The City Council, with certain statutory exceptions, can only take action upon properly posted and listed agenda items. Any writings or documents given to a majority of the City Council regarding any matter on this agenda that the City received after issuing the agenda packet are available for public inspection in the City Clerk’s office during normal business hours. Such Documents may also be posted on the City’s website at www.elsegundo.org and additional copies will be available at the City Council meeting.

Unless otherwise noted in the Agenda, the Public can only comment on City-related business that is within the jurisdiction of the City Council and/or items listed on the Agenda during the Public Communications portions of the Meeting. Additionally, the Public can comment on any Public Hearing item on the Agenda during the Public Hearing portion of such item. The time limit for comments is five (5) minutes per person.

Before speaking to the City Council, please come to the podium and state: Your name and residence and the organization you represent, if desired. Please respect the time limits.

Members of the Public may place items on the Agenda by submitting a Written Request to the City Clerk or City Manager’s Office at least six days prior to the City Council Meeting (by 2:00 p.m. the prior Tuesday). The request must include a brief general description of the business to be transacted or discussed at the meeting. Playing of video tapes or use of visual aids may be permitted during meetings if they are submitted to the City Clerk two (2) working days prior to the meeting and they do not exceed five (5) minutes in length.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact City Clerk, 524-2305. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

MEETING OF THE EL SEGUNDO CITY COUNCIL
TUESDAY, SEPTEMBER 4, 2018 – 5:00 PM

5:00 P.M. SESSION

CALL TO ORDER

ROLL CALL

PUBLIC COMMUNICATION – (Related to City Business Only – 5 minute limit per person, 30 minute limit total) Individuals who have received value of $50 or more to communicate to the City Council on behalf of another, and employees speaking on behalf of their employer, must so identify themselves prior to addressing the City Council. Failure to do so shall be a misdemeanor and punishable by a fine of $250.
SPECIAL ORDER OF BUSINESS:

CLOSED SESSION:

The City Council may move into a closed session pursuant to applicable law, including the Brown Act (Government Code Section §54960, et seq.) for the purposes of conferring with the City's Real Property Negotiator; and/or conferring with the City Attorney on potential and/or existing litigation; and/or discussing matters covered under Government Code Section §54957 (Personnel); and/or conferring with the City's Labor Negotiators; as follows:

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (Gov't Code §54956.9(d)(1): -5- matters

1. Achambault v. City of El Segundo, WCAB Case Nos. 79049(39, 53 and 56)
2. James v. City of El Segundo, WCAB Case No. ADJ 10523289
3. Turnbull v. City of El Segundo, WCAB and Cal PERS Matter
4. Houston v. City of El Segundo, Los Angeles County Civil Service Commission
5. Simpson v. City of El Segundo, WCAB Cases No. ADJ10970131, ADJ10970130

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to Government Code §54956.9(d)(2): -1- matters.


DISCUSSION OF PERSONNEL MATTERS (Gov't Code §54957): -2- matters

1. Public Employee Performance Evaluation
   Title: City Manager

2. Public Employee Performance Evaluation
   Title: City Attorney
APPOINTMENT OF PUBLIC EMPLOYEE (Gov't. Code § 54957): -0- matter

PUBLIC EMPLOYMENT (Gov't Code § 54957) -0- matter

CONFERENCE WITH REAL PROPERTY NEGOTIATOR (Gov't Code §54956.8): -0- matters

CONFERENCE WITH CITY'S LABOR NEGOTIATOR (Gov't Code §54957.6): -8- matters

1. **Employee Organizations**: Police Management Association; Police Officers Association; Police Support Services Employees Association; Fire Fighters Association; Supervisory, Professional Employees Association; City Employee Association; and Executive and Management/Confidential Employees (unrepresented groups).

   Agency Designated Representative: Irma Moisa Rodriguez, City Manager, Greg Carpenter and Human Resources Director.
AGENDA
EL SEGUNDO CITY COUNCIL
COUNCIL CHAMBERS - 350 Main Street

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REGULAR MEETING OF THE EL SEGUNDO CITY COUNCIL
TUESDAY, SEPTEMBER 4, 2018 - 7:00 P.M.

7:00 P.M. SESSION

CALL TO ORDER

INVOCATION – Pastor Rob McKenna, The Bridge Church

PLEDGE OF ALLEGIANCE – Council Member Nicol
PRESENTATIONS

a) Presentation – Treasury Department’s Quarterly Investment Portfolio Report.

ROLL CALL

PUBLIC COMMUNICATIONS – (Related to City Business Only – 5 minute limit per person, 30 minute limit total) Individuals who have received value of $50 or more to communicate to the City Council on behalf of another, and employees speaking on behalf of their employer, must so identify themselves prior to addressing the City Council. Failure to do so shall be a misdemeanor and punishable by a fine of $250. While all comments are welcome, the Brown Act does not allow Council to take action on any item not on the agenda. The Council will respond to comments after Public Communications is closed.

CITY COUNCIL COMMENTS – (Related to Public Communications)

A. PROCEDURAL MOTIONS

Consideration of a motion to read all ordinances and resolutions on the Agenda by title only.
Recommendation – Approval.

B. SPECIAL ORDERS OF BUSINESS (PUBLIC HEARING)

C. UNFINISHED BUSINESS

1. Consideration and possible action to 1) approve the Residential Waste Collection Request for Proposals (RFP) and authorize staff to issue the RFP, and 2) approve the Notice of Public Hearing and Proposition 218 Ballot to establish a maximum $20.00 monthly fee upon eligible residential dwellings for solid waste collection services.
   (Fiscal Impact: ~$10,000.00)
Recommendation – 1) Approve the Residential Solid Waste Collection Request for Proposals and authorize staff to issue the RFP; 2) Approve the Notice of Public Hearing and Proposition 218 Ballot to establish a maximum $20.00 monthly fee upon eligible residential dwellings for solid waste collection services; 3) Alternatively, discuss and take other action related to this item.
D. REPORTS OF COMMITTEES, COMMISSIONS AND BOARDS

2. Consideration and possible action to review the evaluation results of proposals in response to RFP #18-02 related to future operations, management, and improvements at The Lakes at El Segundo Site as conducted by the The Lakes RFP Task Force.
   (Fiscal Impact: None)
   Recommendation – 1) Discuss and determine how the City Council would like to proceed in making a final selection; 2) Alternatively, discuss and take other action related to this item.

3. Consideration and possible action to adopt a Resolution approving the Economic Development Advisory (EDAC) Bylaws, as amended.
   (Fiscal Impact: None)
   Recommendation – 1) Adopt a Resolution approving the proposed Economic Development Advisory Council (EDAC) By-Laws, as amended; 2) Alternatively, discuss and take other action related to this item.

E. CONSENT AGENDA
All items listed are to be adopted by one motion without discussion and passed unanimously. If a call for discussion of an item is made, the item(s) will be considered individually under the next heading of business.

4. Warrant Numbers 30222452 through 3022629 on Register No. 22 in the total amount of $998,425.77 and Wire Transfers from 8/13/18 through 8/26/18 in the total amount of $856,846.30.
   Recommendation – Approve Warrant Demand Register and authorize staff to release. Ratify Payroll and Employee Benefit checks; checks released early due to contracts or agreement; emergency disbursements and/or adjustments; and wire transfers.

5. Special City Council Meeting Joint with the Technology Committee Minutes of August 8, 2018, Special City Council Meeting Minutes of August 14, 2018 (Budget Session II) and Regular City Council Meeting Minutes of August 21, 2018.
   Recommendation – 1) Approval
6. Consideration and possible action to authorize the City Manager to execute amendments to License Agreements with El Segundo Youth Sports Organizations, to extend the term of the agreements for 3 years.  
(Fiscal Impact: $25,000 Revenue)

Recommendation – 1) Authorize the City Manager to execute amendments to the License Agreements in a form approved by the City Attorney with each El Segundo Youth Sports Organization identified in the Youth Sports Council Athletic Field/Facility Use and Allocation Policy, to extend the term of the agreements for 3 years; 2) Alternatively, discuss and take other action related to this item.

7. Consideration and possible action to award a standard Public Works Contract to Corral Construction & Development Inc. for the Library Wi-Fi and Reading Lounge Renovation Project, Project No. PW18-04.  
(Fiscal Impact: $127,551.36)

Recommendation – 1) Authorize the City Manager to execute a standard Public Works Contract, in a form approved by the City Attorney, with Corral Construction & Development Inc. in the amount of $38,805.31 and approve an additional $7,000 for construction-related contingencies; 2) Alternatively, discuss and take other action related to this item.

8. Consideration and possible action regarding Fiscal Year (FY) 2017-18 Third Quarter Financial Review of the General Fund (GF) and Enterprise Funds  
(Fiscal Impact: None)

Recommendation – 1) Receive and File FY 2017-18 Third Quarter Financial Review; 2) Alternatively, discuss and take other action related to this item.

9. Consideration and possible action regarding Environmental Assessment No. EA-1228, Zone Text Amendment No. ZTA 18-03 to add Chapter 30 to Title 15 (Zone Regulations) of the Municipal Code to require a discretionary Site Plan Review Permit for specified types of development. Adopting the proposed ordinance does not have the potential to cause significant effects on the environment and, therefore, is exempt from the California Environmental Quality Act (CEQA) pursuant to 14 Cal. Code Regs. § 15061(b)(3). (Applicant: City of El Segundo)  
(Fiscal Impact: None)

Recommendation – 1) Waive second reading and adopt Ordinance No. ______ for Environmental Assessment No. EA-1228 and Zone Text Amendment No. ZTA 18-03; 2) Alternatively, discuss and take other action related to this item.
10. Consideration and possible action regarding approval of Environmental Assessment No. EA-1210 and Zone Text Amendment No. ZTA 17-08 to amend various sections of the El Segundo Municipal Code (ESMC) Title 15 (Zoning Code) to: (1) update and introduce new definitions related to measuring building height, (2) establish new zoning code standards for measuring the maximum height of buildings, and (3) allow the Director to approve an adjustment to the maximum building height by up to 5 feet, pursuant to ESMC Chapter 15-24.

Adopting this Ordinance is categorically exempt from further CEQA review under CEQA Guidelines § 15303 as a Class 3 (new construction or conversion of small structures), § 15304 as a Class 4 (minor alteration to land), and does not constitute a "project" that requires environmental review in accordance with CEQA Guidelines § 15061(b)(3), because the proposed zone text amendment establishes new definitions and provisions for measuring building height. (Applicant: City of El Segundo)

(Fiscal Impact: None with this action)

Recommendation – 1) Waive second reading and adopt Ordinance No. ___ for Environmental Assessment No. EA-1210 and Zone Text Amendment No. ZTA 17-08; 2) Alternatively, discuss and take other action related to this item.

11. Consideration and possible action to authorize the City Manager to enter into Memorandum of Agreements (MOAs) for 1) Administration and Cost Sharing for Implementing the Coordinated Integrated Monitoring Programs (CIMPs) and Enhanced Watershed Management Program (EWMPs) for the Dominguez Channel Watershed and for the Santa Monica Bay Jurisdictional Groups 2 & 3 Watershed, and 2) Santa Monica Bay Dry & Wet Weather Bacteria Total Maximum Daily Loads Coordinated Shoreline Water Quality Monitoring Program.

(Fiscal Impact: FY 17/18 $4,492.49, FY 18/19 $53,311.26, FY 19/20 $51,566.08, FY 20/21 $59,728.06, FY 21/22 $45,479.33, FY 22/23 $43,792.00 plus $12,362.00 for contingency)

Recommendation – 1) Authorize the City Manager to enter into a Memorandum of Agreement of five years, in a form approved by the City Attorney, between the Cities of Los Angeles, Carson, El Segundo, Hawthorne, Inglewood, Lawndale, and Lomita, the Los Angeles County Flood Control District, the County of Los Angeles, and the South Bay Cities Council of Governments for $111,319 for Administration and Cost Sharing for Implementing the Coordinated Integrated Monitoring Program (CIMP) and Enhanced Watershed Management Program (EWMP) for the Dominguez Channel Watershed; 2) Authorize the City Manager to enter into a Memorandum of Agreement of five years, in a form approved by the City Attorney, between the Cities of Los Angeles, El Segundo, and Santa Monica, the Los Angeles County Flood Control District, and the County of Los Angeles for $123,199 plus $12,362 of contingency for Administration and Cost Sharing for Implementing the Coordinated Integrated Monitoring Program (CIMP) and Enhanced Watershed Management Program (EWMP) for the Santa Monica Bay Jurisdictional Groups 2 & 3 Watershed; 3) Authorize the City Manager to enter into a Memorandum of Agreement of five years, in a form approved by the
City Attorney, between the Cities of Los Angeles and El Segundo for $23,851.22 for Santa Monica Bay Dry & Wet Weather Bacteria Total Maximum Daily Loads Coordinated Shoreline Water Quality Monitoring Program; 4) Alternatively, discuss and take other action related to this item.

12. Consideration and possible action regarding adoption of Ordinance No. 1567 to prohibit gatherings where underage drinking or illegal marijuana use occurs, and adoption of Resolution No. ____ establishing the schedule of fines for administrative citations when there are violations of Ordinance No. 1567.
(Fiscal Impact: None)
Recommendation – 1) Waive second reading and adopt Ordinance No. 1567; 2) Adopt Resolution No. ____; 3) Alternatively, discuss and take other action related to this item.

F. NEW BUSINESS

13. Consideration and possible action to authorize the City Manager to execute a contract amendment with The Company of Others – Los Angeles, LLC (dba The Phelps Group) for expanded economic development and hospitality and tourism marketing services.
(Fiscal Impact: FY 17-18 - $596,500.00 in Economic Development Advertising and Publishing budget and Chevron Grant Fund expenditures)
Recommendation – 1) Upon approval of the FY18-19 budget, authorize the City Manager to execute a contract amendment with The Company of Others – Los Angeles, LLC (dba The Phelps Group) in a form approved by the City Attorney, for expanded economic development and hospitality and tourism marketing services; 2) Alternatively, discuss and take other action related to this item.

14. Consideration and possible action regarding adoption of a Resolution adopting the proposed inter-fund loan policy for the City of El Segundo.
(Fiscal Impact: None)
Recommendation – 1) Adopt the proposed Resolution adopting an Inter-Fund Loan Policy; 2) Alternatively, discuss and take other action related to this item.

F. REPORTS – CITY MANAGER

G. REPORTS – CITY ATTORNEY

H. REPORTS – CITY CLERK
J. REPORTS – CITY TREASURER

K. REPORTS – CITY COUNCIL MEMBERS

Council Member Pimentel –

Council Member Nicol –

Council Member Brann –

Mayor Pro Tem Pirsztuk –

Mayor Boyles –

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MEMORIALS –

CLOSED SESSION

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REPORT OF ACTION TAKEN IN CLOSED SESSION (if required)

ADJOURNMENT
POSTED:

DATE: 8.30.18

TIME: 12:35 pm

NAME: [Handwritten name]

11
AGENDA DESCRIPTION:
Presentation of Investment Portfolio Report
(Fiscal Impact: None)

RECOMMENDED COUNCIL ACTION:
1. Receive and File
2. Alternatively, discuss and take other possible action related to this item.

ATTACHED SUPPORTING DOCUMENTS:
Investment Portfolio Report – June, 2018

FISCAL IMPACT: None
Amount Budgeted: N/A
Additional Appropriation: N/A
Account Number(s): N/A

STRATEGIC PLAN:
Goal: 5 Champion Economic Development & Fiscal Sustainability
Objective: 3 The City will maintain a stable, efficient, and transparent financial environment

ORIGINATED BY: Dino Marsocci, Deputy City Treasurer II
REVIEWED BY: Crista Binder, Treasurer
APPROVED BY: Greg Carpenter, City Manager

BACKGROUND AND DISCUSSION:
The Treasury Department presents the June, 2018 Investment Portfolio Report which provides a status of Treasury Investment activities and related economic indicators.

This report will be created and submitted to Council on a quarterly basis. The report will also be posted to the City’s web site under the Treasury Department.
City of El Segundo
Office of the City Treasurer

Date: September 4, 2018

From: Office of the City Treasurer

To: El Segundo City Council

RE: Investment Portfolio Report – As of June 30, 2018

Introduction:

This report will serve as a summary for the City of El Segundo’s Treasury Department investment reporting, compliance, investment environment and future plans; as well as subsidiary schedules which will support the Portfolio Summary and provide additional analysis of our investments.

Investment Summary:

The investments as of June 30, 2018 are as follows:

<table>
<thead>
<tr>
<th>Security Type</th>
<th>Cost</th>
<th>Market value</th>
<th>% Yield</th>
<th>Market % of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government</td>
<td>19,846,037.45</td>
<td>19,623,724.50</td>
<td>1.64%</td>
<td>20.80%</td>
</tr>
<tr>
<td>Municipal Bonds</td>
<td>546,362.50</td>
<td>550,014.00</td>
<td>3.08%</td>
<td>0.58%</td>
</tr>
<tr>
<td>Corp. Bonds</td>
<td>11,023,222.62</td>
<td>10,855,690.43</td>
<td>2.33%</td>
<td>11.51%</td>
</tr>
<tr>
<td>SUPRA’s</td>
<td>1,980,113.00</td>
<td>1,961,555.00</td>
<td>2.05%</td>
<td>2.08%</td>
</tr>
<tr>
<td>CD’s</td>
<td>14,409,638.95</td>
<td>14,129,081.10</td>
<td>2.03%</td>
<td>14.98%</td>
</tr>
<tr>
<td>Union Bank Trust</td>
<td>47,805,374.52</td>
<td>47,120,065.03</td>
<td>1.92%</td>
<td>49.95%</td>
</tr>
<tr>
<td></td>
<td>5,007,484.86</td>
<td>5,007,484.86</td>
<td>1.82%</td>
<td>5.31%</td>
</tr>
<tr>
<td>LAIF Immediate</td>
<td>23,197,764.82</td>
<td>23,197,764.82</td>
<td>1.85%</td>
<td>24.59%</td>
</tr>
<tr>
<td>LAIF Sr. Housing</td>
<td>1,110,068.90</td>
<td>1,110,068.90</td>
<td>1.85%</td>
<td>1.18%</td>
</tr>
<tr>
<td>LAIF - LAWA</td>
<td>10,436,557.30</td>
<td>10,436,557.30</td>
<td>1.85%</td>
<td>11.06%</td>
</tr>
<tr>
<td>LAIF Subtotal</td>
<td>34,744,391.02</td>
<td>34,744,391.02</td>
<td>1.85%</td>
<td>36.83%</td>
</tr>
<tr>
<td><strong>Total Invested</strong></td>
<td><strong>87,557,250.40</strong></td>
<td><strong>86,871,940.91</strong></td>
<td><strong>1.90%</strong></td>
<td><strong>92.09%</strong></td>
</tr>
<tr>
<td>Trust Acct. Cash</td>
<td>10,447.38</td>
<td>10,447.38</td>
<td>0.00%</td>
<td>0.01%</td>
</tr>
<tr>
<td>Chase Bank - Cash</td>
<td>7,447,133.25</td>
<td>7,447,133.25</td>
<td>0.55%</td>
<td>7.89%</td>
</tr>
<tr>
<td><strong>Total Portfolio</strong></td>
<td><strong>95,014,831.03</strong></td>
<td><strong>94,329,521.54</strong></td>
<td><strong>1.90%</strong></td>
<td><strong>100.00%</strong></td>
</tr>
</tbody>
</table>
The portfolio Breakdown by Short Term (< 1 year) and Long Term is:

<table>
<thead>
<tr>
<th></th>
<th>Short Term</th>
<th>Long Term</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Portfolio Value (Market)</td>
<td>$50,420,981</td>
<td>$36,461,407</td>
<td>$86,882,388</td>
</tr>
<tr>
<td>Effective Yield</td>
<td>1.759%</td>
<td>2.105%</td>
<td>1.904%</td>
</tr>
<tr>
<td>Average Wtd. Maturity</td>
<td>45 Days</td>
<td>2.57 Years</td>
<td>1.15 Years</td>
</tr>
</tbody>
</table>

The interest income received during the period was:

<table>
<thead>
<tr>
<th>Month</th>
<th>Invested Cost</th>
<th>Interest Received</th>
<th>% Yield</th>
</tr>
</thead>
<tbody>
<tr>
<td>April</td>
<td>89,604,146</td>
<td>166,935.40</td>
<td>2.24%</td>
</tr>
<tr>
<td>May</td>
<td>90,701,815</td>
<td>52,324.95</td>
<td>0.69%</td>
</tr>
<tr>
<td>June</td>
<td>87,557,250</td>
<td>100,932.49</td>
<td>1.38%</td>
</tr>
<tr>
<td>Avg/Total*</td>
<td>89,287,737</td>
<td>320,192.84</td>
<td>1.43%</td>
</tr>
</tbody>
</table>

* Note: the monthly fluctuation is because interest on most bonds is paid semi-annually, with LAIF paid quarterly, and some investments paid monthly.

Compliance:

It is the intention of the City Treasurer’s office to ensure that our investments are in compliance with the maturity time limits and percentage allocation limits with all of our investments. The City is currently in compliance as demonstrated below:

<table>
<thead>
<tr>
<th>Investment Type</th>
<th>Maximum Maturity</th>
<th>Maximum Specified % of Portfolio</th>
<th>Minimum Quality Requirements</th>
<th>City of El Segundo Investments</th>
<th>In Compliance Y/N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Agency Bonds</td>
<td>5 years</td>
<td>None</td>
<td>None</td>
<td>0.58%</td>
<td>Y</td>
</tr>
<tr>
<td>U. S Treasury Obligations</td>
<td>5 years</td>
<td>None</td>
<td>None</td>
<td>0.00%</td>
<td>Y</td>
</tr>
<tr>
<td>US Agency Obligations</td>
<td>5 years</td>
<td>None</td>
<td>None</td>
<td>20.80%</td>
<td>Y</td>
</tr>
<tr>
<td>Negotiable Certificates of Deposit</td>
<td>5 years</td>
<td>30%</td>
<td>None</td>
<td>14.98%</td>
<td>Y</td>
</tr>
<tr>
<td>Medium Term Notes</td>
<td>5 years</td>
<td>15%</td>
<td>&quot;A&quot; Rating</td>
<td>11.51%</td>
<td>Y</td>
</tr>
<tr>
<td>Collateralized Bank Deposits</td>
<td>5 years</td>
<td>None</td>
<td>None</td>
<td>5.31%</td>
<td>Y</td>
</tr>
<tr>
<td>Local Agency Investment Fund (LAIF)</td>
<td>N/A</td>
<td>None</td>
<td>None</td>
<td>36.83%</td>
<td>Y</td>
</tr>
<tr>
<td>SUPRA Nationals</td>
<td>5 years</td>
<td>10%</td>
<td>&quot;A A A&quot; Rating</td>
<td>2.08%</td>
<td>Y</td>
</tr>
<tr>
<td>Commercial Paper</td>
<td>5 years</td>
<td>10%</td>
<td>&quot;A-1/A&quot; Rating</td>
<td>0.00%</td>
<td>Y</td>
</tr>
<tr>
<td>Joint Powers Authority Pool</td>
<td>N/A</td>
<td>30%</td>
<td>Multiple</td>
<td>0.00%</td>
<td>Y</td>
</tr>
<tr>
<td>Investment Type</td>
<td>Issuer</td>
<td>Maximum % of Portfolio</td>
<td>Minimum Quality Requirements</td>
<td>S&amp;P Rating</td>
<td>City of El Segundo Investments</td>
</tr>
<tr>
<td>-----------------------------</td>
<td>-------------------------------------</td>
<td>------------------------</td>
<td>-----------------------------</td>
<td>------------</td>
<td>-------------------------------</td>
</tr>
<tr>
<td>Medium Term Notes</td>
<td>TOTAL</td>
<td>15%</td>
<td>&quot;A&quot; Rating</td>
<td>11.51%</td>
<td>Y</td>
</tr>
<tr>
<td>Medium Term Notes</td>
<td>AMERICAN HONDA FINANCE</td>
<td>3%</td>
<td>&quot;A&quot; Rating</td>
<td>A+</td>
<td>1.05%</td>
</tr>
<tr>
<td>Medium Term Notes</td>
<td>APPLE INC</td>
<td>3%</td>
<td>&quot;A&quot; Rating</td>
<td>AA+</td>
<td>0.51%</td>
</tr>
<tr>
<td>Medium Term Notes</td>
<td>BANK OF AMERICA</td>
<td>3%</td>
<td>&quot;A&quot; Rating</td>
<td>A-</td>
<td>0.52%</td>
</tr>
<tr>
<td>Medium Term Notes</td>
<td>BANK OF NEW YORK MELLON</td>
<td>3%</td>
<td>&quot;A&quot; Rating</td>
<td>A</td>
<td>0.53%</td>
</tr>
<tr>
<td>Medium Term Notes</td>
<td>BARCLAYS BANK PLC</td>
<td>3%</td>
<td>&quot;A&quot; Rating</td>
<td>A</td>
<td>0.52%</td>
</tr>
<tr>
<td>Medium Term Notes</td>
<td>CATERPILLAR FINANCIAL SVCS</td>
<td>3%</td>
<td>&quot;A&quot; Rating</td>
<td>A</td>
<td>0.51%</td>
</tr>
<tr>
<td>Medium Term Notes</td>
<td>CISCO SYSTEMS</td>
<td>3%</td>
<td>&quot;A&quot; Rating</td>
<td>AA-</td>
<td>1.05%</td>
</tr>
<tr>
<td>Medium Term Notes</td>
<td>DANAHER CORP.</td>
<td>3%</td>
<td>&quot;A&quot; Rating</td>
<td>AA-</td>
<td>0.52%</td>
</tr>
<tr>
<td>Medium Term Notes</td>
<td>HSBC USA, INC.</td>
<td>3%</td>
<td>&quot;A&quot; Rating</td>
<td>AA-</td>
<td>0.50%</td>
</tr>
<tr>
<td>Medium Term Notes</td>
<td>IBM CORPORATION</td>
<td>3%</td>
<td>&quot;A&quot; Rating</td>
<td>A+</td>
<td>0.45%</td>
</tr>
<tr>
<td>Medium Term Notes</td>
<td>JOHNS HOPKINS HEALTH SYS</td>
<td>3%</td>
<td>&quot;A&quot; Rating</td>
<td>AA-</td>
<td>0.16%</td>
</tr>
<tr>
<td>Medium Term Notes</td>
<td>MICROSOFT CORP</td>
<td>3%</td>
<td>&quot;A&quot; Rating</td>
<td>AA-</td>
<td>0.52%</td>
</tr>
<tr>
<td>Medium Term Notes</td>
<td>NEW YORK LIFE GLOBAL</td>
<td>3%</td>
<td>&quot;A&quot; Rating</td>
<td>AA+</td>
<td>0.51%</td>
</tr>
<tr>
<td>Medium Term Notes</td>
<td>ORACLE CORPORATION</td>
<td>3%</td>
<td>&quot;A&quot; Rating</td>
<td>A-</td>
<td>0.50%</td>
</tr>
<tr>
<td>Medium Term Notes</td>
<td>PACCAR FINANCIAL CORP</td>
<td>3%</td>
<td>&quot;A&quot; Rating</td>
<td>A+</td>
<td>0.53%</td>
</tr>
<tr>
<td>Medium Term Notes</td>
<td>TOYOTA</td>
<td>3%</td>
<td>&quot;A&quot; Rating</td>
<td>AA-</td>
<td>0.52%</td>
</tr>
<tr>
<td>Medium Term Notes</td>
<td>TOYOTA MOTOR CREDIT CORP</td>
<td>3%</td>
<td>&quot;A&quot; Rating</td>
<td>AA-</td>
<td>0.52%</td>
</tr>
<tr>
<td>Medium Term Notes</td>
<td>US BANK NA</td>
<td>3%</td>
<td>&quot;A&quot; Rating</td>
<td>AA-</td>
<td>0.52%</td>
</tr>
<tr>
<td>Medium Term Notes</td>
<td>WALT DISNEY CO</td>
<td>3%</td>
<td>&quot;A&quot; Rating</td>
<td>A+</td>
<td>0.52%</td>
</tr>
<tr>
<td>Medium Term Notes</td>
<td>WELLS FARGO &amp; COMPANY</td>
<td>3%</td>
<td>&quot;A&quot; Rating</td>
<td>A+/A-</td>
<td>1.03%</td>
</tr>
<tr>
<td>Supranational Obl.</td>
<td>TOTAL</td>
<td>10%</td>
<td>&quot;AAA&quot; Rating</td>
<td>2.08%</td>
<td>Y</td>
</tr>
<tr>
<td>Supranational Obl.</td>
<td>IADB-INTER-AMERICAN DEV BANK</td>
<td>3%</td>
<td>&quot;AAA&quot; Rating</td>
<td>AAA</td>
<td>1.55%</td>
</tr>
<tr>
<td>Supranational Obl.</td>
<td>IBRD-INTERNATIONAL BANK FOR REON &amp; DEV</td>
<td>3%</td>
<td>&quot;AAA&quot; Rating</td>
<td>AAA</td>
<td>0.53%</td>
</tr>
<tr>
<td>Commercial Paper</td>
<td>TOTAL</td>
<td>10%</td>
<td>&quot;A-1/A&quot; Rating</td>
<td>0.00%</td>
<td>Y</td>
</tr>
<tr>
<td>Commercial Paper</td>
<td></td>
<td>3%</td>
<td>&quot;A-1/A&quot; Rating</td>
<td>A-1+</td>
<td>0.00%</td>
</tr>
<tr>
<td>CDs</td>
<td>TOTAL</td>
<td>30%</td>
<td></td>
<td>14.98%</td>
<td>Y</td>
</tr>
</tbody>
</table>

City of El Segundo - Treasury Department

Continuing Education Tracking - As of June 30, 2018

<table>
<thead>
<tr>
<th>Requirement</th>
<th>YTD Hours</th>
<th>Excess/(Deficit)</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Treasurer</td>
<td>5.00</td>
<td>21.90</td>
<td>16.90</td>
</tr>
<tr>
<td>Deputy City Treasurer II</td>
<td>5.00</td>
<td>11.90</td>
<td>6.90</td>
</tr>
</tbody>
</table>

**Investment Environment:**

During the second quarter of 2018, rates up to five years increased slightly, slowly continuing the trend from the prior quarter. As of August 22nd the rates up to five years have increased from where they were at June 30th, most significantly in the 1-2 year range. The FOMC raised the Federal Funds Rate at the June meeting to 1.75-2.00%, and at this time there is a high probability that the Fed may raise rates two more times in 2018. The current expectation is for gradual increases, but this could change depending on the current economic data and the new Federal Reserve Chairperson.

The graphs and charts below show some of the key interest rates on items we invest in. As rates are expected to rise over the next few years, we want to time our investments to take advantage of the increases as they occur.
Composite Bond Rates (as of 6/30/18)

US Treasury Bonds Rates

<table>
<thead>
<tr>
<th>Maturity</th>
<th>Yield</th>
<th>Yesterday</th>
<th>Last Week</th>
<th>Last Month</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 Month</td>
<td>1.93</td>
<td>1.93</td>
<td>1.93</td>
<td>1.93</td>
</tr>
<tr>
<td>6 Month</td>
<td>2.11</td>
<td>2.11</td>
<td>2.11</td>
<td>2.08</td>
</tr>
<tr>
<td>2 Year</td>
<td>2.52</td>
<td>2.62</td>
<td>2.56</td>
<td>2.40</td>
</tr>
<tr>
<td>3 Year</td>
<td>2.63</td>
<td>2.60</td>
<td>2.65</td>
<td>2.54</td>
</tr>
<tr>
<td>5 Year</td>
<td>2.73</td>
<td>2.73</td>
<td>2.77</td>
<td>2.68</td>
</tr>
</tbody>
</table>


Cash Flow Analysis:

The chart below shows the historical cash flow for the last 12 months. We can see that the majority of our funds are received in the second quarter of the fiscal year, January thru March, primarily due to Business License Renewals and the annual Chevron Payment. We also receive Sales and UUT taxes during the first few months of the year as well.

Our investments will be purchased with the liquidity relative to our cash flow needs.
This chart shows the net change in Cash as related to the Cash Flow Analysis above. Some of the larger disbursements occur in the third and fourth quarters of the fiscal year. During Q-3, March to June, we have a significant payment to CalPers for our Other Post-Employment Benefits, and in Q-4, July- September, a payment to ICRMA for our citywide insurance premiums, a large payment to CalPers for the pension Unfunded Accrued Liability, and a large infrastructure payment for roadwork which was completed several years ago. We have added the prior year to highlight the changes that have occurred this year. The first large CalPers payment for the Unfunded Accrued Liability was made in July of 2017 in the amount of $7,019,291, accounting for most of the negative change from the prior year.

**Rolling 12 Month Net Change in Cash**

![Graph showing rolling 12 month net change in cash](image)

**Additional Economic Indicators:**

**Economic Projections from September Meeting**

The Economic Indicators presented below are key items that the Federal Reserve will look at in deciding whether or not to change interest rates going forward.

The GDP, or Gross Domestic Product, represents the market value of all goods and services produced by the economy during the period measured, including personal consumption, government purchases, private inventories, paid-in construction costs and the foreign trade balance (exports are added, imports are subtracted). This is a key indicator the Federal Reserve will look at when deciding on interest rate changes. The target level for GDP is in the 2.5% to 3.5% range.

The Unemployment Rate shows the percentage of the labor force that is unemployed but seeking work. The target level for Unemployment is around 5.6%.
The PCE Inflation is the Personal Consumption Expenditures rate of inflation. This index is essentially a measure of goods and services targeted toward individuals and consumed by individuals. The long term inflation target is around 2% per year. Core PCE Inflation excludes items such as food and energy due to the nature of their potential price swings.

<table>
<thead>
<tr>
<th>Variable</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>Longer run</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in real GDP</td>
<td>2.7 - 3.0</td>
<td>2.2 - 2.6</td>
<td>1.8 - 2.0</td>
<td>1.8 - 2.0</td>
</tr>
<tr>
<td>March projection</td>
<td>2.6 - 3.0</td>
<td>2.2 - 2.6</td>
<td>1.8 - 2.1</td>
<td>1.8 - 2.0</td>
</tr>
<tr>
<td>Unemployment rate</td>
<td>3.6 - 3.7</td>
<td>3.4 - 3.5</td>
<td>3.4 - 3.7</td>
<td>4.3 - 4.6</td>
</tr>
<tr>
<td>March projection</td>
<td>3.6 - 3.8</td>
<td>3.4 - 3.7</td>
<td>3.5 - 3.8</td>
<td>4.3 - 4.7</td>
</tr>
<tr>
<td>PCE inflation</td>
<td>2.0 - 2.1</td>
<td>2.0 - 2.2</td>
<td>2.1 - 2.2</td>
<td>2.0</td>
</tr>
<tr>
<td>March projection</td>
<td>1.8 - 2.0</td>
<td>2.0 - 2.2</td>
<td>2.1 - 2.2</td>
<td>2.0</td>
</tr>
<tr>
<td>Core PCE inflation</td>
<td>1.9 - 2.0</td>
<td>2.0 - 2.2</td>
<td>2.1 - 2.2</td>
<td></td>
</tr>
<tr>
<td>March projection</td>
<td>1.8 - 2.0</td>
<td>2.0 - 2.2</td>
<td>2.1 - 2.2</td>
<td></td>
</tr>
<tr>
<td>Memo: Projected appropriate policy path</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal funds rate</td>
<td>2.1 - 2.4</td>
<td>2.9 - 3.4</td>
<td>3.1 - 3.6</td>
<td>2.8 - 3.0</td>
</tr>
<tr>
<td>March projection</td>
<td>2.1 - 2.4</td>
<td>2.8 - 3.4</td>
<td>3.1 - 3.6</td>
<td>2.8 - 3.0</td>
</tr>
</tbody>
</table>

Unemployment

![Graph showing Unemployment over time from 01/17 to 05/18](Source: [http://data.bls.gov/cgi-bin/surveymost?bls](http://data.bls.gov/cgi-bin/surveymost?bls))

Source: [http://data.bls.gov/cgi-bin/surveymost?bls](http://data.bls.gov/cgi-bin/surveymost?bls)

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Inflation:

Inflation Rates by Month

Average Inflation Rates by Year

Source: http://www.usinflationcalculator.com/inflation/current-inflation-rates/

**Investment Strategy:**

It is the City and City Treasurer’s policy to invest funds in accordance with the Investment Policy and to meet all legal requirements regarding the safeguarding of funds.

In the past we maintained a higher cash balance at the bank in order to offset our bank fees since our Earnings Credit rate was higher than the LAIF rate. Now that the LAIF interest rate exceeds our Earnings Credit rate we have lowered our bank balance and invested more short term funds in LAIF. We will now pay bank fees but earn more interest income, and will continue to monitor our cash flow needs in order to determine which investments will maximize return while providing the proper level of liquidity.

The Liquidity Schedule provides an overview of when our current investments are due to mature. We will plan our future investments to coordinate with these maturities in order to ensure a liquidity balance to our portfolio. The Investments by Security Type schedule provides an additional breakdown of how our funds are presently allocated.

The Portfolio Summary for the month is included as an attachment to this report.

**Additional Notes:**

The City has funds of $1,110,068.90 which belong to the El Segundo Senior Citizens Housing Fund and is now shown as its own LAIF balance. There are also LAWA RSI (Los Angeles World Airports Residential Sound Insulation) funds of
$10,436,557.30 included in the City’s LAIF balances. The applicable interest for these accounts is posted quarterly in the same manner as the regular City LAIF interest posting.

In June of 2018 the City Council approved Resolution No. 5094 which now allows the City to invest in a Joint Powers Authority Pool with a maximum of 30% of the total portfolio. The City has established an account with the California Asset Management Program – CAMP, and funded the account with a $7,000,000.00 deposit on August 23, 2018.

The City of El Segundo utilizes the following Brokers/Dealers to conduct investment trades:

- Cantor Fitzgerald & Co.
- CastleOak Securities, L.P.
- Higgins Capital Management, Inc.
- Multi-Bank Securities, Inc.
- Mutual Securities, Inc.
- Vining Sparks IBG, L.P.
- Wells Fargo Securities, LLC
City of El Segundo  
Investment Advisory Committee  
Liquidity Schedule  
As of: June 30, 2018

<table>
<thead>
<tr>
<th>Item</th>
<th>Availability</th>
<th>Par Value</th>
<th>Cumulative Balances</th>
<th>% of Total Assets</th>
<th>% of Total Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash in Bank</td>
<td>Immediate</td>
<td>7,447,133.25</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chase</td>
<td>Immediate</td>
<td>10,447.38</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Union Bank - Trust Account</td>
<td>Immediate</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash in Bank - Total</td>
<td></td>
<td>$7,457,580.63</td>
<td>$7,457,580.63</td>
<td>7.84%</td>
<td>7.84%</td>
</tr>
<tr>
<td>L.A.I.F. (State of California)</td>
<td>LAIF Immediate</td>
<td>$23,197,764.82</td>
<td>$30,655,345.45</td>
<td>32.22%</td>
<td>24.38%</td>
</tr>
<tr>
<td></td>
<td>Cash Immediate</td>
<td>$30,655,345.45</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>L.A.I.F. - Senior Housing Fund</td>
<td>LAIF Immediate</td>
<td>1,110,068.90</td>
<td>$31,765,414.35</td>
<td>33.39%</td>
<td>1.17%</td>
</tr>
<tr>
<td>L.A.I.F. - LAWA (Restricted)</td>
<td>LAIF Immediate</td>
<td>10,436,557.30</td>
<td>$42,201,971.65</td>
<td>44.36%</td>
<td>10.97%</td>
</tr>
<tr>
<td>Portfolio Investments:</td>
<td>Pacific Prem Bank CBD</td>
<td>5,007,484.86</td>
<td>$47,209,456.51</td>
<td>49.62%</td>
<td>5.26%</td>
</tr>
<tr>
<td>&lt; 30 Days</td>
<td></td>
<td>$0.00</td>
<td>$47,209,456.51</td>
<td>49.62%</td>
<td>0.00%</td>
</tr>
<tr>
<td>31 to 90 Days</td>
<td></td>
<td>$2,745,000.00</td>
<td>$49,954,456.51</td>
<td>52.50%</td>
<td>2.89%</td>
</tr>
<tr>
<td>91 to 180 Days</td>
<td></td>
<td>$2,245,000.00</td>
<td>$52,199,456.51</td>
<td>54.86%</td>
<td>2.36%</td>
</tr>
<tr>
<td>181 to 365 Days</td>
<td></td>
<td>$5,725,000.00</td>
<td>$57,924,456.51</td>
<td>60.88%</td>
<td>6.02%</td>
</tr>
<tr>
<td>1 to 2 Years</td>
<td></td>
<td>$13,763,000.00</td>
<td>$71,687,456.51</td>
<td>75.35%</td>
<td>14.47%</td>
</tr>
<tr>
<td>2 to 3 Years</td>
<td></td>
<td>$10,900,000.00</td>
<td>$82,587,456.51</td>
<td>86.80%</td>
<td>11.46%</td>
</tr>
<tr>
<td>3 to 4 Years</td>
<td></td>
<td>$8,940,000.00</td>
<td>$91,527,456.51</td>
<td>96.20%</td>
<td>9.40%</td>
</tr>
<tr>
<td>4 to 5 Years</td>
<td></td>
<td>$3,615,000.00</td>
<td>$95,142,456.51</td>
<td>100.00%</td>
<td>3.80%</td>
</tr>
<tr>
<td>Subtotal</td>
<td></td>
<td>64,487,111.06</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grand Total</td>
<td></td>
<td>$95,142,456.51</td>
<td></td>
<td></td>
<td>100.00%</td>
</tr>
<tr>
<td>Investment Portfolio subtotal</td>
<td></td>
<td></td>
<td>$87,695,323.26</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

![Investments by Maturity Date](image-url)
City of El Segundo  
Investment Advisory Committee  
Investments by Security Type  
As of: June 30, 2018

<table>
<thead>
<tr>
<th>Item</th>
<th>Availability</th>
<th>Market Value</th>
<th>Cumulative Balances</th>
<th>% of Total Assets</th>
<th>% of Total Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash in Bank</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chase</td>
<td>Immediate</td>
<td>7,447,133.25</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Union Bank - Trust Account</td>
<td>Immediate</td>
<td>10,447.38</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Cash in Bank - Total</strong></td>
<td>**</td>
<td><strong>7,457,580.63</strong></td>
<td><strong>7,457,580.63</strong></td>
<td><strong>7.91%</strong></td>
<td><strong>7.91%</strong></td>
</tr>
<tr>
<td>L.A.I.F. (State of California)</td>
<td>LAIF Immediate</td>
<td>$23,197,764.82</td>
<td>$30,655,345.45</td>
<td>32.50%</td>
<td>24.59%</td>
</tr>
<tr>
<td>Cash Immediate</td>
<td>Cash Immediate</td>
<td>$30,655,345.45</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>L.A.I.F. - Senior Housing Fund</td>
<td>LAIF Immediate</td>
<td>1,110,068.90</td>
<td>31,765,414.35</td>
<td>33.67%</td>
<td>1.18%</td>
</tr>
<tr>
<td>L.A.I.F. - LAWA (Restricted)</td>
<td>LAIF Immediate</td>
<td>10,436,557.30</td>
<td>42,201,971.65</td>
<td>44.74%</td>
<td>11.06%</td>
</tr>
<tr>
<td>Portfolio Investments:</td>
<td>Plaza Bank CBD</td>
<td>5,007,484.86</td>
<td>47,209,456.51</td>
<td>50.05%</td>
<td>5.31%</td>
</tr>
<tr>
<td>Gov’t Obligations</td>
<td>14,129,081.10</td>
<td>61,338,537.61</td>
<td>80,962,262.11</td>
<td>85.83%</td>
<td>14.98%</td>
</tr>
<tr>
<td>Municipal Bonds</td>
<td>19,623,724.50</td>
<td>81,512,276.11</td>
<td>90,293,817.11</td>
<td>87.91%</td>
<td>2.08%</td>
</tr>
<tr>
<td>SUPRA’s</td>
<td>1,961,555.00</td>
<td>82,923,817.11</td>
<td>99,779,507.54</td>
<td>99.42%</td>
<td>11.51%</td>
</tr>
<tr>
<td>Bonds</td>
<td>10,855,690.43</td>
<td>93,779,507.54</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>**</td>
<td><strong>$63,674,176.09</strong></td>
<td>**</td>
<td>**</td>
<td>**</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td>**</td>
<td><strong>$94,329,521.54</strong></td>
<td>**</td>
<td><strong>100.00%</strong></td>
<td>**</td>
</tr>
<tr>
<td>Investment Portfolio subtotal</td>
<td>**</td>
<td><strong>$96,862,388.29</strong></td>
<td>**</td>
<td>**</td>
<td>**</td>
</tr>
</tbody>
</table>

**INVESTMENTS BY SECURITY TYPE**

- Cash Immediate, $7,457,581
- LAIF Immediate, $23,197,765
- LAIF - Senior Housing, $1,110,069
- LAIF - LAWA, $10,436,557
- Municipal Bonds, 550,014.00
- Gov’t Obligations, 19,623,724.50
- SUPRA’s, 1,961,555.00
- CD’s, $14,129,081
- Plaza Bank CBD, $5,007,485
- Bonds, $10,855,690

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AGENDA DESCRIPTION:
Consideration and possible action to (1) approve the Residential Solid Waste Collection Request for Proposals and authorize staff to seek bids, and (2) approve the Notice of Public Hearing and Proposition 218 Ballot to establish a maximum $20 monthly fee upon eligible residential dwellings for solid waste collection services. (Fiscal Impact: ~$10,000)

RECOMMENDED COUNCIL ACTION:
1. Approve the Residential Solid Waste Collection Request for Proposals and authorize staff to seek bids;
2. Approve the Notice of Public Hearing and Proposition 218 Ballot to establish a maximum $20 monthly fee upon eligible residential dwellings for solid waste collection services; or,
3. Alternatively, take other action related to this item.

ATTACHED SUPPORTING DOCUMENTS:
Notice of Public Hearing and Proposition 218 Ballot Request for Proposals

FISCAL IMPACT: $10,000 (estimated)

<table>
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<td>001-400-4206-6206 (Solid Waste Recycling Contractual Services)</td>
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STRATEGIC PLAN:
Goal: 1A El Segundo provides unparalleled service to internal and external customers.

Objective: 2 City services are convenient, efficient and user-friendly for all residents, businesses, and visitors.

PREPARED BY: Ken Berkman, Director of Public Works
APPROVED BY: Mark Hensley, City Attorney
Greg Carpenter, City Manager

BACKGROUND & DISCUSSION:
At the July 17, 2018 meeting, the City Council directed staff to proceed with a Request for Proposals process to procure the next Residential Solid Waste Collections services provider, as well as a Proposition 218 process that would require eligible residential dwellings to pay a maximum of $20 per month for the services. Additionally, Council directed staff to include both manual and automated services as base bid options, and to exclude 3- and 4-unit multi-family complexes from the services, in accordance with the City’s municipal code which requires the City to provide refuse service to “single-family and two-family unit residences, not including condominiums or stock cooperatives”.

25
The last time the City released an RFP for residential solid waste collection services was February 2011. That RFP included multi-family properties of up to four units, which totals to 3,981 distinct service addresses, and Republic was selected to provide the services for seven years, through October 31, 2018. Council authorized a month-to-month extension of Republic’s contract for up to six months at the July 17th meeting as the RFP and Franchise award process is completed, at a rate of $16.55 per month per eligible dwelling.

Under the current Agreement, the City pays Republic $9.88 per unit per month for a total cost of approximately $472,000 per year. Additionally, 12 City facilities and the City’s downtown area are serviced under the Agreement, and others are listed below. They also provide asphalt and street sweeper debris collections for the City at an estimated $15,000 and $32,550 per year, respectively. The amount charged is based upon the actual tonnage collected.

Staff is recommending a term of seven years for the agreement. The proposed services the prospective haulers must provide in their bids include:

**Automated Collections Bid**

**Base Bid Items:**
- Weekly collection of Trash, Recyclables, and Green Waste with hauler-provided carts
- Four bulky item pick-ups per year (Six items per pickup maximum)
- Holiday tree collection
- Abandoned item collection in public right-of-way
- Five City-sponsored events/year*
- Outreach and education
- Two annual cleanup weeks for bulky items (Alternate Bid)
- Two annual document shredding events (Alternate Bid)

* 4th of July Fireworks Show, Concerts in the Park, Hometown Fair, Richmond St. Fair, Holiday Parade

**Manual Collections Bid**

**Base Bid Items:**
- Weekly unlimited waste - residents provide containers
- Weekly unlimited green waste – residents provide containers
- Weekly Unlimited recyclables - hauler provides 1-32 or 2-16 gallon containers, or equivalent
- Four bulky item pick-ups per year (Six items per pickup maximum)
- Holiday tree collection
- Abandoned item collection in public right-of-way
- Five City-sponsored events/year (as noted above)
- Outreach and education
- Two annual cleanup weeks for bulky items (Alternate Bid)
- Two annual document shredding events (Alternate Bid)

El Segundo is the only city in LA County that uses curbside, manual collection for its solid waste. There is no legal requirement to provide automated services; however, when compared to manual
service, automated services are more effective, efficient, cleaner, will inherently encourage residents to reduce their waste stream, and will provide a specific green waste container that can also accept organic material (food waste). The automated system will also facilitate compliance with the State’s solid waste regulations that are managed by the California Department of Resources, Recycling, and Recovery (CalRecycle).

The lack of a residential green waste program was identified as a “gap” in the City’s Solid Waste Program by CalRecycle, who placed the City in its Jurisdictional Compliance Unit. Currently, residents can dispose of green waste by self-hauling to a container located in the Public Works Yard. Providing green waste curbside service will address that “gap” and allow the City to more accurately report on residential green waste disposal. Organics regulations have been passed into law by the State for multi-family properties of five or more. Food waste regulations are expected to eventually impact single-family residential units in the future. Having an established automated green and organics waste collection program will assist the City in regaining compliance status with CalRecycle.

