AGENDA
EL SEGUNDO CITY COUNCIL
COUNCIL CHAMBERS - 350 Main Street

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.

REGULAR MEETING OF THE EL SEGUNDO CITY COUNCIL
TUESDAY, AUGUST 4, 2009 - 5:00 P.M.

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:

1. Appointment of Jack Wayt (City Manager) to represent the City as labor negotiators of unrepresented executive management employees.

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(a) -1- matter
Adam Garancovksy vs. City of El Segundo, LASC Case No. AHM0121594.

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to Government Code §54956.9(b): -1- potential case (no further public statement is required at this time); Initiation of litigation pursuant to Government Code §54956.9(c): -0- matter.

DISCUSSION OF PERSONNEL MATTERS (Gov’t Code §54957): - 0- matters

CONFERENCE WITH CITY’S LABOR NEGOTIATOR (Gov’t Code §54957.6): -1- matters

CONFERENCE WITH REAL PROPERTY NEGOTIATOR (Gov’t Code §54956.8): - 0- matter

SPECIAL MATTERS: - 0- matter
AGENDA
EL SEGUNDO CITY COUNCIL
COUNCIL CHAMBERS - 350 Main Street

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REGULAR MEETING OF THE EL SEGUNDO CITY COUNCIL
TUESDAY, AUGUST 4, 2009 - 7:00 P.M.

Next Resolution # 4607
Next Ordinance # 1432

7:00 P.M. SESSION
CALL TO ORDER
INVOCATION –
PLEDGE OF ALLEGIANCE – Council Member Bill Fisher
PRESENTATIONS

a. Presentation from Beach Cities Transit Update, Line 109 – Fiona Diaz, Beach Cities Transit Representative

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.

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)

1. Consideration and possible action to open a Public Hearing and adopt Resolution finding the City to be in conformance with the annual Congestion Management Program (CMP) and adopting the annual CMP Local Development Report, in accordance with California Government Code Section 65089. (Fiscal Impact: None)

Recommendation – (1) Open Public Hearing; (2) Discussion; (3) Adopt Resolution; (4) Alternatively, discuss and take other action related to this item.

2. Consideration and possible action to conduct a Public Hearing on the operating and capital outlay requests up to $25,000 in the existing Citizens Option for Public Safety (COPS) Supplement Law Enforcement Services Fund (SLESF) account by the Chief of Police. The grant requires that expenditures will be utilized to supplement “front line law enforcement” (includes hiring officers, funding special enforcement details, and purchasing equipment). (Fiscal Impact: $25,000 from COPS grant fund)

Recommendation – (1) Open Public Hearing to consider funding requests from the Chief of Police; (2) Discussion; (3) Adopt Resolution approving the use of COPS grant funds to purchase equipment related to supplementation of “front line law enforcement”; (4) Alternatively, discuss and take other action related to this item.
C. UNFINISHED BUSINESS

3. Consideration and possible action regarding 1) Adoption of a Resolution providing a Designated Retirement Period for Government Code Section 20903, Two Years Additional Service Credit and 2) Certification of Compliance with Government Code Section 20903. (Fiscal Impact: N/A)

Recommendation – (1) Adopt the Resolution; (2) Certify compliance with Government Code Section 20903; (3) Alternatively, discuss and take other action related to this item.

D. REPORTS OF COMMITTEES, COMMISSIONS AND BOARDS

4. Consideration and possible action regarding a recommendation by the Investment Advisory Committee to adopt the City's Investment Policy. (Fiscal Impact: None)

Recommendation – (1) Adopt the City's Investment Policy as submitted; (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.

5. Warrant Numbers 2572791 to 2573017 on Register No. 20 in the total amount of $3,781,844.57 and Wire Transfers from 07/10/09 through 07/23/09 in the total amount of $7,670,489.72.

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.


Recommendation – Approval.
7. Consideration and possible action regarding a new Alcoholic Beverage Control (ABC) license for on-site sale and on-site consumption of alcohol (Type 41 – On-Sale Beer and Wine) at a new restaurant located at 400 North Sepulveda Boulevard (Rubio’s Fresh Mexican Grill), EA No. 840 for AUP No. 09-05. Applicant: Jimmy Comerford/Rubio’s Fresh Mexican Grill. (Fiscal Impact: N/A)

Recommendation – (1) Receive and file this report without objecting to a new Type 41 ABC license at 400 North Sepulveda Boulevard; (2) Alternatively, discuss and take other action related to this item.

8. Consideration and possible action to award a standard Public Works Contract to the lowest responsible bidder, International Pavement Solutions, Inc., for rehabilitation of Sycamore Park Playground (southeast corner of Sycamore Avenue and California Street) Approved Capital Improvement Project. Project No. PW-09-07 (Fiscal Impact: $106,006.00)

Recommendation – (1) Authorize the City Manager to execute a standard Public Works Contract in a form approved by the City Attorney with International Pavement Solutions, Inc., in the amount of $106,006.00; (2) Alternatively, discuss and take other action related to this item.

9. Consideration and possible action authorizing the City Manager to enter into a funding agreement with the County of Los Angeles for the El Segundo Beach Lifeguard Station Project. (Fiscal Impact: $1.7 million grant from the County of Los Angeles)

Recommendation – (1) Authorize the City Manager to enter into a funding agreement in a form approved by the City Attorney for the El Segundo Beach Lifeguard Station Project; (2) Alternatively, discuss and take other action related to this item.

10. Consideration and possible action approving a five (5) year contract with Nationwide Environmental Services for street sweeping services city wide (Fiscal Impact: $139,237.62)

Recommendation – (1) Authorize the City Manager to execute a five (5) year contract extension in a form as approved by the City Attorney with Nationwide Environmental Services in the amount of $139,237.62, for fiscal year 2009-2010 based on the existing street sweeping contract; (2) Alternatively, discuss and take other action related to this item.
11. Consideration and possible action regarding the acceptance of the Wayfinding Signage Project various locations citywide – Project No. PW 08-17. (Fiscal Impact: $109,574.05)

Recommendation – (1) Accept the work as complete; (2) Authorize the City Clerk to file a Notice of Completion in the County Recorder’s Office; (3) Alternatively, discuss and take other action related to this item.

12. Consideration and possible action regarding a change to the existing contract with Wyle Laboratories, Inc., awarding a contract extension to Wyle Laboratories, Inc. for Design and Testing Services, and adoption of a minor amendment to homeowner agreements related to the Residential Sound Insulation (RSI) Program. (Fiscal Impact: $1,201,000)

Recommendation – (1) Authorize a change to the existing contract with Wyle Laboratories, Inc.; (2) Award a contract extension to Wyle Laboratories, Inc; (3) Adopt a homeowner agreement amendment requiring property owners to reimburse the City $100 for expenses incurred for failing to disclose significant code violations and/or unfinished, ongoing or pending construction; (4) Authorize the City Manager to execute a contract extension in a form approved by the City Attorney; (5) Alternatively, discuss and take other action related to this item.


Recommendation – (1) Approve the agreement; (2) Alternatively, discuss and take other action related to this item.

14. Consideration and possible action regarding the revision of Resolution No. 4601 updating the employer’s contribution under the Public Employees’ Medical and Hospital Care Act for El Segundo Fire Fighters’ Association. The revision is to correct a clerical error made on the original resolution and staff report. (Fiscal Impact: Included in adopted budget)

Recommendation – (1) Adopt the required Resolution; (2) Alternatively, discuss and take other action related to this item.

CALL ITEMS FROM CONSENT AGENDA
F. NEW BUSINESS

15. Consideration and possible action to review the water rate study, direct staff to commence the Proposition 218 protest procedures regarding potential increases to the City’s water rates for FY 2009-2010 through FY 2014-2015 and set a Public Hearing to consider an ordinance increasing water rates and fees. (Fiscal Impact: $20,000 for the ballot mailing, Potential Fiscal Impact: Approximately $3,640,000 loss in water revenue in FY 2009-2010)

Recommendation – (1) Present water rate study and proposed potable water rate increases; (2) Direct staff to implement the Proposition 218 protest ballot procedures for proposed potable water rate increases; (3) Adopt resolution establishing procedures for mailing, handling and counting Proposition 218 protest ballots; (4) Set Public Hearing on October 6, 2009 for Council consideration of the proposed water rate increases; (5) Alternatively, discuss and take other action related to this item.

16. Consideration and possible action regarding a staff analysis of potential revenue impacts to the City due to the recently passed State budget. (Fiscal Impact: General Fund ($1,024,446) State Gas Tax Fund ($276,818)

Recommendation – (1) Receive and file; (2) Alternatively, discuss and take other action related to this item.

G. REPORTS – CITY MANAGER

H. REPORTS – CITY ATTORNEY

I. REPORTS – CITY CLERK

J. REPORTS – CITY TREASURER

K. REPORTS – CITY COUNCIL MEMBERS

Council Member Brann –

Council Member Fisher –

Council Member Jacobson –
Mayor Pro Tem Busch –

Mayor McDowell –

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MEMORIALS –

CLOSED SESSION

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REPORT OF ACTION TAKEN IN CLOSED SESSION (if required)

ADJOURNMENT

POSTED:
DATE: 7/29/09
TIME: 2:20 pm
NAME: Mishia Jennings
Beach Cities Transit

Line 109 Expansion

August 4, 2009
Gwendolyn Parker
Harbor, Business & Transit Department
City of Redondo Beach
BCT Line 109 Expansion

New service to Plaza El Segundo
BCT Line 109 Expansion

- 2007-2008 Ridership Figures
  - Total annual ridership = 174,991

- 2008-2009 Ridership Figures
  - Total annual ridership = 176,277

- For customer service Transit Division staff can be reached at (310) 318-0631 ext. 2860

- Questions or feedback?
EL SEGUNDO CITY COUNCIL  MEETING DATE: August 4, 2009
AGENDA STATEMENT  AGENDA HEADING: Special Orders of Business

AGENDA DESCRIPTION:
Consideration and possible action to open a Public Hearing, consider testimony, and adopt a Resolution finding that the City conforms with the annual Congestion Management Program (CMP) and adopting the annual CMP Local Development Report, in accordance with California Government Code § 65089. (Fiscal Impact: None).

RECOMMENDED COUNCIL ACTION:
1. Open Public Hearing;
2. Discussion;
3. Adopt Resolution; and/or
4. Alternatively, discuss and take other possible action related to this item.

ATTACHED SUPPORTING DOCUMENTS:
1. Draft Resolution
2. 2009 Local Development Report

FISCAL IMPACT: None

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<td>Additional Appropriation:</td>
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<td>Account Number(s):</td>
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ORIGINATED BY: Kimberly Christensen, AICP, Planning Manager
REVIEWED BY: Greg Carpenter, Planning and Building Safety Director
APPROVED BY: Jack Wayt, City Manager

BACKGROUND AND DISCUSSION:

I. Background

The Congestion Management Program (CMP) became effective with voter approval of Proposition 111 in June 1990. The CMP is a tool to facilitate coordination between transportation and land use decisions. It requires agencies to weigh the impacts of traffic generated by developments and requires the mitigation of additional congestion. In accordance with State law the Los Angeles County Metropolitan Transportation Authority (MTA) has adopted the CMP for Los Angeles County. Cities within the County are required to comply with the adopted CMP or risk the loss of Gas tax revenues received pursuant to Proposition 111.
The MTA requires that by September 1st of each year, local agencies submit a self-certification Resolution and a Local Development Report pursuant to a noticed public hearing as required by State law.

The self-certification Resolution consists of the following:

1. A finding that the City is in conformance with the CMP.

2. Certification that the City will continue to implement the Transportation Demand Management Ordinance. (ESMC Chapter 15-16).

3. Certification that the City will continue to implement a Land Use Analysis Program. (City Council Resolution No. 3805).


In previous years, the CMP required the City to calculate the total debits and credits accruing from building and demolition permits and transportation improvement strategies and to maintain a positive credit balance. The City’s credit balance as of May 31, 2003 was 6,642. On February 18, 2004, MTA suspended the requirement that cities maintain a positive credit balance and suspended the requirement to calculate credits and debits resulting from construction activity and transportation improvements strategies while it prepares a nexus study to explore the feasibility of implementing a congestion mitigation fee to meet CMP Deficiency Plan requirements. The City’s current credit balance remains frozen until MTA completes its study.

Metro staff and their consultants are actively working on a proposed Congestion Mitigation Fee. The Congestion Mitigation Fee would be a one time fee applied to all types of new development. Metro staff provided a briefing to the South Bay Cities COG at the end of May outlining how the proposed program would work if authorized by the MTA and that locally adopted Congestion Mitigation Fee Programs that meet the CMP compliance requirements would replace the currently suspended Debit-Credit Methodology of the CMP Deficiency Plan. Cities that complied would retain their annual Section 2105 gas tax revenue and would ensure their eligibility for the Metro Call-For-Projects eligibility. El Segundo has a locally adopted traffic mitigation fee that is a one time fee applied to new development. El Segundo staff will be coordinating with MTA staff to ensure the eligibility and CMP compliance of its existing traffic mitigation fees. MTA staff will be working with local jurisdictions (via the South Bay City Managers and the South Bay Cities COG Infrastructure Working Group) on updated growth forecasts and identifying local projects with regional benefit and updating the transportation network maps through the end of 2009. MTA staff anticipates that the MTA Board would approve conducting a legal Nexus Study in early 2010 with completion of the study anticipated in mid to late 2010. Local implementation would follow completion of the nexus study and adoption of the study by the MTA Board.

This year the City is only required to report the number of dwelling units permitted and the floor area of new non-residential buildings and demolitions. The attached Local Development Report summarized the development activity for the June 1, 2008 to May 31, 2009 reporting year.
RESOLUTION NO. _____

A RESOLUTION FINDING THE CITY TO BE IN COMPLIANCE WITH THE CONGESTION MANAGEMENT PROGRAM (CMP) AND ADOPTING THE LOCAL DEVELOPMENT REPORT PURSUANT TO GOVERNMENT CODE § 65089.

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

SECTION 1: The City Council finds that:

A. The Los Angeles County Metropolitan Authority ("MTA"), acting as the Congestion Management Agency for Los Angeles County, adopted the 2004 CMP on July 22, 2004;

B. As adopted, the CMP requires that MTA annually determine that Los Angeles County and cities within the County conform with all CMP requirements;

C. Among other things, the CMP requires municipalities within Los Angeles County to submit Local Development Reports to the MTA by September 1 each year;

D. The City Council held a noticed public hearing on August 4, 2009 during which it considered the evidence presented by staff and the public regarding how the City has implemented measures designed to mitigate the impacts of traffic congestion resulting from new development;

E. Based upon the August 4, 2009 public hearing, the City Council determined that:

1. By June 15 of odd-numbered years the City conducts annual traffic counts and calculated levels of service for selected arterial intersections consistent with the requirements identified in the CMP Highway and Roadway System Chapter;

2. The City adopted and continues to implement a transportation demand management ordinance consistent with the minimum requirements identified in the CMP Transportation Demand Management Chapter;

3. The City adopted and continues to implement a land use analysis program consistent with the minimum requirements identified in the CMP Land Use Analysis Program Chapter; and

4. The City adopted a Local Development Report, which attached as Exhibit "A" and incorporated by reference, consistent with the requirements identified in the 2004 CMP. This report balances traffic congestion impacts due to growth within the City with transportation improvements, and demonstrates that the City meets its responsibilities under the County-wide Deficiency Plan consistent with the MTA Board adopted 2003 Short Range Transportation Plan.
SECTION 2: In accordance with its findings, the City Council determines that the City of El Segundo is in compliance with all requirements of the 2004 CMP.

SECTION 3: This Resolution will remain effective until superseded by a subsequent resolution.

SECTION 4: This Resolution will take effect immediately upon adoption.

PASSED AND ADOPTED this 4th day of August, 2009.

________________________________________
Kelly McDowell, Mayor
City of El Segundo

APPROVED AS TO FORM:
Mark D. Hensley, City Attorney

By: _______________________________________
Karl H. Berger, Assistant City Attorney
ATTEST:

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

I, Cindy Mortesen, 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 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 4th day of August 2009, and the same was so passed and adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____________________________________
Cindy Mortesen, City Clerk
CITY OF EL SEGUNDO
2009 CMP Local Development Report
Reporting Period: JUNE 1, 2008 - MAY 31, 2009

Contact: KIMBERLY CHRISTENSEN
Phone Number: (310) 524-2340

CONGESTION MANAGEMENT PROGRAM
FOR LOS ANGELES COUNTY

2009 DEFICIENCY PLAN SUMMARY

* IMPORTANT: All "#value!" cells on this page are automatically calculated. Please do not enter data in these cells.

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<th>DEVELOPMENT TOTALS</th>
<th>Dwelling Units</th>
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<th>COMMERCIAL DEVELOPMENT ACTIVITY</th>
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<tr>
<td>Freestanding Eating &amp; Drinking</td>
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<th>NON-RETAIL DEVELOPMENT ACTIVITY</th>
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| EXEMPTED DEVELOPMENT TOTALS | |
|-----------------------------||
| Exempted Dwelling Units | 0 |
| Exempted Non-residential sq. ft. (in 1,000s) | 0 |

1. Note: Please change dates on this form for later years.
2. Net square feet is the difference between new development and adjustments entered on pages 2 and 3.
**CITY OF EL SEGUNDO**

2009 CMP Local Development Report
Reporting Period: JUNE 1, 2008 - MAY 31, 2009

Enter data for all cells labeled "Enter." If there are no data for that category, enter "0."

### PART 1: NEW DEVELOPMENT ACTIVITY

#### RESIDENTIAL DEVELOPMENT ACTIVITY

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#### COMMERCIAL DEVELOPMENT ACTIVITY

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<tr>
<td>Freestanding Eating &amp; Drinking</td>
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#### NON-RETAIL DEVELOPMENT ACTIVITY

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<th>Category</th>
<th>1,000 Gross Square Feet</th>
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#### OTHER DEVELOPMENT ACTIVITY

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<th>Daily Trips</th>
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<td>(Attach additional sheets if necessary)</td>
<td>(Enter &quot;0&quot; if none)</td>
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</table>

ENTER IF APPLICABLE

ENTER IF APPLICABLE

Section I, Page 2
CITY OF EL SEGUNDO
2009 CMP Local Development Report
Reporting Period: JUNE 1, 2008 - MAY 31, 2009

Enter data for all cells labeled "Enter." If there are no data for that category, enter "0."

PART 2: NEW DEVELOPMENT ADJUSTMENTS

IMPORTANT: Adjustments may be claimed only for 1) development permits that were both issued and revoked, expired or withdrawn during the reporting period, and 2) demolition of any structure with the reporting period.

<table>
<thead>
<tr>
<th>RESIDENTIAL DEVELOPMENT ADJUSTMENTS</th>
<th>Dwelling Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single Family Residential</td>
<td>3.00</td>
</tr>
<tr>
<td>Multi-Family Residential</td>
<td>1.00</td>
</tr>
<tr>
<td>Group Quarters</td>
<td>0.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>COMMERCIAL DEVELOPMENT ACTIVITY</th>
<th>1,000 Gross Square Feet</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial (less than 300,000 sq.ft.)</td>
<td>14.00</td>
</tr>
<tr>
<td>Commercial (300,000 sq.ft. or more)</td>
<td>0.00</td>
</tr>
<tr>
<td>Freestanding Eating &amp; Drinking</td>
<td>0.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NON-RETAIL DEVELOPMENT ACTIVITY</th>
<th>1,000 Gross Square Feet</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lodging</td>
<td>0.00</td>
</tr>
<tr>
<td>Industrial</td>
<td>87.80</td>
</tr>
<tr>
<td>Office (less than 50,000 sq.ft.)</td>
<td>0.00</td>
</tr>
<tr>
<td>Office (50,000-299,999 sq.ft.)</td>
<td>0.00</td>
</tr>
<tr>
<td>Office (300,000 sq.ft. or more)</td>
<td>0.00</td>
</tr>
<tr>
<td>Medical</td>
<td>0.00</td>
</tr>
<tr>
<td>Government</td>
<td>0.00</td>
</tr>
<tr>
<td>Institutional/Educational</td>
<td>0.00</td>
</tr>
<tr>
<td>University (# of students)</td>
<td>0.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>OTHER DEVELOPMENT ACTIVITY</th>
<th>Daily Trips</th>
</tr>
</thead>
<tbody>
<tr>
<td>Description</td>
<td>(Enter &quot;0&quot; if none)</td>
</tr>
<tr>
<td>ENTER IF APPLICABLE</td>
<td>0.00</td>
</tr>
<tr>
<td>ENTER IF APPLICABLE</td>
<td>0.00</td>
</tr>
</tbody>
</table>
## CITY OF EL SEGUNDO
### 2009 CMP Local Development Report
**Reporting Period:** JUNE 1, 2008 - MAY 31, 2009

**Enter data for all cells labeled "Enter." If there are no data for that category, enter "0."**

### PART 3: EXEMPTED DEVELOPMENT ACTIVITY
*(NOT INCLUDED IN NEW DEVELOPMENT ACTIVITY TOTALS)*

<table>
<thead>
<tr>
<th>Activity Description</th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low/Very Low Income Housing</td>
<td>0</td>
</tr>
<tr>
<td>High Density Residential</td>
<td>0</td>
</tr>
<tr>
<td>Near Rail Stations</td>
<td></td>
</tr>
<tr>
<td>Mixed Use Developments</td>
<td></td>
</tr>
<tr>
<td>Near Rail Stations</td>
<td></td>
</tr>
<tr>
<td>Development Agreements Entered into Prior to July 10, 1989</td>
<td></td>
</tr>
<tr>
<td>Reconstruction of Buildings</td>
<td></td>
</tr>
<tr>
<td>Damaged in April 1992 Civil Unrest</td>
<td></td>
</tr>
<tr>
<td>Reconstruction of Buildings</td>
<td></td>
</tr>
<tr>
<td>Damaged in Jan. 1994 Earthquake</td>
<td></td>
</tr>
<tr>
<td>Total Dwelling Units</td>
<td>0</td>
</tr>
<tr>
<td>Total Non-residential sq. ft. (in 1,000s)</td>
<td>0</td>
</tr>
</tbody>
</table>

### Exempted Development Definitions:
1. **Low/Very Low Income Housing:** As defined by the California Department of Housing and Community Development as follows:
   - Low-Income: equal to or less than 80% of the County median income, with adjustments for family size.
   - Very Low-Income: equal to or less than 50% of the County median income, with adjustments for family size.

2. **High Density Residential Near Rail Stations:** Development located within 1/4 mile of a fixed rail passenger station and that is equal to or greater than 120 percent of the maximum residential density allowed under the local general plan and zoning ordinance. A project providing a minimum of 75 dwelling units per acre is automatically considered high density.

3. **Mixed Uses Near Rail Stations:** Mixed-use development located within 1/4 mile of a fixed rail passenger station, if more than half of the land area, or floor area, of the mixed use development is used for high density residential housing.

4. **Development Agreements:** Projects that entered into a development agreement (as specified under Section 65864 of the California Government Code) with a local jurisdiction prior to July 10, 1989.

5. **Reconstruction or Replacement:** Any residential or non-residential structure which is damaged or destroyed, to the extent of > or = to 50% of its reasonable value, by fire, flood, earthquake or other similar calamity.

6. **Any project of a federal, state or county agency that is exempt from local jurisdiction zoning regulations and where the local jurisdiction is precluded from exercising any approval/disapproval authority.** These locally precluded projects do not have to be reported in the LDR.
AGENDA DESCRIPTION:
Consideration and possible action to conduct a Public Hearing on the operating and capital outlay requests up to $25,000 in the existing Citizens Option for Public Safety (COPS) Supplemental Law Enforcement Services Fund (SLESF) account by the Chief of Police. The grant requires that expenditures will be utilized to supplement “front line law enforcement” (includes hiring officers, funding special enforcement details, and purchasing equipment). (Fiscal Impact: $25,000 from COPS grant fund)

RECOMMENDED COUNCIL ACTION:
1. Open Public Hearing to consider funding requests from the Chief of Police;
2. Discussion;
3. Adopt Resolution approving the use of COPS grant funds to purchase equipment related to supplementation of "front line law enforcement."
4. Alternatively discuss and take other action related to this item.

ATTACHED SUPPORTING DOCUMENTS:
Draft Resolution

FISCAL IMPACT: Included in Adopted Budget

<table>
<thead>
<tr>
<th>Amount Budgeted:</th>
<th>$25,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additional Appropriation:</td>
<td>N/A</td>
</tr>
<tr>
<td>Account Number(s):</td>
<td>120-400-0000-3207</td>
</tr>
</tbody>
</table>

ORIGINATED BY: Bob Turnbull, Captain
REVIEWED BY: David Cummings, Chief
APPROVED BY: Jack Wayt, City Manager

BACKGROUND AND DISCUSSION:
In 1996, the Legislature adopted Government Code §§ 30061 to 30064 to provide a block grant for law enforcement purposes. This legislation, known as the Citizens Option for Public Safety (COPS), requires a public hearing to consider the expenditure of funds. In May 2009, the City was awarded $25,000 for FY 09/10.

All funds received under this grant must be utilized to supplement law enforcement activities and cannot be used to supplant existing funding. In the past, the funds have been used to purchase equipment directly used in “front line law enforcement.” This includes replacement handguns for all officers, less-than-lethal shotguns, tasers, DUI enforcement, and mobile data computers.
It is anticipated that a portion of these funds will be utilized during the fiscal year to purchase similar equipment. Proposed purchases of equipment or use of these funds must be approved by Council. Staff recommends the following items as four possible approved utilizations to be made with the COPS grant funds.

1. Replace/upgrade station video monitoring and recording system.
2. Purchase a PIPS Automated License Plate Recognition System
3. Overtime funding for special enforcement details.
4. Overtime costs associated with training recruit police officers.
RESOLUTION NO. _____

A RESOLUTION PROVIDING FOR THE IMPLEMENTATION OF THE CITIZENS OPTION FOR PUBLIC SAFETY (COPS) PROGRAM.

BE IT RESOLVED by the Council of the city of El Segundo as follows:

SECTION 1: The City Council finds as follows:

A. Government Code §30061 established Supplemental Local Law Enforcement Funding (commonly referred to as the COPS program) for front line law enforcement.

B. The County of Los Angeles established a Supplemental Law Enforcement Service Fund (SLESF) in accordance with Government Code §30061 to receive COPS funds which are allocated for use in Los Angeles County;

C. The City of El Segundo participates in the COPS Program and receives its share of any funds available for the purpose of ensuring public safety;

D. By resolution No. 3985, adopted October 1, 1996, the City established its own Supplemental Law Enforcement Service Fund (SLESF) in accordance with Government Code §30061;

E. The City Council conducted a public hearing on August 4, 2009, to consider funding requests from the Chief of Police based on the documentation and testimonial evidence submitted at the public hearing, the City Council approved those requests as set forth on the record.

SECTION 2: The City Council directs that the City maintain its own Supplemental Law Enforcement Service Fund (SLESF) as required by Government Code §§ 30061 and 30063.

SECTION 3. The City Council requests that the County of Los Angeles allocate the City's share of the funding to the City's SLESF for the purpose of front-line law enforcement.

SECTION 4: The City Clerk is directed to certify the adoption of this Resolution; record this Resolution in the book of the City's original resolutions; and make a minute of the adoption of the Resolution in the City Council's records and the minutes of this meeting.

SECTION 5: This Resolution will become effective immediately upon adoption and will remain effective unless repealed or superseded.
PASSED AND ADOPTED this ___ day of ____________, 2009.

________________________________________
Kelly McDowell,
Mayor

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

I, Cindy Mortesen, 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 ____________, 2009, and the same was so passed and adopted by the following roll call vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

ATTEST:

________________________________________
Cindy Mortesen,
City Clerk

APPROVED AS TO FORM:
Mark D. Hensley, City Attorney

By: ______________________________
    Karl H. Berger
    Assistant City Attorney
EL SEGUNDO CITY COUNCIL

MEETING DATE: August 4, 2009

AGENDA STATEMENT

AGENDA DESCRIPTION:
Consideration and possible action regarding 1) Adoption of a Resolution providing a designated Retirement Period for Section 20903, Two Years Additional Service Credit and 2) Certification of Compliance with Government Code Section 20903. (Fiscal Impact: N/A)

RECOMMENDED COUNCIL ACTION:

1. Adopt the Resolution
2. Certify compliance with Government Code Section 20903
3. Alternatively, discuss and take other action related to this item.

