ 562.17
Total	\$ 194,325.59

City of Industry - S15-SPA-9004
7/1/14 - 6/30/15

Timesheet Entry: Resource	Resource: Primary Organization Role	Timesheet Entry: Task	Timesheet Entry: Organization Role	Timesheet Entry: Date	Timesheet Entry: Total Hours	Timesheet Entry: Internal Rate	Timesheet Entry: Internal Cost: All Hours
Finau, Daniel	AUD Auditor 2 - AMA	S15SPA9004 - Industry, City of	AUD Auditor 2 - AMA	5/14/2015	9.00	\$ 82.52	\$ 742.68
Loste, Efren	AUD Audit Manager	S15SPA9004 - Industry, City of	AUD Audit Manager	5/14/2015	1.00	\$ 103.14	\$ 103.14
Loste, Efren	AUD Audit Manager	S15SPA9004 - Industry, City of	AUD Audit Manager	5/15/2015	1.00	\$ 103.14	\$ 103.14
Finau, Daniel	AUD Auditor 2 - AMA	S15SPA9004 - Industry, City of	AUD Auditor 2 - AMA	5/18/2015	9.00	\$ 82.52	\$ 742.68
Loste, Efren	AUD Audit Manager	S15SPA9004 - Industry, City of	AUD Audit Manager	5/18/2015	8.00	\$ 103.14	\$ 825.12
Spalj, Mike	AUD 2 Bureau Chief	S15SPA9004 - Industry, City of	AUD 2 Bureau Chief	5/18/2015	8.00	\$ 113.22	\$ 905.76
Finau, Daniel	AUD Auditor 2 - AMA	S15SPA9004 - Industry, City of	AUD Auditor 2 - AMA	5/19/2015	9.00	\$ 82.52	\$ 742.68
Gomez, Joel	AUD Auditor 1 - SSMA	S15SPA9004 - Industry, City of	AUD Auditor 1 - SSMA	5/19/2015	9.00	\$ 72.67	\$ 654.03
Loste, Efren	AUD Audit Manager	S15SPA9004 - Industry, City of	AUD Audit Manager	5/19/2015	6.00	\$ 103.14	\$ 618.84
Finau, Daniel	AUD Auditor 2 - AMA	S15SPA9004 - Industry, City of	AUD Auditor 2 - AMA	5/20/2015	9.00	\$ 82.52	\$ 742.68
Gomez, Joel	AUD Auditor 1 - SSMA	S15SPA9004 - Industry, City of	AUD Auditor 1 - SSMA	5/20/2015	9.00	\$ 72.67	\$ 654.03
Loste, Efren	AUD Audit Manager	S15SPA9004 - Industry, City of	AUD Audit Manager	5/20/2015	6.00	\$ 103.14	\$ 618.84
Finau, Daniel	AUD Auditor 2 - AMA	S15SPA9004 - Industry, City of	AUD Auditor 2 - AMA	5/21/2015	9.00	\$ 82.52	\$ 742.68
Gomez, Joel	AUD Auditor 1 - SSMA	S15SPA9004 - Industry, City of	AUD Auditor 1 - SSMA	5/21/2015	9.00	\$ 72.67	\$ 654.03
Loste, Efren	AUD Audit Manager	S15SPA9004 - Industry, City of	AUD Audit Manager	5/21/2015	6.00	\$ 103.14	\$ 618.84
Loste, Efren	AUD Audit Manager	S15SPA9004 - Industry, City of	AUD Audit Manager	5/22/2015	6.00	\$ 103.14	\$ 618.84
Finau, Daniel	AUD Auditor 2 - AMA	S15SPA9004 - Industry, City of	AUD Auditor 2 - AMA	5/26/2015	9.00	\$ 82.52	\$ 742.68
Gomez, Joel	AUD Auditor 1 - SSMA	S15SPA9004 - Industry, City of	AUD Auditor 1 - SSMA	5/26/2015	8.00	\$ 72.67	\$ 581.36
Finau, Daniel	AUD Auditor 2 - AMA	S15SPA9004 - Industry, City of	AUD Auditor 2 - AMA	5/27/2015	9.00	\$ 82.52	\$ 742.68
Gomez, Joel	AUD Auditor 1 - SSMA	S15SPA9004 - Industry, City of	AUD Auditor 1 - SSMA	5/27/2015	8.00	\$ 72.67	\$ 581.36
Finau, Daniel	AUD Auditor 2 - AMA	S15SPA9004 - Industry, City of	AUD Auditor 2 - AMA	5/28/2015	9.00	\$ 82.52	\$ 742.68
Gomez, Joel	AUD Auditor 1 - SSMA	S15SPA9004 - Industry, City of	AUD Auditor 1 - SSMA	5/28/2015	8.00	\$ 72.67	\$ 581.36
Finau, Daniel	AUD Auditor 2 - AMA	S15SPA9004 - Industry, City of	AUD Auditor 2 - AMA	5/29/2015	8.00	\$ 82.52	\$ 660.16
Gomez, Joel	AUD Auditor 1 - SSMA	S15SPA9004 - Industry, City of	AUD Auditor 1 - SSMA	5/29/2015	8.00	\$ 72.67	\$ 581.36
May Total					181.00		\$ 15,301.65
Finau, Daniel	AUD Auditor 2 - AMA	S15SPA9004 - Industry, City of	AUD Auditor 2 - AMA	6/1/2015	9.00	\$ 82.52	\$ 742.68
Gomez, Joel	AUD Auditor 1 - SSMA	S15SPA9004 - Industry, City of	AUD Auditor 1 - SSMA	6/1/2015	5.00	\$ 72.67	\$ 363.35
Finau, Daniel	AUD Auditor 2 - AMA	S15SPA9004 - Industry, City of	AUD Auditor 2 - AMA	6/2/2015	9.00	\$ 82.52	\$ 742.68
Gomez, Joel	AUD Auditor 1 - SSMA	S15SPA9004 - Industry, City of	AUD Auditor 1 - SSMA	6/2/2015	8.00	\$ 72.67	\$ 581.36
Finau, Daniel	AUD Auditor 2 - AMA	S15SPA9004 - Industry, City of	AUD Auditor 2 - AMA	6/3/2015	9.00	\$ 82.52	\$ 742.68
Gomez, Joel	AUD Auditor 1 - SSMA	S15SPA9004 - Industry, City of	AUD Auditor 1 - SSMA	6/3/2015	8.00	\$ 72.67	\$ 581.36
Loste, Efren	AUD Audit Manager	S15SPA9004 - Industry, City of	AUD Audit Manager	6/3/2015	8.00	\$ 103.14	\$ 825.12
Finau, Daniel	AUD Auditor 2 - AMA	S15SPA9004 - Industry, City of	AUD Auditor 2 - AMA	6/4/2015	9.00	\$ 82.52	\$ 742.68
Gomez, Joel	AUD Auditor 1 - SSMA	S15SPA9004 - Industry, City of	AUD Auditor 1 - SSMA	6/4/2015	8.00	\$ 72.67	\$ 581.36
Loste, Efren	AUD Audit Manager	S15SPA9004 - Industry, City of	AUD Audit Manager	6/4/2015	8.00	\$ 103.14	\$ 825.12
Gomez, Joel	AUD Auditor 1 - SSMA	S15SPA9004 - Industry, City of	AUD Auditor 1 - SSMA	6/5/2015	8.00	\$ 72.67	\$ 581.36
Loste, Efren	AUD Audit Manager	S15SPA9004 - Industry, City of	AUD Audit Manager	6/5/2015	6.00	\$ 103.14	\$ 618.84
Finau, Daniel	AUD Auditor 2 - AMA	S15SPA9004 - Industry, City of	AUD Auditor 2 - AMA	6/8/2015	9.00	\$ 82.52	\$ 742.68
Gomez, Joel	AUD Auditor 1 - SSMA	S15SPA9004 - Industry, City of	AUD Auditor 1 - SSMA	6/8/2015	8.00	\$ 72.67	\$ 581.36
Finau, Daniel	AUD Auditor 2 - AMA	S15SPA9004 - Industry, City of	AUD Auditor 2 - AMA	6/9/2015	9.00	\$ 82.52	\$ 742.68
Gomez, Joel	AUD Auditor 1 - SSMA	S15SPA9004 - Industry, City of	AUD Auditor 1 - SSMA	6/9/2015	8.00	\$ 72.67	\$ 581.36
Finau, Daniel	AUD Auditor 2 - AMA	S15SPA9004 - Industry, City of	AUD Auditor 2 - AMA	6/10/2015	9.00	\$ 82.52	\$ 742.68
Gomez, Joel	AUD Auditor 1 - SSMA	S15SPA9004 - Industry, City of	AUD Auditor 1 - SSMA	6/10/2015	8.00	\$ 72.67	\$ 581.36

City of Industry - S15-SPA-9004
7/1/14 - 6/30/15

Billable Hours
(Division of Audits)

Timesheet Entry: Resource	Resource: Primary Organization Role	Timesheet Entry: Task	Timesheet Entry: Organization Role	Timesheet Entry: Date	Timesheet Entry: Total Hours	Timesheet Entry: Internal Rate	Timesheet Entry: Internal Cost: All Hours
Finau, Daniel	AUD Auditor 2 - AMA	S15SPA9004 - Industry, City of	AUD Auditor 2 - AMA	6/11/2015	9.00	\$ 82.52	\$ 742.68
Gomez, Joel	AUD Auditor 1 - SSMA	S15SPA9004 - Industry, City of	AUD Auditor 1 - SSMA	6/11/2015	4.00	\$ 72.67	\$ 290.68
Finau, Daniel	AUD Auditor 2 - AMA	S15SPA9004 - Industry, City of	AUD Auditor 2 - AMA	6/12/2015	8.00	\$ 82.52	\$ 660.16
Finau, Daniel	AUD Auditor 2 - AMA	S15SPA9004 - Industry, City of	AUD Auditor 2 - AMA	6/15/2015	9.00	\$ 82.52	\$ 742.68
Gomez, Joel	AUD Auditor 1 - SSMA	S15SPA9004 - Industry, City of	AUD Auditor 1 - SSMA	6/15/2015	7.00	\$ 72.67	\$ 508.69
Finau, Daniel	AUD Auditor 2 - AMA	S15SPA9004 - Industry, City of	AUD Auditor 2 - AMA	6/16/2015	9.00	\$ 82.52	\$ 742.68
Gomez, Joel	AUD Auditor 1 - SSMA	S15SPA9004 - Industry, City of	AUD Auditor 1 - SSMA	6/16/2015	8.00	\$ 72.67	\$ 581.36
Finau, Daniel	AUD Auditor 2 - AMA	S15SPA9004 - Industry, City of	AUD Auditor 2 - AMA	6/17/2015	9.00	\$ 82.52	\$ 742.68
Gomez, Joel	AUD Auditor 1 - SSMA	S15SPA9004 - Industry, City of	AUD Auditor 1 - SSMA	6/17/2015	8.00	\$ 72.67	\$ 581.36
Spalj, Mike	AUD 2 Bureau Chief	S15SPA9004 - Industry, City of	AUD 2 Bureau Chief	6/17/2015	2.00	\$ 113.22	\$ 226.44
Finau, Daniel	AUD Auditor 2 - AMA	S15SPA9004 - Industry, City of	AUD Auditor 2 - AMA	6/18/2015	9.00	\$ 82.52	\$ 742.68
Gomez, Joel	AUD Auditor 1 - SSMA	S15SPA9004 - Industry, City of	AUD Auditor 1 - SSMA	6/18/2015	8.00	\$ 72.67	\$ 581.36
Loste, Efren	AUD Audit Manager	S15SPA9004 - Industry, City of	AUD Audit Manager	6/18/2015	8.00	\$ 103.14	\$ 825.12
Gomez, Joel	AUD Auditor 1 - SSMA	S15SPA9004 - Industry, City of	AUD Auditor 1 - SSMA	6/19/2015	8.00	\$ 72.67	\$ 581.36
Loste, Efren	AUD Audit Manager	S15SPA9004 - Industry, City of	AUD Audit Manager	6/19/2015	8.00	\$ 103.14	\$ 825.12
Finau, Daniel	AUD Auditor 2 - AMA	S15SPA9004 - Industry, City of	AUD Auditor 2 - AMA	6/22/2015	9.00	\$ 82.52	\$ 742.68
Loste, Efren	AUD Audit Manager	S15SPA9004 - Industry, City of	AUD Audit Manager	6/22/2015	3.00	\$ 103.14	\$ 309.42
Finau, Daniel	AUD Auditor 2 - AMA	S15SPA9004 - Industry, City of	AUD Auditor 2 - AMA	6/23/2015	9.00	\$ 82.52	\$ 742.68
Finau, Daniel	AUD Auditor 2 - AMA	S15SPA9004 - Industry, City of	AUD Auditor 2 - AMA	6/24/2015	9.00	\$ 82.52	\$ 742.68
Spalj, Mike	AUD 2 Bureau Chief	S15SPA9004 - Industry, City of	AUD 2 Bureau Chief	6/24/2015	2.00	\$ 113.22	\$ 226.44
Finau, Daniel	AUD Auditor 2 - AMA	S15SPA9004 - Industry, City of	AUD Auditor 2 - AMA	6/25/2015	9.00	\$ 82.52	\$ 742.68
Finau, Daniel	AUD Auditor 2 - AMA	S15SPA9004 - Industry, City of	AUD Auditor 2 - AMA	6/26/2015	8.00	\$ 82.52	\$ 660.16
Finau, Daniel	AUD Auditor 2 - AMA	S15SPA9004 - Industry, City of	AUD Auditor 2 - AMA	6/29/2015	9.00	\$ 82.52	\$ 742.68
Spalj, Mike	AUD 2 Bureau Chief	S15SPA9004 - Industry, City of	AUD 2 Bureau Chief	6/29/2015	2.00	\$ 113.22	\$ 226.44
Finau, Daniel	AUD Auditor 2 - AMA	S15SPA9004 - Industry, City of	AUD Auditor 2 - AMA	6/30/2015	9.00	\$ 82.52	\$ 742.68
Loste, Efren	AUD Audit Manager	S15SPA9004 - Industry, City of	AUD Audit Manager	6/30/2015	4.00	\$ 103.14	\$ 412.56
June Total					333.00		\$ 27,566.86
Report Totals					Sum: 514.00		Sum: \$ 42,868.51

City of Industry - S15-SPA-9004

7/1/14 - 6/30/15

Travel Expenses
(Division of Audits)

Resource	Task	Task Material Expense	Type	Date Incurred	Amount
Spalj, Mike	S15SPA9004 - Industry, City of	Travel	Travel Cost	5/18/2015	\$ 456.24
Gomez, Joel	S15SPA9004 - Industry, City of	Travel	Travel Cost	5/21/2015	\$ 37.95
Finau, Daniel	S15SPA9004 - Industry, City of	Travel	Travel Cost	5/22/2015	\$ 1,608.84
Loste, Efren	S15SPA9004 - Industry, City of	Travel	Travel Cost	5/22/2015	\$ 1,218.38
Pascua, Danny	S15SPA9004 - Industry, City of	Travel	Travel Cost	5/22/2015	\$ 1,241.55
Pascua, Danny	S15SPA9004 - Industry, City of	Travel	Travel Cost	5/26/2015	\$ 1,053.48
Finau, Daniel	S15SPA9004 - Industry, City of	Travel	Travel Cost	5/29/2015	\$ 1,219.89
May Total					\$ 6,836.33
Finau, Daniel	S15SPA9004 - Industry, City of	Travel	Travel Cost	6/5/2015	\$ 1,510.99
Gomez, Joel	S15SPA9004 - Industry, City of	Travel	Travel Cost	6/5/2015	\$ 63.25
Loste, Efren	S15SPA9004 - Industry, City of	Travel	Travel Cost	6/5/2015	\$ 702.53
Pascua, Danny	S15SPA9004 - Industry, City of	Travel	Travel Cost	6/8/2015	\$ 1,249.39
Finau, Daniel	S15SPA9004 - Industry, City of	Travel	Travel Cost	6/12/2015	\$ 1,453.31
Pascua, Danny	S15SPA9004 - Industry, City of	Travel	Travel Cost	6/15/2015	\$ 1,268.78
Finau, Daniel	S15SPA9004 - Industry, City of	Travel	Travel Cost	6/19/2015	\$ 1,455.83
Gomez, Joel	S15SPA9004 - Industry, City of	Travel	Travel Cost	6/19/2015	\$ 63.25
Loste, Efren	S15SPA9004 - Industry, City of	Travel	Travel Cost	6/19/2015	\$ 446.76
Finau, Daniel	S15SPA9004 - Industry, City of	Travel	Travel Cost	6/26/2015	\$ 1,455.79
June Total					\$ 9,669.88
Report Totals					Sum: \$ 16,506.21

City of Industry - S15-SPA-9004
7/1/15 - 5/31/16

Timesheet Entry: Resource	Resource: Primary Organization Role	Timesheet Entry: Task	Timesheet Entry: Organization Role	Timesheet Entry: Date	Timesheet Entry: Total Hours	Timesheet Entry: Internal Rate	Timesheet Entry: Internal Cost: All Hours
Finau, Daniel	AUD Auditor 2 - AMA	S15SPA9004 - Industry, City of	AUD Auditor 2 - AMA	7/1/2015	9.00	\$ 84.70	\$ 762.30
Loste, Efren	AUD Audit Manager	S15SPA9004 - Industry, City of	AUD Audit Manager	7/1/2015	2.00	\$ 105.84	\$ 211.68
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	7/1/2015	8.00	\$ 61.93	\$ 495.44
Finau, Daniel	AUD Auditor 2 - AMA	S15SPA9004 - Industry, City of	AUD Auditor 2 - AMA	7/2/2015	9.00	\$ 84.70	\$ 762.30
Loste, Efren	AUD Audit Manager	S15SPA9004 - Industry, City of	AUD Audit Manager	7/2/2015	2.00	\$ 105.84	\$ 211.68
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	7/2/2015	8.00	\$ 61.93	\$ 495.44
Loste, Efren	AUD Audit Manager	S15SPA9004 - Industry, City of	AUD Audit Manager	7/3/2015	2.00	\$ 105.84	\$ 211.68
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	7/3/2015	8.00	\$ 61.93	\$ 495.44
Finau, Daniel	AUD Auditor 2 - AMA	S15SPA9004 - Industry, City of	AUD Auditor 2 - AMA	7/6/2015	9.00	\$ 84.70	\$ 762.30
Loste, Efren	AUD Audit Manager	S15SPA9004 - Industry, City of	AUD Audit Manager	7/6/2015	8.00	\$ 105.84	\$ 846.72
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	7/6/2015	8.00	\$ 61.93	\$ 495.44
Finau, Daniel	AUD Auditor 2 - AMA	S15SPA9004 - Industry, City of	AUD Auditor 2 - AMA	7/7/2015	9.00	\$ 84.70	\$ 762.30
Gomez, Joel	AUD Auditor 1 - SSMA	S15SPA9004 - Industry, City of	AUD Auditor 1 - SSMA	7/7/2015	8.00	\$ 76.82	\$ 614.56
Loste, Efren	AUD Audit Manager	S15SPA9004 - Industry, City of	AUD Audit Manager	7/7/2015	8.00	\$ 105.84	\$ 846.72
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	7/7/2015	8.00	\$ 61.93	\$ 495.44
Finau, Daniel	AUD Auditor 2 - AMA	S15SPA9004 - Industry, City of	AUD Auditor 2 - AMA	7/8/2015	9.00	\$ 84.70	\$ 762.30
Gomez, Joel	AUD Auditor 1 - SSMA	S15SPA9004 - Industry, City of	AUD Auditor 1 - SSMA	7/8/2015	8.00	\$ 76.82	\$ 614.56
Loste, Efren	AUD Audit Manager	S15SPA9004 - Industry, City of	AUD Audit Manager	7/8/2015	8.00	\$ 105.84	\$ 846.72
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	7/8/2015	8.00	\$ 61.93	\$ 495.44
Finau, Daniel	AUD Auditor 2 - AMA	S15SPA9004 - Industry, City of	AUD Auditor 2 - AMA	7/9/2015	9.00	\$ 84.70	\$ 762.30
Gomez, Joel	AUD Auditor 1 - SSMA	S15SPA9004 - Industry, City of	AUD Auditor 1 - SSMA	7/9/2015	8.00	\$ 76.82	\$ 614.56
Loste, Efren	AUD Audit Manager	S15SPA9004 - Industry, City of	AUD Audit Manager	7/9/2015	8.00	\$ 105.84	\$ 846.72
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	7/9/2015	8.00	\$ 61.93	\$ 495.44
Spalj, Mike	AUD 2 Bureau Chief	S15SPA9004 - Industry, City of	AUD 2 Bureau Chief	7/9/2015	2.00	\$ 116.21	\$ 232.42
Finau, Daniel	AUD Auditor 2 - AMA	S15SPA9004 - Industry, City of	AUD Auditor 2 - AMA	7/10/2015	8.00	\$ 84.70	\$ 677.60
Gomez, Joel	AUD Auditor 1 - SSMA	S15SPA9004 - Industry, City of	AUD Auditor 1 - SSMA	7/10/2015	8.00	\$ 76.82	\$ 614.56
Loste, Efren	AUD Audit Manager	S15SPA9004 - Industry, City of	AUD Audit Manager	7/10/2015	8.00	\$ 105.84	\$ 846.72
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	7/10/2015	8.00	\$ 61.93	\$ 495.44
Finau, Daniel	AUD Auditor 2 - AMA	S15SPA9004 - Industry, City of	AUD Auditor 2 - AMA	7/13/2015	9.00	\$ 84.70	\$ 762.30
Gomez, Joel	AUD Auditor 1 - SSMA	S15SPA9004 - Industry, City of	AUD Auditor 1 - SSMA	7/13/2015	8.00	\$ 76.82	\$ 614.56
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	7/13/2015	8.00	\$ 61.93	\$ 495.44
Finau, Daniel	AUD Auditor 2 - AMA	S15SPA9004 - Industry, City of	AUD Auditor 2 - AMA	7/14/2015	9.00	\$ 84.70	\$ 762.30
Gomez, Joel	AUD Auditor 1 - SSMA	S15SPA9004 - Industry, City of	AUD Auditor 1 - SSMA	7/14/2015	8.00	\$ 76.82	\$ 614.56
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	7/14/2015	8.00	\$ 61.93	\$ 495.44
Finau, Daniel	AUD Auditor 2 - AMA	S15SPA9004 - Industry, City of	AUD Auditor 2 - AMA	7/15/2015	9.00	\$ 84.70	\$ 762.30
Gomez, Joel	AUD Auditor 1 - SSMA	S15SPA9004 - Industry, City of	AUD Auditor 1 - SSMA	7/15/2015	8.00	\$ 76.82	\$ 614.56
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	7/15/2015	8.00	\$ 61.93	\$ 495.44
Finau, Daniel	AUD Auditor 2 - AMA	S15SPA9004 - Industry, City of	AUD Auditor 2 - AMA	7/16/2015	9.00	\$ 84.70	\$ 762.30
Gomez, Joel	AUD Auditor 1 - SSMA	S15SPA9004 - Industry, City of	AUD Auditor 1 - SSMA	7/16/2015	8.00	\$ 76.82	\$ 614.56
Loste, Efren	AUD Audit Manager	S15SPA9004 - Industry, City of	AUD Audit Manager	7/16/2015	8.00	\$ 105.84	\$ 846.72
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	7/16/2015	8.00	\$ 61.93	\$ 495.44
Gomez, Joel	AUD Auditor 1 - SSMA	S15SPA9004 - Industry, City of	AUD Auditor 1 - SSMA	7/17/2015	8.00	\$ 76.82	\$ 614.56
Loste, Efren	AUD Audit Manager	S15SPA9004 - Industry, City of	AUD Audit Manager	7/17/2015	8.00	\$ 105.84	\$ 846.72
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	7/17/2015	8.00	\$ 61.93	\$ 495.44
Finau, Daniel	AUD Auditor 2 - AMA	S15SPA9004 - Industry, City of	AUD Auditor 2 - AMA	7/20/2015	9.00	\$ 84.70	\$ 762.30
Gomez, Joel	AUD Auditor 1 - SSMA	S15SPA9004 - Industry, City of	AUD Auditor 1 - SSMA	7/20/2015	8.00	\$ 76.82	\$ 614.56
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	7/20/2015	8.00	\$ 61.93	\$ 495.44
Finau, Daniel	AUD Auditor 2 - AMA	S15SPA9004 - Industry, City of	AUD Auditor 2 - AMA	7/21/2015	9.00	\$ 84.70	\$ 762.30

City of Industry - S15-SPA-9004
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Timesheet Entry: Resource	Resource: Primary Organization Role	Timesheet Entry: Task	Timesheet Entry: Organization Role	Timesheet Entry: Date	Timesheet Entry: Total Hours	Timesheet Entry: Internal Rate	Timesheet Entry: Internal Cost: All Hours
Gomez, Joel	AUD Auditor 1 - SSMA	S15SPA9004 - Industry, City of	AUD Auditor 1 - SSMA	7/21/2015	8.00	\$ 76.82	\$ 614.56
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	7/21/2015	8.00	\$ 61.93	\$ 495.44
Finau, Daniel	AUD Auditor 2 - AMA	S15SPA9004 - Industry, City of	AUD Auditor 2 - AMA	7/22/2015	9.00	\$ 84.70	\$ 762.30
Gomez, Joel	AUD Auditor 1 - SSMA	S15SPA9004 - Industry, City of	AUD Auditor 1 - SSMA	7/22/2015	8.00	\$ 76.82	\$ 614.56
Loste, Efren	AUD Audit Manager	S15SPA9004 - Industry, City of	AUD Audit Manager	7/22/2015	2.00	\$ 105.84	\$ 211.68
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	7/22/2015	8.00	\$ 61.93	\$ 495.44
Finau, Daniel	AUD Auditor 2 - AMA	S15SPA9004 - Industry, City of	AUD Auditor 2 - AMA	7/23/2015	9.00	\$ 84.70	\$ 762.30
Gomez, Joel	AUD Auditor 1 - SSMA	S15SPA9004 - Industry, City of	AUD Auditor 1 - SSMA	7/23/2015	8.00	\$ 76.82	\$ 614.56
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	7/23/2015	8.00	\$ 61.93	\$ 495.44
Finau, Daniel	AUD Auditor 2 - AMA	S15SPA9004 - Industry, City of	AUD Auditor 2 - AMA	7/24/2015	8.00	\$ 84.70	\$ 677.60
Gomez, Joel	AUD Auditor 1 - SSMA	S15SPA9004 - Industry, City of	AUD Auditor 1 - SSMA	7/24/2015	8.00	\$ 76.82	\$ 614.56
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	7/24/2015	8.00	\$ 61.93	\$ 495.44
Finau, Daniel	AUD Auditor 2 - AMA	S15SPA9004 - Industry, City of	AUD Auditor 2 - AMA	7/27/2015	9.00	\$ 84.70	\$ 762.30
Gomez, Joel	AUD Auditor 1 - SSMA	S15SPA9004 - Industry, City of	AUD Auditor 1 - SSMA	7/27/2015	2.00	\$ 76.82	\$ 153.64
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	7/27/2015	8.00	\$ 61.93	\$ 495.44
Finau, Daniel	AUD Auditor 2 - AMA	S15SPA9004 - Industry, City of	AUD Auditor 2 - AMA	7/28/2015	9.00	\$ 84.70	\$ 762.30
Gomez, Joel	AUD Auditor 1 - SSMA	S15SPA9004 - Industry, City of	AUD Auditor 1 - SSMA	7/28/2015	8.00	\$ 76.82	\$ 614.56
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	7/28/2015	8.00	\$ 61.93	\$ 495.44
Finau, Daniel	AUD Auditor 2 - AMA	S15SPA9004 - Industry, City of	AUD Auditor 2 - AMA	7/29/2015	9.00	\$ 84.70	\$ 762.30
Gomez, Joel	AUD Auditor 1 - SSMA	S15SPA9004 - Industry, City of	AUD Auditor 1 - SSMA	7/29/2015	4.00	\$ 76.82	\$ 307.28
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	7/29/2015	8.00	\$ 61.93	\$ 495.44
Finau, Daniel	AUD Auditor 2 - AMA	S15SPA9004 - Industry, City of	AUD Auditor 2 - AMA	7/30/2015	9.00	\$ 84.70	\$ 762.30
Gomez, Joel	AUD Auditor 1 - SSMA	S15SPA9004 - Industry, City of	AUD Auditor 1 - SSMA	7/30/2015	8.00	\$ 76.82	\$ 614.56
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	7/30/2015	8.00	\$ 61.93	\$ 495.44
Gomez, Joel	AUD Auditor 1 - SSMA	S15SPA9004 - Industry, City of	AUD Auditor 1 - SSMA	7/31/2015	8.00	\$ 76.82	\$ 614.56
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	7/31/2015	8.00	\$ 61.93	\$ 495.44
July Total					570.00		\$ 44,386.34
Finau, Daniel	AUD Auditor 2 - AMA	S15SPA9004 - Industry, City of	AUD Auditor 2 - AMA	8/3/2015	9.00	\$ 84.70	\$ 762.30
Gomez, Joel	AUD Auditor 1 - SSMA	S15SPA9004 - Industry, City of	AUD Auditor 1 - SSMA	8/3/2015	4.00	\$ 76.82	\$ 307.28
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	8/3/2015	8.00	\$ 61.93	\$ 495.44
Finau, Daniel	AUD Auditor 2 - AMA	S15SPA9004 - Industry, City of	AUD Auditor 2 - AMA	8/4/2015	9.00	\$ 84.70	\$ 762.30
Gomez, Joel	AUD Auditor 1 - SSMA	S15SPA9004 - Industry, City of	AUD Auditor 1 - SSMA	8/4/2015	8.00	\$ 76.82	\$ 614.56
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	8/4/2015	8.00	\$ 61.93	\$ 495.44
Finau, Daniel	AUD Auditor 2 - AMA	S15SPA9004 - Industry, City of	AUD Auditor 2 - AMA	8/5/2015	9.00	\$ 84.70	\$ 762.30
Gomez, Joel	AUD Auditor 1 - SSMA	S15SPA9004 - Industry, City of	AUD Auditor 1 - SSMA	8/5/2015	8.00	\$ 76.82	\$ 614.56
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	8/5/2015	8.00	\$ 61.93	\$ 495.44
Finau, Daniel	AUD Auditor 2 - AMA	S15SPA9004 - Industry, City of	AUD Auditor 2 - AMA	8/6/2015	9.00	\$ 84.70	\$ 762.30
Gomez, Joel	AUD Auditor 1 - SSMA	S15SPA9004 - Industry, City of	AUD Auditor 1 - SSMA	8/6/2015	8.00	\$ 76.82	\$ 614.56
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	8/6/2015	8.00	\$ 61.93	\$ 495.44
Finau, Daniel	AUD Auditor 2 - AMA	S15SPA9004 - Industry, City of	AUD Auditor 2 - AMA	8/7/2015	4.00	\$ 84.70	\$ 338.80
Gomez, Joel	AUD Auditor 1 - SSMA	S15SPA9004 - Industry, City of	AUD Auditor 1 - SSMA	8/7/2015	8.00	\$ 76.82	\$ 614.56
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	8/7/2015	8.00	\$ 61.93	\$ 495.44
Finau, Daniel	AUD Auditor 2 - AMA	S15SPA9004 - Industry, City of	AUD Auditor 2 - AMA	8/10/2015	9.00	\$ 84.70	\$ 762.30
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	8/10/2015	8.00	\$ 61.93	\$ 495.44
Finau, Daniel	AUD Auditor 2 - AMA	S15SPA9004 - Industry, City of	AUD Auditor 2 - AMA	8/11/2015	9.00	\$ 84.70	\$ 762.30
Gomez, Joel	AUD Auditor 1 - SSMA	S15SPA9004 - Industry, City of	AUD Auditor 1 - SSMA	8/11/2015	8.00	\$ 76.82	\$ 614.56
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	8/11/2015	8.00	\$ 61.93	\$ 495.44

City of Industry - S15-SPA-9004
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Timesheet Entry: Resource	Resource: Primary Organization Role	Timesheet Entry: Task	Timesheet Entry: Organization Role	Timesheet Entry: Date	Timesheet Entry: Total Hours	Timesheet Entry: Internal Rate	Timesheet Entry: Internal Cost: All Hours
Finau, Daniel	AUD Auditor 2 - AMA	S15SPA9004 - Industry, City of	AUD Auditor 2 - AMA	8/12/2015	9.00	\$ 84.70	\$ 762.30
Gomez, Joel	AUD Auditor 1 - SSMA	S15SPA9004 - Industry, City of	AUD Auditor 1 - SSMA	8/12/2015	8.00	\$ 76.82	\$ 614.56
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	8/12/2015	8.00	\$ 61.93	\$ 495.44
Finau, Daniel	AUD Auditor 2 - AMA	S15SPA9004 - Industry, City of	AUD Auditor 2 - AMA	8/13/2015	9.00	\$ 84.70	\$ 762.30
Gomez, Joel	AUD Auditor 1 - SSMA	S15SPA9004 - Industry, City of	AUD Auditor 1 - SSMA	8/13/2015	8.00	\$ 76.82	\$ 614.56
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	8/13/2015	8.00	\$ 61.93	\$ 495.44
Gomez, Joel	AUD Auditor 1 - SSMA	S15SPA9004 - Industry, City of	AUD Auditor 1 - SSMA	8/14/2015	8.00	\$ 76.82	\$ 614.56
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	8/14/2015	8.00	\$ 61.93	\$ 495.44
Finau, Daniel	AUD Auditor 2 - AMA	S15SPA9004 - Industry, City of	AUD Auditor 2 - AMA	8/17/2015	9.00	\$ 84.70	\$ 762.30
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	8/17/2015	8.00	\$ 61.93	\$ 495.44
Finau, Daniel	AUD Auditor 2 - AMA	S15SPA9004 - Industry, City of	AUD Auditor 2 - AMA	8/18/2015	9.00	\$ 84.70	\$ 762.30
Gomez, Joel	AUD Auditor 1 - SSMA	S15SPA9004 - Industry, City of	AUD Auditor 1 - SSMA	8/18/2015	4.00	\$ 76.82	\$ 307.28
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	8/18/2015	8.00	\$ 61.93	\$ 495.44
Finau, Daniel	AUD Auditor 2 - AMA	S15SPA9004 - Industry, City of	AUD Auditor 2 - AMA	8/19/2015	9.00	\$ 84.70	\$ 762.30
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	8/19/2015	8.00	\$ 61.93	\$ 495.44
Finau, Daniel	AUD Auditor 2 - AMA	S15SPA9004 - Industry, City of	AUD Auditor 2 - AMA	8/20/2015	8.00	\$ 84.70	\$ 677.60
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	8/20/2015	8.00	\$ 61.93	\$ 495.44
Finau, Daniel	AUD Auditor 2 - AMA	S15SPA9004 - Industry, City of	AUD Auditor 2 - AMA	8/21/2015	8.00	\$ 84.70	\$ 677.60
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	8/21/2015	8.00	\$ 61.93	\$ 495.44
Finau, Daniel	AUD Auditor 2 - AMA	S15SPA9004 - Industry, City of	AUD Auditor 2 - AMA	8/24/2015	9.00	\$ 84.70	\$ 762.30
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	8/24/2015	8.00	\$ 61.93	\$ 495.44
Finau, Daniel	AUD Auditor 2 - AMA	S15SPA9004 - Industry, City of	AUD Auditor 2 - AMA	8/25/2015	9.00	\$ 84.70	\$ 762.30
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	8/25/2015	8.00	\$ 61.93	\$ 495.44
Finau, Daniel	AUD Auditor 2 - AMA	S15SPA9004 - Industry, City of	AUD Auditor 2 - AMA	8/26/2015	9.00	\$ 84.70	\$ 762.30
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	8/26/2015	8.00	\$ 61.93	\$ 495.44
Finau, Daniel	AUD Auditor 2 - AMA	S15SPA9004 - Industry, City of	AUD Auditor 2 - AMA	8/27/2015	9.00	\$ 84.70	\$ 762.30
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	8/27/2015	8.00	\$ 61.93	\$ 495.44
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	8/28/2015	8.00	\$ 61.93	\$ 495.44
Finau, Daniel	AUD Auditor 2 - AMA	S15SPA9004 - Industry, City of	AUD Auditor 2 - AMA	8/31/2015	7.00	\$ 84.70	\$ 592.90
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	8/31/2015	8.00	\$ 61.93	\$ 495.44
August Total					402.00		\$ 29,656.68
Finau, Daniel	AUD Auditor 2 - AMA	S15SPA9004 - Industry, City of	AUD Auditor 2 - AMA	9/1/2015	9.00	\$ 84.70	\$ 762.30
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	9/1/2015	8.00	\$ 61.93	\$ 495.44
Spalj, Mike	AUD 2 Bureau Chief	S15SPA9004 - Industry, City of	AUD 2 Bureau Chief	9/1/2015	2.00	\$ 116.21	\$ 232.42
Finau, Daniel	AUD Auditor 2 - AMA	S15SPA9004 - Industry, City of	AUD Auditor 2 - AMA	9/2/2015	5.00	\$ 84.70	\$ 423.50
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	9/2/2015	8.00	\$ 61.93	\$ 495.44
Finau, Daniel	AUD Auditor 2 - AMA	S15SPA9004 - Industry, City of	AUD Auditor 2 - AMA	9/3/2015	9.00	\$ 84.70	\$ 762.30
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	9/3/2015	8.00	\$ 61.93	\$ 495.44
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	9/4/2015	8.00	\$ 61.93	\$ 495.44
Finau, Daniel	AUD Auditor 2 - AMA	S15SPA9004 - Industry, City of	AUD Auditor 2 - AMA	9/8/2015	9.00	\$ 84.70	\$ 762.30
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	9/8/2015	8.00	\$ 61.93	\$ 495.44
Finau, Daniel	AUD Auditor 2 - AMA	S15SPA9004 - Industry, City of	AUD Auditor 2 - AMA	9/9/2015	9.00	\$ 84.70	\$ 762.30
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	9/9/2015	8.00	\$ 61.93	\$ 495.44
Finau, Daniel	AUD Auditor 2 - AMA	S15SPA9004 - Industry, City of	AUD Auditor 2 - AMA	9/10/2015	9.00	\$ 84.70	\$ 762.30
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	9/10/2015	8.00	\$ 61.93	\$ 495.44
Finau, Daniel	AUD Auditor 2 - AMA	S15SPA9004 - Industry, City of	AUD Auditor 2 - AMA	9/11/2015	8.00	\$ 84.70	\$ 677.60
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	9/11/2015	8.00	\$ 61.93	\$ 495.44

City of Industry - S15-SPA-9004
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Timesheet Entry: Resource	Resource: Primary Organization Role	Timesheet Entry: Task	Timesheet Entry: Organization Role	Timesheet Entry: Date	Timesheet Entry: Total Hours	Timesheet Entry: Internal Rate	Timesheet Entry: Internal Cost: All Hours
Finau, Daniel	AUD Auditor 2 - AMA	S15SPA9004 - Industry, City of	AUD Auditor 2 - AMA	9/14/2015	7.00	\$ 84.70	\$ 592.90
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	9/14/2015	8.00	\$ 61.93	\$ 495.44
Finau, Daniel	AUD Auditor 2 - AMA	S15SPA9004 - Industry, City of	AUD Auditor 2 - AMA	9/15/2015	7.00	\$ 84.70	\$ 592.90
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	9/15/2015	8.00	\$ 61.93	\$ 495.44
Finau, Daniel	AUD Auditor 2 - AMA	S15SPA9004 - Industry, City of	AUD Auditor 2 - AMA	9/16/2015	9.00	\$ 84.70	\$ 762.30
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	9/16/2015	8.00	\$ 61.93	\$ 495.44
Finau, Daniel	AUD Auditor 2 - AMA	S15SPA9004 - Industry, City of	AUD Auditor 2 - AMA	9/17/2015	9.00	\$ 84.70	\$ 762.30
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	9/17/2015	8.00	\$ 61.93	\$ 495.44
Finau, Daniel	AUD Auditor 2 - AMA	S15SPA9004 - Industry, City of	AUD Auditor 2 - AMA	9/18/2015	8.00	\$ 84.70	\$ 677.60
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	9/18/2015	8.00	\$ 61.93	\$ 495.44
Spalj, Mike	AUD 2 Bureau Chief	S15SPA9004 - Industry, City of	AUD 2 Bureau Chief	9/18/2015	2.00	\$ 116.21	\$ 232.42
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	9/21/2015	8.00	\$ 61.93	\$ 495.44
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	9/22/2015	8.00	\$ 61.93	\$ 495.44
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	9/23/2015	8.00	\$ 61.93	\$ 495.44
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	9/24/2015	8.00	\$ 61.93	\$ 495.44
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	9/25/2015	8.00	\$ 61.93	\$ 495.44
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	9/28/2015	8.00	\$ 61.93	\$ 495.44
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	9/29/2015	8.00	\$ 61.93	\$ 495.44
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	9/30/2015	8.00	\$ 61.93	\$ 495.44
September Total					270.00		\$ 19,169.68
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	10/1/2015	8.00	\$ 61.93	\$ 495.44
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	10/2/2015	8.00	\$ 61.93	\$ 495.44
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	10/5/2015	8.00	\$ 61.93	\$ 495.44
Spalj, Mike	AUD 2 Bureau Chief	S15SPA9004 - Industry, City of	AUD 2 Bureau Chief	10/5/2015	2.00	\$ 116.21	\$ 232.42
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	10/6/2015	8.00	\$ 61.93	\$ 495.44
Spalj, Mike	AUD 2 Bureau Chief	S15SPA9004 - Industry, City of	AUD 2 Bureau Chief	10/6/2015	2.00	\$ 116.21	\$ 232.42
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	10/7/2015	8.00	\$ 61.93	\$ 495.44
Spalj, Mike	AUD 2 Bureau Chief	S15SPA9004 - Industry, City of	AUD 2 Bureau Chief	10/7/2015	2.00	\$ 116.21	\$ 232.42
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	10/8/2015	8.00	\$ 61.93	\$ 495.44
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	10/9/2015	8.00	\$ 61.93	\$ 495.44
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	10/12/2015	8.00	\$ 61.93	\$ 495.44
Spalj, Mike	AUD 2 Bureau Chief	S15SPA9004 - Industry, City of	AUD 2 Bureau Chief	10/12/2015	2.00	\$ 116.21	\$ 232.42
Loste, Efrén	AUD Audit Manager	S15SPA9004 - Industry, City of	AUD Audit Manager	10/13/2015	4.00	\$ 105.84	\$ 423.36
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	10/13/2015	8.00	\$ 61.93	\$ 495.44
Spalj, Mike	AUD 2 Bureau Chief	S15SPA9004 - Industry, City of	AUD 2 Bureau Chief	10/13/2015	2.00	\$ 116.21	\$ 232.42
Finau, Daniel	AUD Auditor 2 - AMA	S15SPA9004 - Industry, City of	AUD Auditor 2 - AMA	10/14/2015	9.00	\$ 84.70	\$ 762.30
Loste, Efrén	AUD Audit Manager	S15SPA9004 - Industry, City of	AUD Audit Manager	10/14/2015	4.00	\$ 105.84	\$ 423.36
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	10/14/2015	8.00	\$ 61.93	\$ 495.44
Spalj, Mike	AUD 2 Bureau Chief	S15SPA9004 - Industry, City of	AUD 2 Bureau Chief	10/14/2015	2.00	\$ 116.21	\$ 232.42
Finau, Daniel	AUD Auditor 2 - AMA	S15SPA9004 - Industry, City of	AUD Auditor 2 - AMA	10/15/2015	1.00	\$ 84.70	\$ 84.70
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	10/15/2015	8.00	\$ 61.93	\$ 495.44
Spalj, Mike	AUD 2 Bureau Chief	S15SPA9004 - Industry, City of	AUD 2 Bureau Chief	10/15/2015	4.00	\$ 116.21	\$ 464.84
Finau, Daniel	AUD Auditor 2 - AMA	S15SPA9004 - Industry, City of	AUD Auditor 2 - AMA	10/16/2015	8.00	\$ 84.70	\$ 677.60
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	10/16/2015	8.00	\$ 61.93	\$ 495.44
Spalj, Mike	AUD 2 Bureau Chief	S15SPA9004 - Industry, City of	AUD 2 Bureau Chief	10/16/2015	4.00	\$ 116.21	\$ 464.84
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	10/19/2015	8.00	\$ 61.93	\$ 495.44
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	10/20/2015	8.00	\$ 61.93	\$ 495.44

City of Industry - S15-SPA-9004
7/1/15 - 5/31/16

ATTACHMENT A
Billable Hours
(Division of Audits)

Timesheet Entry: Resource	Resource: Primary Organization Role	Timesheet Entry: Task	Timesheet Entry: Organization Role	Timesheet Entry: Date	Timesheet Entry: Total Hours	Timesheet Entry: Internal Rate	Timesheet Entry: Internal Cost: All Hours
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	10/21/2015	8.00	\$ 61.93	\$ 495.44
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	10/22/2015	8.00	\$ 61.93	\$ 495.44
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	10/23/2015	8.00	\$ 61.93	\$ 495.44
Spalj, Mike	AUD 2 Bureau Chief	S15SPA9004 - Industry, City of	AUD 2 Bureau Chief	10/23/2015	4.00	\$ 116.21	\$ 464.84
Finau, Daniel	AUD Auditor 2 - AMA	S15SPA9004 - Industry, City of	AUD Auditor 2 - AMA	10/26/2015	9.00	\$ 84.70	\$ 762.30
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	10/26/2015	8.00	\$ 61.93	\$ 495.44
Finau, Daniel	AUD Auditor 2 - AMA	S15SPA9004 - Industry, City of	AUD Auditor 2 - AMA	10/27/2015	1.00	\$ 84.70	\$ 84.70
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	10/27/2015	8.00	\$ 61.93	\$ 495.44
Finau, Daniel	AUD Auditor 2 - AMA	S15SPA9004 - Industry, City of	AUD Auditor 2 - AMA	10/28/2015	9.00	\$ 84.70	\$ 762.30
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	10/28/2015	8.00	\$ 61.93	\$ 495.44
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	10/29/2015	8.00	\$ 61.93	\$ 495.44
Finau, Daniel	AUD Auditor 2 - AMA	S15SPA9004 - Industry, City of	AUD Auditor 2 - AMA	10/30/2015	8.00	\$ 84.70	\$ 677.60
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	10/30/2015	8.00	\$ 61.93	\$ 495.44
October Total					253.00		\$ 18,346.94
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	11/2/2015	8.00	\$ 61.93	\$ 495.44
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	11/3/2015	8.00	\$ 61.93	\$ 495.44
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	11/4/2015	8.00	\$ 61.93	\$ 495.44
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	11/5/2015	8.00	\$ 61.93	\$ 495.44
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	11/6/2015	8.00	\$ 61.93	\$ 495.44
Spalj, Mike	AUD 2 Bureau Chief	S15SPA9004 - Industry, City of	AUD 2 Bureau Chief	11/6/2015	2.00	\$ 122.02	\$ 244.04
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	11/9/2015	8.00	\$ 61.93	\$ 495.44
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	11/10/2015	8.00	\$ 61.93	\$ 495.44
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	11/12/2015	8.00	\$ 61.93	\$ 495.44
Pascua, Danny	AUD Retired Annuitant	S15SPA9004 - Industry, City of	AUD Retired Annuitant	11/13/2015	8.00	\$ 61.93	\$ 495.44
Spalj, Mike	AUD 2 Bureau Chief	S15SPA9004 - Industry, City of	AUD 2 Bureau Chief	11/13/2015	4.00	\$ 122.02	\$ 488.08
Spalj, Mike	AUD 2 Bureau Chief	S15SPA9004 - Industry, City of	AUD 2 Bureau Chief	11/17/2015	4.00	\$ 122.02	\$ 488.08
Spalj, Mike	AUD 2 Bureau Chief	S15SPA9004 - Industry, City of	AUD 2 Bureau Chief	11/19/2015	3.00	\$ 122.02	\$ 366.06
Spalj, Mike	AUD 2 Bureau Chief	S15SPA9004 - Industry, City of	AUD 2 Bureau Chief	11/30/2015	2.00	\$ 122.02	\$ 244.04
November Total					87.00		\$ 6,289.26
Report Totals					Sum: 1,582.00		Sum: \$ 117,848.90

City of Industry - S15-SPA-9004
7/1/15 - 5/31/16

ATTACHMENT A
Travel Expenses
(Division of Audits)

Resource	Task	Task Material Expense	Type	Date Incurred	Amount
Finau, Daniel	S15SPA9004 - Industry, City of	Travel	Travel Cost	7/10/2015	\$ 1,488.48
Loste, Efren	S15SPA9004 - Industry, City of	Travel	Travel Cost	7/10/2015	\$ 1,220.66
Pascua, Danny	S15SPA9004 - Industry, City of	Travel	Travel Cost	7/13/2015	\$ 1,244.54
Finau, Daniel	S15SPA9004 - Industry, City of	Travel	Travel Cost	7/17/2015	\$ 1,498.97
Finau, Daniel	S15SPA9004 - Industry, City of	Travel	Travel Cost	7/23/2015	\$ 1,235.86
Pascua, Danny	S15SPA9004 - Industry, City of	Travel	Travel Cost	7/27/2015	\$ 1,253.89
Finau, Daniel	S15SPA9004 - Industry, City of	Travel	Travel Cost	7/31/2015	\$ 1,482.45
Gomez, Joel	S15SPA9004 - Industry, City of	Travel	Travel Cost	7/31/2015	\$ 240.35
July Total					\$ 9,665.20
Pascua, Danny	S15SPA9004 - Industry, City of	Travel	Travel Cost	8/10/2015	\$ 1,255.96
Finau, Daniel	S15SPA9004 - Industry, City of	Travel	Travel Cost	8/14/2015	\$ 1,563.23
Gomez, Joel	S15SPA9004 - Industry, City of	Travel	Travel Cost	8/14/2015	\$ 113.85
August Total					\$ 2,933.04
Pascua, Danny	S15SPA9004 - Industry, City of	Travel	Travel Cost	9/8/2015	\$ 858.49
Finau, Daniel	S15SPA9004 - Industry, City of	Travel	Travel Cost	9/10/2015	\$ 968.12
September Total					\$ 1,826.61
Pascua, Danny	S15SPA9004 - Industry, City of	Travel	Travel Cost	10/13/2015	\$ 659.29
Finau, Daniel	S15SPA9004 - Industry, City of	Travel	Travel Cost	10/14/2015	\$ 795.71
Loste, Efren	S15SPA9004 - Industry, City of	Travel	Travel Cost	10/14/2015	\$ 659.95
October Total					\$ 2,114.95
Report Totals					Sum: \$ 16,539.80

Date	Staff	Billable Hours	Billable Rate	Cost
City of Industry - Trigger Analysis				
5/6/2015	Thi Dinh	4.5	\$71.88	\$ 323.46
5/6/2015	Jordan Inabnit	2	\$56.93	\$ 113.86
5/6/2015	Dang Nguyen	1.5	\$83.23	\$ 124.85
Total		8	\$	562.17

CITY COUNCIL

ITEM NO. 6.3



CITY OF INDUSTRY

P.O. Box 3366 • 15625 E. Stafford St. • City of Industry, CA 91744-0366 • (626) 333-2211 • FAX (626) 961-6795

MEMORANDUM

To: Honorable Mayor and Members of the City Council

From: Paul J. Philips, City Manager *Paul J. Philips*

Staff: Alex Gonzalez, Director of Development Services and Administration *AG*
Susan Paragas, City Controller

Date: July 14, 2016

SUBJECT: Consideration of Resolution No. CC 2016-46 - A Resolution of the City Council of the City of Industry, California, Declaring Membership in the Municipal Insurance Cooperative Joint Powers Authority (MIC JPA) and Authorizing the City Manager to Execute all Relevant Documents for Inclusion and Binding of Property and Casualty Insurance for Fiscal Year 2016-2017

BACKGROUND: In August of 2015, the City of Industry initiated a review of its insurance coverage to determine if there were opportunities for fiscal savings, and also to determine which risks the City faced and whether systems existed to mitigate those risks.

The City contacted the California Joint Powers Insurance Authority (California JPIA) and began the process to apply for membership, however, there was not sufficient time to complete the process and bind coverage prior to the expiration of the City's existing commercial insurance policies. As a result, on May 26, 2016, the City Council approved a Broker of Record Designation with Keenan and Associates to investigate and negotiate property and casualty insurance options in the open market.

Keenan and Associates provided the City with a proposal on June 28th based on its negotiations with multiple insurance providers, and based on the limited time frame to ensure continuous coverage, the City Manager instructed Keenan and Associates to bind coverage by midnight of June 30, 2016.