The schedule going forward is estimated to be as follows:

| Present RFP and Prop 218 Package to Council for Approval | Tonight |
| Pre-Proposal Conference | September 2018 |
| Deadline for Proposer Questions | September 2018 |
| Prepare Addenda and Receive Proposals | October 2018 |
| Evaluate Proposals and Select Hauler, Commence Negotiations | November 2018 |
| Present Negotiated Agreement to Council for Approval | December 2018 |
| Execute Agreement and Order Equipment/Materials | January 2019 |
| Outreach Campaign | February/March 2019 |
| Initiate Rollout of New Service | no later than May 1, 2019 |

Proposition 218

On June 19, 2018, in consideration of the facts that the City pays for solid waste collection services for eligible residential dwellings out of the General Funds (at the aforementioned cost of $472,000 per year), and that El Segundo is the only city besides San Diego and Commerce where residents do not directly pay for the services, the City Council directed staff to commence the process to assess a maximum $20 per month fee on the residential units that are eligible to receive solid waste collection services.

Although no California court has yet addressed the issue directly, the solid waste collection fees being considered are arguably subject to the State’s Proposition 218 “majority protest” ballot process - i.e. if a majority of the properties to be subject to the fee protest the fee, then it may not be imposed. Proposition 218 protest ballots are required to be sent to property owners and customers (tenants that directly pay for the service). In El Segundo, since residents do not pay for the service, staff can only identify property owners but not customers that may be tenants. The City Attorney’s Office has advised staff that only the property owners shall be noticed of the proposed rates for the service; thus, the Notice of Public Hearing (Notice) and Protest Ballot (Ballot) shall be sent to the property owners of the eligible single-family and two-unit dwellings that will receive the services. The Notice and Ballot are attached for Council’s consideration and approval.

Proposition 218 requires a minimum 45-day written notice prior to Council holding a public hearing on a proposed rate increase. A protest to a proposed rate increase must be filed by the close of the public
hearing. If a majority of the parcels file written protests with the City prior to the close of the public hearing, Proposition 218 states that the City cannot implement the proposed fee. If a majority of the parcels do not protest the proposed increase, the Council has the authority to implement the proposed fee. The selected hauler will be required to collect the $20 (maximum) fee from the eligible dwelling owner.

With approval of the Notice and Ballot, along with the 45-day noticing requirement, staff expects to hold the Public Hearing to open the Ballots on November 6, 2018. The communications plan includes an educational postcard mailer to be sent prior to the Notice and Ballot packages, as well as website and City Facebook postings. The postcard will be similar to the one for the City’s recent Measure C proposition, and the website/Facebook posts will include general information and Frequently Asked Questions (FAQ), which will be updated based upon inquiries staff receives.

Potential Fiscal Impact

The elimination of the 3- and 4-unit properties (671 individual dwellings), coupled with the estimated $20/month per dwelling cost, provides for an estimated annual savings of $160,000 to the General Fund. With 3,230 eligible single-family and two-unit dwellings receiving the services and the monthly fee of $20, it is estimated that the General Fund liability would be reduced by approximately $775,000 on an annual basis, for a combined total annual General Fund burden reduction of $935,000.

Lifeline Assistance

Lifeline financial assistance for water and sewer fees has been in effect since 1995, when the City Council adopted Resolution No. 3922. Currently, there are 44 residential properties who qualify according to the following household size and income requirements:

1-2 $32,920 or less
3 $41,560 or less
4 $50,200 or less
5 $58,840 or less
6 $67,480 or less
7 $76,120 or less
8 $84,760 or less
$8,640 for each additional person

These participants receive a water rate reduction of 50% for the first 1,000 cubic ft/month used and a 50% reduction of their total sewer fees. Water use above 1,000 cubic ft is charged at the fully loaded rate.

At the July 17th meeting, Council also directed staff to include the Lifeline 50% reduction of this proposed fee, resulting in a $10 per month fee for eligible participants. If there is not a majority protest and the fee will be implemented, the Lifeline 50% fee reduction for qualifying households will also be implemented.

Staff respectfully recommends the City Council approve the RFP, Notice of Public Hearing and Proposition 218 Ballot and authorize staff to seek bids for the residential solid waste collection services included in the RFP. Approval requires a simple majority Council vote.
NOTICE IS HEREBY GIVEN that the City of El Segundo (City) proposes to consider and potentially establish a monthly fee (Fee) for solid waste disposal (Trash) and the fee rates for a five-year time period (Rates) applicable to the Assessor Parcel Number (APN) for which you are shown as the property owner of record based on the County of Los Angeles 2018/2019 Secured Tax Roll.

NOTICE IS FURTHER GIVEN that on November 6, 2018, at 7:00 p.m., or as soon thereafter as may be heard, at 350 Main Street, El Segundo, CA 90245 in the City Council Chambers, the City Council will conduct a public hearing on the proposed Rate increases.

At the time of the public hearing, the City Council will hear and consider all persons interested in these matters and will consider and may adopt the proposed Fee and Rates or impose a Fee and/or Rates in an amount less than those proposed as set forth below. If the City receives, prior to the closing of the public hearing on November 6, 2018, written protests against the proposed Fee and Rates from a majority of the parcels eligible to receive Trash services, the City cannot impose the proposed Fee and Rates.

There is a Protest Form included for Trash service that allows property owners to protest the proposed Fee and Rates. Any property owner interested in protesting must complete the following:

- Check the box indicating that you wish to protest the proposed Fee and Rates:
- Print and sign your name on the enclosed protest form; and,
- Mail to: City Clerk, Room 5, City of El Segundo, 350 Main Street, El Segundo CA, 90245 or hand deliver the form in the pre-addressed envelope provided to the City Clerk’s office so that the form is received by the City Clerk prior to the closing of the public hearing on November 6, 2018.

Protest forms received after the close of the public hearing shall not be considered. The forms can be hand delivered or mailed to the City Clerk’s Office Room 5 at 350 Main Street, El Segundo, California, 90245. Forms must be signed in order to be tabulated.

If adopted, the Fee and Rates will be effective on or after February 1, 2019.

Please read further for a summary of the reasons and methodology for the proposed Fee and Rates that are the subject of the public hearing:

**Solid Waste Disposal (Trash)**

In the 1980's the City established a solid waste “franchise” for single family residential properties with two or fewer units. This means the City has the authority to mandate that either the City or its contract hauler have the exclusive right to collect solid waste from those properties. The property owners are required to use the services provided by the City or they can decide to “self-haul” their solid waste.

The City currently pays 100% of the cost for single family residential properties (with four or fewer units) solid waste collection and contracts with Republic for collection and disposal. The Republic contract expires in April 2019. The City is currently requesting proposals for the next solid waste collections contract. The City Council has voted to cap the potential monthly rate at $20.00 per eligible residential dwelling regardless of the cost proposals received. This means those who receive the services will pay the lesser of the actual amount for providing the service or $20 per eligible residential dwelling for solid waste collection and disposal services.

The initial $20 cap rate may be increased annually, for a five year period, based on the percentage change in the Consumer Price Index (CPI) (for Los Angeles – Long Beach – Anaheim, CA for All Urban Consumers, All Items) for the prior 12-month period. However, the rate will continue to be the lower of the actual cost of providing the service or the CPI increased rate.
Lifeline Assistance Program

The Lifeline Assistance Program will be available to those property owners that qualify based on household size and income if there is not a majority protest and the solid waste service fees are implemented. For qualifying households, solid waste service rates would be reduced by fifty percent (50%) resulting in a maximum rate of $10 per month per unit beginning on or after February 1, 2019.

The following tables indicate existing and proposed solid waste service rates for single family residential:

**Single Family Residential (two units or fewer)**

**Solid Waste Collections Service Charges**

<table>
<thead>
<tr>
<th>Service Type</th>
<th>Current Charges</th>
<th>On or After February 1, 2019</th>
<th>On or After February 1, 2020*</th>
<th>On or After February 1, 2021*</th>
<th>On or After February 1, 2022*</th>
<th>On or After February 1, 2023*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Residential Basic Rate</td>
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<tr>
<td>Additional Yard Waste</td>
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<td>No Charge</td>
<td>No Charge</td>
<td>No Charge</td>
</tr>
<tr>
<td>Additional Recyclable</td>
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<td>No Charge</td>
<td>No Charge</td>
<td>No Charge</td>
<td>No Charge</td>
<td>No Charge</td>
</tr>
<tr>
<td>Bulky Item Collection (maximum 4 pick-ups per year, maximum 6 items per pick-up)</td>
<td>No Charge</td>
<td>No Charge</td>
<td>No Charge</td>
<td>No Charge</td>
<td>No Charge</td>
<td>No Charge</td>
</tr>
</tbody>
</table>

*The actual rate will be increased by the increase in CPI, the rates in the table have been increased by 3% for example purposes only.

If you have any questions or would like additional information regarding the rates or the protest procedure, please call the City’s Proposition 218 consultant at 888-510-0290 for further information.
City of El Segundo  
Solid Waste Disposal (Trash) Fee and Rates  
Protest Form

Service Address: <<STUS>>

If you wish to protest the implementation of the solid waste disposal (trash) service Fee and Rates, you must 1) check the box indicating that you protest the proposed solid waste disposal (trash) rate increase, 2) sign your name on the lines provided, and 3) deliver the signed protest form in the pre-addressed envelope provided to the City Clerk before the close of the public hearing scheduled for 7:00 p.m. on November 6, 2018 by one of the following methods: U.S. mail addressed to City Clerk Office Room 5, City of El Segundo, 350 Main Street, El Segundo, CA 90245 or hand delivered to the City Clerk’s Office Room 5 at the same address.

☐ I protest the proposed solid waste disposal (trash) Fee and Rates.

I hereby declare under penalty of perjury that I am the record owner of the parcel listed above

Print Legibly – Full Name (Required)  
Signature (Required)

Only completed and signed original protest forms will be counted. Unsigned protest forms or non-original protest forms will not be counted.

<<Code_Yes>>
Request for Proposals No. 18-08

Residential Solid Waste Collection, Recycling, and Disposal Services and Civic Solid Waste Services for the City of El Segundo

City of El Segundo
350 Main Street
El Segundo, CA  90245
310-524-2356

SCS ENGINEERS

01217299.00  |  September 2018

438 S. Marengo Ave.
Pasadena, CA  91101
626-792-9593
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1.0 INTRODUCTION

The City of El Segundo (City) is requesting proposals from qualified solid waste companies to provide solid waste collection, transportation, recycling, processing, and disposal services for residential premises in the City, along with civic solid waste services. The residential solid waste Franchise Agreement (Agreement) with the City’s current company, Republic Services (Republic), will expire on October 31, 2018. On July 17, 2018, the City Council directed staff to prepare an RFP for residential solid waste collection services. The City is soliciting proposals for both manual and automated collection services consistent with the specifications herein set forth.

1.1 PROCUREMENT SCOPE AND OBJECTIVES

The services to be procured shall be provided to single-family and two-family unit residences, which currently totals 3,230 units.

The City’s objectives of this procurement are to:

1. Conduct a fair, transparent, competitive procurement process to obtain the greatest value in solid waste handling services for the City and its residents.
2. Provide the City with the flexibility to either:
   a. Award an exclusive contract to provide manual collection to residential premises.
   b. Award an exclusive contract to provide automated collection services to residential premises.

1.2 PROCUREMENT APPROACH

To achieve these procurement objectives, the City has prepared rate proposal forms (included in Appendix A) that enable proposers to offer price proposals for manual or automated collection. The City is requesting that proposers submit separate price proposals for each type of service, manual or automated. A separate price proposal should be completed for the civic solid waste services.

The purpose for gathering this information from proposers is to give the City the information it needs to negotiate a franchise agreement that represents the greatest value to the City.

1.3 TERM OF NEW AGREEMENT

The current agreement was to end October 31, 2018. The City has approved a six-month extension to the agreement to allow sufficient time for the procurement process. The new agreement will have a term of seven years, and is expected to commence on May 1, 2019 and expire on April 30, 2026. The City may extend the agreement for up to 36 months at its sole option.

1.4 DRAFT FRANCHISE AGREEMENT

To provide proposers with an understanding of the contract terms under which they will provide service, the City has prepared a draft franchise agreement, which is included in Appendix B.
2.0 **RFP PROCESS**

This RFP outlines the City’s procurement process, provides background information about the City, summarizes the scope of services and key contract terms, and describes the information that proposers must include in their proposals.

2.1 **PROPOSERS LIST**

Potential proposers who are interested in receiving amendments and/or answers to questions related to this RFP should register for this procurement by sending an email to Ken Berkman at kberkman@elsegundo.org and request to be placed on the list.

2.2 **MANDATORY PRE-PROPOSAL MEETING**

All proposers must attend a pre-proposal meeting on TBD at TBD a.m. The pre-proposal meeting will be held in TBD. Proposals from firms that do not attend the pre-proposal meeting will not be considered. The City requests that interested proposers RSVP for the mandatory pre-proposal meeting to kberkman@elsegundo.org by TBD.

2.3 **SCHEDULE**

The City intends to procure new solid waste collection services according to the schedule shown in Table 1.

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>City releases RFP</td>
<td>September xx, 2018</td>
</tr>
<tr>
<td>Proposers RSVP for mandatory pre-proposal meeting</td>
<td>September xx, 2018</td>
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<tr>
<td>City conducts mandatory pre-proposal meeting</td>
<td>September xx, 2018</td>
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<tr>
<td>Prepare Responses to questions at pre-proposal meeting and questions submitted in writing and issue Addenda</td>
<td>October xx, 2018</td>
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<tr>
<td>Proposers submit proposals</td>
<td>October xx, 2018</td>
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<tr>
<td>Evaluation committee reviews proposals and interviews shortlisted proposer(s)</td>
<td>November, 2018</td>
</tr>
<tr>
<td>Authorization to enter negotiations with the selected Company to City Council</td>
<td>November, 2018</td>
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<tr>
<td>City completes negotiations with contractor</td>
<td>December 2018</td>
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<tr>
<td>Award of Franchise Agreement to City Council</td>
<td>December 2018</td>
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<tr>
<td>Execute Agreement</td>
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<tr>
<td>Conduct outreach campaign to residents</td>
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</tr>
<tr>
<td>Rollout of New Service</td>
<td>May 2019</td>
</tr>
</tbody>
</table>

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RFP-Residential Solid Waste Services
2.4 GENERAL REQUIREMENTS

By submitting a proposal, a proposer represents that:

- The RFP is sufficient in scope and detail to indicate and convey reasonable understanding of all requirements, terms, and conditions for performance of the work required in this project.
- The Proposer has exercised all necessary due diligence in making investigations and inquiries, examining documents, and inspecting City sites and facilities.
- The Proposer is fully familiar with— and has fully considered— all facts, conditions, circumstances, and matters that may affect, in any way, the Proposer’s services or costs.
- The Proposal is an irrevocable offer for a period of at least one hundred eighty (180) calendar days following City’s opening of all Proposals.
- The Proposer is, and will be, in compliance with the RFP’s requirements, terms, and conditions.

The City’s rights include, but are not limited to, the following:

- Withdrawing, reissuing or modifying the RFP.
- Requesting clarification and/or additional information from any proposer at any point in the procurement process.
- Executing any or all of the draft agreements with a proposer on the basis of the original proposals and/or any other information submitted by the proposers during the procurement process.
- Rejecting any or all proposals, waiving irregularities in any proposals, or waiving any requirements of the RFP.
- Negotiating with more than one proposer or other service provider, either sequentially or simultaneously, for all or any of the services, in this RFP.
- Accepting a proposal that may not offer the lowest cost but offers the best overall value to the City.

2.5 VERIFICATION OF INFORMATION

The City, and its consultants or legal counsel, may be conducting reference checks on proposers that may involve contacting municipalities currently or previously served by proposer, as well as contacting regulatory agencies involved in the oversight of proposers’ facilities and operations. In addition, the City may review the proposers’ litigation history, regulatory actions, safety records, and diversion history. The proposer’s submission of a proposal shall constitute an agreement to cooperate with such a review.

2.6 CONSEQUENCE OF SUBMISSION OF A PROPOSAL

The submission of a proposal shall not be deemed an agreement between the proposer and the City. The proposal is a contractual offer by the proposer to perform services in accordance with the proposal. Acceptance of a proposal by the City obligates the proposer to enter into good faith negotiations based on the proposal submitted. Any agreement shall not be binding on the City unless and until it is executed by the City and the selected proposer, and any conditions precedent to its effectiveness have been satisfied.
2.7 PROPOSAL COSTS

The cost of investigating, preparing and submitting a proposal is the sole responsibility of the proposer. The City will not reimburse any proposer for any costs associated with the preparation and submission of a proposal.

2.8 PROPOSAL SUBMISSION/DEADLINE

All questions or requests for information regarding this RFP must in writing and sent via email to the City’s contacts for this RFP, Ken Berkman, Public Works Director, and Michelle Leonard of SOC Engineers. To preserve the integrity of the RFP process and to ensure that all proposers are provided consistent information, interested parties are prohibited from contacting City staff (besides Mr. Berkman), City consultants, or elected or appointed officials of the City. The City reserves the right to reject proposals from proposers who contact City staff, City consultants, or elected or appointed officials of the City after the date this RFP is issued.

All proposals must be received by the City Clerk’s office at the address below no later than 0:00 p.m. on TBD. Proposals received after this time and date will be returned unopened. Please place your proposal materials in packaging marked “Proposal for El Segundo Residential Solid Waste Collection Services”, addressed or hand-delivered to:

City Clerk
City of El Segundo
350 Main Street
El Segundo, CA 90245

Proposer shall submit:

- One (1) bound, fully executed original
- Four (4) bound copies
- One (1) flash drive with a PDF copy of the proposal and the Excel workbook with the completed rate proposal forms

The package shall be clearly labeled:

Name of Proposer:
Address:
Contact Person:
Cell Phone Number:

Oral, telephonic, facsimile, telegraphic or electronically transmitted proposals are invalid and the City will not accept or consider them. Proposers mailing their proposals should allow sufficient time to ensure receipt of their proposals by the time specified.
3.0 BACKGROUND INFORMATION

The City of El Segundo was incorporated in 1917. It is home to 17,000 people, and is known as a major aeronautical and industrial business center, home to the Los Angeles Air Force Base, Chevron Oil Refinery, Mattel, Los Angeles Times, and other major businesses.

In the 1980’s, the City established a solid waste "franchise" for the one- and two-unit residential properties. This means that the City has the authority to mandate that either the City or its contract Company have the exclusive right to collect solid waste from those properties. The owners or occupants of these units are required to use the services provided by the City or they can decide to "self-haul" their solid waste.

Initially the City decided that it would provide solid waste service free of charge to all residents that resided in multi-family complexes of six units or fewer and single family residential units. In 2011, the City scaled back on this free service, and now provides it to multi-family units of four units or fewer, and single family residences.

CalRecycle's Local Assistance and Market Development (LAMD) Branch conducts a compliance review of the City every four years. In March 2017, under the recommendation of the LAMD, the CalRecycle Board referred the City to CalRecycle's Jurisdiction Compliance Unit (JCU) due to the City's program "gaps", including mandatory commercial recycling monitoring and implementation, residential green waste program effectiveness and oversight, and Construction and Demolition (C&D) debris recycling program. Staff has been working cooperatively with JCU staff to assist with their review of the City’s program. JCU staff findings are expected to be delivered to staff after a year of their review, in summer 2018.

The last time the City released an RFP for residential solid waste collection services was February 2011. That RFP included single family and multi-family properties of up to four units, which totals 3,981 distinct service addresses. Republic Services was selected to provide the services for seven years, through October 31, 2018.

3.1 EXISTING SOLID WASTE SYSTEM

The City is the only city in Los Angeles County that uses curbside, manual collection for its residential solid waste collection. The existing contract includes the following services:

- Weekly unlimited trash - residents provide containers.
- Weekly unlimited recyclables - Republic provides 2-16 gallon, or 1-32 gallon container.
- Weekly unlimited bulky item collection.
- Green waste drop-off at the City Yard.
- Two annual cleanup weeks for bulky items.
- Two annual document shredding events.
- Holiday tree collection.
- Abandoned item collection in public right-of-way.
- Five City-sponsored events/year.
- Outreach and education.

Under the current Agreement, the City pays Republic $9.88 per unit per month for a total cost of approximately $472,000 per year. Additionally, 12 City facilities and the City’s downtown area are
serviced under the Agreement. Republic also provides asphalt and street sweeper debris disposal for the City, at an estimated cost of $15,000 and $32,550 per year, respectively. The amount charged is based upon the actual tonnage disposed.

4.0 SCOPE OF PROPOSED SERVICES AND KEY CONTRACT TERMS

The City is requesting proposals for the services described below, including options for automated and manual collection. A more comprehensive description of these services is found in the draft franchise agreement, included as Appendix B of this RFP.

4.1 RESIDENTIAL SERVICES

4.1.1 Automated Collection Option

Base Bid Items

- Weekly collection of Trash, Recyclables, and Organics, with Company-provided carts
- Four bulky item pick-ups per year (six items per pickup maximum)
- Holiday tree collection
- Outreach and education

Automated Trash Cart Collection

Residential customers will receive weekly automated trash service under this option.

Automated Recycling Cart Collection

Residential cart customers will receive once per week automated recycling collection on the same day as their trash collection. Customers may request additional recycling carts.

Automated Organic Materials Cart Collection

Residential cart customers will receive weekly automated organic materials collection on the same day as their trash collection. Customers may request additional organics carts.

Senate Bill 1383, titled “Short-Lived Climate Pollutants: Methane Emissions: Dairy and Livestock: Organics Waste: Landfills” establishes targets of a 50 percent reduction in the level of statewide disposal of organic waste from the 2014 level by 2020 and a 75 percent reduction by 2025. This Bill also establishes an additional target that not less than 20 percent of currently disposed edible food is recovered for human consumption by 2025. SB 1383 gives CalRecycle the regulatory authority to achieve and enforce these targets. Currently, CalRecycle is drafting the Short-Lived Climate Pollutants Regulations, with an expected final draft to be released in early 2019. Company shall provide all customers required to participate in these programs with compliant programs such as organic waste collection and recycling services, coordination with food rescue organizations to promote edible food recovery, education and outreach, reporting, contamination monitoring and enforcement.
Carts

Residents are to be provided trash, recycling, and organic materials carts by the Company. All residential customers will have an opportunity to request one cart exchange at no charge each year. Subsequent cart exchanges are to be requested in accordance with the approved rate schedule. Carts shall comply with color and labeling requirements specified by the City. The Company will be responsible for Cart repair and maintenance, and replacing lost, stolen or damaged Carts within three business days at no additional charge to the Customer or to the City.

Holiday Tree Collection

Company will operate the annual holiday tree collection and recycling program at no additional charge. The program will include curbside collection from residential customers, starting from the first collection day after December 25 and ending on the second Saturday in January. All collected trees will be diverted from disposal.

On-Call Bulky Item Pickup

Company will be required to provide on-call bulky item pickup service to all customers. Residential customers are entitled to four bulky waste pickups (six items per pickup maximum) per dwelling unit per year at no additional charge (additional pickups will be subject to the rate schedule).

Outreach and Education

Company shall assist City in gathering required Customer data, performing site visits, public outreach, and other requirements in order to comply with State requirements and regulations such as AB 939 and SB 1383. The parties acknowledge that CalRecycle is in the process of implementing SB 1383 (Public Resources Code Section 42652 et seq.), which establishes targets to achieve a 50 percent reduction in the level of the statewide disposal of Organic Waste from the 2014 level by 2020 and a 75 percent reduction by 2025. The law grants CalRecycle the regulatory authority required to achieve the organic waste disposal reduction targets and establishes an additional target that not less than 20 percent of currently disposed edible food is recovered for human consumption by 2025.

4.1.2 Manual Collection Option

Base Bid Items

Residential Services

- Weekly unlimited trash - residents provide containers
- Weekly unlimited organic materials - residents provide containers
- Weekly unlimited recyclables - Company provides 1-32 gallon container or 2-16 gallon containers, or equivalent
- Four bulky item pick-ups per year (six items per pickup maximum)
- Holiday tree collection
- Outreach and education

RFP-Residential Solid Waste Services
Manual Trash Collection

Residential customers will receive weekly, unlimited, manual trash service under this option. Residents will provide their own containers.

Manual Recycling Collection

Residential customers will receive once per week unlimited recycling collection on the same day as their trash collection. The Company will provide 1-32 gallon container or 2-16 gallon containers, or equivalent.

Manual Organic Materials Collection

Residential customers will receive weekly unlimited organic materials collection on the same day as their trash collection. Residents will provide their own containers. Company shall provide all customers required to participate in SB 1383 programs with services to ensure compliance, such as organic materials collection and recycling services, coordination with food rescue organizations to promote edible food recovery, education and outreach, reporting, contamination monitoring and enforcement.

Holiday Tree Collection

Company will operate the annual holiday tree collection and recycling program at no additional charge. The program will include curbside collection from residential customers, starting from the first collection day after December 25 and ending on the second Saturday in January. All collected trees will be diverted from disposal.

On-Call Bulky Item Pickup

Company will be required to provide on-call bulky item pickup service to all customers. Residential customers are entitled to four bulky waste pickups (six items per pickup maximum) per dwelling unit per year at no additional charge (additional pickups will be subject to the rate schedule).

Outreach and Education

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4.2 CIVIC SOLID WASTE SERVICES (SERVICES TO CITY FACILITIES)

Company will collect and dispose of all solid waste generated and recyclable materials and organic materials accumulated at premises owned and/or operated by the City (including bulky waste items). Such premises include, but are not limited to, offices, parks, street maintenance operations, and street litter containers. See Appendix C for the current list of facilities and service levels. The Company will provide these services regardless of whether the city chooses the automated or
manual option for its residential services. The cost for civic solid waste services is to be separately
bid in the proposal as these costs will be borne by the city and not passed along to residential
customers. Base bid items must include service to city offices, parks, streets, maintenance
operations, and street litter containers as listed in Appendix C. Base bid items must also include the
following:

- Abandoned item collection in public right-of-way
- Five City-sponsored events per year
- Street sweeping debris and asphalt debris disposal
- Two annual bulky item cleanup weeks (Alternate Bid)
- Two annual document shredding events (Alternate Bid)

These items are more fully described in the following sections.

4.2.1 City Sponsored Events

Company will collect and dispose of all solid waste generated and recyclable materials and organic
waste accumulated at five city sponsored events per year. Such events include: 4th of July
Fireworks Show; Concerts in the Park; Hometown Fair; Richmond St. Fair; and Holiday Parade. Note
that these events may vary over the term of the new agreement.

4.2.2 Abandoned Item Collection in Public Right-of-Way

Company will collect items abandoned in the public right-of-way anywhere in the city within 24 hours
of notification to Company’s customer service department or by the City. Items to be collected will
be limited to those items that two collection staff can lift. Two alternative bids shall be provided.
One will be a flat rate unit price bid for each abandoned item collection completed at the city’s
request, without regard to the size or nature of the item collected. The second will be a flat rate bid
for annual abandoned item collection with no limit on the number of service requests.

4.2.3 Street Sweeping Debris and Asphalt Debris Disposal

At the request of the City, Company must provide solid waste containers for the collection and
disposal of asphalt and street sweeping debris from the City Yard. Pricing to be provided as
indicated on the rate proposal form.

4.2.4 Bulky Item Cleanup Weeks (Alternate Bid)

Company will promote and conduct two Community Drop-off events for collecting bulky items and E-
waste from residential customers. Company will be responsible for selecting the location, obtaining
all applicable permits, traffic control, on-site security, and public information, as well as collection,
packing, transportation and safe disposal of all waste collected.

4.2.5 Document Shredding Events (Alternate Bid)

Company will promote and conduct a shred day twice per year, whereby Residents can deliver paper
for confidential shredding. Company must provide onsite and offsite trucks at event so that if the
onsite shredding truck fills up during event hours there is a truck accepting offsite shredding
documents for participation. Each shred event must take place for a minimum of three consecutive hours.

4.3 COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

AB 939
The Company will be responsible for conducting data collection, information and record keeping, and reporting activities needed to comply with Applicable Laws and regulations and to meet the reporting and Solid Waste program management needs of City, and in particular, reporting obligations imposed by AB 939. Company shall indemnify and hold harmless City from and against all fines and/or penalties imposed by CalRecycle if the source reduction and Recycling goals, or any other requirement of AB 939, are not met by City with respect to the waste stream Collected under this Agreement.

SB 1383 COMPLIANCE
In September 2016, Governor Brown signed Senate Bill 1383 (SB 1383), titled “Short-Lived Climate Pollutants: Methane Emissions: Dairy and Livestock: Organics Waste: Landfills.” This Bill establishes targets of a 50 percent reduction in the level of statewide disposal of organic waste from the 2014 level by 2020 and a 75 percent reduction by 2025. This Bill also establishes an additional target that not less than 20 percent of currently disposed edible food is recovered for human consumption by 2025. SB 1383 gives CalRecycle the regulatory authority to achieve and enforce these targets. Currently, CalRecycle is drafting the Short-Lived Climate Pollutants Regulations, with an expected final draft to be released in early 2019. Company shall provide all customers required to participate in these programs with compliant programs such as organic waste collection and recycling services, coordination with food rescue organizations to promote edible food recovery, education and outreach, Company will provide all customers required to participate in an organic waste diversion program under SB 1383 with a compliant program.

4.4 FEE COLLECTION

Company shall direct bill each residential customer (currently 3,230 units) for the cost of the proposed services. The City may, at its option, choose to subsidize a portion of the cost of service, in which case Company will directly bill each customer for the unsubsidized portion of the cost of service, and will bill the City for the remainder of the costs on a quarterly basis.

Lifeline Assistance

Lifeline financial assistance for water and sewer fees has been in effect since 1995, when the City Council adopted Resolution No. 3922. Currently, 44 residential properties qualify according to the following household size and income requirements:

1-2: $32,920 or less
3: $41,560 or less
4: $50,200 or less
5: $58,840 or less
6: $67,480 or less
7: $76,120 or less
8: $84,760 or less
$8,640 for each additional person

A 50% reduced fee shall be collected by the Company from properties that are eligible for the Lifeline Program, as determined by the City.

5.0 PROPOSAL REQUIREMENTS

This section describes the information that proposers must include in their proposals. Proposals must be organized according to the outline in Table 2.

Table 2. Proposal Requirements

| Title Page |
| Cover Letter/Executive Summary |
| Table of Contents |
| Proposer Information |
| Business Structure |
| Municipal Collection Experience |
| Key Personnel |
| Service Transition Experience |
| Litigation History and Regulatory Compliance |
| Safety Record |
| Financial Information |
| Technical Proposal |
| Collection Services |
| Automated Collection Services |
| Manual Collection Services |
| City Facilities Services |
| Diversion Requirements |
| Collection Vehicles |
| Billing and Customer Service |
| Customer Education and Outreach |
| Transition Plan |
| Employment of Prior Contractor Employees |
| Transfer, Disposal, and Processing Facilities |
| Office and Maintenance Facilities |
| Optional Additional Information |
| Exceptions to Draft Franchise Agreement |
| Rate Proposal Forms |
5.1 COVER LETTER/EXECUTIVE SUMMARY

Provide a cover letter that will serve as an executive summary of the proposal. The cover letter should include:

- The name, title, address, telephone, and e-mail of the key contact person. An officer who is duly authorized to bind the proposer must sign the cover letter.
- A written statement warranting that the proposer has reviewed the draft agreement, the RFP, and all of its addenda; and has conducted all necessary due diligence to investigate and confirm the material facts upon which the proposal is based.
- A written statement acknowledging the validity of the proposed terms and rates for a period of 180 days after the submission deadline.
- A brief summary of the most significant attributes of the proposal, and the unique qualifications that distinguish the proposer from its competitors.

5.2 PROPOSER INFORMATION

5.2.1 Business Structure

Provide information about the entity with which the City will enter into an agreement, including the following:

- Identify the legal entity that would execute the franchise agreement. State whether the entity is a sole proprietorship, partnership, or corporation. If the entity is a corporation, identify the state and year of incorporation.
- If proposer is a corporation, provide a copy of the corporation’s “Certificate of Good Standing” with the State of California or state of incorporation and the most recent "Statement by Domestic (or Foreign) Stock Corporation" as filed with the California Secretary of State or state of incorporation. If Proposer’s most recent Statement has only the "No change in information" box checked, the Proposer must also submit the most recent endorsed “Statement of Information”, which includes a list of corporate officers. The "Statement of Information" must list the corporate officers.
- Provide all the names of entity’s owners or shareholders with greater than a 10% ownership share.

5.2.2 Municipal Collection Experience

Describe the proposer’s experience providing residential solid waste collection services to jurisdictions in Southern California. The description for each jurisdiction should include:

- The name of the jurisdiction, the year service was first begun, and term of the agreement.
- Whether the service is exclusive or non-exclusive.
- The customer sector(s) served (residential, commercial, etc.).
- The type of service provided (e.g., automated, etc.).
- The name, address, and telephone number of the jurisdiction representative responsible for administering the agreement.
5.2.3 Key Personnel

Provide an organization chart for key personnel and brief descriptions of the qualifications and experience of the individuals who will administer the franchise agreement, including the:

- General manager
- Chief financial officer
- Operations manager
- Route supervisor
- Customer service manager
- City reporting specialist
- Public outreach coordinator

5.2.4 Service Transition Experience

Provide three (3) reference projects for which the proposer initiated a new collection contract or new collection services. Include the following for each reference project:

- The name of the jurisdiction and the month and year of the service transition.
- A description of the service initiation performed (i.e., rollout of new carts, takeover of previous service provider, etc.).
- The name, address, and telephone number of the jurisdiction representative responsible for overseeing the service transition.
- The number of residential customers involved in the transition.
- Any notable challenges that occurred during the service transition, and the solutions implemented to address the challenges.

5.2.5 Litigation History and regulatory compliance

Disclose any litigation or regulatory non-compliance within the last five (5) years. For each case, provide name of the case, a description of the issue, the status of the case (e.g., pending, settled, judgment for defendant, etc.), the agency of jurisdiction, and the case reference number. Proposers may include any mitigating facts or circumstances.

Describe any past or pending civil and criminal actions (including arrests, indictments, litigation, grand jury investigations, etc.) now pending or that have occurred in the past five (5) years against the proposer, or any owners, officers, or key personnel (as identified by the proposer in this RFP) that were (or are) filed in Los Angeles county, or in the US District Court for the Central California District. Each proposer must also describe any civil litigation, pending or resolved within the past five (5) years, with any city, county or special district in Los Angeles County with which the proposer was contracted, franchised, or permitted to perform solid waste collection service.

Describe any and all notices of violations, corrective action notices, enforcement actions, or permit violation notices that the proposer received in the past five (5) years from public agency for any maintenance, processing, composting, transfer, or disposal facilities in Los Angeles County, which are owned or operated by the proposer, or its affiliates.

5.2.6 Safety Record

Provide information about the proposer’s safety record. Proposers must provide:
- The proposer’s two (2) most recent CHP Safety Compliance Reports (BIT inspection reports) for the fleet maintenance facility that will service the vehicles used in the City.
- The most recent workers compensation Annual Rating Endorsement (or other insurance document) that shows the proposer’s most recent workers compensation Rating Plan Modifier (also known as an ‘experience modification factor’).

Proposers are requested to provide the following safety metrics. These are the safety metrics the City would prefer to use to compare the safety records of the proposers. If the information used to calculate these metrics is not readily available, the proposer may provide alternate safety metrics along with an explanation of how the proposer’s alternate safety metrics can assist the City in comparing the proposer’s safety record to those of other companies in the solid waste industry.

- Total Recordable Injury Rate (TRIR) for the most recent five calendar years. The TRIR is the rate of recordable workplace injuries, normalized per 100 workers per year. The factor is derived by multiplying the number of recordable injuries in a calendar year by 200,000 (100 employees working 2,000 hours per year) and dividing that number by the total person-hours actually worked in the year. A ‘Recordable Incident’ is defined as: Occupational death, nonfatal occupational illness, and those nonfatal occupational injuries which involve one or more of the following: loss of consciousness, restriction of work or motion, transfer to another job, or medical treatment (other than first aid). ¹

- The proposer’s Vehicle Accident Recordable Rate (VARR) for the most recent five (5) calendar years. The VARR is the number of Recordable Vehicle Accidents per 1,000,000 miles driven. The factor is derived by multiplying the number of Recordable Vehicle Accidents by 1,000,000 and dividing that number by the actual number of miles driven. A ‘Recordable Vehicle Accident’ is defined as: an occurrence involving a commercial motor vehicle operating on a highway in interstate or intrastate commerce which results in: 1) a fatality, 2) bodily injury to a person who, as a result of the injury, immediately receives medical treatment away from the scene of the accident, or, 3) one or more motor vehicles incurring disabling damage as a result of the accident, requiring the motor vehicle(s) to be transported away from the scene by a tow truck or other motor vehicle. It excludes occurrences involving only boarding and alighting from a stationary motor vehicle or involving only the loading or unloading of cargo. ²

### 5.2.7 Financial Information

Submit financial statements for the most-recently completed fiscal year for the legal entity that would execute the franchise agreement. Proposers that operate on a nationwide basis may submit the financial statements of their parent company. However, if the proposer is a wholly owned corporation of a nationwide company, the City may require a parental guarantee as part of any franchise agreement.

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¹ For a more complete definition of Recordable Incident, please refer to the Bureau of Labor Statistics website at: [http://www.bls.gov/ife/oshdef.htm](http://www.bls.gov/ife/oshdef.htm)

In the event that any proposer believes that their financial statements constitute "confidential information," the proposer shall note "CONFIDENTIAL" on each page of the financial statements.

5.3 TECHNICAL PROPOSAL

5.3.1 Automated Collection Services

Trash
Proposers shall describe the format of trash collection, and the type of containers proposed.

Recyclables
Proposers shall describe the format of recyclables materials program, including the type of containers proposed, customer in-house preparation of recyclables prior to collection, and a list of recyclables that are acceptable and not acceptable in the program.

China recently implemented trade barriers that limit the import of contaminated recyclable commodities and increases inspections of recyclable commodity imports starting in 2018. The ban may affect proposer’s recycling efforts. In consideration of China’s trade barriers, proposers shall specify all materials that can be recycled through the residential curbside recycling program, and how proposer will accommodate potential future trade restrictions imposed by China.

Organic Materials
Proposers shall describe the format of the organic materials recycling program including type of containers proposed. Proposers should include detailed information on customer in-house preparation of material prior to disposal (e.g. bag or no bag requirements), include a comprehensive list of foods/materials (e.g., soiled paper, wood waste) that are acceptable in the program and a comprehensive list of foods/materials that are not accepted in the program. In addition, proposers are requested to submit at least two samples of outreach materials already distributed to customers in a city with a similar program in place if proposer has implemented such program.

Please describe your intended approach and activities related to SB 1383 organic waste collection and recycling services, education and outreach, capacity planning, procurement of organic waste products, reporting, contamination monitoring, and other compliance activities.

Automated Carts
The City requires that carts include recycled content and be recyclables. Proposers should indicated the percentage of recycled content that will be included in the carts and the manufacturer of the carts proposed, along with a color photograph of the proposed carts.

5.3.2 Manual Collection Services

Trash
Proposers shall describe the format of manual trash collection.

Recyclables
Proposers shall describe the format of recyclables materials program, including the type of containers proposed, customer in-house preparation of recyclables prior to collection, and a list of recyclables that are acceptable and not acceptable in the program.
China recently implemented trade barriers that limit the import of contaminated recyclable commodities and increases inspections of recyclable commodity imports starting in 2018. The ban may affect proposer’s recycling efforts. In consideration of China’s trade barriers, proposers shall specify all materials that can be recycled through the residential curbside recycling program, and how proposer will accommodate potential future trade restrictions imposed by China.

**Organic Materials**

Proposers shall describe the format of the organic materials recycling program. Proposers should include detailed information on customer in-house preparation of material prior to disposal (e.g. bag or no bag requirements), include a comprehensive list of foods/materials (e.g., soiled paper, wood waste) that are acceptable in the program and a comprehensive list of foods/materials that are not accepted in the program. In addition, proposers are requested to submit at least two samples of outreach materials already distributed to customers in a city with a similar program in place if proposer has implemented such program.

Please describe your intended approach and activities related to SB 1383 organic waste collection and recycling services, education and outreach, capacity planning, procurement of organic waste products, reporting, contamination monitoring, and other compliance activities.

**Food Rescue**

Proposers shall describe their proposed efforts to assist the City and its customers with a food rescue and donation program to comply with SB 1383, which establishes a target that not less than 20 percent of currently disposed edible food, is recovered for human consumption by 2025. Company shall also assist with Food Waste recovery at the City sponsored events.

**5.3.3 Diversion Requirements**

Proposer shall describe how they will ensure the City complies with AB 939 diversion requirements, and diversion requirements under SB 1383. Proposers should demonstrate how they plan to divert the sufficient waste to reach diversion requirements. Company should describe any additional diversion programs proposed that are over and above those required by this RFP.

**5.3.4 Collection Vehicles**

Please provide the following information for each vehicle to be used under the collector agreement.

1. Make
2. Model
3. Model Year
4. Type of fuel to be used (e.g. LNG, CNG)
5. Waste stream(s) to be collected (e.g. trash, recycling, organics)

**5.3.5 Billing and Customer Service**

Provider will be responsible for direct billing of residential customers. City may choose, at its option, to subsidize a portion of the cost of service, in which case Provider will direct bill customers for the unsubsidized portion of the cost of service (the “customer rate”) and the City will be billed for the remainder of the costs. The amount of the subsidy provided by City, if any, and the effective
customer rate will be determined prior to execution of the franchise agreement. The portion of the
cost of service that is subsidized by the City, if any, will be billed to the City on a quarterly basis.
Residential customers have not been billed for services previously. Proposers must describe the
method they will use to identify the residential customers and accounts, and billing system to be
used. Proposers must describe the method they will use to bill the City for the remainder, if any, of
the residential charges.

Customer service is very important to the City. When a customer has a request for, or an issue with,
solid waste service, the customer’s first contact with the solid waste provider is the company’s call
center. Describe the company’s call-in center procedures, including how each call is initially
answered (e.g. phone tree, live operator). Include all geographical locations customer service calls
will be answered from (e.g., out-of-state, international call centers, or California based). Describe the
company’s ability to monitor the average time customer is on hold and response time to complete a
work order from time of request.

Indicate procedures taken to ensure that each resident will receive information accurate to the City's
correct contract. Describe procedures to respond satisfactorily to common customer complaints.

5.3.6 Customer Education and Outreach

Proposers shall describe the methods they will use to assist City in gathering required Customer
data, performing site visits, public outreach, and other requirements in order to comply with State
requirements and regulations such as AB 939, Electronic Annual Report (EAR), Mandatory Organics
Recycling, and control of short-lived climate pollutants. Proposers may include any additional efforts
(such as one-time, first year efforts), and examples of public outreach pieces applicable to
agreement requirements that demonstrate the quality of the materials proposed to be used in the
City.

5.3.7 Transition Plan

The City anticipates an award of this agreement in January 2019, and implementation by May 1,
2019. In consideration of this timeline, proposers should provide a transition schedule that
demonstrates that your company has the ability to implement the services in accordance with the
service start date, including meeting equipment, personnel, administration, maintenance, public
outreach plan, and a timeline showing how the proposer would implement billing services. Proposers
should describe the assumptions regarding City staff’s participation and (if appropriate) the current
Company's participation. City staff participation should be minimal.

5.3.8 Employment of Prior Contractor Employees

In accordance with Labor Code Sections 1070, 1072, 1075, and 1076, please indicate if proposer
will offer employment to existing employees of the current contractor that may be displaced if the
current contractor is not retained. Please describe your procedures for offering such employment
and any limitations.

5.3.9 Facilities

Transfer Stations
For each transfer station if any, intended to be used by the Company, provide the following information:

- The name and address of the facility
- Statement regarding any relationship between the proposer and the facility owner/operator (if any)
- The price per ton for transfer and disposal of trash
- Estimated date for start of operation, if facility is not currently in operation
- Indicate any solid waste facility capacity guarantees being offered.

**Disposal Facilities**

Proposers must identify in their proposals the facilities they plan to use to dispose of trash. For each disposal facility to be used by Company, provide the following information:

- The name and location of the facility
- A statement regarding any relationship between the proposer and the facility owner/operator (if any)
- The price per ton
- Indicate any solid waste facility capacity guarantees being offered.

These four items must be included for each facility to be used.

**Processing Facilities**

Proposers must indicate in their proposal the facilities they intend to use for the following:

- Processing of commingled recyclables
- Processing of green waste (especially after January 1, 2020, due to AB 1594 regulations)
- Processing of mixed waste
- Transformation of trash/waste-to-energy (if applicable)
- Processing of food waste

For each facility, provide the following information:

- The name and location of the facility
- A statement regarding any relationship between the proposer and the facility owner/operator (if any)
- The material to be processed (green waste, food waste, commingled recyclables, mixed waste)
- The price per ton
- Indicate any solid waste facility capacity guarantees being offered.
- Estimated diversion rate for processing of residential recyclables and organic materials.

**5.3.10 Office and Maintenance Facilities**

Proposers must indicated any operating facilities they intend to use for this agreement, including:

- Yard address for equipment and personnel staging and arrangements for maintenance of equipment;
• Office address for customer service, public relations, billing, and franchise administration; and,
• Other operating facilities to be used in providing service under this agreement.

5.3.11 Optional Additional Information or Proposal Enhancements

If the proposer has submitted a proposal that meets all of the minimum requirements of this RFP, the proposer may also offer additional enhancements that exceed the requirements of this RFP and the franchise agreement. Any such enhancements shall be listed by number under this section in the RFP, or it may be omitted from the proposal evaluation. Proposers should include the following information for each enhancement:

• The additional charge, if any, to City or ratepayer for enhancement
• How the enhancement exceeds RFP requirements
• How the enhancement benefits the City and how it would be incorporated into the contract service requirements or rate schedule.

5.4 EXCEPTIONS TO DRAFT FRANCHISE AGREEMENT

The City has included a draft franchise agreement in Appendix B. The purpose of the draft franchise agreement is to provide a clear understanding of the rights and obligations of the contractor and the City. The proposer is required to review the franchise agreement prior to submittal of its proposal. The City expects the draft franchise agreement will be executed by the selected contractor(s) in substantially the same form as presented in Appendix B.

Proposer must document any proposed exceptions to the draft franchise agreement. For each exception, proposer shall identify the exception (cite the section reference in the draft agreement), explain its concern, and provide alternative language for consideration by the City.

The City will assume that the proposer accepts and agrees to all provisions of the draft franchise agreement that have not been noted as exceptions in the proposal. If the City chooses to enter into negotiations with a proposer, the noted exceptions and recommended alternative language will serve as a starting point for discussions. The City reserves the right to determine if the exceptions are reasonable.

5.5 RATE PROPOSAL FORMS

Rate proposal forms are included in Appendix A. A corresponding Excel workbook will be provided to all potential proposers. Detailed instructions on completing the forms are included within the forms in Appendix A. Proposers are required to submit all of the forms whether or not they are proposing to provide both automated and manual services. If a proposer is only proposing automated or manual service, it should submit all the forms, but leave the non-applicable forms blank.

Proposers must include printed hard copies of the completed rate proposal forms in their proposal. Proposers must also include an electronic copy of the Excel workbook of the completed rate proposal forms on the thumb drive they submit with their PDF copy of their proposal.
6.0 RFP SUBMITTAL PROCESS

6.1 PROPOSER REGISTRATION

Each proposer who plans to submit a proposal shall register to ensure receipt of all updates. To register, email the following information to Ken Berkman at kberkman@elsegundo.org.

- Firm/Company/Entity name
- Name and title of Proposer’s designated contact person
- Address, telephone, facsimile number, and email address of main contact

6.2 INTERIM INQUIRIES AND RESPONSES, INTERPRETATION OR CLARIFICATIONS

If a proposer has any question about this RFP, the proposed Agreement, or the scope of work— or if a proposer finds any error, inconsistency, or ambiguity in the RFP, or the proposed Agreement, or both— the Proposer must make a “Request for Clarification” before submitting its Proposal. Proposer questions should clearly identify the relevant section of the RFP and page number(s) related to the question being asked. Copies of all questions and the City’s responses will be emailed to all registered proposers.

Requests for Clarification will be accepted only by Michelle Leonard at mleonard@scsengineers.com. Request for Clarification must be received on or before 5:00 p.m., on

If necessary, the City will make clarifications, interpretations, corrections, or changes to the RFP, or the proposed Agreement, or both, in writing by issuing Addenda, as described in Section 6.3 below. A Proposer must not rely upon, and the City is not bound by, purported clarifications, interpretations, corrections, or changes to the RFP and the proposed Agreement, that are made verbally or in a manner other than a written advisory from the City.

6.3 ADDENDA

The City will issue Addenda in writing/email only. The City will make reasonable efforts to deliver Addenda to all registered proposers whom the City knows have received a complete set of the RFP documents and have provided an email address for receipt of Addenda. The City cannot guarantee that all Proposers will receive all Addenda.

At any time before the proposal deadline, the City may issue Addenda withdrawing the RFP or postponing the Proposal Deadline. However, if any Addenda results in a material change to this RFP, or the proposed Agreement, or both, the City will extend the Proposal Deadline by not less than seventy-two (72) hours. The City will treat transmittal of Addenda to potential contractors by U.S. mail, fax, or e-mail as sufficient notice of the changes made by the City.
6.4 WITHDRAWAL, CANCELLATION, OR MODIFICATION OF A PROPOSAL

Before the proposal deadline, a proposer may withdraw and then modify a proposal, by giving written notice, signed by the proposer. A withdrawal request must be addressed as follows and delivered to:

City of El Segundo
City Hall
350 Main Street
El Segundo, CA 90245
Attn: Ken Berkman

For a withdrawal to become effective, the City must receive the proposer’s request for withdrawal before the proposal deadline. The City will not accept or consider a Proposer’s verbal request for modification or withdrawal of a proposal. If a proposer withdraws its proposal, the withdrawal will not prejudice the proposer’s right to submit a new proposal, if the new proposal is submitted: (a) in accordance with the RFP’s requirements, and (b) before the proposal deadline.