ATTACHED SUPPORTING DOCUMENTS:

1. Resolution
2. CalPERS Document - Certification of Compliance with Government Code Section 20903

FISCAL IMPACT: N/A

Amount Budgeted:
Additional Appropriation:
Account Number(s):

ORIGINATED BY: Bob Hyland, Director of Human Resources
REVIEWED BY: Bill Crowe, Assistant City Manager
APPROVED BY: Jack Wayt, City Manager

BACKGROUND AND DISCUSSION:

On July 21, 2009, Council introduced and waived the First Reading of the Ordinance and adopted the Resolution of Intention to approve an Amendment to the contract between the Board of Administration of the California Public Employees Retirement System (CalPERS) and the El Segundo City Council providing Section 20903, Two Years Additional Service Credit for the City’s Local Miscellaneous (Non-Safety) members, with the exception of Department Directors, Assistant City Manager and City Manager.

Two additional actions are now required prior to the Second Reading and Adoption of the Ordinance, which will occur at Council’s meeting of August 18, 2009 or September 1, 2009, dependent on the timing of CalPERS providing the City with the original documents necessary to finalize the Amendment of the City’s contract with CalPERS.
Resolution Providing for a Designated Retirement Period for Section 20903, Two Years Additional Service Credit.

Adoption of the Resolution formally designates both the job classifications eligible for this benefit, as well as the Retirement Period during which the retirement must occur. CalPERS requires that the Designated Retirement Period be no less than 90 days, nor more than 180 days in length.

The Designated Retirement Period will be from October 5, 2009 to January 15, 2010 and has been slightly extended from the originally anticipated Retirement Period, in order that eligible employees have ample time to 1) review information related to the Early Retirement Program, 2) obtain retirement allowance estimates from CalPERS, and 3) complete and submit their Retirement Application Packages.

Certification of Compliance with Government Code Section 20903

CalPERS requires, in accordance with Government Code Section 20903, and the contract between the CalPERS Board of Administration and the City Council, that the Council certifies that:

"Because of an impending curtailment of, or change in the manner of performing service, the best interests of the agency will be served by granting such additional service credit.

The added cost to the retirement fund for all eligible employees who retire during the designated window period will be included in the contracting agency’s employer contribution rate for the fiscal year that begins two years after the end of the designated period.

It has elected to become subject to Section 20903 because of impending mandatory transfers, demotions, and layoffs that constitute at least 1 percent of the job classification, department or organizational unit, as designated by the governing body, resulting from the curtailment of, or change in the manner of performing, its services.

Its intention at the time Section 20903 becomes operative is to keep all vacancies created by retirements under this section or at least one vacancy in any position in any department or other organizational unit permanently unfilled, thereby resulting in an overall reduction in the workforce of such department or organizational unit."
RESOLUTION NO.__________

A RESOLUTION PROVIDING A DESIGNATED RETIREMENT PERIOD FOR SECTION 20903, TWO YEARS ADDITIONAL SERVICE CREDIT

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

Section 1: The City Council of the City of El Segundo is a contracting public agency of the Public Employees’ Retirement System.

Section 2: The Public Agency desires to provide a Designated Retirement Period for Section 20903, Two Years Additional Service Credit, based on the contract amendment in said contract which provides for Section 20903, Two Years Additional Service Credit, for eligible members.

Section 3: Eligible members will be the City’s Local Miscellaneous Members, with the exception of all department directors, Assistant City Manager and City Manager, as depicted on the attached Exhibit A.

Section 4: The Designated Retirement Period shall be from October 5, 2009 through January 15, 2010.

Section 5: The City Clerk is directed to certify the Passage and Adoption of this Resolution, enter same in the Book of Original Resolutions, and make a Minute of its adoption in the City’s records and in the Minutes of the meeting when it was adopted.

Section 6: The Resolution will become effective immediately upon adoption, and will remain effective unless repealed or superseded.

PASSED AND ADOPTED this 4th day of August, 2009.

________________________________________
Kelly McDowell,
Mayor
CERTIFICATION

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

I, Cindy Mortesen, 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 Resolution No. _____ 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 August, 2009, and the same was so passed and adopted by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:
NOT PARTICIPATING:

WITNESS MY HAND THE OFFICIAL SEAL OF SAID CITY this _____ day of ____________ , 2009.

Cindy Mortesen, City Clerk
of the City of El Segundo,
California
(SEAL.)

APPROVED AS TO FORM:
Mark D. Hensley, City Attorney

By:__________________________
  Karl H. Berger
  Assistant City Attorney
EXHIBIT A

TITLE
Accounting Manager
Accounting Technician
Accounts Specialist II
Administrative Analyst
Administrative Specialist
Administrative Technical Specialist
Application Specialist
Assistant City Engineer
Assistant Planner
Associate Engineer
Building Inspector I
Building Inspector II
Building Safety Manager
Business Services Manager
Community Cable Program Manager
Community Cable Program Specialist
Computer Graphics Designer
Construction Coordinator
Crime Prevention Analyst II
Crime Scene Investigator I
Crime Scene Investigator II
Custodian
Deputy City Clerk
Deputy City Treasurer
Dispatcher I
Dispatcher II
Emergency Management Coordinator
Engineering Technician
Equipment Maintenance Supervisor
Equipment Mechanic I
Equipment Mechanic II
Executive Assistant
Facilities Maintenance Supervisor
Facilities Systems Mechanic
Fire Equipment Mechanic
Fire Marshal
Fire Prevention Specialist
Fiscal Services Manager
General Services Manager
GIS Analyst
Human Resources Analyst
Human Resources Manager
Information Systems Manager
Librarian I
Librarian II
Library Assistant
Library Clerk I
Library Clerk II
License/Permit Specialist I

7/23/2009
TITLE
License/Permit Specialist II
Maintenance Craftworker
Management Analyst
Meter Reader/Reparer
Network Assistant
Network Technician
Office Specialist I
Office Specialist II
Office Specialist II, Human Resources
Park Maintenance Superintendent
Park Maintenance Supervisor
Park Maintenance Worker I
Park Maintenance Worker II
Plan Check Engineer
Planning Manager
Planning Technician
Police Assistant I
Police Assistant II
Police Records Supervisor
Police Services Officer I
Police Services Officer II
Pool Maintenance Technician
Principal Engineer
Principal Environmental Specialist
Principal Planner
Program Coordinator
Project Specialist
Property Owner Coordinator
Public Works Inspector
Purchasing Agent
Records Technician
Recreation Coordinator
Recreation Superintendent
Recreation Supervisor
Residential Sound Insulation Manager
Revenue Inspector
Senior Accountant
Senior Administrative Analyst
Senior Administrative Specialist
Senior Building Inspector
Senior Librarian
Senior Library Assistant
Senior Management Analyst
Senior Plan Check Engineer
Street Maintenance Leadworker
Street Maintenance Supervisor
Street Maintenance Worker II
Supervising Dispatcher
Technical Services Analyst
Tree Maintenance Worker
Wastewater Maintenance Leadworker
TITLE
Wastewater Maintenance Worker II
Wastewater Supervisor
Water Maintenance Leadworker
Water Maintenance Worker I
Water Maintenance Worker II
Water Supervisor
Wellness Coordinator
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
Actuarial and Employer Services Branch
Public Agency Contract Services
P.O. Box 942709
Sacramento, CA 94229-2709
(888) CalPERS (225-7377)

CERTIFICATION OF COMPLIANCE WITH
GOVERNMENT CODE SECTION 20903

In accordance with Government Code Section 20903 and the contract between the Public Employees' Retirement System, the City Council of the City of El Segundo hereby certifies that:

1. Because of an impending curtailment of, or change in the manner of performing service, the best interests of the agency will be served by granting such additional service credit.

2. The added cost to the retirement fund for all eligible employees who retire during the designated window period will be included in the contracting agency's employer contribution rate for the fiscal year that begins two years after the end of the designated period.

3. It has elected to become subject to Section 20903 because of impending mandatory transfers, demotions, and layoffs that constitute at least 1 percent of the job classification, department or organizational unit, as designated by the governing body, resulting from the curtailment of, or change in the manner of performing, its services.

4. Its intention at the time Section 20903 becomes operative is to keep all vacancies created by retirements under this section or at least one vacancy in any position in any department or other organizational unit permanently unfilled thereby resulting in an overall reduction in the work force of such department or organizational unit.

THEREFORE, the City Council of the City of El Segundo hereby elects to provide the benefits of Government Code Section 20903 to all eligible members who retire within the designated period, October 5, 2009 through January 15, 2010.

CITY COUNCIL
OF THE
CITY OF EL SEGUNDO

By: _______________________________
    Presiding Officer

Attest:

_______________________________
Clerk/Secretary

_______________________________
Date
AGENDA DESCRIPTION:

Consideration and possible action regarding a recommendation by the Investment Advisory Committee to adopt the City’s Investment Policy. (Fiscal Impact: None)

RECOMMENDED COUNCIL ACTION:

1) Adopt City’s Investment Policy as submitted; (2) Alternatively, discuss and take other action related to this item.

ATTACHED SUPPORTING DOCUMENTS:

Draft copy of the City of El Segundo Investment Policy with attachments.

FISCAL IMPACT: Included in Adopted Budget

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

ORIGINATED BY: Ralph E. Lanphere, City Treasurer
REVIEWED BY: Deborah Cullen, Director of Finance
APPROVED BY: Jack Wayt, City Manager

BACKGROUND AND DISCUSSION:

Section 53646(a) of the California Government Code requires that the investment policy of a local agency be adopted annually by its legislative body. On June 15, 2009, the City’s Investment Advisory Committee met and reviewed the attached policy for coming year. The Committee voted unanimously to recommend the attached policy to the City Council for review and approval. It should be noted that the Committee is recommending no changes to the current policy.
City of El Segundo
Investment Policy

1.0 Policy:

It is the policy of the City of El Segundo to invest public funds in a prudent manner with the primary objectives of, in priority order, safety, liquidity and yield, and in conformance with all state and local statutes governing the investment of public funds.

2.0 Scope:

This investment policy applies to all funds invested on behalf of the City of El Segundo. These funds are accounted for in the City of El Segundo's Comprehensive Annual Financial Report and include:

2.1 Funds:

2.1.1 General Fund
2.1.2 Special Revenue Funds
2.1.3 Capital Project Funds
2.1.4 Enterprise Funds
2.1.5 Trust and Agency Funds
2.1.6 Debt Service Fund

3.0 Prudence:

When investing, reinvesting, purchasing, acquiring, exchanging, selling, and managing public funds, the City Council, Treasurer and other persons authorized to make investment decisions on behalf of the City, shall act with the care, skill, prudence, and diligence under the circumstances then prevailing, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the City.

3.1 The standard of prudence to be used by investment officers shall be the "prudent investor" standard and shall be applied in the context of managing an overall portfolio of money and investments that belong to the public. Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.
4.0 Objective:

The primary objectives, in priority order, of the City of El Segundo's investment activities shall be:

4.1 Safety: Safety of principal is the foremost objective of the investment program. Investments of the City of El Segundo shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, the City shall only invest in high quality securities and it shall diversify its investments in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio so as not to harm the City's cash flow and principal. The City shall also structure its portfolio so as to prevent the need to sell securities prior to maturity and it shall not take short positions, that is, selling securities that the City does not own.

4.2 Liquidity: The City of El Segundo's investment portfolio will remain sufficiently liquid to enable the City of El Segundo to meet all operating requirements which might be reasonably anticipated.

4.3 Returns on investment: The City of El Segundo's investment portfolio shall be designed with the objective of attaining a return throughout budgetary and economic cycles, taking into account the City of El Segundo's investment risk constraints and the cash flow characteristics of the portfolio.

5.0 Delegation of Authority:

Authority to manage the City of El Segundo's investment program is derived from the following: State of California Government Code Section 53600 et seq. Management responsibility for the investment program is therefore delegated to the City Treasurer, who shall establish written procedures for the operation of the investment program consistent with this investment policy. Procedures should include reference to: safekeeping, wire transfer agreements, collateral/depository agreements and banking service contracts. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the City Treasurer. The City Treasurer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

6.0 Authorized Financial Dealers and Institutions:

The City Treasurer shall transact business only with banks, savings and loans, state and federal credit unions, and securities dealers. The Treasurer shall select and maintain a current list of broker/dealers, as defined by Corporations Code Section 25004, authorized to provide the City investment services. This list of broker/dealers shall be included in the Treasurer's monthly investment report to the City Council. The broker/dealers shall meet the requirements of Government Code Section 53635.5 and Securities & Exchange
Commission Rule 240.15c3-1 (uniform net capital rule). The Treasurer shall keep on file with the City an audited financial statement for each authorized broker/dealer’s last complete fiscal year. Each authorized broker/dealer shall execute an acknowledgement that it has read the City’s current Investment Policy and that it will abide by the terms and conditions of the Policy. Additionally, each such broker/dealer shall complete the questionnaire attached hereto. City funds shall only be placed in and invested with depositories that meet the requirements of Government Code Sections 53630 et seq.

7.0 Authorized & Suitable Investments:

The City of El Segundo is empowered by California Government Code Section 53600 et seq. to invest in the following types of securities pursuant to the limits imposed by said statute. (A copy of Government Code Sections 53601 and 53601.6 are attached and by reference herein incorporated). Of such permitted investments, City funds may be invested, subject to the maturity and percentage restrictions contained in Government Code Section 53601 and 53601.6, as amended from time to time, as set forth below:

7.1 Permitted Investments/Deposits.

7.1.1. Securities of the U.S. Government
7.1.2. Certificates of Deposits
7.1.3. Negotiable Certificates of Deposit
7.1.4. Bankers Acceptances
7.1.5. Commercial Paper
7.1.6. Local Agency Investment Fund (LAIF)
7.1.7. Time deposits
7.1.8. Mutual Funds
7.1.9. Medium Term Notes
7.1.10. County Pooled Funds

8.0 Collateralization:

Collateralization will be required on certificates of deposit pursuant to Government Code Sections 53652 through 53667.

Collateral will always be held by an independent third party with whom the City has a current custodial agreement. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the City and retained.

9.0 Safekeeping and Custody:

All security transactions entered into by the City of El Segundo shall be conducted on a delivery-versus-payment (DVP) basis pursuant to Government Code Section 53601. Except for certificates of deposit, securities shall be held by a third party custodian designated by the Treasurer and evidenced by safekeeping receipts pursuant to Government Code Section 53608.
10.0 **Diversification:**

The City of El Segundo will diversify its investment by security type and institution. With the exception of U.S. Treasury securities and authorized pools, no investment shall be made in contravention of Government Code Sections 53601 and 53601.6 or which will cause more than 50% of the entity's total investment portfolio to be invested in a single security type or with a single financial institution.

11.0 **Maximum Maturities:**

To the extent possible, the City of El Segundo will attempt to match its investments with anticipated cash flow requirements. The City will not directly invest in securities maturing more than five (5) years from the date of purchase pursuant to Government Code Section 53601.

12.0 **Internal and External Control:**

The Treasurer shall establish internal control procedures such that daily investment activity is being reviewed by the Director of Finance. These procedures shall provide adequate internal controls to insure compliance with this Investment Policy and state law. The procedures shall be reviewed annually by an independent external auditor.

If the City deposits funds in County Treasuries for investment by County Treasurers, the City Treasurer shall review the statements and reports generated pursuant to Government Code Sections 16481.2, 27133, 27134 and 53684 for each County in which the City has deposited funds. Based upon the review process, the Treasurer shall on a quarterly basis provide a written report to the City Council summarizing any failure by the County Treasuries to comply with state law or their own investment policies and any significant investment activity by the County Treasuries.

If any particular investment is downgraded, the Treasurer and Director of Finance will review and determine if a change in that particular investment must be made.

The City Council shall establish a periodic independent external audit of the City’s compliance with this Investment Policy.

13.0 **Reporting:**

The Treasurer shall file a monthly report, which states its relationship to the Statement of Investment Policy. This report must be filed with the City Manager and the City Council and comply with Government Code Sections 53607, 53646 and 53684. The General elements of the monthly reports include, but are not limited to, the following:

a. Type of investments.
b. Issues.
c. Date of maturity.
d. Par and dollar amount invested
e. Current market value of securities with maturity in excess of twelve months
f. Rate of interest.
g. Statement relating the report to the Statement of Investment Policy

Statement that there are sufficient funds to meet the next 6 month's obligations
County pool investment report
List of current authorized broker/dealers
List of all investments not held by a third party custodian and the reason they are not placed with a third party custodian.

The Treasurer shall provide the California Debt and Investment Advisory Commission (CDIAC) with second and forth quarter investment portfolio reports in order to comply with Assembly Bill 943 (AB943.) These reports must state the financial assets of the City and contain the information detailed in Government Code section 53646(b). The reports must be filed with the CIDAC within 60 days after the close of the second and forth quarters of each calendar year.

14.0 Investment Advisory Committee:

The City has established an Investment Advisory Committee (IAC) comprised of the City Treasurer, the Administrative Services Director, an El Segundo Resident (Council appointed) and a member of the investment community (Council appointed). The IAC shall be provided with copies of the monthly reports identified in Section 13. The IAC shall meet the third Tuesday at the end of each quarter to discuss the City's investments and shall communicate in writing any concerns or comments it has with respect to the City=s investments or this Investment Policy to the City Council.

15.0 Ethics and Conflicts of Interest:

All participants in the City's investment process shall seek to act responsibly as custodians of the public trust. The City Treasurer, or when appropriate the Deputy City Treasurer, shall avoid any transaction that might impair public confidence in the City's ability to govern and manage the investment of public funds in an effective manner. The City Treasurer, Deputy City Treasurer, or other official charged with the responsibility of making investment decisions shall have no vested interest in any investment being made involving public funds of the City, and shall gain no financial benefit from such investment decisions.
Glossary

Agency. A debt security issued by a federal or federally sponsored agency. Federal agencies are backed by the full faith and credit of the U.S. Government. Federally sponsored agencies (FSAs) are backed by each particular agency with a market perception that there is an implicit government guarantee. An example of federal agency is the Government National Mortgage Association (GNMA). An example of an FSA is the Federal National Mortgage Association (FNMA).

Basis point. A basis point equals one one-hundredth of 1% (.01%).

Book value. The value at which a security is carried on the inventory lists or other financial records of an investor. This value may be the original cost of acquisition of the security, or original cost adjusted by the amortization of a premium or accretion of a discount. The book value may differ significantly from the security’s current value in the market.

Broker. A broker brings buyers and sellers together for a commission paid by the initiator of the transaction or by both sides; he does not position or take ownership of the security.

Certificate of Deposit (CD). A deposit of funds, in a bank or savings and loan association, for a specified term that earns interest at a specified rate or rate formula.

Collateralization. Process by which a borrower pledges securities, property or other deposits for the purpose of securing the repayment of a loan and/or security.

Coupon rate. Interest rate, expressed as a percentage of par or face value, that issuer promises to pay over lifetime of debt security.

Current yield (Current Return). A measure of the simple interest annual yield for interest-bearing investments with maturities of one year or more. To calculate the current yield, the annual coupon interest income is divided by the amount paid to acquire the investment. It is important to note that the current yield is only accurate for investments purchased at par. The current yield calculation includes just one income cash flow – the annual interest income. It ignores the profit or loss resulting from discounts and premiums.

Custody. The service of an organization, usually a financial institution, of holding (and reporting) a customer’s securities for safekeeping. The financial institution is known as the custodian.

Delivery versus payment (DVP). A settlement procedure where payment for a securities purchase is made simultaneously with the transfer of the purchased securities. The same procedure applies for a securities sale; the securities are transferred as payment is made.

Discount. The difference between the cost price of a security and its value at maturity when quoted at lower than face value. A security selling below original offering price shortly after sale
also is considered to be at a discount.

Discount securities. Securities that do not pay periodic interest. Investors earn the difference between the discount issue price and the full face value paid at maturity. Treasury bills, bankers' acceptances and most commercial paper are issued at a discount.

Diversification. Dividing investment funds among a variety of securities, offering independent returns, to reduce risk inherent in particular securities.

Federal Agency Securities. A variety of securities issued by several Federally sponsored agencies. Some are issued on a discount basis and some are issued with coupons. Several have the full faith and credit guarantee of the U.S. government, although others do not.

Federal Deposit Insurance Corporation (FDIC). A federal agency that insures bank deposits, currently up to $100,000 per deposit.

Federal funds (Fed Funds). Funds placed in Federal Reserve banks by depository institutions in excess of current reserve requirements. These depository institutions may lend fed funds to each other overnight or on a longer basis. They may also transfer among each other on a same-day basis through the Federal Reserve banking system. Fed funds are considered to be immediately available funds.

Fed Funds Rate. Interest rate charged by one institution lending federal funds to another.

Federal Home Loan Bank (FHLB). The institutions that regulate and lend to savings and loan associations. The Federal Home Loan Banks play a role analogous to that played by the Federal Reserve Banks vis-à-vis member commercial banks.

Federal Home Loan Mortgage Corporation (FHLMC). A U.S. Corporation and instrumentality of the U.S. government. Through its purchases of conventional mortgages, it provides liquidity to the mortgage markets, much like FNMA. FHLMC's securities are highly liquid and widely accepted. FHLMC assumes and guarantees that all security holders will receive timely payment of principal and interest.

Federal National Mortgage Association (FNMA). FNMA, like GNMA was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing & Urban Development, H.U.D. It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans in addition to fixed-rate mortgages. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

Federal Reserve System. The central bank of the United States created by Congress and consisting of a seven-member Board of Governors in Washington, D.C., 12 Regional Banks and about 5,700 commercial banks that are members of the system.
Government National Mortgage Association (GNMA or Ginnie Mae). Securities guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loans associations and other institutions. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by FHA, VA or FHLM mortgages. The term pass-through is often used to describe Ginnie Maes.

Liquidity. The quality of an asset that permits it to be converted quickly into cash without a significant loss of value.

Local Agency Investment Fund (LAIF). A special fund in the State Treasury which local agencies may use to deposit funds for investment and for reinvestment. It offers high liquidity can be converted to cash in 24 hours and no interest is lost. All interest is distributed to those agencies participating on a proportionate share determined by the amounts deposited and the length of time they are deposited.

Market Value. The price at which a security is currently being sold in the market.

Maturity Date. The specified day on which the issuer of a debt security is obligated to repay the principal amount, or face value, a security.

Par Value. The stated or face value of a security expressed as a specific dollar amount marked on the face of the security; the amount of money due at maturity. Par value should not be confused with market value.

Primary Dealer. A group of government securities dealers that submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC), registered securities broker-dealers, banks, and a few unregulated firms.

Prudent Person Rule. A standard of conduct where a person acts with care, skill, prudence, and diligence when investing, reinvesting, purchasing, acquiring, exchanging, selling and managing funds. The test of whether the standard is being met is if a prudent person acting in a similar situation would engage in similar conduct to ensure that investments safeguard principal and maintain liquidity.

Rate of Return. The amount of income received from an investment, expressed as a percentage. A market rate of return is the yield that an investor can expect to receive in the current interest-rate environment utilizing a buy-and-hold to maturity investment strategy.

Safekeeping. A procedure where a third party acting as custodian for a fee holds securities.

Secondary Market. Markets for the purchase and sale of any previously issued financial instrument. The first sale of a financial instrument by the original issuer is said to be done a primary market. All subsequent trades are said to be secondary market.
**Settlement Date.** The date on which a trade is cleared by delivery of securities against funds. The date may be the same date as the trade date or later.

**Total return.** Interest income paid on the invested principal, plus interest income earned from the successive reinvestment of that income, plus projected capital gains (or minus losses) on the investment. Differs from yield to maturity because (1) it can include gains or losses from sales prior to maturity, and (2) it permits the assumption of a reinvestment rate different from the yield earned on the underlying principal.

**Trade Date.** The date on which a transaction is initiated or entered into by the buyer and seller.

**Treasury Bills.** Short-term U.S. government non-interest bearing debt securities with maturities of no longer than one year and issued in minimum denominations of $10,000. Auctions of three- and six-month bills are weekly, while auction of one-year bills are monthly. The yields on these bills are monitored closely in the money markets for signs of interest rate trends.

**Treasury Notes.** Intermediate U.S. government debt securities with maturities of one to 7 years.

**Treasury Bonds.** Long-term U.S. government debt securities with maturities of 10 years or longer. Currently, the longest outstanding maturity is 30 years.

**Yield.** Loosely refers to the annual return on an investment expressed as a percentage on an annual basis. For interest-bearing securities, the yield is a function of the rate, the purchase price, the income that can be earned from the reinvestment of income received prior to maturity, call or sale and the time from purchase to maturity, call or sale. Different formulas or methods are used to calculate yield. See Yield to Maturity and Total Return Analysis.

**Yield-to-maturity.** The rate of return yielded by a debt security held to maturity when both the interest payments and investor’s potential capital gain or loss are included in the calculation of the return.
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<th>Account Code</th>
<th>Description</th>
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<td>GENERAL FUND</td>
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<td>104</td>
<td>TRAFFIC SAFETY FUND</td>
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<td>STATE GAS TAX FUND</td>
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<td>108</td>
<td>ASSOCIATED RECREATION ACTIVITIES FUND</td>
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<td>109</td>
<td>ASSET FORFEITURE FUND</td>
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<td>COMM.DEVEL.BLOCK GRANT</td>
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<td>PROP &quot;A&quot; TRANSPORTATION</td>
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<td>114</td>
<td>PROP &quot;C&quot; TRANSPORTATION</td>
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<td>AIR QUALITY INVESTMENT PROGRAM</td>
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<td>116</td>
<td>HOME SOUNDS INSTALLATION FUND</td>
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<td>117</td>
<td>HYPERION MITIGATION FUND</td>
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<td>118</td>
<td>TDA ARTICLE 3 - SB 823 BIKEWAY FUND</td>
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<td>119</td>
<td>MTA GRANT</td>
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<td>120</td>
<td>C.O.P.S. FUND</td>
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<td>122</td>
<td>L.A.W.A. FUND</td>
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<td>202</td>
<td>ASSESSMENT DISTRICT #73</td>
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<td>301</td>
<td>CAPITAL IMPROVEMENT FUND</td>
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<td>INFRASTRUCTURE REPLACEMENT FUND</td>
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<td>FACILITIES MAINTENANCE</td>
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<td>WATER UTILITY FUND</td>
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<td>WASTEWATER FUND</td>
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<td>GOLF COURSE FUND</td>
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<td>LIABILITY INSURANCE</td>
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<td>WORKERS COMP. RESERVE/INSURANCE</td>
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<td>RETIRED EMP. INSURANCE</td>
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<td>EXPENDABLE TRUST FUND - DEVELOPER FEES</td>
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<td>EXPENDABLE TRUST FUND - OTHER</td>
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<td>TOTAL WARRANTS</td>
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<td>$ 3,781,844.57</td>
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STATE OF CALIFORNIA
COUNTY OF LOS ANGELES
Information on actual expenditures is available in the Director of Administrative Services 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/urgency payments for materials, supplies and services in support of City Operations

For Ratification:
A = Payroll and Employee Benefit checks
B-F = 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: ___________________________ CITY MANAGER: ___________________________
DATE: 7/24/09         DATE: 7/28/09

VOID CHECKS DUE TO ALIGNMENT: ___________________________
VOID CHECKS DUE TO INCORRECT CHECK DATE: ___________________________
VOID CHECKS DUE TO COMPUTER SOFTWARE ERROR: ___________________________

NOTES: ___________________________
CITY OF EL SEGUNDO  
PAYMENTS BY WIRE TRANSFER  
07/10/09 THROUGH 07/23/09  

<table>
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<td>Employment Development</td>
<td>66,689.13</td>
<td>State Taxes</td>
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<td>Federal Taxes</td>
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<td>7/10/2009</td>
<td>Federal Reserve</td>
<td>250.00</td>
<td>Employee Savings Bond</td>
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<td>7/10/2009</td>
<td>State of CA</td>
<td>932.62</td>
<td>Child support withholdings</td>
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<td>7/10/2009</td>
<td>Nationwide EFT</td>
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<td>7/10/2009</td>
<td>UBOC</td>
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<td>PARS payment</td>
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<td>7/10/2009</td>
<td>Manufacturers &amp; Traders</td>
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<td>457 payment</td>
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<td>7/10/2009</td>
<td>West Basin</td>
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<td>H2O payment</td>
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<td>7/15/2009</td>
<td>Lane Donovan Golf Ptr</td>
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<td>Payroll Transfer</td>
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<td>Health Comp</td>
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<td>7/20/2009</td>
<td>La Salle</td>
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<td>7/20/2009</td>
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<td>Lump Sum Prepay 2009-10 Employer</td>
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<td>7/23/2009</td>
<td>Health Comp</td>
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<td>Weekly claims</td>
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<td>Federal Taxes</td>
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<td>7/10-7/23/09</td>
<td>Workers Comp Activity</td>
<td>33,236.77</td>
<td>SCRMA checks issued</td>
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DATE OF RATIFICATION: 5/4/09  
TOTAL PAYMENTS BY WIRE: 7,670,489.72  

Certified as to the accuracy of the wire transfers by:  

Deputy City Treasurer  
Date: 7/24/09  

Director of Finance  
Date: 7/27/09  

City Manager  
Date: 7/28/09  

Information on actual expenditures is available in the City Treasurer's Office of the City of El Segundo.
REGULAR MEETING OF THE EL SEGUNDO CITY COUNCIL
TUESDAY, JULY 21, 2009 – 6:00 P.M.

