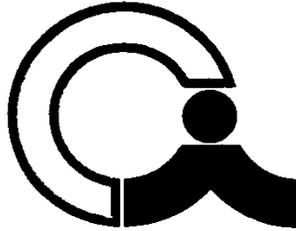


# CITY OF INDUSTRY

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CITY COUNCIL  
REGULAR MEETING AGENDA

SEPTEMBER 8, 2016  
9:00 AM



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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

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## **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.

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

## **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 for August 25, 2016

*RECOMMENDED ACTION: Approve the Register of Demands and ratify the issuance of the checks.*

5.2 Consideration of the Register of Demands for September 8, 2016

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

5.3 Consideration of the minutes of January 28, 2016 regular meeting; February 11, 2016 regular meeting; February 23, 2016 special meeting; March 10, 2016 regular meeting; and March 21, 2016 special meeting

*RECOMMENDED ACTION: Approve as submitted.*

5.4 Consideration of Resolution No. CC 2016-56 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDUSTRY, CALIFORNIA, ADOPTING A SALARY RANGE SCHEDULE FOR CITY OFFICERS AND EMPLOYEES FROM JULY 1, 2015 TO MARCH 9, 2016

*RECOMMENDED ACTION: Adopt Resolution No. CC 2016-56.*

5.5 Consideration of Resolution No. CC 2016-57 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDUSTRY, CALIFORNIA, TO AMEND THE CITY OF INDUSTRY EMPLOYEE AND ANNUITANT HEALTH PLANS

*RECOMMENDED ACTION: Adopt Resolution No. CC 2016-57.*

5.6 Consideration of Resolution No. CC 2016-58 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDUSTRY, CALIFORNIA, ADOPTING AN INTERFUND LOAN POLICY

*RECOMMENDED ACTION: Adopt Resolution No. CC 2016-58.*

5.7 Consideration of Resolution No. CC 2016-59 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDUSTRY, CALIFORNIA,

APPROVING BLANKET PURCHASE ORDERS FOR VENDORS  
TOTALING \$10,000 AND OVER FOR FY 2016-17

*RECOMMENDED ACTION: Adopt Resolution No. CC 2016-59.*

- 5.8 Consideration and ratification of the Professional Services Agreement between the City of Industry and Cordoba Corporation for utility administration services for an amount not to exceed \$1,100,000.00 from July 12, 2016 – July 11, 2017

*RECOMMENDED ACTION: Approve and ratify the Agreement.*

- 5.9 Consideration of a Professional Services Agreement between the City of Industry and Butsko Utility Design, Inc., for utility engineering services for an amount not to exceed \$375,000.00 from September 8, 2016 – September 8, 2019

*RECOMMENDED ACTION: Approve the Agreement.*

- 5.10 Consideration of a Maintenance Services Agreement between the City of Industry and Pacific Utility Installation, Inc., for utility operations and maintenance services for an amount not to exceed \$150,000.00 from September 8, 2016 – September 8, 2019

*RECOMMENDED ACTION: Approve the Agreement.*

- 5.11 Consideration of a Maintenance Services Agreement between the City of Industry and Applied Metering Technologies, Inc., for utility operations and maintenance services for an amount not to exceed \$15,000.00 from September 8, 2016 – September 8, 2019

*RECOMMENDED ACTION: Approve the Agreement.*

- 5.12 Consideration of authorization for the Public Utilities Director or designee to purchase Renewable Energy Credits for the City of Industry by December 31, 2016 in the amount of \$200,000.00

*RECOMMENDED ACTION: Authorize the Public Utilities Director or designee to purchase Renewable Energy Credits in the amount of \$200,000.00.*

- 5.13 Consideration of Amendment No. 2 to the Professional Services Agreement between the City of Industry and Sage Environmental Group LLC, to perform additional biological and regulatory compliance consulting services for an amount not to exceed \$108,000.00

*RECOMMENDED ACTION: Approve Amendment No. 2.*

- 5.14 Consideration of a final invoice submitted by Kinder-Morgan L.P., in the amount of \$159,742.66, to perform pipeline protection design and inspection services for the Valley Boulevard Improvement Project from Azusa Way to Fairway Drive

*RECOMMENDED ACTION: Approve the final invoice, and authorize the expenditure in the amount of \$159,742.66.*

- 5.15 Consideration of a License Agreement between the City of Industry and Rowland Water District, for access to Assessor's Parcel No. 8760-002-908, located at 1146 Nogales Street, for temporary staging of construction materials for the Fairway Drive Grade Separation Project

*RECOMMENDED ACTION: Approve the License Agreement.*

- 5.16 Consideration of Ordinance No. 796 – AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF INDUSTRY, CALIFORNIA, ADDING SECTION 3.52.160 (EXCEPTIONS FOR DESIGN-BUILD PROJECT DELIVERY) TO CHAPTER 3.52 (PUBLIC PROJECTS-BIDDING AND PROCEDURES) OF TITLE 3 (REVENUE AND FINANCE) OF THE CITY OF INDUSTRY MUNICIPAL CODE TO AUTHORIZE DESIGN – BUILD AS A METHOD OF DELIVERY FOR PROJECT CONSTRUCTION  
(SECOND READING)

*RECOMMENDED ACTION: Adopt Ordinance No. 796.*

- 5.17 Consideration of formal bidding activity for repairs and safety and code compliance located at 16200-5 Temple Avenue and 16224 Temple Avenue, per City of Industry Municipal Code Section 3.52.040(A) Adoption of Plans and Bidding – Public Projects

*RECOMMENDED ACTION: Approve formal bidding activity at 16200-5 Temple Avenue and 16224 Temple Avenue.*

- 5.18 Consideration of a Legal Services Agreement between the City of Industry and Bouza Law Firm for special legal services in connection with real estate and other matters

*RECOMMENDED ACTION: Approve the Agreement.*

- 5.19 Consideration of a Legal Services Agreement between the City of Industry and Carlson, Calladine & Peterson LLP for special legal services in connection with potential claims against certain former contractors to the City of Industry

*RECOMMENDED ACTION: Approve the Agreement.*

**6. PUBLIC HEARING**

- 6.1 Public Hearing to consider Conditional Use Permit (CUP) No. 16-1, submitted by Verizon Wireless for the operation and construction of a new 600 square foot wireless telecommunications facility located at 17969 Railroad Street in the City of Industry

Consideration of Resolution No. CC 2016-60 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDUSTRY, CALIFORNIA, APPROVING CONDITIONAL USE PERMIT NO. 16-1, TO ALLOW A WIRELESS TELECOMMUNICATIONS FACILITY AT 17969 RAILROAD STREET, CITY OF INDUSTRY, CALIFORNIA, AND THE NOTICE OF EXEMPTION REGARDING SAME, AND MAKING FINDINGS IN SUPPORT THEREOF

*RECOMMENDED ACTION: Adopt Resolution No. CC 2016-60.*

**7. ACTION ITEMS**

- 7.1 Consideration of Resolution No. CC 2016-61 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDUSTRY, CALIFORNIA APPROVING DEVELOPMENT PLAN NO. 16-4 FOR THE CONSTRUCTION OF A WIRELESS TELECOMMUNICATIONS FACILITY AT 17969 RAILROAD STREET, CITY OF INDUSTRY, CALIFORNIA, AND THE NOTICE OF EXEMPTION REGARDING SAME, AND MAKING FINDINGS IN SUPPORT THEREOF

*RECOMMENDED ACTION: Adopt Resolution No. CC 2016-61.*

- 7.2 Consideration of Resolution No. CC 2016-62 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDUSTRY APPROVING THE PURCHASE AND SALE AGREEMENT BETWEEN THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY AND THE CITY FOR THE TRES HERMANOS RANCH AND MAKING THE REQUISITE CEQA FINDINGS

*RECOMMENDED ACTION: Adopt Resolution No. CC 2016-62.*

- 7.3 Consideration of Resolution No. CC 2016-63 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDUSTRY, CALIFORNIA, TO AMEND THE FISCAL YEAR 2016-2017 ELECTRIC UTILITY FUND BUDGET TO REFLECT AN APPROPRIATION OF \$1,280,000.00 FROM AVAILABLE ELECTRIC UTILITY RESERVES FUND AND INCREASING THE ELECTRIC UTILITY FUND – PROFESSIONAL SERVICES

(ACCOUNT NO. 161-300-5120.01) IN THE AMOUNT OF \$1,225,000 FOR UTILITY ADMINISTRATION SERVICES AND THE ELECTRIC UTILITY FUND – REPAIR AND MAINTENANCE EQUIPMENT (ACCOUNT NO. 161-300-5550) IN THE AMOUNT OF \$55,000.00 FOR EXPENDITURES

*RECOMMENDED ACTION: Adopt Resolution No. CC 2016-63.*

- 7.4 Consideration of a Contract for an Extension of Electric Distribution Line at the Industry Business Center between the Successor Agency to the Industry-Urban Development Agency and the Industry Public Utilities Commission for an amount not to exceed \$10,750,000.00

*RECOMMENDED ACTION: Approve the Contract.*

- 7.5 Consideration of Ordinance No. 795 - AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF INDUSTRY, CALIFORNIA, AMENDING SECTION 2.20.010 (AUTHORIZATION FOR HEALTH AND DENTAL BENEFITS) OF CHAPTER 2.20 (EMPLOYEE BENEFIT PLANS) OF TITLE 2 (ADMINISTRATION AND PERSONNEL) OF THE CITY OF INDUSTRY MUNICIPAL CODE TO ACHIEVE COMPLIANCE WITH THE AFFORDABLE CARE ACT AND STATE LAW (SECOND READING)

*RECOMMENDED ACTION: Adopt Ordinance No. 795.*

- 7.6 Discussion and direction regarding temporary part-time City Clerk support for the June 2017 General Municipal Election

*RECOMMENDED ACTION: Discuss and provide direction to Staff.*

8. **CITY COUNCIL COMMITTEE REPORTS**

9. **AB 1234 REPORTS**

10. **CITY COUNCIL COMMUNICATIONS**

11. **CLOSED SESSION**

- 11.1 CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION  
Initiation of litigation pursuant to Government Code Section 54956.9(d)(4):  
Two Cases.

12. Adjournment. Next regular meeting: Thursday, September 22, 2016 at 9:00 a.m.

*CITY COUNCIL*

ITEM NO. 5.1

**CITY OF INDUSTRY  
AUTHORIZATION FOR PAYMENT OF BILLS  
CITY COUNCIL MEETING OF AUGUST 25, 2016**

**FUND RECAP:**

<u>FUND</u>	<u>DESCRIPTION</u>	<u>DISBURSEMENTS</u>
100	GENERAL FUND	2,626,692.75
120	CAPITAL IMPROVEMENT FUND	271,418.91
140	CITY DEBT SERVICE	7,720.00
161	IPUC - ELECTRIC	144,839.70
440	INDUSTRY PUBLIC FACILITY AUTHORITY	11,500.00
TOTAL ALL FUNDS		3,062,171.36

**BANK RECAP:**

<u>BANK</u>	<u>NAME</u>	<u>DISBURSEMENTS</u>
BOFA	BANK OF AMERICA - CKING ACCOUNTS	517,144.02
REF	REFUSE - CKING ACCOUNT	673,224.16
WFBK	WELLS FARGO - CKING ACCOUNT	1,871,803.18
TOTAL ALL BANKS		3,062,171.36

**CITY OF INDUSTRY  
BANK OF AMERICA  
August 25, 2016**

Check	Date			Payee Name	Check Amount
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**CITYELEC.CHK - City Electric**

<b>1387</b>	08/10/2016			CITY OF INDUSTRY	\$34,810.02
	Invoice	Date	Description		Amount
	08/10/16	08/10/2016	TRANSFER FUNDS-ELECTRIC		\$34,810.02

**CITYGEN.CHK - City General**

<b>WT1002</b>	08/25/2016			CALIFORNIA EMPLOYERS' RETIREE	\$457,334.00
	Invoice	Date	Description		Amount
	2015-2016 OPEB	08/25/2016	2015-2016 OPEB CONTRIBUTION		\$457,334.00
<b>24323</b>	08/10/2016			CIVIC RECREATIONAL INDUSTRIAL	\$25,000.00
	Invoice	Date	Description		Amount
	08/10/16	08/10/2016	TRANSFER FUNDS-CRIA A/P		\$25,000.00

Checks	Status	Count	Transaction Amount
	Total	3	\$517,144.02

**CITY OF INDUSTRY  
WELLS FARGO REFUSE  
August 25, 2016**

Check	Date		Payee Name	Check Amount
<b>REFUSE - Refuse Account</b>				
WT204	8/5/2016		CITY OF INDUSTRY DISPOSAL	\$673,560.35
	Invoice	Date	Description	Amount
	7/31/2016	7/31/2016	REFUSE SVC 7/24-7/31/16	\$673,560.35
4196	12/01/2015		SXL OUTDOOR FURNITURE, INC.	(\$335.58)
	Invoice	Date	Description	Amount
	12/1/15	12/01/2015	VOIDED-STALE CHECK	(\$335.58)
4202	01/15/2016		FENG CONSTRUCTION	(\$0.61)
	Invoice	Date	Description	Amount
	1/15/16	01/15/2016	VOIDED-STALE CHECK	(\$0.61)

Check	Status	Count	Transaction Amount
	Total	3	\$673,224.16

**CITY OF INDUSTRY  
WELLS FARGO BANK  
August 25, 2016**

Check	Date			Payee Name	Check Amount
<b>CITY.WF.CHK - City General Wells Fargo</b>					
<b>64523</b>	08/09/2016			<b>AT &amp; T</b>	<b>\$176.00</b>
	Invoice	Date	Description	Amount	
	2746502308	07/23/2016	06/19-07/18/16 SVC - 600 S BREA CYN	\$176.00	
<b>64524</b>	08/09/2016			<b>EXXON MOBIL</b>	<b>\$22.99</b>
	Invoice	Date	Description	Amount	
	72006767607	07/28/2016	LATE FEES	\$22.99	
<b>64525</b>	08/09/2016			<b>FRONTIER</b>	<b>\$218.93</b>
	Invoice	Date	Description	Amount	
	2017-00000080	07/25/2016	07/25-08/24/16 SVC - ELECTRIC MODEM	\$62.35	
	2017-00000081	07/25/2016	07/25-08/24/16 SVC - ELECTRIC MODEM	\$51.29	
	2017-00000082	07/22/2016	07/22-08/21/16 SVC - ELECTRIC MODEM	\$51.29	
	2017-00000083	07/22/2016	07/22-08/21/16 SVC - GENERATOR SITE-TELEMETRY	\$54.00	
<b>64526</b>	08/09/2016			<b>GAS COMPANY, THE</b>	<b>\$59.11</b>
	Invoice	Date	Description	Amount	
	2017-00000084	07/27/2016	06/23-07/25/16 SVC - 15415 DON JULIAN RD	\$59.11	
<b>64527</b>	08/09/2016			<b>ROWLAND WATER DISTRICT</b>	<b>\$1,122.07</b>
	Invoice	Date	Description	Amount	
	2017-00000098	07/27/2016	06/14-07/18/16 SVC - 1100 AZUSA AVE	\$152.66	
	1123DHATCH-JUL16	07/27/2016	06/15-07/25/16 SVC - 1123D HATCHER ST	\$139.74	
	2017-00000099	07/27/2016	06/15-07/25/16 SVC - 755 NOGALES (RC)	\$149.93	
	2017-00000100	07/27/2016	06/15-07/25/16 SVC - AZUSA AVE (RC)	\$135.78	
	1135HATCHR-JUL16	07/27/2016	06/15-07/25/16 SVC - 1135 HATCHER ST	\$47.67	
	1123CHATCH-JUL16	07/27/2016	06/15-07/25/16 SVC - 1123C HATCHER ST	\$213.99	
	2017-00000101	07/27/2016	06/15-07/25/16 SVC - 17217 & 17229 CHESTNUT - IRR	\$282.30	
<b>64528</b>	08/09/2016			<b>SAN GABRIEL VALLEY WATER CO.</b>	<b>\$10,042.84</b>
	Invoice	Date	Description	Amount	

**CITY OF INDUSTRY  
WELLS FARGO BANK  
August 25, 2016**

Check	Date		Payee Name	Check Amount
<b>CITY.WF.CHK - City General Wells Fargo</b>				
	2017-00000086	07/29/2016	06/27-07/28/16 SVC - CROSSROADS PKWY STA 129-	\$1,355.10
	2017-00000087	07/29/2016	06/27-07/28/16 SVC - PELLISSIER	\$242.69
	2017-00000088	07/29/2016	06/27-07/28/16 SVC - PELLISSIER	\$488.79
	2017-00000089	07/29/2016	06/27-07/28/16 SVC - CROSSROADS PKWY STA 111-	\$744.75
	2017-00000090	07/29/2016	06/27-07/28/16 SVC - PELLISSIER	\$388.95
	2017-00000091	07/29/2016	06/27-07/28/16 SVC - PECK/UNION PACIFIC BRIDGE	\$1,035.39
	2017-00000092	07/29/2016	06/27-07/28/16 SVC - IRRIG SALT LAKE/SEVENTH	\$201.90
	2017-00000093	07/29/2016	06/27-07/28/16 SVC - S/E COR OF PELLISSIER	\$1,045.24
	2017-00000094	07/29/2016	06/27-07/28/16 SVC - CROSSROADS PKWY SOUTH	\$1,222.44
	2017-00000095	07/29/2016	06/27-07/28/16 SVC - CROSSROADS PKWY STA 103-	\$236.12
	2017-00000096	07/29/2016	06/27-07/28/16 SVC - CROSSROADS PKWY SOUTH	\$1,777.00
	2017-00000097	07/29/2016	06/27-07/28/16 SVC - CROSSROADS PKWY NORTH	\$1,304.47
<b>64529</b>	08/09/2016		<b>SO CALIFORNIA EDISON COMPANY</b>	<b>\$1,988.74</b>
	Invoice	Date	Description	Amount
	2017-00000070	07/25/2016	06/22-07/22/16 SVC - 21380 VALLEY PED	\$72.31
	2017-00000071	07/25/2016	06/22-07/22/16 SVC - 575 S BREA CYN	\$24.44
	2017-00000072	07/25/2016	06/22-07/22/16 SVC - 580 S BREA CYN	\$24.30
	2017-00000074	07/27/2016	06/24-07/26/16 SVC - 17378 E GALE B	\$45.52
	2017-00000075	07/27/2016	06/24-07/26/16 SVC - 745 ANAHEIM PUENTE RD CP	\$62.21
	2017-00000076	07/27/2016	06/01-07/25/16 SVC - 600 S BREA CYN RD	\$101.85
	2017-00000077	07/28/2016	06/24-07/26/16 SVC - BREA CYN VARIOUS SITES	\$536.79
	2017-00000078	07/29/2016	06/28-07/28/16 SVC - 137 N HUDSON AVE	\$376.54
	2017-00000079	07/30/2016	06/28-07/28/16 SVC - VARIOUS SITES	\$744.78
<b>64530</b>	08/09/2016		<b>SO CALIFORNIA EDISON COMPANY</b>	<b>\$58.08</b>
	Invoice	Date	Description	Amount
	2017-00000073	07/26/2016	06/23-07/25/16 SVC - 5010 ENGLISH RD	\$58.08
<b>64531</b>	08/09/2016		<b>SO CALIFORNIA EDISON COMPANY</b>	<b>\$12,396.24</b>
	Invoice	Date	Description	Amount

**CITY OF INDUSTRY  
WELLS FARGO BANK  
August 25, 2016**

Check	Date		Payee Name	Check Amount
<b>CITY.WF.CHK - City General Wells Fargo</b>				
	7500666340	07/15/2016	06/01-06/30/16 SVC - OLD RANCH RD/MAYO AVE	\$5,623.22
	7500666341	07/15/2016	06/01-06/30/16 SVC - 208 S. WADDINGHAM WAY	\$3,667.31
	7500666342	07/15/2016	06/01-06/30/16 SVC - 745 ANAHEIM-PUENTE RD	\$1,027.46
	7500666352	07/15/2016	06/01-06/30/16 SVC - 133 N. AZUSA AVE	\$1,901.61
	7500698964	07/22/2016	04/01-04/30/16 SVC - RELIABILITY SVC	\$176.64
<b>64532</b>	08/09/2016		<b>SUBURBAN WATER SYSTEMS</b>	<b>\$1,291.81</b>
	Invoice	Date	Description	Amount
	180030940551	07/27/2016	06/23-07/25/16 SVC - AZUSA & GEMINI	\$1,243.76
	181001561806	07/28/2016	06/22-07/22/16 SVC - 205 HUDSON AVE	\$48.05
<b>64533</b>	08/09/2016		<b>SHELL ENERGY NORTH AMERICA-</b>	<b>\$80,400.00</b>
	Invoice	Date	Description	Amount
	1667089	08/03/2016	WHOLESALE USE-JUL 2016	\$80,400.00
<b>64534</b>	08/11/2016		<b>HUNTER ELECTRIC SERVICE, INC.</b>	<b>\$20,532.05</b>
	Invoice	Date	Description	Amount
	2016-0927	06/14/2016	EMERGENCY REPAIR-GRAND CROSSING, PUMP #1	\$20,532.05
<b>64535</b>	08/16/2016		<b>AT &amp; T</b>	<b>\$9.07</b>
	Invoice	Date	Description	Amount
	2017-00000125	08/01/2016	08/01-08/31/16 SVC - CITY WHITE PAGES	\$9.07
<b>64536</b>	08/16/2016		<b>AT &amp; T</b>	<b>\$225.00</b>
	Invoice	Date	Description	Amount
	8961370864	08/01/2016	08/01-08/31/16 SVC - 600 S BREA CYN-TELECOM	\$225.00
<b>64537</b>	08/16/2016		<b>FRONTIER</b>	<b>\$2,193.36</b>
	Invoice	Date	Description	Amount
	2017-00000117	07/28/2016	07/28-08/27/16 SVC - EM-21912 GARCIA LN-ALARM	\$62.35
	2017-00000118	07/28/2016	07/28-08/27/16 SVC - EM-179 S. GRAND	\$37.62

**CITY OF INDUSTRY  
WELLS FARGO BANK  
August 25, 2016**

Check	Date		Payee Name	Check Amount
<b>CITY.WF.CHK - City General Wells Fargo</b>				
	2017-00000119	07/28/2016	07/28-08/27/16 SVC - ELECTRIC MODEM	\$51.29
	2017-00000120	08/01/2016	08/01-08/31/16 SVC - GENERATOR SITE-TELEMETRY	\$51.29
	2017-00000121	08/01/2016	08/01-08/31/16 SVC - CITY HALL FAXES	\$533.51
	2017-00000122	08/01/2016	08/01-08/31/16 SVC - VARIOUS SITES	\$315.85
	HATCHER-AUG16	08/01/2016	08/01-08/31/16 SVC - HATCHER WAREHOUSE	\$50.77
	2017-00000123	08/01/2016	08/01-08/31/16 SVC - TRES HERMANOS BARN	\$49.74
	2017-00000124	08/01/2016	08/01-08/31/16 SVC - VARIOUS GENERATOR SITES	\$1,040.94
<b>64538</b>	08/16/2016		<b>GAS COMPANY, THE</b>	<b>\$88.03</b>
	Invoice	Date	Description	Amount
	1135HATCHR-AUG16	08/03/2016	06/30-08/01/16 SVC - 1135 HATCHER AVE	\$15.78
	2017-00000126	08/03/2016	06/30-08/01/16 SVC - 710 NOGALES ST	\$17.83
	2017-00000127	08/05/2016	07/05-08/03/16 SVC - 1 INDUSTRY HILLS PKWY	\$16.35
	2017-00000128	08/05/2016	07/05-08/03/16 SVC - 2700 CHINO HILLS PKWY	\$38.07
<b>64539</b>	08/16/2016		<b>HISTORICAL RESOURCES, INC.</b>	<b>\$84,769.21</b>
	Invoice	Date	Description	Amount
	7/16-7/29/16	08/15/2016	AGREEMENT REIMBURSEMENT-JUL 2016	\$27,269.21
	P/R ADV	08/15/2016	PAYROLL ADVANCE-HOMESTEAD	\$57,500.00
<b>64540</b>	08/16/2016		<b>ROWLAND WATER DISTRICT</b>	<b>\$2,422.17</b>
	Invoice	Date	Description	Amount
	2017-00000106	07/27/2016	06/14-07/18/16 SVC - AZUSA AVE - CENTER	\$130.83
	2017-00000107	07/27/2016	06/14-07/18/16 SVC - AZUSA AVE 205597	\$157.56
	2017-00000108	07/27/2016	06/15-07/25/16 SVC - 930 AZUSA AVE	\$854.76
	2017-00000109	07/27/2016	06/15-07/25/16 SVC - 17401 VALLEY BLVD	\$649.83
	2017-00000110	07/27/2016	06/15-07/25/16 SVC - 18044 ROWLAND-LAWSON	\$219.93
	2017-00000111	07/27/2016	06/15-07/25/16 SVC - HURLEY ST & VALLEY	\$409.26
<b>64541</b>	08/16/2016		<b>SO CALIFORNIA EDISON COMPANY</b>	<b>\$6,309.67</b>
	Invoice	Date	Description	Amount

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Check	Date	Payee Name	Check Amount	
<b>CITY.WF.CHK - City General Wells Fargo</b>				
	2017-00000112	08/02/2016	07/01-08/01/16 SVC - 600 BREA CYN RD	\$475.78
	2017-00000113	08/02/2016	07/01-08/01/16 SVC - 1 VALLEY/AZUSA	\$15.26
	15660STAFF-AUG16	08/05/2016	06/28-07/28/16 SVC - 15660 STAFFORD ST	\$3,199.92
	2017-00000114	08/05/2016	07/01-08/01/16 SVC - VARIOUS SITES-	\$1,855.44
	1135HATCHR-AUG16	08/08/2016	07/07-08/05/16 SVC - 1135 HATCHER AVE	\$363.05
	2017-00000115	08/08/2016	07/05-08/03/16 SVC - 208 S WADDINGHAM WAY CP	\$98.01
	1123AHATCH-AUG16	08/08/2016	07/07-08/05/16 SVC - 1123A HATCHER AVE	\$302.21
<b>64542</b>	08/16/2016		<b>SUBURBAN WATER SYSTEMS</b>	<b>\$739.17</b>
	Invoice	Date	Description	Amount
	180050799401	08/03/2016	07/06-08/03/16 SVC - NE CNR VALLEY/STIMS	\$739.17
<b>64543</b>	08/16/2016		<b>VERIZON WIRELESS - LA</b>	<b>\$1,053.29</b>
	Invoice	Date	Description	Amount
	9769398285	07/26/2016	06/27-07/26/16 SVC - MOBILE BROADBAND	\$114.03
	9769398284	07/26/2016	06/27-07/26/16 SVC - VARIOUS WIRELESS	\$939.26
<b>64544</b>	08/25/2016		<b>ALVAKA NETWORKS</b>	<b>\$1,030.00</b>
	Invoice	Date	Description	Amount
	157141	08/01/2016	NETWORK MAINT-HOMESTEAD	\$755.00
	157275NP	07/31/2016	TRIP CHARGE	\$275.00
<b>64545</b>	08/25/2016		<b>ARAMARK REFRESHMENT SERVICE,</b>	<b>\$128.24</b>
	Invoice	Date	Description	Amount
	8880121	08/02/2016	COFFEE/OFFICE SUPPLIES	\$128.24
<b>64546</b>	08/25/2016		<b>BIGGS CARDOSA ASSOCIATES, INC.</b>	<b>\$43,628.70</b>
	Invoice	Date	Description	Amount
	69864	07/05/2016	REPAINTING OF AZUSA AVE BRIDGE	\$27,692.07
	69313	04/05/2016	REPAINTING OF AZUSA AVE BRIDGE	\$15,936.63

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<b>CITY.WF.CHK - City General Wells Fargo</b>				
<b>64547</b>	08/25/2016		<b>BLAKE AIR CONDITIONING</b>	<b>\$1,809.35</b>
	Invoice	Date	Description	Amount
	40432	06/15/2016	A/C MAINT-CITY HALL	\$452.90
	40711	06/29/2016	A/C MAINT-CITY HALL	\$443.11
	40887	07/08/2016	A/C MAINT-CITY HALL	\$277.20
	40788	07/08/2016	A/C MAINT-CITY HALL	\$342.13
	41089	07/21/2016	A/C MAINT-CITY HALL	\$294.01
<b>64548</b>	08/25/2016		<b>BRYAN PRESS</b>	<b>\$619.13</b>
	Invoice	Date	Description	Amount
	0075455	07/29/2016	BUSINESS CARDS-M. HAGERTY	\$44.15
	0075456	07/29/2016	LETTERHEAD AND ENVELOPES	\$574.98
<b>64549</b>	08/25/2016		<b>CASSO &amp; SPARKS, LLP</b>	<b>\$56,392.16</b>
	Invoice	Date	Description	Amount
	20169	08/07/2016	COI-LEGAL SVC FOR MAR 2016	\$56,392.16
<b>64550</b>	08/25/2016		<b>CITY OF INDUSTRY-MEDICAL</b>	<b>\$4,000.00</b>
	Invoice	Date	Description	Amount
	REG 8/25/16	08/17/2016	TRANSFER FUNDS-MEDICAL	\$4,000.00
<b>64551</b>	08/25/2016		<b>CITY OF INDUSTRY-PAYROLL ACCT</b>	<b>\$100,000.00</b>
	Invoice	Date	Description	Amount
	P/R 8/15/16	08/15/2016	PAYROLL REIMBURSEMENT 8/15/16	\$100,000.00
<b>64552</b>	08/25/2016		<b>CITY OF INDUSTRY-REFUSE</b>	<b>\$11,450.46</b>
	Invoice	Date	Description	Amount
	2597616	08/01/2016	DISP SVC-TONNER CYN CAMP COURAGE	\$457.90
	2598758	08/01/2016	DISP SVC-9TH AND CLARK	\$568.60
	2597617	08/01/2016	DISP SVC-TONNER CYN MAINT YD	\$698.00
	2597614	08/01/2016	DISP SVC-CITY HALL	\$299.47

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<b>CITY.WF.CHK - City General Wells Fargo</b>				
	2597615	08/01/2016	DISP SVC-TRES HERMANOS	\$138.38
	2597869A	08/01/2016	DISP SVC-205 HUDSON	\$184.24
	2597869B	08/01/2016	DISP SVC-841 7TH AVE	\$184.24
	2598196	08/01/2016	DISP SVC-CITY BUS STOPS	\$4,376.33
	2598909	07/31/2016	DISP SVC-1123 HATCHER	\$4,543.30
<b>64553</b>	<b>08/25/2016</b>		<b>CITY OF SOUTH EL MONTE</b>	<b>\$4,000.00</b>
	Invoice	Date	Description	Amount
	1079	06/18/2016	COLALITION SR60 PROJ-JUL 2016	\$2,000.00
	1080	07/18/2016	COLALITION SR60 PROJ-AUG 2016	\$2,000.00
<b>64554</b>	<b>08/25/2016</b>		<b>CNC ENGINEERING</b>	<b>\$273,077.44</b>
	Invoice	Date	Description	Amount
	45070	07/14/2016	2016-2017 SLURRY SEAL	\$5,846.70
	45134	07/28/2016	NEW CUL-DE-SAC EAST OF FAURE AVE	\$27,084.59
	092016	08/11/2016	MEALS/WHEELS RENT-SEP 2016	\$5,000.00
	45159	08/11/2016	WALNUT DR SOUTH WIDENING	\$955.86
	45160	08/11/2016	VALLEY BLVD PCC PAVEMENT RECONSTRUCTION	\$8,922.55
	45161	08/11/2016	CLARK AVE WIDENING	\$4,270.74
	45162	08/11/2016	CLEANOUT OF STORMWATER DEVICE	\$3,938.43
	45163	08/11/2016	GENERAL ENGINEERING SVC-CIP	\$54,209.23
	45164	08/11/2016	GENERAL ENGINEERING SVC-MAINT OF CITY	\$39,517.88
	45165	08/11/2016	TONNER CYN PROPERTY	\$4,404.30
	45166	08/11/2016	PUENTE VALLEY OPERABLE UNIT	\$1,098.16
	45167	08/11/2016	SEWER SYSTEM MAINT-EXPO CENTER	\$760.02
	45168	08/11/2016	RESURFACING PAKING LOTS-EXPO CENTER	\$253.34
	45169	08/11/2016	CITY ELECTRICAL FACILITIES	\$650.84
	45170	08/11/2016	MAINT OF IMC BLDG	\$886.69
	45171	08/11/2016	HOMESTEAD MUSEUM MAINT	\$2,026.72
	45172	08/11/2016	SAFETY UPGRADE AT VARIOUS RR CROSSINGS	\$627.52
	45173	08/11/2016	CITY AERIALS AND PHOTOMAPPER SYSTEM	\$506.68

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Check	Date		Payee Name	Check Amount
<b>CITY.WF.CHK - City General Wells Fargo</b>				
45174	08/11/2016		OPERATION AND MAINT OF METRO SOLAR	\$3,601.35
45176	08/11/2016		EL ENCANTO HEALTH CARE FACILITY	\$1,403.44
45177	08/11/2016		TRAFFIC SIGNAL AT DON JULIAN/SIXTH AVE	\$970.43
45178	08/11/2016		SAN JOSE AVE RECONSTRUCTION	\$7,014.55
45180	08/11/2016		PACIFIC PALMS LAUNDRY BLDG ISSUES	\$4,657.64
45181	08/11/2016		PAINT EVALUATION OF FENCE ON TEMPLE	\$3,571.67
45182	08/11/2016		PACIFIC PALMS REPAIRS TO PARKING LOT	\$325.42
45183	08/11/2016		PROPERTY MGMT FOR CITY OWNED PROPERTIES	\$1,269.24
45184	08/11/2016		HWY BRIDGE PROGRAM-AZUSA AVE	\$1,330.13
45185	08/11/2016		HWY BRIDGE PROGRAM-ANAHEIM PUENTE RD	\$162.71
45186	08/11/2016		205 HUDSON AVE-SHERIFF'S YAL OFFICE	\$633.35
45187	08/11/2016		FISCAL YEAR BUDGET	\$21,680.10
45188	08/11/2016		STORM DRAIN IN AJAX AVE	\$313.76
45189	08/11/2016		VARIOUS ASSIGNMENTS RELATED TO SA TO THE	\$4,754.37
45190	08/11/2016		NEW CUL-DE-SAC EAST OF FAURE AVE	\$23,273.63
45191	08/11/2016		ARENTH AVE RECONSTRUCTION	\$5,795.02
45192	08/11/2016		CARTEGRAPH IMPLEMENTATION/MGMT	\$8,884.39
45194	08/11/2016		2016/2017 SLURRY SEAL	\$5,963.57
45195	08/11/2016		PECK RD STORM DRAIN DEBRIS REMOVAL	\$156.88
45196	08/11/2016		FULLERTON RD GRADE SEPARATION	\$9,152.04
45197	08/11/2016		FAIRWAY DR GRADE SEPARATION	\$3,395.71
45198	08/11/2016		NOGALES GRADE SEPARATION	\$3,645.08
45199	08/11/2016		MISC GRADE SEPARATION STUDIES	\$162.71
<b>64555</b>	<b>08/25/2016</b>		<b>CORELOGIC INFORMATION</b>	<b>\$192.50</b>
	Invoice	Date	Description	Amount
	81715437	07/31/2016	GEOGRAPHIC PKG0JUL 2016	\$192.50
<b>64556</b>	<b>08/25/2016</b>		<b>DIGITAL ASSURANCE</b>	<b>\$2,500.00</b>
	Invoice	Date	Description	Amount
	31996	08/05/2016	SETUP FEE-REFUNDING BONDS SERIES 2016	\$2,500.00

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<b>CITY.WF.CHK - City General Wells Fargo</b>				
<b>64557</b>	08/25/2016		<b>DIRECTV - FOR BUSINESS</b>	<b>\$7.99</b>
	Invoice	Date	Description	Amount
	29124686992	07/31/2016	RSN FEE	\$7.99
<b>64558</b>	08/25/2016		<b>EASYLINK SERVICES</b>	<b>\$56.33</b>
	Invoice	Date	Description	Amount
	07634191608	08/02/2016	FAX SVC-JUL 2016	\$56.33
<b>64559</b>	08/25/2016		<b>EGOSCUE LAW GROUP</b>	<b>\$762.50</b>
	Invoice	Date	Description	Amount
	11351	08/03/2016	LEGAL SVC-FOLLOW'S CAMP	\$762.50
<b>64560</b>	08/25/2016		<b>ENCO UTILITY SERVICES</b>	<b>\$5,000.00</b>
	Invoice	Date	Description	Amount
	20-3-03-19	07/14/2016	CUSTOMER ACCOUNT SERVICES	\$2,500.00
	20-3-03-20	08/05/2016	CUSTOMER ACCOUNT SERVICES	\$2,500.00
<b>64561</b>	08/25/2016		<b>FEDERAL EXPRESS CORP.</b>	<b>\$132.28</b>
	Invoice	Date	Description	Amount
	5-503-99014	08/05/2016	MESSENGER SVC	\$132.28
<b>64562</b>	08/25/2016		<b>FERGUSON ENTERPRISES, INC</b>	<b>\$13.52</b>
	Invoice	Date	Description	Amount
	3614913	08/02/2016	SUPPLIES-205 HUDSON	\$13.52
<b>64563</b>	08/25/2016		<b>FRAZER, LLP</b>	<b>\$67,170.00</b>
	Invoice	Date	Description	Amount
	144591	07/31/2016	COI-ACCTG SVC 7/16-7/31/16	\$37,600.00
	144649	07/31/2016	PROF SVC-JUL 2016	\$29,570.00

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Check	Date		Payee Name	Check Amount
<b>CITY.WF.CHK - City General Wells Fargo</b>				
<b>64564</b>	08/25/2016		<b>GMS ELEVATOR SERVICES, INC</b>	<b>\$138.00</b>
	Invoice	Date	Description	Amount
	00083933	08/01/2016	MO ELEVATOR SVC-AUG 2016	\$138.00
<b>64565</b>	08/25/2016		<b>GONSALVES &amp; SON, JOE A.</b>	<b>\$5,000.00</b>
	Invoice	Date	Description	Amount
	155001	07/18/2016	LEGISLATIVE SVC-AUG 2016	\$5,000.00
<b>64566</b>	08/25/2016		<b>HADDICK'S AUTO BODY</b>	<b>\$8,041.81</b>
	Invoice	Date	Description	Amount
	047687	07/28/2016	AUTO MAINT-LIC 1210025	\$786.69
	047688	07/28/2016	AUTO MAINT-LIC 1347776	\$850.92
	047691	07/28/2016	AUTO MAINT-LIC 1279616	\$875.25
	047689	07/28/2016	AUTO MAINT-1984 JEEP (YAL)	\$598.15
	047695	08/04/2016	AUTO MAINT-LIC 1279695	\$752.91
	047697	08/04/2016	AUTO MAINT-LIC 1370863	\$754.06
	047698	08/04/2016	AUTO MAINT-LIC 1166174	\$54.63
	047700	08/04/2016	AUTO MAINT-LIC 8G22464	\$69.00
	047701	08/04/2016	AUTO MAINT-LIC 1279616	\$1,993.93
	047702	08/04/2016	AUTO MAINT-LIC 1347776	\$574.65
	047703	08/04/2016	AUTO MAINT-LIC 1320295	\$64.13
	047704	08/04/2016	AUTO MAINT-LIC 1210025	\$59.26
	047705	08/04/2016	AUTO MAINT-LIC 6UQX922	\$234.36
	047699	08/04/2016	AUTO MAINT-LIC 1094930	\$268.87
	H-75055	08/01/2016	TOWING SVC-LIC 1094930	\$105.00
<b>64567</b>	08/25/2016		<b>HOUSTON ENGINEERING, INC.</b>	<b>\$2,000.00</b>
	Invoice	Date	Description	Amount
	0030833	08/20/2016	TRACKING SOFTWARE-MS4FRONT	\$2,000.00
<b>64568</b>	08/25/2016		<b>INDUSTRY MANUFACTURERS</b>	<b>\$60,899.50</b>

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<b>CITY.WF.CHK - City General Wells Fargo</b>				
	Invoice	Date	Description	Amount
	JUNE 2016	07/25/2016	EXPENSE REIMBURSEMENT FOR JUN 2016	\$60,899.50
<b>64569</b>	08/25/2016		<b>INDUSTRY SECURITY SERVICES</b>	<b>\$38,182.50</b>
	Invoice	Date	Description	Amount
	14-18276	07/29/2016	SECURITY SVC-TRES HERMANOS	\$2,187.12
	14-18265	07/29/2016	SECURITY SVC 7/22-7/28/16	\$16,590.48
	14-18387	08/05/2016	SECURITY SVC-TRES HERMANOS	\$2,187.12
	14-18393	08/05/2016	VEHICLE FUEL-TRES HERMANOS	\$627.30
	14-18376	08/05/2016	SECURITY SVC 7/29-8/4/16	\$16,590.48
<b>64570</b>	08/25/2016		<b>INTERNATIONAL LINE BUILDERS</b>	<b>\$7,385.97</b>
	Invoice	Date	Description	Amount
	796900	07/29/2016	ELECTRICAL SVC-EAST END DEV	\$7,385.97
<b>64571</b>	08/25/2016		<b>JANUS PEST MANAGEMENT</b>	<b>\$1,160.00</b>
	Invoice	Date	Description	Amount
	177072	05/01/2016	PEST SVC-HOMESTEAD MAY 2016	\$580.00
	179582	08/01/2016	PEST SVC-HOMESTEAD AUG 2016	\$580.00
<b>64572</b>	08/25/2016		<b>KLEINFELDER, INC.</b>	<b>\$7,601.00</b>
	Invoice	Date	Description	Amount
	001114726	07/21/2016	PAVEMENT EVALUATION-ARENTH AVE	\$7,601.00
<b>64573</b>	08/25/2016		<b>L A COUNTY DEPT OF PUBLIC</b>	<b>\$2,358.25</b>
	Invoice	Date	Description	Amount
	IN170000071	08/01/2016	PILOT ROUTINE MAINT	\$2,358.25
<b>64574</b>	08/25/2016		<b>L A COUNTY SHERIFF'S</b>	<b>\$738,828.62</b>
	Invoice	Date	Description	Amount
	170017NH	08/05/2016	SHERIFF CONTRACT-JUL 2016	\$738,828.62

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<b>CITY.WF.CHK - City General Wells Fargo</b>				
<b>64575</b>	08/25/2016		<b>LANG, HANSEN, O'MALLEY &amp;</b>	<b>\$25,000.00</b>
	Invoice	Date	Description	Amount
	5649	08/05/2016	LEGISLATIVE-AUG 2016	\$25,000.00
<b>64576</b>	08/25/2016		<b>MERRITT'S ACE HARDWARE</b>	<b>\$247.31</b>
	Invoice	Date	Description	Amount
	093356	07/26/2016	MISC SUPPLIES-HOMESTEAD	\$196.18
	093112	07/12/2016	MISC SUPPLIES-HOMESTEAD	\$14.09
	093355	07/26/2016	MISC SUPPLIES-HOMESTEAD	\$37.04
<b>64577</b>	08/25/2016		<b>MR PLANT &amp; INTERIOR BOTANICAL</b>	<b>\$702.00</b>
	Invoice	Date	Description	Amount
	AUGUST 4404	08/01/2016	PLANT MAINT-AUG 2016	\$588.00
	AUGUST 4403	08/01/2016	PLANT MAINT-AUG 2016	\$114.00
<b>64578</b>	08/25/2016		<b>MX GRAPHICS, INC.</b>	<b>\$577.26</b>
	Invoice	Date	Description	Amount
	10256	06/13/2016	BLUEPRINT SVC- MP 05 26	\$577.26
<b>64579</b>	08/25/2016		<b>PHILIPS, PAUL J.</b>	<b>\$142.35</b>
	Invoice	Date	Description	Amount
	08/16/16	08/16/2016	REIMBURSE FOR EXPENSES-LUNCH MEETINGS AND	\$142.35
<b>64580</b>	08/25/2016		<b>PITNEY BOWES, INC.</b>	<b>\$110.28</b>
	Invoice	Date	Description	Amount
	3100400259	08/01/2016	POSTAGE MACHINE-AUG 2016	\$110.28
<b>64581</b>	08/25/2016		<b>PLACEWORKS</b>	<b>\$400.00</b>
	Invoice	Date	Description	Amount
	59942	07/31/2016	CT REALTY INVESTORS	\$250.00

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<b>CITY.WF.CHK - City General Wells Fargo</b>				
	59952	07/31/2016	STAFF SERVICES	\$150.00
<b>64582</b>	08/25/2016		<b>RICOH USA, INC.</b>	<b>\$47.43</b>
	Invoice	Date	Description	Amount
	5043758943	08/03/2016	METER READING-CODE ENFORCEMENT COPIER	\$47.43
<b>64583</b>	08/25/2016		<b>RICOH USA, INC.</b>	<b>\$288.89</b>
	Invoice	Date	Description	Amount
	50997550	07/23/2016	COPIER LEASE-CODE ENFORCEMENT	\$288.89
<b>64584</b>	08/25/2016		<b>ROBINSON'S FLOWERS</b>	<b>\$179.85</b>
	Invoice	Date	Description	Amount
	2638	08/02/2016	FLOWERS AND DELIVERY	\$179.85
<b>64585</b>	08/25/2016		<b>SAN GABRIEL VALLEY CITY</b>	<b>\$55.00</b>
	Invoice	Date	Description	Amount
	FY 2016-2017	08/03/2016	MEMBERSHIP DUES FOR FY 16/17	\$55.00
<b>64586</b>	08/25/2016		<b>SAN GABRIEL VALLEY NEWSPAPER</b>	<b>\$655.84</b>
	Invoice	Date	Description	Amount
	0010830792	08/04/2016	NOTICE OF ADOPTION-RESOLUTION NO CC 2016-48	\$655.84
<b>64587</b>	08/25/2016		<b>SCS FIELD SERVICES</b>	<b>\$25,583.13</b>
	Invoice	Date	Description	Amount
	0272977	02/29/2016	REPAIR GAS LEAK-INDUSTRY HILLS	\$2,915.27
	0272972	02/29/2016	INDUSTRY HILLS-MAINT LANDFILL GAS SYSTEM	\$20,167.86
	0272977A	02/29/2016	2015 ANNUAL EMISSIONS REPORTING-INDUSTRY	\$2,500.00
<b>64588</b>	08/25/2016		<b>SO CAL INDUSTRIES</b>	<b>\$268.70</b>
	Invoice	Date	Description	Amount
	233958	07/17/2016	FENCE RENTAL-INDUSTRY HILLS	\$89.93

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Check	Date		Payee Name	Check Amount
<b>CITY.WF.CHK - City General Wells Fargo</b>				
	234245	07/20/2016	RR RENTAL-TONNER CYN/GRAND AVE	\$93.87
	235363	07/29/2016	RR RENTAL-TONNER CYN/57 FWY	\$84.90
<b>64589</b>	08/25/2016		<b>STEINKE ELECTRIC, KIRK</b>	<b>\$3,380.00</b>
	Invoice	Date	Description	Amount
	1424	07/11/2016	RELOCATE ICE MACHINE-1123 HATCHER AVE	\$659.00
	1425	07/11/2016	INSTALL COMPRESSOR SWITCH-1123 HATCHER	\$526.00
	1426	07/11/2016	WELDER PLUG/MICROWAVE-1123 HATCHER AVE	\$2,195.00
<b>64590</b>	08/25/2016		<b>STOTZ EQUIPMENT</b>	<b>\$892.49</b>
	Invoice	Date	Description	Amount
	P59815	05/09/2016	PARTS FOR JOHN DEERE TRACTOR	\$892.49
<b>64591</b>	08/25/2016		<b>SULLY MILLER CONTRACTING</b>	<b>\$72,797.55</b>
	Invoice	Date	Description	Amount
	#5CITY-1422	08/25/2016	CLARK AVE WIDENING	\$76,629.00
<b>64592</b>	08/25/2016		<b>TELEPACIFIC COMMUNICATIONS</b>	<b>\$5,860.20</b>
	Invoice	Date	Description	Amount
	80863274-0	07/31/2016	INTERNET SVC-HOMESTEAD FOR AUG 2016	\$898.37
	80919035-0	07/31/2016	INTERNET SVC FOR AUG 2016-CITY HALL/METRO	\$4,961.83
<b>64593</b>	08/25/2016		<b>THE DOLPHIN GROUP, INC.</b>	<b>\$15,000.00</b>
	Invoice	Date	Description	Amount
	30398	05/31/2016	MEDIA CONSULTING-MAY 2016	\$15,000.00
<b>64594</b>	08/25/2016		<b>THE PUN GROUP</b>	<b>\$22,000.00</b>
	Invoice	Date	Description	Amount
	160018a	07/08/2016	COI-AUDIT FY 15/16	\$20,000.00
	1600186c	07/08/2016	PFA-AUDIT FY 15/16	\$2,000.00

**CITY OF INDUSTRY  
WELLS FARGO BANK  
August 25, 2016**

Check	Date		Payee Name	Check Amount
<b>CITY.WF.CHK - City General Wells Fargo</b>				
<b>64595</b>	08/25/2016		<b>THEE BEST ROOTER &amp; PLUMBING</b>	<b>\$801.65</b>
	Invoice	Date	Description	Amount
	4787	12/22/2015	PLUMBING REPAIR-17723 GALE AVE	\$801.65
<b>64596</b>	08/25/2016		<b>TRANSPORTATION &amp; ENERGY</b>	<b>\$1,045.00</b>
	Invoice	Date	Description	Amount
	COI-002-07-20-16	07/20/2016	FULLERTON RD GRADE SEPARATION	\$1,045.00
<b>64597</b>	08/25/2016		<b>TRIMARK ASSOCIATES, INC.</b>	<b>\$1,726.67</b>
	Invoice	Date	Description	Amount
	EB1100J	08/01/2016	MAINT SVC-METRO SOLAR	\$1,726.67
<b>64598</b>	08/25/2016		<b>U.S. BANK</b>	<b>\$14,720.00</b>
	Invoice	Date	Description	Amount
	4361656	07/25/2016	COI-ADMIN FEES FOR 2004 COLLATERAL ACCT	\$2,020.00
	4361656-A	07/25/2016	COI-ADMIN FEES FOR 2004 COLLATERAL ACCT	\$1,200.00
	4360547	07/25/2016	COI-ADMIN FEES FOR POST REFUNDING	\$2,000.00
	4360545	07/25/2016	PFA-ADMIN FEES FOR PROJ #3 TARBS 2015A&B	\$2,000.00
	4360543	07/25/2016	PFA-ADMIN FEES FOR SUBORDINATE PROJ #2	\$2,000.00
	4360541	07/25/2016	PFA-ADMIN FEES PROJ #2 TARBS 2015A&B	\$2,000.00
	4360539	07/25/2016	PFA-ADMIN FEES PROJ #1 TARBS 2015A	\$2,000.00
	4360538	07/25/2016	PFA-ADMIN FEES OVERRIDE FUND DEPOSITORY	\$1,500.00
<b>64599</b>	08/25/2016		<b>UNDERGROUND SERVICE ALERT OF</b>	<b>\$30.00</b>
	Invoice	Date	Description	Amount
	720160156	08/01/2016	DIG ALERTS	\$30.00
<b>64600</b>	08/25/2016		<b>VANGUARD CLEANING SYSTEMS,</b>	<b>\$925.00</b>
	Invoice	Date	Description	Amount
	26128	08/01/2016	JANITORIAL SVC-HOMESTEAD	\$925.00

**CITY OF INDUSTRY  
WELLS FARGO BANK  
August 25, 2016**

Check	Date	Payee Name		Check Amount
<b>CITY.WF.CHK - City General Wells Fargo</b>				
64601	08/25/2016	WILLDAN ENGINEERING		\$8,682.50
	Invoice	Date	Description	Amount
	00614311	07/22/2016	ENGINEERING SVC-VARIOUS SITES	\$8,682.50

Checks	Status	Count	Transaction Amount
	Total	79	\$1,871,803.18

*CITY COUNCIL*

ITEM NO. 5.2

**CITY OF INDUSTRY  
AUTHORIZATION FOR PAYMENT OF BILLS  
CITY COUNCIL MEETING OF SEPTEMBER 8, 2016**

**FUND RECAP:**

<u>FUND</u>	<u>DESCRIPTION</u>	<u>DISBURSEMENTS</u>
100	GENERAL FUND	1,077,273.31
103	PROP A FUND	11,128.02
120	CAPITAL IMPROVEMENT FUND	7,855,794.93
161	IPUC - ELECTRIC	503,229.53
TOTAL ALL FUNDS		9,447,425.79

**BANK RECAP:**

<u>BANK</u>	<u>NAME</u>	<u>DISBURSEMENTS</u>
BOFA	BANK OF AMERICA - CKING ACCOUNTS	229,103.91
PROP A	PROP A - CKING ACCOUNT	11,128.02
REF	REFUSE - CKING ACCOUNT	14,250.86
WFBK	WELLS FARGO - CKING ACCOUNT	9,192,943.00
TOTAL ALL BANKS		9,447,425.79

**CITY OF INDUSTRY  
BANK OF AMERICA  
September 8, 2016**

Check	Date		Payee Name	Check Amount
<b>CITYELEC.CHK - City Electric</b>				
1388	08/24/2016		CITY OF INDUSTRY	\$110,029.68
	Invoice	Date	Description	Amount
	08/24/16	08/24/2016	TRANSFER FUNDS-ELECTRIC	\$110,029.68
<b>CITYGEN.CHK - City General</b>				
24324	08/19/2016		CITY OF INDUSTRY	\$113,081.56
	Invoice	Date	Description	Amount
	08/19/16-A	08/12/2016	TRANSFER FUNDS-SAVINGS	\$113,081.56
24325	08/19/2016		CITY OF INDUSTRY	\$91.80
	Invoice	Date	Description	Amount
	08/19/16-B	08/12/2016	TRANSFER FUNDS 91-1 ADMIN	\$91.80
24326	08/19/2016		CITY OF INDUSTRY	\$817.09
	Invoice	Date	Description	Amount
	08/19/16-C	08/12/2016	TRANSFER FUNDS 91-1 REDEMPTION	\$817.09
<b>PARKCIT.CHK - Parking Citation Checking</b>				
576	08/24/2016		SALAO, KEVIN	\$30.00
	Invoice	Date	Description	Amount
	08/24/16	08/24/2016	REFUND-CITATION #132883	\$30.00

**CITY OF INDUSTRY  
BANK OF AMERICA  
September 8, 2016**

Check	Date		Payee Name	Check Amount
577	08/24/2016		SUPERIOR COURT OF CALIFORNIA,	\$4,649.00
	Invoice	Date	Description	Amount
	JULY 2016	08/09/2016	PARKING CITATIONS REPORT-JUL 2016	\$4,649.00
578	08/24/2016		TURBO DATA SYSTEMS, INC	\$404.78
	Invoice	Date	Description	Amount
	24735	07/31/2016	CITATION PROCESSING-JUN/JUL 2016	\$404.78

Checks	Status	Count	Transaction Amount
	Total	7	\$229,103.91

**CITY OF INDUSTRY  
PROP A  
September 8, 2016**

Check	Date		Payee Name	Check Amount
<b>PROPA.CHK - Prop A Checking</b>				
<b>11654</b>	08/30/2016		<b>CITY OF INDUSTRY-REFUSE</b>	<b>\$78.80</b>
	Invoice	Date	Description	Amount
	2597684	08/01/2016	DISP SVC-METROLINK	\$78.80
<b>11655</b>	08/30/2016		<b>INDUSTRY SECURITY SERVICES</b>	<b>\$10,378.38</b>
	Invoice	Date	Description	Amount
	14-18203	07/22/2016	SECURITY SVC-METROLINK	\$1,729.73
	14-18278	07/29/2016	SECURITY SVC-METROLINK	\$1,729.73
	14-18389	08/05/2016	SECURITY SVC-METROLINK	\$1,729.73
	14-18461	08/12/2016	SECURITY SVC-METROLINK	\$1,729.73
	14-18497	08/19/2016	SECURITY SVC-METROLINK	\$1,729.73
	14-18564	08/26/2016	SECURITY SVC-METROLINK	\$1,729.73
<b>11656</b>	08/30/2016		<b>SO CAL INDUSTRIES</b>	<b>\$93.87</b>
	Invoice	Date	Description	Amount
	234244	07/20/2016	RR RENTAL-METROLINK	\$93.87
<b>11657</b>	08/30/2016		<b>SO CALIFORNIA EDISON COMPANY</b>	<b>\$245.15</b>
	Invoice	Date	Description	Amount
	2017-00000188	08/18/2016	6/22-7/22/16 SVC-600 S BREA CYN B	\$245.15
<b>11658</b>	08/30/2016		<b>WALNUT VALLEY WATER DISTRICT</b>	<b>\$331.82</b>
	Invoice	Date	Description	Amount
	2380634	08/09/2016	7/1-7/31/16 SVC-IRR METROLINK SPANISH LN	\$312.95
	2381513	08/10/2016	7/6-8/3/16 SVC-PLATFORM METROLINK BREA CYN	\$18.87

Checks	Status	Count	Transaction Amount
	Total	5	\$11,128.02

**CITY OF INDUSTRY  
WELLS FARGO REFUSE  
September 8, 2016**

Check	Date		Payee Name	Check Amount
<b>REFUSE - Refuse Account</b>				
4245	08/12/2016		CEG CONSTRUCTION	\$3,191.15
	Invoice	Date	Description	Amount
	08/12/16	08/12/2016	CONSTRUCTION DEPOSIT REFUND-ACCT #081663	\$3,191.15
4246	08/12/2016		DOG FASHION GROUP	\$278.59
	Invoice	Date	Description	Amount
	08/12/16	08/12/2016	REFUND-ACCT #084648	\$278.59
4247	08/12/2016		QUINN GROUP, INC.	\$5,651.68
	Invoice	Date	Description	Amount
	08/12/16	08/12/2016	REFUND-ACCT #007044	\$5,651.68
4248	08/12/2016		CABRAL ROOFING	\$4,970.48
	Invoice	Date	Description	Amount
	08/12/16	08/12/2016	REFUND-ACCT #104070	\$4,970.48
4249	08/12/2016		MARQUIS CONSTRUCTION	\$158.96
	Invoice	Date	Description	Amount
	08/12/16	08/12/2016	REFUND-ACCT #087616	\$158.96

Checks	Status	Count	Transaction Amount
	Total	5	\$14,250.86

**CITY OF INDUSTRY  
WELLS FARGO BANK  
September 8, 2016**

Check	Date		Payee Name	Check Amount
<b>CITY.WF.CHK - City General Wells Fargo</b>				
<b>64602</b>	08/18/2016		<b>FRONTIER</b>	<b>\$721.52</b>
	Invoice	Date	Description	Amount
	2017-00000144	07/28/2016	07/28-08/27/16 SVC - IH GOLF COURSE FUEL PUMP	\$280.32
	2017-00000145	08/01/2016	08/01-08/31/16 SVC - GENERATOR SITE-TELEMETRY	\$54.00
	2017-00000146	08/04/2016	08/04-09/03/16 SVC - GS-21620 VALLEY BLVD	\$54.00
	2017-00000147	08/04/2016	08/04-09/03/16 SVC - EM-21858 GARCIA LN-ALARM	\$62.35
	2017-00000148	08/07/2016	08/07-09/06/16 SVC - GS-408 BREA CYN RD	\$26.74
	2017-00000149	08/10/2016	08/10-09/09/16 SVC - GENERATOR SITE-TELEMETRY	\$146.39
	841 7TH-AUG16	08/10/2016	08/10-09/09/16 SVC - 841 S. 7TH	\$97.72
<b>64603</b>	08/18/2016		<b>GAS COMPANY, THE</b>	<b>\$357.19</b>
	Invoice	Date	Description	Amount
	2017-00000139	08/09/2016	07/07-08/05/16 SVC - 15633 RAUSCH RD	\$104.23
	2017-00000140	08/09/2016	07/06-08/04/16 SVC - 15651 STAFFORD ST	\$15.33
	2017-00000141	08/09/2016	07/07-08/05/16 SVC - 15625 STAFFORD ST APT A	\$166.27
	2017-00000142	08/09/2016	07/07-08/05/16 SVC - 15625 STAFFORD ST APT B	\$14.30
	2017-00000143	08/09/2016	07/01-08/01/16 SVC - 1 INDUSTRY HILLS PKWY UNIT	\$57.06
<b>64604</b>	08/18/2016		<b>NOBLE AMERICAS ENERGY</b>	<b>\$152,160.35</b>
	Invoice	Date	Description	Amount
	162220006049692	08/09/2016	WHOLESALE USE - JULY 2016	\$152,144.64
	162290006074115	08/16/2016	WHOLESALE GAS - JULY 2016	\$15.71
<b>64605</b>	08/18/2016		<b>SO CALIFORNIA EDISON COMPANY</b>	<b>\$7,943.39</b>
	Invoice	Date	Description	Amount
	2017-00000134	08/09/2016	07/05-08/03/16 SVC - 15625 STAFFORD ST	\$6,836.57
	2017-00000135	08/09/2016	07/07-08/05/16 SVC - VARIOUS SITES	\$93.21
	2017-00000136	08/09/2016	07/01-08/01/16 SVC - NOGALES ST/SAN JOSE AVE	\$445.02
	2017-00000137	08/10/2016	07/01-08/01/16 SVC - GALE AVE/L ST	\$33.95
	2017-00000138	08/11/2016	06/14-08/08/16 SVC - VALLEY BLVD U-VARIOUS SITES	\$474.91
	19835WAL-AUG16	08/13/2016	07/14-08/12/16 SVC - 19835 E WALNUT DR	\$59.73

**CITY OF INDUSTRY  
WELLS FARGO BANK  
September 8, 2016**

Check	Date	Payee Name		Check Amount
<b>CITY.WF.CHK - City General Wells Fargo</b>				
<b>64606</b>	08/18/2016	<b>VERIZON BUSINESS</b>		<b>\$160.54</b>
	Invoice	Date	Description	Amount
	08393753	08/10/2016	07/01-07/31/16 SVC - VARIOUS SITES	\$31.53
	HATCHER-08393753	08/10/2016	07/01-07/31/16 SVC - HATCHER	\$5.20
	08393754	08/10/2016	07/01-07/31/16 SVC - VARIOUS SITES	\$123.81
<b>64607</b>	08/18/2016	<b>WALNUT VALLEY WATER DISTRICT</b>		<b>\$6,577.32</b>
	Invoice	Date	Description	Amount
	2380663	08/09/2016	07/01-07/31/16 SVC - IRR 820 FAIRWAY DR	\$93.66
	2380715	08/09/2016	07/01-07/31/16 SVC - LEMON AVE N OF CURRIER RD	\$93.86
	2380749	08/09/2016	07/01-07/31/16 SVC - BREA CYN RD & OLD RANCH RD	\$51.48
	2380765	08/09/2016	07/01-07/31/16 SVC - FERRERO & GRAND EAST	\$916.81
	2380782	08/09/2016	07/01-07/31/16 SVC - BAKER PKWY METER #1	\$644.21
	2380783	08/09/2016	07/01-07/31/16 SVC - BAKER PKWY METER #2	\$599.20
	2380789	08/09/2016	07/01-07/31/16 SVC - GRAND AVE CROSSING	\$557.04
	2380790	08/09/2016	07/01-07/31/16 SVC - GRAND AVE CROSSING	\$73.34
	2380792	08/09/2016	07/01-07/31/16 SVC - 22002 VALLEY BLVD	\$450.83
	2380809	08/09/2016	07/07-07/31/16 SVC - 21350 VALLEY-MEDIAN	\$162.32
	2380810	08/09/2016	07/07-07/31/16 SVC - GRAND CROSSING EAST	\$72.67
	2380811	08/09/2016	07/07-07/31/16 SVC - GRAND CROSSING WEST	\$74.30
	2380812	08/09/2016	07/07-07/31/16 SVC - BAKER PKWY & GRAND N/W	\$1,787.23
	2380819	08/09/2016	07/07-07/31/16 SVC - E/S GRAND S/O BAKER PKWY	\$160.49
	2380825	08/09/2016	07/01-07/31/16 SVC - BREA CYN N OF RR TRKS	\$232.40
	2380826	08/09/2016	07/01-07/31/16 SVC - BREA CYN N OF CURRIER	\$36.80
	2380828	08/09/2016	07/01-07/31/16 SVC - 60 FWY INTERCHANGE	\$18.87
	2380845	08/09/2016	07/07-07/31/16 SVC - END OF BAKER PKWY-TEMP	\$449.79
	2381496	08/10/2016	07/06-08/03/16 SVC - PUMP STN N/W CHERYL	\$23.77
	2381514	08/10/2016	07/06-08/03/16 SVC - PUMP STN BREA CYN	\$22.08
	2381740	08/10/2016	07/06-08/03/16 SVC - NOGALES PUMP STN	\$56.17

**CITY OF INDUSTRY  
WELLS FARGO BANK  
September 8, 2016**

Check	Date		Payee Name	Check Amount
<b>CITY.WF.CHK - City General Wells Fargo</b>				
<b>64608</b>	08/19/2016		<b>ACE CONSTRUCTION AUTHORITY</b>	<b>\$7,716,057.84</b>
	Invoice	Date	Description	Amount
	ACE-207-16	07/27/2016	BETTERMENT AGRMT-FULLERTON RD GRADE	\$6,134,439.80
	ACE-204-16	07/27/2016	BETTERMENT AGRMT-FAIRWAY DR GRADE	\$1,581,618.04
<b>64609</b>	08/19/2016		<b>BANK OF AMERICA - VISA</b>	<b>\$368.32</b>
	Invoice	Date	Description	Amount
	2017-00000150	08/06/2016	07/07-08/06/16 CREDIT CARD EXPENSES-PHILIPS	\$368.32
<b>64610</b>	08/19/2016		<b>R.P. LAURAIN &amp; ASSOCIATES, INC.</b>	<b>\$14,300.00</b>
	Invoice	Date	Description	Amount
	9217	02/04/2016	APPRAISAL FEE-TRES HERMANOS	\$4,800.00
	9231	03/09/2016	APPRAISAL FEE-1509 WORKMAN MILL RD	\$9,500.00
<b>64611</b>	08/19/2016		<b>THE GABRIEL FOUNDATION</b>	<b>\$55,000.00</b>
	Invoice	Date	Description	Amount
	08/18/16	08/18/2016	IND HILLS CHARITY PRO RODEO SPONSORSHIP-IMC	\$55,000.00
<b>64612</b>	08/23/2016		<b>L A COUNTY REGISTRAR-</b>	<b>\$75.00</b>
	Invoice	Date	Description	Amount
	DP 15-21	08/19/2016	FEE-NOTICE OF INTENT FOR DP15-21	\$75.00
<b>64613</b>	08/23/2016		<b>L A COUNTY REGISTRAR-</b>	<b>\$75.00</b>
	Invoice	Date	Description	Amount
	DP 16-1/LLA-80	08/19/2016	FEE-NOTICE OF INTENT FOR DP16-1 AND LLA-80	\$75.00
<b>64614</b>	08/23/2016		<b>L A COUNTY REGISTRAR-</b>	<b>\$75.00</b>
	Invoice	Date	Description	Amount
	DP16-3/TPM350	08/19/2016	FEE-NOTICE OF INTENT FOR DP16-3 AND TPM350	\$75.00
<b>64615</b>	08/24/2016		<b>FRONTIER</b>	<b>\$384.73</b>

**CITY OF INDUSTRY  
WELLS FARGO BANK  
September 8, 2016**

Check	Date	Payee Name	Check Amount	
<b>CITY.WF.CHK - City General Wells Fargo</b>				
	Invoice	Date	Description	Amount
	2017-00000151	08/10/2016	08/10-09/09/16 SVC - EM-21508 BAKER PKWY BLDG	\$51.29
	2017-00000152	08/10/2016	08/10-09/09/16 SVC - EM-21808 GARCIA LN-ALARM	\$62.35
	2017-00000153	08/10/2016	08/10-09/09/16 SVC - 600 BREA CYN RD	\$219.80
	2017-00000154	08/10/2016	08/10-09/09/16 SVC - GENERATOR SITE-TELEMETRY	\$51.29
<b>64616</b>	08/24/2016	<b>SAN GABRIEL VALLEY WATER CO.</b>		<b>\$485.26</b>
	Invoice	Date	Description	Amount
	2017-00000155	08/16/2016	07/18-08/15/16 SVC - 14329 VALLEY	\$485.26
<b>64617</b>	08/24/2016	<b>SO CALIFORNIA EDISON COMPANY</b>		<b>\$16,954.33</b>
	Invoice	Date	Description	Amount
	2017-00000156	08/09/2016	07/01-08/01/16 SVC - 208 S. WADDINGHAM WAY	\$16,826.40
	2017-00000157	08/11/2016	07/12-08/10/16 SVC - 575 BALDWIN PARK AVE U	\$57.99
	2017-00000158	08/12/2016	07/13-08/11/16 SVC - 490 7TH U	\$69.94
<b>64618</b>	08/24/2016	<b>WALNUT VALLEY WATER DISTRICT</b>		<b>\$101.84</b>
	Invoice	Date	Description	Amount
	19835WAL-2381651	08/10/2016	07/06-08/03/16 SVC - 19835 WALNUT DR.	\$101.84
<b>64619</b>	08/29/2016	<b>SAN GABRIEL VALLEY WATER AND</b>		<b>\$207,289.81</b>
	Invoice	Date	Description	Amount
	08/26/16	08/26/2016	REIMBURSEMENT FOR DUE DILIGENCE WORK	\$207,289.81
<b>64620</b>	08/29/2016	<b>AT &amp; T</b>		<b>\$141.65</b>
	Invoice	Date	Description	Amount
	2017-00000175	08/17/2016	08/17-09/16/16 SVC - 15000 TONNER CYN RD-GUARD	\$141.65
<b>64621</b>	08/29/2016	<b>CITY OF CHINO HILL UTILITY</b>		<b>\$356.10</b>
	Invoice	Date	Description	Amount
	2017-00000187	08/17/2016	07/18-08/15/16 SVC - 1550 RANCHO HILLS DR	\$356.10

**CITY OF INDUSTRY  
WELLS FARGO BANK  
September 8, 2016**

Check	Date		Payee Name	Check Amount
<b>CITY.WF.CHK - City General Wells Fargo</b>				
<b>64622</b>	08/29/2016		<b>FRONTIER</b>	<b>\$474.13</b>
	Invoice	Date	Description	Amount
	2017-00000179	08/16/2016	08/16-09/15/16 SVC - PH AUTO PLAZA	\$159.76
	2017-00000180	08/16/2016	08/16-09/15/16 SVC - GENERATOR SITE-TELEMETRY	\$48.66
	2017-00000181	08/16/2016	08/16-09/15/16 SVC - BREA CYN PUMP STN	\$61.06
	2017-00000182	08/19/2016	08/19-09/18/16 SVC - FOLLOW'S CAMP GUARD	\$58.62
	2017-00000183	08/19/2016	08/19-09/18/16 SVC - ELECTRIC MODEM	\$51.29
	2017-00000184	08/19/2016	08/19-09/18/16 SVC - GENERATOR SITE-TELEMETRY	\$43.45
	2017-00000185	08/19/2016	08/19-09/18/16 SVC - EM-21415 BAKER PKWY	\$51.29
<b>64623</b>	08/29/2016		<b>GAS COMPANY, THE</b>	<b>\$19.55</b>
	Invoice	Date	Description	Amount
	2017-00000176	08/18/2016	07/18-08/16/16 SVC - 610 S BREA CYN RD	\$19.55
<b>64624</b>	08/29/2016		<b>INDUSTRY PUBLIC UTILITY</b>	<b>\$5,477.61</b>
	Invoice	Date	Description	Amount
	2017-00000177	08/11/2016	07/10-08/10/16 SVC - 600 BREA CYN RD	\$2,980.95
	2017-00000186	07/15/2016	06/10-07/10/16 SVC - 600 BREA CYN RD	\$2,496.66
<b>64625</b>	08/29/2016		<b>SAN GABRIEL VALLEY WATER CO.</b>	<b>\$184.75</b>
	Invoice	Date	Description	Amount
	2017-00000178	08/17/2016	07/19-08/16/16 SVC - 336 EL ENCANTO	\$60.11
	841 7TH-AUG16	08/18/2016	07/20-08/17/16 SVC - 841 S SEVENTH	\$124.64
<b>64626</b>	08/29/2016		<b>SO CALIFORNIA EDISON COMPANY</b>	<b>\$57,614.28</b>
	Invoice	Date	Description	Amount
	2017-00000161	08/17/2016	07/18-08/16/16 SVC - 1341 FULLERTON RD	\$33.74
	2017-00000162	08/17/2016	07/18-08/16/16 SVC - 17635 GALE	\$2,028.86
	2017-00000164	08/18/2016	07/18-08/16/16 SVC - PECK RD S/O PELLISSIER	\$32.99
	841 7TH-AUG16	08/18/2016	07/18-08/16/16 SVC - 841 7TH AVE	\$1,116.32

**CITY OF INDUSTRY  
WELLS FARGO BANK  
September 8, 2016**

Check	Date		Payee Name	Check Amount
<b>CITY.WF.CHK - City General Wells Fargo</b>				
	2017-00000165	08/18/2016	07/18-08/16/16 SVC - VARIOUS SITES	\$71.40
	2017-00000166	08/18/2016	07/18-08/16/16 SVC - VARIOUS SITES	\$1,823.24
	2017-00000167	08/18/2016	07/01-08/01/16 SVC - VARIOUS SITES	\$3,821.91
	2017-00000168	08/18/2016	07/18-08/16/16 SVC - VARIOUS SITES	\$6,680.86
	2017-00000169	08/18/2016	12/08/15-08/01/16 SVC - VARIOUS SITES	\$36,389.35
	2017-00000170	08/18/2016	06/16-08/16/16 SVC - VARIOUS SITES	\$2,742.93
	2017-00000171	08/18/2016	06/16-08/16/16 SVC - VARIOUS SITES	\$2,745.30
	2017-00000172	08/23/2016	07/22-08/22/16 SVC - 580 S BREA CYN	\$25.09
	2017-00000173	08/23/2016	07/22-08/22/16 SVC - 575 S BREA CYN	\$25.23
	2017-00000174	08/23/2016	07/22-08/22/16 SVC - 21380 VALLEY PED	\$77.06
<b>64627</b>	08/29/2016		<b>SO CALIFORNIA EDISON COMPANY</b>	<b>\$329.62</b>
	Invoice	Date	Description	Amount
	2017-00000163	08/18/2016	06/16-08/16/16 SVC - 19001 TONNER CYN RD	\$329.62
<b>64628</b>	08/29/2016		<b>SO CALIFORNIA EDISON COMPANY</b>	<b>\$1,901.61</b>
	Invoice	Date	Description	Amount
	7500662895	06/23/2016	05/01-05/31/15 SVC - 133 N AZUSA	\$1,901.61
<b>64629</b>	08/31/2016		<b>EMERSON CONSULTING GROUP,</b>	<b>\$5,000.00</b>
	Invoice	Date	Description	Amount
	08/30/16	08/30/2016	ECONOMIC ANALYSIS SERVICE	\$5,000.00
<b>64630</b>	09/08/2016		<b>ADMIN SURE</b>	<b>\$950.00</b>
	Invoice	Date	Description	Amount
	9539	08/15/2016	CLAIM ADMIN - 9/1-9/15/16	\$950.00
<b>64631</b>	09/08/2016		<b>ADVANCED DISCOVERY, INC.</b>	<b>\$30,997.39</b>
	Invoice	Date	Description	Amount
	B187237	07/31/2016	DOCUMENT MGMT SVC-LITIGATION	\$30,997.39

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<b>CITY.WF.CHK - City General Wells Fargo</b>				
64632	09/08/2016		ALEJANDRO GONZALEZ	\$27.17
	Invoice	Date	Description	Amount
	08/25/16	08/25/2016	REIMBURSE FOR EXPENSES-BACKGROUND CHECK	\$27.17
64633	09/08/2016		ALVAKA NETWORKS	\$640.00
	Invoice	Date	Description	Amount
	157323	08/19/2016	NETWORK MAINT-HOMESTEAD	\$640.00
64634	09/08/2016		AVANT-GARDE, INC	\$2,230.00
	Invoice	Date	Description	Amount
	4101	08/19/2016	PROJECT MGMT-CITY BRIDGES	\$2,230.00
64635	09/08/2016		BIGGS CARDOSA ASSOCIATES, INC.	\$20,004.35
	Invoice	Date	Description	Amount
	69960	08/05/2016	STRATEGIC PLANS FOR CITY BRIDGES	\$20,004.35
64636	09/08/2016		BLAKE AIR CONDITIONING	\$178.60
	Invoice	Date	Description	Amount
	41596	08/22/2016	A/C MAINT-CITY HALL	\$178.60
64637	09/08/2016		BROWN RUDNICK, LLP	\$25,000.00
	Invoice	Date	Description	Amount
	702434	08/01/2016	PROF SVC-JUL 2016	\$25,000.00
64638	09/08/2016		BRYAN PRESS	\$88.30
	Invoice	Date	Description	Amount
	0075533	08/10/2016	BUSINESS CARDS-S. MALGANJI	\$44.15
	0075429	08/03/2016	BUSINESS CARDS-C FRESCH	\$44.15
64639	09/08/2016		BUTSKO UTILITY DESIGN INC.	\$2,795.88
	Invoice	Date	Description	Amount