After the proposal deadline, a proposer must not withdraw, cancel, or modify its Proposal for a period of at least 180 (180) calendar days, subject to the exception described in the next sentence below. The City may extend the 180 day period upon the City’s written request and upon the affected proposer’s written approval.

7.0 SELECTION CRITERIA AND PROCESS

The proposal will be objectively evaluated based on criteria that may include, but is not limited to, the following factors.

7.1 PROPOSER’S EXPERIENCE AND QUALIFICATIONS

General Experience - Demonstrated experience providing similar services to other jurisdictions, and experience of key personnel.

Jurisdiction Satisfaction - Satisfaction of proposer references with services received, including but not limited to, implementation, customer services, reporting, assistance, developing diversion programs, and working cooperatively with City staff. Customer service is of utmost importance to the City.

7.2 IMPLEMENTATION PLAN

Reasonableness of implementation schedule and ability to meet deadlines (equipment procurement schedules and personnel available), ability and resources to manage a service transition.

7.3 EXCEPTIONS TO THE TERMS AND CONDITIONS

Exceptions to the draft franchise agreement – Number and nature of the exceptions.
7.4 FINANCIAL RESOURCES

Financial Stability – Comparison of additional revenue from this franchise to company’s current revenue stream, financial stability of proposer based on its financial ratios.

Insurance - Demonstrated ability of proposer to obtain adequate insurance.

7.5 COST AND VALUE

Cost of Service, as Measured by Rate Revenues - Cost competitiveness relative to other proposals.

Reasonableness of Costs - Logically consistent relationship between costs and operational assumptions.

7.6 EMPLOYMENT

Willingness to retain existing contractor’s employees that may be displaced if the current contractor is not retained.

7.7 AWARD

To be considered, proposals must be complete and must conform to the requirements of this RFP as to form and content. The franchise will be awarded for the proposal that offers the greatest value to the City. The City, however, reserves the right to reject any or all proposals, to accept or reject any one or more items of a proposal, or to waive any minor irregularities or informalities in the proposal. It is anticipated that all services will be purchased. However, the City reserves the right to change such service descriptions prior to award.

8.0 GENERAL INFORMATION, DISCLAIMERS, DISCLOSURES & PROPOSAL FORMS

Responses to the Request for Proposal shall be made in recognition and in conformance with the following:

Each Proposer understands and agrees that the City of El Segundo, its departments, their officers, employees or agents will NOT be liable for:

- Any costs incurred by the Proposer in the preparation, delivery, or presentation of the qualifications and/or proposals.
- Any pre-contractual expenses, which are defined as expenses incurred by the Proposer prior to the date of award of the Contract for this RFP.
- Any costs incurred by the Proposer in meeting the criteria, as a result of making or submitting a proposal and/or entering into a formal Agreement with the City.
- Any errors, inaccuracies or misstatements related to the information or data supplied to any Proposer by the City. The use of such information or data provided by the City, its officers, employees or agents is intended to be used at the sole discretion and risk of the Proposer in the preparation of a proposal pursuant to the RFP.
It is the Proposer’s responsibility to carefully examine the requirements expressed in the RFP and educate themselves regarding the quality and character of services required. All responses to the RFP will become the property of the City and will be retained or disposed of accordingly. The City reserves the right to reject any or all submittals and to modify the RFP and re-solicit submittals.

The terms and scope of the Agreement will be determined based on professional negotiations between the City and the highest ranked Proposer. If the City and the highest ranked Proposer fail to reach an agreement, the City may commence negotiations with any other qualified Proposer.

The Proposer shall conform to all Federal, State, County and City of El Segundo laws, codes, and ordinances, as well as any other applicable laws and regulations.

8.1 INSURANCE

Specific insurance requirements are included in the Draft Agreement (Appendix B). Certificates of insurance and additional insured endorsements must be submitted in compliance with said requirements no later than the time the Agreement is executed. The Proposer does not need to submit proof of insurance to submit its proposal, but must be prepared to meet all City insurance requirements with no additional cost to City.

8.2 CITY’S RESERVATION OF RIGHTS

This RFP and the proposal evaluation process do not:

- Obligate the City to accept or select any Proposal;
- Constitute an agreement by the City that it will actually enter into any contract with any Proposer. When it best serves the City’s interests, the City may do any one or more of the following:
  - Reject any Proposal or all Proposals at its sole discretion.
  - Extend the deadline for accepting Proposals.
  - Accelerate the pace of the RFP process if only one or a handful of Proposals is received.
  - Waive any or all information, defects, irregularities, or informalities in a Proposal.
  - Accept amendments to Proposals after the Proposal Deadline.
  - Amend, revise, or change the RFP’s evaluation or selection criteria.
  - Cancel, withdraw, amend, revise, change, or negotiate the terms of this RFP, the proposed Agreement, or both.
  - Reissue a Request for Proposals.
  - Conduct oral interviews.
  - Visit Proposer’s facilities or business.
  - Examine financial records of Proposer to the extent necessary to ensure financial stability.
  - Make a partial award.
  - Negotiate with one or more Proposers.
  - Award contracts to one or more Proposers.
  - Require a best and final offer from one or more Proposers.
Appendix A. Rate Proposal Forms
Appendix B. Draft Franchise Agreement
Appendix C. City Facilities
<table>
<thead>
<tr>
<th>Location</th>
<th>3-yd³ Bin*</th>
<th>10-yd³ Bin</th>
<th>20-yd³ Bin</th>
<th>40-yd³ Bin</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 City Hall</td>
<td>1S, 1R</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 Police Dept.</td>
<td>1S, 1R</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3 Fire Station 1</td>
<td>1S, 1R</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4 Fire Station 2</td>
<td>1S, 1R</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 Library</td>
<td>1S, 1R</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6 Public Works Maintenance Yard</td>
<td>2S, 1R</td>
<td>1A with on call collection</td>
<td>1SS with 2x per week collection</td>
<td>2G with on call collection, 2R* with weekly and on call collection</td>
</tr>
<tr>
<td>7 Water Yard</td>
<td>1S</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8 Parks Maintenance Yard</td>
<td>4S, 1R</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9 Park Vista</td>
<td>2S, 1R</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10 The Lakes Golf Course</td>
<td>3S, 1R</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11 Campus ES Soccer Field</td>
<td>1S, 1R</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12 Boy Scout House</td>
<td>1S</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* = Hinged Covers; S = Solid Waste; R = Recycled Materials Waste; A = Asphalt Waste; G = Green Waste; SS = Street Sweeping Waste; Collection is 3 times per week unless otherwise indicated.
AGENDA DESCRIPTION:
Consideration and possible action to review the evaluation results of proposals in response to RFP #18-02 related to future operations, management, and improvements at The Lakes at El Segundo Site as conducted by The Lakes RFP Task Force. (Fiscal Impact: None)

RECOMMENDED COUNCIL ACTION:
1. Discuss and determine how the City Council would like to proceed in making a final selection; or,
2. Alternatively, discuss and take other action related to this item.

ATTACHED SUPPORTING DOCUMENTS:
1. Vision/Success Criteria
2. Scoring Criteria
3. Financial Summary of Proposals

FISCAL IMPACT: None
Amount Budgeted: N/A
Additional Appropriation: N/A
Account Number(s): N/A

STRATEGIC PLAN:
Goal: 4A El Segundo’s physical infrastructure supports an appealing, safe and effective community
Objective: 1 The City optimized its physical resources

PREPARED BY: Meredith Petit, Director of Recreation and Parks
REVIEWED BY: Meredith Petit, Director of Recreation and Parks
APPROVED BY: Greg Carpenter, City Manager

BACKGROUND & DISCUSSION:

Background

The City Council established The Lakes RFP Task Force ("Task Force") on November 7, 2017. The Task Force members were identified by November 30, 2017, and included a selection of City staff representing Recreation and Parks, Planning, Finance, and Public Works, as well as six voting members representing the City’s Planning Commission, Economic Development Advisory Council, Recreation and Parks Commission and the Golf Course Subcommittee. The first meeting was held in December 2017 with regular and recurring meetings scheduled about every other week through June 2018, for a total of thirteen meeting sessions. The meetings were open to the public.
The purpose of the Task Force was to help the City Council establish evaluation criteria for future operations, management and improvements at The Lakes at El Segundo, draft the Request for Proposals document, and evaluate the proposal submissions to present findings to the City Council. Throughout the process, the Task Force returned to City Council multiple times for further direction, clarification and to provide periodic status updates. The City sought consulting services to assist in this process and engaged the services of Carol Beck Golf Properties starting in January 2018. The City Council approved the RFP document on April 3rd and it was released to the public on April 5th. On April 24th a Mandatory Site Visit was conducted for all interested bidders and over 30 individuals and companies were represented. Ultimately, nine proposals were received on the June 14th deadline.

Task Force Activities

Some of the major work activities and factors that the Task Force conducted and considered included review of sample RFPs, comprehensive review of the financial history of the golf course enterprise fund including details related to the inter-fund loan from the Finance Department, review of the Golf Course Manual and previous community survey results. The Task Force developed and implemented an updated Parks and Recreation Facilities Needs Assessment Survey to specifically collect data and feedback related to “unmet recreation facility needs”. The goal of the survey was to determine if the property currently being used as a golf course and driving range should be repurposed into another outdoor public recreation use that may better meet the needs of El Segundo residents. The results of the survey indicated a demand for more athletic fields within the City. Additionally, the Task Force and staff engaged third party subject matter experts as well as other City departments to review the current facility conditions of the clubhouse/restaurant building, driving range, and golf course, to identify, prioritize, and estimate costs associated with needed capital improvements.

The Proposals

The nine proposals represent three distinct categories: (1) Golf As-Is, (2) Golf Alternative, and (3) Non-Golf. All of the “Golf As-Is” and “Golf Alternative” include significant capital improvements to the course, range and clubhouse consistent with the prioritized needs identified in the RFP. A financial summary is attached for more details (Attachment #3). Additional summarized fact sheets on each proposal are forthcoming under separate distribution.

<table>
<thead>
<tr>
<th>Golf As-Is</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Billy Casper Golf</td>
<td>Lease</td>
</tr>
<tr>
<td>CSC Golf LLC</td>
<td>Lease</td>
</tr>
<tr>
<td>Touchstone Golf</td>
<td>Management</td>
</tr>
<tr>
<td>KemperSports Management</td>
<td>Lease</td>
</tr>
<tr>
<td>Lane Donovan Golf Partners LLC</td>
<td>Management</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Golf Alternative</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Topgolf/Centercal</td>
<td>Lease</td>
</tr>
<tr>
<td>Drive Shack</td>
<td>Lease</td>
</tr>
<tr>
<td>Flying Tee</td>
<td>Lease</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Non-Golf</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sanford Ventures</td>
<td>Lease</td>
</tr>
</tbody>
</table>
All nine proposals as well as video recordings of the five in-person presentations can be viewed online at: https://www.elsegundo.org/depts/recreation/thelakestaskforce.asp.

Evaluation Process

Prior to the proposal deadline, the Task Force established Scoring Criteria using the Vision/Success Criteria identified by City Council (Attachment #1) as a guideline to ensure that the City’s priorities were captured within the evaluation process. The five scoring criteria and weights were as follows:

- 25% - Financial Impact
- 25% - Experience & Capability
- 20% - Resident/Community Involvement
- 15% - Business/Operating Plan
- 15% - Capital Improvement Plan

After the proposal deadline, each Task Force member individually reviewed each of the nine proposals and, using the abovementioned scoring criteria, scored each proposal. The Task Force reconvened in an open meeting to discuss their initial evaluations and through discussion came to consensus to narrow the field down to five bidders to be invited for in-person presentations. Following the presentations that were conducted on July 12th and July 13th, the Task Force members once again individually reviewed their scores and rankings and at a Special Meeting on July 25th discussed the proposals and gave their final rankings of all nine proposals. The rankings were compiled and calculated to reveal an overall average ranking as follows:

<table>
<thead>
<tr>
<th>Final Task Force Evaluation Rankings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proposal Name</td>
</tr>
<tr>
<td>---------------</td>
</tr>
<tr>
<td>Topgolf</td>
</tr>
<tr>
<td>Drive Shack</td>
</tr>
<tr>
<td>Billy Casper Golf</td>
</tr>
<tr>
<td>Flying Tee</td>
</tr>
<tr>
<td>Sanford Ventures</td>
</tr>
<tr>
<td>CSC Golf LLC</td>
</tr>
<tr>
<td>Kemper Sports</td>
</tr>
<tr>
<td>Touchstone Golf</td>
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<tr>
<td>Lane Donovan</td>
</tr>
</tbody>
</table>

Finally, the Lakes RFP Task Force is recommending these “Top 4” proposals to City Council as viable options to pursue for future operations, management and improvements at The Lakes at El Segundo:

<table>
<thead>
<tr>
<th>Task Force Evaluation Results</th>
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</thead>
<tbody>
<tr>
<td>Proposal Name</td>
</tr>
<tr>
<td>---------------</td>
</tr>
<tr>
<td>Topgolf</td>
</tr>
<tr>
<td>Drive Shack</td>
</tr>
<tr>
<td>Billy Casper</td>
</tr>
<tr>
<td>Flying Tee</td>
</tr>
</tbody>
</table>
Next Steps

The City has engaged the services of Keyser Marston Associates ("KMA") to conduct a review and evaluation of financial statements and financial wherewithal to undertake the proposed programs, for each of the nine proposals. This evaluation is underway and a draft report is expected on or about close of business September 4th. Secondarily, KMA could also review financial pro formas and the likelihood that gross revenues and projected rents to the City will be achieved for one or more of the proposals in which the City Council desires to pursue.

At this point, the Task Force has completed their task by determining their Top 4 proposals and turning the process over to City Council to decide how best to proceed with making a final selection. The City Council should discuss and provide direction to staff and the City Attorney. The Council could pursue one or more (or none) of the proposals, through further presentations, interviews and/or negotiations.
Vision / Success Criteria

(1) Incorporates Recreation & Parks Values
   (a) Golf Course Manual (i.e. safe, all ages, clean & well maintained, learning opportunities)
   (b) Degree to which the facility meets the need of El Segundo residents

(2) Compliant with existing Grant Deed from Chevron
   (a) Golf Course & Driving Range & Supporting Amenities
      i. Management Contract
      ii. Lease Arrangement
         a. Pricing Structure/Affordability
      iii. Restaurant, Bar & Banquet Facilities
      iv. Pro-Shop/Retail
   (b) Other Outdoor Public Recreation

(3) Financial Performance is “Self Sustaining”
   (a) Achieves Enterprise Fund Expectations (Operations + Future Capital Improvements)
   (b) Sufficient Cash Flow
   (c) Ability to service existing debt (loan repayment to City)

(4) Capital Investment & Facility Improvements
   (a) Minimal City investment

(5) Risk Assessment & Track Record
The Lakes RFP Scoring Criteria

Financial Return to City – 0-25 pts.
- Ability to service existing debt and future capital improvements

Experience/Capability – 0-25 pts.
- With similar operations as proposed
- With other municipalities
- References – relative landlord and other municipal references

Comprehensive Resident/Community Involvement – 0-20 pts.
- Golf and non-golfers benefits/programs
- The degree to which it meets the needs of E.S. residents

- Does it adhere to Grant Deed
- If proposed as golf related, does it adhere to Golf Course Manual
- Length and structure of contract

Capital Improvement Plan – 0-15 pts.
- Contribution to upfront capital needs
- Addresses long term capital improvements
The Lakes Proposals Financial Summary & Notes

For purposes of this evaluation, the various calculations have been made for the initial proposed terms only; proposals did not provide applicable data for option periods.

### Leases

<table>
<thead>
<tr>
<th>Leases</th>
<th>Initial Term</th>
<th>Base Rent to City for Initial Term</th>
<th>Incentive Fees for Initial Term</th>
<th>Total Rent/fees to City</th>
<th>Capital Investment by Proposer</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>KemperSports</td>
<td>10 yr</td>
<td>$10,000</td>
<td>$208,000</td>
<td>$118,000</td>
<td>$250 yr 1; (need to clarify - stated in proforma but describes bunker work as well)</td>
<td>City pays Property taxes &amp; operating costs not reported in historicals (need detail)</td>
</tr>
<tr>
<td>CSC Golf LLC</td>
<td>20 yr</td>
<td>$5,850,000 versus % of revenue but not explained</td>
<td>$1,910,000</td>
<td>$6,760,000</td>
<td>$1.4M yr 1; up to additional $4.5M w/ options in future; plus 3% of rev = $585,808 for first 10 yrs</td>
<td>Only 10 yrs of projections provided; Landscapes Unlimited funding capex</td>
</tr>
<tr>
<td>Billy Casper Golf</td>
<td>20 yr</td>
<td>See notes</td>
<td>$8,508,055</td>
<td>$1.8M in yrs 1 &amp; 2; plus 4% of golf rev + $3,200,000 over term</td>
<td>Base rent is $250K/yr starting in 2020, but made up in subsequent yrs if not met; total rent denotes projections per proforma</td>
<td></td>
</tr>
<tr>
<td>FlyingTee</td>
<td>20 yr</td>
<td>$24,554,519</td>
<td>$12,185,556</td>
<td>$16,740,074</td>
<td>$38.2M; plus $3M for golf course improvements or other if City desires; $382K/yr per year(5.6K total) for capex fund</td>
<td>Includes lesser rent of $240k during construction; need to clarify timing; proforma only shows 1 yr</td>
</tr>
<tr>
<td>Drive Shack</td>
<td>20 yr</td>
<td>Great of min or 3% but not reached during initial</td>
<td>$17,253,000</td>
<td>$25-30M</td>
<td>Min rent est $250K/yr during construction for 29-38 mos; used 36 mos for approximation</td>
<td></td>
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<tr>
<td>TopGolf</td>
<td>20 yr</td>
<td>$30,166,500</td>
<td>$8,000,000</td>
<td>$18,166,500</td>
<td>$5.4M ($3M spent to date w/ $3.5M to TopGolf facility and $3.3M for golf course)</td>
<td>Numbers reflect driving range only; City controls golf course; does term commence open const completion? Need to clarify; incentive rent based on $200k floor &amp; could be higher based on 3%; Additional $200K/yr is &quot;fund contribution&quot;; need to clarify uses; assuming several permits, etc already approved per timeline</td>
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<tr>
<td>Sanford Ventures - Amphitheater/Public Park</td>
<td>50 yr</td>
<td>$360,000,000</td>
<td>$13,125,000</td>
<td>$373,125,000</td>
<td>$10M; plus $262,500/yr for capex fund</td>
<td>States 50 yrs - all initial terms; Incentive is $1/ticket estimated at $62,500; same calculation for capitax fund; Course closed for 18-24 mos; rent full $600k during closure? Need to understand Park Management of $1,125M as consideration to City?</td>
</tr>
</tbody>
</table>

### Management Agreements

<table>
<thead>
<tr>
<th>Management Agreements</th>
<th>Initial Term</th>
<th>Base Fee paid by City for Initial Term</th>
<th>Incentive Fees for Initial Term</th>
<th>Total Fees to City</th>
<th>Net Income to City</th>
<th>Capital Investment by Proposer</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lane Donovan</td>
<td>5 yr</td>
<td>$540,000</td>
<td>0</td>
<td>$540,000</td>
<td>W/O mini-golf: $1,877,297 W/ mini-golf: $2,627,297</td>
<td>$75K/year capex reserve from operations; Optional: miniature golf - $250K-400K, financed by LD and debt service paid through operations</td>
<td>City admin costs not addressed</td>
</tr>
<tr>
<td>Touchstone Golf</td>
<td>5 yr</td>
<td>$429,000</td>
<td>$95,110</td>
<td>$515,110</td>
<td>$1,304,475</td>
<td>To be funded through operations; 3% of total revenue set aside annually before net income to City ($910,481 total per proforma)</td>
<td>Incentive fee is 15% EBITDA, improvement over prior year; calculation based on proforma; City admin costs included before net income to city</td>
</tr>
</tbody>
</table>

NOTE: "This is an initial summary of the proposals which needs to be reviewed carefully for purposes of properly evaluating all of the details of each proposal."
<table>
<thead>
<tr>
<th>Golf As-Is</th>
<th>Initial Term</th>
<th>Base Rent to City for Initial Term</th>
<th>Incentive Fees for Initial Term</th>
<th>Total Rent to City for Initial Term</th>
<th>Total Revenue Projected Through Yr 5</th>
<th>Total EBITDA Projected Through Yr 5</th>
<th>Rounds Projected Through Yr 5</th>
<th>Capital Investment by Proposer</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>CSC Golf LLC</td>
<td>20 yr</td>
<td>$6,150,000</td>
<td>N/A</td>
<td>$6,150,000</td>
<td>$11,236,777</td>
<td>$1,789,272</td>
<td>Stub Yr - 8,000</td>
<td>$1.5M yr 1; plus 3% of total rev = $1,546,605 over term</td>
<td>Total Revenue through yr 5 incl stub year 2018 plus 5 full years; EBITDA is cash flow after rent and before capex fund; All fees and projections based on completion of Phase I improvements only; up to an additional $4.5M w/ options in future</td>
</tr>
<tr>
<td>Billy Casper</td>
<td>20 yr</td>
<td>See Comments</td>
<td>See Comments</td>
<td>$8,508,055</td>
<td>$18,361,228</td>
<td>$2,598,500</td>
<td>Stub Yr - 11,456</td>
<td>$1.8M in yrs 1 &amp; 2; plus 4% of golf rev = $1,330,856 over term</td>
<td>Total Revenue through yr 5 incl stub year 2018 plus 5 full years; EBITDA is cash flow after rent and before capex fund; base rent is greater of $250k/yr or percentage starting in 2020, but made up in subsequent yrs if not met; guaranteed rent (worst case scenario) is $1M through yr 5; total rent for the initial term based on proforma projections</td>
</tr>
</tbody>
</table>

| Golf Alternative | FlyingTee    | 20 yr                             | $24,554,519                     | $12,185,555                         | $36,740,074                          | $125,550,000                       | $25,843,802                   | $38.2M; plus $2M for golf course improvements; $382k per year ($7.64M total) for capex fund | All rent, incentive fees and revenues reflect driving range only upon completion of construction; City controls golf course and retains net income plus $240k guaranteed rent during construction |
| Drive Shack     | 20 yr        | $27,253,000                       | Great ofmin or 3% but not reached during initial term | $27,253,000                         | $35,302,770                          | $137,010,094                       | $35,164,266                   | $25-30M                       | Min rent est. $250k/yr during construction for 29-38 mos; used 36 mos for approximation; *Proforma details have been requested. |
| TopGolf         | 20 yr        | $30,166,500                       | $5,136,270                       | $35,302,770                          | $137,010,094                        | $35,164,266                        | N/A                          | $40.4M ($35M to TopGolf facility - $3M spent to date - and $5.4M for golf course); plus $200k/yr ($4M total) for Annual Fund - available for any use | All rent and incentive fees reflect driving range only upon completion of construction; City controls golf course and retains net income |

NOTE: "This is an summary of the proposals which needs to be reviewed carefully for purposes of properly evaluating all of the details of each proposal."
EL SEGUNDO CITY COUNCIL
AGENDA ITEM STATEMENT

MEETING DATE: September 04, 2018
AGENDA HEADING: Reports of Committees, Commissions and Boards

AGENDA DESCRIPTION:
Consideration and possible action to adopt a Resolution to approve the proposed Economic Development Advisory Council (EDAC) Bylaws. (Fiscal Impact: None)

RECOMMENDED COUNCIL ACTION:
1. Adopt a Resolution to approve the proposed EDAC bylaws.
2. Alternatively, discuss and take other possible action related to this item.

ATTACHED SUPPORTING DOCUMENTS:
1. Draft resolution adopting revised Economic Development Advisory Council (EDAC) bylaws
2. Economic Development Advisory Council (EDAC) Revised bylaws

FISCAL IMPACT: None
  Amount Budgeted: N/A
  Additional Appropriation: N/A
  Account Number(s): N/A

STRATEGIC PLAN:
  Goal: 1  Champion Economic Development and Fiscal Stability
  Objective: 1b  The City will implement a comprehensive economic development strategy to ensure the City encourages a vibrant business climate that is accessible, user-friendly and welcoming to all residents and visitors.

ORIGINATED BY:  Megan Covarrubias, Economic Development Intern
REVIEWED BY:  Barbara Voss, Economic Development Manager
APPROVED BY:  Greg Carpenter, City Manager

BACKGROUND AND DISCUSSION:
The El Segundo City Council adopted the first Economic Development Advisory Council (EDAC) Bylaws on July 15, to establish rules and expectations for members appointed. During the August 15, 2018 EDAC meeting, the advisory council unanimously voted to approve and recommend an amendment to the EDAC bylaws. The amendment would allow the following changes:

- Increase the maximum number of EDAC members from 18 to 19.
- Establish a term of service (3 years). At the completion of the first term, a member may request to be reappointed by EDAC. At the completion of the second term, the member’s seat is vacated and the individual must apply for a new appointment and be appointed by
the City Council. After the completion of the third term and any successive terms, the member is reappointed by either EDAC or City Council following the same process as the first and second term.

- The term of service for EDAC members who were appointed before January 1, 2015 will expire on January 1, 2018. These EDAC members may request to be reappointed by City Council.
- The term of service for EDAC members who were appointed after January 1, 2015 and before January 1, 2016 will expire on January 1, 2019. These EDAC member may request to be reappointed by City Council.
- The term of service for EDAC members who were appointed after January 1, 2016 and before January 1, 2018 will expire on January 1, 2021. These EDAC member may request to be reappointed by a majority of EDAC.

- Change the requirement from 10 to 8 members to constitute a quorum.

The purpose of the increase in the number of members would allow greater representation from the El Segundo business community. The establishment of a term of office will offer EDAC and City Council the opportunity to assess member performance and EDAC progress at the completion of each three year term. Due to the composition of EDAC, many members serve in executive level positions and on occasion may miss all or portion of a monthly meeting. The 8 member quorum will allow EDAC to make timely decisions and carry on with EDAC business in the event that a full majority is not present.
RESOLUTION NO. __

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL SEGUNDO ADOPTING THE BY-LAWS FOR THE ECONOMIC DEVELOPMENT ADVISORY COUNCIL AS AMENDED.

The City Council of the City of El Segundo does resolve as follows:

SECTION 1: Recitals:


B. On August 15, 2018, EDAC approved an amendment to its by-laws to increase the maximum number of EDAC members from 18 to 19; to establish a term of service (3 years) and to change the requirement from 10 to 8 members to constitute a quorum, and requests that the City Council adopt the EDAC amended by-laws.

C. The City Council now desires to adopt the Economic Development Advisory Council (EDAC) proposed by-laws, as amended.

SECTION 2: Adoption of the By-laws; Implementation of Terms of Service. The by-laws recommended for adoption by the Committee and attached as Exhibit A are hereby adopted. To effectuate the change to the bylaws as to terms of service, the City Council approves of the following schedule for existing EDAC members:

- The term of service for EDAC members who were appointed before January 1, 2015, will expire on January 1, 2019. On that date, the seats will be deemed vacated and those individuals currently serving as members may request to be reappointed by the City Council.
- The term of service for EDAC members who were appointed between January 1, 2015 and December 31, 2017, will expire on January 1, 2020. On that date, the seats will be deemed vacated and those individuals currently serving as members may request to be reappointed by the City Council.
- The term of service for EDAC members who were appointed after January 1, 2018, will expire on January 1, 2021. On that date, the seats will be deemed vacated and those individuals currently serving as members may request to be reappointed by a majority of EDAC.

SECTION 3: This Resolution will become effective immediately upon adoption and remain effective unless superseded by a subsequent resolution.

PASSED AND ADOPTED this ___ day of ________________, 2018.
Drew Boyles, Mayor

ATTEST:

Tracy Weaver, City Clerk

APPROVED AS TO FORM:

Mark D. Hensley
City Attorney
EXHIBIT A

CITY OF EL SEGUNDO
ECONOMIC DEVELOPMENT ADVISORY COUNCIL

BYLAWS

ARTICLE I – NAME

The name of this organization shall be the Economic Development Advisory Council otherwise known as EDAC.

ARTICLE II – PURPOSE

The purpose of the EDAC is to provide support and guidance to staff and to advise the City Council on business attraction and retention as well as the implementation of the City’s Economic Development Program. The EDAC shall serve as a forum for effective collaboration leading to the identification of responsible development strategies.

ARTICLE III – QUALIFICATIONS

Members of the EDAC shall represent a cross section of the community including both residents and non-residents who are actively conducting business within the City of El Segundo.

ARTICLE IV – MEMBERSHIP

The EDAC shall be composed of a minimum of twelve (12) members and a maximum of nineteen (19) members appointed by the City of Council. EDAC membership is not limited to Residents of El Segundo however, non-residents should represent a business actively engaged in the City of El Segundo. The purpose of the EDAC requires that its members represent a broad and diverse cross section of business and residents including but not limited to the following areas and/or organizations:

- Real Estate Development
- Smokey Hollow
- Retail and Restaurant
- Hotel
- Commercial Real Estate
- Manufacturing (Large & Mid size)
- Aerospace
- High Growth/Technology
- Fortune 100
- Chamber of Commerce

The City Council shall appoint two (2) members of the City Council to serve as liaison members to the City Council and shall have no voting rights.

Section I – Selection of members
The City of El Segundo shall advertise and solicit applications to fill any vacant position that might occur. After the application period has closed the Chair and two (2) members
of the EDAC shall review the applications with the sole purpose of making recommendation for selection to the Mayor and members of the City Council. The City Council shall make final selection and appointments.

Section II – Term of Office
Term of office shall be three (3) years. At the completion of a member’s term, a member may request to be re-appointed as follows:

1. If the member has completed an odd-numbered term (i.e., first term, third term, etc.), at the completion of such term, the member’s seat is vacated and the member may request to be reappointed by EDAC, with the reappointment to be approved by a majority vote.
2. If the member has completed an even-numbered term (i.e., second term, fourth term, etc.) at the completion of such term, the member’s seat is vacated and the individual must apply for a new appointment and be appointed by the City Council.

Section III – Compensation
EDAC members shall serve without compensation

Section IV – Removal
Members are expected to attend all meetings. When any member has three or more absences in a 12 month-period, the EDAC shall forward this information to the City Council for review and possible removal of the member.

ARTICLE V – MEETINGS

All meetings shall be open and public pursuant to the Government Code of the State of California.

Section I – Regular Meetings
Regular meetings of the Board shall be monthly, meeting on the third Wednesday at 4:30 PM

Section II – Special Meetings
Special Meetings of the Board may be held at any time upon the call of the Chairman or by a majority of the voting members or the City Council following at least 48 hours notice to each member. The Chairman or a majority of the EDAC shall determine the time and place of the Special Meeting.

Section III – Study Sessions/Workshops/Seminars
The EDAC may be convened as a whole or as a committee of the whole in the same manner as prescribed for the calling of a special meeting for the purpose of holding a study session, workshop or attending a seminar provided that no official action will be taken and no quorum shall be required.

Section IV – Annual Meeting
There shall be an annual meeting of the EDAC at the regular meeting in January of each year.
Section V - Quorum

**Eight members of the EDAC shall constitute a quorum.** A quorum is necessary for action by the EDAC.

Section VI – Voting
Each member shall have one vote.

Section VII – Meeting Procedures
Except as otherwise provided by these Bylaws or City Council Resolutions the EDAC will follow the latest edition of Robert’s Rules of Order for the orderly conduct of meetings.

ARTICLE VI – OFFICERS

Officers of the EDAC shall be a Chairman, a Vice Chairman and a Secretary who shall serve at the pleasure of the EDAC. Term of office shall be for one (1) year. Duties of the officers shall conform to the regular parliamentary duties as set for by Robert’s Rules of Order, Revised, unless otherwise stated.

Section I – Chairman
The Chairman shall preside over the meetings of the EDAC.

Section II – Vice-Chairman
During the absence, disability, or disqualification of the Chairman, the Vice Chairman shall perform all the duties and be subject to all the responsibilities of the Chairman. The Vice Chairman shall succeed the Chairman if he/she vacates the office before the term expires. A new Vice Chairman shall be elected at the next regular meeting.

Section III – Secretary
The Secretary shall be responsible for the minutes of all actions of the EDAC.

Section IV – Duties of the Economic Development Advisory Council
It is intended that the EDAC shall be an advisory body to the City Council. Nothing herein contained shall be construed as a limitation on the power of the City Council or the administrative staff of the City in their supervision or authority over property or personnel under their jurisdictions.

ARTICLE VII – OFFICIAL DOCUMENTS

Section I – Minutes
Minutes of all meetings shall be prepared and maintained with the EDAC records. Copies shall be distributed to each EDAC Member, City Council Member and to the City Clerk.

Section II – Distribution of Documents
Preparation and distribution of EDAC documents to the members, City Council and City Clerk shall be the responsibility of a designated employee as identified by the City Manager.

ARTICLE VIII – CONDUCT OF MEMBERS
Section I – Personal
EDAC members shall make no personal commitment to speak on behalf of the EDAC without majority approval.

Section II – Conflict of Interest
Members of the EDAC shall abstain from participating in any matter to come before the EDAC in which he or she has any direct or indirect economic interest. Should conflict of interest exist, the EDAC member shall remove himself/herself from discussions and abstain from voting. A yearly Conflict of Interest Statement shall be filed with the City Clerk.

ARTICLE IX – ASSISTANCE OF STAFF

The City Manager of the City of El Segundo shall provide the EDAC with such information and staff assistance as the EDAC may from time to time request subject to the limitations imposed by the City Council. The staff member designated by the City Manager shall attend meetings of the EDAC and submit such reports as said EDAC may request and as deemed necessary or desirable, subject to limitations imposed by the City Council.

ARTICLE X – AMENDMENTS

These Bylaws as well as any operating procedures may be amended by simple majority of those voting at any legal meeting of the Economic Development Advisory Council (EDAC) meeting subject to approval by the City Council

PASSED AND ADOPTED by the Economic Development Advisory Council (EDAC) on August 15, 2018

PASSED AND ADOPTED by the El Segundo City Council
CITY OF EL SEGUNDO
WARRANTS TOTALS BY FUND

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<th>FUND DESCRIPTION</th>
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<td>STATE GAS TAX FUND</td>
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<tr>
<td>ASSOCIATED RECREATION ACTIVITIES FUND</td>
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<tr>
<td>ASSET FORFEITURE FUND</td>
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<tr>
<td>PROP &quot;X&quot; TRANSPORTATION</td>
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<tr>
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<td>HOME EQUITY INSTALLATION FUND</td>
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<td>HYPERION MITIGATION FUND</td>
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<td>L.A.W.A. FUND</td>
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<td>TOTAL WARRANTS</td>
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</table>

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES
Information on actual expenditures is available in the Director of Finance's office in the City of El Segundo.

I certify as to the accuracy of the Demands and the availability of fund for payment thereof.

For Approval: Regular checks held for City council authorization to release,

CODES:

R = Computer generated checks for all non-emergency / emergency payments for materials, supplies and services in support of City Operations.

A = Payroll and Employee Benefit checks

B = Computer generated Early Release disbursements and/or adjustments approved by the City Manager. Such as: payments for utility services, petty cash and employee travel expense reimbursements, various refunds, contract employee services consistent with current contractual agreements, instances where prompt payment discounts can be obtained or late payment penalties can be avoided or when a situation arises that the City Manager approves.

H = Handwritten Early Release disbursements and/or adjustments approved by the City Manager.

FINANCE DIRECTOR: [Signature]
DATE: 8-27-18

CITY MANAGER: [Signature]
DATE: 9-18-18

VOID CHECKS DUE TO ALIGNMENT: N/A

VOID CHECKS DUE TO INCORRECT CHECK DATE:

VOID CHECKS DUE TO COMPUTER SOFTWARE ERROR:

NOTES:
# CITY OF EL SEGUNDO  
## PAYMENTS BY WIRE TRANSFER  
### 8/13/18 THROUGH 8/26/18  

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<th>Payee</th>
<th>Description</th>
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<td>8/17/2018</td>
<td>Health Comp</td>
<td>Weekly claims</td>
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<td>8/24/2018</td>
<td>Manufacturers &amp; Traders</td>
<td>457 payment Vantagepoint</td>
<td>24,260.53</td>
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<td>8/24/2018</td>
<td>Manufacturers &amp; Traders</td>
<td>ROTH IRA payment Vantagepoint</td>
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<td>8/24/2018</td>
<td>Nationwide NRS EFT</td>
<td>EFT 457 payment</td>
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<td>8/16/2018</td>
<td>Lane Donovan Golf Ptr</td>
<td>Payroll Transfer</td>
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<td>8/11/18-8/5/18</td>
<td>Workers Comp Activity</td>
<td>SCRMA checks issued</td>
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<td>8/6/18-8/12/18</td>
<td>Workers Comp Activity</td>
<td>SCRMA checks issued</td>
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<td>8/6/18-8/12/18</td>
<td>Liability Trust - Claims</td>
<td>Claim checks issued</td>
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</tr>
<tr>
<td>8/13/18-8/19/18</td>
<td>Liability Trust - Claims</td>
<td>Claim checks issued</td>
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<td>8/6/18-8/12/18</td>
<td>Retiree Health Insurance</td>
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<td>8/13/18-8/19/18</td>
<td>Retiree Health Insurance</td>
<td>Health Reimbursement checks issued</td>
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**DATE OF RATIFICATION: 8/24/18**  
**TOTAL PAYMENTS BY WIRE:** 856,846.30  

Certified as to the accuracy of the wire transfers by:  

**Deputy City Treasurer II**  

**Date**  

**Director of Finance**  

**Date**  

**City Manager**  

**Date**  

Information on actual expenditures is available in the City Treasurer's Office of the City of El Segundo.
SPECIAL JOINT MEETING OF THE EL SEGUNDO CITY COUNCIL AND THE EL SEGUNDO TECHNOLOGY COMMITTEE  
WEDNESDAY, AUGUST 8, 2018, 5:00 P.M.  
Wpromote  
2100 East Grand Ave., El Segundo, CA 90245  
(Strategic Technology Visioning Workshop)

5:00 P.M. SESSION

CALL TO ORDER – Technology Committee Chair, Chad Hahn at 5:10 P.M.

ROLL CALL

Council Members
<table>
<thead>
<tr>
<th>Name</th>
<th>Status</th>
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</thead>
<tbody>
<tr>
<td>Mayor Boyles</td>
<td>Present</td>
</tr>
<tr>
<td>Mayor Pro Tem Pirsztuk</td>
<td>Present</td>
</tr>
<tr>
<td>Council Member Brann</td>
<td>Absent</td>
</tr>
<tr>
<td>Council Member Pimentel</td>
<td>Present</td>
</tr>
<tr>
<td>Council Member Nicol</td>
<td>Present</td>
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Elected Officials
<table>
<thead>
<tr>
<th>Name</th>
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<tbody>
<tr>
<td>Tracy Weaver</td>
<td>Present</td>
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Technology Committee Members
<table>
<thead>
<tr>
<th>Name</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Member Lindsey Breeden</td>
<td>Present</td>
</tr>
<tr>
<td>Member Brian Hauer</td>
<td>Absent</td>
</tr>
<tr>
<td>Member Tori Davis</td>
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</tr>
<tr>
<td>Member Tom Vanek</td>
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<tr>
<td>Member David Froemke</td>
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<tr>
<td>Member Matthew Knox</td>
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<tr>
<td>Member Timothy Dodd</td>
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</tr>
<tr>
<td>Member Mike Lipsey</td>
<td>Absent</td>
</tr>
<tr>
<td>Member Jessica Davis</td>
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</tr>
<tr>
<td>Vice Chair Madelon Smith</td>
<td>Present</td>
</tr>
<tr>
<td>Chair Chad Hahn</td>
<td>Present</td>
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</table>

Department Heads/City Staff
<table>
<thead>
<tr>
<th>Name</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greg Carpenter, City Manager</td>
<td>Present</td>
</tr>
<tr>
<td>Charles Mallory, Information Systems Director</td>
<td>Present</td>
</tr>
<tr>
<td>Joseph Lillio, Finance/Acting HR Director</td>
<td>Present</td>
</tr>
<tr>
<td>Chris Donovan, Fire Chief</td>
<td>Present</td>
</tr>
<tr>
<td>Bill Whalen, Police Chief</td>
<td>Present</td>
</tr>
<tr>
<td>Melissa McCollum, Library Director</td>
<td>Present</td>
</tr>
<tr>
<td>Sam Lee, Planning &amp; Building Safety Director</td>
<td>Present</td>
</tr>
<tr>
<td>Ken Berkman, Public Works Director</td>
<td>Present</td>
</tr>
<tr>
<td>Meredith Petit, Recreation &amp; Parks Director</td>
<td>Present</td>
</tr>
<tr>
<td>Barbara Voss, Economic Development Manager</td>
<td>Present</td>
</tr>
<tr>
<td>David King, Assistant City attorney</td>
<td>Present</td>
</tr>
</tbody>
</table>
PUBLIC COMMUNICATIONS – (Related to City Business Only) – 5 minute limit per person, 30 minute limit total
This meeting was an interactive workshop in which members of City Council, the Technology Committee, the City Department Heads, and Members of the Public communicated with one another to define a long-term vision for the City’s use of technology.

Assistant City Attorney David King advised the workshop participants that conflict of interest policies applied for this workshop and that they should not comment on anything that may violate these restrictions.

A. NEW BUSINESS

1. Introduction and welcome: Chad Hahn welcomed all participants and explained the objective of the workshop was to form a long-term vision for the City’s use of technology. Mr. Hahn explained that the workshop will begin with all participants generating ideas for technology they would like to see the City incorporate. Once all ideas were placed, participants will then vote on the ideas they believe in the most. Once the idea list was narrowed down to 4-6 ideas, the participants will break out into small groups to determine what would need to be true for the item to work for the city. After the small group discussions each group would select a representative to present their findings to the large group and open the floor for questions and comments.

   a. History of the City’s Technology – City Manager Greg Carpenter gave a brief overview on the history of the technology at the City of El Segundo and commented that within the last years, the City has begun the process of updating the City’s technology infrastructure.

   b. Current state of the City’s Technology- Information Systems Director Charles Mallory gave an overview of the City’s current technology status and advised the workshop participants of the 21 technology related projects that the City is currently working on.

   c. Ground rules for session-
      Chad Hahn listed the following three guidelines for the workshop:

      i. “Seek first to understand, then to be understood.”
      ii. One person at a time
      iii. Be here now

   Mr. Hahn then advised of the following five Innovation Disciplines to consider during the workshop:

   i. Understand what is most important to customers
   ii. Leverage collective intelligence
   iii. Build shared understanding
   iv. Focus on performance drivers
   v. Hold people accountable to their peers
2. Large Group Exercise- All participants wrote down their ideas for areas they would like to see the City implement technology advances on sticky notes and placed them on the wall at the front of the room. All participants were then given six sticky dots to vote on the different ideas. Participants were allowed to spread out their votes as they pleased, including using multiple votes on one item. The categories with the most votes after the first vote were as follows:
   - Communications
   - HR
   - Efficiency
   - Virtual City Hall
   - Productivity
   - Social Media
   - Wi-Fi
   - Marketing
   - Data
   - Presentation

   The workshop participants were then given four sticky dots to vote on the top 10 categories.

   The categories with the most votes after the second vote were as follows:
   - Communications/Social Media
   - Virtual City Hall and Efficiency
   - Data
   - Marketing
   - HR
   - Productivity

3. Small Group Exercise- Workshop participants broke into small groups to discuss the remaining six categories. Each group focused on one of the categories and the participants were allowed to choose which group they wanted to be a part of. The groups were asked to answer the following question about their category: What would have to be true for the item to work for the City?

4. Small Group Report Backs- A representative from each group reported the findings their group came up with about their assigned category.

   Public Works Director Ken Berkman; Social media/ Communication- Mr. Berkman reported to the large group that his small group determined the following would have to be true for this item to work for the City:
   - Computer program/app for disaster and emergency notification
   - Training
   - Effective website, comprehensive and opt-in preferences
   - Communications Plan/Protocol
   - Create social media platform with record retention
   - Centralized management and responsibility
   - Inter-departmental collaboration (must)
   - Proactive/timely (must)
   - Interesting, informative, relevant and consistent
Police Chief Bill Whalen; Virtual City Hall & Efficiencies- Chief Whalen reported to the large group that his small group determined the following would have to be true for this item to work for the City:

- Systems support
- Funding
- One stop shop (City-wide/holistic view)
- Community support & participation (buy-in)
- Staff Buy-in/ labor support
- City Council buy-in
- Implementation plan
- Virtual meetings (Internal/External)
- Re-evaluate business processes/model

Recreation and Parks Director Meredith Petit; HR- Ms. Petit reported to the large group that her small group determined the following would have to be true for this item to work for the City:

- Standardized protocol on time keeping
- HR department fully and properly staffed/department re-organized (outsource if needed)
- Automated benefit management and payroll
- Personnel evaluations and strategy- automation
- Standardized training
- Streamline workers compensation practices/comprehensive review
- Proactive vs. reactive
- Resources- Staff and money
- Expand recruitment platforms

Technology Committee Member Lindsey Breeden; Marketing- Member Breeden reported to the large group that his small group determined the following would have to be true for this item to work for the City:

- Centralized events calendar
- City Brand Manager
  - Businesses (Where big ideas take off)
  - Residents
  - Staff
- Need awareness of the quality of El Segundo
- Social listening to speak to what is important to the people
- Bring businesses and residents together

Council Member Scot Nicol; Data- Council Member Nicol reported to the large group that his small group determined the following would have to be true for this item to work for the City:

- Leverage Data
- Capture and categorize data/define what we have (tech/ process)
- Standardize and structure data (process)
- Integration and compatibility (tech)
- Have “data stewards” – departments/employees (people)
- Have training on data awareness (people)
• Upgrade and maintain infrastructure (tech)
• Stability for trending (process)
• Awareness and commitment to privacy and security best practices (people/process)
• Encourage/promote department buy-in (people)

5. Closing- Chad Hahn advised the workshop participants that the information and ideas that were presented during the workshop would be brought back to the City where they would be complied into themes and used to help the Technology Committee form a long-term vision for the City’s use of technology.

ADJOURNMENT at 7:08 PM

Shantae Duren
Information Systems Department
Administrative Specialist
SPECIAL MEETING OF THE EL SEGUNDO CITY COUNCIL  
TUESDAY, AUGUST 14, 2018  
EL SEGUNDO COUNCIL CHAMBER – 350 MAIN STREET  
2:30 PM  
(Budget Study Workshop #2 for FY 2018-19)

2:30 P.M. SESSION

CALL TO ORDER – Mayor Boyles at 2:32PM

PLEDGE OF ALLEGIANCE

ROLL CALL

Mayor Boyles Present
Mayor Pro Tem Pirsztuk Present at 2:36 PM
Council Member Brann Present
Council Member Pimentel Present
Council Member Nicol Present

PUBLIC COMMUNICATIONS – (Related to City Business Only) – 5 minute limit per person, 30 minute limit total) None

SPECIAL ORDERS OF BUSINESS:

1. Consideration and possible action regarding a budget study workshop resulting in City Council receiving and filing of staff’s discussion, analysis, and recommendations in preparation for the Fiscal Year (FY) 2018-2019 budget. Staff will present on the following matters:

   A. Public Comments - None

   B. Recap of the July 17th Budget Study Session – Greg Carpenter, City Manager, gave an overview of today’s meeting proceedings. Joe Lillio, Finance Director,

      i. Review of revised Strategic Plan Document which summarizes the Council’s priority items for Fiscal Year 2018-19. Provide direction to staff regarding finalizing the Plan (Exhibit A) - Joe Lillio, Finance Director.

         Council discussion and questions answered.

      ii. Review of the Commission’s, Committee’s, and Board’s survey (Exhibit B) – Joe Lillio, Finance Director presented on the item.

         Council discussion and questions answered.

   C. Overview of Preliminary FY 2018-19 Budget
i. Continue Department Overviews (proposed changes, work plan highlights, requested budget increases, & discussion regarding department personnel vacancies)

1. Charles Mallory, IT Director – gave presentation. Council consensus not approving the FTE at this time, but ok with consultants to manage the many upcoming projects.
3. Chris Donovan, Fire Chief – gave presentation. Fire Prevention Laserfiche, Council consensus not approving, asked to place the item under the IT Department Umbrella, check if pricing changes with the combination of services.

Recessed at 3:48 PM

Reconvened at 3:50 PM

5. Sam Lee, Planning and Building Safety Director – gave presentation. Council discussion, no Council decision at this time.
6. Bill Whalen, Chief of Police – Council consensus to use funds from Asset Forfeiture for the Purchase of the Swat Van. Other items not decided at this time.
7. Meredith Petit, Recreation & Parks Director – gave presentation. Council discussion, no Council decision at this time.
8. Ken Berkman, Director of Public Works – Changed Exhibit C, gave a new handout to Council and the Public. No Council decision at this time on Public Work’s items.

Council began the process of allocating the items asked for by each department. However, due to time and further questions and answers needed, Council decided to postpone this portion of the meeting until September 4, 2018 Regular City Council meeting.

Council Member Brann would like to add funding for Litigation with LAWA and additional funds for the Aquatics center.

Council to discuss options on the Action Plan at the September 4, 2018 Council meeting.

ii. Review of proposed Capital Improvement Budget (Exhibit C) – Ken Berkman, Public Works Direction gave a presentation. Council discussion, no decisions by Council made at this time.

D. Council to discuss and provide direction on potential uses of General Fund Unallocated Fund Balance for FY 2018-19 (Exhibit D) – Council discussion and
questions answered. This will be brought back to the September 4, 2018 City Council meeting.