6:00 P.M. SESSION

CALL TO ORDER – Mayor McDowell at 6:00 p.m.

ROLL CALL

Mayor McDowell - Present
Mayor Pro Tem Busch - Present
Council Member Brann - Present
Council Member Fisher - Present
Council Member Jacobson - Present

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:

1. Appointment of Real Property Negotiators for City-Owned Property (2161 El Segundo Boulevard).

MOTION by Mayor Pro Tem Busch, SECONDED by Council Member Fisher to appoint Jack Wayt, City Manager, and Bill Crowe, Assistant City Manager, as Real Property Negotiators regarding the potential sale or lease of City-owned property (2161 El Segundo Boulevard) to PFK Enterprises, Inc. for use as a point of sale for petroleum products, including on-site sale of petroleum products. MOTION PASSED BY UNANIMOUS VOICE VOTE. 5/0

CLOSED SESSION:
The City Council moved 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(a) -0- matter
CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to Government Code §54956.9(b): -0-
potential case (no further public statement is required at this time); Initiation of litigation
pursuant to Government Code §54956.9(c): -0- matter.

DISCUSSION OF PERSONNEL MATTERS (Gov't Code §54957): - 0- matters

CONFERENCE WITH CITY’S LABOR NEGOTIATOR (Gov’t Code §54957.6): -0-
matters

CONFERENCE WITH REAL PROPERTY NEGOTIATOR (Gov’t Code §54956.8): - 1-
matter
Property: 2161 El Segundo Blvd., El Segundo
Agency Negotiator: Jack Wayt (City Manager), Bill Crowe, (Assistant City Manager)
Negotiating Party: PFK Enterprises, Inc.
Under Negotiation: Proposal to lease or purchase City-owned property

SPECIAL MATTERS: - 0- matter

Council recessed at 6:50 p.m.
REGULAR MEETING OF THE EL SEGUNDO CITY COUNCIL  
TUESDAY, JULY 21, 2009 - 7:00 P.M.

7:00 P.M. SESSION

CALL TO ORDER – Mayor McDowell at 7:00 p.m.

INVOCATION – Pastor SeHee Han, United Methodist Church

PLEDGE OF ALLEGIANCE – Council Member Don Brann

PRESENTATIONS

a. Council Member Fisher presented a Proclamation announcing July as Relay for Life month.

b. Presentation from the Muscular Dystrophy Association to the El Segundo Fire Department for their participation in the “Fill the Boot” event.

ROLL CALL

Mayor McDowell - Present
Mayor Pro Tem Busch - Present
Council Member Brann - Present
Council Member Fisher - Present
Council Member Jacobson - Present

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.

Megan Berry and Suzanne Gutterman, Muscular Dystrophy Association, made a presentation to Fire Chief Kevin Smith for the Fire Departments participation in the “Fill the Boot” event.

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 Jacobson to read all ordinances and resolutions on the Agenda by title only. MOTION PASSED BY UNANIMOUS VOICE VOTE. 5/0

B. SPECIAL ORDERS OF BUSINESS (PUBLIC HEARING)

C. UNFINISHED BUSINESS

D. REPORTS OF COMMITTEES, COMMISSIONS AND BOARDS

1. Consideration and possible action to receive and file the Annual Report of the Capital Improvement Program Advisory Committee (CIPAC). Oral presentation will be made by CIPAC Chairman Crista Binder. (Fiscal Impact: None)

Crista Binder, CIPAC Chairman, gave a presentation.

Council consensus to receive and file the Annual Report of CIPAC.

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.

2. Approved Warrant Numbers 2572230 to 2572558 on Register No. 18 in the total amount of $1,634,577.59 and Wire Transfers from 06/05/2009 through 06/25/2009 in the total amount of $2,351,018.74 and Warrant Numbers 2572559 to 2572790 on Register No. 19 in the total amount of $846,056.60 and Wire Transfers from 06/25/2009 through 07/09/2009 in the total amount of $1,067,702.81. Authorized staff to release. Ratified: Payroll and Employee Benefit checks; checks released early due to contracts or agreement; emergency disbursements and/or adjustments; and wire transfers.

3. Approved regular City Council Meeting Minutes of June 16, 2009 and Special City Council Meeting Minutes of July 8, 2009.

4. Authorized the City Manager to issue a letter of concurrence to the South Bay Regional Public Communication Authority to modify a radio frequency co-licensed with one assigned to the City. (Fiscal Impact: None.)

5. Approved an upgrade of the Millennium hardware and software system of existing Agreement #2235 supplied by Innovative Interfaces, Inc., in a form approved by the City Attorney, for the operational functions of cataloging, circulation of materials, and public access to the El Segundo City Library's online catalog. (Fiscal Impact: $29,443) Authorized the City Manager to execute the contract, in a form approved by the City Attorney.
6. Awarded standard Public Works Contract No. 3962 to the lowest responsible bidder, Vido Samartzich, Inc., for the replacement of a water main on Lairoport Street. Project No. PW 09-04 (Fiscal Impact: $192,870). Authorized the City Manager to execute the contract in a form approved by the City Attorney.

7. Awarded standard Public Works Contract No. 3963 to Belaire-West Landscape, Inc. for the installation of an irrigation system and decomposed granite path at Washington Park located on Washington Street between Palm and Maple Avenues – Project No. PW 09-06 (Fiscal Impact: $49,000) Authorized the City Manager to execute the contract in a form approved by the City Attorney.

8. Awarded standard Public Works Contract No. 3964 to Vido Samartzich, Inc. for the fabrication and installation of the light pole banners on Sepulveda Boulevard. – Project No. PW 09-05. (Fiscal Impact: $48,290) Authorized the City Manager to execute the contract in a form approved by the City Manager.

9. Adopted plans and specifications for the 2008-2009 annual contract for curb, gutter, handicap ramps, sidewalk and other minor improvements at various locations citywide. Approved Capital Improvement Program. Project No.: PW 09-08, CDBG Project No. 601209-09 (Fiscal Impact: $260,000 - $150,000 CDBG funds, $110,000 Gas Tax funds) Authorized staff to advertise the project for receipt of construction bids.

10. Adopted plans and specifications for the slurry sealing of the streets in the area bounded by Sheldon Street, Mariposa and Imperial Avenues and Sepulveda Boulevard. Project No.: PW 09-10 (Fiscal Impact: $225,000) Authorized staff to advertise the project for receipt of construction bids.

11. PULLED FOR DISCUSSION BY COUNCIL MEMBER JACOBSON

12. Received and filed report without objecting to a new Alcoholic Beverage Control (ABC) license for on-site sale and on-site consumption of alcohol (Type 41 – On-Sale Beer and Wine) at an existing restaurant located at 321 Main Street, EA No. 835 and AUP No. 09-03. Applicant: George Andrews (Fiscal Impact: N/A)

13. Authorized staff to negotiate pricing with The Jones Payne Group for Design and Testing Services related to the Residential Sound Insulation (RSI) Program. (Fiscal impact: None)

14. Adopted Ordinance No. 1430 approving Development Agreement No. 09-01 (Third Amendment to Development Agreement No. 03-01 with Rosecrans-Sepulveda Partners 2, LLC and PES Partners, LLC for EA 631) for the Plaza El Segundo project located at 710-850 South Sepulveda Boulevard, 700-740 Allied Way, and 2005-2015 East Park Place. Such action would allow the following uses: 1) Fast food restaurants south of the current locations of the Union Pacific Railroad or the Burlington Northern Santa Fe Railroad lines (southwest portion of the site); 2) banks and similar institutions up to a total of 10,000 square feet of
floor area; 3) day spas up to a total of 10,000 square feet of floor area; 4) health clubs and fitness centers up to a total of 10,000 square feet of floor area; 5) indoor sale of motorcycles, motor scooters and the sale of related parts and accessories only as an ancillary use; and 6) dance and music instruction studios up to 6,000 square feet of floor area. (Fiscal Impact: None)

15. Authorized the City Manager to purchase two new alternative fuel (hybrid) vehicles at a cost not to exceed $63,000 for use by the Planning and Building Safety Department. (Fiscal Impact: $63,000. Air Pollution Reduction Fund)

16. Approved Amendment No. 1 to the City Manager’s Contract No 3846A for purposes of increasing his salary and benefits. (Potential fiscal impact approximately $30,000 plus a potential additional $12,000 depending on whether the City Manager participates in the City’s Deferred Compensation Plan.)

16A Ratified the El Segundo Chamber of Commerce re-nomination and re-appointed Elyse Beardsley to Seat #18 of the South Bay Workforce Investment Board (SBWIB). (Fiscal Impact: None) and directed the City Clerk to forward a certified copy of the Council’s action to the SBWIB.

MOTION by Council Member Brann, SECONDED by Mayor Pro Tem Busch to approve Consent Agenda Items 2, 3, 4, 5, 6, 7, 8, 9, 10, 12, 13, 14, 15, 16, and 16A. MOTION PASSED BY UNANIMOUS VOICE VOTE. 5/0

CALL ITEMS FROM UNANIMOUS VOICE VOTE

11. Consideration and possible action regarding a new Alcoholic Beverage Control (ABC) license for on-site sale and off-site consumption of alcohol (Type 21 - Off-Sale General) at an existing market located at 601 Virginia Street (Village Wine and Cigar Shop), EA No. 832 and AUP No. 09-02. Applicant: Abdo Diab Barakat (Fiscal Impact: N/A)

Council Member Jacobson requested Council protest this application due to the proximity to Richmond Street School.

MOTION by Mayor McDowell, SECONDED by Council Member Fisher to request the City Manager to report in 6 months on any adverse activity in the neighborhood of the Market. MOTION PASSED BY THE FOLLOWING VOICE VOTE: AYES: MCDOWELL, BUSCH, FISHER. NOES: JACOBSON, BRANN. 3/2

F. NEW BUSINESS

17. Consideration and possible action regarding 1) Introduction of an Ordinance and Adoption of a Resolution of Intention to approve an Amendment to the contract between the Board of Administration of the California Public Employees' Retirement System (CalPERS) and the El Segundo City Council providing Section 20903 (Two Years Additional Service Credit) for the City's Local
Miscellaneous (Non-Safety) Members, with the exception of Department Directors, Assistant City Manager and City Manager and 2) Approval of a $5,000 payment to eligible employees entering into a Date-Certain Retirement Separation Agreement with the City. (Fiscal Impact: 1) Estimated increase in the City’s PERS miscellaneous employer rate of 0.327% and an annual cost increase in FY 2011-2012 of $50,235; 2) Salary savings based on the number of employees retiring during the designated retirement period, less the $5,000 payment for entering into a Date-Certain Retirement Separation Agreement.)

Bob Hyland, Human Resources Director, gave a report.

Mark Hensley, City Attorney, read by title only:

ORDINANCE NO. 1431

AN ORDINANCE AUTHORIZING AN AMENDMENT TO THE CONTRACT BETWEEN THE CITY COUNCIL OF THE CITY OF EL SEGUNDO AND THE BOARD OF ADMINISTRATION OF THE CALIFORNIA PUBLIC EMPLOYEES’ RETIREMENT SYSTEM

Mayor McDowell introduced the ordinance.

MOTION by Council Member McDowell, SECONDED by Council Member Brann to adopt Resolution of Intention No. 4606 to approve an amendment to contract between the Board of Administration California Public Employees’ Retirement System and the City of El Segundo; Approve a $5,000 payment to eligible employees entering into a Date-Certain Retirement Separation Agreement with the City; Authorize the City Manager to execute the Retirement Separation Agreement, in a form approved by the City Attorney. MOTION PASSED BY THE FOLLOWING VOICE VOTE; AYES: MCDOWELL, BUSCH, FISHER, BRANN. NOES; NONE. ABSTAIN: JACOBSON 4/0/1

G. REPORTS – CITY MANAGER

H. REPORTS – CITY ATTORNEY

I. REPORTS – CITY CLERK

J. REPORTS – CITY TREASURER

K. REPORTS – CITY COUNCIL MEMBERS

Council Member Brann – Requested staff repair a report on how the proposed State Budget might impact the City.

Council Member Fisher – None

Council Member Jacobson – None
Mayor Pro Tem Busch – Spoke regarding Relay for Life; July 4th celebration;

Mayor McDowell – Spoke regarding the California Budget. He stated that City monies have been taken by the State in the balancing of their budget. He also stated it was time for a Constitutional Convention.

PUBLIC COMMUNICATIONS – (Related to City Business Only – 5 minute limit per person, 30 minute limit total) Individuals who have receive 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.

MEMORIALS – Dick Peterson, and Marvin Johnson

CLOSED SESSION – NONE

ADJOURNMENT – 7:45 p.m.

_____________________________________
Cindy Mortesen, City Clerk
EL SEGUNDO CITY COUNCIL
MEETING DATE: August 4, 2009
AGENDA STATEMENT
AGENDA HEADING: Consent Agenda

AGENDA DESCRIPTION:
Consideration and possible action regarding a new Alcoholic Beverage Control (ABC) license for on-site sale and on-site consumption of alcohol (Type 41 – On-Sale Beer and Wine) at a new restaurant located at 400 North Sepulveda Boulevard (Rubio’s Fresh Mexican Grill), EA No. 840 for AUP No. 09-05. Applicant: Jimmy Comerford/Rubio’s Fresh Mexican Grill (Fiscal Impact: N/A)

RECOMMENDED COUNCIL ACTION:
1. Receive and file this report without objecting to a new Type 41 ABC license at 400 North Sepulveda Boulevard; and/or,
2. Alternatively, discuss and take other possible action related to this item.

ATTACHED SUPPORTING DOCUMENTS:
1. Crime and Arrest Statistics by Reporting District (RD)
2. Police Reporting District Map
4. Approval Letter to Applicant dated July 16, 2009
5. Administrative Use Permit Application

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

ORIGINATED BY: Kimberly Christensen, AICP, Planning Manager
REVIEWED BY: Greg Carpenter, Planning and Building Safety Director
APPROVED BY: Jack Wayt, City Manager

BACKGROUND AND DISCUSSION:

I. Background

In 1995, the City Council directed staff to bring all future ABC licenses to it for review. For alcohol sales at restaurants, California regulations require a 30-day review and comment period, after notifying local police and planning departments. The grounds of a protest, if any, should relate to public health, safety or welfare concerns. Based upon previous Council direction, staff is providing background information regarding this application.
II. **Analysis**

According to the most recent Crime and Arrest statistics report (January 2009 – June 2009, Exhibit 1) prepared by the Police Department, the proposed restaurant is located in Reporting District (RD) 308. Based upon 2009 reported data prepared by the Police Department, the district had a total of 23 Part I crimes (criminal homicide, forcible rape, robbery, aggravated assault, burglary, larceny-theft, motor vehicle theft and arson) including 13 felony and misdemeanor arrests. The Police Department and the Planning and Building Safety Department do not object to a new ABC license for the new restaurant; the Building Safety Division only requires that the business get approval from the Los Angeles County Health Department.

This license request would compliment the food service at a new 2,695 square-foot restaurant. A request for a new license is required, since the applicant does not currently hold a Type 41 license, and there was no previous license issued for this address location. The restaurant’s hours of operation are limited to: 10:30 a.m. to 10:00 p.m. Monday through Sunday. There are no residential uses adjacent to the subject property.

On July 16, 2009 the Director of Planning and Building Safety approved an Administrative Use Permit application (EA No. 840 and AUP No. 09-05) for 400 North Sepulveda Boulevard. The Director’s decision was forwarded to the Planning Commission on July 23, 2009, which chose to receive and file the item with the conditions of approval.

ABC license review requires mandatory findings that are regulated by the Department of Alcoholic Beverage Control. The City’s AUP process is separate. The Department of Alcoholic Beverage Control (ABC) is responsible for running a complete background check on all alcohol license applicants, as well as conducting site inspections, before issuing any type of alcohol license.

III. **Conclusion**

Planning staff recommends that the Council receive and file the determination without objecting to a new Type 41 ABC license at 400 North Sepulveda Boulevard.
# Recorded Period: January – June, 2009

## Part I Crimes and Arrests Statistics by Reporting District (RD)

<table>
<thead>
<tr>
<th>RD</th>
<th>Part I Crimes (Only)</th>
<th>Felony/Misd. Arrests Part I (Only)</th>
<th>Total</th>
<th>Average by RD Percentage +/-</th>
</tr>
</thead>
<tbody>
<tr>
<td>101</td>
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<tr>
<td>102</td>
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<tr>
<td>323</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>-77%</td>
</tr>
</tbody>
</table>

**Totals:** 351 114 467

Number of Reporting Districts = 51
Average # of Part I Crimes per Reporting District = 7
Average # of Felony/Misdemeanor Part I Crime Arrests per Reporting District = 2
Average # of Crimes and Arrests per Reporting District = 9

(Results from 01/01/2009 through 06/30/2009)

**Formula:** Add (Part I crimes + Felony/Misd Arrest) then subtract from the Average # of Crimes and Arrest per Rd, divided by the Average # of Crimes and Arrests per RD and multiply by 100.

**Sample:** \(14+1=15, 9=6/9=.66\times100=+66\%\)
Introduction

The proposed project is a request for a Conditional Use Permit to construct a new outdoor patio area and an Administrative Use Permit to allow the sale and consumption of alcohol at a new restaurant located at 400 North Sepulveda Boulevard in the Corporate Office (CO) Zone. The applicant is requesting a Type 41 license for the on-site sale and consumption of beer and wine from the California Department of Alcoholic Beverage Control; this is the first request for such a license at this location. The Director made the necessary findings to grant an Administrative Use Permit for the on-site sale and consumption of alcohol and approved Administrative Use Permit on July 10, 2009 (see Exhibit E).

II. Recommendation

Planning Staff recommends that the Planning Commission 1) review the facts and findings contained within this report, and adopt Resolution No. 2660 approving Environmental Assessment No. EA-840 and Conditional Use Permit No. 09-04, with conditions, and 2) Receive and File Administrative Use Permit No. 09-05.
III. **Background**

The 12.3 acre project site is comprised of three parcels and is developed with three existing three-story office buildings totaling 353,718 square feet in area and two new commercial retail buildings. The new commercial building to the north is 6,227 gross square feet in area and the second commercial building to the south is 5,141 gross square feet. The new Rubio's Fresh Mexican Grill, is located on the north side of the new southern commercial retail building.

The restaurant for Rubio's Fresh Mexican Grill is 2,345 gross square feet in area and approximately 33 feet from Sepulveda Boulevard. The proposed outdoor dining area is a total of 350 square feet. The combined total area of the restaurant will be 2,695 square feet. The interior dining area will contain 70 seats and the outdoor dining area will contain 20 seats. The proposed hours of operation are from 10:30 a.m. to 10:00 p.m. Monday through Sunday.

The 350 square-foot outdoor patio is proposed along the north side of the restaurant between two new buildings. The patio area is fully enclosed by a 3 foot high metal handrail in compliance with ESMC §15-2-16.

The interior of the restaurant includes a main dining area, restrooms, and a kitchen. The following chart summarizes the proposed dining and seating areas:

<table>
<thead>
<tr>
<th>RESTAURANT</th>
<th>PROPOSED SQUARE FOOTAGE</th>
<th>NUMBER OF SEATS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indoor Dining</td>
<td>2,345 SF</td>
<td>70 seats</td>
</tr>
<tr>
<td>Proposed Outdoor</td>
<td>350 SF</td>
<td>20 seats</td>
</tr>
<tr>
<td>Patio</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>2,695 SF</td>
<td>90 seats</td>
</tr>
</tbody>
</table>

**Surrounding Land Uses**

The subject site is surrounded by other commercial office, retail, and restaurant uses. The surrounding land uses are as follows:
IV. CONDITIONAL USE PERMIT PURPOSE, FINDINGS, AND ANALYSIS

Pursuant to El Segundo Municipal Code §15-23-4, the Planning Commission is authorized to grant a conditional use permit if it makes the three required findings listed in ESMC §15-23-6. As listed in ESMC §15-23-5, the purpose of a conditional use permit is to 1) assure the compatibility of the particular use on the particular site in relationship to other existing and potential uses within the general area in which the use is proposed to be located; 2) assure the proposed use is consistent and compatible with the purpose of the zone in which the site is located; and 3) recognize and compensate for potential impacts that could be generated by the proposed use, such as noise, smoke, dust, fumes, vibration, odors, traffic and hazards.

As listed in ESMC §15-23-6, the required findings are 1) That the proposed location of the conditional use permit is in accord with the objectives of the Title and the purposes of the zone in which the site is located; 2) that the proposed location of the conditional use and the conditions under which it would be operated or maintained will not be detrimental to the public health, safety or welfare, or materially injurious to properties or improvements in the vicinity; and 3) the proposed conditional use will comply with each of the applicable provisions of this Chapter. Facts in support of said findings are outlined below.

PURPOSE:
The proposed project is a request to allow the construction of a new 350 square-foot outdoor dining area that exceeds 200 square feet, and to allow the on-site sale and consumption of alcohol at a new restaurant.

1) Compatibility:

Restaurants are a permitted use in the Corporate Office (CO) Zone. On-site sale
and consumption of beer and wine at a new restaurant requires an Administrative Use Permit (AUP) and an outdoor patio area greater than 200 square feet (350 square feet proposed), requires a Conditional Use Permit (CUP) respectively, in accordance with the development standards contained in ESMC Chapter 15-5, Article D. Restaurants, such as the subject full service restaurant typically have outdoor dining areas that provide a choice of indoor or outdoor dining for restaurant patrons. The proposed outdoor dining area will be compatible with the retail, restaurant and office uses on site and in the surrounding area. These uses are customarily located to serve the dining needs of corporate office employees.

2) Zoning Consistency:

The proposed 350 square-foot outdoor dining area is a permitted use within the Corporate Office (CO) Zone subject to a conditional use permit. The following chart contains the development standards for the Corporate Office Zone. The proposed new outdoor patio complies with the following requirements:

<table>
<thead>
<tr>
<th>REQUIREMENTS</th>
<th>CORPORATE OFFICE (CO) ZONE STANDARDS</th>
<th>PROPOSED PROJECT STANDARDS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Use</td>
<td>ESMC §15-5D-5(D): Outdoor dining area exceeding 200 square feet in area or 20% of the indoor dining area whichever is less subject to a conditional use permit.</td>
<td>350 square-foot outdoor dining area</td>
</tr>
<tr>
<td>Height</td>
<td>ESMC §15-5D-7(C): 200 feet maximum permitted height for buildings east of Sepulveda Boulevard</td>
<td>Existing three-story high office buildings and new 24-foot high commercial retail buildings. (Complies)</td>
</tr>
<tr>
<td>Setbacks</td>
<td>ESMC §15-5D-7(D): Front: 25 feet minimum. Side: 15 feet minimum. Rear: 10 feet minimum.</td>
<td>Front: 57 feet to outdoor patio Side: 199 feet Rear: 628.5 feet (Complies)</td>
</tr>
</tbody>
</table>
### Parking

<table>
<thead>
<tr>
<th>ESMC §15-15-3(B):</th>
<th>Office: 353,718 square feet</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office:</td>
<td>Required: 914</td>
</tr>
<tr>
<td>1/300 first 25,000 square feet</td>
<td>Provided: 914</td>
</tr>
<tr>
<td>1/350 second 25,000 square feet</td>
<td>Required: 122</td>
</tr>
<tr>
<td>1/400 area over 50,000 square feet</td>
<td>Provided: 122</td>
</tr>
<tr>
<td>Restaurant:</td>
<td>Outdoor Dining: 1,945 square feet</td>
</tr>
<tr>
<td>1 parking space for every 75 square feet</td>
<td>Required: 27</td>
</tr>
<tr>
<td></td>
<td>Provided: 27</td>
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<tr>
<td>Outdoor Dining:</td>
<td>Retail: 2,328 square feet</td>
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<tr>
<td>1 parking space for every 75 square feet</td>
<td>Required: 8 spaces</td>
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<tr>
<td></td>
<td>Provided: 8 spaces</td>
</tr>
<tr>
<td>Retail:</td>
<td>Total Required: 1,071 spaces and 1,158 spaces provided (Complies)</td>
</tr>
<tr>
<td>1 parking space for every 300 square feet of office or retail.</td>
<td>1 loading area for the two new commercial buildings. (Complies)</td>
</tr>
</tbody>
</table>

### Loading

<table>
<thead>
<tr>
<th>ESMC §15-5-6:</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 loading area for a 1,000 to 25,000 square-foot building</td>
</tr>
</tbody>
</table>

**Parking:**

The proposed new outdoor patio expansion was included in the analysis and complies with the minimum required parking. The new restaurant, including the proposed patio has a combined net floor area of 2,695 square feet which requires 36 parking spaces; a total of 36 parking spaces are provided. The table on the following page (Table 1) provides a breakdown of all uses within the commercial development. Other restaurants will contain outdoor dining areas and have been included in the parking analysis to ensure that adequate parking is provided for the development. However, the additional outdoor dining area listed on the table below for each restaurant that exceeds 200 square feet in area will be processed by a separate permit.

<table>
<thead>
<tr>
<th>(Table 1) Gateway Center – Parking Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proposed Use</td>
</tr>
<tr>
<td>---------------</td>
</tr>
<tr>
<td>BLDG 1, Suite A (Restaurant)</td>
</tr>
<tr>
<td>BLDG 1, Suite B (Restaurant)</td>
</tr>
<tr>
<td>-----------------------------</td>
</tr>
<tr>
<td>BLDG 1, Suite C (Retail)</td>
</tr>
<tr>
<td>BLDG 2, Suite A (Restaurant)</td>
</tr>
<tr>
<td>BLDG 2, Suite B (Restaurant)</td>
</tr>
<tr>
<td><strong>BLDG 2, Suite C (Restaurant)</strong></td>
</tr>
<tr>
<td>4 restaurants w/outdoor dining; and 1 retail</td>
</tr>
<tr>
<td><strong>Total: 13,313 square feet</strong></td>
</tr>
</tbody>
</table>

3) Impacts:

The proposed new patio location is to the north of the restaurant, and the conditions under which the use would be operated or maintained will not be detrimental to the public health, safety or welfare. The restaurant is located within a new commercial development (Gateway Center) in Suite C.

Noise is a potential impact that can be associated with the new outdoor dining area. However, the project is located in a commercial zone and there are no sensitive receptors such as residential dwelling units adjacent to the property. Additionally, the conditions of approval limit the restaurant hours of operation from 10:30 a.m. to 10:00 p.m. Monday through Sunday. The outdoor dining patio would be open the same hours as the restaurant. Any change to the hours of operation is subject to review and approval by the Director of Planning and Building Safety. Therefore, the proposed use is not anticipated to have significant impacts.

As analyzed above, there is adequate evidence to support the three required Conditional Use Permit findings subject to the listed conditions of approval in the
attached resolution. The Planning Commission may consider and impose additional conditions which it deems necessary, if it demonstrates a reasonable relationship between the condition it desires to impose and the project’s impact.

V. **GENERAL PLAN CONSISTENCY**

The General Plan land use designation for the site is Corporate Office and is consistent with the current zoning designation which is Corporate Office (CO) Zone. The project is consistent with the General Plan as specified in the attached draft resolution.

