City of Covina/
Covina Redevelopment Agency

Mayor Peggy Delach – Mayor Pro Tem John King
Council Members Walt Allen, III – Bob Low – Kevin Stapleton

REGULAR MEETING AGENDA
125 E College Street, Covina, CA
Council Chambers of City Hall
Tuesday, June 15, 2010
6:30 p.m.

- **The City Council/Redevelopment Agency will meet in closed session from 6:30 p.m.-7:30 p.m.**
- As a courtesy to Council/Agency Members, staff and attendees, everyone is asked to silence all pagers, cellular telephones and any other communication devices.
- Any member of the public may address the City Council, and Redevelopment Agency during both the public comment period and on any scheduled item on the agenda. Comments are limited to a maximum of five minutes per speaker unless, for good cause, the Mayor/Agency Chair amends the time limit. Anyone wishing to speak is requested to submit a yellow Speaker Request Card to the City Clerk; cards are located near the agendas or at the City Clerk's desk.
- Please provide 10 copies of any information intended for use at the City Council/Covina Redevelopment Agency meeting to the City Clerk prior to the meeting.
- MEETING ASSISTANCE INFORMATION: In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk Department at (626) 384-5430. Services such as American Sign Language interpreters, a reader during the meeting, and/or large print copies of the agenda are available. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. Assisted listening devices are now available. Please see the City Clerk before the meeting or during a break for more information.
- DOCUMENT AVAILABILITY: Any writings or documents provided to a majority of the City Council/Redevelopment Agency regarding any item on this agenda will be made available for public inspection at the City Clerk counter at City Hall located at 125 E. College Street and the Reference Desk at the Covina Library located at 234 N. Second Avenue during normal business hours. In addition, such writings and documents are available in the City Clerk's office and may be posted on the City's website at *http://www.covinaca.gov/clerk/agendas.htm*.
- Pursuant to Government Code Section 54954.2, no matter shall be acted upon by the City Council/Redevelopment Agency unless listed on agenda, which has been posted not less than 72 hours prior to meeting.
- The Deputy City Clerk of the Covina City Council hereby declares that the agenda for the **June 15, 2010,** Regular City Council meeting was posted on June 10, 2010 near the front entrance of the City Hall, 125 East College Street, Covina, in accordance with Section 54954.2 (a) of the Government Code.

CITY COUNCIL/REDEVELOPMENT AGENCY
JOINT MEETING—CLOSED SESSION
6:30 p.m.

CALL TO ORDER

ROLL CALL
Council/Agency Members Allen, Low, Stapleton, Mayor Pro Tem/Vice Chairperson King, Mayor/Chairperson Delach.

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

The City Council and Redevelopment Agency will adjourn to Closed Session for the following:

CLOSED SESSION

A. G.C. 54957(b) – PERSONNEL MATTERS
Evaluation of Performance – Title: City Manager Daryl Parrish

B. G.C. 54957.6 – CONFERENCE WITH LABOR NEGOTIATORS
AGENCY DESIGNATED REPRESENTATIVE: Anthony Arroyo, Human Resources Director
EMPLOYEE ORGANIZATIONS: A.F.S.C.M.E. – American Federation of State, County & Municipal Employees
P.A.C. – Police Association of Covina
P.M.G. – Police Management Group
Unaffiliated Employees (see attached)

C. G.C. 54956.8 - CONFERENCE WITH REAL PROPERTY NEGOTIATOR – NEGOTIATIONS TO INCLUDE BOTH PRICE AND TERMS:
- Covina Valley Unified School District – 120 East School Street (APN 8430-027-900)
- Covina Valley Unified School District – Vacant Land South Side Puente Street at Third Avenue (APN 8444-021-904)
- Covina Redevelopment Agency – 114 E. Italia Street (APN 8445-001-905)
- Rene Ortiz – 211-217 N. Citrus Ave. (APN 8431-032-008)

RECESS

CITY COUNCIL/REDEVELOPMENT AGENCY
JOINT MEETING—OPEN SESSION
7:30 p.m.

CALL TO ORDER

ROLL CALL
Council/Agency Members Allen, Low, Stapleton, Mayor Pro Tem/Vice Chairperson King, Mayor/Chairperson Delach

PLEDGE OF ALLEGIANCE
Led by Mayor Delach.

INVOCATION
Led by the Covina Police Chaplain David Truax.

PRESENTATIONS
Recognition of Tim Burlingame.

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

COUNCIL/AGENCY COMMENTS
Council/Agency Members wishing to make any announcements of public interest or to request that specific items be added to future City Council/Redevelopment Agency Agendas may do so at this time.

CITY MANAGER COMMENTS

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

CC 1. City Council to approve the Minutes of the Tuesday, June 1, 2010 Regular City Council/Redevelopment Agency Meeting.

CC 2. City Council to approve the Minutes of the Monday, June 7, 2010 Strategic Planning Meeting.

CC 3. City Council to approve Payment of Demands in the amount of $4,299,661.49.

CONSENT CALENDAR CONT.

CC 4. City Council to authorize the City Manager to negotiate a contract with Andy de Silva, for software conversion project management services effective July 1, 2010 for an amount not to exceed $50,000.

CC 5. City Council to:

a.) Award the bid for slurry sealing of municipal parking lots, Project No. P-0902, to Wheeler Paving, Incorporated, as the lowest responsive and responsible bidder in the amount of $58,912; and

b.) Adopt **Resolution No. 10-6854**, amending the Fiscal Year 2009 – 2010 Public Works Department, Municipal Parking District Budget to reflect an appropriation of $58,912 from Municipal Parking District Reserve Funds for the Slurry Sealing and Striping of Municipal Parking Lots and allocate those funds to Account No. 2600-2800-00-55360 for expenditure.

CC 6. City Council to receive and file the Public Works Department Monthly Activity Report.

CC 7. City Council to approve Amendment No. 2 to the Street Sweeping Contract with Athens Services to extend contract for one year.

CC 8. City Council to approve Contract Amendment No. 1 to Park Landscape Maintenance Services Contract with TruGreen LandCare for the Parks & Recreation Department effective July 1, 2010 through June 30, 2013.

CC 9. City Council to approve the Agreement between the City of Covina and Kare Youth League.

CC 10. City Council to adopt **Resolution No. 10-6842**, supporting the California Jobs Initiative, proposed to be considered by voters on the November 2010 ballot and opposing AB 32, the "Global Warming Solutions Act of 2006."

CC 11. City Council to:

a.) Adopt **Resolution No. 10-6849**, accepting grant funding from the Department of Alcoholic Beverage Control for the City of Covina Police Department ABC Enforcement Program; and

b.) Adopt **Resolution No. 10-6855**, amending the Fiscal Year 2010 – 2011 Police Department Budget to include funding for a grand funded Alcoholic Beverage Control Enforcement Program; and

c.) Authorize the Chief of Police to execute the agreement on behalf of the City of Covina.

CC 12. City Council to adopt **Resolution No. 10-6851**, consenting to inclusion of properties within the incorporated area of the City in the Los Angeles County Energy Program to finance distributed generation renewable energy sources and energy and water efficiency improvements, approving the report setting forth the parameters of the referenced program and certain matters in connection therewith.

CC 13. City Council to direct staff to publish a Notice of Intent to change the Conflict of Interest Code, to review the City's adopted Conflict of Interest Code, and submit any proposed amendments no later than October 1, 2010, pursuant to the mandatory action required by Government Code § 87306.5.

CONSENT CALENDAR CONT.

CC 14. Redevelopment Agency to approve Payment of Demands in the amount of $287,184.54.

CC 15. Redevelopment Agency to adopt **Agency Resolution No. 10-626**, amending Agency Resolution No. 10-623 and Resolution No. 10-6840 and the Fiscal Year 2009 – 2010 Covina Redevelopment Agency Budget to reflect the increased funds anticipated at the close of escrow of the Olson Citrus Walk Project.

CC 16. Redevelopment Agency to receive and file the Annual Report of the Economic Development Council and approve the 2010 – 2011 program budget for the Covina Economic Development Council (EDC).

CC 17. Redevelopment Agency to receive and file the report on the International Council of Shopping Centers Global Retail Real Estate Convention.

PUBLIC HEARING

PH 1. Levy and Collection of Assessments for Covina Landscaping District No. 1 for the 2010 – 2011 Fiscal Year.

Staff Recommendation:

a.) Conduct the public hearing; and

b.) Determine that a majority protest does not exist and adopt **Resolution No. 10-6844**, confirming the Engineer's Report dated May 18, 2010, and ordering the levying of assessments on the Covina Landscaping District No. 1 for the 2010 – 2011 Fiscal Year.

PH 2. Levying of Assessments for Covina Lighting District No. 1978 – 1979 for the 2010 – 2011 Fiscal Year.

Staff Recommendation:

a.) Conduct the public hearing; and

b.) Determine that a majority protest does not exist and adopt **Resolution No. 10-6845**, confirming the Engineer's Report dated May 18, 2010 and ordering the levying of assessments for Covina Lighting District No. 1978 – 1979 for the 2010 – 2011 Fiscal Year.

PH 3. Levying and Collection of Assessments for Vehicle Parking District No. 1 for the 2010 – 2011 Fiscal Year.

Staff Recommendation:

a.) Conduct the public hearing; and

b.) Determine that a majority protest does not exist and adopt **Resolution No. 10-6846**, confirming the Engineer's Report dated May 18, 2010, and ordering the levying and collection of assessments for Vehicle Parking District No. 1 for the 2010 – 2011 Fiscal Year.

PUBLIC HEARING CONT.

PH 4. Consider the Adoption of New Tiered Water Service Rates

Staff Recommendation:
City Council to conduct the public hearing and if it is determined that a majority protest does not exist adopt **Resolution No. 10-6847**, increasing the City's water utility service rates and charges effective July 1, 2010.

CONTINUED BUSINESS

CB 1. Urgency ordinance to extend Interim Urgency Ordinance No. 10-1983 for an additional 10 months and 15 days and continue for this period the moratorium on the issuance of permits for new massage establishments and massage technicians in the City of Covina.

Staff Recommendation:

a.) Adopt **Urgency Ordinance No. 10-1985**, extending Interim Urgency Ordinance No. 10-1983 for an additional period of 10 months and 15 days and thereby extending the moratorium on the permitting of new massage establishments and massage technicians; and

b.) Direct staff to continue studying possible revisions to the City's existing massage regulations in light of the passage of SB 731.

JOINT NEW BUSINESS

JNB 1. Consideration of loans by the City to the Agency for Project Nos. One and Two.

Staff and Agency Recommendation:

a.) Adopt **Resolution No. 10-6853**, approving and authorizing loans to the Covina Redevelopment Agency for Fiscal Year 2010 – 2011; and

b.) Adopt **Agency Resolution No. 10-628**, approving and authorizing execution of Promissory Notes made by the Agency to the City of Covina for Fiscal Year 2010 – 2011.

JOINT CONTINUED BUSINESS

JCB 1. Adoption of the City of Covina and Covina Redevelopment Agency Annual Budget for the Fiscal Year commencing July 1, 2010 and ending June 30, 2011.

Staff and Agency Recommendation:

a.) Adopt **Resolution No. 10-6848**, adopting the City of Covina Budget for July 1, 2010 through June 30, 2011; and

b.) Adopt **Agency Resolution No. 10-625**, adopting the Covina Redevelopment Agency Annual Budget for the Fiscal Year commencing July 1, 2010 and ending June 30, 2011.

ADJOURNMENT

The Covina City Council/Redevelopment Agency will adjourn the next Regular Meeting to be held on **Tuesday, July 6, 2010 at 6:30 p.m.** in the Council Chambers of City Hall, 125 E College Street, Covina, CA 91723.

UNAFFILIATED MANAGEMENT

Mid-Management
Supervisory, and Professional

- Accountant
- Accounting Supervisor
- Administrative Services Supervisor
- Assistant City Librarian
- Benefits Coordinator
- Building Official
- City Planner
- Community Relations Supervisor
- Community Services Supervisor
- Computer Systems Analyst
- Environmental Services Manager
- Equipment Supervisor
- Finance Manager
- Human Resources Manager
- Information Technology Manager
- Library Circulation Supervisor
- Management Analyst
- Management Analyst Trainee
- Marketing Manager
- Network Supervisor
- Parks Maintenance Supervisor
- Police Records Supervisor
- Pool Manager
- Principal Librarian
- Public Safety Communications Supervisor
- Public Works Manager
- Public Works Superintendent
- Recreation Services Supervisor
- Redevelopment Manager
- Risk Manager
- Senior Accountant
- Senior Management Analyst
- Senior Planner
- Senior Services Supervisor
- Street Maintenance Supervisor
- Supervising Civil Engineer
- Water Services Supervisor

Confidential

- Administrative Secretary
- Administrative Technician
- Business License Technician
- Deputy City Clerk
- Executive Assistant to the City Manager
- Executive Assistant to the Police Chief
- Finance Technician
- Personal Computer Support Technician
- Senior Administrative Technician
- Senior Finance Technician

Executives

- Assistant to the City Manager
- Assistant City Manager
- Chief Deputy City Clerk
- Chief of Police
- Director of Community Development/Deputy Director CRA
- Director of Finance
- Director of Library Services
- Director of Parks & Recreation
- Director of Public Works
- Director of Human Resources
- Public Information Supervisor

PART-TIME UNAFFILIATED

- Administrative Intern
- Asst Pool Mgr
- Background Investigator
- Building Maintenance Assistant
- Community Resources Aide
- Community Resources Aide/Library Page Shelver
- Community Resources Assistant I
- Community Resources Assistant II
- Community Resources Specialist
- Duplicating Assistant
- Engineering Intern
- Library Clerk
- Lifeguard
- Lifeguard/Instructor
- Overnight Parking Enforcement Officer
- Park Maintenance Assistant
- Planning Aide
- Police Aide Clerical
- Police Cadet
- Student Aid

MINUTES OF THE JUNE 1, 2010 REGULAR MEETING OF THE COVINA CITY COUNCIL/REDEVELOPMENT AGENCY HELD IN THE COUNCIL CHAMBERS OF CITY HALL, 125 EAST COLLEGE STREET

CALL TO ORDER

Mayor Delach called the City Council meeting to order at 6:05 p.m. due to a scheduled Budget Workshop.

ROLL CALL

Council Members Present: Allen, Delach, King, Low, Stapleton
Council Members Absent: None
Other Elected Officials Present: City Treasurer

Staff Members Present: City Manager, City Attorney, Chief of Police, Police Captain, Fire Chief, Finance Director, Public Works Director, Community Development Director, Human Resources Director, Parks and Recreation Director, Deputy City Clerk/Agency Secretary, Public Communications Manager, Management Analyst, Sr. Redevelopment Manager, Redevelopment Manager

AGENDA POSTING DECLARATION

The Deputy City Clerk of the Covina City Council hereby declares that the agenda for the June 1, 2010 Regular City Council/Redevelopment Agency meeting was posted on May 27, 2010 near the front entrance of the City Hall, 125 East College Street, Covina, in accordance with Section 54954.2 (a) of the Government Code.

CLOSED SESSION

A. G.C. 54957.6 – CONFERENCE WITH LABOR NEGOTIATORS
AGENCY DESIGNATED REPRESENTATIVE:
Anthony Arroyo, Human Resources Director

EMPLOYEE ORGANIZATIONS:
A.F.S.C.M.E. – American Federation of State, County & Municipal Employees
P.A.C. – Police Association of Covina
P.M.G. – Police Management Group
Executive Group
Unaffiliated Employees

B. G.C. 54956.8 - CONFERENCE WITH REAL PROPERTY NEGOTIATOR – NEGOTIATIONS TO INCLUDE BOTH PRICE AND TERMS:

- Covina Valley Unified School District – 120 East School Street (APN 8430-027-900)
- Covina Valley Unified School District – Vacant Land South Side Puente Street at Third Avenue (APN 8444-021-904)
- Jack In The Box – 602 S. Citrus Ave. (Northwest corner of APN 8451-001-911)
- Covina Redevelopment Agency – 611 S. Citrus Ave. (APN 8453-001-001)
- Enterprise Rent a Car – 635 S. Citrus Ave. (APN 8453-001-906)

PLEDGE OF ALLEGIANCE

Mayor Pro Tem King led the Pledge of Allegiance.

INVOCATION

Pastor Bob Morley from the Covina United Methodist Church gave the invocation.

PRESENTATIONS

Mayor Delach and Mayor Pro Tem King recognized the four local Covina Churches and church members for their volunteer work on Community Service Day. Mayor Pro Tem King gave a recap of the projects that were accomplished by these volunteers around the community. He presented Pastor John Johnson from the Covina Assembly of God Church, Pastor Andrea Messinger from the First Presbyterian Church of Covina, Pastor Bob Morley from the Covina United Methodist Church, and Pastor Chad Thibodoux from the Christ First Baptist Church of Covina with a certificate of appreciation. Sandy Futter and Dora Gomez from the Covina Assembly of God Church and Debbie Quon from the Covina United Methodist Church were also recognized with spearheading the community projects. Mayor Pro Tem King also thanked the following businesses/sponsors with certificates for their donations and making Community Service Day a success:

- Home Depot, Covina Store, Jim Fossum, Operations Manager
- Frazee Paint, West Covina, Yvette Cordova, Store Manager; John Martinez, District Manager
- J & R, Perryman Construction, Inc., Rod Perryman
- Solo Motorsport, Inc. Covina, Bobby Quarnstrom, Carl Niemetschek & Demoree Deocales, Owner
- Tire Zone USA, Covina, Mike Nalbandian, Owner
- Monares Group, Hacienda Heights, Gabriel Monares, Principal
- LaTazza Café, Covina, Charlie Park, Owner
- Yum Yum Donuts, Covina, Samia Abdalla, Owner

PUBLIC COMMENTS

Bryan Abrams spoke about his father, Robert Abrams, who served on the Parks Commission for the City of Covina. Mr. Abrams shared with the Council that his father had recently passed away. He requested that Council continue to maintain the parks along with their beautiful settings in memory of his father. Mayor Delach requested that the City Council meeting be adjourned in memory of Robert Abrams.

COUNCIL COMMENTS

Council Member Allen requested that at a future City Council meeting, Pastor Carlo Alce be honored for convincing him to go to Haiti and take the proclamation to the Mayor of the City of Covina's adopted Sister City of the Town of La Vallee de Jacmel. Council Member Allen also shared that through private donations and donations from Wal-Mart, Covina, 50 tents were flown to the Sister City to families who were recently displaced by the recent earthquake which hit this area.

Mayor Delach agreed with Council Member Allen to honor Pastor Carlo Alce at a future Council meeting.

Council Member Stapleton spoke on his participation during the Forest Lawn Memorial Day event held on Monday, May 31, 2010. He expressed that this day is a time to remember the men and women who have sacrificed their lives in service to this country.

Mayor Pro Tem King and Mayor Delach recognized Jim Fossum, Operations Manager for Home Depot, for their participation during Community Service Day. Mr. Fossum arrived after the other businesses/sponsors were recognized.

Council Member Low commended Council Member Allen for his inspirational trip to Haiti which exhibited great leadership by Council Member Allen.

Mayor Delach made the following community announcements: Annual Dog Vaccination & Licensing Clinic on Wednesday, June 9, 2010 from 7:00 p.m. to 8:30 p.m. at the Covina Park Tennis Courts; Free Smart Gardening Workshop on Saturday, June 12, 2010 at 9:30 a.m. conducted by the county at Charter Oak Park, 20261 Covina Blvd.

Mayor Delach also added that the Covina Charities, in association with the Covina Downtown Merchants, is sponsoring a "Wine Walk" on Saturday, June 12, 2010 from 5:00 p.m. to 8:00 p.m. Tickets are $10.00 each and will directly benefit Covina Yellow Ribbon.

Council Member Allen recognized Covina Police Chaplain David Truax for his assistance in preparation for his Haiti trip.

CITY MANAGER COMMENTS

City Manager Parrish announced that the ground breaking for the new Lowe's Home Improvement store located on Azusa Ave. and Arrow Highway would take place on Wednesday, June 2, 2010 at 9:00 a.m.

CONSENT CALENDAR

On a motion by Council Member Stapleton and seconded by Council Member Low, the City Council/Redevelopment Agency approved Consent Calendar items CC 1, CC 2, CC 3, CC 4, CC 5, CC 6, and CC 7. Motion carried by a vote of 5-0 with Council Member Allen abstaining from CC 1 and Mayor Pro Tem King abstaining from CC 5.

MAY 18, 2010 REGULAR CITY COUNCIL/CRA MEETING MINUTES CC 1

City Council approved the Minutes of the Tuesday, May 18, 2010 Regular City Council/Redevelopment Agency Meeting.

BUSINESS LICENSE TAX EXEMPTION REQUEST CC 2

City Council approved the Asian American Christian Counseling Service, Inc. business license tax exemption request since the organization appears to have complied with the Covina Municipal Code exemption requirements.

SINGLE AUDIT REPORT FOR FY JUNE 30, 2009 CC 3

City Council received and filed the Single Audit Report for Fiscal Year Ended June 30, 2009.

DISABILITY RETIREMENT FOR LOCAL SAFETY MEMBERS CC 4

City Council adopted **Resolution No. 10-6841**, delegating Disability Retirement or Industrial Disability Retirement Designations for Local Safety Members to the City Manager.

ENERGYWISE PARTNERSHIP CC 5

City Council adopted **Resolution No. 10-6843**, declaring the City of Covina's participation in the San Gabtiel Valley EnergyWise Partnership (Partnership) with Southern California Edison (SCE) and the San Gabriel Valley Council of Governments (COG).

CALIBER COMMERCIAL POOL SERVICE CONTRACT CC 6

City Council approved the maintenance contract with Caliber Commercial Pool Service to maintain the Michael D. Antonovich Aquatic Center swimming pools and pool equipment in the amount of $17,400 for fiscal year 2010 – 2011.

WEST COAST ARBORISTS CONTRACT CC 7

City Council approved an amendment to extend the Contract with West Coast Arborists, Inc. for Tree Trimming Services of City's park and street trees at the proposed budgeted amount of $16,470 for park trees and $122,140 for street trees for FY 2010 – 2011.

MORATORIUM ON ISSUANCE OF PERMITS REGARDING NEW MASSAGE ESTABLISHMENTS CC 8

Chuck and Amy O'Brien requested if their application for a massage establishment could be processed and waived from the restrictions imposed by the moratorium on the issuance of permits regarding new massage establishments.

City Attorney Lee recommended that this application be given to the City Manager for further review due to the fact that Council could not speak on this particular application because it was not agendized. City Attorney Lee expressed that the current item presented to Council for approval was a report to the public describing the moratorium and approval of the actual extension of the moratorium would not take place until the June 15, 2010 City Council meeting.

On a motion by Mayor Pro Tem King and seconded by Council Member Stapleton, the City Council adopted and issued the City Council Report to the public describing the City's Measures to alleviate the conditions which led to adoption of Interim Urgency Ordinance No. 10-1983 – a moratorium on the issuance of permits for new massage establishments and massage technicians in the City of Covina. Motion carried by a vote of 5-0.

COVINA MUNICIPAL CODE AMENDMENT OF TITLE 7 - ANIMALS PH 1

Mayor Delach suggested that the public hearing for the amendment of the Covina Municipal code (Title 7) with respect to Animals be continued to the July 6, 2010 City Council meeting in order to provide for legal notice requirements.

City Attorney Lee asked for Council to make a motion to introduce the ordinance as opposed to continuing the item.

On a motion by Council Member Stapleton and seconded by Council Member Allen, the City Council introduced and waived further reading of **Ordinance No. 10-1984**, amending the Municipal Code of the City of Covina with respect to animals and adopting by reference the Los Angeles County Code, Title 10, Animals and continued the adoption of the ordinance to the July 6, 2010 City Council meeting. Motion carried by a vote of 5-0.

BOARDS, COMMITTEES & COMMISSIONS NB 1

Mayor Delach suggested that the New Business item of appointing and/or scheduling interviews for scheduled vacancies on City of Covina Boards, Committees and Commissions be continued to the July 6, 2010 City Council meeting to provide time for additional advertising of the vacancies.

Mayor Pro Tem King inquired about reappointing those individuals who have reapplied for a seat on a board, committee or commission.

Council Member Low suggested that additional advertising of vacancies was needed.

On a motion by Council Member Stapleton and seconded by Council Member Allen, the City Council agreed to continue the appointments and/or scheduling of interviews of all applicants for City Boards, Committees and Commissions for Tuesday, July 6, 2010. Motion carried by a vote of 5-0.

PRELIMINARY BUDGET DOCUMENTS FOR FY 2010-2011 JNB 1

Mayor Delach introduced the Joint New Business item of the presentation of the Fiscal Year 2010 – 2011 Preliminary Budget.

City Manager Parrish expressed that no action was needed to be taken by the City Council on the preliminary budget at this Council meeting and that the presentation was to give Council an overview of the budget.

Finance Director De Alwis and City Manager Parrish gave the presentation.

Mayor Delach shared that although the budget was a team effort from all city departments and money was saved, the issue of the current

water fund balance will be a big discussion item which will need to be focused on.

Council Member Allen complimented City staff and the Council for the sacrifices made by putting the budget together.

Finance Director De Alwis also complimented City staff for the team effort given to put the budget together.

City Manager Parrish expressed that the changes in the numbers in the budget have been consistant with what has been talked about for the past six months.

On a motion by Council Member Allen and seconded by Council Member Low, the City Council/Redevelopment Agency received and filed the Preliminary City of Covina and Covina Redevelopment Agency Budget Documents for fiscal year 2010 – 2011. Motion carried by a vote of 5-0.

ADJOURNMENT

At 8:07 p.m., Mayor Delach adjourned the City Council/Redevelopment Agency meeting in memory of Robert Abrams to the Strategic Planning Meeting to be held on **Monday, June 7, 2010 at 8:30 a.m.** at the First Presbyterian Church located at 310 N. 2nd Ave., Covina, CA 91723.

Rosalia A. Conde, CMC
Deputy City Clerk/Agency Secretary

Approved this 15th day of June, 2010.

Peggy Delach, Mayor

MINUTES OF THE JUNE 7, 2010 ADJOURNED JOINT MEETING/STRATEGIC PLANNING MEETING OF THE COVINA CITY COUNCIL AND COVINA REDEVELOPMENT AGENCY HELD AT THE FIRST PRESBYTERIAN CHURCH, WILLIAMS HALL, 310 N. SECOND STREET, COVINA, CALIFORNIA AT 8:30 A.M.

CALL TO ORDER

Mayor/Chairperson Delach called the meeting to order at 8:30 a.m.

ROLL CALL

Council/Agency Members Present: Allen, Stapleton, Mayor Pro Tem/Vice Chairperson King, Mayor/Chairperson Delach
Council/Agency Members Absent: Low

Other Elected Officials Present: None.

Staff Members Present: City Manager, City Attorney, Public Works Director, Community Development Director, Chief of Police, Human Resources Director, Finance Director, Deputy City Clerk/Agency Secretary, Parks and Recreation Director, Communications Manager, Finance Manager, Management Analyst

AGENDA POSTING DECLARATION

The Deputy City Clerk of the Covina City Council hereby declares that the agenda for the June 7, 2010 Strategic Planning Session of the City Council was posted on June 3, 2010 near the front entrance of the City Hall, 125 East College Street, Covina, in accordance with Section 54954.2 (a) of the Government Code.

PUBLIC COMMENTS

None.

COUNCIL/AGENCY COMMENTS

None.

CITY MANAGER COMMENTS

None.

NEW BUSINESS

NB 1. Strategic Planning Workshop facilitated by Marilyn Snider, Snider and Associates.

<u>Staff Recommendation</u>:
Review, discuss and/or provide direction on the following:

a. Review Mission/Purpose Statement, Vision Statement, Core Values/Guiding Principles, and Three-Year Goals (2009-2012).
b. Identify accomplishments since September 2009 retreat.
c. Identify internal strengths/weaknesses from previous six-months.
d. Identify external factors/trends that will/might have impact on city in the coming year.
e. Review/revise three-year goals (2009-2012).

f. Identify six-month strategic objectives.
g. Follow-up process to monitor progress on goals and objectives.
i. Summary and closing remarks.

Council and staff discussed the above listed items on the agenda and agreed to produce a formal report on the retreat for receive and file at the Regular City Council/Redevelopment Agency Meeting on Tuesday, July 6, 2010.

ADJOURNMENT

At 12:02 p.m., Mayor Delach adjourned the City Council/Redevelopment Agency Strategic Planning meeting to the Regular Meeting on June 15, 2010 at 6:30 p.m. at 125 E College Street, Covina, California.

Rosalia A. Conde, CMC
Deputy City Clerk

Approved this 15th day of June, 2010.

Peggy Delach, Mayor

CITY OF COVINA
AGENDA ITEM COMMENTARY

MEETING DATE: June 15, 2010 **ITEM NO.: CC 3**

STAFF SOURCE: Dilu De Alwis, Finance Director

ITEM TITLE: Payment of Demands

STAFF RECOMMENDATION:
Approve Payment of Demands in the amount of: **$4,299,661.49**

BACKGROUND:
Attached list of warrants, demands, which are being presented for approval for April 2010 are summarized as follows:

DATE OF DEMANDS	DEMAND NUMBERS	AMOUNT
ACCOUNTS PAYABLE WARRANTS		
April 6, 2010	84019-84143	$264,149.20
April 13, 2010	84144-84283	$1,009,074.68
April 14, 2010	84284-84307	$184,203.44
April 19, 2010	84308-84406	$383,487.66
April 27, 2010	84407-84513	$403,515.41
April 27, 2010	84514-84643	$80,250.27
April 28, 2010	84644-84648	$112,674.10
PAYROLL		
April 1, 2010 PAYROLL ADVANCE		$422,543.68
April 1, 2010		$189,531.99
April 15, 2010 PAYROLL ADVANCE		$386,000.00
April 15, 2010		$181,098.88
April 29, 2010 PAYROLL ADVANCE		$184,536.53
April 29, 2010		$412,000.00
April 29, 2010 FINAL CHECKS		$49,724.91
VOIDS		
April 14, 2010	80872	($125.00)
April 30, 2010	83701	($150.00)
WORKERS COMPENSATION		
March 26, 2010	19921-19939	$6,028.58
April 2, 2010	19940-19967	$7,491.18
April 9, 2010	19968-19994	$7,726.72
April 16, 2010	19995-20019	$7,234.04
April 23, 2010	20020-20053	$8,665.22
	GRAND TOTAL:	**$4,299,661.49**

EXHIBITS:

A. ACCOUNTS PAYABLE REGISTER

REVIEW TEAM ONLY	
City Attorney: _____	Finance Director: _____
City Manager: _____	Other: _____

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
AP00084019	V04747	10-8 RETROFIT	04/06/10	176.12	MW	OH		
AP00084020	V04342	ACE-1 AUTO SERVICE	04/06/10	145.49	MW	OH		
AP00084021	V06989	ACRYLATEX	04/06/10	181.09	MW	OH		
AP00084022	V05055	AGI ACADEMY	04/06/10	116.66	MW	OH		
AP00084023	V06110	AIR-BREE HEATING	04/06/10	4,048.25	MW	OH		
AP00084024	V07014	ALAS, NINA	04/06/10	150.50	MW	OH		
AP00084025	V00046	ALBERTSONS GROCERY WAREHOUSE	04/06/10	8.71	MW	OH		
AP00084026	V03229	ALL AMERICAN ASPHALT	04/06/10	83,982.89	MW	OH		
AP00084027	V06519	AMERICAN TRAFFIC SOLUTIONS	04/06/10	16,185.00	MW	OH		
AP00084028	V07157	ANGELES, LEAH	04/06/10	285.83	MW	OH		
AP00084029	V01660	AT&T	04/06/10	74.16	MW	OH		
AP00084030	V01955	AZUSA PLUMBING & HEATNG SUPPL	04/06/10	50.49	MW	OH		
AP00084031	V00088	AZUSA, CITY OF	04/06/10	450.58	MW	OH		Payee Name different in Check DB
AP00084032	VOID.CONTINU	Void - Continued Stub	04/06/10	0.00	VM	OH		Void
AP00084033	V00090	BAKER AND TAYLOR INC	04/06/10	3,759.19	MW	OH		
AP00084034	V07100	BANK OF THE WEST	04/06/10	9,395.07	MW	OH		
AP00084035	V06406	BARBIE'S BALLOON BOUTIQUE	04/06/10	359.50	MW	OH		
AP00084036	V06613	BARR LUMBER COMPANY	04/06/10	71.27	MW	OH		
AP00084037	V07139	BETHKE, BETTY JO	04/06/10	89.83	MW	OH		
AP00084038	V07198	BIKESTATION	04/06/10	10,850.53	MW	OH		
AP00084039	V04100	BOND LOGISTIX	04/06/10	7,674.69	MW	OH		
AP00084040	V07169	BOOK WHOLESALERS INC	04/06/10	40.16	MW	OH		
AP00084041	V05481	BRASS STARR PRODUCTIONS	04/06/10	1,625.00	MW	OH		
AP00084042	V06632	BRIGHT STARS ACADEMY	04/06/10	599.23	MW	OH		
AP00084043	V00254	BRUNSWICK COVINA BOWL	04/06/10	140.00	MW	OH		Payee Name different in Check DB

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
AP00084044	V00139	CALIBER POOL AND SPA SVC	04/06/10	2,902.87	MW	OH		
AP00084045	V07038	CALLANDRILLO JR., GEORGE	04/06/10	220.50	MW	OH		
AP00084046	V07156	CALLISON, JACQUELYN	04/06/10	106.16	MW	OH		
AP00084047	V07383	CARLA WALLS	04/06/10	10.00	MW	OH		
AP00084048	V07400	CARLOS, LAURA LEE	04/06/10	200.00	MW	OH		
AP00084049	V07155	CASTILLO, LOVRINA	04/06/10	140.00	MW	OH		
AP00084050	V07402	CATHOLIC CHARITIES	04/06/10	43,499.08	MW	OH		
AP00084051	V05302	CELAYA, VERA FLORES	04/06/10	154.00	MW	OH		Payee Name different in Check DB
AP00084052	V00190	CHARTER OAK GYMNASTICS INC	04/06/10	1,827.00	MW	OH		
AP00084053	V05555	CINTAS CORP #693	04/06/10	227.38	MW	OH		
AP00084054	V06072	COLLEY AUTO CARS INC.	04/06/10	946.44	MW	OH		
AP00084055	V00237	COMMUNICATIONS CENTER	04/06/10	964.71	MW	OH		
AP00084056	V05948	CORBIN, CLARA	04/06/10	1,432.67	MW	OH		
AP00084057	V00256	COVINA DISPOSAL CO	04/06/10	9,872.87	MW	OH		
AP00084058	V00837	COVINA WATER & REFUSE, CITY O	04/06/10	536.24	MW	OH		Payee Name different in Check DB
AP00084059	V02419	DEPT OF MOTOR VEHICLES	04/06/10	284.97	MW	OH		
AP00084060	V07016	DOMINAIDE	04/06/10	24.79	MW	OH		
AP00084061	V04090	DOSPITAL, DEAN	04/06/10	215.00	MW	OH		
AP00084062	V00175	EDISON CO	04/06/10	5,144.02	MW	OH		
AP00084063	V06453	FAMILY AUTO CARE	04/06/10	377.26	MW	OH		
AP00084064	V00176	FEDEX	04/06/10	13.15	MW	OH		
AP00084065	V00339	FOOTHILL PRESBYTERIAN HOSPITA	04/06/10	18.32	MW	OH		Payee Name different in Check DB
AP00084066	V00345	FUTURE AMERICA	04/06/10	194.44	MW	OH		
AP00084067	V00350	GAS COMPANY, THE	04/06/10	2,011.29	MW	OH		Payee Name different in Check DB
AP00084068	V00730	GOLDEN STATE WATER COMPANY	04/06/10	181.48	MW	OH		Payee Name different in Check DB

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
AP00084069	V04325	GONZALES, RICHARD	04/06/10	136.50	MW	OH		
AP00084070	V00374	GRAINGER	04/06/10	462.56	MW	OH		Payee Name different in Check DB
AP00084071	V00375	GRAND PRINTING	04/06/10	2,555.03	MW	OH		
AP00084072	V00006	HOME DEPOT	04/06/10	790.84	MW	OH		
AP00084073	V00233	HYDRO CONNECTIONS	04/06/10	12.05	MW	OH		Payee Name different in Check DB
AP00084074	V07408	IMPERIAL NOTARY SERVICES LLC	04/06/10	315.00	MW	OH		
AP00084075	V05607	INGERSOLL, SCOTT	04/06/10	403.66	MW	OH		
AP00084076	V00425	INGRAM DIST GROUP	04/06/10	566.17	MW	OH		
AP00084077	V04543	INTER-VALLEY POOL SUPPLY	04/06/10	125.38	MW	OH		
AP00084078	V06049	JAIME, SANDRA	04/06/10	67.67	MW	OH		
AP00084079	V00445	JEECO MFG & SUPPLY	04/06/10	64.10	MW	OH		Payee Name different in Check DB
AP00084080	V07298	JEFFERSON SIGN	04/06/10	23.05	MW	OH		
AP00084081	V07173	JOHN L. HUNTER	04/06/10	1,065.00	MW	OH		
AP00084082	V07325	JOSEPH ESCOBEDO	04/06/10	112.00	MW	OH		Payee Name different in Check DB
AP00084083	V00451	KELLY PAPER CO	04/06/10	697.27	MW	OH		
AP00084084	V02741	KYLE, PATRICIA	04/06/10	532.00	MW	OH		
AP00084085	V00477	LA CNTY DISTRICT ATTORNEY	04/06/10	192.45	MW	OH		Payee Name different in Check DB
AP00084086	V01502	LA GRINDING	04/06/10	24.00	MW	OH		Payee Name different in Check DB
AP00084087	V05585	LAM, LY CHOU	04/06/10	401.10	MW	OH		
AP00084088	V07017	LARSEN, MICHAEL	04/06/10	71.16	MW	OH		
AP00084089	V00492	LAWSON PRODUCTS INC	04/06/10	96.65	MW	OH		
AP00084090	V07260	LOOKOUT BOOKS	04/06/10	1,299.99	MW	OH		
AP00084091	V01816	LOU'S GLASS HOUSE	04/06/10	20.00	MW	OH		Payee Name different in Check DB
AP00084092	V01659	MAXIMUS INC	04/06/10	3,520.00	MW	OH		Payee Name different in Check DB
AP00084093	V00539	MCMASTER CARR SUPPLY CO	04/06/10	70.48	MW	OH		

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
AP00084094	V07401	MERCURY INSURANCE COMPANY	04/06/10	4,255.92	MW	OH		
AP00084095	V00542	MEREDITH ELECTRIC	04/06/10	377.00	MW	OH		
AP00084096	V01240	MISSION LINEN SUPPLY	04/06/10	180.68	MW	OH		
AP00084097	V07391	MOHAMED, SHERIFF	04/06/10	4.00	MW	OH		
AP00084098	V06427	MOORE & ASSOCIATES INC.	04/06/10	550.00	MW	OH		Payee Name different in Check DB
AP00084099	V06687	NEWPORT FARMS INC	04/06/10	200.28	MW	OH		
AP00084100	V07326	NOAH'S PROTECTIVE	04/06/10	2,531.62	MW	OH		
AP00084101	V00590	NORMANS NURSERY	04/06/10	1,788.93	MW	OH		
AP00084102	V07163	NOTTI, PAMELA SUE	04/06/10	110.25	MW	OH		
AP00084103	V07357	PADILLA, ANNA	04/06/10	35.00	MW	OH		
AP00084104	V07018	PARADA, MIGUEL	04/06/10	461.56	MW	OH		
AP00084105	V00638	POWELL CAMERA SHOP	04/06/10	15.45	MW	OH		
AP00084106	V05299	RAMOS, VERONICA	04/06/10	398.40	MW	OH		
AP00084107	V00666	RANDOM HOUSE INC	04/06/10	394.13	MW	OH		
AP00084108	V00668	RECORDED BOOKS LLC	04/06/10	7.63	MW	OH		Payee Name different in Check DB
AP00084109	V06114	REPUBLIC MASTER CHEFS	04/06/10	222.88	MW	OH		
AP00084110	V07361	SANTA MONICA GROUP THEATRE	04/06/10	695.00	MW	OH		
AP00084111	V05429	SECOM INTERNATIONAL INC	04/06/10	82.27	MW	OH		
AP00084112	V04066	SECURITAS SECURITY SERVICES	04/06/10	3,350.00	MW	OH		
AP00084113	V00880	SERESINGHE, AJITH	04/06/10	1,162.62	MW	OH		Payee Name different in Check DB
AP00084114	V02292	SEVOLD, CHERYL	04/06/10	808.50	MW	OH		
AP00084115	V00727	SMART AND FINAL IRIS CORP	04/06/10	29.97	MW	OH		
AP00084116	V00737	SPARKLETTS	04/06/10	68.89	MW	OH		
AP00084117	V00007	STAPLES INC	04/06/10	888.78	MW	OH		
AP00084118	V06661	STEVENSON, ROY	04/06/10	411.60	MW	OH		

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
AP00084119	V00754	SUPERB GRAPHICS INC	04/06/10	399.66	MW	OH		
AP00084120	V04985	SYN-TECH SYSTEMS INC	04/06/10	1,265.25	MW	OH		
AP00084121	V06630	T MOBILE USA	04/06/10	200.00	MW	OH		
AP00084122	V06980	TELEVISION EQUIPMENT ASSOC	04/06/10	872.60	MW	OH		
AP00084123	V06539	THE STAYWELL CO	04/06/10	1,137.44	MW	OH		
AP00084124	V04501	THOMAS, TERRI	04/06/10	783.42	MW	OH		
AP00084125	V00346	THOMSON GALE	04/06/10	34.18	MW	OH		Payee Name different in Check DB
AP00084126	V05776	TOSHIBA BUSINESS SOLUTIONS	04/06/10	725.83	MW	OH		
AP00084127	V05054	TRIFYTT SPORTS	04/06/10	698.16	MW	OH		
AP00084128	V07019	TRUJILLO WORDEN-MEACHAM,	04/06/10	138.54	MW	OH		
AP00084129	V05406	TSUBOI DESIGN	04/06/10	1,300.00	MW	OH		
AP00084130	V02035	TURNER, LEANNE	04/06/10	175.00	MW	OH		
AP00084131	V00863	UNITED PUMPING SVCS INC	04/06/10	1,191.26	MW	OH		
AP00084132	V05462	UNITED TRAFFIC	04/06/10	67.35	MW	OH		
AP00084133	V00229	US POSTMASTER	04/06/10	920.23	MW	OH		
AP00084134	V03657	US POSTMASTER	04/06/10	4,568.62	MW	OH		
AP00084135	V07356	VAN LEEUWEN, JOACHIM	04/06/10	23.33	MW	OH		
AP00084136	V00158	VULCAN MATERIALS COMPANY	04/06/10	395.97	MW	OH		Payee Name different in Check DB
AP00084137	V07358	WAKAYAMA, ASHLEY	04/06/10	45.73	MW	OH		
AP00084138	V01119	WARREN DISTRIBUTING INC	04/06/10	378.70	MW	OH		Payee Name different in Check DB
AP00084139	V06602	WELLDYNERX	04/06/10	104.55	MW	OH		
AP00084140	V00812	WEST COAST ARBORISTS INC	04/06/10	655.20	MW	OH		
AP00084141	V00232	WESTERN WATER WORKS SUPPLY	04/06/10	3,117.23	MW	OH		
AP00084142	V01741	WEYNSCHENK, AMANDA	04/06/10	160.00	MW	OH		
AP00084143	V07081	YELLOW CAB OF SAN GABRIEL	04/06/10	170.60	MW	OH		

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note

G R A N D T O T A L S:

Total Void Machine Written	0.00	Number of Checks Processed:	1
Total Void Hand Written	0.00	Number of Checks Processed:	0
Total Machine Written	264,149.20	Number of Checks Processed:	124
Total Hand Written	0.00	Number of Checks Processed:	0
Total Reversals	0.00	Number of Checks Processed:	0
Total Cancelled Checks	0.00	Number of Checks Processed:	0
Total EFTs	0.00	Number of EFTs Processed:	0
G R A N D T O T A L	264,149.20		

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
AP00084144	V04747	10-8 RETROFIT	04/13/10	65.00	MW	OH		
AP00084145	V05630	A-1 POWER SWEEPING CO INC	04/13/10	600.00	MW	OH		
AP00084146	V00019	AARDVARK TACTICAL INC	04/13/10	638.31	MW	OH		
AP00084147	V06428	ADVANCED	04/13/10	3,328.75	MW	OH		
AP00084148	V01515	AEG SOLUTIONS	04/13/10	139.49	MW	OH		
AP00084149	V04434	ALL CITY MANAGEMENT SVC	04/13/10	5,004.00	MW	OH		
AP00084150	V07381	ALTA PLANNING & DESIGN	04/13/10	1,043.39	MW	OH		
AP00084151	V06563	ARHART, COREY	04/13/10	60.00	MW	OH		
AP00084152	V01660	AT&T	04/13/10	304.01	MW	OH		
AP00084153	V06810	AUTOZONE INC.	04/13/10	68.50	MW	OH		
AP00084154	V01955	AZUSA PLUMBING & HEATNG SUPPL	04/13/10	316.41	MW	OH		
AP00084155	V00089	B & K ELECTRIC WHOLESALE	04/13/10	249.92	MW	OH		Payee Name different in Check DB
AP00084156	V00090	BAKER AND TAYLOR INC	04/13/10	1,923.27	MW	OH		
AP00084157	V05637	BANK OF THE WEST	04/13/10	4,682.05	MW	OH		
AP00084158	V04888	BBC AUDIOBOOKS AMERICA	04/13/10	5.49	MW	OH		
AP00084159	V05589	BELL BUILDING MAINTENANCE CO	04/13/10	5,625.00	MW	OH		
AP00084160	V07433	BENITEZ, RAMON	04/13/10	420.00	MW	OH		
AP00084161	V07411	BON APPETIT MANAGEMENT COMPAN	04/13/10	596.49	MW	OH		
AP00084162	V01470	CALIF, STATE OF	04/13/10	105.00	MW	OH		
AP00084163	V00159	CALSAFE	04/13/10	650.00	MW	OH		
AP00084164	V00193	CHEVRON PRODUCTS COMPANY	04/13/10	778.13	MW	OH		
AP00084165	V00198	CHRISTIAN, JOHN A	04/13/10	265.00	MW	OH		Payee Name different in Check DB
AP00084166	V05555	CINTAS CORP #693	04/13/10	113.69	MW	OH		
AP00084167	V03592	CITRUS AUTO UPHOLSTERY	04/13/10	110.12	MW	OH		
AP00084168	V00962	CITRUS CAR WASH	04/13/10	285.65	MW	OH		

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
AP00084169	V04454	CITRUS VALLEY FLORIST	04/13/10	53.90	MW	OH		
AP00084170	V01554	CITYGATE ASSOCIATES LLC	04/13/10	4,326.53	MW	OH		Payee Name different in Check DB
AP00084171	V07415	CLAUDIA ALVARADO	04/13/10	9.00	MW	OH		
AP00084172	V00209	CLIPPINGER CHEVROLET	04/13/10	998.63	MW	OH		
AP00084173	V07418	CNC SIGNS	04/13/10	1,241.56	MW	OH		
AP00084174	V03950	COMMERCIAL ELECTRIC SYSTEMS	04/13/10	1,277.77	MW	OH		
AP00084175	V00237	COMMUNICATIONS CENTER	04/13/10	135.00	MW	OH		
AP00084176	V06119	COMMUNITY ACTION EAP	04/13/10	350.00	MW	OH		
AP00084177	V00240	COMPUTER SERVICE COMPANY	04/13/10	2,220.43	MW	OH		
AP00084178	V04222	CONOCO PHILLIPS FLEET	04/13/10	157.97	MW	OH		
AP00084179	V00234	COVINA IRRIGATING CO	04/13/10	121,276.90	MW	OH		
AP00084180	V00262	COVINA RENTS	04/13/10	351.20	MW	OH		
AP00084181	V00838	COVINA, CITY OF	04/13/10	71.81	MW	OH		Payee Name different in Check DB
AP00084182	V07417	CUSTOM PRINTING	04/13/10	1,817.85	MW	OH		
AP00084183	V07412	DAVID TURCH AND ASSOCIATES	04/13/10	20,000.00	MW	OH		
AP00084184	V07405	DEPARTMENT OF GENERAL SERVICE	04/13/10	93.50	MW	OH		
AP00084185	V07425	DIAZ, JOSE	04/13/10	40.00	MW	OH		
AP00084186	V00175	EDISON CO	04/13/10	26,030.76	MW	OH		
AP00084187	V00307	EDS AUTO PARTS	04/13/10	25.59	MW	OH		
AP00084188	V00322	ESGIL CORPORATION	04/13/10	129.26	MW	OH		
AP00084189	V00176	FEDEX	04/13/10	8.19	MW	OH		
AP00084190	V00339	FOOTHILL PRESBYTERIAN HOSPITA	04/13/10	50.00	MW	OH		Payee Name different in Check DB
AP00084191	V07430	GALLEGOS, CECILIA	04/13/10	60.00	MW	OH		
AP00084192	V02471	GOLDEN STATE OVERNIGHT	04/13/10	35.94	MW	OH		
AP00084193	V07427	GONZALES, ASHLEY	04/13/10	20.00	MW	OH		

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
AP00084194	V05855	GPSit INC	04/13/10	30.75	MW	OH		
AP00084195	V00374	GRAINGER	04/13/10	505.08	MW	OH		Payee Name different in Check DB
AP00084196	V07426	GRAY, GARY	04/13/10	60.00	MW	OH		
AP00084197	V00378	GREENS LOCK AND SAFE	04/13/10	20.58	MW	OH		
AP00084198	V07423	GUILLERMO, ARANDA	04/13/10	40.00	MW	OH		
AP00084199	V00212	HAAKER EQUIPMENT CO	04/13/10	5,546.00	MW	OH		
AP00084200	V03659	HAEBE, CYNTHIA	04/13/10	6,490.00	MW	OH		
AP00084201	V00402	HDL SOFTWARE LLC	04/13/10	2,039.24	MW	OH		Payee Name different in Check DB
AP00084202	V07429	HERNANDEZ, LAURA	04/13/10	60.00	MW	OH		
AP00084203	V07294	HOLLIDAY ROCK CO INC	04/13/10	1,278.58	MW	OH		
AP00084204	V00006	HOME DEPOT	04/13/10	728.55	MW	OH		
AP00084205	V00414	HOSE MAN INC, THE	04/13/10	232.31	MW	OH		Payee Name different in Check DB
AP00084206	V00417	HUNTINGTON COURT REPORTERS	04/13/10	801.06	MW	OH		Payee Name different in Check DB
AP00084207	V00233	HYDRO CONNECTIONS	04/13/10	2.54	MW	OH		Payee Name different in Check DB
AP00084208	V00425	INGRAM DIST GROUP	04/13/10	335.07	MW	OH		
AP00084209	V00777	J.G. TUCKER AND SON	04/13/10	232.89	MW	OH		Payee Name different in Check DB
AP00084210	V00445	JEECO MFG & SUPPLY	04/13/10	111.47	MW	OH		Payee Name different in Check DB
AP00084211	V02427	JOHNSON'S NUMBERING SERVICE	04/13/10	47.00	MW	OH		
AP00084212	V07399	JUSTINE GARCIA	04/13/10	29.63	MW	OH		
AP00084213	V00441	JW LOCK CO INC	04/13/10	136.31	MW	OH		
AP00084214	V07413	KEARNS,VERONICA	04/13/10	300.00	MW	OH		
AP00084215	V00451	KELLY PAPER CO	04/13/10	7.84	MW	OH		
AP00084216	V00458	KEYSTONE UNIFORM DEPOT	04/13/10	43.85	MW	OH		Payee Name different in Check DB
AP00084217	V07435	KIDZONE CHILDREN CENTER	04/13/10	292.00	MW	OH		
AP00084218	V00463	KING BOLT CO	04/13/10	24.55	MW	OH		

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
AP00084219	V00478	LA CNTY FIRE DEPARTMENT	04/13/10	642,910.60	MW	OH		Payee Name different in Check DB
AP00084220	V00480	LA CNTY PUBLIC WORKS DEPT	04/13/10	1,590.76	MW	OH		Payee Name different in Check DB
AP00084221	V07231	LA WORKS	04/13/10	14,959.00	MW	OH		
AP00084222	V03544	LEVEL 3 COMMUNICATIONS LLC	04/13/10	1,317.06	MW	OH		Payee Name different in Check DB
AP00084223	V00496	LEWIS ENGRAVING INC	04/13/10	28.48	MW	OH		
AP00084224	V00497	LEWIS SAW AND LAWNMOWER	04/13/10	35.73	MW	OH		Payee Name different in Check DB
AP00084225	V00501	LIEBERT CASSIDY WHITMORE	04/13/10	30,779.88	MW	OH		Payee Name different in Check DB
AP00084226	V00503	LIGHTHOUSE INC, THE	04/13/10	57.76	MW	OH		Payee Name different in Check DB
AP00084227	V03481	LOWE'S COMPANIES INC	04/13/10	74.22	MW	OH		Payee Name different in Check DB
AP00084228	V07437	M&B CARPET SUPPLIERS OF	04/13/10	2,200.00	MW	OH		
AP00084229	V06441	MACIAS-FRANKLIN, YVETTE	04/13/10	66.02	MW	OH		
AP00084230	V06782	METRON FARNIER LLC	04/13/10	1,608.17	MW	OH		
AP00084231	V01240	MISSION LINEN SUPPLY	04/13/10	605.34	MW	OH		
AP00084232	V07424	MONTOYA, ROSALIE M	04/13/10	40.00	MW	OH		
AP00084233	V07422	MORENO, GERALD	04/13/10	75.00	MW	OH		
AP00084234	V05718	MSA-LA&OA CHAPTER	04/13/10	62.50	MW	OH		
AP00084235	V07131	MUNICIPAL BUDGET AND	04/13/10	7,177.55	MW	OH		
AP00084236	V01830	NAJERA, DENICE	04/13/10	51.20	MW	OH		Payee Name different in Check DB
AP00084237	V06687	NEWPORT FARMS INC	04/13/10	226.37	MW	OH		
AP00084238	V07432	NOENNICK, CHERYL	04/13/10	60.00	MW	OH		
AP00084239	V00589	NOLO PRESS	04/13/10	57.11	MW	OH		
AP00084240	V07436	NORTH SHORE MARINAS INC	04/13/10	585.00	MW	OH		
AP00084241	V07404	O REILLY AUTO PARTS	04/13/10	502.43	MW	OH		
AP00084242	V07428	OAKLEY, JACQUELINE	04/13/10	80.00	MW	OH		
AP00084243	V00797	OFFICE DEPOT	04/13/10	125.97	MW	OH		Payee Name different in Check DB