E. City Council additional priorities and direction

F. Wrap Up and Next Steps

2. Council may raise other issues relating to staff’s preparation of the FY 2018-2019 Budget Study Session.

PUBLIC COMMUNICATIONS – (Related to City Business Only) – 5 minute limit per person, 30 minute limit total) None

ADJOURNMENT at 5:37PM

______________________________
Tracy Weaver, City Clerk
Lili Sandoval, Deputy City Clerk I
MEETING OF THE EL SEGUNDO CITY COUNCIL  
TUESDAY, AUGUST 21, 2018 – 5:00 PM

5:00 P.M. SESSION

CALL TO ORDER – Mayor Pro Tem Pirsztuk at 6:01 PM (Opened at 6:00 PM due to a lack of quorum at 5:00 PM).

ROLL CALL

 Mayor Boyles Absent
 Mayor Pro Tem Pirsztuk Present
 Council Member Brann Present
 Council Member Pimentel Present
 Council Member Nicol Present

PUBLIC COMMUNICATION – (Related to City Business Only – 5 minute limit per person, 30 minute limit total) None

SPECIAL ORDER OF BUSINESS:

Mayor Pro Tem Pirsztuk announced that Council would be meeting in closed session pursuant to the items listed on the Agenda.

CLOSED SESSION:

The City Council may move into a closed session pursuant to applicable law, including the Brown Act (Government Code Section §54960, et seq.) for the purposes of conferring with the City’s Real Property Negotiator; and/or conferring with the City Attorney on potential and/or existing litigation; and/or discussing matters covered under Government Code Section §54957 (Personnel); and/or conferring with the City’s Labor Negotiators; as follows:

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (Gov’t Code §54956.9(d)(1): -4- matters

1. Achambault v. City of El Segundo, WCAB Case Nos. 79049(39, 53 and 56)
2. James v. City of El Segundo, WCAB Case No. ADJ 10523289
3. Turnbull v. City of El Segundo WCAB and Cal PERS Matter
4. Houston v. City of El Segundo, Los Angeles County Civil Service Commission

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to Government Code §54956.9(d)(2): -1- matters.

Initiation of litigation pursuant to Government Code §54956.9 (d)(4): -1- matters
DISCUSSION OF PERSONNEL MATTERS (Gov't Code §54957): -1- matters

1. Public Employee Performance Evaluation
   Title: City Manager

APPOINTMENT OF PUBLIC EMPLOYEE (Gov't. Code § 54957): -0- matter

PUBLIC EMPLOYMENT (Gov't Code § 54957): -0- matter

CONFERENCE WITH REAL PROPERTY NEGOTIATOR (Gov't Code §54956.8): -0- matters

CONFERENCE WITH CITY'S LABOR NEGOTIATOR (Gov't Code §54957.6): -8- matters

1. Employee Organizations: Police Management Association; Police Officers Association; Police Support Services Employees Association; Fire Fighters Association; Supervisory, Professional Employees Association; City Employee Association; and Executive and Management/Confidential Employees (unrepresented groups).

Agency Designated Representative: Irma Moisa Rodriguez, City Manager, Greg Carpenter and Human Resources Director.

Adjourned at 6:55 PM
REGULAR MEETING OF THE EL SEGUNDO CITY COUNCIL  
TUESDAY, AUGUST 21, 2018 - 7:00 P.M.

7:00 P.M. SESSION

CALL TO ORDER – Mayor Pro Tem Pirsztuk at 7:00 PM

INVOCATION – Pastor Chuck Brady, St. John’s Lutheran Church

PLEDGE OF ALLEGIANCE – Council Member Pimentel

PRESENTATIONS

a) Presentation by Chief Donovan introducing Firefighter Matthew Goodenough.

b) Proclamation read by Nicol, recognizing Jose Zambrano’s for his incredible efforts, dedication, endurance, physical and mental toughness and his compassion towards the 19 Granite Hotshots killed in the line of duty. Jose ran from Los Angeles to Yarnell, Arizona to honor the Hotshots.

c) Presentation by Chief Whalen will introduce the El Segundo Police Department Cadets; Michael Drohan, Nicole Reppucci, Anthony Gomez, Tanner Griffin, Ahmed Faraz, Tommy Tran, Jonathan Pena, Joseline Heredia and Brandon Mendoza.

ROLL CALL

Mayor Boyles            Absent
Mayor Pro Tem Pirsztuk  Present
Council Member Brann    Present
Council Member Pimentel Present
Council Member Nicol    Present

PUBLIC COMMUNICATIONS – (Related to City Business Only – 5 minute limit per person, 30 minute limit total)
Ron Swanson, resident, commented on the quality of our Fire and Police Departments and mentioned he watched Jose Zambrano’s run via the internet. Mr. Swanson also invited the City employees and Council to a luncheon on September 11, 2018 to honor our employees and to honor the lives lost on 9/11.
Paul Lanyi, resident, commented on item #5, the Social Host Ordinance and asked Council to vote ‘yes’ on the Ordinance.
Chris Cagle, representative with the SBWIB (South Bay Workforce Investment Board), gave a quarterly report.
Joy AkoI, resident and Heal the Bay volunteer, mentioned El Segundo Beach had a #1 rating this year! Ms. AkoI also invited the community to the National Coastal Clean-Up event to be held on Saturday, September 15, 2018.
Cheryl Smith, resident and ES Council PTA President, commented on item #5, the Social Host Ordinance and encouraged the Council to vote ‘yes’ on the Ordinance.
CITY COUNCIL COMMENTS – (Related to Public Communications)

A. PROCEDURAL MOTIONS

Consideration of a motion to read all ordinances and resolutions on the Agenda by title only.

MOTION by Council Member Brann, SECONDED by Council Member Nicol to read all ordinances and resolutions on the agenda by title only. MOTION PASSED BY UNANIMOUS VOICE VOTE. 4/0

B. SPECIAL ORDERS OF BUSINESS (PUBLIC HEARING)

ITEMS #1 AND #2 OPENED SIMULTANEOUSLY

Council Member Nicol recused himself from the dais due to possible conflict of interest.

1. Consideration and possible action regarding Environmental Assessment No. EA-1011, General Plan Amendment No. GPA 13-01, Zone Change No. ZC 13-01, and Zone Text Amendment No. ZTA 13-01 for the Smoky Hollow Specific Plan update project. (Applicant: City of El Segundo) Address: Smoky Hollow (Fiscal Impact: None with this action)

2. Consideration and possible action regarding City Council approval of Environmental Assessment No. EA-1198 and Zone Text Amendment No. ZTA 17-06 to establish a parking in-lieu fee program in the Smoky Hollow area and adopt a parking in-lieu fee. (Applicant: City of El Segundo) Address: Citywide (Fiscal Impact: None with this action)

Mayor Pro Tem Pirsztuk stated this was the time and place to conduct a public hearing regarding Environmental Assessment No. EA-1011, General Plan Amendment No. GPA 13-01, Zone Change No. ZC 13-01, and Zone Text Amendment No. ZTA 13-01 for the Smoky Hollow Specific Plan update project and regarding City Council approval of Environmental Assessment No. EA-1198 and Zone Text Amendment No. ZTA 17-06 to establish a parking in-lieu fee program in the Smoky Hollow area and adopt a parking in-lieu fee.

Clerk Weaver stated that proper notice had been given in a timely manner and that no written communication had been received in the City Clerk’s office.

Greg Carpenter, City Manager, introduced both items.

Gregg McClain, Planning Manager, gave a presentation and answered Council questions on both items.
Genevieve Sharrow, Project Manager, with MIG, Inc. gave a presentation regarding the Environmental Impact Report (EIR).

Recessed at 8:33 PM

Reconvened at 8:38 PM

Public comment:
Ron Swanson, resident and property owner in Smoky Hollow, commented on the removal of the R3 Overlay and how it will effect his property.
Geri Bauer, Smoky Hollow property owner, asked for clarification on the Parking In-Lieu program.
Colonel Yori, resident on Grand Ave., commented on the residents that live on Grand Ave. should be able to park on the street during the week without parking restrictions. Kim Christensen, representing Sandstone Properties, stated they are in favor of the Smoky Hollow plan, as well as the Community Benefit Program.

Mayor Pro Tem Pirsztuk asked Ryan Baldino, Planning Commission Chairman to speak on behalf of the proposed Smoky Hollow Specific Plan.

Mayor Pro Tem Pirsztuk closed the public hearing.

Council Discussion

Council Member Pimentel asked Brian Marchetti, AICP, VP/Senior Planner with KOA to speak regarding speed concerns on El Segundo Blvd. and how the parking plan would influence this and speak to the topic of North/South parking and the extra spaces it would create.

Council consensus directed staff to reevaluate the 50’ height component, the possibility of parking on El Segundo Blvd. and to reinstate the R3 Overlay for buildings/properties on the North side of Grand Ave. Due to this direction; Council will continue the public hearing to the September 18, 2018 Council meeting.

MOTION by Council Member Brann, SECONDED by Council Member Pimentel to continue the public hearing regarding items #B1 and #B2 to the September 18, 2018 regular City Council Meeting. MOTION PASSED BY UNANIMOUS VOICE VOTE. 3/0

Council Member Nicol returned to the dais.

ITEM #C5 MOVED BETWEEN THESE TWO ITEMS FOR SAKE OF TIME

3. Consideration and possible action to amend various sections of the El Segundo Municipal Code (ESMC) Title 15 (Zoning Code) to: (1) update and introduce new definitions related to measuring building height, (2) establish new zoning code standards for measuring the maximum height of buildings, and (3) allow the Director to approve an adjustment to the maximum building height by up to 5 feet, pursuant to ESMC Chapter 15-24. Adopting this Ordinance is categorically
exempt from further CEQA review under CEQA Guidelines § 15303 as a Class 3 (new construction or conversion of small structures), § 15304 as a Class 4 (minor alteration to land), and does not constitute a “project” that requires environmental review in accordance with CEQA Guidelines § 15061(b)(3), because the proposed zone text amendment establishes new definitions and provisions for measuring building height. The proposed Ordinance constitutes an action that does not have the potential to cause significant effects on the environment and is therefore exempt from the provisions of CEQA. (Applicant: City of El Segundo). (Fiscal Impact: None)

Mayor Pro Tem Pirsztuk stated this was the time and place to conduct a public hearing regarding amending various sections of the El Segundo Municipal Code (ESMC) Title 15 (Zoning Code) to: (1) update and introduce new definitions related to measuring building height, (2) establish new zoning code standards for measuring the maximum height of buildings, and (3) allow the Director to approve an adjustment to the maximum building height by up to 5 feet, pursuant to ESMC Chapter 15-24. Adopting this Ordinance is categorically exempt from further CEQA review under CEQA Guidelines § 15303 as a Class 3 (new construction or conversion of small structures), § 15304 as a Class 4 (minor alteration to land), and does not constitute a “project” that requires environmental review in accordance with CEQA Guidelines § 15061(b)(3), because the proposed zone text amendment establishes new definitions and provisions for measuring building height. The proposed Ordinance constitutes an action that does not have the potential to cause significant effects on the environment and is therefore exempt from the provisions of CEQA. (Applicant: City of El Segundo).

Clerk Weaver stated that proper notice had been given in a timely manner and that no written communication had been received in the City Clerk’s office.

Greg Carpenter, City Manager, introduced the item.

Gregg McClain, Planning Manager, gave a presentation and answered Council questions on the item.

Public comment:
Mark T (unable to determine last name), spoke on behalf of his client and the need to change the height definition, in order to underwrite the 400 car parking garage his client plans to build.
Kim Christensen, representing Sandstone Properties, in favor of the plan zone changes to the Smoky Hollow Specific Plan.

Mayor Pro Tem Pirsztuk closed the public hearing.

Council Discussion

Mark Hensley, City Attorney, read by title only:

ORDINANCE NO. 1571
AN ORDINANCE AMENDING VARIOUS SECTIONS OF THE EL SEGUNDO MUNICIPAL CODE (ESMC) IN TITLE 15 TO REDEFINE HOW BUILDING HEIGHT IS MEASURED, AND TO ALLOW THE DIRECTOR TO APPROVE ADJUSTMENTS TO THE ALLOWABLE BUILDING HEIGHT.

Council Member Brann introduced Ordinance No. 1571. The second reading and adoption of the Ordinance is scheduled for September 4, 2018 at the regular meeting of the City Council.

4. Consideration and possible action regarding Environmental Assessment No. EA-1228, Zone Text Amendment No. ZTA 18-03 to add Chapter 30 to Title 15 (Zoning Regulations) of the Municipal Code to require a discretionary Site Plan Review Permit for specified types of development. (Fiscal Impact: None)

Mayor Pro Tem Pirrztk stated this was the time and place to conduct a public hearing regarding Environmental Assessment No. EA-1228, Zone Text Amendment No. ZTA 18-03 to add Chapter 30 to Title 15 (Zoning Regulations) of the Municipal Code to require a discretionary Site Plan Review Permit for specified types of development.

Clerk Weaver stated that proper notice had been given in a timely manner and that written communication had been received in the City Clerk’s office.

Greg Carpenter, City Manager, introduced the item.

Gregg McClain, Planning Manager, gave a presentation and answered Council questions on the item.

Public comment: None

Mayor Pro Tem Pirrztk closed the public hearing.

Council Discussion

Mark Hensley, City Attorney, read by title only:

ORDINANCE NO. 1572

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF EL SEGUNDO APPROVING ZONE TEXT AMENDMENT NO. ZTA 18-03 ADDING CHAPTER 30 TO TITLE 15 (ZONING REGULATIONS) OF THE MUNICIPAL CODE TO REQUIRE A DISCRETIONARY SITE PLAN REVIEW PERMIT FOR SPECIFIED TYPES OF DEVELOPMENT.

Council Member Nicol introduced Ordinance No. 1572. The second reading and adoption of the Ordinance is scheduled for September 4, 2018 at the regular meeting of the City Council.

C. UNFINISHED BUSINESS
MOVED IN BETWEEN ITEMS #B2 AND #B3 AT THE REQUEST OF MAYOR PRO TEM PIRSZTUK.

5. Consideration and possible action to introduce Ordinance No. 1567 to prohibit gatherings where underage drinking or illegal drug use occurs. (Fiscal Impact: None)

Greg Carpenter, City Manager, introduced the item.

Bill Whalen, Police Chief, reported on the item.

Council Discussion

Mark Hensley, City Attorney, read by title only:

ORDINANCE NO. 1567

AN ORDINANCE ADDING CHAPTER 13 TO TITLE 7 OF THE EL SEGUNDO MUNICIPAL CODE PROHIBITING THE HOSTING, PERMITTING OR ALLOWING OF GATHERINGS AT WHICH PERSONS UNDER 21 YEARS OF AGE ARE CONSUMING ALCOHOLIC BEVERAGES OR USING MARIJUANA ILLEGALLY.

Council Member Nicol introduced Ordinance No. 1567. The second reading and adoption of the Ordinance is scheduled for September 4, 2018 at the regular meeting of the City Council.

SPECIAL NOTE REGARDING ORDINANCE HISTORY TO CITY COUNCIL
1567 06/05/18 (FIRST READING)
06/13/18 (SECOND READING CONTINUED TO 07/17/18)
07/17/18(SECOND READING CONTINUED TO 08/21/18)
08/21/18 (2ND FIRST READING (SIGNIFICANT CHANGES TO ORDINANCE TO CAUSE 2ND FIRST READING))

No vote on the proposed Resolution at this time. Resolution will be brought back for adoption at the second reading scheduled for September 4, 2018.

D. REPORTS OF COMMITTEES, COMMISSIONS AND BOARDS

6. Consideration and possible action to announce the appointment to the Arts and Culture Advisory Committee. (Fiscal Impact: None)

Mayor Pro Tem Pirztkuk announced Tyler Leisher to a partial term expiring June 30, 2019 to the Arts and Culture Advisory Committee.

E. CONSENT AGENDA
All items listed are to be adopted by one motion without discussion and passed unanimously. If a call for discussion of an item is made, the item(s) will be considered individually under the next heading of business.

7. Approve Warrant Numbers 3022268 through 3022451 and 9000494 through 9000532 on Register No. 21 in the total amount of $826,135.56 and Wire Transfers from 7/30/18 through 8/12/18 in the total amount of $3,585,445.01. Ratified Payroll and Employee Benefit checks; checks released early due to contracts or agreement; emergency disbursements and/or adjustments; and wire transfers.

8. Approve Regular City Council Meeting Minutes of July 17, 2018, Special City Council Joint with the Economic Development Advisory Committee (EDAC) Minutes of July 18, 2018 and Regular City Council Minutes of August 7, 2018.

9. Accept as complete the Recreation Park Picnic Shelter and authorize the City Clerk to file a Notice of Completion in the County Recorder’s Office. Project No. PW 16-15.
   (Fiscal Impact: $90,448.00)

10. PULLED BY COUNCIL MEMBER NICOL

11. Approve a budget appropriation of $8,500 and transfer from the General Plan Maintenance Fund (GPMF) to provide additional environmental services related to the Smoky Hollow Specific Plan Update Project and authorize the City Manager to execute an amendment no. 4664C to the existing agreement with MIG, Inc. (Fiscal Impact: $8,500.00)

MOTION by Council Member Brann, SECONDED by Council Member Nicol approving Consent Agenda items 7, 8, 9, and 11. MOTION PASSED BY UNANIMOUS VOICE VOTE. 4/0

PULLED ITEMS:

10. Consideration and possible action to authorize the City Manager to a) increase the Planning and Building Safety Department budgets for professional/technical services by $120,000, and b) increase the contract amounts of the following consultants: J Lee Engineering, Inc. (Building Safety) amendment no. 3790P for $70,000 and Michael Baker International (Planning) amendment no. 4959E for $50,000, which are necessitated by an unexpected high volume of plan checks and building permits. The additional funding is proposed to come from revenue generated by plan check and permit fees, which are projected to be approximately $600,000 over the budgeted estimate by the end of the fiscal year. (Fiscal Impact: $120,000.00)

Council asked staff questions concerning the item. Greg Carpenter, City Manager and Sam Lee, Planning and Building Safety answered the questions of Council.
Council discussion

MOTION by Council Member Nicol, SECONDED by Council Member Pimentel, approving the $120,000.00 increase in professional/technical services for J. Lee Engineering, Inc. and Michael Baker International for the Planning and Building Safety department. MOTION PASSED BY VOICE VOTE. 3/1 Yes: Pimentel Pirsztuk  No: Brann

F. NEW BUSINESS
F. REPORTS – CITY MANAGER - Passed

G. REPORTS – CITY ATTORNEY – Next meeting will bring forward information on solid waste legislation and regulations and will also give an update on bills that will be coming out of Sacramento in the coming months.

H. REPORTS – CITY CLERK – Passed

I. REPORTS – CITY TREASURER – Not Present

J. REPORTS – CITY COUNCIL MEMBERS

Council Member Pimentel – Thanked staff for the their hard work on recent Agenda items and the future items coming up in the next few meetings and thanked all that contribute to all the “cool” City events.

Council Member Nicol – Thanked all who were involved the Main Street Car Show over the weekend and mentioned the School Bond Measure ES will be on the ballot in November.

Council Member Brann – Passed

Mayor Pro Tem Pirsztuk – Congratulated the Art Walk on a successful summer event, thanked the POA and others for a great Main Street Car Show and mentioned surfing is now the official sport of California.

Mayor Boyles – Absent

PUBLIC COMMUNICATIONS – (Related to City Business Only – 5 minute limit per person, 30 minute limit total)
Colonel Yori, resident, commented on the Art Walk, loved it and would like to make it an event until December, possibly one a month from September to December.

MEMORIALS – None

ADJOURNMENT at 10:20 PM

Tracy Weaver, City Clerk
EL SEGUNDO CITY COUNCIL
AGENDA ITEM STATEMENT

AGENDA DESCRIPTION:
Consideration and possible action to authorize the City Manager to execute 3-year amendments to License Agreements with El Segundo Youth Sports Organizations (Fiscal Impact: $25,000 Revenue)

RECOMMENDED COUNCIL ACTION:
(1) Authorize the City Manager to extend the License Agreements in a form approved by the City Attorney with each El Segundo Youth Sports Organization identified in the Youth Sports Council Athletic Field/Facility Use and Allocation Policy; and,
(2) Alternatively, discuss and take other action related to this item.

ATTACHED SUPPORTING DOCUMENTS:
(1) Youth Sports Organizations - Annual Payment History
(2) Youth Sports Organizations - Residency Rates

FISCAL IMPACT:
- Amount Budgeted: $25,000 Revenue
- Additional Appropriation: None
- Account Number(s): 001-300-0000-3879

ORIGINATED BY: Arecia Hester, Recreation Superintendent
REVIEWED BY: Meredith Petit, Director of Recreation and Parks
APPROVED BY: Greg Carpenter, City Manager

BACKGROUND & DISCUSSION:
The Youth Sports Council was established in 2008 as an advisory body established and appointed by the Recreation and Parks Department Commission. The committee is comprised of representatives of various youth sports organizations and works cooperatively with each other and Recreation and Parks staff on field allocation/scheduling, identifying and resolving any field allocation issues, and discussing maintenance requests and other policies related to youth sports use of City fields. All decisions made by the Youth Sports Council are considered recommendations for the Recreation and Parks Commission.

The Recreation and Parks Fee Analysis Task Force was created on September 18, 2012, and was tasked with analyzing and recommending fees associated with programs and services offered through the Recreation and Parks Department, with cost-recovery and sustainability as a primary focus. The Task Force recommended that the eight El Segundo Youth Sports Organizations identified in the Field Allocation Policy pay an annual fee for use of the fields, based on $10 per resident player and $30 per non-resident player within each youth sports organization, based on their primary season roster. City Council approved the fee on May 20, 2014, and the fee was implemented in Fiscal Year 2014/2015.

Initial License Agreements with each youth sports organization were for the term of 3-years, expiring in 2017/2018. City staff recommends City Council approve amending the license agreements for additional three-year terms each which will allow the Youth Sports Council Members to continue using the fields and facilities at the current rate of $10 for El Segundo resident player and $30 per non-resident player.
### Annual Payments by Group

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>AYSO</td>
<td>$15,010</td>
<td>$14,480</td>
<td>$14,770</td>
<td>$14,000</td>
<td>$12,510</td>
</tr>
<tr>
<td>Babe Ruth</td>
<td>$1,090</td>
<td>$1,270</td>
<td>$1,090</td>
<td>$1,340</td>
<td>$1,090</td>
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<tr>
<td>Girls Softball</td>
<td>N/A</td>
<td>$2,650</td>
<td>$2,680</td>
<td>$2,720</td>
<td>$2,970</td>
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<tr>
<td>Lacrosse</td>
<td>N/A</td>
<td>$1,290</td>
<td>$840</td>
<td>$610</td>
<td>$650</td>
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<tr>
<td>Little League</td>
<td>N/A</td>
<td>$2,530</td>
<td>$2,760</td>
<td>$2,060</td>
<td>$2,440</td>
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<tr>
<td>Hockey</td>
<td>N/A</td>
<td>$1,370</td>
<td>$1,230</td>
<td>$1,570</td>
<td>$1,660</td>
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<tr>
<td>Flag Football</td>
<td>N/A</td>
<td>$1,490</td>
<td>$2,250</td>
<td>$1,270</td>
<td>$1,300</td>
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<tr>
<td>USYVL</td>
<td>N/A</td>
<td>$1,100</td>
<td>$1,120</td>
<td>$660</td>
<td>$1,120</td>
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<tr>
<td><strong>Fiscal Year Total</strong></td>
<td><strong>$16,100</strong></td>
<td><strong>$26,180</strong></td>
<td><strong>$26,740</strong></td>
<td><strong>$24,230</strong></td>
<td><strong>$23,740</strong></td>
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</table>
### Residency Rates by Group

<table>
<thead>
<tr>
<th></th>
<th>Resident</th>
<th>Non-Res</th>
<th>Resident %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>AYSO</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY13/14</td>
<td>778</td>
<td>241</td>
<td>76%</td>
</tr>
<tr>
<td>FY14/15</td>
<td>743</td>
<td>235</td>
<td>76%</td>
</tr>
<tr>
<td>FY15/16</td>
<td>739</td>
<td>246</td>
<td>75%</td>
</tr>
<tr>
<td>FY16/17</td>
<td>701</td>
<td>233</td>
<td>75%</td>
</tr>
<tr>
<td>FY17/18</td>
<td>744</td>
<td>169</td>
<td>81%</td>
</tr>
<tr>
<td><strong>BABE RUTH</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY13/14</td>
<td>64</td>
<td>15</td>
<td>81%</td>
</tr>
<tr>
<td>FY14/15</td>
<td>61</td>
<td>22</td>
<td>73%</td>
</tr>
<tr>
<td>FY15/16</td>
<td>61</td>
<td>16</td>
<td>79%</td>
</tr>
<tr>
<td>FY16/17</td>
<td>56</td>
<td>26</td>
<td>68%</td>
</tr>
<tr>
<td>FY17/18</td>
<td>64</td>
<td>15</td>
<td>81%</td>
</tr>
<tr>
<td><strong>ESGS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY14/15</td>
<td>139</td>
<td>42</td>
<td>77%</td>
</tr>
<tr>
<td>FY15/16</td>
<td>145</td>
<td>41</td>
<td>78%</td>
</tr>
<tr>
<td>FY16/17</td>
<td>146</td>
<td>42</td>
<td>78%</td>
</tr>
<tr>
<td>FY17/18</td>
<td>129</td>
<td>56</td>
<td>70%</td>
</tr>
<tr>
<td><strong>LACROSSE</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY14/15</td>
<td>78</td>
<td>17</td>
<td>82%</td>
</tr>
<tr>
<td>FY15/16</td>
<td>60</td>
<td>8</td>
<td>88%</td>
</tr>
<tr>
<td>FY16/17</td>
<td>46</td>
<td>5</td>
<td>90%</td>
</tr>
<tr>
<td>FY17/18</td>
<td>52</td>
<td>4</td>
<td>93%</td>
</tr>
<tr>
<td><strong>ESLL</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY14/15</td>
<td>187</td>
<td>22</td>
<td>89%</td>
</tr>
<tr>
<td>FY15/16</td>
<td>201</td>
<td>25</td>
<td>89%</td>
</tr>
<tr>
<td>FY16/17</td>
<td>149</td>
<td>19</td>
<td>89%</td>
</tr>
<tr>
<td>FY17/18</td>
<td>187</td>
<td>19</td>
<td>91%</td>
</tr>
<tr>
<td><strong>ESIHA</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY14/15</td>
<td>44</td>
<td>31</td>
<td>59%</td>
</tr>
<tr>
<td>FY15/16</td>
<td>63</td>
<td>20</td>
<td>76%</td>
</tr>
<tr>
<td>FY16/17</td>
<td>49</td>
<td>36</td>
<td>58%</td>
</tr>
<tr>
<td>FY17/18</td>
<td>55</td>
<td>37</td>
<td>60%</td>
</tr>
<tr>
<td><strong>FLAG FOOTBALL</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY14/15</td>
<td>86</td>
<td>21</td>
<td>80%</td>
</tr>
<tr>
<td>FY15/16</td>
<td>99</td>
<td>42</td>
<td>70%</td>
</tr>
<tr>
<td>FY16/17</td>
<td>52</td>
<td>25</td>
<td>68%</td>
</tr>
<tr>
<td>FY17/18</td>
<td>52</td>
<td>26</td>
<td>67%</td>
</tr>
<tr>
<td><strong>USYVL</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY14/15</td>
<td>59</td>
<td>17</td>
<td>78%</td>
</tr>
<tr>
<td>FY15/16</td>
<td>58</td>
<td>18</td>
<td>76%</td>
</tr>
<tr>
<td>FY16/17</td>
<td>36</td>
<td>30</td>
<td>55%</td>
</tr>
<tr>
<td>FY17/18</td>
<td>58</td>
<td>18</td>
<td>76%</td>
</tr>
</tbody>
</table>
AGENDA DESCRIPTION:
Consideration and possible action to award a standard Public Works Contract to Corral Construction & Development Inc. for the Library Wi-Fi and Reading Lounge Renovation Project, Project No. PW18-04. (Fiscal Impact: $127,551.36)

RECOMMENDED COUNCIL ACTION:
1. Authorize the City Manager to execute a standard Public Works Contract, in a form approved by the City Attorney, with Corral Construction & Development Inc. in the amount of $38,805.31 and approve an additional $7,000 for construction-related contingencies.
2. Alternatively, discuss and take other possible actions related to this item.

ATTACHED SUPPORTING DOCUMENTS:
None.

FISCAL IMPACT: Included in Adopted Budget

<table>
<thead>
<tr>
<th>Amount Budgeted:</th>
<th>$153,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additional Appropriation:</td>
<td>No</td>
</tr>
<tr>
<td>Account Number(s):</td>
<td>$90,000 from 301-400-8201-8417 (Library Wi-Fi Zone)</td>
</tr>
<tr>
<td></td>
<td>$17,000 from 601-400-6101-8104 (Library Equipment Replacement)</td>
</tr>
<tr>
<td></td>
<td>$46,000 transferring from 001-400-6101-4101 (Library Salary Fulltime) to 301-400-8201-8417 (Library Wi-Fi Zone)</td>
</tr>
</tbody>
</table>

STRATEGIC PLAN:

| Goal: | 4 | Develop Quality Infrastructure and Technology |
| Objective: | (a) | El Segundo’s physical infrastructure supports an appealing, safe, and effective City |
| Goal: | 1 | Enhance Customer Service and Engagement |
| Objective: | 2 | City services are convenient, efficient and user-friendly for all residents, businesses, and visitors |

ORIGINATED BY: Arianne Bola, Senior Associate Engineer
REVIEWED BY: Ken Berkman, Public Works Director
Melissa McCollum, Library Director
APPROVED BY: Greg Carpenter, City Manager
BACKGROUND AND DISCUSSION:

The three greatest assets of any library are the staff, the collection and the physical space. As libraries advance forward, library systems evolve to embrace its ability to keep up with the technology in terms of how efficiently information from the internet and other digital resources can be accessed. Modern libraries are clearing away old, unneeded bookshelves to make room for practical spaces that support and enhance navigation and exchange of these new forms of information. To that end, staff developed this remodel project in the City Library that will repurpose the now-underutilized reference shelf area into a reading and Wi-Fi lounge area.

On July 17, 2018, City Council waived the bidding process and authorized the City Manager to issue a purchase order to J.K. Miklin Inc. dba Yamada Enterprises; piggybacking on an existing County of San Bernardino FAS Standard Contract No. 16-153 to purchase furniture in the amount not to exceed $66,246.05. Staff has initiated the process and will coordinate the delivery of the furniture once the reading and Wi-Fi lounge area remodeling at the City Library is completed. That evening Council also adopted plans and specifications for the Library Wi-Fi and Reading Lounge Renovation Project (Project No. PW 18-04) and authorized staff to advertise for construction bids.

On August 7, 2018, the City Clerk received and opened two (2) bids as follows:

1. Corral Construction & Development Inc.  $38,805.31
2. Nahed Abed Cinbad Industry, Inc.  $42,222.00

The lowest responsive and responsible bidder is Corral Construction & Development Inc., whose bid is below engineering cost estimate of $50,000. Staff checked the Contractor’s license status and references, and found them to have satisfactorily completed similar projects for other public agencies, and was satisfied with work they have done in the past for the City.

Staff respectfully recommends that City Council authorize the City Manager to execute a standard Public Works Contract, in a form approved by the City Attorney, with Corral Construction & Development Inc. in the amount of $38,805.31 and approve an additional $7,000 for construction-related contingencies.

Project Cost Estimate:

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Design Plans and Specifications</td>
<td>$14,550.00</td>
</tr>
<tr>
<td>Advertise for bids</td>
<td>$ 950.00</td>
</tr>
<tr>
<td>Furniture</td>
<td>$66,246.05</td>
</tr>
<tr>
<td>Demo and Construction</td>
<td>$45,805.31</td>
</tr>
<tr>
<td>Total Estimated Project Cost</td>
<td>$127,551.36</td>
</tr>
</tbody>
</table>

Construction is anticipated to commence in October and be completed in January 2019. Any remaining funds will be returned to the Library Equipment Replacement Fund.
AGENDA DESCRIPTION:
Consideration and possible action regarding Fiscal Year (FY) 2017-18 Third Quarter Financial Review of the General Fund (GF) and Enterprise Funds. (Fiscal Impact: none)

RECOMMENDED COUNCIL ACTION:
(1) Receive and File FY 2017-18 Third Quarter Financial Review.
(2) Alternatively discuss and take other action related to this item.

ATTACHED SUPPORTING DOCUMENTS: None

FISCAL IMPACT: None

<table>
<thead>
<tr>
<th>Amount Budgeted:</th>
<th>$0</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additional Appropriation:</td>
<td>N/A</td>
</tr>
<tr>
<td>Account Number(s):</td>
<td>None</td>
</tr>
</tbody>
</table>

STRATEGIC PLAN:
Goal: 5(b) Champion Economic Development and Fiscal Sustainability:
El Segundo approaches its work in a financially disciplined and responsible way

Objective: 1
The City will maintain a structurally balanced budget

Objective: 2
The City will maintain a stable, efficient, and transparent financial environment

ORIGINATED BY: Jude Lee, Accountant
REVIEWED BY: Joseph Lillio, Director of Finance
APPROVED BY: Greg Carpenter, City Manager

BACKGROUND AND DISCUSSION:

Third Quarter Financial Review Fiscal Year 2017-18
Staff has reviewed all revenues and expenditures for the third quarter of FY 2017-18, with an emphasis on the General Fund, to determine if all sources and uses are on target with the originally adopted budget. As we review the third quarter results, the City continues to experience steady economic growth, as well as financial challenges related to funding infrastructure and rising CalPERS pension costs.

Overall, the economy is showing signs of steady growth statewide. While we are projecting
moderate growth in many City revenues, the concentration of revenues coming from the business and industry sector creates a higher level of volatility in our core tax revenues that is difficult to forecast. These core revenues will be closely observed during the next quarter and staff will be able to better estimate the performance to budget at year-end.

**General Fund Revenues**
The following is a list of major General Fund revenues and the performance of each source through the third quarter:

**Table 1: 3rd Quarter Top 10 General Fund Revenue Sources Prior Year Comparisons**
(Through June 30th of each year)

<table>
<thead>
<tr>
<th>Revenue Source ($ in millions)</th>
<th>Prior Year Audited 3rd Q Actuals FY 2016-17</th>
<th>Current Year Unaudited 3rd Q Actuals FY 2017-18</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business License Revenues</td>
<td>11.2</td>
<td>11.3</td>
<td>0.9%</td>
</tr>
<tr>
<td>Transient Occupancy</td>
<td>7.0</td>
<td>8.7</td>
<td>23.4%</td>
</tr>
<tr>
<td>Current Year Secured</td>
<td>6.6</td>
<td>7.4</td>
<td>11.5%</td>
</tr>
<tr>
<td>Sales &amp; Use Tax</td>
<td>7.5</td>
<td>7.3</td>
<td>-3.0%</td>
</tr>
<tr>
<td>Tax Resolution Agreement (TRA)</td>
<td>6.6</td>
<td>6.3</td>
<td>-3.9%</td>
</tr>
<tr>
<td>Franchise Tax</td>
<td>2.7</td>
<td>3.7</td>
<td>35.5%</td>
</tr>
<tr>
<td>Gas Utility Tax</td>
<td>1.0</td>
<td>2.0</td>
<td>94.8%</td>
</tr>
<tr>
<td>Plan Check Fees</td>
<td>1.6</td>
<td>1.9</td>
<td>19.6%</td>
</tr>
<tr>
<td>Electric Utility Tax</td>
<td>1.4</td>
<td>1.7</td>
<td>19.5%</td>
</tr>
<tr>
<td>VLF Swap</td>
<td>1.4</td>
<td>1.6</td>
<td>12.2%</td>
</tr>
<tr>
<td>Other Revenues</td>
<td>6.2</td>
<td>7.9</td>
<td>26.0%</td>
</tr>
<tr>
<td><strong>Total General Revenues</strong> (Net of Transfers)</td>
<td><strong>53.3</strong></td>
<td><strong>59.7</strong></td>
<td><strong>11.9%</strong></td>
</tr>
</tbody>
</table>

| Transfers In                                    | -                                           | 0.3                                             |
| **Total General Fund Revenues**                 | **53.3**                                    | **60.0**                                        | **12.6%**|

1. The large increase in Transient Occupancy Tax Revenue is largely reflective of new hospitality business growth in the city and driven by the increased occupancy.

2. Franchise tax was mainly driven by SoCal Gas Co's annual surcharge collection payment. The main driver of increase in surcharge collection is due to significant increase in procurement gas price (15%) compared to prior fiscal year.

3. Average core procurement gas price has increased 15% compared to prior fiscal year. On average, it was 26.98 cents per therm. in FY2017 and 31.02 cents per therm. in FY2018.
Graph 1: 3rd Quarter Top 10 General Fund Revenue Sources Prior Year Comparisons (Through June 30th of each year)

Table 2: 3rd Quarter General Fund % of Budget Received Analysis (Through June 30th, 2018):

<table>
<thead>
<tr>
<th>Revenue Source</th>
<th>FY2017-18 Revised Budget</th>
<th>FY2017-18 Revenues Received</th>
<th>% of Budget Received</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business License Revenues</td>
<td>11.5</td>
<td>11.3</td>
<td>98.3%</td>
</tr>
<tr>
<td>Transient Occupancy</td>
<td>13.5</td>
<td>8.7</td>
<td>64.1%</td>
</tr>
<tr>
<td>Current Year Secured</td>
<td>7.0</td>
<td>7.4</td>
<td>105.4%</td>
</tr>
<tr>
<td>Sales &amp; Use Tax</td>
<td>11.8</td>
<td>7.3</td>
<td>61.6%</td>
</tr>
<tr>
<td>Tax Resolution Agreement (TRA)</td>
<td>6.3</td>
<td>6.3</td>
<td>100.0%</td>
</tr>
<tr>
<td>Franchise Tax</td>
<td>2.9</td>
<td>3.7</td>
<td>127.2%</td>
</tr>
<tr>
<td>Gas Utility Tax</td>
<td>1.7</td>
<td>2.0</td>
<td>118.4%</td>
</tr>
<tr>
<td>Plan Check Fees</td>
<td>2.0</td>
<td>1.9</td>
<td>97.4%</td>
</tr>
<tr>
<td>Electric Utility Tax</td>
<td>2.1</td>
<td>1.7</td>
<td>79.3%</td>
</tr>
<tr>
<td>VLF Swap</td>
<td>1.5</td>
<td>1.6</td>
<td>106.5%</td>
</tr>
<tr>
<td>Other Revenues</td>
<td>11.4</td>
<td>7.9</td>
<td>69.1%</td>
</tr>
<tr>
<td><strong>Total General Revenues</strong> (Net of Transfers)</td>
<td><strong>71.7</strong></td>
<td><strong>59.7</strong></td>
<td><strong>83.3%</strong></td>
</tr>
</tbody>
</table>
Franchise tax was mainly driven by SoCal Gas Co’s annual surcharge collection payment. The main driver of increase in surcharge collection is due to significant increase in procurement gas price (15%) compared to prior fiscal year.

Average core procurement gas price has increased 15% compared to prior fiscal year. On average, it was 26.98 cents per therm. in FY2017 and 31.02 cents per therm. in FY2018.

**Business License Tax** is the City’s third largest General Fund revenue source, accounting for 15.9% of its total estimated revenues. The majority of this revenue stream is collected in January and February. The revenue received through June 30 is on target with the budget. The prior actual includes a large late penalty of ~$600,000. This penalty has impacted the current year’s budget as our ordinance will credit part of the penalty paid last year (50%) to the amount due this year for the business license. This amount has been built into the budget.
**Transient Occupancy Tax (TOT)** is the largest General Fund revenue source, accounting for 18.7% of total estimated revenues. This revenue has been rebounding as the economy improves due to increased occupancies and room rates. On April 12, 2016 a proposed change in the City of El Segundo’s T.O.T. rate appeared on the ballot as “Measure B.” Measure B gave registered voters the opportunity to approve or disapprove a rate increase in the T.O.T. from 8% to 12%. The Measure passed with a 71.8% approval from voters. This is the reason for the increased revenue quarter to quarter and prior year actual to current budget. TOT is projected to be in line with budget.

**Property Tax** is 11.5% higher than the same period last year and is anticipated to come in higher than the amount budgeted. The bulk of property tax revenue is received from the County in four large payments that occur in December, January, March and April of each year.

**Sales & Use Tax** is the City’s second largest revenue source, accounting for over 16.4% of the General Fund revenues. Sales and Use Tax receipts for the third quarter of the current fiscal year are 3.0% lower than the same period last fiscal year. The total sales tax revenue for FY 2017-18 is anticipated to be in line with the amount budgeted.

**Franchise Tax** is another one of the City’s major revenue sources that is always impacted by the price of natural gas, its consumption demand, the price of electricity and its demand. The annual payments from Southern California Edison and The Gas Co are received in April of each year. The Gas Co. payment is calculated using the average price of natural gas for the prior calendar year. We are seeing a higher increase in the natural gas price which is driving our Franchise Taxes higher than anticipated. Franchise Tax anticipated to end the fiscal year $800,000 over budget.

**Gas Utility User’s Tax** is also trending upward due to the increased price (avg. ~15.5% +) on natural gas compared to last fiscal year. We are anticipating Gas UUT to come in higher than the amount budgeted. Staff will continue to closely monitor this category and provide an update at year-end review.

**Plan Check Fees.** We are seeing a slightly higher than prior fiscal year trend on Plan Check Fees. At third quarter, it is 19.6% higher than prior fiscal year and 97.4% of budgeted received. Staff will continue to closely monitor this category and provide an update at year-end review.

**Electric Utility Tax** is trending slightly higher than previous fiscal year third quarter with 79.3% of budgeted revenues received. Staff anticipates Electric Utility Tax revenues to track with budgeted revenues for the fiscal year.
Table 3: 3rd Quarter General Fund Expenditures Prior Comparison
(Through June 30th of each year)

<table>
<thead>
<tr>
<th>Departments ($ in millions)</th>
<th>Actuals as of June 30th FY 2016-17</th>
<th>Actuals as of June 30th FY 2017-18</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Police</td>
<td>14.9</td>
<td>15.9</td>
<td>6.4%</td>
</tr>
<tr>
<td>2 Fire</td>
<td>10.2</td>
<td>11.9</td>
<td>16.6%</td>
</tr>
<tr>
<td>3 Non-department</td>
<td>4.5</td>
<td>4.9</td>
<td>7.8%</td>
</tr>
<tr>
<td>Public Works</td>
<td>4.4</td>
<td>4.4</td>
<td>-0.4%</td>
</tr>
<tr>
<td>Recreation &amp; Parks</td>
<td>3.3</td>
<td>3.5</td>
<td>7.3%</td>
</tr>
<tr>
<td>4 Planning &amp; Building Safety</td>
<td>1.8</td>
<td>2.1</td>
<td>18.8%</td>
</tr>
<tr>
<td>Library</td>
<td>1.6</td>
<td>1.6</td>
<td>-2.0%</td>
</tr>
<tr>
<td>Finance</td>
<td>1.4</td>
<td>1.6</td>
<td>11.1%</td>
</tr>
<tr>
<td>City Manager</td>
<td>0.9</td>
<td>1.0</td>
<td>13.4%</td>
</tr>
<tr>
<td>5 Information Systems</td>
<td>0.6</td>
<td>1.0</td>
<td>47.4%</td>
</tr>
<tr>
<td>Human Resources</td>
<td>0.6</td>
<td>0.5</td>
<td>-15.1%</td>
</tr>
<tr>
<td>6 City Attorney</td>
<td>0.3</td>
<td>0.4</td>
<td>35.0%</td>
</tr>
<tr>
<td>City Clerk</td>
<td>0.3</td>
<td>0.3</td>
<td>19.7%</td>
</tr>
<tr>
<td>City Treasurer</td>
<td>0.2</td>
<td>0.2</td>
<td>-13.3%</td>
</tr>
<tr>
<td>City Council</td>
<td>0.2</td>
<td>0.2</td>
<td>-6.5%</td>
</tr>
</tbody>
</table>

Total General Fund Expenditures (Net of Transfer) 45.2 49.1 8.6%

Transfers Out 3.5 2.8 -19.4%

Total General Fund Expenditures 48.7 51.9 6.6%

---

1 Police department expenditures changes show +5.5% salaries, +22% overtime, +18.9% CalPERS (~600K+additional payment towards Unfunded Accrued Liability)

2 Fire department expenditures changes show +151.9% Overtime, +29.5% Leave Replacement, +51.1% CalPERS (~680K+additional payment towards Unfunded Accrued Liability)

3 Non-department expenditures changes show +976.3% PARS expense (~1M+ additional payment towards PARS Section 115 Pension Trust)

4 Planning & Building Safety expenditures changes show +11.2% salaries & benefits

5 Information Systems expenditures changes show +34.7% salaries & benefits, +323.5% computer supplies, +54.2% professional & technical, +131.3% telephone

6 City Attorney expenditures changes show +25.5% in legal counsel, +24.1% labor negotiation
Graph 3: 3rd Quarter General Fund Expenditures Prior Comparison (Through June 30th)

3rd Quarter General Fund Expenditures PY Comparison
($ in millions)

<table>
<thead>
<tr>
<th>Audited FY 2016-17</th>
<th>Unadjusted FY 2017-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.0</td>
<td>4.0</td>
</tr>
<tr>
<td>6.0</td>
<td>8.0</td>
</tr>
<tr>
<td>10.0</td>
<td>12.0</td>
</tr>
<tr>
<td>14.0</td>
<td>16.0</td>
</tr>
<tr>
<td>18.0</td>
<td></td>
</tr>
</tbody>
</table>

- Police
- Fire
- Non-department
- Public Works
- Recreation & Planning & Library
- Finance
- City Manager
- Information
- Human
- City Attorney
- City Clerk
- City Treasurer
- City Council

Table 4: 3rd Quarter General Fund % of Budget Expensed Analysis (Through June 30th)

<table>
<thead>
<tr>
<th>Departments ($ in millions)</th>
<th>FY 2017-18 Revised Budget</th>
<th>FY 2017-18 Expenditures</th>
<th>% of Budget Expensed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Police</td>
<td>22.1</td>
<td>15.9</td>
<td>72%</td>
</tr>
<tr>
<td>Fire</td>
<td>16.0</td>
<td>11.9</td>
<td>74%</td>
</tr>
<tr>
<td>Non-department</td>
<td>7.4</td>
<td>4.7</td>
<td>63%</td>
</tr>
<tr>
<td>Public Works</td>
<td>7.8</td>
<td>4.4</td>
<td>57%</td>
</tr>
<tr>
<td>Recreation &amp; Parks</td>
<td>5.3</td>
<td>3.5</td>
<td>66%</td>
</tr>
<tr>
<td>Planning &amp; Building Safety</td>
<td>2.7</td>
<td>2.1</td>
<td>77%</td>
</tr>
<tr>
<td>Library</td>
<td>2.3</td>
<td>1.6</td>
<td>69%</td>
</tr>
<tr>
<td>Finance</td>
<td>2.1</td>
<td>1.6</td>
<td>74%</td>
</tr>
<tr>
<td>City Manager</td>
<td>1.7</td>
<td>1.0</td>
<td>57%</td>
</tr>
<tr>
<td>Information Systems</td>
<td>2.0</td>
<td>1.0</td>
<td>47%</td>
</tr>
<tr>
<td>Human Resources</td>
<td>0.9</td>
<td>0.5</td>
<td>51%</td>
</tr>
<tr>
<td>City Attorney</td>
<td>0.6</td>
<td>0.4</td>
<td>77%</td>
</tr>
<tr>
<td>City Clerk</td>
<td>0.5</td>
<td>0.3</td>
<td>62%</td>
</tr>
<tr>
<td>City Treasurer</td>
<td>0.3</td>
<td>0.2</td>
<td>66%</td>
</tr>
<tr>
<td>City Council</td>
<td>0.3</td>
<td>0.2</td>
<td>64%</td>
</tr>
</tbody>
</table>
Graph 4: 3rd Quarter General Fund % of Budget Expensed Analysis
(Through June 30th, 2018)

3rd Quarter General Fund Expenditures PY Comparison
($ in millions)

<table>
<thead>
<tr>
<th>Category</th>
<th>FY 2017-18 Revised Budget</th>
<th>FY 2017-18 Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Police</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fire</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-department</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public Works</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recreation &amp;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>...</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Library</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>City Manager</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Information</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Human</td>
<td></td>
<td></td>
</tr>
<tr>
<td>City Attorney</td>
<td></td>
<td></td>
</tr>
<tr>
<td>City Clerk</td>
<td></td>
<td></td>
</tr>
<tr>
<td>City Treasurer</td>
<td></td>
<td></td>
</tr>
<tr>
<td>City Council</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

General Fund Expenditures

Third quarter Comparison – FY 2017 v. FY 2018

In comparison to prior fiscal year, we are currently seeing a generally increase of 8.6% in total expenditures at the department level. This is primarily due to increases in PERS pension costs compared to the prior year. Currently, we are seeing total percentage of budget expensed from first quarter (Q1) thru third quarter (Q3) at a slightly lower than projected budgeted rate at 68% versus 75%. Overall, the City is tracking under the adopted budget for total expenditures primarily due to numerous vacancies that exist throughout the organization; approximately 30 at
June 30. Staff will continue monitoring expenditures and will report any changes to the budget estimates during the year-end review.

Notable annual changes in expenditures include Police department +6.4%, Fire department +16.6%, Non-department +7.8%, Planning & Building Safety +18.8%, Information Systems +47.4%, City Attorney +35.0%. The increases are largely resulted from additional funding towards Pension liabilities (CalPERS normal cost plus Liabilities/UAL), having positions filled in Planning and IS, and an increase in the City Attorneys contract rate as well as an increase in billable hours due to ongoing projects that have required additional City Attorney time to address.

**General Fund Overall Summary**

In summary, General Fund revenues at third quarter review are tracking 12.6% above the same period last fiscal year and staff is currently estimating revenues to trend with the revised mid-year budget. Expenditures are at 69% of budget and are estimated to trend below budget; resulting in estimated year-end expenditures of ~$70M, or $5M below the revised budget.