VI. **INTER-DEPARTMENTAL COMMENTS**

The project applications and plans were circulated to all City Departments for review. The comments received for the project are listed below and have been incorporated in the conditions of approval for the project:

<table>
<thead>
<tr>
<th>DEPARTMENT</th>
<th>COMMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building Safety</td>
<td>1. Los Angeles Health Department approval is required prior to issuance of building permit for the proposed patio.</td>
</tr>
<tr>
<td></td>
<td>3. Structural calculations will be required for stability of umbrellas for wind force.</td>
</tr>
<tr>
<td>Fire</td>
<td>The property owner must maintain the two grease interceptors on behalf of the restaurant.</td>
</tr>
<tr>
<td>Public Works</td>
<td>Any encroachment in the public right-of-way is required to obtain an Encroachment Permit from the Public Works Department.</td>
</tr>
</tbody>
</table>

VII. **ENVIRONMENTAL REVIEW**

The proposed project is categorically exempt from the requirements of the California
Environmental Quality Act (CEQA) pursuant to 14 California Code of Regulations § 15301 as a Class 1 categorical exemption (Existing Facilities) and pursuant to 14 California Code of Regulations § 15303 as a Class 3 categorical exemption (New Construction or Conversion of Small Structures). The project includes an alcohol license for a new restaurant, which results in a minor alteration in the operation of an existing building and the addition of a new 350 square-foot outdoor dining patio, which is a minor expansion of the existing use. The project is not anticipated to have any significant impacts with regard to traffic, noise, air quality, or water quality. There are adequate utilities and public services to serve the project.

VIII. CONCLUSION

Planning staff recommends that the Planning Commission: 1) adopt Resolution No. 2660, approving Environmental Assessment No. EA-840 and Conditional Use Permit No. 09-04, with conditions based upon the findings as contained in this report; and 2) Receive and File Administrative Use Permit No. 09-05.

V. EXHIBITS

A. Draft Resolution No. 2660
B. Inter-departmental Comments
C. Administrative Use Permit Application
D. Conditional Use Permit Application
E. Administrative Use Permit Approval Letter, dated July 16, 2009
F. Plans

Prepared by: Maria Baldenegro, Assistant Planner

Kimberly Christensen, AICP, Planning Manager
Department of Planning & Building Safety

Greg Carpenter, Director
Department of Planning & Building Safety
July 16, 2009

James Comerford  
Rubio’s Fresh Mexican Grill  
2277 Watt Ave., Second Floor  
Sacramento, CA 95655

RE: Environmental Assessment No. EA-840 for  
Administrative Use Permit (AUP) No. 09-05  
On-site Sale and Consumption of Beer and Wine (Type 41 Alcoholic Beverage Control License) in conjunction  
with the operation of a new Restaurant (Rubio’s Fresh Mexican Grill).

Address: 400 N. Sepulveda Boulevard (Gateway Center)

Dear Mr. Comerford:

The purpose of this letter is to inform you that, in accordance with El Segundo Municipal Code (ESMC) Chapter 15-22, the Planning Division reviewed your application for the above-referenced project and the Director of Planning and Building Safety APPROVED Environmental Assessment No. EA-840 for Administrative Use Permit No. 09-05 for the on-site sale and on-site consumption of beer and wine. The Director did not identify a reason to oppose the proposed Type 41 license by the Alcoholic Beverage Control Department for the existing restaurant located at 400 North Sepulveda Boulevard, within a new commercial development. The following are the findings and facts in support of each finding for this decision:
FINDINGS AND FACTS IN SUPPORT OF FINDINGS:

Environmental Assessment No. EA-840

Finding 1

- The proposed project is exempt from the requirements of the California Environmental Quality Act (CEQA) Pursuant to 14 California Code of Regulations § 15301 as a Class 1 categorical exemption (Existing Facilities).

Facts in Support of Finding 1

1. The applicant requests an alcohol license for the on-site sale and consumption of beer and wine at a new 2,345 square-foot restaurant currently under construction located within Gateway Center. The request includes the approval to construct a new 350 square-foot outdoor dining area on the north side of the restaurant with direct access from the interior. The Gateway Center contains two single-story structures totaling 11,368 square feet in area. The property is in an urbanized and developed area where it has adequate access and all public services and facilities are available. In addition, it is in an area that is not environmentally sensitive. Therefore, the project is not anticipated to have any significant impacts with regard to traffic, noise, air quality or water quality.

Administrative Use Permit 09-05

Finding 1

- There is compatibility of the particular use on the particular site in relationship to other existing and potential uses within the general area in which the use is proposed to be located.

Facts in Support of Finding 1

1. The applicant proposes to construct a new 350 square-foot outdoor dining area greater than 200 square feet, and provide on-site sale and consumption of beer and wine in a new 2,345 square-foot restaurant. The restaurant is located within a portion of the Gateway Center, a new development (Suite C) at 400 North Sepulveda Boulevard. The restaurant and outdoor patio area total 2,695 square feet and contain 90 seats. The interior of the restaurant contains 70 seats and the new outdoor dining area on the north side of the building contains 20 seats. The minimum number of required parking spaces for the restaurant and outdoor patio is 36 parking stalls which will be provided on-site.

2. The General Plan Land Use designation for the site is Corporate Office and the zoning for the site is Corporate Office (CO). Restaurants are permitted uses in
the Corporate Office (CO) Zone in accordance with ESMC §15-5D-2 and on-site sale and consumption of alcohol is permitted with the approval of an Administrative Use Permit in accordance with ESMC §15-5D-4(B), and ESMC § 15-22-5. Outdoor dining areas greater than 200 square feet are permitted with the approval of a Conditional Use Permit in accordance with ESMC §15-5D-5(F), and ESMC Chapter 15-23.

3. The Corporate Office (CO) Zone permits, and the surrounding land uses include commercial retail, restaurant, hotel, and office uses. The proposed restaurant will be similar and compatible with the surrounding uses.

4. The restaurant must obtain a State of California Alcohol and Beverage Control (ABC) license for on-site sale and consumption of alcohol (Type 41).

5. On July 23, 2009 the El Segundo Planning Commission is scheduled to Receive and File the Administrative Use Permit request.

Finding 2

• The proposed use is consistent and compatible with the purpose of the Zone in which the site is located.

Facts in Support of Finding 2

1. The General Plan Land Use designation for the site is Corporate Office.

2. The zoning for the site is Corporate Office (CO). Restaurants are a permitted use in this Zoning District in accordance with §15-5D-2. The proposed use (on-site sale and consumption of beer and at an existing restaurant) requires an Administrative Use Permit in accordance with ESMC §15-5D-4(B). In addition, the proposed outdoor dining area, which is greater than 200 square feet requires a Conditional Use Permit in accordance with ESMC §15-5D-5(F).

3. The purpose of the Corporate Office (CO) Zone is to provide areas where a mixture of office and food serving uses with limited retail in a mutually beneficial manner. It is the intent of the Corporate Office (CO) Zone to have several types of uses within a single building.

4. The surrounding land uses include: commercial retail, restaurant, and office uses. The proposed restaurant will be compatible with the surrounding land uses.

Finding 3

• The proposed location and use and the conditions under which the use would be operated or maintained will not be detrimental to the public health, safety, or welfare, or materially injurious to properties or improvements in the vicinity.
Facts in Support of Finding 3

1. The restaurant is located inside a new commercial building within the Corporate Office (CO) Zone and includes a new 350 square-foot outdoor dining area. The restaurant and outdoor dining area meet all the development standards of the (CO) Zone and sufficient parking will be provided on-site in compliance with ESMC Chapter 15-15.

2. The surrounding land uses include commercial retail, hotels, restaurants and office uses. The restaurant is a permitted use within the Corporate Office (CO) Zone and the 350 square-foot outdoor dining area is permitted with a Conditional Use Permit.

3. The proposed hours of operation and alcohol service for the restaurant are limited to: Monday through Sunday from 10:30 a.m. to 10:00 p.m. The outdoor dining area would be open the same hours as the restaurant. Background music is proposed. No live entertainment is proposed. The restaurant will be required to meet the noise and vibration requirements of ESMC § 7-2-1.

Finding 4

- Potential impacts that could be generated by the proposed use, such as noise, smoke, dust, fumes, vibration, odors, traffic, and hazards have been recognized and mitigated.

Facts in Support of Finding 4

1. The sale of alcohol will not create any new impacts that would not be normally associated with the operation of a restaurant with indoor and outdoor dining areas.

2. The proposed hours of operation and alcohol service for the restaurant are limited to: Monday through Sunday from 10:30 a.m. to 10:00 p.m. The outdoor dining area would be open the same hours as the restaurant. Background music is proposed. No live entertainment is proposed. The proposed restaurant is located in a predominantly commercial/retail area that is not adjacent to any residential uses, which will help to minimize noise impacts on sensitive uses.

3. The parking area for the new restaurant will be shared with three existing three-story commercial office buildings and will not generate dust or substantially increase vehicular traffic.

4. The proposed new restaurant and outdoor dining area is in an area that is not environmentally sensitive.
5. In addition to complying with the requirements of the City of El Segundo and the State of California Department of Alcoholic Beverage Control the restaurant is subject to County Health Department regulations that address and monitor impacts of fumes and odors.

**Finding 5**

- The State Department of Alcoholic Beverage Control has issued or will issue a license to sell alcohol to the applicant.

**Facts in Support of Finding 5**

1. The applicant must obtain a license from the State of California Department of Alcoholic Beverage Control (Type No. 41).

**DIRECTOR OF PLANNING AND BUILDING SAFETY DEPARTMENT ACTION**

Based on these findings and facts in support of these findings, the Director of Planning and Building Safety APPROVES the proposed project, subject to the following conditions:

1. The proposed hours of operation and hours of alcohol service for the restaurant, including the outdoor dining patio are limited to: Monday through Sunday from 10:30 a.m. to 10:00 p.m. Food service must be available in the indoor dining area and the outdoor patio during the dining hours. Any change to the hours of operation or the hours that alcohol may be served is subject to review and approval by the Director of Planning and Building Safety.

2. The seating within the restaurant must be limited to 70 indoor dining seats and 20 seats in the outdoor dining area. The restaurant will contain a combined total of 90 seats.

3. Any subsequent modification to the project as approved, including the floor plan and areas where alcohol will be served, and/or the conditions of approval, must be referred to the Director of Planning and Building Safety for approval and a determination regarding the need for Planning Commission review of the proposed modification.

4. The applicant must obtain and maintain all licenses required by the Alcoholic Beverage Control Act (Business & Professions Code §§ 23300 et seq.). The applicant must obtain and maintain a Type 41 license.

5. The restaurant operations must comply with ESMC §§ 7-2-1, et seq. regulating noise and vibration.
6. The Planning and Building Safety Department and the Police Department must be notified of any change of ownership of the approved use in writing within 10 days of the completion of the change of ownership. A change in project ownership may be cause to schedule a hearing before the Planning Commission regarding the status of the administrative use permit.

7. The applicant must comply with all regulations of the Alcoholic Beverage Control Act and the regulations promulgated by the Alcoholic Beverage Control Board including, without limitation, the regulations set forth in 4 Cal. Code of Regs. §§ 55, et seq.

8. The applicant must post a sign in a clear and conspicuous location listing a phone number at which a responsible party may be contacted during all open hours of the establishment to address any concerns of the community regarding noise in the restaurant, patio and parking lot. Said contact's name and phone number must also be available through the restaurant staff at all times.

9. The applicant must, at all times, display a Designated Driver sign of at least ten inches by ten inches (10" X 10") in the bar and restaurant dining areas at eye level. The sign must be worded in a way that reminds patrons who are consuming alcohol to designate a non-drinking driver.

10. There must be no exterior advertising of any kind or type, including advertising directed to the exterior from within, promoting or indicating the availability of alcoholic beverages. Interior displays of alcoholic beverages which are clearly visible to the exterior constitute a violation of this condition.

11. All employees serving alcoholic beverages to patrons must enroll in and complete a certified training program approved by the State Department of Alcoholic Beverages Control (ABC) for the responsible sales of alcohol. The training must be offered to new employees on not less than a quarterly basis.

12. Any and all employees hired to sell alcoholic beverages must provide evidence that they have either:

   a. Completed training from the State of California Department of Alcoholic Beverage Control (ABC), Long Beach/Lakewood District Office administered Leadership and Education in Alcohol and Drugs (LEAD) Program in the form of an ABC-issued certificate; or,

   b. Completed an accepted equivalent by the ABC, Long Beach/Lakewood District Office to ensure proper distribution of beer, wine and distilled spirits to adults of legal age. If any prospective employee designated to sell alcoholic beverages does not currently have such training, then;
c. The ABC-licensed proprietors must have confirmed with the Planning and Building Safety Department within fifteen (15) days of the Director's decision, or by final project approval, that a date certain has been scheduled within the local ABC Office to complete the LEAD course.

d. Within thirty (30) days of taking said course, the employees, or responsible employer must deliver each required certificate showing completion to the Police Department.

13. The applicant must have readily identifiable personnel to monitor and control the behavior of customers inside the building premises. Staff must monitor activity outside in the parking lot and any adjacent property under the establishment's control to ensure the areas are generally free of people and are cleared of patrons and their vehicles one-half hour after closing.

14. If complaints are received regarding excessive noise, parking availability, lighting, building access, and the like associated with the restaurant and the outdoor patio area, the city may, in its discretion, take action to review the Administrative Use Permit, including without limitation, adding conditions or revoking the permit.

15. The outdoor dining/seating area must comply with ESMC § 15-2-16.

16. The building must not be occupied by more persons than allowed by the California Building Code, as adopted by the ESMC.

17. The building and any outdoor seating must comply with California Building and Fire Code requirements, as adopted by the ESMC.

18. The property owner must maintain the two grease interceptors for the restaurant.

19. The Applicant agrees to indemnify and hold the City harmless from and against any claim, action, damages, costs (including, without limitation, attorney's fees), injuries, or liability, arising from the City's approval of Environmental Assessment No. 840 for Administrative Use Permit No. 09-05 and Conditional Use Permit No. 09-04, except for such loss or damage arising from the City's sole negligence or willful misconduct. Should the City be named in any suit, or should any claim be brought against it by suit or otherwise, whether the same be groundless or not, arising out of the City approval of EA-840 or AUP 09-05, the Applicant agrees to defend the City (at the City's request and with counsel satisfactory to the City) and will indemnify the City for any judgment rendered against it or any sums paid out in settlement or otherwise. For purposes of this section “the City” includes the City of El Segundo's elected officials, appointed officials, officers, and employees.
PLANNING COMMISSION

This determination was received and filed by the Planning Commission at its July 23, 2009 meeting. Please be advised that this does not conclude the review process. The City Council will determine whether or not to protest the issuance of the ABC License (Type 41) at its meeting on August 4, 2009.

Should you have any questions, please contact Maria Baldenegro, Project Planner, at (310) 524-2341.

Sincerely,

[Signature]
Greg Carpenter, Director
Department of Planning and Building Safety
APPLICATION FOR AN ADMINISTRATIVE USE PERMIT

Environmental Assessment No: 840  AUP No: 09-05

Date: ______________________

Applicant:

Rubio's Mexican Grill

Name (print or type) 1902 Wright Place, Suite 300

Address Carlsbad, CA 92008

City/St/Zip

Check One: Owner □ Lessee X Agent □

Property Owner:

JH Snyder Co.

Name (print or type) 5757 Walshire Blvd. Penthouse 30

Address Los Angeles, CA 90036

City/St/Zip

Phone (760) 929-8226  Fax (760) 929-8203

Email bjefferies@rubios.com

Signature

Representative of applicant: (i.e., attorney, expeditor, etc.)

Rauschenbach Marvelli Becker Architects

Name (print or type) 2277 Watt Ave, Second Floor

Address Sacramento, CA 95655

City/St/Zip

Phone (916) 488-8500  Fax (916) 488-8566

Email j_comerford@rmbarchitects.com

Signature
request: Under the provisions of Section 15-22-3 of the El Segundo Municipal Code, application for consideration of an Administration Use Permit for the above described property.

1. Describe in detail the entire proposed project (type of construction, materials to be used, uses involved, i.e., bank, general office, industrial, restaurant, etc.) buildings, and other equipment necessary to the project.

A new restaurant with a 350 sf patio in an existing shell building.

2. Describe the existing development on the site (include square footages and uses of each building). Three existing 3-story commercial office buildings totaling 353,718 sf in area and two new single story building totaling 11,368 sf with five lease areas that will contain four restaurants and one commerical retail use. The restaurant for Rubio's is 2,345 sf and will contain a 350 sf outdoor dining area. The request is for a type 41 ABC License to allow for the sale and on-site consumption of beer and wine at a new restaurant (Rubio's Fresh Mexican Grill), which includes a patio that exceeds 200 sf in area, including an Entertainment Permit for music within the restaurant. There will be no music installed on the outdoor patio.
3. Explain in detail why this particular site is especially suited for the proposed development and how it is compatible with the purpose of the zone.

This site is in close proximity to several large office complexes that will provide a suitable customer base for the restaurants.

4. Describe how the proposed project relates to the development of adjacent properties and the immediate area and will not have detrimental effects to the adjacent properties or neighborhood.

The restaurants in this building will prevent excess energy consumption / auto traffic, by providing eating establishments in close proximity to several large office complexes.

5. Describe the requested hours of operation of the proposed use/uses. Please list hours for each use if there are multiple uses on the site. If the application is for an alcohol permit, please also clarify if any entertainment is proposed and what are the requested hours of entertainment.

Rubio's hours of operation will be from 10:30 am to 10:00 pm. Entertainment is limited to music from a sound system that is 100 watts located in the manager's area. This system will provide music to 6 speakers located throughout the interior of the dining room. There is no music outside on the patio.

6. If the application is for an alcohol permit, please list the type of alcohol license you are requesting (i.e., Type 41, On-site Sale and Consumption of beer and wine).

On-site sale and consumption of beer and wine only.
NOTE: Separate Affidavits must be submitted if there are multiple owners.

OWNER'S AFFIDAVIT

I, ____________ Michael E. Wise ____________, being duly sworn deprecate and say that I/we am the OWNER of the property involved in this application and that I/we have familiarized myself (ourselves) with the rules and regulation of the City of El Segundo with respect to preparing and filing this application and that the foregoing statements herein contained and the information documents and all plans attached hereto are in all respects true and correct to the best of my/our knowledge and belief.

Signature

July 2, 2009

STATE OF CALIFORNIA,
County of Los Angeles )

On this _____________ day of _______________ 20___, before me, the undersigned Notary Public in and for said County and State, personally appeared _______________________________ known to me to be the person whose name _______________ subscribe to the within instrument, and acknowledged to me that he/she executed the same.

WITNESS my hand and official seal.

(see attached)

Notary Public in and for said County and State.
CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California
County of Los Angeles

On July 2, 2009 before me, Mary Bellomy, Notary Public, personally appeared Michael E. Wise

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document
Title or Type of Document: Application For An Administrative Use Permit City of El Segundo
Document Date: July 2, 2009 Number of Pages: 7

Signer(s) Other Than Named Above: Jimmy Comerford

Capacity(ies) Claimed by Signer(s)

Signer's Name: Michael E. Wise

[ ] Individual
[ ] Corporate Officer — Title(s): 
[ ] Partner — [ ] Limited [ ] General
[ ] Attorney in Fact
[ ] Trustee
[ ] Guardian or Conservator
[ ] Other: ____________________________

Signer Is Representing: J.H. Snyder Company
OWNER'S AUTHORIZATION

JAMES J. COMERFORD

I hereby authorize Jimmy Comerford to act for me in all matters relevant to this application. I understand that this person will be the primary contact on the project and will be sent all information and correspondence.

Owner's Signature

July 2, 2009
Date

APPLICANT AFFIDAVIT

I, we, James J. Comerford am (are) the APPLICANT(S) of the property involved in this application; I (we) have familiarized myself (ourselves) with the rules and regulation of the City of El Segundo with respect to preparing and filing this application; and the information documents and all plans is true and correct to the best of my (our) knowledge and belief.

Applicant's Signature

July 3, 2009
Date
CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Sacramento

On July 3, 2009. before me, Praveena Devi Deo, Notary Public

personally appeared James J. Comerford

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she they executed the same in his/her their authorized capacity(ies), and that by his/her their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Applicant Affidavit

Document Date: July 3, 2009. Number of Pages: 8

Signer(s) Other Than Named Above:

Capacity(ies) Claimed by Signer(s)

Signer's Name: Individual

☑ Corporate Officer — Title(s):

☑ Partner — Limited General

☑ Attorney in Fact

☑ Trustee

☑ Guardian or Conservator

☐ Other: _______________________

Signer Is Representing: _______________________

RIGHT THUMPRINT OF SIGHER

Top of thumb here

Signer's Name: Individual

☑ Corporate Officer — Title(s):

☑ Partner — Limited General

☑ Attorney in Fact

☐ Trustee

☐ Guardian or Conservator

☐ Other: _______________________

Signer Is Representing: _______________________
AGENT AUTHORIZATION

I hereby authorize [NAME] to act for me/us in all matters relevant to this application. I understand that this person will be the exclusive contact on the project and will be sent all information and correspondence.

[Signature]
Owner's Signature

AGENT AFFIDAVIT

I, We [NAME], being duly sworn, deposes and say that I/we am the AGENT of the property involved in this application and that I/we have familiarized myself (ourselves) with the rules and regulations of the City of El Segundo with respect to preparing and filing this application and that the foregoing statements herein contained and the information documents and all plans attached hereto are in all respects true and correct to the best of my/our knowledge and belief.

[Signature]
Signature

4/27/2009
Date

STATE OF CALIFORNIA. )
County of Los Angeles )ss.

On this ______ day of ______, 20___, before me, the undersigned Notary Public in and for said County and State, personally appeared [NAME], known to me to be the person whose name subscribe to the within instrument, and acknowledged to me that he/she executed the same.

WITNESS my hand and official seal.

[Seal]
Notary Public in and for said County and State

See California All-Purpose Acknowledgment 6

Notary Public in and for said County and State
CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of _SACRAMENTO_

On 27 APRIL 2009 before me, (GERALD W. VAN WAGNER, NOTARY PUBLIC)

personally appeared _JAMES J. COMERFORD_

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _AGENT AFFIDAVIT_

Document Date: _NONE_ Number of Pages: _1_

Signer(s) Other Than Named Above: _KEN HULL_

Capacity(ies) Claimed by Signer(s)

<table>
<thead>
<tr>
<th>Signer's Name:</th>
<th>Signer's Name:</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>Individual</em></td>
<td><em>Individual</em></td>
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<tr>
<td><em>Corporate Officer — Title(s):</em></td>
<td><em>Corporate Officer — Title(s):</em></td>
</tr>
<tr>
<td><em>Partner — Limited</em></td>
<td><em>Partner — Limited</em></td>
</tr>
<tr>
<td><em>General</em></td>
<td><em>General</em></td>
</tr>
<tr>
<td><em>Attorney In Fact</em></td>
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</tr>
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<td><em>Trustee</em></td>
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</tr>
<tr>
<td><em>Guardian or Conservator</em></td>
<td><em>Guardian or Conservator</em></td>
</tr>
<tr>
<td><em>Other:</em></td>
<td><em>Other:</em></td>
</tr>
</tbody>
</table>

Signer Is Representing:

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© 2007 National Notary Association • 9350 De Soto Ave., P.O. Box 2402 • Chatsworth, CA 91311-2402 • www.NationalNotary.org Item #5907 Reorder: Call Toll-Free 1-800-876-6627
AGENDA DESCRIPTION:
Consideration and possible action to award a standard Public Works Contract to the lowest responsible bidder, International Pavement Solutions, Inc., for rehabilitating of Sycamore Park Playground (southeast corner of Sycamore Avenue and California Street) Approved Capital Improvement Project. Project No. PW 09-07 (Fiscal Impact: $106,006.00)

RECOMMENDED COUNCIL ACTION:
1. Authorize the City Manager to execute a standard Public Works Contract in a form approved by the City Attorney with International Pavement Solutions, Inc., in the amount of $106,006.00
2. Alternatively, discuss and take other action related to this item.

ATTACHED SUPPORTING DOCUMENTS:
Location Map

FISCAL IMPACT: Included in Adopted Budget
- Amount Requested: $106,006.00
- Additional Appropriation: Yes
- Account Number(s): 301-400-8202-8978

ORIGINATED BY: Maryam M. Jonas, Principal Civil Engineer
REVIEWED BY: Dana Greenwood, Public Works Director
APPROVED BY: Jack Wayt, City Manager

BACKGROUND AND DISCUSSION:
The recommended contract includes the replacement of an existing swing set, replacement of an existing concrete pad and picnic tables, installation of a poured-in-place rubber surfacing, and installation of an ADA accessible ramp from the adjacent sidewalk into the park.

On November 5, 2008, the City Council adopted plans and specifications and authorized staff to advertise the project for competitive bids. This project was originally advertised and received bids on December 2, 2008. However, prior to award of the contract, the City was notified by the State of California that the allocated funds were on hold until a later time. In May of 2009, the City received notification with regard to the availability of the funds. The Project was advertised again for competitive bidding.
On June 30, 2009, the City Clerk received and opened the following seven (7) bids:

1. International Pavement Solutions, Inc. $106,006.00
2. R.E. Schultz Construction $109,553.20
3. DD Systems Inc., dba ACE CD, Inc. $111,932.29
4. Micon Construction, Inc. $126,894.42
5. Fleming Environmental, Inc. $129,088.00
6. MG Enterprizes $130,904.00
7. VIdo Samarzich, Inc. $139,664.00

The second lowest bidder, R.E. Schultz Construction submitted a protest letter indicating that the lowest bidder International Pavement Solutions, Inc. did not list three (3) references for construction of playgrounds on their bid package and is not certified to install the playground equipment. Staff, in consultation with the City Attorney, reviewed both items and found that these were minor irregularities that the City Council could waive. First, International Pavement Solutions, Inc. completed more than three (3) playground projects but only mentioned two (2) in the bid documents. It submitted a list of references which included more than three (3) playground projects. Second, there is nothing in the law cited by R.E. Schultz Construction that requires the playground installer be certified. After being contacted, R.E. Schultz did not supply any additional legal citations to support its position.

Staff has contacted references of the lowest responsible bidder and has received favorable responses. Staff recommends awarding the contract to the lowest responsible bidder, International Pavement Solutions, Inc., in the amount of $106,006.

The funding for this project is as follow:

- 2000 Roberti-Z’Berg-Harris (RZH) Bond Act $49,061.00
- 2002 Roberti-Z’Berg-Harris (RZH) Bond Act $44,680.00
- Approved FY 2008-2009 budget (Matching fund) $21,026.00
- **Fund Total** $114,767.00
AGENDA DESCRIPTION:

Consideration and possible action authorizing the City Manager to enter into a funding agreement with the County of Los Angeles for the El Segundo Beach Lifeguard Station Project (Fiscal Impact: $1.7 million grant from the County of Los Angeles)

RECOMMENDED COUNCIL ACTION:

1. Authorize the City Manager to enter into a funding agreement in a form approved by the City Attorney for the El Segundo Beach Lifeguard Station Project.

2. Alternatively discuss and take other action related to this item.

ATTACHED SUPPORTING DOCUMENTS:

Funding Agreement with the County of Los Angeles

FISCAL IMPACT: Included in Adopted Budget

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

ORIGINATED BY: Dana Greenwood, Director of Public Works

REVIEWED BY: Bill Crowe, Assistant City Manager

APPROVED BY: Jack Wayt, City Manager

BACKGROUND AND DISCUSSION:

The County of Los Angeles through Supervisor Don Knabe's office has included funds for a $1.7 million grant in their budget to finance the subject project. These funds can be used by the City for planning, design development, and construction activities for the Beach Lifeguard Station Project.

The proposed project will include a lifeguard station, storage area for the lifeguards and up to five (5) restrooms for the use of beachgoers. The location of the proposed facility is adjacent to the south end of the beach parking lot (at the end of Grand Avenue) adjacent to the bike path.

It should be noted that Chevron has agreed to provide the right-of-way necessary to construct the facility. They will also provide water and electrical power for the station once constructed. The actual lease agreement has previously been approved as to form by our City Attorney. Chevron is currently in the process of finalizing the legal description for the area to be leased to the City. Once this is done, the lease agreement will be ready for Council consideration.