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Check	Date		Payee Name	Check Amount
<b>CITY.WF.CHK - City General Wells Fargo</b>				
	27962G	06/30/2016	SUPPORT IN RESPONSE TO POWER OUTAGES	\$2,795.88
<b>64640</b>	09/08/2016		<b>CAL-PERS</b>	<b>\$1,950.00</b>
	Invoice	Date	Description	Amount
	100000014810912	08/04/2016	FEES FOR GASB-68 REPORTS	\$1,950.00
<b>64641</b>	09/08/2016		<b>CARLSON, CALLADINE &amp;</b>	<b>\$8,253.00</b>
	Invoice	Date	Description	Amount
	18964	08/15/2016	LEGAL SVC-JUL 2016	\$8,253.00
<b>64642</b>	09/08/2016		<b>CASC ENGINEERING AND</b>	<b>\$7,540.00</b>
	Invoice	Date	Description	Amount
	36035	07/31/2016	NPDES ENG SVC-COI	\$7,540.00
<b>64643</b>	09/08/2016		<b>CASSO &amp; SPARKS, LLP</b>	<b>\$68,372.05</b>
	Invoice	Date	Description	Amount
	20173	08/21/2016	COI-LEGAL SVC FOR APR 2016	\$68,372.05
<b>64644</b>	09/08/2016		<b>CHEM PRO LABORATORY, INC</b>	<b>\$269.00</b>
	Invoice	Date	Description	Amount
	607134	07/23/2016	WATER TREATMENT-JUL 2016	\$269.00
<b>64645</b>	09/08/2016		<b>CITY OF INDUSTRY</b>	<b>\$1,574.17</b>
	Invoice	Date	Description	Amount
	2017-00000003	07/31/2016	IH FUEL PUMP-SECURITY VEHICLES	\$1,204.43
	2017-00000005	07/31/2016	IH FUEL PUMP-CITY HALL VEHICLES	\$369.74
<b>64646</b>	09/08/2016		<b>CITY OF INDUSTRY-MEDICAL</b>	<b>\$4,000.00</b>
	Invoice	Date	Description	Amount
	REG 9/8/16	08/31/2016	TRANSFER FUNDS-MEDICAL	\$4,000.00

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<b>CITY.WF.CHK - City General Wells Fargo</b>				
<b>64647</b>	09/08/2016		<b>CITY OF INDUSTRY-PAYROLL ACCT</b>	<b>\$100,000.00</b>
	Invoice	Date	Description	Amount
	P/R 8/31/16	08/30/2016	PAYROLL REIMBURSEMENT FOR 8/31/16	\$100,000.00
<b>64648</b>	09/08/2016		<b>CNC ENGINEERING</b>	<b>\$215,154.64</b>
	Invoice	Date	Description	Amount
	45216	08/25/2016	WALNUT DR SOUTH WIDENING	\$470.64
	45217	08/25/2016	VALLEY BLVD PCC PAVEMENT RECONSTRUCTION	\$12,573.99
	45218	08/25/2016	CLARK AVE WIDENING	\$3,736.24
	45219	08/25/2016	2016 CLEANOUT OF STORMWATER DEVICES	\$3,125.68
	45220	08/25/2016	2016-2017 SLURRY SEAL	\$458.45
	45221	08/25/2016	GENERAL ENGINEERING SVC-CIP	\$44,734.13
	45222	08/25/2016	GENERAL ENGINEERING SVC-MAINT OF CITY	\$43,251.99
	45223	08/25/2016	TONNER CYN PROPERTY	\$1,255.04
	45224	08/25/2016	COLIMA RD WIDENING	\$334.70
	45225	08/25/2016	PUENTE VALLEY OPERABLE UNIT	\$156.88
	45226	08/25/2016	SEWER SYSTEM MAINT-EXPO CENTER	\$760.02
	45227	08/25/2016	EXPO CENTER RESURFACING OF PARKING LOTS	\$760.02
	45228	08/25/2016	CITY ELECTRICAL FACILITIES	\$1,220.33
	45229	08/25/2016	HOMESTEAD MUSEUM MAINT	\$380.01
	45230	08/25/2016	SAFETY UPGRADE AT VARIOUS RR CROSSINGS	\$235.32
	45231	08/25/2016	OPERATION AND MAINT OF METRO SOLAR	\$196.10
	45232	08/25/2016	MTA FUNDING FOR VARIOUS PROJECTS	\$313.76
	45233	08/25/2016	EL ENCANTO HEALTH CARE FACILITY	\$927.50
	45234	08/25/2016	TRAFFIC SIGNAL AT DON JULIAN/SIXTH AVE	\$2,766.07
	45235	08/25/2016	SANITATION DISTRICT INTERMODAL FACILITY	\$244.07
	45236	08/25/2016	SAN JOSE AVE RECONSTRUCTION	\$9,222.35
	45237	08/25/2016	TRAFFIC SIGNAL AT DON JULIAN/SIXTH AVE	\$162.71
	45238	08/25/2016	INDUSTRY HILLS MISC MAINT AND ENGINEERING	\$40.11
	45239	08/25/2016	PACIFIC PALMS LAUNDRY BLDG ISSUES	\$8,633.17
	45240	08/25/2016	PAINT EVALUATION OF FENCE ON TEMPLE	\$6,970.03

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<b>CITY.WF.CHK - City General Wells Fargo</b>			
45241	08/25/2016	INDUSTRY HILLS FUEL TANKS DISPENSING	\$244.07
45242	08/25/2016	HIGHWAY BRIDGE PROGRAM-AZUSA AVE	\$1,990.15
45243	08/25/2016	FISCAL YEAR BUDGET	\$12,196.97
45245	08/25/2016	FOLLOW'S CAMP	\$39.22
45246	08/25/2016	VARIOUS ASSIGNMENTS SA TO THE IUDA	\$2,638.08
45247	08/25/2016	NEW CUL-DE-SAC EAST OF FAURE AVE	\$23,162.33
45248	08/25/2016	REPAIRS TO CITY OWNED STORM WATER PUMPS	\$244.07
45249	08/25/2016	MAINT OF YARD AT 1123 HATCHER AVE	\$760.02
45250	08/25/2016	ARENTH AVE RECONSTRUCTION	\$2,400.90
45251	08/25/2016	2015-2016 TARGET SPEED SURVEY	\$313.76
45252	08/25/2016	GALE AVE AND STONER CREEK INTERSECTION	\$313.76
45253	08/25/2016	CARTEGRAPH IMPLEMENTATION/MGMT	\$1,304.07
45254	08/25/2016	CITYWIDE CATCH BASIN RETROFITS PHASE 1	\$8,325.24
45255	08/25/2016	2016-2017 SLURRY SEAL	\$675.75
45256	08/25/2016	FULLERTON RD GRADE SEPARATION STUDY	\$5,287.55
45257	08/25/2016	ALAMEDA CORRIDOR EAST RELATED PROJECTS	\$313.76
45258	08/25/2016	FAIRWAY DR GRADE SEPARATION	\$6,774.46
45259	08/25/2016	NOGALES GRADE SEPARATION	\$2,562.55
45260	08/25/2016	MISC GRADE SEPARATION STUDIES	\$476.47
45261	08/25/2016	VALLEY BLVD IMPROVEMENTS	\$554.91
45193	08/11/2016	CITYWIDE CATCH BASIN RETROFITS PHASE 1	\$1,647.24
<b>64649</b>	09/08/2016	<b>COHU-HD COSTAR, LLC</b>	<b>\$397.40</b>
Invoice	Date	Description	Amount
187627	08/09/2016	PART FOR T/S AT HACIENDA/VALLEY BLVD	\$397.40
<b>64650</b>	09/08/2016	<b>D M V RENEWAL</b>	<b>\$329.00</b>
Invoice	Date	Description	Amount
29260E1-16	08/23/2016	REGISTRATION RENEWAL-LIC 29260E1	\$329.00
<b>64651</b>	09/08/2016	<b>DAKOTA BACKFLOW CO.</b>	<b>\$1,305.00</b>

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Check	Date		Payee Name	Check Amount
<b>CITY.WF.CHK - City General Wells Fargo</b>				
	Invoice	Date	Description	Amount
	39290	08/15/2016	ANNUAL TESTING-VARIOUS SITES	\$135.00
	39291	08/05/2016	ANNUAL TESTING-VARIOUS SITES	\$630.00
	39238	08/05/2016	ANNUAL TESTING-841 S. 7TH AVE	\$90.00
	39289	08/05/2016	ANNUAL TESTING-555 S. EL ENCANTO	\$450.00
<b>64652</b>	09/08/2016		<b>DELL BUSINESS CREDIT</b>	<b>\$4,286.30</b>
	Invoice	Date	Description	Amount
	07/13-07/15/16	08/08/2016	COMPUTER SUPPLIES-HOMESTEAD	\$4,286.30
<b>64653</b>	09/08/2016		<b>DEPT OF ANIMAL CARE &amp; CONTROL</b>	<b>\$2,127.25</b>
	Invoice	Date	Description	Amount
	08/15/16	08/15/2016	SHELTER COSTS-JUL 2016	\$2,127.25
<b>64654</b>	09/08/2016		<b>ELECTRA-MEDIA, INC</b>	<b>\$1,763.00</b>
	Invoice	Date	Description	Amount
	4960	08/15/2016	PUENTE HILLS AUTO DISPLAY-SEP 2016	\$1,763.00
<b>64655</b>	09/08/2016		<b>ENCO UTILITY SERVICES</b>	<b>\$5,109.50</b>
	Invoice	Date	Description	Amount
	0113-0043MR	08/05/2016	METER READING-VARIOUS SITES	\$2,263.50
	0612-000400S	08/05/2016	METER SYSTEM MONITORING-METRO SOLAR	\$2,846.00
<b>64656</b>	09/08/2016		<b>ENVIRONS, INC.</b>	<b>\$964.80</b>
	Invoice	Date	Description	Amount
	2929	08/05/2016	LANDSCAPE PLANS-CLARK AVE	\$964.80
<b>64657</b>	09/08/2016		<b>FEDERAL EXPRESS CORP.</b>	<b>\$317.71</b>
	Invoice	Date	Description	Amount
	5-510-64041	08/12/2016	MESSENGER SVC	\$317.71

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<b>CITY.WF.CHK - City General Wells Fargo</b>				
64658	09/08/2016		FERGUSON ENTERPRISES, INC	\$65.92
	Invoice	Date	Description	Amount
	3663602	08/15/2016	PLUMBING SUPPLIES-TONNER CYN	\$65.92
64659	09/08/2016		FLYNN, ELIZABETH	\$11.88
	Invoice	Date	Description	Amount
	JUL/AUG 2016	08/25/2016	REIMBURSE FOR TRAVEL EXPENSE	\$11.88
64660	09/08/2016		FRAZER, LLP	\$37,430.00
	Invoice	Date	Description	Amount
	144911	08/15/2016	COI-ACCTG SVC 8/1-8/15/16	\$37,430.00
64661	09/08/2016		FUEL PROS, INC.	\$412.50
	Invoice	Date	Description	Amount
	0000026050	07/19/2016	INDUSTRY HILLS FUEL STN MAINT	\$262.50
	0000026266	07/30/2016	INDUSTRY HILLS FUEL STN MAINT	\$150.00
64662	09/08/2016		GATEWAY CITIES COUNCIL OF	\$20,000.00
	Invoice	Date	Description	Amount
	FY 2016-2017-B	06/23/2016	PARTICIPATION OF MAJOR CORRIDOR STUDY FY	\$20,000.00
64663	09/08/2016		GATEWAY CITIES COUNCIL OF	\$5,000.00
	Invoice	Date	Description	Amount
	08/10/16	08/10/2016	PUBLIC INFORMATION CAMPAIGN RELATED TO	\$5,000.00
64664	09/08/2016		GONSALVES & SON, JOE A.	\$5,000.00
	Invoice	Date	Description	Amount
	155045	08/18/2016	LEGISLATIVE SVC-SEP 2016	\$5,000.00
64665	09/08/2016		HADDICK'S AUTO BODY	\$100.00
	Invoice	Date	Description	Amount

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<b>CITY.WF.CHK - City General Wells Fargo</b>				
	H-74923	08/10/2016	TOWING SVC-LIC 1094930	\$100.00
<b>64666</b>	09/08/2016		<b>HAGERTY, MARIA L.</b>	<b>\$711.82</b>
	Invoice	Date	Description	Amount
	SUMMER 2016	08/25/2016	REIMBURSE FOR TUITION/BOOKS	\$711.82
<b>64667</b>	09/08/2016		<b>HINDERLITER, DE LLAMAS AND</b>	<b>\$23,055.58</b>
	Invoice	Date	Description	Amount
	0025816-IN	08/16/2016	CONTRACT/AUDIT SALES TAX SVC	\$23,055.58
<b>64668</b>	09/08/2016		<b>HISTORICAL RESOURCES, INC.</b>	<b>\$60,223.10</b>
	Invoice	Date	Description	Amount
	JUL/AUG 2016	08/25/2016	AGREEMENT REIMBURSEMENT-AUG 2016	\$60,223.10
<b>64669</b>	09/08/2016		<b>INDUSTRY MANUFACTURERS</b>	<b>\$63,961.57</b>
	Invoice	Date	Description	Amount
	JULY 2016	08/22/2016	EXPENSE REIMBURSEMENT FOR JUL 2016	\$63,961.57
<b>64670</b>	09/08/2016		<b>INDUSTRY SECURITY SERVICES</b>	<b>\$56,420.12</b>
	Invoice	Date	Description	Amount
	14-18448	08/12/2016	SECURITY SVC 8/5-8/11/16	\$16,434.03
	14-18459	08/12/2016	SECURITY SVC-TRES HERMANOS	\$2,187.12
	14-18551	08/26/2016	SECURITY SVC 8/19-8/25/16	\$16,698.82
	14-18562	08/26/2016	SECURITY SVC-TRES HERMANOS	\$2,187.12
	14-18484	08/19/2016	SECURITY SVC 8/12-8/18/16	\$16,725.91
	14-18495	08/19/2016	SECURITY SVC-TRES HERMANOS	\$2,187.12
<b>64671</b>	09/08/2016		<b>INDUSTRY TIRE SERVICE</b>	<b>\$2,006.33</b>
	Invoice	Date	Description	Amount
	0270095	08/03/2016	REPAIR TIRES FOR BACKHOE LOADER MODEL 580K	\$619.51
	0270218	08/10/2016	REPLACE TIRES FOR BAKCHOE LOADER	\$1,386.82

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<b>CITY.WF.CHK - City General Wells Fargo</b>				
<b>64672</b>	09/08/2016		<b>JEFF PARRIOTT PHOTOGRAPHIC</b>	<b>\$3,120.00</b>
	Invoice	Date	Description	Amount
	00492	08/23/2016	PROF SVC-HOMESTEAD	\$3,120.00
<b>64673</b>	09/08/2016		<b>JOHN'S GLASS SERVICE</b>	<b>\$135.00</b>
	Invoice	Date	Description	Amount
	13866	08/18/2016	REPLACE WINDOW-HOMESTEAD	\$135.00
<b>64674</b>	09/08/2016		<b>KLEINFELDER, INC.</b>	<b>\$4,627.50</b>
	Invoice	Date	Description	Amount
	001117767	08/16/2016	PAVEMENT EVALUATION-ARENTH AVE	\$4,627.50
<b>64675</b>	09/08/2016		<b>LA PUENTE VALLEY COUNTY</b>	<b>\$285.43</b>
	Invoice	Date	Description	Amount
	BS;08/16	08/17/2016	WATER MONITORING-BOY SCOUTS RESERVOIR	\$285.43
<b>64676</b>	09/08/2016		<b>LASER TECHNOLOGY INC</b>	<b>\$1,649.55</b>
	Invoice	Date	Description	Amount
	121662	08/09/2016	SPEED MEASURING DEVICE FOR LAW	\$1,649.55
<b>64677</b>	09/08/2016		<b>LOCKS PLUS</b>	<b>\$148.51</b>
	Invoice	Date	Description	Amount
	23526	08/18/2016	REPAIR LOCK	\$148.51
<b>64678</b>	09/08/2016		<b>LOS ANGELES AREA COUNCIL</b>	<b>\$2,030.92</b>
	Invoice	Date	Description	Amount
	#7/31/2016	07/31/2016	TONNER CYN WATER CHARGES-JUL 2016	\$2,030.92
<b>64679</b>	09/08/2016		<b>LUBE PITSTOP</b>	<b>\$47.85</b>
	Invoice	Date	Description	Amount

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<b>CITY.WF.CHK - City General Wells Fargo</b>				
	184146	08/10/2016	AUTO MAINT-LIC 29260E1	\$47.85
<b>64680</b>	09/08/2016		<b>MICHAEL BAKER INTERNATIONAL,</b>	<b>\$53,764.00</b>
	Invoice	Date	Description	Amount
	950812	08/08/2016	PLANNING SUPPORT SVC-JUL 2016	\$53,764.00
<b>64681</b>	09/08/2016		<b>MOVIUS, KATE</b>	<b>\$350.00</b>
	Invoice	Date	Description	Amount
	08/10/16	08/10/2016	AUTISM RECOGNITION TRAINING-SHERIFF'S DEPT	\$350.00
<b>64682</b>	09/08/2016		<b>MR PLANT &amp; INTERIOR BOTANICAL</b>	<b>\$702.00</b>
	Invoice	Date	Description	Amount
	SEPT 4581	09/01/2016	PLANT MAINT-SEP 2016	\$114.00
	SEPT 4582	09/01/2016	PLANT MAINT-SEP 2016	\$588.00
<b>64683</b>	09/08/2016		<b>OFFICE DEPOT BUSINESS</b>	<b>\$841.44</b>
	Invoice	Date	Description	Amount
	08/07/16	08/07/2016	OFICE SUPPLIES-HOMESTEAD	\$841.44
<b>64684</b>	09/08/2016		<b>OLMOS PROFESSIONAL SERVICES</b>	<b>\$8,782.00</b>
	Invoice	Date	Description	Amount
	220	08/31/2016	JANITORIAL SVC-CITY HALL	\$5,500.00
	222	08/31/2016	JANITORIAL SVC-IMC	\$1,467.00
	221	08/31/2016	JANITORIAL SVC-FIRE PREVENTION STN	\$1,815.00
<b>64685</b>	09/08/2016		<b>ONLINE SOLUTIONS, LLC</b>	<b>\$1,950.00</b>
	Invoice	Date	Description	Amount
	2446	08/10/2016	ADDED USER FOR FY 16/17	\$1,950.00
<b>64686</b>	09/08/2016		<b>PAETEC COMMUNICATIONS</b>	<b>\$810.32</b>
	Invoice	Date	Description	Amount

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<b>CITY.WF.CHK - City General Wells Fargo</b>				
	59632995	08/10/2016	CITY HALL PHONE SVC-AUG 2016	\$810.32
<b>64687</b>	09/08/2016		<b>POST ALARM SYSTEMS</b>	<b>\$286.90</b>
	Invoice	Date	Description	Amount
	897305	08/05/2016	MONITORING SVC-HOMESTEAD	\$286.90
<b>64688</b>	09/08/2016		<b>ProcureIT USA, LLC</b>	<b>\$31.61</b>
	Invoice	Date	Description	Amount
	PIT19177	08/12/2016	COMPUTER SUPPLIES	\$31.61
<b>64689</b>	09/08/2016		<b>R.F. DICKSON CO., INC.</b>	<b>\$17,131.51</b>
	Invoice	Date	Description	Amount
	2508087	07/31/2016	STREET AND PARKING LOT SWEEPING	\$17,131.51
<b>64690</b>	09/08/2016		<b>RASIC, ALEXANDRA</b>	<b>\$14.25</b>
	Invoice	Date	Description	Amount
	JUL/AUG 2016	08/25/2016	REIMBURSE FOR TRAVEL EXPENSE	\$14.25
<b>64691</b>	09/08/2016		<b>RICOH USA, INC.</b>	<b>\$1,245.61</b>
	Invoice	Date	Description	Amount
	5043937419	08/15/2016	METER READING-HR COPIER	\$70.36
	5044007239	08/18/2016	METER READING-VARIOUS COPIERS	\$1,175.25
<b>64692</b>	09/08/2016		<b>RICOH USA, INC.</b>	<b>\$3,448.87</b>
	Invoice	Date	Description	Amount
	51226429	08/13/2016	COPIER LEASE-SEP 2016	\$3,166.14
	51226855	08/13/2016	COPIER LEASE-HR	\$282.73
<b>64693</b>	09/08/2016		<b>SAN GABRIEL VALLEY NEWSPAPER</b>	<b>\$2,197.28</b>
	Invoice	Date	Description	Amount
	0010815842	06/21/2016	NOTICE REQUESTING STMT OF QUALIFICATIONS	\$418.48

**CITY OF INDUSTRY  
WELLS FARGO BANK  
September 8, 2016**

Check	Date		Payee Name	Check Amount
<b>CITY.WF.CHK - City General Wells Fargo</b>				
	0010818431	07/01/2016	NOTICE OF PUBLIC HEARING	\$335.68
	0010818434	07/01/2016	NOTICE OF PUBLIC HEARING	\$335.68
	0010828973	07/29/2016	NOTICE OF PUBLIC HEARING	\$352.24
	0010823972	07/15/2016	NOTICE OF AVAILABILITY	\$755.20
<b>64694</b>	09/08/2016		<b>SAN GABRIEL VALLEY NEWSPAPER</b>	<b>\$1,026.00</b>
	Invoice	Date	Description	Amount
	0000279715	07/31/2016	MONTHLY ADVERTISING-HOMESTEAD	\$1,026.00
<b>64695</b>	09/08/2016		<b>SCS FIELD SERVICES</b>	<b>\$11,504.55</b>
	Invoice	Date	Description	Amount
	0282939	07/31/2016	INDUSTRY HILLS-MAINT LANDFILL GAS SYSTEM	\$11,504.55
<b>64696</b>	09/08/2016		<b>SHELL</b>	<b>\$45.00</b>
	Invoice	Date	Description	Amount
	8000073489608	08/05/2016	CAR WASH-CITY VEHICLES	\$45.00
<b>64697</b>	09/08/2016		<b>SO CAL INDUSTRIES</b>	<b>\$183.80</b>
	Invoice	Date	Description	Amount
	237961	08/17/2016	RR RENTAL-TONNER CYN/GRAND AVE	\$93.87
	237411	08/12/2016	FENCE RENTAL-INDUSTRY HILLS	\$89.93
<b>64698</b>	09/08/2016		<b>SPITZZERI, PAUL</b>	<b>\$74.50</b>
	Invoice	Date	Description	Amount
	JUL/AUG 2016	08/25/2016	REIMBURSE FOR TRAVEL EXPENSE	\$74.50
<b>64699</b>	09/08/2016		<b>STAPLES BUSINESS ADVANTAGE</b>	<b>\$2,213.28</b>
	Invoice	Date	Description	Amount
	8040352114	07/30/2016	OFFICE SUPPLIES	\$1,069.60
	8040536150	08/13/2016	OFFICE SUPPLIES	\$624.84
	8040448779	08/06/2016	OFFICE SUPPLIES	\$518.84

**CITY OF INDUSTRY  
WELLS FARGO BANK  
September 8, 2016**

Check	Date		Payee Name	Check Amount
<b>CITY.WF.CHK - City General Wells Fargo</b>				
<b>64700</b>	09/08/2016		<b>STOTZ EQUIPMENT</b>	<b>\$592.39</b>
	Invoice	Date	Description	Amount
	W12674	07/29/2016	REPAIR OF JOHN DEERE TRACTOR	\$592.39
<b>64701</b>	09/08/2016		<b>THE DOLPHIN GROUP, INC.</b>	<b>\$15,058.47</b>
	Invoice	Date	Description	Amount
	30426	06/30/2016	MEDIA CONSULTING-JUN 2016	\$15,058.47
<b>64702</b>	09/08/2016		<b>TRANSPORTATION &amp; ENERGY</b>	<b>\$1,007.50</b>
	Invoice	Date	Description	Amount
	COI-001-07-20-16	08/09/2016	TRAFFIC ENGINEERING SVC	\$1,007.50
<b>64703</b>	09/08/2016		<b>TYPECRAFT, INC.</b>	<b>\$529.61</b>
	Invoice	Date	Description	Amount
	2431	07/31/2016	BUSINESS CARDS-HOMESTEAD	\$529.61
<b>64704</b>	09/08/2016		<b>U.S. BANK</b>	<b>\$2,150.00</b>
	Invoice	Date	Description	Amount
	4385925-A	08/16/2016	COI-ADMIN FEES FOR REFUNDING DEPOSIT 2015	\$950.00
	4385925-B	08/16/2016	COI-ADMIN FEES FOR REFUNDING DEPOSIT 2015	\$1,200.00
<b>64705</b>	09/08/2016		<b>UNIVERSITY OF LA VERNE</b>	<b>\$1,900.50</b>
	Invoice	Date	Description	Amount
	ID #11761952	08/25/2016	2016 SUMMER TUITION BALANCE-MARIA HAGERTY	\$1,900.50
<b>64706</b>	09/08/2016		<b>WASTE SYSTEMS TECHNOLOGY,</b>	<b>\$17,903.78</b>
	Invoice	Date	Description	Amount
	16-1017	08/01/2016	COMMERCIAL WASTE PROGRAM	\$17,903.78
<b>64707</b>	09/08/2016		<b>WEATHERITE SERVICE</b>	<b>\$370.00</b>

**CITY OF INDUSTRY  
WELLS FARGO BANK  
September 8, 2016**

Check	Date	Payee Name	Check Amount
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**CITY.WF.CHK - City General Wells Fargo**

	Invoice	Date	Description	Amount
	L167749	07/27/2016	A/C MAINT-15660 STAFFORD/15559 RAUSCH	\$370.00
<b>64708</b>	09/08/2016		<b>WILLDAN ENGINEERING</b>	<b>\$3,173.00</b>
	Invoice	Date	Description	Amount
	00614426	08/18/2016	ENGINEERING SVC-VARIOUS SITES	\$3,173.00

Checks	Status	Count	Transaction Amount
	Total	107	\$9,192,943.00

*CITY COUNCIL*

ITEM NO. 5.3

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CITY COUNCIL REGULAR MEETING MINUTES  
CITY OF INDUSTRY, CALIFORNIA  
JANUARY 28, 2016  
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**CALL TO ORDER**

The Regular Meeting of the City Council of the City of Industry, California, was called to order by Mayor Mark D. Radecki at 9:00 a.m. in the City of Industry Council Chamber, 15651 East Stafford Street, California.

**FLAG SALUTE**

The flag salute was led by Mayor Mark D. Radecki.

**ROLL CALL**

PRESENT: Mark D. Radecki, Mayor  
Cory C. Moss, Mayor Pro Tem  
Abraham N. Cruz, Council Member  
Roy Haber, Council Member  
Newell W. Ruggles, Council Member

STAFF PRESENT: Paul J. Philips, City Manager; James M. Casso, City Attorney; Cecelia Dunlap, Deputy City Clerk; Brian James, Planning Director; and Joshua Nelson, Deputy City Engineer.

**PUBLIC COMMENTS**

There were no public comments.

**CONSENT CALENDAR**

Mayor Pro Tem Moss recused herself from check number 63373 for item 1 (Register of Demands) because she had a potential or actual financial conflict of interest in that she is employed by CNC Engineering.

MOTION BY COUNCIL MEMBER HABER, AND SECOND BY COUNCIL MEMBER CRUZ THAT THE RECOMMENDATIONS BE ACCEPTED FOR THE REMAINING ITEMS LISTED ON THE CONSENT CALENDAR, WITH MAYOR PRO TEM MOSS RECUSING FROM CHECK NUMBER 63373 ON ITEM 1 (REGISTER OF DEMANDS). MOTION CARRIED 5-0, BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS: CRUZ, HABER, RUGGLES, MOSS, RADECKI

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CITY COUNCIL REGULAR MEETING MINUTES  
CITY OF INDUSTRY, CALIFORNIA  
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NOES: COUNCIL MEMBERS: NONE  
ABSENT: COUNCIL MEMBERS: NONE  
ABSTAIN: COUNCIL MEMBERS: NONE

**1. CONSIDERATION OF REGISTER OF DEMANDS**

APPROVED THE REGISTER OF DEMANDS AND AUTHORIZED THE APPROPRIATE CITY OFFICIALS TO PAY THE BILLS.

**2. CONSIDERATION OF RESOLUTION NO. CC 2015-38 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDUSTRY, APPROVING A PURCHASE AGREEMENT BETWEEN THE CITY OF INDUSTRY AND CT CHESTNUT LLC, FOR THE PROPERTY LOCATED AT 948 S. AZUSA AVENUE, CITY OF INDUSTRY, CALIFORNIA AND ADOPTING THE NOTICE OF EXEMPTION REGARDING SAME**

EXTENDED THE CONSIDERATION OF RESOLUTION NO. CC 2015-38 TO THE NEXT REGULAR SCHEDULED MEETING.

**CONSIDERATION OF ORDINANCE NO. 793 – AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF INDUSTRY REPEALING CHAPTER 13.18 (WATER EFFICIENT LANDSCAPES) OF TITLE 13 (WATER AND SEWERS) OF THE CITY OF INDUSTRY MUNICIPAL CODE AND ADDING A REVISED CHAPTER 13.18; AMENDING SECTION 17.36.080 A.3 (STANDARD CONDITIONS OF APPROVAL) OF CHAPTER 17.36 (DESIGN REVIEW) OF TITLE 17 (ZONING) AND ADOPTING A NOTICE OF EXEMPTION REGARDING SAME (SECOND READING)**

Planning Director James presented a staff report to the City Council.

MOTION BY MAYOR PRO MOSS, AND SECOND BY COUNCIL MEMBER RUGGLES TO WAIVE FURTHER READING, AND ADOPT ORDINANCE NO. 793. MOTION CARRIED 5-0, BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS: CRUZ, HABER, RUGGLES, MOSS, RADECKI  
NOES: COUNCIL MEMBERS: NONE  
ABSENT: COUNCIL MEMBERS: NONE  
ABSTAIN: COUNCIL MEMBERS: NONE

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CITY COUNCIL REGULAR MEETING MINUTES  
CITY OF INDUSTRY, CALIFORNIA  
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**CONSIDERATION OF A DEPOSIT OF \$57,000.00 TO LOS ANGELES COUNTY DEPARTMENT OF PUBLIC WORKS FOR TRAFFIC SIGNAL MODIFICATIONS LOCATED AT AMAR ROAD AND BALDWIN PARK BOULEVARD**

Deputy City Engineer Nelson presented a staff report to the City Council.

MOTION BY COUNCIL MEMBER HABER, AND SECOND BY COUNCIL MEMBER CRUZ TO APPROVE THE DEPOSIT OF \$57,000.00 TO LOS ANGELES COUNTY DEPARTMENT OF PUBLIC WORKS. MOTION CARRIED 5-0, BY THE FOLLOWING VOTE:

AYES:	COUNCIL MEMBERS:	CRUZ, HABER, RUGGLES, MOSS, RADECKI
NOES:	COUNCIL MEMBERS:	NONE
ABSENT:	COUNCIL MEMBERS:	NONE
ABSTAIN:	COUNCIL MEMBERS:	NONE

**CONSIDERATION OF RESOLUTION NO. CC 2016-08 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDUSTRY, CALIFORNIA, CONFIRMING THE CONTINUED EXISTENCE OF AN EMERGENCY CONDITION AT THE FOLLOWS CAMP PROPERTY AND DECLARING THAT THE PUBLIC INTEREST AND NECESSITY REQUIRE CERTAIN WORK TO BE PERFORMED WITHOUT COMPETITIVE BIDDING PURSUANT TO CALIFORNIA PUBLIC CONTRACT CODE SECTION 22050 AND SECTION 3.52.110 OF THE CITY’S MUNICIPAL CODE**

Deputy City Engineer Nelson presented a staff report to the City Council.

MOTION BY MAYOR PRO TEM MOSS, AND SECOND BY COUNCIL MEMBER CRUZ TO ADOPT RESOLUTION NO. CC 2016-08. MOTION CARRIED 5-0, BY THE FOLLOWING VOTE:

AYES:	COUNCIL MEMBERS:	CRUZ, HABER, RUGGLES, MOSS, RADECKI
NOES:	COUNCIL MEMBERS:	NONE
ABSENT:	COUNCIL MEMBERS:	NONE
ABSTAIN:	COUNCIL MEMBERS:	NONE

**PRESENTATION AND DISCUSSION REGARDING THE FIRST QUARTER 2016 CITY OF INDUSTRY GOVERNMENT REFORMS UPDATE**

City Manager Philips presented a staff report to the City Council.

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CITY COUNCIL REGULAR MEETING MINUTES  
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MOTION BY COUNCIL MEMBER HABER, AND SECOND BY COUNCIL MEMBER CRUZ TO RECEIVE AND FILE. MOTION CARRIED 5-0, BY THE FOLLOWING VOTE:

AYES:	COUNCIL MEMBERS:	CRUZ, HABER, RUGGLES, MOSS, RADECKI
NOES:	COUNCIL MEMBERS:	NONE
ABSENT:	COUNCIL MEMBERS:	NONE
ABSTAIN:	COUNCIL MEMBERS:	NONE

**CITY COUNCIL COMMITTEE REPORTS**

There were none.

**AB 1234 REPORTS**

Mayor Radecki reported that during January 20-22, 2016, he attended the League of California Cities New Mayors and Council Members conference in Sacramento along with Council Member Cruz and City Manager Philips.

**CITY COUNCIL COMMUNICATIONS**

Mayor Pro Tem Moss commented on the Sheriff's department autism training, and thanked Lieutenant John Gannon for heading the program. Mayor Pro Tem Moss indicated she attended one of the training sessions.

**CLOSED SESSION**

Deputy City Clerk Dunlap announced there was a need for Closed Session as follows:

- A. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION  
Significant exposure to litigation pursuant to Government Code Section 54956.9(d)(2): Two Potential Cases.

There were no public comments on the Closed Session items.

Mayor Radecki recessed the meeting into Closed Session at 9:15 a.m.

**RECONVENE CITY COUNCIL MEETING**

Mayor Radecki reconvened the meeting at 9:50 a.m. All members of the City Council were present. City Attorney Casso reported out of Closed Session.

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CITY COUNCIL REGULAR MEETING MINUTES  
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With regard to the Closed Session item A, Case One and Two, the City Council took no reportable action.

**ADJOURNMENT**

There being no further business, the City Council adjourned at 9:51 a.m.

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MARK D. RADECKI  
MAYOR

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CECELIA DUNLAP  
DEPUTY CITY CLERK

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CITY COUNCIL REGULAR MEETING MINUTES  
CITY OF INDUSTRY, CALIFORNIA  
FEBRUARY 11, 2016  
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**CALL TO ORDER**

The Regular Meeting of the City Council of the City of Industry, California, was called to order by Mayor Mark D. Radecki at 9:00 a.m. in the City of Industry Council Chamber, 15651 East Stafford Street, California.

**FLAG SALUTE**

The flag salute was led by Mayor Mark D. Radecki.

**ROLL CALL**

PRESENT: Mark D. Radecki, Mayor  
Cory C. Moss, Mayor Pro Tem  
Abraham N. Cruz, Council Member  
Newell W. Ruggles, Council Member

ABSENT: Roy Haber, Council Member

STAFF PRESENT: Paul J. Philips, City Manager; James M. Casso, City Attorney; Cecelia Dunlap, Deputy City Clerk; Alex Gonzalez, Director of Development Services and Administration; and Troy Helling, Senior Planner.

**PUBLIC COMMENTS**

There were no public comments.

**CONSENT CALENDAR**

Mayor Radecki recused himself from check number 63481 for item 1 (Register of Demands) because he had a potential or actual financial conflict of interest in that he is employed by Square Root Golf and Landscape.

Mayor Pro Tem Moss recused herself from check number 63446 for item 1 (Register of Demands) because she had a potential or actual financial conflict of interest in that she is employed by CNC Engineering.

Council Member Cruz recused himself from check number 63481 for item 1 (Register of Demands) because he had a potential or actual financial conflict of interest in that he is

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CITY COUNCIL REGULAR MEETING MINUTES  
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employed by Square Root Golf & Landscape.

Council Member Ruggles recused himself from check number 63456 for item 1 (Register of Demands) because he had a potential or actual financial conflict of interest in that he is employed by Haddick's Auto Body.

MOTION BY MAYOR PRO TEM MOSS, AND SECOND BY COUNCIL MEMBER CRUZ THAT THE RECOMMENDATIONS BE ACCEPTED FOR THE REMAINING ITEMS LISTED ON THE CONSENT CALENDAR, WITH MAYOR RADECKI AND COUNCIL MEMBER CRUZ BOTH RECUSING FROM CHECK NUMBER 63481 ON ITEM 1 (REGISTER OF DEMANDS), WITH MAYOR PRO TEM MOSS RECUSING FROM CHECK NUMBER 63446 ON ITEM 1 (REGISTER OF DEMANDS), AND WITH COUNCIL MEMBER RUGGLES RECUSING FROM CHECK NUMBER 63456 ON ITEM 1 (REGISTER OF DEMANDS). MOTION CARRIED 4-0, BY THE FOLLOWING VOTE:

AYES:	COUNCIL MEMBERS:	CRUZ, RUGGLES, MOSS, RADECKI
NOES:	COUNCIL MEMBERS:	NONE
ABSENT:	COUNCIL MEMBERS:	HABER
ABSTAIN:	COUNCIL MEMBERS:	NONE

**1. CONSIDERATION OF REGISTER OF DEMANDS**

APPROVED THE REGISTER OF DEMANDS AND AUTHORIZED THE APPROPRIATE CITY OFFICIALS TO PAY THE BILLS.

**2. CONSIDERATION OF RESOLUTION NO. CC 2015-38 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDUSTRY, APPROVING A PURCHASE AGREEMENT BETWEEN THE CITY OF INDUSTRY AND CT CHESTNUT LLC, FOR THE PROPERTY LOCATED AT 948 S. AZUSA AVENUE, CITY OF INDUSTRY, CALIFORNIA AND ADOPTING THE NOTICE OF EXEMPTION REGARDING SAME**

EXTENDED THE CONSIDERATION OF RESOLUTION NO. CC 2015-38 TO THE NEXT REGULAR SCHEDULED MEETING.

**3. CONSIDERATION OF AN INVESTMENT SERVICES MANAGEMENT AGREEMENT BETWEEN THE CITY OF INDUSTRY AND DIVERSIFIED**

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CITY COUNCIL REGULAR MEETING MINUTES  
CITY OF INDUSTRY, CALIFORNIA  
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**SECURITIES, INC., AND ADVANTUS CAPITAL MANAGEMENT FOR INVESTMENT MANAGEMENT AND ADVISORY SERVICES.**

AUTHORIZED THE CITY MANAGER TO ENTER INTO AN INVESTMENT MANAGEMENT SERVICES AGREEMENT WITH DIVERSIFIED SECURITIES, INC., AND ADVANTUS CAPITAL MANAGEMENT, SUBJECT TO THE APPROVAL AS TO FORM BY THE CITY ATTORNEY.

4. **CONSIDERATION OF RESOLUTION NO. CC 2016-12 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDUSTRY, CALIFORNIA, CONFIRMING THE CONTINUED EXISTENCE OF AN EMERGENCY CONDITION AT THE FOLLOWS CAMP PROPERTY AND DECLARING THAT THE PUBLIC INTEREST AND NECESSITY REQUIRE CERTAIN WORK TO BE PERFORMED WITHOUT COMETITIVE BIDDING PURSUANT TO CALFORNIA PUBLIC CONTRACT CODE SECTION 22050 AND SECTION 3.52.110 OF THE CITY’S MUNICIPAL CODE**

ADOPTED RESOLUTION NO. CC 2016-12.

**PUBLIC HEARING TO CONSIDER TENTATIVE PARCEL MAP 349 TO SUBDIVIDE AN EXISTING 11.81 ACRE PARCEL INTO TWO PARCELS AND ZONE EXCEPTION 15-4 TO ALLOW LESS PARKING ON PARCEL 1 AND MORE COMPACT PARKING STALLS ON PARCEL 2 THAN NORMALLY ALLOWED AT 12851 CROSSROADS PARKWAY SOUTH IN THE CITY OF INDUSTRY**

Senior Planner Helling presented a staff report to the City Council.

Mayor Radecki opened the public hearing.

Mayor Radecki inquired if anyone wanted to be heard on the matter. There were no comments.

Mayor Radecki closed the public hearing.

**CONSIDERATION OF RESOLUTION NO. CC 2016-09 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDUSTRY, CALIFORNIA ADOPTING AN INITIAL STUDY AND MITIGATED NEGATIVE DECLARATION AND A MITIGATION MONITORING AND REPORTING PROGRAM AND ADOPTING TENTATIVE PARCEL MAP 349 TO SUBDIVIDE AN EXISTING 11 ACRE PARCEL INTO TWO PARCELS**

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CITY COUNCIL REGULAR MEETING MINUTES  
CITY OF INDUSTRY, CALIFORNIA  
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**FOR THE PROPERTY LOCATED AT 12851 CROSSROADS PARKWAY SOUTH IN THE CITY OF INDUSTRY**

**CONSIDERATION OF RESOLUTION NO. CC 2016-10 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDUSTRY, CALIFORNIA ADOPTING AN INITIAL STUDY AND MITIGATED NEGATIVE DECLARATION AND A MITIGATION MONITORING AND REPORTING PROGRAM AND ADOPTING ZONE EXCEPTION 15-4 TO ALLOW LESS THAN THE REQUIRED PARKING AND A GREATER PERCENTAGE OF COMPACT PARKING THAN PERMITTED FOR THE PROPERTY LOCATED AT 12851 CROSSROADS PARKWAY SOUTH IN THE CITY OF INDUSTRY**

MOTION BY COUNCIL MEMBER RUGGLES, AND SECOND BY COUNCIL MEMBER CRUZ TO ADOPT RESOLUTION NO. CC 2016-09, AND RESOLUTION NO. CC 2016-10. MOTION 4-0, BY THE FOLLOWING VOTE:

AYES:	COUNCIL MEMBERS:	CRUZ, RUGGLES, MOSS, RADECKI
NOES:	COUNCIL MEMBERS:	NONE
ABSENT:	COUNCIL MEMBERS:	HABER
ABSTAIN:	COUNCIL MEMBERS:	NONE

**CONSIDERATION OF RESOLUTION NO. CC 2016-11 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDUSTRY, CALIFORNIA ADOPTING AN INITIAL STUDY AND MITIGATED NEGATIVE DECLARATION AND A MITIGATION MONITORING AND REPORTING PROGRAM AND ADOPTING DEVELOPMENT PLAN NO. 15-14 FOR THE CONSTRUCTION OF A TWO-STORY OFFICE BUILDING FOR THE PROPERTY LOCATED AT 12851 CROSSROADS PARKWAY SOUTH IN THE CITY OF INDUSTRY**

MOTION BY MAYOR PRO TEM MOSS, AND SECOND BY COUNCIL MEMBER RUGGLES TO ADOPT RESOLUTION NO. CC 2016-11. MOTION 4-0, BY THE FOLLOWING VOTE:

AYES:	COUNCIL MEMBERS:	CRUZ, RUGGLES, MOSS, RADECKI
NOES:	COUNCIL MEMBERS:	NONE
ABSENT:	COUNCIL MEMBERS:	HABER
ABSTAIN:	COUNCIL MEMBERS:	NONE

**CONSIDERATION OF RESOLUTION NO. CC 2016-13 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDUSTRY, CALIFORNIA, AMENDING**

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CITY COUNCIL REGULAR MEETING MINUTES  
CITY OF INDUSTRY, CALIFORNIA  
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**RESOLUTION NO. CC 2015-11 TO AMEND THE BUDGET FOR FISCAL YEAR 2015-16**

MOTION BY COUNCIL MEMBER CRUZ, AND SECOND BY MAYOR PRO TEM MOSS TO ADOPT RESOLUTION NO. CC 2016-13. MOTION 4-0, BY THE FOLLOWING VOTE:

AYES:	COUNCIL MEMBERS:	CRUZ, RUGGLES, MOSS, RADECKI
NOES:	COUNCIL MEMBERS:	NONE
ABSENT:	COUNCIL MEMBERS:	HABER
ABSTAIN:	COUNCIL MEMBERS:	NONE

**CONSIDERATION OF A PROFESSIONAL SERVICES AGREEMENT BETWEEN THE CITY OF INDUSTRY AND CARTEGRAPH SYSTEMS, INCORPORATED FOR WORK ORDER GEOGRAPHIC INFORMATION SYSTEM SOFTWARE**

Director of Development Services and Administration Gonzalez presented a staff report to the City Council.

Mr. Brian Coopman, Sales Executive, and Mr. Jake Schneider, CEO of Cartegraph Systems Incorporated, presented a PowerPoint presentation to the City Council, and responded to questions from Members of the City Council.

MOTION BY COUNCIL MEMBER CRUZ, AND SECOND BY MAYOR PRO TEM MOSS TO APPROVE THE AGREEMENT SUBJECT TO APPROVAL AS TO FORM BY THE CITY ATTORNEY. MOTION 4-0, BY THE FOLLOWING VOTE:

AYES:	COUNCIL MEMBERS:	CRUZ, RUGGLES, MOSS, RADECKI
NOES:	COUNCIL MEMBERS:	NONE
ABSENT:	COUNCIL MEMBERS:	HABER
ABSTAIN:	COUNCIL MEMBERS:	NONE

**CONSIDERATION OF AN AGREEMENT BETWEEN THE CITY OF INDUSTRY AND THE REGIONAL GOVERNMENT SERVICES AUTHORITY FOR HUMAN RESOURCES AND RISK MITIGATION SERVICES**

Director of Development Services and Administration Gonzalez presented a staff report to the City Council.

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CITY COUNCIL REGULAR MEETING MINUTES  
CITY OF INDUSTRY, CALIFORNIA  
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Director of Development Services and Administration Gonzalez introduced Ms. Tiffany Bose of Regional Government Services Authority. Ms. Bose provided a brief overview of the services they will be providing to the City.

MOTION BY MAYOR PRO TEM MOSS, AND SECOND BY COUNCIL MEMBER CRUZ TO APPROVE THE AGREEMENT. MOTION 4-0, BY THE FOLLOWING VOTE:

AYES:	COUNCIL MEMBERS:	CRUZ, RUGGLES, MOSS, RADECKI
NOES:	COUNCIL MEMBERS:	NONE
ABSENT:	COUNCIL MEMBERS:	HABER
ABSTAIN:	COUNCIL MEMBERS:	NONE

Mayor Radecki announced the passing of Jeff Kelly, a longtime employee of Industry Security Services. Mayor Radecki gave his condolences and asked that the meeting be adjourned in Mr. Kelly's memory.

Mayor Pro Tem Moss announced the passing of Douglas Belon, father-in-law to longtime City Employee Elise Calvo. Mayor Pro Tem Moss gave her condolences to the family, and also asked that the meeting be adjourned in Mr. Belon's memory.

### **CLOSED SESSION**

Deputy City Clerk Dunlap announced there was a need for Closed Session as follows:

- A. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION  
Significant exposure to litigation pursuant to Government Code Section 54956.9(d)(2): Two Potential Cases.

There were no public comments on the Closed Session items.

Mayor Radecki recessed the meeting into Closed Session at 9:36 a.m.

### **RECONVENE CITY COUNCIL MEETING**

Mayor Radecki reconvened the meeting at 10:45 a.m. All members of the City Council were present, except for Council Member Haber who was absent. City Attorney Casso reported out of Closed Session.

With regard to Closed Session item A, Case One and Two, the City Council took no reportable action.

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CITY COUNCIL REGULAR MEETING MINUTES  
CITY OF INDUSTRY, CALIFORNIA  
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**CITY COUNCIL COMMITTEE REPORTS**

There were none.

**AB1234 REPORTS**

There were none.

**CITY COUNCIL COMMUNICATIONS**

There were none.

**ADJOURNMENT**

There being no further business, the City Council adjourned in memory of Jeff Kelly and Douglas Belon at 10:46 a.m.

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MARK D. RADECKI  
MAYOR

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CECELIA DUNLAP  
DEPUTY CITY CLERK

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CITY COUNCIL SPECIAL MEETING MINUTES  
CITY OF INDUSTRY, CALIFORNIA  
FEBRUARY 23, 2016  
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**CALL TO ORDER**

The Special Meeting of the City Council of the City of Industry, California, was called to order by Mayor Mark D. Radecki at 9:10 a.m. in the City of Industry Council Chamber, 15651 East Stafford Street, California.

**FLAG SALUTE**

The flag salute was led by Mayor Mark D. Radecki.

**ROLL CALL**

PRESENT: Mark D. Radecki, Mayor  
Cory C. Moss, Mayor Pro Tem  
Abraham N. Cruz, Council Member  
Roy Haber, Council Member  
Newell W. Ruggles, Council Member

STAFF PRESENT: Paul J. Philips, City Manager; James M. Casso, City Attorney; Cecelia Dunlap, Deputy City Clerk; Alex Gonzalez, Director of Development Services and Administration; and Clem Calvillo, City Engineer.

**PUBLIC COMMENTS**

Mr. Mike King, Tournament Director for the Industry Hills City Championship Golf Tournament, addressed the City Council, provided history on the golf tournament, and requested the City's continued support to the tournament. Mr. King responded to questions from Members of the City Council.

**CONSENT CALENDAR**

MOTION BY COUNCIL MEMBER RUGGLES, AND SECOND BY COUNCIL MEMBER CRUZ THAT THE RECOMMENDATIONS BE ACCEPTED FOR THE FOLLOWING ITEMS LISTED ON THE CONSENT CALENDAR. MOTION CARRIED 5-0, BY THE FOLLOWING VOTE:

AYES:	COUNCIL MEMBERS:	CRUZ, HABER, RUGGLES, MOSS, RADECKI
NOES:	COUNCIL MEMBERS:	NONE
ABSENT:	COUNCIL MEMBERS:	NONE
ABSTAIN:	COUNCIL MEMBERS:	NONE

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CITY COUNCIL SPECIAL MEETING MINUTES  
CITY OF INDUSTRY, CALIFORNIA  
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**1. CONSIDERATION OF REGISTER OF DEMANDS**

APPROVED THE REGISTER OF DEMANDS AND AUTHORIZED THE APPROPRIATE CITY OFFICIALS TO PAY THE BILLS.

**2. CONSIDERATION OF RESOLUTION NO. CC 2015-38 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDUSTRY, APPROVING A PURCHASE AGREEMENT BETWEEN THE CITY OF INDUSTRY AND CT CHESTNUT LLC, FOR THE PROPERTY LOCATED AT 948 S. AZUSA AVENUE, CITY OF INDUSTRY, CALIFORNIA AND ADOPTING THE NOTICE OF EXEMPTION REGARDING SAME**

EXTENDED THE CONSIDERATION OF RESOLUTION NO. CC 2015-38 TO THE NEXT REGULAR SCHEDULED MEETING.

**3. CONSIDERATION OF THE MINUTES OF THE SEPTEMBER 10, 2015 REGULAR MEETING AND THE SEPTEMBER 24, 2015 REGULAR AND SPECIAL MEETINGS**

APPROVED AS SUBMITTED.

**4. CONSIDERATION OF RESOLUTION NO. CC 2016-14 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDUSTRY, CALIFORNIA, CONFIRMING THE CONTINUED EXISTENCE OF AN EMERGENCY CONDITION AT THE FOLLOWS CAMP PROPERTY AND DECLARING THAT THE PUBLIC INTEREST AND NECESSITY REQUIRE CERTAIN WORK TO BE PERFORMED WITHOUT COMETITIVE BIDDING PURSUANT TO CALIFORNIA PUBLIC CONTRACT CODE SECTION 22050 AND SECTION 3.52.110 OF THE CITY’S MUNICIPAL CODE**

ADOPTED RESOLUTION NO. CC 2016-14.

**5. CONSIDERATION OF A PROFESSIONAL SERVICES AGREEMENT BETWEEN THE CITY OF INDUSTRY AND MICHAEL BAKER INTERNATIONAL, INC., TO PROVIDE PLANNING SUPPORT SERVICES**

APPROVED THE AGREEMENT.

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CITY COUNCIL SPECIAL MEETING MINUTES  
CITY OF INDUSTRY, CALIFORNIA  
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**6. CONSIDERATION TO CANCEL THE NEXT REGULAR MEETING SCHEDULED FOR THURSDAY, FEBRUARY 25, 2016, AT 9:00 A.M.**

CANCELLED THE NEXT REGULAR MEETING.

**CONSIDERATION OF A SERVICE REQUEST WITH SAF-R-DIG UTILITY SURVEYS, INC., TO PROVIDE SUBSURFACE UTILITY SERVICES TO DETERMINE THE HORIZONTAL AND VERTICAL POSITIONS OF EXISTING UNDERGROUND UTILITIES IN 65 LOCATIONS ALONG AERNTH AVENUE, FOR A BUDGET AMOUNT NOT TO EXCEED \$43,225.00**

MOTION BY MAYOR PRO TEM MOSS, AND SECOND BY COUNCIL MEMBER CRUZ TO APPROVE THE SERVICE REQUEST AND ISSUANCE OF A SERVICE ORDER. MOTION 5-0, BY THE FOLLOWING VOTE:

AYES:	COUNCIL MEMBERS:	CRUZ, HABER, RUGGLES, MOSS, RADECKI
NOES:	COUNCIL MEMBERS:	NONE
ABSENT:	COUNCIL MEMBERS:	NONE
ABSTAIN:	COUNCIL MEMBERS:	NONE

**CONSIDERATION OF A GRANT AGREEMENT UNDER THE CONSOLIDATED APPROPRIATIONS ACT, 2014 (PUB. L. 113-76, JANUARY 17, 2014) FOR THE NATIONAL INFRASTRUCTURE INVESTMENTS DISCRETIONARY GRANT PROGRAM (FY 2014 TIGER DISCRETIONARY GRANTS) BETWEEN THE UNITED STATES DEPARTMENT OF TRANSPORTATION, CALIFORNIA DEPARTMENT OF TRANSPORTATION, AND THE CITY OF INDUSTRY FOR THE \$10 MILLIONS TIGER GRANT FOR THE SR-57/60 CONFLUENCE FREIGHT CORRIDOR PROJECT**

City Engineer Calvillo presented a staff report to the City Council.

MOTION BY MAYOR PRO TEM MOSS, AND SECOND BY COUNCIL MEMBER HABER TO APPROVE THE AGREEMENT. MOTION 5-0, BY THE FOLLOWING VOTE:

AYES:	COUNCIL MEMBERS:	CRUZ, HABER, RUGGLES, MOSS, RADECKI
NOES:	COUNCIL MEMBERS:	NONE
ABSENT:	COUNCIL MEMBERS:	NONE
ABSTAIN:	COUNCIL MEMBERS:	NONE

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**CONSIDERATION OF ANNUAL AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2015, AND THE CONTINUING ANNUAL DISCLOSURE REPORT**

Council Member Ruggles requested a correction to be made with regard to the appointments to the Industry Property and Housing Authority. The report references all three (3) positions are appointed by the City, and the correction should reference two (2) positions are appointed by the City, and one (1) position is appointed by the Civic-Recreational-Industrial Authority.

MOTION BY MAYOR PRO TEM MOSS, AND SECOND BY COUNCIL MEMBER CRUZ TO RECEIVE AND FILE. MOTION 5-0, BY THE FOLLOWING VOTE:

AYES:	COUNCIL MEMBERS:	CRUZ, HABER, RUGGLES, MOSS, RADECKI
NOES:	COUNCIL MEMBERS:	NONE
ABSENT:	COUNCIL MEMBERS:	NONE
ABSTAIN:	COUNCIL MEMBERS:	NONE

**DISCUSSION AND DIRECTION REGARDING THE PROPOSED 2016 INDUSTRY HILLS CITY CHAMPIONSHIP GOLF TOURNAMENT TO BE HELD ON JULY 22, 2016 THROUGH JULY 24, 2016 AT PACIFIC PALMS**

Mayor Radecki requested additional information, and that the item be continued to the next regular meeting.

Mayor Radecki recessed the meeting into the Industry Public Facilities Authority at 9:22 a.m.

**RECONVENE CITY COUNCIL MEETING**

Mayor Radecki reconvened the meeting at 9:24 a.m. All members of the City Council were present.

**CITY COUNCIL COMMITTEE REPORTS**

There were none.

**AB1234 REPORTS**

There were none.

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CITY COUNCIL SPECIAL MEETING MINUTES  
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**CITY COUNCIL COMMUNICATIONS**

There were none.

**CLOSED SESSION**

Deputy City Clerk Dunlap announced there was a need for Closed Session as follows:

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

There were no public comments on the Closed Session item.

Mayor Radecki recessed the meeting into Closed Session at 9:24 a.m.

**RECONVENE CITY COUNCIL MEETING**

Mayor Radecki reconvened the meeting at 9:55 a.m. All members of the City Council were present. City Attorney Casso reported out of Closed Session.

With regard to Closed Session item A, the City Council provided direction to the City Attorney, and took no reportable action.

**ADJOURNMENT**

There being no further business, the City Council adjourned 9:56 a.m.

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MARK D. RADECKI  
MAYOR

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CECELIA DUNLAP  
DEPUTY CITY CLERK

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CITY COUNCIL REGULAR MEETING MINUTES  
CITY OF INDUSTRY, CALIFORNIA  
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**CALL TO ORDER**

The Regular Meeting of the City Council of the City of Industry, California, was called to order by Mayor Mark D. Radecki at 9:00 a.m. in the City of Industry Council Chamber, 15651 East Stafford Street, California.

**FLAG SALUTE**

The flag salute was led by Mayor Mark D. Radecki.

**ROLL CALL**

PRESENT: Mark D. Radecki, Mayor  
Cory C. Moss, Mayor Pro Tem  
Abraham N. Cruz, Council Member  
Roy Haber, Council Member  
Newell W. Ruggles, Council Member

STAFF PRESENT: Paul J. Philips, City Manager; James M. Casso, City Attorney; Cecelia Dunlap, Deputy City Clerk; Alex Gonzalez, Director of Development Services and Administration; and Troy Helling, Senior Planner.

**PUBLIC COMMENTS**

Mr. Daniel Luevanos, of One Legacy and Donate Life, introduced himself to the City Council, and provided information on how to become an organ donor and gave statistics on organ transplants. Mr. Luevanos announced of the upcoming Donate Life 5K Run/1K Walk that would be held at Cal State Fullerton on April 30, 2016, and invited the City Council to attend the event. Mr. Luevanos also spoke about the Transplant Games of America that would be held in Cleveland, Ohio, in June 2016.

**CONSENT CALENDAR**

Mayor Pro Tem Moss recused herself from check number 63597 for item 1 (Register of Demands) because she had a potential or actual financial conflict of interest in that she is employed by CNC Engineering.

Mayor Radecki recused himself from check number 63638 for item 1 (Register of Demands) because he had a potential or actual financial conflict of interest in that he is employed by Square Root Golf and Landscape.

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CITY COUNCIL REGULAR MEETING MINUTES  
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Council Member Cruz recused himself from check number 63638 for item 1 (Register of Demands) because he had a potential or actual financial conflict of interest in that he is employed by Square Root Golf & Landscape.

Council Member Ruggles recused himself from check number 63608 for item 1 (Register of Demands) because he had a potential or actual financial conflict of interest in that he is employed by Haddick's Auto Body.

Council Member Ruggles inquired about item 5, and asked that staff update the City Council on the projects that Cordoba Corporation is currently working on.

City Attorney Casso responded that a presentation would be scheduled at a future meeting to provide an update.

MOTION BY COUNCIL MEMBER HABER, AND SECOND BY COUNCIL MEMBER CRUZ THAT THE RECOMMENDATIONS BE ACCEPTED FOR THE REMAINING ITEMS LISTED ON THE CONSENT CALENDAR, WITH MAYOR PRO TEM MOSS RECUSING FROM CHECK NUMBER 63597 ON ITEM 1 (REGISTER OF DEMANDS), WITH MAYOR RADECKI AND COUNCIL MEMBER CRUZ BOTH RECUSING FROM CHECK NUMBER 63638 ON ITEM 1 (REGISTER OF DEMANDS), AND WITH COUNCIL MEMBER RUGGLES RECUSING FROM CHECK NUMBER 63608 ON ITEM 1 (REGISTER OF DEMANDS). MOTION CARRIED 5-0, BY THE FOLLOWING VOTE:

AYES:	COUNCIL MEMBERS:	CRUZ, HABER, RUGGLES, MOSS, RADECKI
NOES:	COUNCIL MEMBERS:	NONE
ABSENT:	COUNCIL MEMBERS:	NONE
ABSTAIN:	COUNCIL MEMBERS:	NONE

**1. CONSIDERATION OF REGISTER OF DEMANDS**

APPROVED THE REGISTER OF DEMANDS AND AUTHORIZED THE APPROPRIATE CITY OFFICIALS TO PAY THE BILLS.

**2. CONSIDERATION OF RESOLUTION NO. CC 2015-38 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDUSTRY, APPROVING A PURCHASE AGREEMENT BETWEEN THE CITY OF INDUSTRY AND CT CHESTNUT LLC, FOR THE PROPERTY LOCATED AT 948 S. AZUSA AVENUE, CITY OF INDUSTRY, CALIFORNIA AND ADOPTING THE NOTICE OF EXEMPTION REGARDING SAME**

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CITY COUNCIL REGULAR MEETING MINUTES  
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EXTENDED THE CONSIDERATION OF RESOLUTION NO. CC 2015-38 TO THE NEXT REGULAR SCHEDULED MEETING.

3. **CONSIDERATION OF RESOLUTION NO. CC 2016-15 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDUSTRY, CALIFORNIA, CONFIRMING THE CONTINUED EXISTENCE OF AN EMERGENCY CONDITION AT THE FOLLOWS CAMP PROPERTY AND DECLARING THAT THE PUBLIC INTEREST AND NECESSITY REQUIRE CERTAIN WORK TO BE PERFORMED WITHOUT COMETITIVE BIDDING PURSUANT TO CALFORNIA PUBLIC CONTRACT CODE SECTION 22050 AND SECTION 3.52.110 OF THE CITY’S MUNICIPAL CODE**

ADOPTED RESOLUTION NO. CC 2016-15.

4. **CONSIDERATION OF RESOLUTION NO. CC 2016-18 - A RESOLUTION OF THE CITY OF INDUSTRY, CALIFORNIA, ADOPTING A SALARY RANGE SCHEDULE FOR CITY EMPLOYEES AND OFFICERS, AND REPEALING RESOLUTION NO. CC 2015-39**

ADOPTED RESOLUTION NO. CC 2016-18.

5. **CONSIDERATION OF AMENDMENT NO. 1 EXTENDING THE PROFESSIONAL SERVICES AGREEMENT WITH CORDOBA CORPORATION FOR REAL ESTATE AND RELATED ADVISORY SERVICES FROM APRIL 1, 2016 TO MARCH 31, 2017**

APPROVED AMENDMENT NO. 1.

6. **CONSIDERATION OF A LICENSE AGREEMENT BETWEEN THE CITY OF INDUSTRY AND THE UNITED STATES DEPARTMENT OF AGRICULTURE – NATURAL RESOURCES CONSERVATION SERVICE FOR ACCESS TO TONNER CANYON TO COMPLETE A REGIONAL SOIL SURVEY**

APPROVED THE AGREEMENT.

**PUBLIC HEARING TO CONSIDER CONDITIONAL USE PERMIT (CUP) NO. 15-14 SUBMITTED BY CARL’S JR. FOR THE ESTABLISHMENT OF A FAST-FOOD RESTAURANT WITH MORE THAN 50 SEATS AT 19782 WALNUT DRIVE NORTH IN THE CITY OF INDUSTRY AND NOTICE OF EXEMPTION REGARDING SAME**

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CITY COUNCIL REGULAR MEETING MINUTES  
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Senior Planner Helling presented a staff report to the City Council.

Mayor Radecki opened the public hearing.

Mayor Radecki inquired if anyone wanted to be heard on the matter. There were no comments.

Mayor Radecki closed the public hearing.

Council Member Ruggles inquired on the Walnut Drive and Fairway Drive street closures, and how it would affect the business. Council Member Ruggles also inquired about the restaurant construction, and the Alameda Corridor-East Construction Authority's grade separation construction time frame.

Senior Planner Helling responded that the restaurant would shut down completely for the construction of a new building during the street closure, and would run concurrently with the grade separation construction.

Mayor Radecki inquired on the issue of semi-truck parking in the Carl's Jr. parking lot.

Senior Planner Helling responded that with the new configuration and reduction of square footage to the lot, that it would not encourage semi-truck parking. Senior Planner Helling also noted that the property owner is aware of the parking issue.

**CONSIDERATION OF RESOLUTION NO. CC 2016-16 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDUSTRY, CALIFORNIA, APPROVING CONDITIONAL USE PERMIT NO. 15-14, TO ALLOW A FAST-FOOD RESTAURANT WITH MORE THAN 50 SEATS AT 19782 WALNUT DRIVE NORTH, CITY OF INDUSTRY, CALIFORNIA, AND THE NOTICE OF EXEMPTION REGARDING SAME, AND MAKING FINDINGS IN SUPPORT THEREOF**

MOTION BY COUNCIL MEMBER HABER, AND SECOND BY COUNCIL MEMBER CRUZ TO ADOPT RESOLUTION NO. CC 2016-16. MOTION 5-0, BY THE FOLLOWING VOTE:

AYES:	COUNCIL MEMBERS:	CRUZ, HABER, RUGGLES, MOSS, RADECKI
NOES:	COUNCIL MEMBERS:	NONE
ABSENT:	COUNCIL MEMBERS:	NONE
ABSTAIN:	COUNCIL MEMBERS:	NONE

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CITY COUNCIL REGULAR MEETING MINUTES  
CITY OF INDUSTRY, CALIFORNIA  
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**CONSIDERATION OF RESOLUTION NO. CC 2016-17 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDUSTRY, CALIFORNIA, APPROVING DEVELOPMENT PLAN NO. 15-17 FOR THE CONSTRUCTION OF A 2,644 SQUARE FOOT FAST-FOOD RESTAURANT LOCATED AT 19782 WALNUT DRIVE SOUTH IN THE CITY OF INDUSTRY, CALIFORNIA, AND NOTICE OF EXEMPTION REGARDING SAME**

Mayor Radecki indicated the public hearing staff report pertained to the item.

MOTION BY MAYOR PRO TEM MOSS, AND SECOND BY COUNCIL MEMBER CRUZ TO ADOPT RESOLUTION NO. CC 2016-17. MOTION 5-0, BY THE FOLLOWING VOTE:

AYES:	COUNCIL MEMBERS:	CRUZ, HABER, RUGGLES, MOSS, RADECKI
NOES:	COUNCIL MEMBERS:	NONE
ABSENT:	COUNCIL MEMBERS:	NONE
ABSTAIN:	COUNCIL MEMBERS:	NONE

**CONSIDERATION OF AWARD OF CONTRACT NO. CITY-1427, BETWEEN THE CITY OF INDUSTRY AND ALL PRO PAINTING, INC., FOR MAINTENANCE REPAIRS TO LOS ANGELES COUNTY SHERIFF'S DEPARTMENT YOUTH ACTIVITIES LEAGUE BUILDING AT 205 N. HUDSON AVENUE, IN THE AMOUNT OF \$79,526.00**

Mayor Radecki stated that the item was being removed from the agenda.

**CONSIDERATION OF A PROFESSIONAL SERVICES AGREEMENT BETWEEN THE CITY OF INDUSTRY AND PLANETBIDS, INC., FOR BID MANAGEMENT AND CONTRACT MANAGEMENT SYSTEM SOFTWARE, IN THE AMOUNT OF \$217,784.31**

Director of Development Services and Administration Gonzalez introduced Mr. Tim Goodwin of PlanetBids, Inc. Mr. Goodwin provide a brief overview of the services that PlanetBids provides, and responded to questions from Members of the City Council.

MOTION BY MAYOR PRO TEM MOSS, AND SECOND BY COUNCIL MEMBER RUGGLES TO APPROVE THE AGREEMENT. MOTION 5-0, BY THE FOLLOWING VOTE:

AYES:	COUNCIL MEMBERS:	CRUZ, HABER, RUGGLES, MOSS, RADECKI
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CITY COUNCIL REGULAR MEETING MINUTES  
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NOES: COUNCIL MEMBERS: NONE  
ABSENT: COUNCIL MEMBERS: NONE  
ABSTAIN: COUNCIL MEMBERS: NONE

**DISCUSSION AND APPOINTMENT OF TWO (2) CITY REPRESENTATIVES TO SERVE ON THE CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY**

Mayor Radecki thanked the applicants for their interest on serving on the Board.

MOTION BY MAYOR RADECKI, AND SECOND BY COUNCIL MEMBER CRUZ TO APPOINT BECKY SIMON TO FILL THE VACANT SEAT OF DAVE YOUPA, AND TO APPOINT LARRY HARTMANN TO FILL THE VACANT SEAT OF RON CIPRIANI. MOTION 4-1, BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS: CRUZ, HABER, MOSS, RADECKI  
NOES: COUNCIL MEMBERS: RUGGLES  
ABSENT: COUNCIL MEMBERS: NONE  
ABSTAIN: COUNCIL MEMBERS: NONE

**DISCUSSION AND APPOINTMENT OF A MEMBER AND AN ALTERNATE TO SERVE ON THE ALAMEDA CORRIDOR-EAST CONSTRUCTION AUTHORITY BOARD**

City Manager Philips presented a staff report to the City Council.

Mr. Mark Christoffels, CEO of the Alameda Corridor-East Construction Authority (ACE), briefed the City Council on the ACE meeting dates and times, the requirements of a board member, and responded to questions from Members of the City Council.

Discussion ensued between the City Council, and direction was given to continue the item to the next regular meeting.

**DISCUSSION AND DIRECTION REGARDING THE PROPOSED 2016 INDUSTRY HILLS CITY CHAMPIONSHIP GOLF TOURNAMENT TO BE HELD ON JULY 22, 2016 THROUGH JULY 24, 2016 AT PACIFIC PALMS**

Discussion ensued between the City Council, and direction was given not to participate in the 2016 Industry Hills City Championship Golf Tournament.

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CITY COUNCIL REGULAR MEETING MINUTES  
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**CITY COUNCIL COMMITTEE REPORTS**

There were none.

**AB1234 REPORTS**

There were none.

**CITY COUNCIL COMMUNICATIONS**

Council Member Ruggles asked for clarification for the removal of Item No. 7.2 of the agenda.

Director of Development Services and Administration Gonzalez responded that the construction was scheduled for April. Youth Activities League staff requested to reschedule the construction to September, and would require rebidding of the project.

Mayor Radecki inquired about the status of compliance of the State Controller's Audit Report.

City Manager Philips indicated the City is moving forward and addressing the concerns of the audit, and would prepare a report to present to the City Council at a future meeting.

**CLOSED SESSION**

Deputy City Clerk Dunlap announced there was a need for Closed Session as follows:

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

There were no public comments on the Closed Session item.

Mayor Radecki recessed the meeting into Closed Session at 9:27 a.m.

**RECONVENE CITY COUNCIL MEETING**

Mayor Radecki reconvened the meeting at 10:03 a.m. All members of the City Council were present. City Attorney Casso reported out of Closed Session.

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CITY COUNCIL REGULAR MEETING MINUTES  
CITY OF INDUSTRY, CALIFORNIA  
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With regard to Closed Session item A, the City Council provided direction to the City Attorney, and took no reportable action.

**ADJOURNMENT**

There being no further business, the City Council adjourned 10:04 a.m.

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MARK D. RADECKI  
MAYOR

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CECELIA DUNLAP  
DEPUTY CITY CLERK

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INDUSTRY PUBLIC UTILITIES COMMISSION AND CITY COUNCIL  
SPECIAL MEETING MINUTES  
CITY OF INDUSTRY, CALIFORNIA  
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**CALL TO ORDER**

The Special Meeting of the Industry Public Utilities Commission and the City Council of the City of Industry, California, was called to order by President/Mayor Mark D. Radecki at 9:00 a.m. in the City of Industry Council Chamber, 15651 East Stafford Street, California.

**FLAG SALUTE**

The flag salute was led by President/Mayor Mark D. Radecki.

**ROLL CALL**

PRESENT: Mark D. Radecki, President/Mayor  
Cory C. Moss, Commissioner/Mayor Pro Tem  
Abraham N. Cruz, Commissioner/Council Member  
Newell W. Ruggles, Commissioner/Council Member

ABSENT: Roy Haber, Commissioner/Council Member

STAFF PRESENT: Paul J. Philips, Public Utilities Director/City Manager; James M. Casso, General Counsel/City Attorney; and Cecelia Dunlap, Assistant Secretary/Deputy City Clerk.

**PUBLIC COMMENTS**

There were no public comments.

**DISCUSSION AND DIRECTION REGARDING STRATEGIC INITIATIVES, AND A PROPOSAL FOR SERVICES SUBMITTED BY CORDOBA CORPORATION FOR THE INDUSTRY PUBLIC UTILITIY**

Public Utilities Director Philips presented a staff report to the Commission.

MOTION BY COMMISSIONER MOSS, AND SECOND BY COMMISSIONER CRUZ TO DIRECT THE PUBLIC UTILITIES DIRECTOR TO PROCEED AS OUTLINED IN THE PROPOSAL. MOTION CARRIED 4-0, BY THE FOLLOWING VOTE:

AYES: COMMISSIONERS: CRUZ, RUGGLES, MOSS, RADECKI

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INDUSTRY PUBLIC UTILITIES COMMISSION AND CITY COUNCIL  
SPECIAL MEETING MINUTES  
CITY OF INDUSTRY, CALIFORNIA  
MARCH 21, 2016  
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NOES: COMMISSIONERS: NONE  
ABSENT: COMMISSIONERS: HABER  
ABSTAIN: COMMISSIONERS: NONE

**CLOSED SESSION**

Assistant Secretary Dunlap announced there was a need for Closed Session under the Industry Public Utilities Commission agenda as follows:

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

Deputy City Clerk Dunlap announced there was a need for Closed Session under the City Council agenda as follows:

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

There were no public comments on the Closed Session items.

President/Mayor Radecki recessed the Industry Public Utilities Commission and City Council meetings into Closed Session at 9:05 a.m.

**RECONVENE INDUSTRY PUBLIC UTILITIES COMMISSION AND THE CITY COUNCIL MEETINGS**

President/Mayor Radecki reconvened the meetings at 9:55 a.m. All members of the Industry Public Utilities Commission/City Council were present, except for Commissioner/Council Member Haber, who was absent. General Counsel/City Attorney Casso reported out of Closed Session.

With regard to Closed Session item A, Industry Public Utilities Commission, the Commission provided direction to the Public Utilities Director, and took no reportable action.

With regard to Closed Session item A, City Council, the City Council provided direction to the City Manager, and took no reportable action.

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INDUSTRY PUBLIC UTILITIES COMMISSION AND CITY COUNCIL  
SPECIAL MEETING MINUTES  
CITY OF INDUSTRY, CALIFORNIA  
MARCH 21, 2016  
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**ADJOURNMENT**

There being no further business, the Industry Public Utilities Commission and the City Council adjourned at 9:56 a.m.

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MARK D. RADECKI  
PRESIDENT/MAYOR

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CECELIA DUNLAP  
ASSISTANT SECRETARY  
DEPUTY CITY CLERK

*CITY COUNCIL*

ITEM NO. 5.4



# 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*  
Susan Paragas, City Controller  
Tiffany Bose, RGS, Human Resources Advisor

Date: September 8, 2016

**SUBJECT: Consider Resolution No. CC 2016-56 - A Resolution of the City Council of the City of Industry, California, Adopting a Salary Range Schedule for City Employees and Officers from July 1, 2015 to March 9, 2016**

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### BACKGROUND:

In order to clarify retiree benefit levels, CalPERS has requested that City staff investigate compensation levels prior to 2012, and that the City Council adopt salary ranges for prior years. The City Council passed Resolution No. CC 2016-53 on August 11, 2016 which approved salary ranges from Fiscal Year 2000-2001 to Fiscal Year 2016-2017.

CalPERS staff reviewed Resolution No. CC 2016-53 and requested a minor change to clarify the salary schedule from July 1, 2015 to March 9, 2016.

The proposed resolution will not change existing compensation and benefits. Rather, it will formally document how employees and officials have been compensated since July 1, 2000 in order to clearly document the method of compensation to outside agencies, especially to CalPERS. The purpose of this new Resolution is to meet these conditions upon adoption by the City Council.

### **FISCAL IMPACT**

No significant financial impacts are expected for the recommended action.

Exhibit

- A. Resolution No. CC 2016-56
- B. Salary Range Schedule

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PJP:AG:SP:TB:mk

**EXHIBIT A**

**Resolution No. CC 2016-56**

[Attached]

**RESOLUTION NO. CC 2016-56**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDUSTRY, CALIFORNIA, ADOPTING A SALARY RANGE SCHEDULE FOR CITY EMPLOYEES AND OFFICERS FROM JULY 1, 2015 TO MARCH 9, 2016**

**WHEREAS**, the City Council has determined that it is necessary to adopt a Resolution specifying provisions relating to compensation; and

**WHEREAS**, the City Council desires to clarify and adopt compensation for employees and officers from July 1, 2015 to March 9, 2016; and

**WHEREAS**, the City Council desires to clarify and formally adopt salary schedules for prior years for the benefit of current employees, officers and retirees to CalPERS.

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

**SECTION 1:**            Findings. The City Council finds as follows:

- A. The City Council is authorized under Government Code Section 36506 to establish salary ranges for City employees and appointed and elected officers.
- B. The City has followed all legal prerequisites prior to the adoption of this resolution.

**SECTION 2:**            Adoption of Salary Schedules. The City Council hereby approves the City of Industry Salary Range Schedule for July 1, 2015 to March 9, 2016 attached as Exhibit A. All prior Salary Range resolutions for this time period are rescinded by this Resolution.

**SECTION 3:**            Public Review. The City of Industry Salary Range Schedule will be promptly made available for public review during normal business hours upon request. A copy of this Salary Range Schedule will be retained for at least five years following the effective date of this Resolution.

**SECTION 4:**            Certification. The City Clerk is directed to certify the passage and adoption of this resolution.