The City has been approved for inclusion in the Municipal Insurance Cooperative Joint Powers Authority (MIC JPA), a non-risk sharing pool of public agencies whose current members include the Cities of: Commerce, Cudahy, Dublin, Larkspur, Walnut Creek, Yountville and Upland; as well as the San Bernardino Associated Governments (SANBAG) and the Placer County Water Agency. The MIC JPA has bound the City's insurance as of July 1, 2016, therefore no gap in insurance coverage has occurred. The MIC JPA does require the City to approve Resolution No. CC 2016-46 to complete inclusion.

FISCAL REVIEW

The cost of insurance coverage has been approved in the 2016/2017 budget. Although some cost savings were achieved through the move to the MIC JPA, projected costs will remain near the existing budget appropriation as the City has increased its crime coverage from \$250,000 to \$10,000,000, and will also be adding cyber coverage to protect the City from loss related to its records and electronic systems. The City has also chosen to self-insure its automobiles for comprehensive and collision, with auto liability covered by the umbrella liability coverage.

PJP:SP:mk

EXHIBIT A

Resolution No. CC 2016-46

[Attached]

RESOLUTION NO. CC 2016-46

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDUSTRY, CALIFORNIA, DECLARING MEMBERSHIP IN THE MUNICIPAL INSURANCE COOPERATIVE JOINT POWERS AUTHORITY (MIC JPA) AND AUTHORIZING THE CITY MANAGER TO EXECUTE ALL RELEVANT DOCUMENTS FOR INCLUSION AND BINDING OF PROPERTY, LIABILITY AND WORKER'S COMPENSATION INSURANCE FOR FISCAL YEAR 2016- 2017

WHEREAS, municipalities have determined there is a need for affordable Property, Liability, and Worker's Compensation coverages by combining their respective efforts to establish, operate, and maintain a Joint Power Agency for Property, Liability, and Worker's Compensation coverages; and

WHEREAS, Title I, Division 7, Chapter 5, Article I (Section 6500 et seq.) of the Government Code of the State of California authorizes joint exercise by two or more public agencies of any power common to them; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF INDUSTRY DOES HEREBY RESOLVE, DETERMINE, FIND, AND ORDER AS FOLLOWS:

SECTION 1: That the City Council of the City of Industry declares its membership in the Municipal Insurance Cooperative Joint Powers Authority and instructs the City Manager, as its duly authorized agent, to execute on behalf of the City of Industry the attached Joint Powers Agreement and all relevant documents to bind insurance with the Municipal Insurance Cooperative Joint Powers Authority.

SECTION 2: That the City Council of the City of Industry appoints Alex Gonzalez, Director of Development Services and Administration, as the designated representative, and Susan Paragas, City Controller, as the designated alternate, as the City of Industry's official representatives to the Municipal Insurance Cooperative JPA.

SECTION 3: The provisions of this Resolution are severable and if any provision, clause, sentence, word or part thereof is held illegal, invalid, unconstitutional, or inapplicable to any person or circumstances, such illegality, invalidity, unconstitutionality, or inapplicability shall not affect or impair any of the remaining provisions, clauses, sentences, sections, words or parts thereof of the Resolution or their applicability to other persons or circumstances.

SECTION 4: The City Clerk shall certify to the adoption of this Resolution and that the same shall be in full force and effect.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Industry at a regular meeting held on July 14, 2016, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

Mark D. Radecki, Mayor

ATTEST:

Cecelia Dunlap, Deputy City Clerk

EXHIBIT B

Municipal Insurance Cooperative Joint Exercise of Powers Agreement

[Attached]



Municipal Insurance Cooperative

MUNICIPAL INSURANCE COOPERATIVE JOINT EXERCISE OF POWERS AGREEMENT

Supersedes any prior agreement

**MUNICIPAL INSURANCE COOPERATIVE (MIC)
JOINT EXERCISE OF POWERS AGREEMENT**

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**MUNICIPAL INSURANCE COOPERATIVE (MIC)
JOINT EXERCISE OF POWERS AGREEMENT**

**TO ESTABLISH, OPERATE, AND MAINTAIN A
JOINT PROGRAM**

THIS AGREEMENT is entered into pursuant to the provisions of Title 1, Division 7, Chapter 5, Article 1 (Sections 6500, et seq.) of the California Government Code, relating to the joint exercise of powers, between the public agencies signatory hereto, and also those which may hereafter become signatory hereto, for the purpose of operating an agency to be known and designated as Municipal Insurance Cooperative (MIC) (hereinafter referred to as the Authority).

WITNESSETH:

WHEREAS, it is to the mutual benefit of the parties herein subscribed and in the best public interest of said parties to join together to establish this Joint Exercise of Powers Agreement to accomplish the purposes hereinafter set forth; and

WHEREAS, the signatories hereto have determined that there is a need, by public agencies, for a Joint Purchasing Program for Workers' Compensation, General Liability, Property, Employment Liability and optional Crime insurance; and

WHEREAS, it has been determined by such signatories that a Joint Purchasing Program for Workers' Compensation, General Liability, Property, Employment Liability and optional Crime insurance is of value on an individual and mutual basis; and

WHEREAS, Title 1, Division 7, Chapter 5, Article 1, of the California Government Code authorizes joint exercise by two or more public agencies of any power common to them; and

WHEREAS, it is the desire of the signatories hereto to jointly provide for a Joint Purchasing Program for Workers' Compensation, General Liability, Property, Employment Liability and optional Crime insurance for their mutual advantage and concern; and

WHEREAS, it is the desire of the signatories hereto to study and from time to time to incorporate other forms of property, casualty or employee benefit health and welfare programs into a Joint Purchasing Program such as that described herein.

NOW, THEREFORE, FOR AND IN CONSIDERATION OF THE MUTUAL ADVANTAGES TO BE DERIVED THEREFROM, AND IN CONSIDERATION OF THE EXECUTION OF THIS AGREEMENT BY OTHER PUBLIC AGENCIES, EACH OF THE PARTIES HERETO DOES AGREE AS FOLLOWS:

1. CREATION OF THE JOINT POWERS ENTITY

A joint powers entity, separate and apart from the public agencies signatory hereto, shall be and is hereby created and shall hereafter be designated as the Municipal Insurance Cooperative (MIC) (hereinafter referred to as the Authority).

2. FUNCTIONS OF THE AUTHORITY

A. The Authority is established for the purposes of administering this Agreement, pursuant to the provisions of the California Government Code, and of providing the services and other items necessary and appropriate for the establishment, operation and maintenance of a Joint Purchasing Program for Workers' Compensation, General Liability, Property, Employment Liability, and optional Crime Insurance Program protection for the public agencies who are Members thereof, and to provide a forum for discussion, study, development and implementation of recommendations of mutual interest regarding other programs.

B. The functions of the Authority are:

- (1) To provide a Joint Purchase Program and system for Workers' Compensation, General Liability (including Employment Liability), Property, optional Crime insurance, and such other optional individual coverages as are required by a Member, and as such, to perform, or contract for the performance of, the financial administration, policy formulation, claim service, legal representation, safety engineering, and other services as necessary for the payment and handling of all Workers' Compensation, General Liability, Property, Employment Liability, and Crime insurance claims, and such other optional individual coverages as are required by Members.
- (2) To pursue the Member's right of Subrogation against a third party when in the discretion of the Authority the same is appropriate. Any and all proceeds resulting from the assertion of such Subrogation rights shall accrue to the benefit of the Member.

3. POWERS OF THE AUTHORITY

The Authority shall have the power and authority to exercise any power common to the public agencies which are parties to this Agreement, provided that the same are in furtherance of the functions and objectives of this Agreement as herein set forth. Pursuant to Section 6509 of the California Government Code, the exercise of the aforesaid powers of the Authority shall be subject to the restrictions upon the manner of exercising such powers by a public agency having the same status as a member agency or joint powers authority except as otherwise provided in this Agreement.

In specific, the Authority shall have the following powers:

- (1) To enter into contracts.
- (2) To obtain appropriate other coverage as determined by the Authority.
- (3) To acquire, hold, and dispose of property, real and personal, all for the purpose of providing the membership with the necessary administration, education, study, development, and implementation of a Joint Program including, but not limited to, the acquisition of facilities and equipment, the employment of personnel, and the operation and maintenance of a system for the handling of the Joint Program.
- (4) To incur debts, liabilities, and obligations necessary to accomplish the purposes of this Agreement.
- (5) To receive gifts, contributions, and donations of property, funds, services, and other forms of assistance from persons, firms, corporations, associations, and any governmental entity.
- (6) To invest funds as deemed appropriate by the Authority, and as subject to law.
- (7) To provide a forum for discussion, study, development, and implementation of recommendations of mutual interest regarding other Joint Programs.
- (8) To sue and be sued in the name of the Authority.
- (9) To perform such other functions as may be necessary or appropriate to carry out this Agreement, so long as such other functions so performed are not prohibited by any provision of law.
- (10) To join other joint powers authorities to provide services and coverages to the Authority.

4. TERM OF THE AGREEMENT

This Agreement shall be effective and binding on any signatory thereto upon execution. This Agreement shall continue in effect until lawfully terminated as provided herein and in the Bylaws. In the event of a reorganization of one or more of the public agencies participating in this Agreement, the successor or successors in interest to the assets and/or obligations of any such reorganized public agency shall succeed as a party or as parties to this Agreement. However if the reorganization creates a material change in the risk profile of the public agency as determined by the Authority's Board of Directors, then continuing membership by such reorganized agency will be subject to Board approval.

5. BYLAWS

- A. The Authority shall be governed pursuant to certain Bylaws, a copy of which is attached hereto as Exhibit "A" and incorporated herein by reference, and by such amendments to the Bylaws as may from time to time be adopted. Wherever in this Agreement "Bylaws" are referred to, said Bylaws shall be those set forth in Exhibit "A", as may be amended. Each party to this Agreement agrees to comply with and be bound by the provisions of said Bylaws and further agrees that the Authority shall be operated pursuant to this Agreement and said Bylaws.
- B. Procedures for amending the Bylaws shall be as provided in the Bylaws so long as not inconsistent with this Agreement.

6. MEMBERSHIP IN THE AUTHORITY

- A. Each party to this Agreement must be eligible for membership in the Authority as defined in this Agreement and shall become a Member of the Authority on the effective date of this Agreement, except as provided herein below. Each party which becomes a Member of the Authority shall be entitled to the rights and privileges of, and shall be subject to the obligations of, membership as provided in this Agreement and in the Bylaws.
- B. Upon two-thirds (2/3) vote of the Members present at a Board of Directors' meeting, any public agency that is not a party hereto but that desires to join the Authority created hereby, may become a Member hereof by executing a copy of this Agreement whereby said public agency agrees to comply with the terms of this Agreement and of the Bylaws effective as of the date of such execution.

7. WITHDRAWAL FROM OR TERMINATION OF MEMBERSHIP

- A. Any party to this Agreement which has completed a three year term as described in the Bylaws as a Member of the Authority may voluntarily terminate this Agreement as to itself and withdraw from membership in the Authority. Such termination and withdrawal of membership shall become effective subject and according to the conditions, manner and means set forth in the Bylaws.
- B. Termination by any party to the Agreement shall not be construed as a completion of the purpose of the Agreement and shall not require the repayment or return to the parties of all or any part of any contributions, payments, or advances made by the parties until the Agreement is terminated as to all parties.
- C. A Member may be involuntarily terminated from the Authority upon two-thirds (2/3) vote of the Members present at a Board of Directors' meeting, as provided in the Bylaws. Such removal from membership shall become effective subject and according to the conditions, manner and means set forth in the Bylaws.

8. TERMINATION OF AGREEMENT

This Agreement may be terminated effective at the end of any fiscal year by a two thirds (2/3) vote of the Members present at a Board of Directors' meeting, provided, however, that the Authority and this Agreement shall continue to exist for the purpose of disposing of all obligations, distribution of assets, and all other functions necessary to conclude the affairs of the Authority.

9. DISPOSITION OF PROPERTY, FUNDS AND OBLIGATIONS

- A. In the event of the dissolution of the Authority or other final termination of this Agreement by the public agencies then a party hereto, any property interest remaining in the Authority following a discharge of all obligations shall be disposed of as provided for in the Bylaws.
- B. In the event a Member withdraws from this Agreement, any property interest of that Member remaining in the Authority following discharge of all obligations shall be disposed of as provided for in the Bylaws.
- C. After the completion of the Authority's purpose, any surplus money remaining shall be returned to the current members hereto in proportion to the contributions made.

10. AMENDMENTS

This Agreement may be amended at any time by a subsequent written agreement signed by two thirds (2/3) of the parties hereto. Any such amendment shall be binding upon all parties hereto upon the date of final execution of the subsequent written agreement by two thirds (2/3) of the parties thereto.

11. SEVERABILITY

Should any portion, term, condition, or provision of this Agreement be decided by a court of competent jurisdiction to be illegal or in conflict with any law of the State of California, or any other applicable law, or be otherwise rendered unenforceable or ineffectual, the validity of the remaining portions, terms, conditions, and provisions shall not be affected thereby.

12. LIABILITY

- A. Pursuant to Section 6508.1 of the California Government Code, the debts, liabilities and obligations of the Authority shall not be debts, liabilities or obligations of the parties to this Agreement. However, the Members remain liable to the Authority for contributions assessed by the Authority to pay its debts, liabilities or obligations.
- B. The Authority may insure/reinsure itself, to the extent deemed necessary or appropriate by the Board of Directors, against loss, liability, and claims arising out of or connected with this Agreement.

13. ENFORCEMENT

The Authority is hereby given authority to enforce this Agreement.

14. MULTIPLE COUNTERPARTS

The Agreement may be executed in multiple counterparts, each of which shall be considered an original.

15. DEFINITIONS

The terms used herein and in the Bylaws shall have the following meanings:

- A. the Authority shall mean the Municipal Insurance Cooperative, a joint powers authority created by this Agreement.
- B. "Board of Directors" shall mean the governing board of the Authority established by the Bylaws to direct and control the Authority.
- C. "Claim Liability" shall mean those liabilities established by the Authority which represent Joint Program liabilities as respects to claims that have been incurred but unpaid and incurred but not reported.
- D. "Contribution" shall mean money paid by a Member to the Authority, or monies assessed a Member of the Authority.
- E. "Joint Program" shall mean the group purchasing of insurance/reinsurance or the setting aside of funds and reserves to pay for a self-insured retention or for losses not covered by insurance/reinsurance.

- F. "Member" shall mean an individual California public agency, or joint powers authority comprised solely of California public agencies, that has executed this agreement.
- G. "Memorandum of Coverage" shall mean the description of the scope of protection provided to the Members for Program claims.
- H. "Obligations" shall mean, but not be limited to, all payments required by law together with all Claim Liabilities and any other legal obligations incurred by the Authority pursuant to this Agreement and Bylaws.
- J. "Program Year" shall mean one year of the Joint Program, separate from each and every other Program Year and shall operate on a fiscal year from July 1st through June 30th, or as otherwise determined by the Board of Directors.
- L. "Subrogation" shall mean the recovery of payments which the Authority has made on behalf of a Member. Subrogation monies received are the properties of the Authority and for the Basis of Contribution are credited to the account of the Member.

16. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the Authority and the Members, and as such, supersedes all prior agreements, understandings, negotiations and representations. All section headings in this Agreement are for convenience only and are not to be construed as modifying or governing the language in the section referred to or to define or limit the scope of any provision of this Agreement.

17. CONTROLLING LAW

This Agreement shall be governed by and construed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their authorized officers thereunto duly authorized as set forth herein below.

Member: _____

Date: _____

Print Name: _____

By: _____

Title: _____



Municipal Insurance Cooperative

Exhibit A

BYLAWS

BYLAWS
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BYLAWS

MUNICIPAL INSURANCE COOPERATIVE

PREAMBLE

Municipal Insurance Cooperative (MIC) ("Authority") is established for the purpose of providing the services and other items necessary and appropriate for the establishment, operation, and maintenance of a Joint Purchasing Program for Workers' Compensation, General Liability, Property, and Employment Liability and an optional Crime Insurance Program protection for the public agencies who are Members hereof, and to provide a forum for discussion, study, development, and implementation of recommendations of mutual interest regarding other programs of insurance and self insurance.

ARTICLE I BOARD OF DIRECTORS

- A. A Board of Directors is hereby established to direct and control the Authority.
- B. Each Member of the Authority shall be entitled to appoint one representative and one alternate to the Board of Directors. The Board representative and the alternate must be employees or authorized agents of the Member and shall serve at the pleasure of the member by whom appointed. Only the designated Board representative or designated alternate may represent a Member, and the alternate may act as Director only in the absence of the representative. The designated representative and designated alternate may invite members of their agencies' staffs or consultants to attend meetings of the Board of Directors in an advisory capacity only.
- C. The Board of Directors will conduct meetings consistent with the Ralph M. Brown Act, provided, however, that it will hold at least one regular meeting each fiscal year. The date, time, and place for each such regular meeting shall be fixed by the Board of Directors, which shall be publicly posted prior to the meeting on a public bulletin board to be designated by the Board of Directors and filed with each Member of the Authority. All meetings of the Board of Directors shall be called, held, and conducted in accordance with the terms and provisions of the Ralph M. Brown Act (Sections 54950, et seq., of the California Government Code), as said Act may be modified by subsequent legislation, and as the same may be augmented by rules of the Board of Directors not inconsistent therewith. The Board of Directors will cause minutes of its meetings to be kept, and post the true and correct copies of the minutes of such meetings after Board approval
- D. The Board of Directors, by resolution, shall designate a specific location at which it will receive notices, correspondence, and other communications. All notices shall be in writing and shall be sufficient if delivered to the notice address of each party, as previously designated or as otherwise designated by a party in writing to each of the other parties.

- E. The Board of Directors may establish and dissolve operating committees and establish the authority granted to such committees and their operating policies. The Board Chair shall appoint the Chairperson and members of committees from the Authority's active membership.
- F. The Board of Directors may establish, revise and discontinue policies related to the operation of the Authority and such approved policies are binding upon the Members unless otherwise specified by policy by the Board of Directors.
- G. The Board of Directors shall determine contributions and the method by which contributions will be paid to a General Fund. The Board of Directors shall also provide for additional assessments during the year, if necessary or appropriate, to allow for increased costs and expenses that may occur. The Board of Directors shall insure that a complete and accurate system of accounting of the General Fund shall be maintained at all times consistent with established auditing standards and accounting procedures.
- H. The Board of Directors shall review coverages that are provided to Members through the Memorandum of Coverage, established policies and procedures for claims administration.
- I. The Board of Directors shall approve the terms of all related insurance, excess insurance, reinsurance and other agreements, including the terms of coverage, claims services, cost and compensation.
- J. The Board of Directors shall directly or by contract provide for services required to effectively implement all aspects of this Joint Program.

ARTICLE II RULES OF THE BOARD OF DIRECTORS

- A. The Board of Directors may establish rules governing its own conduct and procedure and have such expressed or implied authority as is not inconsistent with, or contrary to, the laws of the State of California, these Bylaws, or the Joint Powers Agreement.
- B. A quorum for the transaction of business by the Board of Directors shall consist of a majority of the Board of Directors.
- C. No one serving on the Board of Directors shall receive any salary or compensation from the Authority.
- D. The Board of Directors may approve reimbursement for expenses incurred at its direction.
- E. Each Member shall have one vote.

ARTICLE III OFFICERS

- A. Principal Officers shall be a Chair, a Vice Chair, Secretary, and a Treasurer. The Officers of the Authority shall serve a term of two years, beginning July 1 of even-numbered years, except in the formation year the initial term will run from the date of formation until July 1.
- B. Election of Officers:
1. The Board shall elect a Chair and Vice-Chair, Secretary, and Treasurer from among the Directors.
 2. Officer elections shall take place at the last regularly scheduled Board of Directors meeting in even-numbered Program Years. Directors may make nominations of individuals who meet the requirements for the office at the time of election. If such nomination is seconded, the nominated individual shall be a candidate for that office for which the candidate was nominated. The candidate with the greatest number of votes shall assume the office.
 3. Any person elected as an officer may be removed at any time, with or without cause, by a majority vote of the Board of Directors.
 4. All vacancies arising may be filled at any time by a two-thirds vote of the Directors present at that Board of Directors meeting using the same procedures as specified above. Officers elected by such procedure shall serve the remaining term of the vacant position.
- C. The Chair shall sign all contracts on behalf of the Authority and shall perform the duties normal to such office, and shall perform such other duties as may be imposed by the Board. The Vice-Chair shall perform all of the Chair's duties in the absence of the Chair.
- D. The Secretary shall be the chief administrative officer of the Authority. The Secretary's duties include recording all votes and the minutes of all proceedings. As soon as possible after each meeting, the Secretary shall cause a draft copy of the minutes to be forwarded to each Director and to the Authority. The Secretary shall give, or cause to be given, notice of all meetings of the Board of Directors when notice is required by law or these Bylaws, and shall cause a copy of this Agreement and any amendments thereto to be filed with the Secretary of State within 30 days of the effective date thereof pursuant to Government Code Section 6503.5. The Secretary shall have such other powers and perform such other duties as may be prescribed from time to time by the Board of Directors or the Chair.
- E. The Treasurer shall serve as the chief financial officer of the Authority, without the need to post an official bond, and fulfill the requirements of the California Government Code. The Treasurer shall oversee third party professionals, approved by the Board of Directors, in connection with the following:
1. Receipt of all money of the Authority and place it in the designated depository to the credit of the Authority.

2. Be responsible for the safekeeping and disbursement of all money of the Authority.
3. Pay, when due, out of money of the Authority all legitimate and verifiable sums payable by the Authority.
4. Verify and report in writing at least annually to the Board of Directors the amount of money held for the Authority, the amount of receipts since the last Treasurer's Report, and the amount paid out since the last Treasurer's Report.
5. Cause to be established suitable funds and accounting procedures to carry out the purposes of the Authority.
6. Act as custodian of the Authority's property.
7. Cause the books and records of the Authority in the hands of the Treasurer to be open for inspection at reasonable times by all Members of the Authority.

The Treasurer shall have such other powers and perform such other duties as may be prescribed from time to time by law or by the Board of Directors or the Chair.

ARTICLE IV MANAGER

All decisions related to the Authority and the Joint Program shall be made by the Board of Directors and/or Officers. The Authority may contract with a company with demonstrated expertise and experience to assist the Authority with the management and operation of the Authority (the "Manager"). The services to be provided by the Manager and the compensation to be earned shall be as determined and approved by the Board of Directors.

ARTICLE V FINANCE

- A. The Authority shall operate on a fiscal year from July 1 through June 30.
- B. The Board of Directors shall adopt, on or before June 1st, a preliminary budget estimating the amount of money that will be needed for the ensuing year. On or before June 30, the Authority shall adopt a final budget showing each of the purposes for which the Authority will need money and the estimated amount of money that will be needed for each purpose for the ensuing fiscal year. A copy of the budget shall be provided to each of the Directors.
- C. Each Member that actually purchases coverage from the Authority shall pay to the Authority a Contribution as calculated and adopted by the Board of Directors pursuant to the following:
 1. Member's premium based upon each Member's Payroll, Total Insurable Values, Loss History, Unusual Exposures and other information relative to providing coverage purchased by the Member as determined by the reinsurers. This shall be considered the Base Contribution Rate.

2. A share of all other costs as determined by the Authority based on each Member's percentage of premium paid as defined in C.1 to the total premium of all Members purchasing products.
 3. Contributions are due and payable on receipt of invoice unless payment terms defined differently on invoice. Late Payment of Contributions are subject to late payment penalties as determined and approved by the Board of Directors.
- D. Each Program Year of the Authority shall be accounted for separately from every other Program Year in regard to its assets and Obligations.
- E. A General Fund if necessary shall be established and maintained to receive monies, pay operating expenses, hold reserves and pay claims of the Authority. The Authority shall accept and deposit in the General Fund all monies received.
- F. An Operating Account if necessary shall be established and maintained out of monies received and deposited in the General Fund for:
1. Insurance/reinsurance premiums;
 2. Claims management expenses;
 3. Safety engineering;
 4. Data processing costs;
 5. Administration and Professional Services, and Miscellaneous operating expenses;
 6. Loss Control.

ARTICLE VI MEMORANDUM OF COVERAGE

- A. As soon as practicable following the effective date of each Program Year, the Board of Directors shall issue to each Member a Memorandum of Coverage.
- B. The Memorandum of Coverage shall contain:
1. Declarations of coverage and Member Contributions;
 2. The scope of protection provided; and
 3. Other terms and conditions determined by the Board of Directors.

ARTICLE VII ACCOUNTS AND RECORDS

- A. The Authority shall designate a depository in accordance with California Government Code 6505.5 and 6505.6.
- B. The Authority is strictly accountable for all funds received and disbursed by it and, to that end, the Authority shall establish and maintain such funds and accounts as may be required by the Governmental Accounting Standards Board or by any provision of law or any resolution of the Authority. Books and financial records of the Authority shall be open to inspection at all reasonable times by representatives of the Members. The Authority, as soon as practical after

the close of each fiscal year, shall give, or cause to be given, a complete written report of all financial activities for such fiscal year to each Member of the Authority.

- C. The Board of Directors shall make, or contract with a Certified Public Accountant to make, an annual audit of the accounts, records, and financial affairs of the Authority. In each case the minimum requirements of the audit shall be those prescribed by the State Controller for Special Districts under Section 26909 of the California Government Code and shall conform to Generally Accepted Auditing Standards and accounting principles. When such an audit of accounts and reports is made by a Certified Public Accountant, a report thereof shall be filed within twelve (12) months of the end of the fiscal year under examination with the State Controller and county auditor. Any costs of the audit, including contracts with, or employment of Certified Public Accountants in making the audit(s) provided for herein, shall be appropriate administrative charges against the funds of the Authority.

ARTICLE VIII RISK MANAGEMENT

The Board of Directors of the Authority may adopt recommended minimum standards for risk management/loss control practices. These standards and best practices shall be reviewed by each Member as part of each Member's risk management practices.

ARTICLE IX WITHDRAWAL FROM OR TERMINATION OF MEMBERSHIP

- A. Any Member having completed three complete program years as a Member of the Authority may withdraw from its status as a Member and party to the Joint Powers Agreement at the end of the fiscal year subject to the following terms and conditions. Provisional notice must first be submitted by notifying the Board of Directors of the Authority of its intention, in writing, prior to December 31 of the fiscal year.
- B. The Member filing the provisional notice of withdrawal may then effectuate its withdrawal by giving the Authority final written notice, together with a copy of the Member's Board resolution or meeting minutes authorizing such action, at least three (3) months prior to the start of the new Program year.
- C. The incurred claims, incurred but not reported claims, and all unearned contributions of the withdrawing Member shall leave with the Member.
- D. A Member may be involuntarily terminated from the Authority upon a vote of two-thirds (2/3) of the Directors representing the remaining Members. Involuntary termination shall become effective at the end of the Program year in which the action is taken or upon such other date as the Board of Directors may specify, but in no case less than sixty (60) days after notice of involuntary termination is given. The responsibility and participation of an involuntarily terminated Member shall be the same as stated in Paragraph C of this Article.
- E. Grounds for involuntary termination include, but are not limited to, the following:
 - 1. Failure or refusal to abide by the Agreement or Bylaws;

2. Failure or refusal to fulfill the Member's responsibility to participate in Authority governance.
3. Failure or refusal of a Member to abide by an amendment which has been adopted by the Board of Directors or by the Members of the Authority as provided in the Agreement or these Bylaws;
4. Failure or refusal to pay Contributions or assessments to the Authority as provided in the Agreement or Bylaws;
5. Failure to comply with risk management or safety standards implemented by the Authority
6. Failure of a Member to disclose a material fact to the Authority or its Manager.

ARTICLE X DISPOSITION OF PROPERTY AND FUNDS

- A. In the event of the dissolution of the Authority or other final termination of the Joint Powers Agreement, any funds or property interest remaining in the Authority following a discharge of all Obligations shall be distributed to current Members in proportion to contributions made.
- B. If the Authority determines a return of contributions is to be declared, such return of contributions shall be computed in proportion to contributions made.

ARTICLE XI INVESTMENT OF SURPLUS FUNDS

- A. The Authority shall have the power to invest or cause to be invested, in compliance with Section 6509.5 of the California Government Code, such funds as are not necessary for the immediate operation of the Authority as allowed by Section 53600 et seq of the California Government Code.
- B. The level of cash to be retained for the actual operation of the Authority shall be determined by the Authority.

ARTICLE XII AMENDMENT

- A. Amendment to these Bylaws may be proposed by any Member of the Authority.
- B. All amendments to these Bylaws must be approved by a two-thirds (2/3) vote of the Directors present at a Board of Directors meeting before the amendment shall become effective. Such amendments shall be binding upon all Members of the Authority. The effective date of any amendment will be on the first day of the next month following adoption, unless otherwise stated.

ARTICLE XIII
SEVERABILITY

Should any portion, term, condition, or provision of these Bylaws be decided by a court of competent jurisdiction to be illegal or in conflict with any law of the State of California, or be otherwise rendered unenforceable or ineffectual, the validity of the remaining portions, terms, conditions, and provisions shall not be affected thereby.

ARTICLE XIV
EFFECTIVE DATE

These Bylaws, as they may be amended from time to time, shall become effective immediately upon the effective date of the Joint Powers Agreement. Amendments to these Bylaws become effective as stated in Article XI.

The Agreement may be executed in multiple counterparts, each of which shall be considered an original.

ARTICLE XV
INDEMNIFICATION OF DIRECTORS AND OFFICERS

Funds of the Authority may be used to defend, indemnify, and hold harmless any Officer or Director of the Authority for any liability arising from their actions on behalf of the Authority, except that liability arising from willful misconduct may not be indemnified. Nothing herein shall limit the right of the Authority to purchase insurance to provide such coverage.

ARTICLE XVI
SEPARATION OF ENTITIES

No officer, agent, or employee of the Authority shall be deemed, by reason of such position, to be an officer, agent or employee of a Member or be subject to any of the requirements of a Member.

EXHIBIT C

Insurance Coverage Binders for Fiscal Year 2016-2017

[Attached]



**MEMORANDUM OF COVERAGE
MEMORANDUM #: MIC 1617 0005**

DECLARATIONS

MEMBER : City of Industry

COVERAGE PERIOD: July 1, 2016 to July 1, 2017

LIMITS OF COVERAGE

Coverage A Liability

Per Occurrence Limit of Liability <i>(inclusive of member retained limit)</i>	\$10,000,000
Administration of Employee Benefit Claims Loss Adjustment Expenses	Included

Sublimits *(not otherwise stated)*
(Excess of member retained limit)

Asbestos	\$100,000
Breach of Contract Loss Adjustment Expenses	\$50,000
Injunctive/Non-Monetary Loss Adjustment Expenses	\$100,000
Uninsured/Underinsured Motor Vehicle	\$500,000

Coverage B Property Not Included

MEMBER RETAINED LIMIT

Coverage A Liability	
Employment Practices Liability	\$500,000
All other	\$250,000

Coverage B Property Not Included

**THIS MEMORANDUM OF COVERAGE DECLARATIONS IS ATTACHED TO IS
MADE AN INTEGRAL PART OF THE MEMORANDUM OF COVERAGE.**

FOR MUNICIPAL INSURANCE COOPERATIVE,

BY Austie Delozier
KEENAN & ASSOCIATES, JPA MANAGER

July 1, 2016
Issue Date



Municipal
Insurance
Cooperative

M O C

MEMORANDUM OF COVERAGE

**MUNICIPAL INSURANCE
COOPERATIVE**

GENERAL LIABILITY

Coverage Period:

July 1, 2016 - July 1, 2017

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2016-17 Municipality Insurance Cooperative Memorandum of Coverage

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MEMORANDUM OF COVERAGE

PREAMBLE

- A. It is the intent of the **Cooperative** to: provide broad forms of coverage to each **member** (and its **covered agencies**; avoid coverage disputes; eliminate misunderstandings regarding coverages; clarify the claims handling process; and provide a document which easily identifies what is or is not covered. It is not the intent of the **Cooperative** to cover all possible conduct, claims, costs or losses involving a **covered agency**. This **memorandum of coverage** includes important Terms of Coverage, Definitions, Limitations, Exclusions, Declarations and all other terms of the **memorandum** that should be carefully reviewed by a **covered party**. Throughout this **memorandum** certain words and/or phrases have specified definitions that are indicated by the words and/or phrases in boldface.
- B. This **memorandum** does not constitute insurance, but instead describes coverage provided by the **Cooperative** to its **members** consistent with sections 990.4 and 990.8 of the Government Code. This **memorandum** is a negotiated agreement among the members of the **Cooperative** and none of the parties to the **memorandum** are entitled to rely on any contract interpretation principles which require interpretation of ambiguous language against the drafter of such agreement. This **memorandum** shall be applied according to the principles of contract law, giving full effect to the intent of the members of the **Cooperative**, acting through the Board in adopting this **memorandum**. Failure to provide notice to a **covered party** of any coverage dispute shall not operate to waive any of the provisions of this **memorandum**.

ARTICLE I –
WHO IS COVERED

Any person, entity, organization, agency or enterprise included in the definition of **covered party** is covered by this **memorandum of coverage**.

ARTICLE II –
WHAT IS COVERED

In consideration of the payment of the contribution by the **member** and the provisions of the **Cooperative's** Joint Powers Agreement, Bylaws, policies and procedures, the **Cooperative** agrees with each **member**, subject to the Declarations, Terms of Coverage, Exclusions, General Conditions, Definitions and all other terms and conditions of this **memorandum of coverage**, to provide the following coverage in excess of the applicable **member retained limit**:

Coverage A – Liability

1. The **Cooperative** will pay **damages** and **loss adjustment expenses** for each **loss occurrence**, except as to the **loss occurrences** listed in the following paragraph or otherwise restricted in this **memorandum**.
2. The **Cooperative** will only pay **loss adjustment expenses** on behalf of a **covered agency** for the following **loss occurrences**:
 - a) Administration of **employee benefit programs** claims
 - b) **breach of contract claims**
 - c) **injunctive/non-monetary claims**
3. The **Cooperative** will pay **damages** and **loss adjustment expenses** for **Asbestos Claims** as set forth in the Declarations
4. The **Cooperative** will pay **damages** for **bodily injury** that a **covered individual** is legally entitled to recover from the owner of an **uninsured/underinsured motor vehicle** subject to the limitations contained in the Declarations, Limitations and the other terms of this **memorandum**.

Coverage B – Property

1. The **Cooperative** will pay due to a **loss occurrence**:
 - a. to repair or replace **personal property** and **real property**,
 - b. **loss adjustment expenses**, and
 - c. **extra expense**.

This coverage is subject to the limitations contained in the Declarations, Limitations and the other terms of this **memorandum**. Certain types of **loss occurrences**, property, and coverage extensions are subject to sublimits as set forth in the Declarations.

ARTICLE III –
TERMS AND LIMITATIONS OF COVERAGE

General

This **memorandum of coverage** applies to any **loss occurrence** which takes place during the Coverage Period anywhere in the world.

In the event other coverage for a **loss occurrence** is available to a **covered party** under any insurance contract, bond or other self-insurance, coverage under this **memorandum of coverage** will be excess pursuant to the Other Coverage condition.

Limits of Liability

Regardless of the number of **covered parties**, persons making claims, claims made or suits brought, the **Cooperative's** total obligation to pay for **damages**, repair or replacement of **real property** or **personal property**, **loss adjustment expenses** and **extra expense** resulting from any one **loss occurrence** shall not exceed the Limits of Coverage per **member** set forth in the Declarations.

All loss or injury arising out of the continuation or repetition of substantially the same or similar harmful conditions or the same efficient proximate cause shall be considered as arising out of a single **loss occurrence**, which will be allocated in its entirety to a single **coverage period**, even though the **loss occurrence** may span multiple **coverage periods**. In no event will more than one **coverage period** apply to the entirety of all loss or injury arising out of any one **loss occurrence**. If loss or injury arising out of a single **loss occurrence** takes place during more than one **coverage periods**, whether or not the **Cooperative** is the coverage provider, the **loss occurrence** shall be allocated to the **coverage period** during which the earliest of the following takes place: (1) the date when the loss or injury had indisputably ceased to occur; (2) the date when the party seeking coverage first discovered the injury or damage was taking place; (3) the first date that the party seeking coverage received a claim pursuant to the Government Code regarding such loss or injury; (4) the first date that a party seeking coverage received any other unequivocal notice that a claim was being made; or (5) the initial filing date of any lawsuit alleging such loss or injury in which the party seeking coverage is named as a party or is later added as a party.

Member Retained Limit

The **member retained limit** is based upon the same rules of coverage and limitations as provided by this **memorandum**. Among other things, that means that third party claims administration costs paid by the **covered agency** shall not erode or be counted as part of the **member retained limit**.

In the case of the additional optional coverage for Crime Coverage, the member retained limit shall equal the deductible under the related insurance policies.

The Limit of Coverage per member set forth in the Declarations includes the member retained limit paid by the member

Limitations on Coverage A – Liability Coverage

Additional Covered Parties

1. The coverage afforded by this memorandum to **additional covered parties** shall be no broader and for no higher limit of liability than that which is required by the contract between a **covered agency** and the **additional covered party**
2. The coverage provided by this memorandum to **additional covered parties** shall only apply with respect to operations performed by or on behalf of the **coverage agency** or facilities owned or used by the **covered agency**.

Breach of Contract

1. All **breach of contract claims** arising out of the same contract regardless of the number of **claims** or lawsuits filed, shall be considered as one loss and subject to one **member retained limit** and one Limit of Coverage per **member** as set forth in the Declarations.
2. The coverage provided by this **Memorandum to Additional Covered Parties** shall only apply with respect to operations performed by or on behalf of the **Covered Agency** or facilities owned or used by the **Covered Agency**.

Uninsured/Underinsured Motor Vehicle Coverage Limits and Reductions

1. The amount payable to a **covered individual** under the **uninsured/underinsured motor vehicle** coverage shall be subject to a combined single limit per **loss occurrence** equal to the amount set forth in the Declarations minus the sum of the following:
 - a) all amounts paid or payable by a **covered agency** as part of its **member retained limit** set forth in the Declarations for the **uninsured/underinsured motor vehicle** coverage; and
 - b) all amounts paid or payable under workers' compensation law; and
 - c) all amounts paid or payable as employment disability benefits; and
 - d) all amounts paid or payable pursuant to any other liability coverage provisions in this memorandum; and
 - e) all amounts paid or payable on behalf of the owner or operator of any involved **uninsured/underinsured motor vehicle**; and
 - f) all amounts paid or payable as benefits under any uninsured or underinsured motorist insurance coverage; and
 - g) all amounts paid or payable as medical payments by any insurance coverage; and;
 - h) all amounts paid associated with adjustment, arbitration and resolution of the **uninsured/underinsured motor vehicle** claim hereunder; and
 - i) any amounts attributable to the negligence of the covered individual.
2. As conditions precedent for **uninsured/underinsured motor vehicle** coverage to apply:
 - a) the accident involving an **uninsured/underinsured motor vehicle** must involve direct physical contact with the **motor vehicle** occupied by the **covered individual**; and
 - b) the **covered individual** has reported the accident to the local law enforcement agency within 24 hours of the accident; and
 - c) the **covered individual** has promptly filed with the authority a statement under oath certifying the facts of the accident with the **uninsured/underinsured motor vehicle**.

3. No **uninsured/underinsured motor vehicle** coverage is provided if:
- a) the **uninsured/underinsured motor vehicle** is owned or operated by an individual residing in the same household as the **covered individual**; or
 - b) the **uninsured/underinsured motor vehicle** is owned by the United States of America, Canada, a state or political subdivision of any of those governments or an agency of any of the foregoing; or
 - c) the accident with the **uninsured/underinsured motor vehicle** did not occur on a public road or road owned by the **covered agency**.

Limitations on Coverage B - Property Coverage

1. The coverage provided by Coverage B – Property shall only cover **real property** and **personal property** (i) that is legally owned by the **covered agency** or (ii) for which a **covered agency** has assumed responsibility.
2. The amounts payable for **real property** or **personal property** shall not exceed the amount determined under the Valuations section below, and are subject to any sublimits specified in the Declarations page for particular types of property, loss or expense.

Vacant Real Property

1. Coverage is provided for **vacant real property** at which the **covered agency** has not conducted its normal activities for a period of 180 consecutive days, so long as the following “Vacancy Protective Safeguards” are maintained:
 - a) The **covered agency** must notify the **Cooperative** of such locations within 180 consecutive days of vacancy
 - b) External and internal inspections of the **vacant real property** are conducted on a monthly basis
 - c) Heating is maintained to keep pipes from freezing
 - d) Water supply has been turned off, if feasible
 - e) Existing sprinkler, fire protection and heat or smoke detection systems are maintained in service, if feasible
 - f) Existing intrusion detection systems are maintained in service
 - g) Perimeter doors and accessible perimeter windows are secured
 - h) Existing exterior and interior motion or timed lighting is maintained
 - i) Any debris or hazardous materials, including unnecessary combustibles, pollutants or chemicals are removed
 - j) Unnecessary electrical equipment is turned off
2. If the site location where loss or damage occurs has been vacant for more than 180 consecutive days before the loss occurs and the **covered agency** warrants that the Vacancy Protective Safeguards are being maintained, the **Cooperative** will value the loss or damage at the location at the lesser of **actual cash value**, the cost to repair, or the sale value of the property less the value of the land.
3. If the Vacancy Protective Safeguards have not been maintained, the **Cooperative** will value the loss or damage at the location at 10% less than the lesser of **actual cash value**, the cost to repair, or the sale value of the property less the value of the land.

Builders Risk for Covered Projects

1. The coverage provided by this **memorandum** for **covered projects** shall be subject to the following conditions:
 - a) **Covered projects** with a total cost in excess of \$250,000 must be reported to the **Cooperative** at least 30 days prior to commencement of construction and such project must be endorsed to this **memorandum** pursuant to an endorsement and the payment of the additional contribution based upon the total project cost
 - b) The **covered agency** shall maintain the following protective safeguards at the project site of the Covered Project:
 - i. The site will be enclosed within a six-foot cyclone fence
 - ii. Site will be fully lighted
 - iii. Gates will be closed and securely locked during all non-construction hours, including but not limited to nights, weekends and holidays
 - iv. A working fire hydrant must be within 1,000 feet of any building(s) under construction
2. The coverage for a **covered project** shall apply to materials, supplies, machinery, fixtures, equipment (not including construction equipment), and similar property that has become or is intended to become a permanent part of the building(s) or structure(s) while at the project site, in transit to the project site or at a temporary location. Property that is covered by a Covered Project shall not be treated as **personal property** covered by this **memorandum**.
3. The amount payable by the **Cooperative** as a result of a **loss occurrence** at a **covered project** shall be subject to the following additional sublimits and maximum amount of payment:
 - a) Temporary offsite storage: \$500,000 per **loss occurrence**
 - b) Architects and engineering fees: \$250,000 per **loss occurrence**, but not to exceed 15% of the **covered project** cost
 - c) Plans, blueprints and drawings: \$250,000 per **loss occurrence**
 - d) Valuable Papers: \$250,000 per **loss occurrence**
 - e) Plants: \$50,000 per **loss occurrence**
 - f) Debris removal: 25% of loss up to a maximum \$250,000 per **loss occurrence**
 - g) Pollutant cleanup and removal: \$25,000 per **loss occurrence** and **covered project** aggregate
 - h) Preservation of property: \$100,000 per **loss occurrence** and **covered project** aggregate
 - i) **Extra expense**: \$250,000 per **loss occurrence**

Equipment Breakdown Coverage

1. The additional optional coverage provided by the **Cooperative** for equipment breakdown, if selected, is subject to the following additional terms, limitations, restrictions, exclusions and limits:
 - a) The limit of coverage (including the **member retained limit**) is \$25,000 for any one **equipment breakdown** caused by or resulting from freezing caused by cold weather.
 - b) The **equipment breakdown reinsurer** shall have the right to inspect all Covered Equipment and shall perform jurisdictional inspections required by state or municipality boiler and pressure vessel regulations on said risks. If any inspection

discloses Covered Equipment which is found to be in, or exposed to, a dangerous condition, the inspector may suspend coverage for such Covered Equipment.

Valuation

The following valuations of property are established for the application of all provisions of this memorandum:

1. Books of account, drawings and other records, card index systems, film, tape, disc, drum, cell and other magnetic recording or storage Media for electronic data processing not to exceed the cost of blank books, blank cards, unexposed or blank film, tape, wire or other materials or recording media, plus the cost of research and other expense necessarily incurred by the **covered agency** to reproduce, replace or restore such records and papers
2. **Data processing equipment:**
 - a) Payment by the **Cooperative** for or on account of **data processing equipment** shall be the lesser of:
 - i. The cost to repair the damaged property
 - ii. The cost to replace the damaged property with comparable replacement property
 - iii. The amount the **covered agency** actually spends that is necessary to repair or replace the damaged property
 - b) However, the **Cooperative** will not pay for:
 - i. Property that is obsolete or useless to the **covered agency**
 - ii. Any extra cost if the **covered agency** decides to repair or replace the damaged property with property of a better kind or quality or of a larger capacity
3. **Fine art** owned by the **covered agency** is valued at the current **fair market value** of each item as indicated on the books and records of the **covered agency** prior to the **loss occurrence**. **Fine art** that is the **property of others** for which the **covered agency** has assumed liability or the obligation to obtain coverage shall be valued at the amount agreed upon between the **covered agency** and the owner prior to the **loss occurrence**. In the absence of recorded or agreed values, **fair market value** applies.
4. Tenant improvements and betterments at **actual cash value**
5. **motor vehicles** and **mobile equipment** at **fair market value**
6. Composite and synthetic surfaces:
 - a) The **Cooperative** will pay the amount to repair or replace only that portion of the surface that is damaged
 - b) If the **covered agency** elects not to repair or replace the damaged part of the surface, the **Cooperative** will pay **actual cash value** of the surface that is damaged
7. All other property at Replacement Cost
 - a) With respect to any damaged or destroyed property to be valued at Replacement Cost, the **covered agency** must notify the **Cooperative** in writing within 180 days of the **loss occurrence** if the **covered agency** intends to repair and/or replace such property. If the **Cooperative** does not receive such notice of intent to repair and/or replace, the **Cooperative** will pay **actual cash value**
8. In all circumstances, it shall be the **Cooperative's** sole option whether to (a) repair, (b) replace or (c) pay the value of the property subject to a **loss occurrence**

9. In the event the **Cooperative** pays for new property or provides replacement property for any damaged property, then the damaged property shall become the **Cooperative's** property
10. Builders Risk for **Covered Projects**:
 - a) The **Cooperative** will pay the actual cost of repairing, replacing or rebuilding the **covered project**, whichever is less, with materials of comparable type and quality. The actual cost can include labor, reasonable profit and overhead, provided that these costs are included in the Builders Risk endorsement. In the event of a **loss occurrence** the value of the property will be determined as of the time of the loss
 - b) Property in Transit at invoice cost plus shipping charges

Additional Optional Coverages

Crime Coverage – The **Cooperative** offers optional coverage for criminal conduct that is excluded from coverage under this **memorandum**. The additional coverage is offered pursuant to and is subject to all of the terms and conditions of the separate insurance policies for such coverage and the **Cooperative** is not responsible for such coverage.

ARTICLE IV –
EXCLUSIONS

Under Coverage A - Liability, for the following exclusions apply:

1. Coverage A does not apply to **damages** or **loss adjustment expenses** related to **employee benefit programs, breach of contract, or injunctive/non-monetary claims**, except to the extent provided by the sublimits for **loss adjustment expenses for employee benefit programs Claims, breach of contract Claims, or injunctive/non-monetary claims** in the Declarations
2. Coverage A does not apply to any claim arising out of the contamination of the environment by **pollutants** introduced at any time into, under or upon land, the atmosphere, or any watercourse or body of water or aquifer.
 - a) "Contamination" includes any unclean, unsafe, or unhealthful condition, either actual or potential, which arises out of the presence in the environment of any pollutant whether permanent or transient. "Environment" includes land, bodies of water, underground water or water table or aquifer, the atmosphere, and any other natural feature of the earth, whether or not altered, developed or cultivated.
 - b) This exclusion does not apply to firefighting activities, including training burns, or intentional demolition or burns for the purpose of limiting a fire, or to the discharge of pollutants for the purpose of controlling a fire or to police use of mace, oleoresin capsicum (O.C. or pepper gas), or tear gas, or to weed abatement, or to tree spraying, or to claims arising from sudden and accidental **backup of sewers or drains**, but the coverage provided under this exception is limited to an amount up to \$100,000 over the retained limit per occurrence.
 - c) This exclusion does not apply to claims arising from the sudden and accidental discharge, dispersal, release, or escape of **pollutants**, but coverage under this exception is limited to an amount up to \$100,000 over the retained limit per loss occurrence. As used in this exception, "sudden" means abrupt or immediate, and occurring within a period not exceeding twenty-four (24) hours; "accidental" means causing harm neither expected nor intended by a covered party.
 - d) This exclusion does not apply to claims arising from materials being collected as part of any drop off or curbside recycling program implemented and operated by the covered party, if the materials have not been stored by the covered party or parties for a continuous period exceeding sixty (60) days. Notwithstanding what is stated in the applicable Declarations, the limit of coverage for claims described in this exception will be subject to a sub limit of \$100,000.
 - e) This exclusion does not apply to claims arising from mold and/or fungus, with coverage under this exception limited to an amount up to \$100,000 over the retained limit per occurrence.
 - f) This exclusion does not apply to property damage or bodily injury caused by a covered party's response to "contamination" caused by a third-party unrelated to the covered party. "Response" includes cleanup, removal, containment, treatment, detoxification and neutralization of pollutants.

3. Coverage A does not apply to any cost or expense arising out of any governmental order, direction, or request that the **covered party** test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize **pollutants**.
4. Coverage A does not apply to **bodily injury** to:
 - a) An employee of the **covered party** arising out of and in the course of:
 - i. Employment by the **covered party**.
 - ii. Performing duties related to the conduct of the **covered party's** business.
 - b) The spouse, child, including unborn child or fetus, parent, brother, or sister of the employee as a consequence of paragraph (a) above.

This exclusion applies:

- a) Whether the covered party may be liable as an employer or in any other capacity; and
- b) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

However, this exclusion does not apply to **claims** for a **wrongful employment practice**.

5. Coverage A does not apply to any obligation for which the **covered party** or any insurance company as the **covered party's** insurer may be held liable under any workers' compensation, unemployment compensation, or disability benefits law or any similar law. This exclusion does not apply to claims of retaliation or discrimination against an employee for filing a claim for workers' compensation or for disability benefits.
6. Coverage A does not apply to **claims** arising out of ownership, maintenance, management, supervision, or the condition or operation of any hospital, airport, or marina, or to the maintenance, use or entrustment of any **automobile** while used on the premises of any such hospital, airport, or marina.
7. Coverage A does not apply to **claims** arising out of any professional **medical malpractice**:
 - a) Committed by a doctor, osteopath, chiropractor, dentist, or veterinarian; or
 - b) Committed by any health care provider as defined in Business & Professions Code Section 6146(c)(2), working for any hospital or hospital-operated outpatient, in-patient, or other clinic at the time of the **occurrence** giving rise to the loss.
8. Coverage A does not apply to **claims** arising out of partial or complete structural failure of a **dam**.
9. Coverage A does not apply to fines, assessments, penalties, restitution, disgorgement, exemplary **damages**, punitive **damages** or the multiplied portion of any damages award that is subject to a multiplier. This exclusion applies whether such amounts are awarded by a court or by an administrative or regulatory agency. "Restitution" and "disgorgement" as used herein refer to the order of a court or administrative agency for the return of a specific item of property or a specific sum of money, because such item of property or sum of money was not lawfully or rightfully acquired or retained by the **covered party**.
10. Coverage A does not apply to **claims** for injury or damage caused by intentional conduct done with willful and conscious disregard of the rights or safety of others, or with malice. However, where the **covered party** did not authorize, ratify, participate in, consent to, or have knowledge of such conduct by its past or present employee, elected or appointed official, agent or volunteer, and the claim against the **covered party** is based solely on its vicarious liability arising from its relationship with such employee, official, or volunteer, this exclusion does not apply to said **covered party**.