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
AP00084244	V07420	ORTEGA, JOSE	04/13/10	60.00	MW	OH		
AP00084245	V05653	PALOS SPORTS	04/13/10	310.96	MW	OH		
AP00084246	V07421	PERRY, CHAD	04/13/10	25.00	MW	OH		
AP00084247	V00650	PUENTE READY MIX INC	04/13/10	791.30	MW	OH		
AP00084248	V05392	PYRO-COMM SYSTEMS INC	04/13/10	135.00	MW	OH		
AP00084249	V07297	R.J.N. INVESTIGATIONS	04/13/10	1,323.23	MW	OH		
AP00084250	V06114	REPUBLIC MASTER CHEFS	04/13/10	144.13	MW	OH		
AP00084251	V00676	REYNOLDS BUICK INC	04/13/10	677.48	MW	OH		Payee Name different in Check DB
AP00084252	V05385	SAN GABRIEL VALLEY FAMILY YMC	04/13/10	30.00	MW	OH		
AP00084253	V05819	SCLLN	04/13/10	150.00	MW	OH		
AP00084254	V07414	SHARON ANN REDFERN	04/13/10	4.00	MW	OH		
AP00084255	V07410	SHOGREN, MERCENE	04/13/10	20.00	MW	OH		
AP00084256	V00851	SIEMENS BUILDING TECHNOLOGIES	04/13/10	784.50	MW	OH		Payee Name different in Check DB
AP00084257	V03713	SIMPLEX GRINNELL LP	04/13/10	528.00	MW	OH		Payee Name different in Check DB
AP00084258	V07431	SKUBIC, JAMES	04/13/10	40.00	MW	OH		
AP00084259	V07416	SONIA GUTIERREZ	04/13/10	18.99	MW	OH		
AP00084260	V00734	SOUTHEAST CONSTRUCTION INC	04/13/10	230.09	MW	OH		
AP00084261	V07409	STECYK, WILLIAM	04/13/10	4.00	MW	OH		
AP00084262	V00756	SWANK MOTION PICTURES INC	04/13/10	271.00	MW	OH		
AP00084263	V06405	THE TRAINING CONSORTIUM LLC	04/13/10	2,500.00	MW	OH		Payee Name different in Check DB
AP00084264	V05229	THYSSENKRUPP ELEVATOR	04/13/10	871.77	MW	OH		
AP00084265	V07008	TIME WARNER CABLE	04/13/10	146.23	MW	OH		
AP00084266	V07419	TOCO, JERICK	04/13/10	50.00	MW	OH		
AP00084267	V05776	TOSHIBA BUSINESS SOLUTIONS	04/13/10	413.13	MW	OH		
AP00084268	V00772	TRI-XECUTEX CORP	04/13/10	80.00	MW	OH		Payee Name different in Check DB

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
AP00084269	V00776	TRUGREEN LANDSCAPE	04/13/10	8,147.21	MW	OH		
AP00084270	V00783	ULTRA-CHEM INC	04/13/10	791.28	MW	OH		Payee Name different in Check DB
AP00084271	V00230	UNDERGROUND SERVICE ALERT	04/13/10	49.50	MW	OH		
AP00084272	V00863	UNITED PUMPING SVCS INC	04/13/10	47,129.63	MW	OH		
AP00084273	V05462	UNITED TRAFFIC	04/13/10	53.83	MW	OH		
AP00084274	V00229	US POSTMASTER	04/13/10	2,715.31	MW	OH		
AP00084275	V07403	VERIZON CALIFORNIA	04/13/10	1,551.48	MW	OH		
AP00084276	V00158	VULCAN MATERIALS COMPANY	04/13/10	372.55	MW	OH		Payee Name different in Check DB
AP00084277	V01119	WARREN DISTRIBUTING INC	04/13/10	106.26	MW	OH		Payee Name different in Check DB
AP00084278	V06283	WATER WELL SUPPLY	04/13/10	2,886.79	MW	OH		
AP00084279	V07242	WEB COMMERCE PARTNERS INC	04/13/10	122.28	MW	OH		
AP00084280	V04643	WELLS FARGO FINANCIAL LEASING	04/13/10	1,410.63	MW	OH		
AP00084281	V03620	WEST COVINA AUTO BODY	04/13/10	634.20	MW	OH		
AP00084282	V04327	WESTERN EMULSIONS INC	04/13/10	592.10	MW	OH		
AP00084283	V00829	XEROX CORPORATION	04/13/10	71.91	MW	OH		

G R A N D T O T A L S:

Total Void Machine Written	0.00	Number of Checks Processed:	0
Total Void Hand Written	0.00	Number of Checks Processed:	0
Total Machine Written	1009,074.68	Number of Checks Processed:	140
Total Hand Written	0.00	Number of Checks Processed:	0
Total Reversals	0.00	Number of Checks Processed:	0
Total Cancelled Checks	0.00	Number of Checks Processed:	0
Total EFTs	0.00	Number of EFTs Processed:	0
G R A N D T O T A L	1009,074.68		

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
AP00084284	V06191	AFLAC ACCT# YQ792	04/14/10	3,631.94	MW	OH		Payee Name different in Check DB
AP00084285	V01695	AFSCME	04/14/10	780.00	MW	OH		
AP00084286	V01681	CALIFORNIA PUBLIC EMPLOYEES'	04/14/10	51,418.13	MW	OH		Payee Name different in Check DB
AP00084287	V07287	CITY OF COVINA-FSA	04/14/10	2,029.00	MW	OH		
AP00084288	V01686	COVINA POLICE ASSOCIATION	04/14/10	1,983.00	MW	OH		
AP00084289	V02095	COVINA POLICE ASSOCIATION	04/14/10	1,000.00	MW	OH		
AP00084290	V01697	COVINA, CITY OF	04/14/10	6,385.62	MW	OH		
AP00084291	V02879	COVINA, CITY OF	04/14/10	39.80	MW	OH		
AP00084292	V05506	COVINA, CITY OF	04/14/10	45,256.28	MW	OH		
AP00084293	V06385	CSAC-EIA	04/14/10	4,587.60	MW	OH		
AP00084294	V06386	CSAC-EIA	04/14/10	1,543.31	MW	OH		
AP00084295	V05186	DELTA DENTAL OF CALIFORNIA	04/14/10	5,322.28	MW	OH		
AP00084296	V07259	FLEX ONE	04/14/10	30.00	MW	OH		Payee Name different in Check DB
AP00084297	V07114	FRANCHISE TAX BOARD	04/14/10	471.66	MW	OH		
AP00084298	V01692	GREAT WEST LIFE & ANNUITY	04/14/10	3,630.00	MW	OH		
AP00084299	V01694	HARTFORD LIFE INS	04/14/10	9.67	MW	OH		Payee Name different in Check DB
AP00084300	V01691	ICMA RETIREMENT TRUST-457	04/14/10	6,462.25	MW	OH		
AP00084301	V07302	ICMA RETIREMENT TRUST-401	04/14/10	680.44	MW	OH		
AP00084302	V01690	NATIONAL DEFERRED COMPENSATIO	04/14/10	6,627.50	MW	OH		Payee Name different in Check DB
AP00084303	V01693	PERS LONG TERM CARE PROGRAM	04/14/10	390.99	MW	OH		
AP00084304	V01687	PERS	04/14/10	39,571.39	MW	OH		
AP00084305	V04828	UNION BANK OF CALIFORNIA	04/14/10	1,798.36	MW	OH		
AP00084306	V01696	UNITED WAY OF GREATER LA	04/14/10	57.91	MW	OH		Payee Name different in Check DB
AP00084307	V06785	VISION SERVICE PLAN (CA)	04/14/10	496.31	MW	OH		

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
		G R A N D T O T A L S:						
		Total Void Machine Written		0.00			Number of Checks Processed:	0
		Total Void Hand Written		0.00			Number of Checks Processed:	0
		Total Machine Written		184,203.44			Number of Checks Processed:	24
		Total Hand Written		0.00			Number of Checks Processed:	0
		Total Reversals		0.00			Number of Checks Processed:	0
		Total Cancelled Checks		0.00			Number of Checks Processed:	0
		Total EFTs		0.00			Number of EFTs Processed:	0
		G R A N D T O T A L		184,203.44				

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
AP00084308	V04747	10-8 RETROFIT	04/19/10	195.00	MW	OH		
AP00084309	V07406	3T EQUIPMENT COMPANY INC.	04/19/10	518.41	MW	OH		
AP00084310	V06330	A PLUS IDENTIFICATION	04/19/10	190.00	MW	OH		
AP00084311	V00019	AARDVARK TACTICAL INC	04/19/10	1,403.05	MW	OH		
AP00084312	V00022	ABORTA BUG INC	04/19/10	65.00	MW	OH		
AP00084313	V07080	ADVANCED RESTORATION	04/19/10	351.17	MW	OH		
AP00084314	V00040	AIRGAS-WEST	04/19/10	339.52	MW	OH		Payee Name different in Check DB
AP00084315	V00809	ALBERT WEBB AND ASSOC	04/19/10	1,761.92	MW	OH		Payee Name different in Check DB
AP00084316	V06189	ALLIANT INSURANCE SERVICES	04/19/10	413.36	MW	OH		
AP00084317	V02224	AMERICAN WEST COAST SECURITY	04/19/10	100.00	MW	OH		
AP00084318	V00066	ANDY'S WELDING	04/19/10	200.00	MW	OH		Payee Name different in Check DB
AP00084319	V07312	ANURA K. T. DESILVA	04/19/10	2,400.00	MW	OH		
AP00084320	V01660	AT&T	04/19/10	791.87	MW	OH		
AP00084321	V01955	AZUSA PLUMBING & HEATNG SUPPL	04/19/10	185.61	MW	OH		
AP00084322	V00114	BLAKE PAPER CO	04/19/10	36.94	MW	OH		Payee Name different in Check DB
AP00084323	V04061	BROWN MOTOR WORKS INC	04/19/10	212.43	MW	OH		
AP00084324	V01003	BUCHANAN, PATRICK	04/19/10	24.00	MW	OH		Payee Name different in Check DB
AP00084325	V06872	CALIF BUILDING STANDARDS COMM	04/19/10	313.20	MW	OH		
AP00084326	V00151	CALIF, STATE OF	04/19/10	294.00	MW	OH		
AP00084327	V00153	CALIF, STATE OF	04/19/10	1,033.39	MW	OH		
AP00084328	V00156	CALIFORNIA, STATE OF	04/19/10	148.80	MW	OH		Payee Name different in Check DB
AP00084329	V01595	CANON BUS SOLUTIONS INC	04/19/10	277.83	MW	OH		Payee Name different in Check DB
AP00084330	V04535	CERTIFION CORP	04/19/10	75.00	MW	OH		
AP00084331	V07368	CHAMPION'S PLACE L.T.D	04/19/10	100.00	MW	OH		
AP00084332	V05555	CINTAS CORP #693	04/19/10	113.69	MW	OH		

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
AP00084333	V03592	CITRUS AUTO UPHOLSTERY	04/19/10	329.59	MW	OH		
AP00084334	V05905	CITY OF FOSTER CITY/ESTERO	04/19/10	1,500.00	MW	OH		
AP00084335	V00208	CLINICAL LAB OF SAN BERNARDIN	04/19/10	540.00	MW	OH		
AP00084336	V00248	COUNSELING TEAM, THE	04/19/10	600.00	MW	OH		Payee Name different in Check DB
AP00084337	V00256	COVINA DISPOSAL CO	04/19/10	214,681.72	MW	OH		
AP00084338	V00262	COVINA RENTS	04/19/10	296.33	MW	OH		
AP00084339	V00837	COVINA WATER & REFUSE, CITY O	04/19/10	843.99	MW	OH		Payee Name different in Check DB
AP00084340	V04027	CRAFCO INC	04/19/10	1,728.56	MW	OH		Payee Name different in Check DB
AP00084341	V01576	CURLEY, JOHN	04/19/10	24.00	MW	OH		Payee Name different in Check DB
AP00084342	V06792	DAPEER ROSENBLIT & LITVAK LLP	04/19/10	656.44	MW	OH		
AP00084343	V06152	DEB'S BOOKKEEPLUS	04/19/10	3,030.00	MW	OH		
AP00084344	V00211	DH MAINTENANCE SERVICES	04/19/10	6,873.28	MW	OH		
AP00084345	V00175	EDISON CO	04/19/10	42,765.54	MW	OH		
AP00084346	V07439	FELICIANO, VICTOR	04/19/10	64.35	MW	OH		
AP00084347	V00719	GE GOVERNMENT FINANCE INC	04/19/10	9,316.01	MW	OH		Payee Name different in Check DB
AP00084348	V00730	GOLDEN STATE WATER COMPANY	04/19/10	45.37	MW	OH		Payee Name different in Check DB
AP00084349	V07445	GOMEZ, GUILLERMO	04/19/10	100.00	MW	OH		
AP00084350	V00212	HAAKER EQUIPMENT CO	04/19/10	432.75	MW	OH		
AP00084351	V00006	HOME DEPOT	04/19/10	239.52	MW	OH		
AP00084352	V00233	HYDRO CONNECTIONS	04/19/10	153.31	MW	OH		Payee Name different in Check DB
AP00084353	V01192	IIMC	04/19/10	118.70	MW	OH		
AP00084354	V06816	INTER-CON SECURITY SYSTEMS IN	04/19/10	5,319.60	MW	OH		
AP00084355	V00451	KELLY PAPER CO	04/19/10	303.12	MW	OH		
AP00084356	V00475	LA CNTY DEPT OF ANIMAL CARE	04/19/10	2,665.65	MW	OH		Payee Name different in Check DB
AP00084357	V06324	LANGUAGE LINE SERVICES INC	04/19/10	19.74	MW	OH		

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
AP00084358	V07443	LAPD REVOLVING TRAINING FUND	04/19/10	600.00	MW	OH		
AP00084359	V03544	LEVEL 3 COMMUNICATIONS LLC	04/19/10	1,323.66	MW	OH		Payee Name different in Check DB
AP00084360	V00496	LEWIS ENGRAVING INC	04/19/10	1,388.91	MW	OH		
AP00084361	V00497	LEWIS SAW AND LAWNMOWER	04/19/10	9.77	MW	OH		Payee Name different in Check DB
AP00084362	V00214	LIGHTNING OIL COMPANY INC	04/19/10	55.00	MW	OH		Payee Name different in Check DB
AP00084363	V01476	LOS ANGELES TIMES	04/19/10	24.96	MW	OH		
AP00084364	V05351	LY, NGUYEN	04/19/10	120.25	MW	OH		Payee Name different in Check DB
AP00084365	V05453	MCCORD, MAURY	04/19/10	76.40	MW	OH		
AP00084366	V00539	MCMASTER CARR SUPPLY CO	04/19/10	73.64	MW	OH		
AP00084367	V04229	MERRIMAC ENERGY GROUP	04/19/10	20,539.83	MW	OH		
AP00084368	V01240	MISSION LINEN SUPPLY	04/19/10	95.64	MW	OH		
AP00084369	V01160	MITCHELL REPAIR	04/19/10	65.00	MW	OH		
AP00084370	V01101	MUSULMAN ROOFING	04/19/10	300.00	MW	OH		
AP00084371	V06687	NEWPORT FARMS INC	04/19/10	130.51	MW	OH		
AP00084372	V01136	OFFICE DEPOT	04/19/10	88.81	MW	OH		
AP00084373	V04971	PARS	04/19/10	374.66	MW	OH		
AP00084374	V00615	PATTON SALES CORP	04/19/10	70.24	MW	OH		
AP00084375	V01020	RADIO SHACK	04/19/10	43.89	MW	OH		
AP00084376	V01747	REGAL FORMS INC	04/19/10	329.25	MW	OH		Payee Name different in Check DB
AP00084377	V06114	REPUBLIC MASTER CHEFS	04/19/10	108.76	MW	OH		
AP00084378	V00696	SAN DIEGO POLICE EQUIPMENT	04/19/10	15,709.83	MW	OH		
AP00084379	V05102	SANTA ANITA FAMILY SERVICE	04/19/10	560.00	MW	OH		
AP00084380	V05740	SCPMA-HR	04/19/10	25.00	MW	OH		
AP00084381	V06095	SGV EXAMINER	04/19/10	215.32	MW	OH		
AP00084382	V00691	SGV TRIBUNE	04/19/10	40.00	MW	OH		

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
AP00084383	V00727	SMART AND FINAL IRIS CORP	04/19/10	472.58	MW	OH		
AP00084384	V01553	SOUTHERN CA GAS CO	04/19/10	575.00	MW	OH		Payee Name different in Check DB
AP00084385	V00007	STAPLES INC	04/19/10	1,544.00	MW	OH		
AP00084386	V07222	STARBUCKS CORP/LICENSES SVCS	04/19/10	125.00	MW	OH		
AP00084387	V07444	SUNNY SLOPE TREES	04/19/10	1,330.17	MW	OH		
AP00084388	V03066	TASER INTERNATIONAL	04/19/10	1,317.01	MW	OH		
AP00084389	V05088	THE WAKEFIELD COMPANY	04/19/10	75.49	MW	OH		
AP00084390	V00765	THREE VALLEYS MUNICIPAL	04/19/10	6,694.56	MW	OH		
AP00084391	V05776	TOSHIBA BUSINESS SOLUTIONS	04/19/10	72.51	MW	OH		
AP00084392	V00772	TRI-XECUTEX CORP	04/19/10	80.00	MW	OH		Payee Name different in Check DB
AP00084393	V01340	TUCKER TIRE	04/19/10	1,665.27	MW	OH		
AP00084394	V07438	UPTOWN IMAGE	04/19/10	190.00	MW	OH		
AP00084395	V00229	US POSTMASTER	04/19/10	618.53	MW	OH		
AP00084396	V03657	US POSTMASTER	04/19/10	2,612.80	MW	OH		
AP00084397	V04113	USA MOBILITY WIRELESS INC	04/19/10	39.80	MW	OH		Payee Name different in Check DB
AP00084398	V03305	V & V MANUFACTURING	04/19/10	28.48	MW	OH		
AP00084399	V07403	VERIZON CALIFORNIA	04/19/10	1,242.53	MW	OH		
AP00084400	V06602	WELLDYNERX	04/19/10	172.53	MW	OH		
AP00084401	V00812	WEST COAST ARBORISTS INC	04/19/10	327.60	MW	OH		
AP00084402	V00202	WEST COVINA, CITY OF	04/19/10	8,659.02	MW	OH		
AP00084403	V00232	WESTERN WATER WORKS SUPPLY	04/19/10	577.95	MW	OH		
AP00084404	V01741	WEYNSCHENK, AMANDA	04/19/10	80.00	MW	OH		
AP00084405	V06524	WILLDAN FINANCIAL SERVICES	04/19/10	8,350.00	MW	OH		
AP00084406	V00829	XEROX CORPORATION	04/19/10	75.74	MW	OH		

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
		G R A N D T O T A L S:						
		Total Void Machine Written		0.00			Number of Checks Processed:	0
		Total Void Hand Written		0.00			Number of Checks Processed:	0
		Total Machine Written		383,487.66			Number of Checks Processed:	99
		Total Hand Written		0.00			Number of Checks Processed:	0
		Total Reversals		0.00			Number of Checks Processed:	0
		Total Cancelled Checks		0.00			Number of Checks Processed:	0
		Total EFTs		0.00			Number of EFTs Processed:	0
		G R A N D T O T A L		383,487.66				

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
AP00084407	V04747	10-8 RETROFIT	04/27/10	295.94	MW	OH		
AP00084408	V04342	ACE-1 AUTO SERVICE	04/27/10	91.82	MW	OH		
AP00084409	V04434	ALL CITY MANAGEMENT SVC	04/27/10	2,502.00	MW	OH		
AP00084410	V06519	AMERICAN TRAFFIC SOLUTIONS	04/27/10	16,185.00	MW	OH		
AP00084411	V07449	ANTHEM BLUE CROSS	04/27/10	787.49	MW	OH		
AP00084412	V00090	BAKER AND TAYLOR INC	04/27/10	1,483.54	MW	OH		
AP00084413	V07100	BANK OF THE WEST	04/27/10	9,395.07	MW	OH		
AP00084414	V02791	BARR & CLARK	04/27/10	1,150.00	MW	OH		
AP00084415	V02591	BEST BEST & KRIEGER LLP	04/27/10	252.70	MW	OH		
AP00084416	V07218	BLUE SHIELD OF CALIFORNIA	04/27/10	433.18	MW	OH		
AP00084417	V00127	BRODART CO	04/27/10	105.36	MW	OH		
AP00084418	V06683	BUILDING ELECTRONIC CONTROLS	04/27/10	75.00	MW	OH		
AP00084419	V01269	CALIF, STATE OF	04/27/10	689.00	MW	OH		Payee Name different in Check DB
AP00084420	V00150	CALIF, STATE OF	04/27/10	588.24	MW	OH		
AP00084421	V01595	CANON BUS SOLUTIONS INC	04/27/10	345.64	MW	OH		Payee Name different in Check DB
AP00084422	V04279	CARPENTER-ROTHANS & DUMONT	04/27/10	104.55	MW	OH		
AP00084423	V00134	CAT SPECIALTIES INC	04/27/10	1,187.32	MW	OH		
AP00084424	V05555	CINTAS CORP #693	04/27/10	113.69	MW	OH		
AP00084425	V03592	CITRUS AUTO UPHOLSTERY	04/27/10	241.58	MW	OH		
AP00084426	V02971	CJ CONSTRUCTION INC	04/27/10	5,750.00	MW	OH		
AP00084427	V00237	COMMUNICATIONS CENTER	04/27/10	323.72	MW	OH		
AP00084428	V00240	COMPUTER SERVICE COMPANY	04/27/10	4,784.01	MW	OH		
AP00084429	V00837	COVINA WATER & REFUSE, CITY O	04/27/10	146.82	MW	OH		Payee Name different in Check DB
AP00084430	V06926	CRITERION PICTURES	04/27/10	275.00	MW	OH		
AP00084431	V06385	CSAC-EIA	04/27/10	9.04	MW	OH		

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
AP00084432	V05186	DELTA DENTAL OF CALIFORNIA	04/27/10	929.17	MW	OH		
AP00084433	V01497	DOOLEY ENTERPRISES INC	04/27/10	14,424.83	MW	OH		Payee Name different in Check DB
AP00084434	V00300	DUNN EDWARDS CORP	04/27/10	519.45	MW	OH		Payee Name different in Check DB
AP00084435	V00175	EDISON CO	04/27/10	1,270.30	MW	OH		
AP00084436	V07407	EMERALD COAST ENVIRONMENTAL	04/27/10	680.48	MW	OH		
AP00084437	V00176	FEDEX	04/27/10	29.09	MW	OH		
AP00084438	V03124	FILLMORE & WESTERN RAILWAY CO	04/27/10	911.25	MW	OH		
AP00084439	V06420	FUNN UNLIMITED	04/27/10	850.00	MW	OH		
AP00084440	V00350	GAS COMPANY, THE	04/27/10	3,955.80	MW	OH		Payee Name different in Check DB
AP00084441	V00354	GAYLORD BROS INC	04/27/10	304.00	MW	OH		
AP00084442	V07447	GILLIS, GREGORY G.	04/27/10	273.00	MW	OH		
AP00084443	V00374	GRAINGER	04/27/10	758.61	MW	OH		Payee Name different in Check DB
AP00084444	V00006	HOME DEPOT	04/27/10	585.08	MW	OH		
AP00084445	V05888	HONISH, KALIEH	04/27/10	614.08	MW	OH		
AP00084446	V00414	HOSE MAN INC, THE	04/27/10	108.56	MW	OH		Payee Name different in Check DB
AP00084447	V00417	HUNTINGTON COURT REPORTERS	04/27/10	377.30	MW	OH		Payee Name different in Check DB
AP00084448	V00233	HYDRO CONNECTIONS	04/27/10	8.43	MW	OH		Payee Name different in Check DB
AP00084449	V00424	INGLEWOOD, CITY OF	04/27/10	2,043.44	MW	OH		Payee Name different in Check DB
AP00084450	V00425	INGRAM DIST GROUP	04/27/10	1,092.40	MW	OH		
AP00084451	V00213	INLAND EMPIRE STAGES	04/27/10	921.00	MW	OH		
AP00084452	V04543	INTER-VALLEY POOL SUPPLY	04/27/10	125.38	MW	OH		
AP00084453	V03561	INTERSTATE BATTERY SYSTEM	04/27/10	246.77	MW	OH		
AP00084454	V07173	JOHN L. HUNTER	04/27/10	1,315.00	MW	OH		
AP00084455	V00448	JOHNNY'S POOL SERVICE	04/27/10	400.00	MW	OH		Payee Name different in Check DB
AP00084456	V05490	JS CONSULTANTS	04/27/10	24,315.01	MW	OH		

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
AP00084457	V06551	KCJ RACING	04/27/10	2,000.00	MW	OH		
AP00084458	V03972	LA CNTY DEPT OF PARKS	04/27/10	20.00	MW	OH		
AP00084459	V01333	LAKIN TIRE WEST INC.	04/27/10	273.42	MW	OH		
AP00084460	V00492	LAWSON PRODUCTS INC	04/27/10	32.18	MW	OH		
AP00084461	V00496	LEWIS ENGRAVING INC	04/27/10	128.42	MW	OH		
AP00084462	V05690	LONG BEACH BMW	04/27/10	538.32	MW	OH		
AP00084463	V01476	LOS ANGELES TIMES	04/27/10	48.00	MW	OH		
AP00084464	V04520	MATT CHLOR INC	04/27/10	340.79	MW	OH		
AP00084465	V03607	McClain, Flent	04/27/10	217.77	MW	OH		
AP00084466	V05453	MCCORD, MAURY	04/27/10	11.02	MW	OH		
AP00084467	V00539	MCMASTER CARR SUPPLY CO	04/27/10	109.11	MW	OH		
AP00084468	V00708	MCNEILL SOUND & SECURITY SYS	04/27/10	270.00	MW	OH		Payee Name different in Check DB
AP00084469	V04229	MERRIMAC ENERGY GROUP	04/27/10	23,986.66	MW	OH		
AP00084470	V07005	MISS CALIFORNIA ORGANIZATION	04/27/10	350.00	MW	OH		
AP00084471	V01240	MISSION LINEN SUPPLY	04/27/10	119.92	MW	OH		
AP00084472	V07448	MORENO, SARAH	04/27/10	130.00	MW	OH		
AP00084473	V07131	MUNICIPAL BUDGET AND	04/27/10	6,153.85	MW	OH		
AP00084474	V06687	NEWPORT FARMS INC	04/27/10	168.92	MW	OH		
AP00084475	V05539	NORTHERN SAFETY COMPANY	04/27/10	125.89	MW	OH		
AP00084476	V01136	OFFICE DEPOT	04/27/10	225.08	MW	OH		
AP00084477	V05301	PEST OPTIONS INC	04/27/10	265.00	MW	OH		
AP00084478	V06641	PIPS TECHNOLOGY INC	04/27/10	1,500.00	MW	OH		
AP00084479	V06047	POALAC	04/27/10	50.00	MW	OH		
AP00084480	V01097	PROSE GRANTWRITING SERVICES	04/27/10	500.00	MW	OH		Payee Name different in Check DB
AP00084481	V07288	QUALITY IMAGING SUPPLIES INC.	04/27/10	166.07	MW	OH		

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
AP00084482	V05184	RED HAT SOCIETY	04/27/10	39.00	MW	OH		
AP00084483	V06114	REPUBLIC MASTER CHEFS	04/27/10	126.96	MW	OH		
AP00084484	V00679	RIO HONDO COLLEGE	04/27/10	20.80	MW	OH		Payee Name different in Check DB
AP00084485	V00727	SMART AND FINAL IRIS CORP	04/27/10	72.76	MW	OH		
AP00084486	V05405	SNIDER & ASSOCIATES	04/27/10	2,450.00	MW	OH		
AP00084487	V00737	SPARKLETTS	04/27/10	146.89	MW	OH		
AP00084488	V00007	STAPLES INC	04/27/10	277.52	MW	OH		
AP00084489	V00585	STATE INDUSTRIAL PDCTS CO	04/27/10	28.85	MW	OH		
AP00084490	V04575	SULLY-MILLER CONTRACTING CO	04/27/10	227,602.68	MW	OH		
AP00084491	V00754	SUPERB GRAPHICS INC	04/27/10	373.15	MW	OH		
AP00084492	V04142	TALX UC EXPRESS	04/27/10	250.00	MW	OH		Payee Name different in Check DB
AP00084493	V06980	TELEVISION EQUIPMENT ASSOC	04/27/10	69.06	MW	OH		
AP00084494	V00346	THOMSON GALE	04/27/10	44.34	MW	OH		Payee Name different in Check DB
AP00084495	V05776	TOSHIBA BUSINESS SOLUTIONS	04/27/10	648.73	MW	OH		
AP00084496	V05462	UNITED TRAFFIC	04/27/10	982.26	MW	OH		
AP00084497	V00229	US POSTMASTER	04/27/10	1,102.47	MW	OH		
AP00084498	V03305	V & V MANUFACTURING	04/27/10	127.20	MW	OH		
AP00084499	V07403	VERIZON CALIFORNIA	04/27/10	810.51	MW	OH		
AP00084500	V06297	VERIZON WIRELESS	04/27/10	7,769.05	MW	OH		
AP00084501	V02304	VICTORY EXTERMINATING INC	04/27/10	50.00	MW	OH		
AP00084502	V06785	VISION SERVICE PLAN (CA)	04/27/10	53.50	MW	OH		
AP00084503	V07446	VOLLMER, KAREN	04/27/10	2,284.00	MW	OH		
AP00084504	V00158	VULCAN MATERIALS COMPANY	04/27/10	348.16	MW	OH		Payee Name different in Check DB
AP00084505	V01119	WARREN DISTRIBUTING INC	04/27/10	427.28	MW	OH		Payee Name different in Check DB
AP00084506	V00815	WEST LITE SUPPLY CO INC	04/27/10	175.11	MW	OH		

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
AP00084507	V00232	WESTERN WATER WORKS SUPPLY	04/27/10	2,078.34	MW	OH		
AP00084508	V00819	WETIP INC	04/27/10	350.00	MW	OH		Payee Name different in Check DB
AP00084509	V00821	WILLDAN	04/27/10	5,585.00	MW	OH		Payee Name different in Check DB
AP00084510	V06911	XO COMMUNICATIONS SERVICES IN	04/27/10	5,004.02	MW	OH		
AP00084511	V00831	Y TIRE SALES	04/27/10	212.55	MW	OH		
AP00084512	V00432	YWCA INTERVALE SENIOR SERVICE	04/27/10	1,754.35	MW	OH		Payee Name different in Check DB
AP00084513	V00833	ZEP MANUFACTURING CO	04/27/10	146.31	MW	OH		

G R A N D T O T A L S:

Total Void Machine Written	0.00	Number of Checks Processed:	0
Total Void Hand Written	0.00	Number of Checks Processed:	0
Total Machine Written	403,515.41	Number of Checks Processed:	107
Total Hand Written	0.00	Number of Checks Processed:	0
Total Reversals	0.00	Number of Checks Processed:	0
Total Cancelled Checks	0.00	Number of Checks Processed:	0
Total EFTs	0.00	Number of EFTs Processed:	0
G R A N D T O T A L	403,515.41		

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
AP00084514	X3154	ALVAREZ, DANIEL	04/28/10	234.60	MW	OH		Payee Name different in Check DB
AP00084515	V01347	ANDERSON, ALLEN	04/28/10	1,567.44	MW	OH		
AP00084516	X2432	BARKER, BEN	04/28/10	2,886.81	MW	OH		Payee Name different in Check DB
AP00084517	X3338	BEAVER, PAUL B	04/28/10	234.60	MW	OH		Payee Name different in Check DB
AP00084518	X2434	BELL, DONALD R	04/28/10	234.60	MW	OH		Payee Name different in Check DB
AP00084519	X2119	BENNINGTON, WILLIAM	04/28/10	102.00	MW	OH		Payee Name different in Check DB
AP00084520	X2435	BERGENER, WALTER	04/28/10	93.60	MW	OH		Payee Name different in Check DB
AP00084521	X2594	BLADES, STEVEN	04/28/10	1,416.00	MW	OH		Payee Name different in Check DB
AP00084522	X2603	BONNELL, EVELYN	04/28/10	234.60	MW	OH		Payee Name different in Check DB
AP00084523	X2436	BOWMAN, CLAUDE	04/28/10	234.60	MW	OH		Payee Name different in Check DB
AP00084524	X3743	BRINEGAR, ROBERT	04/28/10	1,416.00	MW	OH		Payee Name different in Check DB
AP00084525	X05247	BRITZ, IRENE	04/28/10	234.60	MW	OH		
AP00084526	X05260	BROWN, ELAINE	04/28/10	234.60	MW	OH		Payee Name different in Check DB
AP00084527	X2524	BROWN, JULIE C	04/28/10	93.60	MW	OH		Payee Name different in Check DB
AP00084528	X5246	BROWNE, ROBERT	04/28/10	1,567.44	MW	OH		
AP00084529	X3779	BROWNING, BETTY	04/28/10	234.60	MW	OH		Payee Name different in Check DB
AP00084530	X2437	BRUBAKER, JERRY	04/28/10	234.60	MW	OH		Payee Name different in Check DB
AP00084531	X3552	CAGLE, MARY	04/28/10	975.20	MW	OH		Payee Name different in Check DB
AP00084532	X05257	CATANIA, MARY ELLEN	04/28/10	234.60	MW	OH		
AP00084533	X2438	CELLIAN, MARY	04/28/10	234.60	MW	OH		Payee Name different in Check DB
AP00084534	X05253	CLARK, HUBERT	04/28/10	1,416.00	MW	OH		
AP00084535	V03712	CLARK, RONNIE	04/28/10	1,416.00	MW	OH		
AP00084536	X2440	CLEMENS, ROBERT	04/28/10	234.60	MW	OH		Payee Name different in Check DB
AP00084537	X2050	CLEMENT, LARRY	04/28/10	234.60	MW	OH		Payee Name different in Check DB
AP00084538	X1556	COAKLEY, RAYMOND J	04/28/10	234.60	MW	OH		Payee Name different in Check DB

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
AP00084539	X5250	CORDER, MARK C	04/28/10	1,650.00	MW	OH		
AP00084540	X3364	DEWHIRST, DEL	04/28/10	234.60	MW	OH		Payee Name different in Check DB
AP00084541	X3156	DOWDY, WAYNE	04/28/10	234.60	MW	OH		Payee Name different in Check DB
AP00084542	X5249	DUKE, WILMA	04/28/10	102.00	MW	OH		
AP00084543	X3759	ESCALANTE, RICHARD J.	04/28/10	234.60	MW	OH		Payee Name different in Check DB
AP00084544	X2442	ESTRADA, EDWARD	04/28/10	234.60	MW	OH		Payee Name different in Check DB
AP00084545	X2443	FILES, DALE	04/28/10	234.60	MW	OH		Payee Name different in Check DB
AP00084546	X2529	FISHER, MARGARET	04/28/10	93.60	MW	OH		Payee Name different in Check DB
AP00084547	X2444	FORNES JR, JAMES C	04/28/10	234.60	MW	OH		Payee Name different in Check DB
AP00084548	X05256	FOURZAN, SERGIO	04/28/10	234.60	MW	OH		
AP00084549	V01642	FRANKLIN-VALDEZ, VALERIE	04/28/10	1,416.00	MW	OH		Payee Name different in Check DB
AP00084550	X1100	FRIZE, PAT	04/28/10	234.60	MW	OH		Payee Name different in Check DB
AP00084551	V04874	GALLON, JOHN DARREL	04/28/10	1,416.00	MW	OH		
AP00084552	X1320	GATTONE, DONALD	04/28/10	234.60	MW	OH		Payee Name different in Check DB
AP00084553	X2445	GAULDIN, HAROLD A	04/28/10	234.60	MW	OH		Payee Name different in Check DB
AP00084554	X0002	GILMAN, ROBERT ERIC	04/28/10	1,416.00	MW	OH		
AP00084555	X05252	GOODMAN, GLEN	04/28/10	93.60	MW	OH		
AP00084556	X2079	GOODWIN, PAUL	04/28/10	234.60	MW	OH		Payee Name different in Check DB
AP00084557	X1235	GRAMMATIKAS, DOLORES	04/28/10	234.60	MW	OH		Payee Name different in Check DB
AP00084558	X2446	GRAVES, KENNETH A	04/28/10	234.60	MW	OH		Payee Name different in Check DB
AP00084559	X2447	GREENER, CHARLES	04/28/10	102.00	MW	OH		Payee Name different in Check DB
AP00084560	X5245	GROSS, RUTH	04/28/10	234.60	MW	OH		Payee Name different in Check DB
AP00084561	X05261	HALSTED, MARILYN	04/28/10	1,416.00	MW	OH		Payee Name different in Check DB
AP00084562	X05258	HANSON, ALLISON	04/28/10	1,416.00	MW	OH		Payee Name different in Check DB
AP00084563	X3493	HARO, DAVID	04/28/10	234.60	MW	OH		Payee Name different in Check DB

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
AP00084564	X05254	HARRIS, KENNETH	04/28/10	1,416.00	MW	OH		
AP00084565	X2530	HARRISON, JAMES	04/28/10	93.60	MW	OH		Payee Name different in Check DB
AP00084566	X05259	HARVEY, ANDREW J	04/28/10	1,650.00	MW	OH		
AP00084567	X2548	HASEMEYER, CLYDE	04/28/10	102.00	MW	OH		Payee Name different in Check DB
AP00084568	X2449	HOSTETLER, DARREL	04/28/10	234.60	MW	OH		Payee Name different in Check DB
AP00084569	X3892	HOWELL, CLAUDE	04/28/10	331.50	MW	OH		Payee Name different in Check DB
AP00084570	X05255	IVY, RICHARD	04/28/10	1,416.00	MW	OH		
AP00084571	X05108	JACOBS, DANIEL	04/28/10	1,416.00	MW	OH		
AP00084572	X2450	JANES, NORMAN G	04/28/10	234.60	MW	OH		Payee Name different in Check DB
AP00084573	X1256	JENNINGS, ERMONT	04/28/10	234.60	MW	OH		Payee Name different in Check DB
AP00084574	X3804	JOHNSON, CARL	04/28/10	234.60	MW	OH		Payee Name different in Check DB
AP00084575	V06647	JOHNSON, PAUL DAVID	04/28/10	1,416.00	MW	OH		
AP00084576	X2527	JONES, RITA	04/28/10	234.60	MW	OH		Payee Name different in Check DB
AP00084577	X4264	JORDAN, RICHARD	04/28/10	102.00	MW	OH		Payee Name different in Check DB
AP00084578	X2452	KAVANAGH, JOHN	04/28/10	4,526.34	MW	OH		Payee Name different in Check DB
AP00084579	X05517	KEEN, WILLIAM	04/28/10	93.60	MW	OH		
AP00084580	V01348	KEOHEN, WILLIAM P.	04/28/10	1,416.00	MW	OH		
AP00084581	X2453	KESSLER, CHARLES W	04/28/10	234.60	MW	OH		Payee Name different in Check DB
AP00084582	X3780	KIMBALL, MARILYN	04/28/10	234.60	MW	OH		Payee Name different in Check DB
AP00084583	X2243	KLINGELBERG, KENTON	04/28/10	234.60	MW	OH		Payee Name different in Check DB
AP00084584	X1592	KREBS, ROBERT LEE	04/28/10	234.60	MW	OH		Payee Name different in Check DB
AP00084585	X2454	LAMUNYON, STEVEN	04/28/10	3,797.65	MW	OH		Payee Name different in Check DB
AP00084586	X1737	LANGHAM, MARJORIE A	04/28/10	234.60	MW	OH		Payee Name different in Check DB
AP00084587	X2341	LENTZ, JOHN	04/28/10	102.00	MW	OH		Payee Name different in Check DB
AP00084588	X2455	LETOURNEAU, RAYMOND H	04/28/10	93.60	MW	OH		Payee Name different in Check DB

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
AP00084589	X3340	LOWRY, MICHAEL H	04/28/10	234.60	MW	OH		Payee Name different in Check DB
AP00084590	X2600	MAGAN, PAUL	04/28/10	93.60	MW	OH		Payee Name different in Check DB
AP00084591	X5252	MANGIAPANE, JAMES	04/28/10	1,416.00	MW	OH		
AP00084592	X2028	MANNERS, NANCY	04/28/10	234.60	MW	OH		Payee Name different in Check DB
AP00084593	X05519	MARQUEZ, MICHAEL	04/28/10	102.00	MW	OH		
AP00084594	V02037	MC GUIRE, ANNE	04/28/10	102.00	MW	OH		
AP00084595	V01349	MC KEE, RONALD T.	04/28/10	1,567.44	MW	OH		
AP00084596	X1754	MCAFEE, GENE	04/28/10	234.60	MW	OH		Payee Name different in Check DB
AP00084597	X0004	MESSINEO, JACQUELINE	04/28/10	1,416.00	MW	OH		
AP00084598	V01639	MILES, DAVID L.	04/28/10	1,567.44	MW	OH		Payee Name different in Check DB
AP00084599	X1680	MITCHELL, C JOANNE	04/28/10	102.00	MW	OH		Payee Name different in Check DB
AP00084600	X3327	MITCHELL, HAROLD	04/28/10	234.60	MW	OH		Payee Name different in Check DB
AP00084601	X1909	MURPHY, JAMES	04/28/10	234.60	MW	OH		Payee Name different in Check DB
AP00084602	X2598	MURRAY, DENNIS	04/28/10	93.60	MW	OH		Payee Name different in Check DB
AP00084603	X2456	NEILSON, RALEIGH	04/28/10	234.60	MW	OH		Payee Name different in Check DB
AP00084604	X2597	NELSON, WILLIAM	04/28/10	141.60	MW	OH		Payee Name different in Check DB
AP00084605	X3390	OBLONSKY, JERRY	04/28/10	102.00	MW	OH		Payee Name different in Check DB
AP00084606	X1972	OLIVE, ROBERT J	04/28/10	234.60	MW	OH		Payee Name different in Check DB
AP00084607	X2458	OLSON, ZAN	04/28/10	234.60	MW	OH		Payee Name different in Check DB
AP00084608	X5247	OSBORN, MICHAEL	04/28/10	1,416.00	MW	OH		
AP00084609	X2459	PARRIS, ERNEST	04/28/10	234.60	MW	OH		Payee Name different in Check DB
AP00084610	X0003	PHILIPS, PAUL JULE	04/28/10	2,250.00	MW	OH		
AP00084611	X05248	PURCELL, CHRISTOPHER SCOTT	04/28/10	1,416.00	MW	OH		
AP00084612	X2461	RANKIN, DONALD	04/28/10	234.60	MW	OH		Payee Name different in Check DB
AP00084613	X05520	REDDEN, CHARLES	04/28/10	1,416.00	MW	OH		

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
AP00084614	X2462	REIGEL, WILLIAM	04/28/10	234.60	MW	OH		Payee Name different in Check DB
AP00084615	X05251	RODRIGUEZ, PHILIP	04/28/10	234.60	MW	OH		
AP00084616	V01224	ROSALES, CHARLES	04/28/10	1,416.00	MW	OH		
AP00084617	V01643	SANTOS, ROGER	04/28/10	93.60	MW	OH		Payee Name different in Check DB
AP00084618	X5251	SCHLEIF, FRANCISCA ISABEL	04/28/10	1,416.00	MW	OH		
AP00084619	X2191	SCHMID, FRANK	04/28/10	1,416.00	MW	OH		Payee Name different in Check DB
AP00084620	X0001	SHAUP, JOY ANN	04/28/10	1,416.00	MW	OH		
AP00084621	X2474	SMITH, DEANNA	04/28/10	234.60	MW	OH		Payee Name different in Check DB
AP00084622	X3188	SMITH, HOWARD	04/28/10	234.60	MW	OH		Payee Name different in Check DB
AP00084623	V05660	SMITH, RICHARD MICHAEL	04/28/10	93.60	MW	OH		
AP00084624	V03604	SOUTHALL, MARY JO	04/28/10	234.60	MW	OH		
AP00084625	X2464	STANFIELD, DEWEY	04/28/10	93.60	MW	OH		Payee Name different in Check DB
AP00084626	V01074	SUTHERLAND, DALE	04/28/10	93.60	MW	OH		
AP00084627	V05781	SWEENEY, PAUL	04/28/10	1,416.00	MW	OH		
AP00084628	V05782	TARIN, LORENA	04/28/10	93.60	MW	OH		
AP00084629	X1234	TESKE, OSCAR	04/28/10	234.60	MW	OH		Payee Name different in Check DB
AP00084630	X2465	THOMAS, DON R	04/28/10	234.60	MW	OH		Payee Name different in Check DB
AP00084631	X2596	THOMPSON, MARGARET A	04/28/10	93.60	MW	OH		Payee Name different in Check DB
AP00084632	X5010	THOMSON, JOHN R	04/28/10	234.60	MW	OH		Payee Name different in Check DB
AP00084633	X3030	TWIST, MARGARET	04/28/10	234.60	MW	OH		Payee Name different in Check DB
AP00084634	V01640	VELEZ, RAUL	04/28/10	93.60	MW	OH		Payee Name different in Check DB
AP00084635	X1600	WALKER, EVELINE V	04/28/10	234.60	MW	OH		Payee Name different in Check DB
AP00084636	X4263	WALTON, MARLA	04/28/10	93.60	MW	OH		Payee Name different in Check DB
AP00084637	X5248	WEISS, MOREY	04/28/10	1,416.00	MW	OH		
AP00084638	X1636	WHORTON, EUGENE	04/28/10	234.60	MW	OH		Payee Name different in Check DB

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
AP00084639	X2170	WILCOX, MARILYN	04/28/10	234.60	MW	OH		Payee Name different in Check DB
AP00084640	X2466	WINTER, JOAN L	04/28/10	93.60	MW	OH		Payee Name different in Check DB
AP00084641	X1622	WOOTEN, HUBERT	04/28/10	234.60	MW	OH		Payee Name different in Check DB
AP00084642	X2467	WORTHY, WILLIAM	04/28/10	2,886.81	MW	OH		Payee Name different in Check DB
AP00084643	X2031	ZVALO, PEARL	04/28/10	234.60	MW	OH		Payee Name different in Check DB

G R A N D T O T A L S:

Total Void Machine Written	0.00	Number of Checks Processed:	0
Total Void Hand Written	0.00	Number of Checks Processed:	0
Total Machine Written	80,250.27	Number of Checks Processed:	130
Total Hand Written	0.00	Number of Checks Processed:	0
Total Reversals	0.00	Number of Checks Processed:	0
Total Cancelled Checks	0.00	Number of Checks Processed:	0
Total EFTs	0.00	Number of EFTs Processed:	0
G R A N D T O T A L	80,250.27		

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
AP00084644	V05506	COVINA, CITY OF	04/28/10	55,035.26	MW	OH		
AP00084645	V06385	CSAC-EIA	04/28/10	3,048.07	MW	OH		
AP00084646	V01691	ICMA RETIREMENT TRUST-457	04/28/10	8,110.63	MW	OH		
AP00084647	V01687	PERS	04/28/10	44,649.02	MW	OH		
AP00084648	V04828	UNION BANK OF CALIFORNIA	04/28/10	1,831.12	MW	OH		

G R A N D T O T A L S:

Total Void Machine Written	0.00	Number of Checks Processed:	0
Total Void Hand Written	0.00	Number of Checks Processed:	0
Total Machine Written	112,674.10	Number of Checks Processed:	5
Total Hand Written	0.00	Number of Checks Processed:	0
Total Reversals	0.00	Number of Checks Processed:	0
Total Cancelled Checks	0.00	Number of Checks Processed:	0
Total EFTs	0.00	Number of EFTs Processed:	0
G R A N D T O T A L	112,674.10		

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
AP00080872	V07222	STARBUCKS CORP/LICENSE	12/08/09	125.00	RV	TR		Payee Name different in Check DB

G R A N D T O T A L S:

Total Void Machine Written	0.00	Number of Checks Processed:	0
Total Void Hand Written	0.00	Number of Checks Processed:	0
Total Machine Written	0.00	Number of Checks Processed:	0
Total Hand Written	0.00	Number of Checks Processed:	0
Total Reversals	125.00	Number of Checks Processed:	1
Total Cancelled Checks	0.00	Number of Checks Processed:	0
Total EFTs	0.00	Number of EFTs Processed:	0
G R A N D T O T A L	125.00		

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
AP00083701	V00133	BUSINESS CREDIT SOLUTI	03/16/10	150.00	RV	TR		Payee Name different in Check DB

G R A N D T O T A L S:

Total Void Machine Written	0.00	Number of Checks Processed:	0
Total Void Hand Written	0.00	Number of Checks Processed:	0
Total Machine Written	0.00	Number of Checks Processed:	0
Total Hand Written	0.00	Number of Checks Processed:	0
Total Reversals	150.00	Number of Checks Processed:	1
Total Cancelled Checks	0.00	Number of Checks Processed:	0
Total EFTs	0.00	Number of EFTs Processed:	0
G R A N D T O T A L	150.00		

CITY OF COVINA
AGENDA ITEM COMMENTARY

MEETING DATE: June 15, 2010 **CC 4**

STAFF SOURCE: Dilu de Alwis, Finance Director

ITEM TITLE: Contract for Software Conversion Project Management

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STAFF RECOMMENDATION:
Authorize the City Manager to negotiate a contract with Andy de Silva, for software conversion project management services effective July 1, 2010 for an amount not to exceed $50,000.

FISCAL IMPACT:
Funds are budgeted in Management Information Systems Professional & Technical account number 7200-6250-5105-0000. This is an Internal Services Fund account and not General Fund.

BACKGROUND:
The City of Covina has aging software systems that are in need of replacement. On May 18, 2010 the Council authorized the City Manager to enter into an agreement with Edge Soft Inc., to replace our current permitting software with a state of the art land management software package. Additionally the Finance staff is looking at replacing its 10 year old, financial software. To bring these systems online will take significant resources and with a relative small staff it is considered best practice to have project management experts lead these projects.

A few key elements to the services to be provided under this contract are; (a) manage project from planning to live operation (b) minimize city's exposure and risk (c) define project scope, goals and deliverables that support business goals in collaboration with vendor and stakeholders.

The consultant being recommended has experience in managing large scale software conversion projects and will assist the City in this endeavor. Some of his accomplishments are; (a) Planned and successfully directed the implementation of a $6 Million Check Imaging and Truncation Project linking 1300 bank branches via 11 regional centers connected with a wide area network to reform the payment and settlement system of the nation as a matter of public policy. Managed diverse demands and expectations of 24 Commercial Banks as stakeholders and shareholders while conforming to regulatory compliances. Implemented a business continuity plan, disaster recovery site and recruited and ensured all 24 commercial banks was able to cutover on a single day (b) Established a $2.5 Million Internet based telecommunication infrastructure from ground zero to serve the Asia Pacific region. Designed and built entire infrastructure on a CISCO-SUN-Satellite based fault tolerant network communication architecture, lobbied and obtained necessary regulatory approvals, developed a team to support a 24x7 operation and established a strategic business-service center

EXHIBITS:
A. Agreement – Andy de Silva

REVIEW TEAM ONLY

City Attorney: _____ **Finance Director:** _____

City Manager: _____ **Other:** _____

AGREEMENT FOR PROFESSIONAL SERVICES

THIS AGREEMENT is entered into this 1st day of July, 2010, by and between the CITY OF COVINA, a California municipal corporation (hereinafter referred to as "CITY") and Andy de Silva, an individual (hereinafter referred to as "CONSULTANT").

The parties do agree as follows:

SECTION 1. RECITALS.

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

(a) CITY has considered the proposal, dated June 1, 2010 (the "Proposal"), from CONSULTANT for professional services including but not limited to, providing the services as described below in Section 6 of this Agreement.
(b) CITY desires to have a highly qualified individual to perform such services.
(c) CONSULTANT represents and warrants that it is qualified to perform such services and has agreed to do so pursuant to this Agreement; and
(d) CITY desires to contract with CONSULTANT on the basis of the following terms and conditions.

SECTION 2. EMPLOYMENT.

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

SECTION 3. INDEPENDENT CONTRACTOR.