**PASSED, APPROVED AND ADOPTED** by the City Council of the City of Industry at a regular meeting held on September 8, 2016 by the following vote:

AYES:                    COUNCIL MEMBERS:

NOES:                    COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

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Mark D. Radecki, Mayor

ATTEST:

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Cecelia Dunlap, Deputy City Clerk

**EXHIBIT B**

**Salary Range Schedule**

[Attached]

**CITY OF INDUSTRY**  
**SALARY RANGE SCHEDULE**  
**FY 2015-2016**

Dates Effective: July 1, 2015 to March 9, 2016

<b><u>CATEGORY</u></b>	<b><u>POSITION</u></b>	<b><u>ANNUAL SALARY RANGE</u></b>
Administrative Services A	Receptionist	\$42,000 - \$62,000
	Executive Secretary	\$50,000 - \$75,000
Administrative Services B	Administrative Analyst	\$63,000 - \$88,000
	Human Resources Assistant	\$53,000 - \$78,000
	Planning Assistant	\$53,000 - \$78,000
Administrative Services C	Assistant Human Resources Director	\$73,000 - \$115,000
	Deputy City Clerk	\$73,000 - \$115,000
	Deputy City Treasurer	\$73,000 - \$115,000
	Executive Assistant to the City Manager	\$73,000 - \$115,000
	Field Operations and Asset Superintendent	\$73,000 - \$115,000
	Senior Planner	\$73,000 - \$115,000
Executive Staff	City Clerk	\$105,000 - \$115,000
	City Controller	\$115,000 - \$225,000
	City Manager +	\$275,000
	City Treasurer	\$115,000 - \$195,000
	Director of Administrative Services	\$115,000 - \$195,000
	City Engineer/Director of Public Works	\$168,000 - \$225,000
	Director of Public Works	\$115,000 - \$195,000
	Human Resources Director	\$105,000 - \$170,000
	Planning Director	\$105,000 - \$170,000
Planning Commission	Board Member	\$600 - \$700 (Monthly Stipend)
Civic-Recreational-Industrial-Authority	Board Member	\$600 - \$700 (Monthly Stipend)
City Council/IPUC Board/Successor Agency	Councilmember/Board member	\$2,177 (Monthly Stipend)

+ Employment contract position as of June 2015

*CITY COUNCIL*

ITEM NO. 5.5



# 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 *SP*  
Tiffany Bose, RGS, Human Resources Advisor

Date: September 8, 2016

**SUBJECT: Consider Resolution No. CC 2016-57 - A Resolution of the City Council of the City of Industry, California, to Amend the City of Industry Employee and Annuitant Health Plans**

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### BACKGROUND:

In June 2016, the City of Industry began a comprehensive review of its existing health plan. As a result of changes to the health and benefit plans based on new requirements by PERS and new service providers, it is necessary to update the City's Employee Handbook, Section IX on Benefits.

### DISCUSSION AND ANALYSIS:

Currently, the City contributes to cover Health Insurance Plan premiums and reimburses costs for active City Council members and Appointed Planning Commissioners, City employees, retired annuitants, and qualified dependents.

On July 10, 2014 Resolution No. CC 2014-22 was passed to amend certain portions of the City's Health and Dental Benefit Plans and currently contains many provisions that are in conflict with one another, making it difficult for City staff to administer the plans. For example, the City Council is incorrectly defined as "City Employees" rather than elected or appointed officials and the definition for "full-time" employees does not meet the current legal requirements in accordance with CalPERS for eligibility to receive health and retirement benefits, nor does it meet the new legal requirements in accordance with the Affordable Care Act (ACA) with regard to eligibility to receive health insurance coverage under the Act. The current Resolution attempts to provide language that defines health coverage and includes qualifying language that may change each year as a result of the introduction of new health plan rules by our insurance carriers and also changes enacted by law to comply with federal and state laws, such as the Affordable Care Act (ACA) and IRS rules that regulate health plan offerings and qualified covered expenses.

This Resolution also attempts to define the employee Groups and payment of premiums, dues, and "loosely defines" other charges covered by the City at 100% but fails to clearly identify which individuals "qualify" for which benefits; as some individuals can only be

covered based on certain qualifying factors, which are better address in the individual Health Plan documents and the Employee Handbook. Furthermore, the breakdown displayed for retirement eligibility, years of service, and age requirements introduced over the years appear to have been written to address the individual needs of our City's staff at the time of adoption.

As a result, City staff requests for the City Council to repeal all provisions contained in Resolution No. CC 2014-22, and all previous resolutions of the City Council in conflict with this resolution, and adopt Resolution No. CC 2016-57. **In doing so, this would in no way reduce or eliminate benefit offerings that legally comply with the regulations governing such plans.** Upon adoption, Resolution No. CC 2016-57 would correctly define each benefit offering and the eligibility requirements as reflected in the Employee Handbook, Plan documents, and also provide for greater flexibility when applicable laws change. The new Resolution has also been updated to accurately reflect the current levels of benefit coverage offered (e.g. Life insurance coverage for active employees, as defined in the document, was increased from \$50,000 to \$100,000 and short-term disability coverage included that had been previously omitted).

Furthermore, City staff has updated the Benefits section of the Employee Handbook to include clearer definitions for "Employees," "Elected Officials and Agency Employees," "Dependents," "Full-time Employment," "Variable Hour Employees," and "Retirees." City staff intends to preserve the current level of retirement benefits for currently retired annuitants and to grandfather and continue the current level of benefit offerings for active employees that wish to file for retirement from the City on or before December 31, 2016.

The City will temporarily continue the same level of retirement benefits for qualified active City or Agency Employees hired before July 1, 2012, who file for retirement and their application has been accepted by their retirement system, no later than December 31, 2016. In such cases, this only applies to Employees who have actively held any regular full-time position of employment with the City for an aggregate of five (5) years or more, and that includes two (2) years of active employment with the City and qualified employees who are at least 65 years of age at the time of termination.

However, beginning January 1, 2017, and in perpetuity until amended, the City will only offer retiree health benefits to active City or Agency Employee hired on or after July 1, 2012, who have achieved an aggregate of 15 years of CalPERS service credit, including a minimum of two (2) years of active employment with the City and whose City employment terminates, regardless of whether such termination was voluntary or involuntary. Also, in accordance with the CalPERS retirement system rules, said employees must have completed five (5) years to be vested and file for retirement upon separation from any agency within 120 days of separation from the contracting agency to be eligible to health benefits in retirement.

Effective September 1, 2016, the City's agrees to make the monthly contribution of the PEMHCA minimum to cover medical premiums costs for all qualified Employees, Council members, and Agency Employees, retired annuitants, and their dependents, upon meeting the years of service requirement and other qualifying factors, as defined in the Employee Handbook and CalPERS or an equivalent Agency's regulations. 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, which is currently \$125 for this calendar year. 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 and reimbursements, above the PEMHCA minimum through a trust account set up by the City, of the City's choosing, to make up the difference in the monthly premium cost and the PEMHCA minimum.

With more recent changes in benefit plans and the law, our need to reflect these changes appropriately is imperative. Having an up-to-date Employee Handbook, which accurately reflects the City's current benefit offerings has also reduces the City's liability and risk when administering such benefits.

***FISCAL REVIEW***

The cost of this amendment has been provided for in the 2016/2017 budget.

Exhibits

- A. Resolution No. CC 2016-57
- B. Employee Handbook

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PJP:AG:SP:TB:mk

**EXHIBIT A**

**Resolution No. CC-2016-57**

[Attached]

**RESOLUTION NO. CC 2016-57**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDUSTRY, CALIFORNIA, TO AMEND THE CITY OF INDUSTRY EMPLOYEE AND ANNUITANT BENEFIT PLANS.**

**WHEREAS**, the City Council is authorized pursuant to Chapter 2.20 of the Industry Municipal Code to provide for a Health Benefit Plans for eligible City employees, Officers, retired annuitants, spouses and dependent children; and

**WHEREAS**, on July 10, 2014 the City Council adopted Resolution No. CC 2014-22 to amend certain portions of the City's Health and Dental Benefit Plan; and

**WHEREAS**, the City is repealing all provisions of Resolution No. CC 2014-22 in its entirety and all previous resolutions of the City Council that may be or actually are in conflict with this resolution effective July 1, 2016; and

**WHEREAS**, to reflect current fiscal responsibility, the City Council desires to again amend the health plans for the City; and

**WHEREAS**, the City conducted a full and comprehensive health plan review of benefit offerings and the City Council approved changes to employee health benefit plans on June 23, 2016, and also authorized the establishment of a Health Reimbursement Arrangement Trust in Resolution No. CC 2016-42; and

**WHEREAS**, on July 14, 2016 the City Council approved Resolution No. 2016-44 to authorize the City to obtain for its employees and annuitants medical plans through CalPERS and be subject to the Public Employees' Medical and Hospital Care Act (PEMHCA); and

**WHEREAS**, on July 28, 2016 the City Council approved Resolution No. CC 2016-51, which further complied with PEMCHCA guidelines to recognize the City's Non-PERS Planning Commissioners; and

**WHEREAS**, the City shall grandfather the current level of retirement benefits offered to qualified active City or Agency Employees hired before July 1, 2012, who file for retirement, and their application has been accepted by their retirement system, no later than December 31, 2016, who have actively held any regular full-time position of employment with the City for an aggregate of five (5) years or more and who is at least 65 years of age at the time of termination; and

**WHEREAS**, the City shall adopt new retirement benefits for qualified active City or Agency Employees hired on or after July 1, 2012 with an aggregate of 15 years of CalPERS service credit, including a minimum of two (2) years of active employment with the City and whose City employment terminates, regardless of whether such termination was voluntary or involuntary; and

**WHEREAS**, the City shall cover, up to 100% of Health Plan Benefits, for its qualified City and Agency employees, Elected or Appointed Officials, and retired annuitants, as further defined in the Employee Handbook, for covered premiums, expenses (in accordance with IRS Code Section 213(d) FSA Eligible Expenses), copayments, and deductibles for qualified eligible employees, spouses, and their dependent children (until age 26, and adult disabled dependents who are incapable of self-sustaining support due to a disability that occurred prior to reaching the limiting age of 19); and

**WHEREAS**, attached hereto, marked as "Exhibit A," and incorporated herein by reference, is the City of Industry Employee Handbook, amendments to pages 26 and 27, of Section IX Benefits, that contains Subsections pertaining to medical, dental, life, vision, long-term disability and long and short-term care benefits, for the employees of the City of Industry approved on August 23, 2013, to reflect current changes to benefit plans and further identifies the definitions and conditions for qualifying coverage contained in the aforementioned subsections; and

**WHEREAS**, the City desires to obtain for its employees a Voluntary Life benefit plan, and other voluntary supplemental insurance plans available, for active City employees and Officers, for purchase at their own expense; and

**WHEREAS**, the City desires to obtain for its employees a Medicare Exchange benefit plan for eligible retired annuitants to access all available Medicare Plans.

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

**SECTION 1:** That provisions of Resolution No. CC 2014-22 and all previous resolutions of the City Council in conflict with this resolution are hereby repealed effective September 1, 2016; and

**SECTION 2:** Approve the City to cover up to 100% of Health Plan Benefits and reimbursements, for its qualified City and Agency employees, Elected or Appointed Officials, and retired annuitants, as further defined in the Employee Handbook, for covered premiums, expenses (in accordance with IRS Code Section 213(d) FSA Eligible Expenses), copayments, and deductibles for qualified eligible employees, spouses, and their dependent children (until age 26, and adult disabled dependents who are incapable of self-sustaining support due to a disability that occurred prior to reaching the limiting age of 26).

**SECTION 3:** Approve the changes to the City of Industry Employee Handbook, amendments to pages 26 and 27, of Section IX Benefits, that contains Subsections covering medical, dental, life, vision, long and short-term disability and long-term care benefits, for the employees of the City of Industry, to reflect current changes to benefit plans and the definitions and conditions for qualifying coverage contained in the subsections.

Within the text of the August 23, 2012 Employee Handbook for the Employees of the City of Industry Pages 26 and 27, Section IX Benefits, of Subsections A, B, C, D, F, and G covering medical, dental, life, vision, long-term disability and long-term care benefits shall be amended to read as follows, in accordance with Exhibit A; and

**SECTION 4:** The City of Industry desires to add a Voluntary Life benefit plan, and any other voluntary supplemental insurance plans, for active City employees and Officers that wish to purchase this benefit at their own expense; and

**SECTION 5:** The City of Industry desires to add a Medicare Exchange benefit plan for eligible retired annuitants to access all available Medicare Plans; and

**SECTION 6:** Approve Resolution Number CC 2016-57 authorizing City Administration to make employee plan benefit changes and to establish and provide on-going administration of the Benefit Plans; and

**SECTION 7:** The City of Industry shall provide current retirement benefits to qualified active City or Agency Employees hired before July 1, 2012 who file for retirement and their application has been accepted by their retirement system, no later than December 31, 2016, who have actively held any regular full-time position of employment with the City for an aggregate of five (5) years or more and who are at least 65 years of age at the time of termination; and

**SECTION 8:** The City of Industry shall adopt new retirement benefits for qualified active City or Agency Employees hired on or after July 1, 2012 with an aggregate of 15 years of CalPERS service credit, including a minimum of two (2) years of active employment with the City and whose City employment terminates, regardless of whether such termination was voluntary or involuntary; and

**SECTION 9:** The City of Industry has fully complied with any and all applicable provisions of Government Code Section 7507 in electing the benefits set forth above; and

**SECTION 10:** Severability. Should any section, subsection, clause, or provision of this Resolution for any reason be held to be invalid or unconstitutional, such invalidity or unconstitutionality shall not affect the validity or unconstitutionality of the remaining portions of this Resolution; it being hereby expressly declared that this Resolution, 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; and

**SECTION 11:** 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 September 8, 2016, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

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Mark D. Radecki, Mayor

**ATTEST:**

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Cecelia Dunlap, Deputy City Clerk

**EXHIBIT B**

**Employee Handbook**

[Attached]

# EMPLOYEE HANDBOOK

## IX. BENEFITS

The following is list of the benefits currently provided by the City. It is understood and agreed that there exists within the City, in written or unwritten form certain personnel rules, policies, practices and benefits contained in plan booklets, group insurance policies and plan documents, contained herein, as amended thereafter by City Resolutions. Those rules, policies and benefits will continue in effect, except for those provisions modified and enacted by the City council as the official controlling document over the provisions of this handbook, if necessary, in accordance with State and Federal laws, orders, regulations, or adopted policy. The City reserves the right, in its sole discretion to change any benefit, its contribution level, carrier, and/or benefit levels as it deems necessary. None of the benefit programs or their descriptions are intended to modify the at-will nature of your employment.

### A. MEDICAL BENEFITS

The City provides health benefits through various qualified Health Plans and benefit levels are described in greater detail in the Plan Documents. At present, the City pays 100% of the premium for medical insurance, covered medical expenses (i.e. prescription drugs), copayments, and deductibles for eligible Council members and Agency employees, full-time employees, spouses, and their dependent children (until age 26, and adult disabled dependents who are incapable of self-sustaining support due to a disability that occurred prior to reaching the limiting age of 26). Covered expenses shall be reimbursed through the City's Health Reimbursement Arrangement (HRA) Trust in accordance with IRS Code Section 213(d) FSA Eligible Expenses.

### B. DENTAL BENEFITS

The City provides dental benefits through a qualified Dental Plan and benefit levels are described in greater detail in the Plan Document. At present, the City pays 100% of the premium for dental insurance, covered dental expenses, copayments, and deductibles for eligible Council members, full-time employees, spouses, and their dependent children (until age 26, and adult disabled dependents who are incapable of self-sustaining support due to a disability that occurred prior to reaching the limiting age of 26). Covered expenses shall be reimbursed through the City's Health Reimbursement Arrangement (HRA) Trust in accordance with IRS Code Section 213(d) FSA Eligible Expenses.

### C. LIFE INSURANCE

The City provides life insurance through a qualified Life Insurance Plan. Benefit levels are described in greater detail in the Plan Document. At present, the City pays 100% of the premium for life insurance for eligible Council members, full-time employees, spouses, and their dependent children (until age 26, and adult disabled dependents who are incapable of self-sustaining support due to a disability that occurred prior to reaching the limiting age of 26).

Active employees may purchase additional Voluntary Life Insurance at their own expense. Employees may also purchase life insurance for qualified dependents at their own expense.

The City currently pays 100% for life insurance coverage for employees as follows:

Active Employees in <b>Class 1:</b> (Council Members, Board Members, City Controller, City Manager, Director of Development Services and Administration and City Treasurer):	\$100,000
Active Employees in <b>Class 2:</b> (All Other Active Members):	\$50,000
Retired Annuitants hired on or before April 26, 1990 that have met the years of service requirement in <b>Class 3:</b>	\$15,000 - \$25,000
Spouse	\$2,000
Qualified Dependent Children:	\$2,000

**D. VISION PLAN**

The City provides vision insurance through a qualified Vision Plan. Benefit levels are described in greater detail in the Plan Document. At present, the City pays 100% of the premium for vision insurance, covered medical expenses, copayments, and deductibles for eligible Council members, full-time eligible employees, spouses, and their dependent children (until age 26, and adult disabled dependents who are incapable of self-sustaining support due to a disability that occurred prior to reaching the limiting age of 26). Covered expenses shall be reimbursed through the City's Health Reimbursement Arrangement (HRA) Trust in accordance with IRS Code Section 213(d) FSA Eligible Expenses.

**E. CalPERS RETIREMENT PENSION**

**1. Participation.**

The City participates in the CalPERS Public Employees' Retirement System (PERS). If you have questions about the retirement benefits offered by PERS, please contact Human Resources or CalPERS directly via the website at <http://www.calpers.ca.gov>.

**2. Member Retirement Contributions (subject to all provisions of the Public Employees' Pension Reform Act of 2013).**

Classic Miscellaneous Employees hired prior to January 1, 2013:

At present, the City pays CalPERS for both the employer's and employee's share of the normal cost rate for each employee's retirement contribution for those employees hired before January 1, 2013. On January 1, 2018 all "classic" miscellaneous employees are required to pay their own share of the normal cost, of at least 50% into their retirement plan, as long as the contribution does not exceed 8% (GC §20516.5(a),(b),(c)). The City also reserves the right to have employees contribute to the employer's share of the cost of the employer's contribution to pension costs.

**New Miscellaneous Employees hired on or after January 1, 2013:**

At present, the City pays to CalPERS up to at least 50% of the employer's share of the normal cost rate. New miscellaneous employees are required to pay their own share of the normal cost, of at least 50% into their retirement plan, as long as the contribution does not exceed 8% (GC §20516.5(a),(b),(c)). Employer Paid Member Contributions (EPMC) for the employee's share are prohibited for "new" members employed by public agencies. The City also reserves the right to have employees contribute to the employer's share of the cost of the employer's contribution to pension costs.

**3. Additional Benefit Provisions:** At present, the City has contracted with CalPERS for the following additional benefits:

- (a) Military Service Credit as Public Service (Section 21024). The City contract with PERS provides the option of Military Buy Back.
- (b) 3% Cost-of-Living Allowance, Base Year 1993 (Section 21335).
- (c) Post-Retirement Survivor Allowance (Sections 21624, 21626 and 21628).
- (d) Pre-Retirement Optional Settlement 2 Death Benefit (Section 21548).
- (e) Fourth Level 1959 Survivor's Benefit (Section 21574). The City contract with PERS provides the option of the Fourth Level 1959 Survivor's Benefit for all employees enrolled in PERS.
- (f) Two Years Additional Service Credit (Section 20903).
- (g) Credit for Unused Sick Leave (Section 20965).

4. **The City reserves the right, in its sole discretion to change benefit levels as deemed necessary.**

Retirement Calculations

Tier I- Level I & 2 - Single highest year – For “classic” employees, the provision of Section 20042 of the Public Employees Retirement Law shall apply to “classic” miscellaneous members.

Tier II – Three (3) highest year average - For “new” employees hired on or after January 1, 2013 the provision of Section 7522.32(a) of the Public Employees Retirement Law shall apply to “new” miscellaneous members.

5. Retirement Formula

Tier I – Level I - 2.7% at 55 – All “classic” employees covered under this provision of this MOU shall have their final percentage of final compensation to be provided for each year of credited prior and current service determined in accordance with Section 21354.3 of the Public Employees Retirement Law (2.7% at 55).

Tier I – Level 2 - 2.0% at 60 – All “classic” employees covered under this provision of this MOU shall have their final percentage of final compensation to be provided for each year of credited prior and current service determined in accordance with Section 21354.3 of the Public Employees Retirement Law (2.0% at 60).

Tier II – 2% at 62 - All “new” employees covered under this provision of this MOU hired on or after January 1, 2013 shall have their final percentage of final compensation to be provided for each year of credited prior and current service determined in accordance with Section 7522.20 of the Public Employees Retirement Law (2% at 62) based on Article 4. California Public Employee's Pension Reform Act of 2013.

**F. DEFERRED COMPENSATION**

Employees may voluntarily participate in a 457(b) Deferred Compensation Plan. This plan allows employees to defer a percentage of their salary as permitted by IRS regulations. Pursuant to current IRS regulations, employees may defer up to a maximum of \$18,000 annually through the 2016 calendar year. At present, employees age 50 and over may defer an additional \$6,000 annually and up to an additional \$36,000 pursuant to "catch up" provisions.

**G. LONG TERM DISABILITY**

The City provides Long Term Disability (LTD) insurance to eligible employees through a qualified LTD Plan and benefit levels are described in greater detail in the Plan Document. At present, the City pays 100% of the premium for LTD insurance for employees only. Covered expenses shall be reimbursed through the City's Health Reimbursement Arrangement (HRA) Trust in accordance with IRS Code Section 213(d) FSA Eligible Expenses. At this time this benefit is available on the 91<sup>st</sup> day of disability and may continue to Social Security Normal Retirement Age. The amount of insurance will be 60% of basic monthly earnings, excluding overtime, not to exceed a maximum monthly benefit of \$10,500. This amount will be offset by amounts payable by Social Security, workers' compensation benefits, CALPERS retirement income or any other includable income.

**H. SHORT TERM DISABILITY**

The City provides Short Term Disability (STD) insurance to eligible employees through a qualified STD Plan and benefit levels are described in greater detail in the Plan Document. At present, the City pays 100% of the premium for STD insurance for employees only. Covered expenses shall be reimbursed through the City's Health Reimbursement Arrangement (HRA) Trust in accordance with IRS Code Section 213(d) FSA Eligible Expenses. At this time this benefit is available on the 7<sup>th</sup> day of disability and provides a weekly benefit maximum of 55% of basic weekly earnings to a maximum of \$1,129 for a maximum period of 52 weeks. This amount will be offset by amounts payable by Social Security, workers' compensation benefits, CALPERS retirement income or any other includable income.

**I. LONG TERM CARE BENEFITS**

The City provides long term care insurance through a qualified Long Term Care Plan and benefit levels are described in detail in the Plan Document. At present, the City pays 100% of the premium, covered medical expenses, copayments, and deductibles for eligible full-time employees, retirees, and their spouse, when such coverage is excluded under any existing policy of a qualified health plan. Covered expenses shall be reimbursed through the City's Health Reimbursement Arrangement (HRA) Trust in accordance with IRS Code Section 213(d) FSA Eligible Expenses.

**J. SUPPLEMENTAL INSURANCE COVERAGE**

Notwithstanding any other provision of this Plan, if any expense which would otherwise be covered under the terms of this Plan is covered by some other health, welfare, or disability plan, then the coverage under this Plan shall be secondary and supplemental to such other coverage. Covered expenses shall be reimbursed through the City's Health Reimbursement Arrangement (HRA) Trust in accordance with IRS Code Section 213(d) FSA Eligible Expenses.

**K. CREDIT UNION**

Employees may voluntarily elect membership in F & A Federal Credit Union. Membership benefits are described in detail in the benefit brochure provided by F & A Credit Union.

**L. CHILD CARE BENEFITS**

Employees may voluntarily elect to participate in the Flexible Benefit Plan for Dependent Care. The Plan established by the City meets all requirements of Sections 125 and 129 of the internal Revenue Code for purposes of exclusion of dependent care benefits from the gross taxable wage of eligible employees. Plan benefits are described in detail in the Plan Document.

**M. EDUCATION/TUITION ALLOWANCE**

The City provides for tuition for eligible employees enrolled in work related courses, degrees and/or

certificate programs. Employees must complete the Request for Tuition Reimbursement form for approval by the City Manager prior to enrolling for courses. Employees are responsible for taxes, if applicable, for any sums received through the Education/Tuition Allowance program.

**N. MEMBERSHIP DUES**

The City shall pay for certain professional dues for the City Manager and Executive Staff. The City Manager shall pre-approve dues paid pursuant to this provision.

**O. AUTO ALLOWANCE**

At present, employees are provided the use of a pool vehicle for use while conducting official City business. The City shall be responsible for providing liability insurance, bodily injury and property damage coverage for the employee's use of said vehicle. The City shall also provide for maintenance, repair and replacement costs of said automobile, in accordance with City policy. Employees shall use vehicles in accordance with the City's Vehicle Use Policy.

**P. UNEMPLOYMENT INSURANCE**

Employees who terminate may be eligible to receive unemployment insurance benefits. Claims for unemployment insurance are filed with the state office of Employment Development Department.

**Q. WORKERS' COMPENSATION**

The City carries workers' compensation insurance as required by law to protect employees who are injured on the job. This insurance provides medical, surgical and hospital treatment in addition to payment for loss of earnings that result from work-related injuries. Compensation payments begin from the first day of an employee's hospitalization or the third day following the injury if an employee is not hospitalized. The cost of this coverage is paid for by the City. An employee who suffers any on-the-job injury, no matter how minor, must report that incident immediately to his/her supervisor or department head and to the Human Resources department.

**R. SOCIAL SECURITY**

City employees do not participate or pay into social security (Federal Insurance Contributions Act (FICA)). However, employees hired on or after April 1, 1986, must participate in the Medicare portion of social security.

**S. RETIREE BENEFITS**

Health Insurance for Retired Employees. At present, some Employees may be eligible for retiree health benefits depending on hire date and years of service with the City of Industry. The City reserves the right, in its sole discretion to change its contribution level and/or benefit levels as it deems necessary. Contact Human Resources prior to initiating retirement process with PERS in order to determine eligibility for this benefit.

**T. COBRA**

As provided by a federal health insurance law, called "COBRA," eligible employees and their family members may continue participation in the employer's group insurance program when they experience certain "qualifying events." These events include the termination of employment (except when due to "gross misconduct"), resignation, reduction in hours, divorce, legal separation, death, Medicare entitlement and certain other events. Where the right to continue coverage arises, coverage may be continued at special rates authorized by COBRA.

Details regarding the COBRA rules are given to employees when they begin participation in the City's group health insurance plan and again when they experience a qualifying event that triggers the right to continue participation in the group health plan. California employees may have the ability to continue coverage beyond the maximum period allowed under the federal COBRA, provided they meet the applicable requirements.

If employees do not choose continuation coverage or comply with applicable rules for continuation of coverage, their group health insurance coverage will end.

If you have any questions about your health insurance continuation rights, please contact Human Resources. If you believe that you have experienced a "qualifying event," please notify Human Resources as soon as possible.

## **U. DEFINITIONS**

The definitions contained in this Section shall govern the construction of the City of Industry Health Benefit Plans defined in this Section, unless the context or law otherwise requires, as follows:

- A. "City Employees" shall mean all persons actively holding regular full-time positions of employment with the City of Industry ("City") and whose wage or salary is paid directly by the City and all City Officers. Agency Employees who became City Employees will be considered to have entered City employment as of the date of commencement of Agency employment.
- B. "Agency Employees" shall mean all persons who held regular full-time positions of employment with the Industry Urban Development Agency (IUDA) prior to its dissolution and the creation of the Successor Agency to the Industry Urban Development Agency; as well as former IUDA employees that transitioned to active City employment upon the creation of the Successor Agency to the IUDA.
- C. "Elected Officials" shall mean Planning Commissioners appointed to serve by the City Council; and all persons duly elected (including City Council members), or appointed by the City Council, to serve as members of the City Council and possessing authority to vote on matters before the City.
  - Planning Commissioners, their spouses, domestic partners and dependents shall be entitled to eligibility in the CalPERS Health Plan. Said coverage is dependent upon meeting the qualifying provisions under the CalPERS plan and/or hire date and years of service with the City of Industry.
  - City Council members, their spouses, domestic partners and dependents shall be entitled to eligibility in the CalPERS retirement system and the CalPERS Health Plan. Said coverage is dependent upon meeting the qualifying provisions under the CalPERS plan and/or hire date and years of service with the City of Industry.
- D. "Dependents" shall mean qualified spouses, dependent children under the age of 26, and adult disabled dependents who are incapable of self-sustaining support due to a disability that occurred prior to reaching the limiting age of 26. Dependents are only eligible for those benefits offered herein as defined above.
- E. "Full-time Employment" for the purpose of determining eligibility for the CalPERS retirement system shall mean any individual that works more than 34 hours per week in a permanent position, or who works full-time with a tenure of more than 6 months, or who works 20 or more hours per week one year or longer, or who works a minimum of 1,000 hours or more in a fiscal year. For the purpose of determining eligibility for health benefits in accordance with the Affordable Care Act (ACA) shall mean any individual that works 30 or more hours per week that are not deemed as a Variable Hour or Seasonal Employee under the Act.
- F. "Variable Hour Employees" under California Government Code (GC) section 22772(a)(6)(A) and (B) provides that an employee not described in GC section 22772(a)(1)-(5), inclusive, may meet the definition of an employee if he or she is both a "full-time employee" of the state or contracting

agency within the meaning of Section 4980H of Title 26 of the United States Code and applicable United States Treasury Department regulations and interpretive guidance, and is designated in writing by the employer, as an employee, for purposes of GC section 22772 by the state or contracting agency, as applicable in accordance with the CalPERS regulations to enroll them in a CalPERS Health Plan to meet their obligations under the Affordable Care Act (ACA) to offer minimum essential coverage.

G. "Retirees" are defined as follows and will be eligible to begin receiving retirement benefits once they are deemed qualified in accordance with the CalPERS retirement system.

- Qualified City or Agency Employees **hired on or before April 26, 1990** who actively held any regular full-time position of employment with the City for an aggregate of ten (10) years or more and whose City employment or holding of office **terminated by June 30, 2016**, regardless of whether such termination was voluntarily or involuntarily.
- Qualified City or Agency Employees **hired after April 26, 1990 and before July 1, 2012** who actively held any regular full-time position of employment with the City for an aggregate of twenty five (25) years or more, or a department head position for fifteen (15) years or more and whose City employment or holding of office **terminated by June 30, 2016**, regardless of whether such termination was voluntarily or involuntarily.

Thereafter, qualified active City or Agency Employees who are vested within the CalPERS retirement system and apply for retirement within 120 days of separation from the City of Industry, and have accrued a **minimum of fifteen (15) years of CalPERS service credit**, including a minimum of two (2) years of active employment with the City of Industry and has retired from the City of Industry, and whose City employment terminates regardless of whether such termination was voluntarily or involuntarily.

In addition, qualified active full-time City Employees age 65 or older, who have completed five (5) years of service in a regular position with the City, who retires from the City of Industry (regardless of whether such separation is voluntary or involuntary) and is vested within the CalPERS retirement system and applies for retirement within 120 days of separation from the City of Industry.

- Qualified members of the City Council, or Planning Commissioners for the City, who have held office in one or more of the foregoing for an aggregate of eight (8) years or more at the time of leaving office.

*CITY COUNCIL*

ITEM NO. 5.6



# 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 *Susan Paragas*

DATE: September 8, 2016

SUBJECT: Consideration of Resolution No. CC 2016-58 – A Resolution of the City Council of the City of Industry, California, Adopting the Interfund Loan Policy

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### **BACKGROUND:**

Financial policies are key elements of sound fiscal administration. These policies provide the guidance for operational and strategic decision making related to financial matters. They identify acceptable or unacceptable courses of actions and establish parameters in which cities can operate. In essence, financial policies set the baseline standard for responsible planning and management of financial resources and practices.

### **DISCUSSION:**

During the near future, several financial policies will be brought before the City Council for approval and adoption. One of the policies addressed in this item is an Interfund Loan Policy that provides guidelines regarding the establishment, management and repayment of interfund loans.

Interfund loans are advances from one fund to another fund for a specific purpose and a requirement for repayment. Interfund loans consist of a loan agreement that include the amount advanced, term, repayment source and rate of interest to be charged.

The Interfund Loan Policy formalizes guidelines for the advancement and repayment of loans between City of Industry funds.

**RESOLUTION NO. CC 2016-58**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDUSTRY,  
CALIFORNIA, ADOPTING THE INTERFUND LOAN POLICY**

**WHEREAS**, the City of Industry (“City”) desires to maintain current and comprehensive financial policies; and

**WHEREAS**, there is a need to formalize the policies regarding loans made between City funds; and

**WHEREAS**, the City desires to adopt an Interfund Loan Policy;

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

**SECTION 1:** Approve and adopt the Interfund Loan Policy attached hereto as Exhibit A.

**SECTION 2:** Authorize City staff to take all actions necessary to carry out the Policy.

**PASSED, APPROVED AND ADOPTED** by the City Council of the City of Industry at a regular meeting held on September 8, 2016, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

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Mark D. Radecki, Mayor

**ATTEST:**

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Cecelia Dunlap, Deputy City Clerk

**EXHIBIT A**  
**INTERFUND LOAN POLICY**

**City of Industry**  
**INTERFUND LOAN POLICY**

**DEFINITION**

Interfund loans are borrowing of monies from one City fund to another City fund for a specific purpose and with a requirement for repayment.

**PURPOSE**

The purpose of the policy is to provide guidelines regarding the establishment, management and repayment of interfund loans.

**INTERFUND LOAN POLICY****General**

- 1.1 Interfund loans may be used to alleviate cash deficiency and shall be considered temporary or short-term borrowing of cash and may be made for the following reasons:
  - To offset timing differences in cash flow
  - To offset timing differences between expenditures and reimbursements
  - To provide for advance spending for a capital project prior to securing project financing
  - For other needs as deemed appropriate by City Council
- 1.2 The term of the interfund loan may continue over a period of more than one year, but must be temporary in the sense that no permanent diversion of the lending fund results from the failure to repay by the borrowing fund.
- 1.3 Interfund loans shall not be used to solve ongoing structural budget issues.
- 1.4 Interfund loans shall not hinder the accomplishment of any function or project for which the lending fund was established.
- 1.5 An analysis will be performed to determine that the borrowing fund will have sufficient revenues to repay the principal and interest payments over the period of the loan as required in the loan agreement.

**Procedures**

- 2.1 The establishment of interfund loans requires coordination among several parties, including the department overseeing the funds that would provide or receive the loan, the Finance Department and the City Attorney's Office. Interfund loans must be approved by the City Council and the appropriate Boards.

- 2.2 The following procedures should be followed in establishing an interfund loan:
- a) The loan shall account for borrowing between funds and shall not be available for appropriation or be considered revenue to the borrowing fund.
  - b) Interfund loans should be reported as receivables in the lending fund and payables in the borrowing fund.
  - c) Loan interest will be recorded as revenue to the lending fund and as expenditure to the borrowing fund.
  - d) A loan agreement should be established between the lending fund and the borrowing fund and include the following:
    - i) Purpose of Loan
    - ii) Loan Amount
    - iii) Term
    - iv) Repayment Source
    - v) Rate of Interest - equals the investment earnings the lending fund would have received had the loan not occurred.

### **Repayment**

- 3.1 Repayment of the loan is top priority of the borrowing fund once cash is available.
- 3.2 As part of the annual budget process, the Finance Department should ensure that the loan repayment is budgeted consistently with the loan terms.
- 3.3 If the borrowing fund continues to maintain a negative cash balance for periods beyond the term of the loan, scheduled payments should be postponed until the fund has a positive cash balance.
  - a) Interest should continue to accrue and be added to the principal of the loan.
  - b) Missed scheduled payments shall be reported by the Finance Department to the City Council.
- 3.4 If the borrowing fund is an operating fund, it must maintain positive cash balance of at least 10% of its operating expense/expenditure budget to be able to repay the loan; excess cash balance (over the 10%) should be used to make scheduled payments and catch-up payments.
- 3.5 If the borrowing fund is a proprietary fund, it must maintain positive cash balance of at least 50% of its operating expense/expenditure budget to be able to repay the loan; excess cash balance (over the 50%) should be used to make scheduled payments and catch-up payments.

### **Modification**

- 4.1 Modification of loan term, interest rate, and/or repayment schedule of an interfund loan shall be approved by the City Council and the appropriate Boards.

*CITY COUNCIL*

ITEM NO. 5.7



# 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: Susan Paragas, City Controller *SP*  
Steven Avalos, Administrative Analyst

DATE: September 8, 2016

SUBJECT: Consideration of Resolution No. CC 2016-59 – A Resolution of the City Council of the City of Industry, California, Approving Blanket Purchase Orders for Vendors Totaling \$10,000 and Over for FY 2016-17

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### **BACKGROUND:**

On April 14, 2016, the Financial Services Department (“Finance”) made a presentation to the City Council on internal controls and introduced new financial procedures, in which many were effective immediately and others were to be implemented in FY 2016-17 (“FY 17”). Of the new financial procedures introduced, Blanket Purchase Orders (“BPOs”) were identified as a critical fiscal control to be implemented in FY 17. Annually, Finance will present and request the City Council to approve all BPOs for vendors that total \$10,000 and over for that fiscal year.

### **DISCUSSION:**

Blanket Purchase Orders (“BPOs”) are a customary financial mechanism amongst all cities in California; and in short, are utilized to pay for goods and services with vendors that the City regularly conducts business with during the fiscal year. BPOs are, in effect, an informal contractual agreement between the City and vendor that allows the City to procure goods, supplies, and/or equipment in a timely and effective manner to tend to day-to-day operations. Vendors will then bill the City for an agreed upon period (normally monthly), in which the BPO obligates the City to pay each vendor at the end of that said period in accordance with the City’s general net pay terms.

For FY 17, in line with the City of Industry's Municipal Code ("IMC") section 3.04 (the City's purchasing code), for goods and services, BPOs for vendors that total \$10,000 and over will require City Council approval. BPOs under \$10,000 will be approved by the City Manager.

For contractual and professional services, pursuant to the City's purchasing code (IMC section 3.04), the City Manager's purchasing authority limit is \$10,000. All contracts and professional services over \$10,000 must be approved by the City Council. Once approved by Council, Contract BPOs will also be utilized to pay for recurring professional services and contracts during the fiscal year. Contracts and professional services under \$10,000 will also be approved by the City Manager. All professional services agreements and contracts that have previously been approved by the City Council are also included on the list of blanket purchase orders for the City Council to approve for FY 17.

**FISCAL IMPACT:**

There is no fiscal impact associated with the recommended action taken with this report. All blanket purchase orders and estimated amounts listed for each vendor are included in the FY 17 Adopted Budget.

**RECOMMENDED ACTION:**

City staff recommends the City Council approve the attached resolution and approve all blanket purchase orders for vendors totaling \$10,000 and over for FY 17.

*ATTACHMENTS:*

- A. Resolution No. CC 2016-59 – A Resolution of the City Council of the City of Industry, California, Approving Blanket Purchase Orders for Vendors Totaling \$10,000 and Over for FY 2016-17
- B. Exhibit A

---

PJP:SP:sa

**RESOLUTION NO. CC 2016-59**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
INDUSTRY, CALIFORNIA, APPROVING BLANKET PURCHASE  
ORDERS FOR VENDORS TOTALING \$10,000 AND OVER FOR FY  
2016-17**

**WHEREAS**, On April 14, 2016, the Financial Services Department ("Finance") made a presentation to the City Council on internal controls and introduced new financial procedures, in which many were effective immediately and others were to be implemented in FY 2016-17 ("FY 17"); and

**WHEREAS**, of the several new financial procedures introduced, Blanket Purchase Orders ("BPOs") was identified as a critical fiscal control to be implemented in FY 17; and

**WHEREAS**, BPOs are a customary financial mechanism amongst all cities in California, and are utilized to pay for goods and services with vendors that the City regularly conducts business with during the fiscal year; and

**WHEREAS**, further, BPOs serve as an informal agreement between the City and vendor to procure goods and services on an as-needed and over-the-counter basis in a timely and effective manner; and

**WHEREAS**, pursuant to the City's municipal purchasing code (IMC section 3.04), for goods and services and contracts and professional services, BPOs and Contract BPOs will be required for all City vendors; and

**WHEREAS**, all blanket purchase orders and estimated amounts listed for each vendor have been included in the FY 17 Adopted Budget; and

**WHEREAS**, Finance will annually present and request the City Council to approve all BPOs for vendors that total \$10,000 and over each fiscal year.

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

**Section 1.** The City Council hereby approves the list of Blanket Purchase Orders ("BPOs"), hereto attached as Exhibit A, for all vendors that total \$10,000 and over for FY 2016-17 ("FY 17").

**Section 2.** The City Council authorizes the City Manager, and/or Designee, to prepare and execute all BPOs identified and listed on said Exhibit A.

**Section 3.** 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 the September 8, 2016, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

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Mark D. Radecki, Mayor

**ATTEST:**

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Cecelia Dunlap, Deputy City Clerk

**City of Industry**  
**Exhibit "A"**  
**FY 17 - Blanket Purchase Orders**  
**\$10,000 and Over**

Item #	Vendor Name	Primary Purpose	FY 17 Estimated Amount
1	ACE Construction Authority	Capital Projects - Construction	10,000,000
2	Advanced Discovery, Inc.	Legal Services - Documentation & Scanning Services	90,000
3	Air-Bree, Inc	Facilities Maintenance	25,000
4	Alvaka Networks	Professional Services - Information Technology	200,000
5	Applied Metering Technologies	Electric Utility - Utility Operations & Maintenance	10,000
6	AT & T	Utilities - Telephone	10,000
7	B And T Cattle	Property Maintenance - Tonner Canyon	165,000
8	Bank Of America - Visa	Credit Card Vendor Payments	25,000
9	Bank Of America - Account Analysis	Banking Fees	20,000
10	Blake Air Conditioning Company	Property Maintenance - Air Conditioning Services	25,000
11	Brown Rudnick, LLP	Professional Services - Independent Reform Advisor	300,000
12	Bryan Press	Office Supplies - City Letterhead, Envelopes, & Business Cards	12,000
13	Butsko Utility Design Inc.	Professional Services - Electric Utility	125,000
14	Byrne & Nixon, LLP	Legal	10,000
15	Calabrese Architect	Professional Services - Engineering Services	25,000
16	Cartegraph Systems, Inc.	Professional Services - City's Electronic Work Order System	183,200
17	CASC Engineering And Consulting	Professional Services - Engineering Services	100,000
18	Casso & Sparks, LLP	Legal Services - City Attorney	1,800,000

## EXHIBIT A

Item #	Vendor Name	Primary Purpose	FY 17 Estimated Amount
19	CDW Government LLC	Computer Supplies	10,000
20	City Of Industry Disposal Co.	City's Refuse Disposal Contract & Services	15,300,000
21	City Of Industry - Refuse	City's Refuse Costs for Bus Receptacles & City's Facilities	130,000
22	City of Walnut	Street Median Maintenance	20,000
23	Clarion Construction	Capital Projects - Construction	20,000
24	Clean Harbors Environmental Services, Inc.	Environmental Services - Hazardous Waste Pickup	10,000
25	CNC Engineering	Professional Services - City's Contracted Engineering Firm	3,500,000
26	CNC Equestrian (CRIA Expo Center)	Facilities Management - Oversees & Manages City's Expo Center	600,000
27	Comfort Systems USA Southwest, Inc.	Facility Maintenance - A/C Maintenance for El Encanto Facility	35,000
28	Consolidated Electrical Dist.	Property Maintenance - Electrical Supplies & Repair	10,000
29	Cordoba Corporation	Electric Utility - Utility Administration Services	1,100,000
30	Country Estate Fence, Inc.	Property Maintenance - Fencing for Various City Properties	10,000
31	County of LA Dept of Public Works	Professional Services - Maintenance of City's Transportation & Street Infrastructure	800,000
32	County Sanitation Districts of Los Angeles County	Utilities - City's Reclaimed Water System Provider	400,000
33	Crowell & Moring, LLP	Legal Services	50,000
34	Dakota Backflow Co.	Property Maintenance - Environmental Testing at City Facilities	25,000
35	Dept of Animal Care & Control	Public Safety - Animal Control Services	35,000
36	Dept of Transportation	Professional Services - Maintenance of City's Transportation & Street Infrastructure	15,000
37	Egoscue Law Group	Legal Services - Environmental Issues	100,000
38	Electra-Media, Inc	Professional Services - Billboard Lease	25,000
39	Emerson Consulting Services	Professional Services - Economic Development Study	15,000

## EXHIBIT A

<b>Item #</b>	<b>Vendor Name</b>	<b>Primary Purpose</b>	<b>FY 17 Estimated Amount</b>
40	Enco Utility Services	Electric Utility - Utility Billing Services	100,000
41	Environs, Inc.	Professional Services - Electric Utility	20,000
42	Exxon Mobil	Fleet Management	10,000
43	Frazer, LLP	Professional Services - Contracted Accounting Services	800,000
44	Frontier	Utilities - Telephone/Internet	50,000
45	Fuel Pros, Inc.	Fleet Management	20,000
46	G.M. Sager Construction Co., Inc.	Capital Projects - Construction	20,000
47	Gas Company, The	Utilities - Gas	20,000
48	Global Capacity	Professional Services - Internet Services	10,000
49	Gonsalves & Son, Joe A.	Professional Services - Legislative Advocacy Services	65,000
50	Haddick's Auto Body	Fleet Management	30,000
51	HDL Coren & Cone	Professional Services - Property Tax & Auditing Services	10,000
52	Hinderliter, De Llamas And Associates	Professional Services - Sales Tax & Auditing Services	10,000
53	Historical Resources, Inc.	Facilities Management - Oversees & Manages Workman Homestead Museum Facility	800,000
54	Home Depot Credit Service	Property Maintenance	60,000
55	Hunter Electric Service, Inc.	Property Maintenance	20,000
56	Industry Manufacturers Council (IMC)	Professional Services - City's Business Relations & Community Promotions Program	960,000
57	Industry Security Services	Professional Services - City's Security Services	1,100,000
58	Industry Tire Service	Fleet Management - Vehicle Maintenance	10,000
59	Intertie	Electric Utility - Energy Consultant	100,000
60	Janus Pest Management	Property Maintenance	20,000

## EXHIBIT A

Item #	Vendor Name	Primary Purpose	FY 17 Estimated Amount
61	Keenan & Associates	Professional Services - Risk Management Services & Property & Casualty Insurance Broker	160,000
62	Kimley-Horn & Associates, Inc.	Professional Services - Engineering & Traffic-Related Studies	80,000
63	Kleinfelder, Inc.	Professional Services - Geotechnical Services	25,000
64	L A County Dept Of Public Works	Professional Services - Maintenance of City's Transportation & Street Infrastructure	400,000
65	L A County Registrar-Recorder/County Clerk	Election Costs & Fees	25,000
66	L A County Sheriff's Department	Public Safety - City's Public Safety/Law Enforcement Provider	9,200,000
67	La Habra Relocation, Inc.	Facilities Maintenance	10,000
68	La Puente Valley County Water District	Utilities - City's Water Utility Provider	80,000
69	Lang, Hansen, O'Malley & Miller	Professional Services - Legislative Advocacy Services	160,000
70	Laser Technology Inc	Public Safety - Equipment	10,000
71	Locks Plus	Property & Facilities Maintenance	15,000
72	Los Angeles Area Council	Utilities - Water Utility for Tonner Canyon	20,000
73	Los Angeles County Flood Control District	City MOU with LA County - Environmental Remediation / NPDES Monitoring	150,000
74	Martin & Chapman Co.	Election Training Costs & Fees	15,000
75	Maureen Kane & Associates, Inc.	Employee Training - City Clerk's Office	10,000
76	Michael Baker International, Inc.	Professional Services - Planning Contract	150,000
77	Mr Plant & Interior Botanical Designs	Facility Maintenance - Plant Services	10,000
78	Municipal Insurance Cooperative JPA	Professional Services - City's Liability and Casual Property Insurance Provider	160,000
79	Myers & Sons Hi-Way Safety, Inc.	Transportation - Street Signage & Repairs	15,000
80	NHA Advisors, LLC	Professional Services - City's Financial Advisor	20,000
81	Noble Americas Energy Solution	Eclectic Utility - Purchase of Energy	1,500,000

## EXHIBIT A

<b>Item #</b>	<b>Vendor Name</b>	<b>Primary Purpose</b>	<b>FY 17 Estimated Amount</b>
82	Norton Rose Fulbright US LLP	Professional Services - City's Bond Counsel	20,000
83	Olmos Professional Services	Facilities Maintenance - Janitorial Services	110,000
84	Online Solutions, LLC	Computer Software - Billing Software for Building Permits, Planning, & Code Enforcement	15,000
85	Pacific Palms Conference Resort	Electric Utility - Annual Electric Rebate	500,000
86	Pacific Utility	Electric Utility - Utility Operations & Maintenance	50,000
87	Paetec Communications	Utilities - City's Landline & Phone Service	10,000
88	Paragon Micro Inc	Computer Supplies	15,000
89	Placeworks	Professional Services - Specialized Planning Services for Climate Action Plan/EIRs	250,000
90	Planetbids, Inc.	Professional Services - City's Electronic Procurement/RFP System	55,000
91	Post Alarm Systems	Property Maintenance	10,000
92	Procureit USA, LLC	Computer Supplies & Equipment	10,000
93	Puente Basin Watermaster	Utilities - Water	15,000
94	R.F. Dickson Co., Inc.	Professional Services - Street Sweeping Services	220,000
95	R.P. Laurain & Associates, Inc.	Property Management - Property Appraisal Services	50,000
96	Regional Government Services Authority	Professional Services - City's Human Resources Consultant	120,000
97	Rickabus, Grace M.	Lease for City Document Storage	30,000
98	Ricoh USA, Inc.	Copier/Printer Maintenance	65,000
99	Rolling Green, Inc.	Property Maintenance - Tree Trimming Services	15,000
100	Rowland Water District	Utilities - Reclaimed Water	100,000
101	San Gabriel Valley Newspaper Group	Advertisement - Notices for Special Meetings, Public Hearings, and Ordinances	20,000
102	San Gabriel Valley Water Co.	Utilities - Water	75,000

## EXHIBIT A

<b>Item #</b>	<b>Vendor Name</b>	<b>Primary Purpose</b>	<b>FY 17 Estimated Amount</b>
103	Satsuma Landscape & Maint.	Professional Services - City's Landscaping Contract	1,900,000
104	SC Fuels	Fuel Purchases for Underground Fuel Storage Tanks	145,000
105	SCS Field Services	Professional Services - Maintenance of Underground Fuel Storage Tanks	240,000
106	Shell Energy North America-US	Eclectic Utility - Purchase of Energy	1,000,000
107	Snowden Electric Company, Inc.	Electric Utility - Utility Operations & Maintenance	100,000
108	So Cal Industries	Fleet Maintenance	10,000
109	So California Edison Company	Utilities - Electricity	1,600,000
110	South Coast A.Q.M.D.	Property Maintenance - Environmental Fees Related to Underground Storage Tanks	10,000
111	Square Root Golf & Landscape, Inc	Professional Services - City's Landscaping Contract for Industry Hills	2,200,000
112	Staples Business Advantage	Office Supplies	30,000
113	State Water Resources Control Board	Environmental - Permits, Fees, & Compliance	25,000
114	Stotz Equipment	Landscape Equipment	15,000
115	Suburban Water Systems	Utilities - Water	30,000
116	Sunrise Roofing	Property Maintenance	10,000
117	Superior Court Of California, County Of L.A.	Parking Citation Services and Fees	45,000
118	Telepacific Communications	Utilities - Telephone	60,000
119	The Dolphin Group, Inc.	Professional Services - City's Public Relations & Media Consultant	180,000
120	The Pun Group	Professional Services - City's Annual Audit Firm	100,000
121	Thee Best Rooter & Plumbing	Property Maintenance - Plumbing Repair	15,000
122	Thienes Engineering Inc.	Property Maintenance - Grading Repairs	10,000
123	Thomson Reuters - West	Update of City Codes	10,000

## EXHIBIT A

<b>Item #</b>	<b>Vendor Name</b>	<b>Primary Purpose</b>	<b>FY 17 Estimated Amount</b>
124	Transportation & Energy Solutions, Inc.	Professional Services - On-Call Traffic Engineering Services	80,000
125	Tri County Pump Company	Water Utility - Booster Pump Repairs	25,000
126	Trimark Associates, Inc.	Property Maintenance - Maintenance Services at Metrolink Solar Carports	25,000
127	Turbo Data Systems, Inc	Professional Services - Parking Citation Processing Services	10,000
128	Tyler Technologies	Professional Services - City's Financial System Licenses/Maintenance	20,000
129	United Site Services Of California, Inc.	Property Maintenance - Rental Equipment for Special Events at Homestead Museum	10,000
130	Vanguard Cleaning Systems, Inc.	Property Maintenance	12,000
131	Verizon Wireless - LA	Utilities - Telephone	20,000
132	Villegas General Building Construction	Capital Projects - Construction	25,000
133	Vortex Industries, Inc.	Property Maintenance - Gate Repairs	10,000
134	W.A. Rasic Construction, Inc.	Capital Projects - Construction	100,000
135	Walnut Valley Water District	Utilities - Water	120,000
136	Waste Systems Technology, Inc.	Professional Services - Commercial Recycling & Waste Programs	225,000
137	Weatherite Service	Facilities Maintenance - Air Conditioning & Heating Services	10,000
138	West Coast Arborists, Inc.	Professional Services - Tree Trimming	40,000
139	Worldwide Supply, LLC	Computer Services - Network and Hardware Support and Services	10,000
140	Zabco Painting	Property Maintenance - Painting Services	25,000

*CITY COUNCIL*

ITEM NO. 5.8



# 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 Members of the City Council

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

Staff: Alex Gonzalez, Director of Development Services and Administration *AG*  
Kristen Weger, Administrative Analyst *KW*

Date: September 8, 2016

**SUBJECT: Approve and Ratify a Professional Services Agreement with Cordoba Corporation for Utility Administration Services in an Amount not to exceed \$1,100,000 from July 12, 2016 to July 12, 2017**

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On June 16, 2016, the Industry Public Utilities Commission ("IPUC") directed staff to issue a Request for Qualifications ("RFQ") for Electric Utility Services Bench. The RFQ was posted in the City's PlanetBids™ vendor portal, and an email notification was sent out to all registered vendors. The appropriate trade journals were notified and included Bid America, Southern California Builders Association, Construction Bidboard and Dodge Data & Analytics on June 16, 2016. The RFQ was advertised on Tuesday, June 21, 2016 and Tuesday, June 28, 2016 in the San Gabriel Valley Tribune. Qualifications were received up until July 7, 2016 at 1:00 pm.

The selection panel evaluated the qualifications received by each contractor based on the following criteria:

- A. Contractor is experienced operating and managing an electric utility;
- B. The contractor described how they can provide professional, first-class service; and
- C. The account manager and team members assigned to the project have prior experience in similar programs and activities.

An RFQ Bench allows for evaluators to determine if multiple contractors are qualified to perform work. Price is not a determining factor in a Request for Qualifications. Proposers submitted a separate electronic document in PlanetBids™ with labor rates, and these documents will not be opened until the IPUC board provides recommendations to staff. Proposers who are not chosen will not have their price proposals viewed by staff. Based on the Statement of Qualifications submitted, the selection panel determined the following categories were reasonable and appropriate for electric utility services.

The following tables summarize the statement of qualification rankings.

**Table 1 – Summary of Utility Administration Rankings**

<b>Firm</b>	<b>Rank</b>
Cordoba Corporation	1
ENCO Utility Services	2
Intertie	3

Based on the rankings, staff recommended that Cordoba Corporation be awarded a Professional Services Agreement to provide Utility Administration Services subject to IPUC approval.

On July 11, 2016, the IPUC directed staff to enter into negotiations with Cordoba Corporation for Utility Administration Services. Staff negotiated and fully executed a Professional Services Agreement with Cordoba Corporation on July 12, 2016. Cordoba Corporation staff are currently working on the scope of services as detailed in Exhibit A, of the Professional Services Agreement.

Fiscal Impact

For consideration on the September 8, 2016 Consent Calendar is Resolution No. CC 2016-63 appropriating \$1,100,000 from Electric Utility Reserves to the Electric Utility Fund Budget – Professional Services (Account no. 161-300-5120.01) for the Professional Services Agreement.

Staff recommends that City Council approve the Professional Services Agreement.

Exhibit

- A. Professional Services Agreement with Cordoba Corporation for Utility Administration Services

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PJP:AG:KW:mk

**EXHIBIT A**

**Professional Services Agreement with Cordoba Corporation for Utility  
Administration Services**

[Attached]



# CITY OF INDUSTRY

Incorporated June 18, 1957

August 4, 2016

Mr. Randall D. Martinez  
Cordoba Corporation  
1401 North Broadway  
Los Angeles, CA 90012

**Re: Professional Services Agreement – Utility and Related Advisory Services**

Dear Mr. Martinez:

Enclosed is an executed Professional Services Agreement, which was approved by the City Manager on July 12, 2016.

You are hereby authorized to proceed with the services as outlined in this agreement, which has been assigned Consultant Contract No. 1-CORDOBA 16-01. In connection with any invoice billed against this agreement, please provide the following information:

1. Contract number;
2. A brief description of the work performed during the billing period.

Incomplete invoices will be returned unpaid. Additionally, no invoice will be paid which exceeds the approved amount without prior written approval of the City Manager.

Sincerely,

Chris Brown  
Administrative Analyst

/cb

Enclosure

c: Paul J. Philips, City Manager  
Kristen Weger, Administrative Analyst  
Dean Yamagata, Finance Department  
Carmen Cooper, Finance Department

**CITY OF INDUSTRY PROFESSIONAL SERVICES AGREEMENT  
WITH CORDOBA CORPORATION**

This PROFESSIONAL SERVICES AGREEMENT ("Agreement"), is made and effective as of July 12, 2016 ("Effective Date"), between the City of Industry, a municipal corporation ("City"), and Cordoba Corporation, a California corporation ("Consultant"). The City and Consultant are hereinafter collectively referred to as the "Parties".

**RECITALS**

**WHEREAS**, City desires to engage Consultant to perform the services described herein, and Consultant desires to perform such services in accordance with the terms and conditions set forth herein.

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

**1. TERM**

This Agreement shall commence on the Effective Date, and shall remain and continue in effect until tasks described herein are completed, but in no event later than July 11, 2017, unless sooner terminated pursuant to the provisions of this Agreement.

**2. SERVICES**

(a) Consultant shall perform the tasks ("Services") described and set forth in Exhibit A, attached hereto and incorporated herein as though set forth in full ("Scope of Services"). Tasks other than those specifically described in the Scope of Services shall not be performed without the prior written approval of the City. The Services shall be performed by Consultant, unless prior written approval is first obtained from the City. In the event of conflict or inconsistency between the terms of this Agreement and Exhibit A, the terms of this Agreement shall prevail.

(b) City shall have the right to request, in writing, changes to the Services. Any such changes mutually agreed upon by the Parties, and any corresponding increase or decrease in compensation, shall be incorporated by written amendment to this Agreement.

(c) Consultant shall perform all Services in a manner reasonably satisfactory to the City and in a first-class manner in conformance with the standards of quality normally observed by an entity providing professional services, serving a municipal agency.

(d) Consultant shall comply with all applicable federal, state, and local laws, regulations and ordinances in the performance of this Agreement, including but not limited to, the conflict of interest provisions of Government Code Section 1090 and the Political Reform Act (Government Code Section 81000 *et seq.*). During the term of this Agreement, Consultant shall not perform any work for another person or entity for whom Consultant was not working on the Effective Date if both (i) such work would require Consultant to abstain from a decision under this Agreement pursuant to a conflict of interest statute or law; and (ii) City has not consented in writing to Consultant's performance of such work. No officer or employee of City shall have any financial interest in this Agreement that would violate California Government Code Sections 1090 *et seq.*

Consultant hereby warrants that it is not now, nor has it been in the previous twelve (12) months, an employee, agent, appointee, or official of the City. If Consultant was an employee, agent, appointee, or official of the City in the previous twelve (12) months, Consultant warrants that it did not participate in any manner in the forming of this Agreement. Consultant understands that, if this Agreement is made in violation of Government Code §1090 *et. seq.*, the entire Agreement is void and Consultant will not be entitled to any compensation for Services performed pursuant to this Agreement, and Consultant will be required to reimburse the City for any sums paid to the Consultant. Consultant understands that, in addition to the foregoing, it may be subject to criminal prosecution for a violation of Government Code § 1090 and, if applicable, will be disqualified from holding public office in the State of California.

(e) Consultant represents that it has, or will secure at its own expense, all licensed personnel required to perform the Services. All Services shall be performed by Consultant or under its supervision, and all personnel engaged in the Services shall be qualified and licensed to perform such services.

### 3. MANAGEMENT

The City Manager shall represent the City in all matters pertaining to the administration of this Agreement, review and approval of all products submitted by Consultant, but shall have no authority to modify the Services or the compensation due to Consultant.

### 4. PAYMENT

(a) The City agrees to pay Consultant in accordance with the payment rates and terms and the hourly schedule of payment as set forth in Exhibit B ("Rate Schedule"), attached hereto and incorporated herein by this reference as though set forth in full, based upon actual time spent on the above tasks.

(b) Consultant shall not be compensated for any services rendered in connection with its performance of this Agreement which are in addition to those set forth herein, unless such additional services are authorized in advance and in writing by the City. Consultant shall be compensated for any additional services in the amounts and in the manner as agreed to by City and Consultant at the time City's written authorization is given to Consultant for the performance of said services.

(c) Consultant shall submit invoices monthly for actual services performed. Invoices shall be submitted on or about the first business day of each month, or as soon thereafter as practical, for services provided in the previous month. Payment shall be made within thirty (30) days of receipt of each invoice as to all non-disputed fees. If the City disputes any of Consultant's fees, it shall give written notice to Consultant within thirty (30) days of receipt of an invoice of any disputed fees set forth on the invoice. Any final payment under this Agreement shall be made within forty-five (45) days of receipt of an invoice therefore.

### 5. SUSPENSION OR TERMINATION OF AGREEMENT

(a) The City may at any time, for any reason, with or without cause, suspend or terminate this Agreement, or any portion hereof, by serving upon the Consultant at least ten (10) days prior written notice. Upon receipt of said notice, the Consultant shall immediately cease all

work under this Agreement, unless the notice provides otherwise. If the City suspends or terminates a portion of this Agreement such suspension or termination shall not make void or invalidate the remainder of this Agreement.

(b) In the event this Agreement is terminated pursuant to this Section, the City shall pay to Consultant the actual value of the work performed up to the time of termination, provided that the work performed is of value to the City. Upon termination of the Agreement pursuant to this Section, the Consultant shall submit an invoice to the City pursuant to Section 5 of this Agreement.

## **6. OWNERSHIP OF DOCUMENTS**

(a) Consultant shall maintain complete and accurate records with respect to sales, costs, expenses, receipts, and other such information required by City that relate to the performance of services under this Agreement. Consultant shall maintain adequate records of services provided in sufficient detail to permit an evaluation of services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. Consultant shall provide free access to the representatives of City or its designees at reasonable times to review such books and records; shall give City the right to examine and audit said books and records; shall permit City to make transcripts or copies therefrom as necessary; and shall allow inspection of all work, data, documents, proceedings, and activities related to this Agreement. Such records, together with supporting documents, shall be maintained for a period of three (3) years after receipt of final payment.

(b) Upon completion of, or in the event of termination or suspension of this Agreement, all original documents, designs, drawings, maps, models, computer files, surveys, notes, and other documents prepared in the course of providing the services to be performed pursuant to this Agreement shall become the sole property of the City and may be used, reused, or otherwise disposed of by the City without the permission of the Consultant. With respect to computer files, Consultant shall make available to the City, at the Consultant's office, and upon reasonable written request by the City, the necessary computer software and hardware for purposes of accessing, compiling, transferring, copying and/or printing computer files. Consultant hereby grants to City all right, title, and interest, including any copyright, in and to the documents, designs, drawings, maps, models, computer files, surveys, notes, and other documents prepared by Consultant in the course of providing the services under this Agreement. All reports, documents, or other written material developed by Consultant in the performance of the Services pursuant to this Agreement, shall be and remain the property of the City.

## **7. INDEMNIFICATION**

(a) Indemnity for professional liability. When the law establishes a professional standard of care for Consultant's Services, to the fullest extent permitted by law, Consultant shall indemnify, protect, defend and hold harmless the City and any and all of its officials, employees and agents ("Indemnified Parties") from and against any and all losses, liabilities, damages, costs and expenses, including legal counsel's fees and costs caused in whole or in part by any negligent or wrongful act, error or omission of Consultant, its officers, agents, employees or Subconsultants (or any agency or individual that Consultant shall bear the legal liability thereof) in the performance of professional services under this Agreement.

(b) Duty to Defend. In the event the City, its officers, employees, agents and/or volunteers are made a party to any action, claim, lawsuit, or other adversarial proceeding arising from the performance of the services encompassed by this Agreement, and upon demand by City, Consultant shall have an immediate duty to defend the City at Consultant's cost or at City's option, to reimburse the City for its costs of defense, including reasonable attorney's fees and costs incurred in the defense of such matters.

Payment by City is not a condition precedent to enforcement of this indemnity. In the event of any dispute between Consultant and City, as to whether liability arises from the sole negligence of the City or its officers, employees, or agents, Consultant will be obligated to pay for City's defense until such time as a final judgment has been entered adjudicating the City as solely negligent. Consultant will not be entitled in the absence of such a determination to any reimbursement of defense costs including but not limited to attorney's fees, expert fees and costs of litigation.

## 8. INSURANCE

Consultant shall maintain prior to the beginning of and for the duration of this Agreement insurance coverage as specified in Exhibit C attached hereto and incorporated herein by reference.

## 9. INDEPENDENT CONSULTANT

(a) Consultant is and shall at all times remain as to the City a wholly independent consultant and/or independent contractor. The personnel performing the services under this Agreement on behalf of Consultant shall at all times be under Consultants exclusive direction and control. Neither City nor any of its officers, employees, or agents shall have control over the conduct of Consultant or any of Consultant's officers, employees, or agents, except as set forth in this Agreement. Consultant shall not at any time or in any manner represent that it or any of its officers, employees, or agents are in any manner officers, employees, or agents of the City. Consultant shall not incur or have the power to incur any debt, obligation, or liability whatever against the City, or bind the City in any manner.

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

## 10. LEGAL RESPONSIBILITIES

The Consultant shall keep itself informed of State and Federal laws and regulations which in any manner affect those employed by it or in any way affect the performance of its service pursuant to this Agreement. The Consultant shall at all times observe and comply with all such laws and regulations. The City, and its officers and employees, shall not be liable at law or in equity occasioned by failure of the Consultant to comply with this Section.

## 11. UNDUE INFLUENCE

Consultant declares and warrants that no undue influence or pressure was used against or in concert with any officer or employee of the City in connection with the award, terms or implementation of this

Agreement, including any method of coercion, confidential financial arrangement, or financial inducement. No officer or employee of the City has or will receive compensation, directly or indirectly, from Consultant, or from any officer, employee or agent of Consultant, in connection with the award of this Agreement or any work to be conducted as a result of this Agreement. Violation of this Section shall be a material breach of this Agreement entitling the City to any and all remedies at law or in equity.

**12. NO BENEFIT TO ARISE TO LOCAL OFFICERS AND EMPLOYEES**

No member, officer, or employee of City, or their designees or agents, and no public official who exercises authority over or responsibilities with respect to the services rendered as described in Exhibit "A" during his/her tenure or for one year thereafter, shall have any interest, direct or indirect, in any agreement or sub-agreement, or the proceeds thereof, for work to be performed in connection with the services rendered under this Agreement.

**13. RELEASE OF INFORMATION/CONFLICTS OF INTEREST**

(a) All information gained by Consultant in performance of this Agreement shall be considered confidential and shall not be released by Consultant without City's prior written authorization. Consultant, its officers, employees, agents, or subconsultants, shall not without written authorization from the City, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories, or other information concerning the work performed under this Agreement or relating to any project or property located within the City, unless otherwise required by law or court order.

(b) Consultant shall promptly notify City should Consultant, its officers, employees, agents, or subconsultants be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions, or other discovery request ("Discovery"), court order, or subpoena from any person or party regarding this Agreement and the work performed there under or with respect to any project or property located within the City, unless Consultant is prohibited by law from informing the City of such Discovery, court order or subpoena. City retains the right, but has no obligation, to represent Consultant and/or be present at any deposition, hearing, or similar proceeding as allowed by law. Unless City is a party to the lawsuit, arbitration, or administrative proceeding and is adverse to Consultant in such proceeding, Consultant agrees to cooperate fully with the City and to provide the opportunity to review any response to discovery requests provided by Consultant. However, City's right to review any such response does not imply or mean the right by City to control, direct, or rewrite said response.

**14. NOTICES**

Any notices which either party may desire to give to the other party under this Agreement must be in writing and may be given by (i) personal service, (ii) delivery by a reputable document delivery service, such as but not limited to, Federal Express, which provides a receipt showing date and time of delivery, or (iii) mailing in the United States Mail, certified mail, postage prepaid, return receipt requested, addressed to the address of the party as set forth below or at any other address as that party may later designate by notice:

To City: Paul Philips, City Manager  
City of Industry  
15625 E. Stafford Street, Suite 100  
City of Industry, CA 91744

With a Copy to: James M. Casso, City Attorney  
Casso & Sparks, LLP  
13200 Crossroads Parkway North, Suite 345  
City of Industry, CA 91746

To Consultant: Henry Martinez, Senior Vice President  
Cordoba Corporation  
1611 East 17th Street  
Santa Ana, CA 92705

**15. ASSIGNMENT**

The Consultant shall not assign the performance of this Agreement, nor any part thereof, nor any monies due hereunder, without prior written consent of the City.

Before retaining or contracting with any subconsultant for any services under this Agreement, Consultant shall provide City with the identity of the proposed subconsultant, a copy of the proposed written contract between Consultant and such subconsultant which shall include an indemnity provision similar to the one provided herein and identifying City as an indemnified party, or an incorporation of the indemnity provision provided herein, and proof that such proposed subconsultant carries insurance at least equal to that required by this Agreement or obtain a written waiver from the City for such insurance.

Notwithstanding Consultant's use of any subconsultant, Consultant shall be responsible to the City for the performance of its subconsultant as it would be if Consultant had performed the Services itself. Nothing in this Agreement shall be deemed or construed to create a contractual relationship between the City and any subconsultant employed by Consultant. Consultant shall be solely responsible for payments to any subconsultants. Consultant shall indemnify, defend and hold harmless the Indemnified Parties for any claims arising from, or related to, the services performed by a subconsultant under this Agreement.

**16. GOVERNING LAW/ATTORNEYS' FEES**

The City and Consultant understand and agree that the laws of the State of California shall govern the rights, obligations, duties, and liabilities of the parties to this Agreement and also govern the interpretation of this Agreement. Any litigation concerning this Agreement shall take place in the municipal, superior, or federal district court in Los Angeles County, California. If any action at law or suit in equity is brought to enforce or interpret the provisions of this Agreement, or arising out of or relating to the Services provided by Consultant under this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees and all related costs, including costs of expert witnesses and consultants, as well as costs on appeal, in addition to any other relief to which it may be entitled.

**17. ENTIRE AGREEMENT**

This Agreement contains the entire understanding between the Parties relating to the obligations of the Parties described in this Agreement. All prior or contemporaneous agreements, understandings,

representations, and statements, oral or written and pertaining to the subject of this Agreement or with respect to the terms and conditions of this Agreement, are merged into this Agreement and shall be of no further force or effect. Each party is entering into this Agreement based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material.

**18. SEVERABILITY**

If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, then such term or provision shall be amended to, and solely to, the extent necessary to cure such invalidity or unenforceability, and in its amended form shall be enforceable. In such event, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

**19. COUNTERPARTS**

This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

**20. CAPTIONS**

The captions appearing at the commencement of the sections hereof, and in any paragraph thereof, are descriptive only and shall have no significance in the interpretation of this Agreement.

**21. WAIVER**

The waiver by City or Consultant of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition or of any subsequent breach of the same or any other term, covenant or condition herein contained. No term, covenant or condition of this Agreement shall be deemed to have been waived by City or Consultant unless in writing.

**22. REMEDIES**

Each right, power and remedy provided for herein or now or hereafter existing at law, in equity, by statute, or otherwise shall be cumulative and shall be in addition to every other right, power, or remedy provided for herein or now or hereafter existing at law, in equity, by statute, or otherwise. The exercise, the commencement of the exercise, or the forbearance of the exercise by any party of any one or more of such rights, powers or remedies shall not preclude the simultaneous or later exercise by such party of any of all of such other rights, powers or remedies.

**23. AUTHORITY TO EXECUTE THIS AGREEMENT**

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

***SIGNATURES OF NEXT PAGE***



## EXHIBIT A

### SCOPE OF SERVICES

Consultant shall perform utility and related advisory services. The following activities are essential duties, including, but not limited to:

- Review and revise the Request for Proposals to operate and maintain the MetroLink 2 MW<sub>DC</sub> Solar Carport Facility, evaluate the bids and award phase activities;
- Oversee and manage the commissioning, distribution circuit construction, and connections necessary to integrate the Waddingham Way Substation into the Industry Public Utilities Commission (“IPUC”) electric grid;
- Draft a business plan for the IPUC to serve as a roadmap for ongoing operations, assist staff in decision-making and briefing commissioners, and shape organizational structures for achieving long-term operational goals;
- Provide a team of professionals to work on City projects and manage programs on an as-needed basis;
- Provide the City with a temporary, full-time assistant with an energy background who will report to the City daily and work directly with the City and Cordoba’s staff to begin the process of restructuring the IPUC;
- Identify, target, and assist businesses in relocating to the IPUC’s service territory to expand the IPUC’s market;
- Research the potential for membership in the Southern California Public Power Authority as a means to participate in publicly-owned joint renewable energy investments for current and future energy supply to IPUC customers;
- Assist the City in reviewing a proposal from a private company to build a “waste to energy” facility within the City; and
- Prepare a Cost of Service Study to develop a rate structure by customer class and assist in selecting a contractor with electric utility financial analysis experience.

**EXHIBIT B**  
**RATE SCHEDULE**

Consultant shall charge the City the following hourly rates for services rendered pursuant to the Scope of Services (Exhibit "A") set forth herein.

<u>Name(s) of Key Staff</u>	<u>Classification/Title</u>	<u>Hourly Rate</u>
Henry Martinez	Principal in Charge	\$275
Lucy Labruzzo	Senior Energy Advisor	\$240
Angel Alvarez, P.E.	Senior Energy Advisor	\$240
Tim Kolset, P.M.P.	Senior Project Manager/Senior Technical Support	\$160
James Dorr	Technical Support/Field Engineer	\$85

<u>General Classification/Title</u>	<u>Hourly Rate</u>
Senior Engineer	\$170
Senior Planning	\$275
Design Management	\$110
Technical Editing	\$153
Executive Assistant	\$62
Engineer/Technical Support	\$160
Planning/Technical Support	\$160
CADD Technician	\$85

## EXHIBIT C

### INSURANCE REQUIREMENTS

Without limiting Consultant's indemnification of City, and prior to commencement of the Services, Consultant shall obtain, provide and maintain at its own expense during the term of this Agreement, policies of insurance of the type and amounts described below and in a form satisfactory to Agency.

**General liability insurance.** Consultant shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office form CG 00 01, in an amount not less than \$1,000,000.00 per occurrence, \$2,000,000.00 general aggregate, for bodily injury, personal injury, and property damage. The policy must include contractual liability that has not been amended. Any endorsement restricting standard ISO "insured contract" language will not be accepted.

**Automobile liability insurance.** Consultant shall maintain automobile insurance at least as broad as Insurance Services Office form CA 00 01 covering bodily injury and property damage for all activities of the Consultant arising out of or in connection with Work to be performed under this Agreement, including coverage for any owned, hired, non-owned or rented vehicles, in an amount not less than \$1,000,000.00 combined single limit for each accident.

**Professional liability (errors & omissions) insurance.** Consultant shall maintain professional liability insurance that covers the Services to be performed in connection with this Agreement, in the minimum amount of \$1,000,000 per claim and in the aggregate. Any policy inception date, continuity date, or retroactive date must be before the effective date of this agreement and Consultant agrees to maintain continuous coverage through a period no less than three years after completion of the services required by this agreement.

**Workers' compensation insurance.** Consultant shall maintain Workers' Compensation Insurance (Statutory Limits) and Employer's Liability Insurance (with limits of at least \$1,000,000.00).

Consultant shall submit to City, along with the certificate of insurance, a Waiver of Subrogation endorsement in favor of Agency, its officers, agents, employees and volunteers.

**Proof of insurance.** Consultant shall provide certificates of insurance to City as evidence of the insurance coverage required herein, along with a waiver of subrogation endorsement for workers' compensation. Insurance certificates and endorsement must be approved by City's Risk Manager prior to commencement of performance. Current certification of insurance shall be kept on file with City at all times during the term of this contract. City reserves the right to require complete, certified copies of all required insurance policies, at any time.

**Duration of coverage.** Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property, which may arise from or in connection with the performance of the Services hereunder by Consultant, his agents, representatives, employees or subconsultants.

**Primary/noncontributing.** Coverage provided by Consultant shall be primary and any insurance or self-insurance procured or maintained by City shall not be required to contribute with it. The limits of insurance required herein may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage

shall also apply on a primary and non-contributory basis for the benefit of City before the City's own insurance or self-insurance shall be called upon to protect it as a named insured.

**City's rights of enforcement.** In the event any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, City has the right but not the duty to obtain the insurance it deems necessary and any premium paid by City will be promptly reimbursed by Consultant, or City will withhold amounts sufficient to pay premium from Consultant payments. In the alternative, City may cancel this Agreement.

**Acceptable insurers.** All insurance policies shall be issued by an insurance company currently authorized by the Insurance Commissioner to transact business of insurance in the State of California, with an assigned policyholders' Rating of A- (or higher) and Financial Size Category Class VI (or larger) in accordance with the latest edition of Best's Key Rating Guide, unless otherwise approved by the City's Risk Manager.

**Waiver of subrogation.** All insurance coverage maintained or procured pursuant to this agreement shall be endorsed to waive subrogation against City, its elected or appointed officers, agents, officials, employees and volunteers or shall specifically allow Consultant or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. Consultant hereby waives its own right of recovery against City, and shall require similar written express waivers and insurance clauses from each of its subconsultants.

**Enforcement of contract provisions (non estoppel).** Consultant acknowledges and agrees that any actual or alleged failure on the part of the City to inform Consultant of non-compliance with any requirement imposes no additional obligations on the Agency nor does it waive any rights hereunder.

**Requirements not limiting.** Requirements of specific coverage features or limits contained in this Section are not intended as a limitation on coverage, limits or other requirements, or a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue and is not intended by any party or insured to be all inclusive, or to the exclusion of other coverage, or a waiver of any type. If the Consultant maintains higher limits than the minimums shown above, the City requires and shall be entitled to coverage for the higher limits maintained by the Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

Notice of cancellation. Consultant agrees to oblige its insurance agent or broker and insurers to provide to City with a thirty (30) day notice of cancellation (except for nonpayment for which a ten (10) day notice is required) or nonrenewal of coverage for each required coverage.