11. Coverage A does not apply to **claims** arising out of the hazardous properties of **nuclear material**.
12. Coverage A does not apply to **claims** arising out of or in connection with inverse condemnation caused by the construction of a public work or public improvement; land use regulation or planning; annexation; eminent domain; or other condemnation proceedings by whatever name called and no matter how or under what theory such claim is brought. However, this exclusion does not apply to **claims** for property damage resulting from weather, acting with or upon the **covered party's** property or equipment, accidental failure of the **covered party's** property or equipment, or negligent or inadequate design or inadequate maintenance of a public work or public improvement.
13. Coverage A does not apply to **claims** arising out of the design, construction, ownership, maintenance, operation or use of any water treatment plant or wastewater treatment plant, no matter how or under what theory the such claim is alleged, except a claim for property damage resulting from the accidental failure of the equipment utilized or contained within the water treatment plant or the wastewater treatment plant.
14. Coverage A does not apply to **claims** arising out of the initiative process, whether or not liability accrues directly against the covered party by reason of any agreement into which the covered party has entered.
15. Coverage A does not apply to **claims** arising out of ownership, operation, use, maintenance, or entrustment to others of: (a) any **aircraft** or (b) any watercraft being used for commercial purposes. Ownership, operation, use, or maintenance as used herein does not include static displays of **aircraft** or watercraft in a park or museum setting.
16. Coverage A does not apply to **claims** arising out of the failure to supply or provide an adequate supply of gas, water, electricity, or sewage capacity, when such failure is a result of the inadequacy of the **covered party's** facilities to supply or produce sufficient gas, water, electricity, or sewage capacity to meet the demand. This exclusion does not apply if the failure to supply results from direct and immediate accidental damage to tangible property owned or used by any **covered party** to procure, produce, process, or transmit the gas, water, electricity, or sewage.
17. Coverage A does not apply to **claims** arising out of ownership, operation, maintenance, or use of any trampoline or other rebound tumbling device, other than bounce houses.
18. Coverage A does not apply to **claims** arising out of the ownership, operation, maintenance, or use on any land, other than on highways, of any off-highway motor vehicle, including but not limited to any motorcycle or motor-driven cycle or bicycle, snowmobile, or other vehicle specifically designed to travel over snow or ice, or any vehicle commonly referred to as a sand buggy, dune buggy, or all-terrain vehicle. This exclusion shall not apply to the operation of any such vehicle if operated by an employee, agent, or volunteer of the **covered party** while acting for or on behalf of the **covered party**.
19. Coverage A does not apply to **claims** arising out of or in the course of any special event not sponsored or co-sponsored by the **covered party**. As to any special event sponsored or co-sponsored by the **covered party**, the **Cooperative** will pay up to \$100,000 over and above the **covered party's retained limit** but no greater amount, unless the injury or damage is caused by the actions of a **covered party** in which case the \$100,000 cap will not apply. A "special event" is a event open to the public or to invitees of the sponsoring organization, which is held in or on property owned or controlled by a **covered party** or which is sponsored or co-sponsored by a **covered party**.

20. Coverage A does not apply to **claims** arising out of the private use of a firing range owned, operated, or maintained by a **covered party**, where such private use is not in the course and scope of the **covered party's** business activities.
 21. Coverage A does not apply to **claims** for refund of, or restitution for, taxes, fees, service charges, or assessments.
 22. Coverage A does not apply to **claims** in whole or in part arising out of the **covered party's** obtaining remuneration or financial gain to which the **covered party** was not legally entitled.
 23. Coverage A does not apply to **claims** arising in whole or in part out of the violation of a statute, ordinance, order or decree of any court or other judicial or administrative body, or rule of law, committed by or with the knowledge or consent of the **covered party**.
 24. Coverage A does not apply to **claims** against a **covered party**, other than for **property damage**, arising out of:
 - a) Estimates of probable cost or cost estimates being exceeded, or
 - b) Faulty preparation of bid specifications or plans, including architectural plans, unless prepared by a qualified licensed and/or registered engineer or architect who is the appointed City Engineer or an employee of the **covered party**.
 25. Coverage A does not apply to **claims** arising out of liability assumed under any contract or agreement, except liability that would be imposed by law in the absence of the contract or agreement, or when such assumption is the subject of a duly issued certificate of additional **covered party** status; but such assumption is covered only up to the **limit of coverage** stated in the certificate. This exclusion does not apply to liability assumed in a contract or agreement that is a **covered indemnity contract**, provided the **bodily injury** or **property damage** occurs subsequent to the execution of the contract or agreement. This exclusion is not applicable to mutual aid agreements.
 26. Coverage A does not apply to **claims** arising out of ownership, maintenance, management, supervision, or the condition of any property owned, operated, or controlled by a **housing authority**, unless all of the individuals involved in the operation of the **housing authority** are officials or employees of the **covered party**.
 27. Coverage A does not apply to **claims** arising out of relief or redress in any form other than **damages** regardless of whether a prevailing claimant may be entitled to recover attorney's fees and costs.
 28. Coverage A does not apply to **claims** arising out of bungee jumping or propelling activities sponsored, controlled, or authorized by a **covered party**.
 29. Coverage A does not apply to **claims** by any **covered party** against its own past or present elected or appointed officials, employees, volunteers, or additional **covered parties** where such claim seeks **damages** payable to the **covered party**.
 30. Coverage A does not apply to **claims** arising out of radon, asbestos, asbestos fibers, asbestos products or by-products, or any asbestos-containing material, including any supervision, instructions, recommendations, notices, warnings, or advice given or which should have been given in connection therewith, including:
 - a) Any obligation of the **covered party** to indemnify or to contribute with another because of such claims; or
 - b) Any obligation to defend any suit or claims against the **covered party** because of any such claim.
- However, the **Cooperative** will provide a defense up to the amount of \$100,000 over the **retained limit per occurrence**.
31. Coverage A does not apply to **claims** arising out of oral or written publication of material, if done by or at the direction of the **covered party** with knowledge of its falsity.

32. Coverage A does not apply to **claims** for any costs or expenses incurred to make premises accessible to persons with disabilities as required by:
 - a) The Americans with Disabilities Act of 1990;
 - b) The Fair Employment and Housing Act;
 - c) Any similar federal, state or local law;
 - d) Any amendments to such laws; or
 - e) Any regulations promulgated under any such laws.
33. Coverage A does not apply to **claims** arising under or for violation of:
 - a) The Employee Retirement Income Security Act of 1974;
 - b) The Comprehensive Omnibus Budget Reconciliation Act;
 - c) The Worker Adjustment and Retraining Notification Act;
 - d) The Fair Labor Standards Act, including but not limited to any wage and hour or other claim arising under the FLSA or any California Wage Orders; or
 - e) Any similar federal, state or local laws; amendments to such laws; or regulations promulgated under such laws.
34. Coverage A does not apply to **claims** arising out of any claim, fact, circumstance, situation, transaction or event concerning a **Wrongful Employment Practice** of which any **covered party** had received a prior **claim**, or which was the subject of any notice given under any insurance policy or coverage prior to the **covered party** obtaining coverage under this **memorandum**.
35. Coverage A does not apply to **claims** that arise out of a lockout, strike, picket line, replacement or other similar actions resulting from labor disputes or labor negotiations.
36. Coverage A does not apply to hearings of internal administrative matters or actions involving the review of any final administrative order or decision made as the result of an administrative hearing, regardless of whether such action seeks **damages** or attorneys' fees.
37. Coverage A does not apply to a claimant's attorney's fee and costs unless so order by the court.
38. Coverage A does not apply to the actual or alleged use, misuse or loss of funds, grants or appropriations, or **claims** for the return of such funds, grants or appropriations for any reason; however, the **Cooperative** will pay **loss adjustment expenses** for any action brought against the **covered agency** seeking resulting **damages**.
39. Coverage A does not apply to the failure of performance of contract by any insurer or bond issuer.
40. Coverage A does not apply to the failure of any investment program, individual securities or savings program to perform as represented.
41. Coverage A does not apply to **claims** arising from advice given by a **covered party** in connection with participation or non-participation in securities or savings programs.
42. Coverage A does not apply to any time element, indirect or consequential loss, **claim**, or suit of any nature resulting from the ownership, maintenance, use or design of any power and/or energy generation or co-generation facility, whether actively or inactively engaged in the generation of energy and/power; but this exclusion shall not apply to solar energy panels.
43. Under Coverage A.2.c) - injunctive/non-monetary claims, Coverage A does not apply to:
 - a) Any **damages**;
 - b) Any legal fees or costs awarded to the complaining party or paid as part of a settlement; or
 - c) Any fees, costs or expenses other than **loss adjustment expenses**.

Under Coverage B - Property, the following exclusions apply:

1. Coverage B shall only apply to **real property** and **personal property** (i) that is legally owned by the **covered agency** or (ii) for which a **covered agency** has assumed responsibility.
2. Coverage B does not apply to any **loss occurrence** resulting from or related to **aircraft**.
3. Coverage B does not apply to any **loss occurrence** resulting from or related to **watercraft** over 27 feet in length, other than scheduled **watercraft** and **watercraft** held for sale by the insured.
4. Coverage B does not apply to any **loss occurrence** resulting from or related to rolling stock, other than light rail vehicles, subway trains and related track maintenance vehicles for light rail and subway lines.
5. Coverage B does not apply to any **loss occurrence** resulting from or related to standing timber, bodies of water, and growing crops.
6. Coverage B does not apply to any **loss occurrence** resulting from or related to land (including land on which **covered property** is located) and land values, other than improvements such as athletic fields, landscaping, sand traps, tees and greens.
7. Coverage B does not apply to any **loss occurrence** resulting from or related to property in due course of ocean marine transit.
8. Coverage B does not apply to any **loss occurrence** resulting from or related to shipment by mail after delivery into the custody of the United States Post Office or any other common carrier.
9. Coverage B does not apply to any **loss occurrence** resulting from or related to power transmission lines, feeder lines and underground pipes more than 1,000 feet from the premises of the **covered party** unless specifically approved by the **Cooperative**.
10. Coverage B does not apply to any **loss occurrence** resulting from or related to unscheduled tunnels, bridges, dams, catwalks (except those not for public use), roadways, highways, streets, sidewalks, culverts, streetlights, and traffic signals, to the extent they exceed the sublimit terms provided on the Declaration Page
11. As respects Business Interruption Coverage, the **Cooperative** shall not be liable for any increase of loss which may be occasioned by the suspension, lapse, or cancellation of any lease or license, contract or order, unless such suspension, lapse, or cancellation results directly from the interruption of business caused by direct physical loss or damage covered by this **memorandum**, and in that event the **Cooperative** shall only be liable for such loss as affects the **covered party's** earnings during and limited to, the period of indemnity covered under this **memorandum**.
12. With respect to loss resulting from damage to or destruction of media for, or programming records pertaining to, electronic data processing or electronically controlled equipment, including data thereon, the length of time for which the **Cooperative** shall be liable hereunder shall not exceed:
 - a) Thirty (30) consecutive calendar days or the time required with exercise of due diligence and dispatch to reproduce the data thereon from duplicates or from originals of the previous generation, whichever is less.
 - b) The length of time that would be required to rebuild, repair or replace other such property, but not exceeding eighteen (18) calendar months
13. Coverage B does not apply to any **loss occurrence** resulting from or related to moths, vermin, termites, or other insects, inherent vice, latent defect, faulty materials, error in design, faulty workmanship, wear, tear or gradual deterioration, contamination, rust,

- corrosion, wet or dry rot, unless physical loss or damage not otherwise excluded herein ensues and then only for such ensuing loss or damage.
14. Coverage B does not apply to any **loss occurrence** resulting from or related to physical loss or damage by normal settling, shrinkage or expansion in building or foundation.
 15. Coverage B does not apply to any **loss occurrence** resulting from or related to delay or loss of markets, but this exclusion shall be inapplicable to the extent inconsistent with any time element coverage provided elsewhere herein.
 16. Coverage B does not apply to any **loss occurrence** resulting from or related to breakdown or derangement of machinery and/or steam boiler explosion, unless physical loss or damage not otherwise excluded herein ensues and then coverage exists only for such ensuing loss.
 17. Coverage B does not apply to any **loss occurrence** resulting from or related to misappropriation, conversion, inventory shortage, unexplained disappearance, infidelity or any dishonest act on the part of the **covered party**, its employees or agents, others to whom the property may be entrusted (bailees and carriers for hire excepted), or any other party with an interest in the property
 18. Coverage B does not apply to any **loss occurrence** resulting from or related to electrical injury or disturbance from artificial causes to electrical appliances, devices of any kind or wiring, unless physical loss or damage not otherwise excluded herein ensues and then only for such ensuing loss. This exclusion does not apply to data processing equipment or media.
 19. Coverage B does not apply to loss or damage to personal property resulting from shrinkage, evaporation, loss of weight, leakage, breakage of fragile articles, marring, scratching, exposure to light or change in color, texture or flavor, unless such loss is caused directly by fire or the combating thereof, lightning, windstorm, hail, explosion, strike, riot, or civil commotion, aircraft, vehicles, breakage of pipes or apparatus, sprinkler leakage, vandalism and malicious mischief, theft, attempted theft, flood or earthquake shock (Earthquake Shock and Flood coverage shall only apply to locations that are scheduled for Earthquake Shock and Flood).
 20. Coverage B does not apply to loss or damage caused by rain, sleet or snow to personal property in the open (except in the custody of carriers or bailees for hire).
 21. Coverage B does not apply to any **loss occurrence** caused directly or indirectly, by:
 - a) War, hostile or warlike action in time of peace or war, including action in hindering, combating or defending against an actual, impending or expected attack:
 - i. By any government or sovereign power (de jure or de facto), or by any authority maintaining or using military, naval or air forces;
 - ii. By military, naval or air forces; or
 - iii. By an agent of any such government, power, authority or forces.
 - b) Any weapon of war employing atomic fission or radioactive force whether in time of peace or war.
 - c) Insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating or defending against such an occurrence, seizure or destruction under quarantine or customs regulations, confiscation by order of any government or public authority, or risks of contraband or illegal transportation or trade.
 22. Coverage B does not apply to any **loss occurrence** resulting from or related to nuclear reaction or nuclear radiation or radioactive contamination from any cause, whether direct or indirect, controlled or uncontrolled, proximate or remote, or contributed to or aggravated by a covered cause of loss. However:

- a) If fire not otherwise excluded results, Coverage B will apply to the direct physical loss or damage by such resulting fire, but not including any loss or damage due to nuclear reaction, nuclear radiation, or radioactive contamination.
 - b) This exclusion shall not apply to physical loss or damage caused by sudden and accidental radioactive contamination, including resultant radiation damage, from material used or stored or from processes conducted on the Insured premises, provided that, at the time of such loss or damage, there is neither a nuclear reactor nor any new or used nuclear fuel on the **covered party's** premises.
23. Coverage B does not apply to the following losses in connection with Course of Construction:
- a) The cost of making good: faulty or defective workmanship, materials, construction and/or design, but this exclusion shall not apply to damage by a peril not excluded resulting from such faulty or defective workmanship, materials, construction and/or design.
 - b) The cost of non-compliance of, or delay in completion of contract.
 - c) The cost of non-compliance with contract conditions.
 - d) Contractors' equipment or tools not a part of or destined to become a part of the installation.
24. Coverage B does not apply to loss, damage, cost, claim or expense, whether preventative, remedial or otherwise, directly or indirectly arising out of or relating to:
- a) The recognition, interpretation, calculation, comparison, differentiation, sequencing or processing of data involving one or more dates or times, by any computer system, hardware, program or software, or any microchip, integrated circuit or similar device in computer equipment or non-computer equipment, whether the property of the **covered party** or not; or
 - b) Any change, alteration, correction or modification involving one or more dates or times, to any such computer system, hardware, program or software, or any microchip, integrated circuit or similar device in computer equipment or non-computer equipment, whether the property of the **covered party** or not.
- Except as provided in the next paragraph, this Electronic Date Recognition Exclusion shall apply regardless of any other cause or event that contributes concurrently or in any sequence to the loss, damage, cost, claim or expense.
- If direct physical loss or damage not otherwise excluded results, then subject to all its terms and conditions, this **memorandum** shall apply only to such resulting loss or damage. Such resulting loss or damage shall not include physical loss or damage to data resulting directly from a) or b) above, nor the cost, claim or expense, whether preventative, remedial, or otherwise, arising out of or relating to any change, alteration, correction or modification relating to the ability of any damaged computer system, hardware, program or software, or any microchip, integrated circuit or similar device in computer equipment or non-computer equipment to recognize, interpret, calculate, compare, differentiate sequence or process any data involving one or more dates or times.
25. Coverage B does not apply to loss, damage, claim, cost, expense or other sum directly or indirectly arising out of or relating to: mold, mildew, fungus, spores or other microorganism of any type, nature, or description, including but not limited to any such substance whose presence poses an actual or potential threat to human health. This exclusion applies regardless whether there is:
- a) Any physical loss or damage to **covered property**;

- b) Any covered peril or cause, whether or not contributing concurrently;
- c) Any loss of use, occupancy, or functionality; or
- d) Any action required, including but not limited to repair, replacement, removal, cleanup, abatement, disposal, relocation, or steps taken to address medical or legal concerns.

This exclusion replaces and supersedes any provision in the policy that provides insurance, in whole or in part, for such losses.

26. Coverage B does not apply to loss, damage, cost or expense directly or indirectly caused by, resulting from or in connection with the actual or threatened malicious use of pathogenic or poisonous biological or chemical materials regardless of any other cause or event contributing concurrently or in any other sequence thereto.
27. Coverage B does not apply to the following losses with regard to animals:
- a) Death of any animal from natural causes or disease;
 - b) Death of any animal that dies from an unknown cause unless:
 - i. Upon the death of such animal a post-mortem examination conducted on the animal by a licensed veterinarian; and
 - ii. The veterinarian's post-mortem report shows the cause of death is directly attributable to traumatic injury sustained by the animal while performing its duties for the **covered party**.
 - c) Death of any animal as a result of surgical operation, including inoculation, unless the necessity for same arises from traumatic injury sustained by the animal while performing its duties for the **covered party**.
 - d) The death or destruction of any animal caused by, resulting from, or made necessary by physical injury caused by or resulting from the activities of the injured animal or other animals, unless such death or destruction is the direct result of traumatic injury to the animal sustained while performing its duties for the **covered party**.
 - e) The death of any animal caused directly or indirectly by the neglect or abuse committed by the **covered party** or the **covered party's** agents, employees or bailees (carriers for hire excepted), unless such death is directly attributable to traumatic injury sustained by the animal while performing its duties for the **covered party**.
 - f) The loss by death of any animal as a result of parturition or abortion.
 - g) Loss resulting from depreciation in value due to the animal becoming unfit for or incapable of filling the function or duties for which it is kept, employed or intended, unless such depreciation is directly attributable to traumatic injury sustained by the animal while performing its duties for the **covered party**
 - h) Loss by destruction of any animal(s) on the order of the federal or any state government, or otherwise as a result of having contracted or been exposed to any contagious or communicable disease.
 - i) The removal or disposal of the remains of any animal(s) or the expense thereof unless the need for such removal or disposal is the result of traumatic injury sustained by the animal while performing its duties for the **covered party**.
28. Coverage B does not apply to any **loss occurrence** directly or indirectly caused by any seepage, pollution and/or contamination. However, this exclusion shall not apply to otherwise covered loss directly caused by any fire resulting from such seepage, pollution and/or contamination. Further, this exclusion shall not apply to direct physical loss of or damage to scheduled property.

The **covered party** shall give notice to the **Cooperative** of intent to make a claim for loss within the exceptions to this exclusion no later than ninety days after the date of the original physical loss or damage.

Notwithstanding the provisions of this exclusion or any provision respecting seepage, pollution, contamination, debris removal and/or cost of cleanup in the **memorandum**, in the event of direct physical loss or damage to the property covered hereunder, this **memorandum** (subject otherwise to its terms, conditions and limitations, including but not limited to any applicable sublimit) also applies, within the sum covered, to:

- a) Expenses reasonably incurred in removal from a scheduled premises any debris of property destroyed or damaged as a direct result of otherwise excluded seepage, pollution and/or contamination; and
- b) Cost of cleanup at a scheduled premises made necessary as a result of otherwise excluded seepage, pollution and/or contamination.

Provided, however, that this **memorandum** does not apply to the costs of decontamination or removal of water, soil or any other substance on or under such premises.

29. Coverage B does not apply to fines, penalties or costs that the a **covered party** is required to pay at the order of any government agency, court or other authority, in connection with any kind or description of environmental impairment including seepage or pollution or contamination from any cause.
30. Except as to any sublimit of coverage indicated on the Declaration Page, Coverage B does not apply to damage, cost or expense directly or indirectly caused by, resulting from or in connection with any **act of terrorism**, regardless of any other cause or event contributing concurrently or in any other sequence to the loss. This includes, damage, cost or expense directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any **act of terrorism**.
31. Coverage B does not apply to any **loss occurrence** arising out of or related to any accounts, bills, deeds, evidences of debt, money, notes, securities, bullion, stamps, letters of credit, passports, tickets, manuscripts.
32. Coverage B does not apply to any **loss occurrence** arising out of or related to any contraband or property in the course of illegal transportation or trade.
33. Coverage B does not apply to any **loss occurrence** arising out of or related to any walks, roadways or paved surfaces, curbs, piers, bulkheads, wharves or docks, beach or diving platforms, retaining walls not constituting a part of a building; but this exclusion does not apply to permanently installed composite or synthetic surfaces used in the **covered agency's** operations.
34. Coverage B does not apply to any **loss occurrence** arising out of or related to fur, fur garments, jewelry and watches, watch movements, jewels, pearls, precious and semi-precious stones, gold, silver, platinum and other precious metals or alloys.
35. Coverage B does not apply to any **loss occurrence** arising out of or related to land, land value, cost of grading, excavations or fillings, engineer's fees, water, underground flues, underground foundations, pipes, pipelines, tanks or drains; except as respects Builders Risk coverage.
36. Coverage B does not apply to any **loss occurrence** arising from or related to any property while waterborne outside of United States territorial waters.

37. Coverage B does not apply to any **loss occurrence** to any **data processing equipment** or **media** caused by electrical surge or lightning, unless at the time of loss there is an **approved surge suppression device** installed between said **data processing equipment** and any electrical or telecommunications lines
38. Coverage B does not apply to any **structure, building**, or other property under construction or awaiting installation, except as to Builders Risk for **Covered Projects**.

ARTICLE V – GENERAL CONDITIONS

This memorandum of coverage is subject to the following conditions.

Duties in the Event of a Loss Occurrence

In the event a **covered party** does not comply with these conditions, causing prejudice to the **Cooperative**, the **Cooperative** may at its sole discretion deny or limit coverage or any payment otherwise due under this memorandum.

1. As soon as a **covered party** becomes aware of a **claim** or a **loss occurrence** (including an **injunctive/non-monetary claim**) that may result in a claim under this memorandum, the **covered party** must notify the **Cooperative** in writing as soon as possible, but not later than 30 days after discovery of the **loss occurrence**; except as stated below.
2. The following **loss occurrences** shall be immediately reported to the **Cooperative**:
 - a) **loss occurrences** where the costs incurred and reserves established exceed 50% of the **member retained limit**
 - b) Fatality
 - c) Errors and omissions
 - d) Discrimination
 - e) Spinal cord injury
 - f) Loss of limb
 - g) Serious head injury
 - h) Serious burns
 - i) Disfiguring or permanent injury
 - j) Multiple fractures
 - k) Wrongful Employment Practice, Wrongful Termination or Discrimination
 - l) Molestation/sexual assault
 - m) Loss of any senses, e.g. sight, hearing
 - n) **injunctive/non-monetary claim**
 - o) **breach of contract**
 - p) Civil rights violation – Title 42 USC 1983
3. If the **covered party** fails to comply with any of these notice conditions and the **Cooperative's** Board of Directors find by a majority vote that the delay was unreasonable, the **Cooperative** shall limit the coverage provided herein as follows:
 - a) If notice is given to the **Cooperative** within 180 days after the date on which it should have been given, any amount that would have been owing to the **covered party**, if notice had been timely given to the **Cooperative**, shall be reduced by twenty-five percent (25%).

- b) If notice is given to the **Cooperative** between 181 days and 365 days after the date on which it should have been given, any amount that would have been owing to the **covered party**, if notice had been timely given to the **Cooperative**, shall be reduced by fifty percent (50%).
- c) If notice is given to the **Cooperative** between 366 days and 730 days after the date on which it should have been given, any amount that would have been owing to the **covered party**, if notice had been timely given to the **Cooperative**, shall be reduced by seventy-five percent (75%).
- d) If notice is given to the **Cooperative** over 730 days after the date on which it should have been given, the **Cooperative** shall deny any coverage and shall pay nothing.

In determining whether or not the delay was unreasonable, the **Cooperative's** Board of Directors shall consider all facts and circumstances that caused the delay. Prejudice to the **Cooperative** is a factor but is neither conclusive nor required.

Written notice containing particulars sufficient to identify the **covered party**, the claimant (if applicable), and also reasonably obtainable information with respect to the time, place, and circumstances thereof, and the names and addresses of the **covered party**, the claimant (if applicable), and of available witnesses, shall be given to the **Cooperative** within the timeframes described above.

- 4. In the event of any unintentional delay or omission in reporting hereunder, the **Cooperative** may at its sole discretion extend the time for reporting, provided, however, that the **covered party** shall be responsible for any prejudice caused to the **Cooperative**.
- 5. If claim is made or suit is brought against a **covered party**, the **covered party** shall immediately forward to the **Cooperative** every demand, notice, summons' or other process received by the **covered party** or its representative.
- 6. In connection with a **loss occurrence**, the **covered party** must:
 - a) Submit to examination under oath at the **Cooperative's** request and give the **Cooperative** a signed statement of the **covered party's** answers;
 - b) Provide the **Cooperative**, or its designated agents, on a timely basis (but not longer than 90 days) with all available information reasonably requested in connection with a **loss occurrence**, including a detailed statement of the loss; and
 - c) With respect to any forgery loss, include with its statement of the loss any instrument involved in that forgery loss, or, if not possible, an affidavit setting forth the amount and cause of loss
- 7. The **covered party** shall perform the following:
 - a) Notify the appropriate law enforcement authorities if a law may have been broken;
 - b) Take all reasonable steps to protect the **covered property** from further damage, and keep a record of all expenses necessary to protect the **covered property**, for consideration in the settlement of the **loss occurrence**;
 - c) If feasible, set any damaged property aside and in the best possible order for examination;
 - d) As often as may be reasonably required, permit the **Cooperative** to inspect the property proving the loss or damage;
 - e) Examine and copy relevant books and records; and

- f) Permit the **Cooperative** to take samples of damaged and undamaged property for inspection, testing and analysis.
8. The written notice shall contain particulars sufficient to identify the covered party; reasonably obtainable information respecting the time, place, and circumstances of the loss occurrence; and where applicable, the names and addresses of the injured, and the names of any witnesses.

Duties in the Event of a Liability Claim

1. If a **claim** is made or suit is brought against the **covered party**, the **covered party** shall be obligated to immediately forward to the **Cooperative** every demand, notice, summons, or other process received by it or its representatives.
2. The **covered party** shall not, except at its own cost, voluntarily make any payment, assume any obligation, make any settlement, or incur any expense, other than for such immediate relief as shall be reasonable and necessary at the time of the **loss occurrence**.
3. As to any claim for which the **Cooperative** has accepted responsibility and has so notified the **covered party**, if the **covered party** prevents settlement of the claim for a reasonable amount, defined as the amount the **Cooperative** is willing to pay and the claimant is willing to accept, and increases the **covered party's** potential liability for damages and continued **loss adjustment expenses**, the **covered party** shall pay or shall reimburse the **Cooperative** for those **loss adjustment expenses** incurred after the claim could have been settled, and for any damages awarded or settlement agreed upon in excess of the amount for which the **claim** could have been settled.
4. The **Cooperative** shall be entitled to complete access to the **covered party's** claim file, the defense attorney's complete file, and all investigation material and reports, including all evaluations and information on negotiations. The **covered party** shall be responsible to report on the progress of the litigation and any significant developments at least quarterly to the **Cooperative**, and to provide the **Cooperative** with simultaneous copies of all correspondence provided to the **covered party** by its defense attorneys and/or agents

Defense of Claims by the Cooperative

1. The **Cooperative** shall have the right to:
 - a) Associate with any **covered party** in the defense of any **claim** covered by this **memorandum**;
 - b) Select and appoint counsel to defend the **covered party** in any **claim** covered by this **memorandum**;
 - c) Control, defend and settle any **claim** covered by this **memorandum**;
 - d) If the Liability **damages** or **property damage** for any **claim** appear likely to exceed the **member retained limit**, require the **member** to tender the remaining **member retained limit** to the **Cooperative** and allow the **Cooperative** to control, defend and settle such **claim**, provided that the **Cooperative** shall not settle a **claim** within the **member retained limit** without the approval of the **member**, which shall not be unreasonably withheld; and
 - e) Control, defend and settle any covered **injunctive/non-monetary claim**.
2. No **loss adjustment expenses** or other payment obligation shall be incurred on behalf of the **Cooperative** without its prior consent.
3. A **covered party** shall cooperate with the **Cooperative** and, upon the **Cooperative's** request, shall assist in making settlements, in the conduct of suits, and in enforcing any right of contribution or indemnity against any person or organization which may be

liable to such **covered party** because of a **loss occurrence**, and such **covered party** shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses.

Conditional Defense for Non-Covered Conduct

1. In the event of a **claim** that is based upon alleged conduct that is excluded from coverage under this **memorandum**, the **Cooperative** will pay **loss adjustment expense** for such **covered party** until such conduct, on the part of the **covered party**, is established in fact pursuant to a civil or criminal trial or administrative proceeding to be excluded under the **memorandum of coverage**.
2. If the **Cooperative** agrees to pay for independent counsel selected by the **covered party** due to a conflict of interest, the **Cooperative's** obligation to pay fees of the independent counsel is limited to the rates which are actually paid by the **Cooperative** to attorneys it retains in the ordinary course of business to defend similar actions in the community where the claim is being defended, and the **covered party** being defended by such independent counsel will be responsible for any additional amounts charged by such counsel. Any dispute between the **Cooperative** and a **covered party** concerning such attorney's fees shall be resolved by arbitration as described in the Dispute Resolution condition. The independent counsel selected must have at least five years of civil litigation practice which includes substantial defense experience in the subject at issue in the litigation, and errors and omissions coverage.

Concealment, Misrepresentation or Fraud

This **memorandum of coverage** is void in any case of fraud by the **covered party** as it relates to this **memorandum of coverage** at any time. It is also void if the **covered party**, at any time, intentionally conceals or misrepresents a material fact concerning:

1. This **memorandum of coverage**;
2. The **covered property**;
3. The **covered party's** interest in the **covered property**; or
4. A claim under this **memorandum of coverage**.

Inspection

The **Cooperative** shall be permitted but not obligated to inspect the **covered party's** property and operations at any time. Neither the **Cooperative's** right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking on behalf of or for the benefit of the **covered party** or others to determine or warrant that such property or operations are safe or healthful or are in compliance with any law, rule or regulation.

Dispute Resolution

1. Any question or dispute under this **memorandum** shall first be resolved by an appeal to the Claims and Coverage Committee and then the **Cooperative's** full Board or Executive Committee. In the event this does not produce an acceptable resolution, any claim related to coverage or a dispute between the **Cooperative** and a **member** or **covered agency** shall be resolved exclusively through final and binding arbitration as set forth below.
2. Arbitration shall be before a single arbitrator at a location selected by the **Cooperative** within the county of the official address for the **Cooperative** or at such location as the parties to the arbitration may mutually select. The arbitrator shall be an attorney, retired

judge or professional with significant experience in the matters relating to the operation of pooled self-insured entities. If the parties cannot agree on the selection of the arbitrator, the **Cooperative** shall petition the court for the appointment of a neutral arbitrator. The arbitrator shall apply the California Arbitration Act and California substantive law, and shall accompany the award with a reasoned opinion. The arbitrator shall have no authority to award punitive or other **damages** not measured by the prevailing party's actual **damages**. The award will be final and binding and without right to appeal except as provided for in Code of Civil Procedure Sections 1286.2 and 1286.6. A judgment of any court having jurisdiction may be entered upon the award.

3. Either party to the arbitration may (a) apply to the arbitrator seeking injunctive relief until the arbitration award is rendered or the controversy is otherwise resolved, or (b) without waiving any remedy under this **memorandum**, seek from any court having jurisdiction any interim or provisional relief that is necessary to protect the rights or property of that party, pending the establishment of the arbitral tribunal or its determination of the merits of the controversy.
4. In the event that any provision of this **memorandum** requirement is held to be void, voidable or unenforceable, the remaining portions shall remain in full force and effect.

No Benefit to Bailee

No person or organization, other than a **covered party**, having custody of **covered property** or liability for **covered property** by stipulation in a bill of lading or other contract will benefit from the coverage provided by this **memorandum**.

Other Coverage

The coverage afforded by this **memorandum of coverage** is excess to any other coverage available to the **covered party** under any insurance contract or contract of self-insurance and such coverage as is afforded under this **memorandum of coverage** shall not apply until all such contracts of insurance or self-insurance are exhausted.

Excess Coverage

Permission is hereby granted to procure coverage in excess of the limits stated in the Declarations. Such excess coverage shall not be considered "Other Coverage" for the purpose of the Other Coverage clause.

Protective Safeguard

It is a condition of this **memorandum** that the **covered party** shall maintain so far as possible within the **covered party's** control such protective safeguards as were in effect at the inception of this **memorandum**.

Reporting of Additional Property

1. If a **covered agency** acquires an interest in any **real property** whether owned, leased or under contract the **covered agency** shall report 100% of the Replacement Cost to the **Cooperative** within 120 days of such acquisition
2. Approval for occupancy must have been received in order to add a newly constructed Building or Structure to **real property**

Subrogation

1. In the event of any payment under this **memorandum**, the **Cooperative** shall be subrogated to all the rights of recovery against any person or organization and the **covered party** shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The **covered party** shall do nothing after loss to prejudice such rights
2. Recoveries will apply in the following order:
 - a) First, to reimburse any interests that have paid any amount in excess of the **Cooperative's liability**, for a covered **loss occurrence**, under the **memorandum of coverage**
 - b) Then, to reimburse the **Cooperative**, for all amounts paid under the **memorandum of coverage** for a covered **loss occurrence**
 - c) Finally, to reimburse all other interests, including those of the **covered party** with respect to the remaining amounts, if any

ARTICLE VI – DEFINITIONS

Act of terrorism means:

1. A violent act or an act that is dangerous to:
 - a) Human life,
 - b) Property, or
 - c) Infrastructure.
2. An act resulting in damage within the United States, or outside of the United States in the case of:
 - a) An air carrier or vessel described in paragraph (5)(B) of the Terrorism Risk Insurance Act of 2002, or
 - b) The premises of a United States mission.
3. An act certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to have been committed as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

Actual cash value means the purchase price or **fair market value** of an item at the time of its acquisition, minus depreciation over the expected useful life of such property.

Additional covered party means any person or other legal entity to whom or to which the **covered agency** is obligated by a written contract to provide coverage such as is afforded by this memorandum.

Administration means the following acts authorized by the **covered agency**:

1. Giving counsel to Employees with respect to the **employee benefit programs**;
2. Interpreting the **employee benefit programs**;
3. Handling of records and processing of claims in connection with the **employee benefit programs**;
4. Effecting enrollment, termination or cancellation of employees under the **employee benefit programs**.

Aircraft means a vehicle designed for the transport of persons or property, principally in the air.

Approved surge suppression device means a surge suppression device that is Underwriters Laboratory (UL) listed and that bears any of the following words or abbreviations:

1. Transient Voltage Surge Suppressor or TVSS;
2. Uninterruptible Power Supply or UPS; or
3. secondary protector for communications circuits.

Asbestos claim means a **claim** arising, directly or indirectly, out of exposure to asbestos or products containing asbestos, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such liability.

Automatic sprinkler system means:

1. Any automatic fire protective or extinguishing system, including connected:
 - a) Sprinklers and discharge nozzles
 - b) Ducts, pipes, valves and fittings
 - c) Tanks, their component parts and supports
 - d) Pumps and private fire protection mains
2. When supplied from an automatic fire protective system:
 - a) Non-automatic fire protective systems
 - b) Hydrants, standpipes and outlets

Automobile means a land motor vehicle, trailer, or semi-trailer.

Backup of sewers or drains means damage caused by the blockage and subsequent overflowing of plumbing lines designed to remove sewer and waste water.

Bodily injury means bodily injury, sickness, emotional distress or disease sustained by any person, including death at any time resulting therefrom.

Breach of contract means the non-performance by the **covered agency** of a written or oral agreement with a third party, other than an employment contract, regardless of the theory of liability asserted.

Building means a permanent structure with walls and a roof that is affixed to a permanent site and capable of occupancy, including portable or modular structures that have been installed.

Claim means:

1. a legal action;
2. a demand for compensation;
3. a claim filed or made in accordance with the California Government Code against a **covered party**;
4. a written demand or notice which is made or brought by an Employee;
5. an oral demand or notice by an Employee which is memorialized by the **covered party** in writing within fifteen (15) days of the oral demand or notice, and seeks or alleges **damages** or alleges injury, harm, or invasion of rights, and which contains an allegation that a Wrongful Employment Practice or a series of Wrongful Employment Practices has been committed during the Coverage Period;
6. an administrative proceeding or charge commenced before the Equal Employment Opportunity Commission or similar state or other agency having jurisdiction over the **covered party**; or
7. an alternative dispute resolution proceeding or action brought by a person or entity acting on behalf of an Employee of the **covered party**.

Claim does not include a Union Grievance, or any type of criminal proceeding, or any claim arising under the FLSA or any California Wage Orders or any similar federal or state law.

Cooperative means the Municipal Insurance Cooperative, a joint powers authority formed by its **members** for the purpose of providing property and liability programs.

Coverage Period means the period of time as set forth in the Declarations

Covered agency means the **member**, other public agency or agencies listed on the Declarations, and any and all boards (including the governing board), councils, commissions, departments, constituent agencies, districts, authorities, and other similar entities under such **member's** direction or control or for which such **member's** board members sit as the governing body. However, **covered agency** does not an airport or hospital board or commission, regardless of how such body is denominated.

Covered equipment means:

1. the following types of equipment owned by a **covered agency**:
 - a) Air conditioning and refrigeration systems;
 - b) Electrical systems, including transformers, panels and cables;
 - c) Boilers and pressure vessels used for heat, hot water, steam production and processing;
 - d) Computers and communications systems, including phone, television, satellite, security, fire systems and other systems which rely on electronic technology; and
 - e) Mechanical systems, including water pumps, ventilation fans, elevator and escalator machinery, motors, engines, etc.
2. None of the following is **covered equipment**:
 - a) Structure, foundation, cabinet, compartment or air supported structure or building;
 - b) Insulating or refractory material;
 - c) Sewer piping, any underground vessels or piping, any piping forming a part of a sprinkler system or water piping other than boiler feed water piping, boiler condensate return piping or water piping forming a part of a refrigerating or air conditioning system;
 - d) **motor vehicle** and **mobile equipment**; or
 - e) **data processing equipment**.

Covered indemnity contract means that part of any contract or agreement pertaining to the **covered party's** routine governmental operations under which the **covered party** assumes the tort liability of another party to pay for **bodily injury** or **property damage** to a third person or organization. This definition applies only to tort liability arising out of a **loss occurrence** to which this **memorandum** applies. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Covered individual means:

1. Persons who are past or present elected or appointed officials, employees, or volunteers of the **covered agency**, whether or not compensated, while acting for or on behalf of the **covered agency**, including while acting on outside boards at the direction of the **covered agency**, except any airport or hospital board or commission, regardless of how such body is denominated, or any other joint powers authority, or any separate agency or entity, created by a joint powers agreement, subject to the provisions of subparagraph (e), provided, however, that an airport board or commission may be added to this **memorandum** by endorsement on approval of the **Cooperative's** governing board.

2. Any officer or director of the **Cooperative**, and the staff and employees of the administrator thereof while in the course and scope of their duties for the **Cooperative**, with respect to **public officials' errors and omissions** coverage.

Covered party means:

1. A **covered agency**
2. A **covered individual**
3. The **Cooperative** itself; or
4. An **additional covered party**

However, notwithstanding the foregoing, **covered party** does not include any person, organization, trust, or acting on behalf of any other joint powers authority, unless added hereto by endorsement. However, as to any person who is an official, employee, or volunteer of the **covered agency** and is participating in the activities of any other joint powers authority or any separate agency or entity created under any joint powers agreement on behalf of that named entity, the coverage afforded by this **memorandum** will apply in excess of and shall not contribute with any collectible insurance or other coverage provided to or through the other joint powers authority or joint powers agreement covering a loss also covered hereunder (whether on a primary, excess, or contingent basis).

Covered project means a project by a **covered agency** to construct, renovate, modernize or reconstruct property that is intended to become **real property** covered by this **memorandum** and subject to such project:

1. Having a total project value or cost no greater than \$250,000
2. Being a project with a total project value or cost in excess of \$250,000 that has been specifically endorsed on to this **memorandum**

Covered property means any **real property** or **personal property** covered by this **memorandum**.

Cyber liability means any liability arising out of or related to the acquisition, storage, security, use, misuse, disclosure, or transmission of electronic data of any kind including, but not limited to, technology errors and omissions, information security and privacy, privacy notification costs, penalties for regulatory defense or penalties, website media content, disclosure or misuse of confidential information, failure to prevent unauthorized disclosure or misuse of confidential information, improper or inadequate storage or security of personal or confidential information, unauthorized access to computer systems containing confidential information, or transmission or failure to prevent transmission of a computer virus or other damaging material.

Dam means any artificial barrier, together with appurtenant works, which does or may impound or divert water, and which either (a) is 25 feet or more in height from the natural bed of the stream or watercourse at the downstream toe of the barrier, or from the lowest elevation of the outside limit of the barrier, if it is not across a stream, channel, or watercourse, to the maximum possible water storage elevation; or (b) has an impounding capacity of 50 acre-feet or more. However, **dam** does not include the following:

1. Any such barrier which is not in excess of 6 feet in height, regardless of storage capacity, or which has a storage capacity not in excess of 15 acre-feet, regardless of height, shall not be considered a **dam**.

2. No obstruction in a canal used to raise or lower water therein or divert water therefrom, no levee, including but not limited to a levee on the bed of a natural lake the primary purpose of which levee is to control floodwaters, no railroad fill or structure, no road or highway fill or structure, no circular tank constructed of steel or concrete or of a combination thereof, no tank elevated above the ground, no water or waste water treatment facility, and no barrier which is not across a stream channel, watercourse, or natural drainage area and which has the principal purpose of impounding water for agricultural use or storm water detention or water recharging or use as a sewage sludge drying facility shall be considered a **dam**.
3. No obstruction in the channel of a stream or watercourse which is 15 feet or less in height from the lowest elevation of the obstruction and which has the single purpose of spreading water within the bed of the stream or watercourse upstream from the construction for percolation underground shall be considered a **dam**.
4. No impoundment constructed and utilized to hold treated water from a sewage treatment plant be considered a **dam**.
5. No waste water treatment or storage pond exempted from state regulation and supervision by Water Code Section §6025.5 be considered a **dam**.

Damages means compensation in money recovered by a party for loss or detriment it has suffered through the acts of a **covered party**, or liability assumed by the **covered party** under a **covered indemnity contract**. **Damages** includes: (i) attorney fees not based on contract awarded against the **covered party**, (ii) interest awarded on money **damages**, and (iii) costs for which the **covered party** is liable either by adjudication or by from a **loss occurrence** to which this **memorandum** applies. However, **damages** does not include the following:

1. **Damages** with respect to an **wrongful employment practice** also shall not include amounts awarded under a labor grievance or arbitration pursuant to a collective bargaining agreement, nor sums paid pursuant to any judgment or agreement, whether injunctive or otherwise, to undertake actions to correct past discriminatory or unlawful conduct or to establish practices or procedures designed to eliminate or prevent future discriminatory or other unlawful conduct, or any non-monetary relief.

Data means information or instructions stored in digital code capable of being processed by machinery.

Data processing equipment means electronic computers and peripheral equipment used in conjunction with such computers. **Data processing equipment** does not mean any of the following:

1. Equipment used to provide building utility service, other than communications or data processing;
2. equipment used to manufacture products other than **data**; or
3. equipment used to provide a service other than **data** processing or communications.

Declarations means the declarations page(s) approved and issued by the **Cooperative** to evidence and describe essential variables of the coverage provided pursuant to this **memorandum**.

Discrimination means termination of the employment relationship, a demotion, a failure or refusal to hire or promote, denial of an employment benefit, or the taking of any adverse or differential

employment action because of race, color, creed, religion, age, sex, disability, pregnancy, sexual orientation, national origin, AIDS, or other protected category or characteristic established pursuant to any applicable federal, state, or local statute.

Earthquake means a series of vibrations induced in the earth's crust by the abrupt rupture and rebound of rocks in which elastic strain has been slowly accumulating.

Employee means any natural person:

1. While in the **covered agency's** service;
2. Whom the **covered agency** compensates directly by salary, wages or commissions;
3. Whom the **covered agency** has the right to direct and control while performing services for the **covered agency**.

However, Employee does not mean any independent agent, broker, or independent contractor of the **covered agency**. The exclusion of independent contractor or subcontractors from the definition of **employee** shall not apply to a **claim** for sexual harassment specifically authorized under Cal.Gov. Code 12940(j)(4) and (5)

Employee benefit program means any group life insurance, group accident or health insurance, retirement plans, workers' compensation, unemployment insurance, social security and disability benefits insurance or any other similar plan provided in whole or in part by the **covered agency**.

Equipment breakdown means a fortuitous event resulting in direct physical damage to Covered Equipment caused by:

1. Mechanical breakdown;
2. Artificially generated electrical current;
3. Explosion of steam equipment, other than combustion explosion;
4. An internal event inside steam equipment;
5. An internal event inside boilers or pressure vessels; or
6. Bursting, cracking or splitting.

Equipment Breakdown Reinsurer means the reinsurer of the **Equipment Breakdown** coverage offered by and through the **Cooperative**.

Explosives, Fireworks or Pyrotechnic Devices means any combination of materials, which, by the agency of fire, electricity or chemicals, produce a sudden loud, bright, hot, and/or rapidly expanding effect designed and intended to be useful for industrial, agricultural, personal safety, entertainment or recreational purposes.

Extra expense means the reasonable and necessary additional costs incurred by the **covered agency** in order to continue, as nearly as possible, the normal conduct of the **covered agency's** operations had a **loss occurrence** not occurred, until the **covered agency's** operations are restored to a condition comparable to the condition prior to the **loss occurrence**. In the event of such **loss occurrence**, coverage will apply to **extra expense** incurred for only such time as would be required with the exercise of due diligence and dispatch to rebuild, repair or replace the part of the property that has been damaged or destroyed, without regard to the expiration date of this **memorandum**.

Fair market value means the cost to replace **covered property** in an open market with substantially comparable property.

Fine Arts means paintings, tapestries, statuary, marbles, bronzes, antique furniture, rare books, antique silver, porcelains, rare glassware, bric-a-brac, and other articles of art, rarity, or antiquity.

Gross earnings is defined as the sum of total net sales and other earnings derived from the operation, less the cost of:

1. merchandise sold including packaging materials; and
2. materials and supplies consumed directly in supplying the service(s) sold by the Insured; and
3. service(s) purchased from outside (not employees of the Insured) for resale that does not continue under contract.

No other cost shall be deducted in determining gross earnings. In determining gross earnings, due consideration shall be given to the experience of the business before the date of loss or damage and the probable experience thereafter, had no loss occurred.

In the event that **real property** and/or **personal property** that does not normally produce an income, sustains damage covered under this policy, the actual recovery under this **memorandum** shall be the continuing fixed charges and expenses directly attributable to such non-productive property.

Hired motor vehicle means a **motor vehicle** used on behalf of the **covered agency** provided such **motor vehicle** is not owned in full or in part by or registered in the name of (1) the **covered agency** or (2) any **covered party** who is granted an operating allowance of any sort for the use of such **motor vehicle**.

Hostile fire means a fire which becomes uncontrollable or breaks out from where it was intended to be.

Housing authority means a public corporation created pursuant to California Health & Safety Code Sections §34200 et. seq.

In-flight means the period from the time the Aircraft moves forward in taking off or in attempting to take off until it has completed its landing.

Injunctive/non-monetary claim means a legal action, claim or demand against a Covered Party seeking primarily non-monetary recourse, relief or redress, and which does not include a material demand for the payment of **damages** caused to other third parties, other than the payment of legal fees and costs awarded to the complaining party or its legal counsel.

Loss adjustment expenses means:

1. All expenses incurred in connection with the investigation, adjustment, defense, mediation, settlement, arbitration and/or litigation in connection with a **loss occurrence**, including but not limited to fees and expenses incurred by legal counsel, expert fees, duplication and court reporter costs, court costs, interest on judgments, and premiums on bonds

2. Expenses sustained to obtain recoveries, subrogation, salvages or other reimbursements, or to secure the reverse or reduction of a verdict or judgment

However, **loss adjustment expenses** shall not include the salaries of the **covered agency's** employees, or its claims administrator's employees, in adjusting specific claims or suits.

Loss occurrence means.

1. For Coverage A – Liability: an accident or event, including continuous or repeated exposure to conditions, which results or may result in a **claim** for **damages** or the payment of **loss adjustment expenses** pursuant to this **memorandum**
2. For Coverage B – Property: an event causing (a) physical injury to tangible property, (b) direct physical loss of tangible property, or (c) destruction of tangible property resulting in the loss of use of such tangible property.

Loss of revenue means those sums that the **covered agency** would have received had a **loss occurrence** not occurred, but excluding any local, state or federal funds whatsoever.

Media means all forms of electronic, magnetic and optical tapes and discs for use in any electronic computer or electronic **data processing equipment**.

Medical malpractice means a negligent act or omission in the rendering of or failure to render, during the policy period, any of the following services:

1. Medical, surgical, dental, psychiatric, psychological counseling, X-ray or nursing service or treatment or the furnishing of food or beverages in connection therewith, or any services provided by a health care provider as defined in Section §6146 (c)(2) of the California Business and Professions Code
2. Furnishing or dispensing drugs or medical, dental, or surgical supplies or appliances.
However, **medical malpractice** does not include emergency medical services or first aid administered by employees of a **covered party**, nor does it include advice or services rendered by a 911 emergency dispatcher.

Member means a public agency that is a member of the **Cooperative** pursuant to the terms of a joint powers agreement.

Member retained limit or **MRL** shall mean the amount per **loss occurrence**, for each type of coverage set forth in the **declarations**, that shall be retained and paid by a **member** before coverage is provided by this **memorandum**.

Memorandum of coverage or **memorandum** means this contract between the **Cooperative** and the **member**.

Mobile equipment means any of the following types of land vehicles, whether self-propelled or not, including attached machinery or equipment: bulldozers, farm machinery, forklifts, crawler tread vehicles, power cranes, shovels, loaders, diggers or drills, graters, scrapers or rollers, snow removal equipment, street cleaning equipment, and any other vehicles designed for use principally off public roads. However, **mobile equipment** does not include **motor vehicles**.

Motor vehicle means a land motor vehicle, trailer or semi-trailer, subject to motor vehicle registration and designed for use principally on public roads.

Newly acquired property means property which is either purchased by the **covered agency** or in which the **covered agency** acquires a coverable interest during the Coverage Period, and is reported to the **Cooperative** within 120 days of acquisition.

Nuclear material means source material, special nuclear material, or byproduct material meanings given to them by the Atomic Energy Act of 1954 or in any law amendatory thereof.

Occupying means in, upon, getting in, on or off.

Off-site property means **personal property** not located within 1,000 feet of the **covered agency's real property** that is being used by or for the benefit of the **covered agency** or its curriculum, but not property being stored.

Personal property means tangible items, other than **real property**, that are located in or on the **covered agency's real property** or within 1,000 feet of the **covered agency's real property**; along with **motor vehicles** and **mobile equipment** being used by or for the benefit of the **covered agency** or its curriculum, wherever located.

Personal property of others means **personal property** owned by a third party other than the **covered agency**, that is in the custody of the **covered agency** and for which the **covered agency** is legally liable.

Plants means organisms capable of photosynthesis that have a stem, leaves, roots and sometimes flower and grow in soil or water, including shrubs and trees.

Pollutants means any solid, liquid, gaseous or thermal irritant, contaminant or hazardous substance, including smoke, vapors, soot, fumes, acids, alkalis, chemicals, waste material, and spores or other byproducts or components of mold, fungi, bacteria or viruses. Waste material includes materials to be recycled, reconditioned or reclaimed. The term Pollutants as used herein is not defined to mean potable water or agricultural water or water furnished to commercial users or smoke and related matter resulting from a Hostile Fire.

Pollution means the discharge, dispersal, release or escape of Pollutants into, under or upon land, the atmosphere, or any watercourse or body of water or aquifer.