**Estimated Revenues and Expenditures for Enterprise Funds**

**Table 5: 3rd Quarter Enterprise Fund Revenues Prior Year Comparison (Through June 30th of each year)**

<table>
<thead>
<tr>
<th>Enterprise Funds ($ in millions)</th>
<th>Audited through June 30th FY 2016-17</th>
<th>Unaudited through June 30th FY 2017-18</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water Fund Revenues</td>
<td>21.3</td>
<td>20.5</td>
<td>-3.7%</td>
</tr>
<tr>
<td>Sewer Fund Revenues</td>
<td>3.1</td>
<td>3.3</td>
<td>5.8%</td>
</tr>
<tr>
<td>Golf Fund Revenues</td>
<td>1.1</td>
<td>1.1</td>
<td>0.6%</td>
</tr>
<tr>
<td><strong>Total Enterprise Fund Revenues</strong></td>
<td><strong>25.5</strong></td>
<td><strong>24.9</strong></td>
<td><strong>-2.4%</strong></td>
</tr>
</tbody>
</table>

**Graph 5: 3rd Quarter Enterprise Fund Revenues Prior Year Comparison**
(Through June 30th of each year)
Table 6: 3rd Quarter Enterprise Fund % of Budget Received Analysis
(Through June 30th, 2018)

<table>
<thead>
<tr>
<th>Enterprise Funds ($ in millions)</th>
<th>FY 2017-18 Revised Budget</th>
<th>FY 2017-18 Revenues</th>
<th>% of Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water Fund Revenues</td>
<td>29.6</td>
<td>20.5</td>
<td>69%</td>
</tr>
<tr>
<td>Sewer Fund Revenues</td>
<td>3.6</td>
<td>3.3</td>
<td>92%</td>
</tr>
<tr>
<td>Golf Fund Revenues</td>
<td>1.9</td>
<td>1.1</td>
<td>61%</td>
</tr>
<tr>
<td>Total Enterprise Fund Revenues</td>
<td>35.1</td>
<td>24.9</td>
<td>71%</td>
</tr>
</tbody>
</table>

Graph 6: 3rd Quarter Enterprise Fund % of Budget Received Analysis
(Through June 30th, 2018)
Table 7: 3rd Quarter Enterprise Fund Expenditures Prior Year Comparison
(Through June 30th of each year)

<table>
<thead>
<tr>
<th>Enterprise Funds ($ in millions)</th>
<th>Audited FY 2016-17</th>
<th>Unaudited FY 2017-18</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water Fund Expenditures</td>
<td>20.2</td>
<td>19.7</td>
<td>-2.2%</td>
</tr>
<tr>
<td>Sewer Fund Expenditures</td>
<td>3.0</td>
<td>5.0</td>
<td>67.6%</td>
</tr>
<tr>
<td>Golf Fund Expenditures</td>
<td>1.3</td>
<td>1.2</td>
<td>-1.3%</td>
</tr>
<tr>
<td><strong>Total Enterprise Fund Expenditures</strong></td>
<td><strong>24.4</strong></td>
<td><strong>25.9</strong></td>
<td><strong>6.3%</strong></td>
</tr>
</tbody>
</table>

11
Graph 7: 3rd Quarter Enterprise Fund Expenditures Prior Year Comparison
(Through June 30th of each year)

3rd Quarter Enterprise Fund Expenditures PY Comparison
($ in millions)

<table>
<thead>
<tr>
<th>Audited FY 2016-17</th>
<th>Unaudited FY 2017-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water Fund Expenditures</td>
<td>20.2</td>
</tr>
<tr>
<td>Sewer Fund Expenditures</td>
<td>3.0</td>
</tr>
<tr>
<td>Golf Fund Expenditures</td>
<td>1.3</td>
</tr>
</tbody>
</table>

Table 8: 3rd Quarter Enterprise Fund % of Budget Expensed Analysis
(Through June 30th, 2018)

<table>
<thead>
<tr>
<th>Enterprise Funds ($ in millions)</th>
<th>FY 2017-18 Revised Budget</th>
<th>FY 2017-18 Expenditures</th>
<th>% of Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water Fund Expenditures</td>
<td>33.0</td>
<td>19.7</td>
<td>60%</td>
</tr>
<tr>
<td>Sewer Fund Expenditures</td>
<td>10.8</td>
<td>5.0</td>
<td>46%</td>
</tr>
<tr>
<td>Golf Fund Expenditures</td>
<td>1.9</td>
<td>1.2</td>
<td>67%</td>
</tr>
<tr>
<td><strong>Total Enterprise Fund Expenditures</strong></td>
<td><strong>45.6</strong></td>
<td><strong>25.9</strong></td>
<td><strong>57%</strong></td>
</tr>
</tbody>
</table>
Water Utility Enterprise Fund
Revenues in the Water Utility Fund are 3.7% lower than the previous year and largely due to a timing issue of bills due in the current year. Overall, the revenues appear to be on track to meet budget at year-end. Expenditures are anticipated to be slightly below budget due to salary savings and a reduction in operating costs. There are three pending large capital projects: water infrastructure replacement, water main replacement and AMR meters that total $5.7 million.

Sewer Utility Enterprise Fund
Revenues in the Sewer Utility Fund are 5.8% higher than the same period last fiscal year with 92% of budget received. Revenues are anticipated to be higher than the budgeted amount. Expenditures are anticipated to be in line with Budget. There are three pending large capital projects: annual sewer main repair, sewer pump station #1, and force main and pump stations for a total of $6.4 million.

The Golf Course Fund is currently at 61% of revenue budget received. Revenue at the Golf Course typically increases in the spring and summer but most likely this fund will end the year below the adopted revenue budget of $1,854,112. Expenditures are at 67% of budget and anticipated to be on track with the budgeted amount.
**Discussion on Debt Service Fund**

The Debt Service Fund records the City’s facility lease activity for the Douglas Street Gap Closure. On September 1, 2005, the City entered into a facility lease agreement with the California Infrastructure and Economic Development Bank (CIEDB) whereby CIEDB issued bonds in the amount of $10,000,000 to finance the Douglas Street Gap Closure Project. The City will make lease payments over a 30-year period, which began on February 1, 2006. The interest rate on the bonds is 2.87% per annum. Payments on the lease obligation are due February 1 and August 1 of each year. The debt service fund is on target to meet the revenue, funded by traffic mitigation fees, and expenditure budgets.

**Conclusion**

At the Department level, the City has been spending under budget with 69% of budget expensed by the third quarter. All expenses are trending with the adopted budget, with average department percentage of budget expensed of 65%, which is close to what the staff anticipated due to the large number of vacancies. This represents spending that is trending under the budgetary plan. Overall, revenues are tracking in line with the revised mid-year budget, even with the volatility of certain revenues sources. The year-end General Fund revenues are anticipated to be ~$2M greater than the year-end General Fund expenditures.
AGENDA DESCRIPTION:
Consideration and possible action regarding Environmental Assessment No. EA-1228, Zone Text Amendment No. ZTA 18-03 to add Chapter 30 to Title 15 (Zoning Regulations) of the Municipal Code to require a discretionary Site Plan Review Permit for specified types of development (Fiscal Impact: None)

RECOMMENDED COUNCIL ACTION:
1. Waive second reading and adopt Ordinance No. ____ for Environmental Assessment No. EA-1228 and Zone Text Amendment No. ZTA 18-03; and/or,
2. Alternatively, discuss and take other possible action related to this item.

ATTACHED SUPPORTING DOCUMENTS:
1. Ordinance No. ____

FISCAL IMPACT: None
Amount Budgeted: N/A
Additional Appropriation: N/A
Account Number(s): N/A

STRATEGIC PLAN: N/A

ORIGINATED BY: Gregg McClain, Planning Manager
REVIEWED BY: Sam Lee, Planning & Building Safety Director
APPROVED BY: Greg Carpenter, City Manager

On August 21, 2018, the City Council introduced an Ordinance amending certain sections in Title 15 of the El Segundo Municipal Code pertaining to require a discretionary Site Plan Review Permit for specified types of development.

The Council may waive second reading and adopt the Ordinance. If the Ordinance is adopted by the City Council, the effective date of the Ordinance will be October 4, 2018, which is 30 days from the adoption date.

ENVIRONMENTAL REVIEW:

The ordinance does not have the potential to cause significant effects on the environment and, therefore, is exempt from the California Environmental Quality Act (CEQA) pursuant to 14 Cal. Code Regs. § 15061(b)(3). The Ordinance amends the El Segundo Municipal Code to require a discretionary land use permit for specified types of development which, in some cases, do not currently require a discretionary land use permit. The addition of the discretionary permit requirement will trigger the application of CEQA and allow the City to analyze the potential environmental consequences of a proposed development project before making a decision on the
merits of an application. The Ordinance does not portend any development or changes to the physical environment. Following an evaluation of possible adverse impacts, it can be seen with certainty that there is no possibility that the Ordinance will have a significant effect on the environment. Rather, the primary purpose of the proposed Ordinance is to provide a mechanism that will allow the City to require a CEQA evaluation of future development proposals meeting specified thresholds.
ORDINANCE NO. ____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF EL SEGUNDO APPROVING ZONE TEXT AMENDMENT NO. ZTA 18-03 ADDING CHAPTER 30 TO TITLE 15 (ZONING REGULATIONS) OF THE MUNICIPAL CODE TO REQUIRE A DISCRETIONARY SITE PLAN REVIEW PERMIT FOR SPECIFIED TYPES OF DEVELOPMENT

The City Council of the City of El Segundo does ordain as follows:

SECTION 1: The City Council finds and declares as follows:

A. With the exception of a site plan review requirement in the C-4 Zone and in the Smoky Hollow Specific Plan Area, the El Segundo Municipal Code currently does not require a discretionary land use permit for the development of uses permitted by right in the City's various zoning districts.

B. A discretionary land use permit requirement provides a number of advantages for the City including, without limitation, the following:

1. It allows the City to ensure that proposed development is consistent with the overall goals, policies and objectives of the General Plan and Zoning Code;

2. It allows the City to ensure that new development is functionally and visually compatible with neighboring properties and the area in which it is located;

3. It ensures that the subject development is reviewed in accordance with the California Environmental Quality Act (unless otherwise exempt by law), thereby providing the City with a mechanism to require the mitigation of environmental impacts caused by a project;

4. It allows the City to place conditions on new development necessary to ensure the preservation of the public health, safety and general welfare.

C. It is in the best interest of the City to subject all significant new development to a site plan review process that will provide the City with a mechanism to ensure that each developer bears the cost of mitigating impacts directly caused by his/her/its proposed development, and allow the City to ensure the preservation of the public health, safety and general welfare.

D. On July 26, 2018, the Planning Commission held a duly-noticed hearing on the proposed Ordinance, received and considered a staff report and
oral and written testimony from the public, and adopted Planning Commission Resolution No. 2844 recommending that the City Council adopt the proposed Ordinance as set forth herein.

E. On August 21, 2018, the City Council held a duly-noticed hearing where it received and considered a staff report, the Planning Commission’s recommendation, and oral and written testimony from the public.

SECTION 2: General Plan Findings. As required pursuant to Government Code section 65860, the City Council finds that the proposed amendments to the El Segundo Municipal Code are consistent with the General Plan as follows:

A. This ordinance does not make any changes to zoning or development standards in the city; rather, it adds a discretionary land use permit requirement that allows the city to ensure development projects are (1) consistent with the overall goals, policies and objectives of the General Plan and the Zoning Code, (2) consistent with the development standards set forth in the Zoning Code, (3) functionally and visually compatible with neighboring properties and the area in which they are located, and (4) conditioned, whenever necessary, to guarantee that the public health, safety and welfare are maintained.

B. Considering all its aspects, the proposed ordinance will further the objectives and policies of the General Plan and will not obstruct their attainment.

SECTION 3: Zone Text Amendment Findings. In accordance with ESMC Chapter 15-26 (Amendments), and based on the findings set forth in Sections 1 and 2, the City Council finds that the proposed ordinance is consistent with and necessary to carry out the purpose of the ESMC as follows:

A. The ordinance is consistent with the purpose of the ESMC, which is to serve the public health, safety, and general welfare and to provide the economic and social advantages resulting from an orderly planned use of land resources.

B. The ordinance requires a discretionary land use permit for new development projects that meet specified thresholds. This discretionary review will trigger application of the California Environmental Quality Act (unless the proposed project is otherwise exempt by law) and allow the city to analyze the potential environmental impacts of a project before reaching a decision on the merits. When necessary and appropriate, this will allow the City to impose mitigation measures and conditions on projects to ensure that the developers bear the burden of mitigating impacts directly caused by their projects.
C. The discretionary site plan review contemplated by this ordinance will provide a mechanism for the city to ensure that proposed developments are compatible with properties in the area in which they are located.

D. The discretionary site plan review contemplated by this ordinance will allow the City to place conditions on new development to ensure that the public health, safety and welfare are maintained.

**SECTION 4:** Chapter 30 is added to Title 15 of the ESMC to read as follows:

**Chapter 30**
**SITE PLAN REVIEW**

**15-30-1: PURPOSE**

**15-30-2: APPLICABILITY**

**15-30-3: APPLICATION REQUIREMENTS**

**15-30-4: REVIEW PROCESS**

**15-30-5: EXPIRATION**

**15-30-6: REVOCATION**

**15-30-1: PURPOSE:**

A site plan review is a discretionary land use permit that is required for any proposed project that meets the criteria set forth in section 15-29-2. The purpose of the site plan review process is to:

A. Ensure that the project is functionally compatible with the area in which it is located;

B. Allow all city departments the opportunity to review development proposals and place reasonable conditions to ensure that the public health, safety and welfare are maintained.

**15-30-2: APPLICABILITY:**

Except in the C-4 Zone, which has its own site plan review requirements, a site plan review pursuant to this chapter is required for development that meets any of the following criteria:

A. Single-family residential development of more than 10 residential units;

B. Multi-family residential development of more than 10 units;

C. New commercial, institutional or industrial development that includes structures which have a combined gross floor area of more than 50,000 square feet (not including parking structures);
D. Additions to existing structures if the combined total additions exceed 50,000 square feet of gross floor area, but not including parking structures;

E. For projects with a mix of residential and commercial, institutional or industrial uses, if any criteria above applies, the entire project is subject to site plan review.

15-30-3: APPLICATION REQUIREMENTS:

An application for a site plan review must be made on a form supplied by the Planning and Building Safety Department, and must be accompanied by the following:

A. A site plan showing the location of all structures, landscape and hardscape areas, parking areas, walks, internal circulation, access, adjacent streets, signs, and fence or wall type and placement;

B. Dimensioned and scaled building elevations for each proposed structure. The building elevations must show all sides of the building and call out exterior building materials, window and door types, and roof materials;

C. A radius map showing the project site and all lots lying in whole or in part within a 300-foot radius of the project site, address labels for the owners of all properties within the 300-foot radius together with any other individuals that have requested notice (this information is available from the City), and a Certified Property Owners List Affidavit;

D. Application fees in the amount established by resolution of the City Council;

E. Any other pertinent information, exhibits or materials deemed necessary by the Director or designee. With the exception of the application fee, the Director may waive or modify any of the application requirements deemed unnecessary for a particular application.

15-30-4: REVIEW PROCESS:

A. The Director or designee will determine whether the application is complete. An application is complete when it complies with the requirements of section 15-30-3. If an application is found to be incomplete, the applicant will be notified by mail as to why the application is incomplete and how the application can be made complete.

B. After an application is determined to be complete, it will be reviewed in accordance with the California Environmental Quality Act and an appropriate determination will be made. While the CEQA process is underway, the application will be distributed to the appropriate city
departments, and to professional consultants if necessary, for review, comment and recommendations regarding appropriate conditions. The applicant is responsible for the actual and reasonable costs incurred in preparing the appropriate CEQA document and all associated studies and reports. The city may require the applicant to deposit funds in a designated project-related account which the city can draw upon as costs are incurred.

C. Following the environmental determination, the application will be scheduled for a public hearing before the Planning Commission. The Director or designee will give public notice of the hearing as provided in Chapter 27 of this Title and consistent with applicable law.

D. The Planning Commission may approve or conditionally approve a site plan review if it makes the following findings:

1. The proposed development is consistent with the goals, policies and objectives of the general plan, any applicable specific plan, and the zoning code;

2. The project is functionally compatible with the area in which it is located;

3. The proposed development will not adversely affect the general welfare of the City.

E. If the Planning Commission approves or conditionally approves a site plan review, the approval will become effective upon expiration of the appeal period in section 15-25-3. If an appeal is perfected with the prescribed time period, the Planning Commission's decision shall be stayed pending final action of the City Council.

F. Appeals. An aggrieved party may appeal the decision of the Planning Commission pursuant to the procedures set forth in Chapter 25 of this Title.

G. Scope of Hearing on Appeal. Appeals shall be reviewed de novo. The City Council is not bound by the decision that has been appealed or limited to the issues raised on appeal.

15-30-5: EXPIRATION AND EXTENSIONS:

A site plan review will lapse and become null and void 2 years following the effective date of the site plan review approval unless, prior to the expiration date (a) a building permit is issued and construction is being diligently pursued toward completion, or (b) a certificate of occupancy is issued for the construction that was the subject of the application. One-year extensions may be granted by the Director for good cause upon written request of the applicant received prior to expiration of the site plan review approval, provided there are no changes
proposed to the previously-approved project. An application for extension involving any significant change from the original plan or the conditions of approval, as determined by the Director, shall be subject to all of the provisions of this Title and shall require a new application. Additional conditions may be imposed as deemed necessary to ensure that the development plan will be in compliance with city standards in effect at the time the extension is granted.

15-30-6: REVOCATION:

A. Grounds for revocation. A site plan review may be revoked for any of the following reasons:

1. The approval was obtained by fraud;

2. The application included inaccurate, erroneous, or incomplete information and the City finds that accurate and complete information would have caused additional or different conditions on the site plan review or denial of the application;

3. The project is being constructed contrary to the approved plans, conditions of approval, or in violation of any statute, ordinance, law or regulation.

B. If the Director finds that grounds for revocation exist, he or she may suspend a site plan review pending a hearing before the Planning Commission, which must be held within 30 days of the suspension. The hearing before the Planning Commission must be noticed in the manner required by Chapter 27 of this Title and consistent with applicable law. The decision of the Planning Commission is subject to appeal to the City Council pursuant to the procedures set forth in Chapter 25 of this Title.

SECTION 5. California Environmental Quality Act. The City Council finds that this Ordinance does not have the potential to cause significant effects on the environment and, therefore, the project is exempt from the California Environmental Quality Act (CEQA) pursuant to 14 Cal. Code Regs. § 15061(b)(3). The Ordinance amends the El Segundo Municipal Code to require a discretionary land use permit for specified types of development which, in some cases, do not currently require a discretionary land use permit. The addition of the discretionary permit requirement will trigger the application of CEQA and allow the City to analyze the potential environmental consequences of a proposed development project before making a decision on the merits of an application. The Ordinance does not portend any development or changes to the physical environment. Following an evaluation of possible adverse impacts, it can be seen with certainty that there is no possibility that the Ordinance will have a significant effect on the environment. Rather, the primary purpose of the proposed Ordinance is to provide a mechanism that will allow the City to require a CEQA evaluation of future development proposals meeting specified thresholds.
SECTION 6. Construction. This Ordinance must be broadly construed in order to achieve the purposes stated herein. It is the City Council's intent that the provisions of this Ordinance be interpreted or implemented by the City and others in a manner that facilitates the purposes set forth herein.

SECTION 7. Severability. If any part of this Ordinance or its application is deemed invalid by a court of competent jurisdiction, the City Council intended that such invalidity will not affect the effectiveness of the remaining provisions or applications and, to this end, the provisions of this Ordinance are severable.

SECTION 8. The City Clerk is directed to certify the passage and adoption of this Ordinance, cause it to be entered into the City of El Segundo's book of original ordinances, make a note of the passage and adoption in the records of this meeting, and, within 15 days after the passage and adoption of this Ordinance, cause a summary thereof to be published or posted in accordance with California law.
SECTION 9. This Ordinance will go into effect thirty days after its passage and adoption.

PASSED AND ADOPTED this ______ day of ___________________,
2018.

______________________________
Drew Boyles, Mayor

APPROVED AS TO FORM:

By: __________________________
Mark D. Hensley, City Attorney

ATTEST:

STATE OF CALIFORNIA )
COUNTY OF LOS ANGELES ) SS
CITY OF EL SEGUNDO )

I, Tracy Weaver, City Clerk of the City of El Segundo, California, do hereby certify that the whole number of members of the City Council of said City is five; that the foregoing Ordinance No. ________ was duly introduced by said City Council at a regular meeting held on the ____ day of _________ 2018, and was duly passed and adopted by said City Council, approved and signed by the Mayor, and attested to by the City Clerk, all at a regular meeting of said Council held on the ____ day of _________, 2018, and the same was so passed and adopted by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:  

______________________________
Tracy Weaver, City Clerk
AGENDA DESCRIPTION:

Consideration and possible action regarding approval of Environmental Assessment No. EA-1210 and Zone Text Amendment No. ZTA 17-08 to amend various sections of the El Segundo Municipal Code (ESMC) Title 15 (Zoning Code) to: (1) update and introduce new definitions related to measuring building height, (2) establish new zoning code standards for measuring the maximum height of buildings, and (3) allow the Director to approve an adjustment to the maximum building height by up to 5 feet, pursuant to ESMC Chapter 15-24.

Adopting this Ordinance is categorically exempt from further CEQA review under CEQA Guidelines § 15303 as a Class 3 (new construction or conversion of small structures), § 15304 as a Class 4 (minor alteration to land), and does not constitute a “project” that requires environmental review in accordance with CEQA Guidelines § 15061(b)(3), because the proposed zone text amendment establishes new definitions and provisions for measuring building height. The proposed Ordinance constitutes an action that does not have the potential to cause significant effects on the environment and is therefore exempt from the provisions of CEQA. (Fiscal Impact: None with this action.) (Applicant: City of El Segundo).

RECOMMENDED COUNCIL ACTION:
1. Waive second reading and adopt Ordinance No. ____ for Environmental Assessment No. EA-1210 and Zone Text Amendment No. ZTA 17-08; and/or,
2. Alternatively, discuss and take other possible action related to this item.

ATTACHED SUPPORTING DOCUMENTS:
1. Ordinance No. ____

FISCAL IMPACT: None.

Amount Budgeted: N/A
Additional Appropriation: N/A
Account Number(s): N/A

STRATEGIC PLAN:
Goal: Enhance customer service and engagement.
Objective: City services are convenient, efficient and user-friendly for all residents and businesses.

PREPARED BY: Maria Baldenegro, Assistant Planner
REVIEWED BY: Gregg McClain, Planning Manager
Sam Lee, Planning and Building Safety Director
APPROVED BY: Greg Carpenter, City Manager
BACKGROUND AND DISCUSSION:

On August 21, 2018, the City Council introduced an Ordinance amending various sections of the El Segundo Municipal Code (ESMC) to: (1) update and introduce new definitions related to measuring building height, (2) establish new zoning code standards for measuring the maximum height of buildings, and (3) allow the Director to approve an adjustment to the maximum building height by up to 5 feet, pursuant to ESMC Chapter 15-24.

The Council may waive the second reading and adopt the Ordinance. If the Ordinance is adopted by the City Council at its September 4th meeting, the effective date of the Ordinance will be October 4, 2018, which is thirty (30) days from the adoption date.
ORDINANCE NO. ____

AN ORDINANCE AMENDING VARIOUS SECTIONS OF THE EL SEGUNDO MUNICIPAL CODE (ESMC) IN TITLE 15 TO REDEFINE HOW BUILDING HEIGHT IS MEASURED, AND TO ALLOW THE DIRECTOR TO APPROVE ADJUSTMENTS TO THE ALLOWABLE BUILDING HEIGHT.

The City Council of the City of El Segundo does ordain as follows:

SECTION 1: The City Council finds and declares as follows:

A. On October 9, 2017, staff initiated an application for Environmental Assessment No. EA-1210 and Zone Text Amendment No. ZTA 17-08 to amend the City’s regulations affecting building height;

B. The City reviewed the project’s environmental impacts under the California Environmental Quality Act (California Public Resources Code §§ 21000, et seq., CEQA) and the regulations promulgated thereunder (14 California Code of Regulations §§ 15000, et seq., CEQA Guidelines).

C. On June 28, 2018, the Planning Commission held a public hearing to receive public testimony and other evidence regarding the proposed amendment, including information provided by City staff and public testimony;

D. On June 28, 2018, the Planning Commission adopted Resolution No. 2840 recommending the City Council approve Environmental Assessment No. EA-1210 and Zone Text Amendment No. ZTA 17-08;

E. On August 21, 2018, the City Council held a public hearing, considered the Planning Commission’s recommendation, and information provided by City staff and public testimony regarding this Ordinance; and

F. The Ordinance and its findings are made based upon the administrative record including, without limitation, testimony and evidence presented to the City Council at its August 21, 2018, hearing, and the staff report submitted by the Planning and Building Safety Department.

SECTION 2: General Plan Findings. As required under Government Code Section 65860, the ESMC amendments proposed by the Ordinance are consistent with the El Segundo General Plan as follows:

A. The proposed zone text amendment is in conformity with the Land Use Element goals, objectives and policies. Specifically, the zone text amendment is consistent with Land Use Element Goal LU3 and Objectives...
LU3-1 and LU3-2 in that the amendment will facilitate the construction, remodel, and expansion of residential land uses in the City;

B. The proposed amendments are also consistent with Land Use Element Goal LU4, Objective LU4-1, Policy LU4-1.2, in that they will promote the maintenance of commercial buildings to meet environmental regulations;

C. The proposed amendments are consistent with Land Use Element Goal LU4, Objective LU4-2, and Policy LU4-2.1, in that they will help revitalize and upgrade commercial areas in the City. The proposed amendments will accomplish this by providing clarity concerning building height regulations;

D. The proposed amendments are consistent with Economic Development Element Goal ED1, Objective ED1-1, and Policy ED1-1.1, in that it will help to development and maintain businesses for its residents throughout the City.

SECTION 3: Zone Text Amendment Findings. In accordance with ESMC Chapter 15-26 and based on the findings set forth in Section 2, the proposed zone text amendment is consistent with and necessary to carry out the general purpose of ESMC Title 15 because it serves the public health, safety, and general welfare and provides the economic and social advantages resulting from an orderly planned use of land resources.

SECTION 4: Environmental Assessment. This Ordinance is exempt from further environmental review under the California Environmental Quality Act (California Public Resources Code §§ 21000, et seq., “CEQA”) and CEQA Guidelines (14 California Code of Regulations §§ 15000, et seq.), because it involves minor revisions and clarifications to existing zoning regulations related to building height. The proposed zone text amendment is categorically exempt from further CEQA review under CEQA Guidelines § 15303 as a Class 3 (new construction or conversion of small structures), and § 15304 as a Class 4 (minor alteration to land). Accordingly, the proposed Ordinance does not constitute a “project” that requires environmental review in accordance with CEQA Guidelines § 15061(b)(3), because the proposed zone text amendment establishes new definitions and policies for measuring building height. The proposed Ordinance constitutes an action that does not have the potential to cause significant effects on the environment and is therefore exempt from the provisions of CEQA.

SECTION 5: The following definitions are amended or added to ESMC Section 15-1-6 (Title; Interpretation; Definitions: Definitions) as follows (strikethrough is language to be deleted, and underlined is language to be added):

BASEMENT: Any floor level below the first story in a building that is more than four feet (4') 4 feet below "grade" Grade for more than fifty percent (50%) 50 percent of the total perimeter, or is more than eight feet (8') 8 feet below "grade" at any point.
BUILDING HEIGHT OR STRUCTURE HEIGHT: is the vertical distance measured from the Grade Plane to the highest point of the roof or parapet. See features listed in ESMC Section 15-2-3 for exceptions to Building Height. All points of the highest point of a flat roof, the deck line of a mansard roof or to the average height between the plate and the ridge of gable, pitched, or hip roofs to grade directly below. The ridge of a gable, pitched, or hipped roof may extend a maximum of six feet (6') above the maximum height limit permitted in the zone in which the building is located.

FLAT ROOF: A roof surface which slopes 10 percent or less.

GRADE: The elevation of the surface of the ground of a property, premises, preexisting or finished, whichever is lower in elevation.

GRADE DIFFERENTIAL: The difference in ground elevation between the Grade Plane and the lowest point of the Finished Grade adjacent to the exterior walls of the building. A Grade Differential is exempt when measuring the height of a building or structure. Any portion below the Grade Plane which exceeds the maximum permitted Grade Differential for the zoning district is included in calculating the vertical height of the building. See Section 15-2-3 for exceptions to building height.

GRADE, EXISTING: The surface of the ground or pavement at a stated location as it exists prior to disturbance in preparation for a project at the site.

GRADE, FINISHED: The elevation after the land is cleared, that will exist when all cut, filled, graded, or associated with construction improvements are completed, including but not limited to, pathways, pavements, hardscape or landscaping are complete.

GRADE, PREEXISTING NATURAL: The ground elevation of a premises which existed prior to excavation, cut, fill, or landscaping improvements the original construction of the building or structure. Reference to grade on adjacent properties may be utilized to assist
in establishing preexisting grade when the presence of said grade is not readily apparent on the subject premises. The Director may assist in establishing the existing Natural Grade, based on the surrounding undisturbed Existing Grade on other portions of the site, or based on adjacent properties to the site, or the level of the finished sidewalk.

**GRADE PLANE:** is a horizontal reference plane representing the average elevation between the highest and lowest point of the Natural Grade prior to excavation, fill or construction, measured immediately below or adjacent to the exterior perimeter walls of a building or structure.

**HIGH POINT OF NATURAL GRADE:** is the highest point of the Natural Grade adjacent to the exterior walls of a building, planned or built, where it is situated on a sloping lot.

**LOW POINT OF NATURAL GRADE:** is the lowest point of the Natural Grade adjacent to the exterior walls of a building, planned or built, where it is situated on a sloping lot.

**SEGMENTED GRADE PLANE:** is multiple horizontal Grade Planes adjacent to different portions of the exterior walls of a single building. Segmented Grade Planes are used for measuring the height of structures on sites with significant a Natural Grade slope.
**TOP OF BUILDING:** is the highest point of a pitched roof or the parapet on a building.

**SECTION 6:** ESMC Section 15-2-3 (General Provisions: Exceptions to Building Height) is amended as follows:

### 15-2-3: EXCEPTIONS TO BUILDING HEIGHT:

Penthouses or roof structures for the housing of elevators, stairways, solar panels and related equipment, or mechanical or and similar equipment required to operate and maintain a building, fire escapes, fire or parapet walls, open-work guardrails, skylights, clock towers, church steeples and other similar architectural elements, flagpoles, chimneys, smokestacks, radio antennas, television masts, radar and other similar structures may be erected above the height limits prescribed in this title. Light standards or other light fixtures may be mounted on the roof of a parking structure and must be designed to control glare. Non-permanent accessories, such as furniture, barbeques, or umbrellas placed on a roof deck may be erected up to a maximum eight feet (8')  8 feet above the height limits prescribed in this title. No such penthouse, structure or accessory is allowed for the purpose of providing additional floor space. Any such structures in residential zones shall be for noncommercial purposes only.

An increase in the maximum allowable Building Height, up to 5 feet, may be granted by the Director, subject to the approval of an Adjustment pursuant to Chapter 15-24.

**SECTION 7:** ESMC Chapter 15-4, Article A (Single Family Residential (R-1) Zone), Section 6 (Site Development Standards for Lots Wider than Twenty Five Feet), Subsection B (Height) is amended as follows:
B. Height: The height of all buildings must not exceed twenty-six feet (26') and two (2) stories.

Height shall be measured from the finish grade or natural grade adjacent to the building or structure, whichever is lower.

1. The height of all buildings or structures with a pitched roof must not exceed 32 feet and two stories. Buildings or structures with a Flat Roof must not exceed 26 feet and two stories.

2. A maximum Grade Differential of 6 feet is permitted on sloping lots. The vertical height which exceeds the maximum Grade Differential is included in measuring the maximum Building Height. On sloped lots, a Segmented Grade Plane may be applied to different portions of a building.

3. See Section 15-2-3 for exceptions to Building Height.

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**SECTION 8:** ESMC Chapter 15-4, Article A (Single-Family residential (R-1) Zone), Section 6-1 (Site Development Standards for Lots Twenty Five Feet or Less), Subsection B (Height) is amended as follows:

B. Height: The height of all buildings must not exceed twenty-six feet (26') and two (2) stories. The height of other buildings and detached accessory structures, including detached garages, may not exceed fourteen feet (14').

Height shall be measured from the finish grade or natural grade adjacent to the building or structure, whichever is lower.

1. The height of all buildings or structures with a pitched roof must not exceed 32 feet and two stories. Buildings or structures with a Flat Roof must not exceed 26 feet and two stories.

2. A maximum Grade Differential of 6 feet is permitted on sloping lots. The vertical height which exceeds the maximum Grade Differential is included in measuring the maximum
Building Height. On sloped lots, a Segmented Grade Plane may be applied to different portions of a building.

3. See Section 15-2-3 for exceptions to Building Height.

SECTION 9: ESMC Chapter 15-4, Article B (Two-Family Residential Zone (R-2)), Section 6 (Site Development Standards), Subsection B (Height) is amended as follows:

B. Height: The height of all dwelling units shall not exceed twenty-six feet (26') and two stories. The height of all other buildings and detached accessory structures, including detached garages, shall not exceed fourteen feet (14').

1. The height of all buildings or structures with a pitched roof shall not exceed 32 feet and two stories. Buildings or structures with a Flat Roof must not exceed 26 feet and two stories.

2. A maximum Grade Differential of 6 feet is permitted on sloping lots. The vertical height which exceeds the maximum Grade Differential limit is included in measuring the maximum Building Height. On sloped lots, a Segmented Grade Plane may be applied to different portions of a building.

3. See Section 15-2-3 for exceptions to Building Height.

SECTION 10: ESMC Chapter 15-4, Article C (Multi-Family Residential (R-3) Zone), Section 5 (Site Development Standards), Subsection C (Height) is amended as follows:
C. Height: The height of all buildings and structures shall not exceed twenty-six feet (26').

1. The height of all buildings or structures with a pitched roof shall not exceed 32 feet and two stories. Buildings or structures with a Flat Roof must not exceed 26 feet and two stories.

2. A maximum Grade Differential of 6 feet is permitted on sloping lots. The vertical height which exceeds the maximum Grade Differential limit is included in measuring the maximum Building Height. On sloped lots, a Segmented Grade Plane may be applied to different portions of a building.

3. See Section 15-2-3 for exceptions to Building Height.

SECTION 11: ESMC Chapter 15-5, Article A (Downtown Commercial (C-RS) Zone), Section 7 (Site Development Standards), Subsection C (Height) is amended as follows:

C. Height:
1. Buildings and structures shall not exceed the height of forty-five feet (45') 45 feet.

2. A maximum Grade Differential of 8 feet is permitted on sloping lots. The vertical height which exceeds the maximum Grade Differential limit is included in measuring the maximum Building Height. On sloped lots, a Segmented Grade Plane may be applied to different portions of a building.

3. See Section 15-2-3 for exceptions to Building Height.

SECTION 12: ESMC Chapter 15-5, Article B (Neighborhood Commercial (C-2) Zone), Section 7 (Site Development Standards), Subsection C (Height) is amended as follows:

C. Height:

1. Buildings and structures shall not exceed a height of twenty-eight feet (28') 28 feet.

2. A maximum Grade Differential of 8 feet is permitted on sloping lots. The vertical height which exceeds the maximum Grade Differential limit is included in measuring the maximum Building Height. On sloped lots, a Segmented Grade Plane may be applied to different portions of a building.

3. See ESMC 15-2-3 for exceptions to Building Height.

SECTION 13: ESMC Chapter 15-5, Article C (General Commercial (C-3) Zone), Section 7 (Site Development Standards), Subsection C (Height) is amended as follows:

C. Height:
1. East of Sepulveda Boulevard: No building or structure shall exceed two-hundred-feet (200') 200 feet.

2. West of Sepulveda Boulevard: No building or structure shall exceed forty-five-feet (45') 45 feet.

3. If the subject property abuts residentially zoned property, no building or structure shall exceed forty-feet (40') 40 feet.

4. A maximum Grade Differential of 8 feet is permitted on sloping lots. The vertical height which exceeds the maximum Grade Differential limit is included in measuring the maximum Building Height. On sloped lots, a Segmented Grade Plane may be applied to different portions of a building.

5. See Section 15-2-3 for exceptions to Building Height.

SECTION 14: ESMC Chapter 15-5, Article D (Corporate Office (CO) Zone), Section 7 (Site Development Standards), Subsection C (Height) is amended as follows:

C. Height:

1. East of Sepulveda Boulevard: No building or structure shall exceed two-hundred-feet (200') 200 feet.

2. West of Sepulveda Boulevard: No building or structure shall exceed forty-five-feet (45') 45 feet.

3. If the subject property abuts residentially zoned property, no building or structure shall exceed forty-feet (40') 40 feet.

4. A maximum Grade Differential of 8 feet is permitted on sloping lots. The vertical height which exceeds the maximum Grade Differential limit is included in measuring the maximum Building Height. On sloped lots, a Segmented Grade Plane may be applied to different portions of a building.
5. See Section 15-2-3 for exceptions to Building Height.

SECTION 15: ESMC Chapter 15-5, Article E (Urban Mixed Use North (MU-N) Zone), Section 7 (Site Development Standards), Subsection C (Height) is amended as follows:

C. Height: Buildings and structures shall not exceed a height of one hundred seventy-five feet (175').

1. Buildings and structures shall not exceed a height of 175 feet.

2. A maximum Grade Differential of 8 feet is permitted on sloping lots. The vertical height which exceeds the maximum Grade Differential limit is included in measuring the maximum Building Height. On sloped lots, a Segmented Grade Plane may be applied to different portions of a building.

3. See Section 15-2-3 for exceptions to Building Height.
SECTION 16: ESMC Chapter 15-5, Article F (Urban Mixed Use South (MU-S) Zone), Section 8 (Site Development Standards), Subsection C (Height) is amended as follows:

15-5F-8: SITE DEVELOPMENT STANDARDS:

C. Height: Buildings and structures shall not exceed a height of one hundred seventy five feet (175').

1. Buildings and structures shall not exceed a height of 175 feet.

2. A maximum Grade Differential of 8 feet is permitted on sloping lots. The vertical height which exceeds the maximum Grade Differential limit is included in measuring the maximum building height. On sloped lots, a Segmented Grade Plane may be applied to different portions of a building.

3. See Section 15-2-3 for exceptions to Building Height.

SECTION 17: ESMC Chapter 15-5, Article G (Commercial Center (C-4) Zone), Section 6 (Site Development Standards), Subsection C (Height) is amended as follows:

C. Height:

1. No building or structure may exceed sixty-five feet (65') 65 feet.

2. A maximum Grade Differential of 8 feet is permitted on sloping lots. The vertical height which exceeds the maximum Grade Differential limit is included in measuring the maximum building height. On sloped lots, a Segmented Grade Plane may be applied to different portions of a building.

3. See Section 15-2-3 for exceptions to Building Height.
SECTION 18: ESMC Chapter 15-6, Article A (Light Industrial (M-1) Zone), Section 7 (Site Development Standards), Subsection C (Height) is amended as follows:

C. Height: Buildings and structures shall not exceed a height of two hundred feet (200').

1. Buildings and structures shall not exceed a height of 200 feet.

2. A maximum Grade Differential of 8 feet is permitted on sloping lots. The vertical height which exceeds the maximum Grade Differential limit is included in measuring the maximum Building Height. On sloped lots, a Segmented Grade Plane may be applied to different portions of a building.

3. See Section 15-2-3 for exceptions to Building Height.

SECTION 19: ESMC Chapter 15-6, Article B (Heavy Industrial (M-2) Zone), Section 7 (Site Development Standards), Subsection C (Height) is amended as follows:

C. Height: Buildings and structures shall not exceed a height of two hundred feet (200').

1. Buildings and structures shall not exceed a height of 200 feet.

2. A maximum Grade Differential of 8 feet is permitted on sloping lots. The vertical height which exceeds the maximum Grade Differential limit is included in measuring the maximum Building Height. On sloped lots, a Segmented Grade Plane may be applied to different portions of a building.
3. See Section 15-2-3 for exceptions to Building Height.

SECTION 20: ESMC Chapter 15-8 (Open Space (O-S) Zone), Section 5 (Site Development Standards), Subsection C (Height) is amended as follows:

C. Height: Buildings and structures shall not exceed a height of twenty-six feet (26').


2. A maximum Grade Differential of 8 feet is permitted in sloping lots, measuring from the Grade Plane to the lowest Finished Grade immediately adjacent to the exterior walls of the building. The vertical height which exceeds the maximum Grade Differential limit is included in measuring the maximum Building Height. On sloped lots, a Segmented Grade Plane may be applied to different portions of a building.

3. See Section 15-2-3 for exceptions to Building Height.

SECTION 21: ESMC Chapter 15-9 (Automobile Parking (P) Zone), Section 5 (Site Development Standards), Subsection C (Height) is amended as follows:

C. Height: Buildings and structures shall not exceed a height of twenty-six feet (26').


2. A maximum Grade Differential of 8 feet is permitted in sloping lots, measuring from the Grade Plane to the lowest Finished Grade immediately adjacent to the exterior walls of the building. The vertical height which exceeds the maximum Grade Differential limit is included in measuring the maximum Building Height. On sloped lots, a Segmented Grade Plane may be applied to different portions of a building.
3. See Section 15-2-3 for exceptions to Building Height.

SECTION 22: ESMC Chapter 15-10 (Public Facilities (P-F) Zone), Section 5 (Site Development Standards), Subsection B (Height) is amended as follows:

B. Height: The permissible height limit shall be the average height of all zones which abut the property:

1. The permissible height limit shall be the average height of all zones which abut the property.

2. A maximum Grade Differential of 8 feet is permitted on sloping lots. The vertical height which exceeds the maximum Grade Differential limit is included in measuring the maximum Building Height. On sloped lots, a Segmented Grade Plane may be applied to different portions of a building.

3. See Section 15-2-3 for exceptions to Building Height.

SECTION 23: ESMC Chapter 15-24 (Adjustments), Section 1 (Granting) is amended by adding the following:

1. Building Height to exceed the maximum allowable height by not more than 5 feet.

SECTION 24: CONSTRUCTION. This ordinance must be broadly construed in order to achieve the purposes stated in this ordinance. It is the City Council’s intent that the provisions of this ordinance be interpreted or implemented by the City and others in a manner that facilitates the purposes set forth in this ordinance.

SECTION 25: ENFORCEABILITY. Repeal of any provision of the El Segundo Municipal Code does not affect any penalty, forfeiture, or liability incurred before, or preclude prosecution and imposition of penalties for any violation occurring before this ordinance’s effective date. Any such repealed part will remain in full force and effect for sustaining action or prosecuting violations occurring before the effective date of this ordinance.

SECTION 26: VALIDITY OF PREVIOUS CODE SECTIONS. If this entire ordinance or its application is deemed invalid by a court of competent jurisdiction, any repeal or amendment of the ESMC or other city ordinance by this ordinance will be rendered void.
and cause such previous ESMC provision or other ordinance to remain in full force and effect for all purposes.

SECTION 27: SEVERABILITY. If any part of this ordinance or its application is deemed invalid by a court of competent jurisdiction, the City Council intends that such invalidity will not affect the effectiveness of the remaining provisions or applications and, to this end, the provisions of this ordinance are severable.

SECTION 28: The City Clerk is directed to certify the passage and adoption of this ordinance; cause it to be entered into the City of El Segundo’s book of original ordinances; make a note of the passage and adoption in the records of this meeting; and, within 15 days after the passage and adoption of this ordinance, cause it to be published or posted in accordance with California law.
SECTION 29: This Ordinance will become effective on the thirty-first day following its passage and adoption.

PASSED AND ADOPTED this 4th day of September, 2018.

Drew Boyles, Mayor

TEST:

STATE OF CALIFORNIA )
COUNTY OF LOS ANGELES ) SS
CITY OF EL SEGUNDO )

I, Tracy Weaver, City Clerk of the City of El Segundo, California, do hereby certify that the whole number of members of the City Council of said City is five; that the foregoing Ordinance No. ____ was duly introduced by said City Council at a regular meeting held on the 21st day of August, 2018, and was duly passed and adopted by said City Council, approved and signed by the Mayor, and attested to by the City Clerk, all at a regular meeting of said Council held on the 4th day of September, 2018, and the same was so passed and adopted by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Tracy Weaver, City Clerk

APPROVED AS TO FORM:

Mark D. Hensley, City Attorney
AGENDA DESCRIPTION:

Consideration and possible action to authorize the City Manager to enter into Memorandum of Agreements (MOAs) for 1) Administration and Cost Sharing for Implementing the Coordinated Integrated Monitoring Programs (CIMP) and Enhanced Watershed Management Program (EWMP) for the Dominguez Channel Watershed and for the Santa Monica Bay Jurisdictional Groups 2 & 3 Watershed, and 2) Santa Monica Bay Dry & Wet Weather Bacteria Total Maximum Daily Loads Coordinated Shoreline Water Quality Monitoring Program. (Fiscal Impact: FY 17/18 $4,492.49, FY 18/19 $53,311.26, FY 19/20 $51,566.08, FY 20/21 $59,728.06, FY21/22 $45,479.33, FY 22/23 $43,792.00 plus $12,362.00 for contingency)

RECOMMENDED COUNCIL ACTION:

1. Authorize the City Manager to enter into a Memorandum of Agreement of five years, approved in form by the City Attorney, between the Cities of Los Angeles, Carson, El Segundo, Hawthorne, Inglewood, Lawndale, and Lomita, the Los Angeles County Flood Control District, the County of Los Angeles, and the South Bay Cities Council of Governments for $111,319 for Administration and Cost Sharing for Implementing the Coordinated Integrated Monitoring Program (CIMP) and Enhanced Watershed Management Program (EWMP) for the Dominguez Channel Watershed;

2. Authorize the City Manager to enter into a Memorandum of Agreement of five years, approved in form by the City Attorney, between the Cities of Los Angeles, El Segundo, and Santa Monica, the Los Angeles County Flood Control District, and the County of Los Angeles for $123,199 plus $12,362 of contingency for Administration and Cost Sharing for Implementing the Coordinated Integrated Monitoring Program (CIMP) and Enhanced Watershed Management Program (EWMP) for the Santa Monica Bay Jurisdictional Groups 2 & 3 Watershed;

3. Authorize the City Manager to enter into a Memorandum of Agreement of five years, approved in form by the City Attorney, between the Cities of Los Angeles and El Segundo for $23,851.22 for Santa Monica Bay Dry & Wet Weather Bacteria Total Maximum Daily Loads Coordinated Shoreline Water Quality Monitoring Program; or,

4. Alternatively, discuss and take other possible actions related to this item.

ATTACHED SUPPORTING DOCUMENTS:

- Dominguez Channel Watershed CIMP/EWMP MOA
- Santa Monica Bay Jurisdictional Groups 2 & 3 Watershed CIMP/EWMP MOA
- Santa Monica Bay Dry & Wet Weather Bacteria Total Maximum Daily Loads Coordinated Shoreline Water Quality Monitoring Program MOA
- Santa Monica Bay Shoreline Monitoring Cost Spreadsheet

FISCAL IMPACT: FY 17/18 $ 4,492.49 FY 18/19 $53,311.26 FY 19/20 $51,566.08
FY 20/21 $59,728.06 FY21/22 $45,479.33 FY 22/23 $43,792.00
Plus $12,362.00 for contingency for a total of $270,731.22

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Amount Budgeted: To be included in each FY Annual Budget
Additional Appropriation: None
Account Number(s): 001-400-4301-6206 (Storm Drain Contractual Services)

STRATEGIC PLAN:
Goal: 4 Develop Quality Infrastructure and Technology
Objective: (a) El Segundo’s physical infrastructure supports an appealing, safe, and effective City

ORIGINATED BY: Lifan Xu, City Engineer
REVIEWED BY: Ken Berkman, Public Works Director
APPROVED BY: Greg Carpenter, City Manager

BACKGROUND AND DISCUSSION:

Coordinated Integrated Monitoring Program (CIMP) and Enhanced Watershed Management Program (EWMP)

In 1990, the Los Angeles Regional Water Quality Control Board (Regional Board) adopted Order 8, No. 90-079, which set in motion requirements for municipalities located in Los Angeles County to comply with provisions of the Clean Water Act for contaminated discharges (commonly called stormwater and non-stormwater runoff discharges) into Municipally Separate Storm Sewer Systems (MS4). This action was followed in 1992 by a provision requiring all Phase I cities (populations greater than 100,000) to begin implementing best available technologies to reduce or eliminate contaminated discharges. The Regional Board adopted new stormwater permits in 1996 and 2001, and approved four amendments for the 2001 permit between 2006 and 2010.

On November 8, 2012, the Regional Board adopted a new stormwater permit, Order No. R4-2012-0175, which includes and expands upon the provisions called for in earlier permits. That order is still in effect today and provides Permittees the flexibility to develop Enhanced Watershed Management Programs (EWMPs) to implement the requirements on a watershed scale. An EWMP allows collaboration among other Permittees and partners on a macro-watershed level and thus efficiencies of scale for implementation and costs.

El Segundo is part of two separate watersheds - the Santa Monica Bay and the Dominguez Channel receiving waters. Previous stormwater permits focused on implementation of pollution control measures, while the latest permit focuses on achieving adopted water quality standards (referred to as total maximum daily loads, or TMDLs) for the receiving waters. Confirmation of permit compliance will be substantially determined through monitoring of receiving water bodies to determine whether pollutant thresholds/limits are being achieved. This comprehensive monitoring program is referred to as a Coordinated Integrated Monitoring Program (CIMP), which is a primary component of an Enhanced Watershed Management Program (EWMP). The watershed members have organized the CIMP structure in a cost sharing agreement. Certain agencies, such as the City of Los Angeles, will construct, operate, and maintain equipment and perform services needed to conduct the monitoring and sampling required by the permit. The other entities, such as the City of El Segundo, will only contribute financially. This arrangement allows the larger agencies and/or
the agencies with the particular geographic strategic knowledge perform the work, and share the
data and reporting on behalf of the other watershed member agencies.