Staff is currently preparing a request for proposal for design services in conjunction with this project. Once the funds are available and have been deposited with the City, staff will
recommend awarding a design contract. The project schedule calls for this to take place by the middle of October. Design and construction is estimated to take approximately one year. Completion of the restroom facility then is projected to occur by late summer or fall 2010.
FUNDING AGREEMENT FOR THE CITY OF EL SEGUNDO
BEACH LIFEGUARD STATION PROJECT

THIS AGREEMENT is made and entered into this ___ day of __________, 2009.

BY COUNTY OF LOS ANGELES, a body corporate and
politic, and a subdivision of the State of California,
hereinafter referred to as "County",

AND The City of El Segundo, a chartered municipal
corporation, hereinafter referred to as "City."

WITNESSETH:

WHEREAS, the County is willing to provide the City with funding to assist the City in implementing its Beach Lifeguard Station Project;

WHEREAS, pursuant to Government Code section 26227, the County intends to provide a grant to the City in the amount of $1,700,000 (hereinafter County Funds) to assist in planning, design development, and construction activities associated with the new Beach Lifeguard Station;

NOW, THEREFORE, in consideration of the mutual promises, covenants and conditions set forth herein the parties hereto agree as follows:
A. Approved Funding and Costs

1. The County hereby grants to the City the amount of $1,700,000 to support the City’s planning, design development, and construction activities for the Beach Lifeguard Station Project.

2. The County Funds will be paid to the City within thirty (30) days of an invoice for the full amount specified in this Agreement.

3. County Funds may be used by the City for payment of planning and other pre-construction soft costs, including, but not limited to, costs of environmental assessments for the implementation of the improvements, feasibility studies, master planning and designing, programming, architecture and design, project management, engineering, entitlements, administration, and hard costs for construction and site work, and/or other design and development costs as needed.

B. The Improvements

1. Nothing in this Agreement shall be construed as an approval by the County of the project, or of any part thereof, including, but not limited to, the City’s implementing of improvements regardless of the source of funding for such improvements. Any improvements funded pursuant to this Agreement are subject to the provisions and requirements of the California Environmental Quality Act (hereafter CEQA). The City shall be fully responsible for compliance with the provisions of CEQA.

2. The mutual goal of the City and the County is to construct a beach lifeguard station at the intersection of Grand Avenue and Vis Del Mar that will include a single vehicle garage, lifeguard personnel restroom and locker, a lookout area, and equipment storage area for the Junior Lifeguard Program, as well as public restroom stalls, sink and showers. The City will consult with County prior to approving its plan of improvements.

3. The City shall defend, indemnify and hold harmless the County and its employees, agents, officers, directors, and Board members from and against any and all claims, damages, actions, causes of action, litigation, and liability of any kind relating to or arising out of the Beach Lifeguard Station Project, including claims or actions related to CEQA.

4. The City shall require that all workers on the Beach Lifeguard Station Project, employed by City contractors or subcontractors thereunder, be paid
not less than the applicable prevailing wage rates in accordance with California Labor Code section 1771.

C. Agreement Term

This Agreement will remain in force until completion of the construction of the Beach Lifeguard Station Project.

D. Financial Records

1. The City agrees to maintain satisfactory financial accounts, documents and records of the expenditure of County Funds and to make them available to the County for auditing at reasonable times. The City also agrees to retain such financial accounts, documents and records for five (5) years following termination of this Agreement.

2. The City agrees to use a generally accepted accounting system. The City also agrees to maintain, and make available for County inspection, accurate records of all of its costs, disbursements and receipts with respect to its activities under this Agreement.

3. At any time during the term of this Agreement or at any time within five (5) years of the expiration or prior termination of this Agreement, authorized representatives of the County may conduct an audit of City records for the purpose of verifying appropriateness and validity of expenditures of County Funds under the terms of this Agreement.

4. The City, within thirty (30) days of notification from the County of its audit findings, may dispute the audit findings in writing to the County and provide the County with records and/or documentation to support the expenditure claims. The County shall review this documentation and make a final determination as to the validity of the expenditures.

5. The City will provide the County Chief Executive Office within one hundred twenty (120) days after the end of its fiscal year, a report itemizing actual expenditures funded by monies received pursuant to this Agreement.

6. It is understood and agreed that any funds paid to the City hereunder may only be used for the purposes specified in this Agreement. In furtherance of this understanding, it is agreed that should the County determine that any funds paid to the City hereunder have been used for purposes other than those authorized by this Agreement, the City is required to promptly refund any such improperly used funds to the County.
E. Notices and Approvals

All notices and approvals shall be directed to and made by the following representatives of the parties:

a. To the County:  
   Chief Executive Office  
   Capital Projects/Debt Management Division  
   Attn: Jan Takata  
   Kenneth Hahn Hall of Administration, Room 754  
   500 West Temple Street  
   Los Angeles, CA 90012

b. To the City:  
   Dana Greenwood  
   Director of Public Works  
   City Hall  
   350 Main Street  
   El Segundo, CA 90245-3813

F. Nondiscrimination

The City shall not discriminate against any person on the basis of race, color, sex, sexual orientation, age, religious belief, national origin, marital status, physical or mental handicap, medical condition, or place of residence in the use of the County Funds paid to the City pursuant to this Agreement.

G. Severability

If any provision of this Agreement, or the application thereof, is held to be invalid, that invalidity shall not affect other provisions or applications of the Agreement that can be given effect without the invalid provision or application, and to this end the provisions of the Agreement are severable.

H. Effective Date

Subject to the Agreement being executed by both parties, the effective date of this Agreement shall be the date of execution by the County's Chief Executive Officer on behalf of the County.

THE REST OF THIS PAGE IS BLANK
IN WITNESS WHEREOF, the City has executed this Funding Agreement, or caused it to be duly executed by its authorized representative, and the County of Los Angeles by order of its Board of Supervisors, has delegated to its Chief Executive Officer the authority to execute this Agreement on its behalf on the date and year written below.

CITY OF EL SEGUNDO

By__________________________ Date
   Jack Wayt, City Manager

APPROVED AS TO FORM FOR THE CITY:

By__________________________
   Karl H. Berger
   Assistant City Attorney

COUNTY
County of Los Angeles

By__________________________ Date
   William T Fujioka
   Chief Executive Officer

APPROVED AS TO FORM FOR THE COUNTY:

ROBERT E. KALUNIAN
Acting County Counsel

By__________________________
   Principal Deputy
AGENDA DESCRIPTION:

Consideration and possible action approving a five (5) year contract extension with Nationwide Environmental Services for street sweeping services city wide.
(Fiscal Impact: $139,237.62)

RECOMMENDED COUNCIL ACTION:

1. Authorize the City Manager to execute a five (5) year contract extension in a form as approved by the City Attorney with Nationwide Environmental Services in the amount of $139,237.62, for Fiscal Year 2009-2010 based on the existing street sweeping contract.

2. Alternatively discuss and take other action related to this item.

ATTACHED SUPPORTING DOCUMENTS:

Street Sweeping Agreement with Joe's Sweeping Inc. (DBA Nationwide Environmental Services).

FISCAL IMPACT: Included in Adopted Budget

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<th>Amount Requested:</th>
<th>$11,603.14 (FY 08/09)</th>
<th>$139,237.62 (FY 09/10)</th>
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<tr>
<td>Account Number(s):</td>
<td>001-400-4201-6206</td>
<td></td>
</tr>
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</table>

ORIGINATED BY: Dana Greenwood, Public Works Director

REVIEWED BY: Bill Crowe, Assistant City Manager

APPROVED BY: Jack Wayt, City Manager

BACKGROUND AND DISCUSSION:

The City’s current contract with Nationwide Environmental Services was amended to extend street sweeping services through the end of August 2009. During this period, a Request for Proposal was prepared and circulated to contractors. The resulting proposals were deemed too expensive ($259,000 to $317,000). Staff then contacted a contractor that provides services for the Cities of Manhattan Beach, Hermosa Beach, Hawthorne and Lawndale. If the City elected to piggy-back on the best of those contracts, the cost to the City would have been $190,446.36 for FY 2009/10.

Upon being advised that the City was seriously considering changing contractors, the current contractor proposed a five (5) year extension of the existing contract with a one time increase of 3% to the current rate. All other terms and conditions of the existing contract would remain unchanged. Based on the current contract, the annual cost would be $139,237.62 ($11,603.14 base monthly payment). Staff is recommending that the current contract be extended for a five
(5) year period. Staff is also recommending approval of $11,603.4 for the month of September so the extended contract would coincide with the City’s fiscal year. There are adequate funds in the current fiscal year to cover the month of September.
STREET SWEEPING AGREEMENT
BETWEEN
THE CITY OF EL SEGUNDO AND
JOE’S SWEEPING, INC.

THIS MAINTENANCE AGREEMENT ("Agreement") is made and entered into this 1st day of
July, 2003, by and between the CITY OF EL SEGUNDO, a general law city and municipal
corporation ("CITY") and JOE’S SWEEPING, INC., a California Corporation
("CONTRACTOR").

The Parties agree as follows:

1. CONSIDERATION.

   A. As partial consideration, CONTRACTOR agrees to perform the work listed in the
      SCOPE OF SERVICES, below;

   B. As additional consideration, CONTRACTOR and CITY agree to abide by the
      terms and conditions contained in this Agreement;

   C. As additional consideration, CITY agrees to pay CONTRACTOR as follows:

      i. For the first and second years of the term: a total of $142,000;

      ii. For the third year of the term: a total of $146,100;

      iii. For any renewed term: a price to be negotiated.

   D. CITY will have at least thirty (30) days after receiving CONTRACTOR’s invoice
to pay CONTRACTOR. Payments will be made on a monthly basis.

2. TERM. The term of this Agreement will be from July 1, 2003, to June 30, 2006. CITY may
   exercise an option to renew this Agreement for an additional three (3) years, for a total of six (6)
   years. CITY must notify CONTRACTOR of exercising such options thirty (30) days before the
   initial term expires.

3. SCOPE OF SERVICES.

   A. CONTRACTOR will perform services listed in the attached Exhibit "A," which
      is incorporated by reference.

   B. CONTRACTOR will, in a workmanlike manner, furnish all of the labor,
      technical, administrative, professional and other personnel, all supplies and
      materials, equipment, printing, vehicles, transportation, office space and facilities,
      and all tests, testing and analyses, calculation, and all other means whatsoever,
except as herein otherwise expressly specified to be furnished by CITY, necessary or proper to perform and complete the work and provide the professional services required of CONTRACTOR by this Agreement.

4. PREVAILING WAGES.

A. This project requires payment of State prevailing rates of wages for Los Angeles County. CONTRACTOR must post copies of the prevailing schedule at each job site. Copies of these rates of wages are available from the State of California Department of Industrial Relations Prevailing Wage Unit, Telephone No. (415) 703-4774. The website for this agency is currently located at www.dir.ca.gov.

B. CONTRACTOR must keep an accurate certified payroll records showing the name, occupation, and the actual per diem wages paid to each worker employed in connection with this Agreement. The record will be kept open at all reasonable hours to CITY’s inspection and to the Division of Labor Law Enforcement. If requested by CITY, the Contractor must provide copies of the records at its own cost.

5. FAMILIARITY WITH WORK.

A. By executing this Agreement, CONTRACTOR represents that CONTRACTOR has

   i. Thoroughly investigated and considered the scope of services to be performed;

   ii. Carefully considered how the services should be performed; and

   iii. Understands the facilities, difficulties, and restrictions attending performance of the services under this Agreement.

B. If services involve work upon any site, CONTRACTOR warrants that CONTRACTOR has or will investigate the site and is or will be fully acquainted with the conditions there existing, before commencing the services hereunder. Should CONTRACTOR discover any latent or unknown conditions that may materially affect the performance of the services, CONTRACTOR will immediately inform CITY of such fact and will not proceed except at CONTRACTOR’s own risk until written instructions are received from CITY.

6. INSURANCE.

A. Before commencing performance under this Agreement, and at all other times this Agreement is effective, CONTRACTOR will procure and maintain the following types of insurance with coverage limits complying, at a minimum, with the limits set forth below:
<table>
<thead>
<tr>
<th>Type of Insurance</th>
<th>Limits (combined single)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial general liability:</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Business automobile liability</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Workers compensation</td>
<td>Statutory requirement.</td>
</tr>
</tbody>
</table>

B. Commercial general liability insurance will meet or exceed the requirements of ISO-CGL Form No. CG 00 01 11 85 or 88. The amount of insurance set forth above will be a combined single limit per occurrence for bodily injury, personal injury, and property damage for the policy coverage. Liability policies will be endorsed to name City, its officials, and employees as “additional insureds” under said insurance coverage and to state that such insurance will be deemed “primary” such that any other insurance that may be carried by City will be excess thereto. Such insurance will be on an “occurrence,” not a “claims made,” basis and will not be cancelable or subject to reduction except upon thirty (30) days prior written notice to City.

C. Automobile coverage will be written on ISO Business Auto Coverage Form CA 00 01 06 92, including symbol 1 (Any Auto).

D. CONTRACTOR will furnish to City duly authenticated Certificates of Insurance evidencing maintenance of the insurance required under this Agreement, endorsements as required herein, and such other evidence of insurance or copies of policies as may be reasonably required by City from time to time. Insurance must be placed with insurers with a current A.M. Best Company Rating equivalent to at least a Rating of “A:VII.” Certificate(s) must reflect that the insurer will provide thirty (30) day notice of any cancellation of coverage. CONTRACTOR will require its insurer to modify such certificates to delete any exculpatory wording stating that failure of the insurer to mail written notice of cancellation imposes no obligation, and to delete the word “endeavor” with regard to any notice provisions.

E. Should CONTRACTOR, for any reason, fail to obtain and maintain the insurance required by this Agreement, City may obtain such coverage at CONTRACTOR’s expense and deduct the cost of such insurance from payments due to CONTRACTOR under this Agreement or terminate.

7. **TIME FOR PERFORMANCE.** CONTRACTOR will not perform any work under this Agreement until:

A. CONTRACTOR furnishes proof of insurance as required under Section 6 of this Agreement; and

B. CITY gives CONTRACTOR a written Notice to Proceed.
C. Should CONTRACTOR begin work in advance of receiving written authorization to proceed, any such professional services are at CONTRACTOR’s own risk.

8. TERMINATION.

A. Except as otherwise provided, CITY may terminate this Agreement at any time with or without cause. Notice of termination will be in writing.

B. CONTRACTOR may terminate this Agreement upon providing written notice to CITY at least thirty (30) days before the effective termination date.

C. Should the Agreement be terminated pursuant to this Section, CITY may procure on its own terms services similar to those terminated.

D. By executing this document, CONTRACTOR waives any and all claims for damages that might otherwise arise from CITY’s termination under this Section.

9. INDEMNIFICATION.

A. CONTRACTOR indemnifies and holds CITY harmless from and against any claim, action, damages, costs (including, without limitation, attorney’s fees), injuries, or liability, arising out of this Agreement, or its performance. Should CITY be named in any suit, or should any claim be brought against it by suit or otherwise, whether the same be groundless or not, arising out of this Agreement, or its performance, CONTRACTOR will defend CITY (at CITY’s request and with counsel satisfactory to CITY) and will indemnify CITY for any judgment rendered against it or any sums paid out in settlement or otherwise.

B. For purposes of this section “CITY” includes CITY’s officers, officials, employees, agents, representatives, and certified volunteers.

C. It is expressly understood and agreed that the foregoing provisions will survive termination of this Agreement.

10. INDEPENDENT CONTRACTOR. CITY and CONTRACTOR agree that CONTRACTOR will act as an independent contractor and will have control of all work and the manner in which it is performed. CONTRACTOR will be free to contract for similar service to be performed for other employers while under contract with CITY. CONTRACTOR is not an agent or employee of CITY and is not entitled to participate in any pension plan, insurance, bonus or similar benefits CITY provides for its employees. Any provision in this Agreement that may appear to give CITY the right to direct CONTRACTOR as to the details of doing the work or to exercise a measure of control over the work means that CONTRACTOR will follow the direction of the CITY as to end results of the work only.

11. NOTICES.
A. All notices given or required to be given pursuant to this Agreement will be in writing and may be given by personal delivery or by mail. Notice sent by mail will be addressed as follows:

To CITY: City of El Segundo
350 Main Street
El Segundo, CA 90245-3895

To CONTRACTOR: Nationwide Environmental Services
11914 Front Street
Norwalk, CA 90650
Fax: 562-868-5726

B. When addressed in accordance with this paragraph, notices will be deemed given upon deposit in the United States mail, postage prepaid. In all other instances, notices will be deemed given at the time of actual delivery.

C. Changes may be made in the names or addresses of persons to whom notices are to be given by giving notice in the manner prescribed in this paragraph.

12. TAXPAYER IDENTIFICATION NUMBER. CONTRACTOR will provide CITY with a Taxpayer Identification Number.

13. WAIVER. A waiver by CITY of any breach of any term, covenant, or condition contained in this Agreement will not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant, or condition contained in this Agreement, whether of the same or different character.

14. CONSTRUCTION. The language of each part of this Agreement will be construed simply and according to its fair meaning, and this Agreement will never be construed either for or against either party.

15. SEVERABLE. If any portion of this Agreement is declared by a court of competent jurisdiction to be invalid or unenforceable, then such portion will be deemed modified to the extent necessary in the opinion of the court to render such portion enforceable and, as so modified, such portion and the balance of this Agreement will continue in full force and effect.

16. CAPTIONS. The captions of the paragraphs of this Agreement are for convenience of reference only and will not affect the interpretation of this Agreement.

17. WAIVER. Waiver of any provision of this Agreement will not be deemed to constitute a waiver of any other provision, nor will such waiver constitute a continuing waiver.

18. INTERPRETATION. This Agreement was drafted in, and will be construed in accordance with the laws of the State of California, and exclusive venue for any action involving this agreement will be in Los Angeles County.
19. AUTHORITY/MODIFICATION. This Agreement may be subject to and conditioned upon approval and ratification by the El Segundo City Council. This Agreement is not binding upon CITY until executed by the City Manager. The Parties represent and warrant that all necessary action has been taken by the Parties to authorize the undersigned to execute this Agreement and to engage in the actions described herein. This Agreement may be modified by written agreement. CITY’s city manager may execute any such amendment on behalf of CITY.

20. ACCEPTANCE OF FACSIMILE SIGNATURES. The Parties agree that this Agreement, agreements ancillary to this Agreement, and related documents to be entered into in connection with this Agreement will be considered signed when the signature of a party is delivered by facsimile transmission. Such facsimile signature will be treated in all respects as having the same effect as an original signature.

21. EFFECT OF CONFLICT. In the event of any conflict, inconsistency, or incongruity between any provision of this Agreement, its attachments, the purchase order, or notice to proceed, the provisions of this Agreement will govern and control.

22. CAPTIONS. The captions of the paragraphs of this Agreement are for convenience of reference only and will not affect the interpretation of this Agreement.

23. FORCE MAJEURE. Should performance of this Agreement be prevented due to fire, flood, explosion, war, embargo, government action, civil or military authority, the natural elements, or other similar causes beyond the Parties’ control, then the Agreement will immediately terminate without obligation of either party to the other.

24. ENTIRE AGREEMENT. This Agreement and its one attachment constitutes the sole agreement between CONTRACTOR and CITY respecting elevator maintenance. To the extent that there are additional terms and conditions contained in Exhibit “A” that are not in conflict with this Agreement, those terms are incorporated as if fully set forth above. There are no other understandings, terms or other agreements expressed or implied, oral or written.

[Signatures on next page]
IN WITNESS WHEREOF the parties hereto have executed this contract the day and year first hereinabove written.

CITY OF EL SEGUNDO, a general law city.

Mary Sperin, City Manager

JOE’S SWEEPING, INC., a California Corporation.

Nevor Samuelian, President

ATTEST:

Cindy Mortensen, City Clerk

Suzy Samuelian, Secretary

APPROVED AS TO FORM:

MARK D. HENSLEY, CITY ATTORNEY

By:

Karl H. Berger, Assistant City Attorney
EXHIBIT A

Nationwide Environmental Services
Division of Joe’s Sweeping, Inc.

First Year costs = $136,527.62 + $5,476 for bi-weekly downtown cleaning = $142,003.62
Second Year costs = $136,527.62 + $5,476 for bi-weekly downtown cleaning = $142,003.62
Third Year costs = $140,426.65 + $5,624 for bi-weekly downtown cleaning = $146,050.65

Total 3 year contract = $430,057.89
<table>
<thead>
<tr>
<th>ITEM NO.</th>
<th>ESTIMATED QUANTITIES</th>
<th>DESCRIPTION &amp; PRICE WRITTEN IN WORDS</th>
<th>UNIT PRICE IN FIGURES</th>
<th>AMOUNT</th>
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<tbody>
<tr>
<td>1</td>
<td>8,570 curb miles</td>
<td>Sweeping price per curb mile of streets and alleys (weekly). First Year (July 1, 2003 – June 30, 2004) Fourteen Dollars and Eighty Cents</td>
<td>$14.80 Per cm</td>
<td>$126,836.00</td>
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<tr>
<td>2</td>
<td>18,551,468 SF</td>
<td>Sweeping price per square foot of parking lots (weekly). First Year (July 1, 2003 – June 30, 2004) Ninety Five Dollars and No Cents</td>
<td>$0.00042 Per Sq. Ft.</td>
<td>$7,791.62</td>
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<td>3</td>
<td>20 hours</td>
<td>Hourly rate for additional sweeping. First Year (July 1, 2003 – June 30, 2004) Ninety Five Dollars and No Cents</td>
<td>$95.00 Per Hour</td>
<td>$1,900.00</td>
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<tr>
<td>4</td>
<td>8,570 curb miles</td>
<td>Sweeping price per curb mile of streets and alleys (weekly). Second Year (July 1, 2004 – June 30, 2005) Fourteen Dollars and Eighty Cents</td>
<td>$14.80 Per cm</td>
<td>$126,836.00</td>
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<td>5</td>
<td>18,551,468 SF</td>
<td>Sweeping price per square foot of parking lots (weekly). Second Year (July 1, 2004 – June 30, 2005) Ninety Five Dollars and No Cents</td>
<td>$0.00042 Per Sq. Ft.</td>
<td>$7,791.62</td>
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<td>6</td>
<td>20 hours</td>
<td>Hourly rate for additional sweeping. Second Year (July 1, 2004 – June 30, 2005) Ninety Five Dollars and No Cents</td>
<td>$95.00 Per Hour</td>
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<td>7</td>
<td>8,570 curb miles</td>
<td>Sweeping price per curb mile of streets and alleys (weekly). Third Year (July 1, 2005 – June 30, 2006) Fifteen Dollars and Twenty Cents</td>
<td>$15.20 Per cm</td>
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<td>8</td>
<td>18,551,468 SF</td>
<td>Sweeping price per square foot of parking lots (weekly). Third Year (July 1, 2005 – June 30, 2006) Ninety Five Dollars and No Cents</td>
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<td>$100.00 Per Hour</td>
<td>$2,000.00</td>
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TOTAL BID (Items 1-9) $ 413,481.89

TOTAL BID WRITTEN IN WORDS Four Hundred Thirteen Thousand
Four Hundred Eighty One Dollars and Eighty Nine Cents
### CITY OF EL SEGUNDO
RFP # 03-01
ALTERNATE BID ITEMS
(Streets in downtown area)

**ALTERNATE BID ‘A’:**

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<thead>
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<th>ITEM NO.</th>
<th>ESTIMATED QUANTITIES</th>
<th>DESCRIPTION &amp; PRICE WRITTEN IN WORDS</th>
<th>UNIT PRICE IN FIGURES</th>
<th>AMOUNT</th>
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<td>185 curb miles</td>
<td>Sweeping price per curb mile of streets in the downtown area (bi-weekly). First Year (July 1, 2003 – June 30, 2004) Twenty-nine Dollars and Sixty Cents</td>
<td>$29.60</td>
<td>$5,476.00</td>
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<tr>
<td>2A</td>
<td>185 curb miles</td>
<td>Sweeping price per curb mile of streets in the downtown area (bi-weekly). Second Year (July 1, 2004 – June 30, 2005) Twenty-nine Dollars and Sixty Cents</td>
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<tr>
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<td>185 curb miles</td>
<td>Sweeping price per curb mile of streets in the downtown area (bi-weekly). Third Year (July 1, 2005 – June 30, 2006) Thirty Dollars and Forty Cents</td>
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**TOTAL ALTERNATE BID ‘A’** $16,576.00

**TOTAL ALTERNATE BID ‘A’ WRITTEN IN WORDS**

*Sixteen Thousand Five Hundred Seventy Six and No Cents.*
FIRST AMENDMENT TO
AGREEMENT NO. 3168 BETWEEN
THE CITY OF EL SEGUNDO AND
JOE'S SWEEPING, INC.

THIS FIRST AMENDMENT ("Amendment") is made and entered into this 16th day of May 2006, by and between the CITY OF EL SEGUNDO, a general law city and municipal corporation existing under the laws of California ("CITY"), and JOE'S SWEEPING, INC., a California Corporation ("CONTRACTOR") pursuant to Section 19 of Agreement No. 3168 ("Agreement").

1. Section 1 of the Agreement is amended to read as follows:

"CONSIDERATION. CONTRACTOR must complete the Scope of Services to CITY's satisfaction. If CITY is dissatisfied with such Services, CONTRACTOR must work on the matter until the CITY approves of the service. Further, CONTRACTOR will complete the Services set forth in Exhibit A strictly according to the listed schedule. CITY agrees to pay CONTRACTOR according to the following formula:

A. MONTHLY PAYMENT = Base Monthly Payment + Fuel Pricing Adjustment

   i. For the first year of the term: Base Monthly Payment = $10,618.51 (Annual Total of Base Monthly Payments = $127,422.12).

   ii. For the second year of the term: Base Monthly Payment = $10,937.06 (Annual Total of Base Monthly Payments = $131,244.72).

   iii. For the third year of the term: Base Monthly Payment = $11,265.18 (Annual Total of Base Monthly Payments = $135,182.16).

   iv. For any renewed term: Base Monthly Payment to be negotiated.

B. FUEL PRICING ADJUSTMENT. It is agreed that fuel used by CONTRACTOR constitutes 17% of its total operating costs. It is agreed that the baseline monthly fuel cost for CNG fuel is $2.20 per gallon. The Fuel Pricing Adjustment is calculated according to the following formula:

   \[
   \text{Fuel Pricing Adjustment} = 0.17 \times \frac{\text{Base Monthly Payment}}{\left(\frac{\text{Average Monthly Fuel Cost}}{\$2.20} - 1\right)}
   \]

   The Average Monthly Fuel Cost is the average price of fuel per gallon of CNG purchased by CONTRACTOR for performance of this Agreement (and solely within CITY's jurisdictional boundaries) in the month for which payment is invoiced. The Fuel Pricing Adjustment cannot exceed 8.5%
of the Base Monthly Payment. The total Fuel Pricing Adjustments in any year cannot exceed 8.5% of the Annual Total of Base Monthly Payments. Fuel Pricing Adjustment cannot be compounded from month to month. The Public Works Director may approve, partially approve or deny the Fuel Pricing Adjustment.

i. **Example.** In the first month of the first year of the contract term the average price of fuel is $2.30 per gallon. \[ \text{MONTHLY PAYMENT} = 10,618.51 + 0.17 \times 10,618.51 \times \left( \frac{2.30}{2.20} \right) - 1 = 10,700.56 \]

ii. **Example.** In the second month of the first year of the contract term the average price of fuel is $2.10 per gallon. \[ \text{MONTHLY PAYMENT} = 10,618.51 + 0.17 \times 10,618.51 \times \left( \frac{2.10}{2.20} \right) - 1 = 10,536.46 \]

iii. **Example.** The maximum monthly payment in the first year (as increased by the maximum fuel pricing adjustment) is $10,618.51 + 8.5% = $11,521.08. The maximum total of payments in the first year is $127,422.12 + 8.5% = $138,253.00

iv. **Example.** The minimum monthly payment in the first year, as decreased by the maximum fuel pricing adjustment is $10,618.51 – 8.5% = $9,715.94. The minimum total of payments in the first year is $127,422.12 – 8.5% = $116,591.24.

C. PAYMENT FOR ADDITIONAL STREET SWEEPING SERVICES. CITY may request CONTRACTOR to provide additional street sweeping services in accordance with this Agreement. CITY agrees to pay CONTRACTOR for street sweeping services exceeding the curb mileage and square footage listed in Exhibit A at the rate of $100 per hour.