Preservation of property means movement of property from a **covered project** to protect it from loss or damage:

1. While it is being moved or while temporarily stored at another location
2. Only if the loss or damage occurs within 30 days after the property is first moved

Property damage means physical injury to tangible property, including resulting loss of use of tangible property.

Property in transit means **personal property** not located within 1,000 feet of the **covered agency's real property** that is being moved from one location to another.

Public official errors and omissions means any actual or alleged act, omission, misstatement or misleading statement by any **covered party** (individually or collectively) arising in the course and scope of their duties with the **covered agency** or claimed against them solely by reason of their being or having been public officials or employees, and which results in injury or damage neither expected nor intended from the standpoint of the **covered party**. All claims involving the same act, omission, misstatement or misleading statement or a series of continuous or interrelated acts, omissions, misstatements or misleading statements will be deemed a single **loss occurrence**.

Real property means completed **buildings** and **structures**, including their permanently installed fixtures, machinery and equipment. **Real property** does not include **buildings** and **structures** under construction, unless the project is a **covered project**.

Rental Payment Interruption means those sums that a **covered agency** would have received had a **loss occurrence** not occurred for use and occupancy financial lease payment obligations of the **covered agency** required by lease purchase agreements or similar.

Replacement Cost means the cost to replace **covered property** in an open market with substantially comparable new property.

Rodeo means any exhibition of cowboy skills, such as bronco riding, calf roping, or a roundup, steer wrestling, Brahma bull riding or the use of any mechanical rodeo apparatus.

Sprinkler Leakage means leakage or discharge of any substance from an **automatic sprinkler system**.

Structure means a tangible item built or constructed on, and attached to, land. **Structures** include fencing and enclosures, garages, gazebos, greenhouses, kiosks, sheds and utility buildings.

Transmission & Distribution Lines means electrical transmission or distribution lines that are (i) owned by the **covered agency**, (ii) located on or in the **real property** of the **covered agency**, and (iii) used in connection with the business or operations of the **covered agency**. **Transmission & Distribution Lines** does not include off-premises poles, towers, underground lines, or overhead lines used for electrical transmission or distribution.

Uninsured/underinsured motor vehicle means a **motor vehicle**:

1. For which the sum of all available liability bonds, self-insurance or insurance policies at the time of a **loss occurrence** is less than the **uninsured/underinsured motor vehicle** coverage limits stated in the Declarations,
2. That collides with a **motor vehicle** that a **covered individual** is occupying at the time of the **loss occurrence**.

Union grievance is limited to labor negotiations with respect to wages or working conditions, union organizing efforts, or unfair labor practice charges within the jurisdiction of the National Labor Relations Board or the Public Employment Relations Board.

Vacant means a site location at which less than 30% of the total square feet of **real property** at the site is:

1. Used by the **covered agency** to conduct customary operations; or

2. Rented to a lessee or sub-lessee and used by the lessee or sub-lessee to conduct its customary operations.

Valuable papers or records means papers or records, including those which exist on electronic or magnetic media, that have been lost or damaged for which duplicates do not exist.

Volunteer means a natural person who has been authorized or approved by a **covered agency** to perform specific duties for such **covered agency**.

Watercraft means a vessel designed to transport persons or property in, on or through water.

Workplace tort means any of the following acts alleged to have been committed in violation of law or because of any protected category or characteristic:

1. Actual or constructive termination of an employment relationship in a manner which is alleged to have been against the law or wrongful, or in breach of an implied employment contract or breach of the covenant of good faith and fair dealing in the employment contract
2. Allegations of negligent or wrongful evaluation, wrongful demotion, wrongful discipline, failure to promote, failure to grant tenure, or wrongful deprivation of career opportunity
3. Allegations of misrepresentation or defamation made by an employee which arise from an employment decision
4. Allegations of infliction of emotional distress, mental injury, mental anguish, shock, sickness, disease or disability made by an employee which arise from an employment decision
5. Allegations of false imprisonment, detention, or malicious prosecution made by an employee which arise from an employment decision
6. Allegations of libel, slander, defamation of character, invasion of privacy made by an employee which arise from an employment decision
7. Other personal injury allegations made by an employee which arise from an employment decision.

However, **workplace tort** does not include violation of a written contract of employment or an obligation to make payments, including but not limited to severance payments, in the event of the termination of employment. **Workplace torts** shall not include any allegations other than those set forth above.

Wrongful Employment Practice means any actual or alleged **wrongful termination, discrimination, harassment, retaliation, or workplace tort**.

Wrongful termination means termination of an employment relationship in a manner which is alleged to have been committed in violation of law or because of any protected category or characteristic or in breach of an implied agreement to continue employment. However, **wrongful termination** shall not include violation of an express contract of employment or an express obligation to make payments in the event of the termination of employment.

Premium
Surplus Lines Tax - CA
Stamping Fee - CA

\$17,500.00
\$525.00
\$35.00



PROPERTY BINDER

Account Name: City of Industry

Mailing Address: PO Box 3366
Industry, CA 91744

Covered Location: Per schedule on file with the company dated June 22, 2016.

Insurance Company: Aspen Specialty Insurance Company (This is a non-admitted Company rated A XV)
Policy Number: PTAGM8616A0K

Effective Date: July 1, 2016 to July 1, 2017

Operations: Municipality

Perils: Difference in Conditions including Earthquake and Flood.

Covered Property: Building, Contents, Inventory, EDP Equipment & Media, EDP Extra Expense, Building Ordinance Coverage A.

Limit of Liability: \$6,500,000 Per Occurrence and in the Annual Aggregate as respects Earthquake and Flood

Excess of: \$10,000,000 Per Occurrence and in the Annual Aggregate as respects Earthquake and Flood

Deductibles: All Other Perils – \$25,000 per occurrence Except
Earthquake – 10% per unit of insurance (property damage and time element) of total insured value at risk at time and place of loss, subject to \$100,000 minimum per occurrence and as more fully defined in the Beazley primary policy
Flood – \$50,000 per occurrence

Total Insured Values: \$16,477,624.

Valuation: Replacement Cost – Property Damage
Actual Loss Sustained – Time Element

Coinurance: nil%

Sub-Limits: Program sub-limits per your submission

The above Sublimits are part of and not in addition to the policy Limit of Liability. These Sublimits do not increase the policy Limit of Liability or any other Sublimit. All Sublimits are per occurrence unless otherwise indicated.



Forms	Form Number
Aspen Follow Form over Beazley subject to receipt, review, and acceptance within 60 days from inception.	
Summary of Insurance and Special Provisions – Excess Physical Damage Schedule	ASPPR074
Property – Excess Liability	ASPPR055
Drop Down Endorsement Earthquake and/or Flood Only	ASPPR093
Common Policy Conditions	ASPPR138
Commercial Property Conditions	CP0090
General Service of Suit	ASPCO002
Exclusion and Limited Additional Coverage for Fungus	ASPPR089
Exclusion for Certified Acts of Terrorism	IL0953
Nuclear, Biological, Chemical, or Radiological Terrorism Exclusion	ASPCO023
Exclusion of Certain Computer-Related Losses	IL0935
Electronic Data Endorsement	NMA2915
Seepage and/or Pollution and/or Contamination Exclusion	ASPPR081
All Risks Perils Exclusion	ASPPR092
All Risk Underlyer Warranty	ASPPR116
Special Flood Hazard Endorsement	ASPPR080
Minimum Earned Premium Endorsement	ASPPR072
Priority of Payments	ASPPR010
Loss Adjustment Endorsement	ASPPR086
OFAC Endorsement	ASPCO021
Policyholder's Guide to Reporting a Property Claim	ASPPR100

Premium:	\$17,500.	
TRIA Charge:	\$REJECTED	This is an optional premium to be accepted or declined

Conditions: This binder is subject to the following conditions. Please read them carefully.

- Please be advised that this policy will be issued through a surplus lines insurer. In order to bind coverage, we will need the resident surplus lines license name, address and license number prior to binding (for New Jersey business, we will also need the surplus lines transaction number). The resident surplus lines producer is responsible for compliance with all applicable laws and the payment of all taxes, fees and filings. Applicable taxes and fees are not included in the quoted premium.
- Premium is due within 45 days of binding.
- Minimum earned premium of 25% will apply
- 90/10 Notice of Cancellation
- Please confirm your choice to purchase or decline terrorism coverage as outlined in this quote by returning the signed terrorism form.
- Any mandatory state forms will apply



Inspection Fee to Carrier	\$500.00
Surplus Lines Tax - CA	\$1,215.00
Stamping Fee - CA	\$81.00

BINDER ISSUED: 30-Jun-2016

Cyndi Marty
R-T Specialty, LLC - San Francisco, CA
1 Embarcadero Ctr Fl 27
San Francisco, CA 94111-3776

BINDER

We are pleased to offer the following Binder for the above captioned account as per the quotation dated 30-Jun-2016.

Policy Number: W1BEB6160101

Insurer: Syndicate 2623/623 at Lloyd's.
Beazley Lloyd's Syndicate 2623 - 82%
Beazley Lloyd's Syndicate 623 - 18%

Unique Market Reference: B6012BUSA16

Insured's Name: City of Industry
Insured's Address: P.O. Box 3366
Industry, CA 91744

Location(s): 15625 E Stafford Street
Industry, CA 91744
As per schedule on file with Underwriter

Policy Period: From: 01-Jul-2016
To: 01-Jul-2017
Both dates at 12:01 a.m. Standard Time at the Insured's Address

Limit	Peril(s)	Coverage(s)
\$10,000,000 Each Occurrence and in the Annual Aggregate (applying separately) in respect of Earthquake and Flood As per schedule of locations on file with Underwriter	Difference In Conditions Earthquake Flood	Real Property Personal Property Electronic Data Processing Hardware Electronic Data Processing Media Extra Expense Ordinance or Law
Location: All/All		
\$3,000,000 Sub-Limit		Ordinance or Law - Demolition (Cov B)
Location: 001/001-002 as respects the combined structures of the Main Building and Hotel located at One Industry Hills Parkway		
\$250,000 Sub-Limit		Ordinance or Law - Demolition (Cov B) and Increased Cost of Construction (Cov C) combined
Location: All Other Locations		
\$200,000 Sub-Limit		Cost of Inventory

Limit	Peril(s)	Coverage(s)
Location: All/All		

Deductible	Peril(s)	Coverage(s)
10.00 % Values Per Unit of Insurance \$100,000 Minimum Per Occurrence Except \$300,000 minimum per occurrence as respects Demolition for the combined structures of the Main Building and Hotel located at One Industry Hills Parkway. This deductible is triggered when there is a minimum of \$10MM in physical damage to either building and is excess of the 10% EQ Deductible.	Earthquake	
2.00 % Values Per Unit of Insurance \$50,000 Minimum Per Occurrence	Flood	
\$25,000 Per Occurrence	All Other Perils	

Coinsurance	Valuation	Coverage(s)
Nil	Replacement Cost	Real Property Personal Property
Nil	Actual Loss Sustained	Extra Expense

Total Insurable Value: \$16,477,624

Premium: \$40,000 + Taxes and Fees
 Min. Earned Prem. %: 25 %
 T.R.I.A.: Declined
 Inspection Fees: \$500

Conditions: FS C 486: Cancellation, Section 17. the term is amended to 90 days, except 10 days for non-payment of premium.

Exclusion: Flood Zones A and V or any area designated as a 100 year flood plain are excluded (FS C 505)

Ordinance or Law coverage included for loss to the undamaged portion of the Building (Cov A) within the limit of insurance applicable to Real Property (FS C 488).

Forms and Endorsements Effective at Inception:

LMA3102(amended)	Lloyd's Certificate
FS C 422 01 13	General Cover Declarations Page
FS C 426 12 12	Supplemental Declarations Page
FS C 424	Schedule of Forms and Endorsements
FS C 486 10 12	Beazley Difference in Conditions Policy
FS C 493 10 12	Statement of Deductible for Earthquake and/or Flood if Covered By This Policy
FS C 489 10 12	Flood Endorsement
FS C 487 06 13	Time Element Endorsement to Beazley Difference in Conditions Policy
FS C 505 10 12	Flood Exclusion - Specified Locations
FS C 488 10 12	Ordinance or Law Endorsement
LSW1135B	Lloyd's Privacy
LMA5219	TRIA Not Purchased Clause

Subjectivities:

1. Earthquake Inspection
2. Coverage is Sub-Limited to \$3MM for the Main Building and Hotel
3. Inspection contact name and phone number due within 14 days of binding

THIS RISK IS BOUND ON THE BASIS SHOWN ABOVE. IT DOES NOT NECESSARILY PROVIDE THE TERMS AND/OR COVERAGES REQUESTED. WE ARE NOT RESPONSIBLE FOR INACCURACIES ABOUT WHICH THE INSURED DOES NOT NOTIFY US OF IMMEDIATELY.

THIS BINDER WILL BE TERMINATED AND SUPERSEDED UPON DELIVERY OF THE FORMAL POLICIES OR CERTIFICATES ISSUED TO REPLACE IT. IF THERE IS ANY CONFLICT BETWEEN THE TERMS AND CONDITIONS OF THIS BINDER AND THE TERMS AND CONDITIONS OF THE POLICY (OR CERTIFICATE), WHEN ISSUED, THE TERMS AND CONDITIONS OF THE POLICY (OR CERTIFICATE) SHALL GOVERN.

THE SURPLUS LINES INSURERS (CERTAIN UNDERWRITERS AT LLOYD'S, LONDON) WITH WHICH THE COVERAGE IS BEING BOUND ARE NOT LICENSED TO DO INSURANCE BUSINESS IN THIS STATE AND ARE NOT SUBJECT TO SUPERVISION BY THIS STATE. IN THE EVENT OF THE INSOLVENCY OF A SURPLUS LINES INSURER, LOSSES WILL NOT BE COVERED BY ANY STATE INSOLVENCY FUND. IF THIS QUOTE IS BOUND, THE POLICY MAY NOT BE SUBJECT TO ALL OF THE REGULATIONS OF THE SUPERINTENDENT PERTAINING TO RATES AND POLICY FORMS.

Beazley Insurance Services
CA License Number 0G55497



Dallas, TX
 Underwriter: Michael Pechloff
 Telephone: 972 455 3966
 Fax:
 Email: mpechloff@global-aero.com

Policy No: 16000054
 Bind Date: June 30, 2016
 This Binder is valid for 30 days from the date it is issued or until the policy is issued, whichever occurs earlier.

Applicant: CITY OF INDUSTRY
 P.O. BOX 3366
 INDUSTRY, CA, 91744

Coverage Dates: From: July 1, 2016 To July 1, 2017

This insurance shall commence and cease on the dates shown at 12:01 A.M. local time at the address of the Applicant

Insurance Binder

Aviation Ground Operations Liability Insurance (AGL Policy Form)

Insurance applies to the insured's declared aviation operations. See the policy form and any accompanying endorsements for complete coverage details.

PLEASE NOTE: The following separate licensed insurers, whose liability is several and not joint, provide the insurance afforded by policies issued through Global Aerospace, Inc.

American Alternative Insurance Corporation Wilmington, Delaware	54.960%
Mitsui Sumitomo Insurance Company of America New York, New York	9.280%
National Indemnity Company Omaha, Nebraska	23.390%
Tokio Marine America Insurance Company New York, New York	12.370%

Coverage(s) and Limit(s):

Liability See attached schedule

Special Notices:

- State Amendatory Endorsement as required.
- This binder does not apply to the extent that trade or economic sanctions or other laws or regulations prohibits Global Aerospace from offering or providing insurance. To the extent any such prohibitions apply, this policy is void ab initio.
- The producer warrants that they are properly licensed to solicit or sell insurance, as applicable, in their state of domicile and in all other jurisdictions where they transact business.
- It is the producer's responsibility to comply with any applicable laws regarding disclosure to the policyholder of commission or other compensation we pay, if any, in connection with this policy or program.
- This Binder automatically terminates when it is replaced by the policy. Coverage may not be bound retroactively.
- Please be aware that if prior to the effective date of the policy there is either: (a) a material change in the information previously submitted, or (b) a material change in the hazard or risk, the insured must immediately advise us.
- We reserve the right to modify or cancel this Binder if, based on the review of underwriting information, whether requested by us or provided by the insured, we determine that the terms of this Binder are no longer appropriate.

Underwriter's Remarks:

TRIA coverage accepted. All other coverages, terms, conditions and exclusion as per expiring policy 16000054; except as otherwise noted herein.

Dated: June 30, 2016

Underwriter Acceptance:

Michael J. Pechloff



Schedule

INSURED: CITY OF INDUSTRY

TERM: 1-Jul-16 to 1-Jul-17

COMMISSION: 7.50%

Location AS EXPIRING

Liability Limit(s):

Each Occurrence	\$15,000,000
Damage to Premises Rented to you	\$10,000
Medical Expenses (Any One Person)	\$3,000
Personal & Advertising Injury Aggregate	\$15,000,000
General Aggregate	\$15,000,000
Products-Completed Operations Aggregate	Not Covered
Hangarkeepers' Each Accident	Not Covered
Hangarkeepers' Each Aircraft	Not Covered
Contractual Each Occurrence	\$15,000,000

Deductibles

NIL Property Damage Per Claim

Location Premium \$5,245

Tria Premium \$525

Total Premium \$5,770

Terrorism Risk Insurance Act ("TRIA") Coverage

An offer of terrorism coverage, as mandated by TRIA ("TRIA Coverage") was made in an Addendum to our Quote. TRIA Coverage is afforded only if a TRIA Coverage endorsement is listed above (in which case, the corresponding TRIA premium is listed). Otherwise, the offer of TRIA Coverage has been rejected by the Named Insured. If the Named Insured has negotiated terrorism coverage on other terms, then one or more endorsements above include the negotiated coverage for terrorism ("Alternative Terrorism Coverage"), portions of which fall within TRIA (the "TRIA Portion"), as well as other coverage outside of TRIA, and the premium corresponding to the TRIA Portion of the Alternative Terrorism Coverage is 10% of the total premium for the endorsements providing the Alternative Terrorism Coverage. Any TRIA Coverage and the TRIA Portion of Alternative Terrorism Coverage is subject to partial federal reimbursement, and coverage is subject to the TRIA program cap, each as described in the TRIA Addendum to our Quote and in the TRIA Disclosure Endorsement (which does not itself afford any coverage); a copy of which will be attached to the Policy and can also be obtained through the broker.

CERTIFICATE OF INSURANCE

This certificate is given as a matter of information only and confers no rights upon the certificate addressee.

Date: June 30, 2016

This is to certify to:
American Airports Corporation
1615 McKinley Ave
LaVerne, CA 91750

That the following policy has been issued to:

CITY OF INDUSTRY
P.O. BOX 3366
INDUSTRY, CA 91744

Policy No. 16000054 issued by one or more member companies of Global Aerospace Pool through Global Aerospace, Inc.
Policy Period: from July 1, 2016 to July 1, 2017

AVIATION GROUND OPERATIONS LIABILITY

<u>Coverages</u>	<u>Limits of Liability</u>
Each Occurrence Limit	\$15,000,000
Damage to Premises Rented to You Limit	\$10,000
Medical Expense Limit (Any One Person)	\$3,000
Personal and Advertising Injury Aggregate Limit	\$15,000,000
General Aggregate Limit (Other than Products-Completed Operations and Hangarkeepers)	\$15,000,000
Products-Completed Operations Aggregate Limit	Not Covered
Hangarkeepers' Each Accident Limit	Not Covered
Hangarkeepers' Each Aircraft Limit	Not Covered

The WHO IS AN INSURED section of the policy has been amended to include the certificate addressee as an insured, but only with respect to liability for injury, damage or loss to which the insurance afforded by the policy applies caused by the Named Insured's acts or omissions.

Notwithstanding any requirement, term or condition of any contract or other document with respect to which this certificate may be issued or may pertain, the insurance afforded by the policies described herein is subject to all the terms, exclusions and conditions of such policies. This certificate does not amend, extend or otherwise alter the coverages afforded by the policies described herein. Limits may have been reduced by paid claims.

GLOBAL AEROSPACE, INC.

BY:  _____



Certificate No. 859847936

CERTIFICATE OF INSURANCE

This certificate is given as a matter of information only and confers no rights upon the certificate addressee.

Date: June 30, 2016

This is to certify to:
County of Los Angeles, its officers, employees, agents and their
respective successor and/or assigns
1615 McKinley Ave
LaVerne, CA 91750

That the following policy has been issued to:

CITY OF INDUSTRY
P.O. BOX 3366
INDUSTRY, CA 91744

Policy No. 16000054 issued by one or more member companies of Global Aerospace Pool through Global Aerospace, Inc.
Policy Period: from July 1, 2016 to July 1, 2017

AVIATION GROUND OPERATIONS LIABILITY

<u>Coverages</u>	<u>Limits of Liability</u>
Each Occurrence Limit	\$15,000,000
Damage to Premises Rented to You Limit	\$10,000
Medical Expense Limit (Any One Person)	\$3,000
Personal and Advertising Injury Aggregate Limit	\$15,000,000
General Aggregate Limit (Other than Products-Completed Operations and Hangarkeepers)	\$15,000,000
Products-Completed Operations Aggregate Limit	Not Covered
Hangarkeepers' Each Accident Limit	Not Covered
Hangarkeepers' Each Aircraft Limit	Not Covered

The WHO IS AN INSURED section of the policy has been amended to include the certificate addressee as an insured, but only with respect to liability for injury, damage or loss to which the insurance afforded by the policy applies caused by the Named Insured's acts or omissions.

Notwithstanding any requirement, term or condition of any contract or other document with respect to which this certificate may be issued or may pertain, the insurance afforded by the policies described herein is subject to all the terms, exclusions and conditions of such policies. This certificate does not amend, extend or otherwise alter the coverages afforded by the policies described herein. Limits may have been reduced by paid claims.

GLOBAL AEROSPACE, INC.

BY:  _____



Certificate No. 1377296895



Dallas, TX
 Underwriter: Michael Pechloff
 Telephone: 972 455 3966
 Fax:
 Email: mpechloff@global-aero.com

Policy No: 16000689
 Bind Date: June 30, 2016
 This Binder is valid for 30 days from the date it is issued or until the policy is issued, whichever occurs earlier.

Applicant: THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY
 P.O. BOX 3366
 INDUSTRY, CA, 91744

Coverage Dates: From: July 1, 2016 To July 1, 2017

This insurance shall commence and cease on the dates shown at 12:01 A.M. local time at the address of the Applicant

Insurance Binder

Aviation Ground Operations Liability Insurance (AGL Policy Form)

Insurance applies to the insured's declared aviation operations. See the policy form and any accompanying endorsements for complete coverage details.

PLEASE NOTE: The following separate licensed insurers, whose liability is several and not joint, provide the insurance afforded by policies issued through Global Aerospace, Inc.

American Alternative Insurance Corporation Wilmington, Delaware	54.960%
Mitsui Sumitomo Insurance Company of America New York, New York	9.280%
National Indemnity Company Omaha, Nebraska	23.390%
Tokio Marine America Insurance Company New York, New York	12.370%

Coverage(s) and Limit(s):

Liability See attached schedule

Special Notices:

- State Amendatory Endorsement as required.
- This binder does not apply to the extent that trade or economic sanctions or other laws or regulations prohibits Global Aerospace from offering or providing insurance. To the extent any such prohibitions apply, this policy is void ab initio.
- The producer warrants that they are properly licensed to solicit or sell insurance, as applicable, in their state of domicile and in all other jurisdictions where they transact business.
- It is the producer's responsibility to comply with any applicable laws regarding disclosure to the policyholder of commission or other compensation we pay, if any, in connection with this policy or program.
- This Binder automatically terminates when it is replaced by the policy. Coverage may not be bound retroactively.
- Please be aware that if prior to the effective date of the policy there is either: (a) a material change in the information previously submitted, or (b) a material change in the hazard or risk, the insured must immediately advise us.
- We reserve the right to modify or cancel this Binder if, based on the review of underwriting information, whether requested by us or provided by the insured, we determine that the terms of this Binder are no longer appropriate.

Underwriter's Remarks:

TRIA coverage accepted. All other coverages, terms, conditions and exclusions same as per expiring policy 16000689; except as otherwise noted herein.

Dated: June 30, 2016

Underwriter Acceptance:



Schedule

INSURED: THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY

TERM: 1-Jul-16 to 1-Jul-17

COMMISSION: 7.50%

Location AS EXPIRING

Liability Limit(s):

Each Occurrence	\$15,000,000
Damage to Premises Rented to you	\$10,000
Medical Expenses (Any One Person)	\$3,000
Personal & Advertising Injury Aggregate	\$15,000,000
General Aggregate	\$15,000,000
Products-Completed Operations Aggregate	Not Covered
Hangarkeepers' Each Accident	Not Covered
Hangarkeepers' Each Aircraft	Not Covered
Contractual Each Occurrence	\$15,000,000

Deductibles

NIL Property Damage Per Claim

Location Premium \$5,245

Tria Premium \$525

Total Premium \$5,770

Terrorism Risk Insurance Act ("TRIA") Coverage

An offer of terrorism coverage, as mandated by TRIA ("TRIA Coverage") was made in an Addendum to our Quote. TRIA Coverage is afforded only if a TRIA Coverage endorsement is listed above (in which case, the corresponding TRIA premium is listed). Otherwise, the offer of TRIA Coverage has been rejected by the Named Insured. If the Named Insured has negotiated terrorism coverage on other terms, then one or more endorsements above include the negotiated coverage for terrorism ("Alternative Terrorism Coverage"), portions of which fall within TRIA (the "TRIA Portion"), as well as other coverage outside of TRIA, and the premium corresponding to the TRIA Portion of the Alternative Terrorism Coverage is 10% of the total premium for the endorsements providing the Alternative Terrorism Coverage. Any TRIA Coverage and the TRIA Portion of Alternative Terrorism Coverage is subject to partial federal reimbursement, and coverage is subject to the TRIA program cap, each as described in the TRIA Addendum to our Quote and in the TRIA Disclosure Endorsement (which does not itself afford any coverage), a copy of which will be attached to the Policy and can also be obtained through the broker.

CERTIFICATE OF INSURANCE

This certificate is given as a matter of information only and confers no rights upon the certificate addressee.

Date: July 2, 2015

This is to certify to:
American Airports Corporation
1615 McKinley Ave
LaVerne, CA 91750

That the following policy has been issued to:
THE SUCCESSOR AGENCY TO THE INDUSTRY
URBAN-DEVELOPMENT AGENCY
P.O. BOX 3366
INDUSTRY, CA 91744

Policy No. 16000689 issued by one or more member companies of Global Aerospace Pool through Global Aerospace, Inc.
Policy Period: from July 1, 2016 to July 1, 2017

AVIATION GROUND OPERATIONS LIABILITY

<u>Coverages</u>	<u>Limits of Liability</u>
Each Occurrence Limit	\$15,000,000
Damage to Premises Rented to You Limit	\$10,000
Medical Expense Limit (Any One Person)	\$3,000
Personal and Advertising Injury Aggregate Limit	\$15,000,000
General Aggregate Limit (Other than Products-Completed Operations and Hangarkeepers)	\$15,000,000
Products-Completed Operations Aggregate Limit	Not Covered
Hangarkeepers' Each Accident Limit	Not Covered
Hangarkeepers' Each Aircraft Limit	Not Covered

The WHO IS AN INSURED section of the policy has been amended to include the certificate addressee as an insured, but only with respect to liability for injury, damage or loss to which the insurance afforded by the policy applies caused by the Named Insured's acts or omissions.

Notwithstanding any requirement, term or condition of any contract or other document with respect to which this certificate may be issued or may pertain, the insurance afforded by the policies described herein is subject to all the terms, exclusions and conditions of such policies. This certificate does not amend, extend or otherwise alter the coverages afforded by the policies described herein. Limits may have been reduced by paid claims.

GLOBAL AEROSPACE, INC.

BY:  _____



Certificate No. 1816125823

CERTIFICATE OF INSURANCE

This certificate is given as a matter of information only and confers no rights upon the certificate addressee.

Date: July 2, 2015

This is to certify to:

County of Los Angeles, its officers, employees, agents and their
respective successor and/or assigns
1615 McKinley Ave
LaVerne, CA 91750

That the following policy has been issued to:

THE SUCCESSOR AGENCY TO THE INDUSTRY
URBAN-DEVELOPMENT AGENCY
P.O. BOX 3366
INDUSTRY, CA 91744

Policy No. 16000689 issued by one or more member companies of Global Aerospace Pool through Global Aerospace, Inc.
Policy Period: from July 1, 2016 to July 1, 2017

AVIATION GROUND OPERATIONS LIABILITY

<u>Coverages</u>	<u>Limits of Liability</u>
Each Occurrence Limit	\$15,000,000
Damage to Premises Rented to You Limit	\$10,000
Medical Expense Limit (Any One Person)	\$3,000
Personal and Advertising Injury Aggregate Limit	\$15,000,000
General Aggregate Limit (Other than Products-Completed Operations and Hangarkeepers)	\$15,000,000
Products-Completed Operations Aggregate Limit	Not Covered
Hangarkeepers' Each Accident Limit	Not Covered
Hangarkeepers' Each Aircraft Limit	Not Covered

The WHO IS AN INSURED section of the policy has been amended to include the certificate addressee as an insured, but only with respect to liability for injury, damage or loss to which the insurance afforded by the policy applies caused by the Named Insured's acts or omissions.

Notwithstanding any requirement, term or condition of any contract or other document with respect to which this certificate may be issued or may pertain, the insurance afforded by the policies described herein is subject to all the terms, exclusions and conditions of such policies. This certificate does not amend, extend or otherwise alter the coverages afforded by the policies described herein. Limits may have been reduced by paid claims.

GLOBAL AEROSPACE, INC.

BY: 

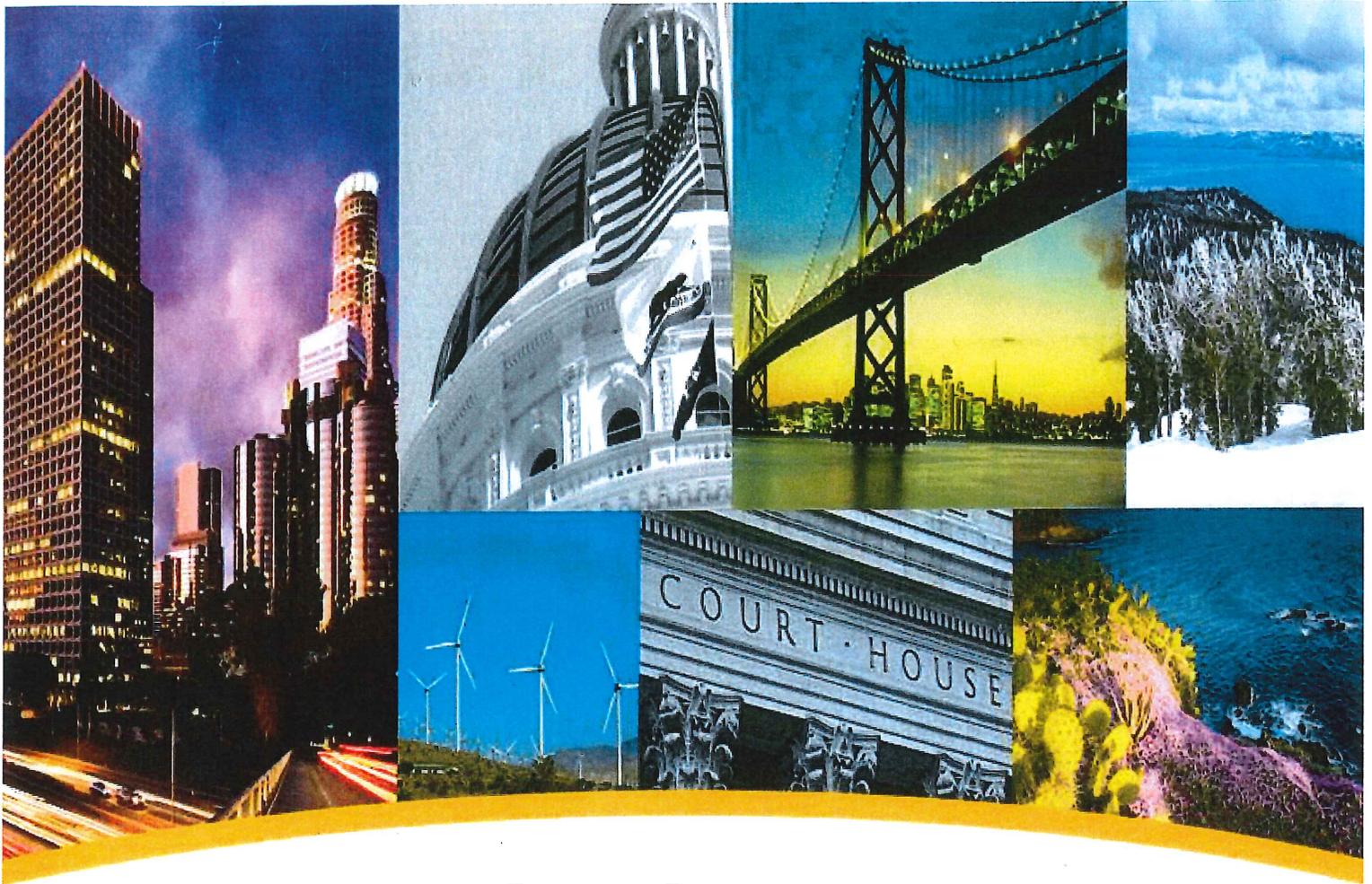


Certificate No. 222112384

EXHIBIT D

**Keenan and Associates Property, Liability and Excess Worker's Compensation
Renewal Proposal for the 2016-2017 Program Year dated June 28, 2016**

[Attached]



CITY OF INDUSTRY

Property, Liability and Excess Workers' Compensation Renewal Proposal for the 2016-2017 Program Year

June 28, 2016

Presented By:

Keenan
Associates

Doug McKibbin
Senior Vice President Public Agency
901 Calle Amanecer #200
San Clemente, CA 92673
Phone: (949) 940-1760, ext. 5120
Fax: (949) 369-0324
E-mail: dmckibbin@keenan.com

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PROGRAM RECOMMENDED

City of Industry Premium Renewal Recommended		Expiring Program 7/1/15 - 7/01/16	Renewal Option 7/01/16 - 7/01/17	% Change
Liability	Premium:	\$ 177,638	\$ 163,437	-7.99%
Property: TIV City Of Industry		\$ 60,766,347	\$ 60,766,347	0.00%
Property: All Risk City of Industry	Premium:	\$ 94,820	\$ 94,923	0.11%
Property TIV Successor Agency		\$ 21,946,302	\$ 21,946,302	0.00%
Property: All Risk Successor Agency	Premium:	\$ 39,454	\$ 42,582	7.93%
Property: DIC	Premium:	\$ 73,582	\$ 59,856	-18.65%
Total Property		\$ 207,856	\$ 197,361	-5.05%
Automobile City of Industry	Premium	\$ 44,235	\$ 46,765	5.72%
Automobile Successor Agency	Premium	\$ 3,361	\$ 3,523	4.82%
	Total Cost	\$ 47,596	\$ 50,288	5.66%
Aviation: City of Industry	Premium	\$ 5,670	\$ 5,770	1.76%
Aviation: Successor Agency	Premium	\$ 5,670	\$ 5,770	1.76%
	Total Cost	\$ 11,340	\$ 11,540	1.76%
Crime with Increased limits	Premium	\$ 794	\$ 3,338	320.40%
Total:		\$ 445,224	\$ 425,964	-4.33%

Recommend adding Cyber coverage. The pricing range is approximately:

- \$15,000 for \$1M limits /\$25k retention or
- \$20,000 - \$25,000 for \$2M limits/ \$50k retention

Above premiums are based upon the best rates achieved for a renewing program with similar limits, terms and conditions as the expiring program. Premiums will vary depending upon the City's final selection as the City may choose optional quotations or choose to waive certain coverages found in the following sections.

All quotes and/or indications are subject to all terms and conditions included in other sections of this proposal and actual policies. This proposal provides a summary of coverages and estimated premiums. In the event of a discrepancy, the actual terms, conditions, limitations and exclusions of the policy shall prevail.

INCUMBENT RENEWAL

City of Industry Premium Renewal Incumbent Renewal		Expiring Program 7/1/15 - 7/01/16	Renewal Option 7/01/16 - 7/01/17	% Change
Liability	Premium:	\$ 177,638	\$ 170,000	-4.30%
Property: TIV City Of Industry		\$ 60,766,347	\$ 60,766,347	0.00%
Property: All Risk City of Industry	Premium:	\$ 94,820	\$ 94,923	0.11%
Property TIV Successor Agency		\$ 21,946,302	\$ 21,946,302	0.00%
Property: All Risk Successor Agency	Premium:	\$ 39,454	\$ 42,582	7.93%
Property: DIC	Premium:	\$ 73,582	\$ 59,856	-18.65%
Total Property		\$ 207,856	\$ 197,361	-5.05%
Automobile City of Industry	Premium	\$ 44,235	\$ 46,765	5.72%
Automobile Successor Agency	Premium	\$ 3,361	\$ 3,523	4.82%
	Total Cost	\$ 47,596	\$ 50,288	5.66%
Aviation: City of Industry	Premium	\$ 5,670	\$ 5,770	1.76%
Aviation: Successor Agency	Premium	\$ 5,670	\$ 5,770	1.76%
	Total Cost	\$ 11,340	\$ 11,540	1.76%
Crime with Increased limits	Premium	\$ 794	\$ 884	11.34%
Total:		\$ 445,224	\$ 430,073	-3.40%

GENERAL LIABILITY

Insurer	Expiring CAMEL 2015-2016	MIC 2016-2017	BRIT 2016-2017
AM Best Rating	A XIII	A+ XIII	A XV
California Status	Admitted	N/A	Non-Admitted
PREMIUM			
Premium	\$177,638	\$163,437	\$175,000
TRIA			\$1,750
Surplus Lines Taxes 3.2%	N/A	N/A	\$5,656
Total Cost with Fees, Taxes and TRIA	\$177,638	\$163,437	\$182,406
Commission		0%	0%
COVERAGE			
Excess Liability	\$10,000,000	\$10,000,000	\$10,000,000
LIMITS			
Per Occurrence	\$10,000,000	\$10,000,000	\$10,000,000
Aggregate	\$10,000,000 Products & Completed Ops	\$10,000,000	\$10,000,000
DEDUCTIBLES			
Deductibles	\$250,000 BI, PI, \$500,000 EPLI	\$250,000 BI, PI, \$500,000 EPLI	\$250,000 GL, Auto, Employee Benefits, \$500,000 Public Officials

PROPERTY ALL RISK CITY OF INDUSTRY

City of Industry
Property Quote Comparison
July 1, 2016 - to July 1, 2017

Insurer	Fireman's Fund (Allianz) 2015-2016	Fireman's Fund (Allianz) 2016-2017
Paper	Fireman's Fund Insurance Company	Fireman's Fund Insurance Company
AM Best Rating	A+ XV	A+ XV
Values		
Blanket Real and Personal Property	\$53,642,890	\$53,642,890
Blanket Business Income Inc. Rental Income/Value Inc. Loss of Occupancy & Use Tax	\$3,512,500	\$3,512,500
Jenbacher Generators (2)	\$2,999,740	\$2,999,740
Inventory	\$200,000	\$200,000
Displays at Cultural Center	\$411,217	\$411,217
Total Values	\$60,766,347	\$60,766,347
Percent Change in Values		0.00%
PREMIUM		
Property & Boiler Premium	\$92,358	\$92,411
Terrorism Premium - Optional	\$2,462	\$2,512
Total Premium and Engineering Fee	\$94,820	\$94,923
RATE Per \$100 of Value	0.1560	0.1562
Percent Change in Rate		0%
<i>Commission to Keenan</i>	<i>N/A Broker Fee</i>	<i>N/A Broker Fee</i>

Insurer	Fireman's Fund (Allianz) 2015-2016	Fireman's Fund (Allianz) 2016-2017
Policy Limit (per occurrence)		
Buildings	\$50,100,526	\$50,100,526
Business Personal Property	\$3,953,681	\$3,953,681
Business Interruption Including Rental Value	\$3,512,500	\$3,512,500
Extra Expense (EE)	\$10,000	\$10,000
Accounts Receivable	\$1,000,000	\$1,000,000
Electronic Data Processing	Equipment - \$536,235 Software - \$100,000 Extra Expense - \$5,000 90% coinsurance	Equipment - \$536,235 Software - \$100,000 Extra Expense - \$5,000 90% coinsurance
Event Crisis Management Extension	\$50,000, subject to 24 Hour Waiting Period	\$50,000, subject to 24 Hour Waiting Period
Data Compromise	\$50,000, Legal and forensic Infor Review - \$5,000	\$50,000, Legal and forensic Infor Review - \$5,000
Debris Removal	25% of Direct Physical Loss	25% of Direct Physical Loss
Ordinance and Law		
Demolition A: Undamaged Portion	Included	Included
Demolition B: Demolition	\$2,500,000	\$2,500,000
Demolition C: Compliance	Inc. with B	Inc. with B
Earthquake	Not Covered	Not Covered
Earthquake Sprinkler Leakage	Loc. 001 RP - \$1,100,000 PP - \$204,687 BI - \$1,500,000 Loc 003 RP - 2,580,000 PP - 150,000 BI - \$1,357,500 Loc 032 RP - \$2,329,086 PP - \$310,000 Loc 057 RP - \$469,000 Loc 058 RP - \$5,120,000 PP - \$476,508 BI - \$452,500	Loc. 001 RP - \$1,100,000 PP - \$204,687 BI - \$1,500,000 Loc 003 RP - 2,580,000 PP - 150,000 BI - \$1,357,500 Loc 032 RP - \$2,329,086 PP - \$310,000 Loc 057 RP - \$469,000 Loc 058 RP - \$5,120,000 PP - \$476,508 BI - \$452,500
Flood	Not Covered	
Fung Limitation	\$25,000	\$25,000
Utility Services Property Damage	\$500,000 for water supply, communication and power supply (no overhead lines)	\$500,000 for water supply, communication and power supply (no overhead lines)
TRIA (Certified Terrorism)	Purchased	Optional
Transit	\$100,000	\$100,000
Unnamed (Undescribed) Location	\$175,000	\$175,000
Valuable Papers and Records	\$400,000	\$4,000,000
Various Displays at Cultural Center	\$411,271	\$411,271

Insurer	Fireman's Fund (Allianz) 2015-2016	Fireman's Fund (Allianz) 2016-2017
DEDUCTIBLE PROVISION:		
Boiler and Machinery Property Damage	\$5,000 except \$10,000 for Motors, Pumps & Deep Well Pump Units except \$25,000 for ICE/Generators Units	\$5,000 except \$10,000 for Motors, Pumps & Deep Well Pump Units except \$25,000 for ICE/Generators Units
Boiler and Machinery Property Damage BI	24 Hours except 30 Days for ICE/Generator Units	24 Hours except 30 Days for ICE/Generator Units
Data Compromise	\$2,500	\$2,500
Electronic Data Processing	\$2,500	\$2,500
EQSL	5% of location value, 168 hrs	5% of location value, 168 hrs
All Other Losses	\$10,000	\$10,000
Various Displays at Cultural Center	\$1,000	\$1,000
Exhibition Floater	\$1,000	\$1,000
VALUATION:		
Building	Replacement Cost	Replacement Cost
Personal Property	Replacement Cost	Replacement Cost
Business Interruption and Rents	Actual Loss Sustained	Actual Loss Sustained
TERMS AND CONDITIONS:		
Coinsurance	100% - Building and BPP waived with Agreed Amount	100% - Building and BPP waived with Agreed Amount
Notice of Cancellation	30 Days except 10 days for non payment of premium	30 Days except 10 days for non payment of premium
NOTES:		
Jenbacher Generators (2) valued at \$2,999,741	Covered at Pacific Palm, but sublimited for miscellaneous locations and in transit (see above)	Options for higher limits for miscellaneous locations and in transit TBD

PROPERTY ALL RISK SUCCESSOR AGENCY

Successor Agency to the Industry Urban Development Agency
Property Quote Comparison
July 1, 2016 - to July 1, 2017

Insurer	Fireman's Fund (Allianz) 2015-2016	Fireman's Fund (Allianz) 2016-2017
Paper	Fireman's Fund Insurance Company	Fireman's Fund Insurance Company
AM Best Rating	A+ XV	A+ XV
Values		
Blanket Real and Personal Property	\$20,496,310	\$20,496,310
Blanket Business Income Inc. Rental Income/Value Inc. Loss of Occupancy & Use Tax	\$1,249,992	\$1,249,992
Inventory	\$200,000	\$200,000
Total Values	\$21,946,302	\$21,946,302
Percent Change in Values		0.00%
PREMIUM		
Property & Boiler Premium	\$38,773	\$41,842
Terrorism Premium - Optional	\$681	\$740
Total Premium and Engineering Fee	\$39,454	\$42,582
RATE Per \$100 of Value	0.1798	0.1940
Percent Change in Rate		8%
<i>Commission to Keenan</i>	<i>N/A Broker Fee</i>	<i>N/A Broker Fee</i>

Insurer	Fireman's Fund (Allianz) 2015-2016	Fireman's Fund (Allianz) 2016-2017
Policy Limit (per occurrence)		
Buildings	\$10,193,453	\$50,100,526
Business Personal Property	\$4,280,000	\$3,953,681
Business Interruption Including Rental Value	\$1,649,992	\$3,512,500
Extra Expense (EE)	\$10,000	\$10,000
Accounts Receivable	\$1,000,000	\$1,000,000
Event Crisis Management Extension	\$25,000, subject to 24 Hour Waiting Period	\$25,000, subject to 24 Hour Waiting Period
Data Compromise	\$50,000, Legal and forensic Infor Review - \$5,000	\$50,000, Legal and forensic Infor Review - \$5,000
Debris Removal	25% of Direct Physical Loss	25% of Direct Physical Loss
Ordinance and Law		
Demolition A: Undamaged Portion	Included	Included
Demolition B: Demolition	\$2,500,000	\$2,500,000
Demolition C: Compliance	Inc. with B	Inc. with B
Earthquake	Not Covered	Not Covered
Earthquake Sprinkler Leakage	Loc. 003 \$4,000,000	Loc. 003 \$4,000,000
Electronic Data Processing Equipment, Voice Communication Equipment, Media, software and Data	Included	Included
Flood	Not Covered	
TRIA (Certified Terrorism)	Purchased	Optional
Transit	\$25,000	\$25,000
Unnamed (Undescribed) Location	\$175,000	\$175,000
Valuable Papers and Records	\$100,000	\$100,000
Exhibition Floater	\$100,000	\$100,000
DEDUCTIBLE PROVISION:		
Boiler and Machinery Property Damage	\$10,000 except \$1.5 Per KVA, \$10,000 min.	\$10,000 except \$1.5 Per KVA, \$10,000 min.
Boiler and Machinery Property Damage BI	24 Hours except 60 Days for Transformers	24 Hours except 60 Days for Transformers
EQSL	5% of location value, 168 hrs	5% of location value, 168 hrs
All Other Losses	\$10,000	\$10,000
Exhibition Floater	\$1,000	\$1,000
VALUATION:		
Building	Replacement Cost	Replacement Cost
Personal Property	Replacement Cost	Replacement Cost
Business Interruption and Rents	Actual Loss Sustained	Actual Loss Sustained
TERMS AND CONDITIONS:		
Coinsurance	100% - Building and BPP waived with Agreed Amount	100% - Building and BPP waived with Agreed Amount
Notice of Cancellation	30 Days except 10 days for non payment of premium	30 Days except 10 days for non payment of premium

PROPERTY DIC

City of Industry July 1, 2016 - 2017 Renewal

Difference in Conditions (Earthquake) Renewal Options

Expiring Deductible Option - 10% Per Unit of Insurance Subject to \$100,000 Minimum

Expiring Price	TOTAL LIMIT	TOTAL LIMIT	Carrier	Carrier Price	Layer Price	Price per Million																
			CA Exposure		\$ 16,477,624																	
\$ 73,582	<table border="1"> <tr> <th colspan="2">Option 1</th> <th colspan="2">Option 2</th> </tr> <tr> <td>Lloyds 67% of \$16,477,624 xs \$0</td> <td>National Fire 33% of \$16,477,624 xs \$0</td> <td colspan="2">Aspen Specialty 6,500,000 xs \$10M</td> </tr> <tr> <td colspan="2">10% CA EQ (\$100K min.),</td> <td colspan="2">10% CA EQ (\$100K min.),</td> </tr> </table>	Option 1		Option 2		Lloyds 67% of \$16,477,624 xs \$0	National Fire 33% of \$16,477,624 xs \$0	Aspen Specialty 6,500,000 xs \$10M		10% CA EQ (\$100K min.),		10% CA EQ (\$100K min.),		\$16.4M	Option 1 Lloyds & National Fire	67,500	0.4096					
		Option 1		Option 2																		
Lloyds 67% of \$16,477,624 xs \$0	National Fire 33% of \$16,477,624 xs \$0	Aspen Specialty 6,500,000 xs \$10M																				
10% CA EQ (\$100K min.),		10% CA EQ (\$100K min.),																				
			Option 2 Aspen Specialty	17,500	0.1062																	
		\$10M	Option 1 : Included Above at 100%		-	-																
			Option 2: Beazley Syndicates	40,000	0.2428																	
					Option 1	Option 2																
			DIC PREMIUM		\$ 67,500	\$ 57,500																
			Inspection Fee		150	500																
			Surplus Lines Taxes & Fees		2,176	1,856																
			CAT Fee		350	-																
			Total CA DIC Premium		<u>70,176</u>	<u>59,856</u>																
73,582																						
<p>All carriers surplus lines except Aspen. Surplus lines estimated taxes and fees based on 3.2%</p> <p>One Industry Hills Parkway Coverage limited to \$3,000,000 demolition only Deductible - Building loss of Main and Hotel combined must exceed \$10M, then deductible is 10% Values per Unit of Insurance (building value) plus \$300,000. Total estimated deductible is \$8,141,991.</p> <p>* Potential deductible based on 10% subject to \$100K min. (actual deductible unknown—based on true values at risk at time of loss)</p> <table border="1"> <thead> <tr> <th>Location</th> <th>Values per SOV</th> <th>Estimated Deductible</th> <th>10%</th> </tr> </thead> <tbody> <tr> <td>Main (Building)</td> <td>\$ 39,449,985</td> <td>\$ 3,944,999</td> <td>Plus \$300,000 Combined with Hotel</td> </tr> <tr> <td>Hotel (Building)</td> <td>\$ 38,969,919</td> <td>\$ 3,896,992</td> <td>Plus \$300,000 Combined with Main</td> </tr> <tr> <td>City Hall (Building)</td> <td>\$ 7,500,000</td> <td>\$ 750,000</td> <td></td> </tr> </tbody> </table> <p>Terrorism - main EQ premium does not include terrorism.</p>							Location	Values per SOV	Estimated Deductible	10%	Main (Building)	\$ 39,449,985	\$ 3,944,999	Plus \$300,000 Combined with Hotel	Hotel (Building)	\$ 38,969,919	\$ 3,896,992	Plus \$300,000 Combined with Main	City Hall (Building)	\$ 7,500,000	\$ 750,000	
Location	Values per SOV	Estimated Deductible	10%																			
Main (Building)	\$ 39,449,985	\$ 3,944,999	Plus \$300,000 Combined with Hotel																			
Hotel (Building)	\$ 38,969,919	\$ 3,896,992	Plus \$300,000 Combined with Main																			
City Hall (Building)	\$ 7,500,000	\$ 750,000																				
Coverage offered by carriers not concurrent																						