On April 21, 2016, the Regional Board approved the Dominguez Channel Watershed EWMP and
on June 1, 2016, approved the Dominguez Channel Watershed CIMP. On April 5, 2016, Council
authorized staff to enter into the Dominguez Channel Watershed CIMP administration and cost
sharing MOA covering fiscal years 15/16, 16/17, and 17/18.

On November, 23, 2015, the Regional Board approved the Santa Monica Bay Watershed CIMP,
and on April 21, 2016, the Santa Monica Bay Watershed EWMP. On April 5, 2016, Council
authorized staff to enter into the Santa Monica Bay Watershed CIMP administration and cost
sharing MOA covering fiscal years 15/16, 16/17, and 17/18.

Both of these CIMP MOAs are set to expire and the watershed members have drafted the attached
successor MOAs to continue the program another 5 years. Final cost tables by year have been
inserted into this Staff Report. Specific cost detailing is available in the attached MOAs and in the
fiscal impact summary table below at the end of the report. With these MOAs, the City of El
Segundo agrees to:

- Continue to participate and implement Coordinated Integrated Monitoring Program and
  Enhanced Watershed Management Program at each watershed
- Retain the City of Los Angeles to perform the CIMP monitoring
- Share the cost of the CIMP monitoring and EWMP administration services for fiscal years
  2018-19 through 2022-23 based on tributary area

Santa Monica Bay Beaches Bacterial TMDLs' Coordinated Shoreline Monitoring Plan

On January 24, 2002, the Regional Board adopted Resolution No. 2002-004, establishing the limit
for the Bacteria TMDL during dry-weather for Santa Monica Bay Beaches. On December 12,
2002, the Regional Board adopted Resolution No. 2002-022, establishing the limit for the Bacteria
TMDL during wet-weather for Santa Monica Bay Beaches. The Bacteria TMDLs address
documented bacteriological water quality impairments at forty-four (44) beaches from the Los
Angeles/Ventura County line to Outer Cabrillo Beach (just south of the Palos Verdes Peninsula).
The Bacteria TMDLs identify the responsible agencies as the County of Los Angeles and the Cities
of Los Angeles, Malibu, Calabasas, Santa Monica, El Segundo, Rancho Palos Verdes, Palos
Verdes Estates, Redondo Beach, Rolling Hills, Rolling Hills Estates, Manhattan Beach, Hermosa
Beach, Culver City, West Hollywood, Beverly Hills, Agoura Hills, Thousand Oaks, Westlake
Village, Inglewood, Torrance, as well as the State of California through its Department of
Transportation (Caltrans), as dischargers of bacteria into the Santa Monica Bay Beaches.

The Regional Board approved the monitoring plan entitled, "Santa Monica Bay Beaches Bacterial
TMDLs Coordinated Shoreline Monitoring Plan", to be prepared collectively by the agencies.
Since this watershed limits is a larger footprint than the localized EWMP/CIMP footprint discussed
in the previous sections, a specific MOA arrangement must be constructed for the monitoring and
reporting of this specific TMDL (bacteria), separate from the monitoring and reporting
requirements of other pollutants that only pertain to the cities in the EWMP/CIMP agreements.
Similar to the CIMP agreement structure, certain agencies, such as the City of Los Angeles, will
perform the work, while the City of El Segundo only contributes financially.
The most recent cost sharing agreement covered fiscal years 13/14, 14/15, 15/16, and 16/17. This Bacteria Monitoring MOA has expired and the watershed members have drafted the attached successor MOA to continue the program another 5 years. Specific cost detailing is available in the attached MOA.

**Fiscal Impact Summary**

The fiscal impact of the above three MOAs are summarized in the following table. The total fiscal impact from FY17-18 thru FY 22-23 is $270,731.22, including $12,362 for contingency.

<table>
<thead>
<tr>
<th>MOA</th>
<th>ES Portion of Total Cost</th>
<th>FY17-18</th>
<th>FY18-19</th>
<th>FY19-20</th>
<th>FY20-21</th>
<th>FY21-22</th>
<th>FY22-23</th>
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</thead>
<tbody>
<tr>
<td>Dominguez Channel CIMP/EWMP</td>
<td>2.48%</td>
<td>N/A</td>
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<td>$19,441</td>
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<td>Santa Monica J2&amp;3 CIMP/EWMP</td>
<td>4.70%</td>
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<td>$30,393</td>
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<td>Santa Monica Bay Shoreline Monitoring</td>
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<td>$4,766.08</td>
<td>$4,909.06</td>
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<tr>
<td>Annual Total</td>
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<td>$4,492.49</td>
<td>$53,311.26</td>
<td>$51,566.08</td>
<td>$59,728.06</td>
<td>$45,479.33</td>
<td>$43,792</td>
</tr>
</tbody>
</table>

Staff respectfully recommends Council approve the required actions to ensure compliance with the State and Federal stormwater regulatory programs.
MEMORANDUM OF AGREEMENT


REGARDING THE ADMINISTRATION AND COST SHARING FOR IMPLEMENTING THE COORDINATED INTEGRATED MONITORING PROGRAM (CIMP) AND ENHANCED WATERSHED MANAGEMENT PLAN (EWMP) FOR THE DOMINGUEZ CHANNEL WATERSHED MANAGEMENT AREA

This Memorandum of Agreement (MOA), made and entered into as of the date of the last signature set forth below by and between THE SOUTH BAY CITIES COUNCIL OF GOVERNMENTS (SBCCOG), a California Joint Powers Authority, and THE CITY OF LOS ANGELES (CITY), a municipal corporation, THE CITY OF CARSON, a municipal corporation, THE CITY OF EL SEGUNDO, a municipal corporation, THE CITY OF HAWTHORNE, a municipal corporation, THE CITY OF INGLEWOOD, a municipal corporation, THE CITY OF LAWNDALE, a municipal corporation, THE CITY OF LOMITA, a municipal corporation, LOS ANGELES COUNTY FLOOD CONTROL DISTRICT (LACFCD), a body corporate and politic, and the COUNTY OF LOS ANGELES (COUNTY), a political subdivision of the State of California. Collectively, these entities shall be known herein as PARTIES or individually as PARTY.

WITNESSETH

WHEREAS, for the purpose of this MOA, the term PARTIES shall mean the Cities of Los Angeles, Carson, El Segundo, Hawthorne, Inglewood, Lawndale, Lomita, Los Angeles County Flood Control Districts (LACFCD), the County of Los Angeles (COUNTY); and the term CITY shall mean only the City of Los Angeles; and

WHEREAS, the U.S. Environmental Protection Agency (USEPA) and the California Regional Water Quality Control Board, Los Angeles Region (Regional Board), have classified the Greater Los Angeles County Municipal Separate Storm Sewer System (MS4) as a large MS4 pursuant to 40 CFR section 122.26(b)(4) and a major facility pursuant to 40 CFR section 122.2; and

WHEREAS, the Regional Board adopted National Pollutant Discharge Elimination System MS4 Permit Order No. R4-2012-0175 (MS4 Permit); and

WHEREAS, the MS4 Permit became effective on December 28, 2012, and requires that the LACFCD, the COUNTY, and 84 of the 88 cities (excluding Avalon,
Long Beach, Palmdale, and Lancaster) within the County comply with the prescribed elements of the MS4 Permit; and

WHEREAS, the MS4 Permit identified the PARTIES as MS4 permittees that are responsible for compliance with the MS4 Permit requirements pertaining to the PARTIES’ collective jurisdictional area in the Dominguez Channel Watershed Management Area as identified in Exhibit E of this MOA; and

WHEREAS, the PARTIES elected voluntarily to collaborate on the development of an Enhanced Watershed Management Program (EWMP) and a Coordinated Integrated Monitoring Program (CIMP) in accordance with the MS4 Permit for a portion of the Dominguez Channel Watershed Management Area as identified in Exhibit E of this MOA to comply with all applicable monitoring requirements of the MS4 Permit; and

WHEREAS, the EWMP was submitted to the Regional Board by the PARTIES on June 25, 2015—and revised to include Carson and Lawndale on February 26, 2016—and was approved by the Regional Board on April 21, 2016; and

WHEREAS, the CIMP was submitted to the Regional Board by the PARTIES on June 26, 2014 and was conditionally approved by the Regional Board on December 11, 2015; and

WHEREAS, the PARTIES have agreed for the CITY to perform and coordinate the MONITORING SERVICES of the CIMP and the EWMP-RELATED TASKS on the PARTIES’ behalf, and the PARTIES have agreed to pay the CITY for their services as indicated in Tables 1A-1E of Exhibit A and Tables 1-8 of Exhibit B, respectively, of this MOA; consistent with the requirements of the approved plans and pursuant to the MS4 Permit; and

WHEREAS, the CITY retains the right to outsource some or all of the elements of the MONITORING SERVICES and EWMP-RELATED TASKS, at a cost not to exceed those shown in Tables 1A-1E of Exhibit A and Tables 1-8 of Exhibit B; and

WHEREAS, the PARTIES desire to have the SBCCOG: (a) invoice and collect funds from each of the PARTIES to cover the costs of MONITORING SERVICES and EWMP-RELATED TASKS and pay the CITY; (b) administer this MOA; and (c) negotiate, enter into agreements with, and collect funds from individual NPDES permit holders for cost-sharing of MONITORING SERVICES; and (d) negotiate, enter into agreements with consultant(s) to execute services to uphold the SERVICES and TASKS of this MOA; and

WHEREAS, the PARTIES have agreed that the total cost for this MOA shall not exceed $6,321,367 as shown in Table 1 of Exhibit C; and.
WHEREAS, the PARTIES have agreed to cooperatively share and fully fund the estimated costs of the implementation of the CIMP and EWMP based on the Distributed Cost contained in Tables 1A-1E of Exhibit A and Tables 1-8 of Exhibit B, respectively, of this MOA; and

WHEREAS, the PARTIES agree that each shall assume full and independent responsibility for ensuring its own compliance with the MS4 Permit despite the collaborative approach of the MOA; and

WHEREAS, individual NPDES permit holders that are not PARTIES may wish to participate in the MONITORING SERVICES for individual permit compliance; and

WHEREAS, the PARTIES contemplate allowing such individual NPDES permit holders to participate in the MONITORING SERVICES without being a party to this MOA, in order to minimize the costs of preparing and implementing the CIMP to each of the PARTIES; and

WHEREAS, the SBCCOG can enter into individual separate agreements with such individual NPDES permit holders (which shall not become parties to this MOA) for MONITORING SERVICES cost-sharing purposes only; and

WHEREAS, if other individual NPDES permit holders participate in the cost sharing relating to the MONITORING SERVICES, the PARTIES contemplate that the invoicing table in Exhibit C will be modified as appropriate and each PARTY's proportional payment obligation reduced accordingly to reflect other individual NPDES permit holders' payments.

NOW, THEREFORE, in consideration of the mutual benefits to be derived by the PARTIES, and of the promises contained in this MOA, the PARTIES, and SBCCOG agree as follows:

Section 1. Recitals. The recitals set forth above are true and correct and fully incorporated into this MOA.

Section 2. Purpose. The purpose of this MOA is to cooperatively fund the MONITORING SERVICES and TASKS of the Dominguez Channel Watershed Management Area Group CIMP and EWMP and to authorize the SBCCOG to administer the cost sharing.

Section 3. Cooperation. The PARTIES and the SBCCOG shall fully cooperate with one another to attain the purposes of this MOA.

Section 4. Voluntary. This MOA is voluntarily entered into for the implementation of the CIMP and EWMP.
Section 5. **Term.** This MOA shall become effective on the last date of execution by either a PARTY or the SBCCOG and shall remain in effect for five (5) years from the effective date or until June 30th, 2023, or whichever is later. The MOA may be extended, through an amendment, for an additional three (3) years.

Section 6. **Commitment.** Once effective, all cooperating PARTIES and the SBCCOG agree to uphold the promises contained in this MOA for the duration of the agreed upon term.

Section 7. THE PARTIES AND SBCCOG AGREE:

a. **Monitoring Services.** The CITY will perform the MONITORING SERVICES to support the PARTIES’ submittal of the MS4 Permit Annual. The CITY reserves the right to modify this MOA, through an amendment approved by all PARTIES, when conditions, such as, but not limited to, expansion of CIMP requirements, additional EWMP-RELATED TASKS impact annual costs.

b. **Reporting.** The PARTIES authorize the CITY to prepare and submit semi-annual and annual analytical monitoring reports to the Regional Board as described in the CIMP as well as electronic files if requested by the Regional Board. The CITY shall distribute the semi-annual and annual reports to the PARTIES fifteen (15) businesses days prior to submittal to the Regional Board. The PARTIES may review the monitoring report and submitted comments to the CITY prior to its submittal to the Regional Board.

c. **Invoicing.** The SBCCOG will invoice the PARTIES in annual amounts not exceeding the invoice amounts shown in Table 1 of Exhibit C except the CITY. SBCCOG will pay the CITY, the difference of funds collected minus the sum of administrative costs and CITY portion of shared cost for MONITORING SERVICES and EWMP-RELATED TASKS. The annual invoices will be issued in May of each calendar year in anticipation of the expected monitoring cost for the fiscal year. The CITY shall provide SBCCOG an accounting of the MONITORING SERVICES and EWMP-RELATED TASKS completed during each annual payment term by October 31st of the following year. Contingency and other funds shall be retained by SBCCOG to be used at the discretion of the watershed group. The PARTIES will form a TAC subcommittee to verify the accounting, monitoring and other work completed and the amount of the invoices before the SBCCOG remits payment back to CITY.

d. **Additional Studies.** The PARTIES agree that conducting additional necessary special studies, preparing grant applications, and/or conducting watershed-wide special studies, monitoring with other watershed groups, conducting other collaborative activities for the purpose of complying with the MS4 Permit may be funded by the Parties subject to the terms of this MOA, provided that there are available excess contract funds or contingency funds available to fund these
activities. Prior to the performance of any such activities, all PARTIES much provide written approval of the activities and revise Tables 1A-1E of Exhibit A and/or Tables 1-8 of Exhibit B showing which PARTIES will be funding the activities and in what amounts.

a. **Contracting.** The PARTIES contemplate allowing other individual NPDES permit holders to participate in the MONITORING SERVICES without being a party to this MOA, in order to minimize the costs of preparing and implementing the CIMP to each of the PARTIES. In the event that another NPDES permit holder wants to participate in the MONITORING SERVICES, the SGCCOG may enter into an individual separate agreement with such individual NPDES permit holder (which shall not become a party to this MOA) for MONITORING SERVICES cost sharing purposes. If other individual NPDES permit holders participate in the cost sharing relating to the MONITORING SERVICES, the invoicing tables in Exhibit C shall be modified as appropriate and each PARTIES' proportional payment obligation reduced accordingly to reflect other individual NPDES permit holders' payments.

Section 8. **Payment.**

a. **Annual Payment.** The PARTIES shall pay the SBCCOG for their proportional share of the estimated cost for MONITORING SERVICES EWMP-RELATED TASKS including SBCCOG fees as shown in Table 2 of Exhibit A and B, within sixty (60) days of receipt of the invoice from the SBCCOG. The SBCCOG will remit payment to the CITY within sixty (60) days of receipt of payments from the other PARTIES, noting any delinquent payments that remain due after deducting the SBCCOG’s administrative fixed fee fee as set forth in Table 2 of Exhibit A and B and twelve hundred and thirty dollars ($1230) per individual permittee agreement. The invoicing amounts presented in Exhibit C have been agreed upon by the PARTIES and are subject to change, through an amendment, pursuant to unforeseen challenges.

b. **Program Management Fee.** The costs of MONITORING SERVICES in Exhibit A and EWMP-RELATED TASKS in Exhibit B include a Program Management Fee for facilitation of this MOA by the SBCCOG in the combined amount of $50,000 per year as shown in Table 2 of Exhibit A and B.

c. **Contingency.** The CITY and the SBCCOG will attempt to notify the PARTIES if actual expenditures for MONITORING SERVICES and/or EWMP-RELATED TASKS are anticipated to exceed the cost estimates contained in Exhibit A and B. Inasmuch, the MONITORING SERVICES may be adaptable to sampling events during an event that may preclude the CITY from notifying the PARTIES, and the CITY may incur cost greater than the contract estimates contained in Exhibit A. The PARTIES agree to pay the CITY (through SBCCOG) for their proportional share of these additional expenditures at an amount not to exceed
ten percent (10%) of their proportional annual cost as shown in Tables 1 of Exhibit C. Any costs which exceed this ten percent (10%) contingency will require an amendment to this MOA. These funds will be held by SBCCOG until such time as they are needed.

d. Reconciliation of this MOA. Any unexpended funds held by SBCCOG at the termination of this MOA will be reimbursed or credited to the PARTIES by the SBCCOG, as requested in writing by each PARTY and in accordance with the distributed cost formula set forth in Tables 1 of Exhibit C or PARTIES may elect to roll-over unexpended costs to cover monitoring expenses in the subsequent MOA. At the end of the MOA, the SBCCOG will provide the PARTIES with an accounting of actual expenditures within ninety (90) days.

e. Late Payment Penalty. Any payment that is not received within 60 days following receipt of the SGCCOG invoice shall be subject to interest on the original amount from the date that the payment first became due. The interest rate shall be equal to the Prime Rate in effect when the payment first became due plus one percent (1%) for any payment that is made from one (1) to thirty (30) days after the due date. The Prime Rate in effect when the payment first became due plus five percent (5%) shall apply to any payment that is made from thirty one (31) to sixty (60) days after the due date. The Prime Rate in effect when the payment first became due plus ten percent (10%) shall apply to any payment that is made more than sixty (60) days past the due date. The rates, shall nevertheless, not exceed the maximum allowed by law.

f. Delinquent Payments. A PARTY's or PARTIES' payment is considered to be delinquent one hundred eighty (180) days after receipt of the invoice from the SBCCOG. The following procedure may be implemented to attain payments from the delinquent PARTY or PARTIES: 1) verbally contact/meet with the manager(s) from the delinquent PARTY or PARTIES; 2) submit a formal letter to the delinquent PARTY or PARTIES from SBCCOG counsel; and 3) notify the Regional Board that the delinquent PARTY or PARTIES are no longer a participating member of the CIMP or EWMP. If the PARTY or PARTIES remain delinquent after the above procedures, then that PARTY's participation in this MOA will be deemed terminated, and the remaining PARTIES' cost share allocation shall be adjusted in accordance with the cost allocation formula in Exhibit C.

Section 9. THE PARTIES FURTHER AGREE:

a. Payment. The PARTIES agree to pay the CITY, through the SBCCOG, for the MONITORING SERVICES and EWMP-RELATED TASKS not exceeding the amounts shown in Tables 1 of Exhibit C, based on the distributed cost formula in
Tables 1A-1E of Exhibit A, and Tables 1-8 of Exhibit B, attached hereto and made a part of this MOA by this reference.

b. Documentation. The PARTIES agree to provide all requested information and documentation in their possession and available for release to the CITY that is deemed necessary by the PARTIES to perform the MONITORING SERVICES and EWMP-RELATED TASKS at no cost to the CITY.

c. Each PARTY shall allow reasonable access and entry to the CITY, on an as-needed basis during the term of this MOA, including but not limited to the PARTY’s storm drains, channels, catch basins, and similar properties (FACILITIES) to achieve the purposes of this MOA, provided, however, that prior to entering any of the PARTIES FACILITIES, the CITY shall provide written notice seventy-two (72) hours in advance of entry to the applicable PARTY, or in the cases where seventy-two (72) hour advanced notice is not possible, such as in cases of unforeseen wet weather, as early as reasonably possible. LACFCD, being a member of this MOA, agrees to provide a “no-fee” Access Permit to their facilities/structures which require access to perform the MONITORING SERVICES and EWMP-RELATED TASKS by the CITY. This Access Permit does not cover any fees that may be required for Construction Permits for the installation of permanent monitoring equipment. The CITY shall secure any required necessary permits prior to entry.

d. Each PARTY agrees that due to certain monitoring activities, such as toxicity testing, the total cost of this MOA is not inclusive of those activities that may be required to successfully complete the analyses. Thus, the PARTIES agree to fund the required additional work when the CITY notifies them that the activity has taken place. The PARTIES agree to pay the CITY (through the SBCCOG) for their proportional share of these additional expenditures at an amount not to exceed their proportional annual cost plus the ten percent (10%) contingency as shown in Exhibit A. No PARTY will be obligated to pay for additional expenditures which exceed this amount absent an amendment to this MOA.

e. Reporting. The City of Los Angeles shall distribute the semi-annual and annual reports to the PARTIES 15 days prior to its intended date of submittal to the Regional Board. The PARTIES may review the reports and submitted comments to the City of Los Angeles prior to its submittal to the Regional Board. The City of Los Angeles has control of the submittal but shall discuss the PARTIES’ comments as they apply to the report.

Section 10. Indemnification

a. Each PARTY and the SBCCOG shall indemnify, defend, and hold harmless each other PARTY, including its special districts, elected and appointed officers, employees, agents, attorneys, and designated volunteers from and against any
and all liability, including, but not limited to, demands, claims, actions, fees, costs, and expenses (including reasonable attorney's and expert witness fees), arising from or connected with the respective acts of each PARTY arising from or related to this MOA; provided, however, that no PARTY shall indemnify another PARTY for that PARTY'S own negligence or willful misconduct.

b. In light of the provisions of Section 895.2 of the Government Code of the State of California imposing certain tort liability jointly upon public entities solely by reason of such entities being parties to an agreement (as defined in Section 895 of said Code), each of the PARTIES hereto, pursuant to the authorization contained in Section 895.4 and 895.6 of said Code, shall assume the full liability imposed upon it or any of its officers, agents, or employees, by law for injury caused by any act or omission occurring in the performance of this MOA to the same extent such liability would be imposed in the absence of Section 895.2 of said Code. To achieve the above stated purpose, each PARTY indemnifies, defends, and holds harmless each other PARTY for any liability, cost, or expense that may be imposed upon such other PARTY solely by virtue of said Section 895.2. The provisions of Section 2778 of the California Civil Code are made a part hereof as if incorporated herein.

Section 11. Termination

a. Any PARTY including the SBCCOG may withdraw from this MOA for any reason, in whole or part, by giving the other PARTIES and the Regional Board thirty (30) days written notice thereof. Withdrawing PARTIES shall remain wholly responsible for their share of the costs of MONITORING SERVICES and EWMP-RELATED TASKS for the extent of the effective term of this MOA. Each PARTY shall also be responsible for the payment of its own fines, penalties or costs incurred as a result of the non-performance of the CIMP and/or EWMP. Upon withdrawal by the SBCCOG, the PARTIES shall meet and confer to designate an alternate organization to accept the SBCCOG's responsibilities under this MOA.

b. The SBCCOG shall notify in writing all PARTIES within fourteen (14) days of receiving written notice from any PARTY that intends to terminate this MOA.

c. If a PARTY fails to comply with any of the terms or conditions of this MOA, that PARTY shall forfeit its rights to the work completed through this MOA, but no such forfeiture shall occur unless and until the defaulting PARTY has first been given notice of its default and a reasonable opportunity to cure the alleged default.

d. EQUIPMENT Ownership - Devices such as, automatic sampling stations inclusive of a cabinet, sampling equipment, ancillary devices, power supplies (EQUIPMENT) may be installed to implement the CIMP. Any member of the DC Watershed group voluntarily terminating membership will not be entitled to a
refund for the portion of the share paid to acquire and to operate the EQUIPMENT nor for the remaining value of the EQUIPMENT, if any. The operational life of such EQUIPMENT is approximately seven years, and after which it may be obsolete or may require major remodel or replacement of electrical and mechanical components costing equivalent to a purchase of a new EQUIPMENT. The remaining members of the DC watershed group agree to own, operate and maintain and or replace the EQUIPMENT.

Section 12. General Provisions

a. Notices. Any notices, bills, invoices, or reports relating to this MOA, and any request, demand, statement, or other communication required or permitted hereunder shall be in writing and shall be delivered to the representatives of the PARTIES and/or SBCCOG at the addresses set forth in Exhibit D attached hereto and incorporated herein by reference. PARTIES and SBCCOG shall promptly notify each other of any change of contact information, including personnel changes, provided in Exhibit D. Written notice shall include notice delivered via e-mail or fax. A notice shall be deemed to have been received on (a) the date of delivery, if delivered by hand during regular business hours, or by confirmed facsimile or by e-mail; or (b) on the third (3) business day following mailing by registered or certified mail (return receipt requested) to the addresses set forth in Exhibit D.

b. Administration. For the purposes of this MOA, the PARTIES including SBCCOG hereby designate as their respective representatives the persons named in Exhibit D. The designated representatives, or their respective designees, shall administer the terms and conditions of this MOA on behalf of their respective entities. Each of the persons signing below on behalf of a PARTY or the SBCCOG represents and warrants that he or she is authorized to sign this MOA on behalf of such entity.

c. Relationship of the Parties. The parties to this MOA are, and shall at all times remain as to each other, wholly independent entities. No party to this MOA shall have power to incur any debt, obligation, or liability on behalf of any other party unless expressly provided to the contrary by this MOA. No employee, agent, or officer of a party shall be deemed for any purpose whatsoever to be an agent, employee, or officer of another party.

d. Binding Effect. This MOA shall be binding upon, and shall be to the benefit of the respective successors, heirs, and assigns of each party to this MOA; provided, however, no party may assign its respective rights or obligations under this MOA without the prior written consent of the other parties.
e. Amendment. The terms and provisions of this MOA may not be amended, modified, or waived, except by an instrument in writing signed by all non-delinquent PARTIES and the SBCCOG. Such amendments may be executed by those individuals listed in Exhibit D or by a responsible individual as determined by each PARTY.

f. Law to Govern. This MOA is governed by, interpreted under, and construed and enforced in accordance with the laws of the State of California. In the event of litigation related to this MOA, venue in the state trial courts shall lie exclusively in the County of Los Angeles.

g. No Presumption in Drafting. The parties to this MOA agree that the general rule that an MOA is to be interpreted against the party drafting it, or causing it to be prepared shall not apply.

h. Severability. If any provision of this MOA shall be determined by any court to be invalid, illegal, or unenforceable to any extent, then the remainder of this MOA shall not be affected, and this MOA shall be construed as if the invalid, illegal, or unenforceable provision had never been contained in this MOA.

i. Entire Agreement. This MOA constitutes the entire agreement of the parties to this MOA with respect to the subject matter hereof.

j. Waiver. Waiver by any party to this MOA of any term, condition, or covenant of this MOA shall not constitute a waiver of any other term, condition, or covenant. Waiver by any party to this MOA of any breach of the provisions of this MOA shall not constitute a waiver of any other provision, nor a waiver of any subsequent breach or violation of any provision of this MOA.

k. Counterparts. This MOA may be executed in any number of counterparts, each of which shall be an original, but all of which taken together shall constitute but one and the same instrument, provided, however, that such counterparts shall have been delivered to all parties to this MOA.

l. All parties to this MOA have been represented by counsel in the preparation and negotiation of this MOA. Accordingly, this MOA shall be construed according to its fair language. Any ambiguities shall be resolved in a collaborative manner by the PARTIES and SBCCOG and shall be rectified by amending this MOA as described in Section 12(e).

IN WITNESS WHEREOF, the PARTIES and SBCCOG hereto have caused this MOA to be executed by their duly authorized representatives and affixed as of the date of signature of the PARTIES:
COUNTY OF LOS ANGELES

By
Mark Pestrella, Director of Public Works

Date

APPROVED AS TO FORM:

Mary C. Wickham
County Counsel

By
Deputy

Date
LOS ANGELES COUNTY FLOOD CONTROL DISTRICT

By

Mark Pestrella, Chief Engineer

Date

APPROVED AS TO FORM:

Mary C. Wickham
County Counsel

By

Deputy

Date
CITY OF CARSON

By

Kenneth C. Farfsing,
City Manager

Date

ATTEST:

By: _______________________
    City Clerk

APPROVED AS TO FORM:

By: _______________________
    City Attorney

Date
CITY OF EL SEGUNDO

Greg Carpenter
City Manager

Date

ATTEST:

Tracy Weaver
City Clerk

Date

APPROVED AS TO FORM:

Mark D. Hensley
City Attorney

Date
CITY OF LAWNDALE

Date: ____________________________  By: ____________________________

Robert Pullen-Miles
Mayor

ATTEST:

____________________________________
Bernadette Suarez
City Clerk

APPROVED AS TO FORM:

By: ____________________________

Tiffany J. Israel
City Attorney
CITY OF LOS ANGELES

Date: _____________________________

By: ________________________________
Kevin James, President
Board of Public Works

ATTEST:

_______________________________
Holly Wolcott
Interim City Clerk

APPROVED AS TO FORM:

_______________________________
Michael N. Feuer
City Attorney

By: ________________________________
Adena Hopenstand
Assistant City Attorney
CITY OF HAWTHORNE

Arnold Shadbehrr
Interim City Manager

ATTEST:

Norbert Huber
City Clerk

APPROVED AS TO FORM:

By:

Russell Miyahira
City Attorney
CITY OF INGLEWOOD

Date: __________________________  By: __________________________

James T. Butts
Mayor

ATTEST:

By: __________________________

Yvonne Horton
City Clerk

APPROVED AS TO FORM:

By: __________________________

Kenneth R. Campos
City Attorney
CITY OF LOMITA

Date: _______________  By: ___________________________
                                          Jim Gazeley
                                          Mayor

ATTEST:

By: _______________
    Sandra Medina
    City Clerk

APPROVED AS TO FORM:

By: _______________
    Christi Hogin
    City Attorney
South Bay Cities Council of Governments

Date: ____________________  By: ____________________

ATTEST:

By: ____________________

APPROVED AS TO FORM:

By: ____________________

Counsel for the SBCCOG
EXHIBIT A

Dominguez Channel Enhanced Watershed Management Area CIMP Implementation Costs

Table 1A. CIMP Implementation Cost

<table>
<thead>
<tr>
<th>Agency</th>
<th>Fiscal Year 18-19</th>
<th>Fiscal Year 19-20</th>
<th>Fiscal Year 20-21</th>
<th>Fiscal Year 21-22</th>
<th>Fiscal Year 22-23</th>
<th>Total over 5 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Cost of DC WMA CIMP</td>
<td>$984,557</td>
<td>$933,564</td>
<td>$993,929</td>
<td>$931,323</td>
<td>$927,998</td>
<td>$4,771,371</td>
</tr>
<tr>
<td>LACFCD</td>
<td>$54,781</td>
<td>$52,342</td>
<td>$55,362</td>
<td>$52,232</td>
<td>$52,066</td>
<td>$266,783</td>
</tr>
<tr>
<td>City of Los Angeles</td>
<td>$369,881</td>
<td>$355,957</td>
<td>$370,602</td>
<td>$355,139</td>
<td>$360,023</td>
<td>$1,811,601</td>
</tr>
<tr>
<td>County of Los Angeles</td>
<td>$139,047</td>
<td>$130,557</td>
<td>$141,024</td>
<td>$130,227</td>
<td>$128,398</td>
<td>$669,253</td>
</tr>
<tr>
<td>City of El Segundo</td>
<td>$15,826</td>
<td>$14,487</td>
<td>$15,938</td>
<td>$14,500</td>
<td>$13,399</td>
<td>$74,149</td>
</tr>
<tr>
<td>City of Inglewood</td>
<td>$49,092</td>
<td>$44,938</td>
<td>$49,441</td>
<td>$44,979</td>
<td>$41,563</td>
<td>$230,013</td>
</tr>
<tr>
<td>City of Hawthorne</td>
<td>$49,189</td>
<td>$45,027</td>
<td>$49,538</td>
<td>$45,067</td>
<td>$41,645</td>
<td>$230,466</td>
</tr>
<tr>
<td>City of Lomita</td>
<td>$77,574</td>
<td>$75,753</td>
<td>$79,682</td>
<td>$75,152</td>
<td>$81,311</td>
<td>$389,472</td>
</tr>
<tr>
<td>City of Lawndale</td>
<td>$15,918</td>
<td>$14,572</td>
<td>$16,032</td>
<td>$14,585</td>
<td>$13,477</td>
<td>$74,583</td>
</tr>
<tr>
<td>City of Carson</td>
<td>$213,249</td>
<td>$199,931</td>
<td>$216,310</td>
<td>$199,444</td>
<td>$196,117</td>
<td>$1,025,050</td>
</tr>
</tbody>
</table>

Total Cost = Universal Costs (Shared Items) + Dominguez Channel Watershed Costs + Machado Lake Watershed Costs + LA Harbor Costs + COG fees.

Table 1B. Universal CIMP Costs

<table>
<thead>
<tr>
<th>Agency</th>
<th>Area (acres)</th>
<th>% of Total Area</th>
<th>Fiscal Year 18-19</th>
<th>Fiscal Year 19-20</th>
<th>Fiscal Year 20-21</th>
<th>Fiscal Year 21-22</th>
<th>Fiscal Year 22-23</th>
<th>Total over 5 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Universal Costs (shared)</td>
<td>50,444.88</td>
<td>100%</td>
<td>$549,748</td>
<td>$528,378</td>
<td>$534,201</td>
<td>$528,903</td>
<td>$528,903</td>
<td>$2,670,133</td>
</tr>
<tr>
<td>LACFCD</td>
<td>--</td>
<td>--</td>
<td>$27,487</td>
<td>$26,419</td>
<td>$26,710</td>
<td>$26,445</td>
<td>$26,445</td>
<td>$133,507</td>
</tr>
<tr>
<td>City of Los Angeles</td>
<td>19,243.21</td>
<td>38.15%</td>
<td>$199,227</td>
<td>$191,482</td>
<td>$193,593</td>
<td>$191,673</td>
<td>$191,673</td>
<td>$967,647</td>
</tr>
<tr>
<td>County of Los Angeles</td>
<td>7,699.69</td>
<td>15.26%</td>
<td>$79,716</td>
<td>$76,617</td>
<td>$77,461</td>
<td>$76,693</td>
<td>$76,693</td>
<td>$387,180</td>
</tr>
<tr>
<td>City of El Segundo</td>
<td>1,252.18</td>
<td>2.48%</td>
<td>$12,964</td>
<td>$12,460</td>
<td>$12,597</td>
<td>$12,472</td>
<td>$12,472</td>
<td>$62,966</td>
</tr>
<tr>
<td>City of Inglewood</td>
<td>3,884.28</td>
<td>7.70%</td>
<td>$40,214</td>
<td>$38,651</td>
<td>$39,077</td>
<td>$38,689</td>
<td>$38,689</td>
<td>$195,321</td>
</tr>
<tr>
<td>City of Hawthorne</td>
<td>3,891.93</td>
<td>7.72%</td>
<td>$40,294</td>
<td>$38,727</td>
<td>$39,154</td>
<td>$38,766</td>
<td>$38,766</td>
<td>$195,706</td>
</tr>
<tr>
<td>City of Lomita</td>
<td>1,227.70</td>
<td>2.43%</td>
<td>$12,710</td>
<td>$12,216</td>
<td>$12,351</td>
<td>$12,229</td>
<td>$12,229</td>
<td>$61,735</td>
</tr>
<tr>
<td>City of Lawndale</td>
<td>1,259.51</td>
<td>2.50%</td>
<td>$13,040</td>
<td>$12,533</td>
<td>$12,671</td>
<td>$12,545</td>
<td>$12,545</td>
<td>$63,335</td>
</tr>
<tr>
<td>City of Carson</td>
<td>11,986.38</td>
<td>23.76%</td>
<td>$124,096</td>
<td>$119,277</td>
<td>$120,587</td>
<td>$119,391</td>
<td>$119,391</td>
<td>$602,736</td>
</tr>
</tbody>
</table>

1 LACFCD is responsible for 5% of the Universal Costs, which is subtracted before distributing the cost among the other agencies.
### Table 1C. Dominguez Channel Watershed Monitoring Costs

<table>
<thead>
<tr>
<th>Agency</th>
<th>Area (acres)</th>
<th>% of Total Area</th>
<th>Fiscal Year 18-19</th>
<th>Fiscal Year 19-20</th>
<th>Fiscal Year 20-21</th>
<th>Fiscal Year 21-22</th>
<th>Fiscal Year 22-23</th>
<th>Total over 5 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dominguez Channel Monitoring</td>
<td>33,785.82</td>
<td>100%</td>
<td>$64,539</td>
<td>$40,822</td>
<td>$78,145</td>
<td>$40,838</td>
<td>$9,564</td>
<td>$233,908</td>
</tr>
<tr>
<td>LACFCD(^1)</td>
<td>--</td>
<td>--</td>
<td>$3,227</td>
<td>$2,041</td>
<td>$3,907</td>
<td>$2,042</td>
<td>$478</td>
<td>$11,695</td>
</tr>
<tr>
<td>City of Los Angeles</td>
<td>5,986.68</td>
<td>17.72%</td>
<td>$10,864</td>
<td>$6,872</td>
<td>$13,155</td>
<td>$6,874</td>
<td>$1,610</td>
<td>$39,375</td>
</tr>
<tr>
<td>County of Los Angeles</td>
<td>6,755.80</td>
<td>20.00%</td>
<td>$12,260</td>
<td>$7,755</td>
<td>$14,845</td>
<td>$7,758</td>
<td>$1,817</td>
<td>$44,434</td>
</tr>
<tr>
<td>City of El Segundo</td>
<td>1,252.18</td>
<td>3.71%</td>
<td>$2,272</td>
<td>$1,437</td>
<td>$2,751</td>
<td>$1,438</td>
<td>$337</td>
<td>$8,236</td>
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<tr>
<td>City of Inglewood</td>
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<td>11.50%</td>
<td>$7,049</td>
<td>$4,459</td>
<td>$8,535</td>
<td>$4,460</td>
<td>$1,045</td>
<td>$25,547</td>
</tr>
<tr>
<td>City of Hawthorne</td>
<td>3,891.93</td>
<td>11.52%</td>
<td>$7,063</td>
<td>$4,467</td>
<td>$8,552</td>
<td>$4,469</td>
<td>$1,047</td>
<td>$25,598</td>
</tr>
<tr>
<td>City of Lawndale</td>
<td>1,259.51</td>
<td>3.73%</td>
<td>$2,286</td>
<td>$1,446</td>
<td>$2,768</td>
<td>$1,446</td>
<td>$339</td>
<td>$8,284</td>
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<tr>
<td>City of Carson</td>
<td>10,755.44</td>
<td>31.83%</td>
<td>$19,518</td>
<td>$12,346</td>
<td>$23,633</td>
<td>$12,350</td>
<td>$2,892</td>
<td>$70,740</td>
</tr>
</tbody>
</table>

\(^1\) LACFCD is responsible for 5% of the Dominguez Channel Watershed Cost, which is subtracted before distributing the cost among the other agencies.

### Table 1D. Machado Lake Watershed Monitoring Costs

<table>
<thead>
<tr>
<th>Agency</th>
<th>Area (acres)</th>
<th>% of Total Area</th>
<th>Fiscal Year 18-19</th>
<th>Fiscal Year 19-20</th>
<th>Fiscal Year 20-21</th>
<th>Fiscal Year 21-22</th>
<th>Fiscal Year 22-23</th>
<th>Total over 5 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Machado Lake Watershed Monitoring(^1)</td>
<td>5,228.39</td>
<td>100%</td>
<td>$291,692</td>
<td>$285,669</td>
<td>$302,886</td>
<td>$282,885</td>
<td>$310,834</td>
<td>$1,473,966</td>
</tr>
<tr>
<td>LACFCD(^2)</td>
<td>--</td>
<td>--</td>
<td>$14,585</td>
<td>$14,283</td>
<td>$15,144</td>
<td>$14,144</td>
<td>$15,542</td>
<td>$73,698</td>
</tr>
<tr>
<td>City of Los Angeles</td>
<td>1,998.43</td>
<td>38.22%</td>
<td>$105,918</td>
<td>$103,731</td>
<td>$109,983</td>
<td>$102,720</td>
<td>$112,869</td>
<td>$535,220</td>
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<tr>
<td>County of Los Angeles</td>
<td>809.66</td>
<td>15.49%</td>
<td>$429,12</td>
<td>$420,26</td>
<td>$445,59</td>
<td>$416,17</td>
<td>$457,28</td>
<td>$2,168,434</td>
</tr>
<tr>
<td>City of Carson</td>
<td>1,207.37</td>
<td>23.09%</td>
<td>$63,991</td>
<td>$62,670</td>
<td>$66,447</td>
<td>$62,059</td>
<td>$68,191</td>
<td>$323,358</td>
</tr>
<tr>
<td>City of Lomita</td>
<td>1,212.93</td>
<td>23.20%</td>
<td>$64,286</td>
<td>$62,959</td>
<td>$66,753</td>
<td>$62,345</td>
<td>$68,505</td>
<td>$324,847</td>
</tr>
<tr>
<td>Wilmington Drain Bed Sediment Monitoring (LACFCD)</td>
<td>$5,845</td>
<td></td>
<td>$5,962</td>
<td>$5,964</td>
<td>$5,964</td>
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<td>$5,964</td>
<td>$29,699</td>
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</tbody>
</table>
### Table 1E. LA Harbor Watershed Monitoring Costs

<table>
<thead>
<tr>
<th>Agency</th>
<th>Area (acres)</th>
<th>% of Total Area</th>
<th>Fiscal Year 18-19</th>
<th>Fiscal Year 19-20</th>
<th>Fiscal Year 20-21</th>
<th>Fiscal Year 21-22</th>
<th>Fiscal Year 22-23</th>
<th>Total over 5 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>LA Harbor Monitoring</td>
<td>11,392.33</td>
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<td>$47,733</td>
<td>$47,733</td>
<td>$47,733</td>
<td>$47,733</td>
<td>$238,665</td>
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<tr>
<td>LACFCD ¹</td>
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<td>--</td>
<td>$2,387</td>
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<td>$2,387</td>
<td>$2,387</td>
<td>$2,387</td>
<td>$11,933</td>
</tr>
<tr>
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<td>$44,812</td>
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<td>$2,671</td>
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</table>

¹ LACFCD is responsible for 5% of the LA Harbor Cost, which is subtracted before distributing the cost among the other agencies.

**Notes:**

LA Harbor Monitoring includes the cost of monitoring the Main Ship Channel (HW-07).

Monitoring for the LA Harbor Bacteria TMDL at Cabrillo Beach (CB-01 and CB-02) is the sole responsibility of City of Los Angeles.

Monitoring for the Greater Harbors portion of the Dominguez Channel Toxics TMDL is funded under a separate MOA.

The cities of Carson (23.57 ac) and Lomita (14.77 ac) have small portions of land within the LA Harbor sub-watershed; but are not included in the cost sharing.

### Table 2. South Bay Cities Council of Governments Fee

<table>
<thead>
<tr>
<th>Agency</th>
<th>Area (acres)</th>
<th>% of Total Area</th>
<th>Fiscal Year 18-19</th>
<th>Fiscal Year 19-20</th>
<th>Fiscal Year 20-21</th>
<th>Fiscal Year 21-22</th>
<th>Fiscal Year 22-23</th>
<th>Total over 5 years</th>
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<tbody>
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<td>$590</td>
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<tr>
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² LACFCD is responsible for 5% of the Universal Costs, which is subtracted before distributing the cost among the other agencies.
**EXHIBIT B**  
**Dominguez Channel Enhanced Watershed Management Plan**  
**Implementation Costs**

<table>
<thead>
<tr>
<th>CITY</th>
<th>% Drainage Area</th>
<th>FY 18-19</th>
<th>FY 19-20</th>
<th>FY 20-21</th>
<th>FY 21-22</th>
<th>FY 22-23</th>
<th>5YR Total</th>
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<td>$53,401</td>
<td>$70,033</td>
<td>$356,103</td>
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<td>$5,574</td>
<td>$7,310</td>
<td>$37,169</td>
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<td>$22,696</td>
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<td>$5,619</td>
<td>$7,369</td>
<td>$37,469</td>
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**Table 2. SBCCOG Management Funds**

<table>
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<th>CITY</th>
<th>% Drainage Area</th>
<th>FY 18-19</th>
<th>FY 19-20</th>
<th>FY 20-21</th>
<th>FY 21-22</th>
<th>FY 22-23</th>
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<td>$1,829</td>
<td>$1,829</td>
<td>$1,829</td>
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<td>$594</td>
<td>$594</td>
<td>$594</td>
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<tr>
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<td>$577</td>
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<td>$3,624</td>
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<td><strong>$25,000</strong></td>
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**Table 3. Annual Report Funds**

<table>
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<th>CITY</th>
<th>% Drainage Area</th>
<th>FY 18-19</th>
<th>FY 19-20</th>
<th>FY 20-21</th>
<th>FY 21-22</th>
<th>FY 22-23</th>
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<td>City of Los Angeles</td>
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<td>$38,150</td>
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<td>$2,480</td>
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<td>$2,500</td>
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<tr>
<td>LA County</td>
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<td>$100,000</td>
<td>$100,000</td>
<td>$100,000</td>
<td>$100,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100.00%</strong></td>
<td><strong>$100,000</strong></td>
<td><strong>$100,000</strong></td>
<td><strong>$100,000</strong></td>
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Table 4. Adaptive Management Funds

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<th>FY 19-20</th>
<th>FY 20-21</th>
<th>FY 21-22</th>
<th>FY 22-23</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Los Angeles</td>
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<td>$27,182</td>
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Table 5. ROWD Funds

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<th>FY 19-20</th>
<th>FY 20-21</th>
<th>FY 21-22</th>
<th>FY 22-23</th>
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Table 6. Non-Stormwater Funds

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<th>FY 19-20</th>
<th>FY 20-21</th>
<th>FY 21-22</th>
<th>FY 22-23</th>
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</tr>
<tr>
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</tr>
<tr>
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<td>--</td>
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</tr>
<tr>
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<td>7.72%</td>
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</tr>
<tr>
<td>Inglewood</td>
<td>7.70%</td>
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<td>--</td>
<td>--</td>
</tr>
<tr>
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<td>--</td>
<td>--</td>
</tr>
<tr>
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<td>2.43%</td>
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</tr>
<tr>
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<td>--</td>
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</tr>
<tr>
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### Table 7. SQO/Regional Bight Funds

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<th>FY 19-20</th>
<th>FY 20-21</th>
<th>FY 21-22</th>
<th>FY 22-23</th>
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<tr>
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</tr>
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<td>--</td>
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<tr>
<td>Hawthorne</td>
<td>7.72%</td>
<td>$7,334</td>
<td>--</td>
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</tr>
<tr>
<td>Inglewood</td>
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<td>$7,315</td>
<td>--</td>
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</tr>
<tr>
<td>Lawndale</td>
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<td>$2,375</td>
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<tr>
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<td>$2,309</td>
<td>--</td>
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</tr>
<tr>
<td>LACFCD</td>
<td>--</td>
<td>$5,000</td>
<td>--</td>
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<tr>
<td>LA County</td>
<td>15.26%</td>
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### Table 8. Special Studies Funds

<table>
<thead>
<tr>
<th>CITY</th>
<th>% Drainage Area</th>
<th>FY 18-19</th>
<th>FY 19-20</th>
<th>FY 20-21</th>
<th>FY 21-22</th>
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<td>City of Los Angeles</td>
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<td>$28,994</td>
<td>$28,994</td>
<td>$28,994</td>
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<tr>
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<td>$18,058</td>
<td>$18,058</td>
<td>$18,058</td>
<td>$18,058</td>
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<tr>
<td>El Segundo</td>
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<td>$1,885</td>
<td>$1,885</td>
<td>$1,885</td>
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<td>$5,852</td>
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<tr>
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<td>$1,900</td>
<td>$1,900</td>
<td>$1,900</td>
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## EXHIBIT C

**Dominguez Channel Enhanced Watershed Management Area**  
**CIMP and EWMP Invoicing Schedule**

### Table 1. CIMP/EWMP Implementation Annual Implementation Costs

<table>
<thead>
<tr>
<th>CITY</th>
<th>% Drainage Area</th>
<th>July 2018</th>
<th>July 2019</th>
<th>July 2020</th>
<th>July 2021</th>
<th>July 2022</th>
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<tbody>
<tr>
<td>City of Los Angeles</td>
<td>38.15%</td>
<td>$536,691</td>
<td>$432,161</td>
<td>$501,169</td>
<td>$440,880</td>
<td>$472,470</td>
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<td>Carson</td>
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<td>$20,074</td>
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<td>$60,319</td>
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<td>$80,613</td>
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<td>LACFCD</td>
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<td>$72,531</td>
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<td>$57,482</td>
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<td><strong>Total</strong></td>
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<td><strong>$1,138,563</strong></td>
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<td><strong>$1,161,322</strong></td>
<td><strong>$1,232,997</strong></td>
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# EXHIBIT D

Dominguez Channel EWMP/CIMP Responsible Agencies Representatives and SBCCOG Contact

<table>
<thead>
<tr>
<th>Agency Address</th>
<th>Agency Contact</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Los Angeles</td>
<td>Shahram Kharaghani</td>
</tr>
<tr>
<td>Department of Public Works</td>
<td>E-mail: <a href="mailto:Shahram.Kharaghani@lacity.org">Shahram.Kharaghani@lacity.org</a></td>
</tr>
<tr>
<td>Bureau of Sanitation, Watershed Protection Division</td>
<td>Phone: (213) 485-0587</td>
</tr>
<tr>
<td>1149 S. Broadway</td>
<td>Fax: (213) 485-3939</td>
</tr>
<tr>
<td>Los Angeles, CA 90015</td>
<td></td>
</tr>
<tr>
<td>County of Los Angeles</td>
<td>Paul Alva</td>
</tr>
<tr>
<td>Department of Public Works</td>
<td>E-mail: <a href="mailto:palva@dpw.lacounty.gov">palva@dpw.lacounty.gov</a></td>
</tr>
<tr>
<td>Stormwater Quality Division, 11th Floor</td>
<td>Phone: (626) 458-4325</td>
</tr>
<tr>
<td>900 South Fremont Avenue</td>
<td>Fax: (626) 457-1526</td>
</tr>
<tr>
<td>Alhambra, CA 91803-1331</td>
<td></td>
</tr>
<tr>
<td>Los Angeles County Flood Control District</td>
<td>Paul Alva</td>
</tr>
<tr>
<td>Department of Public Works</td>
<td>E-mail: <a href="mailto:palva@dpw.lacounty.gov">palva@dpw.lacounty.gov</a></td>
</tr>
<tr>
<td>Stormwater Quality Division, 11th Floor</td>
<td>Phone: (626) 458-4325</td>
</tr>
<tr>
<td>900 South Fremont Avenue</td>
<td>Fax: (626) 457-1526</td>
</tr>
<tr>
<td>Alhambra, CA 91803-1331</td>
<td></td>
</tr>
<tr>
<td>City of Carson</td>
<td>Kenneth C. Farfsing, Interim City Manager</td>
</tr>
<tr>
<td>Office of the City Manager</td>
<td>E-mail: <a href="mailto:kfarfsing@carson.ca.us">kfarfsing@carson.ca.us</a></td>
</tr>
<tr>
<td>701 E. Carson Street</td>
<td>Phone: (310) 835-7261</td>
</tr>
<tr>
<td>Carson, CA 90749</td>
<td></td>
</tr>
<tr>
<td>City of El Segundo</td>
<td>Lifan Xu</td>
</tr>
<tr>
<td>350 Main Street</td>
<td>E-mail: <a href="mailto:lxu@elsegundo.org">lxu@elsegundo.org</a></td>
</tr>
<tr>
<td>El Segundo, CA 90245-3895</td>
<td>Phone: (310) 524-2368</td>
</tr>
<tr>
<td>City of Hawthorne</td>
<td>Doug Krauss</td>
</tr>
<tr>
<td>4455 West 126th Street</td>
<td>E-mail: <a href="mailto:dkrauss@cityofhawthorne.org">dkrauss@cityofhawthorne.org</a></td>
</tr>
<tr>
<td>Hawthorne, CA 90250-4482</td>
<td>Phone: (310) 349-2987</td>
</tr>
<tr>
<td>Arnold Shadbehrr, P.E., Interim City Manager</td>
<td>E-mail: <a href="mailto:ashadbehrr@cityofhawthorne.org">ashadbehrr@cityofhawthorne.org</a></td>
</tr>
<tr>
<td>Phone: (310) 349-2980</td>
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Page 28 of 30
<table>
<thead>
<tr>
<th>City of Inglewood</th>
<th>Lauren Amimoto</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 W. Manchester Blvd. 3rd Floor Inglewood, CA 90301-1750</td>
<td>E-mail: <a href="mailto:lamimoto@cityofinglewood.org">lamimoto@cityofinglewood.org</a></td>
</tr>
<tr>
<td></td>
<td>Phone: (310) 412-5192</td>
</tr>
<tr>
<td></td>
<td>FAX: (310) 412-5552</td>
</tr>
<tr>
<td></td>
<td>Louis A. Atwell, Public Works Director</td>
</tr>
<tr>
<td></td>
<td>E-mail: <a href="mailto:latwell@cityofinglewood.org">latwell@cityofinglewood.org</a></td>
</tr>
<tr>
<td></td>
<td>Phone: (310) 412-5333</td>
</tr>
<tr>
<td>City of Lawndale</td>
<td>Steve Mandoki</td>
</tr>
<tr>
<td>Office of the City Manager</td>
<td>E-mail: <a href="mailto:smandoki@lawndalecity.org">smandoki@lawndalecity.org</a></td>
</tr>
<tr>
<td>14717 Burin Avenue</td>
<td>Phone: (310) 371-3202</td>
</tr>
<tr>
<td>Lawndale, CA 90260</td>
<td>Fax: (310) 371-8877</td>
</tr>
<tr>
<td>City of Lomita</td>
<td>Ryan Smoot, City Manager</td>
</tr>
<tr>
<td>24300 Narbonne Avenue</td>
<td>E-mail: <a href="mailto:r.smoot@lomita.city.com">r.smoot@lomita.city.com</a></td>
</tr>
<tr>
<td>Lomita, CA 90717</td>
<td>Phone: (310) 325-7110 ext. 115</td>
</tr>
<tr>
<td></td>
<td>Fax: (310) 325-4024</td>
</tr>
<tr>
<td>South Bay Council of Governments</td>
<td>Jacki Bacharach</td>
</tr>
<tr>
<td>20285 S. Western Ave., #100 Torrance, CA 90501</td>
<td>E-mail: <a href="mailto:Jacki@southbaycities.org">Jacki@southbaycities.org</a></td>
</tr>
<tr>
<td></td>
<td>Phone: (310) 293-2612</td>
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EXHIBIT E
Dominguez Channel Enhanced Watershed Management Area Group

LEGEND
- Dominguez Channel
- Dominguez Channel WMA Group
- Flood Control District Territory
- Dominguez Channel WMA Group
- DC Agencies Participating EWMP
- Other DC Agencies not Participating EWMP
- Watershed Management Area Boundaries
- Dominguez Channel Watershed
- Machado Lake Watershed
- LALIB Harbor Watershed

<table>
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<th>Agency</th>
<th>Total Area (acres)</th>
<th>Percent Area from Group</th>
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<tbody>
<tr>
<td>City of Carson</td>
<td>13,986.38</td>
<td>23.76%</td>
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<tr>
<td>City of El Segundo</td>
<td>1,257.18</td>
<td>2.08%</td>
</tr>
<tr>
<td>City of Hawthorne</td>
<td>3,991.73</td>
<td>7.22%</td>
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<tr>
<td>City of Inglewood</td>
<td>3,884.28</td>
<td>7.04%</td>
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<tr>
<td>City of Lawndale</td>
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<td>2.08%</td>
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<tr>
<td>City of Lomita</td>
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<tr>
<td>L.A. &amp; Long Beach</td>
<td>2,154.21</td>
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<td>Los Angeles County</td>
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<td>LACCFD</td>
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<td>EWMP Group</td>
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Dramaway Net
DATE CREATED: 6/18/19
CHECKED BY: CP
DATE REVISED: 5/17/19
ENRIQUE E. ZALEZ
DIRECTOR
BUREAU OF SANITATION
SAWYER HARBOR PROGRAM MANAGER
WATERSHED PROTECTION DIVISION

180
MEMORANDUM OF AGREEMENT
BETWEEN

CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, LOS ANGELES COUNTY FLOOD CONTROL DISTRICT, AND CITIES OF EL SEGUNDO AND SANTA MONICA

REGARDING THE ADMINISTRATION AND COST SHARING OF IMPLEMENTING THE COORDINATED INTEGRATED MONITORING PROGRAM AND ADMINISTRATIVE REQUIREMENTS OF THE ENHANCED WATERShed MANAGEMENT PROGRAM FOR JURISDICTIONAL GROUPS 2 AND 3 OF THE SANTA MONICA BAY WATERSHED

This Memorandum of Agreement ("Agreement") is made and entered into as of the date of the last signature set forth below by and between: the City of Los Angeles, a municipal corporation; the County of Los Angeles, a political subdivision of the State of California; the Los Angeles County Flood Control District (LACFCD), a body corporate and politic; the City of El Segundo, a municipal corporation; and the City of Santa Monica, a municipal corporation. Collectively, these entities shall be known herein as "Parties" or individually as "Party".