2. Section 2 of the Agreement is amended to read as follows:

   "**TERM.** The term of this Agreement will be from July 1, 2006 to June 30, 2009."

3. Section 4 of the Agreement is amended in its entirety to read as follows:

   "**PREVAILING WAGES.** In accordance with Department of Industrial Relations ("DIR") Opinion Letter for Public Works Case No. 2005-007, dated June 1, 2005, CONTRACTOR is not required to pay prevailing wages."

4. A new Section 25 is added to the Agreement to read as follows:

   "**COMPLIANCE WITH LAW.** CONTRACTOR must comply, at no additional cost to CITY, with all applicable federal, state, and local laws. Such laws include, without limitation, all aspects of CITY's current National Pollutant Discharge Elimination System ("NPDES") permit. In addition, CONTRACTOR agrees to
comply with all rules of the South Coast Air Quality Management District ("AQMD") including, without limitation, AQMD Rule 1186.1 requiring the use of alternative-fuel vehicles for sweeper services (to the extent required by law). CONTRACTOR understands and agrees that failure to comply with this Section constitutes a material breach of this Agreement and, in addition, requires CONTRACTOR to defend, indemnify, and hold CITY harmless from any fines, penalties, or damages imposed by a governmental agency (whether AQMD, the Regional Water Quality Control Board, or other agency) for failure to comply with applicable law."

5. This Amendment may be executed in any number or counterparts, each of which will be an original, but all of which together constitutes one instrument executed on the same date.

6. Except as modified by this Amendment, all other terms and conditions of Agreement No. 3168 remain the same. The operative terms of this Amendment become effective July 1, 2006.

IN WITNESS WHEREOF the parties hereto have executed this amendment the day and year first hereinafoe written.

CITY OF EL SEGUNDO,
a general law city.

Jeff Stephen,
City Manager

JOE'S SWEEPING, INC.
a California Corporation.

Never Samuelian,
President

Suzy Samuelian,
Secretary

Taxpayer ID No. 95-4251942

ATTEST:

Cindy Maresen,
City Clerk

APPROVED AS TO FORM:
MARK D. HENSLEY, City Attorney

By:
Karl H. Berger, Assistant City Attorney
SECOND AMENDMENT TO
AGREEMENT NO. 3168 BETWEEN
THE CITY OF EL SEGUNDO AND
NATIONWIDE ENVIRONMENTAL SERVICES, INC.

THIS SECOND AMENDMENT ("Amendment") is made and entered into this 26th day of June 2009, by and between the CITY OF EL SEGUNDO, a general law city and municipal corporation existing under the laws of California ("CITY"), and NATIONWIDE ENVIRONMENTAL SERVICES, INC., a California Corporation ("CONSULTANT").

1. Agreement No. 3168 ("Agreement"), executed by parties on July 1, 2003, is amended to increase the contract amount by an amount not to exceed TWENTY THREE THOUSAND DOLLARS ($23,000) for the additional sweeping services for the months of July and August 2009.

2. The new term of the contract will be extended to August 31, 2009.

3. This Amendment may be executed in any number or counterparts, each of which will be an original, but all of which together constitutes one instrument executed on the same date.

4. Except as modified by this Amendment, all other terms and conditions of Agreement No. 3168 remain the same.

[SIGNATURES ON NEXT PAGE]
AGENDA DESCRIPTION:
Consideration and possible action regarding the acceptance of the Wayfinding Signage Project at Various Locations City-Wide. – Project No. PW 08-17. (Fiscal Impact: $109,574.05)

RECOMMENDED COUNCIL ACTION:
Recommendation – (1) Accept the work as complete; (2) Authorize the City Clerk to file a Notice of Completion in the County Recorder’s Office; and (3) Alternatively, discuss and take other action related to this item.

ATTACHED SUPPORTING DOCUMENTS:
Notice of Completion

FISCAL IMPACT: Included in Adopted Budget
Amount Budgeted: $109,574.05
Additional Appropriation: No
Account Number(s): 001-400-2901-6201

ORIGINATED BY: Lauren Mahakian, Senior Administrative Analyst
REVIEWED BY: Dana Greenwood, Public Works Director
APPROVED BY: Jack Wayt, City Manager

BACKGROUND AND DISCUSSION:
On February 3, 2009 City Council awarded Sign Source, Inc. a contract for $109,950.00 to install Wayfinding Signage. A change order was approved on July 8, 2009 to modify signage to Caltrans specifications. This change order resulted in a net credit for $375.95 bringing the total project cost to $109,574.05.

On July 23, 2009, staff inspected the completed project and recommends accepting the project as complete. A notice of completion will be filed with the Los Angeles County Recorder’s Office if the City Council concurs.
NOTICE OF COMPLETION OF CONSTRUCTION PROJECT

Project Name: Wayfinding Signage
Project No.: PW 08-17

Notice is hereby given pursuant to State of California Civil Code Section 3093 et seq that:

1. The undersigned is an officer of the owner of the interest stated below in the property hereinafter described.

2. The full name of the owner is: City of El Segundo

3. The full address of the owner is: City Hall, 350 Main Street, El Segundo, CA, 90245

4. The nature of the interest of the owner is: Street Signage

5. A work of improvement on the property hereinafter described was field reviewed by the Assistant City Engineer on July 24, 2009. The work done was: Wayfinding Signage.

6. On August 18, 2009, City Council of the City of El Segundo accepted the work of this contract as being complete and directed the recording of this Notice of Completion in the Office of the County Recorder.

7. The name of the Contractor for such work of improvement was: Sign Source, Inc.

8. The property on which said work of improvement was completed is in the City of El Segundo, County of Los Angeles, State of California, and is described as follows: Public Street at various locations city-wide.

9. The street address of said property is: 350 Main Street

Dated: ____________________________

Dana Greenwood
Public Works Director

VERIFICATION

I, the undersigned, say: I am the Public Works Director of the City El Segundo, the declarant of the foregoing Notice of Completion; I have read said Notice of Completion and know the contents thereof; the same is true of my own knowledge.

I declare under penalty of perjury the foregoing is true and correct.

Executed on ___________________________ 2009 at El Segundo, California.

Dana Greenwood
Public Works Director

Notice of Completions\PW 08-17

111
AGENDA DESCRIPTION:

Consideration and possible action regarding a change to the existing contract with Wyle Laboratories, Inc., awarding a contract extension to Wyle Laboratories, Inc. for Design and Testing Services, and adoption of a minor amendment to homeowner agreements related to the Residential Sound Insulation (RSI) Program.
(Fiscal impact: $1,201,000)

RECOMMENDED COUNCIL ACTION:

1. Authorize a change to the existing contract with Wyle Laboratories, Inc.
2. Award a contract extension to Wyle Laboratories, Inc.;
3. Adopt a homeowner agreement amendment requiring property owners to reimburse the City $100 for expenses incurred for failing to disclose significant code violations and/or unfinished, ongoing or pending construction;
4. Authorize the City Manager to execute a contract extension in a form approved by the City Attorney; and/or
5. Alternatively discuss and take other action related to this item.

ATTACHED SUPPORTING DOCUMENTS:

1. Scope of services (from City’s RFQ 07-06)
2. Cost Proposal submitted by Wyle Laboratories, Inc. (‘El Segundo RSI Cost Proposal’)
3. Wyle Conditions of Cost Proposal
4. Design Schedules
5. Proposed Liquidated Damages clause

FISCAL IMPACT: Budget Adjustment Required

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ORIGINATED BY: James S. O’Neill, Program Manager

REVIEWED BY: Greg Carpenter, Director of Planning and Building Safety

APPROVED BY: Jack Wayt, City Manager

BACKGROUND AND DISCUSSION:

At its meeting on March 18, 2008, the City Council awarded a contract to Wyle Laboratories, Inc. (Wyle) for Design and Testing Services related to the Residential Sound Insulation (RSI) Program. The contract was awarded for a period of two (2) years with the City’s discretion of extending the agreement in one (1) year increments for a maximum of four (4) years. With the original contract, Wyle was to provide completed designs for approximately 300 homes, representing Groups 29 – 40 of the City’s RSI Program.
To date, Wyle has provided designs for 246 homes (represented by Groups 29 – 38) and continues to work on designs for an addition twenty-three (23) homes to be included in Group 39. Coupled with seventeen (17) Homes which were “dropped” from the RSI Program, and an additional seventeen (17) currently “on hold” pending property owners resolving existing code deficiencies or at the owner’s request, this represents design work for a total of 303 Homes.

Wyle is requesting the City to authorize $65,719 in costs associated with additional tasks performed which were unforeseeable at the time the original contract was entered into, in lieu of completion of full design work anticipated for Group 40. This work cannot be completed at this time, due to circumstances beyond Wyle’s control. The requested amount consists of the following:

- $20,677 for changes to, and reformatting of, plans during the design process to reflect policy changes and unusual, or changed, conditions at homes
- $26,925 for design work related to 17 homes that were “dropped” from the RSI Program for various reasons
- $3,820 for meetings with the Planning and Building Safety Department to address code deficiency cases identified during the design process, changes in the Plan Check and Permit process and Plan check submittal issues
- $992 for reviewing additional submittals related to the re-Bid of Group 30
- $3,750 for additional inspections related construction of Group 29
- $6,555 for structural analysis required for specified RSI Improvements
- $3,000 for testing, analysis and meetings to evaluate aspects of the design policy

Staff is also recommending that a contract extension be awarded to Wyle based the attached proposal, and amendments to the contract to avoid the need for, or address the anticipated costs of, the types of additional tasks performed by Wyle. The contract extension is expected to result in completed designs for approximately two hundred (200) homes to receive RSI Improvements in 2010. Those 200 homes will be in addition to Groups 37 – 39 (estimated to be 75 Homes) and other homes to be designed under other design and testing services contracts. Staff is anticipating RSI Improvements being constructed at approximately 400 homes in 2010. This contract extension is part of that overall effort.

Staff is recommending that the existing contract be amended with the following items to address issues or concerns raised over the past year:

- Design schedules (attached) would be incorporated into the contract
- The contract would be amended to incorporate a Liquidated Damage clause to further assure that delivery dates established in the design schedules would be maintained
- A Scope of Services (attached) would be incorporated into the contract to clarify performance criteria
- A $100,000 contingency amount would be established as part of the contract, from which expenditures related to addressing policy issues and unique conditions would be drawn from. All such expenditures would require prior authorization from the City’s Program Manager

It is important to note that the Scope of Services reflects several significant changes to the current procedures, including without limitation:

- The Consultant is required to obtain a meter spot from Southern California Edison (SCE) for homes where the electrical panel is to be replaced and include a copy with the applicable Plans (to identify to the property owner and contractors prior to construction if new electrical meters and/or panels will be required by SCE to be relocated)
• The Consultant will meet with City’s RSI Program Manager bi-weekly to discuss overall status and progress of Design and Testing Services and any problems, recommendations, or related issues.

The proposal from Wyle reflects a few deviations from the original Request for Proposal issued by the City and historical operating procedure by Wyle and past design and testing services consultants. But based upon discussions between Wyle and City staff, staff is recommending that such deviations be considered accepted. These include:

• Wyle will not participate in “Punch List” or “Final” inspections as part of the design and testing services contract. (It is expected that existing Construction Coordinators can properly perform such inspections in an effort to reduce costs of the design and testing services contract)

• Property Owners would review designs at Wyle’s offices (in El Segundo) rather than at individual Homes. (It is expected that this will help expedite the completion of designs for each home and minimize the need for additional appointments with the Property Owners)

• Designs for eligible secondary structures (guest houses, rumpus rooms, etc.) will include plans for a “ventilation only” system (a system not capable of providing heat), and will be billed at one half (1/2) the cost to design a single family home ($2,678 instead of $5,355)

The proposal from Wyle includes a “billing milestone” of $1,500 for assessment of a Home. This was included at the request of City staff to reduce the liability to both the City and the property owners (currently $5,300) should significant code violations be identified that would prevent the City from issuing a permit for RSI Improvements at the property.

Additionally, the proposal from Wyle includes a cost of $100 to prepare a “code deficiency report” to identify significant code violations or other conditions which would prevent a permit from being issued, and bring them to the City’s attention. Existing code violations and undisclosed conditions, such as unfinished, ongoing or pending construction, are becoming a significant hindrance to the program’s efficiency and productivity. Staff recommends that the City adopt a policy under the RSI Program where property owners would be required to compensate the City for the proposed expenditure proposed (estimated to be $100) for failing to disclose existing conditions of their home. Staff recommends that the City Council authorize staff to work with the City Attorney’s office to modify the RSI Agreements to implement such a policy.

The amount requested for the contract amendment with Wyle is $1,201,000. This amount reflects:

$1,071,000  (200 Homes at a design cost of $5,355 per Home)
$30,000  (estimated 20 Homes at a billing milestone of $1,500, that cannot have designs completed due to existing potential code violations)
$100,000  Contingency funding established

City Council is reminded that eighty percent (80%) of costs associated with the Residential Sound Insulation Program are covered by federal grant funding from the Federal Aviation Administration (FAA). This remains a funding source until those funds identified in the Grant Implementation Plan to the City of Los Angeles are exhausted. Remaining expenses, except for elective “Owner Upgrades” selected by property owners, are paid for by funding received as part of the settlement agreement with the City of Los Angeles, administered by their Department of Airports or commonly referred to as Los Angeles World Airports (or “LAWA.”)
Scope of Work
Design and Testing Services

A. General

1. The Design and Testing Services for the Residential Sound Insulation Program are comprised of managerial, architectural, and engineering services required to generate architectural plans to increase the noise reduction properties of identified Dwellings. All Services must be performed in accordance with the terms of the Agreement, and any amendments thereto. These services are not limited to, but are inclusive of:
   a. Evaluating identified Dwellings and development of construction plans for RSI Improvements;
   b. Assuring the constructability of such designs in reasonableness;
   c. Meeting with Property Owners for each Dwelling and explaining proposed RSI Improvements and options for proposed products and materials;
   d. Completion of Building Permit applications for Plan Checks by the City Building Department;
   e. Making changes and explain in person (no mailing documents)
   f. Promptly answering Requests for Information ("RFI") and Requests for Change Orders ("RFCO") from Contractors during the construction process; and within two working days
   g. Participating in punch list inspections at the completion of construction for each Dwelling.

2. The Design and Testing Services contract will be a fixed unit price contract, with unit prices for single-family homes, condominiums, and apartments. The Agreement will be for a period of two (2) years. At the sole discretion of the City, the agreement may be extended in one (1) year increments, with a maximum of two (2) extensions, for a total of four (4) years from the date of the original agreement.

B. Design and Testing Management

1. One of the Program goals is to minimize the overall time between the initial contact with a Dwelling and the completion of construction (currently approximately 12 months), as well as minimizing the number of interruptions (i.e. time off from work for appointments) to an Owner’s daily routine. The consultant’s management of Design and Testing Services must account for this goal.

2. The consultant must develop a timeline of milestones against which the progress of Design and Testing Services will be measured and present a copy of this schedule to the Program Manager. The consultant will be held responsible for ensuring all critical program paths remain on schedule.

3. Quality Control must be provided by the Consultant to assure designs are
consistent with design criteria, ensure consistency in design work, and minimize potential change orders during the construction process.

C. Design Criteria and Specifications

1. The Consultant is responsible for a continual review, and a formal annual review of the Technical Specifications and Standard Details, as published by the City, and must make recommendations for updates as is deemed necessary. Recommendations should be made to:
   
   a. Further clarify what is required of the Contractor during the construction process;
   b. Account for changes in industry practices and standards;
   c. Account for new products available; and/or
   d. Account for problems encountered during the construction process

2. The Consultant must become familiar with the current design criteria and apply the design criteria based on Dwelling location, external noise level, and type of construction. The Consultant will make recommendations, as is deemed necessary, to successfully achieve the FAA's mathematically equivalent 45dB CNEL interior residential noise standard in all habitable rooms, while maximizing cost effectiveness. Changes to design policies and design criteria must be sufficiently tracked by the Consultant, with the reasons and effective date of each change being documented.

3. The plans created for each dwelling must be amply detailed to easily determine the RSI Improvements for each Dwelling. The Program Manager must approve any proposed deviations from the approved design criteria before they are to be discussed with property owners.

4. The consultant must review all submittals for materials and products submitted by Contractors, Suppliers, and Manufacturers and promptly give a written recommendation to the City for their use.

D. Appointments with Property Owners / Occupants

1. The City will identify the Dwellings proposed to be included in each Bid Group, and forward all necessary contact information for each Dwelling to the Consultant.

2. The Consultant must arrange all necessary appointments with property owners for the successful completion of Design and Testing Services.

E. Evaluation of Dwellings

1. The Consultant must evaluate current noise reduction properties of each identified
Dwelling through physical examination, calculations, and/or acoustical testing.

2. Test 10% of homes in each group. Testing for Dwellings must include:

   a. Acoustical Testing - The Consultant must conduct acoustic measurements for the evaluation of noise reduction ("NR") before and after the construction of sound insulation improvements for each Dwelling, and measurements must include all habitable rooms.

3. The Consultant must perform physical examinations of each Dwelling. All appropriate physical measurements must be taken in order to provide accurate architectural plans and perform all calculations necessary for specifying proper acoustical treatments and ventilation systems. Physical examinations must also attempt to identify any significant structural shortcomings such as termites, dry rot, water damage, or unsafe deviations from the California Building Code requirements and/or structural design, and assess each Dwelling’s ability to successfully complete the RSI Program (i.e. proper access to all work areas.)

4. After a complete evaluation of each Dwelling, the Consultant must make a recommendation for each Dwelling’s inclusion into, or exclusion from, a Group based on the results of the evaluation. The Consultant must notify the Program Manager of the reasons for each recommendation.

F. Plans

1. Plans must contain sufficient detail to clearly define the work to be performed and allow the Contractor, supplier, and manufacturer to meet or exceed the product quality and workmanship standards needed to achieve the technical requirements of the Program. They must include all architectural, structural, mechanical, and electrical engineering work requirements, be compatible with the approved design criteria, Technical Specifications, and Standard Details, and identify any foreseeable conditions that will affect the Contractor’s ability to perform such work.

2. Plans must be inclusive of:

   a. A Computer Aided Drafting (CAD) generated architectural Floor Plans (a Site Plan is not required) which graphically depicts the RSI Improvements specified;
   b. A written description of the RSI Improvements specified, including a Window and Door Schedule;
   c. Structural calculations - when the structural members of the Dwelling are proposed to be altered in any way, or when additional structural loads are to be added to existing structural members;
   d. Complete designs, with calculations, for any and all heating, ventilation, and/or air conditioning systems;
e. The Consultant's (architect and/or engineer of record) stamp, with signature and date of signature.

3. Once the Consultant has created plans for each Dwelling, the Consultant must also present those plans to the property owner(s), thoroughly explaining the proposed RSI Improvements to the property owner's satisfaction and understanding. The Consultant must record any issues raised by property owners, and relay those issues with recommendations, to the Program Manager for consideration and action.

4. Once all issues have been resolved, and the Property Owner has selected all necessary options, Plans must be finalized and clean copies printed for signatures. A copy of signed Plans must be given to the Property Owner(s) for their records within one (1) week of signature date.

5. The Consultant must present signed Plans to the Program Manager for each Dwelling, accompanied by:

   a. An engineering estimated cost for the specified improvements;
   b. Results of pre-construction acoustic measurements; and
   c. A completed Building Permit application for Plan Check.

G. Meetings

1. The Consultant must assist the City in conducting all Pre-Bid Meetings, site visits, and other tasks related to the Contractor bidding process for Groups. The Consultant must make every effort to help ensure that prospective Contractors are aware of the technical requirements of the Contract Documents and the quality of workmanship required by the Program.

2. The Consultant must participate in meetings with the FAA, City Council, City Staff, homeowners, and Contractors as directed by the Program Manager, providing appropriate technical expertise and guidance.

3. The Consultant must meet with the Program Manager at least bi-weekly to discuss the overall status and progress of Design and Testing Services and any problems, recommendations, or related issues.

H. Plans clarifications and adjustments

1. The Consultant must promptly make changes as required for approval by the FAA or City Building Department. Plans will not be considered finalized before such approvals and changes are made.

2. The Consultant must promptly answer any Contractor Requests for Information ("RFI") or Requests for Change Orders ("RFCO") as forwarded by the City. All
answers must be given to the City within two working days of receipt.

I. “Punch List” Inspections

The Consultant must assist the City Construction Coordinators with a punch list inspection of each Dwelling. This inspection is to serve not only as a fresh look at the completed construction, but also to assure the City that the design was completed, as specified and intended by the Consultant. Final inspections do not require consultant participation.

J. Documentation and Reports

1. The Consultant must maintain appropriate records for all of the Consultant’s work related to the Program including, without limitation, the following:

   a. Copies of all internal and external reports on the project, its status and completion;
   b. All correspondence with the City, including correspondence regarding Program policies, Design Criteria, recommendations, and the Consultant’s Agreement;
   c. All correspondence with the FAA, government agencies, suppliers, contractors, and others relating to the Program; and
   d. A document record for each Dwelling which includes copies of:
      i. All correspondence regarding the property
      ii. Surveys and evaluation information
      iii. Acoustical testing data and reports
      iv. Hazardous material testing results
      v. Signed Plans
      vi. Any and all agreements
      vii. Technical responses to RFI’s and RFCO’s from Contractors and Suppliers
      viii. Construction final inspection sheets
      ix. Any other documents relevant to each Dwelling

2. The Consultant will prepare all relevant documents, including:

   a. Monthly progress reports to the City. (To be submitted with monthly billing).
   b. A complete set of results of pre- and post-construction acoustic measurements for each Group.
   c. Other documents as may be necessary, but not limited to, reports required by:
      i. The Federal Aviation Administration
      ii. City Council
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<th>Wyle Description of Included Design Services</th>
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<td>Design and testing</td>
<td>Design and testing management: Program Management, including answering to client, homeowners, managing</td>
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<tr>
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<td>staff, coordination with sub consultants, managing database</td>
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<td>Continual review of the spec - Account for changes in the industry, new products, problems encountered</td>
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<td>during construction.</td>
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<td>Become familiar with the current design criteria</td>
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<td>Track changes to design policies with reasons and effective dates</td>
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<td>Obtain program manager's approval of any proposed deviations from the approved design criteria</td>
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<td>Submittal review</td>
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<td>Appointments with Property Owners: Schedule Design Assessments and Design Reviews</td>
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<td>Physical examination of each dwelling and measurements</td>
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<td>Identifying significant structural shortcoming such as termite, dry rot, water damage</td>
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<td>Wyle subcontractor field assessment of building elements requiring modification</td>
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<td>Wyle subcontractor HVAC/ventilation design assessment</td>
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<td>Orientate owner for expected modifications and material selection choices</td>
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<td>Written description of RSI Improvements including Window/Door Schedule</td>
</tr>
<tr>
<td></td>
<td>Revisions after QA</td>
</tr>
<tr>
<td></td>
<td>Structural Calculations - separately priced below in &quot;Contingency&quot;</td>
</tr>
<tr>
<td></td>
<td>Mechanical design including Title 24 calcs including condensate lines and gas line calculations</td>
</tr>
<tr>
<td></td>
<td>SCE electrical meter spots</td>
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<tr>
<td></td>
<td>Electrical Load calculations</td>
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<td></td>
<td>Design Review</td>
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<td></td>
<td>Signature and Stamp</td>
</tr>
<tr>
<td></td>
<td>Resolve any issues raised by property owner</td>
</tr>
<tr>
<td></td>
<td>Engineering Estimates</td>
</tr>
<tr>
<td></td>
<td>Plan Check - application, submittals, revisions</td>
</tr>
<tr>
<td></td>
<td>$2,305</td>
</tr>
<tr>
<td>Plans</td>
<td></td>
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<tr>
<td></td>
<td>Biweekly meeting</td>
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<td>FMV</td>
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<td></td>
<td>Pre-bd meeting</td>
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<td>Pre-con meeting</td>
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<td></td>
<td>Meetings with FAA</td>
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<td></td>
<td>$300</td>
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<tr>
<td>Meeting</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Plans Clarification and Adjustment: Make changes as required by FAA</td>
</tr>
<tr>
<td></td>
<td>Answer to RFIs</td>
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<tr>
<td></td>
<td>Answer to RFOs</td>
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<tr>
<td></td>
<td>$250</td>
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<tr>
<td>Punch List inspection</td>
<td>Punch List inspection - Not Bid in Design work; performed by construction staff</td>
</tr>
<tr>
<td></td>
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<tr>
<td>Documentation and</td>
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<td>reports</td>
<td>Keep records of correspondences</td>
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<td></td>
<td>Assemble Bid Package</td>
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<tr>
<td>Total Proposed Design</td>
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<tr>
<td>Services Cost Per Unit</td>
<td>Proposed Design Services Cost for Secondary Structures (1/2 of main unit)</td>
</tr>
<tr>
<td>Per El Segundo RFQ</td>
<td>$5,355</td>
</tr>
<tr>
<td>Scope of Work:</td>
<td>$2,678</td>
</tr>
<tr>
<td></td>
<td>Billing milestones: $1,500 upon completion of field assessment; 75% upon completion of design (prior to</td>
</tr>
<tr>
<td></td>
<td>homeowner review); 100% upon completion of plan check</td>
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<td></td>
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<tr>
<td>Contingency - Funding</td>
<td></td>
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<tr>
<td>Available As Needed</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Prepare code deficiency reports for code deficient homes - $100</td>
</tr>
<tr>
<td></td>
<td>Follow up on code deficient dwellings with Building and Safety if requested - Time &amp; Materials (T &amp; M)</td>
</tr>
<tr>
<td></td>
<td>basis</td>
</tr>
<tr>
<td></td>
<td>Calculate structural requirements for widening windows and secondary ceilings and walls. Approximate unit</td>
</tr>
<tr>
<td></td>
<td>costs: Window widening, $350; Secondary Ceilings, $1,000; Secondary walls, $1,000</td>
</tr>
<tr>
<td></td>
<td>Coordinate structural issues other than those listed above with Building and Safety - T &amp; M basis</td>
</tr>
<tr>
<td></td>
<td>Review existing manual and previously submitted comments - T &amp; M basis; approximately 48 manhours</td>
</tr>
<tr>
<td></td>
<td>Provide additional review and comment to produce finalized manual - T &amp; M basis; approximately 8 manhours</td>
</tr>
<tr>
<td></td>
<td>$100,000</td>
</tr>
</tbody>
</table>
Wyle Conditions of Cost Proposal for the City of El Segundo’s RSI Program

The attached cost proposal reflects the City of El Segundo’s request for completion of Design and Testing Services for 200 Homes, as outlined in the Scope of Work provided by the City on June 23, 2009 (Part of RFQ 07-06), with the following conditions:

1. Wyle will not participate in punch list inspections at the completion of construction for each Dwelling (See Items A, 1, g and 1 of the Scope of Work)
2. Wyle will not schedule the initial “Assessment Visits” with property owners, and expect the City to schedule such appointments on Wyle’s behalf in accordance with the proposed Design Schedules and template “Assessment Visit Template” attached. (See Item D, 2 of the Scope of Work)
3. Costs associated with structural calculations required by the Scope of Work (See Item F, 2, c) are not included in the “Cost per Unit” (Identified as either $5,355 or $2,678), but rather will be drawn from the “Contingency Funding” identified in the Cost Proposal at the rates identified.
4. Engineering estimates will be based on the floor area of the Home, rather than the specified improvements (See Item F, 5, a of the Scope of Work)
5. Wyle will not participate in any “Night time meetings,” previously held by the City for discussing the program with potential program participants (See Item G, 2 of the Scope of Work)
6. The City will obtain any necessary permits (See Item H, 2 of the Scope of Work)
7. Code deficiency reports will be provided, at a rate of $100 per report, for each Home that Wyle suspects existing conditions:
   A. Would deem the Home ineligible for the RSI Program, or
   B. Violate the City’s Municipal Code to the extent that the City would be unwilling to issue a building permit

At the City’s request, the cost proposal includes the following items not outlined in the Scope of Work provided by the City on June 23, 2009 (Part of RFQ 07-06):

1. Plans will include:
   A. Gas line calculations as required by the City Building and Safety Department
   B. Locations of primary and secondary condensate lines
2. Existing ductwork will be evaluated to determine if it is properly sized and in sufficient condition to determine if the Home qualifies for Air Conditioning under the City’s RSI Program policies
3. Contingency Funding to review, and assist the City in finalizing, a Policy and Procedures Manual governing its RSI Program

As it is expected that existing conditions of some Homes will deem them ineligible for the RSI Program or be determined to require correction of violations of the City’s Municipal Code, the Cost Proposal consists of the following (as detailed on the attached Cost Proposal sheet):

- $1,071,000 (200 Homes at a rate of $5,355 per Home)
- $30,000 (20 Homes at a “billing milestone” of $1,500 per Home)
- $100,000 for a “Contingency Fund”

$1,201,000 TOTAL
# Wyle Design Schedules for City of El Segundo's RSI Program

<table>
<thead>
<tr>
<th>Group</th>
<th>Presumed Date lists of Homes will be received from City</th>
<th>Field Assessments</th>
<th>Code Issues identified and brought to the City’s attention by</th>
<th>Design Reviews</th>
<th>Designs submitted to Building Safety</th>
<th>Completed Designs Due By</th>
</tr>
</thead>
<tbody>
<tr>
<td>40</td>
<td>8/5</td>
<td>8/10 – 8/14</td>
<td>Aug. 28</td>
<td>9/14 – 9/18</td>
<td>Oct. 23</td>
<td>Nov. 30</td>
</tr>
<tr>
<td></td>
<td></td>
<td>8/31 – 9/4</td>
<td>Sept. 18</td>
<td>10/12 – 10/16</td>
<td>10/26 – 10/30</td>
<td></td>
</tr>
<tr>
<td>42</td>
<td>8/31</td>
<td>9/8 – 9/11</td>
<td>Sept. 25</td>
<td>10/12 – 10/16</td>
<td>Nov. 20</td>
<td>Dec. 28</td>
</tr>
<tr>
<td>45</td>
<td>10/12</td>
<td>10/19 – 10/23</td>
<td>Nov. 6</td>
<td>11/23 – 11/25</td>
<td>Jan. 8, ‘10</td>
<td></td>
</tr>
</tbody>
</table>

* Dates shown are for calendar year 2009, unless otherwise indicated

The above schedules are based on the following assumptions:

1. Completed designs will be provided for approximately twenty-five (25) Homes for each Group
2. If more than twenty-five (25) Homes are assessed and determined to be eligible for RSI Improvements, those additional Homes will be held to the schedule for the next Group
3. Southern California Edison (SCE) will provide meter spots within two (2) weeks of requests
4. The City will respond to Consultant inquiries within two (2) weeks, including: requests for policy clarification, review of proposed documentation and/or information necessary to complete designs
5. Property owners will be available during normal working hours on the dates applicable for the Group for which their home is intended. Wyle will contact “Owner representatives” approximately two (2) weeks in advance of proposed appointments to allow for proper scheduling
6. All corrections required by the City’s Planning and Building Safety Department will be identified within one (1) month of being submitted to that department

Wyle will provide, in accordance with the design schedules, one of the following for each Home:

A. A code deficiency report, along with other information gathered during the assessment, identifying reasons Wyle questions the Home’s eligibility

B. A completed design for RSI Improvements
Proposed Liquidated Damages clause

Part 1  Liquidated Damages

1.01 It is agreed to by all parties to the Contract that:

A. Damage(s) will be incurred by the City and Property Owner(s), Tenant(s) and Occupant(s) (in terms of Program reputation, inconvenience, lost productivity, additional administrative costs, delays to anticipated construction, and potentially lost grant funding – both tangible and intangible) whenever the Consultant fails to complete design work in accordance with the Work description including, without limitation:

1. Identifying, and bringing to the City’s attention by the dates proposed in the design schedules, any significant code violations or conditions that would likely prevent the City from issuing a building permit

2. Delivery of completed designs in accordance with the delivery date proposed by the Consultant

3. Completed designs will be defined as clean copies of Plans that have been signed by the Owner’s Representative, signifying Owner’s acceptance of the RSI Improvements proposed

B. The actual value of actual damage(s) to the City is very difficult, if not impossible, to ascertain with any degree of certainty or accuracy.