City of Industry
DIC Property Quote Comparison
July 1, 2016 - to July 1, 2017

Insurer	National Fire & Marine Lloyds of London	National Fire & Marine Lloyds of London	Beazley Syndicates Aspen Speciality
AM Best Rating	NF&M A++XV Lloyds AXV - Non Admitted	NF&M A++XV Lloyds AXV - Non Admitted	Beazley #2623 and 623 A XV Aspen A XV
Total Insured Values	\$16,477,624	\$16,477,624	\$16,477,624
Percent Change in Values		0.00%	0.00%
PREMIUM			
Premium	\$73,582	\$67,500	\$57,500
Inspection Fee		\$150	\$500
CAT Fee		\$350	\$0
Surplus Lines Taxes and Fees		\$2,176	\$1,856
Total Premium and Fees	\$73,582	\$70,176	\$59,856
RATE Per \$100 of Value	0.4466	0.4259	0.3633
Percent Change in Rate		-5%	-19%
<i>Commission to Keenan</i>	<i>N/A Broker Fee</i>	<i>N/A Broker Fee</i>	<i>N/A Broker Fee</i>
Coverage			
Coverage	Difference in Conditions including Earthquake and Flood Excluding earthquake Sprinkler Leakage	Difference in Conditions including Earthquake and Flood Excluding earthquake Sprinkler Leakage	Difference in Conditions including Earthquake and Flood Excluding earthquake Sprinkler Leakage
Flood	Excludes locations in 100 year flood hazard and all FEMA flood zones including A, V, B, X500, D, and Shaded X	Excludes locations in 100 year flood hazard and all FEMA flood zones including A, V, B, X500, D, and Shaded X	Excludes Flood Zone A and V or any area designated as a 100 year flood plain
Limits			
Policy Limit (per occurrence)	\$16,477,624	\$16,477,624	\$16,477,624
Sublimits			
One Industry Hill Parkway	Coverage limited to \$3,000,000 demolition only	Coverage limited to \$3,000,000 demolition only	Coverage limited to \$3,000,000 demolition only
Debris Removal	\$3,741,597 of this \$3M for One Industry Hill Parkway	\$3,741,597 of this \$3M for One Industry Hill Parkway	See below
Ordinance or Law Parts B & C	\$300,000	\$300,000	
Ordinance or Law Parts B Demo Main Bld & Hotel			\$3,000,000 for One Industry Hill Parkway
Ordinance or Law Part B & C All other than Main Bld and Hotel			\$250,000
Cost of Inventory			\$200,000
DEDUCTIBLE PROVISION:			
Earthquake	10%/ \$100,00 Minimum except <u>One Industry Hills Parkway</u> Deductible - Building Loss of Main and Hotel combined must exceed \$10M, then deductible is 10% Values per Unit of Insurance (building value) plus \$300,000. Total estimated deductible is \$8,141,991.	10%/ \$100,00 Minimum except <u>One Industry Hills Parkway</u> Deductible - Building Loss of Main and Hotel combined must exceed \$10M, then deductible is 10% Values per Unit of Insurance (building value) plus \$300,000. Total estimated deductible is \$8,141,991.	10%/ \$100,00 Minimum except <u>One Industry Hills Parkway</u> Deductible - Building Loss of Main and Hotel combined must exceed \$10M, then deductible is 10% Values per Unit of Insurance (building value) plus \$300,000. Total estimated deductible is \$8,141,991.
Flood	\$25,000	\$25,000	2%/ \$50,000 Minimum
All Other	\$25,000	\$25,000	\$25,000
VALUATION:			
Building	Replacement Cost	Replacement Cost	Replacement Cost
Personal Property	Replacement Cost	Replacement Cost	Replacement Cost
Business Interruption and Rents	Actual Loss Sustained	Actual Loss Sustained	Actual Loss Sustained

Insurer	National Fire & Marine Lloyds of London	National Fire & Marine Lloyds of London	Beazley Syndicates Aspen Specialty
TERMS AND CONDITIONS:			
Notice of Cancellation	90 Days except 10 days for non payment of premium	90 Days except 10 days for non payment of premium	90 Days except 10 days for non payment of premium
Flood Zones Excluded	A, V, B, X500, D, Shaded X	A, V, B, X500, D, Shaded X	A & V or any 100 year flood designation
EQSL Excluded	Yes	Yes	Yes
Occurrence of Limit of Liability	Yes	2.b. has been deleted	None
Minimum Earned Premium	25%	25%	25%
Per Schedule on file with Carrier	Yes	Yes	Yes
Warranties: Newly Acquired Property	Must be submitted prior to approval	Must be submitted prior to approval	Must be submitted prior to approval
Warranties: Limits	No blanket Limits values: must be broken out on SOV	No blanket Limits values: must be broken out on SOV	
Warranties: Construction	No un-reinforced masonry construction, tuck under or soft	No un-reinforced masonry construction, tuck under or soft	
Warranties: All Risk	All Risk including theft of underlying policy in force	All Risk including theft of underlying policy in force	
Warranties: Values	Values reported based on 100% Replacement cost and Annual Time Element Values	Values reported based on 100% Replacement cost and Annual Time Element Values	
Subject to:			
Earthquake Inspection		Yes	Yes
Inspection contact		Required prior to binding	Required prior to binding
Signed Statement of Values		Required prior to binding	
Signed Terrorism form with selection		Required prior to binding	Required prior to binding

DIC SOV on File

City of Industry																		
Values for 2015-2016																		
DIFFERENCE IN CONDITIONS - EARTHQUAKE & FLOOD																		
Named Insured:		City of Industry, et al (see below for Named Insured wording)																
Mailing Address:		P.O. Box 3386, Industry, CA 91744																
Term:		07/01/2014 to 07/01/2015																
Policy Limit:		\$13,000,000																
Deductible:		10%																
Loc Number	Loc Name	Street Address	City	County	State	ZIP Code	Construction Class	Occupancy Type	Stories	Year Built	Year Upgraded	Bldg Value	Conts Value	Sq Ft	Sprinklered	Steel Reinf	Roof	
1	Main	One Industry Hills Parkway	Industry	LA	CA	91744	Steel & Brick	Conference Center	3	1979	1992/93	3,000,000	-	152,000	Yes	Yes	Modified Asphalt	
	Hotel	One Industry Hills Parkway	Industry	LA	CA	91744	Steel & Brick	Hotel	11	1982	1992	INCLUDED	-	270,000	Yes	Yes	Modified Asphalt	
2	Fire Station #118	17056 Gale St	Industry	LA	CA	91744	Stucco on Conc Block	Fire Station	1	1997		1,797,000	-	12,466	Yes	Yes		
3	City Hall	15625 E. Stafford St	Industry	LA	CA	91744	Concrete Tilt Up	Offices	2	1982		7,500,000	575,000	29,859	No	Yes	Composition	
4	Maintenance Facility	16200 Temple Ave	Industry	LA	CA	91744	Steel - 2.5MM gallons	Water Tank	1	1980		800,000	-	N/A	N/A	Yes	Steel	
5	Maintenance Facility	16200 Temple Ave	Industry	LA	CA	91744	Steel - 2.5MM gallons	Water Tank	1	1980		800,000	-	N/A	N/A	Yes	Steel	
6	Lomitas Reservoir	13831 Lomitas Ave	Industry	LA	CA	91746	Steel - 2 m.g.	Reservoir	1	1985		1,069,389	-				Steel	
7	EDP (hard/software)	*All City Locations, not just those above																
											SUB TOTALS =		14,966,389	1,111,235				
											Cost of Inventory & Adjustment		200,000					
											*EDP Media		100,000					
											*EDP Extra Expense		100,000					
											T.I.V. =		16,477,624					
NOTE: Main & Hotel buildings are connected, not separate structures																		
Named Insured: City of Industry, Civic-Recreational-Industrial Authority, Parking Authority of the City of Industry, City of Industry Water Works System, Industry Public Utilities Commission, City of Industry Property and Housing Management Authority, City of Industry Public Facilities Authority																		
a)	Value of:	Main	39,449,985															
		Hotel	38,969,919															
			78,419,904	Combined Structures														
b) Requesting Coverage: In the event of damage to One Industry Hills Parkway which exceeds \$10,000,000 of insured values of the combined structures, the policy will cover up to \$3,000,000 (Location Submit) for demolition of the combined structures only. Locations #1 through #7 also subject to a Policy Loss Limit of \$13,000,000 - Location #1 (Subject to \$300,000 deductible)																		

AUTOMOBILE: CITY OF INDUSTRY

City of Industry
Auto Quote Comparison
July 1, 2016 - to July 1, 2017

Insurer	Fireman's Fund (Allianz) 2015-2016	Fireman's Fund (Allianz) 2016-2017
Paper	Fireman's Fund Insurance Company	Fireman's Fund Insurance Company
AM Best Rating	A+ XV	A+ XV
Exposures	2 Power Units	2 Power Units
Change in Exposure		0.0%
Total Premium Inc. CA Auto Surcharge	\$44,235	\$46,765
Percent Change in Premium		6%
<i>Commission to Keenan</i>	<i>N/A Broker Fee</i>	<i>N/A Broker Fee</i>
Limits		
Liability (1 Any Auto)	\$1,000,000 Ea. Accident	\$1,000,000 Ea. Accident
Auto Medical Payments (2 Owned Auto)	\$5,000 Ea. Person	\$5,000 Ea. Person
Uninsured Motorists (CA) (2 Owned Auto)	\$1,000,000	\$1,000,000
Comprehensive (7 Specifically Described Autos)	Actual Cash Value	Actual Cash Value
Collision (7 Specifically Described Autos)	Actual Cash Value	Actual Cash Value
Towing	Not covered	Not covered
Deductible		
Comprehensive	\$500	\$500
Collision	\$500	\$500
Premium Option		
Reduce the liability limit to \$250,000 Inc. CA Suto Surcharge		\$36,683
Note:		

2015 Auto premium from Schedule of Insurance as it is not broken out in policy

AUTOMOBILE: SUCCESSOR AGENCY

Successor Agency to the Industry Urban Development Agency
Auto Quote Comparison
July 1, 2016 - to July 1, 2017

Insurer	Fireman's Fund (Allianz) 2015-2016	Fireman's Fund (Allianz) 2016-2017
Paper	Fireman's Fund Insurance Company	Fireman's Fund Insurance Company
AM Best Rating	A+ XV	A+ XV
Exposures	2 Power Units	2 Power Units
Change in Exposure		0.0%
Total Premium	\$3,361	\$3,523
Percent Change in Premium		5%
<i>Commission to Keenan</i>	<i>None</i>	<i>None</i>
Limits		
Liability (1 Any Auto)	\$1,000,000 Ea. Accident	\$1,000,000 Ea. Accident
Auto Medical Payments (2 Owned Auto)	\$5,000 Ea. Person	\$5,000 Ea. Person
Uninsured Motorists (CA) (2 Owned Auto)	\$1,000,000	\$1,000,000
Comprehensive (7 Specifically Described Autos)	Actual Cash Value	Actual Cash Value
Collision (7 Specifically Described Autos)	Actual Cash Value	Actual Cash Value
Towing	Not covered	Not covered
Deductible		
Comprehensive	\$500	\$500
Collision	\$500	\$500
Premium Option		
Reduce the liability limit to \$250,000 Inc. CA Suto Surcharge		\$2,815
Note		
2015 Auto premium from Schedule of Insurance as it is not broken out in policy		

AVIATION

Insurer	American Alternative/Mitsui Sumito/National Indemnity/Tokio Marine 2015-2016	American Alternative/Mitsui Sumito/National Indemnity/Tokio Marine 2016-2017
AM Best Rating	Various	Various
PREMIUM		
City of Industry	\$5,670	\$5,245
Successor Agency	\$5,670	\$5,245
Total Premium	\$11,340	\$10,490
Commission	15.0%	7.5%
Terrorism Risk Optional City		\$525
Terrorism Risk Optional Successor Agency		\$525
LIMITS		
Per Occurrence	\$15,000,000	Same as current
Sublimits:		
Damage to Premises Rented to You	\$10,000	Same as current
Medical Expenses (Any One Person)	\$3,000	Same as current
Personal & Ad Injury Agg	\$15,000,000	Same as current
General Aggregate	\$15,000,000	Same as current
Hangarkeepers' Each Accident	Not Covered	Not Covered
Hangarkeepers' Each Aircraft	Not Covered	Not Covered
Contractual Each Occurrence	\$15,000,000	Same as current
DEDUCTIBLES		
Perperty Damage Per Claim	Nil	Same as current

CRIME

Coverage	Expiring		Option 1		Option 2	
	Hartford Fire Insurance Co.		Hartford Fire Insurance Co.		Zurich	
	Limits	Deductible	Limits	Deductible	Limits	Deductible
Employee Theft per Loss	\$250,000	\$5,000	\$250,000	\$5,000	\$1,000,000	\$5,000
Depositors Forgery or Alteration	\$100,000	\$5,000	\$100,000	\$5,000	\$1,000,000	\$5,000
Inside the Premises Theft of Money & Computer Fraud	No Coverage		No Coverage		\$1,000,000	\$5,000
Funds Transfer Fraud	No Coverage		No Coverage		\$1,000,000	\$5,000
Money Orders & Counterfeit	\$50,000	\$0	\$50,000	\$0	\$1,000,000	\$5,000
Faithful Performance	No Coverage		No Coverage		\$1,000,000	\$5,000
Fraudulent Impersonation	No Coverage		No Coverage		\$250,000	\$50,000
Premium		Unknown		\$884		\$1,610

Coverage	Expiring		Option 3		Option 4	
	Hartford Fire Insurance Co.		Zurich		Zurich	
	Limits	Deductible	Limits	Deductible	Limits	Deductible
Employee Theft per Loss	\$250,000	\$5,000	\$5,000,000	\$25,000	\$10,000,000	\$100,000
Depositors Forgery or Alteration	\$100,000	\$5,000	\$5,000,000	\$25,000	\$10,000,000	\$100,000
Inside the Premises Theft of Money & Computer Fraud	No Coverage		\$5,000,000	\$25,000	\$10,000,000	\$100,000
Funds Transfer Fraud	No Coverage		\$5,000,000	\$25,000	\$10,000,000	\$100,000
Money Orders & Counterfeit	\$50,000	\$0	\$5,000,000	\$25,000	\$10,000,000	\$100,000
Faithful Performance	No Coverage		\$5,000,000	\$25,000	\$10,000,000	\$100,000
Fraudulent Impersonation	No Coverage		\$250,000	\$50,000	\$250,000	\$50,000
Premium		Unknown		\$3,338		\$7,974

BIND ORDER

I have reviewed and accept the attached Proposal. Please accept this as authorization to bind coverage effective July 1, 2016. This proposal provides a summary of coverages. In the event of a conflict, the actual terms, conditions, limitations and exclusions of the policy shall prevail.

General Liability:

MIC \$163,437

BRIT \$182,406

Property All Risk:

Fireman's Fund: All Risk City of Industry: \$94,923

Fireman's Fund All Risk Successor Agency: \$42,582

Property DIC:

Option 1: Lloyd's / National Fire: \$70,176

Option 2: Beazley Syndicate / Aspen Specialty: \$59,856

Automobile:

Fireman's Fund City of Industry: \$46,765

Fireman's Fund Successor Agency: \$3,523

Aviation City of Industry and Successor Agency:

NO Terrorism: \$10,490

With Terrorism: \$11,540

Crime:

Option 1: Hartford Fire: \$884

Option 2: Zurich: \$1,610

Option 3: Zurich: \$3,338

Option 4: Zurich: \$7,974

Cyber:

Please pursue obtaining firm quotes

Not interested at this time

*Paul J. Fluty
6/29/2016
@ 4:45 pm PT*

KEENAN DISCLOSURE STATEMENT

Nature of Our Services

As your broker, Keenan will act as your advisor and consultant, but you will remain the ultimate decision maker. We will assist you in evaluating the information presented so that you can make an informed decision. You will, at all times, retain the right and responsibility to determine whether to accept or implement any information, recommendation, or suggestion presented by Keenan

Keenan does not provide legal, tax, or accounting service, advice, or opinion, and our services are not to be interpreted as representing any such service, advice, or opinion. Clients are expected to consult their own counsel and their tax/accounting experts on all legal, tax, and accounting matters relating to their insurance programs.

Needs Assessment and Marketing Plan

Keenan will work with you to assess and address your insurance needs. During this phase we will gather important information from you that will help us to develop a marketing plan and present your organization to prospective carriers. It is important that any information you provide us – or that someone else provides on your behalf – is accurate and complete. Prospective carriers will rely on this information as they develop their quotes.

After we develop a marketing plan, Keenan will contact those markets that it has determined most likely to meet the needs you have identified. We will not, however, contact every available market for the particular coverage being sought. In so far as practical, Keenan will honor requests to contact specific markets, but Keenan will not present a client to any carrier that we have determined will not provide a competitive quote. Keenan cannot guarantee the availability or price of insurance products, and cannot be responsible for fluctuations in the premiums charged by insurers.

Use of Intermediaries

We generally prefer to approach markets directly wherever possible. Upon occasion, however, we may use intermediaries, including but not limited to co-brokers, sub-brokers, managing general agents/managing general underwriters, wholesale brokers, or reinsurance brokers if we believe it is necessary or appropriate.

Marketing Results and Review of Options

Keenan will report to you in summary format, information concerning all markets and carriers approached. The summary shall include, as applicable: name of carriers approached, limits, premium, and deductible. The summary shall also include the names of any carriers who declined to provide a quote. We will also present a comparison summary highlighting the significant terms and/or differences among the various coverages quoted. The summary is provided for convenience only. It is not a comprehensive review of all policy terms and conditions. It is your responsibility to ask questions and to request any additional information that you deem necessary to make an informed decision regarding your insurance or self-insurance program.

Keenan cannot guarantee the solvency of any carrier with which we place business. Clients are encouraged to review all publicly available information and to contact us regarding any questions they may have. Ultimately, it remains the client's decision whether or not to accept a particular insurance carrier.

Binding Coverage

Once you have made your decision, Keenan will communicate your decision to the selected carrier so that coverage can be bound on your behalf. It is your responsibility to carefully review all documents we give you, including binders, policies and endorsements, and to advise us immediately if you find any mistakes, or believe the materials do not properly reflect your needs or instructions.

Compensation

Our service agreement with you will outline the specific terms of Keenan's compensation. Brokers often receive commissions from insurance carriers based on the insurance products sold. Commissions that are directly related to the insurance coverage purchased may impact the pricing that Keenan is able to obtain for such coverage.

It is possible that Keenan may also provide services to other entities that also provide services to our clients. They may include administrative, underwriting, marketing, loss control, and/or reinsurance related services. To the extent that any such services are provided, Keenan will be separately compensated by the recipient of those services.

Consistent with industry practices, insurers may also pay insurance brokers, such as Keenan, indirect compensation based upon volume efficiencies, client renewals, marketing services, product development, technology investments and other additional services. Keenan seeks written assurances from insurers that any such indirect compensation will not adversely impact the pricing or coverage terms that Keenan is able to obtain for its clients.

Keenan complies with all applicable state and/or federal laws and regulations regarding disclosure of compensation. We embrace industry efforts for transparency and believe it is important that clients have access to information that may be relevant to their choice of insurance products, including the cost of such insurance and services, and, the compensation that may be directly or indirectly paid to Keenan in connection with the products or services that are selected. If you have questions regarding any of these items or desire additional information, you may contact your Keenan account representative to discuss this matter in more detail.

CARRIER RATINGS

Guide to Best Ratings Rating Levels and Categories

Level	Category	Level	Category	Level	Category
A++, A+...	Superior	B, B-.....	Fair	D.....	Poor
A, A-.....	Excellent	C++, C+...	Marginal	E...	Under Regulatory Supervision
B++, B+..	Very Good	C, C-.....	Weak	F.....	In Liquidation
				S.....	Rating Suspended

Financial Size Categories

(In \$000 of Reported Policyholders' Surplus Plus Conditional Reserve Funds)

FSC I	Up to 1,000	FSC IX	250,000 to 500,000
FSC II	1,000 to 2,000	FSC X	500,000 to 750,000
FSC III	2,000 to 5,000	FSC XI	750,000 to 1,000,000
FSC IV	5,000 to 10,000	FSC XII	1,000,000 to 1,250,000
FSC V	10,000 to 25,000	FSC XIII	1,250,000 to 1,500,000
FSC VI	25,000 to 50,000	FSC XIV	1,500,000 to 2,000,000
FSC VII	50,000 to 100,000	FSC XV	2,000,000 or more
FSC VIII	100,000 to 250,000		

Best's Insurance Reports, published annually by A.M. Best Company, Inc., presents comprehensive reports on the financial position, history, and transactions of insurance companies operating in the United States and Canada. Companies licensed to do business in the United States are assigned a Best's Rating which attempts to measure the comparative position of the company or association against industry averages. Copies of the Best's Insurance Reports on the insurance companies are available upon your request. Keenan uses A.M. Best & Co.'s rating services to evaluate the financial condition of the insurers whose policies we propose to deliver. The rating of the carrier and the year of the publication of that rating are indicated above. Keenan makes no representations and/or warranties concerning the solvency of any carrier, nor does it make any representation or warranty concerning the rating of the carrier which may change.

City of Industry - Crime Program Renewal

Coverage	Expiring		Option 1		Option 2		Option 3		Option 4	
	Hartford Fire Insurance Co.		Hartford Fire Insurance Co.		Zurich		Zurich		Zurich	
	Limits	Deductible	Limits	Deductible	Limits	Deductible	Limits	Deductible	Limits	Deductible
Employee Theft per Loss	\$250,000	\$5,000	\$250,000	\$5,000	\$1,000,000	\$5,000	\$5,000,000	\$25,000	\$10,000,000	\$100,000
Depositors Forgery or Alteration	\$100,000	\$5,000	\$100,000	\$5,000	\$1,000,000	\$5,000	\$5,000,000	\$25,000	\$10,000,000	\$100,000
Theft of Money & Securities	No Coverage		No Coverage		\$1,000,000	\$5,000	\$5,000,000	\$25,000	\$10,000,000	\$100,000
Computer Fraud	No Coverage		No Coverage		\$1,000,000	\$5,000	\$5,000,000	\$25,000	\$10,000,000	\$100,000
Funds Transfer Fraud					\$1,000,000	\$5,000	\$5,000,000	\$25,000	\$10,000,000	\$100,000
Money Orders & Counterfeit	\$50,000	\$0	\$50,000	\$0	\$1,000,000	\$5,000	\$5,000,000	\$25,000	\$10,000,000	\$100,000
Faithful Performance	No Coverage		No Coverage		\$1,000,000	\$5,000	\$5,000,000	\$25,000	\$10,000,000	\$100,000
Fraudulent Impersonation	No Coverage		No Coverage		\$250,000	\$50,000	\$250,000	\$50,000	\$250,000	\$50,000
Premium		Unknown		\$884		\$1,610		\$3,338		\$7,974

CITY COUNCIL

ITEM NO. 6.4



CITY OF INDUSTRY

P.O. Box 3366 • 15625 E. Stafford St. • City of Industry, CA 91744-0366 • (626) 333-2211 • FAX (626) 961-6795

MEMORANDUM

To: Honorable Mayor and Members of the City Council

From: Paul J. Philips, City Manager *Paul J. Philips*

Staff: Alex Gonzalez, Director of Development Services and Administration *AG*

Date: July 14, 2016

SUBJECT: Second Reading and Adoption of Ordinance No. 794 Amending Section 10.40.010 (Portion of Vineland Avenue) and Repealing Sections 10.40.020 (Baldwin Park Boulevard and Railroad Avenue), 10.40.030 (Valley Boulevard), 10.40.040 (Hacienda Boulevard), 10.40.050 (Certain Streets), 10.40.060 (Proctor Avenue, Don Julian Road and Turnbull Canyon Road), 10.40.070 (Gale Avenue), 10.40.080 (Pass and Covina Road), 10.40.090 (San Gabriel River Parkway), 10.40.100 (Azusa Avenue), 10.40.110 (Portion of Valley Boulevard), 10.40.120 (Portion of Temple Avenue), 10.40.130 (portion of Amar Road), 10.40.140 (Portion of Temple Avenue), 10.40.150 (Portion of Brea Canyon Road), 10.40.160 (Portion of Gale Avenue), 10.40.170 (Portion of Mohr Avenue), 10.40.180 (Portion of Walnut Drive), 10.40.190 (Portion of Gale Avenue), and 10.40.200 (Portion of Grand Avenue) of Chapter 10.40 (Speed Limits) of Title 10 (Vehicles and Traffic) of the City of Industry Municipal Code

At the June 23, 2016 City Council meeting, the City Council introduced and approved the first reading of Ordinance No. 794. If the second reading of the ordinance is approved, the ordinance shall be effective 30 days from adoption.

It is recommended that the City Council waive further reading and adopt Ordinance No. 794, "Amending Section 10.40.010 (Portion of Vineland Avenue) and Repealing Sections 10.40.020 (Baldwin Park Boulevard and Railroad Avenue), 10.40.030 (Valley Boulevard), 10.40.040 (Hacienda Boulevard), 10.40.050 (Certain Streets), 10.40.060 (Proctor Avenue, Don Julian Road and Turnbull Canyon Road), 10.40.070 (Gale Avenue), 10.40.080 (Pass and Covina Road), 10.40.090 (San Gabriel River Parkway), 10.40.100 (Azusa Avenue), 10.40.110 (Portion of Valley Boulevard), 10.40.120 (Portion of Temple Avenue), 10.40.130 (portion of Amar Road), 10.40.140 (Portion of Temple Avenue), 10.40.150 (Portion of Brea Canyon Road), 10.40.160 (Portion of Gale Avenue), 10.40.170 (Portion of Mohr Avenue), 10.40.180 (Portion of Walnut Drive), 10.40.190 (Portion of Gale Avenue), and 10.40.200 (Portion of Grand Avenue) of Chapter 10.40 (Speed Limits) of Title 10 (Vehicles and Traffic) of the City of Industry Municipal Code."

PJP:AG:mk

EXHIBIT A

Ordinance No. 794

[Attached]

ORDINANCE NO. 794

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF INDUSTRY, CALIFORNIA AMENDING SECTION 10.40.010 (PORTION OF VINELAND AVENUE) AND REPEALING SECTIONS 10.40.020 (BALDWIN PARK BOULEVARD AND RAILROAD AVENUE), 10.40.030 (VALLEY BOULEVARD), 10.40.040 (HACIENDA BOULEVARD), 10.40.050 (CERTAIN STREETS), 10.40.060 (PROCTOR AVENUE, DON JULIAN ROAD AND TURNBULL CANYON ROAD), 10.40.070 (GALE AVENUE), 10.40.080 (PASS AND COVINA ROAD), 10.40.090 (SAN GABRIEL RIVER PARKWAY), 10.40.100 (AZUSA AVENUE), 10.40.110 (PORTION OF VALLEY BOULEVARD), 10.40.120 (PORTION OF TEMPLE AVENUE), 10.40.130 (PORTION OF AMAR ROAD), 10.40.140 (PORTION OF TEMPLE AVENUE), 10.40.150 (PORTION OF BREA CANYON ROAD), 10.40.160 (PORTION OF GALE AVENUE), 10.40.170 (PORTION OF MOHR AVENUE), 10.40.180 (PORTION OF WALNUT DRIVE), 10.40.190 (PORTION OF GALE AVENUE), AND 10.40.200 (PORTION OF GRAND AVENUE) OF CHAPTER 10.40 (SPEED LIMITS) OF TITLE 10 (VEHICLES AND TRAFFIC) OF THE CITY OF INDUSTRY MUNICIPAL CODE

WHEREAS, California Vehicle Code Section 22357 provides that whenever a local authority determines on the basis of an engineering and traffic survey that a speed greater than 25 miles per hour would facilitate the orderly movement of vehicular traffic and would be reasonable and safe upon any street other than a state highway otherwise subject to a prima facie limit of 25 miles per hour, the local authority may by ordinance determine and declare a prima facie speed limit of 30, 35, 40, 45, 50, 55, or 60 miles per hour or a maximum speed limit of 65 miles per hour, whichever is found most appropriate to facilitate the orderly movement of traffic and is reasonable and safe; and

WHEREAS, California Vehicle Code section 22358 provides that whenever a local authority determines on the basis of an engineering and traffic survey that the limit of 65 miles per hour is more than is reasonable or safe upon any portion of any street other than a state highway where the limit of 65 miles per hour is applicable, the local authority may by ordinance determine and declare a prima facie speed limit of 60, 55, 50, 45, 40, 35, 30, or 25 miles per hour, whichever is found most appropriate to facilitate the orderly movement of traffic and is reasonable and safe; and

WHEREAS, Section 40802 (a)(2) of the California Vehicle Code states that speed limits for streets, other than a local street, road, or school zone, must be justified by an Engineering and Traffic Survey conducted less than five, seven, or ten years with conditions, prior to enforcement of that speed limit, if it is to be enforced by the use of radar; and

WHEREAS, the most recent Engineering and Traffic Survey for certain street segments was last completed in May 2016, a copy of which is attached hereto as Exhibit A, and incorporated herein by reference; and

WHEREAS, the survey recommended certain changes to or new speed limits for certain City streets, as set forth herein; and

WHEREAS, the City Council wishes to ensure that traffic speeds throughout the community are kept at a safe level given the conditions that exist on certain streets; and

WHEREAS, the City Council wishes to use electronic speed measurement equipment for speed enforcement on these certain streets; and

WHEREAS, the Ordinance establishing speed limits must be adopted to reflect speed limits that are to be established following the completion of the Engineering and Traffic Survey; and

WHEREAS, the California Manual of Traffic Control Devices describes the policy to be used in the State of California for setting speed limits, which requires that the posted speed be established at the nearest 5 mph increment of the 85th-percentile speed of free-flowing traffic; and

WHEREAS, the City Council recognizes that the California Manual of Traffic Control Devices also allows the posted speed limit to be reduced by 5 mph from the nearest 5 mph increment of the 85th-percentile speed, in compliance with California Vehicle Code Sections 627 and 22358.5, if the Engineering and Traffic Survey documents the special conditions and justification for the lower speed limit and is approved by a registered Civil or Traffic Engineer; and

WHEREAS, the enforcement of speed limits by the use of radar is necessary in order to protect the safety of the residents of the City of Industry; and

WHEREAS, the City Council has determined that the speed limits set forth herein are most appropriate to facilitate the orderly movement of traffic within the City. **NOW, THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF INDUSTRY AS FOLLOWS:**

SECTION 1. Recitals. The City Council finds that the above Recitals are true and correct, and are incorporated herein by reference.

SECTION 2. CEQA Finding. The City Council finds that it can be seen with certainty that there is no possibility that the adoption of this Ordinance and the establishment of the regulations hereby will have a significant effect on the environment. The Ordinance is therefore exempt from review under the California Environmental Quality Act, pursuant to Title 14, Section 15061(b)(3) of the California Code of Regulations.

SECTION 3. Industry Municipal Code Amendment. The City Council hereby amends Chapter 10.40.010 (Speed Limits on City Streets) of the Industry Municipal Code to read in its entirety as follows:

10.40.010. Speed Limits on City Streets.

The California Vehicle Code provides that cities may by ordinance establish prima facie speed limits. It is determined, upon the basis of an engineering and traffic survey, that the following prima facie

speed limits would facilitate the orderly movement of traffic and would be reasonable and safe. It is declared, that signs be erected, as appropriate, to provide notice of the following prima facie speed limits:

<u>No.</u>	<u>Street</u>	<u>Location</u>	<u>Speed Limit</u>
1.	Valley Blvd.	Turnbull Canyon Rd. to Proctor Ave.	50
2.	Valley Blvd.	Proctor Ave. to Hacienda Blvd.	45
3.	Valley Blvd.	Hacienda Blvd. to Stimson Ave.	50
4.	Valley Blvd.	Stimson Ave. to City Limit	50
5.	Valley Blvd.	Azusa Ave. to Hurley St.	50
6.	Valley Blvd.	Hurley St. to City Limit	50
7.	Azusa Ave.	Gemini St. to Temple Ave.	45
8.	Azusa Ave.	Hurley St. to Gemini St.	45
9.	Azusa Ave.	Railroad St. to Hurley St.	45
10.	Azusa Ave.	Gale Ave. to Railroad St.	45
11.	Azusa Ave.	SR-60 WB to Gale Ave.	40
12.	Gale Ave.	City Boundary/Fieldgate Ave. to Bixby Dr.	45
13.	Gale Ave.	Bixby Dr. to Azusa Ave.	40
14.	Gale Ave.	Azusa Ave. to Auto Mall West	45
15.	Gale Ave.	Auto Mall West to Stoner Creek Rd.	45
16.	Gale Ave.	Jellick Ave. to Coiner Ct.	40
17.	Baldwin Park Blvd.	Railroad Ave. to Temple Ave.	35
18.	Baldwin Park Blvd.	Temple Ave. to Amar Rd.	35
19.	Hacienda Blvd.	Stafford St. to Nelson Ave.	40
20.	Hacienda Blvd.	Valley Blvd. to Stafford St.	40
21.	Hacienda Blvd.	Don Julian Rd. to Valley Blvd.	40
22.	Temple Ave.	City Limits to Baldwin Park Blvd.	40
23.	Temple Ave.	Baldwin Park Blvd. to Valley Blvd.	40
24.	Fairway Dr.	San Jose Ave. to Business Pkwy.	40
25.	Fairway Dr.	Walnut Dr. N. to Walnut Dr. S.	40
26.	Fullerton Rd.	Arenth Ave. to San Jose Ave.	35
27.	Fullerton Rd.	SR-60 WB Ramp to SR-60EB Ramp	35

<u>No.</u>	<u>Street</u>	<u>Location</u>	<u>Speed Limit</u>
28.	Peck Rd.	City Boundary to Rooks Rd.	45
29.	Peck Rd.	Rooks Rd. to Pellissier Pl.	40
30.	Stoner Creek Rd.	Colima Rd. to Castleton St.	30
31.	Stoner Creek Rd.	Castleton St. to Gale Ave.	30
32.	Amar Rd.	Aileron Ave. to Echelon Ave.	40
33.	Colima Rd.	Azusa Ave. to Albatross Rd.	40
34.	Colima Rd.	Albatross Rd. to Hanover Rd.	40
35.	Colima Rd.	Hanover Rd. to Walnut Hall Rd.	40
36.	Colima Rd.	Walnut Hall Rd. to Stoner Creek Rd.	40
37.	Grand Ave.	Valley Blvd. to Ferrero Pkwy.	50
38.	Grand Ave.	Baker Pkwy. to SR-60 Fwy.	50
39.	Hambeldon Ave.	Valley Blvd. to Hurley St.	30
40.	Hurley St.	Azusa Ave. to Valley Blvd.	35
41.	Lemon Ave.	Valley Blvd. to Currier Rd.	40
42.	Lemon Ave.	Currier Rd. to City Limit	40
43.	Pelissier Pl.	Peck Rd. to Workman Mill Rd.	45
44.	Proctor Ave.	Athens Way to City Boundary	35
45.	Proctor Ave.	6 th Ave. to 7 th Ave.	35
46.	Proctor Ave.	7 th Ave. to 9 th Ave.	35
47.	Proctor Ave.	9 th Ave. to Turnbull Canyon Rd.	35
48.	Proctor Ave.	Turnbull Canyon Rd. to Valley Blvd.	35
49.	Rooks Rd.	Peck Rd. to Kella Ave.	25
50.	Seventh Ave.	Clark Ave. to Salt Lake Ave.	40
51.	Seventh Ave.	Don Julian Rd. to Proctor Ave.	40
52.	Seventh Ave.	Proctor Ave. to City Boundary	40
53.	Stimson Ave.	Gale Ave. to Valley Blvd.	35
54.	Sunset Ave.	Valley Blvd. to Nelson Ave.	40
55.	Arenth Ave.	Anaheim-Puente Rd. to Fullerton Rd.	40
56.	Baker Pkwy.	Cul de Sac to Grand Crossing Pkwy.	30

<u>No.</u>	<u>Street</u>	<u>Location</u>	<u>Speed Limit</u>
57.	Baker Pkwy.	Grand Crossing Pkwy. to Grand Ave.	45
58.	Chestnut St.	Anaheim Puente Rd. to Hatcher St.	35
59.	Don Julian Rd.	6 th Ave. to 7 th Ave.	35
60.	Echelon Ave.	Loukelton St. to Amar Rd.	25
61.	Giano Rd.	Valley Blvd. to City Boundary	30
62.	Loukelton St.	Echelon Ave. to City Boundary	25
63.	Nelson Ave.	Vineland Ave. to Puente Ave.	35
64.	Nelson Ave.	Orange Ave. to Sunset Ave.	35
65.	Nelson Ave.	California Ave. to Unruh Ave.	35
66.	Nelson Ave.	Unruh Ave. to Hacienda Blvd.	35
67.	Salt Lake Ave.	Turnbull Canyon Rd. to Patriot Pl.	40
68.	San Jose Ave.	Nogales St. to Fullerton Rd.	30
69.	Stephens St.	East of Stimson Ave. to Cul de Sac	30
70.	Walnut Hall Rd.	Colima Rd. to Castleton St.	35
71.	Walnut Dr. N.	Nogales St. to Otterbein Ave.	45
72.	Walnut Dr. N.	Otterbein Ave. to Fairway Dr.	45
73.	Walnut Dr. N.	Fairway Dr. to Tucker Ln.	45

SECTION 4. Industry Municipal Code Amendment. Section 10.40.020 (Baldwin Park Boulevard and Railroad Avenue) of Chapter 10.40 (Speed Limits) of Title 10 (Vehicles and Traffic) of the Industry Municipal Code is hereby repealed in its entirety.

SECTION 5. Industry Municipal Code Amendment. Section 10.40.030 (Valley Boulevard) of Chapter 10.40 (Speed Limits) of Title 10 (Vehicles and Traffic) of the Industry Municipal Code is hereby repealed in its entirety.

SECTION 6. Industry Municipal Code Amendment. Section 10.40.040 (Hacienda Boulevard) of Chapter 10.40 (Speed Limits) of Title 10 (Vehicles and Traffic) of the Industry Municipal Code is hereby repealed in its entirety.

SECTION 7. Industry Municipal Code Amendment. Section 10.40.050 (Certain Streets) of Chapter 10.40 (Speed Limits) of Title 10 (Vehicles and Traffic) of the Industry Municipal Code is hereby repealed in its entirety.

SECTION 8. Industry Municipal Code Amendment. Section 10.40.060 (Proctor Avenue, Don Julian Road and Turnbull Canyon Road) of Chapter 10.40 (Speed Limits) of Title 10 (Vehicles and Traffic) of the Industry Municipal Code is hereby repealed in its entirety.

SECTION 9. Industry Municipal Code Amendment. Section 10.40.070 (Gale Avenue) of Chapter 10.40 (Speed Limits) of Title 10 (Vehicles and Traffic) of the Industry Municipal Code is hereby repealed in its entirety.

SECTION 10. Industry Municipal Code Amendment. Section 10.40.080 (Pass and Covina Road) of Chapter 10.40 (Speed Limits) of Title 10 (Vehicles and Traffic) of the Industry Municipal Code is hereby repealed in its entirety.

SECTION 11. Industry Municipal Code Amendment. Section 10.40.090 (San Gabriel River Parkway) of Chapter 10.40 (Speed Limits) of Title 10 (Vehicles and Traffic) of the Industry Municipal Code is hereby repealed in its entirety.

SECTION 12. Industry Municipal Code Amendment. Section 10.40.100 (Azusa Avenue) of Chapter 10.40 (Speed Limits) of Title 10 (Vehicles and Traffic) of the Industry Municipal Code is hereby repealed in its entirety.

SECTION 13. Industry Municipal Code Amendment. Section 10.40.110 (Portion of Valley Boulevard) of Chapter 10.40 (Speed Limits) of Title 10 (Vehicles and Traffic) of the Industry Municipal Code is hereby repealed in its entirety.

SECTION 14. Industry Municipal Code Amendment. Section 10.40.120 (Portion of Temple Avenue) of Chapter 10.40 (Speed Limits) of Title 10 (Vehicles and Traffic) of the Industry Municipal Code is hereby repealed in its entirety.

SECTION 15. Industry Municipal Code Amendment. Section 10.40.130 (Portion of Amar Road) of Chapter 10.40 (Speed Limits) of Title 10 (Vehicles and Traffic) of the Industry Municipal Code is hereby repealed in its entirety.

SECTION 16. Industry Municipal Code Amendment. Section 10.40.140 (Portion of Temple Avenue) of Chapter 10.40 (Speed Limits) of Title 10 (Vehicles and Traffic) of the Industry Municipal Code is hereby repealed in its entirety.

SECTION 17. Industry Municipal Code Amendment. Section 10.40.150 (Portion of Brea Canyon Road) of Chapter 10.40 (Speed Limits) of Title 10 (Vehicles and Traffic) of the Industry Municipal Code is hereby repealed in its entirety.

SECTION 18. Industry Municipal Code Amendment. Section 10.40.160 (Portion of Gale Avenue) of Chapter 10.40 (Speed Limits) of Title 10 (Vehicles and Traffic) of the Industry Municipal Code is hereby repealed in its entirety.

SECTION 19. Industry Municipal Code Amendment. Section 10.40.170 (Portion of Mohr Avenue) of Chapter 10.40 (Speed Limits) of Title 10 (Vehicles and Traffic) of the Industry Municipal Code is hereby repealed in its entirety.

SECTION 20. Industry Municipal Code Amendment. Section 10.40.180 (Portion of Walnut Drive) of Chapter 10.40 (Speed Limits) of Title 10 (Vehicles and Traffic) of the Industry Municipal Code is hereby repealed in its entirety.

SECTION 21. Industry Municipal Code Amendment. Section 10.40.190 (Portion of Gale Avenue) of Chapter 10.40 (Speed Limits) of Title 10 (Vehicles and Traffic) of the Industry Municipal Code is hereby repealed in its entirety.

SECTION 22. Industry Municipal Code Amendment. Section 10.40.200 (Portion of Grand Avenue) of Chapter 10.40 (Speed Limits) of Title 10 (Vehicles and Traffic) of the Industry Municipal Code is hereby repealed in its entirety.

SECTION 23. Official Survey. The "2016 Engineering and Traffic Survey, May 2016, for the City of Industry," containing the findings and determinations of the Registered Engineer, incorporated herein and on file in the Office of the City Clerk, shall be the official Engineering and Traffic Survey of the City, a certified copy of which shall be disseminated to the County of Los Angeles Municipal and Superior Courts.

SECTION 24. Inconsistencies. Any provisions of the Industry Municipal Code, or appendices thereto, or any other resolution of the City, to the extent that they are inconsistent with this ordinance, and no further, are hereby repealed.

SECTION 25. Clerical Errors. The City Council directs the City Clerk to correct any clerical errors found in Chapter 10.40 (Speed Limits) of Title 10 (Vehicles and Traffic), including, but not limited to, typographical errors, irregular numbering, and incorrect section references.

SECTION 26. Severability. Should any section, subsection, clause, or provision of this Ordinance for any reason be held to be invalid or unconstitutional, such invalidity or unconstitutionality shall not affect the validity or constitutionality of the remaining portions of this Ordinance; it being hereby expressly declared that this Ordinance, and each section, subsection, sentence, clause, and phrase hereof would have been prepared, proposed, approved, and ratified irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared invalid, unenforceable, or unconstitutional.

SECTION 27. Effective Date. In accordance with California Government Code §36937, this Ordinance shall take effect and be in force thirty (30) days from passage and adoption.

SECTION 28. Publication. The City Clerk shall certify to the passage and adoption of this Ordinance and shall cause this ordinance to be published and posted as required by law.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Industry this 14th day of July, 2016, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

BY: _____
MARK D. RADECKI, Mayor
City of Industry, California

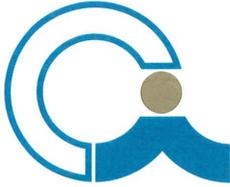
ATTEST:

CECELIA DUNLAP, Deputy City Clerk

EXHIBIT B

First Reading of the Final Report for the 2016 Engineering and Traffic Survey

[Attached]



CITY OF INDUSTRY

Incorporated June 18, 1957

MEMORANDUM

To: Honorable Mayor and Members of the City Council

From: Paul J. Philips, City Manager *Paul J. Philips*

Staff: Clement N. Calvillo, City Engineer, CNC Engineering *CNC*
Joshua Nelson, Deputy City Engineer, CNC Engineering *JN*
Upendra Joshi, Project Manager, CNC Engineering *UJ*

Date: June 23, 2016

SUBJECT: Consideration of the Final Report for the 2016 Engineering and Traffic Survey, May 2016 (MP 15-08), for the City of Industry and Introduction of Ordinance No. 794 Amending Section 10.40.010 (Portion of Vineland Avenue) and Repealing Sections 10.40.020 (Baldwin Park Boulevard and Railroad Avenue), 10.40.030 (Valley Boulevard), 10.40.040 (Hacienda Boulevard), 10.40.050 (Certain Streets), 10.40.060 (Proctor Avenue, Don Julian Road and Turnbull Canyon Road), 10.40.070 (Gale Avenue), 10.40.080 (Pass and Covina Road), 10.40.090 (San Gabriel River Parkway), 10.40.100 (Azusa Avenue), 10.40.110 (Portion of Valley Boulevard), 10.40.120 (Portion of Temple Avenue), 10.40.130 (Portion of Amar Road), 10.40.140 (Portion of Temple Avenue), 10.40.150 (Portion of Brea Canyon Road), 10.40.160 (Portion of Gale Avenue), 10.40.170 (Portion of Mohr Avenue), 10,40.180 (Portion Of Walnut Drive), 10.40.190 (Portion of Gale Avenue), and 10.40.200 (Portion of Grand Avenue) of Chapter 10.40 (Speed Limits) of Title 10 (Vehicles And Traffic) of the City of Industry Municipal Code

On April 15, 2013, City Council approved an Agreement for Consultant Services with Kimley-Horn and Associates, Inc. ("Kimley-Horn") to provide on-call traffic engineering services. Per the City's request, a proposal for the work authorization was submitted and approved on November 12, 2015, to perform the Engineering and Traffic Survey for 96 street segments within the City.

The Engineering and Traffic Survey, as defined in Section 627 of the California Vehicle Code, must consider the prevailing speeds, collision records, pedestrian and bicycle activity, and roadway traffic and roadside conditions not readily apparent to the driver. Speed zones are also established to advise of road conditions or hazards, which may not be readily apparent to a reasonable driver. For this reason, a field review of related

road/traffic variables is conducted which is considered in combination with the statistical data and collision history of a particular roadway segment to determine a safe and reasonable speed limit. The specific procedures used in conducting the Engineering and Traffic Study are outlined in the California Manual Uniform Traffic Control Devices (CA MUTCD) 2014 Edition.

Kimley-Horn reviewed the following statistical analysis factors as part of the 2016 Engineering and Traffic Survey:

- 1.) **85th Percentile Speed.** The critical speed, or 85th Percentile Speed, is defined as that speed at or below which 85 percent of the traffic is moving. This factor is the primary guide in determining what speeds the majority of safe and reasonable drivers are traveling. Therefore, the practice is to set the speed limit to the nearest 5 mph increment from the Critical Speed unless other factors require a lower limit. Speed limits set on this basis provide law enforcement officials with a means of controlling reckless or unreliable drivers who will not conform to what the majority finds reasonable.
- 2.) **The 10-mph Pace.** The 10-mph Pace is the 10-mph increment range, which contains the largest number of recorded vehicles. The pace is a measure of the dispersion of speeds within the sample surveyed. Speed limits should normally be set to fall within the 10-mph Pace. However, conditions not readily apparent to the driver or adhering to State mandated limits, such as in Residence Districts, may require setting speed limits below the 10-mph Pace.
- 3.) **50th Percentile Speed.** The Median Speed, or 50th Percentile Speed, represents the mill-point value within the range of recorded speeds for a particular roadway location. In other words, 50 percent of the vehicles travel faster than and 50 percent travel slower than, the median speed. This value is another measure of the central tendency of the vehicle speed distribution. Typically, speed limits should not be set below the 50th Percentile Speed, since it would result in greater than 50-percent of the drivers exceeding the speed limit.
- 4.) **15th Percentile.** The 15th Percentile is that speed at or below which 15 percent of the vehicles are traveling. This value is important in determining the minimum allowable speed limit, given that the vehicles traveling below this speed tend to obstruct the flow of traffic, thereby increasing the collision potential.
- 5.) **Percent of Vehicles in Pace Speed.** The percent of vehicles in the 10-mph Pace speed is an indication of the grouping of vehicular speeds. Ideally, if all vehicles were traveling at or about the same speed, there would be a reduced likelihood of vehicular collisions. In speed limit

favorable the speed distribution. The percent of vehicles within the 10-mph Pace is often between 60 and 90 percent.

According to the Engineering and Traffic Survey, the following are the recommendations:

- No change to the posted speed limit= 52 segments
- Lower the existing posted speed limit by 5 mph= 8 segments
- Increase the existing posted speed limit by 5 mph= 13 segments
- Street segments that still need to be surveyed = 23 segments

Out of 23 segments that still need to be surveyed, 13 segments are recommended to be resurveyed in order to confirm the speed limit. The remaining 10 segments were not surveyed as these segments are closer to existing construction projects that would skew the results. These segments will be included in a later addendum to this Engineering and Traffic Survey.

The City Engineer has reviewed the proposed changes to the City's posted speed limits and determined the changes to be reasonable, safe, and appropriate for the orderly movement of traffic on City streets. Therefore, it is recommended that the City Council approve the 2016 Engineering and Traffic Survey, May 2016. Staff further recommends that the City Council approve the recommended changes to the City's posted speed limits; and introduce for first reading, waive full reading and read by title only, Ordinance No. 794 amending Section 10.40.010 (Portion of Vineland Avenue) and repealing Sections 10.40.020 (Baldwin Park Boulevard and Railroad Avenue), 10.40.030 (Valley Boulevard), 10.40.040 (Hacienda Boulevard), 10.40.050 (Certain Streets), 10.40.060 (Proctor Avenue, Don Julian Road and Turnbull Canyon Road), 10.40.070 (Gale Avenue), 10.40.080 (Pass and Covina Road), 10.40.090 (San Gabriel River Parkway), 10.40.100 (Azusa Avenue), 10.40.110 (Portion of Valley Boulevard), 10.40.120 (Portion of Temple Avenue), 10.40.130 (Portion of Amar Road), 10.40.140 (Portion of Temple Avenue), 10.40.150 (Portion of Brea Canyon Road), 10.40.160 (Portion of Gale Avenue), 10.40.170 (Portion of Mohr Avenue), 10.40.180 (Portion of Walnut Drive), 10.40.190 (Portion Of Gale Avenue), and 10.40.200 (Portion of Grand Avenue) of Chapter 10.40 (Speed Limits) of Title 10 (Vehicles And Traffic) of the City of Industry Municipal Code; and authorize the City Engineer to schedule the second reading of Ordinance No. 794 at the next City Council meeting on July 14, 2016.

Exhibit

- A. Final Report for the 2016 Engineering and Traffic Survey, May 2016 prepared by Kimley-Horn and Associates, Inc. (on file in the City of Industry City Clerk's Office)

CITY COUNCIL

ITEM NO. 6.5



CITY OF INDUSTRY

Incorporated June 18, 1957

MEMORANDUM

To: Honorable Mayor and Members of the City Council

From: Paul J. Philips, City Manager *Paul J. Philips*

Staff: Clement N. Calvillo, City Engineer, CNC Engineering *CNC*
Joshua Nelson, Deputy City Engineer, CNC Engineering *JN*

Date: July 6, 2016

SUBJECT: Amendment No. 1 to the Betterment Agreement with the Alameda Corridor East Construction Authority Regarding the Installation of Intersection Improvements to Fairway Drive and Walnut Drive Including the Widening of Fairway Drive from Walnut Drive South to the Southerly City Limits (MP 99-60 #13)

On August 2, 2012, the City Council approved a betterment agreement with the Alameda Corridor East Construction Authority (ACE) for the design and construction of nearby roadway widening improvements in conjunction with the planned Fairway Drive grade separation project. Specifically, the City requested that an additional third northbound and southbound thru lanes be added from Business Parkway southerly to the Pomona 60 Freeway. Also requested were various left turn and exclusive right turn lanes at the intersection of Walnut and Fairway Drive. Under the Betterment Agreement, ACE was to be responsible for all the project design activities, environmental documentation, the preparation of construction drawings, right-of-way acquisition and all construction activities. The City agreed to be the Lead Agency for the environmental certification process for the roadway widening portion of the project. At the time the agreement was approved the estimated cost for the City requested roadway widening work was \$5,000,000. This amount was essentially just a placeholder as no plans had been prepared so a detailed estimate wasn't possible.

Based on the contract bid amount received by ACE, additional requirements from Caltrans regarding the road widening within the State Route 60 underpass and access ramps, as well as City requested improvements to the current at grade crossing on Fairway Drive, the estimated cost has increased to \$9,916,087. The attached Amendment No. 1 addresses these cost increases and authorizes ACE to amend the Betterment Agreement and proceed with the City requested improvements. Staff recommends that the City Council approve Amendment No. 1 to the Betterment Agreement in the amount of \$9,916,087. A copy of the breakdown for the \$9,916,087 has been included for reference. At this time the amount approved in the 2016-2017 Capital Improvement Program budget won't cover this but as the invoices come in the budget will be amended as needed.