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

SECTION 4. PRINCIPAL REPRESENTATIVE

The Management Information Systems Manager of CITY shall be the principal representative of CITY for purposes of this Agreement. Andy de Silva, shall be the principal representative of CONSULTANT for purposes of this Agreement.

SECTION 5. CONSULTANT NOT AGENT OF CITY.

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

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

SECTION 6. SCOPE OF SERVICES.

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

SECTION 7. STANDARD OF PERFORMANCE.

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

SECTION 8. TIME.

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

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

SECTION 9. QUALIFICATIONS.

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

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

SECTION 10. TERM.

The term of this Agreement shall be the period commencing from the effective date of this Agreement, as first shown above, and shall terminate upon the earlier of (i) the completion of the tasks as provided in the Scope of Services, or (ii) June 30, 2011 (365) days following the effective date of this Agreement.

SECTION 11. COMPENSATION.

A. CONSULTANT will perform those tasks and deliver the services described in this Agreement, in accordance with the terms and provisions of this Agreement for a total contract price not to exceed Fifty Thousand Dollars ($50,000).

B. CONSULTANT shall be paid the compensation at the payment intervals set forth in the Payment Schedule (Section 12).

C. Authorized work shall be in strict compliance with the provisions of this Agreement. CONSULTANT shall provide all labor, materials and equipment, as necessary to perform the services under this Agreement without any additional charge or compensation. *CONSULTANT shall not charge for travel time or break time.*

SECTION 12. PAYMENT SCHEDULE.

A. CONSULTANT shall be entitled to payment of the Compensation in those amounts and at the times set forth herein:

a. Bi-weekly payments of equal amounts throughout the contract term.

Provided the Services have been rendered satisfactorily to CITY and in accordance with this Agreement, CITY shall tender payment to CONSULTANT not later than ten (10) days following each of the times set forth above.

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

SECTION 13. COMPENSATION WITHHELD.

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

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

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

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

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

SECTION 14. RIGHT TO AUDIT AND INSPECT.

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

SECTION 15. RIGHT OF TERMINATION.

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

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

SECTION 16. INDEMNITY.

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

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

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

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

SECTION 18. LIABILITIES.

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

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

SECTION 19. CONFLICT OF INTEREST.

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

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

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

SECTION 20. NOTICES.

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

TO CITY:	City of Covina 125 E. College Street Covina, CA 91723 Attn: Community Development Director
TO CONSULTANT:	Anura "Andy" de Silva 20700 San Jose Hills Road #114 Walnut, CA 91789

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

SECTION 21. BINDING EFFECT.

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

SECTION 22. ASSIGNMENT.

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

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

C. In the event of such assignment, CITY may condition the same so as to ensure compliance with the provisions of this Agreement.

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

SECTION 23. COMPLIANCE WITH LAWS.

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

SECTION 24. INSURANCE.

A. CONSULTANT shall obtain and maintain at its expense, during the term of this Agreement, all necessary insurance for its employees engaged in the performance of this Agreement, including, but not limited to worker's compensation insurance.

B. CONSULTANT shall obtain and maintain at its expense, during the term of this Agreement, comprehensive general liability insurance with coverage of not less than One Million Dollars ($1,000,000.00) combined single limit per occurrence (and not "claims made") for bodily injury, personal injury and property damage. CONSULTANT shall cause CITY, its officers, employees, and agents, to be named as an additional insured on said policy and shall obtain a waiver of the insurer's right of subrogation against CITY.

C. For all vehicles operated by CONSULTANT to provide services under this Agreement, Business Auto Coverage under standard ISO form including symbol 1 (All Auto) auto coverage with limits of no less than $1,000,000.00 and scheduled under any umbrella policy.

D. CONSULTANT shall obtain and maintain professional liability (errors and omissions) insurance in an amount of not less than $1,000,000.00.

E. CONSULTANT shall provide CITY with written proof of the existence of such insurance and the commitment of the insurance carrier (either by policy endorsement or similar agreement) to notify CITY in writing 30 days before any reduction in coverage or the cancellation of such insurance. All insurance coverage required herein shall apply on a primary non-contributing basis in relation to any insurance or self-insurance available or applicable to CITY.

SECTION 25. DISCRIMINATION.

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

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

SECTION 26. ENTIRETY OF AGREEMENT.

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

SECTION 27. ATTORNEYS FEES.

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

SECTION 28. CONSISTENCY WITH CURRENT LAW.

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

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

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

SECTION 29. VENUE.

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

SECTION 30. INTERNAL INCONSISTENCIES.

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

SECTION 31. CAPTIONS AND HEADNOTES.

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

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

"CITY"
City of Covina

By: _____
Daryl Parrish, City Manager

ATTEST:

_____
Rosalia A. Conde, CMC
Deputy City Clerk

APPROVED AS TO FORM:

_____
Edward W. Lee, City Attorney

"CONSULTANT"

Anura "Andy" de Silva

By: _____

Its: _____

ATTACHMENT A
TO AGREEMENT FOR PROFESSIONAL SERVICES

(Scope of Services)

Job Description: Project Manager

Role:
Role of Project Manager will be to plan, execute and finalize project according to strict deadline and budget. This includes ensuring the vendor implements a system that meets the needs, improves the effectiveness of the City's respective departments operational functions, and provide a more satisfying service to its Citizens. This includes coordinating with the vendor, steering committee, project team and stakeholders to deliver project according to the plan. Project Manager will also define the project's objectives and oversee quality control throughout its life cycle.

Responsibilities:

- Manage project development from planning to live operations.
- Define project scope, goals and deliverables that support business goals in collaboration with project sponsor and stakeholders
- Develop full scale project plans and associated communications documents
- Execute project work plans and revise as appropriate to meet changing needs and requirements
- Manage day-to-day operational aspects of the project scope
- Minimize City's exposure and risk on project
- Effectively communicate project expectations to team members and stakeholders in a timely manner and with clarity
- Coordinate with project stakeholders on an ongoing basis
- Estimate the resources and participants needed to achieve project goals
- Where required, negotiate with other department managers for the acquisition of required personnel
- Identify business opportunities as they relate to the project
- Set and continually manage project expectations with team members and other stakeholders
- Delegate tasks and responsibilities to appropriate personnel
- Resolve and/or escalate project issues in timely manner
- Suggest ideas for improvement in internal processes along with possible solutions
- Identify and mange project dependencies and critical path
- Plan and schedule project timelines and milestones
- Track project milestones and deliverables
- Develop and deliver progress reports, proposals, requirement documentations and presentations
- Determine the frequency and content of status reports from the project team, analyze results and troubleshoot problem areas
- Proactively manage changes in project scope, identify potential crises and devise contingency plans
- Define project success criteria and disseminate them throughout project life cycle
- Conduct project post mortems and create a repot in order to identify successful and unsuccessful project elements with recommendations for future projects.

CITY OF COVINA
AGENDA ITEM COMMENTARY

MEETING DATE: June 15, 2010 **ITEM NO.: CC 5**

STAFF SOURCE: Steve Henley, Director of Public Works
Kalieh Honish, Public Works Manager
Leo Tolentino, City Engineer

ITEM TITLE: Award Bid for Slurry Sealing of Municipal Parking Lots – Project No. P-0902 and Adopt Resolution Amending FY 2009 – 2010 Budget

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STAFF RECOMMENDATION

a. Award the bid for slurry sealing of municipal parking lots, Project No. P-0902, to Wheeler Paving, Incorporated, as the lowest responsive and responsible bidder in the amount of $58,912; and

b. Adopt **Resolution No. 10-6854**, amending the Fiscal Year 2009 – 2010 Public Works Department, Municipal Parking District Budget to reflect an appropriation of $58,912 from Municipal Parking District Reserve Funds for the Slurry Sealing and Striping of Municipal Parking Lots and allocate those funds to Account No. 2600-2800-00-55360 for expenditure.

FISCAL IMPACT

The project will be funded from the Parking District Reserves. The inclusion of the funds in the current fiscal year budget will increase overall budget expenditures while being equally offset by the additional revenues. As such, there will be no fiscal impact.

BACKGROUND

Project P-0902 consists of the patching, crack sealing, slurry sealing, and re-striping of the municipal parking lots in the downtown.

The project was duly noticed and advertised, and bids for the project were received in the City Clerk's office on May 18, 2010. As shown on the attached Exhibit A, Wheeler Paving, Incorporated was the apparent low bidder with a bid of $58,912. Staff has carefully and thoroughly reviewed Wheeler's bid and determined that it adequately addresses all of the bid requirements. Accordingly, their bid has been determined to be responsive. Additionally, staff has contacted the references listed by Wheeler. These contacts have established that Wheeler is a responsible contractor. Therefore, their bid has been verified to be the lowest responsive and responsible bid. The highest bid received was from Roy Allen Slurry Seal, Incorporated in the amount of $117,475.20. The Engineer's estimate was $69,300.

EXHIBITS

A. Bid Opening Summary
B. Resolution No. 10-6854

REVIEW TEAM ONLY	
City Attorney: _____	**Finance Director:** _____
City Manager: _____	**Other:** _____

BID SUMMARY

SLURRY SEALING CITY MUNICIPAL PARKING LOTS

PROJECT NO. P-0902

May 18, 2010

TEM NO	DESCRIPTION	QTY	UNIT	UNIT COST	1) Wheeler Paving, Inc.	2) All American Asphalt	3) Doug Martin Contracting Company	4) Pavement Coatings Company	5) Roy Allan Slurry Seal Inc.	Engineer's Estimate
1	Polymer Modified Type I Slurry Seal (CQS-1h)	188,400	S.F.	0.18	33,912.00	47,100.00	36,361.20	50,868.00	58,027.20	47,100.00
2	8" Full depth AC Repair, 4" AC & 4" Crushed Aggregate Base	1200	S.F.	10.00	12,000.00	13,200.00	21,960.00	15,840.00	21,048.00	14,400.00
3	Emulsified Asphalt Crack Seal		L.S.	8,000.00	8,000.00	28,200.00	28,000.00	30,150.00	28,800.00	4,000.00
4	Striping & sign markings (Parking install striping & Handicap sign markings, per existing)		L.S.	5,000.00	5,000.00	10,000.00	14,000.00	7,050.00	9,600.00	3,800.00
	CONSTRUCTION COST				**58,912.00**	**98,500.00**	**100,321.20**	**103,908.00**	**117,475.20**	**69,300.00**

RESOLUTION NO. 10-6854

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, TO AMEND THE FISCAL YEAR 2009-2010 PUBLIC WORKS DEPARTMENT, MUNICIPAL PARKING DISTRICT BUDGET TO REFLECT AN APPROPRIATION OF $58,912 FROM MUNICIPAL PARKING DISTRICT RESERVE FUNDS FOR THE SLURRY SEALING AND STRIPING OF MUNICIPAL PARKING LOTS

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

WHEREAS, the budget of the City of Covina for fiscal year commencing July 1, 2009 and ending June 30, 2010 was approved on June 16, 2009; and

WHEREAS, the approved budget is in accordance with all applicable ordinances of the City and all applicable statutes of the State; and

WHEREAS, the reallocation of the appropriations between departmental activities may be made by the City Manager, amendments (increases/decreases) to the Budget shall be by approval and Resolution of the City Council; and

WHEREAS, the City of Covina wishes to complete slurry seal and stripe the existing municipal parking lots within its Parking District.

NOW, THEREFORE, THE CITY COUNCIL of the City of Covina, California, does hereby resolve as follows:

SECTION 1. Amend the fiscal year 2009-2010 Public Works Department, Municipal Parking District operating budget as follows: $58,912 from Municipal Parking District Reserves to Municipal Parking District, Parking Facilities, Account No. 2600-2800-00-55360 for the slurry sealing and striping of the District's parking lots.

SECTION 2. The City Clerk shall certify to the passage and adoption of this Resolution.

Passed, approved and adopted this 15th day of June, 2010.

Peggy Delach, Mayor

ATTEST:

Rosalia A. Conde, CMC
Deputy City Clerk

APPROVED AS TO FORM:

Edward W. Lee, City Attorney

CITY OF COVINA
AGENDA ITEM COMMENTARY

MEETING DATE: June 15, 2010 **ITEM NO.:** CC 6

STAFF SOURCE: Steve Henley, Director of Public Works

ITEM TITLE: Public Works Department Monthly Activity Report

STAFF RECOMMENDATION
Receive and file the Public Works Department Monthly Activity Report.

FISCAL IMPACT
This report is informational only and has no budgetary impact.

BACKGROUND
Attached for the City Council's review and information are the Public Works Department's Monthly Activity Report for May.

In conjunction with the implementation of a revised Zone Maintenance Program in 2007, the Department implemented a renewed focus on Key Performance Indexing (KPI). KPI is a useful tool for developing a measurement system of organizational effectiveness by identifying activities important to the community and tracking their output over time.

During May, the following trends were noted:

- Meter replacement activity trended down slightly in the Water Division as emphasis was placed on working isolation valves to meet health department annual compliance goals
- Service levels for Central Equipment and Environmental Services are generally on par with their historical operational levels
- Engineering Inspection activities trended down slightly as the Construction Inspector's time was occupied by the City's Rowland Street Water Main project
- Sign maintenance in the Street Division experienced an upward spike primarily due to graffiti damage
- Building Maintenance activities trended downward due to the prolonged illness of one part-time employee and a position vacancy
- Building permit issuance has experienced an approximate 25% upward trend over the past 6 months
- Transit activities (bus passes sold, passengers, etc.) experienced a slight downward trend during May; however blue zone permit sales in the municipal lots continued their downward trend to their lowest total in several years; an on-going result of the reduction of parking restrictions within the downtown parking district

EXHIBITS

A. Public Works Department Monthly Activity Report – May 2010

REVIEW TEAM ONLY	
City Attorney: _____	**Finance Director:** _____
City Manager: _____	**Other:** _____

CITY OF COVINA
PUBLIC WORKS DEPARTMENT MONTHLY ACTIVITY REPORT
MAY 2010

DIVISION	ACTIVITY	QUANTITY
Water Utility	Meter reads	4,005
	Meter replacements	19
	Consumer responses	299
	Backflow tests	7
	Flushed blow-offs	0
	Service line repair/replace	14
	Main line repair/replace	4
	Fire hydrant repair/replace	0
	Isolation valves exercised	110
	Emergency call outs	5
Equipment Maintenance	Preventative Maintenance service	37
	Safety inspections	39
	Daily demand repairs	92
	Tire repairs	44
	Emergency call outs	7
Street Maintenance	Traffic sign remove/replace/install	79
	Potholes repaired	54
	Curb and gutter remove/replace (LF)	30
	Sidewalk remove/replace (SF)	80
	Curb painted (LF)	0
	Stop and Bars repainted	0
	Utility cuts repaired	13
	Trees trimmed	21
	Trees removed	6
	Emergency call outs	2
Environmental Services	Used oil containers distributed	65
	Compost bins distributed	0
	NPDES violations investigated	0
	Waste Management consumer responses	11
	Plans checked for environmental compliance	13
	Environmental legislation & regulations reviewed	31
	Special Waste collection events promoted	3
Engineering Inspection	Utility cuts inspections	7
	Sidewalk remove/replace/install inspections	2
	Driveway approach inspections	1
	Sanitary Sewer repair/install	0
	Traffic signal system install/modifications	0
	Job site meetings	3
	Construction site NPDES BMP compliance	0
	Street Paving / Patches	5
Building Maintenance	Service requests completed	27
	Facility heat/air conditioning repairs	0
	Facility lighting/electrical repairs	2
	Emergency call outs	0
Special Activities of Note	Illegal dumping debris pick-up	6
	Sidewalk displacements ramped	99
	Lineal feet of skin patching on Grand Avenue	4,910

CITY OF COVINA
PUBLIC WORKS DEPARTMENT MONTHLY ACTIVITY REPORT
MAY 2010

Transportation	Bus passes sold	84
	Covina Transit passengers	1,598
	Metrolink Shuttle passengers	298
	Metrolink parking permits sold	587
	Municipal lots blue zone permits sold	39
	Municipal lots monthly machine revenues	$365
Building & Safety	Permits issued	84
	Inspections conducted	364
	Plan checks conducted	24
	Permit valuation	$11,642,550
Sewer Maintenance	Manholes inspected	246
	Linear feet of main cleaned	65,942
	Hot-spot locations cleaned	35
	Sewer overflow responses	0
	Manholes treated for vermin infestation	220
	Manholes treated for rodent infestation	0
	Routine pump station checks	31

CITY OF COVINA
AGENDA ITEM COMMENTARY

MEETING DATE: June 15, 2010 **ITEM NO.: CC 7**

STAFF SOURCE: Steve Henley, Director of Public Works
Vivian Castro, Environmental Services Manager
Michele Saint, Management Analyst

ITEM TITLE: Amendment of Street Sweeping Contract with Athens Services

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STAFF RECOMMENDATION
Approve Amendment No. 2 to the Street Sweeping Contract with Athens Services to extend contract for one year.

FISCAL IMPACT
There is no General Fund impact. The annual cost of Street Sweeping for Fiscal Year 2010-2011 is $177,730, and is accounted for in the 2010-11 Budget in the following restricted fund, Environmental Services account 6200-5540-00-52412.

BACKGROUND
The current contract, which expires on June 30, 2010, is the first extension of two permitted under the terms of the three-year contract that expired on June 30, 2009. In Article VII of the contract, the City reserves the right to extend the contract to a maximum of twelve (12) months per extension (not to exceed two extensions). By enacting Amendment No. 2, the City is securing street sweeping services provided by Athens Services through June 30, 2011.

The contract states that each such extension may include a compensation increase, determined by the City, and not to exceed the Consumer Price Index. The contractor has agreed to forego a compensation increase, therefore, the current curb mile rate of $15.19 will remain in effect for Fiscal Year 2010-2011.

The current specifications require the entire City be swept twice per month, downtown and Public Parking District lots be swept three times per week and the Prospero Park area be swept once per week. By executing Amendment No. 2 to extend the contract for an additional year, these specifications will continue to be fulfilled by Athens Services.

The proposed amendment will extend the contract for a period of twelve (12) months effective July 1, 2010 at the current curb mile rate of $15.19 specified in Article III of the contract.

EXHIBITS
A. Street Sweeping Contract, Amendment No. 2

REVIEW TEAM ONLY
City Attorney: _____ **Finance Director:** _____
City Manager: _____ **Other:** _____

STREET SWEEPING CONTRACT

AMENDMENT NO. 2

This Amendment No. 2 to the Street Sweeping Contract is entered into this 1st day of July 2010 by and between the CITY OF COVINA, a municipal corporation (CITY), and Athens Services, a California corporation (CONTRACTOR).

Pursuant to Article VII of the Contract, the CITY and CONTRACTOR agree to an extension of this contract for twelve (12) months, for the period of July 1, 2010 through June 30, 2011 at the rate specified in Article III.

The effective date of this Amendment is July 1, 2010 or upon execution, whichever is later.

ALL OTHER TERMS AND CONDITIONS OF THE ORIGINAL WORK CONTRACT REMAIN IN FULL FORCE AND EFFECT.

IN WITNESS WHEREOF, the parties have executed this Amendment No. 2 as of the first date set out herein.

CITY OF COVINA, a Municipal Corporation

_____

Peggy Delach
Mayor

ATTEST:

_____

Rosalia Conde
Deputy City Clerk

ATHENS SERVICES
A California Corporation

_____
Chairman of the Board

APPROVED AS TO FORM THIS 1st DAY OF JULY 2010:

_____
Edward Lee, City Attorney

CITY OF COVINA
AGENDA ITEM COMMENTARY

MEETING DATE: June 15, 2010 **ITEM NO.: CC 8**

STAFF SOURCE: Amy Hall-McGrade, Parks & Recreation Director
Lisa Evans, Administrative Services Manager

ITEM TITLE: Approval of Contract Amendment No. 1 to Park Landscape Maintenance Services Contract with TruGreen LandCare for the Parks & Recreation Department effective July 1, 2010 through June 30, 2013.

STAFF RECOMMENDATION:
Approve Contract Amendment No. 1 to Park Landscape Maintenance Services Contract with TruGreen LandCare for the Parks & Recreation Department effective July 1, 2010 through June 30, 2013 and approve.

FISCAL IMPACT:
The contract amount of $107,189.90 is included in the proposed FY 2010-11 budget in account 1010-3400-00-52320. This amount includes $19,200 for the addition of Edna Park, Civic Park, and Covina Park to the contract, with a decrease in part-time staffing in the amount of $14,667 in account 1010-3400-00-50015.

BACKGROUND:
TruGreen LandCare has provided landscape maintenance services for the City for the last eleven years. TruGreen LandCare currently maintains Kahler Russell, Hollenbeck, Kelby, Jobe's Glen at Jalapa and Three Oaks parks, as well as Forest Hills Parkway, City Hall grounds, and the Nature Trail at Kahler Russell Park. The Parks & Recreation Department proposes to renew, for three years, the contract with TruGreen LandCare.

TruGreen LandCare has agreed to provide a 10% reduction in contract price if the City agrees to a new three-year term. The cost savings from this reduction would total $29,329.98 for the three years. The only cost increase would be based on CPI increases, if any.

Included in the contract amendment is the maintenance of Edna Park, Civic Center Park and Covina Park. The total cost of this addition would be $19,200 annually. This cost would be partially offset by a reduction in part-time Park Maintenance staff hours in the amount of $14,667. The Park Facilities division also lost a full-time Park Worker-Irrigation Specialist as part of the city-wide layoffs in March 2010. This contract addition would greatly assist in providing safe, aesthetically pleasing parks for the community.

EXHIBITS:
A. TruGreen LandCare Proposal
B. Proposed TruGreen LandCare Contract Amendment No. 1 effective July 1, 2010 through June 30, 2013

REVIEW TEAM ONLY
City Attorney: _____ **Finance Director:** _____
City Manager: _____ **Other:** _____

TruGreen LandCare

1367 W. 9th Street
Upland Ca. 91786

March 8, 2010

Amy Hall-McGrade
Parks & Recreation Director

Dear Amy:

We received your letter informing us of the finical hardship this economy is causing the City of Covina and per our phone conversation last week TruGreen LandCare is committed to do everything possible to help our long term customers during this time.

We have been providing the landscape maintenance in different aspects for the City of Covina since 1993. During those 17 years we have developed a strong bond and good working relationship with the city that has seen Covina grow into the leading municipality that it is today.

We take tremendous pride in our long term relationship and our contribution to the high quality landscape that is maintained year round. We have dedicated managers, employees, vehicles and equipment assigned to your city. Our people on your site today have developed an expertise in maintaining the landscape to the exacting standards you have required and expected from our company.

We understand these are hard economic times and as your partner of 17 years, we would like to explore the possibilities of extending our contract with you in exchange for pricing concessions on our part. This would be mutually advantageous for the City and for TruGreen Landcare.

The city will benefit by not having to go through the expense of issuing costly and time consuming bid packages. Should a change of contractors be necessary, the City will have an entire new labor force without knowledge of service and quality expectations. We are a known commodity with a great track record within your city. TruGreen LandCare will benefit by retaining the great people employed which you have come to know and trust. Additionally, we will also keep the vehicles and equipment working that have been dedicated to meet your needs and requirements. Along with all this, we take pride in retaining one of our oldest and most prestigious municipal customers, the City of Covina!

We would like you to consider extending our year to year contract that we are working under at the present to a new 3 year contract with yearly renewals after that. We would be willing to leave the price the same for the current year and give up our CPI for a one year extension. But we also would like to propose giving the city a 5% discount off current price for a 2 year extension and a 10% discount for a 3 year extension. All specification and language would remain the same as the current contract but the City could save 5 to 10 percent off current prices. This would be for both contracts we now have with you.

Thank you in advance for your consideration of my proposal. If you have other ideas or would like more information please contact me so we can find the best resolution for you. Regardless of your decision, we thank you for your patronage and we look forward to many more years in working with the City of Covina.

Sincerely,

Jim Angel

TRUGREEN LANDCARE CONTRACT AMENDMENT No. 1

City of Covina

The Landscape Maintenance Services contract by and between the CITY OF COVINA and TruGreen LandCare is amended as follows:

Article I is hereby amended to include maintenance of Civic Center Park, Covina Park, and Edna Park per same specifications as existing contracted parks.

Article III is hereby amended to include the additional amount of nineteen thousand two hundred dollars ($19,200) per year during the term for a total contract amount of one hundred seven thousand one hundred eighty-nine dollars and ninety cents ($107,189.90) per year during the term.

Article VI is hereby amended to state that the term of this contract is from the first day of July 2010 to the thirtieth day of June 2013.

The effective date of this Amendment is July 1, 2010 or upon execution, whichever is later.

ALL OTHER TERMS AND CONDITIONS OF THE ORIGINAL WORK CONTRACT REMAIN IN FULL FORCE AND EFFECT.

THIS AMENDMENT, consisting of 1 page, is executed by the persons signing below who warrant that they have the authority to execute this Amendment under the original Work Contract.

IN WITNESS WHEREOF, the AGENCY and the CONTRACTOR have signed this Amendment.

TRUGREEN LANDCARE

Signature

Title Date

CITY OF COVINA

Peggy Delach
Mayor

Approved as to form this 15th day of June 2010.

Edward Lee, City Attorney

ATTEST

Rosalia Conde, CMC
Deputy City Clerk

CITY OF COVINA
AGENDA ITEM COMMENTARY

MEETING DATE: June 15, 2010 **ITEM NO.:** CC 9

STAFF SOURCE: Amy Hall-McGrade, Parks & Recreation Director
Lisa Evans, Administrative Services Manager

ITEM TITLE: Approval of the Agreement between the City of Covina and Kare Youth League.

STAFF RECOMMENDATION:
Approve Agreement between the City of Covina and Kare Youth League.

FISCAL IMPACT:
Kare Youth League pays the City of Covina 10% of their gross quarterly membership fees per season which are placed in the Park facilities operating budget. In the proposed FY 2010-11 it is estimated that $6,000 will be received, which assists in offsetting the general fund expenditures for Kahler Russell Park maintenance.

BACKGROUND:
Kare Youth League first entered into an agreement with the City of Covina in 1986 to develop a portion of Kahler Russell Park (previously Wingate Park). In 1997, the City amended the agreement following the renovation of the park to include the collection of their use fees and to extend their agreement to June 2010.

The City's partnership with Kare Youth League continues to be beneficial for Kahler Russell Park. Their programs run approximately six days a week operating year round. The agreement requires Kare Youth League to maintain the middle portion of the park at their expense. Over the years, they have made many improvements. The long-term agreement has been a useful tool for the league to obtain many donations to make their improvements, such as their office building. They are looking at future improvements to their grass area, which again will require a long-term commitment from the City so the League can continue their efforts in seeking large donations for their park improvements.

Kare Youth League played a key role in the successful passage of the 1992 Safe Neighborhoods Act ballot measure with Covina voters. They have been a responsive group to partner with and maintain good working relationships with City staff.

EXHIBITS:
A. Proposed Agreement with Kare Youth League effective July 1, 2010 through June 30, 2035

REVIEW TEAM ONLY
City Attorney: _____ **Finance Director:** _____
City Manager: _____ **Other:** _____

AGREEMENT

KARE YOUTH LEAGUE

KAHLER RUSSELL PARK

THIS AGREEMENT is made this 15th day of June, 2010, by and between the CITY OF COVINA (hereinafter referred to as "CITY") and the KARE YOUTH LEAGUE, (hereinafter referred to as "KARE YOUTH").

WITNESSETH

The parties do agree as follows:

SECTION 1: RECITALS

The following recitals are a substantive part of this Agreement:

(a) KARE YOUTH desires to use the property owned by the CITY, known as Kahler Russell Park, 735 North Glendora Avenue, for the purpose of conducting youth athletic programs, which include the youth of the City of Covina, and to operate a snack bar at the Kare Youth building.

(b) KARE YOUTH is organized and operated for the purpose of sponsoring and conducting youth sports activities.

(c) The CITY is agreeable to permitting KARE YOUTH use of the ball parks, basketball courts, and a snack bar at the Kare Youth building at said park on a year-round basis under the terms of this agreement.

SECTION 2: TERM OF AGREEMENT

(a) The term of this Agreement shall be from the date of execution to June 30, 2035.

(b) Either party has the right to terminate this Agreement upon ten (10) days notice of the fourth Monday of February, June, August, or November if the terms of the Agreement are violated, or if the City Council for the CITY makes a determination, in its sole discretion, that the property is not being utilized in the best interests of the citizens of Covina.

(c) Upon termination, by either party, of this agreement, all improvements made to the ball parks, basketball courts, and snack bar, become the property of the CITY.

SECTION 3: ANNUAL REVIEW

In January of each year, for the duration of this Agreement, representatives of the CITY and KARE YOUTH shall meet to discuss any matters of mutual concern arising from this Agreement.

SECTION 4: KARE YOUTH REQUIREMENTS

KARE YOUTH shall:

(a) Pay for all utilities used in and for KARE YOUTH facilities, including but not limited to water, electricity, and refuse collection.

(b) Before performing any construction, improvements, or modifications to the grounds, or snack bar at the Kare Youth building, submit the proposed changes in writing to the CITY sixty (60) days in advance for approval. All construction, improvements, and modifications are subject to all applicable laws and regulations.

(c) Not permit or install permanent advertising signs on park buildings with the exception of a sign identifying the park as the site for the league. KARE YOUTH shall maintain the sign and submit for approval by the CITY its design and placement.

(d) Not assign or sublet any of their duties as stated in this said Agreement.

(e) Submit to the CITY a complete list of current KARE YOUTH board members, including first name, surname, and title.

(f) Submit to the CITY at least one current mailing address for the chief member of the KARE YOUTH board.

(g) Furnish to the CITY a current list of at least five (5) persons and their phone numbers in priority order to be contacted in case of emergency or immediate concern.

Any change in information required in Section 4, (f), (g), and (h) is to be reported in writing to the CITY at least fifteen (15) days prior to the change.

(h) Reimburse to the CITY any damages to park facilities, if it is determined that KARE YOUTH is responsible.

(i) Provide to the CITY by January 15 for each year that this Agreement is effective, a General Schedule of Facility Use, including a listing of dates and times of all KARE YOUTH activities (including but not limited to, games and practices) to take place during the upcoming calendar year at Kahler Russell Park.

(j) Perform at no cost to the CITY all maintenance necessary to keep baseball fields, snack bar at the Kare Youth building, and surrounding grass areas used by KARE YOUTH up to the appropriate standard of cleanliness and repair, defined as being that standard maintained at similar CITY park facilities and provide as needed, new netting for the basketball hoops at the beginning of each basketball season and fresh basketball court striping at the request of the CITY. The CITY shall have the right of inspection to ensure KARE YOUTH's compliance with the terms of this section.

(k) Provide to the CITY on a quarterly basis a maintenance schedule outlining how maintenance is to be provided to the appropriate standard of cleanliness and repair. The maintenance schedule shall be submitted for CITY approval at least fifteen (15) days in advance of the schedules' beginning dates. The schedule may not be implemented without CITY approval. At a minimum, the quarterly maintenance schedule should include provisions for: litter removal, mowing, weeding, facility maintenance, and repair.

(l) Provide to the CITY on a quarterly basis a watering schedule. The watering schedules shall be submitted for CITY approval at least fifteen (15) days in advance of the schedules' beginning dates. The schedules may not be implemented without CITY approval.

(m) Respond to, and alleviate any emergency irrigation repair or litter problem on fields maintained by KARE YOUTH. If KARE YOUTH does not respond, the CITY will provide appropriate maintenance and bill KARE YOUTH for direct product costs and the current hourly rate for a certified park worker.

(n) When applying pesticides provide to the CITY four (4) weeks in advance the following:

1. A plot plan of where the actual spraying is to take place,

2. The date and time of the application,

3. A complete Material Safety Data Sheet for the product to be applied,

4. The amount of the pesticide to be applied,

5. Method of application,

6. The name and qualifications of the person applying the pesticide, if using any chemical, verification of California State Applicators License is required.

The CITY will review the information listed in 1 through 6 above and provide written notification stating either its/their approval of the application or a denial of the request, stating the reason(s) for the denial. Pesticide application cannot occur until written approval is received.

(o) KARE YOUTH shall make available basic first-aid supplies to league participants at all times during league play. Basic first-aid supplies shall include the following: band aids, alcohol pads, anti-bacterial ointment, cotton balls, sterile gloves, ace bandages, and cold compresses. Nothing in this Agreement shall be read to require KARE YOUTH to administer first aid; this section is limited to the provision of supplies.

SECTION 5: FEES

KARE YOUTH shall pay a user fee to the CITY for the utilization of park facilities and for the purpose of reimbursing CITY for actual costs in administering this Agreement. These payments shall be ten percent (10%) of the gross amount collected for KARE YOUTH fees (quarterly membership fees per season), due no later than the end of the fifth (5th) week of each session or the last week of

each session, whichever occurs first. An audit, covering the prior January through December, shall be submitted to CITY on an annual basis for every year this Agreement is in effect. The audit is due on January 31 and shall include, but may not necessarily be limited to: the total number of participants per league, the fee(s) charged per participant in each league, the total gross revenue earned through fees, and the schedule of all KARE YOUTH practices, games, and other events taking place at Kahler Russell Park over the course of the year. The audit shall be signed by the Chief Executive Officer of the KARE YOUTH who shall attest to the accuracy of the audit information provided.

SECTION 6: PRIORITY OF USE

KARE YOUTH shall be offered first priority for use of the baseball fields and the basketball courts during times specified between the CITY and KARE YOUTH representatives and shall be commensurate with KARE YOUTH's programs. KARE YOUTH does not have exclusive use of the park's facilities, restrooms, or other unspecified facilities. Any permanent activity facilities developed by KARE YOUTH will be depreciated over a period of fifteen (15) years and becomes the property of the CITY if it reimburses KARE YOUTH for the remaining depreciation at the time the CITY requests KARE YOUTH to vacate such building.

SECTION 7: SUBORDINATE RIGHTS

This Agreement is subject and subordinate to the prior and future rights and obligations of CITY, its successors and assigns, to use its property in the exercise of its powers and in the performance of its duties, provided that the foregoing does not unreasonably interfere with KARE YOUTH's use of the property as provided in this Agreement. This Agreement is subject to all licenses, leases, easements, restrictions, conditions, covenants, encumbrances, liens, claims, and other matters of title (hereinafter referred to as "Title Exceptions") which may affect the property now or hereafter. No language used herein shall be construed as a covenant against the existence of any such Title Exceptions.

SECTION 8: CITY OBLIGATIONS

CITY shall:

In the event of a breach by KARE YOUTH of any terms and conditions of this Agreement, have the right to terminate this Agreement and assume the operations of all facilities developed and operated by KARE YOUTH.

SECTION 9: CITY USE

Nothing herein shall restrict the right of CITY to construct additional recreational development and improvement to Kahler Russell Park, nor restrict either the open space or the general park and recreation use of the area by the public. During periods of operation by KARE YOUTH, the CITY shall have the right to enter the facilities utilized hereunder at all reasonable hours for inspection.

SECTION 10: REPAIRS TO STRUCTURES

CITY, without the approval of KARE YOUTH, may repair or replace any improvement or condition which, in the opinion of CITY, is unsafe but assumes no obligation to do so.

SECTION 11: HOLD HARMLESS, INDEMNIFICATIONS, AND INSURANCE

(a) KARE YOUTH agrees to protect, defend, and hold harmless CITY and their elective or appointive boards, officers, agents, and employees from any and all claims, demands, suits, liabilities, expenses or damages of any nature, including attorneys' fees, for injury or death of any person, or damage to property, resulting therefrom, arriving out of, or in any way connected with performance of the Agreement by KARE YOUTH, KARE YOUTH's agents, officers, employees, subcontractors, or independent contractors hired by KARE YOUTH. The only exception to KARE YOUTH's responsibility to protect, defend, indemnify, and hold harmless CITY, is due to the sole negligence of the CITY, or any of their elective or appointive boards, officers, agents, or employees.

(b) CITY does not, and shall not, waive any rights against KARE YOUTH which it may have by reason of this hold harmless Agreement. This hold harmless Agreement shall apply to all liability regardless of whether or not any insurance policies are applicable. The policy limits do not act as a limitation upon the amount of indemnification to be provided by KARE YOUTH in the event of loss, claim, damage, or expense.

(c) Throughout the term of this Agreement, KARE YOUTH agrees to obtain and maintain in effect comprehensive general liability insurance coverage in an amount not less than one million dollars ($1,000,000) per occurrence, combined single limits, for bodily injury, including death, or property damage, and prior to commencing any activity under this Agreement, shall file with CITY two copies of a Certificate of Insurance form evidencing such coverage that meet the following requirements:

1. Insurance is to be placed with an insurance carrier acceptable to CITY that is licensed to do business in the State of California, with an A.M. Best Rating of no less than A-:VII.

2. No "Deductible" clause larger than two hundred fifty dollars ($250.00) per claim is permitted.

3. The policy shall include coverage for all conditions of maintenance, use, design, and construction of the equipment, improvements and development subject of this Agreement.

4. All signatures must be handwritten on any policy, certificate or endorsement; rubber stamps signatures are not acceptable.

5. The policy shall name the City of Covina, its officials, officers, employees and agents as additionally insured, and protect the CITY, its officials, officers, agents and employees from claims which may arise from KARE YOUTH'S operation under this Agreement. The coverage shall be primary to CITY's coverage but only in the event of KARE YOUTH's sole negligence.

5. KARE YOUTH shall obtain a written obligation from the insurance carrier agreeing to notify the CITY thirty (30) days prior to any cancellation thereof.

6. All policies, certificates and endorsements shall be sent in duplicate to the City Clerk's Office.

(d) This Agreement shall not be executed by CITY until said Certificate of Insurance is received and approved. Failure to maintain such Certificate of Insurance shall automatically terminate all of KARE YOUTH's right hereunder.

SECTION 12: MAILING LIST

KARE YOUTH shall, during the term of this Agreement, maintain the CITY on KARE YOUTH's regular mailing list for all general correspondence. All correspondence shall be addressed to:

City of Covina
Parks & Recreation Department
125 East College Street
Covina, CA 91723
Attn: Parks & Recreation Director

SECTION 13: ASSIGNMENT OR DELEGATION

CITY shall not assign the Agreement without the written consent of KARE YOUTH. KARE YOUTH shall not assign or otherwise delegate services under the Agreement, whether voluntary or involuntary, in whole or in part, to another entity, or permit any other person or entity to use the rights or privileges hereby created.

SECTION 14: COMPLIANCE WITH LAW

KARE YOUTH shall comply with all applicable laws, ordinances, codes, and regulations of the federal, state, and local governments.

SECTION 15: OWNERSHIP OF WORK PRODUCT

All reports, documents, or other materials developed or discovered by KARE YOUTH shall be and remain the property of CITY without restriction or limitation upon their use. Association shall provide CITY with copies of these documents or other materials upon demand or upon termination of this Agreement.

SECTION 16: NO WAIVER OF CONDITIONS

KARE YOUTH agrees that any express or implied waiver or any inaction by CITY of any conditions of performance under this Agreement shall not be construed as waiver of any other condition of performance under this Agreement.

SECTION 17: NOTICES

All notices shall be personally delivered or mailed, postage prepaid, to the below listed address, or to such other address as may be designated by written notice. These addresses shall be used for delivery of service of process:

(a) Kare Youth League
5150 Farna Avenue
PO Box 662080
Arcadia, CA 91006-2080

(b) City of Covina
Parks & Recreation Department
125 East College Street
Covina, CA 91723

SECTION 18: MODIFICATION

This Agreement and its exhibits constitute the entire Agreement between CITY and KARE YOUTH. This Agreement may be modified only by subsequent mutual written agreement executed by CITY and KARE YOUTH.

SECTION 19: WAIVER

All waivers of the provisions of this Agreement must be in writing by the appropriate authorities of CITY and KARE YOUTH.

SECTION 20: BINDING ON SUCCESSORS

This Agreement shall apply to and be binding upon the heirs, successors, executors, administrators, and assigns of CITY and KARE YOUTH.

SECTION 21: CALIFORNIA LAW

The Agreement shall be construed in accordance with the laws of the State of California. Venue shall be in Los Angeles County.

SECTION 22: INTERPRETATION

This Agreement shall be interpreted as if prepared by both CITY and KARE YOUTH.

SECTION 23: PRESERVATION OF AGREEMENT

Should any paragraph, use, or provision of this Agreement be found invalid or unenforceable, such decision shall affect only the paragraph clause of provision construed and interpreted, and all remaining provisions shall remain valid and enforceable.

SECTION 24: NON-DISCRIMINATION

KARE YOUTH covenants that there shall be no discrimination against any person, group, or employee on account of race, color, creed, religion, sex, marital status, age, handicap, national origin, or ancestry, in any action or activity pursuant to this Agreement.

SECTION 25: FINGERPRINTING

KARE YOUTH is responsible for having all employees fingerprinted pursuant to AB 2986 (Education Code Section 10911.5) mandating that all public employers ensure that all employees having direct contact with minors be fingerprinted as condition of paid or non-paid employment. The fingerprints must be referred to the California Department of Justice. In accordance with AB 1663 (Public Resources Code Section 5164), no persons who have been convicted of a child molestation or other felony offense can be in a supervisory or disciplinary role over minors. The CITY will assist in scheduling the fingerprinting process with the Covina Police Department. KARE YOUTH shall pay all costs incurred for compliance with the fingerprinting requirement.

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

CITY OF COVINA

DATE: _____ BY: _____
Peggy Delach, Mayor

ATTEST:

_____
Rosalia Conde, CMC
Deputy City Clerk

KARE YOUTH LEAGUE

DATE: _____ BY: _____

APPROVED AS TO FORM:

_____
Edward Lee, City Attorney

CITY OF COVINA
AGENDA ITEM COMMENTARY

MEETING DATE: June 15, 2010 **ITEM NO.:** CC 10

STAFF SOURCE: Daryl Parrish, City Manager

ITEM TITLE: Resolution No. 10-6842 Supporting the California Jobs Initiative

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STAFF RECOMMENDATION
Adopt Resolution No. 10-6842, which will support the California Jobs Initiative, proposed to be considered by voters on the November 2010 ballot. Said Resolution will oppose AB 32, the "Global Warming Solutions Act of 2006."

FISCAL IMPACT
There is no anticipated fiscal impact to the City of Covina as an organization. However, passage of the California Jobs Initiative could potentially save over a million jobs statewide and prevent devastating expense increases to families and small businesses within Los Angeles County and the City of Covina.

BACKGROUND
On September 27, 2006, Governor Arnold Schwarzenegger signed into law AB 32, The Global Warming Solutions Act of 2006. This Act was intended to protect California from human caused global warming. Regardless of what causes global warming, AB 32 is ineffective and counterproductive, massively costly to businesses and families, and will increase California's deficit and/or cut services including those related to public health and environmental protection.

At the time the bill was approved by the Legislature and signed into law, California's unemployment rate was 4.8%. Since the bill's adoption, California's unemployment rate has jumped to above 12%. The latest figures for Los Angeles County indicate an unemployment rate of 12.3%. As these numbers and other economic indicators prove, California is not close to economic recovery.

Several economists indicate AB 32 will cost California up to 1.1 million jobs; cost the average family $3,857 per year in greatly increased housing, transportation, food and energy; cost an average of $49,691 per small business; devastate budgets of California's social services agencies through massive losses in tax revenue. The constraints caused by AB 32 would continue to slow the economic recovery of small business and families within California, Los Angeles County and the City of Covina.

One sector that will face immediate impact is the cement industry. The attachments to this report reflect some of the cutbacks a major cement producer made this past November in light of the economy. Should AB 32 proceed, the cement industry will have to adhere to stringent environmental regulations that will require the closure of cement plants in California or require

those plants to pass on the costs to the consumer. Therefore, it is conceivable that any new construction being considered, may have to be shelved due to the higher costs of purchasing cement.

The California Jobs Initiative, if approved, will temporarily suspend the implementation of AB 32 until California's unemployment rate is 5.5% or less for four consecutive calendar quarters. Given the state's economic troubles—and those of Los Angeles County—since 2006, implementation of the California Jobs Initiative makes prudent fiscal sense while still recognizing the importance of reducing gas emissions.

EXHIBITS

A. Resolution No. 10-6842.
B. Riverside Press Enterprise Article—November 21, 2009
C. Comments on Scoping Plan Developments Affecting the Cement Industry (Letter to California Air Resources Board)

REVIEW TEAM ONLY	
City Attorney:	**Finance Director:**
City Manager:	**Other:**

RESOLUTION NO. 10-6842

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA SUPPORTING THE CALIFORNIA JOBS INITIATIVE PROPOSED TO BE CONSIDERED BY VOTERS ON THE NOVEMBER 2010 BALLOT AND OPPOSING AB 32, THE "GLOBAL WARMING SOLUTIONS ACT OF 2006"

WHEREAS, in 2006 the California Governor and Legislature imposed additional regulations on businesses when they enacted AB 32, which requires a reduction of statewide greenhouse gas emissions back to 1990 levels by 2020; and

WHEREAS, at the time the bill was signed the unemployment rate in Los Angeles County was 4.7%, since the passage of AB 32, the country as experienced an economic depression not seen for generations, resulting in a 12.3% unemployment rate in Los Angeles County; and

WHEREAS, economists predict it will take years for the economy to recover, imposing additional requirements on California businesses only exacerbates problems and will inadvertently impact consumers through higher costs for utilities, gasoline, food, water and other day-to-day costs; and

WHEREAS, complying with AB 32 will adversely impact the economy and possibly force businesses to close their operations, reduce their workforce, or relocate; and

WHEREAS, the suspension of AB 32 would permit businesses that would otherwise have to make immediate investments to comply with new regulations the ability to expand operations, create jobs, thereby spurring economic development and improving our local economy; and

WHEREAS, on December 22, 2009, the California Jobs Initiative, a statewide ballot measure, was submitted to the California Attorney General for potential placement on California's November 2010 statewide ballot; and

WHEREAS, approval of this initiative would temporarily suspend the operation and implementation of AB 32 until the unemployment rate in California is 5.5% or less for four consecutive calendar quarters; and

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the City Council of the City of Covina, as follows:

SECTION 1. That the City Council of the City of Covina hereby authorizes the listing of the City of Covina in support of the California Jobs Initiative.

SECTION 2. The City Clerk shall certify to the adoption of this resolution.

PASSED, APPROVED AND ADOPTED this 15th day of June, 2010.

Peggy Delach, Mayor

ATTEST:

Rosalia A. Conde, CMC
Deputy City Clerk

APPROVED AS TO FORM:

Edward W. Lee, City Attorney

Landmark Plant Cuts Workforce

10:00 PM PST on Saturday, November 21, 2009

Cassie MacDuff

For nearly 12 decades, the presence of the California Portland Cement plant in Colton has been as dependable as the rock it was built on.

For 118 years, the company mined limestone and used 3,000-degree kilns to turn it into clinker bricks, then ground the clinker into cement powder.

Mayor Kelly Chastain said the plant and its workers were part of the fabric of Colton's civic life.

So the layoffs Friday of three-quarters of the plant's work force rocked the area like of one of the dynamite blasts used to dislodge rocks from Mount Slover.

"It was a tough day," said James A. Repman, president and CEO of the Glendora-based firm.

Like any business driven by the construction industry, Cal Portland has had cyclical layoffs, Repman said. But he never has had to lay off this many people in one location before.

Ninety-four workers at the Colton plant lost their jobs. The mining of limestone stopped. The kilns were shut down.

Only 37 workers remain. They will continue grinding existing clinker into powder. But Repman said he doesn't expect mining and clinker production to resume at the Colton plant for years.

The economic slowdown has brought construction nearly to a halt. Demand for cement has dropped from 25 million tons a year to 10 million tons, he said.

"Projects aren't getting built," he said, calling on state legislators to use federal stimulus money to put people back to work building highways, bridges and other infrastructure, as Gov. **Pat Brown** and President **Dwight D. Eisenhower** did in the 1950s.

"During those years, the state of California allocated nearly 20 percent of its budget (on) infrastructure for roads and water," he said in a statement. "Today we allocate less than 3 percent."

State Sen. Bob Dutton, R-Rancho Cucamonga, however, blamed environmental regulations for the job losses, particularly AB 32, which calls for measures to reduce the state's greenhouse gas emissions.

"We keep piling on more and more requirements that no other state is doing ... Then you wonder why companies are having to pull back and lay off," Dutton said.

Repman told a Senate committee earlier in the week that modernizing the Colton plant to meet the greenhouse-gas requirements of AB 32 would cost $250 million or more.

But even if AB 32 had been suspended, it wouldn't have prevented the layoffs, Repman told me by phone. The construction slowdown killed the jobs.

Regulations aren't the straw that broke the camel's back, he said. The economy is.

Repman said the state has been slow to spend stimulus money: It received $2.6 billion but had spent only $90 million as of Oct. 31.

That's a disgrace. Dutton told me he will look into it.

He and Repman both say regulations are driving companies out of the state. But I hope the environment isn't sacrificed to keep jobs. Both deserve to be saved.

Cassie MacDuff can be reached at 951-368-9470 or cmacduff@PE.com

EXHIBIT B

You have reached the cached page for http://www.arb.ca.gov/cc/scopingplan/comments/nationalandmitsubishicementandtxi1_18_08.pdf

Below is a snapshot of the Web page as it appeared on **6/3/2010** (the last time our crawler visited it). This is the version of the page that was used for ranking your search results. The page may have changed since we last cached it. To see what might have changed (without the highlights), go to the current page.

You searched for: **california portland cement ab32** We have highlighted matching words that appear in the page below.

Bing is not responsible for the content of this page.

TO:**All Members TO:**All Members

January 18, 2008

Mr. Tom Pyle, Chairman
Climate Action Team **Cement** Subgroup

Mr. James Goldstene
Executive Officer
California Air Resources Board
1001 I St.
P.O. Box 2815
Sacramento, **CA** 95812

Subject: Comments On Scoping Plan Developments Affecting the **Cement** Industry

Dear Mr. Pyle and Mr.Goldstene:

We are writing you on behalf of three manufacturers of **Portland cement** in **California**. Six companies operate 11 **cement** plants that produce more than 12 million tons of **cement** annually. **California** consumes and produces more **cement** than any other state in the country and annual in-state production supplies only sixty to seventy percent of the state's demand.

The purpose of this letter is to outline comments and concerns relating to the scoping plan process as it affects the **cement** industry, in response to the Climate Action Team (CAT) **cement** subgroup meeting on December 5, 2007 and the scoping plan workshops on November 30th and December 14th. This letter is addressed to both the **cement** subgroup committee members who work for CalEPA and **California** ARB, and also the other ARB staff and management responsible for the scoping plan, to whom the **cement** subgroup recommendations will be sent. We are diligently attempting to gather data in response to ARB requests and to work with ARB on defining technologically feasible and cost effective GHG reduction measures. Due to the absence or limited availability of some information related to certain issues to be addressed by the scoping plan process, we are unable to provide all information at this time relevant and necessary to the proper determination of the issues in order to implement the scoping plan. The following comments relate to the procedures for evaluating the measures and comparing with other sectors, as part of developing a scoping plan that includes only the most cost effective measures. Subsequent to the general comments provided herein, we plan to provide additional letters addressing blended cements, energy efficiency, fuel switching, and other topics, as specific data becomes available.

EXHIBIT C

The letter is divided into three parts:

- Part I discusses the concerns about meeting the principal evaluation criteria under **AB32**.
- Part II describes additional evaluation criteria from the **AB32** regulatory language that, although less important than the criteria under Part I, are critical to consider in regulatory development
- Part III presents auxiliary impacts from **AB32** on the **cement** industry, and explains how these impacts must also be considered in deciding on **cement**-specific control measures.

In each of the parts, we provide practical suggestions about how to make the upcoming scoping plan development process meet these important criteria.

Part I—Principal Evaluation Criteria for Scoping Plan Measures

A successful and legitimate process for developing the list of scoping measures must satisfy the following three **AB32** requirements:

- First, **AB32** requires ARB to select measures that achieve maximum technological feasibility and cost effectiveness. Health & Safety Code §§ 38560, 38561.

- Second, **AB32** requires ARB to adopt measures in a "manner that is equitable, seeks to minimize costs and maximize the total benefits to **California**." Health & Safety Code § 38562(b).

- Third, **AB32** requires ARB to conduct its evaluation of measures by using the "best available economic models, emission estimation techniques, and other scientific methods." Health & Safety Code §§ 38561(d), 38562(e).

Meeting the above requirements for the **cement** industry measures will require ARB (and the **cement** industry) to work diligently together to collect available data, carefully analyze the data and draw conclusions that are technically defensible and legally sound.

After participating in the December 5, 2007, meeting, we have the following concerns about the process and procedures for evaluating potential measures for inclusion in the scoping plan:

- Best available technology: At the December 5, 2007, meeting, ARB suggested that **cement** plants in **California** would be compared with an energy intensity equivalent to the best performing plant in the world, i.e. best available technology (BAT). If ARB pursues this strategy, we would remind ARB that it must provide scientific and technical evidence that BAT and "maximum technological feasibility and cost effectiveness" are identical. Otherwise, because **AB32** does not mention BAT, it would have no place in the scoping plan scheme. For example, comparison of energy efficiency and GHG reduction based upon either individual plants in **California** or around the world must

directly consider specific product output as different products require significantly different amounts of energy to manufacture. Simply put, a general comparison is flawed and only an "apples-to-apples" analysis will determine the actual and achievable energy intensity and thus GHG reductions that might be achieved. Furthermore, depending on the current performance of the plants, application of best available technology may not be cost effective, because the corresponding reduction in emissions is too small to warrant the high capital cost for equipment replacement. Moreover, as suggested above, ARB should also define how BAT will be evaluated in terms of demonstrated long-term performance and applicability to **California cement** kilns with different raw materials and subject to different **cement** product specifications than elsewhere in the world. We will be providing further information on cost effectiveness in later letters, but wanted to

be providing further information on cost effectiveness in later letters, but wanted to outline our general concerns about applying the BAT principle in this letter.