C. Accordingly, the Parties negotiated and agreed that for each calendar day during which default occurs, Consultant will pay the City as and for liquidated damages, and not as a penalty, the following:

1. Twenty-five dollars ($25) for each and every calendar day beyond the delivery date of completed designs (Plans) for each Home

D. City may deduct the amount of liquidated damages from any money due or that may become due the Consultant under the Contract in cases where liquidated damages are not paid to the City
<table>
<thead>
<tr>
<th>LABOR GRADE/ TYPICAL JOB TITLE</th>
<th>HOURLY RATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>16 Director</td>
<td>$300.00</td>
</tr>
<tr>
<td>14 Chief Scientist</td>
<td>$240.00</td>
</tr>
<tr>
<td>13 Sr. Principal Engineer</td>
<td>$190.00</td>
</tr>
<tr>
<td>12 Principal Engineer</td>
<td>$170.00</td>
</tr>
<tr>
<td>11 Sr. Staff Engineer</td>
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</tr>
<tr>
<td>10 Senior Engineer</td>
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</tr>
<tr>
<td>Senior Designer</td>
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<tr>
<td>9 Engineer III</td>
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<tr>
<td>Designer</td>
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<td>8 Engineer II</td>
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<td>Administrator</td>
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<tr>
<td>Junior Designer</td>
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<td>7 Engineer I</td>
<td></td>
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<tr>
<td>Administrative Assistant</td>
<td>$80.00</td>
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<tr>
<td>6 Engineer</td>
<td></td>
</tr>
<tr>
<td>Expert Witness Rate</td>
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</tbody>
</table>

**TRAVEL, MATERIALS AND SERVICES**

Time spent traveling to and from client's facility or specified work site as necessary in performance of service will be invoiced at the above stated rates.

Travel, Materials, Graphic Services, Reproduction Expenses and any other subcontracted services will be billed at invoice cost plus 12 percent.

**BILLING AND PAYMENT TERMS**

Billing for work performed will be submitted monthly. Payment terms are net 30 days, based on normal credit approval.

**NOTICE - WYLE PROPRIETARY DATA**

This document shall not be disclosed or distributed to third parties, or reproduced, or copied in whole or in part except by written authorization of Wyle Laboratories Incorporated.
EL SEGUNDO CITY COUNCIL
AGENDA STATEMENT

MEETING DATE: August 4, 2009
AGENDA HEADING: Consent Agenda

AGENDA DESCRIPTION:
Consideration and possible action regarding approval of a Third Amendment and Restated Joint Powers Agreement, "South Bay Cities Council of Governments" (a Joint Powers Authority). (Fiscal Impact: None)

RECOMMENDED COUNCIL ACTION:
1. Approve the agreement;
2. Alternatively, discuss and take other action related to this item.

ATTACHED SUPPORTING DOCUMENTS:

FISCAL IMPACT: N/A

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

ORIGINATED BY: Mishia Jennings, Executive Assistant
REVIEWED BY: Bill Crowe, Assistant City Manager
APPROVED BY: Jack Wayt, City Manager

BACKGROUND AND DISCUSSION:
The South Bay Cities Council of Governments was formed by a Joint Powers Agreement ("JPA") dated April 1, 1995 as a forum for the exchange of ideas and information among its member cities and to develop and implement sub-regional policies and plans voluntarily and cooperatively to resolve differences among the member cities.

Said JPA was amended in May 1, 1997 to establish a formal, elected position of Vice-Chair (Finance).

The Members now desire to further amend the JPA to establish a mechanism by which the total voting membership for quorum and voting purposes would consist only of Members not on inactive status.
THIRD AMENDED AND RESTATED JOINT POWERS AGREEMENT

“SOUTH BAY CITIES COUNCIL OF GOVERNMENTS”
(A JOINT POWERS AUTHORITY)

This Third Amended and Restated Joint Powers Agreement (“Third Amended and Restated Agreement”), which is dated for identification purposes June 1, 2009, is made and entered into by and between the public entities (collectively, “Members”) whose names are set forth on Exhibit A, pursuant to Sections 6500, et. seq. of the Government Code and other applicable law:

WITNESSETH:

The parties hereto do agree as follows:

Section 1. Recitals. This Third Amended and Restated Agreement is made and entered into with respect to the following facts.

a. In 1977, a group of cities, commonly known as the South Bay Cities, entered into that certain Joint Powers Agreement, Phase III (Implementation) South Bay Corridor (Transportation) Study in the County of Los Angeles (the “South Bay Corridor JPA”). The South Bay Corridor JPA has subsequently been amended and extended so that the current membership consists of the agencies whose names are set forth on Exhibit B. The current termination date of the South Bay Corridor JPA is June 30, 1998.

b. Historically, the South Bay Cities also participated in an unincorporated association known as the South Bay Cities Association. The South Bay Cities Association played a valuable role in serving as a forum for the exchange of ideas and information among its member cities; however, the growing need for the South Bay Cities to develop and implement their own subregional policies and plans and voluntarily and cooperatively to resolve differences among themselves required a more representative and formal structure.

c. The public interest required a joint powers agency to conduct studies and projects designed to improve and coordinate the common governmental responsibilities and services on an area-wide and subregional basis. The Members believed that the existing South Bay Corridor JPA as presently constituted was inadequate to satisfy these purposes and that they might
better be satisfied through the establishment of a joint powers agency of broader scope, to be known as a council of governments.

d. The public interest required that such an agency explore areas of intergovernmental cooperation and coordination of government programs and provide recommendations and solutions to problems of common and general concern to its Members.

e. The public interest required that an agency with the aforementioned goals not possess the authority to compel any of its Members to conduct any activities or implement any plans or strategies that the Member did not wish to undertake (except for the payment of dues).

f. Each Member is a governmental entity established by law with full powers of government in legislative, administrative, financial, and other related fields.

g. Each Member, by and through its legislative body, determined that a subregional organization to assist in planning and voluntary coordination among the cities in the South Bay was required in furtherance of the public interest, necessity and convenience.

h. Each Member, by and through its legislative body, independently determined that the public interest, convenience and necessity required creation of a joint powers authority to be known as the South Bay Cities Council of Governments.

i. In the Spring of 1995, each Member, by and through its legislative body approved the execution of the joint powers agreement by and on behalf of each such Member. Following execution by 10 of the Eligible Public Entities, the South Bay Cities Council of Governments was formed effective as of April 1, 1995. A Notice of Joint Powers Agreement was filed with the California Secretary of State as of June 22, 1995, and assigned file number 1450.

j. In 1997, the Members determined that it would be advantageous to establish a formal, elected position of Vice-Chair (Finance) and circulated a Second Amendment to Agreement Establishing the South Bay Cities Council of Governments (A Joint Powers Authority.) The Second Amendment was approved by 2/3 of the legislative bodies of the Members and became effective May 1, 1997.
k. In 2004, the Members further amended the joint powers agreement to establish a mechanism by which the total voting membership for quorum and voting purposes would consist only of Members not on inactive status.

1. The Members now desire to further amend the joint powers agreement to add the County of Los Angeles as a Member

Section 2. Creation of Separate Legal Entity. A separate legal entity is created within the meaning of Section 6503.5 of the California Government Code; this entity shall exercise its powers in accordance with the provisions of this Third Amended and Restated Agreement and applicable law.

Section 3. Name. The name of this separate legal entity shall be the South Bay Cities Council of Governments ("Council").


a. Purpose of Council. The purpose of the Council is to provide a vehicle for the Members to engage voluntarily in regional and cooperative planning and coordination of government services and responsibilities, to assist the Members in the conduct of their affairs. It is the express intent of the members that the Council shall not possess the authority to compel any Member to conduct any activity or to implement any plan or strategy that the Member does not wish to undertake (except for the payment of dues). The goal and intent of the Council is one of voluntary cooperation among cities in the South Bay for the collective benefit of all.

b. Common Powers. The Council shall have, and may exercise, the following powers:

(1) Serve as an advocate in representing the Members of the South Bay Cities at the regional, state and federal levels on issues of importance to the South Bay Cities;

(2) Serve as a forum for the review, consideration, study, development and recommendation of public policies and plans with subregional or regional significance;

(3) Assemble information helpful in the consideration of problems peculiar to the Members;
(4) Employ Member resources or presently-existing, single-purpose public/private groups to carry out its programs and projects;

(5) Explore practical avenues for voluntary intergovernmental cooperation, coordination and action in the interest of local public welfare and improving the administration of governmental services;

(6) Assist in coordinating subregional planning efforts and in resolving conflicts among the cities in the South Bay as they work toward achieving planning goals;

(7) Build a consensus among the Members on the implementation of policies and programs for addressing subregional and regional issues;

(8) Serve as a mechanism for obtaining regional, state, and federal grants to assist in financing the expenditures of the Council;

(9) Make and enter into contracts, including contracts for the services of engineers, consultants, planners, attorneys and single purpose public/private groups;

(10) Employ agents, officers and employees;

(11) Apply for, receive and administer a grant or grants under any regional, state, or federal program;

(12) Receive gifts, contributions and donations of property, funds, services and other forms of financial assistance from persons, firms, corporations and any governmental entity;

(13) Lease, manage, maintain, and operate any buildings, works, or improvements; and

(14) Delegate some or all of its powers to the Executive Director as provided below.

c. Exercise of Powers. The Council shall, in addition, have all implied powers necessary to perform its functions. It shall exercise its powers only in a manner consistent with the provisions of applicable law, this Third Amended and Restated Agreement and the Bylaws. For the purposes of determining the restrictions to be imposed on the Council in its manner of
exercising its powers pursuant to Government Code Section 6509, reference shall be made to, and the Council shall observe, the restrictions imposed upon the City of Lomita.

Section 5. Creation of Governing Board and General Assembly.

a. Creation of Governing Board. A Governing Board for the Council ("Governing Board") is created to conduct the affairs of the Council. The Governing Board shall be constituted as follows:

(1) Designation of Governing Board Representatives. The city council or the Mayor (if the Mayor is so authorized by the Member's charter, ordinances or rules) of each of the city Members shall in writing designate one person as the Member's representative on the Governing Board ("Governing Board Representative"). The Board of Supervisors of the County of Los Angeles shall designate the members of the Board from the 2nd and 4th Supervisorial Districts as its representatives on the Governing Board.

(2) Designation of Alternate Governing Board Representatives. The city council or the Mayor (if the Mayor is so authorized by the Member's charter, ordinances or rules) of each of the city Members shall designate one or more persons to serve as the Member's alternate representative on the Governing Board ("Alternate Governing Board Representative"). The Supervisors from the 2nd and 4th Supervisorial Districts shall each designate their chief of staff or a senior staff person from their office as the County's Alternate Governing Board Representatives.

(3) Eligibility. No person shall be eligible to serve as a Governing Board Representative or Alternate Governing Board Representative unless that person is, at all times during the tenure of that person as a Governing Board Representative or Alternate Governing Board Representative, a member of the legislative body of one of the appointing Members, except for the County of Los Angeles Alternate Governing Board Representatives. Should any person serving on the Governing Board fail to maintain the status required by this Section 5, that person's position on the Governing Board shall be deemed vacated as of the date such person ceases to qualify pursuant to the provisions of this Section 5, and the Member shall be entitled to appoint a qualified replacement.
b. **Creation of General Assembly.** A General Assembly for the Council ("General Assembly") is created to discuss issues and make recommendations to the Governing Board. All elected officials of the legislative bodies of all Members shall be members of the General Assembly. The Chair of the Governing Board shall be the Chair of the General Assembly. A General Assembly may be called by the Chair of the Governing Board or by a majority of the Governing Board representatives.

**Section 6. Use of Public Funds and Property.** The Council shall be empowered to utilize for its purposes, public and/or private funds, property and other resources received from the Members and/or from other sources. Where applicable, the governing Board of the Council may permit one or more of the Members to provide in-kind services, including the use of property, in lieu of devoting cash to the funding of the Council’s activities.

**Section 7. Functioning of Governing Board.**

a. **Voting and Participation.** Through its Governing Board Representative, each Member may cast only one vote for each issue before the Governing Board. An Alternate Governing Board Representative may vote in the proceedings of the Governing Board only in the absence of that Member’s Governing Board Representative. A Governing Board Representative or Alternate Governing Board Representative seated on the Governing Board shall be entitled to participate and vote on matters pending before the Governing Board only if such person is physically present at the meeting of the Governing Board and if the Member which that Governing Board Representative or Alternate Governing Board Representative represents is not on inactive status (as defined in Section 21.b of this Third Amended and Restated Agreement).

b. **Proxy Voting.** No absentee ballot or proxy shall be permitted.

c. **Quorum.** A quorum of the Governing Board shall consist of not less than fifty percent (50%) plus one (1) of its total voting membership (as defined in Section 21.b of this Third Amended and Restated Agreement).

d. **Committees.** As needed, the Governing Board may create permanent or ad hoc advisory committees to give advice to the Governing Board on such matters as may be referred to such committees by the Governing Board. All committees shall have a stated purpose before they are formed. Standing committees shall remain in existence until they are dissolved by the Governing Board. Ad hoc committees shall be dissolved upon completion.
of their designated functions. Committees, unless otherwise provided by law, this Third Amended and Restated Agreement, the Bylaws or by direction of the Governing Board, may be composed of representatives to the Governing Board and nonrepresentatives to the Governing Board.

e. Actions. Actions taken by the Governing Board shall be by not less than fifty percent (50%) plus one (1) of the voting representatives of the Governing Board which are present with a quorum in attendance, unless by a provision of applicable law, this Third Amended and Restated Agreement, the Bylaws or by direction of the Governing Board, a higher number of votes is required to carry a particular motion.

Section 8. Duties of the Governing Board. The Governing Board shall be deemed, for all purposes, the policy making body of the Council. All of the powers of the Council, except as may be expressly delegated to others pursuant to the provisions of applicable law, this Third Amended and Restated Agreement, the Bylaws or by direction of the Governing Board, shall be exercised by and through the Governing Board.

Section 9. Roberts Rules of Order. The substance of Roberts Rules of Order shall apply to proceedings of the Governing Board, except as may otherwise be provided by provisions of applicable law, this Third Amended and Restated Agreement, the Bylaws or by direction of the Governing Board.

Section 10. Meetings of Governing Board. The Governing Board shall, by means of the adoption of Bylaws, establish the dates and times of regular meetings of the Governing Board. The location of each such meeting shall be as directed by the Governing Board.

Section 11. Election of Chair and Vice-Chairs. The Chair of the Governing Board shall conduct all meetings of the Governing Board and perform such other duties and functions as required of such person by provisions of applicable law, this Third Amended and Restated Agreement, the Bylaws or by direction of the Governing Board. The 1st Vice-Chair shall serve as Chair in the absence of the Chair and shall perform such duties as may be required by provisions of applicable law, this Third Amended and Restated Agreement, the Bylaws, or by the direction of the Governing Board or the Chair. The 2nd Vice-Chair shall serve as Chair in the absence of the Chair and the 1st Vice-Chair and shall perform such duties as may be required by provisions of applicable law, this Third Amended and Restated Agreement, the Bylaws, or by the direction of the Governing Board or the Chair. In addition, the 2nd Vice-Chair shall supervise the Treasurer in the performance of the duties
assigned to him or her by Section 14 of the Third Amended and Restated Agreement.

A Governing Board Representative shall be elected annually to the position of Chair of the Governing Board, a second Governing Board Representative shall be elected to the position of 1st Vice-Chair of the Governing Board and a third Governing Board Representative shall be elected to the position of 2nd Vice-Chair of the Governing Board, at the first regular meeting of the Governing Board held in June of each calendar year. The terms of office of the Chair, 1st Vice-Chair and 2nd Vice-Chair shall commence on July 1 and expire of the succeeding June 30.

If there is a vacancy, for any reason, in the position of Chair, 1st Vice-Chair or 2nd Vice-Chair, the Governing Board shall forthwith conduct an election and fill such vacancy for the unexpired term of such prior incumbent.

Section 12. Executive Director. The Governing Board may appoint by a vote of fifty percent (50%) plus one (1) of the total voting membership a qualified person to be Executive Director, on any basis it desires including, but not limited to, a contract or employee basis. The Executive Director shall be neither a Governing Board Representative, nor an Alternate Governing Board Representative, nor an elected official of any Eligible Public Entity (as defined in Section 21(c) of this Third Amended and Restated Agreement). The Executive Director shall be the chief administrative officer of the Council. The Executive Director shall receive such compensation as may be fixed by the Governing Board. The Executive Director shall serve at the pleasure of the Governing Board and may be relieved from such position at any time, without cause, by a vote of fifty percent (50%) plus one (1) of the total voting membership of the Governing Board taken at a regular, adjourned regular or special meeting of the Governing Board. The Executive Director shall perform such duties as may be imposed upon that person by the provisions of applicable law, this Third Amended and Restated Agreement, the Bylaws, or by the direction of the Governing Board.

Section 13. Designation of Treasurer. The Governing Board shall, in accordance with applicable law, designate a qualified person to act as the Treasurer of the Council. The compensation, if any, of a person or persons holding the office of Treasurer shall be set by the Governing Board.

Section 14. Duties of Treasurer. The person holding the position of Treasurer of the Council shall have charge of the depositing and custody of all funds held by
the Council. The Treasurer shall perform such other duties as may be imposed by provisions of applicable law, including those duties described in Section 6505.5 of the Government Code, and such duties as may be required by the Governing Board. The Governing Board may engage a qualified person to assist the Treasurer in the performance of his or her duties.

Section 15. **Designation of Other Officers and Employees.** The Governing Board may appoint or employ such other officers or employees as it deems appropriate and necessary to conduct the affairs of the Council.

Section 16. **Obligations of Council.** The debts, liabilities and obligations of the Council shall be the debts, liabilities or obligations of the Council alone. No Member of the Council shall be responsible, directly or indirectly, for any obligation, debt or liability of the Council, whatsoever.

Section 17. **Control and Investment of Council Funds.** The Governing Board shall adopt a policy for the control and investment of its funds and shall require strict compliance with such policy. The policy shall comply, in all respects, with all provisions of applicable law.

Section 18. **Implementation Agreements.** When authorized by the Governing Board, affected Members may execute an Implementation Agreement for the purpose of authorizing the Council to implement, manage and administer area-wide and regional programs in the interest of the local public welfare. The costs incurred by the Council in implementing a program, including indirect costs, shall be assessed only to those Members who are parties to that Implementation Agreement.

Section 19. **Term.** The Council created pursuant to this Third Amended and Restated Agreement shall continue in existence until such time as this Third Amended and Restated Agreement is terminated. This Third Amended and Restated Agreement may not be terminated except by an affirmative vote of not less than fifty percent (50%) plus one (1) of the then total voting membership of the Governing Board.

Section 20. **Application of Laws to Council Functions.** The Council shall comply with all applicable laws in the conduct of its affairs, including, but not limited to, the Ralph M. Brown Act. (Section 54950 et seq., of the Government Code.)

Section 21. **Members.**
a. **Withdrawal.** A member may withdraw from the Council by filing its written notice of withdrawal with the Chair of the Governing Board 60 days before the actual withdrawal. Such a withdrawal shall be effective at 12:00 o’clock a.m. on the last day of that 60-day period. The withdrawal of a Member shall not in any way discharge, impair or modify the voluntarily-assumed obligations of the withdrawn Member in existence as of the effective date of its withdrawal. Withdrawal of a Member shall not affect the remaining Members. A withdrawn Member shall not be entitled to the return of any funds or other assets belonging to the Council, until the effective date of termination of this Third Amended and Restated Agreement, except that a withdrawn Member shall be entitled to the balance of the annual dues paid for the year by that Member which were intended for the remaining part of that year. Withdrawal from any Implementation Agreement shall not be deemed withdrawal from the Council.

b. **Total Voting Membership/Inactive Status.** The total voting membership shall consist of all Members, except those that have withdrawn or are on Inactive Status. A Member will be placed on Inactive Status if either of the following events occurs:

1. **Non-Payment of Dues.** If a Member fails to pay dues within three months of the annual dues assessment as required under Section 23 of this Third Amended and Restated Agreement and the Bylaws, and after a 30-day written notice is provided to that Member, the Member shall be deemed to be suspended from this Third Amended and Restated Agreement and the Council. When a Member is suspended, no representative of that Member shall participate or vote on the Governing Board. Such a Member shall be readmitted only upon the payment of all dues then owed by the Member, including dues incurred prior to the suspension and during the suspension.

2. **Failure to Attend Meetings.** If a Member is not represented by its Governing Board Representative or Alternate Governing Board Representative for three consecutive regular meetings of the Governing Board, that Member will be placed on Inactive Status until such time as its Governing Board Representative or Alternate Governing Board Representative next attends a regular meeting of the Governing Board.

c. **Admitting Eligible Public Entities.** Eligible public entities whose names are set forth on Exhibit C to this Third Amended and Restated Agreement ("Eligible Public Entities") shall be admitted to the Council by 1) adopting
this Third Amended and Restated Agreement by a majority vote of the legislative body of the Eligible Public Entity and 2) properly signing this Third Amended and Restated Agreement. An Eligible Public Entity may be admitted regardless of whether it adopted and signed this Third Amended and Restated Agreement before or after the Effective Date (as defined in Section 28 of this Third Amended and Restated Agreement). No vote of the Governing Board shall be required to admit an Eligible Public Entity.

d. Admitting Additional Members. Additional Members who are not Eligible Public Entities may be admitted to the Council upon an affirmative vote of not less than fifty percent (50%) plus one (1) of the total voting membership of the Governing Board provided that such a proposed new Member is a city whose jurisdiction, or part thereof, lies immediately adjacent to one or more of the Eligible Public Entities. Admission shall be subject to such terms and conditions as the Governing Board may deem appropriate.

Section 22. Non-Interference with Function of Members. The Governing Board shall not take any action that constitutes an interference with the exercise of lawful powers by a Member of the Council.

Section 23. Limitation of Liability. All agreements entered into by the Council shall contain a limitation of liability provision, providing that, except as voluntarily assumed by a particular Member, Members shall not be liable to employees, contractors and other third parties.

Section 24. Dues of Members. The Members of the Council shall be responsible for the payment to the Council, annually, of dues in the amounts periodically budgeted by the Governing Board, as and for the operating costs of the Council ("Dues"), as provided in the Bylaws.

Section 25. Disposition of Assets. Upon termination of this Third Amended and Restated Agreement, after the payment of all obligations of the Council, any assets remaining shall be distributed to the Members in proportion to the then obligation of those Members’ obligation to participate in the funding of the Council.

Section 26. Amendment. This Third Amended and Restated Agreement may be amended at any time with the consent of two-thirds (2/3) of all of the legislative bodies of the Members.
Section 27. **Incorporation by Reference.** Each Exhibit to this Third Amended and Restated Agreement is incorporated into the agreement by this reference, as though it were fully set forth in the body of the agreement.

Section 28. **Effective Date.** The effective date ("Effective Date") of this Third Amended and Restated Agreement shall be the first day of the first month following the date on which two-thirds (2/3) of the legislative bodies of the Members adopt and sign this Third Amended and Restated Agreement.

That the Members of this Third Amended and Restated Agreement have caused this agreement to be executed on their behalf, respectively, as follows:
The City of Carson hereby approves the Joint Powers Agreement adopted by the South Bay Cities Council of Governments at the June 25, 2009 Board Meeting.

________________________
Mayor, City of Carson

Date: ______________________

ATTEST:

________________________
City Clerk

APPROVED AS TO FORM:

________________________
City Attorney
The City of Gardena hereby approves the Joint Powers Agreement adopted by the South Bay Cities Council of Governments at the June 25, 2009 Board Meeting.

____________________________
Mayor, City of Gardena

Date: _______________________

ATTEST:

____________________________
City Clerk

APPROVED AS TO FORM:

____________________________
City Attorney
The City of El Segundo hereby approves the Joint Powers Agreement adopted by the South Bay Cities Council of Governments at the June 25, 2009 Board Meeting.

__________________________
Mayor, City of El Segundo

Date: ______________________

ATTEST:

__________________________
City Clerk

APPROVED AS TO FORM:

__________________________
City Attorney
The City of Hawthorne hereby approves the Joint Powers Agreement adopted by the South Bay Cities Council of Governments at the June 25, 2009 Board Meeting.

________________________________________
Mayor, City of Hawthorne

Date: ________________________________

ATTEST:

________________________________________
City Clerk

APPROVED AS TO FORM:

________________________________________
City Attorney
The City of Hermosa Beach hereby approves the Joint Powers Agreement adopted by the South Bay Cities Council of Governments at the June 25, 2009 Board Meeting.