**Additional insured status.** General liability policies shall provide or be endorsed to provide that City and its officers, officials, employees, and agents, and volunteers shall be additional insureds under such policies. This provision shall also apply to any excess liability policies.

**Prohibition of undisclosed coverage limitations.** None of the coverages required herein will be in compliance with these requirements if they include any limiting endorsement of any kind that has not been first submitted to City and approved of in writing.

**Separation of Insureds.** A severability of interests provision must apply for all additional insureds ensuring that Consultant's insurance shall apply separately to each insured against whom claim is made or

suit is brought, except with respect to the insurer's limits of liability. The policy(ies) shall not contain any cross-liability exclusions.

**Pass Through Clause.** Consultant agrees to ensure that its subconsultants, subcontractors, and any other party involved with the services to be rendered who is brought onto or involved in the services by Consultant, provide the same minimum insurance coverage and endorsements required of Consultant. Consultant agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. Consultant agrees that upon request, all agreements with consultants, subconsultants, and others engaged in the services will be submitted to City for review.

**City's right to revise specifications.** The City reserves the right at any time during the term of the contract to change the amounts and types of insurance required by giving the Consultant ninety (90) days advance written notice of such change. If such change results in substantial additional cost to the Consultant, the City and Consultant may renegotiate Consultant's compensation.

**Self-insured retentions.** Any self-insured retentions must be declared to and approved by the City. The City reserves the right to require that self-insured retentions be eliminated, lowered, or replaced by a deductible. Self-insurance will not be considered to comply with these specifications unless approved by the City.

**Timely notice of claims.** Consultant shall give the City prompt and timely notice of claims made or suits instituted that arise out of or result from Consultant's performance under this Agreement, and that involve or may involve coverage under any of the required liability policies.

**Additional insurance.** Consultant shall also procure and maintain, at its own cost and expense, any additional kinds of insurance, which in its own judgment may be necessary for its proper protection and prosecution of the work.



*CITY COUNCIL*

ITEM NO. 5.9



# 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 

Staff: Alex Gonzalez, Director of Development Services and Administration *as*  
Kristen Weger, Administrative Analyst *kw*

Date: September 8, 2016

**SUBJECT: Consideration of a Professional Services Agreement with Butsko Utility Design, Inc. for Utility Engineering Services in an Amount not to exceed \$375,000 from September 8, 2016 to September 8, 2019**

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On June 16, 2016, the Industry Public Utilities Commission (“IPUC”) directed staff to issue a Request for Qualifications (“RFQ”) for Electric Utility Services Bench. The RFQ was posted in the City’s PlanetBids™ vendor portal and an email notification was sent out to all registered vendors. The appropriate trade journals were notified and included Bid America, Southern California Builders Association, Construction Bidboard and Dodge Data & Analytics on June 16, 2016. The RFQ was advertised on Tuesday, June 21, 2016 and Tuesday, June 28, 2016 in the San Gabriel Valley Tribune. Qualifications were received up until July 7, 2016 at 1:00 pm.

The selection panel evaluated the qualifications received by each contractor based on the following criteria:

- A. Contractor is experienced operating and managing an electric utility;
- B. The contractor described how they can provide professional, first-class service; and
- C. The account manager and team members assigned to the project have prior experience in similar programs and activities.

An RFQ Bench allows for evaluators to determine if multiple contractors are qualified to perform work. Price is not a determining factor in a Request for Qualifications. Proposers submitted a separate electronic document in PlanetBids™ with labor rates, and those documents were not opened until the IPUC board provided recommendations to staff. Proposers who were not chosen did not have their price proposals viewed by staff. Based on the Statement of Qualifications submitted, the selection panel determined the following categories were reasonable and appropriate for electric utility services.

The following tables summarize the statement of qualification rankings.

**Table 1 – Summary of Utility Engineering Rankings**

Firm	Rank
Butsko Utility Design, Inc.	1

Based on the rankings, staff recommended to the IPUC that Butsko Utility Design, Inc. (“Butsko”) be awarded a Professional Services Agreement for Utility Engineering Services.

On July 11, 2016, the IPUC directed staff to enter into negotiations with Butsko for Utility Engineering Services. Staff negotiated a Professional Services Agreement with Butsko.

Fiscal Impact

For consideration on the September 8, 2016 Consent Calendar is Resolution No. CC 2016-63 appropriating \$375,000 from Electric Utility Reserves to the Electric Utility Fund Budget – Professional Services (Account no. 161-300-5120.01) for the Professional Services Agreement.

Staff recommends that Butsko Utility Design, Inc. (“Butsko”) be awarded a Professional Services Agreement for Utility Engineering Services.

Exhibit

- A. Professional Services Agreement with Butsko Utility Design, Inc. for Utility Engineering Services

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PJP:AG:kw

**EXHIBIT A**

Professional Services Agreement with Butsko Utility Design, Inc. for  
Utility Engineering Services

[Attached]

## CITY OF INDUSTRY

### PROFESSIONAL SERVICES AGREEMENT

This PROFESSIONAL SERVICES AGREEMENT ("Agreement"), is made and effective as of September 8, 2016 ("Effective Date"), between the City of Industry, a municipal corporation ("City") and Butsko Utility Design, Inc., a California corporation ("Consultant"). The City and Consultant are hereinafter collectively referred to as the "Parties".

#### RECITALS

**WHEREAS**, City desires to engage Consultant to perform the services described herein, and Consultant desires to perform such services in accordance with the terms and conditions set forth herein.

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

#### 1. TERM

This Agreement shall commence on the Effective Date, and shall remain and continue in effect until tasks described herein are completed, but in no event later than September 8, 2019, unless sooner terminated pursuant to the provisions of this Agreement.

#### 2. SERVICES

(a) Consultant shall perform the tasks ("Services") described and set forth in Exhibit A, attached hereto and incorporated herein as though set forth in full. ("Scope of Services"). Tasks other than those specifically described in the Scope of Services shall not be performed without prior written approval of the City. The Services shall be performed by Consultant, unless prior written approval is first obtained from the City. In the event of conflict or inconsistency between the terms of this Agreement and Exhibit A, the terms of this Agreement shall prevail.

(b) City shall have the right to request, in writing, changes to the Services. Any such changes mutually agreed upon by the Parties, and any corresponding increase or decrease in compensation, shall be incorporated by written amendment to this Agreement.

(c) Consultant shall perform all Services in a manner reasonably satisfactory to the City and in a first-class manner in conformance with the standards of quality normally observed by an entity providing utility engineering services, serving a municipal agency.

(d) Consultant shall comply with all applicable federal, state, and local laws, regulations and ordinances in the performance of this Agreement, including but not limited to, the conflict of interest provisions of Government Code Section 1090 and the Political Reform Act (Government Code Section 81000 *et seq.*). During the term of this

Agreement, Consultant shall not perform any work for another person or entity for whom Consultant was not working on the Effective Date if both (i) such work would require Consultant to abstain from a decision under this Agreement pursuant to a conflict of interest statute or law; and (ii) City has not consented in writing to Consultant's performance of such work. No officer or employee of City shall have any financial interest in this Agreement that would violate California Government Code Sections 1090 *et seq.* Consultant hereby warrants that it is not now, nor has it been in the previous twelve (12) months, an employee, agent, appointee, or official of the City. If Consultant was an employee, agent, appointee, or official of the City in the previous twelve (12) months, Consultant warrants that it did not participate in any manner in the forming of this Agreement. Consultant understands that, if this Agreement is made in violation of Government Code §1090 *et. seq.*, the entire Agreement is void and Consultant will not be entitled to any compensation for Services performed pursuant to this Agreement, and Consultant will be required to reimburse the City for any sums paid to the Consultant. Consultant understands that, in addition to the foregoing, it may be subject to criminal prosecution for a violation of Government Code § 1090 and, if applicable, will be disqualified from holding public office in the State of California.

(e) Consultant represents that it has, or will secure at its own expense, all licensed personnel required to perform the Services. All Services shall be performed by Consultant or under its supervision, and all personnel engaged in the Services shall be qualified and licensed to perform such services.

### **3. MANAGEMENT**

City's City Manager, or his designee, shall represent the City in all matters pertaining to the administration of this Agreement, review and approval of all products submitted by Consultant, but shall have no authority to modify the Services or the compensation due to Consultant.

### **4. PAYMENT**

(a) The City agrees to pay Consultant monthly, in accordance with the payment rates and terms and the schedule of payment as set forth in Exhibit B ("Rate Schedule"), attached hereto and incorporated herein by this reference as though set forth in full, based upon actual time spent on the above tasks. This amount shall not exceed Three Hundred Seventy-Five Thousand Dollars (\$375,000.00) for the total Term of the Agreement unless additional payment is approved as provided in this Agreement.

(b) Consultant shall not be compensated for any services rendered in connection with its performance of this Agreement which are in addition to those set forth herein, unless such additional services are authorized in advance and in writing by the City. Consultant shall be compensated for any additional services in the amounts and in the manner as agreed to by City and Consultant at the time City's written authorization is given to Consultant for the performance of said services.

(c) Consultant shall submit invoices monthly for actual services performed. Invoices shall be submitted on or about the first business day of each month, or as soon thereafter as practical, for services provided in the previous month. Payment shall be made within thirty (30) days of receipt of each invoice as to all non-disputed fees. If the City disputes any of Consultant's fees it shall give written notice to Consultant within thirty (30) days of receipt of an invoice of any disputed fees set forth on the invoice. Any final payment under this Agreement shall be made within 45 days of receipt of an invoice therefore.

## **5. LABOR CODE AND PREVAILING WAGES**

(a) Consultant represents and warrants that it is aware of the requirements of California Labor Code Section 1720, *et seq.*, and 1770, *et seq.*, as well as California Code of Regulations, Title 8, Section 16000, *et seq.*, ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on "Public Works" and "Maintenance" projects. If the Services are being performed as part of an applicable "Public Works" or "Maintenance" project, as defined by the Prevailing Wage Laws, and if the total compensation is \$15,000.00 or more, Consultant agrees to fully comply with such Prevailing Wage Laws. City shall provide Consultant with a copy of the prevailing rates of per diem wages in effect at the commencement of this Agreement. Consultant shall make copies of the prevailing rates of per diem wages for each craft, classification or type of worker needed to execute the Services available to interested parties upon request, and shall post copies at the Consultant's principal place of business and any location where the Services are performed. Consultant shall indemnify, defend and hold harmless, the City, its elected officials, officers, employees and agents, from and against any liability (including liability for claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including legal counsel fees and costs, court costs, interest, defense costs, and expert witness fees), where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, Consultant's or by any individual or agency for which Consultant is legally liable, including but not limited to officers, agents, employees or subcontractors of Consultant, failure or alleged failure to comply with Prevailing Wage Laws.

(b) In accordance with the requirements of Labor Code Section 1776, Consultant shall keep accurate payroll records which are either on forms provided by the Division of Labor Standards Enforcement or which contain the same information required by such forms. Consultant shall make all such records available for inspection at all reasonable hours.

(c) To the extent applicable, Consultant shall comply with the provisions of Section 1777.5 of the Labor Code with respect to the employment of properly registered apprentices upon public works.

(d) Consultant shall comply with the legal days work and overtime requirements of Sections 1813 and 1815 of the Labor Code.

(e) If the Services are being performed as part of an applicable Public works or Maintenance project, then pursuant to Labor Code Sections 1725.5 and 1771.1, the Consultant and all subconsultants performing such Services must be registered with the Department of Industrial Relations. Consultant shall maintain registration for the duration of the Agreement and require the same of any subconsultants, as applicable. This Services set forth in this Agreement may also be subject to compliance monitoring and enforcement by the Department of Industrial Relations. It shall be Consultant's sole responsibility to comply with all applicable registration and labor compliance requirements.

## **6. SUSPENSION OR TERMINATION OF AGREEMENT**

(a) The City may at any time, for any reason, with or without cause, suspend or terminate this Agreement, or any portion hereof, by serving upon the Consultant at least ten (10) days prior written notice. Upon receipt of said notice, the Consultant shall immediately cease all work under this Agreement, unless the notice provides otherwise. If the City suspends or terminates a portion of this Agreement such suspension or termination shall not make void or invalidate the remainder of this Agreement.

(b) In the event this Agreement is terminated pursuant to this Section, the City shall pay to Consultant the actual value of the work performed up to the time of termination, provided that the work performed is of value to the City. Upon termination of the Agreement pursuant to this Section, the Consultant shall submit an invoice to the City pursuant to Section 5 of this Agreement.

## **7. OWNERSHIP OF DOCUMENTS**

(a) Consultant shall maintain complete and accurate records with respect to sales, costs, expenses, receipts, and other such information required by City that relate to the performance of services under this Agreement. Consultant shall maintain adequate records of services provided in sufficient detail to permit an evaluation of services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. Consultant shall provide free access to the representatives of City or its designees at reasonable times to review such books and records; shall give City the right to examine and audit said books and records; shall permit City to make transcripts or copies therefrom as necessary; and shall allow inspection of all work, data, documents, proceedings, and activities related to this Agreement. Such records, together with supporting documents, shall be maintained for a period of three (3) years after receipt of final payment.

(b) Upon completion of, or in the event of termination or suspension of this Agreement, all original documents, designs, drawings, maps, models, computer files, surveys, notes, and other documents prepared in the course of providing the services to be performed pursuant to this Agreement shall become the sole property of the City and may be used, reused, or otherwise disposed of by the City without the permission of the Consultant. With respect to computer files, Consultant shall make available to the City, at the Consultant's office, and upon reasonable written request by the City, the necessary

computer software and hardware for purposes of accessing, compiling, transferring, copying and/or printing computer files. Consultant hereby grants to City all right, title, and interest, including any copyright, in and to the documents, designs, drawings, maps, models, computer files, surveys, notes, and other documents prepared by Consultant in the course of providing the services under this Agreement. All reports, documents, or other written material developed by Consultant in the performance of the Services pursuant to this Agreement, shall be and remain the property of the City.

## **8. INDEMNIFICATION**

### **(a) Indemnity for professional liability**

When the law establishes a professional standard of care for Consultant's Services, to the fullest extent permitted by law, Consultant shall indemnify, protect, defend and hold harmless the City and any and all of its officials, employees and agents ("Indemnified Parties") from and against any and all losses, liabilities, damages, costs and expenses, including legal counsel's fees and costs caused in whole or in part by any negligent or wrongful act, error or omission of Consultant, its officers, agents, employees or Subconsultants (or any agency or individual that Consultant shall bear the legal liability thereof) in the performance of professional services under this Agreement.

### **(b) Indemnity for other than professional liability**

Other than in the performance of professional services and to the full extent permitted by law, Consultant shall indemnify, defend and hold harmless City, and any and all of its employees, officials and agents from and against any liability (including liability for claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including legal counsel fees and costs, court costs, interest, defense costs, and expert witness fees), where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, the performance of this Agreement by Consultant or by any individual or agency for which Consultant is legally liable, including but not limited to officers, agents, employees or subcontractors of Consultant.

(c) **DUTY TO DEFEND**. In the event the City, its officers, employees, agents and/or volunteers are made a party to any action, claim, lawsuit, or other adversarial proceeding arising from the performance of the services encompassed by this Agreement, and upon demand by City, Consultant shall have an immediate duty to defend the City at Consultant's cost or at City's option, to reimburse the City for its costs of defense, including reasonable attorney's fees and costs incurred in the defense of such matters.

Payment by City is not a condition precedent to enforcement of this indemnity. In the event of any dispute between Consultant and City, as to whether liability arises from the sole negligence of the City or its officers, employees, or agents, Consultant will be obligated to pay for City's defense until such time as a final judgment has been entered adjudicating the City as solely negligent. Consultant will not be entitled in the absence of such a

determination to any reimbursement of defense costs including but not limited to attorney's fees, expert fees and costs of litigation.

## **9. INSURANCE**

Consultant shall maintain prior to the beginning of and for the duration of this Agreement insurance coverage as specified in Exhibit C attached hereto and incorporated herein by reference.

## **10. INDEPENDENT CONSULTANT**

(a) Consultant is and shall at all times remain as to the City a wholly independent consultant and/or independent contractor. The personnel performing the services under this Agreement on behalf of Consultant shall at all times be under Consultants exclusive direction and control. Neither City nor any of its officers, employees, or agents shall have control over the conduct of Consultant or any of Consultant's officers, employees, or agents, except as set forth in this Agreement. Consultant shall not at any time or in any manner represent that it or any of its officers, employees, or agents are in any manner officers, employees, or agents of the City. Consultant shall not incur or have the power to incur any debt, obligation, or liability whatever against the City, or bind the City in any manner.

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

## **11. LEGAL RESPONSIBILITIES**

The Consultant shall keep itself informed of State and Federal laws and regulations which in any manner affect those employed by it or in any way affect the performance of its service pursuant to this Agreement. The Consultant shall at all times observe and comply with all such laws and regulations. The City, and its officers and employees, shall not be liable at law or in equity occasioned by failure of the Consultant to comply with this Section.

## **12. UNDUE INFLUENCE**

Consultant declares and warrants that no undue influence or pressure was used against or in concert with any officer or employee of the City in connection with the award, terms or implementation of this Agreement, including any method of coercion, confidential financial arrangement, or financial inducement. No officer or employee of the City has or will receive compensation, directly or indirectly, from Consultant, or from any officer, employee or agent of Consultant, in connection with the award of this Agreement or any work to be conducted as a result of this Agreement. Violation of this Section shall be a material breach of this Agreement entitling the City to any and all remedies at law or in equity.

**13. NO BENEFIT TO ARISE TO LOCAL OFFICERS AND EMPLOYEES**

No member, officer, or employee of City, or their designees or agents, and no public official who exercises authority over or responsibilities with respect to the Project during his/her tenure or for one year thereafter, shall have any interest, direct or indirect, in any agreement or sub-agreement, or the proceeds thereof, for work to be performed in connection with the Project performed under this Agreement.

**14. RELEASE OF INFORMATION/CONFLICTS OF INTEREST**

(a) All information gained by Consultant in performance of this Agreement shall be considered confidential and shall not be released by Consultant without City's prior written authorization. Consultant, its officers, employees, agents, or subconsultants, shall not without written authorization from the City, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories, or other information concerning the work performed under this Agreement or relating to any project or property located within the City, unless otherwise required by law or court order. (b) Consultant shall promptly notify City should Consultant, its officers, employees, agents, or subconsultants be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions, or other discovery request ("Discovery"), court order, or subpoena from any person or party regarding this Agreement and the work performed there under or with respect to any project or property located within the City, unless Consultant is prohibited by law from informing the City of such Discovery, court order or subpoena. City retains the right, but has no obligation, to represent Consultant and/or be present at any deposition, hearing, or similar proceeding as allowed by law. Unless City is a party to the lawsuit, arbitration, or administrative proceeding and is adverse to Consultant in such proceeding, Consultant agrees to cooperate fully with the City and to provide the opportunity to review any response to discovery requests provided by Consultant. However, City's right to review any such response does not imply or mean the right by City to control, direct, or rewrite said response.

**15. NOTICES**

Any notices which either party may desire to give to the other party under this Agreement must be in writing and may be given either by (i) personal service, (ii) delivery by a reputable document delivery service, such as but not limited to, Federal Express, which provides a receipt showing date and time of delivery, or (iii) mailing in the United States Mail, certified mail, postage prepaid, return receipt requested, addressed to the address of the party as set forth below or at any other address as that party may later designate by notice:

To City: City of Industry  
15625 E. Stafford, Suite 100  
City of Industry, CA 91744

Attention: City Manager

With a Copy To: James M. Casso, City Attorney

Casso & Sparks, LLP  
13200 Crossroads Parkway North, Suite 345  
City of Industry, CA 91746

To Consultant:

Gregg A. Butsko, President  
Butsko Utility Design, Inc.  
8470 Redwood Creek Lane, Suite 200  
San Diego, CA 92126

**16. ASSIGNMENT**

The Consultant shall not assign the performance of this Agreement, nor any part thereof, nor any monies due hereunder, without prior written consent of the City.

Before retaining or contracting with any subconsultant for any services under this Agreement, Consultant shall provide City with the identity of the proposed subconsultant, a copy of the proposed written contract between Consultant and such subconsultant which shall include an indemnity provision similar to the one provided herein and identifying City as an indemnified party, or an incorporation of the indemnity provision provided herein, and proof that such proposed subconsultant carries insurance at least equal to that required by this Agreement or obtain a written waiver from the City for such insurance.

Notwithstanding Consultant's use of any subconsultant, Consultant shall be responsible to the City for the performance of its subconsultant as it would be if Consultant had performed the Services itself. Nothing in this Agreement shall be deemed or construed to create a contractual relationship between the City and any subconsultant employed by Consultant. Consultant shall be solely responsible for payments to any subconsultants. Consultant shall indemnify, defend and hold harmless the Indemnified Parties for any claims arising from, or related to, the services performed by a subconsultant under this Agreement.

**17. GOVERNING LAW/ATTORNEYS' FEES**

The City and Consultant understand and agree that the laws of the State of California shall govern the rights, obligations, duties, and liabilities of the parties to this Agreement and also govern the interpretation of this Agreement. Any litigation concerning this Agreement shall take place in the municipal, superior, or federal district court in Los Angeles County, California. If any action at law or suit in equity is brought to enforce or interpret the provisions of this Agreement, or arising out of or relating to the Services provided by Consultant under this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees and all related costs, including costs of expert witnesses and consultants, as well as costs on appeal, in addition to any other relief to which it may be entitled.

**18. ENTIRE AGREEMENT**

This Agreement contains the entire understanding between the Parties relating to the obligations of the Parties described in this Agreement. All prior or contemporaneous

agreements, understandings, representations, and statements, oral or written and pertaining to the subject of this Agreement or with respect to the terms and conditions of this Agreement, are merged into this Agreement and shall be of no further force or effect. Each party is entering into this Agreement based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material.

**19. SEVERABILITY**

If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, then such term or provision shall be amended to, and solely to, the extent necessary to cure such invalidity or unenforceability, and in its amended form shall be enforceable. In such event, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

**20. COUNTERPARTS**

This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

**21. CAPTIONS**

The captions appearing at the commencement of the sections hereof, and in any paragraph thereof, are descriptive only and shall have no significance in the interpretation of this Agreement.

**22. WAIVER**

The waiver by City or Consultant of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition or of any subsequent breach of the same or any other term, covenant or condition herein contained. No term, covenant or condition of this Agreement shall be deemed to have been waived by City or Consultant unless in writing.

**23. REMEDIES**

Each right, power and remedy provided for herein or now or hereafter existing at law, in equity, by statute, or otherwise shall be cumulative and shall be in addition to every other right, power, or remedy provided for herein or now or hereafter existing at law, in equity, by statute, or otherwise. The exercise, the commencement of the exercise, or the forbearance of the exercise by any party of any one or more of such rights, powers or remedies shall not preclude the simultaneous or later exercise by such party of any of all of such other rights, powers or remedies.

**24. AUTHORITY TO EXECUTE THIS AGREEMENT**

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

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the Effective Date.

**“CITY”**  
**City of Industry**

**“CONSULTANT”**  
Butsko Utility Design, Inc.

By: \_\_\_\_\_  
Paul Philips, City Manager

By:  \_\_\_\_\_  
Gregg A. Butsko, President

**Attest:**

By: \_\_\_\_\_  
Cecelia Dunlap, Deputy City Clerk

**Approved as to form:**

By: \_\_\_\_\_  
James M. Casso, City Attorney

Attachments:	Exhibit A	Scope of Services
	Exhibit B	Rate Schedule
	Exhibit C	Insurance Requirements

## EXHIBIT A

### SCOPE OF SERVICES

Consultant shall perform utility engineering services, which shall include, but are not limited to, the following:

#### **Utility Design and Engineering**

Master planning, design, and electrical engineering services for underground and overhead electric distribution system, private telecommunications substructure system design, electric distribution circuit planning and design, substation planning, mapping and records keeping. Services also included providing budget cost estimates and project feasibility studies, bid packages, and material summaries. Circuit modeling, load flow analysis, fault current studies, interface with Industry Public Utilities Commission ("IPUC") customers and their engineers, and Transformer Load Management Studies.

#### **24 Hour Utility Operations and Management Support**

Preparing for and responding to planned and unplanned outages, emergency events, overseeing IPUC contract crews, communicating with City personnel, customers, and emergency responders.

#### **SCE Emergency Coordination and Utility Interface**

Coordinating and responding to inter utility outages and events that are at times experienced between utilities and Wholesale Distribution Access Tariff ("WDAT") customers at both the distribution and transmission levels. This includes providing work clearances, switching procedures, and scheduling coordination for utility operation and maintenance activities.

#### **Underground Utility Mark Outs and Map Requests**

Serve as the IPUC representative to the USA/Dig Alert System and providing IPUC mark outs of IPUC's existing underground utility infrastructure. This also includes joint meeting with contractors working in close proximity to IPUC infrastructure, work inspections, emergency locations, responding to 48 hour mark out requests, and requests for IPUC infrastructure maps.

#### **Metering Specifications, Meter Set Orders, and County of LA Inspection Release Processing**

Specifying the utility metering requirements for installation at each facility. Specifying the metering, current transformers, voltage transformers, test switch and test block requirements. Upon final County of Los Angeles Building and Safety inspection releases, Consultant issue meter set orders and notifications to turn on electric service to a premise.

#### **GO 165 Maintenance Coordination**

Schedule routine maintenance inspections of IPUC's infrastructure in conformance with California Public Utilities Commission General Order ("CPUC GO") 165.

**Field, Customer, and IPUC Contractor Inspections**

Inspecting IPUC contractors' work and as built drawings as required. In addition, includes substructure inspections of developer provided substructure installations (i.e. trench, conduit, vaults/pads) and utility inspections of the City's main electrical switchgear.

EXHIBIT B

RATE SCHEDULE

Principal in Charge	\$ 210.00 per hour
Engineer	\$ 200.00 per hour
Designer	\$ 170.00 per hour
Project Coordinator	\$ 110.00 per hour
Associate Designer	\$ 115.00 per hour
Inspector	\$ 170.00 per hour

City shall reimburse Contractor its actual costs for all photocopying and postage, upon submittal of evidence of said costs along with the monthly invoice, as set forth in the Agreement.

## EXHIBIT C

### INSURANCE REQUIREMENTS

Without limiting Consultant's indemnification of City, and prior to commencement of the Services, Consultant shall obtain, provide and maintain at its own expense during the term of this Agreement, policies of insurance of the type and amounts described below and in a form satisfactory to Agency.

**General liability insurance.** Consultant shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office form CG 00 01, in an amount not less than \$1,000,000.00 per occurrence, \$2,000,000.00 general aggregate, for bodily injury, personal injury, and property damage. The policy must include contractual liability that has not been amended. Any endorsement restricting standard ISO "insured contract" language will not be accepted.

**Automobile liability insurance.** Consultant shall maintain automobile insurance at least as broad as Insurance Services Office form CA 00 01 covering bodily injury and property damage for all activities of the Consultant arising out of or in connection with Work to be performed under this Agreement, including coverage for any owned, hired, non-owned or rented vehicles, in an amount not less than \$1,000,000.00 combined single limit for each accident.

**Professional liability (errors & omissions) insurance.** Consultant shall maintain professional liability insurance that covers the Services to be performed in connection with this Agreement, in the minimum amount of \$1,000,000 per claim and in the aggregate. Any policy inception date, continuity date, or retroactive date must be before the effective date of this agreement and Consultant agrees to maintain continuous coverage through a period no less than three years after completion of the services required by this agreement.

**Workers' compensation insurance.** Consultant shall maintain Workers' Compensation Insurance (Statutory Limits) and Employer's Liability Insurance (with limits of at least \$1,000,000.00).

Consultant shall submit to City, along with the certificate of insurance, a Waiver of Subrogation endorsement in favor of Agency, its officers, agents, employees and volunteers.

**Proof of insurance.** Consultant shall provide certificates of insurance to City as evidence of the insurance coverage required herein, along with a waiver of subrogation endorsement for workers' compensation. Insurance certificates and endorsement must be approved by City's Risk Manager prior to commencement of performance. Current certification of insurance shall be kept on file with City at all times during the term of this contract. City reserves the right to require complete, certified copies of all required insurance policies, at any time.

**Duration of coverage.** Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property, which may

arise from or in connection with the performance of the Services hereunder by Consultant, his agents, representatives, employees or subconsultants.

**Primary/noncontributing.** Coverage provided by Consultant shall be primary and any insurance or self-insurance procured or maintained by City shall not be required to contribute with it. The limits of insurance required herein may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of City before the City's own insurance or self-insurance shall be called upon to protect it as a named insured.

**City's rights of enforcement.** In the event any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, City has the right but not the duty to obtain the insurance it deems necessary and any premium paid by City will be promptly reimbursed by Consultant, or City will withhold amounts sufficient to pay premium from Consultant payments. In the alternative, City may cancel this Agreement.

**Acceptable insurers.** All insurance policies shall be issued by an insurance company currently authorized by the Insurance Commissioner to transact business of insurance in the State of California, with an assigned policyholders' Rating of A- (or higher) and Financial Size Category Class VI (or larger) in accordance with the latest edition of Best's Key Rating Guide, unless otherwise approved by the City's Risk Manager.

**Waiver of subrogation.** All insurance coverage maintained or procured pursuant to this agreement shall be endorsed to waive subrogation against City, its elected or appointed officers, agents, officials, employees and volunteers or shall specifically allow Consultant or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. Consultant hereby waives its own right of recovery against City, and shall require similar written express waivers and insurance clauses from each of its subconsultants.

**Enforcement of contract provisions (non estoppel).** Consultant acknowledges and agrees that any actual or alleged failure on the part of the City to inform Consultant of non-compliance with any requirement imposes no additional obligations on the Agency nor does it waive any rights hereunder.

**Requirements not limiting.** Requirements of specific coverage features or limits contained in this Section are not intended as a limitation on coverage, limits or other requirements, or a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue and is not intended by any party or insured to be all inclusive, or to the exclusion of other coverage, or a waiver of any type. If the Consultant maintains higher limits than the minimums shown above, the City requires and shall be entitled to coverage for the higher limits maintained by the Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

Notice of cancellation. Consultant agrees to oblige its insurance agent or broker and insurers to provide to City with a thirty (30) day notice of cancellation (except for nonpayment for which a ten (10) day notice is required) or nonrenewal of coverage for each required coverage.

**Additional insured status.** General liability policies shall provide or be endorsed to provide that City and its officers, officials, employees, and agents, and volunteers shall be additional insureds under such policies. This provision shall also apply to any excess liability policies.

**Prohibition of undisclosed coverage limitations.** None of the coverages required herein will be in compliance with these requirements if they include any limiting endorsement of any kind that has not been first submitted to City and approved of in writing.

**Separation of Insureds.** A severability of interests provision must apply for all additional insureds ensuring that Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the insurer's limits of liability. The policy(ies) shall not contain any cross-liability exclusions.

**Pass Through Clause.** Consultant agrees to ensure that its subconsultants, subcontractors, and any other party involved with the project who is brought onto or involved in the project by Consultant, provide the same minimum insurance coverage and endorsements required of Consultant. Consultant agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. Consultant agrees that upon request, all agreements with consultants, subcontractors, and others engaged in the project will be submitted to City for review.

**City's right to revise specifications.** The City reserves the right at any time during the term of the contract to change the amounts and types of insurance required by giving the Consultant ninety (90) days advance written notice of such change. If such change results in substantial additional cost to the Consultant, the City and Consultant may renegotiate Consultant's compensation.

**Self-insured retentions.** Any self-insured retentions must be declared to and approved by the City. The City reserves the right to require that self-insured retentions be eliminated, lowered, or replaced by a deductible. Self-insurance will not be considered to comply with these specifications unless approved by the City.

**Timely notice of claims.** Consultant shall give the City prompt and timely notice of claims made or suits instituted that arise out of or result from Consultant's performance under this Agreement, and that involve or may involve coverage under any of the required liability policies.

**Additional insurance.** Consultant shall also procure and maintain, at its own cost and expense, any additional kinds of insurance, which in its own judgment may be necessary for its proper protection and prosecution of the work.

*CITY COUNCIL*

ITEM NO. 5.10



# 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 

Staff: Alex Gonzalez, Director of Development Services and Administration *AG*  
Kristen Weger, Administrative Analyst *kw*

Date: September 8, 2016

**SUBJECT: Consideration of a Maintenance Services Agreement with Pacific Utility Installation, Inc. for Utility Operations and Maintenance Services in an Amount not to exceed \$150,000 from September 8, 2016 to September 8, 2019**

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On June 16, 2016, the Industry Public Utilities Commission (“IPUC”) directed staff to issue a Request for Qualifications (“RFQ”) for Electric Utility Services Bench. The RFQ was posted in the City’s PlanetBids™ vendor portal, and an email notification was sent out to all registered vendors. The appropriate trade journals were notified and included Bid America, Southern California Builders Association, Construction Bidboard and Dodge Data & Analytics on June 16, 2016. The RFQ was advertised on Tuesday, June 21, 2016 and Tuesday, June 28, 2016 in the San Gabriel Valley Tribune. Qualifications were received up until July 7, 2016 at 1:00 pm.

The selection panel evaluated the qualifications received by each contractor based on the following criteria:

- A. Contractor is experienced operating and managing an electric utility;
- B. The contractor described how they can provide professional, first-class service; and
- C. The account manager and team members assigned to the project have prior experience in similar programs and activities.

An RFQ Bench allows for evaluators to determine if multiple contractors are qualified to perform work. Price is not a determining factor in a Request for Qualifications. Proposers submitted a separate electronic document in PlanetBids™ with labor rates, and those documents were not opened until the IPUC board provided recommendations to staff. Proposers who were not chosen did not have their price proposals viewed by staff. Based on the Statement of Qualifications submitted, the selection panel determined the following categories were reasonable and appropriate for electric utility services.

The following tables summarize the statement of qualification rankings.

**Table 1 – Summary of Operations & Maintenance (“O&M”) Rankings**

<b>Firm</b>	<b>Rank</b>
Pacific Utility Installation, Inc.	1
Applied Metering Technologies, Inc.	2
Snowden Electric Company, Inc.	3
Borrego Solar Systems, Inc.	4

Based on the rankings, staff recommended to the IPUC that Pacific Utility Installation, Inc., (“Pacific”) and Applied Metering Technologies both be awarded Agreements to provide Operations and Maintenance (“O&M”) services.

On July 11, 2016 the IPUC directed staff to enter into negotiations with Pacific for operations and maintenance services. Staff negotiated a Maintenance Services Agreement with Pacific.

#### Fiscal Impact

For consideration on the September 8, 2016 Consent Calendar, is Resolution No. CC 2016-63 appropriating \$150,000 from Electric Utility Reserves to the Electric Utility Fund Budget – Repair and Maintenance Equipment (Account no. 161-300-5550) for the Maintenance Services Agreement.

Staff recommends that Pacific Utility Installation, Inc., be awarded a Maintenance Services Agreement to perform utility operations and maintenance services.

#### Exhibit

- A. Maintenance Services Agreement with Pacific Utility Installation, Inc. for Utility Operations and Maintenance Services

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PJP:AG:KW:mk

**EXHIBIT A**

Maintenance Services Agreement with Pacific Utility Installation, Inc. for Utility Operations  
and Maintenance Services

[Attached]

## CITY OF INDUSTRY

### MAINTENANCE SERVICES AGREEMENT

This MAINTENANCE SERVICES AGREEMENT ("Agreement"), is made and effective as of September 8, 2016 ("Effective Date"), between the City of Industry, a municipal corporation ("City") and Pacific Utility Installation, Inc., a California corporation ("Consultant"). The City and Consultant are hereinafter collectively referred to as the "Parties".

#### RECITALS

**WHEREAS**, City desires to engage Consultant to perform the services described herein, and Consultant desires to perform such services in accordance with the terms and conditions set forth herein.

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

#### 1. TERM

This Agreement shall commence on the Effective Date, and shall remain and continue in effect until tasks described herein are completed, but in no event later than September 8, 2019, unless sooner terminated pursuant to the provisions of this Agreement.

#### 2. SERVICES

(a) Consultant shall perform the tasks ("Services") described and set forth in Exhibit A, attached hereto and incorporated herein as though set forth in full. ("Scope of Services"). Tasks other than those specifically described in the Scope of Services shall not be performed without prior written approval of the City. The Services shall be performed by Consultant, unless prior written approval is first obtained from the City. In the event of conflict or inconsistency between the terms of this Agreement and Exhibit A, the terms of this Agreement shall prevail.

(b) City shall have the right to request, in writing, changes to the Services. Any such changes mutually agreed upon by the Parties, and any corresponding increase or decrease in compensation, shall be incorporated by written amendment to this Agreement.

(c) Consultant shall perform all Services in a manner reasonably satisfactory to the City and in a first-class manner in conformance with the standards of quality normally observed by an entity providing underground electric distribution line extension services, serving a municipal agency.

(d) Consultant shall comply with all applicable federal, state, and local laws, regulations and ordinances in the performance of this Agreement, including but not limited to, all labor laws, including any and all Cal/OSHA requirements, and the conflict

of interest provisions of Government Code Section 1090 and the Political Reform Act (Government Code Section 81000 *et seq.*). During the term of this Agreement, Consultant shall not perform any work for another person or entity for whom Consultant was not working on the Effective Date if both (i) such work would require Consultant to abstain from a decision under this Agreement pursuant to a conflict of interest statute or law; and (ii) City has not consented in writing to Consultant's performance of such work. No officer or employee of City shall have any financial interest in this Agreement that would violate California Government Code Sections 1090 *et seq.* Consultant hereby warrants that it is not now, nor has it been in the previous twelve (12) months, an employee, agent, appointee, or official of the City. If Consultant was an employee, agent, appointee, or official of the City in the previous twelve (12) months, Consultant warrants that it did not participate in any manner in the forming of this Agreement. Consultant understands that, if this Agreement is made in violation of Government Code §1090 *et seq.*, the entire Agreement is void and Consultant will not be entitled to any compensation for Services performed pursuant to this Agreement, and Consultant will be required to reimburse the City for any sums paid to the Consultant. Consultant understands that, in addition to the foregoing, it may be subject to criminal prosecution for a violation of Government Code § 1090 and, if applicable, will be disqualified from holding public office in the State of California.

(e) Consultant represents that it has, or will secure at its own expense, all licensed personnel required to perform the Services. This includes qualified electrical workers, in accordance with Cal/OSHA guidelines, for all work on energized conductors or equipment connected to energized High-Voltage Systems ("defined as electrical conductors and equipment operating at or intended to operate at a sustained voltage of more than 600 volts between conductors"). All Services shall be performed by Consultant, and all personnel engaged in the Services shall be qualified and licensed to perform such services. In addition, a proven record of work safety must be provided and maintained by the Consultant, with records made available to the City upon request.

### **3. MANAGEMENT**

City's City Manager, or his designee, shall represent the City in all matters pertaining to the administration of this Agreement, review and approval of all products submitted by Consultant, but shall have no authority to modify the Services or the compensation due to Consultant.

### **4. PAYMENT**

(a) The City agrees to pay Consultant monthly, in accordance with the payment rates and terms and the schedule of payment as set forth in Exhibit B ("Rate Schedule"), attached hereto and incorporated herein by this reference as though set forth in full, based upon actual time spent on the above tasks. This amount shall not exceed One Hundred Fifty Thousand Dollars (\$150,000.00) for the total Term of the Agreement unless additional payment is approved as provided in this Agreement.

(b) Consultant shall not be compensated for any services rendered in connection with its performance of this Agreement which are in addition to those set forth herein, unless such additional services are authorized in advance and in writing by the City. Consultant shall be compensated for any additional services in the amounts and in the manner as agreed to by City and Consultant at the time City's written authorization is given to Consultant for the performance of said services.

(c) Consultant shall submit invoices monthly for actual services performed. Invoices shall be submitted on or about the first business day of each month, or as soon thereafter as practical, for services provided in the previous month. Payment shall be made within thirty (30) days of receipt of each invoice as to all non-disputed fees. If the City disputes any of Consultant's fees it shall give written notice to Consultant within thirty (30) days of receipt of an invoice of any disputed fees set forth on the invoice. Any final payment under this Agreement shall be made within 45 days of receipt of an invoice therefore.

## **5. LABOR CODE AND PREVAILING WAGES**

(a) Consultant represents and warrants that it is aware of the requirements of California Labor Code Section 1720, *et seq.*, and 1770, *et seq.*, as well as California Code of Regulations, Title 8, Section 16000, *et seq.*, ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on "Public Works" and "Maintenance" projects. If the Services are being performed as part of an applicable "Public Works" or "Maintenance" project, as defined by the Prevailing Wage Laws, and if the total compensation is \$15,000.00 or more, Consultant agrees to fully comply with such Prevailing Wage Laws. City shall provide Consultant with a copy of the prevailing rates of per diem wages in effect at the commencement of this Agreement. Consultant shall make copies of the prevailing rates of per diem wages for each craft, classification or type of worker needed to execute the Services available to interested parties upon request, and shall post copies at the Consultant's principal place of business and any location where the Services are performed. Consultant shall indemnify, defend and hold harmless, the City, its elected officials, officers, employees and agents, from and against any liability (including liability for claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including legal counsel fees and costs, court costs, interest, defense costs, and expert witness fees), where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, Consultant's or by any individual or agency for which Consultant is legally liable, including but not limited to officers, agents, employees or subcontractors of Consultant, failure or alleged failure to comply with Prevailing Wage Laws.

(b) In accordance with the requirements of Labor Code Section 1776, Consultant shall keep accurate payroll records which are either on forms provided by the Division of Labor Standards Enforcement or which contain the same information required by such forms. Consultant shall make all such records available for inspection at all reasonable hours.

(c) To the extent applicable, Consultant shall comply with the provisions of Section 1777.5 of the Labor Code with respect to the employment of properly registered apprentices upon public works.

(d) Consultant shall comply with the legal days work and overtime requirements of Sections 1813 and 1815 of the Labor Code.

(e) If the Services are being performed as part of an applicable Public works or Maintenance project, then pursuant to Labor Code Sections 1725.5 and 1771.1, the Consultant and all subconsultants performing such Services must be registered with the Department of Industrial Relations. Consultant shall maintain registration for the duration of the Agreement and require the same of any subconsultants, as applicable. This Services set forth in this Agreement may also be subject to compliance monitoring and enforcement by the Department of Industrial Relations. It shall be Consultant's sole responsibility to comply with all applicable registration and labor compliance requirements.

## **6. SUSPENSION OR TERMINATION OF AGREEMENT**

(a) The City may at any time, for any reason, with or without cause, suspend or terminate this Agreement, or any portion hereof, by serving upon the Consultant at least ten (10) days prior written notice. Upon receipt of said notice, the Consultant shall immediately cease all work under this Agreement, unless the notice provides otherwise. If the City suspends or terminates a portion of this Agreement such suspension or termination shall not make void or invalidate the remainder of this Agreement.

(b) In the event this Agreement is terminated pursuant to this Section, the City shall pay to Consultant the actual value of the work performed up to the time of termination, provided that the work performed is of value to the City. Upon termination of the Agreement pursuant to this Section, the Consultant shall submit an invoice to the City pursuant to Section 5 of this Agreement.

## **7. OWNERSHIP OF DOCUMENTS**

(a) Consultant shall maintain complete and accurate records with respect to sales, costs, expenses, receipts, and other such information required by City that relate to the performance of services under this Agreement. Consultant shall maintain adequate records of services provided in sufficient detail to permit an evaluation of services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. Consultant shall provide free access to the representatives of City or its designees at reasonable times to review such books and records; shall give City the right to examine and audit said books and records; shall permit City to make transcripts or copies therefrom as necessary; and shall allow inspection of all work, data, documents, proceedings, and activities related to this Agreement. Such records, together with supporting documents, shall be maintained for a period of three (3) years after receipt of final payment.

(b) Upon completion of, or in the event of termination or suspension of this Agreement, all original documents, designs, drawings, maps, models, computer files, surveys, notes, and other documents prepared in the course of providing the services to be performed pursuant to this Agreement shall become the sole property of the City and may be used, reused, or otherwise disposed of by the City without the permission of the Consultant. With respect to computer files, Consultant shall make available to the City, at the Consultant's office, and upon reasonable written request by the City, the necessary computer software and hardware for purposes of accessing, compiling, transferring, copying and/or printing computer files. Consultant hereby grants to City all right, title, and interest, including any copyright, in and to the documents, designs, drawings, maps, models, computer files, surveys, notes, and other documents prepared by Consultant in the course of providing the services under this Agreement. All reports, documents, or other written material developed by Consultant in the performance of the Services pursuant to this Agreement, shall be and remain the property of the City.

## **8. INDEMNIFICATION**

### **(a) Indemnity for professional liability**

When the law establishes a professional standard of care for Consultant's Services, to the fullest extent permitted by law, Consultant shall indemnify, protect, defend and hold harmless the City and any and all of its officials, employees and agents ("Indemnified Parties") from and against any and all losses, liabilities, damages, costs and expenses, including legal counsel's fees and costs caused in whole or in part by any negligent or wrongful act, error or omission of Consultant, its officers, agents, employees or Subconsultants (or any agency or individual that Consultant shall bear the legal liability thereof) in the performance of professional services under this Agreement.

### **(b) Indemnity for other than professional liability**

Other than in the performance of professional services and to the full extent permitted by law, Consultant shall indemnify, defend and hold harmless City, and any and all of its employees, officials and agents from and against any liability (including liability for claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including legal counsel fees and costs, court costs, interest, defense costs, and expert witness fees), where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, the performance of this Agreement by Consultant or by any individual or agency for which Consultant is legally liable, including but not limited to officers, agents, employees or subcontractors of Consultant.

(c) DUTY TO DEFEND. In the event the City, its officers, employees, agents and/or volunteers are made a party to any action, claim, lawsuit, or other adversarial proceeding arising from the performance of the services encompassed by this Agreement, and upon demand by City, Consultant shall have an immediate duty to defend the City at Consultant's cost or at City's option, to reimburse the City for its costs of defense, including reasonable attorney's fees and costs incurred in the defense of such matters.

Payment by City is not a condition precedent to enforcement of this indemnity. In the event of any dispute between Consultant and City, as to whether liability arises from the sole negligence of the City or its officers, employees, or agents, Consultant will be obligated to pay for City's defense until such time as a final judgment has been entered adjudicating the City as solely negligent. Consultant will not be entitled in the absence of such a determination to any reimbursement of defense costs including but not limited to attorney's fees, expert fees and costs of litigation.

## **9. INSURANCE**

Consultant shall maintain prior to the beginning of and for the duration of this Agreement insurance coverage as specified in Exhibit C attached hereto and incorporated herein by reference.

## **10. INDEPENDENT CONSULTANT**

(a) Consultant is and shall at all times remain as to the City a wholly independent consultant and/or independent contractor. The personnel performing the services under this Agreement on behalf of Consultant shall at all times be under Consultants exclusive direction and control. Neither City nor any of its officers, employees, or agents shall have control over the conduct of Consultant or any of Consultant's officers, employees, or agents, except as set forth in this Agreement. Consultant shall not at any time or in any manner represent that it or any of its officers, employees, or agents are in any manner officers, employees, or agents of the City. Consultant shall not incur or have the power to incur any debt, obligation, or liability whatever against the City, or bind the City in any manner.

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

## **11. LEGAL RESPONSIBILITIES**

The Consultant shall keep itself informed of State and Federal laws and regulations which in any manner affect those employed by it or in any way affect the performance of its service pursuant to this Agreement. The Consultant shall at all times observe and comply with all such laws and regulations. The City, and its officers and employees, shall not be liable at law or in equity occasioned by failure of the Consultant to comply with this Section.

## **12. UNDUE INFLUENCE**

Consultant declares and warrants that no undue influence or pressure was used against or in concert with any officer or employee of the City in connection with the award, terms or implementation of this Agreement, including any method of coercion, confidential financial arrangement, or financial inducement. No officer or employee of the City has or will receive compensation, directly or indirectly, from Consultant, or from any officer, employee

or agent of Consultant, in connection with the award of this Agreement or any work to be conducted as a result of this Agreement. Violation of this Section shall be a material breach of this Agreement entitling the City to any and all remedies at law or in equity.

**13. NO BENEFIT TO ARISE TO LOCAL OFFICERS AND EMPLOYEES**

No member, officer, or employee of City, or their designees or agents, and no public official who exercises authority over or responsibilities with respect to the Project during his/her tenure or for one year thereafter, shall have any interest, direct or indirect, in any agreement or sub-agreement, or the proceeds thereof, for work to be performed in connection with the Project performed under this Agreement.

**14. RELEASE OF INFORMATION/CONFLICTS OF INTEREST**

(a) All information gained by Consultant in performance of this Agreement shall be considered confidential and shall not be released by Consultant without City's prior written authorization. Consultant, its officers, employees, agents, or subconsultants, shall not without written authorization from the City, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories, or other information concerning the work performed under this Agreement or relating to any project or property located within the City, unless otherwise required by law or court order. (b) Consultant shall promptly notify City should Consultant, its officers, employees, agents, or subconsultants be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions, or other discovery request ("Discovery"), court order, or subpoena from any person or party regarding this Agreement and the work performed there under or with respect to any project or property located within the City, unless Consultant is prohibited by law from informing the City of such Discovery, court order or subpoena. City retains the right, but has no obligation, to represent Consultant and/or be present at any deposition, hearing, or similar proceeding as allowed by law. Unless City is a party to the lawsuit, arbitration, or administrative proceeding and is adverse to Consultant in such proceeding, Consultant agrees to cooperate fully with the City and to provide the opportunity to review any response to discovery requests provided by Consultant. However, City's right to review any such response does not imply or mean the right by City to control, direct, or rewrite said response.

**15. NOTICES**

Any notices which either party may desire to give to the other party under this Agreement must be in writing and may be given either by (i) personal service, (ii) delivery by a reputable document delivery service, such as but not limited to, Federal Express, which provides a receipt showing date and time of delivery, or (iii) mailing in the United States Mail, certified mail, postage prepaid, return receipt requested, addressed to the address of the party as set forth below or at any other address as that party may later designate by notice:

To City:

City of Industry  
15625 E. Stafford, Suite 100  
City of Industry, CA 91744

Attention: City Manager

With a Copy To:

James M. Casso, City Attorney  
P.O. Box 4131  
West Covina, CA 91791

To Consultant:

Bill Pfeifer, President/CEO  
Pacific Utility Installation, Inc.  
1585 Harmony Circle  
Anaheim, CA 92807

## **16. ASSIGNMENT**

The Consultant shall not assign the performance of this Agreement, nor any part thereof, nor any monies due hereunder, without prior written consent of the City.

Before retaining or contracting with any subconsultant for any services under this Agreement, Consultant shall provide City with the identity of the proposed subconsultant, a copy of the proposed written contract between Consultant and such subconsultant which shall include and indemnity provision similar to the one provided herein and identifying City as an indemnified party, or an incorporation of the indemnity provision provided herein, and proof that such proposed subconsultant carries insurance at least equal to that required by this Agreement or obtain a written waiver from the City for such insurance.

Notwithstanding Consultant's use of any subconsultant, Consultant shall be responsible to the City for the performance of its subconsultant as it would be if Consultant had performed the Services itself. Nothing in this Agreement shall be deemed or construed to create a contractual relationship between the City and any subconsultant employed by Consultant. Consultant shall be solely responsible for payments to any subconsultants. Consultant shall indemnify, defend and hold harmless the Indemnified Parties for any claims arising from, or related to, the services performed by a subconsultant under this Agreement.

## **17. GOVERNING LAW/ATTORNEYS' FEES**

The City and Consultant understand and agree that the laws of the State of California shall govern the rights, obligations, duties, and liabilities of the parties to this Agreement and also govern the interpretation of this Agreement. Any litigation concerning this Agreement shall take place in the municipal, superior, or federal district court in Los Angeles County, California. If any action at law or suit in equity is brought to enforce or interpret the provisions of this Agreement, or arising out of or relating to the Services provided by Consultant under this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees and all related costs, including costs of expert witnesses and consultants, as well as costs on appeal, in addition to any other relief to which it may be entitled.

## **18. ENTIRE AGREEMENT**

This Agreement contains the entire understanding between the Parties relating to the obligations of the Parties described in this Agreement. All prior or contemporaneous agreements, understandings, representations, and statements, oral or written and pertaining to the subject of this Agreement or with respect to the terms and conditions of this Agreement, are merged into this Agreement and shall be of no further force or effect. Each party is entering into this Agreement based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material.

#### **19. SEVERABILITY**

If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, then such term or provision shall be amended to, and solely to, the extent necessary to cure such invalidity or unenforceability, and in its amended form shall be enforceable. In such event, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

#### **20. COUNTERPARTS**

This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

#### **21. CAPTIONS**

The captions appearing at the commencement of the sections hereof, and in any paragraph thereof, are descriptive only and shall have no significance in the interpretation of this Agreement.

#### **22. WAIVER**

The waiver by City or Consultant of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition or of any subsequent breach of the same or any other term, covenant or condition herein contained. No term, covenant or condition of this Agreement shall be deemed to have been waived by City or Consultant unless in writing.

#### **23. REMEDIES**

Each right, power and remedy provided for herein or now or hereafter existing at law, in equity, by statute, or otherwise shall be cumulative and shall be in addition to every other right, power, or remedy provided for herein or now or hereafter existing at law, in equity, by statute, or otherwise. The exercise, the commencement of the exercise, or the forbearance of the exercise by any party of any one or more of such rights, powers or remedies shall not preclude the simultaneous or later exercise by such party of any of

all of such other rights, powers or remedies.

**24. AUTHORITY TO EXECUTE THIS AGREEMENT**

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

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the Effective Date.

**“CITY”**  
**City of Industry**

**“CONSULTANT”**  
Pacific Utility Installation, Inc.

By: \_\_\_\_\_  
Paul Philips, City Manager

By:  \_\_\_\_\_  
Bill Pfeifer, President/CEO

**Attest:**

By: \_\_\_\_\_  
Cecelia Dunlap, Deputy City Clerk

**Approved as to form:**

By: \_\_\_\_\_  
James M. Casso, City Attorney

Attachments:	Exhibit A	Scope of Services
	Exhibit B	Rate Schedule
	Exhibit C	Insurance Requirements

## EXHIBIT A

### SCOPE OF SERVICES

Consultant shall perform emergency and scheduled field operations and maintenance ("O&M") including, but not limited to:

- Cabling;
- Splicing;
- Procuring equipment for operations and maintenance repairs;
- Troubleshooting issues out in the field;
- Streetlight replacement;
- Inspections;
- Switching procedures and energizing; and
- Maintain an inventory of parts and equipment necessary to support and execute the scope of services, as detail in Exhibit D.

EXHIBIT B

RATE SCHEDULE

Contractor shall charge the City the following hourly rates for services rendered pursuant to the Scope of Services ("Exhibit A") set forth herein.

Item No.	Description	Hourly Rate	Straight Time Shift: 1 thru 8 Hours	Premium Time Shift: Over 8 Hours
1	General Foreman	1	\$ 110.00	\$ 156.00
2	Cable Splicer Foreman	1	\$ 105.00	\$ 149.00
3	Cable Splicer/Lineman	1	\$ 95.00	\$ 132.00
4	Groundman/Cable Splicer Helper	1	\$ 68.00	\$ 93.00
5	Senior Test Tech or Electrical Engineer	1	\$ 166.00	N/A
6	Test Technician	1	\$ 151.00	N/A
7	Backhoe Equipment and Operator	1	\$ 162.00	\$ 198.00
8	Splicing Truck & Tools	1	\$ 52.00	N/A
9	Pick Up Truck	1	\$ 35.00	N/A
10	Heavy Duty Equipment (Line Truck, Boom Truck, Bucket Truck)	1	\$ 73.00	N/A
11	Delivery and Pickup Charge for Heavy Equipment (each way)		\$325.00	

## EXHIBIT C

### INSURANCE REQUIREMENTS

Without limiting Consultant's indemnification of City, and prior to commencement of the Services, Consultant shall obtain, provide and maintain at its own expense during the term of this Agreement, policies of insurance of the type and amounts described below and in a form satisfactory to Agency.

**General liability insurance.** Consultant shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office form CG 00 01, in an amount not less than \$1,000,000.00 per occurrence, \$2,000,000.00 general aggregate, for bodily injury, personal injury, and property damage. The policy must include contractual liability that has not been amended. Any endorsement restricting standard ISO "insured contract" language will not be accepted.

**Automobile liability insurance.** Consultant shall maintain automobile insurance at least as broad as Insurance Services Office form CA 00 01 covering bodily injury and property damage for all activities of the Consultant arising out of or in connection with Work to be performed under this Agreement, including coverage for any owned, hired, non-owned or rented vehicles, in an amount not less than \$1,000,000.00 combined single limit for each accident.

**Professional liability (errors & omissions) insurance.** Consultant shall maintain professional liability insurance that covers the Services to be performed in connection with this Agreement, in the minimum amount of \$1,000,000 per claim and in the aggregate. Any policy inception date, continuity date, or retroactive date must be before the effective date of this agreement and Consultant agrees to maintain continuous coverage through a period no less than three years after completion of the services required by this agreement.

**Workers' compensation insurance.** Consultant shall maintain Workers' Compensation Insurance (Statutory Limits) and Employer's Liability Insurance (with limits of at least \$1,000,000.00).

Consultant shall submit to City, along with the certificate of insurance, a Waiver of Subrogation endorsement in favor of Agency, its officers, agents, employees and volunteers.

**Proof of insurance.** Consultant shall provide certificates of insurance to City as evidence of the insurance coverage required herein, along with a waiver of subrogation endorsement for workers' compensation. Insurance certificates and endorsement must be approved by City's Risk Manager prior to commencement of performance. Current certification of insurance shall be kept on file with City at all times during the term of this contract. City reserves the right to require complete, certified copies of all required insurance policies, at any time.

**Duration of coverage.** Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property, which may

arise from or in connection with the performance of the Services hereunder by Consultant, his agents, representatives, employees or subconsultants.

**Primary/noncontributing.** Coverage provided by Consultant shall be primary and any insurance or self-insurance procured or maintained by City shall not be required to contribute with it. The limits of insurance required herein may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of City before the City's own insurance or self-insurance shall be called upon to protect it as a named insured.

**City's rights of enforcement.** In the event any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, City has the right but not the duty to obtain the insurance it deems necessary and any premium paid by City will be promptly reimbursed by Consultant, or City will withhold amounts sufficient to pay premium from Consultant payments. In the alternative, City may cancel this Agreement.

**Acceptable insurers.** All insurance policies shall be issued by an insurance company currently authorized by the Insurance Commissioner to transact business of insurance in the State of California, with an assigned policyholders' Rating of A- (or higher) and Financial Size Category Class VI (or larger) in accordance with the latest edition of Best's Key Rating Guide, unless otherwise approved by the City's Risk Manager.

**Waiver of subrogation.** All insurance coverage maintained or procured pursuant to this agreement shall be endorsed to waive subrogation against City, its elected or appointed officers, agents, officials, employees and volunteers or shall specifically allow Consultant or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. Consultant hereby waives its own right of recovery against City, and shall require similar written express waivers and insurance clauses from each of its subconsultants.

**Enforcement of contract provisions (non estoppel).** Consultant acknowledges and agrees that any actual or alleged failure on the part of the City to inform Consultant of non-compliance with any requirement imposes no additional obligations on the Agency nor does it waive any rights hereunder.

**Requirements not limiting.** Requirements of specific coverage features or limits contained in this Section are not intended as a limitation on coverage, limits or other requirements, or a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue and is not intended by any party or insured to be all inclusive, or to the exclusion of other coverage, or a waiver of any type. If the Consultant maintains higher limits than the minimums shown above, the City requires and shall be entitled to coverage for the higher limits maintained by the Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

Notice of cancellation. Consultant agrees to oblige its insurance agent or broker and insurers to provide to City with a thirty (30) day notice of cancellation (except for nonpayment for which a ten (10) day notice is required) or nonrenewal of coverage for each required coverage.

**Additional insured status.** General liability policies shall provide or be endorsed to provide that City and its officers, officials, employees, and agents, and volunteers shall be additional insureds under such policies. This provision shall also apply to any excess liability policies.

**Prohibition of undisclosed coverage limitations.** None of the coverages required herein will be in compliance with these requirements if they include any limiting endorsement of any kind that has not been first submitted to City and approved of in writing.

**Separation of Insureds.** A severability of interests provision must apply for all additional insureds ensuring that Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the insurer's limits of liability. The policy(ies) shall not contain any cross-liability exclusions.

**Pass Through Clause.** Consultant agrees to ensure that its subconsultants, subcontractors, and any other party involved with the project who is brought onto or involved in the project by Consultant, provide the same minimum insurance coverage and endorsements required of Consultant. Consultant agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. Consultant agrees that upon request, all agreements with consultants, subcontractors, and others engaged in the project will be submitted to City for review.

**City's right to revise specifications.** The City reserves the right at any time during the term of the contract to change the amounts and types of insurance required by giving the Consultant ninety (90) days advance written notice of such change. If such change results in substantial additional cost to the Consultant, the City and Consultant may renegotiate Consultant's compensation.

**Self-insured retentions.** Any self-insured retentions must be declared to and approved by the City. The City reserves the right to require that self-insured retentions be eliminated, lowered, or replaced by a deductible. Self-insurance will not be considered to comply with these specifications unless approved by the City.

**Timely notice of claims.** Consultant shall give the City prompt and timely notice of claims made or suits instituted that arise out of or result from Consultant's performance under this Agreement, and that involve or may involve coverage under any of the required liability policies.

**Additional insurance.** Consultant shall also procure and maintain, at its own cost and expense, any additional kinds of insurance, which in its own judgment may be necessary for its proper protection and prosecution of the work.

EXHIBIT D

INVENTORY LIST - PARTS AND EQUIPMENT

**Splicing Equipment**

200 amp components

600 amp components

**Emergency Transformers**

75kVa 6.9 Transformer

**Emergency Generator**

150 kVA Standby Generator

**Cabling**

1/0 600V to 700MCM

12 kV

*CITY COUNCIL*

ITEM NO. 5.11



# 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*  
Kristen Weger, Administrative Analyst *KW*

Date: September 8, 2016

**SUBJECT: Consideration of a Maintenance Services Agreement with Applied Metering Technologies, Inc. for Utility Operations and Maintenance Services in an Amount not to exceed \$15,000 from September 8, 2016 to September 8, 2019**

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On June 16, 2016, the Industry Public Utilities Commission ("IPUC") directed staff to issue a Request for Qualifications ("RFQ") for Electric Utility Services Bench. The RFQ was posted in the City's PlanetBids™ vendor portal, and an email notification was sent out to all registered vendors. The appropriate trade journals were notified and included Bid America, Southern California Builders Association, Construction Bidboard and Dodge Data & Analytics on June 16, 2016. The RFQ was advertised on Tuesday, June 21, 2016 and Tuesday, June 28, 2016 in the San Gabriel Valley Tribune. Qualifications were received up until July 7, 2016 at 1:00 pm.

The selection panel evaluated the qualifications received by each contractor based on the following criteria:

- A. Contractor is experienced operating and managing an electric utility;
- B. The contractor described how they can provide professional, first-class service; and
- C. The account manager and team members assigned to the project have prior experience in similar programs and activities.

An RFQ Bench allows for evaluators to determine if multiple contractors are qualified to perform work. Price is not a determining factor in a Request for Qualifications. Proposers submitted a separate electronic document in PlanetBids™ with labor rates, and those documents were not opened until the IPUC board provided recommendations to staff. Proposers who were not chosen did not have their price proposals viewed by staff. Based on the Statement of Qualifications submitted, the selection panel determined the following categories were reasonable and appropriate for electric utility services.

The following tables summarize the statement of qualification rankings.

**Table 1 – Summary of Operations & Maintenance (“O&M”) Rankings**

<b>Firm</b>	<b>Rank</b>
Pacific Utility Installation, Inc.	1
Applied Metering Technologies, Inc.	2
Snowden Electric Company, Inc.	3
Borrego Solar Systems, Inc.	4

Based on the rankings, staff recommended to the IPUC that Pacific Utility Installation, Inc., and Applied Metering Technologies both be awarded Maintenance Service Agreements to provide Operations and Maintenance (“O&M”) services.

On July 11, 2016, the IPUC directed staff to enter into negotiations with AMT for Operations and Maintenance Services. Staff negotiated a Maintenance Services Agreement with AMT.

Fiscal Impact

For consideration on the September 8, 2016 Consent Calendar, is Resolution No. CC 2016-63 appropriating \$15,000 from Electric Utility Reserves to the Electric Utility Fund Budget – Repair and Maintenance Equipment (Account no. 161-300-5550) for the Maintenance Services Agreement.

Staff recommends that Applied Metering Technologies, Inc., be awarded the Maintenance Services Agreement to perform Utility Operations and Maintenance Services.

Exhibit

- A. Maintenance Services Agreement with Applied Metering Technologies, Inc. for Utility Operations and Maintenance Services

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PJP:AG:KW:mk

**EXHIBIT A**

Maintenance Services Agreement with Applied Metering Technologies, Inc. for Utility  
Operations and Maintenance Services

[Attached]

## CITY OF INDUSTRY

### MAINTENANCE SERVICES AGREEMENT

This MAINTENANCE SERVICES AGREEMENT ("Agreement"), is made and effective as of September 8, 2016 ("Effective Date"), between the City of Industry, a municipal corporation ("City") and Applied Metering Technologies, Inc., a California corporation ("Consultant"). The City and Consultant are hereinafter collectively referred to as the "Parties".

#### RECITALS

**WHEREAS**, City desires to engage Consultant to perform the services described herein, and Consultant desires to perform such services in accordance with the terms and conditions set forth herein.

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

#### 1. TERM

This Agreement shall commence on the Effective Date, and shall remain and continue in effect until tasks described herein are completed, but in no event later than September 8, 2019, unless sooner terminated pursuant to the provisions of this Agreement.

#### 2. SERVICES

(a) Consultant shall perform the tasks ("Services") described and set forth in Exhibit A, attached hereto and incorporated herein as though set forth in full. ("Scope of Services"). Tasks other than those specifically described in the Scope of Services shall not be performed without prior written approval of the City. The Services shall be performed by Consultant, unless prior written approval is first obtained from the City. In the event of conflict or inconsistency between the terms of this Agreement and Exhibit A, the terms of this Agreement shall prevail.

(b) City shall have the right to request, in writing, changes to the Services. Any such changes mutually agreed upon by the Parties, and any corresponding increase or decrease in compensation, shall be incorporated by written amendment to this Agreement.

(c) Consultant shall perform all Services in a manner reasonably satisfactory to the City and in a first-class manner in conformance with the standards of quality normally observed by an entity providing electric meter installation and maintenance services, serving a municipal agency.

(d) Consultant shall comply with all applicable federal, state, and local laws, regulations and ordinances in the performance of this Agreement, including but not limited to, all labor laws, including any and all Cal/OSHA requirements, and the conflict

of interest provisions of Government Code Section 1090 and the Political Reform Act (Government Code Section 81000 *et seq.*). During the term of this Agreement, Consultant shall not perform any work for another person or entity for whom Consultant was not working on the Effective Date if both (i) such work would require Consultant to abstain from a decision under this Agreement pursuant to a conflict of interest statute or law; and (ii) City has not consented in writing to Consultant's performance of such work. No officer or employee of City shall have any financial interest in this Agreement that would violate California Government Code Sections 1090 *et seq.* Consultant hereby warrants that it is not now, nor has it been in the previous twelve (12) months, an employee, agent, appointee, or official of the City. If Consultant was an employee, agent, appointee, or official of the City in the previous twelve (12) months, Consultant warrants that it did not participate in any manner in the forming of this Agreement. Consultant understands that, if this Agreement is made in violation of Government Code §1090 *et seq.*, the entire Agreement is void and Consultant will not be entitled to any compensation for Services performed pursuant to this Agreement, and Consultant will be required to reimburse the City for any sums paid to the Consultant. Consultant understands that, in addition to the foregoing, it may be subject to criminal prosecution for a violation of Government Code § 1090 and, if applicable, will be disqualified from holding public office in the State of California.

(e) Consultant represents that it has, or will secure at its own expense, all licensed personnel required to perform the Services. This includes qualified electrical workers, in accordance with Cal/OSHA guidelines, for all work on energized conductors or equipment connected to energized high-voltage systems. All Services shall be performed by Consultant, and all personnel engaged in the Services shall be qualified and licensed to perform such services. In addition, a proven record of work safety must be provided and maintained by the Consultant, with records made available to the City upon request.

### **3. MANAGEMENT**

City's City Manager, or his designee, shall represent the City in all matters pertaining to the administration of this Agreement, review and approval of all products submitted by Consultant, but shall have no authority to modify the Services or the compensation due to Consultant.

### **4. PAYMENT**

(a) The City agrees to pay Consultant monthly, in accordance with the payment rates and terms and the schedule of payment as set forth in Exhibit B ("Rate Schedule"), attached hereto and incorporated herein by this reference as though set forth in full, based upon actual time spent on the above tasks. This amount shall not exceed Fifteen Thousand Dollars (\$15,000.00) for the total Term of the Agreement unless additional payment is approved as provided in this Agreement.

(b) Consultant shall not be compensated for any services rendered in connection with its performance of this Agreement which are in addition to those set forth herein, unless such additional services are authorized in advance and in writing by the City. Consultant shall be compensated for any additional services in the amounts and in the manner as agreed to by City and Consultant at the time City's written authorization is given to Consultant for the performance of said services.

(c) Consultant shall submit invoices monthly for actual services performed. Invoices shall be submitted on or about the first business day of each month, or as soon thereafter as practical, for services provided in the previous month. Payment shall be made within thirty (30) days of receipt of each invoice as to all non-disputed fees. If the City disputes any of Consultant's fees it shall give written notice to Consultant within thirty (30) days of receipt of an invoice of any disputed fees set forth on the invoice. Any final payment under this Agreement shall be made within 45 days of receipt of an invoice therefore.

## **5. LABOR CODE AND PREVAILING WAGES**

(a) Consultant represents and warrants that it is aware of the requirements of California Labor Code Section 1720, *et seq.*, and 1770, *et seq.*, as well as California Code of Regulations, Title 8, Section 16000, *et seq.*, ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on "Public Works" and "Maintenance" projects. If the Services are being performed as part of an applicable "Public Works" or "Maintenance" project, as defined by the Prevailing Wage Laws, and if the total compensation is \$15,000.00 or more, Consultant agrees to fully comply with such Prevailing Wage Laws. City shall provide Consultant with a copy of the prevailing rates of per diem wages in effect at the commencement of this Agreement. Consultant shall make copies of the prevailing rates of per diem wages for each craft, classification or type of worker needed to execute the Services available to interested parties upon request, and shall post copies at the Consultant's principal place of business and any location where the Services are performed. Consultant shall indemnify, defend and hold harmless, the City, its elected officials, officers, employees and agents, from and against any liability (including liability for claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including legal counsel fees and costs, court costs, interest, defense costs, and expert witness fees), where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, Consultant's or by any individual or agency for which Consultant is legally liable, including but not limited to officers, agents, employees or subcontractors of Consultant, failure or alleged failure to comply with Prevailing Wage Laws.

(b) In accordance with the requirements of Labor Code Section 1776, Consultant shall keep accurate payroll records which are either on forms provided by the Division of Labor Standards Enforcement or which contain the same information required by such forms. Consultant shall make all such records available for inspection at all reasonable hours.

(c) To the extent applicable, Consultant shall comply with the provisions of Section 1777.5 of the Labor Code with respect to the employment of properly registered apprentices upon public works.

(d) Consultant shall comply with the legal days work and overtime requirements of Sections 1813 and 1815 of the Labor Code.

(e) If the Services are being performed as part of an applicable Public works or Maintenance project, then pursuant to Labor Code Sections 1725.5 and 1771.1, the Consultant and all subconsultants performing such Services must be registered with the Department of Industrial Relations. Consultant shall maintain registration for the duration of the Agreement and require the same of any subconsultants, as applicable. This Services set forth in this Agreement may also be subject to compliance monitoring and enforcement by the Department of Industrial Relations. It shall be Consultant's sole responsibility to comply with all applicable registration and labor compliance requirements.

## **5. SUSPENSION OR TERMINATION OF AGREEMENT**

(a) The City may at any time, for any reason, with or without cause, suspend or terminate this Agreement, or any portion hereof, by serving upon the Consultant at least ten (10) days prior written notice. Upon receipt of said notice, the Consultant shall immediately cease all work under this Agreement, unless the notice provides otherwise. If the City suspends or terminates a portion of this Agreement such suspension or termination shall not make void or invalidate the remainder of this Agreement.

(b) In the event this Agreement is terminated pursuant to this Section, the City shall pay to Consultant the actual value of the work performed up to the time of termination, provided that the work performed is of value to the City. Upon termination of the Agreement pursuant to this Section, the Consultant shall submit an invoice to the City pursuant to Section 5 of this Agreement.

## **6. OWNERSHIP OF DOCUMENTS**

(a) Consultant shall maintain complete and accurate records with respect to sales, costs, expenses, receipts, and other such information required by City that relate to the performance of services under this Agreement. Consultant shall maintain adequate records of services provided in sufficient detail to permit an evaluation of services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. Consultant shall provide free access to the representatives of City or its designees at reasonable times to review such books and records; shall give City the right to examine and audit said books and records; shall permit City to make transcripts or copies therefrom as necessary; and shall allow inspection of all work, data, documents, proceedings, and activities related to this Agreement. Such records, together with supporting documents, shall be maintained for a period of three (3) years after receipt of final payment.

(b) Upon completion of, or in the event of termination or suspension of this Agreement, all original documents, designs, drawings, maps, models, computer files, surveys, notes, and other documents prepared in the course of providing the services to be performed pursuant to this Agreement shall become the sole property of the City and may be used, reused, or otherwise disposed of by the City without the permission of the Consultant. With respect to computer files, Consultant shall make available to the City, at the Consultant's office, and upon reasonable written request by the City, the necessary computer software and hardware for purposes of accessing, compiling, transferring, copying and/or printing computer files. Consultant hereby grants to City all right, title, and interest, including any copyright, in and to the documents, designs, drawings, maps, models, computer files, surveys, notes, and other documents prepared by Consultant in the course of providing the services under this Agreement. All reports, documents, or other written material developed by Consultant in the performance of the Services pursuant to this Agreement, shall be and remain the property of the City.

## **7. INDEMNIFICATION**

### **(a) Indemnity for professional liability**

When the law establishes a professional standard of care for Consultant's Services, to the fullest extent permitted by law, Consultant shall indemnify, protect, defend and hold harmless the City and any and all of its officials, employees and agents ("Indemnified Parties") from and against any and all losses, liabilities, damages, costs and expenses, including legal counsel's fees and costs caused in whole or in part by any negligent or wrongful act, error or omission of Consultant, its officers, agents, employees or Subconsultants (or any agency or individual that Consultant shall bear the legal liability thereof) in the performance of professional services under this Agreement.

### **(b) Indemnity for other than professional liability**

Other than in the performance of professional services and to the full extent permitted by law, Consultant shall indemnify, defend and hold harmless City, and any and all of its employees, officials and agents from and against any liability (including liability for claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including legal counsel fees and costs, court costs, interest, defense costs, and expert witness fees), where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, the performance of this Agreement by Consultant or by any individual or agency for which Consultant is legally liable, including but not limited to officers, agents, employees or subcontractors of Consultant.

(c) **DUTY TO DEFEND.** In the event the City, its officers, employees, agents and/or volunteers are made a party to any action, claim, lawsuit, or other adversarial proceeding arising from the performance of the services encompassed by this Agreement, and upon demand by City, Consultant shall have an immediate duty to defend the City at Consultant's cost or at City's option, to reimburse the City for its costs of defense, including reasonable attorney's fees and costs incurred in the defense of such matters.

Payment by City is not a condition precedent to enforcement of this indemnity. In the event of any dispute between Consultant and City, as to whether liability arises from the sole negligence of the City or its officers, employees, or agents, Consultant will be obligated to pay for City's defense until such time as a final judgment has been entered adjudicating the City as solely negligent. Consultant will not be entitled in the absence of such a determination to any reimbursement of defense costs including but not limited to attorney's fees, expert fees and costs of litigation.

## **8. INSURANCE**

Consultant shall maintain prior to the beginning of and for the duration of this Agreement insurance coverage as specified in Exhibit C attached hereto and incorporated herein by reference.

## **9. INDEPENDENT CONSULTANT**

(a) Consultant is and shall at all times remain as to the City a wholly independent consultant and/or independent contractor. The personnel performing the services under this Agreement on behalf of Consultant shall at all times be under Consultants exclusive direction and control. Neither City nor any of its officers, employees, or agents shall have control over the conduct of Consultant or any of Consultant's officers, employees, or agents, except as set forth in this Agreement. Consultant shall not at any time or in any manner represent that it or any of its officers, employees, or agents are in any manner officers, employees, or agents of the City. Consultant shall not incur or have the power to incur any debt, obligation, or liability whatever against the City, or bind the City in any manner.

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

## **10. LEGAL RESPONSIBILITIES**

The Consultant shall keep itself informed of State and Federal laws and regulations which in any manner affect those employed by it or in any way affect the performance of its service pursuant to this Agreement. The Consultant shall at all times observe and comply with all such laws and regulations. The City, and its officers and employees, shall not be liable at law or in equity occasioned by failure of the Consultant to comply with this Section.

## **11. UNDUE INFLUENCE**

Consultant declares and warrants that no undue influence or pressure was used against or in concert with any officer or employee of the City in connection with the award, terms or implementation of this Agreement, including any method of coercion, confidential

financial arrangement, or financial inducement. No officer or employee of the City has or will receive compensation, directly or indirectly, from Consultant, or from any officer, employee or agent of Consultant, in connection with the award of this Agreement or any work to be conducted as a result of this Agreement. Violation of this Section shall be a material breach of this Agreement entitling the City to any and all remedies at law or in equity.

## **12. NO BENEFIT TO ARISE TO LOCAL OFFICERS AND EMPLOYEES**

No member, officer, or employee of City, or their designees or agents, and no public official who exercises authority over or responsibilities with respect to the Project during his/her tenure or for one year thereafter, shall have any interest, direct or indirect, in any agreement or sub-agreement, or the proceeds thereof, for work to be performed in connection with the Project performed under this Agreement.