RECITALS

WHEREAS, the Regional Water Quality Control Board, Los Angeles Region ("LARWQCB") adopted the National Pollutant Discharge Elimination System Municipal Separate Storm Sewer System Permit No. R4-2012-0175 ("MS4 Permit") on November 8, 2012; and

WHEREAS, the MS4 Permit became effective on December 28, 2012 and requires that the County of Los Angeles, the LACFCD, and 84 of the 88 cities (excluding Long Beach, Avalon, Palmdale, and Lancaster) within Los Angeles County comply with the requirements of the MS4 Permit; and

WHEREAS, the MS4 Permit identified the Parties as permittees that are responsible for compliance with the MS4 Permit requirements pertaining to Jurisdictional Groups 2 and 3 of the Santa Monica Bay Watershed; and

WHEREAS, the Parties prepared a Coordinated Integrated Monitoring Program (CIMP) in accordance with the MS4 Permit for Jurisdictional Groups 2 and 3 of the Santa Monica Bay watershed that was approved by the LARWQCB on November 23, 2015; and

WHEREAS, the Parties prepared an Enhanced Watershed Management Program (EWMP) in accordance with the MS4 Permit for Jurisdictional Groups 2 and 3 of the Santa Monica Bay watershed that was approved by the LARWQCB on April 21, 2016; and
WHEREAS, the Parties have agreed to collaboratively implement certain requirements of the CIMP ("CIMP Monitoring Services") and EWMP ("EWMP Administration Services"); and

WHEREAS, the CIMP Monitoring Services include sample collection, in-situ measurements, laboratory analyses, source investigations, and water quality data reporting as provided in the CIMP, as well as the preparation of Annual Reports for the MS4 Permit that are due in December 2019, 2020, 2021, 2022 and 2023; and

WHEREAS, the CIMP Monitoring Services do not include bacterial monitoring along the shoreline of Santa Monica Bay per the Santa Monica Bay Beaches Bacteria TMDL, as these costs will be cost-shared in a separate agreement; and

WHEREAS, the EWMP Administration Services include development of MS4 Permit Annual Reports, adaptive management, reasonable assurance analysis, and other program components outlined in the EWMP; and

WHEREAS, the City of Los Angeles has the expertise and equipment to perform the CIMP Monitoring and EWMP Administrative Services consistent with the CIMP and EWMP; and

WHEREAS, the Parties have agreed to cooperatively share and fully fund the estimated costs for implementation of the CIMP Monitoring and EWMP Administration Services for fiscal years 2018-19 through 2022-23, as contained in Exhibit A of this Agreement; and

WHEREAS, the Parties have agreed to retain the City of Los Angeles to perform the CIMP Monitoring and EWMP Administration Services on their behalf, the Parties have agreed to pay the City of Los Angeles for their share of the estimated costs of these services, and the City of Los Angeles is willing to provide, perform, and be reimbursed for such services on behalf of the Parties as indicated in Exhibit A; and

WHEREAS, the City of Los Angeles may elect to use a professional services contract with a consultant ("Consultant") to implement part or all of the CIMP Monitoring and EWMP Administration Services; and

WHEREAS, the Parties agree that each shall assume full and independent responsibility for ensuring its own compliance with the MS4 Permit despite the collaborative approach of this Agreement;

NOW, THEREFORE, in consideration of the mutual covenants and conditions set forth herein, the Parties do hereby agree as follows:

Section 1. Recitals. The recitals set forth above are fully incorporated as part of this Agreement.

Section 2. Purpose. The purpose of this Agreement is to cooperatively fund the implementation and to coordinate the payment of the CIMP Monitoring and EWMP Administration Services.
Section 3. **Cooperation.** The Parties shall fully cooperate with one another to attain the purposes of this Agreement.

Section 4. **Voluntary Nature.** This Agreement is voluntarily entered into for the implementation of the CIMP Monitoring and EWMP Administration Services.

Section 5. **Term.** This Agreement shall become effective on the date of final execution by the Parties and it shall remain and continue in effect until June 30, 2023.

Section 6. **Cost sharing of Services Prior to Execution of this Agreement.** The Parties agree that any substantiated costs incurred by the City of Los Angeles for performing CIMP Monitoring and EWMP Administration Services prior to the execution date of this Agreement be cost-shared under this Agreement according to the amounts specified in Exhibit A and shall be included in the first invoice.

Section 7. **The City of Los Angeles agrees.**

a) **CIMP Monitoring Services** – The City of Los Angeles will perform the CIMP Monitoring Services in accordance with the CIMP and its applicable provisions in the MS4 Permit. Any changes in the CIMP Monitoring Services as a result of new requirements of the LARWQCB will require approval by all Parties.

b) **Water Quality Data Reporting** – The City of Los Angeles will submit water quality data to the LARWQCB as required by the MS4 Permit. In addition, the City of Los Angeles will submit to the Parties the data used to prepare the reports. This data will be transmitted electronically in a format that contains the table structure and syntax agreed upon by the Parties, e.g., California Environmental Data Exchange Network format.

c) **EWMP Administration Services** – The City of Los Angeles will perform the EWMP Administration Services specified in Table 2 of Exhibit A in accordance with the EWMP and applicable provisions in the MS4 Permit. Any changes in the EWMP Administration Services as a result of new requirements of the LARWQCB will require approval by all Parties.

d) **Invoicing** – The City of Los Angeles will annually invoice the Parties as shown in Table 7 of Exhibit A.

e) The City of Los Angeles will credit the County of Los Angeles the amounts shown in Table 6 of Exhibit A for performing trash assessments on Venice Beach on behalf of the City of Los Angeles.

Section 8. **The Parties agree.**

a) **Payment** – The Parties agree to pay the City of Los Angeles for the CIMP Monitoring and EWMP Administration Services not exceeding the amounts shown in Table 7 of Exhibit A within sixty (60) days of receipt of the invoice from the City of Los Angeles.
b) Documentation – The Parties agrees to provide the City of Los Angeles at no cost with all requested information and documentation that is available for release and deemed necessary to perform the CIMP Monitoring and EWMP Administration Services by the City of Los Angeles.

c) Access – The Parties shall allow reasonable access and entry to the City of Los Angeles or its Consultant, on an as needed basis during the term of this Agreement, to their storm drains, channels, catch basins, and similar properties to achieve the purposes of this Agreement, with no access or permitting fees and charges to the City of Los Angeles. Prior to entering any of a Party’s facilities, the City of Los Angeles shall obtain all necessary permits and provide that Party with a written notice 72 hours in advance of entry when feasible.

d) The County of Los Angeles agrees to conduct trash and data collection on Venice Beach on behalf of the City of Los Angeles and according to the procedures specified in the City of Los Angeles Trash Monitoring and Reporting Program. Data analysis and reporting will be the responsibility of the City of Los Angeles.

Section 9. Invoice and Payment.

a) Annual Payment – Each Party shall pay the City of Los Angeles for its proportional share of the estimated cost for CIMP Monitoring and EWMP Administration Services as shown in Table 7 of Exhibit A within sixty (60) days of receipt of the invoice from the City of Los Angeles. The cost estimates presented in Exhibit A have been agreed upon by all Parties, and are subject to changes in the CIMP and EWMP and pursuant to LARWQCB new requirements. Any changes of annual invoices are subject to sections 9(c) and 12(e) of this Agreement.

b) Invoicing – The City of Los Angeles will invoice the Parties the amounts shown in Table 7 of Exhibit A. The annual payments for the period of July 2018 – June 2023 will be invoiced in January of each year starting January 2019 or upon the execution of this Agreement, whichever is later.

c) Contingency – The City of Los Angeles will notify the Parties a minimum of thirty (30) days in advance of invoicing if actual expenditures for CIMP Monitoring and EWMP Administration Services are anticipated to exceed the cost estimates contained in Tables 1 and 2 of Exhibit A, respectively, and obtain written approval of such expenditures from all Parties. Upon approval of the additional expenditures, the Parties agree to pay the City of Los Angeles for their proportional share of these additional expenditures in the next annual invoice at an amount not to exceed 10 percent of the original cost estimate for CIMP Monitoring and EWMP Administration Services as shown in Tables 7 of Exhibit A. The 10 percent contingency will not be invoiced, unless actual expenditures exceed the original cost estimate for CIMP Monitoring and EWMP Administration Services. Expenditures that exceed the 10 percent contingency will require an amendment of this Agreement.

d) Reconciliation of this Agreement – The City of Los Angeles will provide an accounting upon termination of this Agreement within 90 days of said termination. At the completion of the accounting, the City of Los Angeles shall return any unused portion of all funds deposited with the City of Los Angeles within 180 days of said termination. Subject to agreement by the City of
Los Angeles, any funds which are to be reimbursed to a Party may be reimbursed through credits towards future invoices and agreements, if requested in writing by that Party. At the end of each fiscal year, the City of Los Angeles will provide the Parties with a statement of the actual expenditures.

Section 10. Indemnification.

a) Each Party shall indemnify, defend, and hold harmless each other Party, including its special districts, elected and appointed officers, employees, and agents, from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, and expenses (including attorney and expert witness fees), arising from or connected with the respective acts of each Party arising from or related to this Agreement; provided, however, that no party shall indemnify another party for that party's own negligence or willful misconduct.

b) In light of the provisions of Section 895.2 of the Government Code of the State of California imposing certain tort liability jointly upon public entities solely by reason of such entities being parties to an agreement (as defined in Section 895 of said Code), each of the Parties hereto, pursuant to the authorization contained in Section 895.4 and 895.6 of said Code, shall assume the full liability imposed upon it or any of its officers, agents, or employees, by law for injury caused by any act or omission occurring in the performance of this Agreement to the same extent that such liability would be imposed in the absence of Section 895.2 of said Code. To achieve the above stated purpose, each Party indemnifies, defends, and holds harmless each other Party for any liability, cost, or expense that may be imposed upon such other Party solely by virtue of said Section 895.2. The provisions of Section 2778 of the California Civil Code are made a part hereof as if incorporated herein.

Section 11. Early Withdrawal or Termination of Agreement.

a) Each Party may withdraw from this Agreement for any reason, in whole or part, by giving the other Parties thirty (30) days written notice thereof. The withdrawing Party shall remain wholly responsible for its proportional share of the cost that was incurred up to the date of withdrawal. Completed work shall be owned by the Party or Parties who fund the completion of such work. Rights to uncompleted work by the Consultant still under contract will be held by the Party or Parties who fund the completion of such work.

b) The City of Los Angeles shall notify in writing all Parties within fourteen (14) days of receiving written notice from any Party that elects to withdraw from cost sharing of CIMP Monitoring and EWMP Administration Services before the end of the term of this Agreement.

c) The City of Los Angeles may notify the LARWQCB of any Party that has elected to withdraw from this Agreement before its end of the term. Each Party shall be responsible for the payment of its own fines, penalties, and costs incurred as a result of that Party's non-performance of the CIMP or EWMP.

d) This Agreement may be terminated before the end of the term if agreed upon by all Parties to this Agreement.

a) Notices – Any notices, bills, invoices, or reports relating to this Agreement, and any request, demand, statement or other communication required or permitted hereunder shall be in writing and shall be delivered to the Representative of the Party at the address set forth in Exhibit B. Parties shall promptly notify each other of any change of contact information, including personnel changes, provided in Exhibit B. Written notice shall include notice delivered via email or fax. A notice shall be deemed to have been received on (a) the date of delivery, if delivered by hand during regular business hours, or by confirmed facsimile or by email; or (b) on the third (3) business day following mailing by registered or certified mail (return receipt requested) to the addresses set forth in Exhibit B.

b) Administration – For the purposes of this Agreement, the Parties hereby designate as their respective Party Representatives, the persons named in Exhibit B. The designated Party Representatives, or their respective designees, shall administer the terms and conditions of this Agreement on behalf of their respective Party. Each of the persons signing below on behalf of a Party represents and warrants that they are authorized to sign this Agreement on behalf of such Party.

c) Relationship of Parties – The Parties are and shall remain at all times as to each other, wholly independent entities. No Party to this Agreement shall have power to incur any debt, obligation, or liability on behalf of another Party unless expressly provided to the contrary by this Agreement. No employee, agent, or officer of a Party shall be deemed for any purpose whatsoever to be an agent, employee, or officer of another Party.

d) Binding Effect – This Agreement shall be binding upon and inure to the benefit of each Party to this Agreement and their respective heirs, administrators, representatives, successors and assigns.

e) Amendment – The terms and provisions of this Agreement may not be amended, modified or waived, except by an instrument in writing signed by all non-delinquent Parties. For purposes of this subsection, a Party shall be considered delinquent if that Party fails to timely pay an invoice as required by Sections 8(a) and 9(a), or withdraws pursuant to Section 11(a). Such amendments may be executed by those individuals listed in Exhibit B or by a responsible individual as authorized by the governing body of each Party.

f) Waiver – Waiver by any Party to this Agreement of any term, condition, or covenant of this Agreement shall not constitute a waiver of any other term, condition, or covenant. Waiver by any Party to any breach of the provisions of this Agreement shall not constitute a waiver of any other provision, nor a waiver of any subsequent breach or violation of any provision of this Agreement.

g) Law to Govern; Venue – This Agreement shall be interpreted, construed, and governed according to the laws of the State of California. In the event of litigation between the Parties, venue in the state trial courts shall lie exclusively in the County of Los Angeles.
h) No Presumption in Drafting – The Parties to this Agreement agree that the general rule that an Agreement is to be interpreted against the Party drafting it, or causing it to be prepared shall not apply.

i) Entire Agreement – This Agreement constitutes the entire agreement of the Parties with respect to the subject matter hereof and supersedes all prior or contemporaneous agreements, whether written or oral, with respect thereto.

j) Severability – If any term, provision, condition or covenant of this Agreement is declared or determined by any court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions of this Agreement shall not be affected thereby and this Agreement shall be read and constructed without the invalid, void, or unenforceable provision(s).

k) Counterparts – This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which taken together shall constitute but one and the same instrument, provided, however, that such counterparts shall have been delivered to all Parties to this Agreement.

l) All Parties have been represented by counsel in the preparation and negotiation of this Agreement. Accordingly, this Agreement shall be construed according to its fair language. Any ambiguities shall be resolved in a collaborative manner by the Parties and shall be rectified by amending this Agreement as described in Section 12(e).

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed on their behalf, respectively, as follows:
CITY OF LOS ANGELES

Date: ___________________    By: ___________________

Kevin L. James, President
Board of Public Works

ATTEST:

By: ___________________

Holly L. Wolcott
City Clerk

APPROVED AS TO FORM:

Michael N. Feuer
City Attorney

By: ___________________

Adena M. Hopenstand
Deputy City Attorney
CITY OF SANTA MONICA

Date: ____________________  By: ____________________

Rick Cole, City Manager

ATTEST:

By: ____________________

Denise Anderson-Warren
City Clerk

APPROVED AS TO FORM:

By: ____________________

Lane Dilg
City Attorney
CITY OF EL SEGUNDO

Date: ______________________  By: ______________________

Greg Carpenter
City Manager

ATTEST:

By: ______________________  Date: ______________________

Tracy Weaver
City Clerk

APPROVED AS TO FORM:

By: ______________________  Date: ______________________

Mark D. Hensley
City Attorney
LOS ANGELES COUNTY FLOOD CONTROL DISTRICT

By

Mark Pestrella
Chief Engineer

Date

APPROVED AS TO FORM:

Mary C. Wickham
County Counsel

By

Deputy

Date
COUNTY OF LOS ANGELES

By

Mark Pestrella
Director of Public Works

Date

APPROVED AS TO FORM:

Mary C. Wickham
County Counsel

By

Deputy

Date
# EXHIBIT A

Total Estimated Cost-Sharing and Invoicing for Santa Monica Bay Jurisdictions 2 and 3
CIMP Monitoring and EWMP Administration Services

## Table 1. Total Estimated Cost of CIMP Monitoring Services.

<table>
<thead>
<tr>
<th>CIMP Component (1), (2)</th>
<th>5 Year Total</th>
<th>Fiscal Year 18-19</th>
<th>Fiscal Year 19-20</th>
<th>Fiscal Year 20-21</th>
<th>Fiscal Year 21-22</th>
<th>Fiscal Year 22-23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receiving Water Monitoring</td>
<td>$ 475,000</td>
<td>$ 95,000</td>
<td>$ 95,000</td>
<td>$ 95,000</td>
<td>$ 95,000</td>
<td>$ 95,000</td>
</tr>
<tr>
<td>Stormwater Outfall Monitoring</td>
<td>$ 197,500</td>
<td>$ 39,500</td>
<td>$ 39,500</td>
<td>$ 39,500</td>
<td>$ 39,500</td>
<td>$ 39,500</td>
</tr>
<tr>
<td>Non-Stormwater Outfall Monitoring</td>
<td>$ 77,500</td>
<td>$ 15,500</td>
<td>$ 15,500</td>
<td>$ 15,500</td>
<td>$ 15,500</td>
<td>$ 15,500</td>
</tr>
<tr>
<td>Reporting &amp; Data Management (15% of Monitoring Costs)</td>
<td>$ 112,500</td>
<td>$ 22,500</td>
<td>$ 22,500</td>
<td>$ 22,500</td>
<td>$ 22,500</td>
<td>$ 22,500</td>
</tr>
<tr>
<td>Capital Expenses</td>
<td>$ 72,390</td>
<td>$ 14,478</td>
<td>$ 14,478</td>
<td>$ 14,478</td>
<td>$ 14,478</td>
<td>$ 14,478</td>
</tr>
<tr>
<td>Operation &amp; Maintenance Expenses</td>
<td>$ 21,000</td>
<td>$ 4,200</td>
<td>$ 4,200</td>
<td>$ 4,200</td>
<td>$ 4,200</td>
<td>$ 4,200</td>
</tr>
<tr>
<td>Contracted Services</td>
<td>$ 700,000</td>
<td>$ 140,000</td>
<td>$ 140,000</td>
<td>$ 140,000</td>
<td>$ 140,000</td>
<td>$ 140,000</td>
</tr>
<tr>
<td>Program Management (5% of All Expenses and Costs)</td>
<td>$ 82,795</td>
<td>$ 16,559</td>
<td>$ 16,559</td>
<td>$ 16,559</td>
<td>$ 16,559</td>
<td>$ 16,559</td>
</tr>
<tr>
<td>General Monitoring Cost (Sub-Total)</td>
<td>$ 802,800</td>
<td>$ 156,559</td>
<td>$ 156,559</td>
<td>$ 156,559</td>
<td>$ 156,559</td>
<td>$ 156,559</td>
</tr>
<tr>
<td>Annual Escalation (2%)</td>
<td>$ 107,146</td>
<td>$ 20,000</td>
<td>$ 20,000</td>
<td>$ 20,000</td>
<td>$ 20,000</td>
<td>$ 20,000</td>
</tr>
<tr>
<td>Annual Monitoring Cost (Total)</td>
<td>$ 1,845,830</td>
<td>$ 354,692</td>
<td>$ 361,785</td>
<td>$ 369,021</td>
<td>$ 376,402</td>
<td>$ 383,930</td>
</tr>
</tbody>
</table>

(1) Cost in FY 2017-23 dollars.
(2) Cost excluding contingency.

## Table 2. Total Estimated Cost of EWMP Administration Services

<table>
<thead>
<tr>
<th>EWMP Component (1), (2)</th>
<th>5 Year Total</th>
<th>Fiscal Year 18-19</th>
<th>Fiscal Year 19-20</th>
<th>Fiscal Year 20-21</th>
<th>Fiscal Year 21-22</th>
<th>Fiscal Year 22-23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Reporting (non-CIMP)</td>
<td>$ 200,000</td>
<td>$ 40,000</td>
<td>$ 40,000</td>
<td>$ 40,000</td>
<td>$ 40,000</td>
<td>$ 40,000</td>
</tr>
<tr>
<td>Report of Waste Discharge</td>
<td>$ 44,400</td>
<td>$ 9,400</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Adaptive Management</td>
<td>$ 150,000</td>
<td>$ 30,000</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Reasonable Assurance Analysis</td>
<td>$ 300,000</td>
<td>$ -</td>
<td>$ 150,000</td>
<td>$ 150,000</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>EWMP Time Extension</td>
<td>$ 20,000</td>
<td>$ 4,000</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Time Schedule Orders (SMB Bacteria TMDL)</td>
<td>$ 80,000</td>
<td>$ -</td>
<td>$ 40,000</td>
<td>$ 40,000</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Santa Monica Bay DDT / PCBs TMDL Re-opened (DDT only)</td>
<td>$ 30,000</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 30,000</td>
<td>$ -</td>
</tr>
<tr>
<td>Administrative Fee (5%)</td>
<td>$ 41,220</td>
<td>$ 6,470</td>
<td>$ 11,500</td>
<td>$ 14,000</td>
<td>$ 3,500</td>
<td>$ 5,750</td>
</tr>
<tr>
<td>EWMP Cost (Sub-Total)</td>
<td>$ 865,620</td>
<td>$ 135,870</td>
<td>$ 241,500</td>
<td>$ 294,000</td>
<td>$ 73,500</td>
<td>$ 120,750</td>
</tr>
<tr>
<td>Annual Escalation (2%)</td>
<td>$ 49,096</td>
<td>$ 2,717</td>
<td>$ 9,756.60</td>
<td>$ 17,995.15</td>
<td>$ 6,058.76</td>
<td>$ 12,567.76</td>
</tr>
<tr>
<td>EWMP Cost (Total)</td>
<td>$ 914,716</td>
<td>$ 138,587</td>
<td>$ 251,257</td>
<td>$ 311,995</td>
<td>$ 79,559</td>
<td>$ 133,318</td>
</tr>
</tbody>
</table>

(1) Cost in FY 2017-18 dollars.
(2) Cost excluding contingency.

## Table 3. Total Estimated Cost of CIMP Monitoring and EWMP Administration Services.

<table>
<thead>
<tr>
<th>Cost</th>
<th>5 Year Total</th>
<th>Fiscal Year 18-19</th>
<th>Fiscal Year 19-20</th>
<th>Fiscal Year 20-21</th>
<th>Fiscal Year 21-22</th>
<th>Fiscal Year 22-23</th>
</tr>
</thead>
<tbody>
<tr>
<td>CIMP Monitoring Services Total Cost</td>
<td>$ 1,845,830</td>
<td>$ 354,692</td>
<td>$ 361,785</td>
<td>$ 369,021</td>
<td>$ 376,402</td>
<td>$ 383,930</td>
</tr>
<tr>
<td>EWMP Program Management Total Cost</td>
<td>$ 914,716</td>
<td>$ 138,587</td>
<td>$ 251,257</td>
<td>$ 311,995</td>
<td>$ 79,559</td>
<td>$ 133,318</td>
</tr>
<tr>
<td>Total Watershed MOA Cost</td>
<td>$ 2,760,545</td>
<td>$ 493,279</td>
<td>$ 613,042</td>
<td>$ 681,016</td>
<td>$ 455,960</td>
<td>$ 517,247</td>
</tr>
</tbody>
</table>
Table 4. LACFCD Contribution to CIMP Monitoring and EWMP Administration Services.

<table>
<thead>
<tr>
<th>Cost</th>
<th>5 Year Total</th>
<th>Fiscal Year 18-19</th>
<th>Fiscal Year 19-20</th>
<th>Fiscal Year 20-21</th>
<th>Fiscal Year 21-22</th>
<th>Fiscal Year 22-23</th>
<th>Contingency (10%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Watershed MOA Cost</td>
<td>$ 2,760,545</td>
<td>$ 493,279</td>
<td>$ 613,042</td>
<td>$ 681,016</td>
<td>$ 455,960</td>
<td>$ 517,247</td>
<td>$ 276,055</td>
</tr>
<tr>
<td>LACFCD contribution (5 %)</td>
<td>$ 138,027</td>
<td>$ 24,664</td>
<td>$ 30,652</td>
<td>$ 34,951</td>
<td>$ 22,798</td>
<td>$ 25,862</td>
<td>$ 13,803</td>
</tr>
<tr>
<td>Remaining cost for Santa Monica Bay J2/03 WMG</td>
<td>$ 2,622,518</td>
<td>$ 468,615</td>
<td>$ 582,390</td>
<td>$ 646,966</td>
<td>$ 435,162</td>
<td>$ 491,385</td>
<td>$ 262,252</td>
</tr>
</tbody>
</table>

Table 5. Contribution of Other Agencies to CIMP Monitoring and EWMP Administration Services.

<table>
<thead>
<tr>
<th>Agency</th>
<th>Acres</th>
<th>% of Area</th>
<th>Total Cost</th>
<th>Fiscal Year 18-19</th>
<th>Fiscal Year 19-20</th>
<th>Fiscal Year 20-21</th>
<th>Fiscal Year 21-22</th>
<th>Fiscal Year 22-23</th>
<th>Contingency (10%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Los Angeles</td>
<td>18,034.64</td>
<td>75.02%</td>
<td>$ 1,967,516</td>
<td>$ 331,573</td>
<td>$ 416,932</td>
<td>$ 485,379</td>
<td>$ 324,075</td>
<td>$ 368,656</td>
<td>$ 196,752</td>
</tr>
<tr>
<td>County of Los Angeles</td>
<td>130.40</td>
<td>0.32%</td>
<td>$ 13,550</td>
<td>$ 2,421</td>
<td>$ 3,009</td>
<td>$ 3,343</td>
<td>$ 2,238</td>
<td>$ 2,599</td>
<td>$ 1,355</td>
</tr>
<tr>
<td>City of Santa Monica</td>
<td>4,987.69</td>
<td>19.76%</td>
<td>$ 518,233</td>
<td>$ 92,660</td>
<td>$ 115,090</td>
<td>$ 127,851</td>
<td>$ 85,600</td>
<td>$ 97,106</td>
<td>$ 51,825</td>
</tr>
<tr>
<td>City of El Segundo</td>
<td>1,185.63</td>
<td>4.70%</td>
<td>$ 123,200</td>
<td>$ 22,014</td>
<td>$ 27,359</td>
<td>$ 30,393</td>
<td>$ 20,349</td>
<td>$ 23,084</td>
<td>$ 12,320</td>
</tr>
<tr>
<td>Total</td>
<td>25,238.14</td>
<td>100%</td>
<td>$ 2,622,518</td>
<td>$ 468,615</td>
<td>$ 582,390</td>
<td>$ 646,966</td>
<td>$ 435,162</td>
<td>$ 491,385</td>
<td>$ 262,252</td>
</tr>
</tbody>
</table>

Table 6. Annual cost of Venice Beach Monitoring (by County of Los Angeles for City of Los Angeles)

<table>
<thead>
<tr>
<th>Agency</th>
<th>Fiscal Year 18-19</th>
<th>Fiscal Year 19-20</th>
<th>Fiscal Year 20-21</th>
<th>Fiscal Year 21-22</th>
<th>Fiscal Year 22-23</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Cost Venice Beach Monitoring</td>
<td>$ 2,260</td>
<td>$ 2,306</td>
<td>$ 2,352</td>
<td>$ 2,399</td>
<td>$ 2,447</td>
<td>$ 11,764</td>
</tr>
</tbody>
</table>

Table 7. Final Invoicing by City of Los Angeles.

<table>
<thead>
<tr>
<th>Agency</th>
<th>Acres</th>
<th>% of Area</th>
<th>Total Cost</th>
<th>Fiscal Year 18-19 (1)</th>
<th>Fiscal Year 19-20 (1)</th>
<th>Fiscal Year 20-21 (1)</th>
<th>Fiscal Year 21-22 (2)</th>
<th>Fiscal Year 22-23 (3)</th>
<th>Contingency (10%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Los Angeles</td>
<td>18,034.64</td>
<td>75.02%</td>
<td>$ 1,979,180</td>
<td>$ 355,833</td>
<td>$ 439,238</td>
<td>$ 487,731</td>
<td>$ 327,374</td>
<td>$ 371,103</td>
<td>$ 197,424</td>
</tr>
<tr>
<td>County of Los Angeles</td>
<td>130.40</td>
<td>0.32%</td>
<td>$ 1,182</td>
<td>$ 166</td>
<td>$ 207</td>
<td>$ 234</td>
<td>$ 150</td>
<td>$ 165</td>
<td>$ 1,160</td>
</tr>
<tr>
<td>City of Santa Monica</td>
<td>4,987.69</td>
<td>19.76%</td>
<td>$ 518,233</td>
<td>$ 92,660</td>
<td>$ 115,090</td>
<td>$ 127,851</td>
<td>$ 85,600</td>
<td>$ 97,106</td>
<td>$ 51,825</td>
</tr>
<tr>
<td>City of El Segundo</td>
<td>1,185.63</td>
<td>4.70%</td>
<td>$ 123,200</td>
<td>$ 22,014</td>
<td>$ 27,359</td>
<td>$ 30,393</td>
<td>$ 20,349</td>
<td>$ 23,084</td>
<td>$ 12,320</td>
</tr>
<tr>
<td>LACFCD</td>
<td>-</td>
<td>-</td>
<td>$ 138,027</td>
<td>$ 24,644</td>
<td>$ 30,652</td>
<td>$ 34,951</td>
<td>$ 22,798</td>
<td>$ 25,862</td>
<td>$ 13,803</td>
</tr>
<tr>
<td>Total</td>
<td>25,238.14</td>
<td>100%</td>
<td>$ 2,663,551</td>
<td>$ 499,279</td>
<td>$ 610,042</td>
<td>$ 680,860</td>
<td>$ 456,121</td>
<td>$ 517,247</td>
<td>$ 307,542</td>
</tr>
</tbody>
</table>

(1) Invoicing will be January of each fiscal year, or upon the execution of this Agreement, whichever comes later.
(2) Contingency will not be invoiced unless there is a need for using it as agreed upon by all Parties. The contingency amounts are from Tables 4 and 5.
(3) In FY 21-22, the City of Los Angeles owes $163 to the County of Los Angeles. This amount has been subtracted from the FY 2021 invoice.
EXHIBIT B
Santa Monica Bay Jurisdictional Groups 2 and 3
Party Representatives

1. City of Los Angeles
   Watershed Protection Division
   1149 South Broadway Blvd.
   Los Angeles, CA 90015
   Mail Stop: 1149-756
   Party Representative: Hubertus H.J. Cox
   Hubertus.Cox@lacity.org
   Phone No.: (213) 485-3984
   Fax: (213) 485-3939

2. County of Los Angeles
   Department of Public Works
   Stormwater Compliance Division, 11th floor
   900 South Fremont Ave.
   Alhambra, CA 91803-1331
   Party Representative: Paul Alva
   palva@dpw.lacounty.gov
   Phone No.: (626) 458-4325
   Fax: (626) 457-1526

3. Los Angeles County Flood Control District
   Department of Public Works
   Stormwater Compliance Division, 11th Floor
   900 South Fremont Ave.
   Alhambra, CA 91803-1331
   Party Representative: Paul Alva
   palva@dpw.lacounty.gov
   Phone No.: (626) 458-4325
   Fax: (626) 457-1526

4. City of Santa Monica
   Office of Sustainability & the Environment
   1717 4th Street, Suite 100
   Santa Monica, CA 90401
   Party Representative: Neal Shapiro, Watershed Management Coordinator
   Neal.Shapiro@smgov.net
   Phone No.: (310) 458-8223
   Fax: (310) 393-1279
5. City of El Segundo  
Public Works Department  
350 Main Street  
El Segundo, CA 90245  
Party Representative: Lifan Xu, City Engineer  
lxu@elsegundo.org  
Phone No.: (310) 524-2368
MEMORANDUM OF AGREEMENT
BETWEEN
CITY OF LOS ANGELES
AND
CITY OF EL SEGUNDO

SANTA MONICA BAY DRY AND WET WEATHER BACTERIA TOTAL MAXIMUM DAILY LOADS COORDINATED SHORELINE WATER QUALITY MONITORING PROGRAM

This Memorandum of Agreement (“MOA”) is made and entered into by and between the City of Los Angeles, a municipal corporation, and the City of El Segundo (“El Segundo”), collectively referred to herein as the “Parties” or individually as “Party”.

RECITALS

WHEREAS, on January 24, 2002, the California Regional Water Quality Control Board, Los Angeles Region (“LARWQCB”) adopted Resolution No. 2002-004 (“Resolution 2002-004”), establishing the limit for the Total Maximum Daily Loads for bacteria during dry-weather for Santa Monica Bay Beaches; and

WHEREAS, on December 12, 2002, the LARWQCB adopted Resolution No. 2002-022 (“Resolution 2002-022”), establishing the limit for the Total Maximum Daily Loads (TMDLs) for bacteria during wet-weather for Santa Monica Bay Beaches; and

WHEREAS, Resolutions 2002-004 and Resolution 2002-022 are jointly referred to herein as “Bacteria TMDLs”; and

WHEREAS, the Bacteria TMDLs became effective on July 15, 2003, and

WHEREAS, the LARWQCB adopted National Pollutant Discharge Elimination System Municipal Separate Storm Sewer System Permit Order No. R4-2012-0175 (MS4 Permit) on November 8, 2012; and

WHEREAS, the MS4 Permit became effective on December 28, 2012 and requires that El Segundo, and 84 of the 88 cities (excluding Avalon, Long Beach, Palmdale, and Lancaster) within the County of Los Angeles comply with the prescribed elements of the MS4 Permit, including the provisions of Bacteria TMDL; and

WHEREAS, the Bacteria TMDLs address documented bacteriological water quality impairments at forty-four (44) beaches from the Los Angeles/Ventura County line (to the northwest) to Outer Cabrillo Beach (just south of the Palos Verdes Peninsula); and
WHEREAS, the Bacteria TMDLs identify as responsible agencies and jurisdictions, the County of Los Angeles, City of Los Angeles, Malibu, Calabasas, Santa Monica, El Segundo, Rancho Palos Verdes, Palos Verdes Estates, Redondo Beach, Rolling Hills, Rolling Hills Estates, Manhattan Beach, Hermosa Beach, Culver City, West Hollywood, Beverly Hills, Agoura Hills, Westlake Village, Inglewood, Torrance, and the State of California through its Department of Transportation (Caltrans) (collectively herein referred to as Agencies, or individually as Agency); and

WHEREAS, the monitoring plan entitled, “Santa Monica Bay Beaches Bacterial TMDLs’ Coordinated Shoreline Monitoring Plan (“Monitoring Plan”) was prepared by the Agencies and approved by the LARWQCB on April 28, 2004; and

WHEREAS, the agencies responsible for cost share of shoreline monitoring performed by the City of Los Angeles Environmental Monitoring Division (EMD), are listed in Exhibit A: and

WHEREAS, in 2010, El Segundo entered into an agreement with the City of Los Angeles to continue with the Monitoring Program, and said agreement expired on June 30, 2013; and

WHEREAS, in 2015, El Segundo entered into another subsequent agreement with the City of Los Angeles to continue with the Monitoring Program, and said agreement expired on June 30, 2016; and

WHEREAS, El Segundo entered into an extension of the MOA per the provision stated in Article V, Section 4, on July 1, 2016 and set to expire on June 30, 2017; and

WHEREAS, City of Los Angeles has the expertise and equipment to perform monitoring services consistent with the Monitoring Plan (hereinafter referred to as Monitoring Services); and

WHEREAS, El Segundo desires to enter into a new agreement to continue the Monitoring Services being performed by City of Los Angeles; and

WHEREAS, the City of Los Angeles will enter into separate new agreements with all of the Agencies listed in Exhibit A to continue the Monitoring Services; and

WHEREAS, El Segundo has agreed to provide its share of funding, subject to annual budget approval, to the City of Los Angeles for its performance of Monitoring Services on El Segundo’s behalf at locations identified in Exhibit A and the City of Los Angeles is willing to provide the Monitoring Services and to be reimbursed in accordance with Article IV and Exhibit B of this MOA.

NOW, THEREFORE, in consideration of the mutual benefits and of the promises herein contained, the Parties hereby agree as follows:
MEMORANDUM OF AGREEMENT

ARTICLE I – Purpose of MOA

1. **Purpose of MOA** – The purpose of this MOA is to memorialize El Segundo’s and City of Los Angeles’ willingness to coordinate the payment for and performance of Monitoring Services that are consistent with the provisions of the Monitoring Plan and the Bacteria TMDLs.

2. **Santa Monica Bay Beaches Bacterial TMDLs Coordinated Shoreline Monitoring Plan (Monitoring Plan).** The approved Coordinated Monitoring Plan (CMP) identifies three monitoring agencies to perform sampling and analysis of the shoreline monitoring stations along the Santa Monica Bay. Exhibit A shows monitoring stations that are assigned to the City of Los Angeles Environmental Monitoring Division to be monitored at the specified frequency.

ARTICLE II – Responsibilities of City of Los Angeles

1. **Monitoring** – City of Los Angeles will perform all Monitoring Services consistent with the time frames set forth in the Monitoring Plan and Bacteria TMDLs at locations as indicated in Exhibit A on behalf of El Segundo.

2. **Cost per monitoring location** – City of Los Angeles, in consultation with the Agencies, has established each Agency’s share of cost for the Monitoring Services based on its jurisdictional land area in Exhibit A. The cost allocation percentages among Agencies and the estimated cost for each monitoring location are shown in Exhibit A.

3. **Reports** – City of Los Angeles will submit monitoring reports to the LARWQCB each month and forward a copy to El Segundo.

4. **Exceedance** – City of Los Angeles will conduct accelerated monitoring according to existing Los Angeles County Department of Health Services protocol at each location where exceedance is detected. Exceedance will be determined according to the Monitoring Plan. The City of Los Angeles will provide additional accelerated monitoring at the request of El Segundo. This MOA does not include any research or investigation of the reason(s) or source(s) that caused the exceedance.

ARTICLE III – Responsibilities of El Segundo

1. **Documentation** – El Segundo agrees to provide all requested information and documentation to the City of Los Angeles that is deemed necessary to perform the Monitoring Services at no cost to City of Los Angeles.
2. **Grant of Access Rights** – During the term of this MOA, El Segundo grants City of Los Angeles the right of access and entry to, but not limited to, all El Segundo-accessed storm drains, channels, creeks, beaches, and existing monitoring stations at beaches subject to this MOA (the “Property”) at all reasonable times for the purpose of performing the duties and obligations described in this MOA. However, should City of Los Angeles require access to the El Segundo’s facilities (storm drains, channels, creeks, and existing monitoring stations), City of Los Angeles shall obtain right of access and entry under a Permit from, or a separate agreement with, El Segundo. The City of Los Angeles shall indemnify, defend and hold harmless the City of El Segundo and its elected and appointed officers, employees, and agents, from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, and expenses (including attorney and expert fees), arising from or connected with the entry onto the Property. This indemnification is in addition to the other indemnities made herein.

3. **Cost Reimbursement** – El Segundo agrees to pay the City of Los Angeles for the amount as shown in Exhibit B annually for the systematic weekly or daily monitoring, and accelerated monitoring.

**ARTICLE IV – Invoice and Payment**

1. **Annual Payment** – El Segundo shall pay the City of Los Angeles its respective share of cost for Monitoring Services as shown in Exhibit B within 45 days of receipt of the invoice from the City of Los Angeles. The total annual monitoring costs shown in Exhibit B are estimates that have been agreed upon amongst the City of Los Angeles and the Agencies listed in Exhibit A. The Annual Payment will be increased by 3% for inflation annually, beginning Fiscal Year 2018-19.

2. **Invoice** – The City of Los Angeles will invoice El Segundo for the annual payment in January of each year for the period of July 2017 – June 2022, beginning January 2018, or upon the execution of this Agreement, whichever is later.

3. **Reconciliation of this Agreement** – Unexpended cost at the termination of this MOA will be returned to El Segundo based on the cost allocation formula in Exhibit A. Within 90 days of the end of each fiscal year, the City of Los Angeles will provide the Agencies with a statement with the actual expenditures and a reimbursement of any proportional unexpended cost.

**ARTICLE V – Term of MOA**

1. This MOA shall become effective on the date of execution by the last Party and it shall remain and continue in effect until June 30, 2022. El Segundo agrees that any costs incurred by the City of Los Angeles for monitoring performed between July 1, 2017 and the execution date of this MOA be cost-shared by the Agencies, and El Segundo agrees to pay its proportional share of these costs. The costs and invoicing amount for the
period of July 2017 – June 2022 as contained in Exhibit A are based on continuation of the Monitoring Services as of July 1, 2016.

2. During the unexpired term of this MOA, a Party may request that the other Party negotiate, in good faith, modifications to the MOA that may be reasonably necessary because of any of the following changed circumstances:

   A. There is a material change in the regulatory framework for stormwater and urban runoffs;

   B. There is a proposed change, either addition or deletion of monitoring locations, tests and frequency of tests.

   C. There is a material change in the cost of providing monitoring in the approved locations;

3. Either Party may elect to terminate this MOA for any reason in whole or in part upon 30-days written notice to the other party. The terminating Party shall remain responsible for its proportionate share of the costs for Monitoring Services performed up to the effective date of termination. The City of Los Angeles shall notify in writing all Agencies within fourteen (14) days of receiving written notice from any Party that intends to terminate this MOA. If one of the Agencies elects to withdraw from cost sharing of Monitoring Services before the end of the term of this MOA, the remaining cost share may be distributed among the other Agencies based on the existing cost allocation formula, subject to advance written amendment of Exhibits A and B agreed upon by the remaining Agencies.

4. This MOA shall continue on a month to month basis after the expiration date as stated in Article V, Section 1 above until either El Segundo requests Los Angeles in writing to cease the Monitoring Services or a new MOA is executed for employing City of Los Angeles to perform the Monitoring Services on behalf of El Segundo, but not to exceed twelve (12) months. The cost for the monthly monitoring shall be one-twelfth of the previous annual cost.

ARTICLE VI – General Provisions

1. Notices – Any notices, bills, invoices, or reports relating to this MOA, and any request, demand, statement or other communication required or permitted hereunder shall be in writing and shall be delivered to the Representative of the Party at the addresses set forth below. Parties shall promptly notify each other of any change of contact information provided below. Written notice shall include notice delivered via email. A notice shall be deemed to have been received on (a) the date of delivery, if delivered by hand during regular business hours, or by confirmed facsimile or by email; or (b) on the third business
day following deposit in the United States mail, postage prepaid to the addresses set forth below:

City of Los Angeles:

Invoice:
City of Los Angeles
Bureau of Sanitation
Public Works Building
1149 S. Broadway, 9th floor
Los Angeles CA 90015
Attention: Financial Management Division
Fax No.: 213-485-4269

Others:
Hyperion Treatment Plant
Bureau of Sanitation
12000 Vista Del Mar
Harry Pregerson Technical Support Facility
Playa Del Rey CA 90293
Attention: Environment Monitoring Division
Fax No.: (310) 648-5731
E-mail address: emd@san.lacity.org

El Segundo:

Invoices -
City of El Segundo
Department of Public Works
350 Main Street
El Segundo, CA 90245
Attention: Lifan Xu, City Engineer
(310)524-2368

2. **Relationship of the Parties** – The Parties are and shall remain at all times as to each other, wholly independent entities. No Party to this MOA shall have power to incur any debt, obligation, or liability on behalf of another Party or otherwise act as an agent of another Party except as expressly provided to the contrary by this MOA.
3. Cooperation, Further Acts – Parties shall cooperate fully with one another to attain the purposes of this MOA.