- Cost effectiveness evaluation procedures: To make effective comparisons between sectors, ARB should develop a specific cost effectiveness calculation methodology, and, after it has undergone rigorous review and public participation, apply it consistently to all sectors. The possibility that all of the measures in one sector are less cost effective than the measures in another sector must be envisioned and planned for. In addition, the parameters used in the cost effectiveness calculations need to be consistent with the parameters used in the subsequent economic analysis that will be performed to validate the rulemaking (e.g., interest rate, inflation rate, energy costs, other financial parameters). In order to satisfy **AB32**'s equity requirement, measures applied to different sectors need to be compared on a level playing field to ensure that the most cost effective measures **overall** are ultimately selected, to avoid unnecessary burdens on the **California** economy.

- Data quality standards: It is essential that data quality standards be applied and used in evaluating **cement** kiln performance elsewhere in the world, particularly in countries that do not have rigorous environmental regulations and also are not subject to the business ethics standards found in the United States (where falsification of data is likely to have serious consequences). As suggested above, the analysis must be tied to a comparison of similar products as all **cement** is not the same (and in fact is different in **California** depending upon the use of the product, and may be significantly different than production in other countries where substantially inferior products are produced at much lower energy levels - which products could not be produced in **California**). Given that ARB has just passed stringent mandatory reporting regulations that essentially establish data quality standards for **California**'s regulated community (derived from international standards), ARB appears to be more conscious than anyone of the need for reliable GHG data.

- Completeness of evaluation of achievable GHG emission reductions: When evaluating GHG emission reductions associated with a given measure, it is important to consider potential offsetting GHG emission increases, including transportation emissions, especially transportation emissions that are not warranted. For example, when evaluating the use of supplementary cementitious materials (SCMs) in **California**, consideration must be given to whether the SCMs could instead be used where they are produced, as opposed to incurring transportation emissions for bringing SCMs to **California** that would otherwise be used locally (and in fact may ultimately not be available as those markets implement global warming controls by the similar proposal of incorporation of SCMs into their regional **cement** products).

In addition to providing the above general comments, we wanted to explain our efforts corresponding to each of the above suggestions made to ARB:

- Best available technology: The **cement** industry is currently collecting information on best practices in the United States, Europe, and elsewhere (see third bullet below regarding Chinese **cement**). We are also evaluating achievable reductions and overall costs for specific equipment changes at **California** plants. These tasks are technically demanding, and time-consuming, and require a high level of commitment from all parties. We plan to provide this information as it becomes available in order that ARB obtains the necessary data in order to make accurate and defensible determinations about technically feasible and cost effective.

- Cost effectiveness evaluation procedures: While waiting for guidance from ARB, the

cement industry plans to adapt standards for cost effectiveness calculations as published by the South Coast Air Quality Management District (SCAQMD) in their BACT documents and to use these on a trial basis in evaluating cost effectiveness of potential GHG reduction measures. These BACT-related references can also potentially be applied in assessing technological feasibility standards under **AB32**.

- Data quality standards: Due to the concerns raised about the WBCSD report on the **cement** industry, we are collecting published data on the Chinese **cement** industry, as well as reviewing the format for data collection for the WBCSD report. For example, as generally set forth above, the nature of Chinese products needs to be addressed by product type in terms of product blends and manufacturing controls to ensure that an accurate and comparable comparison of GHG reduction is performed. To the extent that this information is available, we will provide it to ARB. However, please be aware that we have no control (nor does ARB) over the Chinese **cement** manufacturing industry, in terms of data availability, accuracy, or completeness. We have contacted Lawrence Berkeley National Laboratory (LBNL) concerning a report that they are assembling on Chinese **cement**, and been told that their report is not available for public release yet.

- Completeness of evaluation of achievable GHG emission reductions: The **cement** industry is currently evaluating available sources of SCMs and is including in their evaluation a determination of whether local use of these SCMs is possible, in lieu of transport to **California**, which results in a GHG emission increase.

Therefore, we are working diligently to meet ARB data requests and to prepare for the deadlines specified relating to the scoping plan.

Part II—Additional Evaluation Criteria for Scoping Plan Measures

In addition to the above issues, we believe that changes in the current approach are needed to adequately address the following additional criteria that apply to scoping plan measures:

- Recommendations shall be made by ARB on "direct emission reduction measures, alternative compliance mechanisms, market-based compliance mechanisms, and potential monetary and non-monetary incentives for sources..." Health & Safety Code § 38561(b). This implies that options other than command-and-control must be considered, **in parallel and on the same timeframe** as command-and-control. If ARB intends to have viable options other than command-and-control, ARB must devote equivalent resources to those options, including those needed for the public participation process, to make these options available as a way of mitigating the high costs of command & control. Given the complexity of market-based mechanisms, the effort required is significant, and the fact that ARB has made no recent public announcement concerning progress in these areas suggests that, at best, there will be a delay compared to other efforts, and, at worst, this option is no longer under consideration.

- ARB must "ensure that activities undertaken pursuant to the regulations complement, and do not interfere with, efforts to achieve and maintain federal and state ambient air quality standards and to reduce toxic air contaminant emissions." Health & Safety Code § 38562(b)(4). Currently, the federal government has ongoing efforts to reduce mercury emissions from **cement** plants and other sources. The federal efforts include studies of mercury emissions, detailed control equipment performance analyses, and other efforts aimed at understanding the mercury problem and selecting a technically sound solution. Consistency between these programs needs to be considered and how any changes under the guise of **AB32** would potentially impact these federal efforts.

- ARB's policies are required to minimize leakage. Health & Safety Code § 38562(b)(8). Command-and-control measures that involve large burdens on domestic industry that are

Command-and-control measures that involve large burdens on domestic industry that are not shared by out-of-state industry lead to leakage. Therefore, ARB needs to actively pursue strategies to prevent leakage for the **cement** industry.

The following describes the **cement** industry efforts in each of the above areas:

- Relating to alternative compliance mechanisms and market-based mechanisms, the **cement** industry has been actively working on alternative fuels and has previously provided extensive comments to the Market Advisory Committee (MAC) regarding the proposed format for a GHG market in **California**.

- Relating to mercury emissions, the **Portland Cement** Association is currently conducting a detailed study of mercury emissions and working closely with EPA on mercury regulation development. Part of the study is evaluating the relative significance of fuel and raw material contributions to mercury emissions. In the scenario that the raw material contribution is relatively significant, fuel switching will have less than expected effects on mercury emissions.

- Relating to leakage, the **cement** industry is investigating compliance options that will level the playing field between domestic and out-of-state industry.

We look forward to coordinating our efforts in these areas with those of ARB and providing the additional data in order that ARB makes appropriate technological and cost effective determinations.

Part III—Auxiliary Impacts of AB32 on the Cement Industry
In developing **AB32** regulations for the **cement** industry, we request that ARB be mindful of the economic circumstances impacting the **cement** industry, and extend the same protections to the **cement** industry as are being offered to the utility sector. For example, in the utility sector, extensive consideration has been given to the problem of imports. Yet, as much as 40% of the **cement** sold in **California** comes from outside the State. Therefore, any legitimate, **AB32**-compliant consideration of the **cement** sector needs to address the issue of imports to the same degree that it is addressed in the utility sector. In addition, ARB is actively considering market-based mechanisms for the utility sector, because of potential benefits in higher program effectiveness and lower program costs. The **cement** sector would also like to have the option of using market-based mechanisms. Finally, economic modeling is being performed to evaluate alternative utility sector programs. Similarly, detailed economic modeling is necessary to evaluate the impact of **AB32** on the **cement** industry, particularly since, unlike the utility industry, the **cement** industry cannot pass through costs. It does not make sense to apply these regulatory principles to the utility sector, and not apply them to the **cement** sector, given that the **cement** sector suffers from similar problems.

In addition to our request that the **cement** sector be given the same consideration as the utility sector, we ask ARB to consider the following unique features of the **cement** industry affecting **AB32** compliance:

- The **cement** industry is a large consumer of electricity. Given the projected increases in electricity rates associated with **AB32** and other GHG requirements, the **cement** industry faces significant operating cost increases, even without the requirement to take any additional **cement**-specific **AB32** compliance measures. If the cost of electricity increases 50% as some experts predict, the variable cost of **cement** (the portion of cost that is not tied to capital investment) will increase 20 to 40%. **Hence, it is likely that the cement industry will actually be paying for a significant percentage of the changes already being made in the utility sector,** in addition to funding any changes applied by ARB to the **cement** sector itself.

- Another issue for the **cement** industry is that one potential technology to improve **cement** industry efficiency is to install a cogeneration system to recover waste heat from the **cement** process and generate electricity. However, current PUC policies create disincentives for cogeneration, and planned changes under SB1368 may prevent new cogeneration systems from coming on-line, even though the use of cogeneration achieves a significant net GHG reduction, as recognized in national and international standards. This is an example of a policy of another state agency (the PUC) that is not technically sound and will actually increase GHG emissions, in contravention of **AB32**. At a minimum, ARB should issue a statement to the PUC about the technical issues for bottoming-cycle cogeneration, where ARB has recently published a technical approach under the mandatory reporting regulations.

- Another potential technology for reducing GHG in the **cement** industry is the use of alternative fuels. Using biofuels and waste fuels can provide a net GHG benefit, because the waste fuels displace fossil fuels, and provide energy while being converted to CO_2 which the fuels would eventually have been converted to anyway in the waste treatment process (with no energy benefit). However, there are significant barriers to alternative fuel use in the **cement** industry, and most of these barriers are due to incorrect public perceptions and misinformation, rather than legitimate scientific concerns. ARB can play a significant role in educating the public and environmental groups about these issues.

For each of the above problems, we believe that ARB can play a key role in **helping** the **cement** industry realize further GHG reductions. As with all environmental programs, achieving GHG reduction will involve certain tradeoffs with other policy goals. Therefore, in addition to playing the role of enforcer, ARB should be taking a strong stance within State government to steer other agencies towards enlightened GHG-friendly policy. ARB should expend equal efforts on helping industry meet GHG goals as on developing performance mandates. We again note that

we are diligently gathering data in response to ARB requests and working with ARB on defining technologically feasible and cost effective GHG reduction measures as quickly as possible.

We appreciate your consideration of our perspectives on these matters. We remain committed to working constructively with the **California** Air Resources Board and the **California** Environmental Protection Agency on AB 32 implementation, and to that end, would be delighted to address any questions you may have on the views conveyed herein.

If you have any questions about these comments, please contact Anne McQueen with Geomatrix Consultants, Inc., at 949-574-7082. Thank you for your consideration.

Sincerely yours,

Michael W. Jasberg, Executive Vice President
Mitsubishi **Cement** Corporation
151 Cassia Way
Henderson, Nevada 89014-6616

Don Unmacht, President
National **Cement** Company of **California**,
15821 Ventura Boulevard, Suite 475
Encino, **California** 91436

D. Randall Jones, Vice President
Communications and Governmental Affairs
TXI
1341 West Mockingbird Lane,
Dallas, Texas 75247-6913

CITY OF COVINA
AGENDA ITEM COMMENTARY

MEETING DATE: June 15, 2010 **ITEM NO.: CC 11**

STAFF SOURCE: Kim J. Raney, Chief of Police

ITEM TITLE: Resolution of the City Council of the City of Covina, County of Los Angeles, State of California, to accept grant funding from the Department of Alcoholic Beverage Control and to increase the Police Department 2010-2011 budget.

STAFF RECOMMENDATION:
Adopt **Resolution No. 10-6849** to accept grant funding from the Department of Alcoholic Beverage Control for the City of Covina Police Department ABC Enforcement Program; and adopt **Resolution No. 10-6855** which authorizes an increase to the Police Department 2010-2011 budget in the amount of $28,550. Authorize the Chief of Police to execute the agreement on behalf of the City of Covina.

GENERAL FUND IMPACT:
There is no additional appropriation needed from the general fund; however, the adoption of both these resolutions will increase the Police Department's appropriation account 2270-1130-00-50030 and the revenue account 2270-1130-00-42190 by $28,550. Funding for training conference is included in the grant funding.

BACKGROUND:
In January of 2010, the Department of Alcoholic Beverage Control notified all Sheriffs and Police Chiefs of California of the availability of grant funding for fiscal year 2010/2011 and invited all interested agencies to submit a proposal.

The Covina Police Department submitted a proposal that targeted ABC Enforcement Training for officers. The officers would then become liaisons between the Department of ABC and the business community involved in dispensing alcoholic beverages.

On May 19, 2010, a letter was received from the Department of Alcoholic Beverage Control stating that our proposal was selected for funding in the amount of $28,550. The grant requires the City of Covina to sign an agreement that outlines the use of the funds and a resolution from our agency in support of these funds for the ABC Enforcement Training Project.

EXHIBITS:
A. Copy of confirmation letter dated May 19, 2010
B. Resolution to accept grant funding for ABC Enforcement Program
C. Resolution authorizing an increase to the Police Department 2010-2011 budget
D. Department of Alcoholic Beverage Control Agreement

REVIEW TEAM ONLY

City Attorney: _____ **Finance Director:** _____

City Manager: _____ **Other:** _____

EXHIBIT A

STATE OF CALIFORNIA — BUSINESS, TRANSPORTATION AND HOUSING AGENCY

ARNOLD SCHWARZENEGGER, *Governor*

CALIFORNIA ALCOHOLIC BEVERAGE CONTROL
3927 Lennane Drive, Suite 100
Sacramento, CA 95834
(916) 419-2572 FAX (916) 419-2599

May 19, 2010

Chief Kim Raney
Covina Police Department
444 N. Citrus Avenue
Covina, CA 91723

Dear Chief Raney:

Congratulations! Your agency has been selected by the Department of Alcoholic Beverage Control to receive funding for your 2010/2011 grant proposal in the amount of $28,550.00. We look forward to working with your department to meet the goals and objectives in your proposal.

A grant contract will be forthcoming within the next couple of weeks which requires a resolution from your agency's governing body. A sample resolution was included in the Request for Proposal packet. Due to the fact that these **resolutions have to be put on your governing body's calendar, we ask that you do this as soon as possible.**

We are planning a two and a half-day training conference July 19, 20 and 21, 2010, at the Embassy Suites Hotel in Sacramento. We can accommodate two attendees from each agency and it is recommended that your Project Director and the officer assigned to the grant program attend. This conference will offer valuable training in alcohol enforcement and will also be an excellent opportunity for the officers and deputies from your agency to meet and share information with others. Attendees are encouraged to utilize a pre-registration session on Sunday, July 18, from 4:00 p.m. to 5:00 p.m. in order to expedite the registration on Monday, July 19.

A block of rooms at a special conference rate of $119.00, plus tax, has been reserved for all grant agency participants. **PLEASE NOTE THAT ATTENDEES MUST MAKE RESERVATIONS BY THE HOTEL'S DEADLINE OF JUNE 28, 2010**, to guarantee the special room rate. There will be a $200.00 registration fee per person for the training that may be sent with the registration form or paid at time of registration and is reimbursable through the grant. Space at the hotel is limited and late registrants may be referred to nearby hotels.

Participants must contact the Embassy Suites Hotel **direct** to make reservations. Below are three options:

1. Go to www.sacramento.embassysuites.com and use the Group/Convention Code: **ABC**, or
2. Call 1-800-Embassy or 916-326-5000 and ask for the **ABC** discount rate, or
3. Go to http://embassysuites.hilton.com/en/es/groups/personalized/SACESES-ABC-20100718/index.jhtml . This link is specific to the Alcoholic Beverage Control GAP Conference.

Due to the short time frame for registering at the hotel, your prompt attention is appreciated. All reservations must be made by June 28, 2010. We have also enclosed a conference registration form which should be submitted no later than July 2, 2010.

If you have any questions, please call Grant Coordinator Suzanne Pascual at (916) 419-2572.

Sincerely,

Steve Hardy

Steve Hardy
Director

Enclosure

Cc: Sergeant Gregg Peterson

EXHIBIT B

RESOLUTION NO. 10-6849

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COVINA, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, TO ACCEPT GRANT FUNDING FROM THE DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL

WHEREAS, City of Covina ("City") desires to undertake a certain project designated as ABC Enforcement Program to be funded from funds made available through the Grant Assistance Program (GAP) administered by the Department of Alcoholic Beverage Control (hereafter referred to as ABC);

NOW, THEREFORE BE IT RESOLVED that the City Manager of the City of Covina is authorized to execute on behalf of the City Council of the City of Covina the ABC contract, including any extensions or amendments thereof and any subsequent contract with the State in relation thereto.

IT IS AGREED that any liability arising out of the performance of this contract, including civil court actions for damages, shall be the responsibility of the grant recipient and the authorizing agency. The State of California and ABC disclaim responsibility for any such liability.

BE IT FURTHER RESOLVED that grant funds received hereunder shall not be used to supplant expenditures controlled by this body.

IT IS ALSO AGREED that this award is not subject to local hiring freezes.

PASSED, APPROVED AND ADOPTED on this ____ day of _____, 2010.

CITY OF COVINA

_____
Peggy Delach, Mayor

ATTEST:

_____
Toni Taber, City Clerk

APPROVED AS TO FORM:

_____
Edward W. Lee, City Attorney

EXHIBIT C

RESOLUTION NO. 10-6855

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, AMENDING THE FISCAL YEAR 2010-2011 POLICE DEPARTMENT BUDGET TO INCLUDE FUNDING FOR A GRANT FUNDED ALCOHOLIC BEVERAGE CONTROL ENFORCEMENT PROGRAM

WHEREAS, the City of Covina is a municipal corporation duly organized and existing pursuant to the Constitution and laws of the State of California ("City"); and July 1, 2010 and ending June 30, 2011 is scheduled to be approved on June 15, 2010; and

WHEREAS, the approved budget is in accordance with all applicable ordinances of the City and all applicable statutes of the State; and

WHEREAS, the reallocation of the appropriations between departmental activities may be made by the City Manager, amendments (increases/decreases) to the Budget shall be by approval and Resolution of the City Council;

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the City Council of the City of Covina, as follows:

SECTION 1. Amend the fiscal year 2010-2011 Police Department Budget as follows:

Appropriation account 2270 1130 00 50030 $28,550 and

Revenue account 2270 1130 00 $28,550

SECTION 2. The City Clerk shall certify to the adoption of this resolution.

PASSED, APPROVED AND ADOPTED this 15th day of June, 2010.

_____
Peggy Delach, Mayor

ATTEST:

_____
Toni Taber, City Clerk

APPROVED AS TO FORM:

_____
Edward W. Lee, City Attorney

EXHIBIT D

STATE OF CALIFORNIA
STANDARD AGREEMENT
STD 213 (Rev 06/03)

AGREEMENT NUMBER
10G-LA07
REGISTRATION NUMBER

1. This Agreement is entered into between the State Agency and the Contractor named below:

   STATE AGENCY'S NAME
   DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL

   CONTRACTOR'S NAME
   City of Covina through the Covina Police Department

2. The term of this Agreement is: July 1, 2010 through June 30, 2011

3. The maximum amount of this Agreement is: $ 28,550.00

4. The parties agree to comply with the terms and conditions of the following exhibits which are by this reference made a part of the Agreement.

Exhibit A – Scope of Work	5 page(s)
Exhibit B – Budget Detail and Payment Provisions	3 page(s)
Exhibit C* – General Terms and Conditions	GTC 307
Check mark one item below as Exhibit D:	
☒ Exhibit - D Special Terms and Conditions (Attached hereto as part of this agreement)	1 page(s)
☐ Exhibit - D* Special Terms and Conditions	page(s)
Exhibit E – Additional Provisions	

Items shown with an Asterisk (*), are hereby incorporated by reference and made part of this agreement as if attached hereto. These documents can be viewed at www.ols.dgs.ca.gov/Standard+Language

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

CONTRACTOR		California Department of General Services Use Only
CONTRACTOR'S NAME *(if other than an individual, state whether a corporation, partnership, etc.)* City of Covina through the Covina Police Department		
BY *(Authorized Signature)*	DATE SIGNED *(Do not type)*	
PRINTED NAME AND TITLE OF PERSON SIGNING Kim Raney, Chief		
ADDRESS 444 N. Citrus Avenue Covina, CA 91723		
STATE OF CALIFORNIA		
AGENCY NAME Department of Alcoholic Beverage Control		
BY *(Authorized Signature)*	DATE SIGNED *(Do not type)*	☒ Exempt per: GC 14616
PRINTED NAME AND TITLE OF PERSON SIGNING Ed Jimenez, Assistant Director, Administration		
ADDRESS 3927 Lennane Drive, Suite 100, Sacramento, CA 95834		

CITY OF COVINA
AGENDA ITEM COMMENTARY

MEETING DATE: June 15, 2010 **ITEM NO.: CC 12**

STAFF SOURCE: Steve Henley, Director of Public Works
Vivian Castro, Environmental Services Manager

ITEM TITLE: Adoption of Resolution Authorizing Participation in the Los Angeles County Energy Program

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STAFF RECOMMENDATION

Adopt **Resolution 10-6851** of the City Council of the City of Covina, State of California, consenting to inclusion of properties within the incorporated area of the City in the Los Angeles County Energy Program to finance distributed generation renewable energy sources and energy and water efficiency improvements, approving the report setting forth the parameters of the referenced program and certain matters in connection therewith.

FISCAL IMPACT

There is no General Fund impact. Staff time would be funded from $62,000 of Energy Efficiency and Conservation Block Grant (EECBG) funds approved by the Federal government for implementation of the program over the next two years. These funds are budgeted in 2540-5530-42090.

BACKGROUND

Assembly Bill 811 (AB 811) was approved by the State Legislature and signed by the Governor on July 21, 2008. AB 811 and its amendments authorize local governments to provide financing to qualified property owners for the installation of energy and water efficiency improvements and distributed generation renewable energy sources that are permanently fixed to their respective properties. Participating property owners repay the cost of the improvements through an assessment levied against their property that is payable in semi-annual installments on property tax bills and a lien is filed against the property as security. The assessment remains with the property should the owner transfer or sell it.

On May 25, 2010 the County of Los Angeles approved an AB 811 voluntary contractual assessment program, LACEP, to finance the installation of such improvements within the unincorporated areas of the County. These voluntary contractual assessments may also be entered into by property owners in incorporated cities subsequent to the adoption of a resolution of participation in LACEP by the legislative body of the incorporated city.

Benefits of LACEP

LACEP Financing under AB 811 mitigates two key barriers that may prevent property owners from implementing a greater number of energy efficiency, water efficiency, and renewable energy projects: 1) it eliminates the need for property owners to pay out of pocket up-front costs for improvements; and 2) it establishes a loan obligation that is attached to the property and not

to the individual borrower. LACEP is intended to facilitate a significant industry shift in the region toward a greater energy efficiency and renewable energy resource economy. The availability of AB 811 financing can be a catalyst in spurring the local economy by creating "green" home energy retrofit jobs and stimulating development of local manufacturing, distribution, research, and development activities. Energy retrofit improvements to existing properties in the County will allow property owners to reduce energy and water use, as well as, greenhouse gas emissions. At the same time, participants will reduce their ongoing costs for electricity, natural gas, and water and improve the comfort and safety of their home. Additional benefits to participants and to the City are detailed below.

Benefits to property owners include:

- Up-front funding for improvements will be provided by the County, allowing many property owners who currently can't afford to make such investments the opportunity to upgrade their property.
- Only property owners who choose to participate in the program will have assessments attached to their property.
- Provides an attractive private lending alternative for many property owners to finance energy efficiency/water efficiency/renewable energy improvements.
- Even if private lending alternatives exist, most private loans are due upon sale of the property, which may make it difficult for property owners to match the life of the repayment obligation with the useful life of the financed improvements. Under LACEP, the assessment obligation will transfer to the new property owner upon sale.
- By virtue of countywide aggregation provided by LACEP, both residential and commercial properties will benefit from lower borrowing costs in the municipal bond market.
- Reduced utility bills.
- Improved building comfort.
- Enhanced indoor air quality.
- Increased home value.
- Potential rebates & incentives available to homeowners
    - PACE financing (the Property Assessed Clean Energy financing program that is being created by LA County)
    - Utility (Water, Electricity, Gas) rebatess
    - State Rebates
    - Federal Rebates
    - Tax Credits

Types of Projects in Program:

- Proposed basic retrofit package to be required for all projects. Would consist of
    - Air sealing
    - Attic insulation
    - Duct test and seal or replacement
    - Insulation of domestic hot water or replacement
    - Combustion safety (requires BPI Building Analyst)
    - Carbon monoxide alarm
- Energy Efficiency Improvements

    - Duct sealing & weather stripping
    - Attic, duct, floor, roof & wall insulation
    - Fans (bathroom, ceiling, whole house)
    - Energy efficient pool pumps
    - HVAC systems
    - Programmable thermostats
    - Light fixtures
    - Windows, doors & skylights
    - Window film
- Water Efficiency Improvements
    - Hot water heater
    - On-demand water recirculation control pump
    - Low flow products (toilets, showerheads, aerators)
    - Smart irrigation/ Water efficient landscaping
    - Rainwater harvesting system
- Distributed Generation Renewable Energy Improvements
    - Solar hot water heating systems
    - Solar thermal insulation
    - Photovoltaic systems
    - Wind energy systems
    - Fuel cell power systems

Benefits to the City of Covina include:

- Projects will stimulate jobs and reap local economic benefits.
- Training of local workforce for "green sector" jobs.
- Economic activity and City business license, sales tax, and building permit revenues increases.
- Retrofits contribute to reaching AB 32 goals and other Energy/ Climate Action goals.
- As in conventional assessment financing, the City is not obligated to repay the bonds issued by the County of Los Angeles or to pay the assessments levied on the participating properties.
- The County of Los Angeles handles all assessment administration, bond issuance, and bond administration functions. As a participant, the City can provide property owners with access to financing of energy efficiency, water efficiency, and renewable energy improvements through LACEP – thereby helping to meet its local environmental economic development goals – with minimal staff time to implement and administer the program.
- The city's participation in LACEP is free and internal costs for program implementation will be funded out of $62,000 of EECBG funds allocated for this purpose. Expected activities to be paid out of these funds include Public Works staff time for program outreach and education, staff training, plan processing, installation inspections, etc.

City Participation

As a participating city, Covina would provide the following in-kind contributions of staff and resources to market and implement the LACEP:

- Establish a liaison to LACEP marketing committee.

- Customize LACEP umbrella brand in City marketing materials and implement a focused outreach campaign for Covina.
- Coordinate with LACEP in marketing and outreach to City residents (community events, collateral materials, etc.).
- Utilize existing City media outlets (i.e. website, newsletters, city TV, etc.).
- Create an Environmental Service Center or other central location for LACEP information.
- Promote LACEP by bundling LACEP information into existing marketing campaigns with other City programs, for example, bill inserts, "Shop Covina", and other campaigns.
- Allocate internal staff resources to process plan submittals, conduct inspections, and provide approvals for LACEP energy projects.

In order to offset the potentially significant staff resources that will be required to ensure the programs' success, staff time would be reimbursed from $62,000 of EECBG funds approved by the Federal government for the City's implementation of the LACEP program over the next two years.

Program Implementation

The first phase of LACEP will fund improvements to residential properties. It is anticipated that loans to eligible residential applicants will begin disbursement after September 1, 2010. A subsequent phase of LACEP will fund improvements to non-residential (commercial) properties following full implementation of residential financing. County staff and consultants are currently working with commercial building and financial industry stakeholders to design the non-residential program. Future implementation of the non-residential phase of LACEP will not require any additional approvals from the City. At that time, all non-residential property owners within participating cities will be eligible to apply for voluntary contractual assessment financing from LACEP.

Property owners will have access to LACEP information through a variety of sources, including access to a comprehensive website that includes an online loan application process. Basic marketing and outreach material templates will be provided by the County at no charge for use by the City in its own promotion of the program within the community.

The contractual assessment proceedings will be undertaken by the County of Los Angeles pursuant to Chapter 29 of Division 7 of the Streets & Highways Code, which was amended in 2008 by Assembly Bill 811 and further amended in 2009 by Assembly Bill 474, to allow the financing of renewable energy, energy efficiency, and water efficiency improvements on private property. Pursuant to Chapter 29, assessments may be levied to finance energy efficiency, water efficiency, and renewable energy improvements only with the free and willing consent of the owner of each lot or parcel on which an assessment is levied and once property owners evidence their consent to the assessments by executing a contract with the County of Los Angeles.

The attached resolution authorizes the County of Los Angeles to accept applications from owners of property within the City of Covina for financing of energy efficiency, water efficiency, and renewable energy improvements through LACEP. It also authorizes the County to conduct assessment proceedings and levy assessments against the property of participating owners within City boundaries. Finally, it authorizes miscellaneous related actions and makes certain findings and determinations required by law. The County of Los Angeles will undertake a judicial

validation proceeding as part of its initiation of LACEP. The City can withdraw from LACEP at any time by passing a resolution rescinding the authorization.

EXHIBITS

A. Los Angeles County Energy Program Report.
B. Resolution 10-6851.
C. LACEP Quick Facts.

REVIEW TEAM ONLY

City Attorney: _____ **Finance Director:** _____

City Manager: _____ **Other:** _____

Los Angeles County Energy Program
(LACEP)

PROGRAM REPORT

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I. INTRODUCTION

The Los Angeles County Energy Program ("LACEP" or "Program") is intended to help property owners make capital investments in distributed generation renewable energy sources and energy efficiency and water efficiency improvements (collectively known as "Improvements") that will provide long-term benefits and reduced energy bills. The Program will provide a financing mechanism for the Improvements through an assessment contract (the "Assessment Contract") between the County of Los Angeles (the "County") and the property owner, pursuant to which the County will disburse a specified amount to the property owner. The property owner will pay contractual assessments levied against the property through annual installments on the property tax bill. If the owner sells the subject property prior to full repayment of the assessment, the repayment obligation remains a lien on the subject property. The County intends to finance the Program in part by issuing (or causing to be issued) bonds payable from contractual assessment revenues. Participation in the Program is completely voluntary and property taxes for non-participating property owners are unaffected by the Program.

This Program Report ("Report") is prepared pursuant to Section 5898.22 of Chapter 29 of the California Streets and Highways Code ("Chapter 29") in connection the establishment of LACEP. It includes the following:

1) A map showing the boundaries of the Program - the territory within which contractual assessments are proposed to be offered. See Appendix A attached hereto.
2) A draft Assessment Contract specifying the terms and conditions that would be applicable to the property owner and the County. See Appendix C attached hereto.
3) A statement of County policies concerning voluntary contractual assessments, including all of the following:
    - Identification of the types of facilities, distributed generation renewable energy sources, or energy or water efficiency improvements that may be financed through the use of contractual assessments.
    - Identification of one or more County officials authorized to enter into voluntary contractual assessments on behalf of the County.
    - A maximum aggregate dollar amount of voluntary contractual assessments.
4) A method for establishing priority order among the requests from property owners for financing through LACEP.
5) A financing plan for raising capital.
6) A report on the results of consultations with the County Auditor-Controller concerning the additional fees, if any, that will be charged for incorporating the proposed voluntary contractual assessments into the general taxes of the County on real property, and a plan for financing the payment of those fees.

Background

Widespread implementation of distributed generation renewable energy sources and energy efficiency and water efficiency measures in existing buildings within the County will help the State of California ("State") reach the greenhouse gas reduction goals set forth under State Assembly Bill 32 ("AB 32") and help the County and surrounding cities achieve their own targeted reductions. Participating property owners can help to achieve greenhouse gas reductions, reduce water and energy use, and save money by investing in these measures.

Chapter 29 authorizes various public agencies, including counties and cities, to designate areas within which free and willing property owners can enter into contractual assessments to finance the installation of Improvements that are permanently fixed to residential, commercial, industrial, agriculture or other real property. LACEP is the voluntary contractual assessment program developed by the County pursuant to

Chapter 29. Any assessments and liens under LACEP are levied only with the consent of free and willing owners of the property on which Improvements are to be made. The Program will provide financing for qualifying property owners within the County to install Improvements pursuant to the terms and conditions of the Assessment Contracts. Property owners will pay contractual assessments levied against their property in installments on their property tax bills. Each contractual assessment is tied directly to the applicable property and any unpaid amount at sale or other disposition of the property will remain on the property and become the responsibility of the subsequent owner.

Program Benefits

LACEP is intended to provide multiple benefits, including the potential for reduced utility bills for participating property owners. LACEP also offers a means of financing Improvements with a lower equity contribution than may be required in a conventional financing and establishes a loan obligation that is attached to the property and not to the individual borrower. The financing is intended to be competitive with conventional fixed-rate loans and provide for a streamlined financing and repayment process. All available State, utility or other energy efficiency, water efficiency or renewable energy rebates, incentives and all State and federal tax credits remain available to the property owner in connection with the Improvements (subject to applicable rules, restrictions, regulations and the current status of programs administered by other such entities), unless otherwise specified.

Incorporated cities may participate in LACEP without incurring the costs of forming separate programs because LACEP's geographical boundary is coterminous with the County's boundaries and includes, subject to such cities' approval of participation in LACEP, all 88 incorporated cities. Having a single program available to all residents of the County is anticipated to increase participation by eliminating confusion for residents in finding the appropriate program. Cities may join LACEP by adopting a resolution allowing property owners in their respective jurisdictions to apply for financing and implement Improvements under LACEP.

The Program seeks to mitigate long-term regional greenhouse gas production through the reduction of energy usage from traditional utility sources and help the County and participating cities satisfy the State's greenhouse gas reduction goals under AB 32. When it was signed into law in 2006, AB 32 established statewide goals for the reduction of greenhouse gas emissions and may yet require counties and cities to adopt regional greenhouse gas emission limits similar to the statewide target of achieving 1990 levels of greenhouse gas emissions by 2020. To the extent permitted by law, the County will hold and retain any carbon credits, offsets, carbon cap allocations, or other benefits attributable to the Improvements financed by LACEP. It is the intention of the County to apply any benefits resulting from such carbon credits to the furtherance of LACEP.

LACEP has the potential to provide a significant industry shift in the region towards an energy efficiency, water efficiency and renewable energy economy. LACEP aims to be a catalyst in spurring a new "green" economy in the County by supporting energy project inspection and installation jobs, job training and workforce development, local manufacturing and distribution, research and development, and marketing and outreach.

For the first few years of the Program, American Recovery and Reinvestment Act ("ARRA") grants will be used to partially fund LACEP. By the end of the ARRA funding term in 2012, LACEP seeks to achieve the following goals:

1. Retrofit 15,000 single-family homes with a 20% average energy reduction.
2. Create 1,600 home energy retrofit jobs and 1,000 ancillary jobs.
3. Reduce annual purchased energy consumption in retrofitted homes by an aggregate 150 billion British Thermal Units and $2 million in utility charges per year.
4. Reduce the County's annual greenhouse gas emissions attributable to energy consumption in its existing housing stock by 20,000 tons of carbon dioxide.

The benefits to both the regional economy and the environment are expected to increase once individual cities join LACEP, as the above forecasts are quantified solely for unincorporated areas of the County.

Program Administration

The Program will be governed by the Board of Supervisors of the County of Los Angeles, which will approve the Program parameters, approve the issuance of bonds, and delegate authority to authorized officers to administer the Program.

The Director of the County's Internal Services Department will serve as the Program Administrator and will provide day-to-day management of the Program, including design, implementation, and administration. The authority to approve and enter into individual Assessment Contracts will be delegated by the Board of Supervisors to the Program Administrator.

The County Office of Sustainability ("COS"), within the Internal Services Department, and the Program Administrator will manage all Program activities, including, but not limited to, the following:

- Marketing and community outreach;
- Energy surveys and technical support for individual projects;
- Customer service, including question and answer support to interested Program participants;
- Assisting in project development;
- Processing Program applications;
- Managing and tracking funds available for financing Improvements;
- Managing and tracking progress of the Improvements and financing therefor;
- Tracking individual and collective energy and greenhouse gas benefits;
- Integrating LACEP with other County, State, utility and regional rebate/incentive programs;
- Working and coordinating with participating cities and other jurisdictions;
- Providing information on local and regional environmental programs; and
- Reporting progress and expenditures according to mandated reporting methods applicable to appropriated funds, including amounts received pursuant to ARRA.

These activities are intended to provide quality Program design, administration and implementation for qualifying property owners who may otherwise be unable to finance and install the Improvements.

Program Duration

Unless otherwise directed by the Board of Supervisors, the Program will continue as long as there is sufficient demand and funding for the Improvements.

II. PROGRAM REQUIREMENTS

Geographic Parameters and Participating City Requirements

LACEP is available in the unincorporated areas of the County immediately upon establishment of the Program by the Board of Supervisors. Cities within the County may join LACEP and make assessment financing available to qualifying property owners located within their city's boundaries. Anytime after the County's establishment of the Program, a city's legislative body may adopt a resolution requesting inclusion in the County Program. Pursuant to such resolution to participate in the Program, the city will find and declare that the properties in the city's incorporated area will benefit from participation. Further, the city's resolution will authorize the County to set the terms of LACEP, implement the Program, and take action necessary for financing the Improvements.

Participation in LACEP offers cities and their property owners the following advantages:

- An opportunity to save money through energy and water efficiency improvements;
- The ability to take advantage of substantial financial incentives and rebates from multiple sources;
- A financing mechanism that establishes an obligation that remains attached to the property; and
- Job creation and stimulation of the economy.

Cities may elect to withdraw from participation in LACEP by adopting a resolution terminating their involvement. If a participating city elects to withdraw from LACEP, no future assessment financing will be made in that city, but assessment obligations made previous to the city's termination will remain in effect. A map showing the Proposed Program boundaries is attached in Appendix A.

Eligible Owners and Properties

All owners of improved real property within participating areas are eligible to submit an application for LACEP. Qualifying property owners may be individuals, associations, business entities, cooperatives and any owner who pays real property taxes. At this time, financing through LACEP is not available for properties that are not subject to property taxes, such as governmental entities and certain non-profit corporations.

To protect the Program from defaults and to improve access to the capital markets, property owners must meet the following minimum requirements to qualify for financing:

- Property is located within Los Angeles County, and if within the boundaries of a city, the city has adopted a resolution to join the Program;
- Applicant is the legal owner of the property;
- All legal owners of the property agree to participate in the Program;
- The property is not subject to involuntary liens as set forth in the Assessment Contract or any other Program document;
- Property taxes and assessments are current on the property and have not been delinquent for a period up to 5 years (or since the date of the most recent transfer if less than 5 years);
- Property owner certifies that he/she is not in bankruptcy and the property is not an asset in a bankruptcy proceeding;
- Property owner certifies that he/she has not declared bankruptcy within the last 10 years;
- Property owner certifies and demonstrates that he/she is current on his/her mortgage, has not defaulted on the deed(s) of trust and can legally enter into the Program;
- Improvement costs are reasonable to property value. Property must meet a minimum value-to-lien ratio[1];
- Property must meet a positive equity test and not exceed a maximum loan-to-value[2] ratio; and
- Property is subject to the appropriate jurisdiction's (County, city, or town) permitting and inspections and all other applicable federal, State, and local codes and regulations.

Property owners may submit more than one application for funding under the Program if additional Improvements are desired by the owner. However, all existing criteria must be met at the time of each new application. Valuation of the property will reflect either the assessed value or the market value as determined by using established industry approved methodologies. Costs for the scope of work will be based on contractor estimates, quotes provided by the property owner, and general industry standards. Additional due diligence or underwriting criteria may be required for the financing of large projects.

[1] Value of the property divided by the amount of the contractual assessment.
[2] Aggregate total of all liens secured by real estate mortgages on the property divided by the value of the property.

The Program Administrator may exercise discretion in determining eligibility and any additional criteria required for financing Improvements. Furthermore, the minimum eligibility requirements provided in this Report are subject to change pursuant to the future financing needs of the Program.

Eligible Improvements

The Program provides property owners the opportunity to take advantage of a wide range of Improvements, subject to the following provisions:

- The Program will only finance distributed generation renewable energy sources and energy efficiency and water efficiency measures that are permanently fixed to the property.
- Property owners who elect to engage in broader retrofit projects (such as residential or nonresidential remodeling) will only be provided financing for costs associated with Improvements available under the Program.
- The Program is intended to finance the replacement of working, inefficient equipment and building materials and the installation of new equipment and building materials that reduce energy consumption (beyond that required by existing, applicable building codes), produce renewable energy, or reduce energy in connection with water usage. The Program will also make financing available for purchasers of residential, commercial or industrial properties who wish to add Improvements after transfer of title is complete.
- Property owners are responsible for the Improvements installed on their property. Property owners must address performance and other system-related issues directly with the installer in accordance with the terms of their contract with the installer. Property owners are responsible for maintenance and repair of the Improvements.

Examples of Improvements available for financing under LACEP are provided in Appendix B.

Eligible Costs

Eligible costs of the Improvements include the cost of surveys and audits, permits[3] and inspections, equipment, installation from licensed, approved professionals, and follow-up inspections. Installation costs may include, but are not limited to, energy audit consultations, labor, design, drafting, engineering, permit fees, and inspection charges. A qualified contractor of the property owner's choice can be selected to complete installation of Improvements.

For each property, the Program Administrator will determine whether the estimated equipment and installation costs are reasonable. The Program Administrator will evaluate market conditions and may require the property owner to provide additional bids to determine whether costs are reasonable. While the property owner will be able to choose the contractor of his/her choice, the amount eligible for the LACEP financing may be limited to the amount deemed reasonable by the Program Administrator. Projects that exceed a certain size and dollar amount may be subject to additional review.

III. PROGRAM FINANCING

Strategy to Raise Capital

The County intends to raise capital for the Program through one or more of the following financing arrangements:

- Issuing or causing the issuance of bonds pursuant to Section 5898.28 of the Streets and Highways Code, the principal and interest of which will be repaid from contractual assessments;

[3] All Improvements that require permits will be required to obtain such a permit from the local jurisdiction. Final inspection will ensure that the Improvements were completed.

- Advancement of certain County funds or funds held by the County Treasurer and Tax Collector, which will be repaid through contractual assessments or reimbursed from proceeds of a debt issuance;
- Application of funds received pursuant to federal and State programs and available for LACEP financing purposes;
- Issuing debt or entering into loan arrangements to fund the Improvements; and
- Private or owner-arranged financing.

To the extent that the County issues debt, it is expected to include a debt service reserve fund in the amount sufficient to enhance the marketability of the debt. The proceeds of the debt issuance will be applied to cover the costs of Improvements, fund the debt service reserve fund, and pay costs of issuance of the debt. The County may also pursue other financing options not listed above should such options benefit the ongoing viability of the Program.

The Energy Fund

The County will create a special fund, the Energy Fund ("Fund"), which will hold contractual assessments revenues received pursuant to the Assessment Contracts. Moneys in the Fund shall be used to make payments on debt issued by or on behalf of the County, fund certain administrative costs of the Program, replenish the debt service reserve fund, if required, and repay funds advanced by the County. Amounts in the Fund may also be used to finance additional Improvements secured by contractual assessments and any other reasonable activity needed to advance the Program. Payment of the contractual assessments will be made pursuant to Assessment Contracts between the property owner and the County.

Maximum Aggregate Contractual Assessment

The County is authorized to enter into up to $1.0 billion in aggregate dollar amount of voluntary contractual assessments. The County will coordinate the timing and issuance of debt with the goal of providing the lowest possible interest rate to qualifying property owners and maintaining the long-term financial viability of the Program.

Administrative Costs/Application Fee

The County will offer the Program as an additional County service that will help property owners achieve reductions on their energy bills and other environmental goals, while helping the County achieve its own environmental goals. The County will be responsible for:

- Development and operation of LACEP;
- Acquisition of LACEP financing;
- Overall reporting of Program status and goals, including reports to financing agencies, regulators, and stakeholders;
- Overall structure and enforcement of Program governance; and
- Management and administration of LACEP consultants needed to perform services under the Program.

Certain administrative costs are anticipated in connection with the aforementioned responsibilities. All or a portion of such administrative costs may be financed through the interest component of the contractual assessment. The Program may also assign direct fees or charges to property owners for certain services provided during the process of securing an Assessment Contract. The County will recover a portion of these initial administrative costs through a one-time application fee.

Maximum Disbursement Amounts

The County will set a maximum disbursement amount for individual properties under the Assessment Contract. Where possible, the actual amount disbursed to a participating property owner pursuant to an Assessment Contract will equal the actual cost of Improvements. In the event that the final cost of Improvements exceeds the agreed upon maximum disbursement amount, the property owner will be solely responsible for the payment of excess costs incurred to complete the Improvements.

Single and Multiple Disbursements

Most disbursements will be delivered to property owners in a single payment upon completion of the Improvements. However, upon Program Administrator approval, some projects may qualify for multiple disbursements, which will allow for one or more payments to be made prior to project completion.

Assessment Interest Rate

The County will set a maximum interest rate for individual properties under the Assessment Contract. The final interest rate will be determined such that the total amount of contractual assessment payments (principal and interest) will be sufficient to repay the debt issued to finance the Improvements, pay the financing costs of such debt issuance, finance a debt service reserve fund with respect to such debt and fund eligible administrative costs so that the Program remains financially viable. The County Treasurer and Tax Collector, in conjunction with the Program Administrator, will determine individual contractual assessment interest rates. Under no circumstances will the interest rate exceed the maximum rate allowed by law.

Annual Administrative Assessment; Consultation with County Auditor-Controller

LACEP reserves the right to charge an Annual Administrative Assessment to cover costs incurred by the County for the ordinary and necessary costs of administering the levy and collection of the contractual assessments and all other administrative costs and incidental expenses related to the debt to be issued. Separate from any application fee or administrative cost recovered through amounts paid on the contractual assessment interest rate, the Annual Administrative Assessment will be collected in the same manner as the contractual assessment and may be adjusted annually to reflect changes in costs. The County Auditor-Controller has been consulted regarding any fees resulting from the incorporation of the contractual assessments into the general taxes of the County on real property. It has been determined that any such fees shall be collected pursuant to the Annual Administrative Assessment.

Assessment Term

The term of the contractual assessments will be no greater than the expected useful life of the Improvements for each individual Assessment Contract. In no event will the term of any contractual assessment exceed the maximum term allowed by law. The term of each contractual assessment will be set under the Assessment Contract.

Assessment Collection and Default

The contractual assessments will be collected in the same manner and at the same time as the general property taxes of the County. The contractual assessments are subject to the same penalties, remedies, and lien priorities in the event of delinquency and default. If any contractual assessment becomes delinquent and property taxes remain unpaid, the County shall have the right to initiate foreclosure proceedings on the subject property. The LACEP foreclosure policy will be developed in connection with future financing arrangements and will take into consideration any required covenants associated with a bond issuance.

Rebates and Incentives

Financing through the Program may coincide with current and future distributed generation renewable energy, energy efficiency and water efficiency financial incentives available from utility providers as well as local, State, federal, and other agencies. The value of expected rebates and incentives will be factored into the financing available to the property owner. The Program will advise, and may require that, participants apply for any and all applicable rebates and incentives available at the time of financing. References to rebates and financial incentives in this Report do not include income tax rebates.

Financing Process

The process for property owners to receive financing through LACEP is designed to be helpful, transparent, and straightforward. Presented below are the general procedures for the application, funding, and repayment process:

- **Education**. Property owners may access a variety of resources to learn about the Program, the financing terms, and other details. These resources may include a Program website, service centers staffed to assist property owners, and information made available at community events.

- **Application**. Property owners may apply for a funding reservation from LACEP and pay a non-refundable application fee. Applications must include a proposed project (scope of work) and a contractor bid.

- **Review and Approval.** The Program Administrator will approve an application only after confirming that the applicant and proposed project satisfy the underwriting criteria and other Program requirements.

- **Reservation of Funds.** Once the application is approved, the Program Administrator and the property owner will enter into the Assessment Contract. At this point in time, a maximum disbursement amount, loan term, and maximum interest rate will be set. The property owner will also agree to the terms and conditions of the Assessment Contract. The Program Administrator will provide assessment information to the County and an assessment lien will be filed with the County Registrar-Recorder.

- **Installation**. The property owner will receive a notice to proceed with the Improvements. A qualified installer must complete the installation of authorized Improvements on the property within the required timeframe after receiving the notice. In some cases, the Program Administrator in his/her sole discretion may grant a time extension.

- **Evidence of Compliance/ Disbursement of Funds**. The County is not obligated to disburse funds unless and until each of the requirements set forth under the Assessment Contract are satisfied or waived by the Program Administrator. Upon satisfaction of the above, the Program Administrator will release funds to the property owner in the amount of the actual cost of Improvements, but not exceeding the maximum disbursement amount set forth in the Assessment Contact. At this time, the Program Administrator will notify the property owner of the actual interest rate and amount of the contractual assessment.

- **Repayment**. After the release of funds, the County will place the assessment on the property tax roll for the tax year immediately following the disbursement date. The property owner will be expected to pay the contractual assessment installments in the amounts and at the times specified in the Assessment Contract. Prepayment of the contractual assessment will be permitted, however, penalties may apply. Any applicable penalties resulting from prepayment will be set forth in the Assessment Contract.

Priority of Funding

Applications from property owners for financing will be given priority based on the date on which the application is approved. If a request from a property owner for financing would cause LACEP to exceed the maximum amount of contractual assessments for the Program, then that application will be ineligible for financing. The Program Administrator shall retain the authority to grant exceptions to the priority status of individual applications.

Property Owner Financial Responsibilities

The following types of costs are examples of those that will be the responsibility of the property owner and will not be financed through the Program:

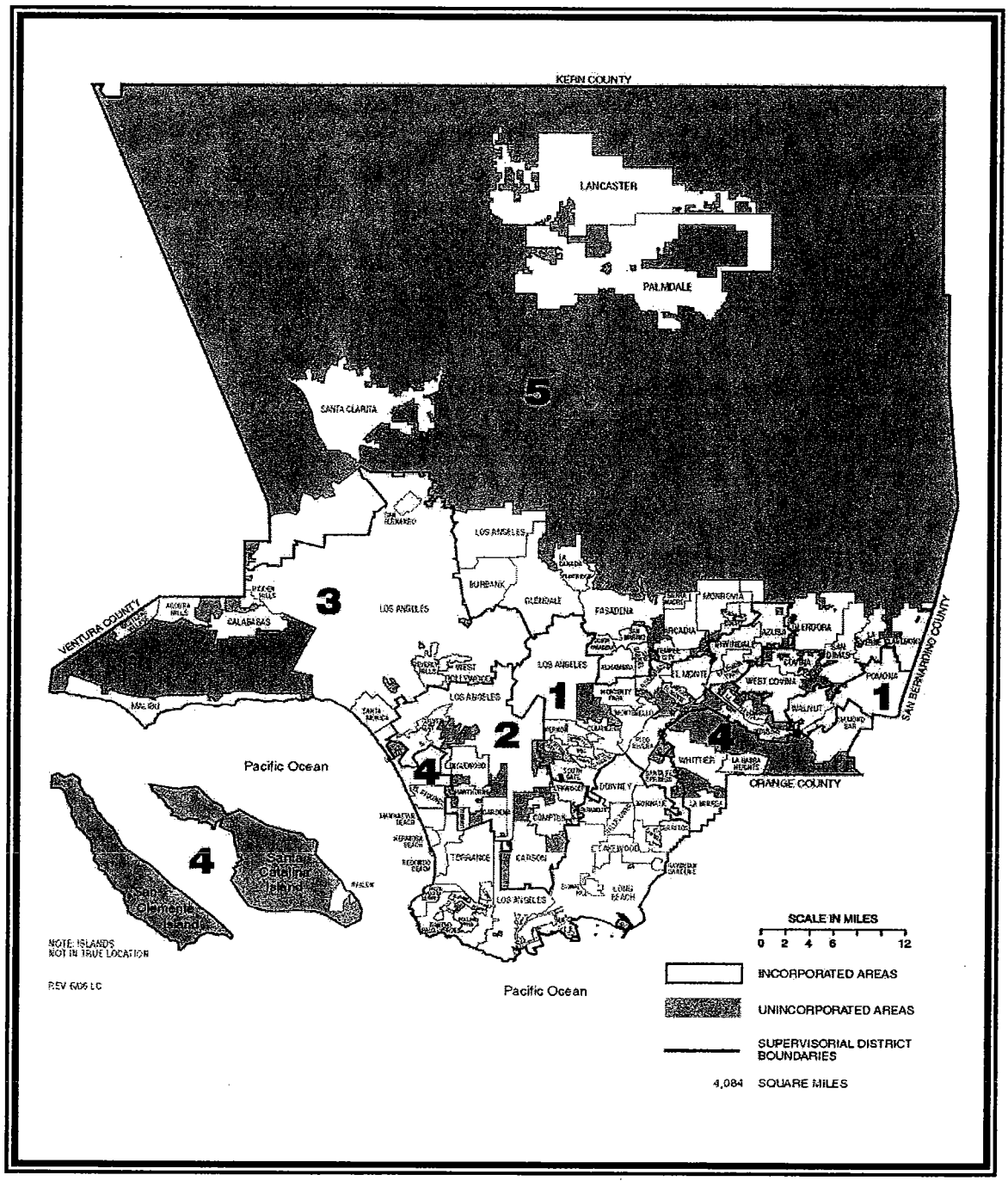
- Application fee;
- If applicable, title insurance and property insurance costs;
- Late payment fees;
- If applicable, costs associated with compliance with the California Environmental Quality Act; and
- Costs associated with repairs and maintenance of the Improvements.