## **13. RELEASE OF INFORMATION/CONFLICTS OF INTEREST**

(a) All information gained by Consultant in performance of this Agreement shall be considered confidential and shall not be released by Consultant without City's prior written authorization. Consultant, its officers, employees, agents, or subconsultants, shall not without written authorization from the City, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories, or other information concerning the work performed under this Agreement or relating to any project or property located within the City, unless otherwise required by law or court order. (b) Consultant shall promptly notify City should Consultant, its officers, employees, agents, or subconsultants be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions, or other discovery request ("Discovery"), court order, or subpoena from any person or party regarding this Agreement and the work performed there under or with respect to any project or property located within the City, unless Consultant is prohibited by law from informing the City of such Discovery, court order or subpoena. City retains the right, but has no obligation, to represent Consultant and/or be present at any deposition, hearing, or similar proceeding as allowed by law. Unless City is a party to the lawsuit, arbitration, or administrative proceeding and is adverse to Consultant in such proceeding, Consultant agrees to cooperate fully with the City and to provide the opportunity to review any response to discovery requests provided by Consultant. However, City's right to review any such response does not imply or mean the right by City to control, direct, or rewrite said response.

## **14. NOTICES**

Any notices which either party may desire to give to the other party under this Agreement must be in writing and may be given either by (i) personal service, (ii) delivery by a reputable document delivery service, such as but not limited to, Federal Express, which provides a receipt showing date and time of delivery, or (iii) mailing in the United States Mail, certified mail, postage prepaid, return receipt requested, addressed to the address of the party as set forth below or at any other address as that party may later designate by notice:

To City: City of Industry  
15625 E. Stafford, Suite 100  
City of Industry, CA 91744

Attention: City Manager

With a Copy To: James M. Casso, City Attorney  
Casso & Sparks, LLP  
13200 Crossroads Parkway North, Suite 345  
City of Industry, CA 91746

To Consultant: Mario Natividad, President/CEO  
Applied Metering Technologies, Inc.  
9244 Bermudez Street  
Pico Rivera, CA 90660

## **15. ASSIGNMENT**

The Consultant shall not assign the performance of this Agreement, nor any part thereof, nor any monies due hereunder, without prior written consent of the City.

Before retaining or contracting with any subconsultant for any services under this Agreement, Consultant shall provide City with the identity of the proposed subconsultant, a copy of the proposed written contract between Consultant and such subconsultant which shall include and indemnity provision similar to the one provided herein and identifying City as an indemnified party, or an incorporation of the indemnity provision provided herein, and proof that such proposed subconsultant carries insurance at least equal to that required by this Agreement or obtain a written waiver from the City for such insurance.

Notwithstanding Consultant's use of any subconsultant, Consultant shall be responsible to the City for the performance of its subconsultant as it would be if Consultant had performed the Services itself. Nothing in this Agreement shall be deemed or construed to create a contractual relationship between the City and any subconsultant employed by Consultant. Consultant shall be solely responsible for payments to any subconsultants. Consultant shall indemnify, defend and hold harmless the Indemnified Parties for any claims arising from, or related to, the services performed by a subconsultant under this Agreement.

## **16. GOVERNING LAW/ATTORNEYS' FEES**

The City and Consultant understand and agree that the laws of the State of California shall govern the rights, obligations, duties, and liabilities of the parties to this Agreement and also govern the interpretation of this Agreement. Any litigation concerning this Agreement shall take place in the municipal, superior, or federal district court in Los Angeles County, California. If any action at law or suit in equity is brought to enforce or interpret the provisions of this Agreement, or arising out of or relating to the Services provided by Consultant under this Agreement, the prevailing party shall be entitled to reasonable

attorneys' fees and all related costs, including costs of expert witnesses and consultants, as well as costs on appeal, in addition to any other relief to which it may be entitled.

**17. ENTIRE AGREEMENT**

This Agreement contains the entire understanding between the Parties relating to the obligations of the Parties described in this Agreement. All prior or contemporaneous agreements, understandings, representations, and statements, oral or written and pertaining to the subject of this Agreement or with respect to the terms and conditions of this Agreement, are merged into this Agreement and shall be of no further force or effect. Each party is entering into this Agreement based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material.

**18. SEVERABILITY**

If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, then such term or provision shall be amended to, and solely to, the extent necessary to cure such invalidity or unenforceability, and in its amended form shall be enforceable. In such event, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

**19. COUNTERPARTS**

This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

**20. CAPTIONS**

The captions appearing at the commencement of the sections hereof, and in any paragraph thereof, are descriptive only and shall have no significance in the interpretation of this Agreement.

**21. WAIVER**

The waiver by City or Consultant of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition or of any subsequent breach of the same or any other term, covenant or condition herein contained. No term, covenant or condition of this Agreement shall be deemed to have been waived by City or Consultant unless in writing.

**22. REMEDIES**

Each right, power and remedy provided for herein or now or hereafter existing at law, in

equity, by statute, or otherwise shall be cumulative and shall be in addition to every other right, power, or remedy provided for herein or now or hereafter existing at law, in equity, by statute, or otherwise. The exercise, the commencement of the exercise, or the forbearance of the exercise by any party of any one or more of such rights, powers or remedies shall not preclude the simultaneous or later exercise by such party of any of all of such other rights, powers or remedies.

**23. AUTHORITY TO EXECUTE THIS AGREEMENT**

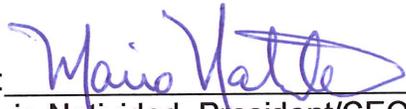
The person or persons executing this Agreement on behalf of Consultant represents and warrants that he/she has the authority to execute this Agreement on behalf of the Consultant and has the authority to bind Consultant to the performance of its obligations hereunder.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the Effective Date.

**“CITY”**  
**City of Industry**

**“CONSULTANT”**  
Applied Metering Technologies, Inc.

By: \_\_\_\_\_  
Paul Philips, City Manager

By:  \_\_\_\_\_  
Mario Natividad, President/CEO

**Attest:**

By: \_\_\_\_\_  
Cecelia Dunlap, Deputy City Clerk

**Approved as to form:**

By: \_\_\_\_\_  
James M. Casso, City Attorney

- |              |           |                        |
|--------------|-----------|------------------------|
| Attachments: | Exhibit A | Scope of Services      |
|              | Exhibit B | Rate Schedule          |
|              | Exhibit C | Insurance Requirements |

## EXHIBIT A

### SCOPE OF SERVICES

Consultant shall perform electric meter installation and maintenance metering services, which shall include, but is not limited to:

- Instrument Current Transformers (“CTs”) and Potential Transformer (“PTs”), all secondary wiring from meter to CTs and test switches;
- Coordinate with the City’s Utility Operations Management and City’s engineering and construction contractors to ensure the City’s meter system is accurate, reliable and functioning properly;
- New electric meter installation including CTs, test switches, and secondary wiring;
- Replacement of defective meters and CTs with new on emergency repairs or regular maintenance;
- Turn-offs / turn-ons for non-payment, if needed;
- Meter programming and commissioning;
- Meter testing for accuracy to ensure proper billing;
- Service investigations, troubleshooting meter issues and reported problems;
- Generation and build of programs for new meter rates;
- Meter engineering support;
- California Independent System Operator (“ISO”) meter certification, testing, and programming support.
- Maintain an inventory of parts and equipment necessary to support and execute the scope of services, as detail in Exhibit D.

#### **Meter Reading Services**

Consultant shall provide all labor, materials, supervision, software, tools and transportation to deliver meter reading services to the City. Consultant shall provide the following meter reading services:

- Hand read meter data and process for billing;
- Download meter data and process for billing;

- Maintain hourly data for three (3) interconnect meters on server that can be remotely accessed by IPUC; and
- Prepare Line Loss Reports Monthly.

Consultant shall provide customized formatting of statements & invoices to include customer account information, meters, accounts receivables, billing, payment plans, transaction history and general ledger activity. Specialty reports shall include meter block consumption, standard consumption analysis and reports on rate tier levels.

Consultant shall comply with all Payment Card Industry (PCI) Data Security Standards through its interactions with credit card processors, such as authorize.net, and financial institutions, such as Bank of America.

### **Response Time**

Service call schedules will be available on Thursday, the week prior to service. End-customer appointments will be made, if required and the City furnishes the customer name and contact information. Emergency service calls shall be responded to within two (2) hours. Normal service hours shall be considered Monday – Friday from 8:00 am – 4:30 pm. In the event of an emergency, Mario Natividad, President/CEO is available 24/7 and can be contacted directly at (562) 505-9000.

EXHIBIT B

RATE SCHEDULE

Contractor shall charge the City the following hourly rates for services rendered pursuant to the Scope of Services ("Exhibit A") set forth herein.

Service	Cost
Meter Technician	\$ <u>140</u> /hour
CA-ISO Meter Technician	\$ <u>160</u> /hour
Overtime, Meter Technician (Saturdays and weekdays over 8hrs)	\$ <u>210</u> /hour
Double Time, Meter Technician (Sundays and weekdays over 12 hours)	\$ <u>280</u> /hour
Engineering Services	\$ <u>210</u> /hour
Comm Cable Extensions, 6' - 200', up to 10' high	\$ <u>225</u> /extension
Com Cable Extensions, 201' - 400', up to 10' high	\$ <u>290</u> /extension
Comm Cable Extensions, 6' - 200', 11' to 30' high	\$ <u>320</u> /extension
Comm Cable Extensions, 201' - 400', 11' to 30' high	\$ <u>390</u> /extension

City shall reimburse Consultant its actual costs for all meters, metering equipment and shipping costs, upon submittal of evidence of said costs along with the monthly invoice, as set forth in the Agreement. In no event shall the City reimburse Consultant for travel time related to the work performed under this Agreement. The above Rate Schedule shall include the costs of all equipment necessary to perform the Scope of Services. In the event Consultant requires additional equipment, outside of the customary equipment used to

perform the Scope of Services, said equipment rental shall be approved by the City, and shall be reimbursed at the actual cost, without mark-up.

## EXHIBIT C

### INSURANCE REQUIREMENTS

Without limiting Consultant's indemnification of City, and prior to commencement of the Services, Consultant shall obtain, provide and maintain at its own expense during the term of this Agreement, policies of insurance of the type and amounts described below and in a form satisfactory to Agency.

**General liability insurance.** Consultant shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office form CG 00 01, in an amount not less than \$1,000,000.00 per occurrence, \$2,000,000.00 general aggregate, for bodily injury, personal injury, and property damage. The policy must include contractual liability that has not been amended. Any endorsement restricting standard ISO "insured contract" language will not be accepted.

**Automobile liability insurance.** Consultant shall maintain automobile insurance at least as broad as Insurance Services Office form CA 00 01 covering bodily injury and property damage for all activities of the Consultant arising out of or in connection with Work to be performed under this Agreement, including coverage for any owned, hired, non-owned or rented vehicles, in an amount not less than \$1,000,000.00 combined single limit for each accident.

**Professional liability (errors & omissions) insurance.** Consultant shall maintain professional liability insurance that covers the Services to be performed in connection with this Agreement, in the minimum amount of \$1,000,000 per claim and in the aggregate. Any policy inception date, continuity date, or retroactive date must be before the effective date of this agreement and Consultant agrees to maintain continuous coverage through a period no less than three years after completion of the services required by this agreement.

**Workers' compensation insurance.** Consultant shall maintain Workers' Compensation Insurance (Statutory Limits) and Employer's Liability Insurance (with limits of at least \$1,000,000.00).

Consultant shall submit to City, along with the certificate of insurance, a Waiver of Subrogation endorsement in favor of Agency, its officers, agents, employees and volunteers.

**Proof of insurance.** Consultant shall provide certificates of insurance to City as evidence of the insurance coverage required herein, along with a waiver of subrogation endorsement for workers' compensation. Insurance certificates and endorsement must be approved by City's Risk Manager prior to commencement of performance. Current certification of insurance shall be kept on file with City at all times during the term of this contract. City reserves the right to require complete, certified copies of all required insurance policies, at any time.

**Duration of coverage.** Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property, which may

arise from or in connection with the performance of the Services hereunder by Consultant, his agents, representatives, employees or subconsultants.

**Primary/noncontributing.** Coverage provided by Consultant shall be primary and any insurance or self-insurance procured or maintained by City shall not be required to contribute with it. The limits of insurance required herein may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of City before the City's own insurance or self-insurance shall be called upon to protect it as a named insured.

**City's rights of enforcement.** In the event any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, City has the right but not the duty to obtain the insurance it deems necessary and any premium paid by City will be promptly reimbursed by Consultant, or City will withhold amounts sufficient to pay premium from Consultant payments. In the alternative, City may cancel this Agreement.

**Acceptable insurers.** All insurance policies shall be issued by an insurance company currently authorized by the Insurance Commissioner to transact business of insurance in the State of California, with an assigned policyholders' Rating of A- (or higher) and Financial Size Category Class VI (or larger) in accordance with the latest edition of Best's Key Rating Guide, unless otherwise approved by the City's Risk Manager.

**Waiver of subrogation.** All insurance coverage maintained or procured pursuant to this agreement shall be endorsed to waive subrogation against City, its elected or appointed officers, agents, officials, employees and volunteers or shall specifically allow Consultant or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. Consultant hereby waives its own right of recovery against City, and shall require similar written express waivers and insurance clauses from each of its subconsultants.

**Enforcement of contract provisions (non estoppel).** Consultant acknowledges and agrees that any actual or alleged failure on the part of the City to inform Consultant of non-compliance with any requirement imposes no additional obligations on the Agency nor does it waive any rights hereunder.

**Requirements not limiting.** Requirements of specific coverage features or limits contained in this Section are not intended as a limitation on coverage, limits or other requirements, or a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue and is not intended by any party or insured to be all inclusive, or to the exclusion of other coverage, or a waiver of any type. If the Consultant maintains higher limits than the minimums shown above, the City requires and shall be entitled to coverage for the higher limits maintained by the Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

Notice of cancellation. Consultant agrees to oblige its insurance agent or broker and insurers to provide to City with a thirty (30) day notice of cancellation (except for nonpayment for which a ten (10) day notice is required) or nonrenewal of coverage for each required coverage.

**Additional insured status.** General liability policies shall provide or be endorsed to provide that City and its officers, officials, employees, and agents, and volunteers shall be additional insureds under such policies. This provision shall also apply to any excess liability policies.

**Prohibition of undisclosed coverage limitations.** None of the coverages required herein will be in compliance with these requirements if they include any limiting endorsement of any kind that has not been first submitted to City and approved of in writing.

**Separation of Insureds.** A severability of interests provision must apply for all additional insureds ensuring that Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the insurer's limits of liability. The policy(ies) shall not contain any cross-liability exclusions.

**Pass Through Clause.** Consultant agrees to ensure that its subconsultants, subcontractors, and any other party involved with the project who is brought onto or involved in the project by Consultant, provide the same minimum insurance coverage and endorsements required of Consultant. Consultant agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. Consultant agrees that upon request, all agreements with consultants, subcontractors, and others engaged in the project will be submitted to City for review.

**City's right to revise specifications.** The City reserves the right at any time during the term of the contract to change the amounts and types of insurance required by giving the Consultant ninety (90) days advance written notice of such change. If such change results in substantial additional cost to the Consultant, the City and Consultant may renegotiate Consultant's compensation.

**Self-insured retentions.** Any self-insured retentions must be declared to and approved by the City. The City reserves the right to require that self-insured retentions be eliminated, lowered, or replaced by a deductible. Self-insurance will not be considered to comply with these specifications unless approved by the City.

**Timely notice of claims.** Consultant shall give the City prompt and timely notice of claims made or suits instituted that arise out of or result from Consultant's performance under this Agreement, and that involve or may involve coverage under any of the required liability policies.

**Additional insurance.** Consultant shall also procure and maintain, at its own cost and expense, any additional kinds of insurance, which in its own judgment may be necessary for its proper protection and prosecution of the work.

## EXHIBIT D

### INVENTORY LIST - PARTS AND EQUIPMENT

#### CTs

200:5 Amp, bar-type, 4 sets (3 each per set for a total of 12)

400:5 Amp, bar-type, 4 sets

400:5 Amp, bar-type, with RF=4, 1 set (RF=4 means that the CTs can be used on services up to 4 times 400 amps, or 1600 amps)

800:5 Amp, bar-type, 1 set

800:5 Amp, window-type, 1 set

1200:5 Amp, window-type, 6 sets

1500:5 Amp, window-type, 2 sets

2000:5 Amp, window-type, 5 sets

#### Test Switches

Pre-wired test switches (used to connect CT rated meters to CTs) see attached photo, 6 each

#### Meters

Form 9S, CT rated, Vectron (refurbished)

Form 9S, CT rated, ABB (refurbished)

Form 9S, CT rated, ABB A3

Form 5S, CT rated Vectron (refurbished)

Form 2S, 240v, self-contained

These meters are in multiple quantities.

*CITY COUNCIL*

ITEM NO. 5.12



# 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: Henry Martinez, Senior Vice President, Cordoba Corporation  
Clement N. Calvillo, City Engineer, CNC Engineering  
Joshua Nelson, Deputy City Engineer, CNC Engineering

Date: September 8, 2016

**SUBJECT: Consideration to Authorize the Public Utilities Director or Designee to Purchase of Renewable Energy Credits for the City of Industry by December 31, 2016, and Appropriate \$200,000 to the Electric Utility Fiscal Year 2016-2017 Budget**

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On July 11, 2013, the City of Industry ("CITY"), adopted a Renewable Energy Resources Procurement Plan & Enforcement Program (SBX1 2). The Industry Public Utilities Commission ("IPUC"), under Renewable Portfolio Standards set by the California Energy Commission (CEC), is required to meet obligations for renewable energy usage for the period from 2014 to 2016. The plan adopted by the City is structured in a way that directs purchasing of Renewable Energy Credits ("RECs") by the IPUC in order to fulfill all of its obligations. If these obligations are not met, strict penalties may be imposed on the IPUC.

### **FISCAL IMPACT:**

The recommended action will require an appropriation from Electric Utility Reserves to Electric Utility – Miscellaneous (account no. 161-300-5025) in the amount of \$200,000 for the purchase of Renewable Energy Credits.

### **RECOMMENDATIONS:**

Staff is requesting at this time that the Public Utilities Director, or his Designee, purchase REC's on the City's behalf as needed to fulfill the City's Renewable Energy Portfolio obligations.

### Exhibit

- A. City of Industry Renewable Energy Resources Procurement Plan & Enforcement Program (SBX1 2), adopted by City Council July 11, 2013

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PJP:CF:HM:CC:JN:jd

**EXHIBIT A**

**City of Industry Renewable Energy Resources Procurement Plan & Enforcement  
Program, adopted July 11, 2013**

[Attached]

**CITY OF INDUSTRY**  
**RENEWABLE ENERGY RESOURCES PROCUREMENT PLAN**  
**& ENFORCEMENT PROGRAM (SBX1 2)**

**1. POLICY STATEMENT**

California's Renewable Portfolio Standard (RPS) requirements for publically owned utilities (POU) such as the City of Industry (the "City" or "COI"), has been established through dynamic and meaningful legislative and regulatory change over the past ten years. The current law, the California Renewable Energy Resources Act, Senate Bill 2 1st Ex' Session ("SBX1 2") requires utilities to achieve 33% RPS by 2020, with interim targets of an average of 20% through 2011-2013 and 25% by 2016 and 33% by 2020. SBX1 2 requires POU's to prepare a renewable energy resources procurement plan and gives the California Energy Commission (CEC) new oversight responsibilities with respect to POU's.

The City of Industry shall work with the CEC to develop a renewable energy resources procurement plan that meets California's legislative intent while taking into consideration the burdensome changes imposed by the most recent legislation, market limitations for small utilities, the impact of RPS on rates and COI's financial resources. The City shall comply with the intent of the statute, some of which are open to interpretation in order to help POU's address their unique circumstances. The governing board's reasonable interpretation of the statute is provided herein. As long as COI's electric utility ("IPUC") acts in accordance with its governing board's reasonable interpretation, CEC should hold IPUC in compliance with SBX1 2.

This document describes IPUC's renewable energy resources procurement plan and enforcement program as required by PUC §399.30(e). The City Council is IPUC's governing board, responsible for adopting, implementing and enforcing the renewable energy resources plan and enforcement program.

## **2. IPUC RENEWABLE ENERGY RESOURCES PROCUREMENT PLAN**

### **2.1 Renewable Portfolio Standard (RPS) Minimum Targets**

Pursuant to SBX1 2 and codified under PUC §399.30, IPUC shall adopt and implement a renewable energy resources procurement plan to procure a minimum quantity of electricity products from eligible renewable energy resources, including renewable energy credits or RECs. The City Council requires IPUC to meet the overall RPS compliance targets specified under PUC §399.30(c)(1&2) for each compliance period. In meeting the targets, IPUC will contract for eligible renewable energy resources on a least cost, best fit basis that takes into account availability of resources, financial feasibility, transmission availability, competitive market availability and other relevant considerations.

IPUC has taken proactive steps to achieve and maintain RPS targets established by prior legislation SB1078 and SB 107. Due to the change in the eligibility of renewable energy caused by SBX1 2, IPUC shall be exempt from the specific portfolio content category percentages defined by PUC §399.16(c) for Compliance Period 1. Consistent with PUC §399.15(b)(5), the legislation authorizes IPUC's governing board, the City Council, to waive specific compliance requirements caused by conditions beyond the control of IPUC. IPUC will however, be required to attain its RPS minimum targets with reasonable progress which IPUC interprets as taking proactive steps in achieving and maintaining the RPS percentage targets required under SBX1 2.

### **2.2 Reasonable Progress in Renewable Energy Resources Procurement**

The original 2002 RPS legislation gave POU's broad flexibility with RPS. Since 2005, the City has initiated broad efforts to procure renewable energy resources including acquiring an ownership interest and developing California based renewable energy resources.

- In December 2005, the City entered into an MOU to acquire a 2 MW interest in a Tehachepi wind energy resource from an independent power producer (IPP). The 2 MW wind resource could meet 20% of IPUC's retail sales. The City was unable to procure the resource due to interconnection issues, inadequate transmission capacity and inability to dynamically schedule 2 MW from an intermittent resource within the CAISO to the City's Point of Receipt.
- In 2009, the City began development of a 2 MW solar carport and electric vehicle (EV) charging project at the Industry MetroLink station. The renewable resource was planned to interconnect within the City's electric distribution system.
- On January 1, 2010, IPUC entered into a 5-year contract with Shell Energy Trading. The power content label of the Shell power supply contains 20% "Eligible Renewable" energy resources, 19% from wind and 1% from small hydroelectric. For

a small utility such as the City whose peak load is approximately 8 MW, the integration of renewable resources within its wholesale power block was the most feasible RPS resource procurement option.

- Because the City had already contracted for 20% of its renewable requirement in its 5-year wholesale contract, on July 26, 2010, the City entered into a 20-year PPA with SCE (RAP ID# 5371) and began selling 100% of the 2 MW solar output to SCE beginning March 2012. At the end of contract term, the IPUC will take the 3,000 MWh/yr RPS supply. The project's EV Charging facilities are energized and an EV Lease Program for commuters shall commence in 2013. Given the explicit flexibility provided by RPS legislation prior to SB 2 (1X), the City's strategy is to reduce its carbon footprint by promoting EV transportation and has invested significant financial resources to install an EV charging infrastructure at MetroLink.

### **2.3 Grandfathering of Resource**

By contracting for "eligible renewable" resources integrated as part of IPUC's power supply until 2015, the City procured the least-cost and best-fit electricity product consistent with PUC§399.16(b). The contracts are renewable and deemed to be eligible for grandfathering. As the grandfathered resources count toward IPUC's RPS targets, they do not need to be consistent with the portfolio content category percentages described in Section 2.4. As content categories had been established after IPUC had contracted for its RPS resources through 2015, for Compliance Period 1, IPUC's RPS procurement is exempt from portfolio content category percentages in Compliance Period 1 consistent with noncompliance waivers set forth in Section 3.2. IPUC must however procure the minimum quantity of eligible renewable energy resources for each compliance period as set forth in PUC §399.15(b)(2)(B). Eligible Renewable Energy Resources ("ERR") shall be certified by the CEC and are defined in PUC §399.12. IPUC must also participate in and comply with the verification and audit process administered by the Energy Commission PUC §399.30(i)(2).

### **2.4 Portfolio Content Categories ("Buckets")**

SB 2 (1X) imposes a "loading order" that requires each provider to acquire a portfolio of renewables comprised of three categories. The three categories of renewable resources (referred to as "buckets") are defined in PUC §399.16(c). The City is a uniquely small POU who cannot access all three categories. To accommodate its market limitations, for the purposes of compliance, the portfolio content categories are defined as follows:

- i) Category 1 - Direct connection to a California balancing authority, scheduling without substitution and dynamically transferred energy. "California Content" (ex. MetroLink PV delivering to CAISO grid at SCE's Walnut substation, scheduled by SCE and integrated in the CAISO markets.)
- ii) Category 2 – Firmed and shaped energy or RECs from eligible resources providing

incremental electricity and scheduled into a CA balancing authority. (ex. Northwest wind power shaped by Bonneville Power Administration delivered to CAISO grid at the California Oregon Border or COB)<sup>1</sup>.

- iii) Category 3 – All other renewable resources including unbundled renewable energy credits (RECs) referred to as the “REC Content”.

## 2.5 Compliance Requirements [PUC§399.30]

IPUC does not establish annual compliance obligations for any specific year within Compliance Periods 1, 2 and 3. However, IPUC has set annual procurement targets that will be used to determine the total Compliance Period Requirements for each Compliance Period. Consistent with PUC §399.30(c)(1&2), IPUC’s RPS procurement requirements for each compliance period are summarized as follows:

### 2.5.1 Total Compliance Period Requirements

- Compliance Period 1: January 1, 2011 through December 31, 2013. Required to procure 20% of average retail sales throughout the period from eligible renewable energy resources without regard to the categories defined by PUC §399.16(c) and described in Section 2.4 herein.
- Compliance Period 2: January 1, 2014 through December 31, 2016. Required to procure 25% of average retail sales from eligible renewable energy resources by December 31, 2016.
- Compliance Period 3: January 1, 2017 through December 31, 2020. Required to procure 33% of average retail sales from eligible renewable energy resources by December 31, 2020.

### 2.5.2 Portfolio Content Category Compliance Requirements

IPUC has defined the portfolio content categories specified in PUC §399.16(c) in Section 2.4 of the enclosed Renewable Energy Resources Procurement Plan. Subject to Section 2.4 herein, IPUC shall meet the limits on procurement for the portfolio content categories as described in the table below. IPUC’s governing board may adjust the percentage limitations specified in PUC §399.16(c) for procurement in each category in order to comply with the obligation for a compliance period in which the conditions for waiving compliance established in Section 3.1 would otherwise be invoked. Additionally, IPUC shall determine to which category each procured resource belongs.

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<sup>1</sup> BPA integrates highly variable wind energy generated from Northwest wind resources into its Federal Columbia River Hydroelectric System so that a firm, shaped power supply (ex. constant 25 MW power supplied for 16 On-Peak hours per day) can be scheduled in advance and delivered to COB. Here a buyer can procure in advance a firm block of wind energy, despite the highly variable manner that wind energy is actually generated.

**IPUC RPS Compliance Requirements**

Compl. Period	% Retail Sales	Category 1	Category 2	Category 3
2011 - 2013	20% average	(see §2.3)	25%	75%
2014 - 2016	25% at YE16	≥ 65% <sup>1</sup>	≤20%	≤15%
2017 - 2020	33% at YE20	≥ 75% <sup>1</sup>	≤15%	≤10%

<sup>1</sup> IPUC initial Category 1 RPS Compliance Requirement set equal to Category 1 content requirement set forth in PUC §399.16(c)(1).

**2.6 IPUC RPS Procurement Plan Elements**

To comply with PUC §399.30(c)(2), IPUC intends to demonstrate reasonable progress in attaining the goals of SBX1 2. IPUC has and will continue its extensive efforts to procure or develop renewable resources. When reviewing its RPS procurement needs, IPUC conducts an assessment of its supply and demand. Each year, IPUC prepares a Power Supply Forecast, which is a forward projection of supply and demand. IPUC's RPS procurement requirements are estimated from the Power Supply Forecast and are summarized in the follow table:

**Table 1: IPUC RPS Procurement Requirements**

Compl. Period	Year	Peak Demand	Retail Sales	RPS Target	
		MW	MWHs	MWHs	Note
	2010	7.20	27,306		
1	2011	7.26	27,679		3-yr total
	2012	7.32	27,304	16,512	
	2013	7.39	27,577		
2	2014	7.46	27,853	6,963	
	2015	7.54	28,131	7,033	
	2016	7.61	28,413	7,103	YE-2016
3	2017	7.69	28,697	9,470	
	2018	7.77	28,984	9,565	
	2019	7.84	29,274	9,660	
	2020	7.92	29,566	9,757	YE-2020

IPUC's RPS procurement is calculated on a calendar year basis. The RPS percent is calculated based on the total MWHs of renewable resources (procured, contracted or in development) for a calendar year divided by calendar year retail sales. As shown in the above table, the RPS Target for Compliance Period 1 is calculated using the summation of 2011, 2012 and 2013 forecasted retail sales, while the RPS Target for Compliance Period 2 & 3 is calculated annually based on forecasted retail sales.

Attached below is IPUC's most recent "Resource Procurement Plan". Pursuant to §399.30(g), IPUC will provide the City Council with an updated "Resource Procurement Plan," annually.

**Table 2: IPUC Resource Procurement Plan Summary**

Period	Year	Retail Sales		Non RPS Purchases		RPS Target		
		Pk Dmd MW	Energy MWHs	Forward MWHs per Yr	Spot MWHs per Yr	Cat 1	Cat 2	Cat 3
1	2013	7.39	27,577	14,750	12,827			15,000
	2014	7.46	27,853	14,750	8,577	4,526	1,393	1,044
2	2015	7.54	28,131	14,750	8,810	4,571	1,407	1,055
	2016	7.61	28,413	12,500	11,296	4,617	1,421	1,065
3	2017	7.69	28,697	12,500	10,905	5,292	1,420	2,757
	2018	7.77	28,984	12,500	10,516	5,967	1,435	2,163
	2019	7.84	29,274	12,500	10,131	6,643	1,449	1,569
	2020	7.92	29,566	12,500	9,749	7,318	1,464	976

IPUC has comprehensively reviewed options to meet its RPS targets. For Compliance Period 1, IPUC's options to procure renewable resources have been limited. Procuring Category 1 ("Cat 1") renewable resources has been particularly problematic due to the small quantities required by IPUC, the dynamic scheduling requirement and regulatory uncertainty in characterizing specifications for Category 1 & 2. In Compliance Period 1 the minimum purchase volume for Cat 1 was found to be 25,000 MWHs, 3 times greater than IPUC's aggregate Cat 1 RPS target for years 2011-13. Contracting for Category 1 resources in the emerging renewable market of Compliance Period 1 has been prohibitively expensive, and would negatively impact rate payers. Similarly, IPUC had contracted to competitively procure Category 2, but the supplier cancelled the supplies negotiated in a term sheet, citing regulatory uncertainty. Category 3 renewable resources are currently available for the small quantities required by IPUC and their pricing is such that they are currently financially viable for the City's rate payers. Consistent with the noncompliance provisions set forth in §3.2 of this Plan, IPUC has met its RPS Target via Cat 3 purchases for Compliance Period 1 as provided in Table 2.

Looking ahead to Compliance Periods 2 & 3, IPUC believes that it has sufficient time to procure its RPS content category amounts as set forth in PUC §399.16(c). To address its small quantities, IPUC is currently negotiating the procurement for its full period compliance volume, which are closer to minimum RPS transaction volumes required in the marketplace. Concurrent with IPUC's ongoing solicitation for Category 1, Category 2 and Category 3 renewable resources, IPUC shall work closely with the Southern California Public Power Authority (SCPPA) Renewable Resources Working Group in their

bid solicitation (RFP) process for securing renewable resources. Several times a year, The SCPPA Renewable Resources Working Group sends out RFPs for long term renewable resources. One of the potential SCPPA projects is the development of Tehachapi wind assets, which the City has already initiated discussions and has completed a preliminary review of. IPUC has also initiated efforts to develop rooftop PV on buildings within its service territory and a ground mount PV project located on a parcel that could be interconnected directly with the City's distribution facilities. All PV projects would deliver energy directly to IPUC's distribution facilities.

IPUC shall continue to conduct a thorough analysis of the risk of delay or failure associated with renewable resources contracted or projects under development. Its integrated resource planning (IRP) group shall discuss on a regular basis the viability of contracts or projects.

### **2.7 Reporting Requirements**

Per SBX1 2, IPUC will provide the CEC documentation and reports, as required in PUC §399.30(g) and PUC §399.30(i).

### **2.8 Banking**

Due to minimum RPS contract sizes in the current market relative to IPUC's RPS requirements, IPUC shall likely procure excess RPS resources in order to comply within a particular compliance period. Pursuant to PUC §399.13(a)(4)(B), IPUC can accumulate excess procurement of eligible resources in one compliance period to be applied to any subsequent compliance period.

### **2.8 Cost Limitations and Constraints [PUC§399.30(d)(3)]**

IPUC shall establish specific cost limitations on procurement to ensure that compliance with the RPS standards does not materially increase rates as IPUC has limited ability to raise rates. Before raising rates, IPUC staff reviews the competitiveness of its rates, the rate impact on its customers and obtains input from the public (via sufficient public notice and rate workshops). Only the City Council is authorized to raise rates, who, consistent with PUC §399.15(c), may establish cost limitations for procurement expenditures.

### **3. ENFORCEMENT PROGRAM**

#### **3.1 Enforcement Action**

Subject to the conditions for waiving compliance, the City Council may take enforcement action if IPUC fails to meet the compliance obligation for a compliance period as set forth in Section 2.5. In the event that an enforcement action is required, the City Council shall direct the City Engineer to develop and present a plan within 6 months to bring IPUC into compliance.

#### **3.2 Waiver for Noncompliance**

IPUC's Governing Board may waive enforcement of a Compliance Period Requirements for a particular compliance period if any of the following conditions occur that prevent compliance and it is demonstrated that IPUC took reasonable actions to comply and the conditions were beyond the control of IPUC:

- Legislative or regulatory actions that change the eligibility of energy already procured or contracted for;
- Permitting, interconnection, or other circumstances that delay procured eligible renewable energy resource projects;
- Inadequate transmission capacity to allow for sufficient electricity to be delivered;
- Unanticipated curtailment of eligible renewable energy resources that limit renewable energy deliveries to IPUC;
- Contract failures or other circumstances that delay procured eligible renewable energy resource projects.
- An insufficient supply of eligible renewable energy available within the cost limitations set forth in Section 2.8.

IPUC intends to comply with SBX1 2. However, as listed above, there may be circumstances that will prohibit IPUC from procuring renewable resources to meet the targets in SBX1 2. In such an instance, IPOUC will request the City Council authority to approve a waiver of compliance, consistent with PUC §399.15(b)(5).

*CITY COUNCIL*

ITEM NO. 5.13



# 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 *AGZ*  
Kristen Weger, Administrative Analyst *KW*

Date: September 8, 2016

**SUBJECT: Consideration of a Second Amendment to the Professional Services Agreement with Sage Environmental Group LLC for Biological and Regulatory Compliance Consulting Services in an amount not to exceed \$108,000 and an Appropriation of \$70,000 to the Capital Improvement Projects Budget for Fiscal Year 2016-2017**

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On October 22, 2015, the City entered into a Professional Services Agreement with Sage Environmental Group LLC ("Sage") to perform environmental engineering and consulting services for the property located at 23400-23600 East Fork Road, Azusa, California ("Follows Camp").

On December 10, 2015, the City Council approved Resolution No. 2015-45 confirming the continued existence of an emergency condition for Follows Camp pursuant to California public contract code Section 22050 and Section 3.52.100 of the City's Municipal Code, thereby authorizing the City Manager to execute all necessary contracts and documents with qualified contractor(s) or vendor(s) for the Follows Camp emergency repair project.

On January 8, 2016, the City approved the First Amendment to the Sage Agreement to assist with obtaining permission, and to conduct emergency excavations within the East Fork of the San Gabriel River to protect the onsite Railroad Car Bridge and Arizona Crossing. The authorization was granted by the United States Army Corps of Engineers under their Regional General Permit ("RGP") No. 63 for Repair and Protection Activities in Emergency Situations. The RGP process included consultation with the United States Fish and Wildlife Service ("USFWS"), California Department of Fish and Wildlife ("CDFW") and the Regional Water Quality Control Board ("RWQCB").

During the consultation process, each agency suggested the City obtain long-term maintenance authorizations for ongoing and regular maintenance of the river in proximity to the Railroad Car Bridge and Arizona Crossing through the normal regulatory process with appropriate planning.

The Second Amendment would allow for Sage to assist the City with obtaining those long-term maintenance authorizations for Follows Camp from the United States Army Corps of Engineers (“USACE”), United States Fish and Wildlife Service (“USFWS”), Los Angeles Regional Water Quality Control Board (“RWQCB”), California Department of Fish and Wildlife (“CDFW”) and the United States Department of the Interior. Sage will also assist in the preparation of the supporting CEQA project design features in collaboration with all required regulatory entities.

The following table represents a project summary:

Professional Services Agreement	\$23,000
First Amendment to Professional Services Agreement	\$15,000
Second Amendment to Professional Services Agreement	\$70,000
<b>Total Sources</b>	<b>\$108,000</b>

#### Fiscal Impact

The cumulative effect of the Professional Services Agreement, the First Amendment and the Second Amendment, is for a total project cost not to exceed an amount of \$108,000. The approved fiscal year 2016-2017 Capital Improvement Project budget (account no. 120-716-5130) will require a budget amendment and appropriation of \$70,000 for the Second Amendment increasing (account no. 120-716-5130) by \$70,000.

Staff recommends that the City Manager be authorized to execute the Second Amendment to the Professional Services Agreement with Sage Environmental Group LLC.

#### Exhibit

A. Second Amendment to Professional Services Agreement with Sage Environmental Group LLC for Biological and Regulatory Compliance Consulting Services in an amount not to exceed \$108,000

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PJP:AG:KW:mk

**EXHIBIT A**

**Second Amendment to Professional Services Agreement with Sage  
Environmental Group LLC for Biological and Regulatory Compliance Consulting  
Services in an amount not to exceed \$108,000**

[Attached]

**AMENDMENT NO. 2  
TO PROFESSIONAL SERVICES AGREEMENT**

This Amendment No. 2 to the Professional Services Agreement (“Agreement”), is made and entered into this 8<sup>th</sup> day of September, 2016, (“Effective Date”) by and between the City of Industry, a California municipal corporation (“City”) and Sage Environmental Group LLC (“Consultant”). The City and Consultant are hereinafter collectively referred to as the “Parties.”

**RECITALS**

**WHEREAS**, on or about October 22, 2015, the Agreement was entered into and executed between the City and Consultant to perform environmental engineering and consulting services for the property located at 23400-23600 East Fork Road, Azusa (“Follows Camp”); and

**WHEREAS**, on or about January 8, 2016, the City Council, as a result of the need for emergency repairs at Follows Camp, approved the First Amendment to the Agreement, to allow for additional work related to Follows Camp, and to increase the compensation accordingly; and

**WHEREAS**, the emergency work at Follows Camp requires long term maintenance authorizations for ongoing and regular maintenance of the river in proximity to the Railroad Car Bridge and the Arizona Crossing, which must be completed through the normal regulatory process with appropriate planning; and

**WHEREAS**, the Parties desire to amend the Agreement to extend the term of the Agreement, allow Consultant to assist the City with obtaining the long term maintenance authorizations and with the related California Environmental Quality Act compliance; and

**WHEREAS**, for the reasons set forth herein, the City and Consultant desire to enter into this Amendment No. 2, as set forth below.

**AMENDMENT**

**NOW, THEREFORE**, in consideration of the mutual covenants, promises and agreements set forth herein, it is agreed the aforesaid Agreement, a copy of which is attached hereto as Exhibit A, and incorporated herein by reference, shall remain in full force and effect except as otherwise hereinafter provided:

**Section 1. Term**

This Agreement shall commence on the Effective Date, and shall remain and continue in effect until tasks described herein are completed, but in no event later than September 8, 2017, unless sooner terminated pursuant to the provisions of this Agreement.

**Section 4. Payment**

The second sentence of Section 4(a) is hereby amended to read in its entirety as follows:

This amount shall not exceed One Hundred Eight Thousand Dollars (\$108,000.00) for the total Term of the Agreement unless additional payment is approved as provided in this Agreement.

**Exhibit A Scope of Services**

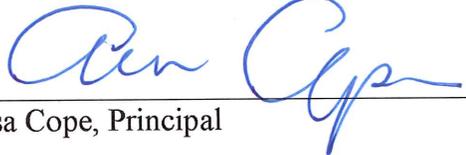
The Scope of Services shall be amended to include the information set forth in Attachment 1, attached hereto and incorporated herein by reference.

IN WITNESS WHEREOF, the Parties have executed this Amendment No. 2 to the Agreement as of the Effective Date.

**“CITY”**  
**City of Industry**

By: \_\_\_\_\_  
Paul Philips, City Manager

**“CONSULTANT”**  
**Sage Environmental Group LLC**

By:  \_\_\_\_\_  
Alissa Cope, Principal

**Attest:**

By: \_\_\_\_\_  
Cecelia Dunlap, Deputy City Clerk

**APPROVED AS TO FORM**

By: \_\_\_\_\_  
James M. Casso, City Attorney

## **Attachment 1**

Consultant shall perform the following services:

- Assist the City with consulting and obtaining long term maintenance authorizations for Follows Camp from United States Army Corps of Engineers (“USACE”), United States Fish and Wildlife Service (“USFWS”), Los Angeles Regional Water Quality Control Board (“RWQCB”), California Department of Fish and Wildlife (“CDFW”) and United States Department of the Interior.
- Prepare the supporting CEQA project design features in collaboration with all required regulatory entities, for the long term maintenance project

*CITY COUNCIL*

ITEM NO. 5.14



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

Date: September 8, 2016

**SUBJECT: Valley Boulevard Improvements from Azusa Way to Fairway Drive – Final Invoice from Kinder Morgan L.P. (VB-0320)**

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### DISCUSSION:

In conjunction with the above referenced project, Kinder Morgan provided pipeline protection design and inspection services for its petroleum pipeline facilities located in the vicinity of the project.

Initially the City received a final invoice requesting a final payment of \$177,956.00. After reviewing the final invoice and supporting documents, the previous City Attorney firm objected to a few of the line items and requested Kinder Morgan to revise the invoice. Kinder Morgan corrected and revised the final invoice in the amount of \$159,742.66.

### FISCAL IMPACT:

An appropriation of \$159,750.00 to the FY 2016-17 General Fund budget is required to pay for the invoice.

### RECOMMENDED ACTION:

Staff reviewed the revised final invoice and recommends to authorize the final payment in the amount of \$159,742.66.

### ATTACHMENTS:

1. Kinder Morgan Final Invoice
- 

PJP/CC/JN/UJ:af



SFPP, L.P.  
Operating Partnership

April 12, 2016

VIA E-Mail (ddavis@bwslaw.com)

Donald M. Davis  
Industry Deputy City Attorney  
444 South Flower Street, Suite 2400  
Los Angeles, CA 90071-2953

**Re: Final Invoice for Valley Boulevard Widening Project, City of Industry Letter Response**

Dear Mr. Davis,

In response to the letter City of Industry ("City") sent on March 6, 2015 regarding the Final Invoice No. 21036 in the amount of \$177,956 for services provided for the Valley Boulevard Widening Project, Kinder Morgan Energy Partners, L.P. ("KM") provides the following clarification and explanation to address concerns the City outlined within Invoice 21036.

Although the City understood the second deposit in 2012 to be actual inspection costs for the project, per the Pipeline Protection and Inspection Agreement ("Agreement"), "City shall pay SFPP the actual cost incurred by SFPP in performance of the Services, plus SFPP's normal additives for reimbursable projects (the "Actual Cost"). SFPP estimates the cost of such Services, including additives shall be \$50,000.00 (the "Estimated Cost")..." As outlined in Section 3 of the Agreement, "When the final account of the Actual Cost of the Services performed by SFPP is completed, SFPP will submit an itemized billing to City for review..." as provided in the Final Invoice No. 21036.

Concerning the lack of notification regarding continued services beyond the initial Estimated Cost, as called out in Section 3 of the Agreement, "When the final account of the Actual Cost of the Services performed by SFPP is completed, SFPP will submit an itemized billing to City for review..." as provided in the Final Invoice No. 21036

The intention of Final Invoice No. 21036 is to request reimbursement for the services provided as a result of the City's Valley Boulevard Widening project to ensure the safety of the local public and Contractors onsite by protecting KM's pipeline asset within the project area. In order to protect the local public located within the City's project area, it was necessary to utilize only available qualified inspectors, as was used for this project.

To address the specific objections the City, KM offers the following explanation/justifications:

Description	Exh. A Page #	Invoice Dates	Invoice Amount	City's Reason for Objection	KM Response	Reductions
Mustang Engineering Invoice # 1886001-18	0026 to 0042	12/12/12	\$ 101.35	The location and project manager shown on this invoice were not for the City's Project.	Hours charged are for the Manager of Inspectors to review the project and identify an available qualified inspector.	\$ -
Mustang Engineering Invoice # 2114103-02	0043 to 0051	11/02/12 to 11/9/12	\$ 3,294.52	According to City staff, the project manager listed in the supporting documentation for the work done on 11/5/12 through 11/9/12 was not the project manager for the City's Project. Therefore, we do not believe this cost is associated with the City's project	The employee listed was a Consultant that provided services during a time when two qualified inspectors were needed on site.	\$ -
Triple R Pipeline Engineering Invoice # 2012-0718-JW	0105 to 0108	07/12/12 to 07/13/12	\$ 1,693.61	The consultant appears to be from out of state. His mileage in this invoice amounts to 690 miles for 2 days' work on the Industry Project, and he also charges per diem for these days.	The only available qualified inspector was from out of state.  Consultant is not permitted to drive more than 500 miles per day while traveling to the new work location. When more than 50 miles is driven (exclusive of miles to and from the work site) consultant will be paid at a per mile rate per IRS guidelines (instead of vehicle allowance) for all miles driven on that day. Mobilization mileage to and from work assignments are reimbursable. Per diem expenses and the consultant's rate will be paid for each driving day.	\$ -
				This individual only clocked overtime hours during this period of work	Since this Consultant was coming off of a job in which 40 hours were already charged, his mobilization costs to this Project is considered overtime.	\$ -

				<p>He charged a daily rate of \$492.33 for this period of work, which is inconsistent with other daily rates charged by this consultant for different pay periods during the project.</p>	<p>The "Daily Rate" is calculated by taking the hourly regular rate and/or overtime rate and multiplying it by the number of hours worked accordingly. This dollar amount is then divided by the number of days the Consultant worked. Therefore, the daily rate is dependent on the number of hours work per week and can fluctuate for each invoice.</p>	\$ -
<p>Triple R Pipeline Engineering Invoice # 2012-0816-JW</p>	<p>0109 to 0112</p>	<p>07/14/12 to 07/27/12</p>	<p>\$ 8,529.00</p>	<p>The consultant appears to be from out of state. He is paid a per diem for each day during this pay period, even when no work was performed. He also received a vehicle allowance on days when he worked.</p>	<p>Per diem is provided to the consultant when he/she is working at a location more than fifty (50) miles from their primary residence.</p> <p>The consultant shall receive a vehicle allowance for all days worked in which the consultant makes use of their personal vehicle, regardless of the actual miles driven.</p>	\$ -
				<p>This individual charged overtime hours for each day he worked during this period.</p>	<p>Max. regular hours charged is 8hrs/day and any hours above that are overtime. Consultant is expected to show up early to the project site and ensure project site is secure at the end of each day, typically equating to 2 hours overtime each full day of work.</p>	\$ -
				<p>He charged a daily rate of \$599.20 for this period of work, which is inconsistent with other daily rates charged by this Consultant for different pay periods during the project.</p>	<p>The "Daily Rate" is calculated by taking the hourly regular rate and/or overtime rate and multiplying it by the number of hours worked accordingly. This dollar amount is then divided by the number of days the Consultant worked. Therefore, the daily rate is dependent on the number of hours work per week and can fluctuate for each invoice.</p>	\$ -

Triple R Pipeline Engineering Invoice # 2012-0816-JW	0113 to 0116	07/28/12 to 8/10/12	\$ 8,697.00	<p>The consultant appears to be from out of state. He is paid a per diem for each day during this pay period, even when no work was performed. He also received a vehicle allowance on days when he worked.</p>	<p>Per diem is provided to the consultant when he/she is working at a location more than fifty (50) miles from their primary residence.</p> <p>The consultant shall receive a vehicle allowance for all days worked in which the consultant makes use of their personal vehicle, regardless of the actual miles driven.</p>	\$ -
				<p>This individual charged overtime hours for each day he worked during this period.</p>	<p>Max. regular hours charged is 8hrs/day and any hours above that are overtime. Consultant is expected to show up early to the project site and ensure project site is secure at the end of each day, typically equating to 2 hours overtime each full day of work.</p>	\$ -
				<p>He charged a daily rate of \$616.00 for this period of work, which is inconsistent with other daily rates charged by this Consultant for different pay periods during the project.</p>	<p>The "Daily Rate" is calculated by taking the hourly regular rate and/or overtime rate and multiplying it by the number of hours worked accordingly. This dollar amount is then divided by the number of days the Consultant worked. Therefore, the daily rate is dependent on the number of hours work per week and can fluctuate for each invoice.</p>	\$ -
Triple R Pipeline Engineering Invoice # 2012-0829-JW	0117 to 0120	08/11/12 to 8/24/12	\$ 8,697.00	<p>The consultant appears to be from out of state. He is paid a per diem for each day during this pay period, even when no work was performed. He also received a vehicle allowance on days when he worked.</p>	<p>Per diem is provided to the consultant when he/she is working at a location more than fifty (50) miles from their primary residence.</p> <p>The consultant shall receive a vehicle allowance for all days worked in which the consultant makes use of their personal vehicle, regardless of the actual miles driven.</p>	\$ -

				<p>This individual charged overtime hours for each day he worked during this period.</p>	<p>Max. regular hours charged is 8hrs/day and any hours above that are overtime. Consultant is expected to show up early to the project site and ensure project site is secure at the end of each day, typically equating to 2 hours overtime each full day of work.</p>	<p>\$ -</p>
				<p>He charged a daily rate of \$616.00 for this period of work, which is inconsistent with other daily rates charged by this Consultant for different pay periods during the project.</p>	<p>The "Daily Rate" is calculated by taking the hourly regular rate and/or overtime rate and multiplying it by the number of hours worked accordingly. This dollar amount is then divided by the number of days the Consultant worked. Therefore, the daily rate is dependent on the number of hours work per week and can fluctuate for each invoice.</p>	<p>\$ -</p>
<p>Triple R Pipeline Engineering Invoice # 2012- 0913-JW</p>	<p>0121 to 0124</p>	<p>08/25/12 to 9/7/12</p>	<p>\$ 8,055.00</p>	<p>The consultant appears to be from out of state. He is paid a per diem for each day during this pay period, even when no work was performed. He also received a vehicle allowance on days when he worked.</p>	<p>Per diem is provided to the consultant when he/she is working at a location more than fifty (50) miles from their primary residence.</p> <p>The consultant shall receive a vehicle allowance for all days worked in which the consultant makes use of their personal vehicle, regardless of the actual miles driven.</p>	<p>\$ -</p>
				<p>This individual charged overtime hours for each day he worked during this period.</p>	<p>Max. regular hours charged is 8hrs/day and any hours above that are overtime. Consultant is expected to show up early to the project site and ensure project site is secure at the end of each day, typically equating to 2 hours overtime each full day of work.</p>	<p>\$ -</p>

				<p>He charged a daily rate of \$616.00 for this period of work, which is inconsistent with other daily rates charged by this Consultant for different pay periods during the project.</p>	<p>The "Daily Rate" is calculated by taking the hourly regular rate and/or overtime rate and multiplying it by the number of hours worked accordingly. This dollar amount is then divided by the number of days the Consultant worked. Therefore, the daily rate is dependent on the number of hours work per week and can fluctuate for each invoice.</p>	\$ -
<p>Triple R Pipeline Engineering Invoice # 2012-0926-JW</p>	<p>0125 to 0128</p>	<p>09/08/12 to 9/21/12</p>	<p>\$ 9,982.50</p>	<p>The consultant appears to be from out of state. He is paid a per diem for each day during this pay period, even when no work was performed. He also received a vehicle allowance on days when he worked.</p>	<p>Per diem is provided to the consultant when he/she is working at a location more than fifty (50) miles from their primary residence.</p> <p>The consultant shall receive a vehicle allowance for all days worked in which the consultant makes use of their personal vehicle, regardless of the actual miles driven.</p>	\$ -
				<p>This individual charged overtime hours for each day he worked during this period.</p>	<p>Max. regular hours charged is 8hrs/day and any hours above that are overtime. Consultant is expected to show up early to the project site and ensure project site is secure at the end of each day, typically equating to 2 hours overtime each full day of work.</p>	\$ -
				<p>He charged a daily rate of \$674.55 for this period of work, which is inconsistent with other daily rates charged by this Consultant for different pay periods during the project.</p>	<p>The "Daily Rate" is calculated by taking the hourly regular rate and/or overtime rate and multiplying it by the number of hours worked accordingly. This dollar amount is then divided by the number of days the Consultant worked. Therefore, the daily rate is dependent on the number of hours work per week and can fluctuate for each invoice.</p>	\$ -

Triple R Pipeline Engineering Invoice # 2012-1012-JW	0129 to 0132	09/22/12 to 10/05/12	\$ 8,697.00	<p>The consultant appears to be from out of state. He is paid a per diem for each day during this pay period, even when no work was performed. He also received a vehicle allowance on days when he worked.</p>	<p>Per diem is provided to the consultant when he/she is working at a location more than fifty (50) miles from their primary residence.</p> <p>The consultant shall receive a vehicle allowance for all days worked in which the consultant makes use of their personal vehicle, regardless of the actual miles driven.</p>	\$ -
				<p>This individual charged overtime hours for each day he worked during this period.</p>	<p>Max. regular hours charged is 8hrs/day and any hours above that are overtime. Consultant is expected to show up early to the project site and ensure project site is secure at the end of each day, typically equating to 2 hours overtime each full day of work.</p>	\$ -
				<p>He charged a daily rate of \$674.55 for this period of work, which is inconsistent with other daily rates charged by this Consultant for different pay periods during the project.</p>	<p>The "Daily Rate" is calculated by taking the hourly regular rate and/or overtime rate and multiplying it by the number of hours worked accordingly. This dollar amount is then divided by the number of days the Consultant worked. Therefore, the daily rate is dependent on the number of hours work per week and can fluctuate for each invoice.</p>	\$ -
Triple R Pipeline Engineering Invoice # 2012-1025-CC	0133 to 0137	10/08/12 to 10/19/12	\$ 3,778.31	<p>The consultant (Casey Crider) appears to be from out of state. There is no indication that the work reflected on the timesheets presents work done for the project.</p>	<p>Triple R Pipeline Invoice 2012-1025-CC will be removed from the invoice and costs reduced accordingly</p>	- \$3,778.31
Triple R Pipeline Engineering Invoice # 2012-1025-JW	0138 to 0141	10/06/12 to 10/19/12	\$ 8,529.00	<p>The consultant appears to be from out of state. He is paid a per diem for each day during this pay period, even when no work was performed. He also received a vehicle allowance on days when he worked.</p>	<p>Per diem is provided to the consultant when he/she is working at a location more than fifty (50) miles from their primary residence.</p> <p>The consultant shall receive a vehicle allowance for all days worked in which the</p>	\$ -

					consultant makes use of their personal vehicle, regardless of the actual miles driven.	
				This individual charged overtime hours for each day he worked during this period.	Max. regular hours charged is 8hrs/day and any hours above that are overtime. Consultant is expected to show up early to the project site and ensure project site is secure at the end of each day, typically equating to 2 hours overtime each full day of work.	\$ -
				He charged a daily rate of \$599.20 for this period of work, which is inconsistent with other daily rates charged by this Consultant for different pay periods during the project.	The "Daily Rate" is calculated by taking the hourly regular rate and/or overtime rate and multiplying it by the number of hours worked accordingly. This dollar amount is then divided by the number of days the Consultant worked. Therefore, the daily rate is dependent on the number of hours work per week and can fluctuate for each invoice.	\$ -
Triple R Pipeline Engineering Invoice # 2012-1113-JW	0142 to 0145	10/20/12 to 11/02/12	\$ 9,646.50	The consultant appears to be from out of state. He is paid a per diem for each day during this pay period, even when no work was performed. He also received a vehicle allowance on days when he worked.	Per diem is provided to the consultant when he/she is working at a location more than fifty (50) miles from their primary residence.  The consultant shall receive a vehicle allowance for all days worked in which the consultant makes use of their personal vehicle, regardless of the actual miles driven..	\$ -
				This individual charged overtime hours for each day he worked during this period.	Max. regular hours charged is 8hrs/day and any hours above that are overtime. Consultant is expected to show up early to the project site and ensure project site is secure at the end of each day, typically equating to 2 hours overtime each full day of work.	\$ -

				<p>He charged a daily rate of \$644.00 for this period of work, which is inconsistent with other daily rates charged by this Consultant for different pay periods during the project.</p>	<p>The "Daily Rate" is calculated by taking the hourly regular rate and/or overtime rate and multiplying it by the number of hours worked accordingly. This dollar amount is then divided by the number of days the Consultant worked. Therefore, the daily rate is dependent on the number of hours work per week and can fluctuate for each invoice.</p>	<p>\$ -</p>
<p>Triple R Pipeline Engineering Invoice # 2012-1126-JW</p>	<p>0146 to 0149</p>	<p>11/03/12 to 11/16/12</p>	<p>\$ 8,055.50</p>	<p>The consultant appears to be from out of state. He is paid a per diem for each day during this pay period, even when no work was performed. He also received a vehicle allowance on days when he worked.</p>	<p>Per diem is provided to the consultant when he/she is working at a location more than fifty (50) miles from their primary residence.</p> <p>The consultant shall receive a vehicle allowance for all days worked in which the consultant makes use of their personal vehicle, regardless of the actual miles driven.</p>	<p>\$ -</p>
				<p>This individual charged overtime hours for each day he worked during this period.</p>	<p>Max. regular hours charged is 8hrs/day and any hours above that are overtime. Consultant is expected to show up early to the project site and ensure project site is secure at the end of each day, typically equating to 2 hours overtime each full day of work.</p>	<p>\$ -</p>
				<p>He charged a daily rate of \$616.00 for this period of work, which is inconsistent with other daily rates charged by this Consultant for different pay periods during the project.</p>	<p>The "Daily Rate" is calculated by taking the hourly regular rate and/or overtime rate and multiplying it by the number of hours worked accordingly. This dollar amount is then divided by the number of days the Consultant worked. Therefore, the daily rate is dependent on the number of hours work per week and can fluctuate for each invoice.</p>	<p>\$ -</p>

<p>Triple R Pipeline Engineering Invoice # 2012-1126-JW</p>	<p>0146 to 0149</p>	<p>11/03/12 to 11/16/12</p>	<p>\$ 8,055.50</p>	<p>The consultant appears to be from out of state. He is paid a per diem for each day during this pay period, even when no work was performed. He also received a vehicle allowance on days when he worked.</p>	<p>Per diem is provided to the consultant when he/she is working at a location more than fifty (50) miles from their primary residence.</p> <p>The consultant shall receive a vehicle allowance for all days worked in which the consultant makes use of their personal vehicle, regardless of the actual miles driven.</p>	<p>\$ -</p>
				<p>This individual charged overtime hours for each day he worked during this period.</p>	<p>Max. regular hours charged is 8hrs/day and any hours above that are overtime. Consultant is expected to show up early to the project site and ensure project site is secure at the end of each day, typically equating to 2 hours overtime each full day of work.</p>	<p>\$ -</p>
				<p>He charged a daily rate of \$616.00 for this period of work, which is inconsistent with other daily rates charged by this Consultant for different pay periods during the project.</p>	<p>The "Daily Rate" is calculated by taking the hourly regular rate and/or overtime rate and multiplying it by the number of hours worked accordingly. This dollar amount is then divided by the number of days the Consultant worked. Therefore, the daily rate is dependent on the number of hours work per week and can fluctuate for each invoice.</p>	<p>\$ -</p>
<p>Triple R Pipeline Engineering Invoice # 2012-1210-JW</p>	<p>0150 to 0153</p>	<p>11/17/12 to 11/30/12</p>	<p>\$ 7,414.00</p>	<p>The consultant appears to be from out of state. He is paid a per diem for each day during this pay period, even when no work was performed. He also received a vehicle allowance on days when he worked.</p>	<p>Per diem is provided to the consultant when he/she is working at a location more than fifty (50) miles from their primary residence.</p> <p>The consultant shall receive a vehicle allowance for all days worked in which the consultant makes use of their personal vehicle, regardless of the actual miles driven.</p>	<p>\$ -</p>

				<p>This individual charged overtime hours for each day he worked during this period.</p>	<p>Max. regular hours charged is 8hrs/day and any hours above that are overtime. Consultant is expected to show up early to the project site and ensure project site is secure at the end of each day, typically equating to 2 hours overtime each full day of work.</p>	<p>\$ -</p>
				<p>He charged a daily rate of \$616.00 for this period of work, which is inconsistent with other daily rates charged by this Consultant for different pay periods during the project.</p>	<p>The "Daily Rate" is calculated by taking the hourly regular rate and/or overtime rate and multiplying it by the number of hours worked accordingly. This dollar amount is then divided by the number of days the Consultant worked. Therefore, the daily rate is dependent on the number of hours work per week and can fluctuate for each invoice.</p>	<p>\$ -</p>
<p>Triple R Pipeline Engineering Invoice # 2012-1222-JW</p>	<p>0154 to 0157</p>	<p>12/1/12 to 12/14/12</p>	<p>\$ 8,137.00</p>	<p>The consultant appears to be from out of state. He is paid a per diem for each day during this pay period, even when no work was performed. He also received a vehicle allowance on days when he worked.</p>	<p>Per diem is provided to the consultant when he/she is working at a location more than fifty (50) miles from their primary residence.</p> <p>The consultant shall receive a vehicle allowance for all days worked in which the consultant makes use of their personal vehicle, regardless of the actual miles driven.</p>	<p>\$ -</p>
				<p>This individual charged overtime hours for each day he worked during this period.</p>	<p>Max. regular hours charged is 8hrs/day and any hours above that are overtime. Consultant is expected to show up early to the project site and ensure project site is secure at the end of each day, typically equating to 2 hours overtime each full day of work.</p>	<p>\$ -</p>

				<p>He charged a daily rate of \$560.00 for this period of work, which is inconsistent with other daily rates charged by this Consultant for different pay periods during the project.</p>	<p>The "Daily Rate" is calculated by taking the hourly regular rate and/or overtime rate and multiplying it by the number of hours worked accordingly. This dollar amount is then divided by the number of days the Consultant worked. Therefore, the daily rate is dependent on the number of hours work per week and can fluctuate for each invoice.</p>	<p>\$ -</p>
<p>Triple R Pipeline Engineering Invoice # 2012-0119-JW</p>	<p>0162 to 0165</p>	<p>12/29/12 to 01/11/13</p>	<p>\$ 7,974.00</p>	<p>The consultant appears to be from out of state. He is paid a per diem for each day during this pay period, even when no work was performed. He also received a vehicle allowance on days when he worked.</p>	<p>Per diem is provided to the consultant when he/she is working at a location more than fifty (50) miles from their primary residence.</p> <p>The consultant shall receive a vehicle allowance for all days worked in which the consultant makes use of their personal vehicle, regardless of the actual miles driven.</p>	<p>\$ -</p>
				<p>This individual charged overtime hours for each day he worked during this period.</p>	<p>Max. regular hours charged is 8hrs/day and any hours above that are overtime. Consultant is expected to show up early to the project site and ensure project site is secure at the end of each day, typically equating to 2 hours overtime each full day of work.</p>	<p>\$ -</p>
				<p>He charged a daily rate of \$686.00 for this period of work, which is inconsistent with other daily rates charged by this Consultant for different pay periods during the project.</p>	<p>The "Daily Rate" is calculated by taking the hourly regular rate and/or overtime rate and multiplying it by the number of hours worked accordingly. This dollar amount is then divided by the number of days the Consultant worked. Therefore, the daily rate is dependent on the number of hours work per week and can fluctuate for each invoice.</p>	<p>\$ -</p>

Triple R Pipeline Engineering Invoice # 2012-0218-JW	0166 to 0171	01/12/13 to 02/08/13	\$17,394.00	<p>The consultant appears to be from out of state. He is paid a per diem for each day during this pay period, even when no work was performed. He also received a vehicle allowance on days when he worked.</p>	<p>Per diem is provided to the consultant when he/she is working at a location more than fifty (50) miles from their primary residence.</p> <p>The consultant shall receive a vehicle allowance for all days worked in which the consultant makes use of their personal vehicle, regardless of the actual miles driven.</p>	\$ -
				<p>This individual charged overtime hours for each day he worked during this period.</p>	<p>Max. regular hours charged is 8hrs/day and any hours above that are overtime. Consultant is expected to show up early to the project site and ensure project site is secure at the end of each day, typically equating to 2 hours overtime each full day of work.</p>	\$ -
				<p>He charged a daily rate of \$616.00 for this period of work, which is inconsistent with other daily rates charged by this Consultant for different pay periods during the project.</p>	<p>The "Daily Rate" is calculated by taking the hourly regular rate and/or overtime rate and multiplying it by the number of hours worked accordingly. This dollar amount is then divided by the number of days the Consultant worked. Therefore, the daily rate is dependent on the number of hours work per week and can fluctuate for each invoice.</p>	\$ -
Triple R Pipeline Engineering Invoice # 2012-0307-JW	0172 to 0174	02/09/13 to 02/15/13	\$3,513.50	<p>The consultant appears to be from out of state. He is paid a per diem for each day during this pay period, even when no work was performed. He also received a vehicle allowance on days when he worked.</p>	<p>Per diem is provided to the consultant when he/she is working at a location more than fifty (50) miles from their primary residence.</p> <p>The consultant shall receive a vehicle allowance for all days worked in which the consultant makes use of their personal vehicle, regardless of the actual miles driven.</p>	\$ -

				This individual charged overtime hours for each day he worked during this period.	Max. regular hours charged is 8hrs/day and any hours above that are overtime. Consultant is expected to show up early to the project site and ensure project site is secure at the end of each day, typically equating to 2 hours overtime each full day of work.	\$ -
				He charged a daily rate of \$481.60 for this period of work, which is inconsistent with other daily rates charged by this Consultant for different pay periods during the project.	The "Daily Rate" is calculated by taking the hourly regular rate and/or overtime rate and multiplying it by the number of hours worked accordingly. This dollar amount is then divided by the number of days the Consultant worked. Therefore, the daily rate is dependent on the number of hours work per week and can fluctuate for each invoice.	\$ -
Triple R Pipeline Engineering Invoice # 2012-0319-AC	0175 to 0178	02/23/13 to 03/8/13	\$11,476.29	There is no indication that the work reflected on these timesheets represents work done in Industry for the Project. The Location on the timesheets states "Niland, CA" and the project manager who is listed in "V. Mantovani"	Triple R Pipeline invoice 2012-0319-AC will be removed from the invoice and the cost reduced accordingly.	-\$ 11,476.29
<b>Amount Removed from Contract Labor Costs:</b>						-\$ 15,254.60
<b>G&amp;A Costs Removed:</b>						-\$ 2,958.74
<b>Revised Invoice Amount Due:</b>						<b>\$ 159,742.66</b>

We welcome the opportunity to discuss the above explanations/justifications. Please feel free to contact me to setup a meeting or call.

Sincerely,

Eric Cahill  
Project Manager  
Kinder Morgan  
1100 W Town and Country Rd  
Orange, CA 92868  
(714) 560-4608

*CITY COUNCIL*

ITEM NO. 5.15



# 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 

Staff: Alex Gonzalez, Director of Development Services and Administration *AG*  
Clement N. Calvillo, CNC Engineering  
Joshua Nelson, CNC Engineering

Date: September 8, 2016

**SUBJECT: Consideration of a License Agreement with Rowland Water District for Access to Assessor's Parcel No. 8760-002-908 located at 1146 Nogales Street for Temporary Staging of Construction Materials for the Fullerton Grade Separation Project**

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On August 29, 2016, Rowland Water District (Rowland) contacted the City regarding the temporary use of City owned property located at 1146 Nogales Street as they are performing water pipeline relocations as part of the Fullerton Grade Separation Project. Materials and equipment to be stored at the location include conduits, casings, fittings, steel plates, backhoe, excavator, side boom, dump trunk and cargo containers for miscellaneous items.

The Fullerton Grade Separation Project managed by the Alameda Corridor East Construction Authority (ACE) started in July 2016. The project will last approximately four (4) years. Currently, many of the utility companies are in the process of relocating their facilities. The Rowland Water District is about to start their work and needed a construction yard nearby to perform those activities. Prior to commencement of the permitted use, Rowland shall install a temporary construction fence around the staging area on the property. The City may, by written notice, terminate the License Agreement at any time.

### Fiscal Impact

There is no fiscal impact associated with the License Agreement.

### Exhibit

A: License Agreement with Rowland Water District

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PJP:AG:CC:JN:kw

**EXHIBIT A**

**License Agreement with Rowland Water District dated September 8, 2016**

[Attached]

## LICENSE AGREEMENT

THIS LICENSE AGREEMENT (“**Agreement**”), dated September 8, 2016, (“**Effective Date**”) is entered into by and between the City of Industry, a public body, corporate and politic (“**Licensor/City**”), and Rowland Water District, a government agency (“**Licensee**”) (Licensor and Licensee are individually referred to as “**Party**” and collectively referred to as the “**Parties**”).

### RECITALS

**WHEREAS**, the City is the owner of certain property located at **1146 Nogales Street, City of Industry, CA 91748**, and Licensee desires to enter the portion of the property generally described as a lot, **Assessor’s Parcel No. 8760-002-908**, as set forth in Exhibit A, attached hereto and incorporated herein by reference (“**Premises**”).

**WHEREAS**, Licensee desires to enter the Premises as a temporary staging area for various construction activities associated with the Fullerton Grade Separation Project; and

**WHEREAS**, Licensee acknowledges that Licensee is entering onto the Premises at its sole risk and expense, and Licensor does not have any liability to Licensee under this Agreement.

**NOW, THEREFORE**, for valuable consideration, the sufficiency of which is hereby acknowledged, the Parties agree as follows:

### TERMS

1. License to Enter the Premises. Licensor hereby grants to Licensee a non-exclusive license (the “**License**”) granting permission to enter upon the Premises as of the Effective Date of this Agreement, and to use the Premises as a temporary staging area for various construction activities associated with the Fullerton Grade Separation Project (collectively, “**Permitted Use**”); provided, that Licensee’s use of the Premises shall not interfere with the operation of business activities, if any, then being conducted on the Premises and provided Licensee provides written notice to the Licensor at least five (5) days prior to Licensee first entering upon the Premises (said written notice shall state the purpose for the entry upon the Premises, and said entry shall not exceed the stated purpose). Prior to any initial entry pursuant to the License, Licensee shall provide to Licensor proof of insurance as set forth in Section 6 of this Agreement. Licensee shall not permit any other party, except the duly-authorized representatives, agents, employees and contractors (collectively “**Representatives**”) of Licensee to enter or use the Premises during the term of this License, without Licensor’s prior written consent, and in all events the sole reason for entry and use of the Premises shall be for the performance of Licensee’s Permitted Use.

2. Permitted Use. The Permitted Use is hereby further defined to include the storage and staging of materials and equipment such as conduits, casing, fittings, steel plates, backhoe, excavator, side boom, dump truck and cargo containers or miscellaneous items on the Premises. Licensee shall exercise due care in the performance of the Permitted Use and such use shall be exercised in a manner which complies with all applicable laws.

3. Maintenance of Premises. Prior to commencement of the Permitted Use, Licensee shall install a temporary construction fence around the staging area on the Premises. Upon termination of the License, Licensee shall repair any damage done to the Premises by Licensee or its

duly authorized Representatives, and shall restore the Premises to its condition as of the Effective Date of this Agreement, which shall include removal of the temporary construction fence.

4. Government Regulations and Other Obligations of Licensee. As a condition precedent to commencement of the Permitted Use, if required, Licensee shall obtain at its sole cost and expense all governmental permits and authorizations of whatever nature required, if any (“**Permits**”) by any and all governmental authorities having jurisdiction over the Premises for Licensee’s exercise of the Permitted Use. Licensor shall use commercially reasonable efforts to cooperate with Licensee and to support any and all applications or request for said Permits submitted by Licensee or on Licensee’s behalf. Licensee shall, in all activities undertaken pursuant to this Agreement, comply and cause its Representatives to comply with all federal, state and local laws, statutes, orders, ordinances, rules, regulations, plans, policies and decrees.

5. Liens.

5.1 Licensee shall not cause or permit to be filed, recorded or enforced against the Premises, or any part thereof, any mechanics’, material men’s, contractors’ or subcontractors’ liens arising from the Permitted Use or any claim or action affecting the title to the Premises arising from the Permitted Use, and Licensee shall pay or cause to be paid, or otherwise removed or bonded over, the full amount of all such liens or claim within fifteen (15) days of receiving written notice thereof. In addition to and not in limitation of Licensor’s other rights and remedies under this Agreement or under law, should Licensee fail within fifteen (15) business days of a written notice from Licensor to pay and discharge or bond over any lien arising out of Licensee’s use of the Premises, then a material breach under this Agreement shall be deemed to have occurred which, at Licensor’s election, shall entitle Licensor to terminate this License effective upon notice by Licensor to Licensee so stating.

5.2 If Licensee desires to contest in good faith the validity of any lien or any claim or demand that could result in a lien against the Premises or any portion thereof for which Licensor could become liable if not successfully resolved, as a condition to such contest, Licensee shall notify Licensor of Licensee’s intent to contest the lien or claim and the grounds for such contest. Notwithstanding anything to the contrary set forth herein, Licensee shall pay and satisfy any adverse judgment that may be rendered thereon before the enforcement thereof against Licensor or the Premises.

6. Insurance. Prior to entering the Premises and until the termination of this Agreement, Licensee shall maintain at its sole expense insurance limits as stipulated in this section.

6.1 Minimum Scope and Limit of Insurance. Coverage shall be at least as broad as:

(a) Commercial General Liability (CGL): Insurance Services Office Form CG 00 01 covering CGL on an “occurrence” basis, including products and completed operations, property damage, bodily injury and personal and advertising injury with limits no less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate.

(b) Automobile Liability: Insurance Services Office Form Number CA 0001 covering, Code 1 (any auto), or if Licensee has no owned autos, Code 8 (hired) and 9 (non-owned), with limits no less than \$1,000,000 per accident for bodily injury and property damage.

(c) Workers' Compensation insurance as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease.

6.2 Other Insurance Provisions. The insurance policies are to contain, or be endorsed to contain, the following provisions:

(a) Additional Insured Status. The Licensor and City Representatives, (as defined in Section 7, below) are to be additional insureds on the CGL policy with respect to liability arising out of Licensee's use of the Premises. General liability coverage can be provided in the form of an endorsement to the Licensee's insurance (at least as broad as ISO Form CG 20 10 11 85 or both CG 20 10 and CG 20 37 forms if later revisions used).

(b) Primary Coverage. For any claims related to this Agreement, the Licensee's insurance coverage shall be primary insurance as respects the Licensor/City Representatives. Any insurance or self-insurance maintained by the Licensor/City Representatives, shall be excess of the Licensee's insurance and shall not contribute with it.

(c) Contractors and Subcontractors. Licensee shall require and verify that all contractors and subcontractors maintain insurance meeting all the requirements stated herein, and Licensee shall ensure that Licensor/City Representatives are additional insureds on insurance required from contractors/subcontractors. For CGL coverage contractors and subcontractors shall provide coverage with a format least as broad as CG 20 38 04 13.

(d) Notice of Cancellation. Each insurance policy required above shall state that coverage shall not be canceled, except with notice to the City.

(e) Waiver of Subrogation. Licensee hereby grants to City a waiver of any right to subrogation which any insurer of said Licensee may acquire against the City by virtue of the payment of any loss under such insurance. Licensee agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation provided such endorsement is available on commercially reasonable terms, but this provision applies regardless of whether or not the City has received a waiver of subrogation endorsement from the insurer.

(f) Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared to and approved by the City. The City may require the Licensee to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention.

(g) Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the City.

(h) Deductibles. All such insurance shall have deductibility limits of not greater than \$50,000.00 unless otherwise approved by the City.

(i) Verification of Coverage. Licensee shall furnish the City with original certificates and amendatory endorsements or copies of the applicable policy language providing the insurance coverage required above. All certificates and endorsements are to be received and approved by the City before exercise of the Permitted use commences. However, failure to obtain the required documents prior to the exercise of the Permitted Use shall not waive the Licensee's obligation to provide them. The City reserves the right to require complete copies of all required insurance policies, including endorsements, required by these specifications, at any time.

(j) Occurrence Basis Coverage. All policies shall be written on an occurrence basis unless otherwise approved by the City.

7. Indemnification. From and after the execution of this Agreement, Licensee hereby agrees to indemnify, defend, protect and hold harmless, with counsel of the Licensor's choosing, the City and any and all predecessors, successors, assigns, agents, officials, employees, members, independent contractors, affiliates, principals, officers, directors, attorneys, accountants, representatives, staff, and council members of the City collectively, the "**City Representatives**", and each of them, from and against all claims, including any claims from any third party beneficiary to this Agreement, causes of action, liabilities, losses, damages, injuries, expenses, charges, penalties, or costs, of whatsoever character, nature and kind, (including attorney's fees and costs incurred by the indemnified Party with respect to legal counsel of its choice), whether to property or to person(s), and whether by direct or derivative action, known or unknown, suspected or unsuspected, latent or patent, existing or contingent (collectively "**Losses and Liabilities**"), related directly or indirectly to, or arising out of or in any way connected with any of the activities of Licensee, its agents, employees, licensees, lessees, representatives, invitees, contractors, subcontractors or independent contractors on the Premises. This indemnification requires Licensee to indemnify the City and any and all City Representatives from and against all Losses and Liabilities, including attorneys' fees, arising out of the use or release of any Hazardous Substances on the Premises by Licensee. Licensee's obligation to defend shall arise regardless of any claim or assertion that the City caused or contributed to the Losses and/or Liabilities, provided, however, that Licensee's liability under this Section 7 will be limited to the extent of any contributory negligence of Licensor.