PJP/CC/JN:af

Right of way costs:

Parcel	R/W cost	Legal/admin cost	Total
ACE pcl No. 204 E/F (Carl's Jr)	\$1,951,905	\$215,000	\$2,166,905
ACE pcl No. 204 L (Car wash)	\$503,382	\$240,000	\$743,000
ACE pcl No. 204 C (Majestic)	\$1,500,000	\$310,000	\$1,810,000
ACE pcl No. 204 K (Gas Station)	\$300,000	\$100,000	\$400,000
			\$5,119,905

Construction costs:

Exhibit A - \$3.8M

Exhibit B-1 (striping at crossing) - \$7,900

Exhibit B-2 (sewer lining) - \$81,000

Exhibit B-3 (ADA and ramp signal upgrade) \$200,000

Design costs:

\$707,282.00

Total betterment cost: \$9,916,087

**AMENDMENT No. 1 TO THE BETTERMENT AGREEMENT
REGARDING THE INSTALLATION OF INTERSECTION IMPROVEMENTS AT FAIRWAY
DRIVE AND WALNUT DRIVE IN CONJUNCTION WITH THE FAIRWAY DRIVE GRADE
SEPARATION PROJECT AT THE UNION PACIFIC RAILROAD LOS ANGELES
SUBDIVISION BY THE ALAMEDA CORRIDOR-EAST CONSTRUCTION AUTHORITY ON
BEHALF OF THE CITY OF INDUSTRY**

THIS AMENDMENT NO 1 effective this 14th day of July, 2016 ("Effective Date"), by and between the CITY OF INDUSTRY, a municipal corporation, hereinafter referred to as "CITY", and the ALAMEDA CORRIDOR-EAST CONSTRUCTION AUTHORITY OF THE SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS, a California Joint Powers Authority, hereinafter referred to as "ACE", with the CITY and ACE also each individually referred to herein as "PARTY" and collectively as "PARTIES".

WHEREAS, CITY and ACE entered into a BETTERMENT AGREEMENT dated September 12, 2012 to have ACE design and construct roadway improvements in conjunction with the Fairway Drive Grade Separation Project hereinafter referred to as "PROJECT"; and

WHEREAS, CITY agreed to reimburse ACE for the actual costs ACE incurs for the design and construction of BETTERMENT performed in conjunction with the BETTERMENT AGREEMENT; and

WHEREAS, ACE completed the BETTERMENT plans in accordance with City's direction and has now received construction bids; and

WHEREAS, City requested additional striping, signage and signal improvements to improve safety at the existing at grade railroad crossing within the project limits as shown on Exhibit B-1; and

WHEREAS, City requested additional linings for the City's sewer line (IPC 164R) along the south of Union Pacific Railroad right-of-way within the project limits as shown on Exhibit B-2; and

WHEREAS, City requested to remove five (5) existing sidewalk curb ramps and construct five (5) new sidewalk curb ramps to comply with the most current ADA standards, and upgrade the existing traffic signal system on Pomona Freeway (Rte. 60) eastbound On/Off Ramps at Fairway Drive, as shown on Exhibit B-3; and

WHEREAS, based on the bids received and the requested extra work the parties desire to amend the BETTERMENT AGREEMENT;

NOW, THEREFORE, in consideration of the promises and mutual covenants herein contained, it is hereby agreed to amend the BETTERMENT AGREEMENT as follows:

1. Section II, Paragraph 7 shall read in its entirety as follows:

To pay One Hundred Percent (100%) of BETTERMENT environmental documentation and investigations, environmental remediation, design, right of way and easement acquisition, construction, and construction management costs up to a not to exceed amount of Nine Million Nine Hundred Sixteen Thousand Eighty-Seven Dollars (\$9,916,087). The not to exceed amount specified herein may be adjusted to account for change orders during the construction phase if CITY and ACE both agree in writing. ACE shall submit monthly invoices to the CITY for actual work performed. Invoices shall be submitted on or about the first business day of each month, or as soon thereafter as practical, for work performed in the previous month. Payment shall be made by CITY within thirty (30) days of receipt of each invoice as to all non-disputed costs. If the CITY disputes any of the costs set forth in ACE's invoice it shall give written notice to ACE within thirty (30) days of receipt of an invoice of any disputed costs set forth on the invoice. ACE costs will be calculated based on the Caltrans-approved indirect cost rate applied to direct expenses.

2. Exhibit A is hereby amended to read in its entirety, as set forth in the attached, which is hereby incorporated by reference.
3. Exhibit B is hereby added to the Agreement, attached hereto, and incorporated herein by reference.
4. Except as expressly amended hereby, the existing AGREEMENT, attached hereto as Attachment 1, and incorporated herein by reference, shall remain in full force and effect as originally executed. All rights and obligations of the parties under the existing AGREEMENT that are not expressly amended by this Amendment shall remain unchanged by this Amendment.

(SIGNATURES ON FOLLOWING PAGE)

IN WITNESS WHEREOF, the PARTIES hereto have caused this Agreement to be executed by their respective officers as of the Effective Date.

“CITY”
City of Industry

“ACE”
Alameda Corridor-East Construction Authority
of the San Gabriel Valley Council of
Governments

Mark Radecki, Mayor

Mark Christoffels, Chief Executive Officer

ATTEST:

ATTEST:

Cecelia Dunlap, Deputy City Clerk

Deanna Stanley, Secretary

APPROVED AS TO FORM:

APPROVED AS TO FORM:

James M. Casso, City Attorney

Gregory Murphy, ACE General Counsel

Exhibit A

The proposed CITY requested improvements (BETTERMENTS) consist of the construction of new asphalt and concrete payment, curbs, gutters, sidewalks, pavement striping, roadway signage and the installation of new traffic signal equipment at the intersections of Fairway Drive and Business Parkway, Fairway Drive and Walnut Drive southerly to the intersection of Fairway Drive at the SR 60 freeway On/Off ramps. In addition to the physical improvements, the betterment shall also include the required additional street right of way acquisition costs. The roadway enhancements consist of the following:

Improvements at the intersection of Fairway Drive at Business Parkway to accommodate the following:

- 1) A third northbound thru lane keeping the existing exclusive right-turn lane.
- 2) A transition from three northbound thru lanes to two exiting the intersection.

Improvements at the intersection of Fairway Drive at E. Walnut Dr. North widening to accommodate the following:

- 1) One westbound left-turn lane.
- 2) One eastbound left-turn lane and one eastbound exclusive right-turn lane.
- 3) One southbound shared thru-right turn lane.
- 4) A second northbound left-turn lane and a third northbound exclusive right turn lane.

Fairway Drive widening from E. Walnut Drive North to the SR 60 westbound ramps to accommodate the following:

- 1) One fourth southbound lane that would function as an exclusive right-turn lane to the westbound SR 60 on ramp.
- 2) A third northbound right-turn lane.

Improvements at the intersection of Fairway Drive at the westbound SR 60 On/Off ramps to accommodate the following:

- 1) A second northbound left-turn lane.

Fairway Drive widening from westbound SR 60 On/Off ramps southerly to the SR 60 eastbound On/Off ramps to accommodate the following:

- 1) A third northbound lane that would function as an exclusive right-turn lane to the eastbound on-ramp with the existing sidewalk being reconstructed behind the existing concrete columns on the freeway bridge.
- 2) A third southbound thru land that would serve as an exclusive right-turn lane onto the eastbound SR 60 On-ramp. The existing sidewalk would be reconstructed behind the existing concrete columns on the freeway bridge.

Exhibit B-1

The proposed CITY requested railroad crossing improvements (BETTERMENTS) consist of the installation of new pavement striping, installation of new roadway signage and the installation of modified traffic signal equipment at the intersection of Fairway Drive and Walnut Drive which include the following:

- a) Installation of 4" wide continuous white stripes on both sides of the railroad tracks to establish the "No Passing Zone";
- b) Installation of FOUR (4) additional "Do Not Stop On Tracks" signs at the crossing;
- c) Modify and Upgrade existing traffic signal system at E. Walnut Dr. North at Fairway Drive to include pre-emption relay to the UPRR signal controller house at the rail crossing.

Exhibit B-2

The proposed CITY requested CIPP sewer lining (BETTERMENTS) consist of the installation of special lining (Class 52 Protection 401 Ceramic lining for pipe diameter 4" to 12" and Class 56 for 20" pipe diameter and up) for the VCP and DIP sewer lines (IPC 164R) south of the UPRR right-of-way from Sta. 1208+00 to Sta. 1231+90. The scope of work includes the following:

- a) Installation of SDR 32 CIPP in 350 LF of 10" DI pipeline;
- b) Installation of SDR 32 CIPP in 870 LF of 8" DI Pipeline;
- c) Installation of SDR 32 CIPP in 600 LF of 4" diameter sewer service laterals;
- d) Pre-video of pipeline to confirm acceptability for lining;
- e) Cleaning of pipeline as necessary for the installation of SDR 32 CIPP;
- f) Final video inspection to confirm liner installation and lateral re-installment.

Exhibit B-3

The proposed CITY requested improvements (BETTERMENTS) consist of the construction of new curbs, gutters, sidewalks, curb ramps at the intersections of Fairway Drive at the SR 60 freeway eastbound On/Off ramps. The scope of work includes the following:

- a) Remove existing sidewalk and curb ramps at FIVE (5) locations;
- b) Construct FIVE (5) new sidewalk pedestrian curb ramps meeting current ADA Standards;
- c) Remove and reconstruct sidewalk, curb and gutter as necessary to flush with the new ADA curb ramp and sidewalk grades;
- d) Remove existing traffic signal system at Pomona Freeway Eastbound On/Off Ramps at Fairway Drive and replace with new signal pole standards, install new signal and pedestrian signal heads to meet current Caltrans standards;
- e) Remove and reconstruct new conduits and wiring for the new signal standards.

ATTACHMENT 1 TO AMENDMENT NO. 1:

BETTERMENT AGREEMENT (SEPTEMBER 12, 2012)

**BETTERMENT AGREEMENT
REGARDING THE INSTALLATION OF INTERSECTION IMPROVEMENTS AT FAIRWAY
DRIVE AND WALNUT DRIVE IN CONJUNCTION WITH THE FAIRWAY DRIVE GRADE
SEPARATION PROJECT AT THE UNION PACIFIC RAILROAD LOS ANGELES
SUBDIVISION BY THE ALAMEDA CORRIDOR-EAST CONSTRUCTION AUTHORITY ON
BEHALF OF THE CITY OF INDUSTRY**

THIS AGREEMENT effective this 12 day of Sept, 2012, by and between the CITY OF INDUSTRY, a municipal corporation, hereinafter referred to as "CITY", and the ALAMEDA CORRIDOR-EAST CONSTRUCTION AUTHORITY OF THE SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS, a California Joint Powers Authority, hereinafter referred to as "ACE", with the CITY and ACE also each individually referred to herein as "PARTY" and collectively as "PARTIES".

WITNESSETH

WHEREAS, ACE contemplates designing and constructing a highway/railroad grade separation on Fairway Drive at the Los Angeles Subdivision of the Union Pacific Railroad, hereinafter referred to as "PROJECT"; and

WHEREAS, CITY desires to have ACE design and construct intersection and roadway improvements in conjunction with PROJECT as described in Exhibit "A" hereinafter referred to as "BETTERMENT"; and

WHEREAS, CITY proposes to reimburse ACE for the actual costs ACE incurs for the design and construction of BETTERMENT performed in conjunction with this AGREEMENT;

NOW, THEREFORE, in consideration of the promises and mutual covenants herein contained, it is hereby agreed as follows:

SECTION I

ACE AGREES:

1. To hire a consultant to prepare the BETTERMENT documentation required under the California Environmental Quality Act, and to deliver said documentation to the CITY, for its review, comment, and City Council approval.
2. To negotiate a task work order with the ACE contracted consultant designing the PROJECT to prepare all required preliminary and final plans, specifications, and cost estimates for CITY-requested BETTERMENT, and to deliver said preliminary and final plans, specifications, and cost estimates to the CITY, for its review, comment, and approval thereof prior to BETTERMENT being advertised for construction bids.
3. To acquire on behalf of the CITY the necessary rights of way and easements required for BETTERMENT and to transfer same to CITY after PROJECT completion. Should the acquisition of the necessary rights of way and easements required for BETTERMENT

result in full parcel acquisitions, any excess property will be transferred by ACE to CITY after acceptance of BETTERMENT by CITY.

4. To undertake all necessary environmental investigations and remediation work for hazardous materials or waste (if any) present on any rights of way or easements required for BETTERMENT.
5. To obtain all required authorizations and permits from government agencies necessary to design and construct the BETTERMENT.
6. To include BETTERMENT in the bid solicitation for PROJECT
7. To award a construction contract for PROJECT that includes BETTERMENT
8. To provide all required construction management and inspection for BETTERMENT
9. To track all associated environmental documentation, design, right of way and easement acquisition, construction, and construction management costs for BETTERMENT separately from PROJECT
10. To invoice the CITY for design, environmental and right of way costs on a monthly basis or upon completion of an individual task. Upon receipt of construction bids, to invoice CITY for the estimated costs of BETTERMENT construction and related construction management costs based on the lowest responsible bid received.
11. To furnish an accounting of final actual cost for BETTERMENT and provide CITY an invoice of the same within one hundred twenty (120) days after acceptance of BETTERMENT by ACE and CITY.
12. Upon completion of PROJECT, to furnish CITY with mylar as-built plans of BETTERMENT.

SECTION II

CITY AGREES:

1. To provide ACE all available plans, traffic data, and survey data of existing CITY infrastructure necessary to design BETTERMENT at no cost to ACE.
2. To act as lead agency and obtain all applicable environmental approvals as required from Federal, State, and local agencies for the BETTERMENT except that all permits and approvals for hazardous waste or material investigations or remediation work will be the responsibility of ACE.
3. To inform ACE in writing within fifteen (15) days after receipt of each set of plans, studies, specifications, and/or cost estimates from ACE, if any of the materials are incomplete or if additional information is necessary in order to facilitate CITY's review of the materials.

4. To review and provide to ACE any comments and suggestions to, or required approvals/disapprovals of each set of plans, studies, specifications, and/or cost estimates submitted to CITY within thirty (30) days after receipt of the complete materials.
5. After acceptance of BETTERMENT by CITY, to accept all rights of way and easements acquired for BETTERMENT by ACE.
6. To enforce available rights under existing franchise agreements if existing public and/or private utilities conflict with the construction of BETTERMENT.
7. To pay One Hundred Percent (100%) of BETTERMENT environmental documentation and investigations, environmental remediation, design, right of way and easement acquisition, construction, and construction management costs up to a not to exceed amount of \$5,000,000. The not to exceed amount specified herein may be adjusted to account for changes in the scope of work during the design phase, actual costs of right of way, actual bid prices, or change orders during the construction phase if CITY and ACE both agree in writing. ACE costs will be calculated based on the Caltrans-approved indirect cost rate applied to direct expenses. CITY will make all necessary efforts to pay ACE invoices within 30 days of receipt.

SECTION III

IT IS MUTUALLY AGREED AS FOLLOWS:

1. Should any portion of PROJECT be financed with funds with specific expenditure requirements or limitations, all applicable laws, regulations and policies relating to the use of such funds shall apply notwithstanding other provisions of this Agreement.
2. That advertisement and construction by ACE of BETTERMENT work within the PROJECT shall not commence until ACE's final construction plans involving BETTERMENT have been reviewed and approved by the CITY's City Engineer, or his/her designated agent. Receipt by ACE of BETTERMENT plans signed by CITY's City Engineer or his/her designated agent shall constitute CITY's approval of said plans.
3. If the location of existing facilities of public and/or private utilities conflicts with the construction of BETTERMENT, ACE will identify such facilities located within CITY's right of way and request that the CITY enforce available rights under existing franchise agreements or encroachment permits held by CITY for facilities' protection, relocation, or removal at no cost to ACE. CITY may choose to authorize ACE to coordinate and inspect such protection, relocation, or removal work, at CITY's discretion. Nothing in this Agreement shall restrict or affect CITY's or ACE's ability to enter into separate agreements with utilities for any purpose, including for reimbursements of utility costs for protection, relocation, maintenance, or removal of their facilities.
4. That in the construction of BETTERMENT, ACE will furnish a resident engineer to oversee BETTERMENT construction and CITY may furnish its own representative. Said

representative and resident engineer will cooperate and consult with each other, but the decisions of ACE's resident engineer shall remain the sole and primary directive for all BETTERMENT work. If material changes to the approved plans and specifications will impact BETTERMENT, the ACE resident engineer will obtain the CITY's representative approval before authorizing said changes.

5. Prior to ACE acceptance of BETTERMENT, as completed, under the terms of the PROJECT's construction contract, ACE will confer with CITY in good faith to obtain CITY's written concurrence that the BETTERMENT has been completed in substantial conformance with the approved plans and specifications. It is understood that CITY will not unreasonably withhold such written concurrence which shall constitute CITY's acceptance of BETTERMENT.
6. ACE, the San Gabriel Valley Council of Governments, and their respective elected and appointed boards, officials, officers, agents, employees, and volunteers (individually and collectively, "ACE INDEMNITEES") shall have no liability to CITY for, and CITY, pursuant to Government Code Section 895.4, shall indemnify, defend (using legal counsel of CITY's own choosing), protect and hold harmless ACE INDEMNITEES, from and against any liabilities, as defined in Section III, Paragraph 8, or legal challenges to the PROJECT including BETTERMENT arising out of any act or omission by CITY or any person acting on behalf of CITY under or in connection with any work, authority, or breach of any obligation under this Agreement or work activities associated with the BETTERMENT and delegated to CITY under this Agreement. Any rights of CITY to inspect, review, and/or approve of BETTERMENT design or construction shall not signify that ACE relinquishes management or control over such design or construction.
7. CITY, its special districts and their respective elected and appointed boards, officials, officers, agents, employees, and volunteers (individually and collectively, "CITY INDEMNITEES") shall have no liability to ACE for, and ACE, pursuant to Government Code Section 895.4, shall indemnify, defend (using legal counsel of ACE's own choosing), protect and hold harmless CITY INDEMNITEES from and against, any liabilities, as defined in Section III, Paragraph 8, or legal challenges to the PROJECT including BETTERMENT arising out of any act or omission by ACE or any person acting on behalf of ACE under or in connection with any work, authority, or breach of any obligation under the Agreement or work activities associated with the BETTERMENT and delegated to ACE under this Agreement.
8. The term "liabilities" used in Section III, Paragraphs 6 and 7, shall mean any and all judgments, awards, claims, demands, liabilities, injury (as defined by Government Code Section 810.8), obligations, litigation, fines, penalties, fees (including, without limitation, expert witness fees, engineering and defense costs, and legal fees), costs (including, without limitation, any and all costs involved in instituting a direct condemnation proceeding, and any and all costs involved in defending an inverse condemnation proceeding, and any and all cost involved in an environmental cleanup or archaeological discovery), expenses (including, without limitation, attorneys' fees and court costs), proceedings, suits, and actions of whatever kind, and damages of any nature whatsoever (including, without limitation, bodily injury, death, personal injury, or property damage).

9. Prior to the start of BETTERMENT construction, which shall be defined for this Agreement as the date on which ACE executes a construction contract for PROJECT, including BETTERMENT, either PARTY may propose a termination of this Agreement and all associated BETTERMENT work by sending a written termination request to the other PARTY and proposing a date of termination that is no earlier than sixty days after the date of the written termination request. If ACE requests termination, all work on the BETTERMENT shall cease no later than the date of termination proposed by ACE and ACE shall refund all payments made by CITY for BETTERMENT, and cancel all further invoices to CITY. If CITY requests termination, ACE shall respond to the written termination request by tabulating, estimating and presenting to CITY, within thirty days of the written termination request, all costs already incurred by ACE, all costs already billed to CITY by ACE and all costs projected to be incurred by ACE and billed to CITY for work on the BETTERMENT through the proposed date of termination ("Final Cost Estimate"). ACE will also take all reasonable steps to minimize costs of BETTERMENT work while termination negotiations are underway. After CITY has reviewed the Final Cost Estimate, both sides will meet and confer in good faith to negotiate a final termination cost ("Final Cost"). Such Final Cost and associated termination schedule, and all related terms and conditions, will be included in a written amendment to this Agreement. Should CITY and ACE be unable to agree on a Final Cost and termination schedule, CITY may unilaterally terminate this Agreement by paying to ACE the amount of the Final Cost Estimate, less any amounts already paid to ACE for BETTERMENT work. Upon receipt of payment by CITY, ACE shall thereupon terminate all work on the BETTERMENT effective on the date identified in the CITY's written termination request.
10. After the start of BETTERMENT construction, as defined above in Section III, Paragraph 9, either PARTY may propose a termination of this Agreement and all associated BETTERMENT work by sending a written termination request to the other PARTY and proposing a date of termination that is no earlier than ninety days after the date of the written termination request. If ACE requests termination, all work on the BETTERMENT shall cease no later than the date of termination proposed by ACE and ACE shall refund all payments made by CITY for BETTERMENT and cancel all further invoices to CITY. If CITY requests termination, ACE shall respond to the written termination request by tabulating, estimating and presenting to CITY, within sixty days of the written termination request, all costs already incurred by ACE, all costs already billed to CITY by ACE and all costs projected to be incurred by ACE and billed to CITY for work on the BETTERMENT through the proposed date of termination or an alternative date of termination that ACE considers reasonable given the ongoing construction of the BETTERMENT ("Final Construction Cost Estimate"). ACE will also take all reasonable steps to minimize costs of BETTERMENT construction while termination negotiations are underway. After CITY has reviewed the Final Construction Cost Estimate, both sides will meet and confer in good faith to calculate a Final Cost. Such Final Cost and associated termination schedule, and all related terms and conditions, will be included in a written amendment to this Agreement. Should CITY and ACE be unable to agree on a Final Construction Cost and termination schedule, CITY may unilaterally terminate this Agreement by paying to ACE the amount of the Final Construction Cost Estimate, less any amounts already paid to ACE for BETTERMENT work. Upon receipt of payment by CITY, ACE shall thereupon terminate all work on the BETTERMENT effective on the date identified in the CITY's written termination request or the alternative date of termination proposed by ACE, whichever is the basis for

the Final Construction Cost Estimate .

11. Neither PARTY shall be liable to the other for any damages, delay costs, or termination costs of any type or a failure to perform any part of this Agreement due to causes beyond the control of either or both PARTIES. Such causes include, but are not limited to, acts of God, acts of the public enemy, acts or inactions of federal state or local governments including funding reductions or eliminations, fires, floods, and severe weather.
12. If either PARTY fails to perform a material part of this Agreement, the non-breaching PARTY may notify the breaching PARTY in writing. Within thirty (30) days of such written notification, the breaching PARTY shall commence curing such breach and shall diligently pursue such cure to completion. If the breaching party fails to pursue such cure to completion, the breaching PARTY shall be in default under the terms of this Agreement. In the event of a default, the non-breaching PARTY may pursue any legal or equitable remedies available to it including specific performance and the non-breaching PARTY shall have no obligation to make any payments to or undertake any work for the breaching PARTY until and unless the default is cured.
13. Every notice, demand, request, or other document or instrument delivered pursuant to this Agreement shall be in writing, and shall be either personally delivered, by Federal Express or other reputable overnight courier, sent by facsimile transmission with telephonic confirmation of actual receipt and the original subsequently delivered by other means, or sent by certified United States mail, postage prepaid return receipt requested, to the addresses set forth below, or to such other address as a party may designate from time to time.

To CITY: City of Industry
 15651 E. Stafford Street
 City of Industry, CA 91744
 Attention: John D. Ballas, City Engineer
 Phone: (626) 333-2211
 Fax: (626) 961-6995

To ACE: ACE Construction Authority
 4900 Rivergrade Road, Suite A120
 Irwindale, CA 91706
 Attention: Mr. Mark Christoffels, Deputy Chief Executive Officer
 Telephone: (626) 962-9292
 Fax: (626) 962-3552

14. This Agreement constitutes the entire understanding and agreement of the PARTIES and integrates all of the terms and conditions mentioned herein or incidental hereto with respect to the subject matter hereof, and supersedes all negotiations or previous agreements between the PARTIES with respect to all or part of the subject matter hereof.
15. This Agreement may be amended in writing at any time by the mutual consent of the PARTIES. No amendment shall have any force or effect unless executed in writing by the PARTIES.

16. If any term, provision, covenant, or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions of the Agreement shall continue in full force and effect, unless one or both of the PARTIES would be materially affected or abridged by such interpretation.
17. This Agreement shall be construed and enforced in accordance with the laws of the State of California.
18. No assignment of this Agreement shall relieve the assigning PARTY of its obligations under this Agreement until such obligations have been assumed in writing by the assignee. When duly assigned in accordance with the forgoing, this Agreement shall be binding upon and inure to the benefit of the assignee.
19. Any waiver, modification, consent or acquiescence with respect to any term of this Agreement will be set forth in writing and duly executed by the PARTY to be bound thereby. No waiver of any breach hereunder will be deemed a waiver of any other or subsequent breach.
20. Neither ACE nor CITY intend that there be a third-party beneficiary to this Agreement.
21. Both ACE and CITY will act in good faith in their individual performances under the terms of this Agreement, including taking reasonable steps to mitigate costs.

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

CITY OF INDUSTRY

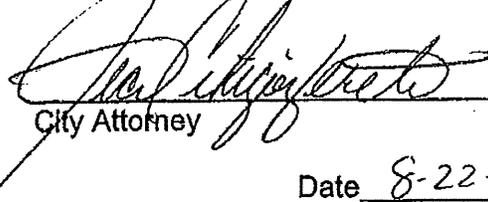

Mayor

Date AUG 23 2012

ATTEST:


City Clerk

APPROVED AS TO FORM:

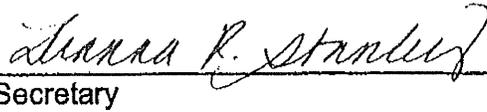

City Attorney
Date 8-22-12

ACE


Chief Executive Officer

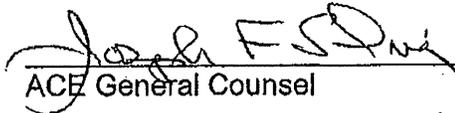
Date Sept 12, 2012

ATTEST:


Secretary

Date 9/12/12

APPROVED AS TO FORM:


ACE General Counsel

Date 9/10/2012

Exhibit A

The proposed CITY requested improvements (BETTERMENTS) consist of the construction of new asphalt and concrete pavement, curbs, gutters, sidewalks, pavement striping, roadway signage and the installation of new traffic signal equipment at the intersections of Fairway Drive and Business Parkway, Fairway Drive and Walnut Drive southerly to the intersection of Fairway Drive at the SR 60 freeway On/Off ramps. In addition to the physical improvements, the betterment shall also include the required additional street right of way acquisition costs. The roadway enhancements consist of the following:

Improvements at the intersection of Fairway Drive at Business Parkway to accommodate the following:

- 1) A third northbound thru lane keeping the existing exclusive right-turn lane.
- 2) A transition from three northbound thru lanes to two exiting the intersection.

Improvements at the intersection of Fairway Drive at Walnut widening to accommodate the following:

- 1) One westbound left-turn lane.
- 2) One eastbound left-turn lane and one eastbound exclusive right-turn lane.
- 3) One southbound exclusive right-turn lane.
- 4) A second northbound left-turn lane and a third northbound shared thru-right turn lane

Fairway Drive widening from Walnut Drive to the SR 60 ramps to accommodate the following:

- 1) One fourth southbound lane that would function as an exclusive right-turn lane to the eastbound SR 60 on ramp.
- 2) A third northbound thru lane.

Improvements at the intersection of Fairway Drive at the westbound SR 60 On/Off ramps to accommodate the following:

- 1) A second northbound left-turn lane.

Fairway Drive widening from westbound SR 60 On/Off ramps southerly to the SR 60 eastbound On/Off ramps to accommodate the following:

- 2) A third northbound thru lane with the existing sidewalk being reconstructed behind the existing concrete columns on the freeway bridge.
- 3) A third southbound thru lane that would serve as an exclusive right-turn lane onto the eastbound SR 60 On-ramp. The existing sidewalk would be reconstructed behind the existing concrete columns on the freeway bridge.

CITY COUNCIL

ITEM NO. 6.6



MEMORANDUM

To: Honorable Mayor Radecki and Members of the City Council

From: Paul J. Philips, City Manager *Paul J. Philips*

Staff: Clement N. Calvillo, City Engineer, CNC Engineering *CNC*
Joshua Nelson, Deputy City Engineer, CNC Engineering *JN*

Date: July 6, 2016

SUBJECT: Amendment No. 1 to the Betterment Agreement regarding the Installation of Improvements on Fullerton Road in conjunction with the Fullerton Road Grade Separation project at the Union Pacific Railroad Los Angeles subdivision by the Alameda Corridor-East Construction Authority on behalf of the City of Industry (MP 99-60 #10)

Attached for your consideration is Amendment No. 1 for the Betterment Agreement between the City of Industry and the Alameda Corridor-East Construction Authority (ACE) for the design and construction of nearby roadway widening improvements in conjunction with the planned grade separation project. The original Agreement was a rough order of magnitude in the amount of \$3,500,000 per the conceptual design. Based on actual construction bids received, the cost has increased to \$7,838,145. This increase in cost includes the cost for construction management, which was not included in the preliminary estimate. In addition, due to limited time frames, it is necessary to use rapid set PCC pavement for driveway and intersection improvements, which increased the construction cost by approximately \$1,200,000.00.

The overall project cost is approximately \$145,200,000.00. ACE has awarded the project to Shimmick Construction Company, Inc., whom has begun work with a Limited Notice to Proceed. A Notice to Proceed is expected to be issued to Shimmick in mid to late July.

Staff recommends that the City Council approve Amendment No. 1 to the Betterment Agreement. This project was approved in the 2016-2017 Capital Improvement Program budget, however a minor increase to the budgeted amount may be needed at a future date. At that time an amendment to the budget will be presented.

PJP/CC/JN:af

**AMENDMENT NO. 1 TO THE BETTERMENT AGREEMENT
REGARDING THE INSTALLATION OF IMPROVEMENTS ON FULLERTON ROAD IN
CONJUNCTION WITH THE FULLERTON ROAD GRADE SEPARATION PROJECT AT THE
UNION PACIFIC RAILROAD LOS ANGELES SUBDIVISION BY THE ALAMEDA
CORRIDOR-EAST CONSTRUCTION AUTHORITY ON BEHALF OF THE CITY OF
INDUSTRY**

THIS AMENDMENT NO. 1 effective this 14th day of July, 2016, by and between the CITY OF INDUSTRY, a municipal corporation, hereinafter referred to as "CITY", and the ALAMEDA CORRIDOR-EAST CONSTRUCTION AUTHORITY OF THE SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS, a California Joint Powers Authority, hereinafter referred to as "ACE", with the CITY and ACE also each individually referred to herein as "PARTY" and collectively as "PARTIES".

WHEREAS, CITY and ACE entered into a BETTERMENT AGREEMENT Dated April 22, 2013 to have ACE design and construct roadway improvements in conjunction with the Fullerton Grade Separation Project hereinafter referred to as "PROJECT"; and

WHEREAS, CITY agreed to reimburse ACE for the actual costs ACE incurs for the design and construction of BETTERMENT performed in conjunction with the BETTERMENT AGREEMENT; and

WHEREAS, ACE completed the BETTERMENT plans in accordance with City direction and has now received construction bids; and

WHEREAS, based on the bids received the PARTIES desire to amend the BETTERMENT AGREEMENT.

NOW, THEREFORE, in consideration of the promises and mutual covenants herein contained, it is hereby agreed to amend the BETTERMENT AGREEMENT as follows:

1. Section II, Paragraph 7 shall read in its entirety as follows:

To pay One Hundred Percent (100%) of BETTERMENT environmental documentation and investigations, environmental remediation, design, right of way and easement acquisition, construction, and construction management costs up to a not to exceed amount of \$7,838,145. The not to exceed amount specified herein may be adjusted to account for change orders during the construction phase if CITY and ACE both agree in writing. ACE shall submit monthly invoices to the CITY for actual work performed. Invoices shall be submitted on or about the first business day of each month, or as soon thereafter as practical, for work performed in the previous month. Payment shall be made by CITY within thirty (30) days of receipt of each invoice as to all non-disputed costs. If the CITY disputes any of the costs set forth in ACE's invoice it shall give written notice to ACE within thirty (30) days of receipt of an invoice of any disputed costs set forth on the invoice. ACE costs will

be calculated based on the Caltrans-approved indirect cost rate applied to direct expenses.

2. Except as expressly amended hereby, the existing AGREEMENT, attached hereto as Exhibit A, and incorporated herein by reference, shall remain in full force and effect as originally executed. All rights and obligations of the parties under the existing AGREEMENT that are not expressly amended by this Amendment shall remain unchanged by this Amendment.

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

CITY
"CITY OF INDUSTRY"

ACE
"ALAMEDA CORRIDOR-EAST
CONSTRUCTION AUTHORITY OF THE
SAN GABRIEL VALLEY COUNCIL OF
GOVERNMENTS"

Mark D. Radecki, Mayor

Mark Christoffels, Chief Executive Officer

ATTEST:

ATTEST:

Cecelia Dunlap, Deputy City Clerk

Deanna Stanley, Secretary

APPROVED AS TO FORM:

APPROVED AS TO FORM:

James M. Casso, City Attorney

Gregory Murphy, ACE General Counsel

EXHIBIT A TO AMENDMENT NO. 1:
BETTERMENT AGREEMENT (APRIL 22, 2013)

BETTERMENT AGREEMENT
REGARDING THE INSTALLATION OF IMPROVEMENTS ON FULLERTON ROAD IN
CONJUNCTION WITH THE FULLERTON ROAD GRADE SEPARATION PROJECT AT THE
UNION PACIFIC RAILROAD LOS ANGELES SUBDIVISION BY THE ALAMEDA
CORRIDOR-EAST CONSTRUCTION AUTHORITY ON BEHALF OF THE CITY OF
INDUSTRY

THIS AGREEMENT effective this 22nd day of April, 2013, by and between the CITY OF INDUSTRY, a municipal corporation, hereinafter referred to as "CITY", and the ALAMEDA CORRIDOR-EAST CONSTRUCTION AUTHORITY OF THE SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS, a California Joint Powers Authority, hereinafter referred to as "ACE", with the CITY and ACE also each individually referred to herein as "PARTY" and collectively as "PARTIES".

WITNESSETH

WHEREAS, ACE contemplates designing and constructing a highway/railroad grade separation on Fullerton Road at the Los Angeles Subdivision of the Union Pacific Railroad, hereinafter referred to as "PROJECT"; and

WHEREAS, CITY desires to have ACE design and construct roadway improvements in conjunction with PROJECT as described in Exhibit "A" hereinafter referred to as "BETTERMENT"; and

WHEREAS, CITY proposes to reimburse ACE for the actual costs ACE incurs for the design and construction of BETTERMENT performed in conjunction with this AGREEMENT;

NOW, THEREFORE, in consideration of the promises and mutual covenants herein contained, it is hereby agreed as follows:

SECTION I

ACE AGREES:

1. To hire a consultant to prepare the BETTERMENT documentation required under the California Environmental Quality Act, and to deliver said documentation to the CITY, for its review, comment, and City Council approval.
2. To negotiate a task work order with the ACE contracted consultant designing the PROJECT to prepare all required preliminary and final plans, specifications, and cost estimates for CITY-requested BETTERMENT, and to deliver said preliminary and final plans, specifications, and cost estimates to the CITY, for its review, comment, and approval thereof prior to BETTERMENT being advertised for construction bids.
3. To acquire on behalf of the CITY the necessary rights of way and easements required for BETTERMENT and to transfer same to CITY after PROJECT completion. Should the acquisition of the necessary rights of way and easements required for BETTERMENT

result in full parcel acquisitions, any excess property will be transferred by ACE to CITY after acceptance of BETTERMENT by CITY.

4. To undertake all necessary environmental investigations and remediation work for hazardous materials or waste (if any) present on any rights of way or easements required for BETTERMENT.
5. To obtain all required authorizations and permits from government agencies necessary to design and construct the BETTERMENT.
6. To include BETTERMENT in the bid solicitation for PROJECT
7. To award a construction contract for PROJECT that includes BETTERMENT
8. To provide all required construction management and inspection for BETTERMENT
9. To track all associated environmental documentation, design, right of way and easement acquisition, construction, and construction management costs for BETTERMENT separately from PROJECT
10. To invoice the CITY for design, environmental and right of way costs on a monthly basis or upon completion of an individual task. Upon receipt of construction bids, to invoice CITY for the estimated costs of BETTERMENT construction and related construction management costs based on the lowest responsible bid received.
11. To furnish an accounting of final actual cost for BETTERMENT and provide CITY an invoice of the same within one hundred twenty (120) days after acceptance of BETTERMENT by ACE and CITY.
12. Upon completion of PROJECT, to furnish CITY with mylar as-built plans of BETTERMENT.

SECTION II

CITY AGREES:

1. To provide ACE all available plans, traffic data, and survey data of existing CITY infrastructure necessary to design BETTERMENT at no cost to ACE.
2. To act as lead agency and obtain all applicable environmental approvals as required from Federal, State, and local agencies for the BETTERMENT except that all permits and approvals for hazardous waste or material investigations or remediation work will be the responsibility of ACE.
3. To inform ACE in writing within fifteen (15) days after receipt of each set of plans, studies, specifications, and/or cost estimates from ACE, if any of the materials are incomplete or if additional information is necessary in order to facilitate CITY's review of the materials.

4. To review and provide to ACE any comments and suggestions to, or required approvals/disapprovals of each set of plans, studies, specifications, and/or cost estimates submitted to CITY within thirty (30) days after receipt of the complete materials.
5. After acceptance of BETTERMENT by CITY, to accept all rights of way and easements acquired for BETTERMENT by ACE.
6. To enforce available rights under existing franchise agreements if existing public and/or private utilities conflict with the construction of BETTERMENT.
7. To pay One Hundred Percent (100%) of BETTERMENT environmental documentation and investigations, environmental remediation, design, right of way and easement acquisition, construction, and construction management costs up to a not to exceed amount of \$3,500,000. The not to exceed amount specified herein may be adjusted to account for changes in the scope of work during the design phase, actual costs of right of way, actual bid prices, or change orders during the construction phase if CITY and ACE both agree in writing. ACE costs will be calculated based on the Caltrans-approved indirect cost rate applied to direct expenses. CITY will make all necessary efforts to pay ACE invoices within 30 days of receipt.

SECTION III

IT IS MUTUALLY AGREED AS FOLLOWS:

1. Should any portion of PROJECT be financed with funds with specific expenditure requirements or limitations, all applicable laws, regulations and policies relating to the use of such funds shall apply notwithstanding other provisions of this Agreement.
2. That advertisement and construction by ACE of BETTERMENT work within the PROJECT shall not commence until ACE's final construction plans involving BETTERMENT have been reviewed and approved by the CITY's City Engineer, or his/her designated agent. Receipt by ACE of BETTERMENT plans signed by CITY's City Engineer or his/her designated agent shall constitute CITY's approval of said plans.
3. If the location of existing facilities of public and/or private utilities conflicts with the construction of BETTERMENT, ACE will identify such facilities located within CITY's right of way and request that the CITY enforce available rights under existing franchise agreements or encroachment permits held by CITY for facilities' protection, relocation, or removal at no cost to ACE. CITY may choose to authorize ACE to coordinate and inspect such protection, relocation, or removal work, at CITY's discretion. Nothing in this Agreement shall restrict or affect CITY's or ACE's ability to enter into separate agreements with utilities for any purpose, including for reimbursements of utility costs for protection, relocation, maintenance, or removal of their facilities.
4. That in the construction of BETTERMENT, ACE will furnish a resident engineer to oversee BETTERMENT construction and CITY may furnish its own representative. Said

representative and resident engineer will cooperate and consult with each other, but the decisions of ACE's resident engineer shall remain the sole and primary directive for all BETTERMENT work. If material changes to the approved plans and specifications will impact BETTERMENT, the ACE resident engineer will obtain the CITY's representative approval before authorizing said changes.

5. Prior to ACE acceptance of BETTERMENT, as completed, under the terms of the PROJECT's construction contract, ACE will confer with CITY in good faith to obtain CITY's written concurrence that the BETTERMENT has been completed in substantial conformance with the approved plans and specifications. It is understood that CITY will not unreasonably withhold such written concurrence which shall constitute CITY's acceptance of BETTERMENT.
6. ACE, the San Gabriel Valley Council of Governments, and their respective elected and appointed boards, officials, officers, agents, employees, and volunteers (individually and collectively, "ACE INDEMNITEES") shall have no liability to CITY for , and CITY, pursuant to Government Code Section 895.4, shall indemnify, defend (using legal counsel of CITY's own choosing), protect and hold harmless ACE INDEMNITEES, from and against any liabilities, as defined in Section III, Paragraph 8, or legal challenges to the PROJECT including BETTERMENT arising out of any act or omission by CITY or any person acting on behalf of CITY under or in connection with any work, authority, or breach of any obligation under this Agreement or work activities associated with the BETTERMENT and delegated to CITY under this Agreement. Any rights of CITY to inspect, review, and/or approve of BETTERMENT design or construction shall not signify that ACE relinquishes management or control over such design or construction.
7. CITY, its special districts and their respective elected and appointed boards, officials, officers, agents, employees, and volunteers (individually and collectively, "CITY INDEMNITEES") shall have no liability to ACE for, and ACE, pursuant to Government Code Section 895.4, shall indemnify, defend (using legal counsel of ACE's own choosing), protect and hold harmless CITY INDEMNITEES from and against, any liabilities, as defined in Section III, Paragraph 8, or legal challenges to the PROJECT including BETTERMENT arising out of any act or omission by ACE or any person acting on behalf of ACE under or in connection with any work, authority, or breach of any obligation under the Agreement or work activities associated with the BETTERMENT and delegated to ACE under this Agreement.
8. The term "liabilities" used in Section III, Paragraphs 6 and 7, shall mean any and all judgments, awards, claims, demands, liabilities, injury (as defined by Government Code Section 810.8), obligations, litigation, fines, penalties, fees (including, without limitation, expert witness fees, engineering and defense costs, and legal fees), costs (including, without limitation, any and all costs involved in instituting a direct condemnation proceeding, and any and all costs involved in defending an inverse condemnation proceeding, and any and all cost involved in an environmental cleanup or archaeological discovery), expenses (including, without limitation, attorneys' fees and court costs), proceedings, suits, and actions of whatever kind, and damages of any nature whatsoever (including, without limitation, bodily injury, death, personal injury, or property damage).

9. Prior to the start of BETTERMENT construction, which shall be defined for this Agreement as the date on which ACE executes a construction contract for PROJECT, including BETTERMENT, either PARTY may propose a termination of this Agreement and all associated BETTERMENT work by sending a written termination request to the other PARTY and proposing a date of termination that is no earlier than sixty days after the date of the written termination request. If ACE requests termination, all work on the BETTERMENT shall cease no later than the date of termination proposed by ACE and ACE shall refund all payments made by CITY for BETTERMENT, and cancel all further invoices to CITY. If CITY requests termination, ACE shall respond to the written termination request by tabulating, estimating and presenting to CITY, within thirty days of the written termination request, all costs already incurred by ACE, all costs already billed to CITY by ACE and all costs projected to be incurred by ACE and billed to CITY for work on the BETTERMENT through the proposed date of termination ("Final Cost Estimate"). ACE will also take all reasonable steps to minimize costs of BETTERMENT work while termination negotiations are underway. After CITY has reviewed the Final Cost Estimate, both sides will meet and confer in good faith to negotiate a final termination cost ("Final Cost"). Such Final Cost and associated termination schedule, and all related terms and conditions, will be included in a written amendment to this Agreement. Should CITY and ACE be unable to agree on a Final Cost and termination schedule, CITY may unilaterally terminate this Agreement by paying to ACE the amount of the Final Cost Estimate, less any amounts already paid to ACE for BETTERMENT work. Upon receipt of payment by CITY, ACE shall thereupon terminate all work on the BETTERMENT effective on the date identified in the CITY's written termination request.
10. After the start of BETTERMENT construction, as defined above in Section III, Paragraph 9, either PARTY may propose a termination of this Agreement and all associated BETTERMENT work by sending a written termination request to the other PARTY and proposing a date of termination that is no earlier than ninety days after the date of the written termination request. If ACE requests termination, all work on the BETTERMENT shall cease no later than the date of termination proposed by ACE and ACE shall refund all payments made by CITY for BETTERMENT and cancel all further invoices to CITY. If CITY requests termination, ACE shall respond to the written termination request by tabulating, estimating and presenting to CITY, within sixty days of the written termination request, all costs already incurred by ACE, all costs already billed to CITY by ACE and all costs projected to be incurred by ACE and billed to CITY for work on the BETTERMENT through the proposed date of termination or an alternative date of termination that ACE considers reasonable given the ongoing construction of the BETTERMENT ("Final Construction Cost Estimate"). ACE will also take all reasonable steps to minimize costs of BETTERMENT construction while termination negotiations are underway. After CITY has reviewed the Final Construction Cost Estimate, both sides will meet and confer in good faith to calculate a Final Cost. Such Final Cost and associated termination schedule, and all related terms and conditions, will be included in a written amendment to this Agreement. Should CITY and ACE be unable to agree on a Final Construction Cost and termination schedule, CITY may unilaterally terminate this Agreement by paying to ACE the amount of the Final Construction Cost Estimate, less any amounts already paid to ACE for BETTERMENT work. Upon receipt of payment by CITY, ACE shall thereupon terminate all work on the BETTERMENT effective on the date identified in the CITY's written termination request or the alternative date of termination proposed by ACE, whichever is the basis for

the Final Construction Cost Estimate .

11. Neither PARTY shall be liable to the other for any damages, delay costs, or termination costs of any type or a failure to perform any part of this Agreement due to causes beyond the control of either or both PARTIES. Such causes include, but are not limited to, acts of God, acts of the public enemy, acts or inactions of federal state or local governments including funding reductions or eliminations, fires, floods, and severe weather.
12. If either PARTY fails to perform a material part of this Agreement, the non-breaching PARTY may notify the breaching PARTY in writing. Within thirty (30) days of such written notification, the breaching PARTY shall commence curing such breach and shall diligently pursue such cure to completion. If the breaching party fails to pursue such cure to completion, the breaching PARTY shall be in default under the terms of this Agreement. In the event of a default, the non-breaching PARTY may pursue any legal or equitable remedies available to it including specific performance and the non-breaching PARTY shall have no obligation to make any payments to or undertake any work for the breaching PARTY until and unless the default is cured.
13. Every notice, demand, request, or other document or instrument delivered pursuant to this Agreement shall be in writing, and shall be either personally delivered, by Federal Express or other reputable overnight courier, sent by facsimile transmission with telephonic confirmation of actual receipt and the original subsequently delivered by other means, or sent by certified United States mail, postage prepaid return receipt requested, to the addresses set forth below, or to such other address as a party may designate from time to time.

To CITY: City of Industry
 15651 E. Stafford Street
 City of Industry, CA 91744
 Attention: John D. Ballas, City Engineer
 Phone: (626) 333-2211
 Fax: (626) 961-6995

To ACE: ACE Construction Authority
 4900 Rivergrade Road, Suite A120
 Irwindale, CA 91706
 Attention: Mr. Mark Christoffels, Deputy Chief Executive Officer
 Telephone: (626) 962-9292
 Fax: (626) 962-3552

14. This Agreement constitutes the entire understanding and agreement of the PARTIES and integrates all of the terms and conditions mentioned herein or incidental hereto with respect to the subject matter hereof, and supersedes all negotiations or previous agreements between the PARTIES with respect to all or part of the subject matter hereof.
15. This Agreement may be amended in writing at any time by the mutual consent of the PARTIES. No amendment shall have any force or effect unless executed in writing by the PARTIES.

16. If any term, provision, covenant, or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions of the Agreement shall continue in full force and effect, unless one or both of the PARTIES would be materially affected or abridged by such interpretation.
17. This Agreement shall be construed and enforced in accordance with the laws of the State of California.
18. No assignment of this Agreement shall relieve the assigning PARTY of its obligations under this Agreement until such obligations have been assumed in writing by the assignee. When duly assigned in accordance with the forgoing, this Agreement shall be binding upon and inure to the benefit of the assignee.
19. Any waiver, modification, consent or acquiescence with respect to any term of this Agreement will be set forth in writing and duly executed by the PARTY to be bound thereby. No waiver of any breach hereunder will be deemed a waiver of any other or subsequent breach.
20. Neither ACE nor CITY intend that there be a third-party beneficiary to this Agreement.
21. Both ACE and CITY will act in good faith in their individual performances under the terms of this Agreement, including taking reasonable steps to mitigate costs.

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

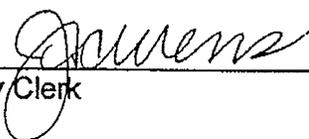
CITY OF INDUSTRY



Mayor

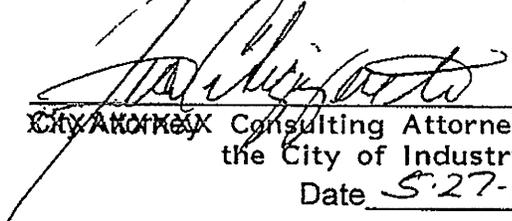
Date MAY 23 2013

ATTEST:



City Clerk

APPROVED AS TO FORM:



~~City Attorney~~ Consulting Attorney for
the City of Industry
Date 5-27-13

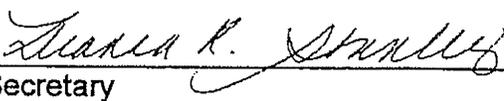
ACE



Chief Executive Officer

Date 4/23/13

ATTEST:



Secretary

Date 4/24/13

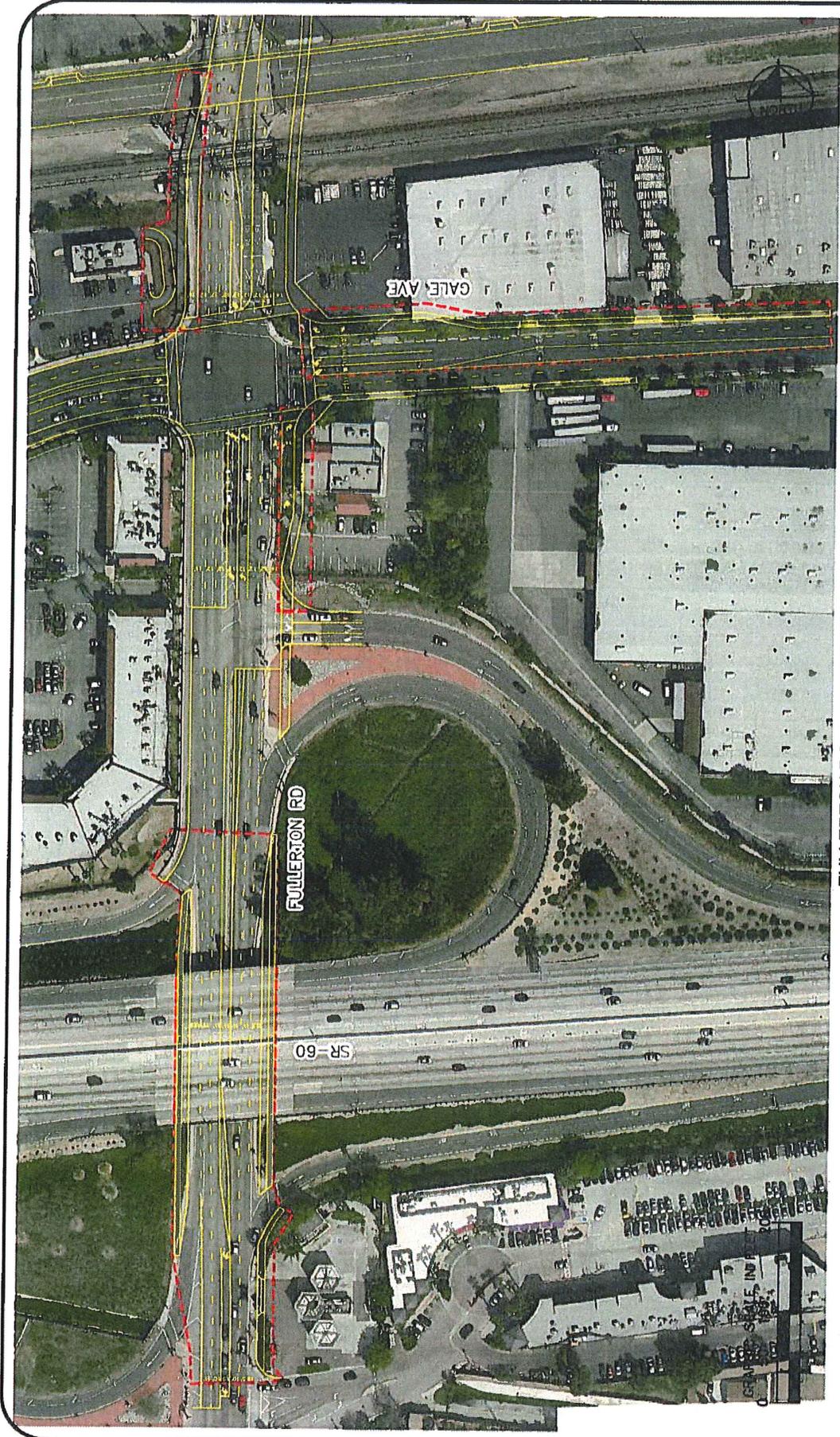
APPROVED AS TO FORM:



ACE General Counsel
Date 5/6/2013

Exhibit A

The proposed CITY requested improvements (BETTERMENTS) consist of the construction of new asphalt and concrete payment, curbs, gutters, sidewalks, pavement striping, roadway signage and the modification of traffic signal equipment to encompass roadway widening underneath the SR-60 bridge between existing on/off ramps, an added a second left turn pocket on westbound Gale Avenue at Fullerton Road, an added right turn pocket for westbound Gale Avenue at Fullerton Road, and an added turn pocket for southbound Fullerton Road at Gale Avenue. The widening under the bridge will take the existing 4-lane street, up to the ultimate 6-lane configuration to accommodate and align with the future widening project by the County of Los Angeles to the south. The new street section will be widened to the face of existing bridge columns (approximately 80 feet wide) with the sidewalk relocated behind the existing column. A retaining wall will be used to cut back the existing fill slope behind the existing columns allowing room for the new relocated sidewalk. Street widening along the north curb on Gale Avenue will be necessary to accommodate the added 11 foot left turn pocket. Minor modifications to the traffic signal at Eastbound SR-60 Off-Ramp and Fullerton Road will be required.