IV. CHANGES TO THE PROGRAM REPORT

The Program Administrator may make changes to this Report that he/she reasonably determines are necessary to clarify its provisions. Any changes made to this Report that materially modify the LACEP shall only be made after approval by the Board of Supervisors.

The Program Administrator may modify the schedule of eligible Improvements attached as Appendix B and the draft Assessment Contract attached as Appendix C as deemed necessary or desirable to effectuate the intent of the Program.

Appendix A: Area Map



Appendix B: Eligible Improvements

Eligible improvements will include, but are not limited to, the following types of Improvements, subject to approval by the Program Administrator:

Energy Efficiency Improvements

- Air sealing
- Duct sealing and weather stripping
- Attic, duct, floor, roof and wall insulation
- Hot water system insulation
- Fans (Bathroom, ceiling, whole house)
- Energy efficient pool pumps
- HVAC systems
- Programmable thermostats and energy management systems
- Light fixtures
- Energy Star cool roof
- Radiant barriers
- Windows, doors, skylights
- Window film

Water Efficiency Improvements

- Hot water heater
- On-demand water recirculation control pump
- High-efficiency toilets and urinals
- Showerheads and aerators
- Smart irrigation/ Water efficient landscaping
- Rainwater harvesting system
- Grey water system

Distributed Generation Renewable Energy Improvements

- Solar hot water heating systems
- Solar thermal installation
- Solar space heating
- Photovoltaic systems
- Wind energy systems
- Fuel cell power systems

Appendix C: Draft Assessment Contract

(See attached.)

LOS ANGELES COUNTY ENERGY PROGRAM

ASSESSMENT CONTRACT

This Assessment Contract (this "Contract") is made and entered into as of this _____ day of _____, 20__, by and between the COUNTY OF LOS ANGELES, a political subdivision of the State of California (the "County"), and _____ and _____ (collectively, the "Owner").

WHEREAS, the County has established the Los Angeles County Energy Program ("LACEP") pursuant to Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code (the "Act"), in connection with which the County may levy assessments against developed properties in the County, with the free and willing consent of the owners of the properties, to finance the acquisition and construction on and installation in the assessed properties of certain qualifying renewable energy systems and energy and water efficiency improvements.

WHEREAS, the Owner has reviewed the Program participant handbook attached as Exhibit A hereto (the "Participant Handbook") and submitted an application to participate in LACEP (the "Application"; together with Participant Handbook and this Contract, the "Contract Documents") to finance the acquisition, construction and installation of the renewable energy systems, energy efficient improvements and/or water efficiency improvements described in Exhibit B attached hereto (the "Improvements") on that certain real property of the Owner described in Exhibit C attached hereto (the "Property") and the County has approved such Application.

WHEREAS, the County may fund LACEP through a number of financing mechanisms, including with proceeds of bonds to be issued by the County, with proceeds of loans derived from bonds issued by the Los Angeles County Public Works Financing Authority (the "Authority") and from amounts to be advanced through available funds of the County.

WHEREAS, the County wishes to provide for the terms and conditions pursuant to which the Owner will participate in LACEP and pay assessments to finance the Improvements hereunder.

NOW THEREFORE, in consideration of the mutual covenants contained herein and other valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties agree as follows:

1. **Financing Terms**

(a) Disbursement Amount; Maximum Disbursement Amount. Subject to the conditions set forth herein, the County agrees to disburse moneys to the Owner in the amount of the actual cost of the Improvements (the "Disbursement Amount"); provided the Disbursement

Amount shall not exceed the maximum amount set forth in Exhibit B hereto (the "Maximum Disbursement"). LACEP Program Administrator (the "Program Administrator") shall determine the Disbursement Amount on the basis of the best available written evidence of the actual cost of the Improvements and in the exercise of the Program Administrator's reasonable judgment. The Owner agrees to complete the Improvements. The Owner agrees to pay for and shall be solely responsible for the payment of all costs to complete the Improvements described in the Application which exceed the Maximum Disbursement.

(b) Repayment by Owner.

(i) Assessment. In consideration of the disbursement of the Disbursement Amount, the Owner shall pay to the County an amount equal to the Disbursement Amount, certain financing costs, including any capitalized LACEP administrative expenses, and the interest accrued thereon. Such amounts shall be repaid by the Owner to the County by the payment of an aggregate assessment levied against the Property pursuant to Section 5898.30 of the Streets and Highway Code of the State of California (the "Assessment") without deduction or offset for any amounts the Owner may claim due to it by the County, all as set forth in Exhibit B attached hereto.

(ii) Interest on Assessment. Interest shall be payable in installments, computed on the basis of a 360-day year, and shall accrue on the unpaid Assessment from [the date of this contract[1]][the date any portion of the Disbursement Amount is disbursed to the Owner] at the rate determined by the Program Administrator in his/her sole discretion at the time of disbursement or final disbursement, as applicable, of the Disbursement Amount. The maximum interest rate applicable to the unpaid Assessment and the interest installments therefor are set forth in Exhibit B hereto. The Program Administrator will give notice to the Owner of the interest rate applicable to the unpaid Assessment and the related interest installments as soon as practicable after its determination, which notice will be substantially in the form attached as Exhibit D hereto (the "Notice of Interest Rate and Payment Schedule").

(iii) Annual Administrative Assessment. The Owner shall pay to the County, without deduction or offset, an annual assessment levied against the Property to pay costs incurred by the County in connection with the administration and collection of the Assessment, the administration or registration of any associated bonds, securities or other financing arrangements, and the administration of any reserve fund or other related funds (the "Annual Administrative Assessment"). The Annual Administrative Assessment shall not exceed the amount set forth in Exhibit B hereto and may be changed from time to time by the Program Administrator, in his sole discretion, subject to the maximum Annual Administrative Assessment.

(iv) Financing Costs in the Event of Noncompletion. If the Owner fails to install the Improvements in compliance with LACEP requirements following execution of this Assessment Contract, the Owner shall pay for all expenses incurred by the County

[1] In the case of a County financing with accrued interest.

or any of its agents in connection with levying or removing the assessments hereunder and financing the Improvements, including costs relating to the redemption of bonds issued to finance the Improvements.

(c) Prepayment. The Owner may prepay the Assessment in whole and in part by paying all or a part of the principal amount owing on the Assessment, plus the applicable prepayment premium set forth in Exhibit B hereto, and accrued interest. Interest on the Assessment may accrue until the next available redemption date for any bonds or other evidences of indebtedness, or other financial arrangements entered into by the County pursuant to LACEP which financed the Assessment in whole or in part. Such redemption date shall not exceed __ (__) days from the date of prepayment of the Assessment. The Owner shall notify the Program Administrator in writing of the Owner's determination to prepay the Assessment at least ___ (__) business days prior to the date the Owner intends to prepay the Assessment.

(d) Term of Contract. The term of this Contract shall be as set forth in Exhibit B hereto, commencing upon the execution hereof and ending on the date the Assessment and any applicable penalties, costs, fees, and charges have been paid in full; provided, however, the estimated payment schedule may be adjusted as provided in this Section 1. The initial amount of each Assessment and Annual Administrative Assessment installment that will be levied is set forth in Exhibit B attached hereto. The amount of each Assessment and Annual Administrative Assessment installment that will be levied each year, as adjusted to reflect the applicable interest rate determined by the Program Administrator but excluding any penalties that may accrue, is set forth in Exhibit D attached hereto.

2. **Lien of Assessment and Annual Administrative Assessment; Special Benefit.**

(a) Lien Against Property. The execution of this Contract by the parties constitutes the levy of the Assessment and the Annual Administrative Assessment by the Board of Supervisors against the Property without any further action required by the parties. The Owner consents to the levy of the Assessment and the Annual Administrative Assessment, including each installment thereof and any interest and penalties that accrue with respect thereto, on and recordation of a lien against the Property and agrees that, upon the execution of this Contract by the parties, the Property shall be subject to the Assessment and the Annual Administrative Assessment in accordance with and pursuant to this Contract, the Act and applicable law.

(b) Notice of Assessment; Notice of Payment of Contractual Assessment Required. Upon execution of this Contract, the County will execute and cause to be recorded in the Office of the Registrar-Recorder/County Clerk a notice of assessment substantially in the form attached as Exhibit E hereto (the "Notice of Assessment") and a document entitled "Payment of Contractual Assessment Required" substantially in the form attached as Exhibit F hereto (the "Notice of Payment of Contractual Assessment Required"). Upon recordation of the Notice of Assessment in the Office of the Registrar-Recorder/County Clerk, the Assessment and the Annual Administrative Assessment, including each installment thereof and any interest and penalties that accrue with respect to the Assessment and the Annual Administrative Assessment, shall constitute a lien upon the Property until paid. The Notice of Assessment and Notice of Payment of Contractual Assessment Required, as recorded, shall initially reflect the Assessment as set forth in Exhibit B. Following the County's final disbursement of the Disbursement

Amount pursuant to Section 6 hereof, the Assessment shall equal the amount set forth in Exhibit D and the Notice of Assessment and Notice of Payment of Contractual Assessment Required will be supplemented accordingly.

(c) Priority of Lien. The lien of the Assessment and the Annual Administrative Assessment shall be coequal to and independent of the lien for general taxes and prior and superior to all liens, claims and encumbrances on or against the Property except (i) the lien for general taxes or ad valorem assessments in the nature of and collected as taxes levied by the State of California or any county, city, special district or other local agency, (ii) the lien of any special assessment or assessments the lien date of which is prior in time to the lien date of the Assessment and the Annual Administrative Assessment, (iii) easements constituting servitudes upon or burdens to the Property, (iv) water rights, the record title to which is held separately from the title to the Property and (v) restrictions of record.

(d) Special Benefit to Property.

(i) Acknowledgement. The Owner expressly acknowledges that the Improvements confer a special benefit to the Property in an amount at least equal to the Assessment.

(ii) Waiver of Provisions Other Than Those of the Act. The Owner expressly waives to the fullest extent permitted by law the notice, protest and hearing procedures and provisions of any applicable law other than the Act with respect to the levy and collection of the Assessment and the Annual Administrative Assessment, as described in Section 2 and Section 3, respectively, hereof.

3. **Collection of Amounts Due; Failure to Pay.**

(a) Collection through Property Tax Bill. Annual installments of the Assessment and the Annual Administrative Assessment shall be collected on the property tax bill pertaining to the Property. The annual proportion of the Assessment and the Annual Administrative Assessment coming due in any year shall be payable in the same manner, at the same time and in the same installments as the general taxes of the County on real property are payable, and the assessment installments shall be payable and become delinquent at the same times and the same proportionate amounts and shall bear the same penalties and interest after delinquency, and be subject to the same provisions for redemption and sale, as the general taxes on real property of the County.

(b) Failure to Pay. Failure to pay any installment of the Assessment and the Annual Administrative Assessment, including interest and penalties with respect thereto, shall result in the accrual of penalties and interest on the amounts due and may result in the foreclosure of the lien of the Assessment and the Annual Administrative Assessment, as described in Section 13(e) hereof and provided by law. Except as provided in Government Code Section 53936, the liens of the Assessment and the Annual Administrative Assessment are not subject to extinguishment by judicial foreclosure or the sale of the Property on account of the nonpayment of any taxes.

4. **Commencement and Completion of Improvements.**

(a) Consent and Authorization. Upon the availability of funding under LACEP, the Program Administrator will give to the Owner a notice to proceed in the form of Exhibit G hereto (the "Notice to Proceed"), which notice shall constitute consent and authorization pursuant to Section 5898.21 of the Act for the Owner to purchase directly the related equipment and materials for the Improvements and to contract directly for the construction on and/or installation in the Property of the Improvements. The Owner bears the risk of any costs of the Improvements incurred prior to receipt of the Notice to Proceed. The Owner may perform the construction and/or installation on the Property provided that the Owner is deemed a qualified installer by the Program Administrator in his/her sole discretion in accordance with the Participant Handbook.

(b) Date of Completion of the Improvements. Subject to Section 13(g) hereof, the Owner agrees to complete installation of the Improvements no later than __ days after the date of the Notice to Proceed of this Contract. The Owner and the Program Administrator may agree to an extension of this completion date for good cause shown, but in no event shall the completion date be more than one year from the date of the Notice to Proceed.

5. **Use of Proceeds.**

The Owner shall use the Disbursement Amount for the sole purpose of paying for the reasonable costs and expenses of the Improvements on the Property, and in connection therewith the Owner shall comply with all requirements set forth in the Contract Documents.

6. **Conditions Precedent to Disbursement of Funds**

(a) Conditions Precedent to Disbursement of Funds. Notwithstanding anything to the contrary contained herein, the County shall have no obligation to disburse funds to the Owner unless and until each of the requirements set forth under "_____" of the Participant Handbook and the following conditions are satisfied, or any such requirement or condition is expressly waived by the Program Administrator:

(i) With respect to the initial disbursement:

(A) The Program Administrator shall have received a written request to disburse the Disbursement Amount.

(B) The Owner has executed and delivered to the Program Administrator the Contract Documents and such other declarations, certifications, documents or instruments pertaining to the Disbursement Amount or the Improvements as the Program Administrator may require.

(C) The Owner will, within _____ (__) days of presentation by the Program Administrator, execute any and all documents or instruments required by the Contract Documents in connection with the disbursement of funds to the Owner.

(D) If the Property is a commercial property, the Owner shall have provided all applicable lenders the Notice of Proposed Contractual Assessment set forth as Exhibit H to this Contract and received an executed copy of the Certificate of Lender set forth as Exhibit I to this contract. In addition, the Owner shall have received from the Program Administrator, at the expense of the Owner, a determination that the Improvements to be financed hereunder (a) are within one or more classes of projects exempt from the California Environmental Quality Act (commencing with Section 21000 et seq. of the California Public Resources Code, "CEQA") pursuant to Sections 15301, 15302 or 15303 of the California Public Resources Code, (b) are the appropriate subject of a negative declaration pursuant to CEQA, in which case a negative declaration to that effect will be adopted pursuant to Section 21080 et seq. of the California Public Resources Code and Section 15070 et seq. of the California Code of Regulations, or (c), is the appropriate subject of an environmental impact report pursuant to CEQA, in which case an environmental impact report shall be prepared and certified and amounts hereunder shall be disbursed only if the Improvements are subsequently approved in accordance with CEQA.

(ii) With respect to the second and final disbursement:

(A) The Program Administrator shall have received a copy of a finalized permit issued by the building inspection department of the jurisdiction within which the Property is located, if applicable.

(B) The Program Administrator shall have received a written certification from the Owner and the contractor(s) that installed or constructed the Improvements, if any, stating that the Improvements for which disbursement is requested is complete and setting forth the actual cost of the Improvements (exclusive of any cost attributable to labor performed by the Owner pursuant to the terms and conditions of this Contract and the other Contract Documents). Such certification shall be in form and substance acceptable to the Program Administrator.

(C) If an inspection is required, an inspection of the Improvements and a determination by the applicable agency, authority or entity that the Improvements have been completed in full compliance with the requirements of applicable law or that any noncompliance has been waived.

(D) No stop payment or mechanic's lien notices pertaining to the Improvements has been filed and remain in effect as of the date of disbursement of the Disbursement Amount.

(E) [If the Property is a commercial property, the Program Administrator shall have received a title insurance policy in form and substance acceptable to the Program Administrator in the Disbursement Amount and insuring the lien of the Assessment.]

(iii) With respect to each of disbursement:

(A) As of the date of disbursement of the Disbursement Amount the representations of the Owner contained in the Contract Documents are true and correct, and no Default (as defined in Section 13(a) below) shall have occurred and be continuing.

(B) The Program Administrator shall have received such other documents and instruments as the Program Administrator may require, including but not limited to, if applicable, the sworn statements of contractor(s) or the Owner, if construction and/or installation is performed by the Owner in his/her capacity as a qualified installer pursuant to the Contract Documents, and releases or waivers of lien, all in compliance with the requirements of applicable law.

(iv) If there shall be a single disbursement under this Assessment Contract, all conditions under (i) through (iii) shall be satisfied by the Owner or waived by the Program Administrator prior to disbursement.

(b) Disbursement by County. Upon satisfaction or waiver of the conditions described in paragraph (a), above, the County will disburse funds to the Owner [as soon as practicable.] The Owner expressly waives the 30-day payment period provided by Section 10403 of the Streets and Highways Code.

7. **Representations and Warranties of the Owner**.

For purposes of entering into this Contract, the County has relied upon the declarations, warranties and covenants of the Owner in this Contract and in the Application, which are incorporated into this Contract as if fully set forth herein. The Owner promises that each representation and warranty set forth herein is true, accurate and complete as of the date of this Contract. By accepting the disbursement, the Owner shall be deemed to have reaffirmed each and every representation and warranty made by the Owner in this Contract and in the Application as of the date of disbursement. If the Owner is comprised of the trustees of a trust, the following representations shall also pertain to the trustor(s) of the trust.

(a) Formation; Authority. If the Owner is anything other than a natural person, it has complied with all laws and regulations concerning its organization, its existence and the transaction of its business, and is in good standing in each State in which it conducts its business. The Owner is the owner of the Property and is authorized to execute, deliver and perform its obligations under the Contract Documents, and all other documents and instruments delivered by the Owner to the County in connection therewith. The Contract Documents have been duly executed and delivered by the Owner and are valid and binding upon and enforceable against the

Owner in accordance with their terms, and no consent or approval of any third party, which has not been previously obtained by the Owner is required for the Owner's execution thereof or the performance of its obligations contained therein.

(b) Compliance with Law. Neither the Owner nor the Property is in violation of, and the terms and provisions of the Contract Documents do not conflict with, any regulation or ordinance, any order of any court or governmental entity, or any building restrictions or governmental requirements affecting the Owner or the Property.

(c) No Violation. The terms and provisions of the Contract Documents, the execution and delivery of the Contract Documents by the Owner, and the performance by the Owner of its obligations contained in the Contract, will not and do not conflict with or result in a breach of or a default under any of the terms or provisions of any other agreement, contract, covenant or security instrument by which the Owner or the Property is bound.

(d) Other Information. All reports, documents, instruments, information and forms of evidence which have been delivered to the County in connection with the Owner's application for LACEP funding are accurate, correct and sufficiently complete to give the County true and accurate knowledge of their subject matter.

(e) Litigation. There is no litigation, tax claims, actions, proceedings, investigations or other disputes pending or threatened against the Owner or the Property which may impair the Owner's ability to perform its obligations hereunder, or which may impair the County's ability to levy and collect the Assessment and the Annual Administrative Assessment.

(f) No Event of Default. There is no event which is, or with notice or lapse of time or both would be, a Default under this Contract.

8. **Covenants of the Owner**.

The Owner agrees and covenants to each of the following:

(a) Installation and Maintenance of Improvements. The Owner shall, or shall cause its contractor(s) to, promptly commence the Improvements and diligently continue to completion in a good and workmanlike manner and in accordance with sound construction and installation practices. The Owner shall maintain the Improvements in good condition and repair.

(b) Reports. If the Disbursement Amount is disbursed in more than one installment, the Owner agrees, upon the request of the Program Administrator, to promptly deliver or cause to be promptly delivered to the Program Administrator a written status report of the Improvements, including the acquisition and installation thereof.

(c) Compliance with Law and Agreements. The Owner shall complete all Improvements, or cause the Improvements to be completed, in conformity with all applicable laws, including all applicable federal, state, and local occupation, safety and health laws, rules, regulations, standards, and recorded instruments, covenants or agreements affecting the Property. The Owner shall comply with and keep in effect all permits, licenses, and approvals required to complete installation of the Improvements.

(d) Completion of Work. If the Disbursement Amount is disbursed in more than one installment, subject to any acceptable excuse for failure to complete the Improvements pursuant to Section 13(g) hereof, the Owner shall complete the Improvements within _____ [time period] of the initial disbursement of the Disbursement Amount.

(e) Site Visits; Utility Records; Surveys. For purposes of examining the workmanship of the Improvements, observing the quality of the Improvements and otherwise evaluating LACEP, the Owner grants the County, its agents and representatives, including without limitation the Program Administrator, the right to enter and visit the Property at any reasonable time, after giving reasonable notice to the Owner. For purposes of examining savings derived from the Improvements and other satisfying the requirements relating to grant moneys used to fund LACEP, the Owner shall also allow the County to examine and copy records and other documents of the Owner which relate to the Improvements, including utility records of the Owner and execute any consents, waivers or similar documents required by utility providers in connection therewith through the term of this Contract. The Owner also agrees to participate in any and all surveys conducted in connection with LACEP. The County is under no duty to visit the Property, observe any aspects of the Improvements or examine any records, and the County shall not incur any obligation or liability by reason of not making any such visit or examination. Any site visit, observation or examination by the County shall be solely for the purposes of protecting the County's rights under the Contract Documents.

(f) Protection Against Lien Claims. The Owner shall promptly pay or otherwise discharge any claims and liens for labor done and materials and services furnished to the Property in connection with the Improvements. The Owner shall have the right to contest in good faith any claim or lien, provided that it does so diligently and without delay in completing the Improvements.

(g) Notice to Successors in Interest. The Owner agrees to provide written notice to any subsequent purchaser of the Property that the Property is subject to an LACEP assessment lien, and to provide any subsequent purchaser a copy of this Contract.

(h) Insurance. [If the Maximum Disbursement exceeds $_____,] the Owner shall provide, maintain and keep in force at all times until the Improvements are completed, builder's all risk property damage insurance on the Property, with a policy limit equal to the amount of the Maximum Disbursement.

(i) Notices. The Owner shall promptly notify the County in writing of any Default under this Contract, or any event which, with notice or lapse of time or both, would constitute a Default hereunder.

9. **Mechanic's Lien and Stop Notices.**

In the event of the filing of a stop notice or the recording of a mechanic's lien pursuant to applicable law of the State of California and relating to the Improvements, the Program Administrator may refuse to disburse any funds to the Owner, and, in the event the Owner fails to furnish the Program Administrator a bond causing such notice or lien to be released within __ (__) days of notice from the Program Administrator to do so, such failure shall at the option of

the County constitute a default under the terms of this Contract. The Owner shall promptly deliver to the Program Administrator copies of all such notices or liens.

10. **Responsibilities of the Owner; Indemnification**.

(a) Financing by County; No Responsibility for Improvements. The Owner acknowledges that the County has established LACEP solely for the purpose of assisting the owners of property in the County with the financing of the acquisition, construction, and installation of qualifying renewable energy systems and energy and water efficiency improvements. LACEP is a financing program only. None of the County, the Authority (if bonds are issued by the Authority), their officials, agents, employees, attorneys and representatives, the Program Administrator, or LACEP staff is responsible for selection, management or supervision of the Improvements or of the Improvements' performance.

(b) Indemnification. The Owner shall indemnify, defend, protect, and hold harmless the County, the Authority (if bonds are issued by the Authority) and any and all officials, agents, employees, attorneys and representatives of the County and the Authority (collectively, the "Indemnified Parties") and, if the Property is located in an incorporated area, such incorporated city and any and all officials, agents, employees, attorneys and representatives of such city,(the "City Parties"), from and against all losses, liabilities, claims, damages (including consequential damages), penalties, fines, forfeitures, costs and expenses (including all reasonable out-of-pocket litigation costs and reasonable attorneys' fees) and any demands of any nature whatsoever related directly or indirectly to, or arising out of or in connection with, (i) the Contract Documents, (ii) disbursement of the Disbursement Amount, (iii) the Improvements, (iv) any breach or Default by the Owner under the Contract Documents, (v) the levy and collection of the Assessment and the Annual Administrative Assessment, (vi) the imposition of the lien of the Assessment and the Annual Administrative Assessment, (vii) any breach or failure of the Owner or its contractor(s) or agents to comply with all applicable laws, including all applicable federal, state and local occupation, safety and health laws, rules, regulations and standards, in connection with the acquisition, installation or completion of the Improvements, and (viii) any other fact, circumstance or event related to the County's payment of the Disbursement Amount to the Owner or the Owner's performance of its obligations under the Contract Documents (collectively, the "Liabilities"), regardless of whether such Liabilities shall accrue or are discovered before or after the Disbursement.

(c) Survival of Indemnification. The indemnity obligations described in Section 10(b) shall survive the disbursement of funds to the Owner, the payment of the Assessment in full, the transfer or sale of the Property by the Owner and the termination of this Contract.

11. **Waiver of Claims**.

For and in consideration of the County's execution and delivery of this Contract, the Owner, for itself and for its successors-in-interest to the Property and for any one claiming by, through, or under the Owner, hereby waives the right to recover from and fully and irrevocably releases the Indemnified Parties and, if the Property is located in an incorporated area, the City Parties, from any and all claims, obligations, liabilities, causes of action, or damages, including attorneys' fees and court costs, that the Owner may now have or hereafter acquire against any of

the Indemnified Parties and the City Parties and accruing from or related to (i) the Contract Documents, (ii) the disbursement of any of the Disbursement Amount, including any amounts advanced hereunder, (iii) the levy and collection of the Assessment and the Annual Administrative Assessment, (iv) the imposition of the lien of the Assessment, (v) the issuance and sale of any bonds or other evidences of indebtedness, or other financial arrangements entered into by the County pursuant to LACEP, (vi) the performance of the Improvements, (vii) the Improvements, (viii) any damage to or diminution in value of the Property that may result from construction or installation of the Improvements, (ix) any personal injury or death that may result from the construction or installation of the Improvements, (x) the selection of manufacturer(s), dealer(s), supplier(s), contractor(s) and/or installer(s), and their action or inaction with respect to the Improvements, (xi) the merchantability and fitness for any particular purpose, use or application of the Improvements, (xii) the amount of energy savings resulting from the Improvements, (xiii) the workmanship of any third parties, and (xiv) any other matter with respect to LACEP. This release includes claims, obligations, liabilities, causes of action, and damages of which the Owner is not presently aware or which the Owner does not suspect to exist which, if known by the Owner, would materially affect the Owner's release of the Indemnified Parties and the City Parties.

OWNER HEREBY ACKNOWLEDGES THAT IT HAS READ AND IS FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542 ("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 0F EXECUTING THE RELEASE, WHICH KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

BY INITIALING BELOW, OWNER HEREBY WAIVES THE PROVISIONS OF SECTION 1542 SOLELY IN CONNECTION WITH THE MATTERS WHICH ARE THE SUBJECT OF THE FOREGOING WAIVERS AND RELEASES.

Owner's Initials: _____

The waivers and releases by the Owner contained in this Section 11 shall survive the disbursement of the Disbursement Amount, the payment of the Assessment in full, the transfer or sale of the Property by the Owner, and the termination of this Contract.

12. **Further Assurances**.

The Owner shall execute any further documents or instruments consistent with the terms of this Contract, including documents and instruments in recordable form, as the County shall from time to time find necessary or appropriate to effectuate its purposes in entering into this Contract and disbursing funds to the Owner.

13. **Events of Default**.

(a) Default. Subject to the further provisions of this Section 13, the failure of any of the Owner's representations or warranties to be correct in all material respects, or the failure or delay by the Owner to perform any of its obligations under the terms or provisions of the Contract Documents, shall constitute a default hereunder ("Default").

(b) Notice of Default. Upon the occurrence of a Default, prior to exercising any remedies under the Contract Documents or the Act, the County shall give written notice of default to the Owner. Delay in giving such notice shall not constitute a waiver of any Default. The Owner must immediately commence to cure, correct, or remedy such failure or delay and shall complete such cure, correction or remedy with reasonable diligence, but in any event, within the time set forth herein.

(c) Cure Period for Monetary Default. If the Owner fails to timely pay any installment of the Assessment or the Annual Administrative Assessment, the Owner shall have a period of _____ (__) days after notice is given pursuant to paragraph (b) above within which to cure such default. Following such _____ (__) day period, the County in its sole discretion may exercise any and all of its available remedies, including its right to foreclose the lien of the Assessment or the Annual Administrative Assessment pursuant to applicable law.

(d) Cure Period for Non-Monetary Default. If a non-monetary Default occurs and such Default is reasonably capable of being cured within _____ (__) days, the Owner shall have such period to effect a cure prior to exercise of remedies by the County under the Contract Documents or the Act. If the Default is such that it is reasonably capable of being cured but not within such _____ (__) day period and the Owner (i) initiates corrective action within such _____ (__) day period, and (ii) diligently, continually, and in good faith works to effect a cure as soon as possible, then the County in its sole discretion may elect to grant the Owner such additional time as is reasonably necessary to cure the Default prior to exercise of any remedies by the County. The foregoing notwithstanding, in no event shall the County be precluded from exercising any of its remedies if the Default is reasonably expected to result in the foreclosure or forfeiture of the Property, or if the Default is not cured within _____ (__) days after the first notice of Default is given.

(e) Remedies Upon Default. Subject to the provisions of paragraphs (b), (c) and (d) above, if any Default occurs the County may exercise any or all of the rights and remedies available to it under applicable law, at equity, or as otherwise provided herein. If no disbursement has occurred hereunder, the County may elect to terminate this Contract and, except as otherwise expressly provided herein, the parties have no further obligations or rights hereunder. If the Disbursement Amount has been disbursed in whole or in part, the County may terminate its obligations to make any further disbursement of the Disbursement Amount and exercise any or all of the rights and remedies available to it under this Contract and applicable law. As a cumulative remedy, if any installment of the Assessment and the Annual Administrative Assessment, together with any penalties, costs, fees, and other charges, accruing under applicable taxation provisions are not paid when due, the Board of Supervisors or its designee may order that the same be collected by an action brought in a court of competent jurisdiction to foreclose the lien of the Assessment and the Annual Administrative Assessment to

the extent permitted, and in the manner provided by, applicable law. Any and all costs and expenses incurred by the County in pursuing its remedies hereunder shall be additional indebtedness of the Owner to the County.

(f) Remedies Cumulative. Except as otherwise expressly stated in this Contract or as otherwise provided by applicable law, the rights and remedies of the County are cumulative, and the exercise of one or more of such rights or remedies shall not preclude the exercise by the County, at the same time or different times, of any other rights or remedies for the same Default or any other Default. No failure or delay by the County in asserting any of its rights and remedies as to any Default shall operate as a waiver of any Default or of any such rights or remedies, or deprive the County of its rights to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

(g) Force Majeure. Performance of the covenants and conditions imposed upon the Owner hereunder with respect to the commencement and completion of the Improvements shall be excused while and to the extent that, the Owner, through no fault or negligence of its own, is prevented from complying therewith by war, riots, strikes, lockouts, action of the elements, accidents, or acts of God beyond the reasonable control of the Owner; provided, however, that as soon as the cause or event preventing compliance is removed or ceases to exist the obligations shall be restored to full force and effect and the Owner shall immediately resume installation of the Improvements.

14. **Severability**.

Each and every provision of this Contract is, and shall be construed to be, a separate and independent covenant and agreement. If any term or provision of this Contract or the application thereof shall to any extent be held to be invalid or unenforceable, the remainder of this Contract, or the application of such term or provision to circumstances other than those to which it is invalid or unenforceable, shall not be affected thereby, and each term and provision of this Contract shall, be valid and shall be enforced to the extent permitted by law.

15. **Notices**.

All notices and demands shall be given in writing by first class mail, postage prepaid, or by personal delivery (by recognized courier service). Notices shall be considered given upon the earlier of (a) personal delivery or (b) __ (__) business days following deposit in the United States mail, postage prepaid. Notices shall be addressed as provided below for the respective party; provided that if any party gives notice in writing of a change of name or address, notices to such party shall thereafter be given as demanded in that notice:

To the County: _____

_____

_____

Attention: Program Administrator

To the Owner: _____

_____

_____

Attention: _____

Notwithstanding anything set forth above, after disbursement of funds to the Owner, all notices regarding the assessment shall be sent only as provided by the laws of the State of California.

16. **No Waiver**.

No disbursement of the Disbursement Amount based upon inadequate or incorrect information shall constitute a waiver of the right of the County to receive a refund thereof from the Owner. No disbursement of any portion of the Disbursement Amount shall constitute a waiver of any conditions to the County's obligation to make further disbursements. No waiver by the County of any failure by the Owner to comply with any provision of this Contract shall in any way preclude the County from thereafter declaring such failure by the Owner a Default hereunder or be deemed a waiver of any other or subsequent Default.

17. **Governing Law**.

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

18. **Assignment by the County**.

The County, at its option, may (i) assign any or all of its rights and obligations under this Contract, and (ii) pledge and assign its right to receive the Assessment and the Annual Administrative Assessment, and any other payments due to the County hereunder, without obtaining the consent of the Owner.

19. **Assignment by Owner Prohibited**.

The Owner may sell, transfer, rent or otherwise dispose of all or a portion of its interests in the Property so long as the Assessment and the Annual Administrative Assessment, including each installment thereof and the interest and penalties thereon, shall constitute a lien against the Property until the same is paid in full. All other dispositions of all or a portion of the Owner's rights and obligations under this Contract are subject to the prior express written consent of the County, which consent may be granted or withheld in the sole and absolute discretion of the County.

20. **Carbon Credits**.

The Owner agrees that any carbon credits attributable to the Improvements shall be held on behalf of LACEP by the County.

21. **Entire Agreement; Amendment.**

This Contract, together with the other Contract Documents, is the entire agreement between the parties. Any other agreement related to the Improvements, and any amendment to this Contract, must be signed in writing by both parties.

22. **Natural Persons.**

If the Owner of the Property consists of more than one natural person, the obligations hereunder of all the owners shall be joint and several.

23. **Counterparts.**

This Contract may be executed in several counterparts, each of which shall be deemed an original, and all of such counterparts together shall constitute one and the same instrument.

24. **Special Termination.**

Notwithstanding anything to the contrary contained herein, this Contract shall terminate and be of no further force or effect if the Owner has submitted to the Program Administrator a notice of its decision to cancel this transaction in the form of the Notice of Cancellation attached as Exhibit J hereto, which notice shall be delivered to the County pursuant to Section 15 hereof no less than _____ (__) days prior to the disbursement of the Disbursement Amount.

25. **No Third Party Beneficiary Rights.**

This Contract is entered into for the sole benefit of the Owner and the County and, subject to the provisions of Sections 10, 11, 12 and 19, no other parties are intended to be direct or incidental beneficiaries of this Contract and no third party shall have any right in, under or to this Contract.

IN WITNESS WHEREOF, the Owner and the County have entered into this Contract as of the date and year first above written.

THE OWNER:

_____

_____

Date of Execution by the Owner:

_____, 20____

THE COUNTY:

COUNTY OF LOS ANGELES, CALIFORNIA

_____

Name:

Title: _____

ACKNOWLEDGEMENT(S)

STATE OF CALIFORNIA)
: ss.:
COUNTY OF _____)

On _____, before me, _____
a 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 _____

(This area for official notarial seal)

STATE OF CALIFORNIA)
: ss.:
COUNTY OF _____)

On _____, before me, _____
a 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 _____

(This area for official notarial seal)

EXHIBIT A

PARTICIPANT HANDBOOK

[To Come]

EXHIBIT B

CERTAIN FINANCING TERMS

Maximum Disbursement Amount:

Contract Term:

Maximum Interest Rate: ___ Percent (__%) per annum.

Financing Costs in the Event of Noncompletion:

Annual Administrative Assessment[1]:

Prepayment Premium: From _____ to _____, a prepayment premium of __ percent (__%)

From _____ to _____, a prepayment premium of __ percent (__%)

After _____, a prepayment premium of __ percent (__%)

Improvements:

Estimated Payment Schedule:

	Assessment			Maximum	
Year[2]	Disbursement Amount[3]	Financing Costs[4]	Interest	Annual Administrative Assessment[5]	Total

(1) Based on the Maximum Annual Administrative Assessment established for LACEP, which amount may be adjusted from time to time by the Program Administrator, provided that the adjusted amount does not exceed the Maximum Annual Administrative Assessment.

(2) If funds are disbursed to the Owner before _____, the assessment will appear on the property tax bill for the same tax year. If funds are disbursed after _____, the assessment will appear on the property tax bill for the following tax year.

(3) Based on Maximum Disbursement. Subject to revision by the Program Administrator following the disbursement of the Disbursement Amount, if necessary, pursuant to the Contract to reflect the Disbursement Amount.

(4) Includes capitalized LACEP administrative expenses.

(5) Based on the Maximum Annual Administrative Assessment established for LACEP, which amount may be adjusted from time to time by the Program Administrator, provided that the adjusted amount does not exceed the Maximum Annual Administrative Assessment.

EXHIBIT C

DESCRIPTION OF THE PROPERTY

EXHIBIT D

LOS ANGELES COUNTY ENERGY PROGRAM
NOTICE OF INTEREST AND PAYMENT SCHEDULE

Owner: _____ (the "Owner")

Address: _____
_____(the "Property")

Assessor's Parcel Number: _____

LACEP Loan Number: _____

Pursuant to Section 1(b)(ii) of that certain Assessment Contract (the "Assessment Contract") executed by and between you, as Owner of the Property, and the County in connection with the Los Angeles County Energy Program, you are hereby notified that the interest rate applicable to the unpaid Assessment (as defined in the Assessment Contract) is ___%. The schedule of Assessment Installments, interest thereon and the Maximum Annual Administrative Assessment with respect to the referenced property is set forth below:

	Assessment			Maximum	
Year[1]	Disbursement Amount	Financing Costs[2]	Interest	Annual Administrative Assessment[3]	Total

(1) If funds are disbursed to the Owner before _____, the assessment will appear on the property tax bill for the same tax year. If funds are disbursed _____, the assessment will appear on the property tax bill for the following tax year.
(2) Includes capitalized LACEP administrative expenses.
(3) Based on the Maximum Annual Administrative Assessment established for LACEP, which amount may be adjusted from time to time by the Program Administrator, provided that the adjusted amount does not exceed the Maximum Annual Administrative Assessment.

The Notice of Assessment of record with the Office of the Registrar-Recorder/County Clerk of the County of Los Angeles will be amended to reflect the foregoing payment schedule.

Program Administrator,
Los Angeles County Energy Program

EXHIBIT E

NOTICE OF ASSESSMENT

WHEN RECORDED RETURN TO

County of Los Angeles
Treasurer and Tax Collector
Kenneth Hahn Hall of Administration
500 West Temple Street, Room 437
Los Angeles, California 90012
Attention: Los Angeles County Energy Program
– Program Administrator

NOTICE OF ASSESSMENT

Pursuant to the requirements of Section 5898.32 of the Streets and Highways Code of the State of California, the undersigned Clerk of the Board of Supervisors (the "Board of Supervisors") of the County of Los Angeles, a political subdivision of the State of California (the "County"), hereby gives notice that contractual assessments relating to that certain real property described in Appendix A hereto (the "Property"), in the amounts set forth in Appendix B hereto, were recorded in the Office of the Registrar-Recorder/County Clerk of the County, as provided for in said Section 5898.32.

Pursuant to that certain Assessment Contract (the "Assessment Contract") by and between the County and the owner of the Property named herein in connection with the Los Angeles County Energy Program, the several assessments assessed on the Property set forth in Appendix B hereto became a lien upon the Property and the Property became subject to the assessment in accordance pursuant to the Assessment Contract, the Act and applicable law upon the execution of such Assessment Contract.

In addition to the assessment to pay the costs and expenses of the improvements to be acquired, the Property is subject to a separate and additional assessment, as set forth in Appendix B hereto, to be levied annually to pay for costs not otherwise reimbursed which will result from the administration and collection of assessments or from the administration or registration of any associated bonds and reserve or related funds.

Reference is made to the Assessment Contract for the amount of any final and adjusted assessments, including any annual assessment as levied for administrative costs or maintenance, as applicable.

Included in Appendix A hereto is the name(s) of the owner of record of the Property, which is also the assessed owner of the Property as it appears on the latest secured assessment roll, all as required pursuant to Section 27288.1 of the Government Code of the State of California.

Dated: _____

Clerk of the Board of Supervisors of the
County of Los Angeles

By:_____
Deputy

Appendix A to Notice of Assessment

DESCRIPTION OF THE PROPERTY

Appendix B to the Notice of Assessment

Name(s) of Owner of the Property:_____

Assessment Amount:_____

Annual Administrative Assessment Amount:_____

EXHIBIT F

Payment of Contractual Assessment Required

Pursuant to the requirements of Section 5898.24(d) of the Streets and Highways Code of the State of California, the Board of Supervisors (the "Board of Supervisors") of the County of Los Angeles, a political subdivision of the State of California (the "County"), hereby gives notice that the real property described in Appendix A hereto (the "Property") is subject to a contractual assessment that is required to be paid in accordance with that certain Assessment Contract (the "Assessment Contract") by and between the owner of the Property and the County in connection with the Los Angeles County Energy Program. Certain information regarding the contractual assessment assessed on the Property is set forth below.

(1) The names of all current owners of the real property subject to the contractual assessment:

_____

_____

_____

(2) Legal description of the Property: See Exhibit Appendix A attached hereto and incorporated herein by this reference.

(3) Assessor's parcel number for the Property:_____.

(4) The annual amount of the contractual assessment:_____.

(5) The contractual assessment referenced (4) above expires on the date such contractual assessment and any applicable penalties, costs, fees, and charges, including the Annual Administrative Assessment (as defined in the Assessment Contract), have been paid in full.

(6) Funds from the contractual assessment were used to finance the acquisition and construction on and installation in the Property of certain qualifying renewable energy systems and energy and water efficiency improvements, as further described in the Assessment Contract.

(7) Funds from the contractual assessment should be paid to the following:

[Name of entity to which contractual assessments should be paid]
[Address of entity]
[Contact person][2]

[2] Section 5898.24(d)(2)(E) of the Act requires the document to include "the entity to which funds from the contractual assessment will be paid and specific contact information for that entity".

Date: _____

Treasurer and Tax Collector of the
County of Los Angeles [or Entity to which
Contractual Assessments will be paid]

By:_____[3]
Name:
Title:

[3] Section 5898.24(d)(2)(F) of the Act requires the document to include "the signature of the authorized representative of the legislative body to which funds from the contractual assessment will be paid."

Appendix A to Notice of Payment of Contractual Assessment Required

DESCRIPTION OF THE PROPERTY

EXHIBIT G

LOS ANGELES COUNTY ENERGY PROGRAM
NOTICE TO PROCEED

Date: _____

Owner: _____ (the "Owner")

Address: _____
_____ (the "Property")

Assessor's Parcel Number: _____

LACEP Loan Number: _____

Pursuant to Section 4(a) of that certain Assessment Contract (the "Assessment Contract") executed by and between you, as Owner of the Property, and the County in connection with the Los Angeles County Energy Program, you are hereby given notice to proceed (this "Notice to Proceed") with acquisition, construction and installation of the Improvements and, upon completion of the Improvements, submit a request for funding to LACEP. This Notice to Proceed constitutes consent and authorization pursuant to Section 5898.21 of the Act for the Owner to purchase directly the related equipment and materials for the Improvements and to contract directly for the construction on and/or installation in the Property of the Improvements. The Owner must complete installation of the Improvements no later than __ days after the date of this Notice to Proceed, provided that the Owner and the Program Administrator may agree to an extension of this completion date for good cause shown pursuant to Section 4(b) and Section 13(g) of the Assessment Contract, but in no event shall the completion date be more than one year from the date of this Notice to Proceed. Disbursement of any amounts pursuant to the Assessment Contract is subject to satisfaction of the terms and conditions thereof.

Program Administrator,
Los Angeles County Energy Program

EXHIBIT H

NOTICE OF PROPOSED CONTRACTUAL ASSESSMENT
(Commercial Property Owner)

Notice Date:_____

Lender Address: _____

Property/Loan Information:

Owner:_____

Address:_____

APN: _____

Loan Number(s):_____

To Whom It May Concern:

The undersigned (the "Owner") is the owner of a certain real property located at the above-referenced address (the "Property"). You are the lender (the "Lender") with respect to the above-referenced (the "Loan") that is secured by a lien on the Property.

The Owner is sending this Notice of Proposed Contractual Assessment to Lender to (i) provide notice of the Owner's proposed participation in the Los Angeles County Energy Program ("LACEP"), (ii) request confirmation from the Lender that the levy of the contractual assessment pursuant to the herein described Assessment Contract will not trigger an event of default or the exercise of any remedies under the Loan documents, and (iii) provide notice that the contractual assessment (including any penalties and interest) will be secured by a statutory lien on the Property that is senior to the lien securing the Loan.

Background. The County of Los Angeles, a political subdivision of the State of California (the "County") has established LACEP to help finance the acquisition and construction on and installation in the assessed properties, including the Property, of certain qualifying renewable energy systems and energy and water efficiency improvements (the "Improvements") pursuant to Chapter 29 of Part 3 of Division 7 of the Streets & Highways Code of the State of California ("Contractual Assessment Law").

In accordance with Contractual Assessment Law, the County will levy a contractual assessment to finance the installation of the Improvements on certain property with the agreement of the applicable property owner pursuant to the terms of an assessment contract (the "Assessment Contract") between such property owner and the County. Pursuant to Section 5898.30 of Contractual Assessment Law, the contractual assessment (including any penalties and interest) is collected on the property tax bill and is secured by a lien on the applicable property

that is (i) senior to all private liens, including private liens that existed prior to levy of the contractual assessment and (ii) cannot be subordinated to the private liens.

Information regarding the purpose and method of administration of the assessments under LACEP can be found at _____ [website].

Participation in LACEP. The Owner has applied to participate in LACEP and intends to finance installation on the Property of the Improvements set forth on Exhibit A hereto. The contractual assessment to be levied on the Property (the "Contractual Assessment") pursuant to the Assessment Contract and the related payment terms are proposed to consist of the following:

Principal amount: $_____
Estimated interest rate:_____%
Term of repayment period:_____
Annual administrative component: $_____
Total estimated annual installment: $_____

Lender Approval. Please acknowledge that participation of the Property in LACEP is acceptable to the Lender by executing the attached Certificate of Lender and returning it to the undersigned at your earliest convenience.

Very truly yours,

BY: _____
(Signature)

OWNER
NAME:_____

MAILING ADDRESS (if different than Property address):_____
_____

EXHIBIT I

CERTIFICATE OF LENDER
(Commercial Property Owner)

Property/Loan Information

Owner:_____

Address:_____

APN: _____

Loan:_____

In connection with the above-referenced loan (the "Loan") relating to the above-referenced property (the "Property") by the herein referenced lender (the "Lender"), the undersigned hereby certifies, acknowledges, confirms and agrees as follows:

(1) He/she is duly authorized to execute this Certificate on behalf of the Lender.

(2) The Lender is in receipt of written notice (the "Notice") from the owner of the Property (the "Owner") that Owner intends to finance installation on the Property of certain renewable energy, energy efficiency and/or water efficiency improvements that will be permanently fixed to the Property (the "Improvements") by participating in the Los Angeles County Energy Program sponsored by the County of Los Angeles, a political subdivision of the State of California (the "County").

(3) As a result of an Assessment Contract between the County and the Owner (the "Assessment Contract") and pursuant to Chapter 29 of Part 3 of Division 7 of the Streets and Highways Code of the State of California, the Contractual Assessment described in the Notice will be levied on the Property and the Contractual Assessment (including any penalties and interest) will be secured by a statutory lien that is senior to the lien securing the Loan.

(4) The Lender consents to the levy of the Contractual Assessment pursuant to the Assessment Contract.

(5) The Lender agrees that the levy of the Contractual Assessment will not constitute an event of default or the exercise of any remedies under the documents relating to the Loan.

The Lender further acknowledges that the Owner and the County will rely on this Certificate in connection with the disposition and administration of the Assessment Contract and the Los Angeles County Energy Program.

[LENDER]

By: _____
Name:
Title:
Date:

EXHIBIT J

LOS ANGELES COUNTY ENERGY PROGRAM
NOTICE OF CANCELLATION

_____ [and _____] are the owner[s] of record ([collectively,] the "Owner") of that certain real property located at _____ located in the County of Los Angeles, California. The Owner previously executed that certain Assessment Contract (the "Assessment Contract") with the County of Los Angeles (the "County") in connection with the Los Angeles County Energy Program ("LACEP"). Pursuant to the Assessment Contract, Owner hereby notifies the LACEP Program Administrator in accordance with Sections 15 and 24 of the Assessment Contract no less than _____ (__) days prior to the disbursement of the Disbursement Amount that the Owner has determined to cancel the transaction described in the Assessment Contract. Accordingly, the Contract shall terminate and be of no further force or effect, except that the Owner agrees to pay amounts due, if any, pursuant to Section 1(b)(iv) of the Assessment Contract relating to financing costs in the event of the improvements are not completed.

Dated: _____

[OWNER]

By:_____
Name:_____

By:_____
Name:_____

RESOLUTION NO. 10-6851

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COVINA, STATE OF CALIFORNIA, CONSENTING TO INCLUSION OF PROPERTIES WITHIN THE INCORPORATED AREA OF THE CITY IN THE LOS ANGELES COUNTY ENERGY PROGRAM TO FINANCE DISTRIBUTED GENERATION RENEWABLE ENERGY SOURCES AND ENERGY AND WATER EFFICIENCY IMPROVEMENTS, APPROVING THE REPORT SETTING FORTH THE PARAMETERS OF THE REFERENCED PROGRAM AND CERTAIN MATTERS IN CONNECTION THEREWITH

WHEREAS, Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code (the "Act") authorizes cities and counties to assist free and willing property owners in financing the installation of distributed generation renewable energy sources and energy and water efficiency improvements (the "Improvements") that are permanently fixed to residential, commercial, industrial or other real property through a contractual assessment program; and

WHEREAS, the Board of Supervisors (the "Board of Supervisors") of the County of Los Angeles, a political subdivision of the State of California (the "County"), has established a contractual assessment program named the Los Angeles County Energy Program ("LACEP") pursuant to the Act; and

WHEREAS, the parameters of LACEP are set forth in the Report attached hereto as Exhibit A (the "Report") and such Report has been prepared by the Director of the Internal Services Department of the County, as Program Administrator (the "Program Administrator"), pursuant to Section 5898.22 of the Act and approved by the Board of Supervisors; and

WHEREAS, the Act authorizes the County to enter into contractual assessments with property owners located within incorporated cities only subsequent to the approval of the legislative body of the related city to participate in LACEP; and

WHEREAS, the City of Covina desires to participate with the County in LACEP, under terms and conditions agreed to by Covina and the County, and provide for participation in LACEP by property owners located within City limits; and

WHEREAS, this Council of the City of Covina has reviewed the Report;

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED by the Council of the City of Covina as follows:

Section 1. The recitals set forth hereinabove are true and correct in all respects.

Section 2. The Council of the City of Covina finds and declares that properties in the City's incorporated area will be benefited by participation in LACEP.

Section 3. This City Council ratifies the resolution adopted by the Board of Supervisors on April 6, 2010 declaring the Board of Supervisors' intention to order the implementation of a contractual assessment program to finance Improvements pursuant to the Act.

Section 4. This City Council hereby approves the Report substantially in the form attached hereto as Exhibit A and finds and determines that changes to the parameters of LACEP that are not material in nature do not require the approval of this Council.

Section 5. This City Council hereby approves the inclusion in LACEP of all of the properties in the incorporated area within the City, as same may be amended through annexation from time to time, the acquisition, construction and installation within City limits of the Improvements set forth in the Report upon the request and agreement of the affected property owner, and the assumption of jurisdiction thereover by the County for the aforesaid purposes. The adoption of this Resolution by this City Council constitutes the approval by the City to participate in the LACEP. This City Council further authorizes the County to set the terms of and implement LACEP and to take each and every action necessary or desirable for financing the Improvements, including the levying, collecting and enforcement of the contractual assessments to finance the Improvements and the issuance of bonds secured by such contractual assessments.

Section 6. The City Clerk is directed to file a certified copy of this Resolution with the Los Angeles County Office of Sustainability, located at 1100 North Eastern Avenue, Los Angeles, California 90063.

Section 7. City staff is authorized and directed to coordinate with the County, including the Program Administrator and County staff, to facilitate operation of LACEP. City staff is also authorized and directed to do all acts and things which may be required by this Resolution, or which may be necessary or desirable in carrying out LACEP as described in the Report, as may be amended from time to time, and approved by this Resolution, and all matters incidental thereto.

APPROVED, PASSED AND ADOPTED this 15th day of June 2010.

_____

Peggy Delach

Mayor

ATTEST:

_____

City Clerk

APPROVED AS TO FORM:

_____

City Attorney

QUICK FACTS ABOUT THE LOS ANGELES COUNTY ENERGY PROGRAM

What is the Los Angeles County Energy Program?

The Los Angeles County Energy Program (LACEP) is a public-purpose program with the following goals:

- Promote energy-efficiency retrofits of the existing building stock in Los Angeles County
- Put construction professionals back to work
- Reduce greenhouse gas emissions

An investment of $5,000 to $15,000 to implement a home energy retrofit can achieve an average of 20% energy savings, reduce utility bills, improve building comfort, enhance indoor air quality, and increase the home's value. In addition, the participating homeowner may be eligible for up to $4,500 in rebates and tax credits to offset project costs, and can take advantage of County-administered project loans that can be paid back on the annual property tax bill. Water efficiency measures and renewable energy installations to achieve even greater water and energy use reductions may also be eligible. With the Los Angeles County Energy Program, homeowners benefit, the economy benefits, and the environment benefits!

Who is funding LACEP?

Funding for development and administration of LACEP comes from Federal American Recovery and Reinvestment Act grants that the County received. Loans to participating property owners will be financed from bonds issued by the County at no cost to County taxpayers or taxpayers in participating cities.

How does the program work?