8. Term, Termination and Remedies. The License shall commence as of the Effective Date of this Agreement, and shall automatically terminate on **December 8, 2016**. Notwithstanding the foregoing, upon written request by Licensee, the City Manager, at his sole discretion, may grant one, three-month extension to this Agreement. Notwithstanding the foregoing, at any time, for any reason, the Licensor may, at its sole and absolute discretion, terminate this Agreement without cause, upon 30 days' written notice to Licensee. Further, in the event Licensor sells or transfers the Premises during the term of this Agreement, this Agreement shall terminate upon seven (7) days written notice to Licensee. In addition, if Licensee shall be in breach of any of its obligations under this Agreement and shall fail to cure such breach within ten (10) business days of written notice from Licensor specifying the nature of any such breach, Licensor shall have the right to terminate this Agreement upon written notice to Licensee. Licensee acknowledges that this License is solely a license, and that Licensee has no rights as an owner, purchaser or tenant by virtue thereof. Upon termination of the Agreement, Licensee shall promptly vacate the Premises and comply with the provisions of Section 3 above. No termination or expiration of this License shall relieve Licensee of its obligations hereunder.

9. Inspection and Access to Premises. Licensor and any of its duly authorized representatives, employees, agents or independent contractors shall be entitled to enter the Premises, to show the Premises to potential purchasers, to inspect the premises, to inspect Licensee's use of the Premises, and for any other purpose, at any time

10. Assignability. This License cannot be assigned by Licensee whether voluntarily or by operation of law, and Licensee shall not permit any use of the Premises, or any part thereof during the Term of this License in violation of the provisions of this License, except with the consent of Licensor (which shall not be unreasonably withheld, conditioned or delayed), and any attempt to do so shall be null and void.

11. Cost of Enforcement. In the event it is necessary for either Party to employ an attorney or other person or commence an action to enforce or interpret any of the provisions of this License or for Licensor to remove Licensee from the Premises, the non-prevailing party agrees to pay to the prevailing party, in addition to such other relief as may be awarded by the court, City or other authority before which such suit or proceeding is commenced, all reasonable costs of enforcement in connection therewith including, but not limited to, reasonable attorneys' fees, expenses and costs of investigation.

12. Notices. All notices, consents, approvals, requests, demands and other communications provided for herein shall be in writing and shall be deemed to have been duly given upon the earlier of when personally delivered or served or twenty-four (24) hours after being deposited with FedEx or any other established overnight courier service to the intended party addressed as follows:

Licensor:	Paul Philips City Manager 15625 East Stafford Street, Suite 100 City of Industry, CA 91744 Tel: (626) 333-2211 <a href="mailto:paul@cityofindustry.org">paul@cityofindustry.org</a>
With a Copy to:	James M. Casso, City Attorney Casso & Sparks, LLP 13200 Crossroads Parkway North, Suite 345 City of Industry, CA 91746 Tel: (626) 269-2980 <a href="mailto:jcasso@cassosparks.com">jcasso@cassosparks.com</a>
Licensee:	Tom Coleman, General Manager Rowland Water District 3021 Fullerton Road Rowland Heights, CA 91748 Tel (562) 697-1726

13. No Liability of Licensor. Licensee and Licensor acknowledge and agree that Licensee is entering into the Premises prior to the transfer of the Premises to Licensee and that Licensee does so at its sole risk and expense. The provisions hereof shall inure to the benefit of Licensor's and Licensee's successors and assigns including any Mortgagee.

14. Miscellaneous. This Agreement constitutes the entire agreement between the Parties hereto pertaining to the subject matter hereof, and all prior and contemporaneous agreements, representations and understandings of the Parties hereto, oral or written, are hereby superseded and merged herein. No supplement, modification or amendment of this Agreement shall be binding unless in writing and executed by the Parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions, whether or not similar, nor shall any waiver be a continuing waiver. No waiver shall be binding unless executed in writing by the Party making the waiver. The indemnifications under this Agreement, the obligations of Licensee hereunder to remove liens and Licensee's obligations hereunder with respect to vacating and repairing the Premises shall survive the expiration or termination of the License Term. This Agreement shall be construed and enforced in accordance with, and governed by, the laws of the State of California. Any action brought concerning this Agreement shall be brought in the appropriate court for the County of Los Angeles, California. Each Party hereby irrevocably consents to the jurisdiction of said court. Licensee hereby expressly waives all provisions of law providing for a change of venue due to the fact that the City may be a party to such action, including, without limitation, the provisions of California Code of Civil Procedure Section 394. Licensee further waives and releases any right it may have to have any action concerning this Agreement transferred to Federal District Court due to any diversity of citizenship that may exist between City and Licensee. The headings of this Agreement are for purposes of reference only and shall not limit or define the meaning of the provisions hereof. This Agreement may be executed in any number of counterparts, each of which shall be an original, and all of which shall constitute one and the same instrument. Neither this instrument nor a short form memorandum or assignment hereof shall be filed or recorded in any public office without Licensor's or Licensee's prior written consent.

15. Authority. Each person executing this Agreement hereby represents and warrants (i) their authority to do so, and (ii) that such authority has been duly and validly conferred.

**(SIGNATURES ON FOLLOWING PAGE)**

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the Effective Date.

“LICENSOR”

“LICENSEE”

**CITY OF INDUSTRY**

**ROWLAND WATER DISTRICT**

By: \_\_\_\_\_  
Paul Philips, City Manager

By: Tom Coleman  
Tom Coleman, General Manager

ATTEST:

\_\_\_\_\_  
Cecelia Dunlap, Deputy City Clerk

APPROVED AS TO FORM:

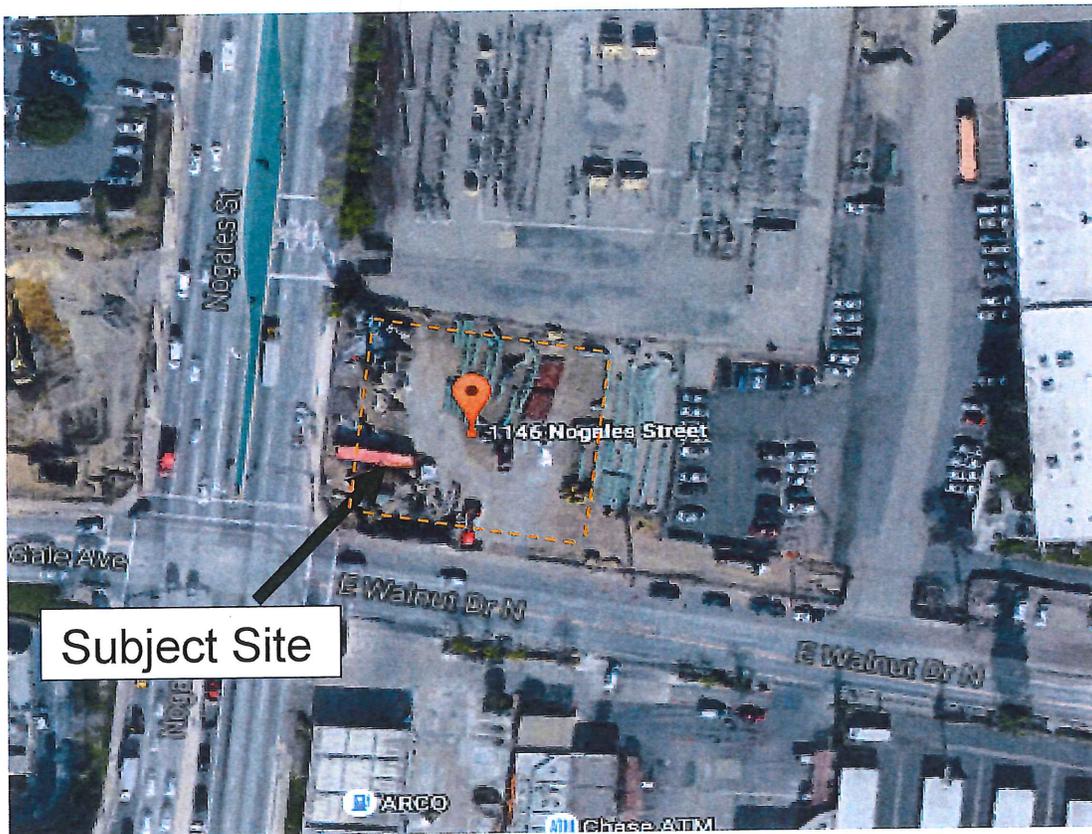
\_\_\_\_\_  
James M. Casso, City Attorney

## EXHIBIT A

### Legal Description

Assessor's Parcel Number (APN) no. 8760-002-908 located at 1146 Nogales Street, City of Industry, CA 91748. The staging area may include materials and equipment such as conduits, casing, fittings, steel plates, backhoe, excavator, side boom, dump truck and cargo containers or miscellaneous items. The area identified in the map below by an arrow and defining orange lines identifies the area of the Premises, where the Permitted Use shall occur.

### Location Map – 1146 Nogales Street



*CITY COUNCIL*

ITEM NO. 5.16



# 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 *ad*

Date: September 8, 2016

**SUBJECT: Consider Second Reading and Adoption of Ordinance No. 796 - An Ordinance of the City Council of the City of Industry, California, Adding Section 3.52.160 (Exceptions for Design-Build Project Delivery) to Chapter 3.52 (Public Projects – Bidding and Procedures) to Title 3 (Revenue and Finance) of the City of Industry Municipal Code to Authorize Design-Build as a Method of Delivery for Project Construction**

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### DISCUSSION AND ANALYSIS:

The California Public Contract Code generally requires general law cities to award public works construction contracts to the “lowest responsible bidder” based on a design - bid - build procurement method. As a general matter, charter cities such as the City of Industry have the authority to adopt ordinances in areas of municipal affairs that will supersede provisions of State law otherwise applicable to general law cities. The City of Industry Charter, Article X (Fiscal Administration), Section 1003 (Contracts on Public Works) contains an express assertion of the City’s “home rule” authority with respect to public contracting, and the section expressly exempts the City from the provisions of State law imposed on general law cities relative to public contracting under the California Public Contract Code unless otherwise specified in the Municipal Code. Under this “home rule” authority, the City may adopt ordinances that establish project delivery methods for public construction contracts that differ from general law cities. In particular, Chapter 3.52 of the City’s Municipal Code establishes procedures for procurement. Given the positive results and outcomes that other Cities have experienced in utilizing the design - build delivery method, City staff recommends the adoption of an ordinance specifically authorizing and clarifying the procedures for use of design - build as an alternative method of project delivery.

Design - build project delivery is a method of public works construction in which the design and construction functions are contracted by a single “design - build” entity; as opposed to a more traditional design - bid - build method, under which design, procurement, and construction of the project proceed sequentially. First, the preparation of plans and specifications is completed, either with City staff or with a design consultant, and second,

the construction contract is awarded to a contractor entity separate from the designer. The construction contract is typically awarded to the lowest responsible bidder on the basis of previously completed plans and specifications.

California cities that have utilized the design - build delivery method for the completion of public works projects have experienced numerous benefits from utilizing this alternative delivery method, including reduced design efforts and costs to the public agencies, development of innovative solutions to construction and design challenges, accelerated schedules for project delivery and completion, improved coordination and communication between parties, a reduction in risks, claims and litigation related to public project construction, improved quality in public works construction projects and public facilities, and the ability for public entities to make and negotiate contractor selections based on qualifications, value, cost and criteria as well as overall price.

City staff anticipate funding and contracting for the construction of public works projects and facilities in the future for which the design - build delivery method may be a viable and beneficial alternative to the more traditional design - bid - build delivery method.

To establish a procedure for the use of design - build contracts for City projects, City staff proposes an ordinance amending Chapter 3.52 of the Municipal Code (Exhibit A). The ordinance provides that the City may utilize the design - build delivery method and lays out the procedure for doing so.

#### **CEQA**

The recommended action described in this agenda report is not subject to CEQA, pursuant to CEQA Guidelines Section 15060(c).

#### **FISCAL IMPACT**

No significant financial impacts are expected for the recommended action.

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PJP:AG:mk

**EXHIBIT A**

**Ordinance No. 796**

[Attached]

## ORDINANCE NO. 796

### **AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF INDUSTRY, CALIFORNIA, ADDING SECTION 3.52.160 (EXCEPTIONS FOR DESIGN – BUILD PROJECT DELIVERY) TO CHAPTER 3.52 (PUBLIC PROJECTS – BIDDING AND PROCEDURES) OF TITLE 3 (REVENUE AND FINANCE) OF THE CITY OF INDUSTRY MUNICIPAL CODE TO AUTHORIZE DESIGN – BUILD AS A METHOD OF DELIVERY FOR PROJECT CONSTRUCTION**

**WHEREAS**, the California Public Contract Code generally requires general law cities to award public works construction contracts to the "lowest responsible bidder," based on a "design-bid-build" procurement method; and

**WHEREAS**, design-build project delivery is a method of public works construction delivery in which the design and construction functions are contracted by a single "design-build" entity; as opposed to a more traditional design-bid-build method, under which design, procurement and construction of the project proceed sequentially: first the preparation of plans and specifications are completed, either with City staff or with a design consultant, and second an award of the construction contract with a contractor entity separate from the designer typically being made to the lowest responsible bidder on the basis of previously completed plans and specifications; and

**WHEREAS**, California general law and charter cities that have utilized the design-build delivery method for the completion of public works projects have experienced numerous benefits from utilizing this alternative delivery method, including reduced design efforts and costs to the public agencies, development of innovative solutions to construction and design challenges, accelerated schedules for project delivery and completion, improved coordination and communication between parties, a reduction in risks, claims and litigation related to public project construction, improved quality in public works construction projects and public facilities, and the ability for public entities to make and negotiate contractor selections based on qualifications; value, cost and criteria in addition to price; and

**WHEREAS**, the City anticipates funding and contracting for the construction of public works projects and facilities in the future for which design-build delivery method may be a viable and beneficial alternative to the more traditional design-bid-build delivery method; and

**WHEREAS**, the City desires to clarify the procedures to be followed for the execution of design-build contracts; and

**WHEREAS**, the City, as a "charter city," is authorized to establish guidelines and enact local ordinances governing municipal affairs that supersede the State's general laws otherwise governing general law cities; and

**WHEREAS**, the City's award of local contracts and the establishment of local procedures to govern design-build project delivery is a municipal affair, and the City, as

a charter city, thus is authorized to adopt an ordinance establishing procedures for the awarding of contracts for public works construction that differ from those imposed on general law cities, based on the City's broad constitutional "home rule" authority (pursuant to California Constitution article XI, section 5); and

**WHEREAS**, the City's authority, as a charter city, to exempt itself from the requirements of the California Public Contract Code are specifically identified in Public Contract Code Section 1100.7; and

**WHEREAS**, California Public Contract Code, formerly included Section 20175.2 authorized general law cities to utilize the design-build method for the construction of qualifying building construction projects in excess of \$1 million; and

**WHEREAS**, on September 30th, 2014, Governor Brown approved Senate Bill No. 785, repealing and amending provisions of the California Government Code, Health and Safety Code, and Public Contract Code to authorize various California state and local agencies to use the design-build procurement process for specified public works projects; and

**WHEREAS**, under its home rule authority as a charter city, the City may exempt itself from certain limitations otherwise imposed upon general law cities by the statutes codified under Senate Bill No. 785; and

**WHEREAS**, while the City plans to utilize elements of the procurement process outlined under relevant sections of the Public Contract Code as amended under Senate Bill No. 785, (i.e., Public Contract Code Sections 22160, et seq.) in the drafting of Requests for Proposals soliciting qualified design-build entities under the design-build delivery process authorized by this ordinance, the City is not bound by the limitations on design-build authority contained in those statutes, including, but not limited to, limitations on the use of design-build-operate contracts; and

**WHEREAS**, the intent of this ordinance is to establish a procedure for the use, evaluation and award of design-build contracts for City projects in order to provide that the City may utilize the design-build alternative delivery method to achieve superior design and quality, to minimize disputes between project designers and contractors, to expedite project delivery by overlapping the design and construction phases of projects, and to reduce project costs.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF INDUSTRY AS FOLLOWS:**

**SECTION 1:** The City Council finds that the above recitals are true and correct and are incorporated herein by reference.

**SECTION 2:** Industry Municipal Code Amendment. The City Council hereby adds Section 3.52.160 (Exceptions for Design – Build Project Delivery) to Chapter 3.52 (Public Projects – Bidding and Procedures) of Title 3 (Revenue and Finance) of the Industry Municipal Code to read in its entirety as follows:

3.52.160 Exceptions for design – build project delivery.

The City may enter into a single contract with a design-build entity for the design and construction or manufacture of a project (a "design-build contract"), in accordance with this section, without further complying with the requirements of this code, provided that the City Manager or the City Council makes a written determination of the following:

1. The City's goals for the proposed public works project will be more cost effectively achieved through a design-build contract, as compared to the City's design-bid-build process after taking into consideration: costs of design, construction or manufacture, and ongoing maintenance and repair; timing of design and construction or manufacture; the need to coordinate with third parties during construction or manufacture; unique requirements for managing the quality of design and construction or manufacture; the likely need to consider innovative solutions to design, construction or manufacturing challenges in order to respond to potential challenges to the certainty of the timing or costs of design or construction or manufacture; and the need to consider unique project financing alternatives (including public/private partnerships).
2. The City actively solicited proposals from design-build entities in a manner that effectively requested competitive proposals from entities qualified and available to successfully complete the proposed project under a design-build contract.
3. After evaluating the respective qualifications and proposals submitted by competitive proposers, and after negotiating contract terms with the apparently successful design-build entity, the City selected the design-build entity on a "best value" basis that will most cost effectively achieve the City's goals for the proposed project, after considering: the proposed approach for design and construction or manufacture (including project features, and operational and functional performance of the project to be constructed); overall price (including initial and/or life cycle costs); schedule; the design-build entity's experience, training, and qualifications (including an evaluation of references of the design-build entity's experience on similar projects related to responsiveness, timeliness, quality of work, and overall performance); the design-build entity's capacity, capability, and financial stability to complete the project; and overall responsiveness to the City's request for proposals.

**SECTION 3:** Clerical Errors. The City Council directs the City Clerk to correct any clerical errors found in Section 3.52.160 (Exceptions for Design – Build Project Delivery) of Chapter 3.52 (Public Projects – Bidding and Procedures) of Title 3 (Revenue and Finance), including, but not limited to, typographical errors, irregular numbering, and incorrect section references.

**SECTION 4:** 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 unconstitutionality 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 5:** Effective Date. In accordance with California Government Code Section 36937, this Ordinance shall take effect and be in force thirty (30) days from passage and adoption.

**SECTION 6:** 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 at a regular meeting held on September 8, 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. 5.17



# 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*  
William Hayes, Field Operations and Asset Superintendent

Date: September 8, 2016

**SUBJECT: Consideration of Formal Bidding Activity for Repairs and Safety and Code Compliance at 16200-5 Temple Avenue and 16224 Temple Avenue, per City of Industry Municipal Code Section 3.52.040(A) Adoption of Plans and Bidding – Public Projects.**

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The City of Industry is required to maintain its buildings in a condition that is safe and meets all current code requirements. Informal procurements for the two properties, 16200-5 and 16224 Temple Avenue were recently completed. The results of the informal bids on these properties triggered the need to require for a formal bid for the work at 16200-5 Temple Avenue, and signaled the possibility of a formal bid requirement for 16224 Temple Avenue, if the cost of the total work including mold remediation is over \$125,000.

The City of Industry Municipal Code Section 3.52.040 requires that all public works projects over \$125,000 receive approval from the City Council prior to the release of a notice inviting bids. In order to complete and release a Request for Proposals for the properties in question, it is requested that the City Council consider staff's request to move forward with a formal procurement process for 16200-5 and 16224 Temple Avenue.

The issues identified at the properties are as follows:

### 16200-5 Temple Avenue

- Unfinished 20' by 50' addition that is not to code with exposed framing.
- Substandard electric service panel.
- Substandard plumbing, without proper venting and inadequate hot water heater.
- Inadequate HVAC for existing square footage, no HVAC in addition.
- Kitchen cabinets modified in a manner that damaged cabinet doors.
- Cracked and damaged tile throughout.
- Plumbing not to code in bathroom.
- Missing smoke detectors and carbon monoxide detectors throughout.

- Commercial fire alarm installed, must be removed.

### 16224 Temple Avenue

- Mold testing showed elevated levels of mold throughout the property.
- Visible mold damage to the naked eye in upstairs restroom, exterior walls, and underneath kitchen cabinets.
- Visible evidence of water leaks throughout.
- All areas affected with mold must be demolished and remediated to EPA specifications. Until the drywall is removed and the framing exposed, it is unclear what the extent of damage is to the property.
- Damaged and loose tile throughout the property.
- Multiple holes in drywall that expose insulation.
- Several locations with exposed wiring.
- Windows damaged and termite ridden.
- Missing smoke detectors and carbon monoxide detectors throughout.
- Relocate dryer vent, as it discharges directly into the HVAC condenser.
- HVAC repair / replace, depending on damage inflicted by lint.

If approved, a formal bidding process will commence using PlanetBids and any proposals over \$100,000 will return to the City Council for approval in compliance with Code Section 3.52.404.

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PJP:AG:WH:mk

*CITY COUNCIL*

ITEM NO. 5.18



# 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: James M. Casso, City Attorney

DATE: September 8, 2016

SUBJECT: Consideration of a Legal Services Agreement between the City of Industry and Bouza Law Firm for Special Legal Services

---

**BACKGROUND:** Bouza Law Firm (“Bouza”) proposes to enter into a legal services agreement (the “Agreement”) attached to this staff report as Exhibit “A,” whereby Bouza will provide special legal services to the City of Industry (the “City”) working with the City Manager’s office.

**DISCUSSION:** The scope of the Agreement is limited to providing special legal services in connection with various real estate matters and such other matters as the City Manager and Bouza may agree upon.

Bouza’s work will be supervised by the City Manager’s office, and the City Manager’s office will act as a liaison between Bouza and the City.

**BUDGET IMPACT:** Bouza will charge the City monthly for its costs and fees at an hourly billing rate of \$595.00.

**RECOMMENDATION:** Staff recommends that the City Council approve the Agreement between the City and Bouza.

Attachment:

Exhibit A: Legal Services Agreement

**EXHIBIT A**

**Legal Services Agreement**

[Attached]

**BOUZA LAW FIRM**

A PROFESSIONAL LAW CORPORATION

3250 OCEAN PARK BOULEVARD, SUITE 355  
SANTA MONICA, CALIFORNIA 90405  
TELEPHONE (310) 633-7947

WRITER'S EMAIL ADDRESS:

March 10, 2016

TONYBOUZA@BOUZALAW.COM

VIA EMAIL: paul@cityofindustry.org

Mr. Paul J. Philips  
City of Industry  
15625 E. Stafford Street, Suite 100  
City of Industry, CA 91744-0366

Re: Engagement for Professional Services

Dear Paul:

Thank you for retaining us to represent the City of Industry and/or its various agencies or affiliates (collectively, the "City") in connection with various real estate matters and such other matters as we mutually agree. Our firm's policy, as well as provisions of the California Business & Professions Code in certain circumstances, require that we have a written agreement with our clients setting forth the arrangements upon which we perform legal services. This letter will confirm the terms under which you have retained us for this matter and any additional matters we handle on your behalf or at your direction.

1. Attorneys' Fees and Costs. We will bill you for our services monthly. Our fees will be based on our hourly time charges. The time charges will be for all time actually expended. My present billing rate is \$595 per hour.

Because of factors beyond our control, it is impossible to determine in advance the amount of fees and costs needed to complete this matter. In addition to charges for legal services, if we incur any unusual costs and expenses--such as messenger fees, filing fees, large copying costs, and the like—then we will ask you to reimburse us for these items at our standard rates in effect at the time the expense is incurred. In certain cases, we will ask you to pay these expenses directly.

Our firm has always operated on the basis that we will deliver high quality legal services in a timely fashion and at a reasonable price; in return, we request that upon receipt of our statements, you review the statements at that time to determine if you have any questions or comments regarding them. If so, please call us. If not, we expect that you will make payment to us promptly. Furthermore, we reserve and you agree that we have the right to withdraw as your counsel if you fail to pay our statements and other bills in a timely manner.

Mr. Paul J. Philips  
March 10, 2016  
Page 2

The California Business & Professions Code requires us to inform you whether we maintain errors and omissions insurance coverage applicable to the services to be rendered to you. We hereby confirm that the firm does maintain such insurance coverage.

2. Conflicts of Interest. We cannot, without appropriate consents, represent any party if there is a conflict of interest with any of our other clients. In order to avoid conflicts of interest among our clients, we maintain an index of relevant names. In connection with any matter that we handle, you will provide us, from time to time, with the identities of the relevant parties involved in the transaction in a timely manner so we can conduct a conflicts check. In addition, please inform us at once if you learn in the future of other persons or entities who may be involved in such matters so we can make a conflict of interest search with respect to them.

3. Waiver of Conflicts. As you know, our practice includes representing a wide range of parties in a wide range of transactions throughout California and elsewhere. Accordingly, it is central to our agreement to represent the City that such representation shall not preclude us from representing any other party whatsoever in any other matter except for matters that involve litigation directly adverse to the City. For example, we shall have the right to represent any of the entities identified from time to time pursuant to Paragraph 2, or any other parties, provided that such representation does not involve litigation directly adverse to the City. We have been, are, and will remain allowed to represent clients in transactional and entitlement matters before the City and its various agencies and affiliates without disclosing such situations or seeking City's approval. Nevertheless, under no circumstances will we disclose to any third parties information relating to the City which we believe to be confidential (*i.e.*, trade secrets and matters covered by the attorney-client and work product privilege), nor utilize any such information in any matter or proceeding without the City's consent; provided, however, that if such information must be divulged to properly represent such third parties, then we would be required to promptly withdraw from such representation. In no event will we disclose any such confidential information regarding third parties or other clients to City nor utilize any such information in any matter or proceeding without such parties' consent. Your execution of this letter constitutes your agreement to the foregoing.

4. Authority. The City acts through its various boards, commissions, agencies, agents and the City Council. To facilitate our representation of City, we will primarily communicate with, and take direction from, the City Manager, until we are otherwise directed in writing. We may rely upon the City Manager's authority in all matters relating to the City until otherwise instructed in writing.

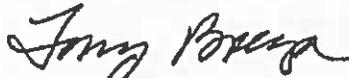
BOUZA LAW FIRM

Mr. Paul J. Philips  
March 10, 2016  
Page 3

5. Confirmation of Agreement. Please confirm your agreement to the terms of this engagement letter by signing the enclosed copy of the letter and returning it to us.

I appreciate the opportunity to work with you.

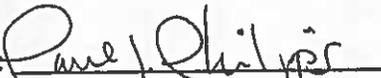
Very truly yours,



Anthony S. Bouza

APPROVED, ACCEPTED AND AGREED THIS 10<sup>th</sup> DAY OF MARCH, 2016,  
WITH FULL AUTHORITY.

City of Industry and/or its various or affiliates,  
including the Industry Public Utilities Commission

By:   
Paul J. Philips, City Manager

*CITY COUNCIL*

ITEM NO. 5.19



# 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: James M. Casso, City Attorney

DATE: September 8, 2016

SUBJECT: Consideration of a Legal Services Agreement between the City of Industry and the Law Firm of Carlson, Calladine & Peterson LLP for Special Legal Services

---

**BACKGROUND:** The law firm of Carlson, Calladine & Peterson LLP (“CCP”) proposes to enter into a legal services agreement (the “Agreement”) attached to this staff report as Exhibit “A,” whereby CCP will provide special legal services to the City of Industry (the “City”) working with the City Attorney’s office.

**DISCUSSION:** The scope of the Agreement is limited to evaluating and providing legal advice with respect to potential claims against certain former contractors to the City.

The Agreement calls for approval of all work performed to date by CCP for the City since May 17, 2016 when City Manager, Paul Philips, engaged CCP to provide legal services under his contracting authority.

CCP’s work has been and will continue to be supervised by the City Attorney’s office, and the City Attorney’s office will act as a liaison between CCP and the City.

**BUDGET IMPACT:** The City will pay an initial deposit of \$10,000, which will be held in a general trust account from which CCP will deduct their fees and costs. Any remaining balance upon the completion of work will be fully refunded to the City. The hourly rate schedule for attorneys and legal assistants and a summary of other specific charges are summarized in Exhibit “B” attached to this staff report.

In addition to their own expenses, CCP reserves the right to hire third-party experts, consultants, and investigators and bill the City for the third party’s expense. Before hiring third-parties, however, CCP must consult with the City Attorney’s office.

**RECOMMENDATION:** Staff recommends that the City Council approve the Agreement between the City and CCP.

Attachments:

Exhibit A: Legal Services Agreement  
Exhibit B: Rate Schedule

**EXHIBIT A**

**Legal Services Agreement**

[Attached]

CARLSON, CALLADINE & PETERSON LLP  
353 Sacramento Street, 16th Floor  
San Francisco, CA 94111  
TEL: (415) 391-3911  
FAX: (415) 391-3898

May 11, 2016

**ATTORNEY-CLIENT FEE CONTRACT**

This document (the "Agreement") is the written fee contract under which **Carlson, Calladine & Peterson LLP** ("we" or "us") will provide legal services to **City of Industry** ("you").

1. **EFFECTIVE DATE.** The date at the beginning of this Agreement is for reference only. The Agreement will not take effect, and we will have no obligation to provide legal services, until you return a signed copy of this Agreement. The Agreement's effective date will, however, be retroactive to the date we first performed services. Even if this Agreement does not take effect, you will be obligated to pay us the reasonable value of any services we have performed for you.
2. **SCOPE OF SERVICES.** You are hiring us to represent you solely in the following matters: Evaluate and provide legal advice with respect to potential claims against third parties arising from or related to services under certain contracts with City of Industry and its related agencies. We are not agreeing to represent you in the prosecution of any litigation. Should that potential subsequently arise, we would only agree to such representation pursuant to a separate written fee agreement reflecting mutually agreed upon terms.

We will provide those legal services reasonably required to represent you and take reasonable steps to keep you informed of progress and to respond to your inquiries. Unless we make a different written agreement, this Agreement governs all services we perform for you.

3. **YOUR DUTIES.** You agree to be truthful with us, cooperate, keep us informed of developments, abide by this Agreement, pay our bills on time, and keep us advised of your address, telephone number and whereabouts. You expressly authorize us to communicate with you through your agent for purposes of this representation, attorney Jamie Casso of Casso & Sparks, LLP, and to take instructions from him on your behalf. This matter may require a substantial amount of your and his time to review documents, or to assist us in dealing with your adversaries.
4. **COMMUNICATIONS.** Absent your request to the contrary, we will make reasonable efforts to keep you fully advised as to the litigation and disseminate all documents and correspondence to you. We will seek your opinions on all significant issues.

5. **CONFIDENTIALITY.** It is in your best interests to preserve the confidentiality of all communications between us. Your ability to protect the confidentiality of those communications may be jeopardized if you disclose their contents to third parties.

6. **TRUST ACCOUNT.** To the extent we hold your funds in trust, we will deposit those funds in a general trust account. With a general trust account, interest earned is not paid to you, but to the State Bar of California to fund legal services.

7. **DEPOSIT.** You hereby pay an advance initial deposit, which we acknowledge receiving, in the sum of \$10,000. We will place your deposit in the general trust account. The intent is that this deposit will be used to pay for work as it is performed. The deposit will be applied to our statements for fees and costs and you authorize us to transfer funds deposited in that account to our general account to pay such fees and costs. Any balance is fully refundable after completion of the matters in the scope of our representation to the extent a balance remains after fees and costs are paid.

8. **RESPONSIBILITY FOR AND PAYMENT OF LEGAL FEES AND COSTS;  
BILLING PRACTICES.**

a. **Rates.** You agree to pay all fees for legal services at our hourly rates and all costs incurred in handling the legal matters described above. The hourly rates of our attorneys and legal assistants are set forth in the attached Rate Schedule, which is incorporated into this Agreement. The total amount of fees and costs will vary depending on circumstances. Any projection of fees or costs is merely an estimate, not an agreement to perform the above services for a flat fee.

b. **Specific Charges.** We charge for the time spent on telephone calls relating to your matter, including calls with you, third parties, opposing parties or counsel, and others as we believe is necessary. The legal personnel assigned to your matter will confer among themselves about this matter, as required. When they do, each person charges for the time spent.

9. **COSTS AND OTHER CHARGES.**

a. **General.** We may incur various costs and expenses in performing legal services for you. You agree to pay for those costs and expenses in addition to the hourly fees. We may elect, but are not obligated to incur costs on your behalf and seek reimbursement from you. In some circumstances you may be required to pre-pay such costs. Although we consider that need unlikely here, given the scope of this initial engagement, at our option, certain bills for costs incurred will be forwarded directly to you for payment. You agree to pay such costs in a timely manner. All charges for in-house costs will be included in our bill. You acknowledge having read, understood, and agreed to the rates for costs and expenses set forth in the attached Rate Schedule, which is incorporated into this Agreement.

b. **Costs and expenses commonly include:** long distance telephone calls; fax charges;

messenger and other delivery fees; postage; photocopying and other reproduction costs; charges for computer time; and similar items. We have the right to use an outside copy service and charge you the amount charged to us.

c. **Experts, Consultants, and Investigators.** To help us provide you with legal advice, we may need to hire expert consultants or investigators. We will consult with you before we hire experts or incur expert expenses. At present, we do not know if they will be necessary here in connection with the scope of the initial engagement. While the experts or investigators will report to us, they shall be deemed employed by you, not by us. They may present bills for their services to us, and we may either: (a) forward the bills to you for direct payments or (b) pay the bills, in which case the amount paid will be considered a cost advanced by us. You agree to pay their fees and charges.

10. **BILLING.** We will send you bills for legal fees and costs monthly. To the extent the bill exceeds the amount of any deposits in our trust account, your payment is due within twenty (20) days of the date we mail the bill. Our bills will reflect current charges for professional services rendered on an hourly basis, including all work performed by attorneys and legal assistants. There will be variations in hourly rates depending upon which of the legal personnel assigned to your matter performed the services. Our bills will also reflect cash disbursements made by us for costs incurred on your behalf.
11. **DISCHARGE AND WITHDRAWAL.** You may discharge us at any time. We may withdraw from representing you with your consent or for good cause. Good cause includes your breach of this Agreement (including your failure to timely pay bills and/or deposits), your refusal to cooperate with us or to follow our advice, or any circumstance that would, in our opinion, render our continued representation of you unlawful or unethical.  
  
When our services conclude, all unpaid charges will immediately become due and payable. After our services conclude, we will, upon your request, deliver your file to you as provided by California law. We will also return any deposit in your trust account remaining after payment of amounts owing for fees and costs, along with any other of your funds or other items in our possession.
12. **TERMINATION.** Our retention terminates absolutely when the work described above in Paragraph 2 matter is completed or we are discharged or withdraw. After this representation terminates, we do not undertake or have a continuing duty to represent you or keep you informed about any matters, facts, law, or developments which are or may be relevant to the matter for which we were retained.
13. **DISCLAIMER OF GUARANTEE.** Nothing in this Agreement and nothing in our statements to you will be construed as a promise or guarantee about the outcome of your matter. We make no such promises or guarantees; and all of our statements on any such matters are statements of opinion only.
14. **ARBITRATION AND ATTORNEYS' FEES.**

a. **General.** Any dispute with respect to your liability for fees and costs shall be submitted to arbitration in accordance with the California Business & Professions Code, section 6200 *et seq.*, and the California Code of Civil Procedure section 1280 *et seq.*

b. **Attorneys' Fees.** In any litigation or arbitration arising out of any fee dispute between the parties, the prevailing party shall be entitled to recover attorneys' fees and costs.

15. **INDEPENDENT COUNSEL.** You understand your right to obtain, at your own expense, independent legal counsel regarding this Agreement or any aspect of this matter. Your signature below indicates you either sought such advice or waive your right to do so.

16. **COUNTERPARTS.** This Agreement may be signed in counterparts. Each counterpart shall constitute a binding agreement upon each and all of the undersigned.

**NOTICE TO CLIENTS**

**DO NOT SIGN THIS FEE AGREEMENT BEFORE YOU HAVE READ IT OR IF IT CONTAINS ANY BLANK SPACES TO BE FILLED IN. YOU ARE ENTITLED TO A COMPLETELY FILLED IN COPY.**

The parties to this Agreement have read and understood its terms and agree to them, as of the date Carlson, Calladine & Peterson LLP first provided services.

WHEREFORE, the parties to this Agreement, through their duly authorized representatives, have signed this attorney-client fee agreement on the date(s) which appear below:

Dated: May <sup>27</sup>~~28~~ 2016  
17

CITY OF INDUSTRY  
By: Paul J. Philips

Dated: May 17, 2016

CARLSON, CALLADINE & PETERSON LLP  
By: /s/  
GUY D. CALLADINE

**EXHIBIT B**

**Rate Schedule**

[Attached]

**RATE SCHEDULE**

Client(s):           **CITY OF INDUSTRY**

Hourly Rates:       Partners: \$575/hour; Associates; Of Counsel: \$410/hour;  
                          Legal Assistants \$175/hour.

Standard charges:   We charge for our time in minimum units of 0.1 hours

Costs and Expenses:

In-office photocopying	20 cents each
FAX	\$.75/ page (sending)
Postage	Actual cost
Messenger	Actual cost
Long Distance Phone	Actual cost
Information Databases	Actual cost

Subject to change:

The rates on this schedule are subject to change on thirty (30) days written notice. If you decline to pay any increased rates, we will have the right to withdraw as your lawyers.

*CITY COUNCIL*

ITEMS NO. 6.1 & 7.1



# 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 City Council  
From: Paul J. Philips, City Manager *Paul J. Philips*  
Staff: Troy Helling, Senior Planner *TH*  
Prepared By: Aaron Lobliner, Contract Associate Planner *AL*  
Date: September 8, 2016

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**Subject: Conditional Use Permit 16-1 and Development Plan 16-4 – Verizon Wireless, 17969 Railroad Street**

### Proposal

Section 17.04.120 of the Municipal Code (“Code”) requires that when separate applications for the same project involve final decisions by the Planning Commission and City Council, all applications first be submitted to the Planning Commission for review and recommendation and then to the City Council for a final decision. The Planning Commission reviewed the request at their regular meeting on August 11, 2016, and recommended the City Council approve the applicant’s request. This project involves the following two applications submitted by Verizon Wireless.

- Consideration of a Conditional Use Permit for the establishment and operation of an observable wireless telecommunications facilities in the “I” Industrial Zone, in accordance with Section 17.70.040 of the City’s Code.
- Consideration of a Development Plan for new construction, in accordance with Section 17.36.020 of the Code.

This application, submitted by Verizon Wireless Inc., is to establish base equipment and antennas for a wireless telecommunications facility to be located on a 60 foot tall monopole on private property at 17969 Railroad Street (Assessor’s Parcel Number 8264-009-023).

### Location and Surroundings

As shown on the location map (Attachment 1), the proposed wireless telecommunications facility would be located on the northwest corner of a 9.55-acre industrial property at 17969 Railroad Street. The property is bounded by Railroad Street to the south, Lawson Street to the east with industrial properties to the west and north.

As shown in the site plan, elevations and photo simulations (Attachments 3, 4 and 5), Verizon Wireless would lease a 600 square foot area from the existing property owner. The lease area would consist of two radio equipment cabinets comprising 284 square feet, 12 antennas on three sectors, and a standby emergency generator. The area is set back 783 feet from the front property line and would be enclosed by an eight foot tall concrete block wall and a metal

gate.

## **Staff Analysis**

The proposed use is consistent with the Zoning (“I” – Industrial) and General Plan (Employment) designations of the site. The proposed project is an observable wireless telecommunications facility, which according to Section 17.70.040.A.3 of the Municipal Code, are allowed in the Industrial Zone subject to the approval of a Conditional Use Permit and under specific development standards.

### *Development and Design Standards*

The proposed project complies with the following wireless telecommunication facilities standards in Chapter 17.70.060 of the Industry Municipal Code

- Meets footprint requirement. Section 17.70.060.A.2 of the Code requires the project to be designed as small as technically possible. The proposed project would be contained within a leased area of 600 square feet, and enclosure structures that are 284 square feet, which is consistent with the size of enclosures of other observable wireless telecommunication facilities.
- Meets parking and landscape standards. Section 17.70.060.A.3 of the Code requires that there be no net loss of required parking or landscaping. The proposed project is located at the side of the property and will not remove parking and will not remove any of the required 12% landscaping.
- Meets design standards. Specifically, Section 17.70.060.B. of the Code states that observable wireless telecommunications facilities must be located in the rear of the subject property. As shown on Attachment 2, the base equipment would be located on the western side of the site, and would be shielded from direct public view by the existing chain link fences and landscaping.
- Meets height limits. Section 17.70.060.A.8 of the Code requires that monopoles not exceed 65 feet in height and the proposed monopole would be 60 feet tall.
- Meets co-location requirements. Section 17.70.060.A.1 of the Code requires that new wireless telecommunications facilities not be built if co-location on existing facilities would provide sufficient coverage, new capacity, and service quality with less environmental or aesthetic impact. Colocation on existing facilities was analyzed and determined not to be feasible in providing adequate coverage because the antennas would have to be located further down on the monopole such that it would not offer the necessary height to provide the necessary coverage.
- Meets colors and non-reflective material standards. Section 17.70.060.A.6 and 7 of the Code states that paint colors must be selected to minimize visual impacts by blending with the surrounding environment and buildings and exterior surfaces must be constructed of non-reflective materials. The proposal would be painted light grey and will be non-reflective to blend in with surrounding buildings and sky.

## **Findings**

According to Section 17.70.080 of the Code, a Conditional Use Permit for a new wireless telecommunications facility may be granted when the following findings are made:

- The proposed wireless telecommunications facility has been designed to achieve compatibility with the surrounding industrial community to the maximum extent reasonably feasible. The facility has been placed at the rear of the property and is

partially screened from public view.

- An alternative configuration will not increase community compatibility or is not reasonably feasible. The applicant studied collocating on nearby existing cell sites and found that the other existing sites were not able to provide the coverage that the project site does. The applicant also studied co-locating on the adjacent existing wireless facility and found that the antennas would have to be located further down on the monopole such that it would not offer the necessary height to provide the necessary coverage.
- The location of the wireless telecommunications facility on alternative sites will not increase community compatibility or is not reasonably feasible. The applicant studied building the facility on nearby sites but found that these sites were either not available or did not adequately cover the area that needed to be covered by this proposal. The facility would be located in an industrial area where the City would prefer wireless facilities to be located.
- The proposed facility is necessary to close a significant gap in coverage, increase network capacity, or maintain service quality, and is the least intrusive means of doing so. The location and height of this proposed facility is needed to close the gap in coverage and maintain service. The monopole is needed to fill in a low reception in the area will increase level of service in the area.
- The applicant has submitted a statement of its willingness to allow other wireless service providers to co-locate on the proposed wireless telecommunications facility if technically and economically feasible and where co-location would not harm community compatibility and, agreed to allow a co-location in the future.
- Noise generated by equipment will not be excessive, annoying or detrimental to the public health, safety, and welfare. The project consists of electronic equipment well as antennae mounted on a monopole. The only mechanical equipment would be an emergency generator. This type of equipment would not generate significant noise.

### **Environmental Analysis**

The proposed project is exempt from the California Environmental Quality Act (CEQA) per Section 15303, (Class 3 (c), new construction or conversion of small structures). The project is less than 2,500 square feet in floor area, is in an urbanized area and does not involve the use of a significant amount of a hazardous substance. The Notice of Exemption (Attachment 5) will be posted at the Los Angeles County Clerk's Office after approval by the City Council.

### **Public Hearing**

The required public hearing notice (Attachment 6), was posted on the site, fire station 118, City Hall and Council Chambers, distributed to surrounding property owners, and published in the San Gabriel Valley Tribune on August 26, 2016.

### **Recommendation**

Because the proposed use complies with the use standards of the Municipal code and satisfies the findings noted in the Resolution, Staff recommends that the City Council adopt Resolution No. CC 2016-61 and Resolution No. CC 2016-60 with findings for approval and Standard Requirements and conditions of approval contained in the Resolutions (Attachment 7 and 8) and direct staff to file the Notice of Exemption.

## **Attachments**

- Attachment 1: Location Map
- Attachment 2: Site Plan
- Attachment 3: Elevations
- Attachment 4: Photo Simulations
- Attachment 5: Notice of Exemption
- Attachment 6: Public Hearing Notice
- Attachment 7: Resolution No. CC 2016-61 approving Development Plan No. 16-4 with findings of approval and Standard Requirements and Conditions of Approval
- Attachment 8: Resolution No. CC 2016-60 approving Conditional Use Permit No. 16-1 with findings of approval and Standard Requirements and Conditions of Approval

# CUP 16-1 DP 16-4 Location Map

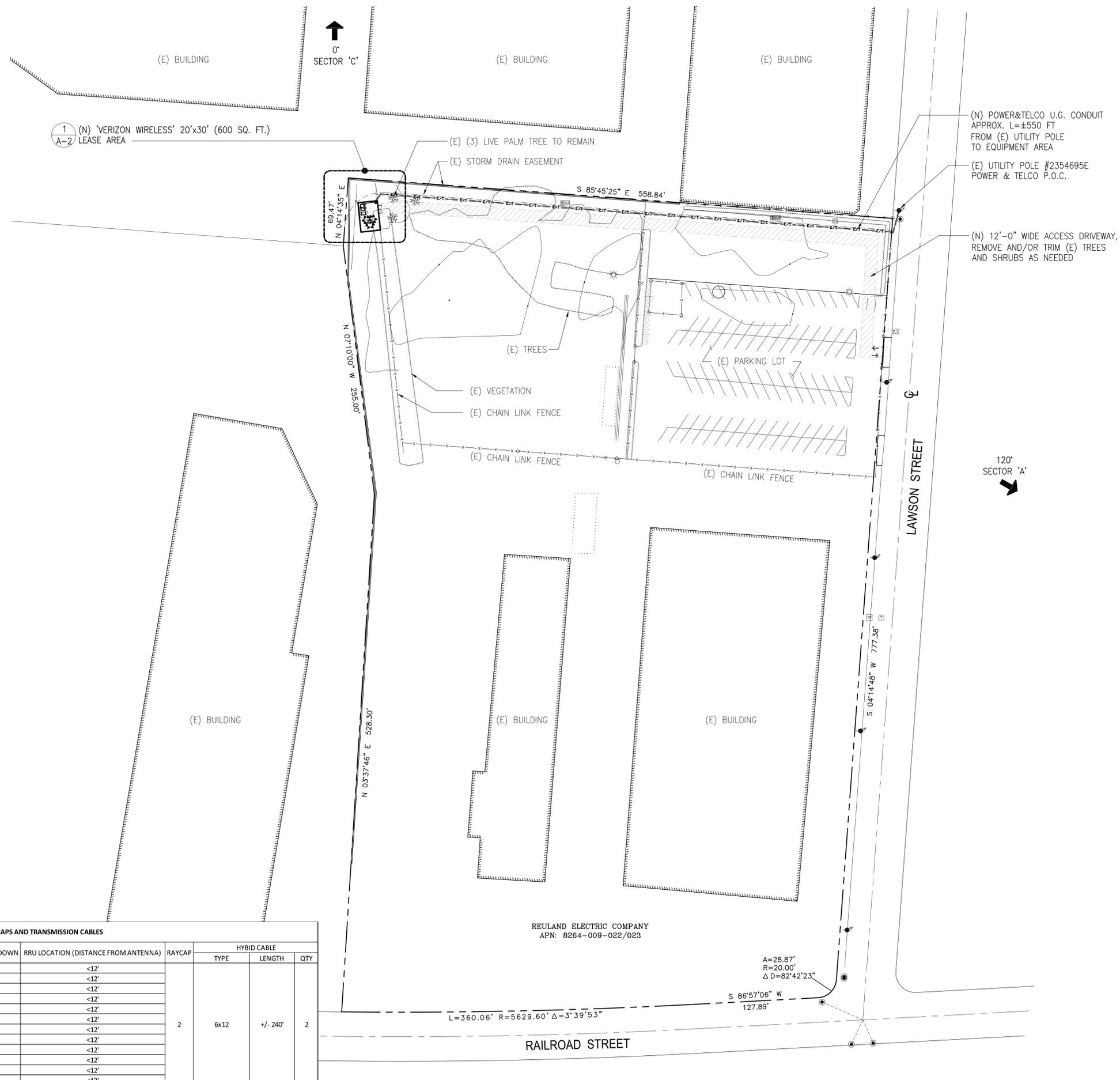


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# **Attachment 2**

## **Site Plan**

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1 (N) VERIZON WIRELESS' 20'x30' (600 SQ. FT.)  
A-2 LEASE AREA

(N) POWER&TELCO U.G. CONDUIT  
APPROX. L=±550 FT  
FROM (E) UTILITY POLE  
TO EQUIPMENT AREA

(E) UTILITY POLE #2354695E  
POWER & TELCO P.O.C.

(N) 12'-0" WIDE ACCESS DRIVEWAY,  
REMOVE AND/OR TRIM (E) TREES  
AND SHRUBS AS NEEDED

240'  
SECTOR 'B'

120'  
SECTOR 'A'

NEW ANTENNAS, RRU'S, RAYCAPS AND TRANSMISSION CABLES												
SECTOR	ANTENNA SIZE	ANTENNA AZIMUTH	RAD CENTER	RRU COUNT	A2 MODULE COUNT	RRU UP or DOWN	RRU LOCATION (DISTANCE FROM ANTENNA)	RAYCAP	HYBRID CABLE			
									TYPE	LENGTH	QTY	
SECTOR 'A'	A1	8'	120	52'-0"	1	1	UP	<12'	2	6x12	+/- 240'	2
	A2	8'	120	52'-0"	1	1	UP	<12'				
	A3	8'	120	52'-0"	1	1	UP	<12'				
	A4	8'	120	52'-0"	1	1	UP	<12'				
SECTOR 'B'	B1	8'	240	52'-0"	1	1	UP	<12'				
	B2	8'	240	52'-0"	1	1	UP	<12'				
	B3	8'	240	52'-0"	1	1	UP	<12'				
	B4	8'	240	52'-0"	1	1	UP	<12'				
SECTOR 'C'	C1	8'	0	52'-0"	1	1	UP	<12'				
	C2	8'	0	52'-0"	1	1	UP	<12'				
	C3	8'	0	52'-0"	1	1	UP	<12'				
	C4	8'	0	52'-0"	1	1	UP	<12'				

REULAND ELECTRIC COMPANY  
APN: 8264-009-022/023

A=28.87'  
R=20.00'  
ΔD=82'42'23"

L=360.06' R=5629.60' Δ=3'39'53"

S 86°57'06" W  
127.89'

RAILROAD STREET

LAWSON STREET

PLANS PREPARED FOR

15505 SAND CANYON AVENUE  
BUILDING 'D', 1ST FLOOR  
IRVINE, CA 92618

PLANS PREPARED BY

ARCHITECTURE | ENGINEERING | CONSULTING  
32 EXECUTIVE PARK | SUITE 110  
IRVINE | CA 92614

SEAL

CONSULTANT

SITE NAME / ADDRESS

**AJAX**

17969 RAILROAD STREET  
CITY OF INDUSTRY, CA 91748

APPROVALS	DEPARTMENT	INITIAL	DATE
SITE ACQUISITION			
PLANNING			
CONSTRUCTION MANAGER			
RF ENGINEER			
UTILITY COORDINATOR (POWER)			
UTILITY COORDINATOR (TELCO)			
MICROWAVE ENGINEER			
PROJECT MANAGER			

REVISIONS	DESCRIPTION:	DATE:	BY:	Δ
90% ZD (CLIENT REVIEW)		10/12/15	HH	A
100% ZD		10/22/15	FV	0

DRAWN BY: HH SITE WALK: 10/07/15  
CHECKED BY: BOK PERFORMED BY: BOK

SHEET DESCRIPTION

**SITE PLAN**

SHEET NUMBER

**A-1**

SITE PLAN

NORTH

SCALE: 1"=50'-0"

1



# **Attachment 3**

## **Elevations**

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# **Attachment 4**

## **Photo Simulations**

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# AERIAL MAP



COPYRIGHT: GOOGLE MAPS, 2015

# EXISTING



# PROPOSED

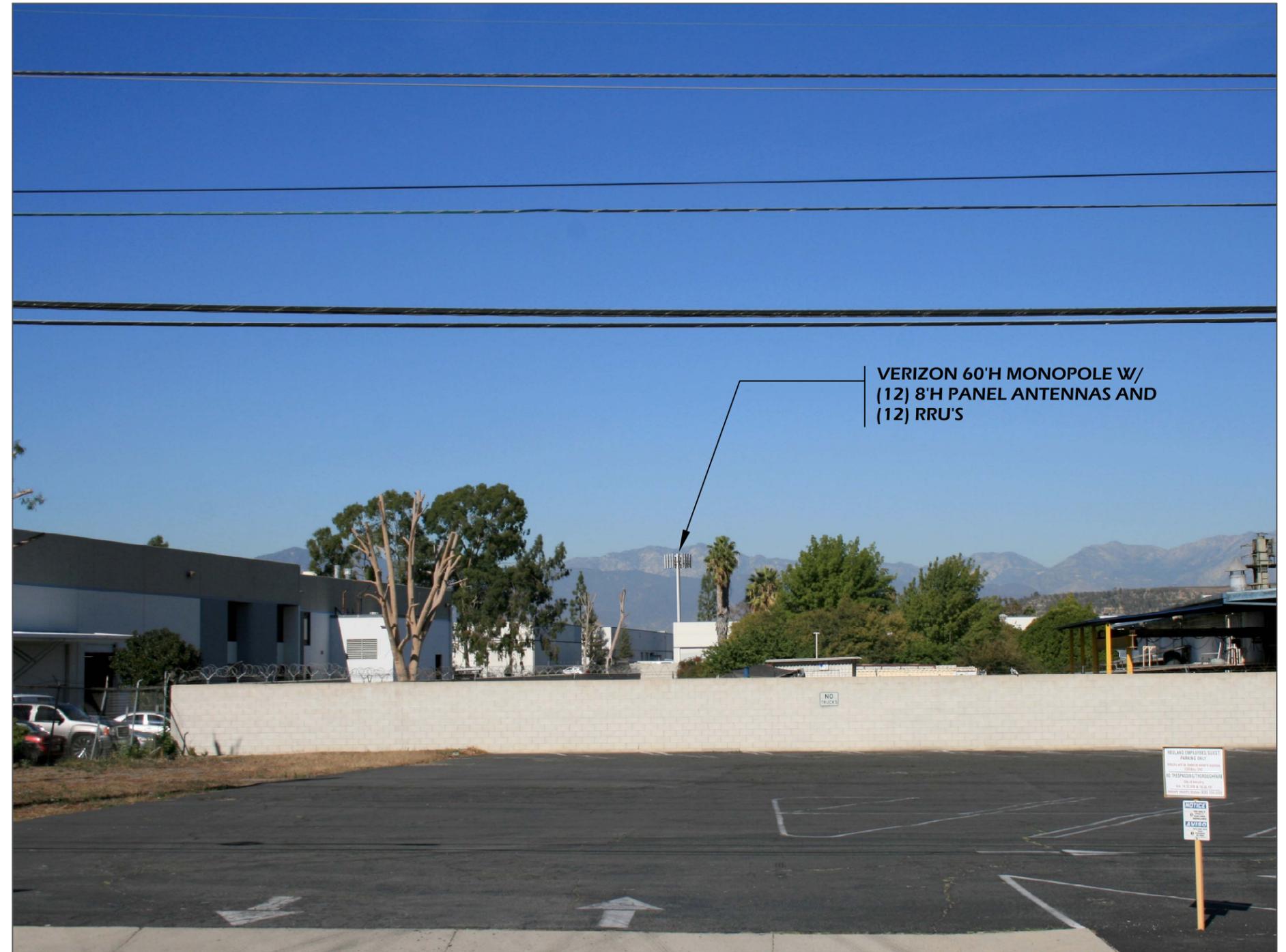


PHOTO PROVIDED BY: MMI TITAN



25071 ALICIA DRIVE  
DANA POINT, CA 92629

CONTACT: JUSTIN ROBINSON



**AJAX (MCE)**

17969 RAILROAD STREET  
CITY OF INDUSTRY, CA 91748

**VIEW**

**A**

**SHEET**

**1 / 4**

# AERIAL MAP



COPYRIGHT: GOOGLE MAPS, 2015

# EXISTING



# PROPOSED



PHOTO PROVIDED BY: MMI TITAN



25071 ALICIA DRIVE  
DANA POINT, CA 92629

CONTACT: JUSTIN ROBINSON



**AJAX (MCE)**

17969 RAILROAD STREET  
CITY OF INDUSTRY, CA 91748

**VIEW**

**B**

**SHEET**

**2 / 4**

# AERIAL MAP



COPYRIGHT: GOOGLE MAPS, 2015

# EXISTING



# PROPOSED



VERIZON 60'H MONOPOLE W/  
(12) 8'H PANEL ANTENNAS AND  
(12) RRU'S

PHOTO PROVIDED BY: MMI TITAN



25071 ALICIA DRIVE  
DANA POINT, CA 92629

CONTACT: JUSTIN ROBINSON



**AJAX (MCE)**

17969 RAILROAD STREET  
CITY OF INDUSTRY, CA 91748

**VIEW**

**C**

**SHEET**

**3 / 4**

# AERIAL MAP



COPYRIGHT: GOOGLE MAPS, 2015

# PROPOSED



VERIZON 60'H MONOPOLE W/  
(12) 8'H PANEL ANTENNAS AND  
(12) RRU'S

# EXISTING



PHOTO PROVIDED BY: MMI TITAN



25071 ALICIA DRIVE  
DANA POINT, CA 92629

CONTACT: JUSTIN ROBINSON



15505 SAND CANYON AVENUE, IRVINE, CA 92618

**AJAX (MCE)**

17969 RAILROAD STREET  
CITY OF INDUSTRY, CA 91748

**VIEW**

**D**

**SHEET**

**4 / 4**

# **Attachment 5**

## **Notice of Exemption**

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## NOTICE OF EXEMPTION

**To:** County Clerk  
County of Los Angeles  
Environmental Filings  
12400 East Imperial Highway #2001  
Norwalk, CA 90650

**From:** City of Industry  
15625 E. Stafford Street, Suite 100  
City of Industry, CA 91744

**Project Title:** CUP 16-1 and Development Plan 16-4

**Project Location - Specific:** 17969 Railroad Street

**Project Location-City:** City of Industry    **Project Location-County:** Los Angeles

**Description of Project:** Conditional Use Permit 16-1 and Development Plan 16-4 are applications to establish a Wireless Telecommunications Facility on a monopole on an existing parcel.

**Name of Public Agency Approving Project:** Planning Commission, City of Industry

**Name of Person or Agency Carrying Out Project:** Verizon Wireless

**Exempt Status:** *(check one)*

- Ministerial (Sec. 21080(b)(1); 15268);
- Declared Emergency (Sec. 21080(b)(3); 15269(a));
- Emergency Project (Sec. 21080(b)(4); 15269(b)(c));
- Categorical Exemption. *State type and section number:* 15303 Class 3
- Statutory Exemptions. *State code number:*

**Reasons why project is exempt:** Section 15303 Class 3, exempts the construction of small facilities and structures. The proposed project would occur within a 284 square foot area. The project site is fully developed with a 23,693 and a 66,744 square foot building and parking lot and has no value as habitat for endangered, rare or threatened species. Approval of the project would not result in any significant effects relating to traffic, noise, air quality, or water quality. The site is adequately served by all required utilities and public services. A CUP is required for the Wireless Telecommunications Facility since the facility will be observable.

**Lead Agency**

**Contact Person:** Aaron Lobliner

Telephone: (626)333-2211

Signature: \_\_\_\_\_

Date: 9/8/16

Title: Contract Associate Planner

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**Attachment 6**  
**Public Hearing Notice**

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# CITY OF INDUSTRY

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

## NOTICE OF PUBLIC HEARING

### Conditional Use Permit No. 16-1, Development Plan 16-4

On August 26, 2016, notice has been given that the City Council of the City of Industry will hold a public hearing to consider an application from Verizon Wireless for Conditional Use Permit 16-1, and Development Plan 16-4 located at 17969 Railroad Street in the City of Industry. Conditional Use Permit 16-1, and Development Plan 16-4 is to establish a wireless telecommunications facility at the rear of an existing industrial lot.

A copy of all relevant material, including the Conditional Use Permit application, and Notice of Exemption are on file in the City Administrative Offices, 15625 East Stafford Street, Suite 100, City of Industry, California 91744. Please contact Aaron Lobliner, Contract Associate Planner, at the City of Industry at 626-333-2211 or by email at [aaron.lobliner@mbakerintl.com](mailto:aaron.lobliner@mbakerintl.com) if you have questions.

The time, date, and place of the hearing will be as follows:

**Time:** 9:00 a.m.

**Date:** September 8, 2016

**Place:** City Council Chamber  
15651 East Stafford Street  
City of Industry, CA 91744

Any person wishing to be heard regarding this matter may appear at the above time, date, and place. Written comments may be sent via US Mail or by hand delivery to the City of Industry at the address listed above or via email to the email address listed above. All comments must be received at, or prior to, the date and time of the hearing listed above.

If you challenge the Conditional Use Permit or Development Permit in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the City Council of the City of Industry at, or prior to, the public hearing.

A handwritten signature in blue ink, appearing to read 'Cecelia Dunlap', written over a horizontal line.

Cecelia Dunlap  
Deputy City Clerk of the City of Industry

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# **Attachment 7**

**Resolution No. CC 2016-61 recommending approval of  
Development Plan 16-4 with findings of approval and  
Standard Requirements and Conditions of Approval**

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## RESOLUTION NO. CC 2016-61

### A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDUSTRY APPROVING DEVELOPMENT PLAN NO. 16-4 FOR THE CONSTRUCTION OF A WIRELESS TELECOMMUNICATIONS FACILITY AT 17969 RAILROAD STREET, CITY OF INDUSTRY, CALIFORNIA, AND THE NOTICE OF EXEMPTION REGARDING SAME, AND MAKING FINDINGS IN SUPPORT THEREOF

#### RECITALS

**WHEREAS**, on June 6, 2016, Verizon Wireless, (“Applicant”) filed a complete application requesting the approval of Development Plan (“CUP”) No. 16-4 described herein (“Application”); and

**WHEREAS**, the Application applies to a 9.55 acre property at 17969 Railroad Street, City of Industry, California, Assessor’s Parcel Numbers 8264-009-023 (“Property”); and

**WHEREAS**, the Applicant desires to construct and operate a Wireless Telecommunications Facility, which will house 12 panel antennas, on a 60 foot tall monopole structure in the “I” Industrial zone and, in accordance with Sections 17.36.020 and 17.70.050 of the City’s Municipal Code (“Code”), a Development Plan is required for this type of activity; and

**WHEREAS**, the Land Use Element of the General Plan designates the Property as Employment. The proposed use is consistent with the General Plan as it would support an ancillary use that is necessary to support basic industrial activities, and does not conflict with the established goals and objectives of the Land Use Element. Observable Wireless Telecommunications Facilities are permitted in the “I” Industrial zone, subject to the approval of a Development Plan pursuant to Sections 17.36.020 and 17.70.050 of City’s Code; and

**WHEREAS**, the development is consistent with the provisions of the City’s General Plan because the Property is designated as Industrial, which allows for the development of a Wireless Telecommunications Facilities; and

**WHEREAS**, pursuant to Section 17.04.120 of the City’s Code, when there are multiple applications for land use entitlements that require final decisions by both the City Council and City Council, the application must first be considered by the City Council, and then submitted to the City Council for final approval. Because the Applicant has submitted entitlement applications for both a Development Plan and CUP for the same property, the Planning Commisison is required to make a recommendation on the Development Plan to the City Council; and

**WHEREAS**, an Environmental Assessment was conducted by staff pursuant to the City's requirements. Based upon the information received and Staff's review and assessment, the project was determined not to have a significant impact on the environment and is categorically exempt from the California Environmental Quality Act ("CEQA"), pursuant to Section 15303 (Class 3 (c) New Construction or Conversion of Small Structures) of the CEQA Guidelines because the project is less than 2,500 square feet in floor area, is in an urbanized area and does not involve the use of a significant amount of hazardous substances. The lease area for the facility is only 600 square feet, and the structure base equipment cabinet would only occupy 284 square feet, and would not result in any significant effects relating to traffic, noise, air quality, or water quality; and

**WHEREAS**, at a regular meeting on August 11, 2016, the Planning Commission of the City of Industry conducted a public meeting and adopted Resolution PC 2016-22 and recommending that the City Council approve the Applications and the Categorical Exemptions; and

**WHEREAS**, on September 8, 2016, the City Council of the City of Industry conducted a duly noticed public meeting on the Application, and considered all testimony written and oral; and

**WHEREAS**, all legal prerequisites have occurred prior to the adoption of this Resolution.

**SECTION 1:** The City Council finds that all of the facts set forth in the 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:** Upon independent review and consideration of the information contained in the Staff Report and the Notice of Exemption for CUP No. 16-1, the City Council hereby finds and determines that Conditional Use Permit No. 16-1 will not result in or have a significant impact on the environment, because the proposed use is consistent with the general plan designation and all applicable general plan policies as well as with applicable zoning designation and regulations. The proposed project occupies a 600 square foot lease area on a 9.55 acre site. The proposed use is within City limits on a project site surrounded by urban and industrial uses. The project site is fully developed with a 23,693 and a 66,744 square foot building and parking lot has no value as habitat for endangered, rare or threatened species. Approval of the project would not result in any significant effects relating to traffic, noise, air quality, or water quality. The site is adequately served by all required utilities and public services.

Therefore, the proposed project is categorically exempt from the California Environmental Quality Act ("CEQA") (Public Resources Code Section 21000 *et seq.*), pursuant to Section 15303 (Class 3 In-Fill New construction or conversion of small structures), of the CEQA Guidelines (Title 14, Chapter 3 of the California Code of Regulations). Based on these findings, the City Council adopts the Notice of Exemption and directs staff to file same as required by law.

**SECTION 4:** Based upon substantial evidence presented to the City Council during the September 8, 2016 public hearing, including public testimony and written and oral staff reports, this Council finds as follows:

1. The site is suitable for development in accordance with the development plan because it meets the Wireless Telecommunications development guidelines in Chapter 17.70.060 of the Industry Municipal Code. The facility is as small as feasibly possible, no required parking spaces are lost, and the facility is located at the rear of the property.

2. The total development is arranged so as to avoid traffic congestion, ensure the public health, safety and general welfare or prevent adverse effects upon neighboring properties. The Property is served by street access adequate in width and improved as necessary to carry the kind of minimal quantity of traffic for such use that would generate as it will only be for routine maintenance. There is no expansion of the footprint of the building, and the Property is currently served by Railroad Street, which is of adequate capacity to serve the industrial use. The Wireless Telecommunications Facility use is compatible with surrounding properties and uses because the surrounding area is composed of industrial or manufacturing uses and will not create public health of adverse effects.

3. The development is in general accord with all elements of this title. The proposed wireless telecommunications facility meets all guidelines of Chapter 17.70 of the municipal code, which includes height, location and size requirements.

4. The development is consistent with the provisions of the general plan or any applicable redevelopment plan. The proposed use is consistent with the goals and objectives of the General Plan. The General Plan designates the site as Employment, which allows for uses necessary to support industrial activities. The Zoning Ordinance, which implements the General Plan, allows for observable Wireless Telecommunications Facilities with approval of a CUP. In addition, the conditions of approval set operational and management standards to ensure that the business will operate in a manner consistent with the General Plan's policies related to noise, safety, property maintenance, and maintaining a professional appearance.

**SECTION 5:** Based upon the foregoing findings, the City Council hereby recommends City Council approval of DP No. 16-4, subject to the conditions contained in Exhibit A, attached hereto and incorporated herein by reference.

**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:** That 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 September 8, 2016 by the following vote:

AYES:	COUNCILPERSONS:
NOES:	COUNCILPERSONS:
ABSTAIN:	COUNCILPERSONS:
ABSENT:	COUNCILPERSONS:

---

Mark D. Radecki  
Mayor

**ATTEST:**

---

Cecelia Dunlap  
Secretary



# CITY OF INDUSTRY

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

## EXHIBIT A

### Standard Requirements and Conditions of Approval

**Application:** Development Plan 16-4

**Applicant:** Verizon Wireless

**Location:** 17969 Railroad Street

### Conditions of Approval

*Conditions of approval are unique provisions, beyond the requirements of law, the municipal code, or standard practices that are applied to a project by the City Council per Section 17.36.080 of the Zoning Code. Please note that if the design of your project or site conditions change, the conditions of approval may also change. If you have any questions regarding these requirements, please contact the City of Industry.*

1. The Applicant/Operator shall maintain the wireless telecommunication facility and monopole materials ( panel antennas and associated equipment) in a condition that approximates new and in a manner that maintains the integrity and intent of the materials to mask the wireless facility. The operator shall make all necessary repairs and replacements of equipment and structural and aesthetic components that result from discoloring, fading, and damage caused by outdoor exposure and/or inclement weather. Under this condition, the Applicant/Operator shall replace such components within 90 days of written notice by the City.
2. Paint colors must minimize visual impacts by blending with the surrounding environment and buildings.
3. The exterior surfaces must be constructed of nonreflective materials.
4. The wireless telecommunications facility may not exceed sixty feet in height.
5. All supports or poles are required to be boxed and treated to blend with the character of the surrounding area.
6. Wireless telecommunication facilities may not be lighted or marked unless required by the FCC or the Federal Aviation Administration.
7. Cable trays and runs for a freestanding wireless telecommunication facility must be located inside the pole and underground.
8. No signs, flags, banners, or any form of advertising may be attached to the wireless telecommunication facility except for government-required certifications, warnings, or other required seals or signs.

9. The wireless telecommunication facility may not utilize guy wires or other diagonal or horizontal support structures.
10. Accessory buildings, shelters, cabinets and other ground-based equipment must be grouped together to the maximum extent feasible.

### **Code Requirements and Standards**

*The following is a list of code requirements and standards deemed applicable to the proposed project. The list is intended to assist the Applicant by identifying requirements that must be satisfied during the various stages of project permitting, implementation, and operation. It should be noted that this list is in addition to any "conditions of approval" adopted by the City Council and noted above. Please note that if the design of your project or site conditions change, the list may also change. If you have any questions regarding these requirements, please contact the City of Industry.*

1. The approval expires twelve (12) months after the date of approval by the City Council if a building permit for each building and structure thereby approved has not been obtained within such period.
2. The Applicant shall construct adequate fire protection facilities to the satisfaction of the Los Angeles County Fire Department.
3. All development shall take place substantially as shown on the approved development plan.
4. All exterior surfaces of buildings and appurtenant structures shall be painted in accordance with the approved development plan.
5. The wireless telecommunications facility shall be built in compliance with the Americans with Disabilities Act, including, but not limited to, providing adequate surface access and pedestrian traffic movement in and around the facility.
6. The Applicant shall provide drainage and grading plans to be approved by the City Engineer if required prior to the issuance of a building permit. Such plans shall be in substantial conformity with the development plans.
7. The Applicant shall provide building plans to be approved prior to the issuance of a building permit. Such plans shall be in substantial conformity with the development plans. Building plans shall be submitted to and approved by the Los Angeles County Engineer's Office - Building and Safety Division prior to the issuance of a building permit. All development shall be completed in substantial compliance with the approved development plan.
8. Demolition and construction operations shall be limited to the hours prescribed by the Los Angeles County Noise Ordinance (Los Angeles County Municipal Code, Section 12.08.390).
9. No outdoor storage of any personal property, building materials, or other property not permanently affixed to the Property is allowed.

10. Should archeological resources be uncovered during site preparation, grading, or excavation, work shall be stopped for a period not to exceed 14 days. The find shall be immediately evaluated for significance by a county-certified archaeologist. If the archaeological resources are found to be significant, the archaeologist shall perform data recovery, professional identification, radiocarbon dates as applicable, and other special studies; submit resources to the California State University Fullerton; and provide a comprehensive final report including appropriate records for the California Department of Parks and Recreation (Building, Structure, and Object Record; Archaeological Site Record; or District Record, as applicable).
11. Prior to Planning Final, all outstanding fees and invoices due to the City shall be paid in full. If requested by City Staff, the Applicant shall provide proof of payment.

### **Interpretation and Enforcement**

1. The Applicant shall comply with all applicable code requirements, conditions of approval, laws, rules, and regulations applicable to the development of the project.
2. The Planning Department may interpret the implementation of each condition of approval and, with advanced notice, grant minor amendments to approved plans and/or conditions of approval based on changed circumstances, new information, and/or relevant factors as long as the spirit and intent of the approved condition of approval is satisfied. Permits shall not be issued until the proposed minor amendment has been reviewed and approved for conformance with the intent of the approved condition of approval. If the proposed changes are substantial in nature, an amendment to the original entitlement may be required pursuant to the provisions of Industry Municipal Code.

### **Indemnification and Hold Harmless Condition**

1. The Applicant and each of its heirs, successors and assigns, shall defend, indemnify and hold harmless the City of Industry and its agents, officers, and employees from any claim, action or proceedings, liability cost, including attorney's fees and costs against the City or its agents, officers or employees, to attack, set aside, void or annul any approval of the City, including but not limited to any approval granted by the City Council and Planning Commission concerning this project. The City shall promptly notify the Applicant of any claim, action or proceeding and should cooperate fully in the defense thereof.

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# **Attachment 8**

**Resolution No. CC 2016-60 recommending approval of  
Conditional Use Permit No. 16-1 with findings of approval  
and Standard Requirements and Conditions of Approval**

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## RESOLUTION NO. CC 2016-60

### A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDUSTRY, CALIFORNIA, RECOMMENDING CITY COUNCIL APPROVAL OF CONDITIONAL USE PERMIT NO. 16-1, TO ALLOW A WIRELESS TELECOMMUNICATIONS FACILITY AT 17969 RAILROAD STREET, CITY OF INDUSTRY, CALIFORNIA, AND THE NOTICE OF EXEMPTION REGARDING SAME, AND MAKING FINDINGS IN SUPPORT THEREOF

#### RECITALS

**WHEREAS**, on June 6, 2016, Verizon Wireless, (“Applicant”) filed a complete application requesting the approval of Conditional Use Permit (“CUP”) No. 16-1 described herein (“Application”); and

**WHEREAS**, the Application applies to allow the construction and operation of a 60 foot tall Wireless Telecommunications Facility, with associated equipment located on a 9.55 acre property at 17969 Railroad Street, City of Industry, California, Assessor’s Parcel Number 8264-009-023 (“Property”); and

**WHEREAS**, the Applicant desires to construct and operate a Wireless Telecommunications Facility, which will house 12 panel antennas, on a 60 foot tall monopole structure in the “I” Industrial zone and, in accordance with Section 17.70.040.A.3 of the City’s Municipal Code (“Code”), a CUP is required for this type of activity; and

**WHEREAS**, the Land Use Element of the General Plan designates the Property as Employment. The proposed use is consistent with the General Plan as it would support an ancillary use that is necessary to support basic industrial activities, and does not conflict with the established goals and objectives of the Land Use Element. Observable Wireless Telecommunications Facilities are permitted in the “I” Industrial zone, subject to the approval of a CUP pursuant to Section 17.70.040.A.3 of the City’s Code; and

**WHEREAS**, an Environmental Assessment was conducted by staff pursuant to the City’s requirements. Based upon the information received and Staff’s review and assessment, the project was determined not to have a significant impact on the environment and is categorically exempt from the California Environmental Quality Act (“CEQA”), pursuant to Section 15303 (Class 3 (c) New Construction or Conversion of Small Structures) of the CEQA Guidelines because the project is less than 2,500 square feet in floor area, is in an urbanized area and does not involve the use of a significant amount of a hazardous substance. The lease area for the facility is only 600 square feet, and the structure base equipment cabinet would only occupy 284 square feet, and

would not result in any significant effects relating to traffic, noise, air quality, or water quality; and

**WHEREAS**, notice of City Council's September 8, 2016 public hearing on CUP No. 16-1 was published in *The San Gabriel Valley Tribune* on July 29, 2016, in compliance with the City's Code and Government Code Section 65091, and was posted at the Property and at three public places on July 29, 2016; and

**WHEREAS**, the notice of the Planning Commission's August 11, 2016 public hearing on CUP No. 16-1 was also mailed to property owners within 300 feet of the Property on August 26, 2016; and

**WHEREAS**, on August 11, 2016, the Planning Commission of the City of Industry conducted a duly noticed public hearing on the Application, and considered all testimony written and oral; and

**WHEREAS**, on September 8, 2016, the City Council of the City of Industry conducted a duly noticed public meeting on the Application, and considered all testimony written and oral; and

**WHEREAS**, all legal prerequisites to the adoption of this Resolution have occurred.

**NOW THEREFORE**, it is hereby found, determined and resolved by the City Council of the City of Industry as follows:

**SECTION 1:** The City Council finds that all of the facts set forth in the 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:** Upon independent review and consideration of the information contained in the Staff Report and the Notice of Exemption for CUP No. 16-1, the City Council hereby finds and determines that Conditional Use Permit No. 16-1 will not result in or have a significant impact on the environment, because the proposed use is consistent with the general plan designation and all applicable general plan policies as well as with applicable zoning designation and regulations. The proposed project occupies a 600 square foot lease area on a 9.55 acre site. The proposed use is within city limits on a project site surrounded by urban and industrial uses. The project site is fully developed with a 23,693 and a 66,744 square foot building and parking lot has no value as habitat for endangered, rare or threatened species. Approval of the project would not result in any significant effects relating to traffic, noise, air quality, or water quality. The site is adequately served by all required utilities and public services. A CUP is required for observable Wireless Telecommunication Facilities in the "I" Industrial

zone and the proposed project will not involve additional construction to any existing buildings. Therefore, the proposed project is categorically exempt from the California Environmental Quality Act ("CEQA") (Public Resources Code Section 21000 *et seq.*), pursuant to Section 15303 (Class 3 New construction or conversion of small structures), of the CEQA Guidelines (Title 14, Chapter 3 of the California Code of Regulations). Based on these findings, the Planning Commission adopts the Notice of Exemption and directs staff to file same as required by law.