**FULLERTON ROAD GRADE SEPARATION PROJECT
BETTERMENT AREA IMPROVEMENTS**

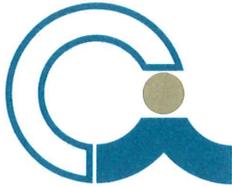


Kimley-Horn
and Associates, Inc.
3000 N. Central Expressway, Suite 200
Raleigh, NC 27605
919.876.1000

K:\CADD\JCH\130466007 - ACE Fullerton Grade Separation\1P1.200.23 - ENGINEERING DELIVERABLES\1P1.200.23 - CADD Workbook\03\COM\BIBLA\2012013.04.09 - Betterment Data Limits.dwg

CITY COUNCIL

ITEM NO. 6.7



CITY OF INDUSTRY

Incorporated June 18, 1957

MEMORANDUM

To: Honorable Mayor and Members of the City Council

From: Paul J. Philips, City Manager *Paul J. Philips*

Staff: Clement N. Calvillo, City Engineer, CNC Engineering *CNC*
Joshua Nelson, Deputy City Engineer, CNC Engineering *JN*
Upendra Joshi, Project Manager, CNC Engineering *UJ*

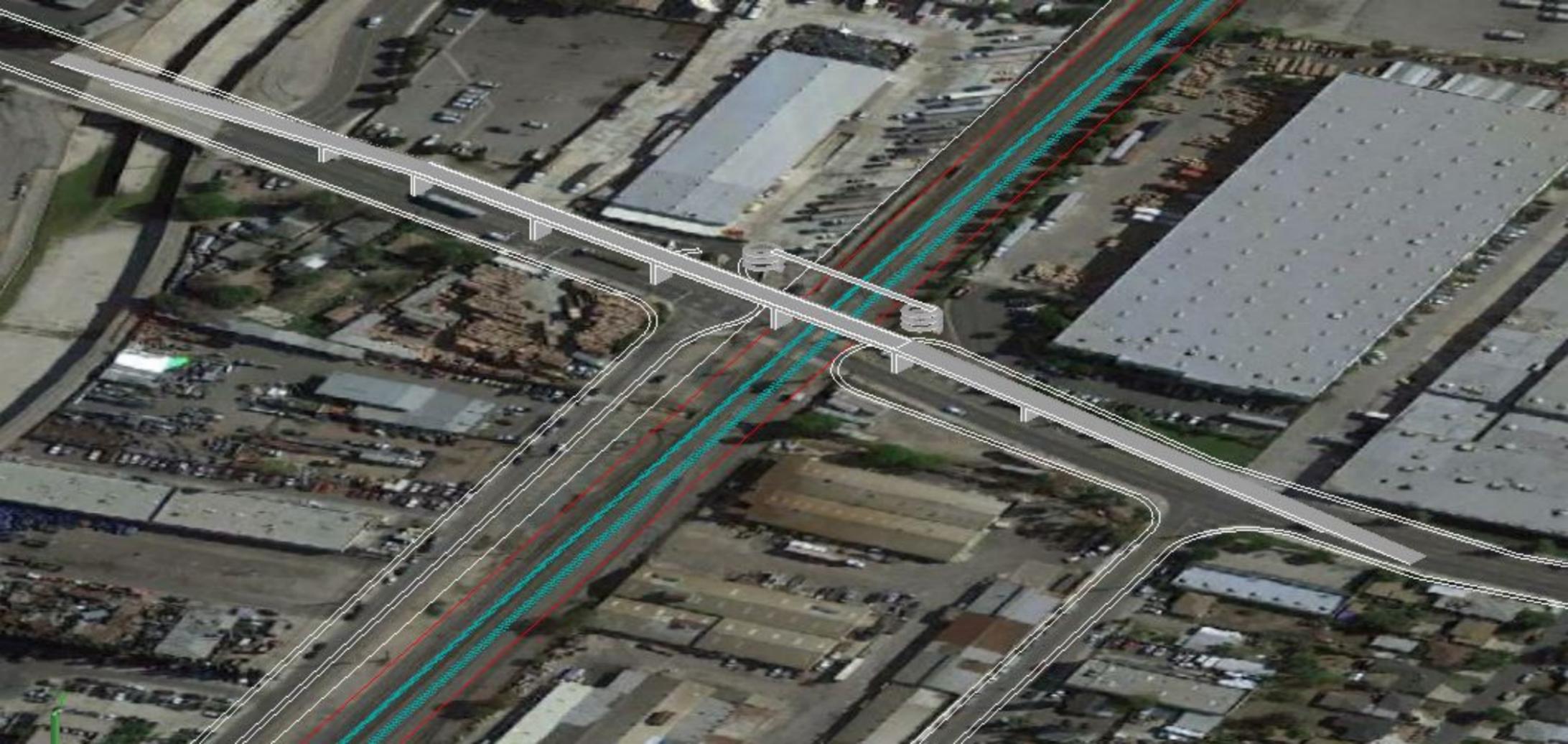
Date: July 6, 2016

SUBJECT: Proposed Turnbull Canyon Grade Separation Project by the Alameda Corridor East Construction Authority (MP 99-60#8)

The Alameda Corridor East Construction Authority's (ACE) adopted program includes a grade separation of Turnbull Canyon and the Union Pacific Railroad (UPRR). This project is currently in the conceptual design phase and ACE staff has been working with City staff on various alternatives for this project. After reviewing the potential property impacts, utility conflicts, groundwater concerns, coordination with UPRR, and estimated project costs, City staff and ACE are recommending that a two lane (one lane for southbound and one lane for northbound for vehicles) overpass structure be constructed at this location which is similar to Hacienda Blvd over UPRR tracks. A rendering of the proposed structure is attached. In addition to a vehicular overpass, a separate pedestrian bridge will be included in the project. The current estimated cost for this project is \$35,000,000 and ACE staff is actively seeking the funding to construct this project.

Based upon Council's approval of this overpass concept for the Turnbull Canyon grade separation project, ACE will proceed forward with the design and environmental clearance documentation which is currently funded. It is anticipated this process will take approximately 24 months. During this period, ACE will be seeking the remaining funding necessary to construct the project. ACE staff will be available to answer questions on this matter at the Council meeting. Staff recommends concurring with the concept design only, no funding is requested or appropriated at this time.

PJP/CC/JN/UJ:af



CITY COUNCIL

ITEM NO. 6.7

POWERPOINT PRESENTATION
PRESENTED DURING MEETING

ALAMEDA CORRIDOR-EAST CONSTRUCTION AUTHORITY

TURNBULL CANYON GRADE SEPARATION PRESENTATION

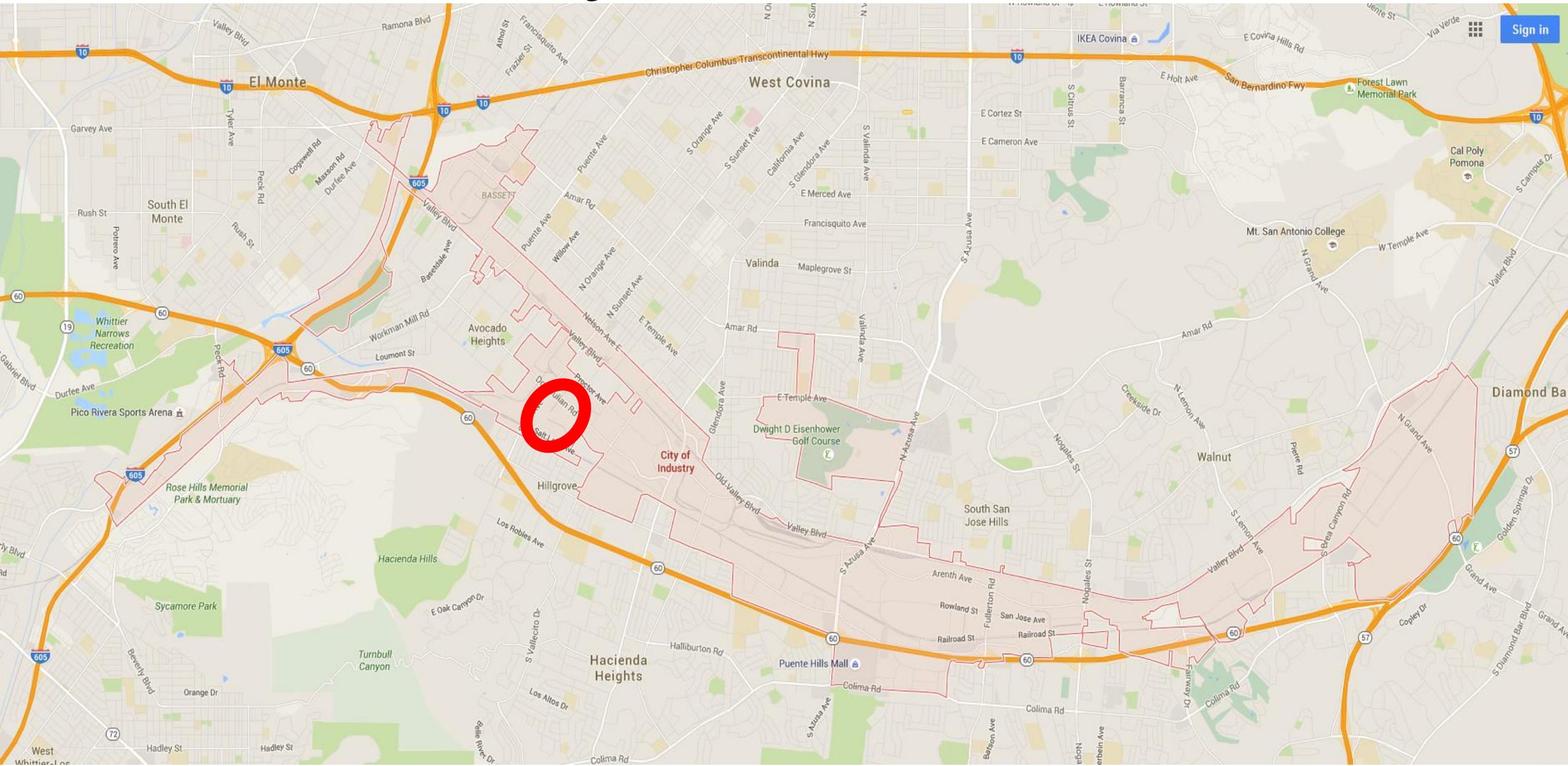
City Council Meeting
July 14, 2016

City of Industry city hall

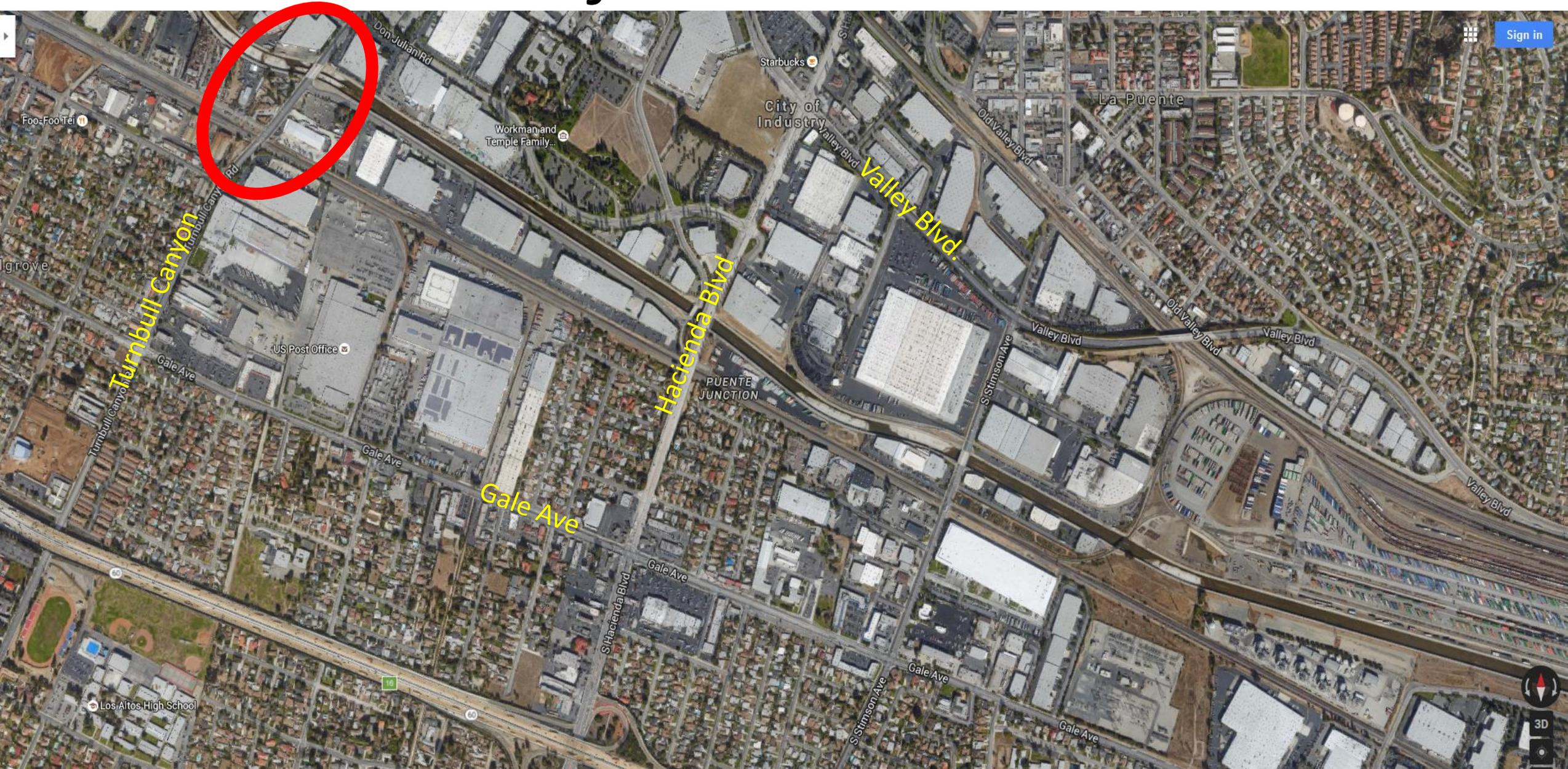
15625 Stafford St #100

City of Industry, CA 91744

Project Location



Project Location



Project Need

Average Daily Vehicle and Train Volumes

Autos	13,376	Freight Trains	13
School Buses	5	Passenger Trains	12
Passenger Buses	6	Light Rail Trains	
Hazmat Trucks	246		
TOTAL VEHICLE COUNT	13,654	TOTAL TRAIN COUNT	25
Date of Count(s):09/09/15-09/16/15		Date of Count(s):09/09/15-09/16/15	

Blocking Delay and Speed Limits

Total Blocking Delay	89 Min
Number of Observed Delays	26
Information Provided by:	Railroad [] Observation [X]
Date Delays Verified	09/09/15-09/16/15
Posted Vehicle Speed Limit	35 mph
Train Speed Limit at Crossing	Metrolink 79 MPH, Freight 65 MPH

Accident History Data

Total Number of Trains vs. Vehicle and Pedestrian Accidents *			
Source FRA/DOT	Date	Killed	Injured
	06/06/12	0	1
	06/12/08	1	0
	02/08/08	0	0
Source	Date	Killed	Injured

* List all accidents separately from October 26, 2003 to October 25, 2013. For each accident specify the accident date, the number of fatalities and injuries.

High Train Count

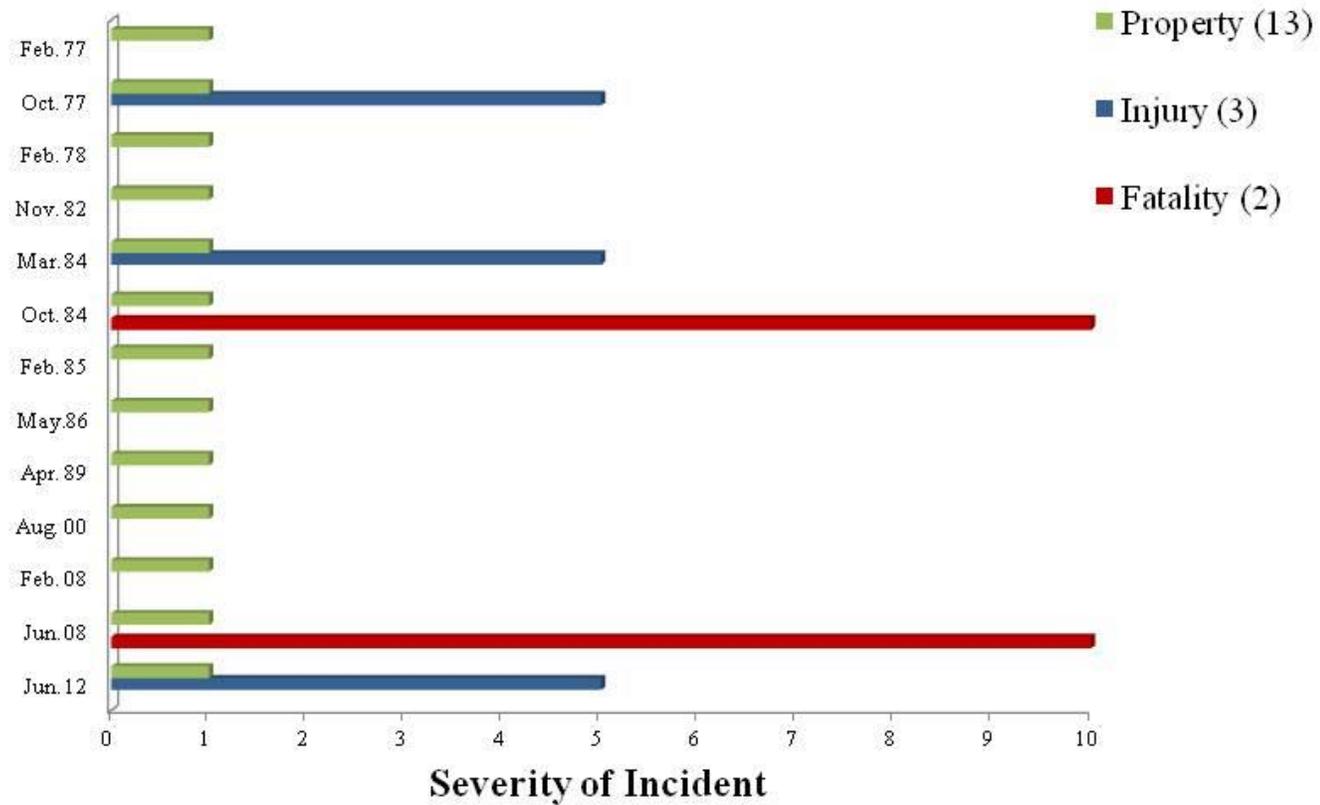
Low Vehicle Count

Long Delays

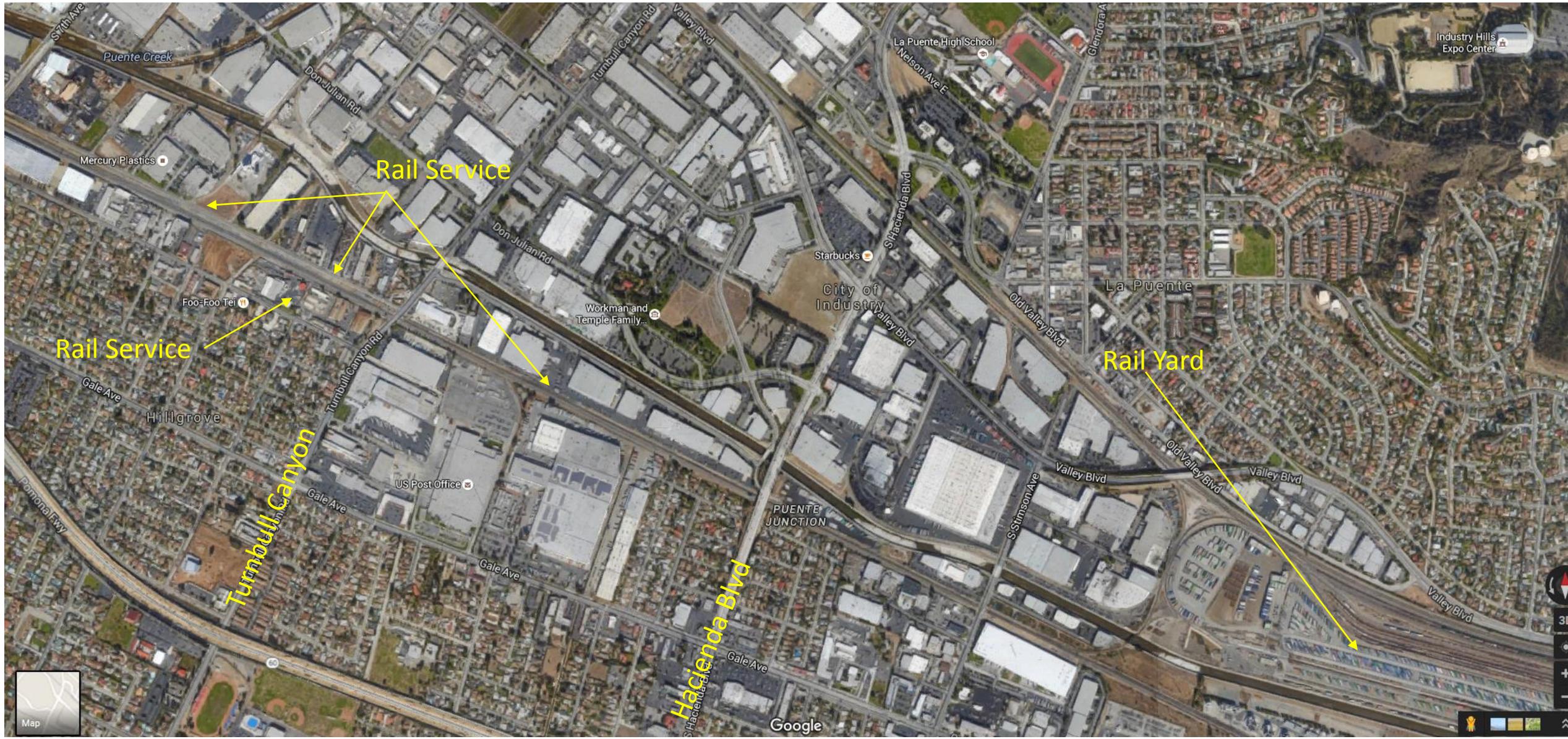
- High Train Traffic
- Nearby train yard operations
- Nearby spur tracks that serve businesses
- Long vehicle delay times are the result of train operations
- Multiple accidents over the years

Accident History

Turnbull Canyon Accident History



Delays Resulting from Rail Operations



Results of Blocked Crossing



Alternatives Evaluated

- Vehicle Underpass
- Vehicle Overpass
- Combination of Raising Rail and Vehicle Underpass
- Combination of Lowering Rail and Vehicle Overpass

Alternatives Eliminated

- Combination of Raising Rail and Vehicle Underpass
 - Modification of Rail would sever service to adjacent tenants and impact mainline. Therefore we are required to maintain railroad at its current location.
- Combination of Lowering Rail and Vehicle Overpass
 - Modification of Rail would sever service to adjacent tenants and impact mainline. Therefore we are required to maintain railroad at its current location.

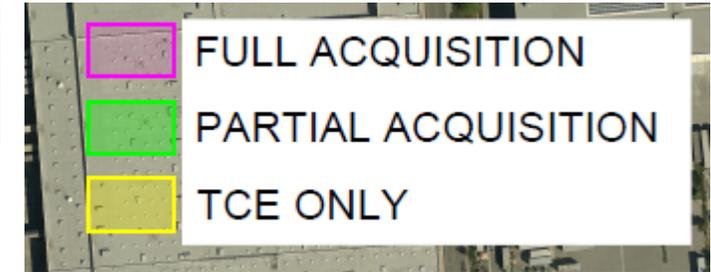
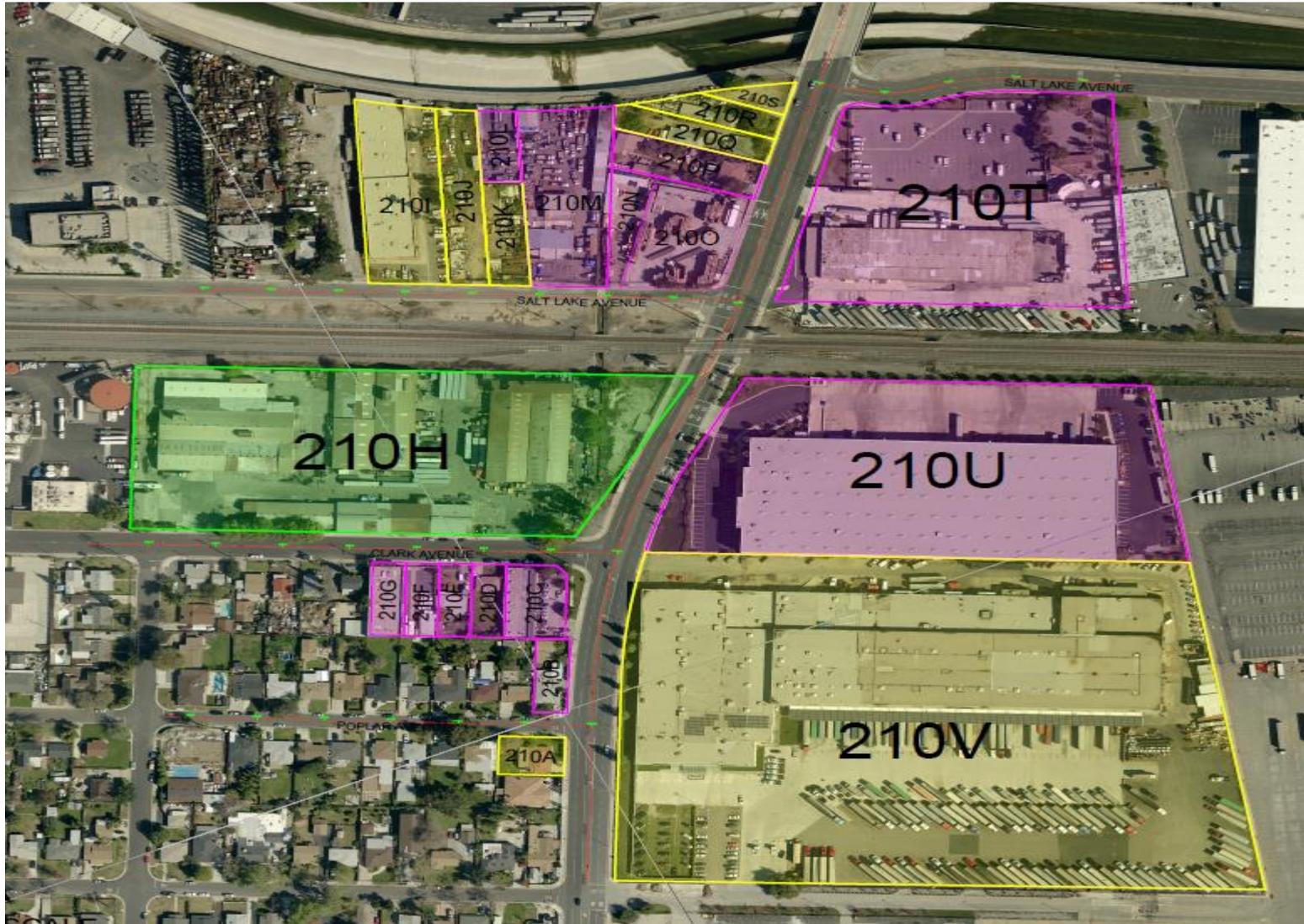
Alternatives Further Evaluated

- Vehicle Underpass
- Vehicle Overpass

Vehicle Underpass Option Benefits and Impacts

- Benefits:
 - No Overhead Structure (Aesthetics)
- Impacts:
 - Substantial Right of Way takes would need to be done in order to maintain property access and to accommodate the roadway design this includes several full takes.
 - Substantial utility relocation efforts which increases cost
 - Temporary Railroad will need to be built (double track) which increases costs
 - Potential to encounter groundwater which has elevated contamination in it
 - Potential to encounter hazardous soil
 - With limited funding remaining in ACE's program ACE may not be able to construct the project for the City of Industry therefore ACE will design the project and pass the design over to the City of Industry to construct when the City of Industry can fund the project.

Underpass Right of Way Impacts



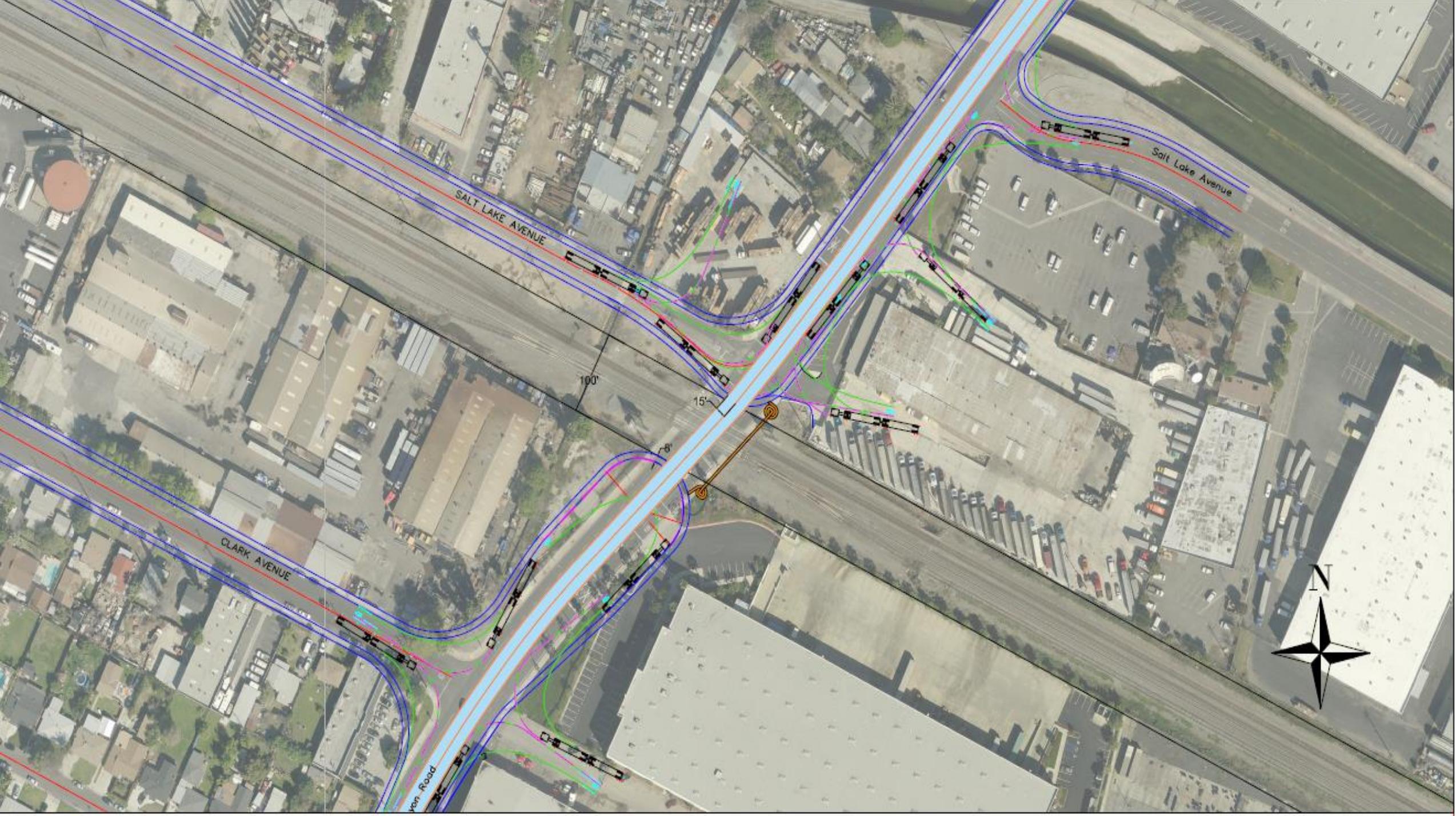
Vehicle Overpass Option Benefits and Impacts

- Benefits:

- Grade separation will permit unfettered vehicular flow. Also proposed cross section will permit emergency vehicles to not be impeded by train traffic.
- Minimal Right of Way takes which will reduce the overall project costs substantially. Underpass estimate is \$26.7M.
- Temporary Railroad will not need to be built (double track) which decreases costs
- Utility relocation efforts will be reduced which decreases cost
- Potential to encounter groundwater is minimized which reduce costs
- Potential to encounter hazardous soil is minimized which reduce cost

- Impacts:

- Aesthetics: Vehicular bridge will be long spanned and be elevated.
- Reduced overall road width, but vehicle volume is low.



SALT LAKE AVENUE

Salt Lake Avenue

CLARK AVENUE

10th Road

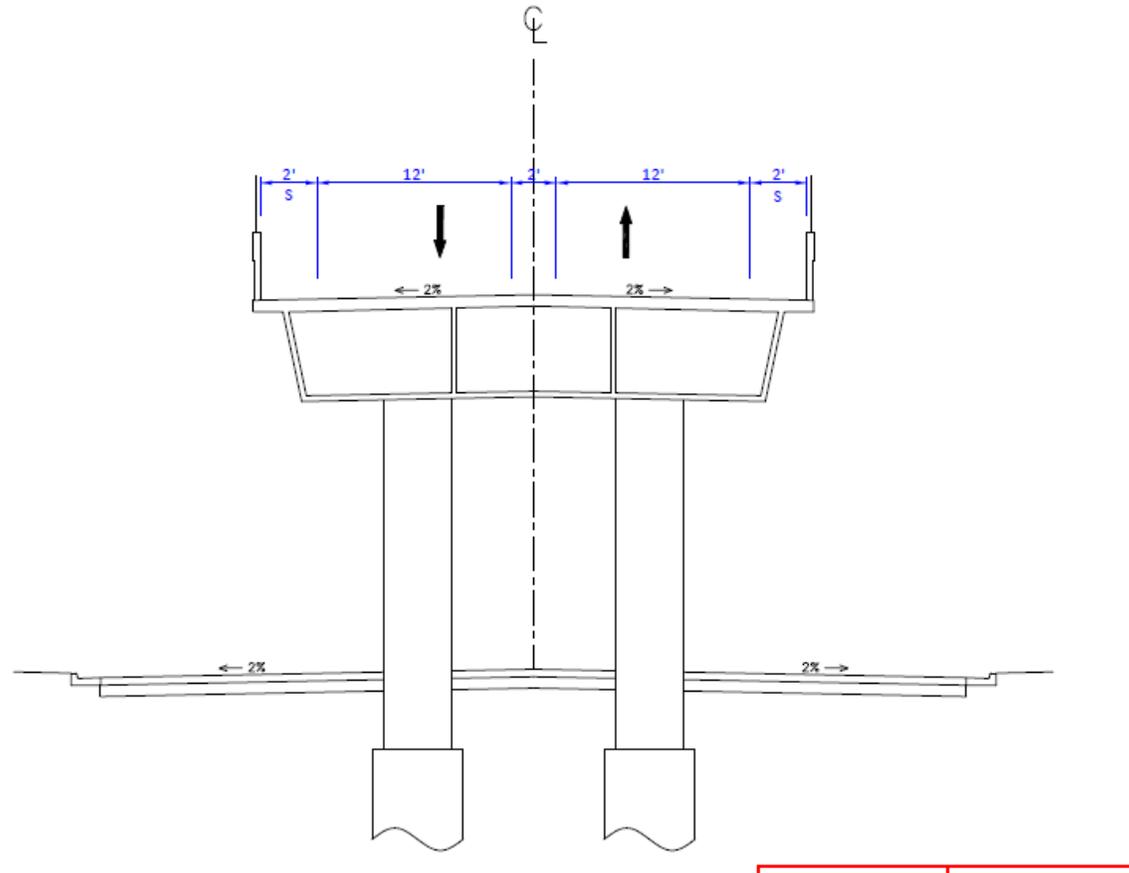
100'

15'

78'



Proposed Cross Section





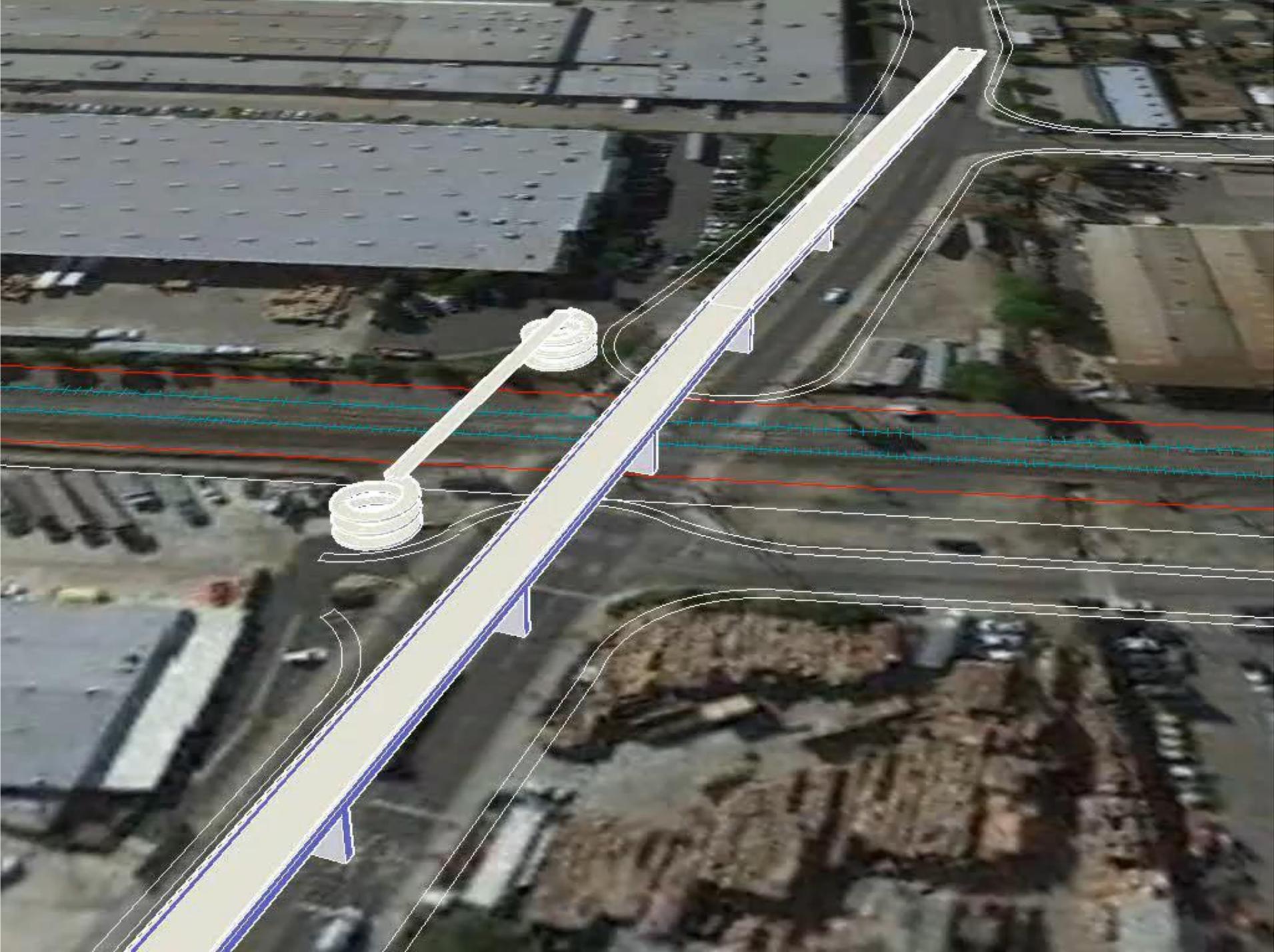
Salt Lake Ave.

Salt Lake Ave.

Turnbull Canyon

Salt Lake Ave.





Q/A

CITY COUNCIL

ITEM NO. 6.8



CITY OF INDUSTRY

P.O. Box 3366 • 15625 E. Stafford St. • City of Industry, CA 91744-0366 • (626) 333-2211 • FAX (626) 961-6795

MEMORANDUM

TO: Honorable Mayor and Council Members

FROM: James M. Casso, City Attorney

DATE: July 14, 2016

SUBJECT: Consideration of Resolution Approving the Sale of the 0.60-acre Southerly Portion of Parcel 71 to Chalmers South Mission Road LLC and Making CEQA Findings

BACKGROUND: Under the provisions of ABX1 26 (the “Dissolution Act”), redevelopment agencies, including the Industry Urban-Development Agency, were dissolved on February 1, 2012, and successor agencies were designated and vested with the responsibility of disposing of all Agency-owned property expeditiously, and in a manner that maximizes value.

On June 26, 2014, the California Department of Finance approved Oversight Board resolutions 2014-12 and 2014-13, whereby parcels of property deemed to be “governmental use properties” would be transferred from the Successor Agency to the Industry Urban-Development Agency (the “Successor Agency”) to the City of Industry (the “City”) for continued governmental use.

The Successor Agency transferred to the City the property identified as Parcel 71 in its Long Range Property Management Plan. This 1.78-acre parcel is designated as a street right-of-way on the Los Angeles County Assessor’s Map and is composed of a northerly and southerly portion. The 1.18-acre northerly portion is beneath the present 100-foot wide curved alignment of Valley Boulevard and will remain a dedicated street right-of-way. The 0.60-acre southerly portion (the Property”) lies to the southwest of the northerly portion and is currently a remnant road right-of way under the jurisdiction of the County of Los Angeles.

Due to its relatively small size, location and orientation, the Property has no value as either a right-of-way street or a commercial use. The highest and best use of the Property is for it to be acquired by the adjacent property owner and incorporated into the proposed development.

The City has negotiated a Purchase and Sale Agreement (Exhibit “A,” the “Agreement,”) with Chalmers South Mission Road LLC (the “Purchaser”). The Purchaser will acquire fee title to the Property. In order to develop the Property, the Purchaser will need to combine the Property with its two adjacent parcels. In furtherance of the sale, the City will need to request that the County of Los Angeles vacate the Property in order to permit the Purchaser to create a commercially-viable site with its other parcels.

The City requested an appraisal by The Duncan Appraisal Corporation which valued the Property at \$10.00 per square foot for a total purchase price of \$261,320.00 rounded to \$260,000.00. The Purchaser has offered to pay the City \$260,000.00, an amount equal to the appraised value.

The attached Resolution sets forth the requisite findings pursuant to CEQA and it ensures that the proposed purchase is in compliance with California law.

DISCUSSION: The Purchaser will purchase the Property from the City for \$260,000.00, which is an amount equal to the appraised fair market value. Further, at the close of escrow, the Purchaser will reimburse the City for the cost of the appraisal and for its legal costs, in an amount not to exceed \$15,000.00. The Agreement requires a \$26,000.00 non-refundable deposit due upon the opening of escrow. Proceeds from the sale, pursuant to the Dissolution Act and the Long Range Property Management Plan, will be provided to the County Auditor-Controller for eventual distribution to the taxing entities.

Close of escrow will occur within 6 months after escrow has opened. However, the close of escrow may be postponed for an additional 6 months in order to allow the City to secure the vacation of the Property by the County of Los Angeles.

BUDGET IMPACT: Based on an appraisal, the Property was valued at \$260,000.00. The Purchaser has agreed to pay \$260,000.00, an amount equal to the fair market value. The value of the southerly portion of the Property is based on the approximately 0.60-acres of vacant land area. The City will incur no expense in connection with this Agreement.

RECOMMENDATION: Staff recommends that the City Council adopt the attached Resolution, approving the Agreement between the City and the Purchaser of the Property.

Attachments:

Exhibit "A": Purchase and Sale Agreement
Resolution

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (“**Agreement**”), dated as of July 14, 2016 (the “**Effective Date**”) is entered into by the **CITY OF INDUSTRY**, a public body, corporate and politic (the “**City**” or “**Seller**”), and **CHALMERS SOUTH MISSION ROAD LLC**, a California limited liability company (the “**Purchaser**”). The City and the Purchaser are hereinafter sometimes individually referred to as a “**party**” and collectively referred to as the “**Parties.**”

Section 1. Recitals.

A. The City is a municipal corporation, exercising governmental functions and powers, and organized and existing under the laws of the State of California.

B. On January 31, 2011, the former Industry-Urban Development Agency (the “**IUDA**”) was dissolved by operation of Assembly Bill (2011, First Extraordinary Session) 26 (“**ABx1 26**”). The Successor Agency to the former IUDA (the “**Successor Agency**”) came into being on that date, and pursuant to ABx1 26 and Assembly Bill 1484 (collectively the “**Dissolution Act**”) the Successor Agency began winding down the affairs of the former IUDA.

C. In February of 2014, the California Department of Finance approved the Successor Agency’s “Long Range Property Management Plan,” a document that the Dissolution Act require the Successor Agency to prepare, to submit to its statutory Oversight Board for approval, to submit to the Department of Finance for further approval, and to then comply with as it disposed of real property formerly owned by the IUDA.

D. On June 26, 2014, the California Department of Finance approved Oversight Board resolutions 2014-12 and 2014-13. Pursuant to those resolutions, the Successor Agency’s statutory Oversight Board had determined that certain parcels of property constituted “governmental use properties” as defined in the Dissolution Act and should be transferred from the Successor Agency to the City for continued governmental use.

E. Subsequently, the Successor Agency transferred to the City the southern 0.60-acre portion of that 1.78 acre parcel identified as Parcel 71 in the Long Range Property Management Plan and described as constituting land underlying Valley Boulevard and land adjacent to Valley Boulevard, as shown in Exhibit “A” attached hereto and incorporated herein by this reference (the “**Right-of-Way Property**”).

F. The Purchaser wishes to acquire fee title to that southern 0.60-acre portion of the Right-of-Way Property, as more particularly described in Exhibit “B” attached hereto and incorporated herein by this reference (the “**Property**”), from the City to enable the Purchaser to combine the Property with its adjacent parcels and create a commercially-viable site.

G. At the time the Property was transferred from the IUDA to the City, no commercially-viable use of that parcel was considered.

H. The City has determined that the splitting of the Right-of-Way Property into the Property and the remainder portion underlying Valley Boulevard, and the subsequent development of the Property by Purchaser, are consistent with redevelopment plan for the former IUDA’s

redevelopment project area and the provisions of the Dissolution Act if and to the extent that the City commits to remit any payment made for the Property to the Successor Agency for distribution to affected taxing entities as provided in the Dissolution Act.

I. The City has committed to making such remittance and this Agreement shall direct the remittance to be made as of the Close of Escrow, with the Successor Agency then empowered by the Dissolution Act to transfer the Purchase Price to the County of Los Angeles for distribution to affected taxing entities with jurisdiction over the former IUDA's project areas.

J. The Property has been appraised at a value of approximately Ten Dollars (\$10.00) per square foot via an independent appraisal, for a total land value of Two Hundred Sixty Thousand Dollars and No Cents (\$260,000.00).

NOW, THEREFORE, in reliance upon the foregoing Recitals, in consideration of the mutual covenants in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Section 2. Agreement to Sell, Purchase, and Develop.

Seller agrees to sell and Purchaser agrees to purchase the Property on and subject to the terms and conditions contained in this Agreement. Purchaser further agrees to develop the Property by combining the Property with Purchaser's adjacent parcels to create an industrial site that will enhance economic opportunity in the former project area, as that term defined and described by Government Code sections 53300 *et seq.*

Section 3. Purchase Price; Deposit.

A. The total purchase price ("**Purchase Price**") for the Property is \$10.00 per net square feet or \$260,000.00, based on a Summary Appraisal Report prepared by The Duncan Appraisal Corporation, dated August 5, 2014 for comparable property located within the City of Industry and the City of Pomona.

B. Concurrently with the opening of Escrow (as defined in Section 4), Purchaser agrees to deliver to the Escrow Agent (as defined in Section 4) the amount of \$26,000.00 to be held by the Escrow Agent as earnest money (the "**Deposit**"). Upon the close of Escrow, the Deposit and any interest earned on the Deposit while held in Escrow is to be applied to the Purchase Price, and the Escrow Agent is to disburse the Deposit and such interest to the Successor Agency upon the close of Escrow. Except as otherwise expressly provided in this Agreement, the Deposit is not refundable to Purchaser unless Seller fails to deliver title to the Property to Purchaser in breach of this Agreement.

Section 4. Escrow.

An escrow (the "**Escrow**") shall be opened to consummate the sale of the Property according to the terms of this Agreement with Old Republic Title Company, attn.. Larry Lacombe ("**Escrow Agent**"), 101 N. Brand Blvd., 14th Floor, Glendale, CA 91203-2691, 818-549-4323, fax 818-230-9053, llacombe@ortc.com. The Escrow is to be opened within three (3) business days after the execution of this Agreement by the parties. A signed counterpart of this Agreement is to be delivered to the Escrow Agent and shall serve as escrow instructions, subject to the provisions of

the Escrow Agent's standard conditions for acceptance of escrow, but only to the extent that the standard conditions impose no additional obligations or liabilities on the parties, and further subject to the terms and conditions in this Agreement, the latter to control in the case of conflict. Within five (5) business days after the opening of escrow, Seller agrees to provide Purchaser with copies of documents pertaining to the operation or maintenance of the Property, if any, in the possession of Seller, including licenses, permits, soil reports, surveys, engineer's reports, environmental reports, plans and specifications, certificates of occupancy, conditional use permits, development plans, contracts and other documents or studies ("**Property Documents**"). The Property Documents are provided for informational purposes only and without representation or warranty of any kind or nature regarding their significance, accuracy or completeness.

Section 5. Closing Date.

The conveyance of the Property to Purchaser and the close of Escrow are to take place no later than six (6) months after the date the Escrow is opened, or at such earlier or later time as shall be agreed upon in writing by Seller and Purchaser ("**Closing Date**"). Purchaser agrees that it shall not refuse to extend Escrow for a period of up to an additional six (6) months in order to allow Seller to secure from the County of Los Angeles the vacation of that portion of the Right-of-Way Property that is to become the Property.

Section 6. Certain Conditions Precedent.

A. Purchaser's obligation to perform under this Agreement and to complete the purchase contemplated herein is subject to the satisfaction, or express written waiver by Purchaser, of the following conditions (and the Deposit shall be refunded to Purchaser if any of said conditions are not satisfied and Purchaser is unwilling to waive same):

- (1) Seller's representations and warranties in this Agreement being correct as of the date of this Agreement and as of the close of Escrow;
- (2) Seller's performance of all obligations to be performed by Seller under this Agreement;
- (3) The Title Company (as defined in Section 7) being prepared to issue the Title Policy (as defined in Section 8A) on the close of Escrow, subject only to the Approved Exceptions (as defined in Section 8A);
- (4) Completion and Purchaser's approval of a Phase I (and if Purchaser deems it necessary a Phase II) Environmental Assessment (prepared at Purchaser's expense if not already existing or current);
- (5) Purchaser's obtaining from the County of Los Angeles a vacation of that portion of the Right-of-Way Property that is to become the Property, or in the alternative, obtaining confirmation from the County that no vacation or lot split, respectively, is required under the County own interpretation of its laws governing the Property, on conditions reasonably acceptable to Purchaser;
- (6) Completion and Purchaser's approval of a Soils Report (prepared at Purchaser's expense if not already existing or current); and

(7) There being no adverse change with regard to the Property (other than as caused by Purchaser) following the date of this Agreement.