The aim of LACEP is for participating property owners to achieve at least a 20% reduction in energy consumption in their homes. Homeowners will have a choice of upgrade packages and options that qualify for rebates and incentives, from basic weatherization, insulation and sealing of their house to installing energy efficient windows, tankless water heaters, air conditioners, and even installing solar panels. The program will provide a one-stop shop where homeowners can find information about all the Federal, State, County, and utility rebates and incentives available.

The program includes an innovative financing option so homeowners don't have to shoulder the upfront costs, which can be a significant barrier to making improvements. Homeowners can repay these County-administered loans over a period of time up to 20 years or the life of the improvement as a line item on their property tax bill. Also, loan eligibility is not dependent on your credit rating. If you sell the house before repayment has been completed, the loan obligation stays with the house and not with you. The program will have a rigorous set of quality assurance safeguards to help ensure the highest quality of retrofit work in your home.

What types of buildings can participate?

Existing single-family and small multi-family (up to four units) residential buildings will be eligible to participate in the first phase of the program. Non-residential buildings and large multi-family (five or more units) residential buildings will be added to the program later. New construction is not eligible.

What types of energy-efficiency projects can be included?

The program includes an extensive list of eligible energy efficiency, water efficiency, and renewable energy measures and technologies. Property owners will be helped to identify the right mix of upgrade options for their particular property and situation to achieve maximum energy savings and optimum benefits.

Why is this important to the environment?

Most of the homes in Los Angeles County were built before State energy efficiency standards were implemented. The energy and water used by these homes make up a significant portion of the County's overall electricity and natural gas use which, in turn, is responsible for a significant share of the greenhouse gas emissions within the County. By becoming more energy efficient and installing renewable generation technologies, our homes can play a big part in addressing our energy and climate change challenges.

How will this create jobs?

The construction industry is suffering from a very high unemployment rate. Many construction workers are anxious to find ways to apply their skills to new green jobs that can be sustained over the long term. The County is working with various workforce training groups and institutions to actively increase the pool of qualified contractors and to expand the number of workers who will be able to perform assessments, installations, and inspections in conjunction with LACEP. This program is expected to create thousands of new and sustainable green jobs within the County.

When does the program start?

LACEP is being coordinated closely with the rebate and incentive programs being developed by private and public energy utilities in the County, as well as with new federal financial incentives for energy efficiency to ensure maximum benefits to participating homeowners. We expect LACEP to begin to roll out in summer 2010, and to be fully launched by September 2010.

How can I get more information?

Keep checking this website (www.LACountyEnergyProgram.org) for LACEP updates or sign up to receive email notifications. You can also call **1-877-78-LACEP** for information.

CITY OF COVINA
AGENDA ITEM COMMENTARY

MEETING DATE: June 15, 2010 **ITEM NO.: CC 13**

STAFF SOURCE: Rosalia A. Conde, CMC, Deputy City Clerk R.A.C.

ITEM TITLE: Direct staff to publish a notice of intent to change the Conflict of Interest Code, to review the City's adopted Conflict of Interest Code, and submit any proposed amendments no later than October 1, 2010.

STAFF RECOMMENDATION
Direct staff to publish a Notice of Intent to change the Conflict of Interest Code, to review the City's adopted Conflict of Interest Code, and submit any proposed amendments no later than October 1, 2010, pursuant to the mandatory action required by Government Code § 87306.5.

GENERAL FUND IMPACT
None

BACKGROUND
The Political Reform Act (Act) requires a biennial review of the City's adopted Conflict of Interest Code (Code) in even-numbered years (Government Code § 87306.5). Among other provisions, the adopted Code determines which City employee position classifications must also file Statements of Economic Interests (Form 700's).

Tonight's Council action presents the first step in the mandatory Code review process. As directed by Council, the Code will be reviewed to determine whether the position classifications and/or disclosure categories remain appropriate. For example, over the past two (2) years since the Code was last amended, employee positions may have been added, deleted, or altered which would render the existing Code inaccurate.

Staff will then notify the Council of any required amendments and present the Council with an updated Conflict of Interest Code for Council review and approval no later than October 1, 2010, the deadline specified by the Act. A proposed amended Code is not effective until it is approved by the City Council.

EXHIBITS
A. 2010 Local Agency Biennial Notice

REVIEW TEAM ONLY
City Attorney: _____ **Finance Director:** _____
City Manager: _____ **Other:** _____

2010 Local Agency Biennial Notice

Name of Agency:_____

Mailing Address:_____

Contact Person:_____ Office Phone No: _____

E-mail:_____ Fax No:_____

Accurate disclosure is essential to monitor whether officials have conflicts of interest and to help ensure public trust in government. This agency has reviewed its conflict-of-interest code and has determined that *(Check one box):*

☐ **An amendment is required. The following amendments are necessary:**
(Mark all that apply.)

- O Include new positions (including consultants) that must be designated.
- O Delete positions that manage public investments from the list of designated positions.
- O Revise disclosure categories.
- O Revise the titles of existing positions.
- O Delete titles of positions that have been abolished.
- O Other *(describe)*_____

☐ **No amendment is required.**

Verification

The agency's code accurately designates all positions that make or participate in the making of governmental decisions; the disclosure categories assigned to those positions accurately require the disclosure of all investments, business positions, interests in real property, and sources of income that may foreseeably be affected materially by the decisions made by those holding the designated positions; and the code includes all other provisions required by Government Code Section 87302.

_____ _____
Signature of Chief Executive Officer *Date*

Complete this notice regardless of how recently your code was approved or amended.
Please return this notice no later than **October 1, 2010**, to:

(PLACE RETURN ADDRESS OF CODE REVIEWING BODY HERE)

PLEASE DO NOT RETURN THIS FORM TO THE FPPC.

COVINA REDEVELOPMENT AGENCY
AGENDA ITEM COMMENTARY

MEETING DATE: June 15, 2010 **ITEM NO. CC 14**

STAFF SOURCE: Dilu De Alwis, Finance Director

ITEM TITLE: Payment of Demands

STAFF RECOMMENDATION:
Approve Payment of Demands in the amount of **$287,184.54**

BACKGROUND:
Attached list of warrants, demands, which are being presented for approval, for April 2010 are summarized as follows:

DATE OF DEMANDS		DEMAND NUMBERS	AMOUNT
ACCOUNTS PAYABLE WARRANTS			
April 1, 2010		5855-5863	$18,771.33
April 8, 2010		5864-5879	$162,515.95
April 15, 2010		5880-5884	$1,317.09
April 22, 2010		5885-5896	$42,323.78
April 28, 2010		5897-5903	$30,734.58
April 1, 2010	(Reimburse PR Insurance)		$2,858.10
April 15, 2010	(Reimburse PR Insurance)		$2,828.96
April 29, 2010	(Reimburse PR Insurance)		$1,622.61
PAYROLL			
April 1, 2010			$8,252.97
April 15, 2010			$7,948.82
April 29, 2010			$8,293.07
VOIDS			
April 29, 2010		5862	($282.72)
		GRAND TOTAL:	**$287,184.54**

EXHIBITS:
A. ACCOUNTS PAYABLE REGISTER

REVIEW TEAM ONLY
City Attorney: _____ Finance Director: _____
City Manager: _____ Other: _____

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
RA00005855	CRA00128	COVINA, CITY OF	04/01/10	188.72	MW	OH		Payee Name different in Check DB
RA00005856	CRA00128	COVINA, CITY OF	04/01/10	16,485.00	MW	OH		Payee Name different in Check DB
RA00005857	CRA00027	EDISON CO	04/01/10	52.42	MW	OH		
RA00005858	CRA00027	EDISON CO	04/01/10	25.66	MW	OH		
RA00005859	CRA00635	HANEY'S LANDSCAPE MAINTENANCE	04/01/10	500.00	MW	OH		
RA00005860	CRA00658	MUSULMAN ROOFING	04/01/10	300.00	MW	OH		
RA00005861	CRA00107	SMITH FAMILY TRUST	04/01/10	780.00	MW	OH		
RA00005862	CRA00657	ULINE	04/01/10	282.72	MW	OH		
RA00005863	CRA00273	UNITED SITE SERVICES OF CA IN	04/01/10	156.81	MW	OH		Payee Name different in Check DB

G R A N D T O T A L S:

Total Void Machine Written	0.00	Number of Checks Processed:	0
Total Void Hand Written	0.00	Number of Checks Processed:	0
Total Machine Written	18,771.33	Number of Checks Processed:	9
Total Hand Written	0.00	Number of Checks Processed:	0
Total Reversals	0.00	Number of Checks Processed:	0
Total Cancelled Checks	0.00	Number of Checks Processed:	0
Total EFTs	0.00	Number of EFTs Processed:	0
G R A N D T O T A L	18,771.33		

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
RA00005864	CRA00545	AL-SAL OIL COMPANY INC	04/08/10	7,333.33	MW	OH		
RA00005865	CRA00626	ANDY GUMP INC	04/08/10	19.86	MW	OH		
RA00005866	CRA00543	BANK OF THE WEST	04/08/10	794.51	MW	OH		
RA00005867	CRA00656	CATHOLIC CHARITIES	04/08/10	8,239.12	MW	OH		
RA00005868	CRA00035	COVINA DISPOSAL CO	04/08/10	111.79	MW	OH		
RA00005869	CRA00128	COVINA, CITY OF	04/08/10	140,867.88	MW	OH		Payee Name different in Check DB
RA00005870	CRA00027	EDISON CO	04/08/10	20.38	MW	OH		
RA00005871	CRA00350	GASSER, NUALA	04/08/10	23.75	MW	OH		
RA00005872	CRA00627	GES EXPOSITION SERVICES	04/08/10	3,066.40	MW	OH		
RA00005873	CRA00659	KALB & ASSOCIATES	04/08/10	528.10	MW	OH		
RA00005874	CRA00482	LA COUNTY TAX COLLECTOR	04/08/10	602.29	MW	OH		Payee Name different in Check DB
RA00005875	CRA00482	LA COUNTY TAX COLLECTOR	04/08/10	61.88	MW	OH		Payee Name different in Check DB
RA00005876	CRA00137	NETSTAR COMMUNICATIONS	04/08/10	75.00	MW	OH		
RA00005877	CRA00139	SGV ECONOMIC PARTNERSHIP	04/08/10	600.00	MW	OH		
RA00005878	CRA00570	SGV EXAMINER	04/08/10	54.88	MW	OH		
RA00005879	CRA00437	SO CALIF GAS COMPANY	04/08/10	116.78	MW	OH		

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note

G R A N D T O T A L S:

Total Void Machine Written	0.00	Number of Checks Processed:	0
Total Void Hand Written	0.00	Number of Checks Processed:	0
Total Machine Written	162,515.95	Number of Checks Processed:	16
Total Hand Written	0.00	Number of Checks Processed:	0
Total Reversals	0.00	Number of Checks Processed:	0
Total Cancelled Checks	0.00	Number of Checks Processed:	0
Total EFTs	0.00	Number of EFTs Processed:	0
G R A N D T O T A L	162,515.95		

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
RA00005880	CRA00530	BRANCHEAU, LISA	04/15/10	125.00	MW	OH		
RA00005881	CRA00034	DH MAINTENANCE SERVICES	04/15/10	345.00	MW	OH		
RA00005882	CRA00049	GEOGRAPHICS	04/15/10	440.00	MW	OH		Payee Name different in Check DB
RA00005883	CRA00650	OLIVE TREE APARTMENTS	04/15/10	350.00	MW	OH		
RA00005884	CRA00212	VERIZON CALIFORNIA	04/15/10	57.09	MW	OH		

G R A N D T O T A L S:

Total Void Machine Written	0.00	Number of Checks Processed:	0
Total Void Hand Written	0.00	Number of Checks Processed:	0
Total Machine Written	1,317.09	Number of Checks Processed:	5
Total Hand Written	0.00	Number of Checks Processed:	0
Total Reversals	0.00	Number of Checks Processed:	0
Total Cancelled Checks	0.00	Number of Checks Processed:	0
Total EFTs	0.00	Number of EFTs Processed:	0
G R A N D T O T A L	1,317.09		

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
RA00005885	CRA00545	AL-SAL OIL COMPANY INC	04/22/10	4,169.11	MW	OH		
RA00005886	CRA00660	ALL PACK CO INC	04/22/10	282.72	MW	OH		
RA00005887	CRA00465	AZUSA LIGHT & WATER	04/22/10	95.33	MW	OH		
RA00005888	CRA00128	COVINA, CITY OF	04/22/10	255.51	MW	OH		Payee Name different in Check DB
RA00005889	CRA00128	COVINA, CITY OF	04/22/10	3,153.22	MW	OH		Payee Name different in Check DB
RA00005890	CRA00128	COVINA, CITY OF	04/22/10	292.50	MW	OH		Payee Name different in Check DB
RA00005891	CRA00049	GEOGRAPHICS	04/22/10	19,510.15	MW	OH		Payee Name different in Check DB
RA00005892	CRA00273	UNITED SITE SERVICES OF CA IN	04/22/10	255.04	MW	OH		Payee Name different in Check DB
RA00005893	CRA00541	UNITED TRAFFIC	04/22/10	672.31	MW	OH		
RA00005894	CRA00116	US BANK	04/22/10	12,039.79	MW	OH		
RA00005895	CRA00642	XO COMMUNICATIONS	04/22/10	398.10	MW	OH		
RA00005896	CRA00125	YWCA WINGS SHELTER	04/22/10	1,200.00	MW	OH		

G R A N D T O T A L S:

Total Void Machine Written	0.00	Number of Checks Processed:	0
Total Void Hand Written	0.00	Number of Checks Processed:	0
Total Machine Written	42,323.78	Number of Checks Processed:	12
Total Hand Written	0.00	Number of Checks Processed:	0
Total Reversals	0.00	Number of Checks Processed:	0
Total Cancelled Checks	0.00	Number of Checks Processed:	0
Total EFTs	0.00	Number of EFTs Processed:	0
G R A N D T O T A L	42,323.78		

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
RA00005897	CRA00421	ALASKA PETROLEUM	04/29/10	2,350.00	MW	OH		
RA00005898	CRA00549	BEST BEST & KRIEGER LLP	04/29/10	9,451.32	MW	OH		
RA00005899	CRA00027	EDISON CO	04/29/10	29.00	MW	OH		
RA00005900	CRA00049	GEOGRAPHICS	04/29/10	2,144.26	MW	OH		Payee Name different in Check DB
RA00005901	CRA00070	LEWIS OPERATING CORP	04/29/10	12,460.00	MW	OH		
RA00005902	CRA00192	NEIUBER, ROBERT	04/29/10	10.00	MW	OH		
RA00005903	CRA00518	OVERLAND PACIFIC & CUTLER INC	04/29/10	4,290.00	MW	OH		Payee Name different in Check DB

G R A N D T O T A L S:

Total Void Machine Written	0.00	Number of Checks Processed:	0
Total Void Hand Written	0.00	Number of Checks Processed:	0
Total Machine Written	30,734.58	Number of Checks Processed:	7
Total Hand Written	0.00	Number of Checks Processed:	0
Total Reversals	0.00	Number of Checks Processed:	0
Total Cancelled Checks	0.00	Number of Checks Processed:	0
Total EFTs	0.00	Number of EFTs Processed:	0
G R A N D T O T A L	30,734.58		

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
RA00005862	CRA00657	ULINE	04/01/10	282.72	RV	TR		Reversed

G R A N D T O T A L S:

Total Void Machine Written	0.00	Number of Checks Processed:	0
Total Void Hand Written	0.00	Number of Checks Processed:	0
Total Machine Written	0.00	Number of Checks Processed:	0
Total Hand Written	0.00	Number of Checks Processed:	0
Total Reversals	282.72	Number of Checks Processed:	1
Total Cancelled Checks	0.00	Number of Checks Processed:	0
Total EFTs	0.00	Number of EFTs Processed:	0
G R A N D T O T A L	282.72		

REDEVELOPMENT AGENCY
AGENDA ITEM COMMENTARY

MEETING DATE: June 15, 2010 **ITEM NO.:** CC 15

STAFF SOURCE: Daryl Parrish, Executive Director
Robert Neiuber, Deputy Executive Director
Elizabeth Hull, Agency Counsel
Lisa Brancheau, Redevelopment Manager

ITEM TITLE: Resolution updating fund appropriations for the Olson Citrus Walk project

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AGENCY STAFF RECOMMENDATION

Adopt **Resolution No. 10-626** updating the fund appropriations for the Olson Citrus Walk Project. No terms of the agreement are affected by this Resolution; this simply clarifies which accounts will be credited funds when the escrow closes.

FISCAL IMPACT

There is no General Fund impact. Under the terms of the Citrus Walk DDA, Olson will pay the Agency $1,883,820 at close of escrow. Of this amount, $128,460 will be credited to Low-Moderate Income Housing account no. 2051-4700-00-49700, $304,116 will be credited to Project Area Two Public Purpose Bond Money account no. 5022-4450-00-49700, and the remaining amount of $1,451,244 will be credited to Project Area No. 1 Land Proceeds account no. 5031-4450-00-49700.

BACKGROUND

In doing further research on this project, staff found that one of the subject properties, 310-312 North Citrus Avenue was purchased in December 2001 using Public Purpose Bond Money. The Project at the time of purchase envisioned that the Public Park would actually occupy the 300 North block of Citrus Avenue while the current Civic Center Park site would house the development. Over time the policy and vision of this area has changed, and under the new Disposition and Development Agreement (DDA) with the Olson Company, the development is now slated to occur on the 300 North block of Citrus Avenue.

As the use now envisioned under the DDA is not a Public Purpose, the funds must be paid back to this account. No terms of the agreement are affected by this Resolution; this simply clarifies which accounts will be credited funds when the escrow closes.

EXHIBITS

A. Resolution No. 10-624

REVIEW TEAM ONLY

City Attorney: _____ **Finance Director:** _____

City Manager: _____ **Other:** _____

RESOLUTION NO. 10-626

A RESOLUTION OF THE COVINA REDEVELOPMENT AGENCY, TO AMEND RESOLUTION 10-623 AND 10-6840 AND THE FISCAL YEAR 2009-2010 COVINA REDEVELOPMENT AGENCY BUDGET TO REFLECT THE INCREASED FUNDS ANTICIPATED AT THE CLOSE OF ESCROW OF THE OLSON CITRUS WALK PROJECT

WHEREAS, the Covina Redevelopment Agency (Agency) is engaged in activities necessary to execute and implement the Redevelopment Plan for Redevelopment Project Area Number Two; and

WHEREAS, the budget for the Covina Redevelopment Agency for fiscal year commencing July 1, 2009 and ending June 30, 2010 was approved on June 16, 2009; and

WHEREAS, the approved budget is in accordance with all applicable ordinances of the City and all applicable statutes of the State; and

WHEREAS, the reallocation of the appropriations between departmental activities may be made by the City Manager, amendments (increases/decreases) to the Budget shall be by approval and Resolution of the Agency; and

WHEREAS, the Covina Redevelopment Agency wishes to amend the budget information in Resolution 10-623 and Resolution 10-6840 to reflect the crediting of funds back to Project Area Two Public Purpose Bond Money.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the Redevelopment Agency of the City of Covina, as follows:

SECTION 1. Amend the fiscal year 2009 – 2010 Covina Redevelopment Agency operating budget as follows: Increase the budget for account no. 2051-4700-00-49700 by $128,460, increase account no. 5022-4450-00-49700 by $304,116, and increase account no. 5031-4450-00-49700 by $1,451,244.

SECTION 2. The Agency Secretary shall certify to the adoption of this resolution.

PASSED, APPROVED AND ADOPTED this day of 2010.

Peggy Delach, Chairman

ATTEST:

Toni Taber, Agency Secretary

APPROVED AS TO FORM;

Agency Council

COVINA REDEVELOPMENT AGENCY
AGENDA ITEM COMMENTARY

MEETING DATE: June 15, 2010 **ITEM NO.:** CC 16

STAFF SOURCE: Robert Neiuber, Deputy Executive Director
Nuala Gasser, Senior Redevelopment Manager

ITEM TITLE: Annual Report of the Economic Development Council for Fiscal Year 2009-2010, and consideration of Fiscal Year 2010-2011 program budget

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STAFF RECOMMENDATION
Receive and file Annual Report of the Economic Development Council and approve the 2010-2011 program budget for the Covina Economic Development Council (EDC)

FISCAL IMPACT
Planned funding for all EDC programs are budgeted in the FY 10-11 budget request for the Redevelopment and Housing Marketing Budget (5011-4600-00-53705), in the amount of $5,500.

BACKGROUND
Report on 09-10 activities
Pursuant to the Agreement for the Operation of the Economic Development Council (EDC), the Chamber of Commerce prepares an annual report. The attached report, Exhibit A, covering the period of July 2009 through June 2010, includes financial activity for the reporting period and highlights the status of programs that are implemented by the EDC. No funds were expended in FY 09-10 for the Business Information Brochure or the Business Attraction Effort. The unexpended funds will be carried over to FY 10-11.

2010-2011 Proposed EDC Budget
The EDC budget proposal covers five programs, and carries over unexpended funds from FY 09-10 for two programs. The budget proposal requests $5,500 for FY 10-11, and is attached as Exhibit B.

EXHIBITS
A. Economic Development Council Report—July 1 2009 through June 30, 2010 with attached Covina Economic Development Council Financial Report—July 1, 2009 through June 30, 2010
B. EDC Proposed Budget 2010-2011

REVIEW TEAM ONLY
City Attorney: _____ **Finance Director:** _____
City Manager: _____ **Other:** _____

ECONOMIC DEVELOPMENT COUNCIL REPORT
July 2009- June 2010

Covina's Top Businesses and Beautification Awards

Top tax generating businesses will be honored in June. These businesses will be given plaques for their contributions to the city and commitment to the business community. The EDC also voted to incorporate the Business Beautification Awards into this event and several businesses that have remodeled will be given signs to place on their property.

New Business Information Brochure

This brochure has become very popular and useful for individuals seeking to open their own business in the city of Covina. The Covina Chamber recently added a download-able version to their website. Hard copies are available at local banks, the library, the Finance Dept at City Hall and the Covina Chamber of Commerce. Changes will be made to keep the information current and a "reprint" will be made within the year. This brochure is available at no cost and promotes local businesses in a directory listed in the back of the brochure.

State of the City

The EDC partnered with the Covina Chamber of Commerce to host a State of the City Luncheon in February 2010. Mayor Allen, Superintendent Louis Pappas from Covina Valley Unified School District, Superintendent Clint Harwick from Charter Oak Unified School District and Chamber Chairperson Sally Ervolina gave updates on different aspects of the City. It is an informative luncheon with about 80 people in attendance. This is an event the EDC would like to sponsor annually.

ICSC Conference

For the second year, the EDC Executive Director accompanied the staff from the Redevelopment Agency to this annual conference. The Executive Director promoted the City of Covina by visiting various retail booths and handing out Covina's marketing material.

Business Attraction

This allows EDC members to meet with business/land owners to discuss possible projects/ideas in Covina.

Economic Development Council
Profit Loss
July 2009 through June 2010

	Jul '09 - Jun 10
Ordinary Income/Expense	
Income	
Income	4,500.00
Thunderfest/Bluesapalooza	
Car Entries	5,635.00
Thunderfest/Bluesapalooza - Other	7,862.46
Total Thunderfest/Bluesapalooza	13,497.46
Total Income	17,997.46
Expense	
Business Awards	1,382.85
Misc	9.00
State of the City	1,000.00
Thunderfest	
Advertising	5,025.00
Coordinator	2,000.00
Equipment	0.00
Misc	5,935.00
Postage	356.92
Printing	465.89
Sound System	0.00
Thunderfest - Other	-4,525.00
Total Thunderfest	9,257.81
Total Expense	11,649.66
Net Ordinary Income	6,347.80
Net Income	6,347.80

ECONOMIC DEVELOPMENT COUNCIL PROPOSED BUDGET
2010-2011

Proposed Budget

Each program has a dollar amount assigned to it. This cost includes everything needed to initiate and maintain the program for the current fiscal year.

	Cost	Reserves	CRA funding
Thunderfest			0.00
Top Thirty/Bob Russo Business Awards All costs include: Plaques, Luncheon and Mailings	3,000		3,000
ICSC Conference All costs include: Registration, meals and lodging	1,500		1,500
New Business Information Brochure All costs include: Updating and printing: $1500	1,500	1,500	0.00
State of the City Event All costs include: Breakfast cost and advertising	1,000		1,000
Business Attraction Effort: All costs include: Expenses: Phone, gas and mileage, meals	500	500	0.00
Total Budget:			**5,500**

Respectfully Submitted,

Dawn Nelson
EDC Director

COVINA REDEVELOPMENT AGENCY
AGENDA ITEM COMMENTARY

MEETING DATE: June 15, 2010 **ITEM NO.: CC 17**

STAFF SOURCE: Robert Neiuber, Deputy Executive Director

ITEM TITLE: International Council of Shopping Centers Global Retail Real Estate Convention

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STAFF RECOMMENDATION
Receive and file the report on the International Council of Shopping Centers Global Retail Real Estate Convention.

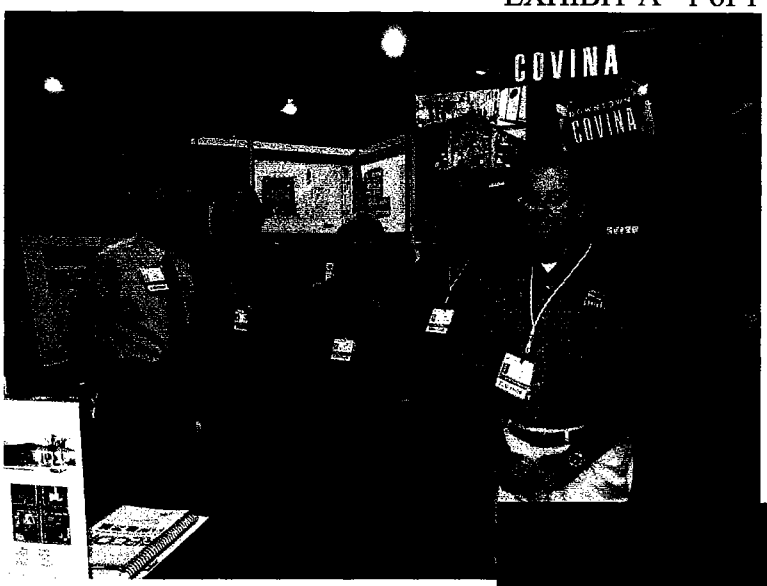
FISCAL IMPACT
The expenses associated with attending the International Council of Shopping Centers (ICSC) Global Retail Real Estate Convention (RECon) are included in the FY 2009-2010 Redevelopment Marketing budget (5011-4600-00-53200).

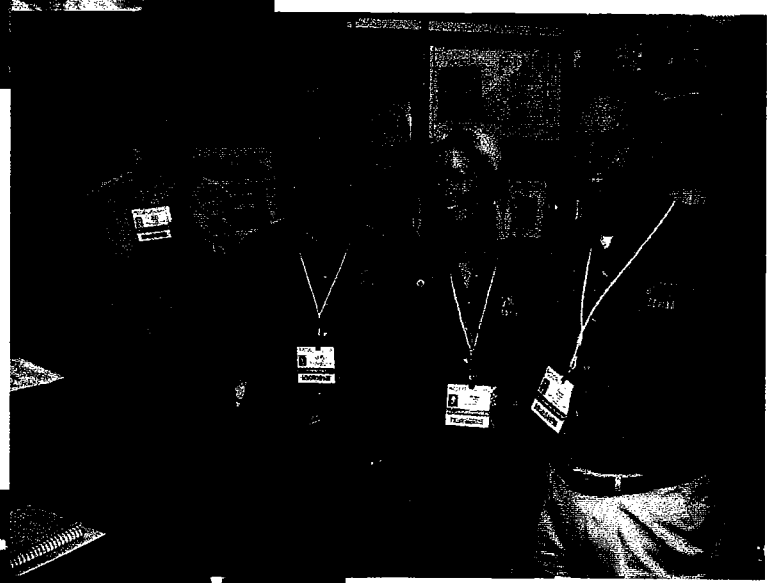
BACKGROUND
ICSC is the global trade association of the shopping center industry. Its 57,000 members in the U.S., Canada and more than 80 other countries include shopping center owners, developers, managers, marketing specialists, investors, lenders, retailers and other professionals, as well as academics and public officials. RECon is the largest gathering of retail real estate professionals in the world. Approximately 30,000 retail company and development executives from around the world attended RECon; ICSC estimates that approximately 50 percent of the retail real estate industry's shopping center leases are signed or conceived during the convention.

The Executive Director, Deputy Executive Director, Senior Redevelopment Manager, Redevelopment Manager, Mayor and a Councilmember attended ICSC RECon, which ran from Sunday, May 22 through Tuesday, May 25, 2010 at the Las Vegas Convention Center, a 3.2 million square foot complex. As in previous years, staff scheduled meetings and met with retailers, developers, brokers, property owners, and service providers to further the goals of the Covina Redevelopment Agency (Agency); eliminate blight, improve economic development, and increase the availability of low to moderate income affordable housing. This was the second year the Agency participated as an exhibitor, being one of the sixty cities represented at the conference. Having a booth provided the Agency with a readily accessible meeting area, helped us to market the City and its opportunities, and showed Covina's commitment to economic development and how we are preparing for future opportunities.

EXHIBITS
A. Picture of City of Covina Booth

REVIEW TEAM ONLY
City Attorney: _____ **Finance Director:** _____
City Manager: _____ **Other:** _____





Mayor Peggy Delach, Lowe's Director of Real Estate Acquisition, Western Division, Bart Hollander, and City Manager Daryl Parrish

CITY OF COVINA
AGENDA ITEM COMMENTARY

MEETING DATE: June 15, 2010 **ITEM NO.: PH 1**

STAFF SOURCE: Steve Henley, Director of Public Works
Kalieh Honish, Public Works Manager
Paul Hertz, Public Works Superintendent

ITEM TITLE: Public Hearing - Levy and Collection of Assessments for Covina Landscaping District No. 1 for the 2010-2011 Fiscal Year.

STAFF RECOMMENDATION

a. Conduct the public hearing; and

b. Determine that a majority protest does not exist and adopt **Resolution No. 10-6844**, confirming the Engineer's Report dated May 18, 2010, and ordering the levying of assessments on the Covina Landscaping District No. 1 for the 2010-2011 Fiscal Year.

FISCAL IMPACT

Service activities within the Landscaping District are modified on an annual basis to closely parallel the revenues generated by the District. Accordingly, the recommended action has a neutral financial impact. However, should the City Council not approve the recommended rates, the result would be either further-reduced service within the District or an additional burden upon the General Fund, if service levels were not reduced.

BACKGROUND

City Council Resolution 10-6836 designated June 15, 2010, as the date for the public hearing for the levying of assessments on the Covina Landscaping District No.1 for the 2010-2011 Fiscal Year. Following are the rates proposed for FY 2010-2011:

ZONE		
No. 1	(Xalapa Park, etc.) /1,000 S.F.	$56.55
No. 2	(Cienega Ave.) /1,000 S.F.	$17.00
No. 3	(Golden Grove Way)	$0.00
No. 4	(Residential) /unit	$21.90
No. 5	(Commercial) /1,000 S.F.	$10.00

The proposed assessments for Zones 1, 3, and 4 are equal to the amounts levied last year. The proposed assessments for Zones 2 and 5 are higher than last year's assessments of $8.87 and $2.86, respectively; being adjusted to the highest allowable assessment for each zone.

Upon the conclusion of the public hearing, the Council may adopt the attached resolution.

EXHIBITS

A. Resolution No. 10-6844
B. Engineer's Report

REVIEW TEAM ONLY

City Attorney: _____ **Finance Director:** _____

City Manager: _____ **Other:** _____

RESOLUTION NO. 10-6844

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, CONFIRMING THE ENGINEER'S REPORT, DATED MAY 18, 2010, AND ORDERING THE LEVYING OF ASSESSMENTS ON "THE COVINA LANDSCAPING DISTRICT NO. 1" FOR THE 2010-2011 FISCAL YEAR

THE CITY COUNCIL OF THE CITY OF COVINA DOES HEREBY RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. That the public interest and convenience require, and it is the intention of the City Council of the City of Covina, California, to levy assessment on the Covina Landscaping District No. 1 for maintaining the landscaping of those certain areas of the city shown on the maps consisting of 70 sheets, which are on file in the office of the City Clerk and made a part hereof, for the 2010-2011 fiscal year.

The boundaries of the assessment district and any zones therein and the proposed assessments upon assessable lots and parcels of land within the district shall be in accordance with the report of the Engineer dated May 18, 2010, on file in the office of the City Clerk and which is hereby referred to and by this reference incorporated herein and made a part hereof.

Section 2. That said assessment district is all of that portion of the City of Covina shown on maps consisting of 70 sheets on file in the office of the City Clerk, on which said maps the extent of said assessment district is indicated, excepting from said district any portion of any public street or alley which may be included therein. Reference is hereby made to said maps for a complete and detailed description of said Covina Landscaping District No. 1. The said maps so on file shall govern for all details as to the extent of said assessment district.

Section 3. Any lots or parcels of land known as public property, as the same is defined in Section 22663, Part 2, Division 15, Streets and Highways Code, ("Landscaping and Lighting Act of 1972"), hereinafter referred to, which are. Included in the said assessment district shall be omitted and exempt from the assessment to be made to cover the costs and expenses of said district.

Section 4. The assessments contemplated by this Resolution of Intention shall be done under the provisions of the "Landscaping and Lighting Act of 1972," (Part 2 of Division 15, Section 22500 et seq., of the Streets and Highway Code of the State of California).

Section 5 That the proposed assessment rates are as follow: Zone No. 1 the assessment rate is $56.55, with a maximum assessment rate of $56.55; Zone No. 2 the assessment rate is $17.00 with a maximum assessment rate of $17.00; Zone No. 3 the assessment rate is $0.00 with maximum assessment rate of $0.00;

Zone No. 4 the assessment rate is $21.90 with a maximum assessment rate of $21.90; and Zone No. 5 the assessment rate is $10.00 with a maximum assessment rate of $10.00.

Section 6. That this resolution shall take effect immediately; and the City Clerk shall certify to the passage and adoption of this resolution, shall cause the original of the same to be entered among the original resolutions of said City Council of said City; and shall make a minute of the passage and adoption thereof in the records of the proceedings of the City Council of said City in the minutes at which the same is passed and adopted.

APPROVED, PASSED AND ADOPTED this 15th day of June 2010.

Peggy Delach
Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

CITY OF COVINA
LMD 1
ENGINEER'S REPORT

Fiscal Year 2010/2011

INTENT MEETING: May 18, 2010
PUBLIC HEARING: June 15, 2010

WILLDAN Financial Services

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ENGINEER'S REPORT AFFIDAVIT

Establishment of Annual Assessments for the:

Covina Landscaping District No. 1

City of Covina

Los Angeles County, State of California

This Report identifies the parcels within the District and all relevant zones therein, as they existed at the time of the passage of the Resolution of Intention. Reference is hereby made to the Los Angeles County Assessor's maps for a detailed description of the lines and dimensions of parcels within the District. The undersigned respectfully submits the enclosed Report as directed by the City Council.

Dated this _____ day of _____, 2010.

Willdan Financial Services
Assessment Engineer
On Behalf of the City of Covina

By: _____

Stacee Reynolds
District Administration Services

By: _____

Dick Kopecky
R. C. E. #16742

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I. OVERVIEW

A. Introduction

The Covina Landscaping District No. 1 (hereafter referred to as "District") was formed April 6, 1981 pursuant to the provisions of the *California Streets and Highways Code, Division 15, Part 2, Landscaping and Lighting Act of 1972* (hereafter referred to as "1972 Act"), in order to provide and maintain public landscape improvements in specified areas within the City. Since formation of the District, the City of Covina (hereafter referred to as "City") has annually levied and collected special assessments upon properties within the District for the annual maintenance and operation the improvements that benefit those properties pursuant to the 1972 Act. The parcels included in the original district formation and all subsequent annexations thereto, are included within a specified benefit zone (hereafter referred to as 'Zone") based on the specific development of those properties and the improvements and services from which they receive benefit.

This Engineer's Report (hereafter referred to as the "Report") describes the District, any proposed changes to the District and the assessments for Fiscal year 2010/2011. The proposed assessments are based on the City's estimated cost to maintain the improvements that provide special benefit to properties within the District. The various improvements within the District and the costs of those improvements are identified and budgeted separately for each Zone, including all expenditures, deficits, surpluses, revenues, and reserves. Each parcel within a Zone is assessed proportionately for only those improvements provided in that Zone from which the parcel receives special benefit.

The word "parcel," for the purposes of this Report, refers to an individual property assigned its own Assessment Number by the Los Angeles County Assessor's Office. The Los Angeles County Auditor/Controller uses Assessment Numbers and specific Fund Numbers, to identify on the tax roll, properties assessed for special district benefit assessments.

Upon conclusion of a noticed Public Hearing, the City Council will consider all testimony and written protests presented and will direct any necessary modifications to the Report and approve the Report as submitted or amended. Following final approval of the Report, the City Council will by resolution, order the improvements to be made, and confirm the levy and collection of assessments pursuant to the 1972 Act. The assessment rates and method of apportionment described in this Report as approved by the City Council defines the assessments to be applied to each parcel within the District for fiscal year 2010/2011. The assessments as approved will be submitted to the Los Angeles County Auditor/Controller to be included on the property tax roll for each parcel for the fiscal year.

If any parcel submitted for collection is identified by the County Auditor/Controller to be an invalid parcel number for the current fiscal year, a corrected parcel number and/or new parcel numbers will be identified and resubmitted to the County

Auditor/Controller. The assessment amount to be levied and collected for the resubmitted parcel or parcels shall be based on the method of apportionment and assessment rate described in this report and approved by the City Council.

B. District Background

The Covina Landscaping District No. 1 was originally formed in 1981 with Zones 1 and 2 (only Zone 1 was assessed the first year). In fiscal year 1982-83 Zone 2 was assessed for the first time.

In fiscal year 1983-84 Zone 3 was established within the District. Properties within Zone 3 were levied an assessment that first fiscal year, but have not been levied an assessment since, because the association of the property owners along Golden Grove Way took over and currently provide for the maintenance of the landscape improvements originally associated with this Zone. These properties, the improvements and the Zone are no longer included as part of the District.

In 1985, the City began the process of annexing additional properties into the landscaping District that were being developed to ensure the General Fund would not be impacted by the expense of maintaining street landscaping within the City. Initially, annexation of properties to the District was done by petition (property owner consent and waiver), pursuant to Section 22608 of the 1972 Act. Through this process, the property owners signed a letter consenting to the annexation, which eliminated the lengthy process of resolutions, reports, publications, hearings, etc., otherwise required for the annexation of territory to the District. The properties annexed to the District were designated as either Zone 4 (single-family residences and condominium units) or Zone 5 (commercial/industrial developments).

In fiscal year 1986-87, Zones 4 and 5 were added to the District. The City annexed six properties on the south side of San Bernardino Road, west of Hollenbeck Avenue, in conjunction with the street widening that included street tree planting.

In 1988, the District was expanded again by annexing the properties east and west of Azusa Avenue from Arrow Highway to 600 feet south of Badillo Street in connection with the Azusa avenue beautification project. Subsequent annexations of properties to Zones 4 and 5 have been annexed via the petition of the property owners while others have been included via the public hearing process. This processes of annexation to the District continued up through fiscal year 1996-97 when Proposition 218 was approved.

In fiscal year 2008/2009, the City initiated and conducted a property owner protest ballot proceeding for a proposed assessment increase for each zone. The proposed assessment increase was not approved by property owners; therefore, the maximum assessment rates remained the same as previously approved.

C. Compliance with the Current Legislation

The District and all Zones therein have been formed pursuant to the 1972 Act. The City Council annually conducts a public hearing to accept public comments and testimony, to review the Engineer's Report and approve the annual assessments to be levied on the County tax roll for the fiscal year. All assessments described in this report and approved by the City Council have been prepared in accordance with the 1972 Act and are in compliance with the provisions of the California Constitutional Article XIIID (hereafter referred to as the "Constitution"), which was enacted with the passage of Proposition 218 in November 1996.

Pursuant to the Constitution Article XIIID Section 5, certain existing assessments (prior to the passage of Proposition 218) are exempt from the substantive and procedural requirements of the Article XIIID Section 4 and the property owner balloting for the assessments is not required until such time that the assessments are increased. The City has made the following determinations with respect to the District assessments described in this Report:

The annual assessment originally established for Landscaping District No. 1-- Zones 1 and 2 were imposed in accordance with a consent and waiver as part of the original development approval for the properties within these areas.

Specifically for Zone 1:

- In the Participation, Disposition and Development Agreement dated October 13, 1977, the developer agreed to convey to the Covina Redevelopment Agency (CRA) certain areas within the site to be used as "landscaped open space," which is now known as Parque Xalapa. The developer also consented to the formation of landscape maintenance District to which the property owners of all properties within the site would be required to contribute to the maintenance and upkeep of the landscaped areas.

- In the Declaration of Covenants, Conditions and Restrictions recorded in Official Records of the L.A. County on September 1, 1978 as Instrument No. 78-973872, the developer agreed to grant to the CRA the "Open Space Area", acknowledged that the improvement and maintenance of the Open Space Area will be of benefit to the development and agreed that each owner of the development shall pay a percentage of the total annual costs of maintenance of the Open Space Area incurred by the CRA or by the City of Covina as successor in interest to the Open Space Area.

Specifically for Zone 2:

- In the Declaration of Covenants, Conditions and Restrictions for the Arrow Grand Business Park recorded in the Official Records of L.A. County on January 19, 1982 as Instrument No. 82-60228, the owners within the development area agreed to maintain the "Agency Open Space" until such time as an Assessment District could be formed by the City, acknowledging that the improvement and

maintenance of the Open Space Area benefit the development. The owners within the development area also agreed that each owner of the development should pay a percentage of the total annual costs of maintenance of the Open Space Area incurred by the City of Covina as successor in interest to the Open Space Area. The City owns fee title to the Agency Open Space. The CC&R's were signed by the owners of all of the parcels subject to the assessment including the Covina Redevelopment Agency.

Therefore, pursuant to Article XIIID Section 5b, all the property owners within Zones 1 and 2 approved the existing District assessments at the time the assessments were created (originally imposed pursuant to a 100% landowner petition). Therefore, the pre-existing assessment amounts for these Zones (the maximum assessment rates identified in this Report) are exempt from the procedural requirements Article XIIID Section 4. However, any future assessment increases will be subject to the new requirements of this section of the Constitution.

Similar to Zones 1 and 2, many of the properties annexed to Zones 4 and 5 of the District and the imposition of an assessment were made in accordance with a consent and waiver as part of property development, although most of these annexations involved individual parcels rather than larger development areas. Regardless of the annexation size, pursuant to Article XIIID Section 5b the property owners through a consent and waiver process approved the imposition of their assessment (originally imposed pursuant to a 100% landowner petition). Therefore, the pre-existing assessment amounts (the maximum assessment rates identified in this Report) for these properties are exempt from the procedural requirements Article XIIID Section 4.

Although many of the properties within Zones 4 and 5 were annexed to the District through a consent and waiver process, some parcels (specific development areas) were annexed to the District based on the statutory public hearing and protest provisions of 1972 Act. Since these annexations occurred prior to Proposition 218, property owner ballot proceedings were not required or conducted, but because the assessments are specifically used for the maintenance of street improvements, the existing assessments (approved prior to the passage of Proposition 218) are considered exempt from the procedural requirements of Article XIIID Section 4 pursuant to Section 5(a) of its text, "Any existing assessments used to finance capital and maintenance costs for sidewalks, streets….".

Therefore, the City has determined that pursuant to Section 5(a) and Section 5(b) of Article XIIID of the Constitution, the annual assessments for Zones 1, 2, 4 and 5 are exempt from the procedural requirements of the Article XIIID Section 4 unless the assessment rates are increased. Furthermore, it is the City's opinion that the maximum assessment rate approved for each Zone and outlined in this Report shall be based on the highest assessment rate previously established and adopted for that Zone prior to the passage of Proposition 218. Therefore, if the proposed annual assessment rate for a given Zone were less than the maximum rate then the assessment would be in compliance with the Constitution. However, future annexations to the District or an increase to the assessment rates greater than the

previously adopted maximum rates would be subject to both the substantive and procedural requirements of Article XIIID Section 4.

D. Changes to the District

In 1985, the city started annexation proceedings into the landscaping District for properties not already within Zones 1, 2 and 3. As previously indicated, initially the annexation of properties to the District was done by petition (property owner consent and waiver), pursuant to Section 22608 of the 1972 Act as part of various street widening and street tree planting projects and the Azusa Avenue beautification project. Over the course of several years however, the annexation of properties to both Zone 4 and Zone 5 included several new developments and individual residents that had filed for a building permit. This annexation process eventually created various inconsistencies in the benefit that properties received from the landscape improvements provided by the District. In response to this issue, in 2002 the City's assessment engineer evaluated the properties within the District and removed from both Zone 4 and Zone 5 those properties that do not receive special benefit from the improvements maintained and budgeted for the District. Although these properties have not been technically detached from the District, they are no longer included in either Zone 4 or Zone 5 and are not subject to the annual assessments for these Zones.

II. DESCRIPTION OF THE DISTRICT AND SERVICES

A. District Zones

The City annually levies and collects assessments in order to maintain and service specific improvements within the District based on the City's estimate of the costs associated with those improvements. The District is comprised of four (4) benefit Zones, which include specific properties and the improvements that benefit those properties. The District Zones are identified as:

Zone 1
Zone 1 is generally located in the southeast region of the City, south of Covina Hills Road; north of Holt Avenue and the San Bernardino Freeway, and east of Grand Avenue. The Zone was established in April 1981 and the annual assessments provide for the maintenance of landscaping in Parque Xalapa, Forest Hills Drive and Covina Hills Road Slope and Oak Tree Park. The City's Park and Recreation Department maintains the landscape improvements within this Zone.

Zone 2
Zone 2 is generally located in the north-central region of the City, south of Arrow Highway, north of Cienega and west of Grand Avenue. The Zone was established in April 1981 and the annual assessments for this Zone provide for the maintenance of landscaping at the entrances to Arrow Grand Circle off Arrow Highway and the north side of Cienega Street between Grand Avenue and Barranca Avenue that is

adjacent to the properties within the Zone. A private contractor hired by the City maintains the landscape improvements within this Zone.

Zone 4
Zone 4 is currently comprised of four (4) residential developments (single-family and condominiums) generally located south of Arrow Highway, north of Puente Street along the Azusa Avenue corridor. These four residential developments are inclusive of Tract 15506, Tract 14394, Tract 18642, Tract 33882 and Tract 34224. The annual assessments for Zone 4 provide for the maintenance of street landscaping (including street tree maintenance) associated with the properties as well as a portion of the maintenance costs of Azusa Avenue landscaping (15% of the costs).

Zone 5
Zone 5 is currently comprised of the commercial/industrial properties generally located south of Arrow Highway, north of Badillo Street along the Azusa Avenue corridor. The annual assessments for Zone 5 provide for the maintenance of street landscaping (including street tree maintenance) specifically associated with these properties including 85% of the maintenance costs of Azusa Avenue landscaping.

B. District Improvements and Services

As generally defined by the Act, the improvements and the associated assessment for each Zone may include the following:

1) The installation or planting of landscaping;

2) The installation, repair or construction of any facilities which are appurtenant to any of the foregoing or which are necessary or convenient for the maintenance or servicing thereof; including but not limited to, grading, removal of debris, the installation or construction of curbs, gutters, retaining walls, sidewalks, stitch piers, paving, or water, irrigation, drainage, or electrical facilities.

3) The maintenance or servicing, or both, of any of the foregoing including the furnishing of services and materials for the ordinary and usual maintenance, operation, and servicing of any improvement, including, but not limited to:

   a) repair, removal, or replacement of all or any part of any improvements;
   b) grading, clearing, removal of debris, the installation, repair or construction of curbs, gutters, walls, sidewalks, or paving, or water, irrigation, drainage, or electrical facilities;
   c) providing for the life, growth, health, and beauty of landscaping, including cultivation, irrigation, trimming, spraying, fertilizing, or treating for disease or injury;
   d) the removal of trimmings, rubbish, debris, and other solid waste;
   e) the cleaning, sandblasting, and painting of walls and other improvements to remove or cover graffiti; and,
   f) water for the irrigation of any landscaping, the operation of any fountains, or the maintenance of any other improvements;

4) Incidental expenses associated with the improvements including, but not limited to:
   a) the cost of preparation of the report, including plans, specifications, estimates, diagram, and assessment;
   b) the costs of printing, advertising, and the publishing, posting and mailing of notices;
   c) compensation payable to the County for collection of assessments;
   d) compensation of any engineer or attorney employed to render services;
   e) any other expenses incidental to the construction, installation, or maintenance and servicing of the improvements; and,
   f) costs associated with any ballot proceedings held for the approval of a new or increased assessment.

III. METHOD OF APPORTIONMENT

Pursuant to the 1972 Act, the costs of the District may be apportioned by any formula or method that fairly distributes the net amount to be assessed, among all assessable parcels in proportion to the estimated benefits to be received by each parcel from the improvements. The benefit formula used for the District should reflect the composition of the parcels, and the improvements and services provided, to fairly apportion the costs based on special benefit to each parcel.

The Method of Apportionment described for this Report utilizes commonly accepted assessment-engineering practices and have been established pursuant to the 1972 Act and the provisions of the Constitution. The method outlined for each Zone is based on the premise that each assessed parcel receives benefit from the improvements maintained and financed by the District's assessments. The desirability of properties within each Zone is enhanced by the presence of well-maintained landscaping in close proximity to those properties. The costs associated with the improvements within each Zone are equitably spread among the benefiting parcels within the Zone and the funds collected shall be dispersed and used for only the improvements and services provided by the District.

For Zones 1, 2 and 5 the assessments are based on the lot size of each parcel regardless of land use. For Zone 4 the assessments are based on per dwelling unit basis for each parcel. The annual cost of each Zone's improvements to be levied (Balance to Levy) is divided by the total number of assessment units (either lot square footage or dwelling units) calculated for the Zone to establish the annual assessment rate (Levy per 1,000 square feet of lot size or Levy per dwelling unit) for the fiscal year. These formulas are represented as follows:

Zones 1, 2 and 5:

Balance to Levy / Total Number of 1,000 sq. ft. = Levy Per 1,000 sq. ft.

The levy amount for each parcel is then calculated by multiplying the Levy per 1,000 sq. ft. (assessment rate) by the parcel's lot size (1,000 sq. ft. increments):

Levy Per 1,000 sq. ft. x Parcel sq. ft = Parcel Levy Amount

Zone 4:

Balance to Levy / Total Number of Units= Levy Per Unit

The levy amount for each parcel is then calculated by multiplying the Levy per Unit (assessment rate) by the number of units on each parcel:

Levy Per Unit x Number of units on Parcel = Parcel Levy Amount

IV. DISTRICT BUDGETS

The following budgets for fiscal year 2010/2011 have been prepared pursuant to Chapter 1, Article 4 Section 22569 of the 1972 Act.