4. Amendments – All amendments to this MOA must be in writing and executed by the Parties in the same manner as this MOA.

5. Indemnification

   a) Pursuant to Government Code Sections 895.4 and 895.6, each Party shall each assume the full liability imposed upon it, or any of its officers, agents or employees, by law for injury caused by any negligent or wrongful act or omission occurring in the performance of this Agreement.

   b) Each Party indemnifies and holds harmless the other party for any loss, costs, or expenses that may be imposed upon such other party by virtue of Government Code Section 895.2, which imposes joint civil liability upon public entities solely by reason of such entities being parties to an agreement, as defined by Government Code Section 895.

   c) In the event of third-party loss caused by negligence, wrongful act or omission by more than one Party, each Party shall bear financial responsibility in proportion to its percentage of fault as may be mutually agreed or judicially determined. The provisions of Civil Code Section 2778 regarding interpretation of indemnity agreements are hereby incorporated.

6. Governing Law – This MOA is governed by, interpreted under and construed and enforced in accordance with the laws of the State of California.

7. Severability – If any provision of this MOA shall be determined by any court to be invalid, illegal or unenforceable to any extent, the remainder of this MOA shall not be affected and this MOA shall be construed as if the invalid, illegal or unenforceable provision had never been contained in this MOA.

8. Entire Agreement - This Agreement constitutes the entire agreement of the Parties with respect to the subject matter hereof and supersedes all prior or contemporaneous agreements, whether written or oral, with respect thereto.
IN WITNESS WHEREOF, this Agreement has been executed on behalf of City of El Segundo on the day, month, and year indicated on the following page. On behalf of City of Los Angeles, the Board of Public Works executed this Agreement and attested by the City Clerk as of the date specified below.

CITY OF LOS ANGELES

Attest:

__________________________
Holly L. Wolcott
City Clerk

Date: ______________

APPROVED AS TO FORM:

Mike Feuer, City Attorney

By: ____________________
Laurie Rittenberg
Assistant City Attorney

Date: ______________

By: ____________________
Kevin James, President
Board of Public Works

Date: ______________
CITY OF EL SEGUNDO
A general law city

Attest:

Greg Carpenter
City Manager
Date: ____________

Approved as to Form:

Mark D. Hensley
City Attorney
Date: ____________

Tracy Weaver
City Clerk
Date: ____________
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AGENDA DESCRIPTION:
Consideration and possible action regarding the second reading and adoption of Ordinance No. 1567 to prohibit gatherings where under age drinking or illegal marijuana use occurs, and adoption of Resolution No. _____ establishing the schedule of fines for administrative citations when there are violations of Ordinance No. 1567. Fiscal impact: None

RECOMMENDED COUNCIL ACTION:
1. Waive second reading and adopt Ordinance No. 1567;
2. Adopt Resolution No. _____;
3. Alternatively, discuss and take other possible action related to this item.

ATTACHED SUPPORTING DOCUMENTS:
1. Ordinance No. 1567; and
2. Resolution No. ___.

FISCAL IMPACT: None.

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STRATEGIC PLAN:
Goal: El Segundo is a safe and prepared city.
Objective: The City has a proactive approach to risk and crime.

PREPARED BY: Bill Whalen, Chief of Police
APPROVED BY: Greg Carpenter, City Manager

BACKGROUND AND DISCUSSION:

On June 5, 2018, the City Council introduced the first reading of Ordinance No. 1567 to prohibit gatherings where underage drinking or illegal marijuana use occurs. At a special meeting held on June 13, 2018, the City Council considered Ordinance No. 1567 on second reading. Following further consideration of the Ordinance, the City Council directed staff to engage the community regarding the specifics of the Social Host Ordinance (SHO). These community engagement sessions occurred on June 29, 2018 and July 31, 2018. Based upon community input, staff drafted a revised Social Host Ordinance.

On August 21, 2018, the City Council considered the revised ordinance at a regular meeting.

I. Social Host Liability Ordinance ("Chapter 7-13").

Ordinance No. 1576, if adopted, would establish a new Chapter 7-13 in the El Segundo Municipal Code. The new chapter would hold persons responsible who encourage, are aware of or should be
aware of the consumption of alcohol or marijuana by minors on premises they are responsible for, however, fail to take reasonable steps to prevent it. Penalties for a violation of Chapter 7-13 would subject the violator to an administrative citation, which would obligate the citee to pay civil penalties or complete community service hours established by City Council resolution. The proposed fines for a violation of Chapter 7-13 are $1,000 for a first offense, $2,000 for second offense, and $5,000 for a third offense within a 12-month period. Any “new” violation which arises more than 12-months from the date of the first violation would be considered a “first” violation and would trigger the escalating fines indicated above, starting with $1,000. Any “first” violation is eligible for community service in lieu of the fine at the discretion of the Chief of Police.

II. Resolution Regarding Fine Amounts.

The attached Resolution No._____ establishes the schedule of fines for administrative citations when there are violations of Chapter 7-13. The schedule represents the City Council’s direction during deliberations about this proposed Chapter. The Resolution is presented to the City Council for adoption and would take effect on the date the Ordinance would go into effect, if adopted.

RECOMMENDATION:

Staff recommends that the Council:
   1. Waive second reading and adopt Ordinance No. 1567;
   2. Adopt Resolution No. ____;
   3. Alternatively, discuss and take other possible action related to this item.
ORDINANCE NO. 1576

AN ORDINANCE ADDING CHAPTER 13 TO TITLE 7 OF THE EL SEGUNDO MUNICIPAL CODE PROHIBITING THE HOSTING, PERMITTING OR ALLOWING OF GATHERINGS AT WHICH PERSONS UNDER 21 YEARS OF AGE ARE CONSUMING ALCOHOLIC BEVERAGES OR USING MARIJUANA ILLEGALLY

The City Council of the City of El Segundo does ordain as follows:

SECTION 1: Findings.

A. Minors often obtain or possess marijuana or consume alcoholic beverages at parties held on private property and under the control of a person who knows or should know of this conduct but fails to prevent it.

B. Underage use of marijuana or consumption of alcoholic beverages poses an immediate threat to the public health, safety and welfare in that it increases alcohol abuse by minors, physical altercations, violent crimes (including rape and other sexual offenses), accidental injury, neighborhood vandalism and excessive noise disturbance, all of which may require intervention by the Police or Fire Departments.

C. The City's municipal code prohibits the consumption or possession of alcohol in certain public places, including public streets, parking lots, City parks and the beach, but does not have any rules to address underage drinking on private property (ESMC §§ 7-6-8, 10-1-4, 10-3-11).

D. State law prohibits the possession of marijuana by a minor under certain circumstances. (Health & Safety Code §§ 11357, et seq.) State law also prohibits persons 21 years or older from possessing, processing, transporting, purchasing, obtaining, or giving away recreational marijuana to persons 21 years or older under certain circumstances. (Health & Safety Code §§ 11357, et seq.) There are no rules in state law or the ESMC which address underage marijuana use on private property (ESMC Chapters 13B and 4-14).

E. The prohibitions proposed by this ordinance are reasonable and intended to deter use of marijuana or consumption of alcoholic beverages by minors by holding responsible those persons who encourage, are aware of or should be aware of this illegal conduct by minors but fail to take reasonable steps to prevent it.

SECTION 2: Chapter 13 (Social Host Regulations) is added to Title 7 (Nuisances and Offenses) of the El Segundo Municipal Code to read, in its entirety, as follows:

"CHAPTER 13

SOCIAL HOST REGULATIONS"
7-13-1: PURPOSE:

7-13-2: DEFINITIONS:

7-13-3: GATHERING AT WHICH MINORS USE MARIJUANA OR CONSUME ALCOHOLIC BEVERAGES PROHIBITED:

7-13-4: EXEMPTIONS:

7-13-5: VIOLATION; PENALTY:

7-13-1: PURPOSE:

A. The purpose and intent of this chapter is:

1. To facilitate the enforcement of laws prohibiting the use of marijuana by minors and the service and consumption of alcoholic beverages by minors, in an effort to deter, and to promote the reduction of, underage drinking and drug use;

2. To protect public health, safety and welfare and quiet enjoyment of property and properties neighboring the location of gatherings at which minors use marijuana or are served and consume alcoholic beverages; and

3. To establish a duty of persons 21 years of age or older having control over any premises, who knowingly host, permit or allow a gathering at the premises to take reasonable steps to prevent the service and consumption of alcoholic beverages or use of marijuana by minors. Reasonable steps include, but are not limited to, controlling the access to and provision of marijuana and alcoholic beverages to minors, and monitoring the responsible, safe and lawful conduct of minors on the premises.

B. This chapter should not be construed as adding any additional authority for any law enforcement officer or government official to either enter private property or subject any property or person to search or seizure that does not otherwise exist independent of the provisions of this chapter.

C. It is not the intent of this chapter to impose strict liability against a parent or legal guardian whose best intentions and reasonable efforts to prevent the service and consumption of alcoholic beverages or use of marijuana by minors at a gathering are circumvented by the actions of any person to obtain alcoholic beverages or marijuana at the premises or to bring concealed alcoholic beverages or marijuana to the premises.

7-13-2: DEFINITIONS:

Unless the contrary is stated or clearly appears from the context, the following definitions will govern the construction of words and phrases used in this chapter:
ALCOHOL: Means ethyl alcohol, hydrated oxide of ethyl, or spirits of wine, from whatever source or by whatever process produced.

ALCOHOLIC BEVERAGE: Includes alcohol, spirits, liquor, wine, beer, and every other liquid or solid containing alcohol, spirits, wine or beer, and which contains one-half of one percent or more of alcohol by volume and which is fit or beverage purposes either alone or when diluted, mixed, or combined with other substances.

GATHERING: Means a party, gathering, or event where three or more persons have assembled or are assembling for a social occasion or social activity.

MARIJUANA: Means all parts of the plant Cannabis sativa L., whether growing or not; the seeds thereof; the resin extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds or resin.

MINOR: Means any person under 21 years of age.

PREMISES: Means a home, yard, apartment, condominium, hotel or motel room, or other dwelling unit, or any commercial, business or industrial site, hall or meeting room, whether occupied on a temporary or permanent basis, and whether owned, leased, rented or used with or without compensation.

RESPONSIBLE ADULT: Means a person 21 years of age or older who owns, rents, leases or otherwise has control of the premises where the gathering occurs.

RESPONSIBLE PERSON: Means:

A. The person in charge of the premises when the gathering occurs; or

B. The person who organized the gathering.

7-13-3: GATHERING AT WHICH MINORS USE MARIJUANA OR CONSUME ALCOHOLIC BEVERAGES PROHIBITED:

It is unlawful and a public nuisance for either a responsible person or responsible adult to cause or allow a gathering to take place at the premises whenever the responsible person or responsible adult knows or reasonably should have known alcoholic beverages or marijuana are being unlawfully consumed or used by minors. Liability for a violation of this section will be imputed to either a responsible person or responsible adult, but not both.

A. Prima facie evidence that a responsible person had the knowledge, or should have had the knowledge, necessary to establish a violation of this chapter include those situations where:

1. Minors are consuming alcoholic beverages or using marijuana and there is a minor present on the premises who is obviously under the influence of alcohol or marijuana; or

2. A warning has been issued to the location within the last 12 months regarding alcohol or marijuana use by minors at the premises.
B. Prima facie evidence that a responsible adult had the knowledge, or should have had the knowledge, necessary to establish a violation of this chapter include those situations where:

1. A responsible adult is present at the premises during a gathering where minors are consuming alcoholic beverages or using marijuana; or

2. A warning has been issued to the location within the last 12 months regarding alcohol or marijuana use by minors at the premises.

C. A warning for a violation of this section will only be issued where the responsible adult was not present at the premises during a gathering where minors are consuming alcohol or using marijuana and there is no evidence that a minor is present on the premises who is obviously under the influence of alcohol or marijuana.

7-13-4: EXEMPTIONS:

This chapter does not apply to:

A. Any California Department of Alcoholic Beverage Control licensee at any premises licensed and regulated by the Department of Alcoholic Beverage Control.

B. Conduct involving the use of alcoholic beverages which occurs exclusively between a minor child and his or her parent or legal guardian, including the possession or consumption of an alcoholic beverage in connection with a cultural or religious activity. This exemption does not include any conduct that would contribute to the delinquency of a minor (a violation of Penal Code section 272).

C. Conduct which the city is expressly preempted from prohibiting under state law, specifically, the Medicinal and Adult use Cannabis Regulation and Safety Act.

D. A responsible person or responsible adult who called 911 and reported that a minor was in need of medical attention due to alcohol consumption or marijuana use, was the first person to make the 911 call, and when reporting that a minor was in need of medical assistance, remained on the scene with the minor until that medical assistance arrived and cooperated with medical assistance and law enforcement personnel on the scene.

E. A responsible person or responsible adult who requests immediate assistance from the police department to remove any person who refuses to abide by the requesting person’s performance of duties imposed by this chapter, or to terminate the gathering because of the requesting person’s ability to prevent minors from consuming alcoholic beverages or using marijuana despite having taken reasonable steps to do so, as long as such request is made before any other person makes a complaint about the gathering.
7-13-5: VIOLATION; PENALTY:

A. The City Council may adopt a resolution establishing a schedule of administrative fines and community service hours for a violation of this chapter.

B. In addition to the administrative fines described in this chapter, the responding law enforcement officer may issue an order requiring the gathering to be disbanded and may cite and arrest any violators under any other applicable ordinances and statutes.

C. For any responsible person who is a juvenile, each parent or legal guardian of the juvenile will be considered a responsible person liable for any fines, penalties and fees imposed pursuant to this chapter. The parents or guardians of a juvenile found to have violated this chapter may request to have that juvenile serve community service as described in subsection (E), below, and pay City administrative fees, if any, as an alternative penalty to paying the applicable civil penalty.

D. Nothing in this chapter is deemed to prevent the city from commencing a civil or criminal proceeding to abate a public nuisance or from pursuing any other means available under any other statute, ordinance or law (civil or criminal), to correct conduct regulated by this chapter in addition to or as alternatives to the procedures set forth herein. This chapter in no way limits the authority of the police department to make arrests for any criminal offense arising out of conduct regulated by this chapter.

E. The responsible person or responsible adult may perform community service and pay City administrative fees, if any, as an alternative to paying the civil penalty with the prior written consent and approval of the Police Chief or designee. The Police Chief or designee retains the discretion to approve the community service requested by the responsible person/adult. Upon approval of the Police Chief or designee to perform community service, the responsible person/adult must complete the required hours within one year of approval and must submit proof of completion to the Police Chief or designee. Failure to receive approval to perform community service or failure to complete the required hours of service will result in the imposition of the applicable civil penalty, which is immediately payable. No reduction in the penalty is authorized for completion of less than the required hours of community service unless approved by the City Manager or designee. Community service will only be approved for the first citation issued within a one-year period.

F. Violations of this chapter are not subject to the response cost reimbursement provisions outlined in Sections 1-2A-28, et seq. of this Code.”
SECTION 3: Environmental Analysis. Because of the facts set forth in Section 1, this Ordinance is categorically exempt from further environmental review under the California Environmental Quality Act (California Public Resources Code §§21000, et seq., “CEQA”) and CEQA Guidelines (14 California Code of Regulations §§15000, et seq.), because it consists only of minor revisions and clarifications to existing regulations and procedures. It does not have the effect of deleting or substantially changing any regulatory standards or findings required thereof. The Ordinance is an action that does not have the potential to cause significant effects on the environment. Accordingly, this ordinance is exempt from further environmental review pursuant to 14 Cal. Code Regs. §15168(c)(2).

SECTION 4: CONSTRUCTION. This ordinance must be broadly construed in order to achieve the purposes stated in this ordinance. It is the City Council's intent that the provisions of this ordinance be interpreted or implemented by the City and others in a manner that facilitates the purposes set forth in this ordinance.

SECTION 5: ENFORCEABILITY. Repeal of any provision of the El Segundo Municipal Code does not affect any penalty, forfeiture, or liability incurred before, or preclude prosecution and imposition of penalties for any violation occurring before this ordinance's effective date. Any such repealed part will remain in full force and effect for sustaining action or prosecuting violations occurring before the effective date of this ordinance.

SECTION 6: VALIDITY OF PREVIOUS CODE SECTIONS. If this entire ordinance or its application is deemed invalid by a court of competent jurisdiction, any repeal or amendment of the ESMC or other city ordinance by this ordinance will be rendered void and cause such previous ESMC provision or other ordinance to remain in full force and effect for all purposes.

SECTION 7: SEVERABILITY. If any part of this ordinance or its application is deemed invalid by a court of competent jurisdiction, the City Council intends that such invalidity will not affect the effectiveness of the remaining provisions or applications and, to this end, the provisions of this ordinance are severable.

SECTION 8: The City Clerk is directed to certify the passage and adoption of this ordinance; cause it to be entered into the City of El Segundo's book of original ordinances; make a note of the passage and adoption in the records of this meeting; and, within 15 days after the passage and adoption of this ordinance, cause it to be published or posted in accordance with California law.

SECTION 9: This Ordinance will become effective on the thirty-first day following its passage and adoption.

PASSED AND ADOPTED this ___ day of ____________, 2018.

______________________________
Drew Boyles, Mayor
ATTEST:

STATE OF CALIFORNIA )
COUNTY OF LOS ANGELES ) SS
CITY OF EL SEGUNDO )

I, Tracy Weaver, City Clerk of the City of El Segundo, California, do hereby certify that the whole number of members of the City Council of said City is five; that the foregoing Ordinance No. ___ was duly introduced by said City Council at a regular meeting held on the ___ day of __________, 2018, and was duly passed and adopted by said City Council, approved and signed by the Mayor, and attested to by the City Clerk, all at a regular meeting of said Council held on the ___ day of __________, 2018, and the same was so passed and adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

___________________________________________________________
Tracy Weaver, City Clerk

APPROVED AS TO FORM:

___________________________________________________________
Mark D. Hensley, City Attorney
RESOLUTION NO. _____

A RESOLUTION OF THE CITY OF EL SEGUNDO ESTABLISHING THE ADMINISTRATIVE FINES FOR VIOLATIONS OF CHAPTER 7-13 OF THE EL SEGUNDO MUNICIPAL CODE.

The City Council of the city of El Segundo does resolve as follows:

SECTION 1: The City Council finds and declares as follows:

A. On July 1, 2003, the City Council introduced Ordinance No. 1364 ("Citation Ordinance") which adds Chapter 2A, entitled "Administrative Citations" (consisting of §§ 1-2A-10 to 1-2A-270), to Title 1 of the El Segundo Municipal Code ("ESMC") and allows the City enforcement officers to issue administrative citations for ESMC violations. The Administrative Citation Ordinance allows fine amounts to be adopted by City Council resolution, pursuant to Government Code § 53069.4(a)(1).

B. On July 1, 2003, the City Council adopted the fine amounts attached as Exhibit "A" to Resolution No. 4313 as the City’s fine schedule for purposes of imposing fines pursuant to Chapter 2A of Title 1 of the ESMC.

C. On August 21, 2018, the City Council introduced Ordinance No. 1567, which adds Chapter 7-13, entitled "Social Host Regulations" to Title 7 of the ESMC and allows City enforcement officers to issue administrative citations for a violation of Chapter 7-13.

D. The City Council finds that such fines are necessary to preserve the health, safety and welfare of the City by deterring the conduct proscribed in Chapter 7-13.

SECTION 2: The fine amounts attached as Exhibit A for a violation of Chapter 7-13 of the El Segundo Municipal Code are hereby adopted and will take effect on the effective date of Ordinance No. 1567.

SECTION 3: This Resolution is effective immediately upon adoption.

SECTION 4: The City Clerk shall certify to the passage and adoption of this Resolution.

PASSED AND ADOPTED this ___ day of ______________, 2018.
Drew Boyles,
Mayor

STATE OF CALIFORNIA )
COUNTY OF LOS ANGELES ) SS
CITY OF EL SEGUNDO )

I, Tracy Weaver, City Clerk of the City of El Segundo, California, hereby certify that the whole number of members of the City Council of the City is five; that the foregoing Resolution No. ________ was duly passed and adopted by said City Council, approved and signed by the Mayor of said City, and attested to by the City Clerk of said City, all at a regular meeting of said Council held on the ________ day of ______________, 2018, and the same was so passed and adopted by the following roll call vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

ATTEST:

______________________________
Tracy Weaver,
City Clerk

APPROVED AS TO FORM:

______________________________
Mark D. Hensley,
City Attorney
EXHIBIT A

FINE SCHEDULE FOR ADMINISTRATIVE CITATIONS

A. Except as otherwise provided, violations of the ESMC for which administrative citations are issued will have fines imposed as follows:

1. A fine not exceeding one hundred dollars ($100.00) for the first violation;

2. A fine not exceeding two hundred dollars ($200.00) for a second violation of the same provision within one year;

3. A fine not exceeding five hundred ($500.00) for each additional violation of the same provision within one year of the first violation.

B. Notwithstanding Section A, violations of Chapter 7-12 of the El Segundo Municipal Code are subject to an administrative fine in the following amounts:

1. A fine not exceeding two thousand five hundred ($2,500) for the first violation;

2. A fine not exceeding five thousand ($5,000) for a second violation of the same provision within 12 months;

3. A fine not exceeding seven thousand five hundred ($7,500) for each additional violation of the same provision within 12 months of the first violation.

C. Notwithstanding Section A, violations of Chapter 7-13 of the El Segundo Municipal Code are subject to an administrative fine in the following amounts:

1. A fine not exceeding one thousand ($1,000) for the first violation or a total of 75 hours of community service (pursuant to Section 7-13-5 of the El Segundo Municipal Code);

2. A fine not exceeding two thousand ($2,000) for a second violation of the same provision within one year;

3. A fine not exceeding five thousand ($5,000) for each additional violation of the same provision within one year of the first violation.
Consideration and possible action to authorize the City Manager to execute a contract amendment with The Company of Others – Los Angeles, LLC (dba The Phelps Group) for expanded economic development and hospitality and tourism marketing services. (Fiscal Impact: FY 17-18 - $596,500 in Economic Development Advertising and Publishing budget and Chevron Grant Fund expenditures.)

RECOMMENDED COUNCIL ACTION:

1. Upon approval of the FY18-19 budget, authorize the City Manager to execute a contract amendment with The Company of Others – Los Angeles, LLC (dba The Phelps Group) in a form approved by the City Attorney, for expanded economic development and hospitality and tourism marketing services;
2. Alternatively, discuss and take other action related to this item.

ATTACHED SUPPORTING DOCUMENTS:

Integrated Marketing Communications Scope of Work

STRATEGIC PLAN:

Goal: Champion Economic Development & Fiscal Sustainability

Objective: Implement a comprehensive economic development strategy to ensure the City encourages a vibrant business climate that is accessible, user-friendly and welcoming to all residents, businesses, and visitors.

FISCAL IMPACT:

<table>
<thead>
<tr>
<th>Amount Budgeted FY 18-19:</th>
<th>TBD</th>
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<tr>
<td>Additional Appropriation:</td>
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<tr>
<td>Account Numbers:</td>
<td>001-400-2401-6201 (ED Advertising and Publishing)</td>
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<tr>
<td></td>
<td>702-200-2401-2609 (Chevron Grant Fund)</td>
</tr>
</tbody>
</table>

ORIGINATED BY: Barbara Voss, Economic Development Manager

REVIEWED BY: Greg Carpenter, City Manager

APPROVED BY: Greg Carpenter, City Manager

BACKGROUND & DISCUSSION: In April 12, 2016, voters approved a proposition, Measure B, which increased the City’s Transient Occupancy Tax (“TOT”) from 8% to 12%. As part of the discussions regarding the Measure B, both the Economic Development Advisory Council (EDAC) and the Chamber of Commerce Hotel Committee requested that a portion of the increased TOT revenue be used to form a hospitality and tourism marketing fund to increase hotel occupancy and stimulate related visitor-serving businesses.

On August 14, 2017 the City entered into an agreement with the Phelps Group to develop and implement a comprehensive marketing strategy. The objective of the marketing strategy was to create
an enhanced brand identity to be executed across a comprehensive and integrated branding effort, to ensure that key economic revenue drivers in the city consistently receive marketing support to promote growth and success. These revenue drivers include business license taxes, sales taxes, and TOT taxes.

In FY 17-18, Phelps successfully completed the development and positioning of El Segundo’s hospitality and tourism marketing effort by performing extensive target audience research, developing a detailed messaging strategy for the hospitality and tourism brand, and creating a new logo and signage to promote the new branding. Phelps consulted on design and developed content for new hospitality and tourism website (DestinationElSegundo.com), and performed social audits and optimizations to promote the social media sector. They also enhanced the City’s existing new business attraction efforts by optimizing the messaging in the SOAR newsletter, updating and monitoring the economic development website (ElSegundoBusiness.com), and developing and posting social media content. Proactive and targeted public relations efforts have resulted in 47 pieces of media coverage, with 258,000 estimated views. Phelps designed a citywide pole banner program, print advertising materials and other signage, and the covers of the El Segundo Chamber Business Directory and Downtown Guide. Phelps also coordinated events including the Champions of Business Celebration, the Chan Soon-Shiong Institute for Medicine grand opening and the John Van Hamersveld mural press event. Phelps has built relationships with local businesses and has successfully built awareness of the Smoky Hollow district, Downtown District and the City’s attractions, including ESMoA, Old Town Music Hall and the Automobile Driving Museum.

At the August 15, 2018 EDAC meeting, Phelps presented a draft marketing plan and budget for FY 18-19. EDAC approved the proposed plan and budget. Due to the uncertainty of future grant funding to support the City’s marketing efforts, EDAC advised that the City consider increased contributions to these efforts in the future.

The proposed FY 18-19 marketing plan will continue the City’s new business attraction marketing efforts, and introduce the new “Start Here” creative campaign across social and digital channels. This will ensure that key economic revenue drivers in the City consistently receive marketing support to promote growth and success. The goal of this strategy is to:

- Continue and enhance existing marketing and branding efforts with focus on commercial and industrial business attraction;
- Implement a comprehensive hospitality and tourism marketing effort (hotel, retail, restaurants, arts/culture and recreation);
- Position and promote the new branding to gain more awareness amongst our key targets; and,
- Gain exposure and promote the new branding across different markets/targets/key targets
- Ensure one “voice” for all economic development and hospitality and tourism marketing efforts.

This comprehensive outreach strategy will be achieved using a focused and efficient campaign, including: new collateral materials, enhanced public relations, special events, enhanced social media engagement, paid search and paid social media, digital advertising, account strategy and analytics, maintain and update both websites (DestinationElSegundo.com and ElSegundoBusiness.com), and account leadership services.

In FY 16/17 and FY 17/18, the City received economic development grants in the amounts of $185,000.00 and 125,000.00, respectively, from the Chevron Products Company. Staff was informed by the Chevron Products Company that additional funding of $125,000.00 was awarded and should be
presented to the City in September of 2018. The FY 17/18 year-end balance in the Chevron grant fund will be $280,000.00 (not including the $125,000 awarded for FY 18/19). Staff recommends that these funds be utilized to continue and enhance the existing economic development and hospitality and tourism marketing efforts with focus on business attraction and enhancing the City’s brand as a tourism destination.

Upon approval of the FY18-19 budget, staff requests City Council to formally authorize the City Manager to approve a contract amendment with The Company of Others – Los Angeles (dba The Phelps Group) in a form approved by the City Attorney, for $596,500 for marketing services to include hospitality and tourism and economic development marketing. A complete scope of work is attached.
City of El Segundo

Integrated Marketing Communications Scope of Work

FY19 (October 2018 – September 2019)

Prepared for Barbara Voss
August 27, 2018
The following Scope of Work (SOW) details services and deliverables based on our current understanding of your marketing needs and goals. This document is intended to align our planned services on your behalf and to provide a budget estimate for required efforts, in order to achieve defined objectives and deliverables.

I. Situation Analysis

The City of El Segundo is currently engaged in marketing and branding efforts aimed to drive awareness and interest in support of two initiatives: new business attraction ("NBA") and hospitality and tourism ("HT"). The ultimate goal being to stimulate related business- and visitor-serving businesses and increase tax revenue. Marketing support is needed to increase the momentum of the NBA efforts to date and raise awareness among key HT targets and roll out the 2017-18 "Start Here" campaign.

II. Marketing Goals

NBA:
- Highlight the competitive advantages of doing business in El Segundo to potential targets
- Grow awareness of the city's offerings among brokers, developers and targeted business industries
- Build positive word-of-mouth and endorsements from influencers

HT:
- Establish El Segundo as a "go-to" destination for LAX-bound travelers and Angeleno day-trippers, complete with the latest in hotels, restaurants, retailers and attractions
- Increase interest in the amenities of the greater community by business travelers
- Build positive word-of-mouth and endorsements from influencers

III. Target Audiences

Primary Target: Commercial and industrial real estate brokers, current and potential business owners, foreign direct investment

Secondary Target: business travelers, LAX-bound tourists, Angelenos, sports enthusiasts
IV. Integrated Marketing Services

Phelps has outlined the following impactful and budget conscious integrated marketing tactics for October 1, 2018 through September 30, 2019.

• Public and Media Relations
  A strategic approach is needed to bring El Segundo top-of-mind to key reporters and influencers in Los Angeles and beyond for NBA and HT. With so many great stories to be told; outlets and angles can be tailored to capture the attention of the journalists and influencers, while keeping El Segundo considered for future stories. Media relations can be utilized to tell multiple stories across a variety of outlets.

  Press Materials:
  Refresh and update key press materials, as needed.
  o Industry-specific one sheets and media fact sheets
  o Gather assets such as photos, videos, graphs, logos
  o Create press releases, media alerts and new business announcements

  Media Lists:
  Phelps will refine targeted media lists for use in strategic and proactive outreach to the consumer and trade media in Los Angeles and other key markets. The agency’s tools include Cision, a media database and editorial calendar subscription service; ProfNet, which provides daily leads from working journalists looking for resources.

  Media Pitches:
  Develop timely, compelling and newsworthy pitches, both angle and outlet focused. Optimize immediate story prospects and cultivate longer lead media opportunities.

Events, Local Media FAMs and Relationship Building:
  • Concierge Program
  • Elite Yelp Event
  • Steller Event
  • Develop and execute 3-5 local media and influencer events/FAMs
  • Pursue possible partnership opportunities for international and national media FAMs
  • Additional timely event support as needed

Deliverables: Monthly reporting of media outreach efforts and status, recap of coverage results with channel metrics

Includes purchase of 5-10 broadcast clips (up to a maximum of $750).

• Display Banners Creative Production

A. Creative Concepting

Phelps will develop campaign concepts with a distinct look and feel indicative of our “Start Here” positioning. Development includes:

  • Concept, design and presentation of up to two creative directions to bring the positioning to life
  • Incorporating brand tone and attitude
• Develop visuals and messaging to identify the focus of the brand personality and visual direction
• Add additional typography and color palette to complement the brand identity

Deliverables: Up to two (2) creative concepts to choose from
Client Requirements: Provide timely feedback and approvals
Scope: Up to two rounds of revisions on chosen creative direction

B. Campaign Creative Development

Understanding the media channels, and once the creative concept and key art are locked in, the campaign will be versioned into multiple sizes for digital placement.

Based on our current knowledge and understanding of goals, Phelps proposes that campaign development will include:

Copywriting
Phelps will develop all required copy including headlines and CTAs for the selected campaign.

Deliverables: copy deck for all ad sizes
Client Requirements: Provide timely feedback and approvals
Scope: Two (2) copy versions for testing, two rounds of feedback

Digital Display Ad Units
Development of one static display ad unit concept for required sizes with analytic tracking

Deliverables: designed banners and static .jags
Client Requirements: Provide timely feedback and approvals
Scope: HTML banners, sized as noted above, with up to (1) round of design revisions

• Paid Media
  • Paid Search
    o Develop a campaign focused on LA with agreed upon search terms for NBA (directing to the "new" elsegundobusiness.com) and HT audience when HT website is live
    o Includes discovery of competitive spend, strategy and creative, goal setting, copywriting, performance monitoring and ongoing optimization
    o KPIs for NBA are inquiry form completions, SOAR email newsletter sign-ups, Smart Business Move guide pdf downloads
    o KPIs for HT are TBD

  • Paid Social
    o HT-focused paid Facebook or Instagram campaign, to commence when HT site is live
    o Includes discovery of competitive spend, strategy and creative, goal setting, copywriting, management of image library (existing photo assets and selection of royalty-free stock images), targeted performance monitoring and ongoing optimization

• Display Banners Campaign Execution
Includes discovery of competitive spend, media strategy, and goal setting
- Manage and optimize spend for efficiency
- Performance monitoring and ongoing performance optimizations
- Tracking implementation

**Deliverables:** Monthly performance reporting

**Paid Media Hard Costs:** HT $120,000 (estimated 12 months), NBA $48,000 (estimated 12 months).
Total: $168,000

**Owned Social**

- NBA- and HT-focused Facebook and/or LinkedIn campaign, depending on audience
- Includes topic recommendations, copywriting, photo/video asset management, monthly calendaring, semi-daily posting, ongoing engagement monitoring

**Deliverables:** Monthly content calendar and performance reporting

**HT Newsletter strategy and list-building**

- Communications strategy development, including target recommendations, CTA recommendations and content ideas
- Recommendation on how to build the subscriber list
- Email template design and copywriting, up to 10 event emails.

**SOAR Email Newsletter**

- Content strategy, copywriting, photo asset management, updating of existing layout for each issue with new content, list management, link tagging for tracking, email blasting, monitoring and reporting for each issue
- Includes email distribution hard costs ($5 per send + $.015 per email)

**Website Management**

- Update key facts and information as needed on ElSegundoBusiness.org and visitelsegundo.org
- Ongoing website functionality monitoring and troubleshooting on both sites

**HT City Map**

- Develop one El Segundo HT-focused map/brochure
  - Will be a combination of map including all tourism destinations and areas of interest (hotels, restaurants, retail, attractions, points of interest, parking, etc.) and listings of events and visitor amenities
  - To be coordinated with stakeholders and city officials
  - Includes 1-2 concepts, based on client input, and 2 rounds of revisions
    - Note: Client to provide complete business list and contact information. Does not include printing or distribution.
Deliverables: One print-ready layout and one pdf version for posting to destinationelsegundo.com and electronic use.

- **Account Leadership, Strategy and Management**
  - Account management of all activities pertaining to the above referenced services including team management, client meetings, recommendations, communications, correspondence, budget management, estimating and scope development for planned initiatives
  - Ongoing strategic counsel for all marketing efforts
  - Stewardship of the brand to ensure consistent and appropriate messaging, content and environment
  - Attendance with client at stakeholder and committee meetings, as needed
  - Regular status meetings and reporting

- **Champions of Business Event**
  - Champions of Business:
    - Creative updating and execution of 5 emails (Save the Date, Invitation, Sold Out, Sponsor Thank You, Event Thank You); event digital & physical signage design; program design and event program collaboration with committee
  - Does not include hard costs or printing for Champions of Business 2019
  - Video production including concept, script development, shooting and editing. **Note: this project will be funded by event sponsorships and scoped separately.**

- **Contingency Budget**
  - Phelps will set aside a small bucket of hours for each Hospitality and Tourism and New Business Attraction to accommodate on going account needs not described above. This budget can be used for one-off requests, PowerPoint presentations or otherwise unforeseen marketing needs that arise throughout the fiscal year.

V. **Measurement and Assessment**

Program elements have built-in measurements in order to assess those components that are most successful. Measurement and reporting will include the following:

- Earned media placements and readership: Recap of coverage and reach in key online sites and blogs, national and regional magazines, newspapers and any broadcast segments

- Social media and paid search metrics and reporting; impressions, clicks CTR, CPC, engagement rate, most viewed/searched terms, recommendations for optimization

VI. **Client Participation**

A key benefit of Phelps is the personal approach, responsiveness and commitment to excellence that we provide our clients. Our strong, talented team of marketing experts service our clients' needs across all
disciplines of an integrated marketing communications plan. To meet the project goals, we anticipate the following client participation:

- **Access**: express with your team the importance of working with us, encourage your associates to proactively provide resources, time, knowledge, ideas and vision

- **Availability**: marketing is deadline oriented, please set aside time to be available, provide approvals and decisions, as needed

- **Alerts**: keep us apprised of anything that may materially affect the success of the project

- **Brainstorming**: bring all your ideas to the table, they could translate into marketing concepts

- **Feedback**: always let us know immediately if there is something we can improve upon and we request your response to our client satisfaction surveys to allow us to continuously improve our processes and relationships on your behalf

- **Over communication**: provide us with plenty of information on your organization at all times, it will help us create a more attractive and stronger picture of your brand

- **Respect**: mutual consideration of confidential and other proprietary materials and approaches

### VII. Budget

Based on the scope outlined, the following budget is recommended:

**FY18 (October 2019 – September 2019):**

<table>
<thead>
<tr>
<th>Hospitality &amp; Tourism</th>
<th>Description</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Campaign Creative Production</strong></td>
<td>Creative production for digital campaign banner ads, incl. copywriting and design</td>
<td>$30,000</td>
</tr>
<tr>
<td><strong>Media Spend</strong> (Google, Instagram, Twitter, Facebook, programmatic)</td>
<td>Media hard cost</td>
<td>$120,000</td>
</tr>
<tr>
<td><strong>Media Strategy &amp; Reporting, ongoing</strong></td>
<td>Ongoing budget, performance monitoring and goal setting, copywriting, asset management and optimizing for target audience.</td>
<td>$48,000</td>
</tr>
<tr>
<td><strong>Newsletter strategy, list-building, 10x send</strong></td>
<td>Communications strategy development, list-building plan, &quot;Events &amp; Updates&quot; email template design and content development, up to 10 event emails.</td>
<td>$35,000</td>
</tr>
<tr>
<td><strong>Website management, updates</strong></td>
<td>Ongoing website functionality monitoring, updates and hosting internally to then transition to communications staff</td>
<td>$12,000</td>
</tr>
<tr>
<td><strong>City Map</strong></td>
<td>Map to include all tourism destinations and areas of interest (hotels, restaurants, retail, attractions, points of interest, parking, etc.) and listings of events and visitor amenities.</td>
<td>$16,000</td>
</tr>
<tr>
<td><strong>Owned Social Media Strategy, Management, Analytics</strong></td>
<td>Facebook and Instagram: topic recommendations, copywriting, asset management, calendaring, daily/semi-daily posting, ongoing engagement monitoring and monthly reporting to client. Transition to communications staff.</td>
<td>$6,000</td>
</tr>
<tr>
<td><strong>Public Relations</strong></td>
<td>Main client contact for public relations efforts; responsible for coordination of pr team members, creating, updating and implementing press materials and monitoring coverage, ongoing pitch planning and writing, press release and media alert writing, coordinating to post latest coverage on websites. Press conference and event planning/attendance, as needed. Ongoing relationship building with all El Segundo stakeholders.</td>
<td>$54,000</td>
</tr>
<tr>
<td><strong>Project &amp; Account Management/Strategic Planning</strong></td>
<td>Main contact for client; responsible for coordination of all team members, leadership and brand strategy of overall account; facilitating all new and ongoing projects, attendance with client at stakeholder and committee meetings, finances, regular status meetings and reporting.</td>
<td>$36,000</td>
</tr>
<tr>
<td><strong>Total (including 10,000 contingency)</strong></td>
<td></td>
<td>$360,000</td>
</tr>
<tr>
<td>New Business Attraction</td>
<td>Description</td>
<td>Cost</td>
</tr>
<tr>
<td>--------------------------------------------------</td>
<td>-----------------------------------------------------------------------------</td>
<td>--------</td>
</tr>
<tr>
<td>Website management, updates</td>
<td>Ongoing website functionality monitoring, updates and hosting internally to then transition to communications staff</td>
<td>$12,000</td>
</tr>
<tr>
<td>SOAR Business Newsletter Development &amp; Analytics</td>
<td>Content strategy, copywriting, asset management, list management, layout updating, link tagging for GA tracking, blasting, monitoring and reporting for each. Goal is list building, increased traffic. Reduce sends to 6x/year and focus rest of budget on list building. Attract broader base of businesses. To then transition to communications staff.</td>
<td>$12,500</td>
</tr>
<tr>
<td>Event Collateral</td>
<td>Champions of Business (2019) Creative Concepting; Design and Execution of 5 Emails (Save the Date, Invitation, Sold Out, Sponsor Thank You, Event Thank You); Event Digital &amp; Physical Signage; Program design, to decrease event detail coordination with committee.</td>
<td>$25,000</td>
</tr>
<tr>
<td>Media Spend (Google, Instagram, Twitter, Facebook, programmatic)</td>
<td>Media hard cost</td>
<td>$48,000</td>
</tr>
<tr>
<td>Media Strategy &amp; Reporting, ongoing</td>
<td>Ongoing budget, performance monitoring and goal setting, copywriting, asset management and optimizing for target audience.</td>
<td>$24,000</td>
</tr>
<tr>
<td>Owned Social Media Strategy, Management, Analytics</td>
<td>Facebook and LinkedIn: topic recommendations, copywriting, asset management, calendaring, daily/semi-daily posting, ongoing engagement monitoring and monthly reporting to client. To then transition to communications staff.</td>
<td>$6,000</td>
</tr>
<tr>
<td>Public Relations</td>
<td>Main client contact for public relations efforts; responsible for coordination of pr team members, creating, updating and implementing press materials and monitoring coverage, ongoing pitch planning and writing; press release and media alert writing, coordinating to post latest coverage on websites. Press conference and event planning/attendance, as needed. Ongoing relationship building with all El Segundo stakeholders.</td>
<td>$64,000</td>
</tr>
<tr>
<td>Project &amp; Account Management/Strategic Planning</td>
<td>Main contact for client; responsible for coordination of all team members, leadership and brand strategy of overall account; facilitating all new and ongoing projects, attendance with client at stakeholder and committee meetings, finances, regular status meetings and reporting.</td>
<td>$36,000</td>
</tr>
<tr>
<td><strong>Total (including $10,000 contingency)</strong></td>
<td></td>
<td><strong>$227,500</strong></td>
</tr>
</tbody>
</table>

**TOTAL BUDGET:** $596,500

**Terms:** Services to be billed monthly, with Net 30 terms, per the terms of the Professional Services Agreement.

All services related to FY19 (October 1, 2018-September 30, 2019) not specifically listed in this document will be billed separately under another scope to be determined.

This is a budget allocation recommendation. The amount of additional research, strategy sessions, revisions and timing, will impact the budget. Budget assumes rounds of revisions as defined herein. It is flexible based on client requirements, timeline and deliverables. Any changes to scope may incur additional budget and impact schedule.

Incidentals and hard costs are not included, unless as specified. Incidentals may include materials, research, market data, stock photography, fonts, photo shoots, production crews, talent, voiceover, edit bay fees, language translation, webtools, e-communication distribution, shipping, delivery, travel, printing, tax, third-party costs, and other related expenses. Any incidental exceeding $500 will be estimated separately for approval.
VIII. Acceptance and Signature

This Scope of Work may be signed in counterparts, each of which shall be deemed an original. This Scope of Work is governed under by the terms and conditions of the Professional Services Agreement entered into by and between the parties.

The contents of this document are considered confidential in nature and protected under The Phelps Group as proprietary information. Any use of this material without consent or engagement is strictly prohibited.

The parties have caused this Scope of Work to be executed by their duly authorized representatives as identified below.

<table>
<thead>
<tr>
<th>CITY OF EL SEGUNDO</th>
<th>THE COMPANY - LOS ANGELES (DBA PHELPS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authorizing</td>
<td>Authorizing</td>
</tr>
<tr>
<td>Name</td>
<td>Name</td>
</tr>
<tr>
<td>Title</td>
<td>Title</td>
</tr>
<tr>
<td>Date</td>
<td>Date</td>
</tr>
</tbody>
</table>
AGENDA DESCRIPTION:
Consideration and possible action regarding adoption of a Resolution adopting the proposed inter-fund loan policy for the City of El Segundo. (Fiscal Impact: None)

RECOMMENDED COUNCIL ACTION:
1. Adopt the proposed Resolution adopting an Inter-fund Loan Policy; and/or,
2. Alternatively, discuss and take other possible action related to this item.

ATTACHED SUPPORTING DOCUMENTS:
A. Resolution and Proposed City of El Segundo Inter-fund Loan Policy

FISCAL IMPACT: None - (No direct fiscal impact, although the Policy will add controls and help ensure the timely repayment of inter-fund loans.)

<table>
<thead>
<tr>
<th>Amount Budgeted:</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additional Appropriation:</td>
<td>N/A</td>
</tr>
<tr>
<td>Account Number(s):</td>
<td>N/A</td>
</tr>
</tbody>
</table>

STRATEGIC PLAN:
Goal: 5b El Segundo approaches its work in a financially disciplined and responsible way.

Objective: 2 The City will maintain a stable, efficient, and transparent financial environment.

ORIGINATED BY: Joseph Lillio, Director of Finance
REVIEWED BY: City Attorney’s office
APPROVED BY: Greg Carpenter, City Manager

BACKGROUND AND DISCUSSION:
Inter-fund loans involve the lending of cash from one City fund to another for a specific purpose with a requirement for repayment. The practice of inter-fund loans is a recognized and necessary aspect of municipal finance. Such loans are typically short-term in nature, but also may be long-term, and constitute the allocation of resources between individual funds for working capital purposes.

The proposed City of El Segundo Inter-fund Loan Policy (attached) documents the methods used by the City to demonstrate prudent financial management over inter-fund loan(s). The policy:

- Requires City Council approval of inter-fund loans, except for short-term (less than 12 months) working capital loans,
• Permits short-term inter-fund loans for working capital to cover Council-approved reimbursable grants and projects and other temporary timing differences in cash flows, and

• Prohibits inter-fund loans from being used to solve ongoing structural budget issues or hindering the accomplishment of any function or project for which the lending fund was established.

Staff recommends the City Council adopt the proposed inter-fund loan policy to ensure long-term (one year or more) loans are properly approved and paid back in a timely manner. Staff believes inclusion of this Policy will ensure adherence and compliance with municipal finance best practices as recommended by Government Finance Officers Association (GFOA) and most importantly, will provide authority for inter-fund loans.
RESOLUTION NO. __

A RESOLUTION ADOPTING AN INTER-FUND LOAN POLICY.

The City Council of the City of El Segundo does resolve as follows:

SECTION 1: Recitals:

A. Inter-fund loans involve the lending of cash from one City fund to another for a specific purpose with a requirement for repayment;

B. The practice of inter-fund loans is a recognized and necessary aspect of municipal finance;

C. The proposed City of El Segundo Inter-fund Loan Policy documents the methods used by the City to demonstrate prudent financial management over inter-fund loans;

D. The City Council desires to adopt the policy.

SECTION 2: Adoption and Authorization. The City Council hereby adopts the "City of El Segundo Inter-fund Loan Policy," attached as Exhibit A and incorporated by this reference. The City Manager or his designee is authorized to take any actions needed to effectuate this resolution or the policy.

SECTION 3: This Resolution will become effective immediately upon adoption and remain effective unless superseded by a subsequent resolution.

PASSED AND ADOPTED this ___ day of ________________, 2018.

Drew Boyles, Mayor

ATTEST:

Tracy Weaver, City Clerk

APPROVED AS TO FORM:

Mark D. Hensley
City Attorney
CITY OF EL SEGUNDO INTER-FUND LOAN POLICY

(adopted by the City Council on __________)

A. All inter-fund loans, other than short-term inter-fund loans (as defined), require City Council approval by resolution. Any long-term inter-fund loan must be documented by a formal agreement that specifies the following terms and conditions of the loan:

1. Purpose of Inter-fund Loan and Documentation Requirements
   Loan purpose, amount, term, and repayment source will be identified any time a loan is recommended. Loans will be coordinated with the City Attorney’s Office to ensure compliance with the Municipal Code and will be approved by the City Council via resolution. Payments made on outstanding loans shall be reflected in the Proposed and Adopted Budget and Annual Financial Report, as applicable. A summary of all outstanding loans will also be included in the annual Proposed and Adopted Operating Budget and the Comprehensive Annual Financial Report (CAFR). The CAFR will also consistently include the loan term, rate of interest, and the interest amount due in its calculation of the total liability associated with the loan.

2. Identification of the source fund
   a. Availability of unrestricted funds in the source fund;
   b. The borrowing fund has the capacity to repay the debt;
   c. The lending fund has the capacity to lend the funds, beyond its own operating and capital needs; and
   d. The loan does not violate any debt covenants, regulatory requirements or other provisions of the borrowing and lending funds.

3. Repayment of Inter-fund Loan
   a. Repayment must have a payment source and funding stream;
   b. Specific repayment schedule (term of the loan);
   c. Interest is imposed at a rate equal to at least investment earnings if loan did not occur;
   d. Interest is to be accrued monthly and paid quarterly;
   e. The interest expense paid on inter-fund loans is to be treated as user fund expense, while the interest income is to be treated as interest revenue to the loaning fund; and
   f. There is no prepayment penalty on an inter-fund loan.

4. Other Considerations
   a. Internal controls to monitor repayment; and
   b. The inter-fund loan is callable by the lending fund if needed to ensure that the lending fund has sufficient operating funds.
B. For purposes of this policy, "Short-term inter-fund loans" are defined as those loans made from one City fund to another that will be repaid within less than 12 months. Short-term inter-fund loans may be made for working capital to provide cash for Council-approved reimbursable grants and projects. Short-term inter-fund loans are also permitted for temporary timing differences in cash flows when expenditures are incurred before revenue is collected. Short-term inter-fund loans may be approved by the City Manager or Finance Director and do not require City Council approval.

C. Prohibited Uses:
   1. Inter-fund loans must not be used to solve ongoing structural budget issues; and
   2. Inter-fund loans must not hinder the accomplishment of any function or project for which the lending fund was established.