**SECTION 4:** Based upon substantial evidence presented to the Planning Commission during the September 8, 2016 public hearing, including public testimony and written and oral staff reports, this Council finds as follows:

(a) The proposed use is consistent with the goals and objectives of the General Plan. The General Plan designates the site as Employment, which allows for uses necessary to support industrial activities. The Zoning Ordinance, which implements the General Plan, allows for observable Wireless Telecommunications Facilities with approval of a CUP. In addition, the conditions of approval set operational and management standards to ensure that the business will operate in a manner consistent with the General Plan's policies related to noise, safety, property maintenance, and maintaining a professional appearance.

(b) The Property is adequate in size and shape, topography and location to accommodate the yards, walls, fences, parking and loading facilities, landscaping, and items which may be required by Section 17.36.060 of the Municipal Code, and there will be adequate utilities to accommodate the proposed use. The Property complies with the development standards outlined in Chapter 17.36, Zoning Code of the Industry Municipal Code and the use does not involve any physical changes to the Property, and there will be no increased demands placed upon the existing water, gas, and sewer and minimal increase in electricity that adequately serve the site.

(c) The Property is served by street access adequate in width and improved as necessary to carry the kind and minimal quantity of traffic for such use would generate as it will only be for routine maintenance. There is no expansion of the footprint of the building, and the Property is currently served by Railroad Street, which is of adequate capacity to serve the industrial use.

(d) The Wireless Telecommunications Facility use is compatible with surrounding properties and uses because the surrounding area is composed of industrial or manufacturing uses. The uses of the surrounding properties may change, but the character will remain manufacturing in nature consistent with the General Plan and zoning designations of the site.

(e) The nature, condition and proposed development of adjacent uses, buildings and structures has been considered, and the proposed use, the Wireless Telecommunications Facility, will not adversely affect or be materially

detrimental to such adjacent uses, buildings or structures or to the public health, safety or general welfare, in that the surrounding area is composed of other similar uses. The Wireless Telecommunications Facility will complement the adjacent uses and will expand the cell coverage in the area that will benefit the community.

(f) The proposed wireless telecommunications facility has been designed to achieve compatibility with the community to the maximum extent reasonably feasible. The new telecommunications facility will be located in the rear of a warehouse and manufacturing complex, within an enclosed lease area that will be surrounded by a chain link fence. The facility will not be camouflaged, but there is vegetation surrounding the complex that will help the lower parts of the facility blend into the landscape. The pole and antennas will be painted to blend in with the sky.

(g) An alternative configuration will not increase community compatibility or is not reasonably feasible. Based on radio signal studies, the height and placement of the telecommunications facility is necessary to close a significant gap in coverage.

(h) The location of the wireless telecommunications facility on alternative sites will not increase community compatibility or is not reasonably feasible. Collocation on existing telecommunications facilities was evaluated; however, none allowed the applicant to close the significant gap in coverage.

(i) The proposed facility is necessary to close a significant gap in coverage, increase network capacity, or maintain service quality, and is the least intrusive means of doing so. The location of the facility at the rear of the Property, is the least intrusive means for providing the best service quality, and for addressing the significant gap in service coverage.

(j) The applicant has submitted a statement of its willingness to allow other wireless service providers to collocate on the proposed wireless telecommunications facility if technically and economically feasible and where collocation would not harm community compatibility.

(k) The proposed wireless telecommunications facility has been located and designed for collocation to the maximum extent possible. The height of the proposed equipment at 60 feet will allow for future collocation below.

(l) Noise generated by equipment will not be excessive, annoying or detrimental to the public health, safety, and welfare. All equipment will be located at least 100 feet away from the nearest industrial building and any equipment for the telecommunications facility will be contained with a cabinet specifically designed to reduce noise.

**SECTION 5:** Based upon the foregoing findings, the City Council hereby recommends City Council approval of CUP No. 16-1, subject to the conditions contained in Exhibit A.

**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:** That 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 September 8, 2016 by the following vote:

AYES:	COUNCILPERSONS:
NOES:	COUNCILPERSONS:
ABSTAIN:	COUNCILPERSONS:
ABSENT:	COUNCILPERSONS:

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Mark D. Radecki  
Mayor

**ATTEST:**

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Cecelia Dunlap  
Secretary



# CITY OF INDUSTRY

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

## EXHIBIT A

### Standard Requirements and Conditions of Approval

**Application:** Conditional Use Permit 16-1

**Applicant:** Verizon Wireless

**Location:** 17969 Railroad Street

### Conditions of Approval

*Conditions of approval are unique provisions, beyond the requirements of law, the municipal code, or standard practices that are applied to a project by the Planning Commission per Section 17.48.060 of the Zoning Code. Please note that if the design of your project or site conditions change, the conditions of approval may also change. If you have any questions regarding these requirements, please contact the City of Industry.*

1. The operator shall maintain the wireless telecommunication facility and monopole materials ( panel antennas and associated equipment) in a condition that approximates new and in a manner that maintains the integrity and intent of the materials to mask the wireless facility. The operator shall make all necessary repairs and replacements of equipment and structural and aesthetic components that result from discoloring, fading, and damage caused by outdoor exposure and/or inclement weather. Under this condition, the applicant shall replace such components within 90 days of written notice by the City.
2. Paint colors must minimize visual impacts by blending with the surrounding environment and buildings.
3. The exterior surfaces must be constructed of nonreflective materials.
4. The wireless telecommunications facility may not exceed sixty feet in height.
5. Supports or poles shall be boxed and treated to blend with the character of the surrounding area.
6. The wireless telecommunication facility may not be lighted or marked unless required by the FCC or the Federal Aviation Administration.
7. Cable trays and runs for a freestanding wireless telecommunication facility must be located inside the pole and underground.
8. No signs, flags, banners, or any form of advertising may be attached to a wireless telecommunication facility except for government-required certifications, warnings, or other required seals or signs.

9. The wireless telecommunication facility may not utilize guy wires or other diagonal or horizontal support structures.
10. Accessory buildings, shelters, cabinets and other ground-based equipment must be grouped together to the maximum extent feasible.

### **Code Requirements and Standards**

*The following is a list of code requirements and standards deemed applicable to the proposed project. The list is intended to assist the applicant by identifying requirements that must be satisfied during the various stages of project permitting, implementation, and operation. It should be noted that this list is in addition to any "conditions of approval" adopted by the Planning Commission and noted above. Please note that if the design of your project or site conditions change, the list may also change. If you have any questions regarding these requirements, please contact the City of Industry.*

1. The approval expires twelve (12) months after the date of approval by the Planning Commission if a building permit for each building and structure thereby approved has not been obtained within such period.
2. The Applicant shall provide drainage and grading plans to be approved by the City Engineer prior to the issuance of a building permit. Such plans shall be in substantial conformity with the plans.
3. The Applicant shall construct adequate fire protection facilities to the satisfaction of the Los Angeles County Fire Department.
4. All exterior surfaces of buildings and appurtenant structures shall be painted in accordance with the approved plan.
5. The Applicant shall provide building plans to be approved prior to the issuance of a building permit. Such plans shall be in substantial conformity with the development plans. (Building plans shall be submitted to and approved by the Los Angeles County Engineer's Office - Building and Safety Division prior to the issuance of a building permit.)
6. No outside storage of any personal property, building materials, or other property not permanently affixed to the real property shall be allowed, unless approved by the Planning Director.
7. No changes to the approved plan shall be permitted without written permission from the City of Industry.
8. The noise level created by the business shall not exceed the following at the property line of any adjacent or nearby residential land use, hospital, school in session, church or public library as measured by a sound level meter:
  - (a) 55 dBA between 7:00 a.m. - 10:00 p.m.  
50 dBA between 10:00 p.m. - 7:00 a.m.  
for a cumulative period of more than 30 minutes in any hour;
  - (b) 60 dBA between 7:00 a.m. - 10:00 p.m.  
55 dBA between 10:00 p.m. - 7:00 a.m.  
for a cumulative period of more than 15 minutes in any hour;

- (c) 65 dBA between 7:00 a.m. - 10:00 p.m.  
60 dBA between 10:00 p.m. - 7:00 a.m.  
for a cumulative period of more than 5 minutes in any hour;
- (d) 70 dBA between 7:00 a.m. - 10:00 p.m.  
65 dBA between 10:00 p.m. - 7:00 a.m.  
at any time.
9. Any violation of these conditions or any local, county, state or federal laws shall constitute grounds for revocation or suspension of the Conditional Use Permit.
10. Within sixty days of commencement of operations, the operator of a new wireless telecommunications facility must provide the planning department with a report, prepared by a qualified engineer acceptable to the city, indicating that the actual radio frequency (RF) emissions of the facility, measured at the property line or nearest point of public access and in the direction of maximum radiation from each antenna, is in compliance with all applicable FCC safety standards. This report must include RF emissions from all colocation facilities, if any, at the site. The operator must subsequently provide an updated report to the City within sixty days after completion of any change in design, number of antennas, operation, or other significant change in circumstances, or when such a report is otherwise required by the FCC, to the satisfaction of the planning director.
11. Wireless telecommunication facilities may not generate radio frequency emissions or electromagnetic radiation in excess of applicable FCC standards or any other applicable regulations. All wireless telecommunication facilities must comply with all standards and regulations of the FCC, and any other state or federal government agency with the authority to regulate wireless telecommunications facilities.
12. The Property and the wireless telecommunications facility, including all landscaping, security fencing, and related equipment must be maintained in a neat and clean manner and in accordance with all approved plans.
13. All graffiti on wireless telecommunication facilities must be removed at the sole expense of the operator of the facility within forty-eight hours of notification by the City.
14. If any FCC, CPUC or other required license or approval to provide telecommunications services is ever revoked, the operator must inform the planning director of the revocation within ten days of receiving notice of such revocation.
15. The wireless telecommunications facility and all equipment associated with the use must be removed in its entirety by the operator, at the operator's sole expense, within ninety days of a FCC or CPUC license or registration revocation or if the facility is abandoned or no longer needed. The Property must be restored to its pre-installation condition and, where necessary, revegetated to blend in with the surrounding area. Restoration and revegetation must be completed within two months of removal of the facility. Facilities not removed within these time periods are subject to immediate removal and restoration of the premises. The City is not required to provide notice that removal is required.

### **Interpretation and Enforcement**

1. The Planning Department, Engineering Department, and contract agencies (Los Angeles County Fire Department, Los Angeles Department of Building and Safety) shall be responsible for ensuring compliance with all applicable code requirements and conditions of approval.

2. The Planning Department may interpret the implementation of each condition of approval and, with advanced notice, grant minor amendments to approved plans and/or conditions of approval based on changed circumstances, new information, and/or relevant factors as long as the spirit and intent of the approved condition of approval is satisfied. Permits shall not be issued until the proposed minor amendment has been reviewed and approved for conformance with the intent of the approved condition of approval. If the proposed changes are substantial in nature, an amendment to the original entitlement may be required pursuant to the provisions of Industry Municipal Code.

### **Indemnification and Hold Harmless Condition**

1. The owner of the property that is the subject of this project, and the project applicant if different from the property owner, and each of their heirs, successors and assigns, shall defend, indemnify and hold harmless the City of Industry and its agents, officers, and employees from any claim, action or proceedings, liability cost, including attorney's fees and costs against the City or its agents, officers or employees, to attack, set aside, void or annul any approval of the City, including but not limited to any approval granted by the City Council and Planning concerning this project. The City shall promptly notify the applicant of any claim, action or proceeding and should cooperate fully in the defense thereof.

*CITY COUNCIL*

ITEM NO. 7.2



# 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 Members of the City Council

FROM: James M. Casso, City Attorney

DATE: September 1, 2016

SUBJECT: Consideration of Resolution approving an agreement for the purchase and sale of the Tres Hermanos Ranch and making CEQA Findings

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**BACKGROUND:** The Council recently directed staff to purchase the Successor Agency owned property commonly known as Tres Hermanos.

As Council is well aware, originally, the Property was owned by the City but it was transferred to the former Industry Urban-Development Agency in the late 1970s. Under the ownership of both agencies, the Property has been preserved as open space and it has not been developed. The Property is currently utilized as an open pasture for cattle grazing, inclusive of two single family residences and the Arnold Reservoir.

The Property is zoned for agriculture use or low density single family residential use. Over a year ago, a large scale housing developer made an offer to purchase the property from the Successor Agency. Based on a presentation made by the housing developer at a recent Oversight Board meeting, the developer would likely build between 7,500 and 10,000 homes on the Property, effectively and completely altering its open space character forever.

Under the provisions of ABX1 26 (the “Dissolution Act”), redevelopment agencies, including the Industry Urban-Development Agency (“Agency”), 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.

The Dissolution Act requires the Successor Agency to dispose of all Agency owned property expeditiously, and in a manner that maximizes value. In an effort to comply with the provisions of the Dissolution Act, the Successor Agency plans to enter into a purchase and sale agreement with the City of Industry (the “City”) for the property commonly known as the Tres Hermanos Ranch (the “Property”). The City proposes to use the Property for open space, public facility use or preservation use. For the Property, the City will pay to the Agency the appraised value of \$41,650,000.00.

The attached Resolution sets forth the requisite findings pursuant to CEQA and it ensures that the proposed purchase/sale, which awaits Oversight Board and Department of Finance approval, in compliance with California law.

**DISCUSSION:** The City will purchase the Property from the Agency for the appraised value as open space of \$41,650,000.00. The appraisal was performed by R.P. Laurain & Associates. The agreement requires the City to provide a \$4,165,000.00 deposit at the opening of escrow.

Close of escrow will occur 30 days after the opening of escrow.

**BUDGET IMPACT:** Based on an appraisal, the Property was valued at \$41,650,000.00. The City would pay the appraised market value of \$41,650,000.00. The value of the Property is based on its total land area of 2,450 acres and its topography ranges from rolling to moderately sloping. The 11 parcels that make-up the Property are contiguous and ownership is vested with the Successor Agency.

**RECOMMENDATION:** Staff recommends that the City Council adopt the attached resolution, approving the Purchase and Sale Agreement between the City and the Successor Agency for the Tres Hermanos Ranch.

Attachments:

Resolution  
Purchase and Sale Agreement

**RESOLUTION NO. CC 2016-62**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDUSTRY APPROVING THE PURCHASE AND SALE AGREEMENT BETWEEN THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY AND THE CITY FOR THE TRES HERMANOS RANCH AND MAKING THE REQUISITE CEQA FINDINGS**

**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 (“Agency”), were dissolved on February 1, 2012, and successor agencies, including the Agency, 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 & Safety Code Section 34177(j); and

**WHEREAS**, under the provisions of Health & Safety Code Section 34191.4, once the Department of Finance (“Department”) issues a finding of completion, successor agencies are provided with additional authority to carry out the wind down process; and

**WHEREAS**, in accordance with Health & Safety Code Section 34191.5, after the issuance of a finding of completion, successor agencies are required to prepare a Long Range Property Management Plan (“LRPMP”), which must identify all Agency-owned real property, and address the disposition and use of the real properties; and

**WHEREAS**, the Agency received its Finding of Completion from the Department on April 26, 2013; and

**WHEREAS**, the LRPMP was submitted to the Department, and was approved by the Department on February 21, 2014; and

**WHEREAS**, upon approval of the LRPMP by the Department, all Agency property was transferred to the Agency’s Community Redevelopment Property Trust Fund; and

**WHEREAS**, the Agency owns certain property commonly known as the Tres Hermanos Ranch located in Los Angeles and San Bernardino Counties, California (the “Property”). The Property Ranch consists of 2,450 acres and is designated by APNs: 8701-021-271, 8701-022-270 and 273 (Los Angeles County); 1000-011-19, 20, 21 and 22, 1000-021-13 and 14; 1000-031-14 and 15 (San Bernardino County) (collectively, the “Property”); and

**WHEREAS**, pursuant to the provisions of the LRPMP, the Agency desires to sell the Property at its highest and best use, maximizing its value, in furtherance of the economic goals and as provided for in the City’s General Plan; and

**WHEREAS**, the Agency desires to sell the Property to the City, pursuant to a Purchase and Sale Agreement and Joint Escrow Instructions (the “Agreement”), dated September 8, 2016. The purchase price is \$41,650,000.00, which represents an amount equal to or greater than the current fair market value of the Property, as determined by John Laurain of R. P. Laurain & Associates, Inc.; and

**WHEREAS**, the purchase 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 have 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 Council 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 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 purchase 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 have 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 Council adopts the Notice of Exemption and direct staff to file same as required by law, and affirm their respective approval of the purchase and sale of the Property.

**SECTION 4.** The City Council 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 5.** The City Manager is hereby authorized to take such further actions as may be necessary to carry out the obligations set forth in this Resolution.

**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. Certification.** The City Clerk shall certify to the passage and adoption of this Resolution and enter it into the respective book of original resolutions.

**SECTION 8. Effective Date.** This Resolution shall take effect immediately upon adoption.

**PASSED, APPROVED AND ADOPTED** this 8<sup>TH</sup> day of September 2016, by the following vote:

AYES: COUNCILMEMBERS

NOES: COUNCILMEMBERS

ABSENT: COUNCILMEMBERS

ABSTAIN: COUNCILMEMBERS

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Mark D. Radecki, Mayor

ATTEST:

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Cecelia Dunlap, Deputy City Clerk

**PURCHASE AND SALE AGREEMENT  
AND JOINT ESCROW INSTRUCTIONS  
TRES HERMANOS RANCH**

THIS PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS (this “**Agreement**”), dated as of September 8, 2016 (the “**Effective Date**”) is entered into by and between the SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY, a public body corporate and politic, (the “**Agency**” or “**Seller**”) and the CITY OF INDUSTRY, a municipal corporation (the “**City**” or “**Buyer**”). The Agency and the City are hereinafter sometimes individually referred to as a “**Party**” and collectively referred to as the “**Parties.**”

**RECITALS**

A. Agency is the owner of that certain real property commonly known as Tres Hermanos Ranch, which consists of APN: 8701-021-271, 8701-022-270 and 8701-022-273 (Los Angeles County); 1000-011-19, 1000-011-20, 1000-011-21 and 1000-011-22, 1000-021-13 and 1000-021-14; 1000-031-14 and 1000-031-15 (San Bernardino County) and the reciprocal easement area, as more particularly described on **Exhibit A** attached hereto together with all right, title and interest in and to all appurtenances and improvements thereon or relating thereto (collectively, the “**Property**”).

B. The Property was previously owned by the Industry Urban-Development Agency (“**IUDA**”). On June 28, 2011, the Governor signed into law ABX1 26, which provided for the dissolution and winding down of redevelopment agencies throughout the State of California. ABX1 26 was subsequently amended by Assembly Bill 1484 (collectively, as amended, “**Dissolution Act**”).

C. Pursuant to the Dissolution Act, the City of Industry elected to be the Successor Agency to the IUDA to administer the dissolution and winding down of the IUDA. On February 1, 2012, pursuant to the Dissolution Act, the IUDA was dissolved by operation of law, and, upon dissolution, all assets, properties and contracts of the IUDA, including the Property, were transferred, by operation of law, to the Agency pursuant to the provisions of Health and Safety Code § 34175 (b).

D. Buyer desires to purchase the Property from Seller, and Seller desires to sell the Property to Buyer, on the terms and conditions contained in this Agreement.

**NOW, THEREFORE**, incorporating the foregoing recitals and for other good and valuable consideration, the receipt and sufficiency of which is thereby acknowledge, subject to all terms and conditions hereof, Buyer and Seller agree as follows:

**1. PURCHASE AND SALE.** Pursuant to the terms and conditions contained in this Agreement, Seller hereby agrees to sell the Property to Buyer and, Buyer hereby agrees to purchase the Property from Seller.

**2. PURCHASE PRICE.** The purchase price (“**Purchase Price**”) for the Property shall be Forty-One Million Six Hundred Fifty Thousand Dollars (\$41,650,000.00) (the “**Purchase Price**”), payable by Buyer to Seller in cash at the Close of Escrow (as set forth in Section 7, below).

A non-refundable deposit equal to ten percent (10%) of the Purchase Price shall be deposited into escrow by Buyer within five (5) days after execution of this Agreement by Seller and delivery to Buyer (“**Deposit**”). At the Close of Escrow, the Deposit shall be applied to the Purchase Price. Notwithstanding the above, if any of the conditions to closing set forth in Section 4 are not satisfied and escrow fails to close as a result thereof, the Deposit shall be fully refundable to Buyer.

### 3. **ESCROW.**

A. Opening of Escrow. Buyer has opened an escrow at the offices of First American Title Insurance Company (“**Escrow Holder**”). The principal office of the Escrow Holder for purposes of this Agreement is 18500 Von Karman Avenue, Suite 600, Irvine, California 92612, Attention: Patty Beverly, Escrow Officer, Telephone: (949) 885-2465, Fax: (877) 372-0260, Email: [pbeverly@firstam.com](mailto:pbeverly@firstam.com). Upon mutual execution of this Agreement, Buyer and Seller shall deliver a fully executed copy of this Agreement to Escrow Holder.

B. Closing Date. Escrow shall close thirty (30) days after the Effective Date, but in no event on the first business day following a non-business day. For purposes of this Agreement, the closing date (“**Closing Date**” or “**Close of Escrow**”) shall mean the date on which a grant deed conveying the Property to Buyer is recorded in the Los Angeles County Recorder’s Office and the San Bernardino County Recorder’s Office, respectively, with respect to the portions of the Property located in each county (unless recording in only one County is required for the issuance of the Title Policy). For ease of reference, the grant deeds, whether singular or plural, shall be referred to herein as the grant deed.

### 4. **CONDITIONS TO CLOSING.**

A. Buyer’s Conditions to Closing. Close of Escrow and Buyer’s obligation to purchase the Property pursuant to this Agreement are subject to the satisfaction, or waiver, of the following conditions at or prior to Closing:

(i) Title. Buyer acknowledges receipt of the September 1, 2016 preliminary title report prepared by Escrow Holder for the Property in the annotated form attached hereto as **Exhibit B** (“**Title Report**”). Buyer shall acquire the Property subject to all exceptions described in the Title Report, together with all non-delinquent real property taxes and assessments to be assessed against the Property, subject to the following modifications: (x) the following exceptions shall be deleted: 22, 25, 36, 39, and 44, and (y) the following endorsements shall be issued (unless waived by Buyer in writing prior to closing): 100 (with respect to covenants, conditions, and restrictions), no surface access for water rights (103.5), contiguity (116.4), Subdivision Map Act compliance (116.7), no surface access for oil/gas/mineral rights (100.24 or 100.29) (“**Approved Exceptions**”). At the Closing, Seller shall deliver title to the Property to Buyer subject only to the Approved Exceptions.

(ii) Delivery of Deed. Not less than one (1) business day prior to Closing, Seller shall have executed and deposited into Escrow, for delivery to Buyer, the Grant Deed attached hereto as **Exhibit C**.

(iii) Delivery of Assignment. Not less than one (1) business day prior to Closing, Seller shall have executed and deposited into Escrow, for delivery to Buyer, an Assignment

in the form attached hereto as **Exhibit D**, assigning any leases affecting the Property (“**Assignment(s)**”).

(iv) No Default. Seller shall not be in material default of Seller’s obligations under this Agreement.

If any of the conditions to Buyer’s obligations set forth above fail to occur at or before the Closing Date through no fault of Buyer, then Buyer may cancel the Escrow, terminate this Agreement, and recover any amounts paid by Buyer to the Escrow Holder toward the Purchase Price.

B. Seller’s Condition to Closing. Close of Escrow and Seller’s obligation to sell the Property to Buyer pursuant to this Agreement, are subject to the satisfaction of the following conditions at or prior to Closing:

(i) Authorization to Sell. Prior to the Closing, Seller shall have obtained any and all authorizations and approvals necessary to sell the Property pursuant to the Dissolution Act, including, if necessary, California Department of Finance approval of the Oversight Board resolution approving the sale of the Property to Buyer on the terms and conditions set forth herein.

(ii) No Default. Buyer shall not be in material default of Buyer’s obligations under this Agreement, including, but not limited to, Buyer’s obligation to deliver the Purchase Price into escrow on or before the Closing Date.

If the conditions above have not been satisfied or waived by Seller at or before the Closing Date through no fault of Seller, then Seller may, upon written notice to Buyer, cancel the Escrow, terminate this Agreement, and recover any documents delivered to the Escrow Holder pursuant to this Agreement.

## 5. REPRESENTATIONS AND WARRANTIES.

A. Buyer hereby represents and warrants to Seller that (i) it has the legal power, right and authority to enter into this Agreement and the instruments referenced herein, and to consummate the transactions contemplated hereby; (ii) all requisite action (corporate, trust, partnership or otherwise) has been taken by Buyer in connection with entering into this Agreement and the instruments referenced herein, and the consummation of the transactions contemplated hereby; and (iii) no consent of any other party is required for Buyer to execute this Agreement and consummate the transaction contemplated herein.

B. Seller hereby represents and warrants to Buyer that (i) it has the legal power, right and authority to enter into this Agreement and the instruments referenced herein, and to consummate the transactions contemplated hereby; (ii) all requisite action (corporate, trust, partnership or otherwise) has been taken by Seller in connection with entering into this Agreement and the instruments referenced herein, and the consummation of the transactions contemplated hereby; and (iii) no consent of any other party is required for Seller to execute this Agreement and consummate the transaction contemplated herein.

C. Except as disclosed on those reports, if any, set forth on **Exhibit E** attached hereto (collectively, “**Environmental Reports**”), Seller hereby represents and warrants that (i) Seller

has not released any Hazardous Materials on the Property, (ii) Seller has no actual knowledge of any release of Hazardous Materials (as defined below) on the Property, and (iii) Seller has not received any notice of any actual or alleged violation of any law, ordinance, rule, regulation or order of any governmental authority pertaining to the Property, or any investigation relating thereto. For purposes of this Agreement, the term “**Hazardous Materials**” shall mean any and all of those materials, substances, wastes, pollutants, contaminants, byproducts, or constituents which have been determined to be injurious to health or the environment, including without limitation those designated as hazardous or toxic by any federal, state or local law, ordinance, rule, regulation or policy, and any other materials, substances, wastes, pollutants, contaminants, by-products or constituents requiring remediation under federal, state or local laws, ordinances, rules, regulations or policies.

D. Seller hereby represents and warrants to Buyer that, other than the Approved Exceptions (i) the Property is not encumbered by any leases, options to purchase, rights of first refusal or contracts for lease or sale of the Property; (ii) there are no liens or claims against the Property, (iii) there are no agreements that will affect the Property or bind Buyer following the Closing, and (iv) no actual or threatened (in writing) litigation, claims, appeals, arbitrations or claims affect the Property or will affect Buyer following the Closing.

**6. CONDITION OF PROPERTY.** Subject to the terms of this Agreement, the Property shall be conveyed from the Agency to the City on an “AS IS” condition and basis with all faults and the City agrees that the Agency has no obligation to make modifications, replacements or improvements thereto. Except as expressly and specifically provided in this Agreement, the City and anyone claiming by, through or under the City hereby waives its right to recover from and fully and irrevocably releases the Agency and the Oversight Board, and their respective officers, directors, employees, representatives, agents, advisors, servants, attorneys, successors and assigns, and all persons, firms, corporations and organizations acting on the Agency’s or Oversight Board’s behalf (collectively, the “**Released Parties**”) from any and all claims, responsibility and/or liability that the City may now have or hereafter acquire against any of the Released Parties for any costs, loss, liability, damage, expenses, demand, action or cause of action arising from or related to the matters pertaining to the Property described in this Section 6. This release includes claims of which the City is presently unaware or which the City does not presently suspect to exist which, if known by the City, would materially affect the City’s release of the Released Parties. If the Property is not in a condition suitable for the intended use or uses, then it is the sole responsibility and obligation of the City to take such action as may be necessary to place the Property in a condition suitable for development of the Project thereon. Except as otherwise expressly and specifically provided in this Agreement and without limiting the generality of the foregoing, THE AGENCY MAKES NO REPRESENTATION OR WARRANTY AS TO (i) THE VALUE OF THE PROPERTY; (ii) THE INCOME TO BE DERIVED FROM THE PROPERTY; (iii) THE HABITABILITY, MARKETABILITY, PROFITABILITY, MERCHANTABILITY OR FITNESS FOR PARTICULAR USE OF THE PROPERTY; (iv) THE MANNER, QUALITY, STATE OF REPAIR OR CONDITION OF THE PROPERTY; (v) THE COMPLIANCE OF OR BY THE PROPERTY OR ITS OPERATION WITH ANY LAWS, RULES, ORDINANCES OR REGULATIONS OF ANY APPLICABLE GOVERNMENTAL AUTHORITY OR BODY; (vi) COMPLIANCE WITH ANY ENVIRONMENTAL PROTECTION OR POLLUTION LAWS, RULES, REGULATIONS, ORDERS OR REQUIREMENTS; (vii) THE PRESENCE OR ABSENCE OF HAZARDOUS MATERIALS AT, ON, UNDER OR ADJACENT TO THE

PROPERTY; AND (viii) THE FACT THAT ALL OR A PORTION OF THE PROPERTY MAY BE LOCATED ON OR NEAR AN EARTHQUAKE FAULT LINE.

THE CITY HEREBY ACKNOWLEDGES THAT IT HAS READ AND IS FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542, WHICH IS SET FORTH BELOW:

“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.”

BY INITIALING BELOW, CITY HEREBY WAIVES THE PROVISIONS OF SECTION 1542 SOLELY IN CONNECTION WITH THE MATTERS WHICH ARE THE SUBJECT OF THE FOREGOING WAIVERS AND RELEASES.

City's Initials

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The waivers and releases by the City herein contained shall survive the Close of Escrow and the recordation of the Grant Deed and shall not be deemed merged into the Grant Deed upon its recordation.

## 7. CLOSE OF ESCROW.

A. Delivery of Documents and Payment. Not less than one (1) business day prior to Closing, Seller shall deposit into Escrow the executed Assignment, and a Grant Deed in the form attached hereto as **Exhibit B**, properly executed and acknowledged by Seller, in favor of Buyer, containing the legal description of the Property, subject only to the Approved Exceptions. Not less than one (1) business day prior to Closing, Buyer and Seller shall have each deposited into Escrow any supplemental escrow instructions necessary to close this Escrow. Escrow Holder shall deliver to Seller the Purchase Price, when (1) Escrow Holder has recorded the Grant Deed, (2) Escrow Holder is prepared to issue to Buyer the Title Policy as provided in Section 7B below, (3) the conditions specified in Section 4 have been satisfied or waived, and (4) Escrow Holder holds, and is able to deliver to Buyer, the executed Assignment.

B. Title Insurance. At the Close of Escrow, Buyer shall obtain from Escrow Holder a 2006 Form B Extended Coverage American Land Title Association owner's form policy of title insurance in the amount of the Purchase Price insuring title to the Property in the name of Buyer subject only to the Approved Exceptions and otherwise in the form of **Exhibit F** attached hereto (“**Title Policy**”).

C. Recordation and Delivery. At the Closing, Escrow Holder shall (1) forward the Grant Deed to the recorder for recordation, and (2) deliver the Title Policy as provided in Section 7B, above and the Assignment to Buyer at the address set forth in Section 13.

D. Obligation to Refrain from Discrimination. The City covenants and agrees for itself, its successors and assigns, and for every successor in interest to the Property or any part thereof, that there shall be no discrimination against or segregation of any person, or group of persons, on account of sex, marital status, age, handicap, race, color, religion, creed, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property, and the City (itself or any person claiming under or through the City) shall not 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, subtenants, sublessees, or vendees of the Property or any portion thereof. Notwithstanding the foregoing, if and when the City conveys the Property to a third party, the City shall be relieved of any further responsibility under this Section 7D as to the Property, or the portion thereof, so conveyed.

E. Form of Nondiscrimination and Nonsegregation Clauses. All deeds, leases or contracts for sale for all or any portion of the Property shall contain the following nondiscrimination or nonsegregation clauses:

(i) 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.”

(ii) 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.”

(iii) 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.”

F. Restrictive Covenant. In order to insure the City’s compliance with the covenants set forth in Sections 7E(i), (ii), and (iii) hereof, such covenants shall be set forth in the Grant Deed. Such covenants shall run with the Property for the benefit of the Agency and the Agency shall have the right to assign all of its rights and benefits therein to the City.

G. Effect and Duration of Covenants. The non-discrimination and non-segregation requirements set forth in Sections 7E(i), (ii), and (iii) shall (1) remain in effect in perpetuity, (2) be binding upon the Property and City and its successors and assigns, and (3) be set forth with particularity in any document of transfer or conveyance by the City.

**8. BROKERS.** Seller and Buyer hereby represent to each other that there are no brokers, finders, or other persons entitled to a commission, finder's fee or other payment in connection with this Agreement. Buyer and Seller hereby agree to indemnify, defend, protect, and hold the other harmless from and against any claims, liabilities, or damages for commissions or finder's fees brought by any third party who has dealt or claims to have dealt with the indemnifying party pertaining to the Property.

**9. FIRPTA.** Seller warrants that it is not a foreign person or entity as defined in the Foreign Investors Real Property Tax Act and prior to the Close of Escrow Seller will deposit an

affidavit certifying same and a California Form 593. Escrow Holder's duties pertaining to these provisions are limited to the receipt from Seller of such affidavit prior to the Close of Escrow and delivery to Buyer of such affidavit at the Close of Escrow.

**10. GOVERNING LAW.** This Agreement shall be construed and enforced in accordance with the applicable laws of the State of California.

**11. PROPERTY TAXES.** Buyer shall be responsible for any property or other taxes or assessments levied against the Property to the extent attributable to the period on or after the Closing. Seller shall be responsible for any property or other taxes or assessments levied against the Property to the extent attributable to the period prior to the Close of Escrow.

**12. CLOSING COSTS.** Buyer and Seller shall split equally the documentary transfer taxes, customary escrow fee and charges and recordation fees and the cost of the Title Policy. Any endorsements to the Title Policy requested by Buyer shall be paid for by Buyer. Tenant rental payments (if any), real property taxes and assessments (if any), utility and other operating costs of the Property shall be prorated at Closing with expenses prorated on an "accrual" basis and income prorated on a "cash" basis.

**13. NOTICES.** All notices or other communications required or permitted hereunder shall be in writing, and shall be personally delivered, sent by national overnight courier service, sent by facsimile transmission, if also sent by one of the other methods provided in this Section, or sent by registered or certified mail, first class postage prepaid, return receipt requested, and shall be deemed received upon the earlier of (i) the date of delivery to the address of the person to receive such notice, (ii) the date of the facsimile transmission, or (iii) three (3) business days after the date of posting with the United States Postal Service at the following addresses:

To Buyer: Paul J. Philips, City Manager  
15625 East Stafford Street, Suite 100  
City of Industry, California 91744

To Seller: Successor Agency to the Industry Urban-Development  
Agency  
15625 East Stafford Street, Suite 100  
City of Industry, California 91744  
Attention: Paul J. Philips, Executive Director

with a copy to: James M. Casso  
Casso & Sparks, LLP  
13200 Crossroads Parkway N  
Suite 345  
City of Industry, California 91746

Any party to this Agreement may change its address for receipt of notices by giving notice of such change to the other party in the manner set forth in this Section. Neither the rejection of a notice by the addressee or the inability to deliver a notice because of a change of address for which no change of address notice was received, shall affect the date on which such notice is deemed received.

**14. RECEIPT OF PROPERTY DOCUMENTS.** Buyer acknowledges that it has received and had the opportunity to review the following documents:

- (i) The Title Report; and
- (ii) The Environmental Reports.

**15. MISCELLANEOUS.**

A. Time. Time is of the essence of this Agreement with respect to each and every provision hereof in which time is a factor.

B. Entire Agreement. This Agreement, including the Exhibits attached hereto, contains the entire agreement between the parties pertaining to the subject matter hereof and fully supersedes any and all prior agreements and understandings between the parties. No change in, modification of or amendment to this Agreement shall be valid unless set forth in writing and signed by all of the parties subsequent to the execution of this Agreement.

C. Further Assurances. Each of the parties agrees that it will without further consideration execute and deliver such other documents and take such other action, whether prior or subsequent to the Closing Date, as may be reasonably requested by the other party to consummate more effectively the purposes or subject matter of this Agreement, including, without limitation, such documents as shall be required to issue the Title Policy.

D. Successors. Subject to the provisions of this Agreement, this Agreement shall be binding upon and shall inure to the benefit of the parties hereto, and their respective heirs, executors, representatives, successors and assigns.

E. Severability. In the event any provision of this Agreement shall be determined by a court of competent jurisdiction to be invalid or unenforceable, such invalidity or unenforceability shall be effective only to the extent of such determination and shall not prohibit or otherwise render ineffective any other provision of this Agreement.

F. Exhibits. References herein to exhibits are to **Exhibit A, Exhibit B, Exhibit C, Exhibit D, Exhibit E** and **Exhibit F** attached hereto, which exhibits are hereby incorporated by reference.

G. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Signature pages may be detached from the counterparts and attached to a single copy of this Agreement to physically form one document.

H. Survival. The Parties representations and warranties shall survive the Closing for one (1) year.

I. Buyer's Remedy for Seller's Default. If Seller defaults under this Agreement, then Buyer shall be entitled to pursue any remedy available at law or in equity, including, without limitation, specific performance of this Agreement.

J. Seller's Operation of the Property. From the Effective Date until the Closing, Seller shall (a) operate the Property in substantially the same manner as it did prior to the Effective Date, (b) perform all Seller's obligations under any Approved Exceptions, (c) maintain the Property in good order, condition and repair, and (d) not execute any new lease, agreement, or Approved Exception, or modify any such existing agreement (except to comply with requirements for obtaining the Title Policy).

**K. SELLER'S REMEDY FOR BUYER'S DEFAULT. BUYER AND SELLER AGREE THAT IT WOULD BE IMPRACTICAL AND EXTREMELY DIFFICULT TO PRESENTLY ESTIMATE THE TOTAL NET DETRIMENT OR DAMAGES WHICH SELLER MAY SUFFER IN THE EVENT BUYER DEFAULTS HEREUNDER AND FAILS TO COMPLETE THE PURCHASE OF THE PROPERTY AS HEREIN PROVIDED. BUYER AND SELLER THEREFORE AGREE THAT A REASONABLE PRESENT ESTIMATE OF THE NET DETRIMENT THAT SELLER WOULD SUFFER IN THE EVENT OF BUYER'S DEFAULT OR BREACH HEREUNDER IS AN AMOUNT OF MONEY EQUAL TO THE DEPOSIT, WHICH SHALL BE THE FULL, AGREED AND LIQUIDATED DAMAGES PURSUANT TO CALIFORNIA CIVIL CODE SECTIONS 1671, 1676 AND 1677 AND SHALL NOT CONSTITUTE FORFEITURE OR PENALTY WITHIN THE MEANING OF CALIFORNIA CIVIL CODE 3275 OR 3369. SELLER WAIVES THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 3389.**

\_\_\_\_\_  
SELLER'S INITIALS

\_\_\_\_\_  
BUYER'S INITIALS

L. Legal Fees. If either party brings any action or suit against the other for any matter relating to or arising out of this Agreement, then the prevailing party in such action or dispute shall be entitled to recover from the other party all costs and expenses of suit, including attorneys' fees and costs.

[SIGNATURES ON NEXT PAGE]

**IN WITNESS WHEREOF**, Buyer and Seller have executed this Agreement as of the date first written above.

**CITY OF INDUSTRY**

By: \_\_\_\_\_  
Mark D. Radecki, Mayor

ATTEST:

\_\_\_\_\_  
Cecelia Dunlap, Deputy City Clerk

APPROVED AS TO FORM:

By: \_\_\_\_\_  
James M. Casso, City Attorney

**SUCCESSOR AGENCY TO THE INDUSTRY  
URBAN-DEVELOPMENT AGENCY**

By: \_\_\_\_\_  
Mark D. Radecki, Chairman

ATTEST:

\_\_\_\_\_  
Diane M. Schlichting, Assistant Secretary

APPROVED AS TO FORM:

By: \_\_\_\_\_  
James M. Casso, Agency Counsel

**EXHIBIT A**

**LEGAL DESCRIPTION OF THE PROPERTY**

**EXHIBIT "A"**  
Legal No. 899

**LEGAL DESCRIPTION**

A PORTION OF SECTION 1 AND ALL OF SECTION 12, TOWNSHIP 2 SOUTH, RANGE 9 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SECTION 12; THENCE EAST 80 CHAINS TO THE SOUTHEAST CORNER OF SECTION 12; THENCE NORTH 80 CHAINS TO THE NORTHEAST CORNER OF SAID SECTION 12; THENCE ON A COURSE OF ABOVE NORTH 61° 28' WEST 90.83 CHAINS MORE OR LESS, TO A POINT IN THE WEST LINE OF SAID SECTION 1, DISTANT 43.02 CHAINS NORTH OF THE SOUTHWEST CORNER THEREOF; THENCE SOUTH ALONG THE WEST LINES OF SAID SECTION 1 AND 12 TO THE POINT OF BEGINNING.

EXCEPT THEREFROM THAT PORTION THEREOF INCLUDED WITHIN THE LAND, DESCRIBED IN THE DEED TO THE STATE OF CALIFORNIA RECORDED ON JULY 05, 1968 AS INSTRUMENT NO. 399 IN BOOK D-4405 PAGE 993 OF OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

ALSO EXCEPT THEREFROM THAT PORTION THEREOF, INCLUDED WITHIN THE LAND, DESCRIBED IN THE DEEDS TO THE STATE OF CALIFORNIA, RECORDED ON NOVEMBER 17, 1971 AS INSTRUMENTS NO. 253 AND 254 IN BOOK D-5259 PAGES 626 AND 630 OF OFFICIAL RECORDS IN SAID COUNTY RECORDER.

ALSO EXCEPT THEREFROM THAT PORTION THEREOF, INCLUDED WITHIN THE LAND, DESCRIBED IN THE DEEDS TO THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA RECORDED ON MARCH 07, 1975 AS INSTRUMENTS NO. 281 AND 282 IN BOOK D-6579 PAGES 1 AND 11 OF OFFICIAL RECORDS IN SAID COUNTY RECORDER.

ALSO EXCEPT THEREFROM THAT PORTION THEREOF, INCLUDED WITHIN THE LAND DESCRIBED AS PARCEL A, IN THE GRANT DEED TO POMONA UNIFIED SCHOOL DISTRICT, RECORDED APRIL 07, 1993 AS DOCUMENT NO. 93-653577, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

PARCEL A:

THAT PORTION OF THE SOUTH HALF OF SECTION 1 AND THE NORTH HALF OF SECTION 12, TOWNSHIP 2 SOUTH, RANGE 9 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF DIAMOND BAR, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA,

ACCORDING TO THE OFFICIAL PLAT THEREOF, DESCRIBED AS A WHOLE AS FOLLOWS:

BEGINNING AT THE MOST SOUTHERLY CORNER OF PARCEL 3 OF PARCEL MAP NO. 13350 AS PER MAP FILED IN BOOK 144 AT PAGES 12 AND 13 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, A RADIAL LINE THROUGH SAID POINT BEARS NORTH 65° 33' 44" WEST; THENCE ALONG THE SOUTHWESTERLY LINE OF SAID PARCEL 3, NORTH 61° 55' 24" WEST 242.81 FEET TO THE MOST EASTERLY CORNER OF SAID LAND AS DESCRIBED IN THE DEED TO THE STATE OF CALIFORNIA RECORDED ON NOVEMBER 17, 1971, AS INSTRUMENT NO. 254 IN BOOK D-5259 PAGE 630 OF OFFICIAL RECORDS; THENCE ALONG THE SOUTHWESTERLY BOUNDARIES OF SAID DEED TO THE STATE OF CALIFORNIA, AS FOLLOWS:

SOUTH 80° 26' 22" WEST 357.29 FEET, NORTH 39° 50' 49" WEST 184.88 FEET; NORTH 08° 58' 26" WEST, 186.31 FEET TO THE SOUTHWESTERLY LINE OF PARCEL 1 AS SHOWN ON RECORD OF SURVEY FILED IN BOOK 83 PAGES 62 AND 63 OF RECORD OF SURVEYS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE ALONG SAID LAST MENTIONED SOUTHWESTERLY LINE NORTH 61° 55' 24" WEST 2446.02 FEET; THENCE SOUTH 26° 04' 36" WEST 915.27 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE SOUTHEAST HAVING A RADIUS OF 1500.00 FEET; THENCE SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 15° 00' 00", AN ARC DISTANCE OF 392.70 FEET TO THE BEGINNING OF A COMPOUND CURVE CONCAVE TO THE NORTHEAST AND HAVING A RADIUS OF 120.00 FEET, A RADIAL LINE THROUGH SAID POINT BEARS NORTH 78° 55' 24" WEST; THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 60° 00' 00", AN ARC DISTANCE OF 125.66 FEET; THENCE TANGENT TO SAID LAST MENTIONED CURVE, SOUTH 48° 55' 24" EAST 170.71 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE NORTHEAST AND HAVING A RADIUS OF 2500.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE 16° 02' 34", AN ARC DISTANCE OF 700.00 FEET TO THE BEGINNING OF A COMPOUND CURVE CONCAVE TO THE NORTH HAVING A RADIUS OF 1125.00 FEET, A RADIAL LINE THROUGH SAID POINT BEARS SOUTH 25° 02' 02" WEST; THENCE EASTERLY ALONG SAID COMPOUND CURVE THROUGH A CENTRAL ANGLE OF 73° 27' 26", AN ARC DISTANCE OF 1442.33 FEET; THENCE TANGENT TO SAID COMPOUND CURVE NORTH 41° 34' 36" EAST 225.00 FEET; THENCE SOUTH 61° 55' 24" EAST 70.00 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE NORTH HAVING A RADIUS OF 100.00 FEET; THENCE EASTERLY ALONG SAID LAST MENTIONED CURVE THROUGH A CENTRAL ANGLE OF 60° 00' 00", AN ARC DISTANCE OF 104.72 FEET TO THE BEGINNING OF A REVERSE CURVE CONCAVE TO THE SOUTH HAVING A RADIUS OF 75.00 FEET; A RADIAL LINE THROUGH SAID POINT BEARS SOUTH 31° 55' 24" EAST; THENCE EASTERLY ALONG SAID REVERSE CURVE THROUGH A CENTRAL ANGLE OF 78° 30' 00" AN ARC DISTANCE OF 102.76 FEET TO THE BEGINNING OF A COMPOUND CURVE CONCAVE TO THE SOUTHWEST HAVING A RADIUS OF 350.00 FEET, A RADIAL LINE THROUGH SAID POINT BEARS NORTH 46° 34' 36" EAST; THENCE SOUTHEASTERLY ALONG SAID COMPOUND CURVE THROUGH A CENTRAL ANGLE OF 22° 30' 00", AN ARC DISTANCE OF 137.44 FEET; THENCE TANGENT TO SAID LAST COMPOUND CURVE SOUTH 20° 55' 24" EAST 105.00 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO

THE NORTH AND HAVING A RADIUS OF 265.00 FEET; THENCE EASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 112° 00' 00", AN ARC DISTANCE OF 518.01 FEET; THENCE TANGENT TO LAST MENTIONED CURVE NORTH 47° 04' 36" EAST 137.02 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE SOUTH AND HAVING A RADIUS OF 200.00 FEET; THENCE EASTERLY ALONG SAID LAST MENTIONED CURVE THROUGH A CENTRAL ANGLE OF 67° 27' 44", AN ARC DISTANCE OF 235.49 FEET; THENCE TANGENT TO SAID LAST MENTIONED CURVE, SOUTH 65° 27' 40" EAST 38.64 FEET TO THE WESTERLY LINE OF CHINO HILLS PARKWAY (100.00 FEET WIDE) AS EXISTED ON APRIL 5, 1993, AND AS ESTABLISHED BY THE COUNTY ENGINEER OF SAN BERNARDINO; THENCE ALONG SAID CHINO HILLS PARKWAY, AS FOLLOWS:

NORTH 24° 32' 20" EAST 72.06 FEET AND NORTHERLY ALONG A TANGENT CURVE CONCAVE NORTHWESTERLY AND HAVING A RADIUS OF 1750.00 FEET THROUGH A CENTRAL ANGLE OF 00° 06' 04", AN ARC DISTANCE OF 3.09 FEET TO THE POINT OF BEGINNING.

AND ALSO EXCEPT THEREFROM THAT PORTION THEREOF, INCLUDED WITHIN THE LAND DESCRIBED AS PARCEL RW-1, CHINO HILLS PARKWAY RIGHT-OF-WAY, BY FINAL ORDER AND JUDGMENT IN CONDEMNATION, RECORDED AUGUST 25, 1995, INSTRUMENT NO. 95-1398248, OFFICIAL RECORDS.

APN: 8701-021-271, 8701-022-270 and 8701-022-273

VLADISLAV SKREJEV, PLS 8363

CNC Engineering

Job No. MP 12-03#3 Legal No.899

Checked by  August 30, 2016



LEGAL DESCRIPTION

REAL PROPERTY IN THE CITY OF CHINO HILLS, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

PARCEL NO. 1:

THOSE PORTIONS OF SECTIONS 14 AND 23, IN GOVERNMENT LOT 38, TOWNSHIP 2 SOUTH, RANGE 9 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE RANCHO SANTA ANA DEL CHINO, IN THE CITY OF CHINO HILLS, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER MAP FILED IN RECORD OF SURVEY RECORDED IN BOOK 3, PAGE 72, RECORD OF SURVEYS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, LYING SOUTHEASTERLY OF THE SAID RANCHO LINE BETWEEN STATIONS 13 AND 14, AS SHOWN ON SAID MAP.

EXCEPT THEREFROM THAT PORTION CONVEYED TO THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA, BY DEED RECORDED MARCH 07, 1975, IN BOOK 8630, PAGE 104, OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM THAT PORTION CONVEYED TO THE COUNTY OF SAN BERNARDINO, BY FINAL ORDER OF CONDEMNATION, RECORDED JUNE 07, 1988, INSTRUMENT NO. 88-180373, OFFICIAL RECORDS.

PARCEL NO. 2:

THE WEST 1/2 OF SECTION 13; THE WEST 1/2 OF SECTION 24; THE NORTHWEST 1/4 OF SECTION 25 AND THE NORTH 1/2 OF SECTION 26, ALL IN GOVERNMENT LOT 38, TOWNSHIP 2 SOUTH, RANGE 9 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE RANCHO SANTA ANA DEL CHINO, IN THE CITY OF CHINO HILLS, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER MAP FILED IN THE RECORD OF SURVEYS, RECORDED IN BOOK 3, PAGE 72, RECORD OF SURVEYS, IN THE OFFICE OF THE COUNTY RECORDER OF SAN BERNARDINO COUNTY.

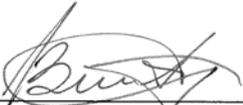
EXCEPT THEREFROM THAT PORTION CONVEYED TO THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA, BY DEED RECORDED MARCH 07, 1975, IN BOOK 8630, PAGE 83, OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM THAT PORTION CONVEYED TO THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA, BY DEED RECORDED MARCH 07, 1975, IN BOOK 8630, PAGE 92, OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM THAT PORTION CONVEYED TO THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA, BY DEED RECORDED MARCH 07, 1975, IN BOOK 8630, PAGE 104, OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM THAT PORTION CONVEYED TO THE COUNTY OF  
SAN BERNARDINO, BY FINAL ORDER OF CONDEMNATION, RECORDED JUNE 07,  
1988, INSTRUMENT NO. 88-180373, OFFICIAL RECORDS.

APN: 1000-011-19, 20, 21 and 22, 1000-021-13 and 14; 1000-031-14 and 15

  
\_\_\_\_\_  
VLADISLAV SKREJEV, PLS 8363  
CNC Engineering  
Job No. MP 12-03#3    Legal No.900  
Checked by:     August 30, 2016



**EXHIBIT B**

**TITLE REPORT**

(See Attached.)

**Updated 09/01/2016**



**First American Title Company  
National Commercial Services**

**18500 Von Karman Ave, Suite 600  
Irvine, CA 92612**

September 01, 2016

Brandi Magana  
Casso & Sparks, LLP  
13200 Crossroads Parkway North, Suite 345  
Industry, CA 91746  
Phone: (213)626-8484  
Fax: (213)626-0078

Customer Reference: Urban-Development Agency

Title Officer: Ron Ciaramella      Title Assistant: Gibson Reese  
Phone: (949)885-2451      Phone: (949)885-2454

Order Number: NCS-489345-SA1

Property: No Site Address, Diamond Bar, CA

Attached please find the following item(s):

Commitment

Thank You for your confidence and support. We at First American Title Insurance Company maintain the fundamental principle:

***Customer First!***

*First American Title Insurance Company*

**First American Title Insurance Company  
INFORMATION**

The Title Insurance Commitment is a legal contract between you and the company. It is issued to show the basis on which we will issue a Title Insurance Policy to you. The Policy will insure you against certain risks to the land title, subject to the limitations shown in the policy.

The Company will give you a sample of the Policy form, if you ask.

The Commitment is based on the land title as of the Commitment Date. Any changes in the land title or the transaction may affect the Commitment and the Policy.

The Commitment is subject to its Requirements, Exceptions and Conditions.

This information is not part of the title insurance commitment.

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Conditions	

**YOU SHOULD READ THE COMMITMENT VERY CAREFULLY.  
If you have any questions about the Commitment,  
please contact the issuing office.**

COMMITMENT FOR TITLE INSURANCE

Issued by

*First American Title Insurance Company*

Agreement to Issue Policy

We agree to issue a policy to you according to the terms of this Commitment.

When we show the policy amount and your name as the proposed insured in Schedule A, this Commitment becomes effective as of the Commitment Date shown in Schedule A.

If the Requirements shown in this Commitment have not been met within six months after the Commitment Date, our obligation under this Commitment will end. Also, our obligation under this Commitment will end when the Policy is issued and then our obligation to you will be under the Policy.

Our obligation under this Commitment is limited by the following:

The Provisions in Schedule A.

The Requirements in Schedule B-1.

The Exceptions in Schedule B-2.

The Conditions.

This Commitment is not valid without Schedule A and Sections 1 and 2 of Schedule B.

**SCHEDULE A**

1. Commitment Date: August 22, 2016 at 7:30 A.M.
2. Policy or Policies to be issued: Amount
  - (A) ALTA Owner's Policy \$TBD  
Proposed Insured:  
  
To Be Determined
  - (B) ALTA Extended Loan Policy-2006 \$TBD  
Proposed Insured:  
  
To Be Determined
3. (A) The estate or interest in the land described in this Commitment is:  
  
Fee Simple  
  
(B) Title to said estate or interest at the date hereof is vested in:  
  
City of Industry, a municipal corporation (Los Angeles County) and Successor Agency to the Industry Urban-Development Agency (San Bernardino County)
4. The land referred to in this Commitment is situated in the City of Diamond Bar, County of Los Angeles, State of California, and is described as follows:  
  
PARCEL I: (Los Angeles County)  
  
A PORTION OF SECTION 1 AND ALL OF SECTION 12, TOWNSHIP 2 SOUTH, RANGE 9 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND, DESCRIBED AS FOLLOWS:  
  
BEGINNING AT THE SOUTHWEST CORNER OF SECTION 12; THENCE EAST 80 CHAINS TO THE SOUTHEAST CORNER OF SECTION 12; THENCE NORTH 80 CHAINS TO THE NORTHEAST CORNER OF SAID SECTION 12; THENCE ON A COURSE OF ABOVE NORTH 61° 28' WEST 90.83 CHAINS MORE OR LESS, TO A POINT IN THE WEST LINE OF SAID SECTION 1, DISTANT 43.02 CHAINS NORTH OF THE SOUTHWEST CORNER THEREOF;  
THENCE SOUTH ALONG THE WEST LINES OF SAID SECTION 1 AND 12 TO THE POINT OF BEGINNING.  
  
EXCEPT THEREFROM THAT PORTION THEREOF INCLUDED WITHIN THE LAND, DESCRIBED IN THE DEED TO THE STATE OF CALIFORNIA RECORDED ON JULY 05, 1968 AS INSTRUMENT NO. 399 IN BOOK D-4405 PAGE 993 OF OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.  
  
ALSO EXCEPT THEREFROM THAT PORTION THEREOF, INCLUDED WITHIN THE LAND, DESCRIBED IN THE DEEDS TO THE STATE OF CALIFORNIA, RECORDED ON NOVEMBER 17, 1971 AS INSTRUMENTS NO. 253 AND 254 IN BOOK D-5259 PAGES 626 AND 630 OF OFFICIAL RECORDS IN SAID COUNTY RECORDER.  
  
ALSO EXCEPT THEREFROM THAT PORTION THEREOF, INCLUDED WITHIN THE LAND,

DESCRIBED IN THE DEEDS TO THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA RECORDED ON MARCH 07, 1975 AS INSTRUMENTS NO. 281 AND 282 IN BOOK D-6579 PAGES 1 AND 11 OF OFFICIAL RECORDS IN SAID COUNTY RECORDER.

ALSO EXCEPT THEREFROM THAT PORTION THEREOF, INCLUDED WITHIN THE LAND DESCRIBED AS PARCEL A, IN THE GRANT DEED TO POMONA UNIFIED SCHOOL DISTRICT, RECORDED APRIL 07, 1993 AS DOCUMENT NO. 93-653577, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

PARCEL A:

THAT PORTION OF THE SOUTH HALF OF SECTION 1 AND THE NORTH HALF OF SECTION 12, TOWNSHIP 2 SOUTH, RANGE 9 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF DIAMOND BAR, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, DESCRIBED AS A WHOLE AS FOLLOWS:

BEGINNING AT THE MOST SOUTHERLY CORNER OF PARCEL 3 OF PARCEL MAP NO. 13350 AS PER MAP FILED IN BOOK 144 AT PAGES 12 AND 13 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, A RADIAL LINE THROUGH SAID POINT BEARS NORTH 65° 33' 44" WEST; THENCE ALONG THE SOUTHWESTERLY LINE OF SAID PARCEL 3 NORTH 61° 55' 24" WEST 242.81 FEET TO THE MOST EASTERLY CORNER OF SAID LAND AS DESCRIBED IN THE DEED TO THE STATE OF CALIFORNIA RECORDED ON NOVEMBER 17, 1971, AS INSTRUMENT NO. 254 IN BOOK D-5259 PAGE 630 OF OFFICIAL RECORDS; THENCE ALONG THE SOUTHWESTERLY BOUNDARIES OF SAID DEED TO THE STATE OF CALIFORNIA, AS FOLLOWS: SOUTH 80° 26' 22" WEST 357.29 FEET, NORTH 39° 50' 49" WEST 184.88 FEET; NORTH 08° 58' 26" WEST, 186.31 FEET TO THE SOUTHWESTERLY LINE OF PARCEL 1 AS SHOWN ON RECORD OF SURVEY FILED IN BOOK 83 PAGES 62 AND 63 OF RECORD OF SURVEYS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE ALONG SAID LAST MENTIONED SOUTHWESTERLY LINE NORTH 61° 55' 24" WEST 2446.02 FEET; THENCE SOUTH 26° 04' 36" WEST 915.27 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE SOUTHEAST HAVING A RADIUS OF 1500.00 FEET; THENCE SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 15° 00' 00", AN ARC DISTANCE OF 392.70 FEET TO THE BEGINNING OF A COMPOUND CURVE CONCAVE TO THE NORTHEAST AND HAVING A RADIUS OF 120.00 FEET, A RADIAL LINE THROUGH SAID POINT BEARS NORTH 78° 55' 24" WEST; THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 60°00'00", AN ARC DISTANCE OF 125.66 FEET; THENCE TANGENT TO SAID LAST MENTIONED CURVE, SOUTH 48° 55' 24" EAST 170.71 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE NORTHEAST AND HAVING A RADIUS OF 2500.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE 16° 02' 34", AN ARC DISTANCE OF 700.00 FEET TO THE BEGINNING OF A COMPOUND CURVE CONCAVE TO THE NORTH HAVING A RADIUS OF 1125.00 FEET, A RADIAL LINE THROUGH SAID POINT BEARS SOUTH 25° 02' 02" WEST; THENCE EASTERLY ALONG SAID COMPOUND CURVE THROUGH A CENTRAL ANGLE OF 73° 27' 26", AN ARC DISTANCE OF 1442.33 FEET; THENCE TANGENT TO SAID COMPOUND CURVE NORTH 41° 34' 36" EAST 225.00 FEET; THENCE SOUTH 61° 55' 24" EAST 70.00 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE NORTH HAVING A RADIUS OF 100.00 FEET; THENCE EASTERLY ALONG SAID LAST MENTIONED CURVE THROUGH A CENTRAL ANGLE OF 60° 00' 00", AN ARC DISTANCE OF 104.72 FEET TO THE BEGINNING OF A REVERSE CURVE CONCAVE TO THE SOUTH HAVING A RADIUS OF 75.00 FEET; A RADIAL LINE THROUGH SAID POINT BEARS SOUTH 31° 55' 24" EAST; THENCE EASTERLY ALONG SAID REVERSE CURVE THROUGH A CENTRAL ANGLE OF 78° 30' 00" AN ARC DISTANCE OF 102.76 FEET TO THE BEGINNING OF A COMPOUND CURVE CONCAVE TO THE SOUTHWEST HAVING A RADIUS OF 350.00 FEET, A RADIAL LINE THROUGH SAID POINT BEARS NORTH 46° 34' 36" EAST; THENCE SOUTHEASTERLY ALONG SAID COMPOUND CURVE THROUGH A CENTRAL ANGLE OF 22° 30' 00", AN ARC DISTANCE OF 137.44 FEET; THENCE TANGENT TO SAID LAST COMPOUND CURVE SOUTH 20° 55' 24" EAST 105.00 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE NORTH AND HAVING A RADIUS OF 265.00 FEET; THENCE EASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 112° 00' 00", AN ARC DISTANCE OF 518.01 FEET; THENCE TANGENT TO LAST MENTIONED CURVE NORTH 47° 04' 36" EAST 137.02 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE SOUTH AND HAVING A RADIUS OF 200.00 FEET; THENCE EASTERLY ALONG

SAID LAST MENTIONED CURVE THROUGH A CENTRAL ANGLE OF 67° 27' 44", AN ARC DISTANCE OF 235.49 FEET; THENCE TANGENT TO SAID LAST MENTIONED CURVE, SOUTH 65° 27' 40" EAST 38.64 FEET TO THE WESTERLY LINE OF CHINO HILLS PARKWAY (100.00 FEET WIDE) AS EXISTED ON APRIL 5, 1993, AND AS ESTABLISHED BY THE COUNTY ENGINEER OF SAN BERNARDINO; THENCE ALONG SAID CHINO HILLS PARKWAY, AS FOLLOWS: NORTH 24° 32' 20" EAST 72.06 FEET AND NORTHERLY ALONG A TANGENT CURVE CONCAVE NORTHWESTERLY AND HAVING A RADIUS OF 1750.00 FEET THROUGH A CENTRAL ANGLE OF 00° 06' 04", AN ARC DISTANCE OF 3.09 FEET TO THE POINT OF BEGINNING.

AND ALSO EXCEPT THEREFROM THAT PORTION THEREOF, INCLUDED WITHIN THE LAND DESCRIBED AS PARCEL RW-1, CHINO HILLS PARKWAY RIGHT-OF-WAY, BY FINAL ORDER AND JUDGMENT IN CONDEMNATION, RECORDED AUGUST 25, 1995, INSTRUMENT NO. 95-1398248, OFFICIAL RECORDS.

PARCEL II: (San Bernardino County)

REAL PROPERTY IN THE CITY OF CHINO HILLS, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

PARCEL NO. 1:

THOSE PORTIONS OF SECTIONS 14 AND 23, IN GOVERNMENT LOT 38, TOWNSHIP 2 SOUTH, RANGE 9 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE RANCHO SANTA ANA DEL CHINO, IN THE CITY OF CHINO HILLS, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER MAP FILED IN RECORD OF SURVEY RECORDED IN BOOK 3, PAGE 72, RECORD OF SURVEYS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, LYING SOUTHEASTERLY OF THE SAID RANCHO LINE BETWEEN STATIONS 13 AND 14, AS SHOWN ON SAID MAP.

EXCEPT THEREFROM THAT PORTION CONVEYED TO THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA, BY DEED RECORDED MARCH 07, 1975, IN BOOK 8630, PAGE 104, OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM THAT PORTION CONVEYED TO THE COUNTY OF SAN BERNARDINO, BY FINAL ORDER OF CONDEMNATION, RECORDED JUNE 07, 1988, INSTRUMENT NO. 88-180373, OFFICIAL RECORDS.

PARCEL NO. 2:

THE WEST 1/2 OF SECTION 13; THE WEST 1/2 OF SECTION 24; THE NORTHWEST 1/4 OF SECTION 25 AND THE NORTH 1/2 OF SECTION 26, ALL IN GOVERNMENT LOT 38, TOWNSHIP 2 SOUTH, RANGE 9 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE RANCHO SANTA ANA DEL CHINO, IN THE CITY OF CHINO HILLS, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER MAP FILED IN THE RECORD OF SURVEYS, RECORDED IN BOOK 3, PAGE 72, RECORD OF SURVEYS, IN THE OFFICE OF THE COUNTY RECORDER OF SAN BERNARDINO COUNTY.

EXCEPT THEREFROM THAT PORTION CONVEYED TO THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA, BY DEED RECORDED MARCH 07, 1975, IN BOOK 8630, PAGE 83, OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM THAT PORTION CONVEYED TO THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA, BY DEED RECORDED MARCH 07, 1975, IN BOOK 8630, PAGE 92, OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM THAT PORTION CONVEYED TO THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA, BY DEED RECORDED MARCH 07, 1975, IN BOOK 8630, PAGE 104, OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM THAT PORTION CONVEYED TO THE COUNTY OF SAN BERNARDINO, BY FINAL ORDER OF CONDEMNATION, RECORDED JUNE 07, 1988, INSTRUMENT NO. 88-180373, OFFICIAL RECORDS.

APN: 8701-021-271, 8701-022-270 and 273 (Los Angeles County); 1000-011-19, 20, 21 and 22, 1000-021-13 and 14; 1000-031-14 and 15 (San Bernardino County)

## SCHEDULE B

### SECTION ONE REQUIREMENTS

The following requirements must be met:

- (A) Pay the agreed amounts for the interest in the land and/or the mortgage to be insured.
- (B) Pay us the premiums, fees and charges for the policy.
- (C) Documents satisfactory to us creating the interest in the land and/or the mortgage to be insured must be signed, delivered and recorded.
- (D) You must tell us in writing the name of anyone not referred to in this Commitment who will get an interest in the land or who will make a loan on the land. We may then make additional requirements or exceptions.
- (E) Releases(s) or Reconveyance(s) of Item(s): None
- (F) Other: None
- (G) You must give us the following information:
  - 1. Any off record leases, surveys, etc.
  - 2. Statement(s) of Identity, all parties.
  - 3. Other: None

The following additional requirements, as indicated by "X", must be met:

- (H) Provide information regarding any off-record matters, which may include, but are not limited to: leases, recent works of improvement, or commitment statements in effect under the Environmental Responsibility Acceptance Act, Civil Code Section 850, et seq.  
  
The Company's Owner's Affidavit form(as provided by company) must be completed and submitted prior to close in order to satisfy this requirement. This Commitment will then be subject to such further exceptions and/or requirements as may be deemed necessary.
- (I) An ALTA/ACSM survey of recent date, which complies with the current minimum standard detail requirements for ALTA/ACSM land title surveys, must be submitted to the Company for review. This Commitment will then be subject to such further exceptions and/or requirements as may be deemed necessary.
- (J) The following LLC documentation is required:
  - (i) a copy of the Articles of Organization
  - (ii) a copy of the Operating Agreement, if applicable
  - (iii) a Certificate of Good Standing and/or other evidence of current Authority to Conduct Business within the State
  - (iv) express Company Consent to the current transaction

- (K) The following partnership documentation is required :
  - (i) a copy of the partnership agreement, including all applicable amendments thereto
  - (ii) a Certificate of Good Standing and/or other evidence of current Authority to Conduct Business within the State
  - (iii) express Partnership Consent to the current transaction
  
- (L) The following corporation documentation is required:
  - (i) a copy of the Articles of Incorporation
  - (ii) a copy of the Bylaws, including all applicable Amendments thereto
  - (iii) a Certificate of Good Standing and/or other evidence of current Authority to Conduct Business within the State
  - (iv) express Corporate Resolution consenting to the current transaction
  
- (M) Based upon the Company's review of that certain partnership/operating agreement dated **Not disclosed** for the proposed insured herein, the following requirements must be met:

Any further amendments to said agreement must be submitted to the Company, together with an affidavit from one of the general partners or members stating that it is a true copy, that said partnership or limited liability company is in full force and effect, and that there have been no further amendments to the agreement. This Commitment will then be subject to such further requirements as may be deemed necessary.
  
- (N) A copy of the complete lease, as referenced in Schedule A, #3 herein, together with any amendments and/or assignments thereto, must be submitted to the Company for review, along with an affidavit executed by the present lessee stating that it is a true copy, that the lease is in full force and effect, and that there have been no further amendments to the lease. This Commitment will then be subject to such further requirements as may be deemed necessary.
  
- (O) Approval from the Company's Underwriting Department must be obtained for issuance of the policy contemplated herein and any endorsements requested thereunder. This Commitment will then be subject to such further requirements as may be required to obtain such approval.
  
- (P) Potential additional requirements, if ALTA Extended coverage is contemplated hereunder, and work on the land has commenced prior to close, some or all of the following requirements, and any other requirements which may be deemed necessary, may need to be met:
  
- (Q) The Company's "Mechanic's Lien Risk Addendum" form must be completed by a Company employee, based upon information furnished by the appropriate parties involved.
  
- (R) The Company's "Indemnity Agreement I" must be executed by the appropriate parties.
  
- (S) Financial statements from the appropriate parties must be submitted to the Company for review.
  
- (T) A copy of the construction contract must be submitted to the Company for review.
  
- (U) An inspection of the land must be performed by the Company for verification of the phase of construction.

**SCHEDULE B**

**SECTION TWO**

**EXCEPTIONS**

Any policy we issue will have the following exceptions unless they are taken care of to our satisfaction. The printed exceptions and exclusions from the coverage of the policy or policies are set forth in Exhibit A attached. Copies of the policy forms should be read. They are available from the office which issued this Commitment.

**The Following Matters Affect Los Angeles County:**

1. General and special taxes and assessments for the fiscal year 2016-2017, a lien not yet due or payable.
2. General and special taxes and assessments for the fiscal year 2015-2016.  
First Installment: \$36,065.89, PAID  
Penalty: \$0.00  
Second Installment: \$36,065.88, PAID  
Penalty: \$0.00  
Tax Rate Area: 10262  
A. P. No.: 8701-021-271
3. General and special taxes and assessments for the fiscal year 2015-2016.  
First Installment: \$233.65, PAID  
Penalty: \$0.00  
Second Installment: \$233.63, PAID  
Penalty: \$0.00  
Tax Rate Area: 10262  
A. P. No.: 8701-022-270
4. General and special taxes and assessments for the fiscal year 2015-2016.  
First Installment: \$5,865.40, PAID  
Penalty: \$0.00  
Second Installment: \$5,865.39, PAID  
Penalty: \$0.00  
Tax Rate Area: 10262  
A. P. No.: 8701-022-273

**The Following Matters Affect San Bernardino County:**

5. General and special taxes and assessments for the fiscal year 2016-2017, a lien not yet due or payable.
6. General and special taxes and assessments for the fiscal year 2015-2016.  
First Installment: \$2,225.19, PAID  
Penalty: \$0.00  
Second Installment: \$2,225.16, PAID

- |                |                   |
|----------------|-------------------|
| Penalty:       | \$0.00            |
| Tax Rate Area: | 024034            |
| A. P. No.:     | 1000-031-14-0-000 |
7. General and special taxes and assessments for the fiscal year 2015-2016.
- |                     |                   |
|---------------------|-------------------|
| First Installment:  | \$3,799.41, PAID  |
| Penalty:            | \$0.00            |
| Second Installment: | \$3,799.38, PAID  |
| Penalty:            | \$0.00            |
| Tax Rate Area:      | 024034            |
| A. P. No.:          | 1000-031-15-0-000 |
8. General and special taxes and assessments for the fiscal year 2015-2016.
- |                     |                   |
|---------------------|-------------------|
| First Installment:  | \$3,750.80, PAID  |
| Penalty:            | \$0.00            |
| Second Installment: | \$3,750.78, PAID  |
| Penalty:            | \$0.00            |
| Tax Rate Area:      | 024034            |
| A. P. No.:          | 1000-021-13-0-000 |
9. General and special taxes and assessments for the fiscal year 2015-2016.
- |                     |                   |
|---------------------|-------------------|
| First Installment:  | \$5,762.19, PAID  |
| Penalty:            | \$0.00            |
| Second Installment: | \$5,762.15, PAID  |
| Penalty:            | \$0.00            |
| Tax Rate Area:      | 024034            |
| A. P. No.:          | 1000-021-14-0-000 |
10. General and special taxes and assessments for the fiscal year 2015-2016.
- |                     |                   |
|---------------------|-------------------|
| First Installment:  | \$1,855.21, PAID  |
| Penalty:            | \$0.00            |
| Second Installment: | \$1,855.20, PAID  |
| Penalty:            | \$0.00            |
| Tax Rate Area:      | 024034            |
| A. P. No.:          | 1000-011-19-0-000 |
11. General and special taxes and assessments for the fiscal year 2015-2016.
- |                     |                   |
|---------------------|-------------------|
| First Installment:  | \$1,846.30, PAID  |
| Penalty:            | \$0.00            |
| Second Installment: | \$1,846.26, PAID  |
| Penalty:            | \$0.00            |
| Tax Rate Area:      | 024034            |
| A. P. No.:          | 1000-011-20-0-000 |
12. General and special taxes and assessments for the fiscal year 2015-2016.
- |                     |                   |
|---------------------|-------------------|
| First Installment:  | \$717.76, PAID    |
| Penalty:            | \$0.00            |
| Second Installment: | \$717.74, PAID    |
| Penalty:            | \$0.00            |
| Tax Rate Area:      | 024034            |
| A. P. No.:          | 1000-011-21-0-000 |

13. General and special taxes and assessments for the fiscal year 2015-2016.

First Installment: \$1,171.60, PAID  
Penalty: \$0.00  
Second Installment: \$1,171.57, PAID  
Penalty: \$0.00  
Tax Rate Area: 024034  
A. P. No.: 1000-011-22-0-000

14. Water rights, claims or title to water, whether or not shown by the public records.

(Affects Los Angeles and San Bernardino County Properties)

**The Following Matters Affect Los Angeles County Properties:**

15. The effect of the recital contained in the deed affecting said land from Chandis Securities Company, et al to the State of California, recorded July 05, 1968, Document No. 399 of Official Records which recites:

"This conveyance is made for the purpose of a freeway and adjusted frontage road and the grantor hereby releases and relinquishes to the grantee any and all abutters rights including access rights appurtenant to grantor's remaining property in and to said freeway."

16. A waiver affecting said land in favor of the State of California of any claims for any and all damages to said land by reason of the location, constructions, landscaping and maintenance of highway or freeway contiguous thereto as contained in the deed recorded on November 17, 1971 as Document Nos. 253 and 254 of Official Records.

17. An easement for tunnel and incidental purposes, recorded March 07, 1975 as Instrument No. 283 of Official Records.

In Favor of: The Metropolitan Water District of Southern California, a public corporation  
Affects: As described therein

18. An easement for fill and slope and incidental purposes, recorded March 07, 1975 as Instrument No. 284 of Official Records.

In Favor of: The Metropolitan Water District of Southern California, a public corporation  
Affects: As described therein

19. A temporary easement for construction of water pipelines and incidental purposes, recorded March 07, 1975 as Instrument No. 285 of Official Records.

In Favor of: The Metropolitan Water District of Southern California, a public corporation  
Affects: As described therein

20. A temporary easement for construction of water pipelines and incidental purposes, recorded March 07, 1975 as Instrument No. 286 of Official Records.

In Favor of: The Metropolitan Water District of Southern California, a public corporation  
Affects: As described therein

21. An easement for road and incidental purposes, recorded March 07, 1975 as Instrument No. 287 of Official Records.  
In Favor of: The Metropolitan Water District of Southern California, a public corporation  
Affects: As described therein
22. Terms and provisions of an unrecorded lease dated November 01, 1975, by and between Josephine Scott Crocker, as Trustee, WM. Keith Scott, as Trustee, Delia P. Scott, as Trustee, and Chandis Securities Company, a corporation as lessor and Harold Guy Arnold as lessee, as disclosed by a Grant Deed recorded February 01, 1978 as Instrument No. 78-119743 of Official Records.  
  
Defects, liens, encumbrances or other matters affecting the leasehold estate, whether or not shown by the public records are not shown herein.
23. An easement for slopes and incidental purposes, recorded April 07, 1993 as Instrument No. 93-653578 of Official Records.  
In Favor of: Pomona Unified School District, a public agency organized under the laws of the State of California  
Affects: As described therein
24. An easement for slope and storm drain purposes and incidental purposes, recorded August 25, 1995 as Instrument No. 95-1398248 of Official Records.  
In Favor of: County of San Bernardino  
Affects: As described therein

**The Following Matters Affect San Bernardino County Properties:**

25. The effect of a map of Chino Hills Facilities benefit assessment area and the lien of any taxes or assessments levied by bonds issued by Chino Hills Facilities benefit assessment, recorded in map book 62, page 23, of assessment maps.
26. Rights of the public in and to that portion of the land lying within any road, street or highway.
27. An easement for pole line and tower and incidental purposes in the document recorded as Book 495, Page 159 of Official Records.
28. An easement for pipelines and incidental purposes in the document recorded as Book 2, Page 183 of Official Records.
29. An easement for either or both pole lines, conduits and incidental purposes, recorded July 03, 1928 as Book 388, Page 139 of Official Records.  
In Favor of: Southern California Edison Company  
Affects: As described therein
30. An easement for either or both pole lines, conduits and incidental purposes, recorded September 19, 1941 as Book 1488, Page 173 of Official Records.  
In Favor of: Southern California Edison Company  
Affects: As described therein
31. An easement for gas pipe lines and incidental purposes in the document recorded as Book 2214, Page 8 of Official Records.