A. Zone 1 Budget, fiscal year 2010/2011

BUDGET ITEM	Zone 1 Budget
ANNUAL MAINTENANCE (DIRECT COSTS)	
Landscape Maintenance Expenses	
Landscape Maintenance and Appurtenant Facilities	$85,000
Landscape Utilities (Water/Electricity)	15,096
Professional Services	4,500
Total Annual Landscape Maintenance Expenses	**$104,596**
ADMINISTRATION	
Administration Overhead	$5,000
County Administration Fee	15
Miscellaneous Administration Expenses	-
Total Administration	**$5,015**
Total Costs & Expenses	**$109,611**
LEVY ADJUSTMENTS	
Reserve Fund (Transfer)	($33,891)
Total Levy Adjustments	**($33,891)**
BALANCE TO LEVY	**$75,720**
DISTRICT STATISTICS	
Total Parcels	61
Parcels Levied	61
Total EBUs	1,339.00
Current Maximum Assessment per EBU	**$56.55**
Proposed Assessment for FY 2010-2011	**$56.55**
FUND BALANCE INFORMATION	
Previous Reserve Fund Balance	$33,891
FY 2010-2011 Reserve Fund Transfer	(33,891)
Estimated Ending Fund Balance (Reserves)	**$0**

B. Zone 2 Budget, fiscal year 2010/2011

BUDGET ITEM	Zone 2 Budget
ANNUAL MAINTENANCE (DIRECT COSTS)	
Landscape Maintenance Expenses	
Landscape Maintenance and Appurtenant Facilities	$23,255
Landscape Utilities (Water/Electricity)	1,850
Professional Services	1,000
Total Annual Landscape Maintenance Expenses	**$26,105**
ADMINISTRATION	
Administration Overhead	$850
County Administration Fee	10
Miscellaneous Administration Expenses	-
Total Administration	**$860**
Total Costs & Expenses	**$26,965**
LEVY ADJUSTMENTS	
Reserve Fund (Transfer)	($2,128)
Total Levy Adjustments	**($2,128)**
BALANCE TO LEVY	**$24,837**
DISTRICT STATISTICS	
Total Parcels	38
Parcels Levied	38
Total EBUs	1,461.00
Current Maximum Assessment per EBU	**$17.00**
Proposed Assessment for FY 2010-2011	**$17.00**
FUND BALANCE INFORMATION	
Previous Reserve Fund Balance	$2,161
FY 2010-2011 Reserve Fund Transfer	(2,128)
Estimated Ending Fund Balance (Reserves)	**$33**

C. Zone 4 Budget, fiscal year 2010/2011

BUDGET ITEM	Zone 4 Budget
ANNUAL MAINTENANCE (DIRECT COSTS)	
Landscape Maintenance Expenses	
Landscape Maintenance and Appurtenant Facilities	$5,414
Landscape Utilities (Water/Electricity)	1,000
Professional Services	-
Total Annual Landscape Maintenance Expenses	**$6,414**
ADMINISTRATION	
Administration Overhead	$350
County Administration Fee	61
Miscellaneous Administration Expenses	-
Total Administration	**$411**
Total Costs & Expenses	**$6,825**
LEVY ADJUSTMENTS	
Reserve Fund (Transfer)	($1,526)
Total Levy Adjustments	**($1,526)**
BALANCE TO LEVY	**$5,299**
DISTRICT STATISTICS	
Total Parcels	242
Parcels Levied	242
Total EBUs	242.00
Current Maximum Assessment per EBU	**$21.90**
Proposed Assessment for FY 2010-2011	**$21.90**
FUND BALANCE INFORMATION	
Previous Reserve Fund Balance	$1,526
FY 2010-2011 Reserve Fund Transfer	(1,526)
Estimated Ending Fund Balance (Reserves)	**$0**

D. Zone 5 Budget, fiscal year 2010/2011

BUDGET ITEM	Zone 5 Budget
ANNUAL MAINTENANCE (DIRECT COSTS)	
Landscape Maintenance Expenses	
Landscape Maintenance and Appurtenant Facilities	$73,528
Landscape Utilities (Water/Electricity)	2,800
Professional Services	-
Total Annual Landscape Maintenance Expenses	**$76,328**
ADMINISTRATION	
Administration Overhead	$1,500
County Administration Fee	30
Miscellaneous Administration Expenses	-
Total Administration	**$1,530**
Total Costs & Expenses	**$77,858**
LEVY ADJUSTMENTS	
Reserve Fund (Transfer)	($8,202)
Total Levy Adjustments	**($8,202)**
BALANCE TO LEVY	**$69,656**
DISTRICT STATISTICS	
Total Parcels	131
Parcels Levied	121
Total EBUs	6,965.60
Current Maximum Assessment per EBU	**$10.00**
Proposed Assessment for FY 2010-2011	**$10.00**
FUND BALANCE INFORMATION	
Previous Reserve Fund Balance	$8,202
FY 2010-2011 Reserve Fund Transfer	(8,202)
Estimated Ending Fund Balance (Reserves)	**$0**

V. DISTRICT DIAGRAM

An Assessment District Diagram has previously been prepared for the District in the format required pursuant to the 1972 Act. The Diagram is on file with the City Clerk and is, by reference, made part of this Report. The Assessment Diagram is available for inspection at the Office of the City Clerk, during normal business hours.

VI. ASSESSMENT ROLL

Parcel identification, for each lot or parcel within the Covina Landscaping District No. 1 and the Zones therein, shall be the Assessor's Parcel Numbers (APN) recognized by the Los Angeles County Auditor/Controller for the fiscal year in which this Report is prepared and identified on the corresponding Los Angeles County Assessor's Parcel Maps. A listing of parcels within the District and assessed for fiscal year 2010/2011, along with the proposed assessment amounts, shall be submitted to the City Clerk either as part of this Report or under a separate cover, and shall be open to public inspection.

Non-assessable lots or parcels may include areas of public streets and other roadways (typically not assigned an APN by the County); dedicated public easements, open space areas and rights-of-ways including public greenbelts and parkways; utility right-of-ways; common areas; landlocked parcels, small parcels vacated by the County, bifurcated lots, and any other property that cannot be developed. These types of parcels are considered to receive little or no benefit from the improvements and are therefore exempted from assessment. Properties outside the District boundary receive no direct or special benefits from the improvements provided by the District and are not assessed.

Approval of this Report (as submitted or as modified) confirms the method of apportionment and the assessment rates to be levied against each eligible parcel within the respective Zones and thereby constitutes the approved levy and collection of assessments for the fiscal year. The parcels and the amount of assessment to be levied shall be submitted to the County Auditor/Controller and included on the property tax roll for the fiscal year.

If any parcel submitted for collection is identified by the County Auditor/Controller to be an invalid parcel number for the current fiscal year, a corrected parcel number and/or new parcel numbers will be identified and resubmitted to the County Auditor/Controller. The assessment amount to be levied and collected for the resubmitted parcel or parcels shall be based on the method of apportionment and assessment rates approved in this Report. Therefore, if a single parcel has changed to multiple parcels, the assessment amount applied to each of the new parcels shall be recalculated and applied according to the approved method of apportionment and assessment rate rather than a proportionate share of the original assessment.

CITY OF COVINA
AGENDA ITEM COMMENTARY

MEETING DATE: June 15, 2010 **ITEM NO.: PH 2**

STAFF SOURCE: Steve Henley, Director of Public Works
Kalieh Honish, Public Works Manager
Leo Tolentino, City Engineer

ITEM TITLE: Public Hearing - Levying of Assessments for Covina Lighting District No. 1978-79 for the 2010-2011 Fiscal Year.

STAFF RECOMMENDATION

a. Conduct the public hearing; and

b. Determine that a majority protest does not exist and adopt **Resolution No. 10-6845** confirming the Engineer's Report dated May 18, 2010 and ordering the levying of assessments for Covina Lighting District No. 1978-79 for the 2010-2011 Fiscal Year.

FISCAL IMPACT

The assessment of properties within the Lighting District under the current assessment rates raises only a portion of the funds necessary to operate the District. Therefore, the District must be subsidized by Gas Tax funds, General Funds, or a combination thereof. If the proposed assessments are subsequently approved, the current financial status of the District will continue. However, if the proposed assessments are not approved, or are approved at a lesser rate, the District will require increased subsidy from other fund sources.

BACKGROUND

City Council Resolution 10-6839 designated June 15, 2010 as the date for the public hearing for the levying of assessments on the Covina Lighting District No. 1978-79 for the 2010-2011 Fiscal Year. Following are the rates proposed for FY 2010-2011; the same rates effective for FY 2009-2010:

ZONE A- $20.80 /Unit
ZONE B - $ 2.70 /1,000 square feet of land

The proposed total assessment for street light energy and maintenance amounts to $124,990. This will result in an unfunded balance of $137,583 for the District's annual operations.

Upon the conclusion of the public hearing, the Council may adopt the attached resolution.

EXHIBITS:

A. Resolution No. 10-6845

B. Engineer's Report

REVIEW TEAM ONLY

City Attorney: _____ **Finance Director:** _____

City Manager: _____ **Other:** _____

RESOLUTION NO. 10-6845

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, CONFIRMING THE ENGINEER'S REPORT, DATED MAY 18, 2010, AND ORDERING THE LEVYING ASSESSMENT ON THE "COVINA LIGHTING DISTRICT NO. 1978-1979" FOR THE 2010-2011 FISCAL YEAR

WHEREAS, the City Council of the City of Covina, California, did in Resolution 10-6838 pursuant to the provisions of the "Landscaping and Lighting Act of 1972" (Part 2 of Division 15, Section 22500 et seq., of the Streets and Highways Code of the State of California), require the City's Licensed Engineer to make and file with the Clerk of said City Council a report in writing presenting certain matters relating to levying assessments on the "Covina Lighting District No. 1978-1979" for the 2010-2011 fiscal year, as contemplated under the provisions of said Act; and

WHEREAS, the City Engineer, pursuant to the requirements of said City Council, expressed in said Resolution 10-6838 did make and on May 18, 2010, file in the office of the City Clerk (who is ex officio Clerk of the City Council) of said City his report in writing responsive to the requirements of said Resolution 10-6838 and as contemplated under the provisions of said Act; and

WHEREAS, said City Council did on May 18, 2010, pass its Resolution of Intention No. 10-6839 declaring its intention to levy and collect assessments on the Covina Lighting District No. 1978-1979 for furnishing electrical energy and maintaining street lighting fixtures, appurtenances and appurtenant work thereof; and

WHEREAS, said City Council did on said Resolution 10-6839 fix and designate Tuesday, June 15, 2010, at the hour of 7:30 P.M. of said day, as the time for hearing protests as to the question of levying and collecting assessments on the Covina Lighting District No. 1978-

1979 for the 2010-2011 fiscal year, at the Council Chamber, 125 East College Street, in the City of Covina, California; and

WHEREAS, at the time and place above stated for hearing protests in reference to the proposed improvement and assessment, written and oral protests and objections were filed and presented; and

WHEREAS, said City Council being fully advised in the premise, does hereby proceed as follows:

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

Section 1. That said Council does hereby approve, confirm and adopt the Engineer's Report dated May 18, 2010, and does hereby approve and confirm the assessment proposed for said proposed improvement set forth and referred to in said report, which said report is now on file in the office of the City Clerk of said City, open to inspection, hereby referred to and made a part hereof; and said City Council does hereby also confirm and adopt the respective instruments therein contained and designated therein as Specifications, Exhibits (Diagram), Estimate of Costs and Assessment, all of which, on file as aforesaid, are hereby incorporated herein and made a part hereof.

Section 2. That said Council does hereby order said contemplated improvement to be made in accordance with the said plan and specifications therefor, so adopted and approved, and does order and determine that the fiscal year referred to in said Resolution of Intention 10-6839 shall be, and the same is hereby, fixed and established as the period commencing on the 1st day of July, 2010, and ending on the 30th day of June, 2011, both dates inclusive, as therein set forth; and said Council does hereby levy the proposed total $124,990 assessment in said report made to cover the costs and expenses of said improvement upon the respective several subdivisions of land in the assessment district described in said Resolution of Intention 10-6839 and as fixed and

determined by said report, dated May 18, 2010, and the proposed assessment, filed therein, as aforesaid, in the office of the City Clerk of said City, for the 2010-2011 fiscal year.

Section 3. That the City Council hereby orders and directs the City Treasurer to place into the " Covina Lighting District No. 1978-1979 Fund" all payments of assessments received from the County Tax Collector and payments shall be made out of said special funds only for the purposes provided for in said Part 2, Division 15, Streets and Highways Code of the State of California, as set forth in Chapter 5, Section 22655, of said Code.

Section 4. That the City Clerk of said City is hereby ordered to transmit, or cause to be transmitted, to the County Auditor of Los Angeles County, State of California, as contemplated under the provisions of the "Landscaping and Lighting Act of 1972," the Exhibits and Assessment upon which levy is based, and the County Tax Collector of said County (who is also the City Tax Collector for said City) is hereby designated, requested, empowered, authorized, instructed, ordered and directed to make collection of all assessments shown in said Assessment and to perform the acts and duties as are required by law of and to be performed by the officer, employee, or persons so designated.

Section 5. The City Clerk shall certify to the passage and adoption of this resolution, shall cause the original of the same to be entered in the book of original resolutions of said city, and shall make a minute of this passage and adoption thereof in the records of the proceedings of the City Council of said City in the minutes at which the same is passed and adopted.

Section 6. That this resolution shall take effect immediately.

PASSED, APPROVED AND ADOPTED this 15th day of June 2010.

Peggy Delach
Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

CITY OF COVINA

ENGINEER'S REPORT

COVINA LIGHTING DISTRICT NO. 1978-79
Fiscal Year 2010/2011

INTENT MEETING:	May 18, 2010
PUBLIC HEARING:	June 15, 2010

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ENGINEER'S REPORT AFFIDAVIT
Establishment of Annual Assessments for the:

Covina Lighting District No. 1978-79

City of Covina

Los Angeles County, State of California

This Report identifies the parcels within the District and all relevant zones therein, as they existed at the time of the passage of the Resolution of Intention. Reference is hereby made to the Los Angeles County Assessor's maps for a detailed description of the lines and dimensions of parcels within the District. The undersigned respectfully submits the enclosed Report as directed by the City Council.

Dated this _____ day of _____, 2010.

Willdan Financial Services
Assessment Engineer
On Behalf of the City of Covina

By: _____

Stacee Reynolds
District Administration Services

By: _____

Dick Kopecky
R. C. E. #16742

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I. INTRODUCTION

The Covina Lighting District No. 1978-79 was formed on November 20, 1978 in conformity with the requirements of the California Streets and Highways Code, Division 15, Part 2, Landscaping and Lighting Act of 1972, to finance the energy and maintenance costs of new street lights installed by several commercial and residential developers. At that time, the commercial properties being developed were the Village Oaks site, the northeast corner of Citrus and Cypress, and the commercial area at the southwest corner of Azusa and Arrow. The residential properties being developed were the areas at the north side of Cypress Street 400 feet west of Bonnie Cove Avenue; the southwest corner of Traymore and Covina Boulevard; the east side of Citrus near Tudor Street; the south side of Walnut Creek Road at Hefner Hill Road; the northwest corner of Glendora and Wingate Street; and the southeast corner of Covina Boulevard and La Breda Avenue. The District was formed through a public hearing process and the properties within the District were designated Zone A for single-family residential and condominium units and Zone B for commercial, industrial and apartment properties.

In 1980, the City expanded the District to include all developments that may or may not be required to install new streetlights, but were required to construct public improvements adjacent to the property being developed, except when the development did not increase the existing floor area by fifty percent pursuant to the regulations of Chapter 11 of the Covina Municipal Code. Although a citywide District was not implemented, it was the City's intent to work toward incrementally expanding the District to cover the entire City.

In December 1988, the District was expanded by annexing (through public hearing proceedings) parcels east and west of Azusa Avenue from Arrow Highway to 600 feet south of Badillo Street. These properties included both residential and commercial development areas. A number of parcels were annexed to the District when streetlights were installed in conjunction with utility under-grounding projects such as in the downtown area along San Bernardino Road from Second Avenue to Grand Avenue and along San Bernardino Road from Rimsdale Avenue to west of Lark Ellen Avenue. Parcels were also annexed to the District in connection with City sponsored street projects such as along Cypress Street west of Sunflower Avenue; along San Jose Avenue from Badillo Street to Rowland Street; along Citrus Avenue from Puente Street to Rowland Street; and in the Prospero Drive area south of San Bernardino Road. These annexations were in areas where the property owners requested that streetlights be installed in their blocks with the owners paying for the installation of the streetlights. Subsequent annexations to the District included similar projects and developments, but also included various individual residential and commercial properties that were annexed to the District as a condition of property improvements (building permits). This process of annexation resulted in the existing District that represents approximately 35 percent of the parcels within the City.

Currently, the General Fund pays for the energy and maintenance costs of the streetlights that are not in the District (approximately $180,000 a year) as well as contributing approximately $137,583 towards the costs of streetlights within the District.

The City has determined that the existing District assessments are currently exempt from the procedural requirements of California Constitution Article XIIID ("Proposition 218") based on the following findings:

Pursuant to Section 5(a) of the text of the California Constitution Article XIIID, any existing assessments used to finance capital and maintenance costs for streets is exempt from the procedural requirements of Section 4. In *Howard Jarvis Taxpayers Association v. City of Riverside*, the Fourth District Court of Appeal concluded that streetlights fall under the definition of streets.

An additional exemption is granted by way of property owner petition. Those properties annexed to the District pursuant to property owner petition are also exempt from the procedures and approval process of Proposition 218 pursuant to Section 5(b) of its text.

According to California Government Code Section 53753.5(c)(2), the definition of procedural requirements set forth in Proposition 218 includes the requirement to separate general and special benefits. By virtue of this definition, a benefit analysis is not required for the Covina Lighting District until the assessments are increased.

This Engineer's Report (hereafter referred to as the "Report") describes the District, any proposed changes to the District and the assessments for Fiscal year 2010/2011. The proposed assessments are based on the City's estimated cost to maintain the improvements that provide special benefit to properties within the District. The various improvements within the District and the costs of those improvements are identified and budgeted separately for each Zone, including all expenditures, deficits, surpluses, revenues, and reserves. Each parcel within a Zone is assessed proportionately for only those improvements provided in that Zone from which the parcel receives special benefit.

The word "parcel," for the purposes of this Report, refers to an individual property assigned its own Assessment Number by the Los Angeles County Assessor's Office. The Los Angeles County Auditor/Controller uses Assessment Numbers and specific Fund Numbers, to identify on the tax roll, properties assessed for special district benefit assessments.

Upon conclusion of a noticed Public Hearing, the City Council will consider all testimony and written protests presented and will direct any necessary modifications to the Report and approve the Report as submitted or amended. Following final approval of the Report, the City Council will by resolution, order the improvements to be made, and confirm the levy and collection of assessments pursuant to the 1972 Act. The assessment rates and method of apportionment described in this Report as approved by the City Council defines the assessments to be applied to each parcel within the District for fiscal year 2010/2011. The assessments as approved will be submitted to the Los

Angeles County Auditor/Controller to be included on the property tax roll for each parcel for the fiscal year.

If any parcel submitted for collection is identified by the County Auditor/Controller to be an invalid parcel number for the current fiscal year, a corrected parcel number and/or new parcel numbers will be identified and resubmitted to the County Auditor/Controller. The assessment amount to be levied and collected for the resubmitted parcel or parcels shall be based on the method of apportionment and assessment rate described in this report and approved by the City Council.

II. HISTORICAL BACKGROUND

In fiscal year 2008/2009, the City initiated and conducted a property owner protest ballot proceeding for a proposed assessment increase. The proposed assessment increase was not approved by property owners; therefore, the maximum assessment rate remained the same as previously approved.

III. PLANS AND SPECIFICATIONS

Maps consisting of 81 sheets defining areas to be assessed are on file in the office of Public Works and by reference are made part of this report. The areas shown on the maps are the original Covina Lighting District No. 1978-79 plus the areas included in Annexation Nos. 1 through 7, 9 through 21, 23 through 27, 29 through 33, 35 through 42, 44, 47, 51 through 59 and 61 through 77. The Los Angeles County Assessor's Maps, a copy of which is in the City of Covina Engineering Division's office are made a part hereof.

IV. ESTIMATE OF ASSESSMENT RATES

There are two Zones in the Covina Lighting District No. 1978-79, designated as Zones A and B. Zone A is comprised of single family residences and condominium units. Zone B is comprised of commercial and industrial properties as well as apartments and similar multifamily residential properties. The assessments are for the costs of providing street lighting in these two zones.

This report proposes a $137,583 contribution from the General Fund to the District to finance part of the 2010/2011 expenses. Without a General Fund contribution, an assessment increase (rate increase) would be required above the current maximum assessment rates approved and authorized. Any rate increase needs to be submitted to the affected property owners for approval. The proposed rates for fiscal year 2010/2011 are $20.80 per unit for Zone A and $2.70 per thousand square feet of land area for Zone B.

V. BREAKDOWN OF EXPENSES

		Zone A		Zone B		Total
Energy & Maintenance	Unit Cost	Units	Cost	Units	Costs	Cost
Edison-owned						
5,800 Lumens	$117	485	$56,527	142	$16,550	$73,077
9,500 Lumens	132	28	3,704	136	17,993	21,697
16,000 Lumens	158	93	14,648	318	50,085	64,733
22,000 Lumens	181	7	1,264	90	16,254	17,518
25,500 Lumens	203	9	1,824	14	2,837	4,661
47,000 Lumens	212	0	0	0	0	0
Sub-Total		***622***	***$77,967***	***700***	***$103,719***	***$181,686***
City-owned						
5,800 Lumens	$117	0	$0	0	$0	$0
9,500 Lumens	132	5	662	117	15,479	16,141
16,500 Lumens	158	4	630	22	3,465	4,095
22,000 Lumens	181	6	1,084	4	722	1,806
25,000 Lumens	203	8	1,621	12	2,432	4,053
47,000 Lumens	212	1	212	17	3,606	3,818
Lamp replacement	68	6	408	30	2,040	2,448
Sub-Total		***30***	***$4,616***	***202***	***$27,744***	***$32,360***
Energy & Maintenance Total		**652**	**$82,583**	**902**	**$131,463**	**$214,046**
Administration						
Engineering Services			$2,600		$3,900	$6,500
Administrative Overhead			16,283		24,244	40,527
Data Processing			0		0	-
Printing and Advertising			500		1,000	1,500
Miscellaneous			0		0	-
Administration Total			**19,383**		**29,144**	**48,527**
Grand Total			**101,966**		**160,607**	**262,573**

VI. REVENUE AND EXPENSE STATEMENT

		Zone A	Zone B	Total
Proposed Expenses				
	Energy and maintenance	$82,583	$131,463	$214,046
	Engineering Services	2,600	3,900	6,500
	Administrative Overhead	16,283	24,244	40,527
	Data Processing	0	0	0
	Printing & Advertising	500	1,000	1,500
	Miscellaneous	0	0	0
Expense Total		**$101,966**	**$160,607**	**$262,573**
Estimated Revenues				
	Proposed Assessment Revenue	$49,400	$75,590	$124,990
	General Fund Contribution	52,566	85,017	137,583
Revenue Total		**$101,966**	**$160,607**	**$262,573**
	Benefit Units	2,375	27,996	
	Proposed Assessment Rate	$20.80	$2.70	
		Unit	1,000 S.F	
Fund Balances				
	Projected Balance, June 30, 2010			$0
	Estimated Revenues			$262,573
	Proposed Expenses			($262,573)
	Estimated Balance, June 30, 2011			$0

VII. ASSESSMENT RATES AND REVENUE

Dividing the expense by the number of units, the rates and revenues for the lighting district for the fiscal year 2010/2011 would be:

	Revenue	Units	Rates
Zone A =	$49,400 / 2,375	units =	$20.80/unit
Zone B =	$75,590 / 27,996	S.F. =	$2.70/1,000 S.F.

VIII. ASSESSMENT ROLL

The proposed lighting district assessment roll for the fiscal year 2010/2011 is shown on the following pages:

CITY OF COVINA
AGENDA ITEM COMMENTARY

MEETING DATE: June 15, 2010 **ITEM NO.: PH 3**

STAFF SOURCE: Steve Henley, Director of Public Works
Kalieh Honish, Public Works Manager
Alex Gonzalez, Senior Management Analyst

ITEM TITLE: Public Hearing - Levying and Collection of Assessments for Vehicle Parking District No.1 for the 2010-2011 Fiscal Year.

STAFF RECOMMENDATION

a. Conduct the public hearing; and

b. Determine that a majority protest does not exist and adopt **Resolution No. 10-6846** confirming the Engineer's Report dated May 18, 2010, and ordering the levying and collection of assessments for Vehicle Parking District No.1 for the 2010-2011 Fiscal Year.

FISCAL IMPACT

Legally required engineering and advertising costs for the District are included within the approved Fiscal Year 2009-10 budget and are funded by the District. Accordingly, the proposed action has no impact on the current budget.

BACKGROUND

City Council Resolution 10-6837 designated June 15, 2010, as the date for the public hearing for the levying and collection of assessments for Vehicle Parking District No.1 for the 2010-2011 Fiscal Year.

The assessment will provide funds for the operation and maintenance of existing municipal parking lots. The proposed rate of $0.0875 per $100 of assessed property valuation will provide approximately $31,726 to the District. The rate has remained unchanged since 1982. Aside from the assessments, the other sources of revenue for the District are the sale of parking permits and leases to the Bank of America and Citrus Valley Health Partners. The Engineer's Report and Assessment Roll are attached.

Upon the conclusion of the public hearing, the Council may adopt the attached Resolution.

EXHIBITS

A. Resolution No. 10-6846

B. Engineer's Report

REVIEW TEAM ONLY	
City Attorney: _____	**Finance Director:** _____
City Manager: _____	**Other:** _____

RESOLUTION NO. 10-6846

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, APPROVING THE ENGINEER'S REPORT FOR LEVYING ASSESSMENT ON THE VEHICLE PARKING DISTRICT NO.1 FOR THE 2010-2011 FISCAL YEAR.

WHEREAS, the City of Covina, California, has a parking assessment district known as "VEHICLE PARKING DISTRICT NO. 1"; and

WHEREAS, the provisions of the "Vehicle Parking District Law of 1943" of the State of California, (Part 1 of Division 18, Section 31500, et seq., of the Streets and Highways Code of said State) require the Engineer to make and file with the Clerk of the City Council a report in writing, presenting certain matters relating to levying assessment on the Vehicle Parking District No.1 for the fiscal year 2010-2011 as contemplated under the provisions of said "Vehicle Parking District Law of 1943"; and

WHEREAS, said Engineer, pursuant to the requirements of said law, did make and on the 18th day of May, 2010, file in the office of the City Clerk (who is ex officio Clerk of the City Council) of said City, his report in writing as contemplated under the provisions of said "Vehicle Parking District Law of 1943"; and

WHEREAS, said City Clerk has presented the said report to the City Council of said City, and said City Council has proceeded to carefully examine, inspect and consider the said report and is satisfied with said report and with each and all of the items therein set forth;

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

Section 1. That the report of the Engineer of the City of Covina, California, bearing date May 18th, 2010, which said report was prepared and filed in conformity with the provisions of the "Vehicle Parking District Law of 1943," of the State of California, (Part 1 of Division 18, Section 31500 et seq., of the Streets and Highways Code of said State), and which said report was filed in the office of the City Clerk of the City of Covina, on May 18th, 2010, be, and the same is hereby, approved, as so prepared, presented and filed.

Section 2. That the City Clerk shall certify to the passage and adoption of this resolution; shall cause the same to be entered among the original resolutions of the City Council of said City and shall make a minute of the passage and adoption thereof in the records of the proceedings of the City Council of said City in the minutes of the meeting at which the same is passed and adopted.

APPROVED, PASSED AND ADOPTED this _____ day of _____, 2010.

_____
Peggy Delach
Mayor

ATTEST:

_____
City Clerk

APPROVED AS TO FORM:

_____
City Attorney

VEHICLE PARKING DISTRICT NO. 1
CITY OF COVINA
ANNUAL REPORT
FISCAL YEAR 2010/2011

INTENT MEETING: **May 18, 2010**
PUBLIC HEARING: **June 15, 2010**

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ENGINEER'S REPORT AFFIDAVIT

Vehicle Parking District No. 1

City of Covina
Los Angeles County, State of California

This Report and the enclosed map defining the properties within the District identify the District boundaries, as they existed at the time of the passage of the Resolution of Intention. Reference is hereby made to the Los Angeles County Assessor's maps for a detailed description of the lines and dimensions of parcels within the District. The undersigned respectfully submits the enclosed Report as directed by the City Council.

Dated this _____ day of _____, 2010.

Willdan Financial Services
Assessment Engineer
On Behalf of the City of Covina

By: _____

Stacee Reynolds
Project Manager, District Administration Services

By: _____

Richard Kopecky
R. C. E. # 16742

This is to verify that on _____, the Engineer's Report on 2010/2011 fiscal year Assessment for the Vehicle Parking District No.1 was received in the Office of the City Clerk in accordance with Section 31500-31519 of the California Streets and Highways Code.

_____

City Clerk

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I. BACKGROUND

Vehicle Parking District No. 1 (hereafter referred to as "District") was created on September 6, 1955 in accordance with California Streets and Highways Code Sections 31500-31519 entitled "Vehicle Parking District Law of 1943". The District was created to provide a means for acquiring, improving, maintaining, operating and administering the off-street parking facilities for downtown Covina. Even though the District was organized in 1955, it was not until 1960 that an assessment was levied and bonds were sold to finance the purchase and improvement of two parking lots. The District was created with 40% protest from property owners. The current ad valorem assessment rate (special tax) was established in 1982 at $0.0875 per $100 assessed value of the properties in this District and produced $31,726 of revenue in fiscal year 2010/2011.

Below are the current parking lots in this District with the corresponding space distribution:

Location	2 Hour	24 Hour	Hdcp	Leased	Total
West College St. (South)	56	31	4	5	96
West College St. (North)	55	42	5	15	117
150 West College	0	26	2	0	28
Cottage Dr.	13	24	2	0	39
Italia St. (North)	0	47	3	0	50
Italia St. (South)	38	65	5	0	108
Second Ave. North of College	4	9	1	0	14
S/E Badillo/Second	0	0	0	28	28
West Badillo	22	7	2	0	31
121 E. Badillo	9	8	1	0	18
124 E. College	41	16	3	0	60
Total	238	275	28	48	589

Attached in Appendix A is the list of properties that are currently in the District together with assessed valuations. There are a total of 130 properties with a total assessed valuation of $36,257,808.

II. CONSTITUTIONAL REQUIREMENTS

In November 1996, the California voters approved "The Right To Vote On Taxes Act", a State Constitutional Amendment known as Proposition 218, which established Articles XIIIC and XIIID in the State Constitution. In the City Attorney's opinion, the existing Vehicle Parking District No. 1 assessments did not qualify for any of the tax or assessment exemption provisions contained in the Constitutional Amendment and therefore property owner approval was required to continue the ad valorem assessment of properties within the District. In 1997, the continuation of the ad valorem assessment (special tax) for the District was submitted to a vote of the affected property owners. The ballots resulted in 83% in favor of the continued assessment, in compliance with the provisions of the Constitution.

The Covina Municipal Code has the following provisions for properties within the District:

a. The properties are deemed to have complied with the off-street parking requirements of the Covina Municipal Code to the extent that the properties have been originally assessed to provide for off-street parking.

b. The properties receive additional credit toward off-street parking compliance for parking spaces purchased by the District from proceeds of the annual ad valorem assessment for parking expansion of parking.

c. The properties that do not have adequate on-site parking may also receive credit toward compliance with parking requirements by contributing parking spaces on another parcel to the District, or by contributing money to the District sufficient for the District to purchase the spaces necessary to meet the parking requirements for such properties.

d. The parking requirement for each use is approximately 10% less than for properties outside the District.

The above Municipal Code provisions constitute special benefit to the properties within the district that the properties outside the district do not have.

III. PLAN AND SPECIFICATIONS

Attached in Appendix A is a copy of the boundary map defining the properties within Vehicle Parking District No. 1. The original boundary diagram and the corresponding current Los Angeles County Assessor's Maps for properties within the District are on file in the City of Covina Engineering Division's-office, and by reference are made part of this report.

IV. REVENUE AND EXPENSE STATEMENT

Fiscal Year 2010/2011 Revenue	
Parking Permits	$22,000
Property Rental	40,000
Parking Meter	1,000
Other Revenues including Interest	3,000
Assessment (Proposed)	32,000
Total Revenue	**$98,000**

Fiscal Year 2010/2011 Expenses	
Services & Supplies	
Repair and maintenance	$75,000
Administrative Overhead	0
Engineering Services	2,800
Water	2,100
Electricity	10,000
Landscaping	6,500
Maintenance Equipment (Other)	7,000
Parking Control	36,000
Streets	0
Promotion Advertising	0
Sub-total	139,400
Capital Improvements	0
Total Expenses	**$139,400**

V. ASSESSMENT RATES AND REVENUE

Although the fund balance from the prior fiscal years is enough to cover the expenses for the 2010/2011 fiscal year, there is a continuous need to have greater funds than the expected routine expenses to provide funding for future acquisition of properties for additional parking lots and rehabilitation of existing parking lots. The Board of Parking Board Commissioners has determined that continued ad valorem assessment tax revenue is required to fund a portion of the Annual Expenses. However, it is also necessary to accumulate additional funds for Capital Expenses that will eventually be needed for future acquisitions and rehabilitation of existing parking facilities.

This report contains a proposal to assess the properties in the existing Vehicle Parking District to produce additional revenues necessary for annual operating expenses and future acquisition of lots for parking and rehabilitation of existing parking lots. The existing annual ad valorem assessment rate of $0.0875 per $100 of assessed value approved by the property owners in 1997 has not changed since 1982. It is not necessary to submit the rate to the vote of the property owners if the rate is the same or lower than the previous years.

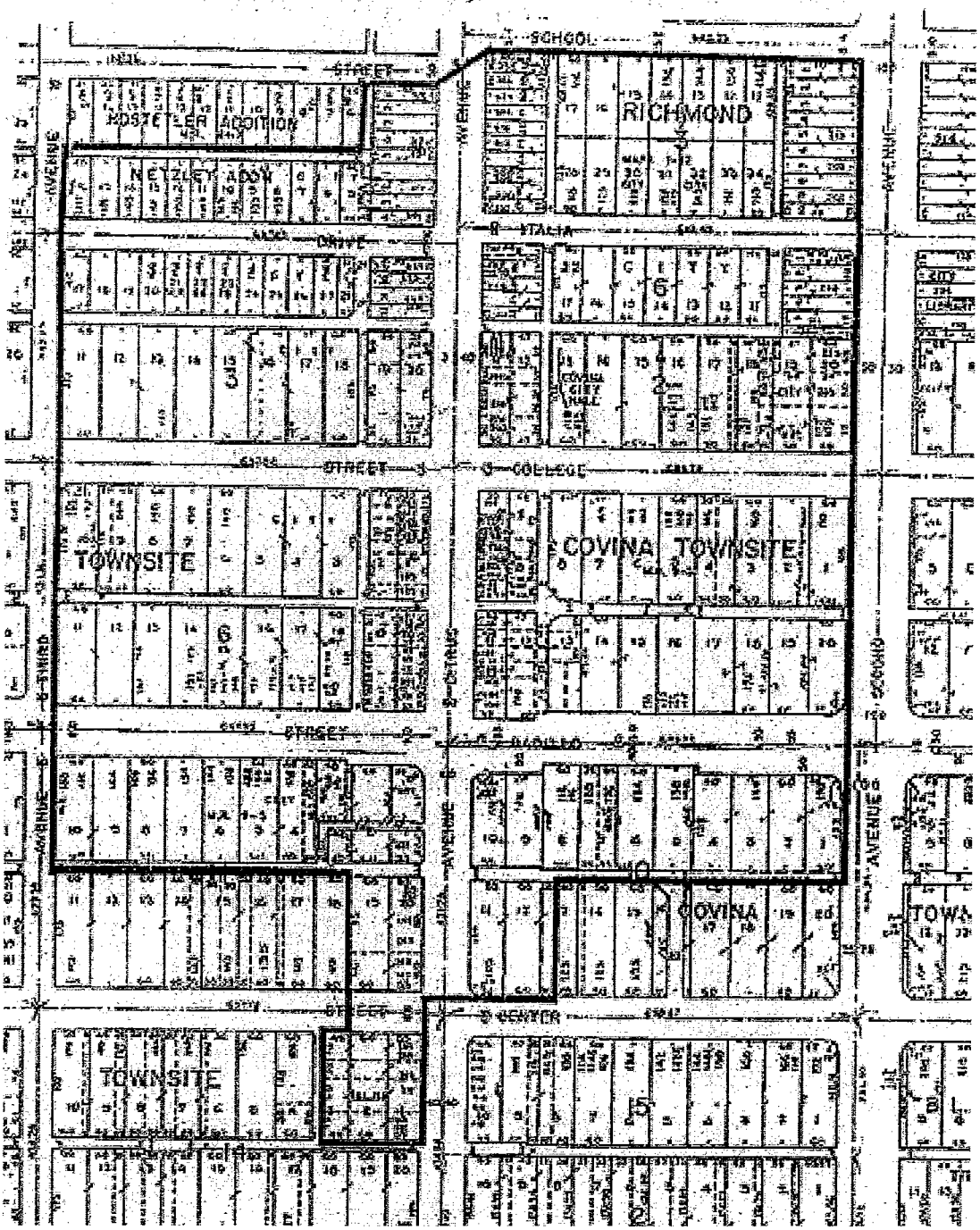
Recommended Rate for fiscal year 2010/2011

(Assessed Value of Properties)/($100 per Assessed Value) x ($0.0875) = Revenue

($36,257,808)/($100 per assessed value) x ($0.0875) = $31,726 assessment revenue

APPENDIX A — DISTRICT DIAGRAM

MAP OF VEHICLE PARKING DISTRICT NO. 1



APPENDIX B — ASSESSMENT ROLL

The proposed lighting district assessment roll for the fiscal year 2010/2011 is shown on the following pages:

CITY OF COVINA
AGENDA ITEM COMMENTARY

MEETING DATE: June 15, 2010 **ITEM NO.: PH 4**

STAFF SOURCE: Steve Henley, Director of Public Works
Kalieh Honish, Public Works Manager

ITEM TITLE: Public Hearing to Consider the Adoption of New Tiered Water Service Rates

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STAFF RECOMMENDATION
Conduct the public hearing and if it is determined that a majority protest does not exist adopt **Resolution No. 10-6847** establishing new tiered water service rates.

FISCAL IMPACT
Water service rates are established to cover the costs of providing daily water service to consumers, fire protection capabilities, and appurtenant capital infrastructure improvements. New tiered water service rates are being proposed due to the rapidly increasing costs associated with the purchase of wholesale water, electrical energy, an aging infrastructure, and recent state mandates that urban water consumption must be reduced by twenty percent (20%) by 2020. Adopting rates that provide the necessary revenues to meet these financial challenges benefit all users of the system and will allow the District to meet the service demands of its customers. The failure to adopt rates that provide the necessary financial resources to secure adequate water supplies and/or maintain the storage and delivery systems will have a catastrophic fiscal impact on the City and the community as a whole as the District would be forced to consider the implementation of mandatory water rationing as well as being unable to reimburse the City for the services provided by General Fund-based support departments.

BACKGROUND
In December 2008, the City Council adopted Resolution No. 08-6704, establishing a five-year schedule of water rates within the areas serviced by the City's water division. The fees as established became effective on January 1, 2009 the first fiscal year and on July 1st of each subsequent fiscal year, as prescribed within the Resolution; with the final year's rates scheduled to become effective in July 2013. However, the affects of an on-going drought and rapidly increasing supply and operational costs have created a volatile water market which has overwhelmed the ability for the current rate structure to provide adequate financial resources to effectively and prudently operate the system. The chart depicted within Exhibit B shows the severe downward trend of the system's finances; forecasting continual deficit spending and, ultimately, the need for General Fund assistance to remain solvent in the very near future if the current rate structure remains in place.

In response to this economic pressure, City staff, in cooperation with Willdan Financial Services, completed an intensive analysis of the Water Utility's operational and capital needs in relation to

its current rate structure to develop proposed tiered service rates for a five-year period covering Fiscal Year 2010-11 through and including Fiscal Year 2014-15.

The backdrop against which the analysis for the rate structure was performed included the following factors:

- The City has an aging water system with significant capital improvement needs
- Water availability has been reduced
- Wholesale water prices have significantly increased; including the potential of penalties for overuse as high as $3,000 per acre foot
- Operational costs, especially energy costs, have significantly increased
- The state legislature has enacted legislation requiring all urban water systems to reduce their system consumption by 20% by 2020.

Willdan's analysis considered two service rate alternatives: 1) a "Pay As You Go" alternative that established rates to provide revenues for needed capital improvements to be funded on a year-to-year basis, and 2) a debt-financed alternative that proposed rates to provide for the repayment of bonds which would be issued to finance the cost of constructing many of the system's capital improvement needs in an accelerated timeframe. After detailed review and consideration, staff determined that the debt service rate schedule (DebtServ) most effectively addressed the varying factors under consideration, including:

- Providing adequate revenues to acquire sufficient water supplies to operate the system
- Providing adequate financial resources to improve the system's aging infrastructure
- Establishing a tiered-rate structure and rates that encourage water conservation
- Establishing a rate structure that will adequately sustain the system's operations while reducing system sales

Proposed Rate Structure

After carefully reviewing all available information and data, and taking the input gained from the City Council through a study session on March 23, 2010 and deliberations during the regular meeting of April 20, 2010 into consideration, Exhibit C represents staff's final proposed rate schedule. As depicted within Exhibit D, the proposed rates meet the major objectives of the study and operational needs of the system as they:

- Generate sufficient revenues to meet operating costs, capital program requirements, and debt service obligations while maintaining adequate reserves consistent with sound financial management practices.
- Have been set proportionate to the cost of providing service to each customer class to promote fairness and equity in compliance with the provisions of Proposition 218.
- Incorporate a financial plan that shifts the majority of future capital funding to debt financing to mitigate its impact on rates that the customers pay.
- Minimize the need to continually update the water rate structure.
- Meet the City's Strategic Plan goal of sustainability by discouraging waste and encouraging the efficient use of water.

Water Cost Pass-through Provision

In addition to the new rate schedule, staff is also proposing that the City Council approve a rate provision that would authorize the automatic pass-through of any additional costs that may be incurred related to the purchasing of wholesale water supplies for the system. As was explained at previous City Council meetings and alluded to in this report, the current state of water

availability and over-allotment penalty pricing has created the potential for the City to incur exorbitant costs for the purchasing of water supplies that cannot reasonably be expected to be supported by the proposed rate schedule. Should that occur the City would have only two options: 1) mandatory rationing, including extended periods of no domestic water availability and limited fire protection capabilities, or 2) passing the additional cost through to consumers. Given the draconian nature of mandatory rationing and the devastating affect it would have on the local economy, staff believes the only prudent option is to authorize the immediate pass-through of any such increased costs.

In conclusion, staff recognizes and understands that the proposed rates represent a substantial increase during very difficult economic times. However, the proposed rates are presented within the context of the state of water availability and pricing today, as well as the need to invest in a safe and reliable water supply for the present and the future. Additionally, as evidenced within attached Exhibit E, while the proposed rates do represent a significant increase, they are commensurate with rates currently being charged within the area.

EXHIBITS

A. Resolution No. 10-6847
B. System Revenue Chart – Current Rates
C. Proposed Rates
D. System Revenue Chart – Proposed Rates
E. Rate Comparison – Area Purveyors

REVIEW TEAM ONLY

City Attorney: _____ **Finance Director:** _____

City Manager: _____ **Other:** _____

RESOLUTION NO. 10-6847

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, INCREASING THE CITY'S WATER UTILITY SERVICE RATES AND CHARGES EFFECTIVE JULY 1, 2010.

WHEREAS, the City of Covina ("City") operates a municipal water system that delivers water to residential and commercial customers within the City's service area; and

WHEREAS, due to increasing costs of operating the water system including, but not limited to, costs of purchasing water, costs for facilities and equipment maintenance, costs for capital projects and financing, and costs for billing and account management, the current level of water service rates and charges (hereinafter collectively referred to as "rates") is insufficient to recover the total costs of operating the water system; and

WHEREAS, the City desires to pass-through the increased costs of operating the water system to residential and commercial customers who directly use the water system; and

WHEREAS, the State of California has mandated that all urban water purveyors reduce their system consumptions by twenty percent (20%) by 2020; and

WHEREAS, the City proposes to increase its water service rates in accordance with California Health & Safety Code, Section 5471 in an amount that corresponds to the amount necessary for the acquisition, treatment, and delivery of water through the City's water system. Therefore, the City Council finds, with respect to the revenue derived from the increased rates, that (1) there is a reasonable relationship between the use of the rates increased herein and the services for which they are imposed; (2) the revenue derived from the increased rates does not exceed the amount necessary to provide the services; (3) the increased rates shall not be used for any purpose other than that for which the rates are imposed; (4) the increased rates do not exceed the proportional cost of the services attributable to each customer; and (5) the increased rates are not levied for general governmental purposes; and

WHEREAS, pursuant to California Proposition 218 (Calif. Constitution, Article XIIID, Section 6) and California Assembly Bill 1260 (Calif. Government Code, Section 53755) at least 45 days prior to the hearing on this Resolution, the City has mailed, postage prepaid, a notice of the public hearing on the proposed water rate increase to the address to which the City customarily mails the water service bill, for each identified parcel upon which the increased rates are being proposed, and

WHEREAS, said notice identified: (1) the amount of the increased rate to be charged; (2) the basis upon which the rate increase was calculated; (3) the reason for the rate increase; and (4) the date, time, and location for the public hearing on the rate increase; and

WHEREAS, on June 15, 2010, at 7:30 p.m., the City Council conducted a duly noticed public hearing at which time all those wishing to be heard were afforded an opportunity to be heard, and at which time the City Council considered any and all written protests

concerning the proposed water rate increase; and

WHEREAS, the City did not receive written protests from a majority of the identified parcels that would be subject to the proposed rate increase; and

WHEREAS, all other prerequisites to the adoption of this Resolution have occurred.

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

Section 1. Based on the written and verbal evidence presented to the City Council, the amounts of the water service rates, as set forth in Exhibit "A", attached hereto and incorporated by reference herein, are hereby approved and adopted by the City Council of the City of Covina. The water service rates set forth herein shall become effective July 1, 2010.

Section 2. Pursuant to Section 21080(b)(8) of the Public Resources Code, and Section 15273(a) of the Guidelines for the Implementation of the California Environmental Quality Act ("CEQA"), further review under CEQA is not required because the City Council action increasing water service rates within the City is for the purpose of (i) meeting water system operating expenses, (ii) purchasing or leasing supplies, equipment, or materials for the water system, and (iii) obtaining funds for capital projects necessary to maintain water system service. The City Clerk is hereby directed to file a Notice of Exemption with the County Clerk within five (5) days following the date of this Resolution.

Section 3. The City Clerk shall certify to the passage and adoption of this Resolution; shall cause the same to be entered in the Book of Resolutions of the City of Covina; and shall make a record of the passage and adoption thereof in the records of the proceedings of the City Council of said City in the minutes of the meeting at which the same was passed and adopted.

Section 4. This Resolution shall take effect immediately.

Section 5. If any section, sub-section, sentence, clause, phrase or portion of this Resolution is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of the Resolution. The City Council hereby declares that it would have adopted the Resolution and each section, sub-section, sentence, clause, phrase or portion thereof, irrespective of the fact that any one or more sections, sub-sections, sentences, clauses, phrases or portions to be declared invalid or unconstitutional.

Passed, approved and adopted this 15th day of June, 2010.

Peggy Delach, Mayor
City of Covina, California

ATTEST:

City Clerk

APPROVED AS TO FORM:

Edward W. Lee, City Attorney

I, , City Clerk of the City of Covina, California, do hereby certify that the foregoing resolution is the actual resolution adopted by the City Council and was passed and adopted at a regular meeting of said City Council on the 15th day of June, 2010, by the following vote to wit:

AYES:
NOES:
ABSENT:

_____
City Clerk of the City of Covina

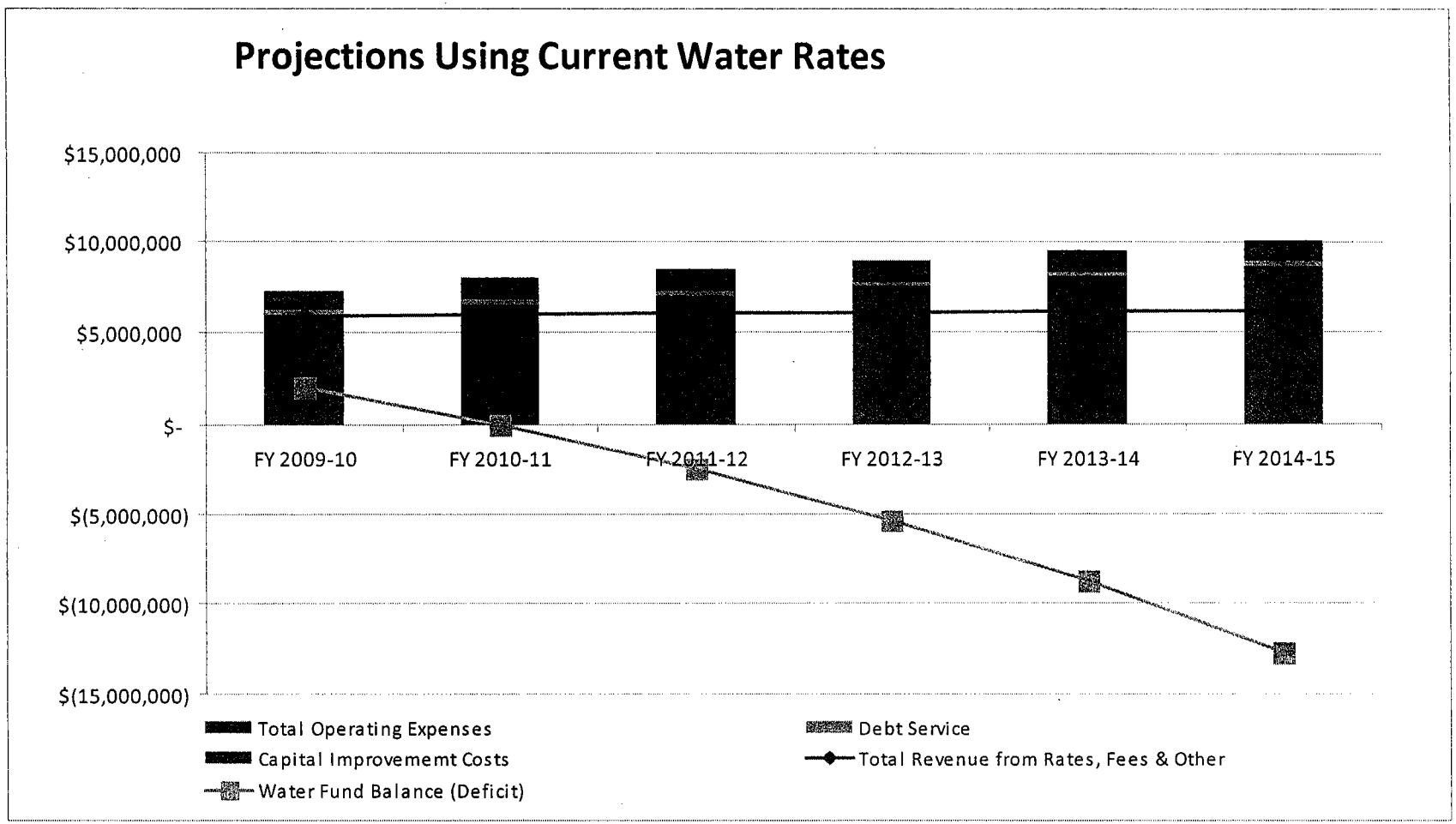
EXHIBIT "A"

Schedule of Proposed Water Utility Service Rates and Charges

(effective July 1, 2010)

Meter Charge Meter Size	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
5/8" & 3 /4"	$28.48	$29.65	$30.87	$31.90	$33.24
1"	$41.94	$43.78	$45.71	$47.33	$49.44
1-1/2"	$64.36	$67.32	$70.43	$73.04	$76.43
2"	$102.31	$105.38	$108.54	$111.80	$115.15
3"	$191.84	$197.59	$203.52	$209.63	$215.92
4"	$319.71	$329.30	$339.18	$349.36	$359.84
6"	$639.44	$658.44	$678.39	$698.74	$719.70
Consumption Rate Per CCF[1]					
Single Family Tier 1 (0-16)	$2.25	$2.37	$2.49	$2.58	$2.71
Single Family Tier 2 (17+)	$2.51	$2.64	$2.77	$2.88	$3.02
Multi-family Tier 1 (0-12)	$2.25	$2.37	$2.49	$2.58	$2.71
Multi-family Tier 2 (13+)	$2.46	$2.59	$2.71	$2.82	$2.96
Commercial/ Institutional	$2.62	$2.76	$2.89	$3.01	$3.16
Industrial / Manufacturing	$2.28	$2.39	$2.51	$2.61	$2.74
Irrigation / Landscaping	$2.62	$2.76	$2.89	$3.01	$3.16
City / Misc.	$2.29	$2.40	$2.52	$2.62	$2.75
CIP Charge Meter Size					
5/8" & 3 /4"	$2.54	$2.54	$2.54	$2.54	$2.54
1"	$6.36	$6.36	$6.36	$6.36	$6.36
1-1/2"	$12.72	$12.72	$12.72	$12.72	$12.72
2"	$32.55	$32.55	$32.55	$32.55	$32.55
3"	$61.03	$61.03	$61.03	$61.03	$61.03
4"	$101.71	$101.71	$101.71	$101.71	$101.71
6"	$203.43	$203.43	$203.43	$203.43	$203.43
Fire Service Meter Size					
2"	$18.57	$19.31	$20.08	$20.88	$21.71
3"	$53.93	$56.09	$58.33	$60.66	$63.09
4"	$114.94	$119.54	$124.32	$129.29	$134.46
6"	$206.69	$214.96	$223.56	$232.50	$241.80

[1]The consumption rates set forth in this table are based upon the City's current costs to purchase adequate water supplies from the Covina Irrigating Company and its other usual suppliers. However, the consumption rates are subject to automatic increase if necessary for the City to purchase water from outside suppliers, such as the Metropolitan Water District. The increase in consumption rates shall be a direct pass-through of the City's costs to purchase water from said outside suppliers.