B. Seller's obligation to perform under this Agreement and to complete the sale contemplated herein is subject to the satisfaction, or express written waiver by Seller, of the following conditions:

(1) Purchaser's representations and warranties in this Agreement being correct as of the date of this Agreement and as of the close of Escrow; and

(2) Purchaser's performance of all obligations to be performed by Purchaser under this Agreement; and

(3) Approval of this Agreement and the transactions contemplated hereby by the City Council of Seller.

Section 7. Due Diligence - Title.

Within five (5) business days following the opening of Escrow, or at such time as the Property has been created as a separate legal parcel, Escrow Agent is to cause Old Republic Title Company ("Title Company") to issue to Purchaser (with a copy to Seller), at Purchaser's sole cost and expense, a preliminary report for a CLTA (or a Purchaser's election, an ALTA) Standard Owner's Policy for the Property ("Preliminary Report"), together with copies of all documents relating to title exceptions referred to in the Preliminary Report. Within thirty (30) days after receipt of the Preliminary Report, Purchaser shall give Seller notice in writing of Purchaser's approval of all matters contained in the Preliminary Report or of any objections which Purchaser may have to matters reported or shown in the Preliminary Report; provided, however, that Purchaser is not entitled to object to any matters affecting title which have been created by or with the consent of Purchaser or any liens or encumbrances arising from any work, activities or things done, suffered or permitted by Purchaser on or about the Property, all such Purchaser created or consented to matters, liens and encumbrances being conclusively deemed to be Approved Exceptions (as defined in Section 8A). Matters reported or shown in the Preliminary Report not timely objected to by Purchaser as provided above will be conclusively deemed to be Approved Exceptions; provided, however, that Seller agrees that it will discharge or otherwise satisfy, prior to the close of Escrow, all mortgages, deeds of trust, judgment liens, mechanic's liens, or other monetary liens created by or through Seller and secured by the Property. Seller has no obligation to cure or correct any other matter objected to by Purchaser. However, no later than seven (7) days after receipt of Purchaser's objections, if any, Seller may elect by giving written notice to Purchaser (the "**Cure Notice**") to remove some or all of such objectionable matters. If Seller fails to timely deliver a Cure Notice, or if Seller delivers a Cure Notice stating that it will remove less than all of such objectionable matters, then on or prior to five (5) days following Purchaser's receipt of the Cure Notice, Purchaser may terminate this Agreement without penalty to Purchaser or waive its objections. Purchaser's failure to deliver such notice on or prior to five (5) days following Purchaser's receipt of the Cure Notice will be conclusively deemed to constitute Purchaser's reaffirmation of its objections to any such objectionable matters which Seller has not so elected to cure. If Purchaser waives its objection as to any matter (or is deemed to have so waived such objection), then such matter will be conclusively deemed to be an Approved Exception. If Purchaser terminates this Agreement as provided in this Section, the Deposit together with all interest is to be returned to Purchaser, and Seller and

Purchaser will be released from all further liability and obligation under this Agreement, except for those liabilities and obligations which have accrued prior to the date of termination. Upon any such termination, Seller and Purchaser will each pay one-half the amount of any escrow cancellation fees.

Section 8. Close of Escrow.

A. Simultaneously with the close of Escrow, Escrow Agent is to cause the Title Company to issue a CLTA (or, if elected by Purchaser and available without the necessity of delaying the Closing Date, an ALTA) Standard Owner's Policy of Title Insurance ("**Title Policy**") in the amount of the Purchase Price, subject only to the following matters ("**Approved Exceptions**"):

- (1) A lien for real property taxes, bonds, and assessments not then due; and
- (2) Matters approved by Purchaser or deemed to be Approved Exceptions in accordance with Section 7.

B. Seller will deposit with Escrow Agent on or prior to the close of Escrow the following documents:

- (1) A grant deed executed and acknowledged by Seller conveying to Purchaser good and marketable fee simple title to the Property in the form attached to this Agreement as Exhibit "C" ("**Deed**");
- (2) Seller's affidavit of nonforeign status as contemplated by Section 1445 of the Internal Revenue Code of 1986, as amended ("**FIRPTA Affidavit**"); and
- (3) Seller's affidavit as contemplated by the Revenue and Taxation Code §§ 18662 and 18668 ("**Withholding Affidavit**").

C. Purchaser will deposit with Escrow Agent, on or prior to the close of Escrow, the following:

- (1) An amount in cash or immediately available funds which, when combined with the amount of the Deposit (plus all interest earned on the Deposit while held in Escrow), equals the Purchase Price.

D. On the Closing Date, Escrow Agent is to close Escrow as follows:

- (1) Record the Deed (marked for return to Purchaser) with the Los Angeles County Recorder (which shall be deemed delivery to Purchaser);
- (2) Cause the Title Policy to be issued;
- (3) Prorate costs and other charges as provided in Section 8E;
- (4) Disburse to the Successor Agency the Purchase Price less prorated amounts and charges to be paid by or on behalf of Seller, with the Successor Agency then empowered by the Dissolution Act to transfer the Purchase Price to the County of Los Angeles for distribution to affected taxing entities;

(5) Charge Purchaser for those costs and expenses to be paid by Purchaser pursuant to this Agreement and disburse any net funds remaining after the preceding disbursements to Purchaser;

(6) Prepare and deliver to both Purchaser and Seller one signed copy of Escrow Agent's closing statement showing all receipts and disbursements of the Escrow; and

(7) Deliver to Purchaser the FIRPTA Affidavit and the Withholding Affidavit.

If Escrow Agent is unable to simultaneously perform all of the instructions set forth above, Escrow Agent is to notify Purchaser and Seller and is to retain all funds and documents pending receipt of further instructions jointly issued by Purchaser and Seller.

E. Escrow Agent is to prorate the following costs at the close of Escrow:

(1) Purchaser is to pay:

a. All charges in connection with issuance of the Title Policy not required to be paid by Seller under Section 8E(2), and

b. One-half (1/2) of the escrow fee charged by Escrow Agent.

(2) Seller is to pay:

a. All governmental conveyancing fees and taxes due upon transfer of the Property,

b. The recording charges in connection with recordation of the Deed,

c. One-half (1/2) of the escrow fee charged by Escrow Agent, and

d. The portion of the premium for the Title Policy attributable to a CLTA Standard Owner's Policy of Title Insurance.

Section 9. Liquidated Damages.

IN THE EVENT THAT THIS TRANSACTION FAILS TO CLOSE THROUGH PURCHASER'S DEFAULT OR FAILURE TO PERFORM IN ACCORDANCE WITH THIS AGREEMENT, AND PROVIDED THAT SELLER IS NOT IN DEFAULT UNDER THIS AGREEMENT, THE FULL AMOUNT OF THE DEPOSIT SPECIFIED IN SECTION 3B ABOVE, TOGETHER WITH ALL ACCRUED INTEREST THEREON, SHALL BE DELIVERED FROM ESCROW BY THE ESCROW AGENT TO SELLER AS LIQUIDATED DAMAGES, WHICH SUM PURCHASER AND SELLER AGREE IS A REASONABLE SUM CONSIDERING THE CIRCUMSTANCES EXISTING ON THE DATE OF THIS AGREEMENT, INCLUDING THE RELATIONSHIP OF THE SUM TO THE RANGE OF HARM TO SELLER THAT REASONABLY COULD BE ANTICIPATED, SELLER'S ANTICIPATED USE OF THE PROCEEDS OF SALE AND THE FACT THAT PROOF OF ACTUAL DAMAGES WOULD BE IMPRACTICABLE. SUCH LIQUIDATED DAMAGES SHALL BE SELLER'S SOLE AND EXCLUSIVE REMEDY IN THE EVENT OF

PURCHASER'S DEFAULT HEREUNDER, ALL OTHER REMEDIES BEING EXPRESSLY AND INTENTIONALLY WAIVED BY SELLER; PROVIDED, HOWEVER, THAT THE PROVISIONS OF THIS SECTION SHALL NOT IN ANY WAY LIMIT OR AFFECT SELLER'S RIGHTS TO INDEMNIFICATION UNDER THIS AGREEMENT. IN ADDITION, IF PURCHASER DOES NOT PROMPTLY RELEASE OR JOIN IN INSTRUCTING ESCROW AGENT TO RELEASE SAID SUM TO SELLER, AND COOPERATE IN CANCELING THE ESCROW, THEN IN ADDITION TO SAID SUM SELLER SHALL ALSO BE ENTITLED TO RECOVER FROM PURCHASER (i) ALL OF ITS REASONABLE COSTS AND EXPENSES, INCLUDING, BUT NOT LIMITED TO, ATTORNEYS' FEES, COSTS AND EXPENSES INCURRED IN OBTAINING SUCH SUM AND IN OBTAINING THE CANCELLATION OF ESCROW, AND (ii) ANY AMOUNTS WHICH WOULD OTHERWISE REDUCE SUCH SUM AND TO WHICH ESCROW AGENT IS ENTITLED IN CONNECTION THEREWITH, BY WAY OF INTERPLEADER OR OTHERWISE. IN PLACING THEIR INITIALS AT THE PLACES PROVIDED, EACH PARTY SPECIFICALLY CONFIRMS THE ACCURACY OF THE STATEMENTS MADE ABOVE AND ITS UNDERSTANDING OF THE CONSEQUENCES OF THIS LIQUIDATED DAMAGES PROVISION.

SELLER INITIAL HERE: _____

PURCHASER INITIAL HERE: _____

Section 10. Property Conditions -- Due Diligence and Acceptance of AS IS Conditions.

A. Except for any representations, warranties, and covenants expressly stated by the Seller to the Purchaser in this Agreement, Purchaser agrees that it is purchasing the Property in an "AS IS" condition as of the close of Escrow. Purchaser agrees that as of the close of Escrow, it will have completed its own independent investigation of the existing physical and economic conditions affecting the Property and its use, including, but not limited to, the physical configuration of the Property, any trees, stumps, brush, or other vegetation on the Property, the condition of its soils, the presence or impact of any geologic or hydrologic features and faults, the nature of its lateral and subjacent support, the presence of Hazardous Substances, waste, garbage, rubbish, or refuse on, in, under, or adjacent to the Property, the location of the Property within any flood plain or high risk fire area, the location of public utilities and public improvements on, in, under, or over the Property, the presence, soundness, and habitability of any structures, fixtures, or improvements on or in the Property, the existence of any faults or defects (whether known or unknown, patent or latent), the economic and legal suitability of the Property for the intended use, all market conditions that may affect development and use of the Property, and all actions, orders, and judgments affecting the Property (collectively, the "**Property Conditions**"), and either accepted or disapproved of the Property Conditions.

B. Within five (5) business days following the opening of Escrow, Seller shall deliver to Purchaser true, correct, and complete copies of all reports, studies, or other documents concerning the Property Conditions including, but not limited to, the Property Documents described in Section 4, all applicable information relating to Hazardous Substances on, in, or under the Property and any current leases, contracts, licenses, profits, permits, or other documents which affect title, possession, or use of the Property, which Seller has in its possession, custody, or control, along with any other information in Seller's possession or control reasonably requested by Purchaser regarding the

Property. Purchaser shall undertake and complete its own independent investigation of the Property Conditions on or before the ninetieth (90th) business day following the opening of Escrow (the “**Due Diligence Date**”). As part of its investigation, Purchaser may, at its sole cost and expense, and in its sole and absolute discretion, obtain a Phase I environmental report, and other such studies, reports, or investigations as it deems necessary. On or before the Due Diligence Date, Purchaser shall notify Seller in writing (“**Purchaser’s Property Condition Notice**”) of Purchaser’s approval or disapproval, in Purchaser’s sole and absolute discretion, of the Property Conditions. In the event Purchaser has specifically disapproved any Property Conditions, Purchaser’s Property Condition Notice shall include either a request that Seller immediately commence actions to remedy and correct the disapproved Property Conditions or that Purchaser elects to cancel the escrow and terminate the Agreement. Seller has no obligation to cure or correct any matter objected to by Purchaser. However, no later than seven (7) days after receipt of Purchaser’s Property Condition Notice, Seller may elect, by delivering a written Cure Notice to Purchaser, to remove some or all of such objectionable matters. If Seller fails to timely deliver a Cure Notice, or if Seller delivers a Cure Notice stating that it will remove less than all of such objectionable matters, then on or prior to five (5) days following Purchaser’s receipt of the Cure Notice, Purchaser may terminate this Agreement without penalty to Purchaser or waive its objections. Purchaser’s failure to deliver such notice on or prior to five (5) days following Purchaser’s receipt of the Cure Notice will be conclusively deemed to constitute Purchaser’s waiver of its objections to any such objectionable matters which Seller has not so elected to cure. If Purchaser waives its objection as to any matter (or is deemed to have so waived such objection), then such matter will be conclusively deemed to be approved by Purchaser. If Purchaser terminates this Agreement as provided in this Section, the Deposit together with all interest is to be returned to Purchaser, and Seller and Purchaser will be released from all further liability and obligation under this Agreement, except for those liabilities and obligations which have accrued prior to the date of termination. Upon any such termination, Seller and Purchaser will each pay one-half the amount of any escrow cancellation fees.

C. Subject to the conditions hereafter stated, Seller grants to Purchaser and its employees, agents, and consultants, a right to enter upon any portion of the Property for the purpose of conducting engineering surveys, soil tests, investigations, a Phase I and a Phase II environmental report, and other studies reasonably necessary to evaluate the Property Conditions, which studies, surveys, investigations, and tests shall be done at Purchaser’s sole cost and expense. Purchaser shall indemnify, defend, and hold Seller harmless from and against any claims, injuries, or damages arising out of or in connection with the entry and work performed in this Section.

D. Purchaser hereby expressly acknowledges and agrees that (a) it expects to have the opportunity by and through this Section 10 to thoroughly inspect and examine the Property to the extent deemed necessary by Purchaser in order to enable Purchaser to evaluate and make an informed decision regarding the purchase of the Property, and (b) Purchaser will rely solely upon such familiarity with and inspection, examination and evaluation of the Property in purchasing the Property. Purchaser acknowledges and agrees that if it completes the purchase of the Property, it will acquire and accept the Property in its “AS-IS AND WITH ALL FAULTS CONDITION,” including, without limitation, any faults and conditions specifically referenced in this Agreement. No person acting on behalf of Seller is authorized to make (and by execution of this Agreement, Purchaser acknowledges and agrees that, except as specifically provided in this Agreement, Seller has not made, does not make and specifically negates and disclaims) any representations, warranties, promises, covenants, agreements or guaranties of any kind or character whatsoever, whether express or implied, oral or written, past, present or future, of, as to, concerning or with respect to:

- (1) The value of the Property or the income to be derived from the Property;
- (2) The suitability of the Property for any and all activities and uses which Purchaser may conduct thereon, including any development of the Property;
- (3) The nature, quality or condition of the Property, including without limitation, its state of repair, soils, drainage and geology;
- (4) The compliance of or by the Property with any laws, rules, ordinances or regulations of any applicable governmental authority or body, including, without limitation, compliance with any environmental protection, pollution or land use laws, rules, regulations, orders or requirements;
- (5) The presence or absence of Hazardous Substances (as defined below) at, on, under, or adjacent to the Property;
- (6) The content, completeness or accuracy of the Preliminary Report and any information or other materials which may have been provided to Purchaser by Seller;
- (7) The existence or non-existence of vested land use, zoning or building entitlements affecting the Property; or
- (8) Any other matter concerning the Property except as may be otherwise expressly stated in this Agreement, including, without limitation, any and all such matters referenced, discussed or disclosed in any documents delivered by Seller to Purchaser, in any public records of any governmental agency or entity or utility company, or in any other documents available to Purchaser.

E. Effective as of the Closing Date, Purchaser waives, releases, acquits and forever discharges Seller and its officials, officers, employees, agents, attorneys, and any other person acting on behalf of Seller, from and against any and all claims, actions, causes of action, demands, rights, damages, costs, expenses or compensation whatsoever (including, without limitation, attorneys' fees and costs), direct or indirect, known or unknown, foreseeable or unforeseeable, which Purchaser now has or which may arise in the future on account of or in any way relating to or connected with any zoning or land use regulations or laws or any other laws, rules or regulations of any governmental entities or instrumentalities applicable to the Property, the value, condition, status, or quality of the Property, and the presence in or on the Property, or under the surface of the Property, of underground storage tanks, asbestos-containing materials, transformers or other equipment containing polychlorinated biphenyls, or any Hazardous Substances; provided, however, that the foregoing provisions shall not release Seller from any misrepresentations, breaches of this Agreement, or third party claims involving the Property that are accrued as of the Closing Date. Purchaser agrees to protect, defend, indemnify and hold Seller and its officials, officers, employees, agents, attorneys, and any other person acting on behalf of Seller, and their respective heirs, successors and assigns, free and harmless from and against any and all losses, actual or consequential damages whether foreseeable or not, punitive damages, fines, penalties, liabilities, costs (including costs of clean-up or other remediation and required studies), interest, attorney's fees (including such fees and expenses incurred in enforcing this indemnity), suits, causes of action, legal or administrative proceedings, demands, or claims (including, without limitation, claims for personal

injury) made, threatened or asserted by any person, party or governmental entity or agency by reason of or in any way connected with the presence in or on the Property, or under the surface of the Property, of any Hazardous Substance which is brought on to the Property by Purchaser. By initialing below, Purchaser acknowledges that it is aware of, has read, has had explained to it by its attorneys, and understands and expressly waives any and all rights it has or may have under the provisions of California Civil Code § 1542, which reads as follows:

“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.”

Purchaser's Initials: _____

F. To the maximum extent permitted by law, the sale of the Property as provided for herein is made on an “AS IS” condition and basis, “WITH ALL FAULTS,” and Seller has no obligation to make repairs, replacements or improvements except as may otherwise be expressly stated in this Agreement.

G. As used in this Agreement, “**Hazardous Substances**” means all substances, materials, and wastes that are or become regulated or classified as “hazardous substances,” “hazardous wastes,” “hazardous materials,” “toxic substances,” “pollutants,” “contaminants” or other similar terms under any federal, state, or local laws, rules, orders, regulations, statutes, ordinances, codes, decrees or requirements; and any petroleum or refined petroleum product, asbestos, polychlorinated biphenyl, material or substance designated as a hazardous substance pursuant to 33 USC § 1321 or listed pursuant to 33 USC § 1317, any flammable explosive, or and radioactive material.

Section 11. Authority of Parties and Representations and Warranties.

A. Seller represents and warrants to Purchaser as follows:

(1) That this Agreement has been duly authorized, executed, and delivered by Seller;

(2) That this Agreement is the valid and binding obligation of Seller in accordance with its terms;

(3) That this Agreement does not violate the provisions of any agreement or instrument, or any judgment, order or decree, to which Seller is a party or by which Seller or the Property is bound;

(4) Except as disclosed or referenced in the Property Documents delivered to Purchaser by Seller, to Seller's knowledge (i) no actions, suits or proceedings are pending before any commission, board, bureau, agency, arbitrator, court or tribunal that would affect the Property or the right to occupy or utilize the same, and (ii) Seller has received no notice that any condition of the Property violates applicable laws, rules, regulations covenants, conditions or restrictions or of any unfulfilled order or directive of any applicable governmental agency requiring investigation,

remediation, repair or maintenance or improvement to be performed on the Property; and (iii) there are no Hazardous Substances at, on, under, or adjacent to the Property; and

(5) To Seller's knowledge, no persons shall have any right of possession to or occupancy of the Property or any part thereof other than Purchaser and persons or entities claiming under or through Purchaser.

B. Purchaser represents and warrants that this Agreement:

(1) Has been duly authorized, executed, and delivered by Purchaser;

(2) Is the valid and binding obligation of Purchaser in accordance with its terms;

and

(3) Does not violate the provisions of any agreement or instrument, or any judgment, order or decree, to which Purchaser is a party or by which Purchaser is bound.

C. Each party warrants and represents to the other that the persons executing this Agreement on its behalf are authorized to do so, and on execution of this Agreement, this Agreement shall be its valid and binding obligation, enforceable against it in accordance with its terms.

Section 12. Development of the Property

The Purchaser shall submit all appropriate plans and specifications pertaining to the improvements to the applicable governmental agencies. The Purchaser further affirms to abide by all applicable local, state, and federal laws.

Section 13. Brokers.

Purchaser shall pay all commissions and fees that may be payable to any broker, finder or salesperson engaged by Purchaser, and shall defend, indemnify and hold Agency and City harmless from and against any and all claims, liabilities, losses, damages, costs and expenses relating thereto.

Section 14. Assignment.

Purchaser may not assign this Agreement without Seller's prior written consent, other than to an entity under common ownership or control with Purchaser. No assignment by Purchaser shall release Purchaser from any of its liabilities and obligations under this Agreement.

Section 15. Attorney Fees.

If litigation is commenced between the parties, the Prevailing Party in that litigation shall be entitled to recover from the non-prevailing party all reasonable attorney fees and costs. "Prevailing Party" shall include without limitation a party who dismisses an action in exchange for sums allegedly due; the party who receives performance from the other party for an alleged breach of contract or a desired remedy where the performance is substantially equal to the relief sought in an action; or the party determined to be the prevailing party by a court of law.

Section 16. Notices.

All approvals, notices or other communications required or permitted hereunder shall be in writing, and shall be personally delivered, delivered by overnight commercial carrier, sent by certified mail, postage prepaid, return receipt requested, or delivered or sent by telecopy and shall be deemed effective upon the earlier of: (i) if personally delivered, the date of delivery to the address of the person set forth below; (ii) if delivered by overnight commercial carrier, one (1) business day following the receipt of such communication by such carrier from the sender, as shown on the sender's delivery receipt from such carrier; (iii) if mailed, on the date of delivery as shown by the sender's certification receipt; or (iv) if given by telecopy, upon electronic confirmation of receipt. Any approval, notice, request, demand, direction or other communication sent by telecopy must be confirmed within forty-eight (48) hours of such sending by letter mailed or delivered in accordance with the foregoing in order to be deemed effective.

Notice of change of address shall be given by written notice in the manner detailed in this Section. The addresses of the Parties are:

City of Industry
15625 East Stafford Street, #100
City of Industry, California 91744
Attention: City Manager
Fax No.: 626-961-6795

Casso & Sparks, LLP
13200 Crossroads Parkway North, Suite 345
City of Industry, California 91746
Attention: James M. Casso
jcasso@cassosparks.com

Chalmers South Mission Road LLC
c/o C.E.G. Construction
7901 South Crossway Drive
Pico Rivera, California 90660
Attn.: Trace Chalmers
Fax No.: 562-948-4456

Section 17. Entire Agreement.

This Agreement contains the entire agreement between the parties with respect to the subject matter of this Agreement and supersedes all prior or contemporaneous agreements and understandings (whether written or oral) of the parties. This Agreement may not be modified in any manner except by an instrument in writing executed by the duly authorized representatives of the parties or of their respective successors in interest.

Section 18. Severability.

If any term or provision of this Agreement is, to any extent, held invalid or unenforceable by a court of competent jurisdiction, the remainder of this Agreement shall not be affected.

Section 19. Waivers.

Any waiver of a breach of any covenant or condition in this Agreement shall not be deemed a waiver of any other covenant or condition in this Agreement, and no waiver shall be valid unless in writing and executed by the duly authorized representative of the waiving party. An extension of time for performance of any obligation or act shall not be deemed an extension of the time for performance of any other obligation or act.

Section 20. Construction.

The section headings and captions of this Agreement are, and the arrangement of this instrument is, for the sole convenience of the parties to this Agreement. The section headings, captions, and arrangement of this instrument do not in any way affect, limit, amplify, or modify the terms and provisions of this Agreement. The singular form shall include plural, and vice versa. This Agreement shall not be construed as if it had been prepared by one of the parties, but rather as if both parties have prepared it. Unless otherwise indicated, all references to sections are to this Agreement. All exhibits attached or referred to in this Agreement are a part of this Agreement and incorporated into it by this reference.

Section 21. Merger.

All of the terms, provisions, representations, warranties, and covenants of the parties under this Agreement shall survive the close of Escrow and shall not be merged in the Deed or other documents.

Section 22. Counterparts.

This Agreement may be executed in counterparts, each of which is an original but all of which together constitute but one and the same instrument. Signature and acknowledgment pages of this Agreement may be detached from any counterpart and re-attached to any other counterpart of this Agreement which is identical in form hereto but having attached to it one or more additional signature and acknowledgment pages.

Section 23. Time of the Essence.

Time is of the essence in this Agreement.

Section 24. Successors.

Subject to Section 13, this Agreement shall inure to the benefit of and shall be binding upon the parties to this Agreement and their respective heirs, successors, and assigns.

Section 25. Governing Law.

This Agreement shall be governed and construed in accordance with the internal laws of the State of California without regard to principles of conflict of laws.

Section 26. Independent Advice of Counsel.

The parties hereto and each of them, represent and declare that in executing this Agreement they relied solely upon their own judgment, belief and knowledge, and the advice and recommendations of their own independently selected counsel, concerning the nature, extent and duration of their rights and claims, and that they have not been influenced to any extent whatsoever in executing the same by any of the parties hereto or by any person representing them, or any of them. The parties hereto, and each of them, further represent and declare that they carefully read this Agreement and know the contents thereof, and that they sign the same freely and voluntarily.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

“SELLER”

CITY OF INDUSTRY,
a California municipal corporation

Mark D. Radecki, Mayor

“PURCHASER”

**CHALMERS SOUTH MISSION ROAD
LLC,** a California limited liability company

By: _____
Name: Trace Chalmers
Title: Authorized Agent

Attest:

Cecelia Dunlap, Deputy City Clerk

Approved As To Form:

Casso & Sparks, LLP

By: _____
James M. Casso, City Attorney

LIST OF EXHIBITS

Exhibit "A" Description of the Right-of-Way Property

Exhibit "B" Legal Description of the Property

Exhibit "C" Deed

EXHIBIT "A"

DESCRIPTION OF THE RIGHT-OF-WAY PROPERTY

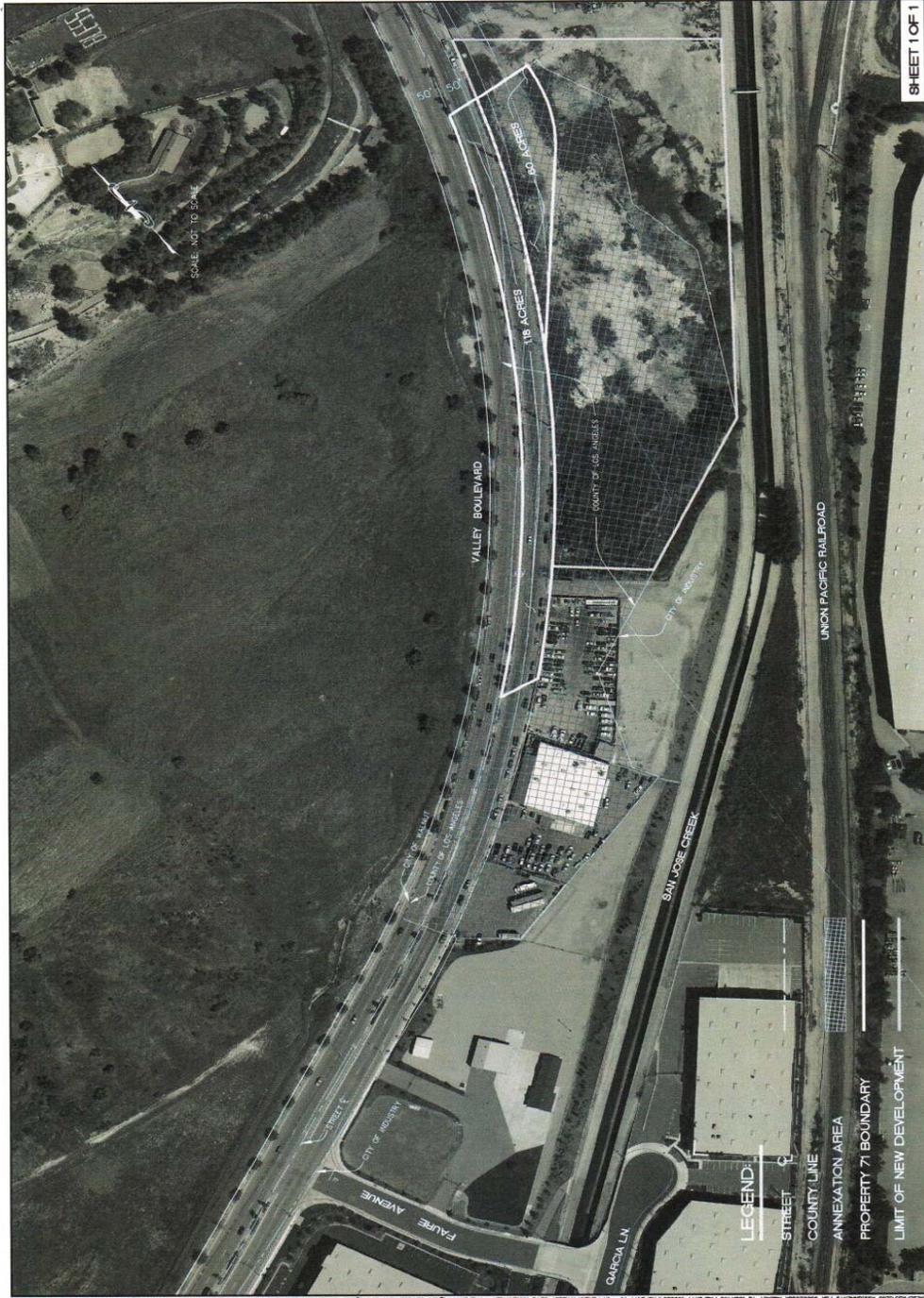


EXHIBIT "B"

LEGAL DESCRIPTION OF THE PROPERTY

(Adjacent to 22122 Valley Boulevard)

APN: Not Available

THAT PORTION OF LOT 5, SECTION 4, TOWNSHIP 2 SOUTH, RANGE 9 WEST, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND FILED IN THE DISTRICT LAND OFFICE ON SEPTEMBER 28, 1968, DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE SOUTHEASTERLY LINE OF THAT PORTION OF VALLEY BOULEVARD, VACATED BY THE CITY OF POMONA ON JUNE 21, 1976 AS RESOLUTION NO. 76-123, RECORDED JUNE 29, 1976 AS DOCUMENT NO. 5580 AND RE-RECORDED MAY 10, 1977 AS DOCUMENT NO. 77-485160, OFFICIAL RECORDS, BEING 100.00 FEET WIDE AS SHOWN ON A MAP FILED IN BOOK 91 PAGE 10 OF RECORD OF SURVEYS, RECORDS OF LOS ANGELES COUNTY, WITH THE NORTHERLY LINE OF TOWNSHIP 2 SOUTH, RANGE 9 WEST AS SHOWN ON SAID RECORD OF SURVEY; THENCE ALONG SAID NORTHERLY LINE, SOUTH $89^{\circ}59'13''$ EAST 96.44 FEET TO A POINT ON THE SOUTHEASTERLY LINE OF VALLEY BOULEVARD, 66.00 FEET WIDE AS DESCRIBED IN RESOLUTION OF THE BOARD OF SUPERVISORS OF SAID COUNTY AS NOTED IN ROAD BOOK 41, PAGE 148 ON FILE IN THE OFFICE OF THE BOARD OF SUPERVISORS OF SAID COUNTY, SAID POINT BEING ON A CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 232.97 FEET, A RADIAL LINE TO SAID POINT BEARS NORTH $89^{\circ}50'14''$ EAST; THENCE SOUTHWESTERLY ALONG SAID SOUTHEASTERLY LINE AND SAID CURVE, AN ARC LENGTH OF 154.87 FEET THROUGH A CENTRAL ANGLE OF $38^{\circ}05'16''$; THENCE CONTINUING ALONG SAID SOUTHEASTERLY LINE AND TANGENT FROM SAID CURVE, SOUTH $37^{\circ}55'30''$ WEST 343.98 FEET TO A POINT ON SAID AFOREMENTIONED SOUTHEASTERLY LINE OF VALLEY BOULEVARD, 100.00 FEET WIDE DESCRIBED AS PARCEL 24-20 IN DEED TO THE COUNTY OF LOS ANGELES, RECORDED MARCH 26, 1975 AS INSTRUMENT NO. 4126, OFFICIAL RECORDS OF SAID COUNTY, SAID POINT BEING ON A CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 2000.00 FEET, A RADIAL LINE TO SAID POINT BEARS SOUTH $62^{\circ}01'00''$ EAST; THENCE NORTHEASTERLY ALONG SAID SOUTHEASTERLY LINE AND SAID CURVE, AN ARC LENGTH OF 447.42 FEET THROUGH A CENTRAL ANGLE OF $12^{\circ}49'04''$ TO SAID AFOREMENTIONED NORTHERLY LINE OF TOWNSHIP 2 SOUTH AND POINT OF BEGINNING.

CONTAINING 26,132 SQUARE FEET (0.5999 ACRES) OF LAND, MORE OR LESS.

EXHIBIT "C"

FORM OF DEED

RECORDING REQUESTED BY
AND MAIL TO:

Chalmers South Mission Road, LLC
c/o C.E.G. Construction
7901 South Crossway Drive
Pico Rivera, California 90660
Attn.: Trace Chalmers

SPACE ABOVE THIS LINE FOR RECORDER'S USE

GRANT DEED

THE UNDERSIGNED GRANTOR DECLARES AS FOLLOWS:

Documentary Transfer Tax: \$ _____

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged **CITY OF INDUSTRY**, a municipal corporation ("Grantor"), hereby grants to **CHALMERS SOUTH MISSION ROAD LLC**, a California limited liability company ("Grantee"), certain real property located in the County of Los Angeles, State of California, more particularly described in Exhibit "A" attached hereto and incorporated herein by reference.

SUBJECT TO:

General and special real property taxes and assessments and supplemental assessments for the current fiscal year;

All liens, encumbrances, easements, covenants, conditions and restrictions of record; and all matters which would be revealed or disclosed in an accurate survey of the property.

The Grantee covenants by and for himself or herself, his or her heirs, executors, administrators and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the California Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the California Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the premises herein conveyed, nor shall the Grantee himself or herself, or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the premises herein conveyed.

Notwithstanding the immediately preceding paragraph, with respect to familial status, said paragraph shall not be construed to apply to housing for older persons, as defined in Section

12955.9 of the California Government Code. With respect to familial status, nothing in said paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the California Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the California Civil Code and subdivisions (n), (o) and (p) of Section 12955 of the California Government Code shall apply to said paragraph.

All deeds, leases or contracts entered into with respect to the Property shall contain or be subject to substantially the following nondiscrimination/nonsegregation clauses:

(a) In deeds: “The grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the California Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the California Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the premises herein conveyed, nor shall the Grantee himself or herself, or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the premises herein conveyed. The foregoing covenants shall run with the land.

Notwithstanding the immediately preceding paragraph, with respect to familial status, said paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the California Government Code. With respect to familial status, nothing in said paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the California Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the California Civil Code and subdivisions (n), (o) and (p) of Section 12955 of the California Government Code shall apply to said paragraph.”

(b) In leases: “The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions: That there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the California Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the California Government Code, in the leasing, subleasing, transferring, use or occupancy, tenure or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, sublessees, subtenants or vendees in the premises herein leased.

Notwithstanding the immediately preceding paragraph, with respect to familial status, said paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the California Government Code. With respect to familial status, nothing in said paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the California Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and

Section 1360 of the California Civil Code and subdivisions (n), (o) and (p) of Section 12955 of the California Government Code shall apply to said paragraph.”

(c) In contracts: “The contracting party or parties hereby covenant by and for himself or herself and their respective successors and assigns, that there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the California Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the California Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the premises, nor shall the contracting party or parties, any subcontracting party or parties, or their respective assigns or transferees, establish or permit any such practice or practices of discrimination or segregation.

Notwithstanding the immediately preceding paragraph, with respect to familial status, said paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the California Government Code. With respect to familial status, nothing in said paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the California Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the California Civil Code and subdivisions (n), (o) and (p) of Section 12955 of the California Government Code shall apply to said paragraph.”

IN WITNESS WHEREOF, Grantor has executed this Grant Deed as of the date set forth below.

CITY OF INDUSTRY,
a California municipal corporation

By: _____
Mark D. Radecki, Mayor

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of Los Angeles)

On _____, before me, _____,
(insert name and title of the officer)

Notary Public, personally appeared _____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same
in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

(Seal)

EXHIBIT "A"

LEGAL DESCRIPTION

(Adjacent to 22122 Valley Boulevard)

APN: Not Available

THAT PORTION OF LOT 5, SECTION 4, TOWNSHIP 2 SOUTH, RANGE 9 WEST, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND FILED IN THE DISTRICT LAND OFFICE ON SEPTEMBER 28, 1968, DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE SOUTHEASTERLY LINE OF THAT PORTION OF VALLEY BOULEVARD, VACATED BY THE CITY OF POMONA ON JUNE 21, 1976 AS RESOLUTION NO. 76-123, RECORDED JUNE 29, 1976 AS DOCUMENT NO. 5580 AND RE-RECORDED MAY 10, 1977 AS DOCUMENT NO. 77-485160, OFFICIAL RECORDS, BEING 100.00 FEET WIDE AS SHOWN ON A MAP FILED IN BOOK 91 PAGE 10 OF RECORD OF SURVEYS, RECORDS OF LOS ANGELES COUNTY, WITH THE NORTHERLY LINE OF TOWNSHIP 2 SOUTH, RANGE 9 WEST AS SHOWN ON SAID RECORD OF SURVEY; THENCE ALONG SAID NORTHERLY LINE, SOUTH 89°59'13" EAST 96.44 FEET TO A POINT ON THE SOUTHEASTERLY LINE OF VALLEY BOULEVARD, 66.00 FEET WIDE AS DESCRIBED IN RESOLUTION OF THE BOARD OF SUPERVISORS OF SAID COUNTY AS NOTED IN ROAD BOOK 41, PAGE 148 ON FILE IN THE OFFICE OF THE BOARD OF SUPERVISORS OF SAID COUNTY, SAID POINT BEING ON A CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 232.97 FEET, A RADIAL LINE TO SAID POINT BEARS NORTH 89°50'14" EAST; THENCE SOUTHWESTERLY ALONG SAID SOUTHEASTERLY LINE AND SAID CURVE, AN ARC LENGTH OF 154.87 FEET THROUGH A CENTRAL ANGLE OF 38°05'16"; THENCE CONTINUING ALONG SAID SOUTHEASTERLY LINE AND TANGENT FROM SAID CURVE, SOUTH 37°55'30" WEST 343.98 FEET TO A POINT ON SAID AFOREMENTIONED SOUTHEASTERLY LINE OF VALLEY BOULEVARD, 100.00 FEET WIDE DESCRIBED AS PARCEL 24-20 IN DEED TO THE COUNTY OF LOS ANGELES, RECORDED MARCH 26, 1975 AS INSTRUMENT NO. 4126, OFFICIAL RECORDS OF SAID COUNTY, SAID POINT BEING ON A CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 2000.00 FEET, A RADIAL LINE TO SAID POINT BEARS SOUTH 62°01'00" EAST; THENCE NORTHEASTERLY ALONG SAID SOUTHEASTERLY LINE AND SAID CURVE, AN ARC LENGTH OF 447.42 FEET THROUGH A CENTRAL ANGLE OF 12°49'04" TO SAID AFOREMENTIONED NORTHERLY LINE OF TOWNSHIP 2 SOUTH AND POINT OF BEGINNING.

CONTAINING 26,132 SQUARE FEET (0.5999 ACRES) OF LAND, MORE OR LESS.

RESOLUTION NO. CC 2016-47

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
INDUSTRY APPROVING THE PURCHASE AND SALE AGREEMENT
BETWEEN THE CITY AND CHALMERS SOUTH MISSION ROAD LLC,
FOR THE 0.60-ACRE SOUTHERLY PORTION OF PARCEL 71 AND
MAKING THE REQUISITE CEQA FINDINGS**

RECITALS

WHEREAS, on December 29, 2011, the California Supreme Court delivered its decision in *California Redevelopment Association v. Matosantos* (“*Matosantos*”), finding Assembly Bill X1 26 (the “Dissolution Act”) largely constitutional; and

WHEREAS, under the Dissolution Act and the California Supreme Court’s decision in *Matosantos*, all California redevelopment agencies, including the Industry Urban-Development Agency of the City of Industry, were dissolved on February 1, 2012, and successor agencies were designated and vested with the responsibility of winding down the business and fiscal affairs of the former redevelopment agencies; and

WHEREAS, on September 22, 2011, the City Council of the City of Industry (the “City”) adopted Resolution No. 2011-20 accepting for the City the role of “Successor Agency,” in accordance with the provisions of Health and Safety Code Section 34177(j); and

WHEREAS, in accordance with Health & Safety Code Section 34191.5, the Successor Agency is required to submit to the California Department of Finance (“Department”) for approval a Long Range Property Management Plan (“LRPMP”), which must identify all Successor Agency-owned real property and address the disposition and use of the real properties; and

WHEREAS, the Successor Agency’s LRPMP was submitted to the Department, and was approved by the Department on February 21, 2014, and

WHEREAS, the Successor Agency owns certain property identified as Parcel 71 in the LRPMP, consisting of 1.78-acres designated as a street right-of-way on the Los Angeles County Assessor’s Map and composed of a 1.18-acre northerly and 0.60-acre southerly portion, as more particularly described in Exhibit “A” attached hereto and incorporated herein by this reference (the “Right-of-Way Property”); and

WHEREAS, on June 26, 2014 the Department approved Oversight Board resolutions 2014-12 and 2014-13. Pursuant to those resolutions, the Successor Agency’s statutory Oversight Board had determined that certain parcels of property constituted “governmental use properties” as defined in the Dissolution Act and should be transferred from the Successor Agency to the City for continued governmental use; and

WHEREAS, pursuant to those resolutions the Successor Agency transferred to the City the Right-of-Way Property; and

WHEREAS, the 0.60-acre southerly portion of the Right-of-Way Property (the “Property”), due to its relatively small size, location and orientation, has no value as either a right-of-way street or a commercial use; and

WHEREAS, the City has been approached by Chalmers South Mission Road LLC (the “Purchaser”), who wishes to acquire fee title to the Property to enable the Purchaser to combine the Property with its adjacent parcels and create a commercially-viable site; and

WHEREAS, pursuant to the provisions of the LRPMP, the City desires to sell the Property at its highest and best use, maximizing its value and, in furtherance of the economic goals as provided for in the City’s General Plan; and

WHEREAS, the City desires to sell the Property to Purchaser, via a Purchase and Sale Agreement (the “Agreement”), for the purchase price of \$260,000.00, which represents an amount equal to the current fair market value of the Property, as determined by an appraisal; and

WHEREAS, pursuant to the LRPMP, the City is required to distribute the sales proceeds to the Los Angeles County Auditor-Controller for eventual distribution to the taxing entities; and

WHEREAS, the sale of the Property is exempt from the California Environmental Quality Act (“CEQA”) (Public Resources Code Section 21000 *et seq.*), pursuant to Section 15061(b)(3) of the CEQA Guidelines. Section 15061(b)(3) of the CEQA Guidelines exempts projects covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. The sale of the Property does not involve any land use entitlements that will allow for development on the Property. The sale would not create any public health or safety hazards and would not leave a significant impact on the resources or services within the surrounding area, such as water, sanitary services, surrounding roadways and intersections. Any future development at the Property will be subject to additional environmental review and independent analysis as required by CEQA; and

WHEREAS, the City has duly considered all terms and conditions of the proposed Agreement and believes that the redevelopment of the Property in accordance therewith is in the best interests of the City and the health, safety and welfare of its residents, maximizes value, is consistent with the provisions of the LRPMP, and is consistent with the public purposes and provisions of applicable state and local laws and requirements.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF INDUSTRY DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. The above Recitals are true and correct and are incorporated herein by reference.

SECTION 2. All necessary public hearings and opportunities for public testimony and comment have been conducted in compliance with State law and the Municipal Code of the City of Industry.

SECTION 3. The sale of the Property is exempt from CEQA, pursuant to Section 15061(b)(3) of the CEQA Guidelines. Section 15061(b)(3) of the CEQA Guidelines exempts projects covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject

to CEQA. The sale of the Property does not involve any land use entitlements that will allow for development on the Property. The sale would not create any public health or safety hazards and would not leave a significant impact on the resources or services within the surrounding area, such as water, sanitary services, surrounding roadways and intersections. Any future development at the Property will be subject to additional environmental review and independent analysis as required by CEQA.

Based on these findings, the City adopts the Notice of Exemption and directs staff to file the same as required by law, and approves the sale of the Property.

SECTION 4. The City hereby approves the sale of the Property to Purchaser, for a purchase price of \$260,000.00, subject to the terms and conditions set forth in the Agreement, attached hereto as Exhibit “B” and incorporated herein by reference.

SECTION 5. The City hereby directs staff to comply with all applicable statutes regarding the distribution of the sales proceeds to the Los Angeles County Auditor-Controller for distribution to the taxing entities.

SECTION 6. The City Manager or his designee are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable to effectuate this Resolution, and any such actions previously taken by such officers and staff are hereby ratified and confirmed.

SECTION 7. The provisions of this Resolution are severable and if any provision, clause, sentence, word or part thereof is held illegal, invalid, unconstitutional, or inapplicable to any person or circumstances, such illegality, invalidity, unconstitutionality, or inapplicability shall not affect or impair any of the remaining provisions, clauses, sentences, sections, words or parts thereof of the Resolution or their applicability to other persons or circumstances.

SECTION 8. The City Clerk shall certify to the passage and adoption of this Resolution and enter it into the respective book of original resolutions.

SECTION 9. This Resolution shall take effect immediately upon adoption.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Industry at a regular meeting held on July 14, 2016, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

Mark D. Radecki, Mayor

ATTEST:

Cecelia Dunlap, Deputy City Clerk

APPROVED AS TO FORM:

James M. Casso, City Attorney

CITY COUNCIL

ITEM NO. 6.9



CITY OF INDUSTRY

P.O. Box 3366 • 15625 E. Stafford St. • City of Industry, CA 91744-0366 • (626) 333-2211 • FAX (626) 961-6795

MEMORANDUM

To: Honorable Mayor and Members of the City Council

From: Paul J. Philips, City Manager *Paul J. Philips*

Staff: Alex Gonzalez, Director of Development Services and Administration *AG*

Date: July 14, 2016

SUBJECT: Consideration of Donation for Annual City Appreciation Lunch

The City has traditionally held an Employee Appreciation Lunch each September in order to recognize the contributions of those individuals that serve the City of Industry community. This event has been organized in the past by the Industry Manufacturer's Council on the grounds of the Workman Temple Homestead Museum.

The approved Fiscal Year 2016-2017 budget has included funds for this event, projected at \$8,000 based on the cost of previous events. A letter from the Industry Manufacturers Council is attached requesting Council direction on the continuation of this event, based on the amount already approved in the Fiscal Year 2016-2017 budget.

It is recommended that the City Council approve the Annual City Appreciation Lunch event in September of 2016, and direct the Industry Manufacturers Council to plan and execute this event on behalf of the City.

PJP:AG:mk



INDUSTRY MANUFACTURERS COUNCIL

15651 Stafford Street
City of Industry, California 91744
(626) 968-3737 Fax (626) 330-5060
www.industrychamber.org

Ron Whittemore
Executive Director

BOARD OF DIRECTORS

CARL BENNITT
KEN BRYAN
CLEMENT N. CALVILLO
LAURIE MARSHALL
DAVID M. PEREZ
KENT VALLEY
DEAN YAMAGATA

July 6, 2016

Honorable Mayor Mark Radecki
City of Industry
15625 E. Stafford Street
City of Industry, CA 91744

Re: Annual City Employee Appreciation Lunch

Dear Mayor Radecki:

The City of Industry and the Industry Manufacturers Council (IMC) have traditionally hosted an Annual City Appreciation Lunch for the City's contractors and employees each September. The lunch is held on the grounds of the Workman Temple Homestead Museum. Past invited guests have represented the following (to name a few): Los Angeles County Sheriff, Los Angeles County Fire, Los Angeles County Public Works, Los Angeles County Building and Safety, CNC Engineering, Homestead Museum, Satsuma, Square Root, Industry Security, Expo Center, El Encanto, and the Hacienda/La Puente Unified School District Police Department; as well as all City and IMC employees. The attendance has varied in the past from between 300 to 325 guests.

In line with the new procedures for Fiscal Year 2016-2017, the IMC respectfully requests an \$8,000 appropriation to plan and execute this event on behalf of the City of Industry. The IMC will arrange for invitations, catering, and all items necessary for a successful event, if approved by the City Council. IMC staff will work with staff designated by the City Manager to coordinate this event and ensure that the City recognizes the efforts of those that dedicate their labor to serving the citizens and businesses of the City of Industry.

Sincerely,

Ron Whittemore
Executive Director
Industry Manufacturers Council

CITY COUNCIL

ITEM NO. 6.10



MEMORANDUM

TO: Honorable Mayor Radecki and Members of the City Council
FROM: Paul J. Philips, City Manager *Paul J. Philips*
DATE: July 14, 2016
SUBJECT: Two Seats on the Civic-Recreational-Industrial Authority Board

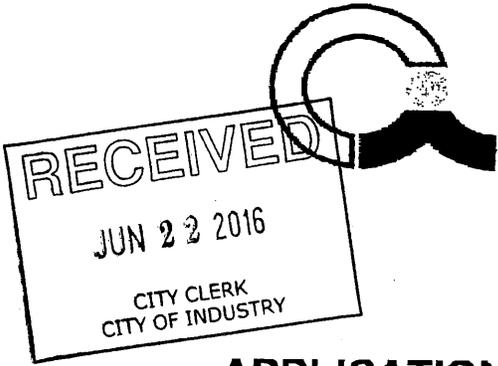
Recently, the term of the seats currently held by Dean Marshall and Larry R. Hartmann have expired. It is City Council's role to fill the seats; thereby, rounding out the Board. Following the standard recruitment process, the City received three applications, they are as follows:

Larry R. Hartmann

Dean Marshall

Catherine Marcucci

All three applications from the above candidates are attached. IT IS RECOMMENDED that the Mayor and City Council direct staff accordingly.



CITY OF INDUSTRY

Incorporated 1962, 1971

CITY OF INDUSTRY

APPLICATION FOR CITY COMMISSION OR AUTHORITY

To: The Honorable Mayor and Members of the City Council

Please accept this correspondence as my formal interest in serving on the
City of Industry Civic-Recreational-Industrial Authority Board

I very much appreciate your consideration.

Sincerely,

Larry R Hartmann
Print your name

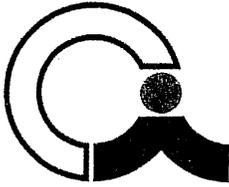
[Redacted]
Address

[Redacted]
Phone Number

[Redacted]
Email Address

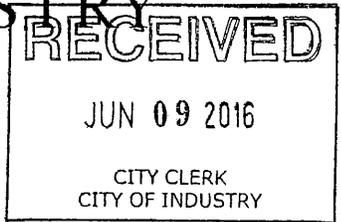
Larry R Hartmann
Signature

6.22.16
Date



CITY OF INDUSTRY

Incorporated June 18, 1957



CITY OF INDUSTRY

APPLICATION FOR CITY COMMISSION OR AUTHORITY

To: The Honorable Mayor and Members of the City Council

Please accept this correspondence as my formal interest in serving on the City of Industry CIVIC RECREATIONAL INDUSTRIAL AUTHORITY.

I very much appreciate your consideration.

Sincerely,

DEAN MARSHALL

Print your name

[Redacted]

Address

[Redacted]

Phone Number

[Redacted]

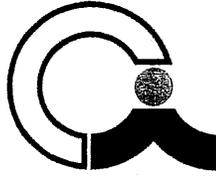
Email Address

[Handwritten Signature]

Signature

6-9-2016

Date



CITY OF INDUSTRY
Incorporated June 18, 1957

RECEIVED
JUN 13 2016
CITY CLERK
CITY OF INDUSTRY

CITY OF INDUSTRY

APPLICATION FOR CITY COMMISSION OR AUTHORITY

To: The Honorable Mayor and Members of the City Council

Please accept this correspondence as my formal interest in serving on the
City of Industry Civic-Recreational Industrial Authority

I very much appreciate your consideration.

Sincerely,

Catherine Marcucca

Print your name

[Redacted]

Address

[Redacted]

Phone Number

[Redacted]

Email Address

Catherine Marcucca

Signature

June 8, 2016

Date