32. An easement for gas pipe lines and incidental purposes, recorded March 23, 1951 as Book 2738, Page 28 of Official Records.  
In Favor of: Southern California Gas Company and Southern Counties Gas Company of California  
Affects: As described therein
33. Terms and conditions set forth in deeds recorded in Book 8630, Page 83, in Book 8360, Page 92 and in Book 8630, Page 104, all of Official Records.
34. An easement for fill and slope and incidental purposes, recorded March 07, 1975 as Book 8630, Page 114 of Official Records.  
In Favor of: The Metropolitan Water District of Southern California  
Affects: As described therein
35. An easement for road and incidental purposes, recorded March 07, 1975 as Book 8630, Page 166 of Official Records.  
In Favor of: Metropolitan Water District of Southern California  
Affects: As described therein
36. Terms and provisions of an unrecorded lease dated November 01, 1975, by and between Josephine Scott Crocker, as Trustee, Wm. Keith Scott, as Trustee, Delia P. Scott, as Trustee, and Chandis Securities Company, a corporation as lessor and Harold Guy Arnold as lessee, as disclosed by a Grant Deed recorded February 01, 1978 as Book 9359, Page 145 of Official Records.
- Defects, liens, encumbrances or other matters affecting the leasehold estate, whether or not shown by the public records are not shown herein.
37. Any boundary discrepancies or rights which may exist or arise by reason of that record of survey recorded in Book 3, Page 72, Records of Survey.
38. Any boundary discrepancies or rights which may exist or arise by reason of that record of survey recorded in Book 38, Pages 54 to 56, inclusive, Records of Survey.
39. A Deed of Trust to secure an original indebtedness of \$7,000,000.00 recorded May 18, 1983 as Instrument no. 83-107902 of Official Records.  
Dated: May 01, 1983  
Trustor: Industry Urban-Development Agency, a public body, corporate and politic  
Trustee: First American Title Insurance Company, a California corporation  
Beneficiary: Bank of American National Trust and Savings Association  
  
Affects: The land and other property.
- A full reconveyance of said Deed of Trust above mentioned was recorded September 13, 1985, as Instrument No. 85-225182, Official Records.
40. An easement for slope and drainage and incidental purposes, recorded June 07, 1988 as Instrument No. 88-180373 of Official Records.  
In Favor of: The County of San Bernardino  
Affects: As described therein

41. The effect of that certain license for diversion and use of water, dated March 08, 1989, recorded April 04, 1989 as Instrument No. 89-118472 of Official Records.
42. An easement for equestrian and hiking trail and incidental purposes, recorded April 19, 1989 as Instrument No. 89-138944 of Official Records.  
In Favor of: The County of Los Angeles  
Affects: As described therein  
  
(Affects Parcel Nos. 1 and 2)  
  
Assignment and Assumption of Easements recorded August 01, 2003 as Instrument No. 2003-0569762 of Official Records provides that the interest of the easement holder was transferred to Pacific Terminals LLC, a Delaware limited liability company.
43. An easement for road and incidental purposes, recorded February 26, 1992 as Instrument No. 92-069064 of Official Records.  
In Favor of: Southern California Edison Company  
Affects: As described therein  
  
(Affects a portion of Parcel No. 2)
44. The effect of a Notice of Intent to preserve interest executed by Jack Wesley Greening, Jr., recorded April 06, 2000 as Instrument No. 20000117482 of Official Records.  
  
The effect of a Quitclaim Deed executed by Jack W. Greening, Jr. In favor of Chino Land & Water Co., Inc., recorded October 04, 2000 as Instrument No. 20000362332 of Official Records.
45. An easement for emergency access and incidental purposes, recorded November 21, 2000 as Instrument No. 20000424992 of Official Records.  
In Favor of: Boy Scouts of America, Los Angeles Area County  
Affects: Cannot be located from the record
46. An easement for access and ingress and egress and incidental purposes, recorded November 21, 2000 as Instrument No. 20000424992 of Official Records.  
In Favor of: Boy Scouts of America, Los Angeles Area County  
Affects: Cannot be located from the record
47. The terms and provisions contained in the document entitled "Memorandum of Mutual Rescission Agreement and Quitclaim" recorded July 03, 2001 as Instrument No. 20010260856 of Official Records.
48. The terms and provisions contained in the document entitled "Right of Way Agreement" recorded July 03, 2001 as Instrument No. 20010260857, both of Official Records.
49. Any facts, rights, interests or claims which would be disclosed by a correct ALTA/ACSM survey.
50. Rights of parties in possession.

**INFORMATIONAL NOTES**

1. According to the latest available equalized assessment roll in the office of the county tax assessor, there is located on the land Vacant Residential Properties of Los Angeles County in Diamond Bar, California.  
  
APN: 8701-021-271, 8701-022-270 and 273
2. According to the latest available equalized assessment roll in the office of the county tax assessor, there is located on the land Electric Power Transmission Properties in San Bernardino County in Chino Hills, California.  
  
APN: 1000-031-14 and 15; 1000-021-13 and 14; 1000-011-19 thru 22
3. According to the public records, there has been no conveyance of the land within a period of twenty-four months prior to the date of this report, except as follows:  
  
None
4. If this preliminary report/commitment was prepared based upon an application for a policy of title insurance that identified land by street address or assessor's parcel number only, it is the responsibility of the applicant to determine whether the land referred to herein is in fact the land that is to be described in the policy or policies to be issued.

The map attached, if any, may or may not be a survey of the land depicted hereon. First American Title Insurance Company expressly disclaims any liability for loss or damage which may result from reliance on this map except to the extent coverage for such loss or damage is expressly provided by the terms and provisions of the title insurance policy, if any, to which this map is attached.

*\*\*\*\*\*To obtain wire instructions for deposit of funds to your escrow file please contact your Escrow Officer.\*\*\*\*\**

## CONDITIONS

### 1. DEFINITIONS

(a)"Mortgage" means mortgage, deed of trust or other security instrument.

(b)"Public Records" means title records that give constructive notice of matters affecting the title according to the state law where the land is located.

### 2. LATER DEFECTS

The Exceptions in Schedule B - Section Two may be amended to show any defects, liens or encumbrances that appear for the first time in the public records or are created or attached between the Commitment Date and the date on which all of the Requirements (a) and (c) of Schedule B - Section One are met. We shall have no liability to you because of this amendment.

### 3. EXISTING DEFECTS

If any defects, liens or encumbrances existing at Commitment Date are not shown in Schedule B, we may amend Schedule B to show them. If we do amend Schedule B to show these defects, liens or encumbrances, we shall be liable to you according to Paragraph 4 below unless you knew of this information and did not tell us about it in writing.

### 4. LIMITATION OF OUR LIABILITY

Our only obligation is to issue to you the Policy referred to in this Commitment, when you have met its Requirements. If we have any liability to you for any loss you incur because of an error in this Commitment, our liability will be limited to your actual loss caused by your relying on this Commitment when you acted in good faith to:

comply with the Requirements shown in Schedule B - Section One

or

eliminate with our written consent any Exceptions shown in Schedule B - Section Two.

We shall not be liable for more than the Policy Amount shown in Schedule A of this Commitment and our liability is subject to the terms of the Policy form to be issued to you.

### 5. CLAIMS MUST BE BASED ON THIS COMMITMENT

Any claim, whether or not based on negligence, which you may have against us concerning the title to the land must be based on this commitment and is subject to its terms.



**First American Title**

**Privacy Information**

**We Are Committed to Safeguarding Customer Information**

In order to better serve your needs now and in the future, we may ask you to provide us with certain information. We understand that you may be concerned about what we will do with such information - particularly any personal or financial information. We agree that you have a right to know how we will utilize the personal information you provide to us. Therefore, together with our subsidiaries we have adopted this Privacy Policy to govern the use and handling of your personal information.

**Applicability**

This Privacy Policy governs our use of the information that you provide to us. It does not govern the manner in which we may use information we have obtained from any other source, such as information obtained from a public record or from another person or entity. First American has also adopted broader guidelines that govern our use of personal information regardless of its source. First American calls these guidelines its Fair Information Values.

**Types of Information**

Depending upon which of our services you are utilizing, the types of nonpublic personal information that we may collect include:

- Information we receive from you on applications, forms and in other communications to us, whether in writing, in person, by telephone or any other means;
- Information about your transactions with us, our affiliated companies, or others; and
- Information we receive from a consumer reporting agency.

**Use of Information**

We request information from you for our own legitimate business purposes and not for the benefit of any nonaffiliated party. Therefore, we will not release your information to nonaffiliated parties except: (1) as necessary for us to provide the product or service you have requested of us; or (2) as permitted by law. We may, however, store such information indefinitely, including the period after which any customer relationship has ceased. Such information may be used for any internal purpose, such as quality control efforts or customer analysis. We may also provide all of the types of nonpublic personal information listed above to one or more of our affiliated companies. Such affiliated companies include financial service providers, such as title insurers, property and casualty insurers, and trust and investment advisory companies, or companies involved in real estate services, such as appraisal companies, home warranty companies and escrow companies. Furthermore, we may also provide all the information we collect, as described above, to companies that perform marketing services on our behalf, on behalf of our affiliated companies or to other financial institutions with whom we or our affiliated companies have joint marketing agreements.

**Former Customers**

Even if you are no longer our customer, our Privacy Policy will continue to apply to you.

**Confidentiality and Security**

We will use our best efforts to ensure that no unauthorized parties have access to any of your information. We restrict access to nonpublic personal information about you to those individuals and entities who need to know that information to provide products or services to you. We will use our best efforts to train and oversee our employees and agents to ensure that your information will be handled responsibly and in accordance with this Privacy Policy and First American's Fair Information Values. We currently maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

**Information Obtained Through Our Web Site**

First American Financial Corporation is sensitive to privacy issues on the Internet. We believe it is important you know how we treat the information about you we receive on the Internet.

In general, you can visit First American or its affiliates' Web sites on the World Wide Web without telling us who you are or revealing any information about yourself. Our Web servers collect the domain names, not the e-mail addresses, of visitors. This information is aggregated to measure the number of visits, average time spent on the site, pages viewed and similar information. First American uses this information to measure the use of our site and to develop ideas to improve the content of our site.

There are times, however, when we may need information from you, such as your name and email address. When information is needed, we will use our best efforts to let you know at the time of collection how we will use the personal information. Usually, the personal information we collect is used only by us to respond to your inquiry, process an order or allow you to access specific account/profile information. If you choose to share any personal information with us, we will only use it in accordance with the policies outlined above.

**Business Relationships**

First American Financial Corporation's site and its affiliates' sites may contain links to other Web sites. While we try to link only to sites that share our high standards and respect for privacy, we are not responsible for the content or the privacy practices employed by other sites.

**Cookies**

Some of First American's Web sites may make use of "cookie" technology to measure site activity and to customize information to your personal tastes. A cookie is an element of data that a Web site can send to your browser, which may then store the cookie on your hard drive.

FirstAm.com uses stored cookies. The goal of this technology is to better serve you when visiting our site, save you time when you are here and to provide you with a more meaningful and productive Web site experience.

**Fair Information Values**

**Fairness** We consider consumer expectations about their privacy in all our businesses. We only offer products and services that assure a favorable balance between consumer benefits and consumer privacy.

**Public Record** We believe that an open public record creates significant value for society, enhances consumer choice and creates consumer opportunity. We actively support an open public record and emphasize its importance and contribution to our economy.

**Use** We believe we should behave responsibly when we use information about a consumer in our business. We will obey the laws governing the collection, use and dissemination of data.

**Accuracy** We will take reasonable steps to help assure the accuracy of the data we collect, use and disseminate. Where possible, we will take reasonable steps to correct inaccurate information. When, as with the public record, we cannot correct inaccurate information, we will take all reasonable steps to assist consumers in identifying the source of the erroneous data so that the consumer can secure the required corrections.

**Education** We endeavor to educate the users of our products and services, our employees and others in our industry about the importance of consumer privacy. We will instruct our employees on our fair information values and on the responsible collection and use of data. We will encourage others in our industry to collect and use information in a responsible manner.

**Security** We will maintain appropriate facilities and systems to protect against unauthorized access to and corruption of the data we maintain.

**EXHIBIT A**  
**LIST OF PRINTED EXCEPTIONS AND EXCLUSIONS (BY POLICY TYPE)**

**1. CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY - 1990**  
**SCHEDULE B**

**EXCEPTIONS FROM COVERAGE**

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notice of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the public records.

**EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.  
(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:  
(a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;  
(b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;  
(c) resulting in no loss or damage to the insured claimant;  
(d) attaching or created subsequent to Date of Policy; or  
(e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable "doing business" laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by their policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

**2. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY FORM B - 1970**  
**SCHEDULE OF EXCLUSIONS FROM COVERAGE**

1. Any law, ordinance or governmental regulation (including but not limited to building and zoning ordinances) restricting or regulating or prohibiting the occupancy, use or enjoyment of the land, or regulating the character, dimensions or location of any improvement now or hereafter erected on the land, or prohibiting a separation in ownership or a reduction in the dimensions of area of the land, or the effect of any violation of any such law, ordinance or governmental regulation.
2. Rights of eminent domain or governmental rights of police power unless notice of the exercise of such rights appears in the public records at Date of Policy.
3. Defects, liens, encumbrances, adverse claims, or other matters (a) created, suffered, assumed or agreed to by the insured claimant; (b) not known to the Company and not shown by the public records but known to the insured claimant either at Date of Policy or at the date such claimant acquired an estate or interest insured by this policy and not disclosed in writing by the insured claimant to the Company prior to the date such insured claimant became an insured hereunder; (c) resulting in no loss or damage to the insured claimant; (d) attaching or created subsequent to Date of Policy; or (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.

**3. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY FORM B - 1970**  
**WITH REGIONAL EXCEPTIONS**

When the American Land Title Association policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in paragraph 2 above are used and the following exceptions to coverage appear in the policy.

**SCHEDULE B**

This policy does not insure against loss or damage by reason of the matters shown in parts one and two following:

Part One

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.
5. Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
6. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public records.

**4. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1970  
WITH A.L.T.A. ENDORSEMENT FORM 1 COVERAGE  
SCHEDULE OF EXCLUSIONS FROM COVERAGE**

1. Any law, ordinance or governmental regulation (including but not limited to building and zoning ordinances) restricting or regulating or prohibiting the occupancy, use or enjoyment of the land, or regulating the character, dimensions or location of any improvement now or hereafter erected on the land, or prohibiting a separation in ownership or a reduction in the dimensions or area of the land, or the effect of any violation of any such law ordinance or governmental regulation.
2. Rights of eminent domain or governmental rights of police power unless notice of the exercise of such rights appears in the public records at Date of Policy.
3. Defects, liens, encumbrances, adverse claims, or other matters (a) created, suffered, assumed or agreed to by the insured claimant, (b) not known to the Company and not shown by the public records but known to the insured claimant either at Date of Policy or at the date such claimant acquired an estate or interest insured by this policy or acquired the insured mortgage and not disclosed in writing by the insured claimant to the Company prior to the date such insured claimant became an insured hereunder, (c) resulting in no loss or damage to the insured claimant; (d) attaching or created subsequent to Date of Policy (except to the extent insurance is afforded herein as to any statutory lien for labor or material or to the extent insurance is afforded herein as to assessments for street improvements under construction or completed at Date of Policy).
4. Unenforceability of the lien of the insured mortgage because of failure of the insured at Date of Policy or of any subsequent owner of the indebtedness to comply with applicable "doing business" laws of the state in which the land is situated.

**5. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1970  
WITH REGIONAL EXCEPTIONS**

When the American Land Title Association Lenders Policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy, the exclusions set forth in paragraph 4 above are used and the following exceptions to coverage appear in the policy.

**SCHEDULE B**

This policy does not insure against loss or damage by reason of the matters shown in parts one and two following:

Part One

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.
5. Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
6. Any lien, or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public records.

**6. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1992  
WITH A.L.T.A. ENDORSEMENT FORM 1 COVERAGE  
EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy;  
(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.

2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims, or other matters:
  - (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
  - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
  - (c) resulting in no loss or damage to the insured claimant;
  - (d) attaching or created subsequent to Date of Policy (except to the extent that this policy insures the priority of the lien of the insured mortgage over any statutory lien for services, labor or material or the extent insurance is afforded herein as to assessments for street improvements under construction or completed at date of policy); or
  - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable "doing business" laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any statutory lien for services, labor or materials (or the claim of priority of any statutory lien for services, labor or materials over the lien of the insured mortgage) arising from an improvement or work related to the land which is contracted for and commenced subsequent to Date of Policy and is not financed in whole or in part by proceeds of the indebtedness secured by the insured mortgage which at Date of Policy the insured has advanced or is obligated to advance.
7. Any claim, which arises out of the transaction creating the interest of the mortgagee insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
  - (i) the transaction creating the interest of the insured mortgagee being deemed a fraudulent conveyance or fraudulent transfer; or
  - (ii) the subordination of the interest of the insured mortgagee as a result of the application of the doctrine of equitable subordination; or
  - (iii) the transaction creating the interest of the insured mortgagee being deemed a preferential transfer except where the preferential transfer results from the failure:
    - (a) to timely record the instrument of transfer; or
    - (b) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

**7. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1992  
WITH REGIONAL EXCEPTIONS**

When the American Land Title Association policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in paragraph 6 above are used and the following exceptions to coverage appear in the policy.

**SCHEDULE B**

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.
5. Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
6. Any lien, or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public records.

**8. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY - 1992  
EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1.
  - (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
  - (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims, or other matters:
  - (a) created, suffered, assumed or agreed to by the insured claimant;
  - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
  - (c) resulting in no loss or damage to the insured claimant;
  - (d) attaching or created subsequent to Date of Policy; or

- (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.
4. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
- (i) the transaction creating the estate or interest insured by this policy being deemed a fraudulent conveyance or fraudulent transfer; or
  - (ii) the transaction creating the estate or interest insured by this policy being deemed a preferential transfer except where the preferential transfer results from the failure:
    - (a) to timely record the instrument of transfer; or
    - (b) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

**9. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY - 1992  
WITH REGIONAL EXCEPTIONS**

When the American Land Title Association policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in paragraph 8 above are used and the following exceptions to coverage appear in the policy.

**SCHEDULE B**

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:  
Part One:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.
5. Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
6. Any lien, or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public records.

**10. AMERICAN LAND TITLE ASSOCIATION RESIDENTIAL  
TITLE INSURANCE POLICY - 1987  
EXCLUSIONS**

In addition to the Exceptions in Schedule B, you are not insured against loss, costs, attorneys' fees and expenses resulting from:

1. Governmental police power, and the existence or violation of any law or government regulation. This includes building and zoning ordinances and also laws and regulations concerning:
  - \* land use
  - \* improvements on the land
  - \* land division
  - \* environmental protectionThis exclusion does not apply to violations or the enforcement of these matters which appear in the public records at Policy Date. This exclusion does not limit the zoning coverage described in items 12 and 13 of Covered Title Risks.
2. The right to take the land by condemning it, unless:
  - \* a notice of exercising the right appears in the public records on the Policy Date
  - \* the taking happened prior to the Policy Date and is binding on you if you bought the land without knowing of the taking.
3. Title Risks:
  - \* that are created, allowed, or agreed to by you
  - \* that are known to you, but not to us, on the Policy Date - unless they appeared in the public records
  - \* that result in no loss to you
  - \* that first affect your title after the Policy Date - this does not limit the labor and material lien coverage in Item 8 of Covered Title Risks
4. Failure to pay value for your title.
5. Lack of a right:
  - \* to any land outside the area specifically described and referred to in Item 3 of Schedule A, or
  - \* in streets, alleys, or waterways that touch your landThis exclusion does not limit the access coverage in Item 5 of Covered Title Risks.

**11. EAGLE PROTECTION OWNER'S POLICY**

**CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE - 1998  
ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE - 1998**

Covered Risks 14 (Subdivision Law Violation), 15 (Building Permit), 16 (Zoning) and 18 (Encroachment of boundary walls or fences) are subject to Deductible Amounts and Maximum Dollar Limits of Liability

**EXCLUSIONS**

In addition to the Exceptions in Schedule B, you are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of any law or government regulation. This includes ordinances, laws and regulations concerning:
  - a. building
  - b. zoning
  - c. land use
  - d. improvements on the land
  - e. land division
  - f. environmental protection

This exclusion does not apply to violations or the enforcement of these matters if notice of the violation or enforcement appears in the Public Records at the Policy Date.  
This exclusion does not limit the coverage described in Covered Risk 14, 15, 16, 17 or 24.
2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not apply to violations of building codes if notice of the violation appears in the Public Records at the Policy Date.
3. The right to take the Land by condemning it, unless:
  - a. a notice of exercising the right appears in the Public Records at the Policy Date; or
  - b. the taking happened before the Policy Date and is binding on You if You bought the Land without Knowing of the taking.
4. Risks:
  - a. that are created, allowed, or agreed to by You, whether or not they appear in the Public Records;
  - b. that are Known to You at the Policy Date, but not to Us, unless they appear in the Public Records at the Policy Date;
  - c. that result in no loss to You; or
  - d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.d, 22, 23, 24 or 25.
5. Failure to pay value for Your Title.
6. Lack of a right:
  - a. to any Land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
  - b. in streets, alleys, or waterways that touch the Land.

This exclusion does not limit the coverage described in Covered Risk 11 or 18.

**12. THIRD GENERATION EAGLE LOAN POLICY AMERICAN LAND TITLE ASSOCIATION EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (1/01/08)**

**EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to (i) the occupancy, use, or enjoyment of the Land; (ii) the character, dimensions, or location of any improvement erected on the Land; (iii) the subdivision of land; or (iv) environmental protection; or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.  
(b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
  - (a) created, suffered, assumed or agreed to by the Insured Claimant;
  - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
  - (c) resulting in no loss or damage to the Insured Claimant;
  - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or
  - (e) resulting in loss or damage which would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, or any consumer credit protection or truth-in-lending law. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.
6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.
8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.

**13. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 2006**

**EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
  - (i) the occupancy, use, or enjoyment of the Land;
  - (ii) the character, dimensions, or location of any improvement erected on the Land;
  - (iii) the subdivision of land; or
  - (iv) environmental protection;

- or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
- (a) created, suffered, assumed, or agreed to by the Insured Claimant;
- (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
- (c) resulting in no loss or damage to the Insured Claimant;
- (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or
- (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
- (a) a fraudulent conveyance or fraudulent transfer, or
- (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

**14. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 2006  
WITH REGIONAL EXCEPTIONS**

When the American Land Title Association policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in paragraph 13 above are used and the following exceptions to coverage appear in the policy.

**SCHEDULE B**

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

- (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
- Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
- Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
- Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
- (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.

**15. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY - 2006  
EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

- (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
  - the occupancy, use, or enjoyment of the Land;
  - the character, dimensions, or location of any improvement erected on the Land;
  - the subdivision of land; or
  - environmental protection; or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.

- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
- 2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
- 3. Defects, liens, encumbrances, adverse claims, or other matters
  - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
  - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
  - (c) resulting in no loss or damage to the Insured Claimant;
  - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risks 9 and 10); or
  - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
- 4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors rights laws, that the transaction vesting the Title as shown in Schedule A, is
  - (a) a fraudulent conveyance or fraudulent transfer; or
  - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
- 5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

**16. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY - 2006  
WITH REGIONAL EXCEPTIONS**

When the American Land Title Association policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in paragraph 15 above are used and the following exceptions to coverage appear in the policy.

**SCHEDULE B**

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

- 1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
- 2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
- 3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
- 4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
- 5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.

**EXHIBIT C**

**FORM OF GRANT DEED**

RECORDING REQUESTED BY:

FIRST AMERICAN TITLE INSURANCE COMPANY

AND WHEN RECORDED RETURN TO:

City of Industry  
15625 East Stafford Street, Suite 100  
City of Industry, California 91744  
Attention: Diane Schlichting

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[The undersigned declares that this Grant Deed is exempt from Recording Fees pursuant to California Government Code Section 27383. The undersigned declares that this grant Deed is exempt from Documentary Transfer Tax pursuant to Revenue and Taxation Code Section 11922.]

**GRANT DEED**

Documentary Transfer Tax: \$0.00

THE UNDERSIGNED GRANTOR DECLARES:

FOR VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, the SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY (the “Grantor”), hereby grants to THE CITY OF INDUSTRY (the “Grantee”), that certain real property described in Exhibit A attached hereto (the “Site”) and incorporated herein by this reference, together with all of Grantor’s right title and interest in and to all easements, privileges and rights appurtenant to the Site.

This Grant Deed of the Site is subject to the provisions of that certain Purchase and Sale Agreement and Joint Escrow Instructions Tres Hermanos Ranch (the “Agreement”) entered into by and between the Grantor and Grantee dated as of September 8, 2016, the terms of which are incorporated herein by reference. A copy of the Agreement is available for public inspection at the offices of the Grantor located at 15625 East Stafford Street, Suite 100, City of Industry, California 91744. The Site is conveyed further subject to all easements, rights of way, covenants, conditions, restrictions, reservations and all other matters of record, and the following conditions, covenants and agreements.

1. Subject to the provisions of Section 7 of the Agreement, the Site as described in Exhibit A is conveyed subject to the condition that the Grantee covenants by and for itself, its heirs, executors, administrators and assigns, and all persons claiming under or through it, 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, or any person claiming under or through it, 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.

2. 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.”

3. All covenants and agreements contained in this Grant Deed shall run with the land and shall be binding for the benefit of Grantor and its successors and assigns and such covenants shall run in favor of the Grantor and for the entire period during which the covenants shall be in force and effect as provided in the Agreement, without regard to whether the Grantor is or remains an owner of any land or interest therein to which such covenants relate. The Grantor, in the event of any breach of any such covenants, shall have the right to exercise all of the rights and remedies provided herein or otherwise available, and to maintain any actions at law or suits in equity or other property proceedings to enforce the curing of such breach. The covenants contained in this Grant Deed shall be for the benefit of and shall be enforceable only by the Grantor and its successors and assigns.

4. The covenants contained in Paragraphs 2 and 3 of this Grant Deed shall remain in effect in perpetuity except as otherwise expressly set forth therein.

5. This Grant Deed may be executed simultaneously in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, Grantor and Grantee have caused this Grant Deed to be executed and notarized as of this \_\_\_\_ day of \_\_\_\_\_, 2016.

GRANTOR:

SUCCESSOR AGENCY TO THE INDUSTRY  
URBAN-DEVELOPMENT AGENCY

By: \_\_\_\_\_  
Mark Radecki, Chairman

ATTEST:

\_\_\_\_\_  
Diane Schlichting, Agency Secretary

GRANTEE:

CITY OF INDUSTRY

By: \_\_\_\_\_  
Mark Radecki, Mayor

ATTEST:

\_\_\_\_\_  
Cecelia Dunlap, City Clerk

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)

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**

(Attached.)

LEGAL DESCRIPTION

A PORTION OF SECTION 1 AND ALL OF SECTION 12, TOWNSHIP 2 SOUTH, RANGE 9 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SECTION 12; THENCE EAST 80 CHAINS TO THE SOUTHEAST CORNER OF SECTION 12; THENCE NORTH 80 CHAINS TO THE NORTHEAST CORNER OF SAID SECTION 12; THENCE ON A COURSE OF ABOVE NORTH 61° 28' WEST 90.83 CHAINS MORE OR LESS, TO A POINT IN THE WEST LINE OF SAID SECTION 1, DISTANT 43.02 CHAINS NORTH OF THE SOUTHWEST CORNER THEREOF; THENCE SOUTH ALONG THE WEST LINES OF SAID SECTION 1 AND 12 TO THE POINT OF BEGINNING.

EXCEPT THEREFROM THAT PORTION THEREOF INCLUDED WITHIN THE LAND, DESCRIBED IN THE DEED TO THE STATE OF CALIFORNIA RECORDED ON JULY 05, 1968 AS INSTRUMENT NO. 399 IN BOOK D-4405 PAGE 993 OF OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

ALSO EXCEPT THEREFROM THAT PORTION THEREOF, INCLUDED WITHIN THE LAND, DESCRIBED IN THE DEEDS TO THE STATE OF CALIFORNIA, RECORDED ON NOVEMBER 17, 1971 AS INSTRUMENTS NO. 253 AND 254 IN BOOK D-5259 PAGES 626 AND 630 OF OFFICIAL RECORDS IN SAID COUNTY RECORDER.

ALSO EXCEPT THEREFROM THAT PORTION THEREOF, INCLUDED WITHIN THE LAND, DESCRIBED IN THE DEEDS TO THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA RECORDED ON MARCH 07, 1975 AS INSTRUMENTS NO. 281 AND 282 IN BOOK D-6579 PAGES 1 AND 11 OF OFFICIAL RECORDS IN SAID COUNTY RECORDER.

ALSO EXCEPT THEREFROM THAT PORTION THEREOF, INCLUDED WITHIN THE LAND DESCRIBED AS PARCEL A, IN THE GRANT DEED TO POMONA UNIFIED SCHOOL DISTRICT, RECORDED APRIL 07, 1993 AS DOCUMENT NO. 93-653577, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

PARCEL A:

THAT PORTION OF THE SOUTH HALF OF SECTION 1 AND THE NORTH HALF OF SECTION 12, TOWNSHIP 2 SOUTH, RANGE 9 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF DIAMOND BAR, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA,

ACCORDING TO THE OFFICIAL PLAT THEREOF, DESCRIBED AS A WHOLE AS FOLLOWS:

BEGINNING AT THE MOST SOUTHERLY CORNER OF PARCEL 3 OF PARCEL MAP NO. 13350 AS PER MAP FILED IN BOOK 144 AT PAGES 12 AND 13 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, A RADIAL LINE THROUGH SAID POINT BEARS NORTH 65° 33' 44" WEST; THENCE ALONG THE SOUTHWESTERLY LINE OF SAID PARCEL 3, NORTH 61° 55' 24" WEST 242.81 FEET TO THE MOST EASTERLY CORNER OF SAID LAND AS DESCRIBED IN THE DEED TO THE STATE OF CALIFORNIA RECORDED ON NOVEMBER 17, 1971, AS INSTRUMENT NO. 254 IN BOOK D-5259 PAGE 630 OF OFFICIAL RECORDS; THENCE ALONG THE SOUTHWESTERLY BOUNDARIES OF SAID DEED TO THE STATE OF CALIFORNIA, AS FOLLOWS:

SOUTH 80° 26' 22" WEST 357.29 FEET, NORTH 39° 50' 49" WEST 184.88 FEET; NORTH 08° 58' 26" WEST, 186.31 FEET TO THE SOUTHWESTERLY LINE OF PARCEL 1 AS SHOWN ON RECORD OF SURVEY FILED IN BOOK 83 PAGES 62 AND 63 OF RECORD OF SURVEYS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE ALONG SAID LAST MENTIONED SOUTHWESTERLY LINE NORTH 61° 55' 24" WEST 2446.02 FEET; THENCE SOUTH 26° 04' 36" WEST 915.27 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE SOUTHEAST HAVING A RADIUS OF 1500.00 FEET; THENCE SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 15° 00' 00", AN ARC DISTANCE OF 392.70 FEET TO THE BEGINNING OF A COMPOUND CURVE CONCAVE TO THE NORTHEAST AND HAVING A RADIUS OF 120.00 FEET, A RADIAL LINE THROUGH SAID POINT BEARS NORTH 78° 55' 24" WEST; THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 60° 00' 00", AN ARC DISTANCE OF 125.66 FEET; THENCE TANGENT TO SAID LAST MENTIONED CURVE, SOUTH 48° 55' 24" EAST 170.71 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE NORTHEAST AND HAVING A RADIUS OF 2500.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE 16° 02' 34", AN ARC DISTANCE OF 700.00 FEET TO THE BEGINNING OF A COMPOUND CURVE CONCAVE TO THE NORTH HAVING A RADIUS OF 1125.00 FEET, A RADIAL LINE THROUGH SAID POINT BEARS SOUTH 25° 02' 02" WEST; THENCE EASTERLY ALONG SAID COMPOUND CURVE THROUGH A CENTRAL ANGLE OF 73° 27' 26", AN ARC DISTANCE OF 1442.33 FEET; THENCE TANGENT TO SAID COMPOUND CURVE NORTH 41° 34' 36" EAST 225.00 FEET; THENCE SOUTH 61° 55' 24" EAST 70.00 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE NORTH HAVING A RADIUS OF 100.00 FEET; THENCE EASTERLY ALONG SAID LAST MENTIONED CURVE THROUGH A CENTRAL ANGLE OF 60° 00' 00", AN ARC DISTANCE OF 104.72 FEET TO THE BEGINNING OF A REVERSE CURVE CONCAVE TO THE SOUTH HAVING A RADIUS OF 75.00 FEET; A RADIAL LINE THROUGH SAID POINT BEARS SOUTH 31° 55' 24" EAST; THENCE EASTERLY ALONG SAID REVERSE CURVE THROUGH A CENTRAL ANGLE OF 78° 30' 00" AN ARC DISTANCE OF 102.76 FEET TO THE BEGINNING OF A COMPOUND CURVE CONCAVE TO THE SOUTHWEST HAVING A RADIUS OF 350.00 FEET, A RADIAL LINE THROUGH SAID POINT BEARS NORTH 46° 34' 36" EAST; THENCE SOUTHEASTERLY ALONG SAID COMPOUND CURVE THROUGH A CENTRAL ANGLE OF 22° 30' 00", AN ARC DISTANCE OF 137.44 FEET; THENCE TANGENT TO SAID LAST COMPOUND CURVE SOUTH 20° 55' 24" EAST 105.00 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO

THE NORTH AND HAVING A RADIUS OF 265.00 FEET; THENCE EASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 112° 00' 00", AN ARC DISTANCE OF 518.01 FEET; THENCE TANGENT TO LAST MENTIONED CURVE NORTH 47° 04' 36" EAST 137.02 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE SOUTH AND HAVING A RADIUS OF 200.00 FEET; THENCE EASTERLY ALONG SAID LAST MENTIONED CURVE THROUGH A CENTRAL ANGLE OF 67° 27' 44", AN ARC DISTANCE OF 235.49 FEET; THENCE TANGENT TO SAID LAST MENTIONED CURVE, SOUTH 65° 27' 40" EAST 38.64 FEET TO THE WESTERLY LINE OF CHINO HILLS PARKWAY (100.00 FEET WIDE) AS EXISTED ON APRIL 5, 1993, AND AS ESTABLISHED BY THE COUNTY ENGINEER OF SAN BERNARDINO; THENCE ALONG SAID CHINO HILLS PARKWAY, AS FOLLOWS:

NORTH 24° 32' 20" EAST 72.06 FEET AND NORTHERLY ALONG A TANGENT CURVE CONCAVE NORTHWESTERLY AND HAVING A RADIUS OF 1750.00 FEET THROUGH A CENTRAL ANGLE OF 00° 06' 04", AN ARC DISTANCE OF 3.09 FEET TO THE POINT OF BEGINNING.

AND ALSO EXCEPT THEREFROM THAT PORTION THEREOF, INCLUDED WITHIN THE LAND DESCRIBED AS PARCEL RW-1, CHINO HILLS PARKWAY RIGHT-OF-WAY, BY FINAL ORDER AND JUDGMENT IN CONDEMNATION, RECORDED AUGUST 25, 1995, INSTRUMENT NO. 95-1398248, OFFICIAL RECORDS.

APN: 8701-021-271, 8701-022-270 and 8701-022-273

VLADISLAV SKREJEV, PLS 8363  
CNC Engineering  
Job No. MP 12-03#3 Legal No.899  
Checked by *Jm* August 30, 2016



LEGAL DESCRIPTION

REAL PROPERTY IN THE CITY OF CHINO HILLS, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

PARCEL NO. 1:

THOSE PORTIONS OF SECTIONS 14 AND 23, IN GOVERNMENT LOT 38, TOWNSHIP 2 SOUTH, RANGE 9 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE RANCHO SANTA ANA DEL CHINO, IN THE CITY OF CHINO HILLS, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER MAP FILED IN RECORD OF SURVEY RECORDED IN BOOK 3, PAGE 72, RECORD OF SURVEYS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, LYING SOUTHEASTERLY OF THE SAID RANCHO LINE BETWEEN STATIONS 13 AND 14, AS SHOWN ON SAID MAP.

EXCEPT THEREFROM THAT PORTION CONVEYED TO THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA, BY DEED RECORDED MARCH 07, 1975, IN BOOK 8630, PAGE 104, OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM THAT PORTION CONVEYED TO THE COUNTY OF SAN BERNARDINO, BY FINAL ORDER OF CONDEMNATION, RECORDED JUNE 07, 1988, INSTRUMENT NO. 88-180373, OFFICIAL RECORDS.

PARCEL NO. 2:

THE WEST 1/2 OF SECTION 13; THE WEST 1/2 OF SECTION 24; THE NORTHWEST 1/4 OF SECTION 25 AND THE NORTH 1/2 OF SECTION 26, ALL IN GOVERNMENT LOT 38, TOWNSHIP 2 SOUTH, RANGE 9 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE RANCHO SANTA ANA DEL CHINO, IN THE CITY OF CHINO HILLS, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER MAP FILED IN THE RECORD OF SURVEYS, RECORDED IN BOOK 3, PAGE 72, RECORD OF SURVEYS, IN THE OFFICE OF THE COUNTY RECORDER OF SAN BERNARDINO COUNTY.

EXCEPT THEREFROM THAT PORTION CONVEYED TO THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA, BY DEED RECORDED MARCH 07, 1975, IN BOOK 8630, PAGE 83, OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM THAT PORTION CONVEYED TO THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA, BY DEED RECORDED MARCH 07, 1975, IN BOOK 8630, PAGE 92, OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM THAT PORTION CONVEYED TO THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA, BY DEED RECORDED MARCH 07, 1975, IN BOOK 8630, PAGE 104, OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM THAT PORTION CONVEYED TO THE COUNTY OF  
SAN BERNARDINO, BY FINAL ORDER OF CONDEMNATION, RECORDED JUNE 07,  
1988, INSTRUMENT NO. 88-180373, OFFICIAL RECORDS.

APN: 1000-011-19, 20, 21 and 22, 1000-021-13 and 14; 1000-031-14 and 15



VLADISLAV SKREJEV, PLS 8363

CNC Engineering

Job No. MP 12-03#3    Legal No.900

Checked by:  August 30, 2016



## EXHIBIT D

### FORM OF ASSIGNMENT AND ASSUMPTION OF LEASES

#### ASSIGNMENT AND ASSUMPTION OF LEASES

This Assignment and Assumption of Leases (this “Assignment”) dated as of September \_\_\_\_, 2016 is entered into by and between the Successor Agency to the Industry Urban-Development agency, a public body, corporate and politic (“Assignor”), and the City of Industry, a municipal corporation (“Assignee”).

#### WITNESSETH

WHEREAS, Assignor is the lessor or landlord under the certain lease agreements identified on Exhibit A attached hereto (the “Leases”) executed with respect to that certain real property located in the City of Industry, California (the “Property”) as more fully described in Exhibit B attached hereto;

WHEREAS, Assignor, as Seller, and Assignee, as Buyer, have entered into that certain Purchase and Sale Agreement and Escrow Instructions Tres Hermanos Ranch dated as of September 8, 2016 (the “Purchase Agreement”) conveying the Property (as defined in the Purchase Agreement).

WHEREAS, Assignor desires to assign its interest as lessor or landlord in the Leases to Assignee, and Assignee desires to accept the assignment thereof.

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

1. Effective as of the Effective Date (as defined below), Assignor hereby assigns, transfers and conveys to Assignee all of its right, title and interest in and to the Leases.
2. Effective as of the Effective Date, Assignee hereby assumes all of the Assignor’s obligations under the Leases and agrees to indemnify Assignor against and hold Assignor harmless from any and all cost, liability, loss, damage or expense, including, without limitation, attorneys’ fees, accruing on or to be performed subsequent to the Effective Date and arising out of the Assignor’s obligations under the Leases.
3. Effective as of the Effective Date, Assignor hereby agrees to indemnify Assignee against and hold Assignee harmless from any and all cost, liability, loss, damage or expense, including, without limitations attorneys’ fees, accruing or to be performed prior to the effective Date and arising out of the Assignor’s obligations under the Leases.
4. Any rental and other payments under the Lease shall be prorated between the parties as provided in the Purchase Agreement.

5. In the event of any litigation arising out of this Assignment, the losing party shall pay the prevailing party's costs and expenses of such litigation, including, without limitation, attorneys' fees.

6. This Assignment shall be binding on and inure to the benefit of the parties hereto, their heirs, executors, administrators, successors in interest and assigns.

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

8. This Assignment is delivered pursuant to the Purchase Agreement.

9. For purposes of this Assignment, the "Effective Date" shall be the date of the Close of Escrow (as defined in the Purchase Agreement).

10. This Assignment may be executed simultaneously in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, Assignor and Assignee have executed this Assignment the day and year first written above.

**CITY OF INDUSTRY**

By: \_\_\_\_\_  
Mark D. Radecki, Mayor

ATTEST:

\_\_\_\_\_  
Cecelia Dunlap, Deputy City Clerk

APPROVED AS TO FORM:

By: \_\_\_\_\_  
James M. Casso, City Attorney

**SUCCESSOR AGENCY TO THE INDUSTRY  
URBAN-DEVELOPMENT AGENCY**

By: \_\_\_\_\_  
Mark D. Radecki, Chairman

ATTEST:

\_\_\_\_\_  
Diane M. Schlichting, Assistant Secretary

APPROVED AS TO FORM:

By: \_\_\_\_\_  
James M. Casso, Agency Counsel

**EXHIBIT A**  
**LIST OF LEASES**

(Attached.)

**EXHIBIT B**

**LEGAL DESCRIPTION OF THE PROPERTY**

LEGAL DESCRIPTION

A PORTION OF SECTION 1 AND ALL OF SECTION 12, TOWNSHIP 2 SOUTH, RANGE 9 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SECTION 12; THENCE EAST 80 CHAINS TO THE SOUTHEAST CORNER OF SECTION 12; THENCE NORTH 80 CHAINS TO THE NORTHEAST CORNER OF SAID SECTION 12; THENCE ON A COURSE OF ABOVE NORTH 61° 28' WEST 90.83 CHAINS MORE OR LESS, TO A POINT IN THE WEST LINE OF SAID SECTION 1, DISTANT 43.02 CHAINS NORTH OF THE SOUTHWEST CORNER THEREOF; THENCE SOUTH ALONG THE WEST LINES OF SAID SECTION 1 AND 12 TO THE POINT OF BEGINNING.

EXCEPT THEREFROM THAT PORTION THEREOF INCLUDED WITHIN THE LAND, DESCRIBED IN THE DEED TO THE STATE OF CALIFORNIA RECORDED ON JULY 05, 1968 AS INSTRUMENT NO. 399 IN BOOK D-4405 PAGE 993 OF OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

ALSO EXCEPT THEREFROM THAT PORTION THEREOF, INCLUDED WITHIN THE LAND, DESCRIBED IN THE DEEDS TO THE STATE OF CALIFORNIA, RECORDED ON NOVEMBER 17, 1971 AS INSTRUMENTS NO. 253 AND 254 IN BOOK D-5259 PAGES 626 AND 630 OF OFFICIAL RECORDS IN SAID COUNTY RECORDER.

ALSO EXCEPT THEREFROM THAT PORTION THEREOF, INCLUDED WITHIN THE LAND, DESCRIBED IN THE DEEDS TO THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA RECORDED ON MARCH 07, 1975 AS INSTRUMENTS NO. 281 AND 282 IN BOOK D-6579 PAGES 1 AND 11 OF OFFICIAL RECORDS IN SAID COUNTY RECORDER.

ALSO EXCEPT THEREFROM THAT PORTION THEREOF, INCLUDED WITHIN THE LAND DESCRIBED AS PARCEL A, IN THE GRANT DEED TO POMONA UNIFIED SCHOOL DISTRICT, RECORDED APRIL 07, 1993 AS DOCUMENT NO. 93-653577, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

PARCEL A:

THAT PORTION OF THE SOUTH HALF OF SECTION 1 AND THE NORTH HALF OF SECTION 12, TOWNSHIP 2 SOUTH, RANGE 9 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF DIAMOND BAR, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA,

ACCORDING TO THE OFFICIAL PLAT THEREOF, DESCRIBED AS A WHOLE AS FOLLOWS:

BEGINNING AT THE MOST SOUTHERLY CORNER OF PARCEL 3 OF PARCEL MAP NO. 13350 AS PER MAP FILED IN BOOK 144 AT PAGES 12 AND 13 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, A RADIAL LINE THROUGH SAID POINT BEARS NORTH 65° 33' 44" WEST; THENCE ALONG THE SOUTHWESTERLY LINE OF SAID PARCEL 3, NORTH 61° 55' 24" WEST 242.81 FEET TO THE MOST EASTERLY CORNER OF SAID LAND AS DESCRIBED IN THE DEED TO THE STATE OF CALIFORNIA RECORDED ON NOVEMBER 17, 1971, AS INSTRUMENT NO. 254 IN BOOK D-5259 PAGE 630 OF OFFICIAL RECORDS; THENCE ALONG THE SOUTHWESTERLY BOUNDARIES OF SAID DEED TO THE STATE OF CALIFORNIA, AS FOLLOWS:

SOUTH 80° 26' 22" WEST 357.29 FEET, NORTH 39° 50' 49" WEST 184.88 FEET; NORTH 08° 58' 26" WEST, 186.31 FEET TO THE SOUTHWESTERLY LINE OF PARCEL 1 AS SHOWN ON RECORD OF SURVEY FILED IN BOOK 83 PAGES 62 AND 63 OF RECORD OF SURVEYS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE ALONG SAID LAST MENTIONED SOUTHWESTERLY LINE NORTH 61° 55' 24" WEST 2446.02 FEET; THENCE SOUTH 26° 04' 36" WEST 915.27 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE SOUTHEAST HAVING A RADIUS OF 1500.00 FEET; THENCE SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 15° 00' 00", AN ARC DISTANCE OF 392.70 FEET TO THE BEGINNING OF A COMPOUND CURVE CONCAVE TO THE NORTHEAST AND HAVING A RADIUS OF 120.00 FEET, A RADIAL LINE THROUGH SAID POINT BEARS NORTH 78° 55' 24" WEST; THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 60° 00' 00", AN ARC DISTANCE OF 125.66 FEET; THENCE TANGENT TO SAID LAST MENTIONED CURVE, SOUTH 48° 55' 24" EAST 170.71 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE NORTHEAST AND HAVING A RADIUS OF 2500.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE 16° 02' 34", AN ARC DISTANCE OF 700.00 FEET TO THE BEGINNING OF A COMPOUND CURVE CONCAVE TO THE NORTH HAVING A RADIUS OF 1125.00 FEET, A RADIAL LINE THROUGH SAID POINT BEARS SOUTH 25° 02' 02" WEST; THENCE EASTERLY ALONG SAID COMPOUND CURVE THROUGH A CENTRAL ANGLE OF 73° 27' 26", AN ARC DISTANCE OF 1442.33 FEET; THENCE TANGENT TO SAID COMPOUND CURVE NORTH 41° 34' 36" EAST 225.00 FEET; THENCE SOUTH 61° 55' 24" EAST 70.00 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE NORTH HAVING A RADIUS OF 100.00 FEET; THENCE EASTERLY ALONG SAID LAST MENTIONED CURVE THROUGH A CENTRAL ANGLE OF 60° 00' 00", AN ARC DISTANCE OF 104.72 FEET TO THE BEGINNING OF A REVERSE CURVE CONCAVE TO THE SOUTH HAVING A RADIUS OF 75.00 FEET; A RADIAL LINE THROUGH SAID POINT BEARS SOUTH 31° 55' 24" EAST; THENCE EASTERLY ALONG SAID REVERSE CURVE THROUGH A CENTRAL ANGLE OF 78° 30' 00" AN ARC DISTANCE OF 102.76 FEET TO THE BEGINNING OF A COMPOUND CURVE CONCAVE TO THE SOUTHWEST HAVING A RADIUS OF 350.00 FEET, A RADIAL LINE THROUGH SAID POINT BEARS NORTH 46° 34' 36" EAST; THENCE SOUTHEASTERLY ALONG SAID COMPOUND CURVE THROUGH A CENTRAL ANGLE OF 22° 30' 00", AN ARC DISTANCE OF 137.44 FEET; THENCE TANGENT TO SAID LAST COMPOUND CURVE SOUTH 20° 55' 24" EAST 105.00 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO

THE NORTH AND HAVING A RADIUS OF 265.00 FEET; THENCE EASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 112° 00' 00", AN ARC DISTANCE OF 518.01 FEET; THENCE TANGENT TO LAST MENTIONED CURVE NORTH 47° 04' 36" EAST 137.02 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE SOUTH AND HAVING A RADIUS OF 200.00 FEET; THENCE EASTERLY ALONG SAID LAST MENTIONED CURVE THROUGH A CENTRAL ANGLE OF 67° 27' 44", AN ARC DISTANCE OF 235.49 FEET; THENCE TANGENT TO SAID LAST MENTIONED CURVE, SOUTH 65° 27' 40" EAST 38.64 FEET TO THE WESTERLY LINE OF CHINO HILLS PARKWAY (100.00 FEET WIDE) AS EXISTED ON APRIL 5, 1993, AND AS ESTABLISHED BY THE COUNTY ENGINEER OF SAN BERNARDINO; THENCE ALONG SAID CHINO HILLS PARKWAY, AS FOLLOWS:

NORTH 24° 32' 20" EAST 72.06 FEET AND NORTHERLY ALONG A TANGENT CURVE CONCAVE NORTHWESTERLY AND HAVING A RADIUS OF 1750.00 FEET THROUGH A CENTRAL ANGLE OF 00° 06' 04", AN ARC DISTANCE OF 3.09 FEET TO THE POINT OF BEGINNING.

AND ALSO EXCEPT THEREFROM THAT PORTION THEREOF, INCLUDED WITHIN THE LAND DESCRIBED AS PARCEL RW-1, CHINO HILLS PARKWAY RIGHT-OF-WAY, BY FINAL ORDER AND JUDGMENT IN CONDEMNATION, RECORDED AUGUST 25, 1995, INSTRUMENT NO. 95-1398248, OFFICIAL RECORDS.

APN: 8701-021-271, 8701-022-270 and 8701-022-273

VLADISLAV SKREJEV, PLS 8363  
CNC Engineering  
Job No. MP 12-03#3 Legal No.899  
Checked by *Jm* August 30, 2016



LEGAL DESCRIPTION

REAL PROPERTY IN THE CITY OF CHINO HILLS, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

PARCEL NO. 1:

THOSE PORTIONS OF SECTIONS 14 AND 23, IN GOVERNMENT LOT 38, TOWNSHIP 2 SOUTH, RANGE 9 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE RANCHO SANTA ANA DEL CHINO, IN THE CITY OF CHINO HILLS, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER MAP FILED IN RECORD OF SURVEY RECORDED IN BOOK 3, PAGE 72, RECORD OF SURVEYS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, LYING SOUTHEASTERLY OF THE SAID RANCHO LINE BETWEEN STATIONS 13 AND 14, AS SHOWN ON SAID MAP.

EXCEPT THEREFROM THAT PORTION CONVEYED TO THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA, BY DEED RECORDED MARCH 07, 1975, IN BOOK 8630, PAGE 104, OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM THAT PORTION CONVEYED TO THE COUNTY OF SAN BERNARDINO, BY FINAL ORDER OF CONDEMNATION, RECORDED JUNE 07, 1988, INSTRUMENT NO. 88-180373, OFFICIAL RECORDS.

PARCEL NO. 2:

THE WEST 1/2 OF SECTION 13; THE WEST 1/2 OF SECTION 24; THE NORTHWEST 1/4 OF SECTION 25 AND THE NORTH 1/2 OF SECTION 26, ALL IN GOVERNMENT LOT 38, TOWNSHIP 2 SOUTH, RANGE 9 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE RANCHO SANTA ANA DEL CHINO, IN THE CITY OF CHINO HILLS, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER MAP FILED IN THE RECORD OF SURVEYS, RECORDED IN BOOK 3, PAGE 72, RECORD OF SURVEYS, IN THE OFFICE OF THE COUNTY RECORDER OF SAN BERNARDINO COUNTY.

EXCEPT THEREFROM THAT PORTION CONVEYED TO THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA, BY DEED RECORDED MARCH 07, 1975, IN BOOK 8630, PAGE 83, OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM THAT PORTION CONVEYED TO THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA, BY DEED RECORDED MARCH 07, 1975, IN BOOK 8630, PAGE 92, OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM THAT PORTION CONVEYED TO THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA, BY DEED RECORDED MARCH 07, 1975, IN BOOK 8630, PAGE 104, OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM THAT PORTION CONVEYED TO THE COUNTY OF  
SAN BERNARDINO, BY FINAL ORDER OF CONDEMNATION, RECORDED JUNE 07,  
1988, INSTRUMENT NO. 88-180373, OFFICIAL RECORDS.

APN: 1000-011-19, 20, 21 and 22, 1000-021-13 and 14; 1000-031-14 and 15



VLADISLAV SKREJEV, PLS 8363

CNC Engineering

Job No. MP 12-03#3    Legal No.900

Checked by:  August 30, 2016



**EXHIBIT E**

**LIST OF ENVIRONMENTAL REPORTS**

**EXHIBIT F**  
**TITLE POLICY**

*CITY COUNCIL*

ITEM NO. 7.3



# 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: Susan Paragas, Controller *SP*  
Alex Gonzalez, Director of Development Services and Administration *AG*  
Steven Avalos, Administrative Analyst  
Kristen Weger, Administrative Analyst *KW*

Date: September 8, 2016

**SUBJECT: Resolution No. CC 2016-63 of the City of Industry, California, to Amend the Fiscal Year 2016-2017 Electric Utility Fund Budget to Reflect an Appropriation of \$1,280,000 from Available Electric Utility Reserves Fund and Increasing the Electric Utility Fund – Professional Services (Account No. 161-300-5120.01) in the Amount of \$1,225,000 for Utility Administration Services and the Electric Utility Fund – Repair and Maintenance Equipment (Account No. 161-300-5550) in the Amount of \$55,000 for Expenditures**

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### **BACKGROUND:**

On June 16, 2016, the Industry Public Utilities Commission (“IPUC”) directed staff to issue a Request for Qualifications (“RFQ”) for Electric Utility Services Bench.

On July 11, 2016, as a result of the RFQ process, staff recommended to the Industry Public Utilities Commission (“IPUC”) that several contractors be awarded contracts for utility administration, operations and maintenance, utility engineering and utility billing services. The IPUC directed staff to enter into negotiations with the following contractors for service: Cordoba Corporation, Pacific Utility Installation, Inc., Applied Metering Technologies, Inc., Butsko Utility Design, Inc., and ENCO Utility Services.

On September 8, 2016, the City Council reviewed and approved contracts with Cordoba Corporation, Pacific Utility Installation, Inc., Applied Metering Technologies, Inc., and Butsko Utility Design, Inc.

### **FISCAL IMPACT:**

The recommended actions will authorize the amount of \$1,280,000 from the Electric Utility Reserves Fund be appropriated to the Electric Utility Fund – Professional Services

(Account no. 161-300-5120.01) in the amount of \$1,225,000 and the Electric Utility Fund – Repair and Maintenance (Account No. 161-300-5550) in the amount of \$55,000.

**RECOMMENDED ACTION:**

Staff recommends the City Council adopt:

- a) Resolution No. CC 2016-63 of the City of Industry, California, to Amend the Fiscal Year 2016-2017 Electric Utility Fund Budget to Reflect an Appropriation of \$1,280,000 from Available Electric Utility Reserves Fund and Increasing the Electric Utility Fund – Professional Services (Account No. 161-300-5120.01) in the Amount of \$1,225,000 for Utility Administration Services and the Electric Utility Fund – Repair and Maintenance Equipment (Account No. 161-300-5550) in the Amount of \$55,000 for Expenditures

Exhibit

A. Resolution No. CC 2016-63

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PJP:AG:KW:mk

**EXHIBIT A**

Resolution No. CC 2016-63

[Attached]

**RESOLUTION NO. CC 2016-63**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDUSTRY, CALIFORNIA, TO AMEND THE FISCAL YEAR 2016-2017 ELECTRIC UTILITY FUND BUDGET TO REFLECT AN APPROPRIATION OF \$1,280,000 FROM AVAILABLE ELECTRIC UTILITY RESERVES FUND AND INCREASING THE ELECTRIC UTILITY FUND – PROFESSIONAL SERVICES (ACCOUNT NO. 161-300-5120.01) IN THE AMOUNT OF \$1,225,000 FOR UTILITY ADMINISTRATION SERVICES AND THE ELECTRIC UTILITY FUND – REPAIR AND MAINTENANCE EQUIPMENT (ACCOUNT NO. 161-300-5550) IN THE AMOUNT OF \$55,000 FOR EXPENDITURES**

**WHEREAS**, the City of Industry's Operating Budget was adopted on June 9, 2016;  
and

**WHEREAS**, on June 16, 2016 the Industry Public Utilities Commission ("IPUC") directed staff to issue a Request for Qualifications ("RFQ") for Electric Utility Services Bench;

**WHEREAS**, staff released the RFQ for Electric Utility Services Bench on June 16, 2016;

**WHEREAS**, the Electric Utility Services Bench was competitively procured and staff presented the results of the RFQ process to the Industry Public Utilities Commission ("IPUC") for consideration;

**WHEREAS**, the IPUC directed staff on July 11, 2016 to enter into negotiations with Cordoba Corporation, Pacific Utility Installation, Inc., Applied Metering Technologies, Inc., Butsko Utility Design, Inc., and ENCO Utility Services for three (3) year contracts;

**WHEREAS**, the City entered into Professional Services Agreements and Maintenance Services Agreements with contractors for service;

**WHEREAS**, City Council approved the Professional Services Agreements and Maintenance Services Agreements at the City Council meeting of September 8, 2016;

**WHEREAS**, it is now necessary to amend the Electric Utility Fund Budget with Resolution No. CC 2016-63 to increase the annual budget Electric Utility Fund Budget for Fiscal Year 2016-17.

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

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

**SECTION 2.** Amend the fiscal year 2016-2017 Electric Utility Fund Budget as follows:

1. Appropriate \$1,280,000 from Available Electric Utility Reserves Fund) and Increasing the Electric Utility Fund – Professional Services (Account no. 161-300-5120.01) in the amount of \$1,225,000 for Utility Administration Services and the Electric Utility Fund – Repair and Maintenance Equipment (Account No. 161-300-5550) in the amount of \$55,000 for expenditures.

**SECTION 3.** The City Manager is hereby authorized to take such further actions as may be necessary to carry out the obligations set forth in this Resolution.

**SECTION 4.** 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 5. Certification.** The City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

**SECTION 6. Effective Date.** 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 September 8, 2016 by the following vote:

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

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Mark D. Radecki, Mayor

**ATTEST:**

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Cecelia Dunlap, Deputy City Clerk

*CITY COUNCIL*

ITEM NO. 7.4



# 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 

Staff: Henry Martinez, Senior Vice President, Cordoba Corporation  
Clement N. Calvillo, City Engineer, CNC Engineering  
Joshua Nelson, Deputy City Engineer, CNC Engineering

Date: September 8, 2016

**SUBJECT: Consideration of a Contract for Extension of Electric Distribution Line between the Successor Agency to the Industry Urban-Development Agency and Industry Public Utilities Commission in an amount not to exceed \$10,750,000**

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The Industry Business Center (“IBC”) covers roughly six-hundred acres on the eastern and western sides of Grand Avenue, North of the California State Route 57 (SR57) and California State Route (SR60) Freeway. The Successor Agency to the Industry Urban-Development Agency (“Agency”) is the applicant for the IBC Electric Distribution Line.

The Industry Public Utilities Commission (“IPUC”) is the electric utility service provider for that area. In order for the area to be serviced with electric utilities, it requires an agreement between the Successor Agency and IPUC to pay the costs associated with building the infrastructure and extending the electric distribution lines.

In order to expand the electric utilities into the IBC project area, it requires a Contract for Extension of Electric Distribution Line between the Successor Agency and IPUC. On June 9, 2016, the IPUC Commission approved the updates to the Industry electric utility customer services rules and rates, which included the Contract for Extension of Electric Distribution Line.

### **FISCAL IMPACT:**

The recommended action will require a \$10,750,000 payment from the Successor Agency to the IPUC for electric line and infrastructure construction. The item is listed in the Recognized Obligation Payment Schedule (“ROPS”) under line number 206.

Staff requests the IPUC recommend to the City Council, the approval of the Contract for Extension of Electric Distribution Line between the Successor Agency and IPUC, so the electric utility can be expanded into the IBC area.

Exhibit

A: Contract for Extension of Electric Distribution Line dated September 8, 2016

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HM:CC:JN:mk

**EXHIBIT A**

**Contract for Extension of Electric Distribution Line dated September 8, 2016**

[Attached]

**CONTRACT FOR EXTENSION OF ELECTRIC DISTRIBUTION LINE**  
**RULE 15**

**1. PARTIES**

This Contract for Extension of Electric Distribution Line ("Contract") is issued this 8<sup>th</sup> day of September, 2016.

The Parties to this Contract are:

Successor Agency to the Industry Urban-Development Agency

("Applicant")

and Industry Public Utility Commission ("IPUC"). Applicant and IPUC are referred to individually as "Party" and collectively as "Parties".

**2. RECITALS**

Applicant has requested IPUC, pursuant to IPUC's Rule 15 and Rule 16, Distribution Line Extensions and Service Extensions, to install an electric Distribution Line Extension to the location or locations described as follows:

Project known as the Industry Business Center, roughly 600 acres on the eastern and western sides of Grand Avenue, North of the SR57/S60 Freeway.

(Hereinafter referred to as "Project")

**3. AGREEMENT**

**3.1 Responsibilities of Applicant**

**Construction**

Applicant shall, in accordance with IPUC's specifications and timing requirements for the Project:

- o Perform route clearing, tree trimming, trenching, excavating, and backfilling and compacting;
- o Furnish imported backfill material and dispose of trench spoil as required;
- o Furnish, install and transfer ownership to IPUC any substructures, conduit, and protective structures required;
- o Obtain any necessary construction permits for all work performed by Applicant under this Contract.

If Applicant elects to have IPUC perform any part of this work, Applicant shall pay to IPUC, as specified herein and before the start of construction, IPUC's estimated-installed costs thereof.

## **Rights of Way**

Applicant hereby grants to IPUC the rights of way and easements for the Distribution Line Extension over the shortest, most practical, available, and acceptable route within Applicant's property for the purpose of making delivery of electric service hereunder. Such easement shall include the right of access and right to trim trees as necessary. Where formal rights of way, easements, land leases, or permits are required by IPUC for installation of facilities on or over Applicant's property, or the property of others, Applicant understands and agrees that IPUC shall not be obligated to install the Distribution Line Extension for the Project unless and until any necessary permanent rights of way, easements, land leases, and permits, satisfactory to IPUC, are granted to or obtained for IPUC without cost to or condemnation by IPUC.

## **Payments**

Applicant shall pay, before the start of construction, the non-refundable amounts as set forth in Appendix A to this Contract. This includes the costs for substructures and conduits which IPUC had previously installed at its expense in anticipation of the current Distribution Line Extension. Any necessary riser conduit, conduit covering, and miscellaneous riser material required for the Distribution Line Extension shall be furnished or paid for by Applicant and shall be installed by IPUC.

Joint Applicants. The total contribution or advance from joint Applicants will be apportioned by IPUC among the members of the group in such manner as Applicants mutually agree.

## **3.2 Responsibilities of IPUC**

### **Construction**

IPUC shall install, own, operate, and maintain the Distribution Line Extension to serve the Project. IPUC will install only those facilities that, in IPUC's judgment, will be used within a reasonable time to serve permanent loads.

## **3.3 Ownership of Facilities**

Title to and ownership of the Distribution Line Extension shall vest in IPUC. Applicant does hereby agree that upon completion and acceptance by IPUC of any Applicant-installed facilities, title to each and every component part thereof shall immediately pass to IPUC free and clear of all liens and encumbrances.

### **3.4 Service Facilities**

Service extensions shall be installed pursuant to IPUC's Rule 16, Service Extensions.

### **3.5 Street Lighting Facilities**

Street lighting and Distribution Line Extensions within the Project solely for service to street lighting equipment shall be installed in accordance with the appropriate street light tariff schedule. Street light revenues are not applicable toward allowances or refunds for Distribution Line Extensions. Electroliers shall be located at points determined by the governmental agency having jurisdiction over streets to be dedicated to that agency or by Applicant for privately owned and maintained streets open to and used by the general public.

### **3.6 Delays in Construction**

**Force Majeure.** IPUC shall not be responsible for any delay in the installation or completion of the facilities by IPUC resulting from the late performance of Applicant's responsibilities under this Contract, shortage of labor or material, strike, labor disturbance, war, riot, weather conditions, governmental rule, regulation or order, including orders or judgements of any court or commission, delay in obtaining necessary land rights, act of God, or any other cause or condition beyond the control of IPUC.

**Resources.** IPUC shall have the right, in the event it is unable to obtain sufficient supplies, materials, or labor for all of its construction requirements, to allocate materials and labor to construction projects which it deems, in its sole discretion, most important to serve the needs of its customers. Any delay in construction hereunder resulting from such allocation shall be deemed to be cause beyond IPUC's control.

**Contract Revision.** If Applicant does not commence installation of any facilities which are Applicant's responsibility or IPUC is prevented from commencing the installation of the facilities for causes beyond its reasonable control within one year from the effective date of this Contract, IPUC may, in its discretion, revise its cost estimate and recalculate the amounts set forth herein. IPUC will notify Applicant of such increased costs and give the option to either terminate this Contract or pay IPUC the additional charges.

### **3.7 Contract Termination**

If at any time during the term of this Contract, IPUC is not the sole deliverer of electrical requirements for the Project, this Contract may be terminated. Upon termination of the Contract, Applicant agrees to forfeit that portion of the advance paid to IPUC for its expenses covering any engineering, surveying, right of way acquisition and other associated work incurred by IPUC.

### **3.8 Indemnification**

Applicant shall, at its own cost, defend, indemnify, and hold harmless IPUC, its officers, agents, employees, assigns, and successors in interest from and against any and all liability, damages, losses, claims, demands, actions, causes of action, costs including attorney's fees and expenses, or any of them, resulting from the death or injury to any person or damages to any property caused by Applicant or its contractor and employees, officers or agents of either Applicant or its contractor, or any of them, and arising out of the performance or nonperformance of their obligations under this Contract.

**3.9 Assignment of Contract**

Applicant may assign this Contract, in whole or in part, only if IPUC consents in writing and the party to whom the Contract is assigned agrees in writing, to perform the obligations of Applicant hereunder. Assignment of the Contract shall not release Applicant from any of the obligations under this Contract unless otherwise provided therein.

**3.10 Joint and Several Liability**

Where two or more individuals or entities are joint Applicants under this Contract, all Applicants shall be jointly and severally liable to comply with all terms and conditions herein.

**3.11 Warranty**

Applicant warrants that all work and/or equipment furnished or installed by Applicant or its contractor shall be free of defects in workmanship and material. The warranty period shall begin from the date of final acceptance by IPUC and extend for one (1) year. Should the work develop defects during that period, IPUC, at its election, shall either (a) repair or replace the defective work and/or equipment, or (b) demand that Applicant repair or replace the defective work and/or equipment and, in either event, Applicant shall be liable for all costs associated with such repair and/or replacement. Applicant upon demand by IPUC, shall promptly correct, to IPUC's satisfaction and that of any governmental agency having jurisdiction, any breach of any warranty.

**3.12 Contract Effective Date**

This Contract shall not be effective unless it is (1) executed and delivered by Applicant to IPUC together with payment required hereunder within ninety (90) days of the date in Paragraph 1 of this Contract and (2) accepted by IPUC. This Contract shall then be effective on the date executed by IPUC and shall take effect without further notice to Applicant.

**3.13 Commission Jurisdiction**

This Contract is subject to the applicable provisions of IPUC's tariffs, including Rule 15 and Rule 16, filed and authorized by the Industry Public Utilities Commission.

This Contract shall, at all times, be subject to such changes or modifications by the Industry Public Utilities Commission, as said Commission may, from time to time, direct in the exercise of its jurisdiction.

**3.14 Completion Date**

The completion date requested by Applicant is December 31, 2019

**4. SIGNATURE CLAUSE**

The signatories hereto represent that they have been appropriately authorized to enter into this Contract on behalf of the party for whom they sign.

**APPLICANT(S)**

CORPORATION, PARTNERSHIP, OR DBA: Successor Agency to the Industry Urban-Development Agency

NAME OF AUTHORIZED INDIVIDUAL: Mark D. Radecki

SIGNATURE: \_\_\_\_\_

TITLE: Chairman

MAILING ADDRESS: 15625 Stafford Street Suite 100 Industry, CA 91744

TELEPHONE: 626-333-2211

**ADDITIONAL SIGNATURES FOR JOINT APPLICANTS**

NAME OF AUTHORIZED INDIVIDUAL: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_

TITLE: \_\_\_\_\_

MAILING ADDRESS: \_\_\_\_\_

TELEPHONE: \_\_\_\_\_

NAME OF AUTHORIZED INDIVIDUAL: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_

TITLE: \_\_\_\_\_

MAILING ADDRESS: \_\_\_\_\_

TELEPHONE: \_\_\_\_\_

**APPORTIONMENT OF ADVANCE AMONG JOINT APPLICANTS:**

\_\_\_\_\_  
\_\_\_\_\_

**INDUSTRY PUBLIC UTILITY COMMISSION**

NAME OF AUTHORIZED INDIVIDUAL: Mark D. Radecki

SIGNATURE: \_\_\_\_\_

TITLE: President \_\_\_\_\_

DATE EXECUTED: September 8<sup>th</sup> 2016

DATE IPUC FIRST READY TO SERVE: TBD \_\_\_\_\_

WORK ORDER NO. \_\_\_\_\_

ASSOCIATED WORK ORDER NOS. N/A

*CITY COUNCIL*

ITEM NO. 7.5



# 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 

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

Date: September 8, 2016

**SUBJECT: Consider Second Reading and Adoption of Ordinance No. 795 - An Ordinance of the City Council of the City of Industry, California, Amending Section 2.20.010 (Authorization for Health and Dental Benefits) of Chapter 2.20 (Employee Benefit Plans) of Title 2 (Administration and Personnel) of the City of Industry Municipal Code to Achieve Compliance with the Affordable Care Act and State law.**

---

### BACKGROUND:

In June 2016, the City began a comprehensive review of its existing health plan. As part of this review, City staff determined that the City's current ordinance pertaining to the provision of health coverage does not meet certain requirements of the Patient Protection and Affordable Care Act, and State law.

### DISCUSSION AND ANALYSIS:

In accordance with Section 2.20.010 of the Municipal Code, the City is permitted to provide a medical and dental benefit plan to City employees or officers, their spouses, dependent children under the age of twenty-one (21), dependent children under the age of twenty-five (25) who are full-time students at a college or university and dependent children regardless of age who are physically or mentally incapacitated.

During the City's review of its health plans, it was noted that Chapter 2.20 has not been updated to reflect the Patient Protection and Affordable Care Act, specifically updating the age where dependent children can receive healthcare coverage to twenty-six (26). Further, State law now requires that health care coverage be extended to domestic partnerships.

Based on the forgoing, it is necessary for the City to amend Section 2.20.010 of the City's Code to increase the age of dependent coverage to 26, and to provide coverage for domestic partnerships.

**FISCAL IMPACT**

The cost of this amendment has been provided for in the 2016/2017 budget.

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PJP:AG:SP:TB:mk

**EXHIBIT A**

**Ordinance No. 795**

[Attached]

**ORDINANCE NO. 795**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF INDUSTRY, CALIFORNIA, AMENDING SECTION 2.20.010 (AUTHORIZATION FOR HEALTH AND DENTAL BENEFITS) OF CHAPTER 2.20 (EMPLOYEE BENEFIT PLANS) OF TITLE 2 (ADMINISTRATION AND PERSONNEL) OF THE CITY OF INDUSTRY MUNICIPAL CODE TO ACHIEVE COMPLIANCE WITH THE AFFORDABLE CARE ACT AND STATE LAW**

**WHEREAS**, on or about March 23, 2010 the Patient Protection and Affordable Care Act (PPACA) was signed into law; and

**WHEREAS**, the PPACA expanded young adult healthcare coverage, so that health plans must provide coverage to dependents up to age 26; and

**WHEREAS**, State law requires employers that have health care services plans or policies that cover the spouses of employees to also cover domestic partnerships; and

**WHEREAS**, it is necessary to amend the City's Municipal Code to increase the age of dependent coverage to 26, and to provide coverage for domestic partnerships.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF INDUSTRY AS FOLLOWS:**

**SECTION 1:** The City Council finds that the above recitals are true and correct and incorporated herein by reference.

**SECTION 2:** Industry Municipal Code Amendment. The City Council hereby amends Section 2.20.010 (Authorization for Health and Dental Benefits) of Chapter 2.20 (Employee Benefit Plans) of Title 2 (Administration and Personnel) of the City of Industry Municipal Code to read in its entirety as follows:

2.20.010 Authorization for health and medical benefits

The City Council is authorized to provide, by resolution or minute order, health and medical benefit plans for qualifying city employees, elected and appointed city officials, their spouses and domestic partners, dependent children under the age of twenty-six, and dependent children regardless of age who are physically or mentally incapacitated as long as the qualifying condition occurred prior to twenty-six years of age.

**SECTION 3:** Clerical Errors. The City Council directs the City Clerk to correct any clerical errors found in Chapter 2.20 (Employee Benefit Plans) of Title 2 (Administration and Personnel) of the City of Industry Municipal Code, including, but not limited to, typographical errors, irregular numbering, and incorrect section references.

**SECTION 4:** 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 unconstitutionality 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 5:**        Effective Date. In accordance with California Government Code Section 36937, this Ordinance shall take effect and be in force thirty (30) days from passage and adoption.

**SECTION 6:**        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 at a regular meeting held on September 8, 2016, by the following vote:

AYES:                COUNCIL MEMBERS:

NOES:                COUNCIL MEMBERS:

ABSTAIN:            COUNCIL MEMBERS:

ABSENT:             COUNCIL MEMBERS:

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Mark D. Radecki, Mayor

**ATTEST:**

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Cecelia Dunlap, Deputy City Clerk

*CITY COUNCIL*

ITEM NO. 7.6



## MEMORANDUM

**TO:** Honorable Mayor Radecki and Members of the City Council

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

**DATE:** September 8, 2016

**SUBJECT:** Temporary Part-Time Support, City Clerk, during the Upcoming Election Cycle, October 2016 through June 2017

As indicated, I assumed the additional position of City Clerk some months ago – a position I am willing to fill, but not advisable during a municipal election cycle. The City Manager should be removed from any involvement in the municipal election process as much as practical. The City Manager's role during any municipal election whereby City Council seats are filled is one of resource support to the City Clerk.

Accordingly, I have solicited interest in individuals who may be willing to serve as City Clerk during the upcoming election period, i.e., approximately October 2016 through June 2017. I would propose a part-time role, not to exceed \$5,000.00 per month.

Potential candidates expressing interest are as follows:

- Maria Dadian, City Manager (retired) with 30 years experience
- Barbara Brown, City Clerk (retired) with 25 years experience
- Patricia Bravo, CMC, M.P.A., City Clerk/Consultant, with 10 years experience
- William Morrow, Attorney at Law (interest letter attached)

IT IS RECOMMENDED that the City Council direct staff accordingly.

# The Morrow Law Firm

*Law & Government Strategies*

**SENATOR BILL MORROW, ESQ**  
*California State Senate-Retired*  
[Senator.Morrow@morrowlawfirm.org](mailto:Senator.Morrow@morrowlawfirm.org)

August 30, 2016

Paul Phillips, City Manager  
City of Industry  
15625 East Stafford Street, #100  
City of Industry, CA 91744

**VIA: E-MAIL; [paul@cityofindustry.org](mailto:paul@cityofindustry.org)**

RE: City Clerk position to oversee city elections

Dear Mr. Phillips:

Prior to addressing the subject matter of this letter as referenced above, allow me to first congratulate you and the City of Industry on the recent appointment of Bill Lockyer as the City's Independent Reform Advisor. He will be a welcome addition to the City's reform efforts.

That said, it has come to my attention that you are looking for someone to take over the position and title of City Clerk, particularly with respect to the administration of municipal elections, a role which I understand you have taken on yourself, in addition to your present responsibilities as the City Manager for the City of Industry.

Perhaps my services may be of assistance to you and the City.

In addition to myself being a candidate in numerous local, state, and federal elections, I have been closely associated and have worked with election officials at all levels. I am well versed in election law. As an attorney prior to my election to the State Legislature, I worked closely with former San Diego and Los Angeles County Registrar Connie McCormack, and other interested parties to improve upon and ensure fairness in election processes, and compliance with election laws, particularly with regard to absentee ballot voting procedures.

In my experience over the years, it has also come to my attention that the highest standards in elections process have not always been followed in some municipal elections as well. Problems that occurred in the city of Bell are not far from mind.

I strongly believe that it is crucial to our democratic system of government that the integrity, security, transparency, and voter access in all elections be fully preserved. Unlawful or inappropriate efforts to affect the outcome of any election must be fully guarded against and prevented. Toward this end, I have had the pleasure and have gained experience working on a consulting basis with a local area park and recreation district to administer a special election and

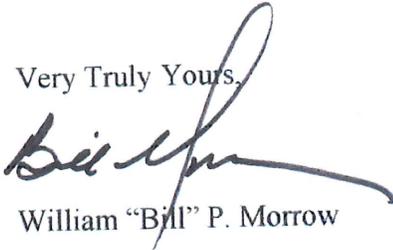
OCEANSIDE OFFICE: 5052 Palmera Drive, Oceanside, CA 92056  
SACRAMENTO OFFICE: 1100 N Street, Unit 4D, Sacramento, CA 95814  
PH: 760/941-5458; FX: 760/941-7969

ballot proposition, as well as with private election vendors, and other professional elections consultants.

Moreover, my personal interest in the administration of elections has spurred me to keep up on state and local elections and voter's issues, and build upon my network of relationships in the election community and industry. For instance, last month I attended the California Association of Clerks and Elected Officials (CACEO) annual conference held in Redondo Beach.

If my interests and experience might happen to fit in with your aim and purpose for the City with respect to the City Clerk position, I would be happy to discuss further if you wish.

Very Truly Yours,

A handwritten signature in black ink, appearing to read "Bill Morrow", written over the typed name below.

William "Bill" P. Morrow

Cc:

Attachments/enclosures: as stated  
WPM/mlf