Projections Using Current Water Rates
$15,000,000
$10,000,000
$5,000,000
$-
$(5,000,000)
$(10,000,000)
$(15,000,000)
FY 2009-10
FY 2010-11
FY 2011-12
FY 2012-13
FY 2013-14
FY 2014-15
Total Operating Expenses
Debt Service
Capital Improvememt Costs
Total Revenue from Rates, Fees & Other
Water Fund Balance (Deficit)

PROPOSED RATES AND CHARGES

Meter Charge Meter Size	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
5/8" & 3 /4"	$28.48	$29.65	$30.87	$31.90	$33.24
1"	$41.94	$43.78	$45.71	$47.33	$49.44
1-1/2"	$64.36	$67.32	$70.43	$73.04	$76.43
2"	$102.31	$105.38	$108.54	$111.80	$115.15
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6"	$639.44	$658.44	$678.39	$698.74	$719.70
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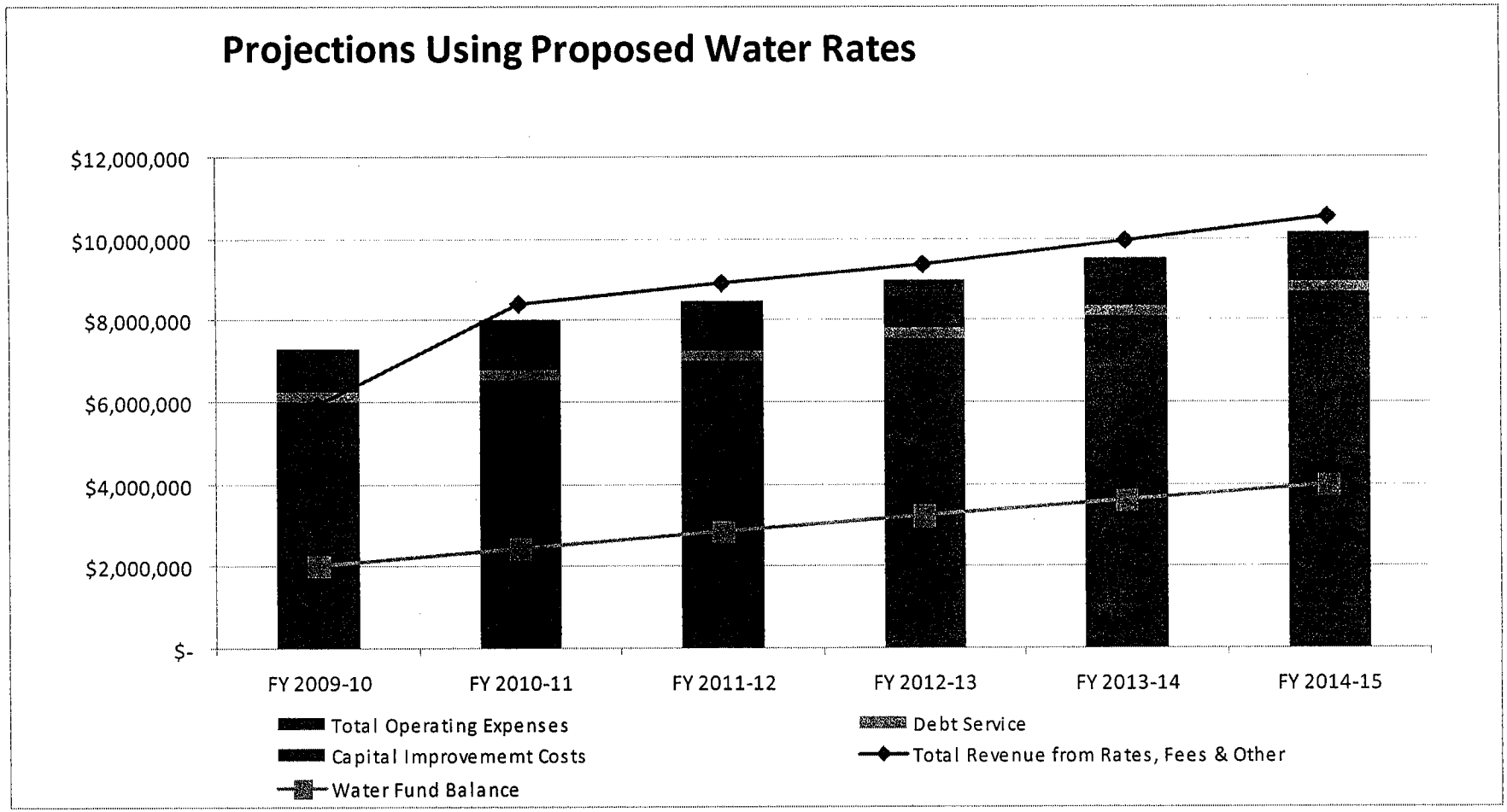
Multi-family Tier 1 (0-12)	$2.25	$2.37	$2.49	$2.58	$2.71
Multi-family Tier 2 (13+)	$2.46	$2.59	$2.71	$2.82	$2.96
Commercial/ Institutional	$2.62	$2.76	$2.89	$3.01	$3.16
Industrial / Manufacturing	$2.28	$2.39	$2.51	$2.61	$2.74
Irrigation / Landscaping	$2.62	$2.76	$2.89	$3.01	$3.16
City / Miscellaneous	$2.29	$2.40	$2.52	$2.62	$2.75
CIP Charge Meter Size					
5/8" & 3 /4"	$2.54	$2.54	$2.54	$2.54	$2.54
1"	$6.36	$6.36	$6.36	$6.36	$6.36
1-1/2"	$12.72	$12.72	$12.72	$12.72	$12.72
2"	$32.55	$32.55	$32.55	$32.55	$32.55
3"	$61.03	$61.03	$61.03	$61.03	$61.03
4"	$101.71	$101.71	$101.71	$101.71	$101.71
6"	$203.43	$203.43	$203.43	$203.43	$203.43
Fire Service Meter Size					
2"	$18.57	$19.31	$20.08	$20.88	$21.71
3"	$53.93	$56.09	$58.33	$60.66	$63.09
4"	$114.94	$119.54	$124.32	$129.29	$134.46
6"	$206.69	$214.96	$223.56	$232.50	$241.80

[1]The consumption rates set forth in this table are based upon the City's current costs to purchase adequate water supplies from the Covina Irrigating Company and its other usual suppliers. However, the consumption rates are subject to automatic increase if necessary for the City to purchase water from outside suppliers, such as the Metropolitan Water District. The increase in consumption rates shall be a direct pass-through of the City's costs to purchase water from said outside suppliers.


Projections Using Proposed Water Rates
$12,000,000
$10,000,000
$8,000,000
$6,000,000
$4,000,000
$2,000,000
$-
FY 2009-10
FY 2010-11
FY 2011-12
FY 2012-13
FY 2013-14
FY 2014-15
Total Operating Expenses
Debt Service
Capital Improvememt Costs
Total Revenue from Rates, Fees & Other
Water Fund Balance

Rate Comparison
Local Area Purveyors

Covina					
Monthly Consumption	Proposed Monthly Meter Charge	Proposed Tier 1 Consumption Charges	Proposed Tier 2 Consumption Charges	Proposed CIP Charge	Total Proposed Charges
10	$28.48	$22.50	$0.00	$2.54	$53.52
16	$28.48	$36.00	$0.00	$2.54	$64.48
20	$28.48	$36.00	$10.04	$2.54	$74.52
25	$28.48	$36.00	$22.59	$2.54	$87.07
30	$28.48	$36.00	$35.14	$2.54	$99.62
35	$28.48	$36.00	$47.69	$2.54	$112.17
40	$28.48	$36.00	$60.24	$2.54	$124.72
Azusa					
10	$14.74	17.4	0	N/A	$32.14
16	$14.74	27.84	0	N/A	$42.58
20	$14.74	27.84	14.72	N/A	$57.30
25	$14.74	27.84	33.12	N/A	$75.70
30	$14.74	27.84	51.52	N/A	$94.10
35	$14.74	27.84	69.92	N/A	$112.50
40	$14.74	27.84	88.32	N/A	$130.90
Glendora					
10	$56.73	$15.00 - $23.90	0	N/A	$71.73 - $80.63
16	$56.73	$24.00 - $38.24	0	N/A	$80.73 - $94.97
20	$56.73	$24.00 - $38.24	$7.80 - $11.36	N/A	$88.53 - $106.33
25	$56.73	$24.00 - $38.24	$17.56 - $25.56	N/A	$98.29 - $120.53
30	$56.73	$24.00 - $38.24	$27.30 - $39.76	N/A	$108.03 - $134.73
35	$56.73	$24.00 - $38.24	$37.05 - $53.96	N/A	$117.78 - $148.93
40	$56.73	$24.00 - $38.24	$46.80 - $68.16	N/A	$127.53 - $163.13
Golden State					
10	$12.45	$24.67	$0.00	N/A	$37.12
16	$12.45	$39.47	$0.00	N/A	$51.92
20	$12.45	$39.47	$11.16	N/A	$63.08
25	$12.45	$39.47	$25.10	N/A	$77.02
30	$12.45	$39.47	$39.05	N/A	$90.97
35	$12.45	$39.47	$52.99	N/A	$104.91
40	$12.45	$39.47	$66.94	N/A	$118.86

CITY OF COVINA
AGENDA ITEM COMMENTARY

MEETING DATE: June 15, 2010 **ITEM NO. CB 1**

STAFF SOURCE: Kim Raney, Chief of Police
Robert Neiuber, Director of Community Development
William J. Priest, Assistant City Attorney

ITEM TITLE: Urgency Ordinance to extend Interim Urgency Ordinance No. 10-1983 for an additional 10 months and 15 days and continue for this period the moratorium on the issuance of permits for new massage establishments and massage technicians in the City of Covina.

STAFF RECOMMENDATION

a.) Adopt **Urgency Ordinance No. 10-1985**, extending interim urgency ordinance No. 10-1983 for an additional period of 10 months and 15 days and thereby extending the moratorium on the permitting of new massage establishments and massage technicians; and

b.) Direct staff to continue studying possible revisions to the City's existing massage regulations in light of the passage of SB 731.

FISCAL IMPACT

None.

BACKGROUND/ANALYSIS

On May 4, 2010, the City Council adopted an interim urgency ordinance that temporarily prohibited the approval or issuance of any (i) new permit to massage technicians, (ii) approval or issuance of any new use permit, home occupation permit, variance, building permit, business license, operator's permit or other applicable entitlement for the establishment or operation of a massage establishment in the City, and (iii) transfer of an existing massage permit to another location. The interim urgency ordinance is effective for 45 days and is set to expire on June 18, 2010.

The moratorium was established to allow the City the opportunity to evaluate its existing ordinance regulating massage establishments in light of SB 731, California's first comprehensive, statewide regulatory system for massage therapy. (Bus. & Prof. Code § 4600 et seq.) This new law, which went into effect on September 1, 2009, establishes a non-profit California Massage Therapy Council ("CMTC"). Subject to specific standards, the CMTC issues certificates to qualified massage technicians. Once massage technicians obtain CMTC certifications, they will be exempted from most local regulations. For example:

1.) CMTC-certified technicians and massage establishments that employ only CMTC technicians do not have to receive a local permit before practicing massage;

2.) For zoning purposes, massage establishments that employ only CMTC-certified technicians must be allowed in the same locations as similar "personal and professional uses", such as day spas, hair and nail salons, barber shops, physical therapy, etc.

However, the City may still require a CMTC-certified establishment or technician to obtain a local business license and may also impose reasonable health and safety requirements on CMTC-certified establishments, as long as these are consistent with standards imposed on similar "personal service" businesses. These would include hygiene and cleanliness requirements, among other things. Further, SB 731 preempts local regulation for those CMTC-certified establishments that only hire CMTC-licensed technicians. If a massage establishment employs any technician without a CMTC certification, local regulation can still apply.

Because SB 731 dramatically limits the City's power to address local massage issues, and because of the unique health, safety and welfare implications of massage establishments, it is important for staff to study different options to preserve as much local regulatory power as available under State law.

Since the adoption of the moratorium, the Police Department, the Planning Division of the Community Development Department, and the City Attorney's Office have been diligently working on alleviating the circumstances and conditions which led to adoption of the moratorium. These include: (i) researching the legal effects of SB 731 on local massage regulation, (ii) investigating possible amendments to Chapter 5.36 in order to ensure consistency with SB 731; (iii) tracking the CMTC's implementation of SB 731, and (iv) tracking current efforts in the Legislature to amend SB 731 (AB 1822). A more detailed discussion of these efforts is provided in the attached Council Report, dated June 1, 2010.

Although Staff has taken measures outlined above to address the issues created by SB 731, they have not yet finished their work in this regard. As such, Staff is requesting the Council to extend the moratorium for an additional period of ten (10) months and fifteen (15) days. Staff believes that this extension will give them the opportunity to fully analyze the issues posed by SB 731 and to draft appropriate amendments to Chapter 5.36 for Council consideration that are consistent with SB 731.

Permit renewals would not be affected. The moratorium, if extended, will remain in effect until May 4, 2011, but can be extended for up to one more year (May 4, 2012) after conducting a noticed public hearing in accordance with State law.

EXHIBITS

A. Interim Urgency Ordinance No. 10-1985

B. June 1, 2010 Council Report Re: City's Measures to Alleviate Moratorium Conditions

REVIEW TEAM ONLY

City Attorney: _____ **Finance Director:** _____

City Manager: _____ **Other:** _____

URGENCY ORDINANCE NO. 10-1985

AN URGENCY ORDINANCE OF THE CITY OF COVINA ENACTED PURSUANT TO GOVERNMENT CODE SECTION 65858 TO EXTEND INTERIM URGENCY ORDINANCE NO. 10-1983 FOR AN ADDITIONAL 10 MONTHS AND 15 DAYS AND CONTINUE FOR THIS PERIOD THE MORATORIUM

WHEREAS, on May 4, 2010, pursuant to section 65858 of the California Government Code, the City Council of the City of Covina ("City Council") adopted Ordinance No. 10-1983, an interim urgency ordinance, which temporarily prohibits the approval or issuance of any new permit to massage technicians, and the approval or issuance of any new operator's permit, use permit, home occupation massage permit, variance, building permit, business license or other applicable entitlement for the establishment or operation of any massage establishment in the City in the City of Covina; and

WHEREAS, Section 65858 of the California Government Code provides that Ordinance No. 10-1983 shall expire and be of no further force and effect forty-five (45) days from its date of adoption; and

WHEREAS, Section 65858 of the California Government Code provides that prior to the expiration of Ordinance No. 10-1983, the City may extend Ordinance No. 10-1983 for an additional ten (10) months and fifteen (15) days after giving notice pursuant to Section 65090 of the California Government Code and conducting a public hearing; and

WHEREAS, on June 3, 2010, the City Council issued a written report describing the measures and actions taken by the City to alleviate the circumstances and conditions which led to the adoption of Ordinance No. 10-1983 since its adoption on May 4, 2010, as required by Government Code section 65858 ("Council Report"); and

WHEREAS, based on the Council Report, the City Council has determined that the circumstances and conditions that led to the adoption of Ordinance No. 10-1983, which are set forth in the recitals of Ordinance No. 10-1983 and are fully incorporated herein by this reference, have not been alleviated as of the date of this Ordinance and continue to create the concerns described in Ordinance No. 10-1983; and

WHEREAS, the City Council now seeks to extend the temporary prohibition on the approval or issuance of any new use permit, home occupation permit, variance, building permit, business license, operator's permit, or other applicable entitlement for the establishment or operation of a massage establishment or for massage technicians in the City of Covina, as currently authorized under Ordinance No. 10-1983, to continue studying possible amendments to the City's zoning regulations to help ensure that massage establishments and technicians are regulated in a way that protects the community and complies with applicable law; and

EXHIBIT A

WHEREAS, the purpose of extending Ordinance No. 10-1983 is to avoid the potentially significant adverse impacts to the public's health, safety, and welfare described in Ordinance No. 10-1983; and

WHEREAS, the City Council has determined there is a need to extend Ordinance No. 10-1983 for an additional ten (10) months and fifteen (15) days as authorized under section 65858 of the California Government Code; and

WHEREAS, the notice and public hearing required by section 65858 of the California Government Code for the extension of Ordinance No. 10-1983 has been provided in accordance with law.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF COVINA DOES ORDAIN AS FOLLOWS:

SECTION 1. Adoption of this urgency interim ordinance ("Ordinance") shall constitute an extension of Ordinance No. 10-1983 for a period of ten (10) months and fifteen (15) days, pursuant to section 65858 of the California Government Code.

SECTION 2. During the time this Ordinance is in effect, the City: (i) shall not approve or issue any new use permit, home occupation permit, variance, building permit, business license, operator's permit, or other applicable entitlement for the establishment or operation of a massage establishment in the City and (ii) shall not approve the transfer of any existing permit, license or entitlement for a massage establishment to a new location, and (iii) shall not issue or approve any new permit, license or entitlement to massage technicians. For purposes of this ordinance, the terms "massage technician" and "massage establishment", shall have the meanings set forth in section 5.36.010 of the Covina Municipal Code.

SECTION 3. The City Council hereby finds and determines that adoption of this Ordinance and the extension of Ordinance No. 10-1983 is necessary for the current and immediate protection of the public health, safety, and welfare of the City and its residents for all the reasons set forth in the recitals above and the recitals of Ordinance No. 10-1983, which are hereby expressly incorporated as though fully set forth herein, and the following additional reasons:

A. The City continues to study the issue of regulation of massage establishments and the effect of the new state law known as SB 731 on the regulation of massage establishments.

B. Establishment of massage establishments, and the issuance of new permits to massage technicians and massage establishments, under existing zoning and development standards will have a detrimental effect because the existing standards do not consider the unique impacts created by massage establishments, which would create the potential for severe land use incompatibilities, with associated impacts to adjacent residents and businesses. These adverse impacts on the public health, safety, and welfare can be avoided through careful study and proper planning for the regulation of massage establishments.

EXHIBIT A

SECTION 4. The requirements of this Ordinance shall have no application and no effect upon and shall not be construed as applying to any persons designated as follows: State licensed physicians, surgeons, chiropractors, acupuncturists, acupressurists, physical therapists, osteopaths, registered or licensed vocational nurses, barbers, cosmetologists, aestheticians, and manicurists. Except as amended by this Ordinance, chapter 5.36 of the Covina Municipal Code shall remain in effect during the effective period of this Ordinance and any extensions of this Ordinance.

SECTION 5. The City Council hereby directs the Police Department, the Planning division of the Community Development Department and the City Attorney's Office to consider and study possible means of regulating massage establishments and massage technicians, including zoning-based regulations and other regulations permissible under SB 731.

SECTION 6. Ten (10) days prior to the expiration of this Ordinance, the City Council shall issue a written report describing the measures which the City has taken to alleviate the conditions which led to the adoption of this Ordinance.

SECTION 7. The City Council hereby enacts this interim urgency ordinance by not less than a four-fifths (4/5) vote, and in light of the findings set forth in Section 3, under the authority granted to it by Article XI, Section 7 of the California Constitution and Section 65858 of the California Government Code, which allows the City to adopt an interim urgency ordinance prohibiting land uses which may be in conflict with a zoning proposal that the City Council, planning commission or the planning department is considering or studying or intends to study within a reasonable time.

SECTION 8. The City Council finds that this Ordinance is not subject to the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly.

SECTION 9. If any provision of this Ordinance or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this Ordinance are severable. The City Council hereby declares that it would have adopted this Ordinance irrespective of the invalidity of any particular portion thereof.

SECTION 10. This Ordinance shall take effect immediately upon adoption if adopted by at least a four-fifths (4/5) vote of the City Council and shall remain in effect for ten (10) months and fifteen (15) days from the date of adoption unless extended by the City Council as provided for in Government Code Section 65858.

SECTION 11. The Mayor shall sign this Ordinance and the City Clerk shall attest thereto and shall within fifteen (15) days of its adoption cause it, or a summary of it, to be published in a newspaper of general circulation in the City of Covina.

EXHIBIT A

PASSED, APPROVED and ADOPTED this 15th day of June, 2010.

Peggy Delach, Mayor

ATTEST:

Rosalia A. Conde, CMC
Deputy City Clerk

APPROVED AS TO FORM:

Edward W. Lee, City Attorney

EXHIBIT A

June 1, 2010

FROM: MAYOR AND CITY COUNCIL MEMBERS OF THE CITY OF COVINA

TO: GENERAL PUBLIC

RE: REPORT ON MEASURES TAKEN TO ALLEVIATE THE CONDITIONS WHICH LED TO THE ADOPTION OF ORDINANCE NO. 10-1983, AN INTERIM URGENCY ORDINANCE THAT TEMPORARILY PROHIBITS: (1) THE ISSUANCE OF ANY NEW PERMIT TO MASSAGE TECHNICIANS; (2) THE APPROVAL OR ISSUANCE OF CERTAIN NEW PERMITS, LICENSES OR ENTITLEMENTS TO MASSAGE ESTABLISHMENTS; AND (3) THE TRANSFER OF ANY PERMIT FOR A MASSAGE ESTABLISHMENT TO A NEW LOCATION

On May 4, 2010, the Covina City Council adopted Ordinance No. 10-1983, an interim urgency ordinance that temporarily prohibits the approval or issuance of any new permit to massage establishments and to massage technicians within the City of Covina. Ordinance No. 10-1983 was adopted pursuant to California Government Code Section 65858 and provides that the ordinance shall expire 45 days from its date of adoption, unless the ordinance is extended by the Covina City Council after additional notice and public hearing. At a noticed public hearing to be held on June 15, 2010, the Covina City Council will be asked to consider extending the interim moratorium by adopting a new ordinance, as authorized by Government Code Section 65858. The interim moratorium, as extended, will automatically expire ten (10) months and fifteen (15) days from the date of its adoption – May 4, 2011.

Government Code Section 65858(d) requires that at least 10 days prior to the expiration of the moratorium, the Covina City Council must issue a written report describing the measures taken to alleviate the conditions which led to the adoption of the ordinance. This is that required written report.

Since the original adoption of this moratorium, staff has begun studying the regulatory issues posed by SB 731. Through staff's study, the City hopes to determine: (a) whether and to what extent the Covina Municipal Code provisions regarding massage establishments and massage technicians need to be amended as a result of SB 731, to better protect against potential injury or other harm to persons, acts of prostitution, and other unlawful sexual activity; and (b) the effects of the operation of massage establishments employing only state-certified massage technicians on the City's regulation of massage establishments in general and on its licensure and permitting of massage establishments employing technicians other than state-certified technicians. Finally, City staff and the City Attorney have been monitoring the on-going efforts at the state level to adopt regulations and implement SB 731, and have been using the knowledge they have gained to better understand the need for potential additional revisions to Chapter 5.36.

There is some noted state-wide concern that SB 731 has left local jurisdictions without adequate protection against the less reputable massage technicians and massage operators. For instance,

the California Police Chiefs Association recently introduced AB 1822 (Swanson) to address what it believes are problems. Since the California Massage Therapy Council is essentially a volunteer board – and not a state agency as some believe - the Association believes that they simply don't have the resources to do thorough background investigations of applicants for the state license. They believe the system already has been and will continue to be abused by inappropriate or improperly trained applicants slipping through the cracks. AB 1822 would attempt to do at least three things immediately: (1) it would require applicants for a state license to first obtain clearance from the local agency where they will be doing business, with the applicant paying the reasonable costs of the background investigation; (2) it would eliminate preemptive rules that require massage establishments to be zoned like similar "personal and professional uses"; and (3) it would clarify the existing law to make it abundantly clear that the intent of SB 731 was to allow a local agency to require massage establishment operators to obtain a business license and an operators permit, unless they fall into the "sole proprietorship" definition.

In addition to the City's on-going study efforts, the Community Development Department, Police Department and City Attorney's Office have begun to draft revisions to Covina Municipal Code Chapter 5.36 since the enactment of the moratorium.

As noted above, although the City has taken the above actions to alleviate the circumstances involving the issuance of permits for massage establishments, there are still pending circumstances regarding the effect SB 731 has had on local jurisdictions. Therefore, in order to provide time for the City to determine what amendments to the massage ordinance are necessary to ensure compliance by massage establishments and technicians with state law, the City Council will consider an extension of the existing moratorium at its June 15, 2010 meeting in order to preserve the public convenience, health, safety and general welfare.

Respectfully submitted,

Mayor and Covina City Council

CITY OF COVINA
COVINA REDEVELOPMENT AGENCY
AGENDA ITEM COMMENTARY

MEETING DATE: June 15, 2010 **ITEM NO.: JNB 1**

STAFF SOURCE: Robert Neiuber, Deputy Executive Director RN

ITEM TITLE: Consideration of loans by the City to the Agency for Project Nos. One and Two.

STAFF RECOMMENDATION

1. Adopt **Resolution No. 10-6853** approving and authorizing loans to the Covina Redevelopment Agency for Fiscal Year 2010-2011; and
2. Adopt **Resolution No. 10-628** approving and authorizing execution of Promissory Notes made by the Agency to the City of Covina for Fiscal Year 2010-2011.

FISCAL IMPACT

Principal amount of $2,490,000 (1010-0000-00-12500) would be funded by City. It is anticipated that 2,063,180 would be repaid at the end of the fiscal year, leaving a loan balance of $426,820. City would earn interest income of $205,430 (1010-0000-00-47200).

BACKGROUND

In prior years, the Agency has borrowed money from the City for both Project Areas One and Two in order to provide operating funds for ongoing project expenses, as well as to establish sufficient debt to secure the Agency's tax increment. Consequently, the City has received interest income for these loans at rates equal to or higher than what would have been earned via the Local Agency Investment Fund (LAIF).

Project Area One.

The Agency is requesting a loan from the City to the Agency for Project Area One for the fiscal year 2010-2011. Staff projections indicate that the debt incurred by the Agency in Project Area One will not be enough to secure the 2010-2011 tax increment.

- Requested Loan (Principal). A loan of $2,215,000 is requested from the City on the terms of the attached Project Area No. One Note.

- Requested Loan (Interest). The interest rate is set at 8.25 percent. Estimated interest payments of $182,740 will be paid to the City in the 2010-2011 fiscal year.

- Length of Loan. $1,788,180 of principal amount will be due and payable at the end of fiscal year 2010-2011. The remaining principal will become due and payable, in a future year, as the Project Area earns enough tax increment revenue to repay the loan.

- Entitlement Protection. This note constitutes a legal debt and avoids any challenge to the Agency's entitlement to tax increment payable during the 2010-2011 fiscal year. This secures Covina's tax increment, allowing the funds to remain in Covina for Agency projects rather than being redistributed County-wide.

Project Area Two.

The Agency is requesting a loan from the City to the Agency for Project Area Two for the fiscal year 2010-2011. Staff projections indicate that the debt incurred by the Agency in Project Area Two will not be enough to secure the 2010-2011 tax increment.

- Requested Loan (Principal). A loan of $275,000 is requested from the City on the terms of the attached Project Area No. Two Note.

- Requested Loan (Interest). The interest rate is set at 8.25 percent. Estimated interest payments of $22,690 will be paid to the City in the 2010-2011 fiscal year.

- Length of Loan. The entire principal amount will be due and payable at the end of fiscal year 2010-2011.

- Entitlement Protection. This note constitutes a legal debt and avoids and challenge to the Agency's entitlement to tax increment payable during the 2010-2011 fiscal year. This secures Covina's tax increment, allowing the funds to remain in Covina for Agency projects rather than being redistributed Countywide.

EXHIBITS:

A. Resolution No. 10-628
B. Resolution No. 10-6853

REVIEW TEAM ONLY

City Attorney: _____

Finance Director: _____

City Manager: _____

Other: _____

RESOLUTION NO. 10-628

A RESOLUTION OF THE COVINA REDEVELOPMENT AGENCY APPROVING AND AUTHORIZING EXECUTION OF PROMISSORY NOTES MADE BY THE AGENCY TO THE CITY OF COVINA FOR FISCAL YEAR 2010-2011

WHEREAS, the CITY OF COVINA ("City") is assisting the Covina Redevelopment Agency ("Agency") in carrying out the Revitalization Redevelopment Project No. 1 ("Project No. 1") and the Revitalization Redevelopment Project No. 2 ("Project No. 2") and has authorized a loan to the Agency; and

WHEREAS, the Agency desires to accept the loans and give its notes to the City; and

WHEREAS, the Promissory Note for Project No. 1 ("Project No. 1 Note") has been prepared from the Agency to the City, in which the Agency shall pay to the City the amount and on the terms set forth in said Note, attached hereto as Exhibit "A."

WHEREAS, the Promissory Note for Project No. 2 ("Project No. 2 Note") has been prepared from the Agency to the City, in which the Agency shall pay to the City the amount and on the terms set forth in said Note, attached hereto as Exhibit "B."

NOW, THEREFORE, BE IT RESOLVED BY THE COVINA REDEVELOPMENT AGENCY AS FOLLOWS:

SECTION 1. The Project No. 1 Note is hereby approved, and the Chairperson is authorized to execute said Note on behalf of the Agency.

SECTION 2. The Project No. 2 Note is hereby approved, and the Chairperson is authorized to execute said Note on behalf of the Agency.

SECTION 3. The Secretary shall certify to the passage and adoption of this resolution and the same shall thereupon take effect and be in force.

PASSED, APPROVED AND ADOPTED this 15th day of June, 2010.

_____

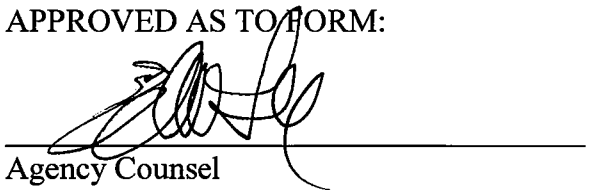
Chairperson

ATTEST:

_____

Agency Secretary

APPROVED AS TO FORM:



Agency Counsel

I, Rosalia Conde, Secretary, Covina Redevelopment Agency hereby CERTIFY that this resolution was adopted by the Agency at a regular meeting of the Covina Redevelopment Agency held June 15th, 2010, and was duly adopted and passed by the following vote:

AYES:

NOES:

ABSENT:

Secretary

Exhibit A

PROMISSORY NOTE WITH INTEREST
PROJECT NO. ONE

$2,215,000 June 30, 2010

For value received, the COVINA REDEVELOPMENT AGENCY ("Agency") promises to pay to the CITY OF COVINA ("City") at Covina, California, the sum of Two Million Two Hundred and Fifteen Dollars ($2,215,000) with interest at the rate of Eight and one quarter Percent (8.25%) per annum from the date of this note until paid.

Principal in the amount of $1,788,180 and all accrued and unpaid interest shall be due and payable on demand or on June 30, 2011, whichever occurs first.

Principal and interest shall be payable in lawful money of the United States.

Agency shall pay City only from tax increments available to Agency pursuant to the Redevelopment Plan for the Covina Revitalization Redevelopment Project No. 1 ("Project") as adopted by Ordinance No. 1268 on July 15, 1974, in accordance with Sections 33670-33674, of the California Redevelopment Law and Section 19, Article XIII of the California Constitution. The amount of this debt shall be subordinate to any tax increment bonds, which have been issued or authorized to be issued by the Agency.

COVINA REDEVELOPMENT AGENCY

By:_____
Chairperson

Attest:_____
Agency Secretary

Exhibit B

PROMISSORY NOTE WITH INTEREST
PROJECT NO. TWO

$275,000 June 30, 2010

For value received, the COVINA REDEVELOPMENT AGENCY ("Agency") promises to pay to the CITY OF COVINA ("City") at Covina, California, the sum of Two Hundred Seventy Five Thousand Dollars ($275,000) with interest at the rate of Eight and one quarter Percent (8.25%) per annum from the date of this note until paid.

The entire principal and all accrued and unpaid interest shall be due and payable on demand or on June 30, 2011, whichever occurs first.

Principal and interest shall be payable in lawful money of the United States.

Agency shall pay City only from tax increments available to Agency pursuant to the Redevelopment Plan for the Covina Revitalization Redevelopment Project No. 2 ("Project") as adopted by Ordinance No. 1547 on September 6, 1983, and as amended by Ordinance No. 1640 on July 20, 1987, in accordance with Sections 33670-33674, of the California Redevelopment Law and Section 19, Article XIII of the California Constitution. The amount of this debt shall be subordinate to any tax increment bonds, which have been issued or authorized to be issued by the Agency.

COVINA REDEVELOPMENT AGENCY

By:_____
Chairperson

Attest:_____
Agency Secretary

RESOLUTION NO. 10-6853

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA APPROVING AND AUTHORIZING LOANS TO THE COVINA REDEVELOPMENT AGENCY FOR FISCAL YEAR 2010-2011

WHEREAS, the CITY OF COVINA ("City") is assisting the Covina Redevelopment Agency ("Agency") in carrying out the Revitalization Redevelopment Project No. 1 ("Project No. 1") and the Revitalization Redevelopment Project No. 2 ("Project No. 2") and is willing to make loans to the Agency; and

WHEREAS, the Promissory Note for Project No. 1 ("Project No. 1 Note") has been prepared from the Agency to the City, in which the Agency shall pay to the City the amount and on the terms set forth in said Note, attached hereto as Exhibit "A."

WHEREAS, the Promissory Note for Project No. 2 ("Project No. 2 Note") has been prepared from the Agency to the City, in which the Agency shall pay to the City the amount and on the terms set forth in said Note, attached hereto as Exhibit "B."

NOW, THEREFORE, BE IT RESOLVED BY THE COVINA REDEVELOPMENT AGENCY AS FOLLOWS:

SECTION 1. The Project No. 1 Note is hereby approved, and the loan for said amount is authorized to be made to the Agency.

SECTION 2. The Project No. 2 Note is hereby approved, and the loan for said amount is authorized to be made to the Agency.

SECTION 3. The City Clerk shall certify to the passage and adoption of this resolution and the same shall thereupon take effect and be in force.

PASSED, APPROVED AND ADOPTED this 15th day of June, 2010.

_____

Mayor

ATTEST:

_____

City Clerk

APPROVED AS TO FORM:

City Attorney

I, Rosalia Conde, City Clerk, Covina, California hereby CERTIFY that this resolution was adopted by the Covina City Council at a regular meeting of the City Council held June 15th, 2010, and was duly adopted and passed by the following vote:

AYES:

NOES:

ABSENT:

City Clerk

Exhibit A

PROMISSORY NOTE WITH INTEREST
PROJECT NO. ONE

$2,215,000 June 30, 2010

For value received, the COVINA REDEVELOPMENT AGENCY ("Agency") promises to pay to the CITY OF COVINA ("City") at Covina, California, the sum of Two Million Two Hundred and Fifteen Dollars ($2,215,000) with interest at the rate of Eight and one quarter Percent (8.25%) per annum from the date of this note until paid.

Principal in the amount of $1,788,180 and all accrued and unpaid interest shall be due and payable on demand or on June 30, 2011, whichever occurs first.

Principal and interest shall be payable in lawful money of the United States.

Agency shall pay City only from tax increments available to Agency pursuant to the Redevelopment Plan for the Covina Revitalization Redevelopment Project No. 1 ("Project") as adopted by Ordinance No. 1268 on July 15, 1974, in accordance with Sections 33670-33674, of the California Redevelopment Law and Section 19, Article XIII of the California Constitution. The amount of this debt shall be subordinate to any tax increment bonds, which have been issued or authorized to be issued by the Agency.

COVINA REDEVELOPMENT AGENCY

By:_____
Chairperson

Attest:_____
Agency Secretary

Exhibit B

PROMISSORY NOTE WITH INTEREST
PROJECT NO. TWO

$275,000 June 30, 2010

For value received, the COVINA REDEVELOPMENT AGENCY ("Agency") promises to pay to the CITY OF COVINA ("City") at Covina, California, the sum of Two Hundred Seventy Five Thousand Dollars ($275,000) with interest at the rate of Eight and one quarter Percent (8.25%) per annum from the date of this note until paid.

The entire principal and all accrued and unpaid interest shall be due and payable on demand or on June 30, 2011, whichever occurs first.

Principal and interest shall be payable in lawful money of the United States.

Agency shall pay City only from tax increments available to Agency pursuant to the Redevelopment Plan for the Covina Revitalization Redevelopment Project No. 2 ("Project") as adopted by Ordinance No. 1547 on September 6, 1983, and as amended by Ordinance No. 1640 on July 20, 1987, in accordance with Sections 33670-33674, of the California Redevelopment Law and Section 19, Article XIII of the California Constitution. The amount of this debt shall be subordinate to any tax increment bonds, which have been issued or authorized to be issued by the Agency.

COVINA REDEVELOPMENT AGENCY

By:_____
Chairperson

Attest:_____
Agency Secretary

CITY OF COVINA/COVINA REDEVELOPMENT AGENCY
AGENDA ITEM COMMENTARY

MEETING DATE: June 15, 2010 **ITEM NO.: JCB 1**

STAFF SOURCE: Daryl Parrish, City Manager
Dilu de Alwis, Finance Director
Robert Neiuber, Deputy Director, CRA
Steven Smith, Management Analyst

ITEM TITLE: Adoption of the City of Covina and Covina Redevelopment Agency Annual Budget for the Fiscal Year commencing July 1, 2010 and ending June 30, 2011.

STAFF AND AGENCY RECOMMENDATION

a.) Adopt **Resolution No. 10-6848**, adopting the City of Covina Budget for July 1, 2010 through June 30, 2011; and
b.) Adopt **Agency Resolution No. 10-625**, adopting the Covina Redevelopment Agency Annual Budget for the Fiscal Year commencing July 1, 2010 and ending June 30, 2011.

FISCAL IMPACT

Proposed General Fund Budget appropriation of $27,967,210; proposed CRA Budget appropriation of $10,945,320; Special Revenue/Other Fund appropriation of $36,326,750.

BACKGROUND

The Preliminary City of Covina Budget for fiscal year 2010-2011 was received by City Council on June 1, 2010 during a budget study session prior to the regularly scheduled council meeting.

The budget resolution establishes appropriations by cost center and funding sources. The City Manager can authorize appropriation transfers between cost centers within funds. Appropriation adjustments from contingency and between funds require Council approval.

There are minor changes to this final version of the budget from what was presented to the Council and Agency Board on Tuesday June 1st. These changes include:

- In order to increase the visibility of the council meetings to the public within/without the boundaries of the City of Covina, staff will add real-time web streaming of the council meetings beginning the 1st quarter of the new fiscal year. There are two components to this project; (a) an amount of not-to-exceed $18,000 for an additional camera to be funded by the Public Education in Government Fund and (b) an amount not-to-exceed $10,000 for an annual contract which includes web streaming, archiving of meeting videos, hardware and support funded by the General Fund.

- Due to the expansion of responsibilities of the Director of Parks and Recreation and the trickle-down effect on the next management-level position, it is recommended that the title of the Administrative Services Manager be changed to Parks and Recreation Manager with the current incumbent being reclassified to the new position. The new responsibilities of this staff person go beyond administrative functions to include more oversight of the Parks and Recreation Department and behoove the recommended adjustment. The costs associated with this change are included in the proposed budget and no additional funds are requested.

EXHIBITS

A) Fiscal Year 2010-2011 City Budget Appropriations
B) Fiscal Year 2010-2011 CRA Budget Appropriations
C) City Resolution No. 10-6848, adopting the City of Covina Budget for July 1, 2010 – June 30, 2011
B) Agency Resolution No. 10-625, adopting the Covina Redevelopment Agency Budget for July 1, 2010 – June 30, 2011

REVIEW TEAM ONLY

City Attorney: _____ **Finance Director:** _____

City Manager: _____ **Other:** _____

EXHIBIT A

CITY OF COVINA, CALIFORNIA

Fiscal Year 2010-2011 Budget Appropriation

Fund/Program/Activity	Total Appropriation
GENERAL FUND	
General Government	
City Council	60,030
City Clerk	2,700
City Treasurer	3,350
City Manager	524,480
City Attorney	226,680
Finance	1,407,110
Elections	69,450
Records Management	137,990
Human Resources	552,390
Employee Development	8,000
Workers Compensation	626,800
Public Liability	431,000
General Insurance	617,000
Duplicating Services	129,450
Public Information	127,380
Civic Center	189,830
Indirect Cost Allocation	(2,169,230)
Total General Government	2,944,410
Public Safety	
Police Administration	1,063,490
Crime Prevention	279,320
Police Investigation	1,889,350
Police Patrol	6,018,950
Police Records	505,030
Police Jail	415,780
Traffic Safety	364,190
Parking Control	274,130
Communication Services	1,204,020
Police Training	344,580
Police Computer Services	386,850
Fire Suppression	7,647,440
Disaster Preparedness	16,350
Animal Control	125,600
Indirect Cost Allocation	(29,100)
Total Public Safety	20,505,980

EXHIBIT A

CITY OF COVINA, CALIFORNIA

Fiscal Year 2010-2011 Budget Appropriation

Fund/Program/Activity	Total Appropriation
Public Works	
Public Works Administration	132,880
Graffiti Removal	76,220
Engineering	248,040
Streets	57,380
Street Lighting	199,500
Traffic Control	144,500
Yard Center	47,410
Building Inspection	326,690
Indirect Cost Allocation	(433,540)
Total Public Works	799,080
Culture and Recreation	
Park-Recreation Administration	430,620
Community Relations	122,400
Recreation Services	508,210
Park Facilities	554,010
Senior Services	246,060
Community Parade	103,970
Community-Special Events	(3,000)
Aquatics	311,260
Library Services	889,670
Total Culture and Recreation	3,163,200
Community Development	
Development Administration	153,580
Planning	215,770
Code Enforcement	97,550
Indirect Cost Allocation	(418,110)
Total Community Development	48,790
Miscellaneous	
Intergovernmental	24,900
Contingency	35,000
Total Miscellaneous	59,900
Debt Service	
General	66,390
Total Debt Service	66,390

EXHIBIT A

CITY OF COVINA, CALIFORNIA

Fiscal Year 2010-2011 Budget Appropriation

Fund/Program/Activity	Total Appropriation
Other Financing Uses	
Financial Sources Provided	291,510
Total Other Financing Uses	291,510
Environmental Services	
Environmental Services	87,950
Total Other Financing Uses	87,950
Total General Fund	27,967,210
CDBG	
Redevelopment and Housing	
CDBG Administration	46,500
Business Assistance	235,000
Public Service	69,750
Residential Rehabilitation	113,630
Public Improvements	-
Indirect Cost Allocation*	54,630
Total CDBG	519,510
LIBRARY EQUIPMENT RESERVE	
Culture and Recreation	
Library Services	4,860
Total Library Equipment Reserve	4,860
DOWNTOWN DISTRICT	
Miscellaneous	
Downtown District	8,750
Total Downtown District	8,750
PROSPERO PARK	
Miscellaneous	
Prospero Park	9,000
Total Downtown District	9,000

EXHIBIT A

CITY OF COVINA, CALIFORNIA

Fiscal Year 2010-2011 Budget Appropriation

Fund/Program/Activity	Total Appropriation
LAW ENFORCEMENT GRANT	
Public Safety	
Police Administration	36,010
Crime Prevention	24,800
Police Patrol	75,200
Indirect Cost Allocation*	96,300
Total Law Enforcement Grant	232,310
RED LIGHT CAMERA PROGRAM	
Public Safety	
Police Patrol	194,220
Other Financing Sources	100,000
Total Red Light Camera Program	294,220
STATE GAS TAX	
Public Works	
Streets	600,000
Street Lighting	100,000
Traffic Control	70,000
Indirect Cost Allocation	43,190
Total State Gas Tax	813,190
TRANSIT	
Transit	
Transit Administration	174,580
Transit Operation	1,782,790
Indirect Cost Allocation	12,890
Total Transit	1,970,260
AIR QUALITY	
Public Works	
Air Quality	143,300
Total Air Quality	143,300

EXHIBIT A

CITY OF COVINA, CALIFORNIA

Fiscal Year 2010-2011 Budget Appropriation

Fund/Program/Activity	Total Appropriation
ENVIRONMENTAL SERVICES GRANT	
Environmental Protection	
Energy	200,200
Environmental Services	21,380
Total Downtown District	221,580
MUNICIPAL PARKING DISTRICT	
Public Works	
Public Parking	107,200
Indirect Cost Allocation	40,190
Total Municipal Parking District	147,390
LIGHTING DISTRICT	
Public Works	
Street Lighting	196,000
Indirect Cost Allocation*	18,660
Total Lighting District	214,660
LANDSCAPE DISTRICT	
Public Works	
Street Landscaping	117,820
Indirect Cost Allocation	30,120
Total Landscape District	147,940
SEWER DISTRICT	
Public Works	
Sanitary Sewer	13,203,530
Indirect Cost Allocation	28,110
Total Public Works	13,231,640
Debt Service	
General	685,930
Capital Lease	74,490
Total Debt Service	760,420
Total Sewer District	13,992,060

EXHIBIT A

CITY OF COVINA, CALIFORNIA

Fiscal Year 2010-2011 Budget Appropriation

Fund/Program/Activity	Total Appropriation
LIBRARY GRANT	
Culture and Recreation	
Library Services	68,500
Indirect Cost Allocation*	44,170
Total Library Grant	112,670
PUBLIC EDUCATION IN GOVERNMENT	
General Government	
Public Information	18,000
Total City Donation	18,000
PARKS AND RECREATION GRANT FUND	
Culture and Recreation	
Community Relations	12,060
Total City Donation	12,060
TRANSPORTATION	
Public Works	
Public Works	1,014,890
Transit	445,560
Total Public works	1,460,450
Debt Service	
Certificates of Participation	493,880
Total Transportation	1,954,330
SHOPPERS LANE PARKING DISTRICT	
Public Works	
Public Parking	1,100
Indirect Cost Allocation*	4,250
Total Shoppers Lane Parking District	5,350

EXHIBIT A

CITY OF COVINA, CALIFORNIA

Fiscal Year 2010-2011 Budget Appropriation

Fund/Program/Activity	Total Appropriation
WATER UTILITY	
Water Utility	
General and Admin-Water	315,700
Utility Billing-Water	440,470
Customer Service	279,930
Sales Promotion	20,000
Source and Supply	2,854,760
Production and Storage	527,620
Transmission and Distribution	1,165,360
Indirect Cost Allocation	697,610
Total Water Utility	6,301,450
Debt Service	
Certificates of Participation	250,790
Total Debt Service	250,790
Total Water Utility	6,552,240
WATER CAPITAL	
Water Utility	
Production and Storage	1,750,000
Transmission and Distribution	906,600
Indirect Cost Allocation	46,940
Total Water Capital	2,703,540
ENVIRONMENTAL	
Environmental Protection	
General and Admin-Environmental	86,200
Street Sweeping	177,730
Environmental Services	245,830
Refuse Collection	1,853,390
Waste Management	1,124,180
Indirect Cost Allocation	318,190
Total Environmental	3,805,520
CENTRAL EQUIPMENT	
Central Equipment	
Equipment Administration	44,480
Vehicle and Equipment Operation	1,069,020
Indirect Cost Allocation	225,020
Total Central Equipment	1,338,520

EXHIBIT A

CITY OF COVINA, CALIFORNIA

Fiscal Year 2010-2011 Budget Appropriation

Fund/Program/Activity	Total Appropriation
MANAGEMENT INFORMATION SYSTEMS	
Management Information Systems	
MIS Administration	131,040
General Systems	501,660
Citywide Network	206,720
Financial Systems	183,870
Indirect Cost Allocation	82,200
Total Management Information Systems	1,105,490
Total All Funds	64,293,960

** Total does not include subsidies and interfund transactions..*

EXHIBIT B

COVINA REDEVELOPMENT AGENCY
CITY OF COVINA, CALIFORNIA
Fiscal Year 2010-2011 Budget Appropriations

Fund/Program/Activity	Total Appropriations
LMIH	
Redevelopment and Housing	
Housing	983,630
Neighborhood Preservation	137,240
Indirect Cost Allocation	143,370
Total Redevelopment and Housing	1,264,240
Debt Service	
Tax Allocation	406,280
Total Debt Service	406,280
Total LMIH	1,670,520
TAX ALLOCATION DEBT	
Debt Service	
Tax Allocation	5,799,540
Indirect Cost Allocation	348,370
Total Tax Allocation Debt	6,147,910
REDEVELOPMENT	
Redevelopment and Housing	
Redevelopment Administration	475,810
Marketing	497,520
Redevelopment	1,094,160
Indirect Cost Allocation	1,059,400
Total Redevelopment and Housing	3,126,890
Total All Funds	10,945,320

RESOLUTION NO. 10-6848

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, ADOPTING THE BUDGET FOR FISCAL YEAR 2010-2011

WHEREAS, the City Manager acted to present a Preliminary Fiscal Year 2010-2011 Budget to the City Council by June 1, 2010; and

WHEREAS, the Approved Budget includes the change of municipal services to be adopted the forthcoming fiscal year; and

WHEREAS, the City Manager is responsible to implement the annual budget as authorized by Covina Municipal Code Section 2.08.160; and

WHEREAS, the City Council may, from time to time, modify the Budget to conform to the City Council policy directives per the adopted Budget Policy; and

WHEREAS, the cost center appropriations are reported in Exhibit A of this resolution; and

WHEREAS, the number of appropriated full-time positions shall not change without City Manager approval; and

WHEREAS, the City faces budget constraints, and therefore, the City Manager is authorized to reduce the workforce by not filling certain vacant positions and/or initiating layoffs; and

NOW, THEREFORE, the City Council of the City of Covina does hereby resolve that certain budget centers (listed above) in the City of Covina Fiscal Year 2010-2011 Budget are adopted and the City Manager is authorized to implement the same.

Section 1: The City finds and determines that expenditure of housing funds inside and outside of each of the Redevelopment Projects will be of benefit to each of Project No. One and Project No. Two.

Section 2: The City Clerk shall certify to the passage and adoption of this resolution and the same shall thereupon take effect and is in force.

APPROVED AND ADOPTED this 15th day in June, 2010.

_____
Peggy A. Delach, Mayor

ATTEST:

_____
Rosalia A. Conde, CMC
Deputy City Clerk

APPROVED AS TO FORM:

_____
Edward W. Lee, City Attorney

I, ROSALIA A. CONDE, CMC, Deputy City Clerk of the City of Covina, hereby CERTIFY that Resolution No. 10-6848 was adopted by the Covina City Council at a meeting of the City Council held _____, and was approved and passed by the following vote:

AYES: COUNCILMEMBERS:
NOES: COUNCILMEMBERS:
ABSTAIN: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:

_____
Rosalia A. Conde, CMC
Deputy City Clerk

RESOLUTION NO. 10-625

A RESOLUTION OF THE COVINA REDEVELOPMENT AGENCY OF THE CITY OF COVINA, CALIFORNIA ADOPTING THE COVINA REDEVELOPMENT AGENCY ANNUAL BUDGET FOR THE FISCAL YEAR COMMENCING JULY 1, 2010 AND ENDING JUNE 30, 2011

WHEREAS, the Executive Director has prepared, after consultation with its Members, a budget for the COVINA REDEVELOPMENT AGENCY ("Agency") to carry out redevelopment activities of the Covina Revitalization Redevelopment Project No. 1 and Covina Revitalization Redevelopment Project No. 2; and

WHEREAS, appropriations made pursuant to the budget of the Agency are exempt from provisions of Article XIIIB of the California Constitution where used for redevelopment activities.

WHEREAS, the cost center appropriations are reported in Exhibit B of this resolution; and;

NOW, THEREFORE, BE IT RESOLVED by the Covina Redevelopment Agency as follows:

SECTION 1: That the budget for Agency for the fiscal year commencing July 1, 2010 and ending June 30, 2011, as prepared and submitted by the Executive Director, is hereby approved and adopted as the budget of the Agency for said fiscal year (hereinafter "budget").

SECTION 2: That the positions as they appear in the budget are approved for the purposes indicated and constitute the Table of Organization for the fiscal year ending June 30, 2011.

SECTION 3: That from the effective date of said budget, to wit: July 1, 2010, the several amounts stated therein as proposed expenditures shall be and become appropriated to the Agency for the respective objects and purposes therein set forth, subject to expenditures pursuant to the provisions of all applicable statutes of the State.

SECTION 4: That the Executive Director shall have the authority to incur obligations and enter into contracts less than Twenty Five Thousand Dollars ($25,000.00) without prior written approval of the Agency, provided that such expenditures are consistent with the budget.

SECTION 5: That the Agency hereby finds and determines:

(a) That the expenditures authorized by this budget and the appropriations pursuant thereto are from tax allocation proceeds as specified in Subdivision B of Section 33670 of California Health & Safety Code or are proceeds of bonds which are secured solely by such tax allocation proceeds;

(b) That all of the expenditures and appropriations pursuant to the budget are for redevelopment activities consistent with California Health & Safety Code Section 33678 in that they are for carrying out the Covina Revitalization Redevelopment Project No. 1 and Covina Revitalization Redevelopment Project No. 2, and related redevelopment activities, as

defined in California Health & Safety Sections 33020 and 33021, and primarily benefit the project areas included in the above Project No. 1 or Project No. 2;

(c) That none of the funds are to be used for the purposes of paying for employee or contractual services for the City of Covina or any other local government agency except for such services which are directly related to redevelopment activities as defined in California Health & Safety Code Sections 33020 and 33021 and the powers established in Community Redevelopment Law;

(d) That the funds to be used for the purposes of paying for employee or contractual services for the City of Covina or any other governmental agency from the Low and Moderate Income Housing Fund or any other local government agency are directly related to redevelopment activities and the planning and administration expenses are necessary for the production, improvement, or preservation of low and moderate income housing as defined in California Health & Safety Code Sections 33334.2 (e)(1) et seq. and the powers established in Community Redevelopment Law.

(e) The Agency finds and determines that expenditure of housing funds inside and outside of each of the Redevelopment Projects will be of benefit to each of Project No. One and Project No. Two.

SECTION 6: That resolutions or portions thereof, relating to salaries inconsistent herewith, are repealed and rescinded.

SECTION 7: That the Executive Director is authorized to take all actions necessary to carry out the Agency budget as so approved.

SECTION 8: That the Agency Secretary shall certify to the passage and adoption of this Resolution and the same shall thereupon take effect and be in force.

APPROVED AND ADOPTED this 15th day of June, 2010.

_____
Peggy A. Delach, Chairperson

ATTEST:

_____
Rosalia A. Conde, CMC,
Agency Secretary

APPROVED AS TO FORM:

_____
Elizabeth Hull, Agency Counsel

I, ROSALIA A. CONDE, CMC, Secretary of the Covina Redevelopment Agency, hereby CERTIFY that Resolution No. 10-625 was adopted by the Covina Redevelopment Agency at a regular meeting of the Agency held _____, and was approved and passed by the following vote:

AYES: AGENCY MEMBERS:

NOES: AGENCY MEMBERS:

ABSTAIN: AGENCY MEMBERS:

ABSENT: AGENCY MEMBERS:

_____
Rosalia A. Conde, CMC
Agency Secretary