Mayor, City of Hermosa Beach

Date: ______________________

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney
The City of Inglewood hereby approves the Joint Powers Agreement adopted by the South Bay Cities Council of Governments at the June 25, 2009 Board Meeting.

____________________________
Mayor, City of Inglewood

Date: ______________________

ATTEST:

____________________________
City Clerk

APPROVED AS TO FORM:

____________________________
City Attorney
The City of Lawndale hereby approves the Joint Powers Agreement adopted by the South Bay Cities Council of Governments at the June 25, 2009 Board Meeting.

______________________________
Mayor, City of Lawndale

Date: _______________________

______________________________
ATTEST:

______________________________
City Clerk

______________________________
APPROVED AS TO FORM:

______________________________
City Attorney
The City of Lomita hereby approves the Joint Powers Agreement adopted by the South Bay Cities Council of Governments at the June 25, 2009 Board Meeting.

Mayor, City of Lomita

Date: ______________________

ATTEST: __________________

City Clerk

APPROVED AS TO FORM:

City Attorney
The City of Los Angeles hereby approves the Joint Powers Agreement adopted by the South Bay Cities Council of Governments at the June 25, 2009 Board Meeting.

___________________________
Mayor, City of Los Angeles

Date: ______________________

ATTEST:

___________________________
City Clerk

APPROVED AS TO FORM:

___________________________
City Attorney
The City of Manhattan Beach hereby approves the Joint Powers Agreement adopted by the South Bay Cities Council of Governments at the June 25, 2009 Board Meeting.

Mayor, City of Manhattan Beach

Date: _______________________

ATTEST:

__________________________

City Clerk

APPROVED AS TO FORM:

__________________________

City Attorney
The City of Palos Verdes Estates hereby approves the Joint Powers Agreement adopted by the South Bay Cities Council of Governments at the June 25, 2009 Board Meeting.

__________________________
Mayor, City of Palos Verdes Estates

Date: ______________________

ATTEST:

__________________________
City Clerk

APPROVED AS TO FORM:

__________________________
City Attorney
The City of Rolling Hills hereby approves the Joint Powers Agreement adopted by the South Bay Cities Council of Governments at the June 25, 2009 Board Meeting.

_____________________________________
Mayor, City of Rolling Hills

Date: ________________________________

ATTEST:

____________________________________
City Clerk

APPROVED AS TO FORM:

____________________________________
City Attorney
The City of Rolling Hills Estates hereby approves the Joint Powers Agreement adopted by the South Bay Cities Council of Governments at the June 25, 2009 Board Meeting.

Mayor, City of Rolling Hills Estates

Date: ____________________

ATTEST:

__________________________
City Clerk

APPROVED AS TO FORM:

__________________________
City Attorney
The City of Rancho Palos Verdes hereby approves the Joint Powers Agreement adopted by the South Bay Cities Council of Governments at the June 25, 2009 Board Meeting.

__________________________
Mayor, City of Rancho Palos Verdes

Date: ______________________

ATTEST:

__________________________
City Clerk

APPROVED AS TO FORM:

__________________________
City Attorney
The City of Redondo Beach hereby approves the Joint Powers Agreement adopted by the South Bay Cities Council of Governments at the June 25, 2009 Board Meeting.


Mayor, City of Redondo Beach

Date: _______________________

ATTEST:

____________________________

City Clerk

APPROVED AS TO FORM:

____________________________

City Attorney
The City of Torrance hereby approves the Joint Powers Agreement adopted by the South Bay Cities Council of Governments at the June 25, 2009 Board Meeting.

__________________________
Mayor, City of Torrance

Date: ______________________

ATTEST:

__________________________
City Clerk

APPROVED AS TO FORM:

__________________________
City Attorney
The County of Los Angeles hereby approves the Joint Powers Agreement adopted by the South Bay Cities Council of Governments at the June 25, 2009 Board Meeting.

________________________
Chair, Los Angeles County Board of Supervisors

Date: ______________________

ATTEST:

________________________
Clerk of the Board

APPROVED AS TO FORM:

________________________
County Counsel
EXHIBIT A

[List of Member Agencies]

Carson                                      Manhattan Beach
County of Los Angeles                      Palos Verdes Estates
El Segundo                                  Rancho Palos Verdes
Gardena                                     Redondo Beach
Hawthorne                                   Rolling Hills
Hermosa Beach                               Rolling Hills Estates
Inglewood                                   Torrance
Lawndale                                    
Lomita                                       
Los Angeles (15th Council District Representative)
**EXHIBIT B**

[List of Member Agencies in South Bay Corridor JPA]

<table>
<thead>
<tr>
<th>Carson</th>
<th>City of Los Angeles</th>
</tr>
</thead>
<tbody>
<tr>
<td>El Segundo</td>
<td>Manhattan Beach</td>
</tr>
<tr>
<td>Gardena</td>
<td>Palos Verdes Estates</td>
</tr>
<tr>
<td>Hawthorne</td>
<td>Rancho Palos Verdes</td>
</tr>
<tr>
<td>Hermosa Beach</td>
<td>Redondo Beach</td>
</tr>
<tr>
<td>Inglewood</td>
<td>Rolling Hills</td>
</tr>
<tr>
<td>Lawndale</td>
<td>Rolling Hills Estates</td>
</tr>
<tr>
<td>Lomita</td>
<td>Torrance</td>
</tr>
</tbody>
</table>
EXHIBIT C

[List of Eligible Public Entities]

Carson
El Segundo
Gardena
Hawthorne
Hermosa Beach
Inglewood
Lawndale
Lomita
Los Angeles (15th Council District Representative)

Manhattan Beach
Palos Verdes Estates
Rancho Palos Verdes
Redondo Beach
Rolling Hills
Rolling Hills Estates
Torrance
County of Los Angeles
AGENDA DESCRIPTION:

Consideration and possible action regarding the revision of Resolution No. 4601 updating the employer's contribution under the Public Employees' Medical and Hospital Care Act. for El Segundo Fire Fighters' Association. The revision is to correct a clerical error made on the original resolution and staff report. (Fiscal Impact: Included in adopted budget)

RECOMMENDED COUNCIL ACTION:

1) Adopt the required Resolution
2) Alternatively discuss and take other action related to this item.

ATTACHED SUPPORTING DOCUMENTS:

Proposed Resolution

FISCAL IMPACT: Included in Adopted Budget

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

ORIGINATED BY: Marcia Marion  
REVIEWED BY: Deborah Cullen, Director of Finance  
APPROVED BY: Jack Wayt, City Manager

BACKGROUND AND DISCUSSION:

Resolution 4601 passed on June 2, 2009 had a clerical error in Section 3. An incorrect amount was listed as the employer's contribution. That has since been corrected. CalPERS requires that the corrected Resolution be passed and re-submitted.
RESOLUTION NO. ________

A RESOLUTION FIXING THE EMPLOYER’S CONTRIBUTION UNDER THE PUBLIC EMPLOYEES’ MEDICAL AND HOSPITAL CARE ACT FOR THE EL SEGUNDO FIREFIGHTERS’ ASSOCIATION.

BE IT RESOLVED by the Council of the City of El Segundo as follows:

SECTION 1: The City Council finds as follows:

A. Government Code § 22892(a) provides that a local agency contracting under the Public Employees’ Medical and Hospital Care Act shall fix the amount of the employer’s contribution at an amount not less than the amount required under section 22825 of the Act, and

B. Government Code § 22892(c) provides that a contracting agency may fix the amount of the employer’s contribution for employees and the employer’s contribution for annuitants at different amounts provided that the monthly contribution for annuitants be annually increased by an amount not less than 5 percent of the monthly contribution for employees, until such time as the amounts are equal; and

C. The City of El Segundo (“employer”) is a local agency contracting under the Act for participation by members of the El Segundo Fire Fighters’ Association.

SECTION 2: The employer’s contribution for each employee is the amount necessary to pay the full cost of his/her enrollment, including the enrollment of his/her family members, in a health benefits plan up to a maximum of $1009.54 per month effective January 1, 2009.

SECTION 3: The employer’s contribution for each annuitant is the amount necessary to pay the full cost of his/her enrollment, including the enrollment of his/her family members, in a health benefits plan up to a maximum of $1009.54 per month effective January 1, 2009.

SECTION 4: The City Clerk is directed to certify the passage and adoption of this Resolution; enter same in the book of original Resolutions; and make a Minute of its adoption in the City’s records and in the Minutes of the meeting when it was adopted.

SECTION 5: This Resolution will become effective immediately upon adoption and will remain effective unless repealed or superseded.

PASSED, APPROVED AND ADOPTED this 4th day of August, 2009.

Kelly McDowell, Mayor of the City of El Segundo
ATTEST:

I, Cindy Mortesen, 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 Resolution No. _______ 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 August, 2009, and the same was so passed and adopted by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Cindy Mortesen, City Clerk

APPROVED AS TO FORM:
Mark D. Hensley, City Attorney

By: __________________________
   Karl H. Berger,
   Assistant City Attorney
AGENDA DESCRIPTION:
Consideration and possible action to review the water rate study, direct staff to commence the Proposition 218 protest procedures regarding potential increases to the City's water rates for FY 2009-2010 through FY 2014-2015 and set a public hearing to consider an ordinance increasing water rates and fees. (Fiscal Impact: $20,000 for ballot mailing, Potential Fiscal Impact = Approximately $3,640,000 loss in water revenue in FY 2009-2010 )

RECOMMENDED COUNCIL ACTION:
1. Present water rate study and proposed potable water rate increases.
2. Direct staff to implement the Proposition 218 protest ballot procedures for proposed potable water rate increases
3. Adopt resolution establishing procedures for mailing, handling and counting Proposition 218 protest ballots.
4. Set Public Hearing on October 6, 2009 for Council consideration of the proposed water rate increases.
5. Alternatively, discuss and take other action related to this item.

ATTACHED SUPPORTING DOCUMENTS:
Proposed notices and protest ballots
Proposed Resolution re Proposition 218 Procedures
Water Rate Study

FISCAL IMPACT: Budget Adjustment Required
Amount Requested: $20,000.00
Additional Appropriation: N/A
Account Number(s): 501-400-7102-6206

ORIGINATED BY: Maryam M. Jonas, Principal Engineer
REVIEWED BY: Dana Greenwood, Public Works Director
APPROVED BY: Jack Wayt, City Manager

BACKGROUND AND DISCUSSION:
The City of El Segundo’s existing water rates were established following a detailed study of the Water Enterprise’s historical financial information and the Capital Improvement Program recommended by the Water Master Plan. The existing rate structure has three components:
• Capacity charges to recover the fixed costs of the Water Enterprise, and maintain an emergency reserve

• Ascending four tier consumption charges

• Add on of $0.3056 per 100 cubic feet of recycled water served to the City of El Segundo’s customers by the West Basin Municipal Water District

On December 19, 2006, the City Council adopted Ordinance number 1403 which set forth the rate increases for residential and non-residential water services provided by the City. Ordinance number 1403 provided for four (4) increases to the City’s water rates to be implemented over four (4) years. To date, three of the increases have been implemented. The rates were set to eliminate the general fund subsidy of the Water Enterprise Fund; however, it limited the actual increases imposed by WBMWD to a maximum of 4.2 percent per year for water consumption charges. Revenue based on the currently established consumption charges cannot cover the cost of imported water. Presently, the purchase cost per unit (100 cubic feet) of potable water is higher than the highest tier of the City’s existing consumption charges. Additionally the existing readiness to serve charges can not generate the revenue required to cover the City’s operation and maintenance costs.

Proposed Rate Increases
The proposed rate increase will generate the necessary revenue for operations, maintenance, capital projects and the purchase of water from West Basin Municipal Water District (WBMWD). The proposed water rate is expected to generate $1,135,098.00 in 2009-2010 for Water Enterprise Fund which is separate from General Fund.

The proposed water rates are based upon actual consumption of water and meter capacity. A survey of current water bills shows that the average residential customer with a 1” meter pays about $46.68 monthly for potable water service. The following table uses this average to show the distribution for current and proposed rates:

<table>
<thead>
<tr>
<th></th>
<th>Current</th>
<th>Proposed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water Capacity Charge</td>
<td>$18.64</td>
<td>$23.11</td>
</tr>
<tr>
<td>Water Consumption Charge</td>
<td>$28.04</td>
<td>$41.62</td>
</tr>
<tr>
<td>Total - Monthly</td>
<td>$46.68</td>
<td>$64.73</td>
</tr>
<tr>
<td>Net Increase</td>
<td></td>
<td>$18.05</td>
</tr>
<tr>
<td>Increase Per Day (at 30 Days)</td>
<td></td>
<td>$0.60</td>
</tr>
</tbody>
</table>

The actual water bills will vary from month-to-month based on amount of water actually used.
### Recommended Capacity Charges (monthly)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>5/8&quot; x 3/4&quot; and 3/4&quot; Lifeline</td>
<td>$4.67</td>
<td>$5.79</td>
<td>$6.37</td>
<td>$7.01</td>
<td>$7.36</td>
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<td>1-1/2&quot;</td>
<td>$23.87</td>
<td>$29.60</td>
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<td>$35.81</td>
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<td>2&quot;</td>
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<td>$50.37</td>
<td>$55.41</td>
<td>$60.95</td>
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<td>3&quot;</td>
<td>$88.93</td>
<td>$110.27</td>
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<td>$193.75</td>
<td>$213.13</td>
<td>$234.44</td>
<td>$246.16</td>
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<td>6&quot;</td>
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<td>$430.96</td>
<td>$474.06</td>
<td>$521.46</td>
<td>$547.54</td>
<td>$574.91</td>
<td>$603.66</td>
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<tr>
<td>8&quot;</td>
<td>$609.27</td>
<td>$755.49</td>
<td>$831.04</td>
<td>$914.15</td>
<td>$959.86</td>
<td>$1,007.85</td>
<td>$1,058.24</td>
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<tr>
<td>10&quot;</td>
<td>$953.21</td>
<td>$1,181.98</td>
<td>$1,300.18</td>
<td>$1,430.20</td>
<td>$1,501.71</td>
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<td>12&quot;</td>
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<td>$1,701.89</td>
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<td>$6,296.35</td>
<td>$6,611.16</td>
</tr>
</tbody>
</table>

### Recommended Potable Water Consumption Charges*

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>0-2,000 cubic feet</td>
<td>$1.4533</td>
<td>$2.1800</td>
<td>$2.2716</td>
<td>$2.3670</td>
<td>$2.4664</td>
<td>$2.5700</td>
<td>$2.6779</td>
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<tr>
<td>2,001-5,000 cubic feet</td>
<td>$1.5988</td>
<td>$2.3982</td>
<td>$2.4989</td>
<td>$2.6039</td>
<td>$2.7132</td>
<td>$2.8272</td>
<td>$2.9459</td>
</tr>
<tr>
<td>5,001-10,000 cubic feet</td>
<td>$1.6786</td>
<td>$2.5179</td>
<td>$2.6237</td>
<td>$2.7338</td>
<td>$2.8487</td>
<td>$2.9683</td>
<td>$3.0930</td>
</tr>
<tr>
<td>Over 10,000 cubic feet</td>
<td>$1.7590</td>
<td>$2.6385</td>
<td>$2.7493</td>
<td>$2.8648</td>
<td>$2.9851</td>
<td>$3.1105</td>
<td>$3.2411</td>
</tr>
</tbody>
</table>

* Subject to higher adjustments per West Basin Municipal Water District increases that are passed through to the City based upon West Basin’s increased costs in operations and water purchase imposed after adoption of these rates.

### Recommended Potable Water Consumption Charges*-Lifeline

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>0-500 cubic feet</td>
<td>$0.7267</td>
<td>$1.0901</td>
<td>$1.1358</td>
<td>$1.1835</td>
<td>$1.2332</td>
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<td>501-2,000 cubic feet</td>
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<td>2,001-5,000 cubic feet</td>
<td>$1.5988</td>
<td>$2.3982</td>
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</tr>
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<td>5,001-10,000 cubic feet</td>
<td>$1.6786</td>
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<td>Over 10,000 cubic feet</td>
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<td>$3.1105</td>
<td>$3.2411</td>
</tr>
</tbody>
</table>

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**Recommended Fire Service Charges (Monthly)**

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<thead>
<tr>
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<tbody>
<tr>
<td>2&quot;</td>
<td>$39.90</td>
<td>$49.48</td>
<td>$54.42</td>
<td>$59.87</td>
<td>$62.86</td>
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<tr>
<td>10&quot;</td>
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<td>$299.37</td>
<td>$314.34</td>
<td>$330.06</td>
<td>$348.56</td>
</tr>
</tbody>
</table>

**Comparison with Other Agencies**

A comparison of water rates to those of surrounding agencies is provided in the table below. The proposed FY 2009-2010 water rates are well below average with only one (1) of fourteen agencies with lower rates.
Recycled Water
The City’s current agreement with WBMWD allows the City to charge only $0.3056 per 100 cubic feet (748 gallons) of recycled water sold to El Segundo customers on top of the actual cost of the water. The City’s Agreement with Chevron Products Company, allows the recycled water markup to be increases up to the same percentage increase it increases the potable water charges, rates or surcharges to other purchasers of potable water. The recycled water markup for Chevron Products Company for the FY 2009-2010 through FY 2014-2015 is shown in the table below:

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<tbody>
<tr>
<td>100 CF</td>
<td>0.3056</td>
<td>0.5614</td>
<td>0.5850</td>
<td>0.6096</td>
<td>0.6352</td>
<td>0.6618</td>
<td>0.6896</td>
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Proposition 218

In November 1995, the California electorate approved Proposition 218 that requires certain procedures be followed with regard to “property-related” fee increases imposed by governmental agencies. Initially, case law indicated that these procedures would not be applicable to water rate increases. However, a 2006 California Supreme Court decision held Proposition 218 fee increase procedures must be followed for any proposed increases to the City’s water rates. In short, water rate increases are subject to a “majority protest” process that provides that if a majority of the parcels in the City protest the proposed rate increase the City cannot impose the increase.

Just as there initially was some disagreement between lawyers and court decisions regarding which fees were subject to Proposition 218, there is currently a disagreement with respect to the protest ballot process. Specifically, there is a disagreement amongst attorneys that represent public agencies (and potentially between the language approved by the voters and some recent legislation) as to whether tenants that pay for fees covered by Proposition 218 must be afforded the opportunity to protest proposed fee increases. Last year the state legislature attempted to clarify this issue by passing legislation that on its face requires that tenants be afforded the opportunity to protest such fee increases. The City Attorney’s Office believes the legislation in not consistent with Proposition 218 and believes it is potentially invalid since the language in Proposition 218 stated that the notice regarding the protest process must be sent to the “record owner” and the owner was the person that had the right to file the protest.

Despite the City Attorney’s Office opinion on this matter, staff and the City Attorney agree that the most conservative approach is to send the protest ballots to the property owners and to the tenants to if the tenant is the water customer. The City is only required to count one protest per parcel. Accordingly, even if both the owner and tenant file a protest, only one protest shall be counted for purposes of determining whether there is a “majority protest” as described below.
Proposition 218 requires that the City provide all properties receiving the service for which the fee is charged (in this case, water treatment and distribution) with a minimum of 45 days written notice prior to Council holding a public hearing on a proposed rate increase. The property owners and now tenants have the ability to “protest” the proposed rate increase until 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 increase. If a majority of the parcels do not protest the proposed increase, the Council has the authority to implement the proposed rate increase.

In accordance with Proposition 218 requirements, several steps have been taken to comply with the law. Drafts of a Notice to Parcel Owners of a Proposed Rate Increase and a Notice of a Public Hearing set for October 6, 2009 at 7:00 p.m., and a Schedule of Proposed Water Rate Adjustments have been prepared and are attached for Council review and comment. The most current assessor’s parcel roll from the Los Angeles County Assessor’s office has been obtained and a direct mailing to each parcel owner within the City limits will be made. Additionally, to the extent a tenant rather than a property owner is the water customer, a protest notice will be sent to the tenant utilizing the water billing address that the City has on file. Staff is prepared to produce the required notices and mail out to all property owners by August 21, 2009.

Finally, staff is recommending that Council adopt the attached resolution for purposes of setting forth some rules and regulations regarding the process for distributing, processing and counting protest ballots. The rules and regulations are consistent with Proposition 218, legislation relating to Proposition 218 and the process outlined above. For example, it states who will be sent notices and ballots, which department at the City is responsible for receiving and storing the ballots, the process for counting the ballots, and a process by which replacement ballots may be requested.

**Potential Fiscal Impact**

Staff believes that the proposed rates increases will result in the water operation becoming self-sustaining so that the City’s general fund will not have to subsidize operations. Under present approved proposition 218 rate increases, it is estimated that the water enterprise fund will have a loss of $2,040,405 for operation costs during FY 2009-2010. Adding the repair of the 3.1 million gallon (MG) circular reservoir, the potential negative impact to the water enterprise fund will be $3,325,000. The repair of the 3.1 MG tank was recommended after the completion of the seismic vulnerability evaluation. That study recommended the replacement of the roof sheathing and strengthening walls of the reservoir with reinforced concrete. The total cost of this project is estimated at $1,600,000. This will increase the potential revenue loss to the Water Enterprise fund in FY 2009-2010 to $3,640,000.
July 24, 2009

IMPORTANT NOTICE TO PARCEL OWNERS
REGARDING PROPOSED INCREASES IN WATER RATE CHARGES AND
NOTICE OF PUBLIC HEARING ON October 6, 2009

Dear City of El Segundo Property Owner/Water Customer:

TAKE NOTICE that on October 6, 2009, at 7:30 pm., the City Council will conduct a Public Hearing at the Council Chambers, 350 Main Street, El Segundo, California to consider proposed water service rate increases associated with providing water services to property located in the City of El Segundo. Increases are proposed to pay for increases in the City’s costs to acquire water from other agencies, to provide water and services to properties located within the City, and to meet the regulatory obligations imposed by the State of California Department of Public Health (DPH) and the U.S. Environmental Protection Agency (EPA).

A recently completed water rate study proposed a multi-year rate schedule to adjust water rates in an effort to offset the City’s cost of providing these services. The FY 2009-2010 increase is proposed to be implemented on December 1, 2009. FY 2010-2011, FY 2011-2012, FY 2012-2013, FY 2013-2014, FY 2014-2015 rate increases are proposed for implementation on October 1 of each year.

Complete copies of the water study, entitled ”City of El Segundo Water Rate Study” dated July 2009 are available at City of El Segundo City Hall, 350 Main Street in the City Clerk’s office.

The proposed new rates are provided on the enclosed “Schedule of Proposed Service Charge Increases.” Review these to determine how your specific parcel would be affected. Customers are encouraged to review water use history found on prior utility bills. Charges are based upon a combination of meter size, and actual usage. If you have any questions on the proposed increase please call (310) 524-2742 for assistance. Any adjustment shown, if enacted, will take effect no earlier than December 1, 2009.

IMPORTANT INFORMATION: If you oppose an increase to your water service charges and wish to protest this action you must do so in writing before the close of the public hearing on October 6, 2009. If you do not oppose an increase, no response is necessary. A majority protest exists if, at the end of the Public Hearing, there are valid written protests submitted by owners of a majority of the properties subject to the fee increases. A majority protest will result in the fee increase not being imposed. Note that no more than one protest per parcel may be submitted. If you want more information, please contact the City’s Water Division at (310) 524-2742.

Provided is a WATER RATE INCREASE PROTEST BALLOT. If you wish to protest implementation of the multi-year water rate increases, you should 1) check the box on the ballot indicating that you protest the proposed service charge increases, 2) print and sign your name on the lines provided, 3) cut or tear off the form where indicated, 4) deliver the signed form to the City Clerk before the close of the public hearing on October 6, 2009 by one of the following methods: U.S. mail addressed to City Clerk/Water Rates, City of El Segundo, 350 Main Street, El Segundo, CA 90245 or hand deliver to the City Clerk’s office at the same address.
WATER RATE INCREASE PROTEST BALLOT

☐ I protest the proposed water service charge increases for FY 2009-2010 through 2014-2015.

Print Legibly – Full Name ___________________________ Signature ___________________________

I own the property at ___________________________ Address ___________________________

I am a water customer at ___________________________ Address ___________________________

Return to: City Clerk/Water Rates, City of El Segundo, 350 Main Street, El Segundo CA 90245 before close of the public hearing to be conducted by the City Council on October 6, 2009

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RESOLUTION NO. ______

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL SEGUNDO ESTABLISHING PROCEDURES FOR INCREASING WATER AND WASTEWATER FEES IN ACCORDANCE WITH THE REQUIREMENTS OF PROPOSITION 218

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

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

A. On July 24, 2006 the California Supreme Court confirmed that charges for water and wastewater services are subject to Proposition 218 procedures (Bighorn-Desert View Water Agency v. Verjil (2006) 39 Cal.4th 205);

B. The City Council anticipates that there will be future increases in water, and wastewater rates. Adopting the policies and procedures set forth in this Resolution will help implement the requirements set forth in Article XIIIID of the California Constitution and help ensure that the rights of those persons that are authorized to protest service charges are preserved;

C. Elections Code § 4000(c)(9) provides that any protest ballot proceeding required or authorized by California Constitution Articles XIIIC or XIIIID may be conducted wholly by mail. In the event a protest ballot process is required, the City Council seeks to achieve higher awareness of those affected by the proposed increase, provide an orderly protest process for both those receiving the ballots and the City, insure to the extent practicable that there is some verification process regarding the protests received, and to reduce the costs of the protest ballot process; and

D. Adopting this Resolution is in the public interest for the reasons set forth above and as further stated within Article XIIIID and the Proposition 218 and state legislation relating to the implementation of Proposition 218.

SECTION 2: The City Council adopts the procedures set forth in this Resolution for conducting all proceedings required by California Constitution Article XIIIID for utility fee (as defined below) increases. Where no specific procedures are imposed by Article XIIIID or the Proposition 218 Omnibus Implementation Act (Government Code §§ 53750, et seq.), the procedures set forth in this Resolution apply. This Resolution may be referred to as the “Proposition 218 Protest Proceedings Resolution.”

SECTION 3: Definitions. Unless the contrary is stated or clearly appears from the context, the following definitions govern the construction of the words and phrases used in this Resolution. Words and phrases not defined by this chapter will have the meaning set forth in California Constitution Article XIIIID or the Proposition 218 Omnibus
Implementation Act.

A. "Act" means the Proposition 218 Omnibus Implementation Act found at Government Code §§ 53750, et seq.;

B. "Article 13D" means California Constitution Article XIIIID, § 6;

C. "Manager" means the City Manager or designee;

D. "Property owner" has the same meaning set forth in Article 13D and also pursuant to the Act includes tenancies of real property where tenants are directly liable to pay the proposed water or wastewater fee or charge;

E. "Protest" means a written protest filed with the City Clerk in accordance with Article 13D, the Act, and this Resolution as described in Article 13D, § 6(a)(2);

F. "Utility fee" means a fee or charge imposed for water or wastewater services provided to customers in accordance with the El Segundo Municipal Code ("ESMC"), and other applicable law, by the City of El Segundo;

SECTION 4. Administration of Proceedings. The City Manager, or designee, is authorized to implement this Resolution in a manner consistent with the California Constitution and other applicable law.

SECTION 5. Notice. Notice of a proposed utility fee increase is provided as follows:

A. In general, the City will identify the record property owner(s) of each parcel to which the utility fee would be applied from it’s billing system database and/or the latest equalized tax roll produced by Los Angeles County. The City’s Utility Billing database and the equalized tax roll is presumptive evidence of ownership of the land for voting purposes.

B. If either the City’s Utility Billing Database or Los Angeles County Recorder’s website shows that more than one property owner has an interest in a parcel, all property owners (each property owner) must receive notice at the address shown for the property owner. Both property owners and parties financially responsible for paying the fee will be provided notice.

C. The notice must be sent by first class mail at least forty-five (45) days before the date set for the public hearing on the utility fee.

D. The form of the notice of hearing will be approved by the City Council and be on file with the City Clerk.
E. The notice provided by these procedures, in accordance with Article 13D, supersedes and is in lieu of notice required by any other statutes to levy or increase a utility fee.

F. The City Clerk, or designee, may certify the proper mailing of notices by an affidavit which constitutes conclusive proof of mailing in the absence of fraud.

G. Failure of any person to receive notice does not invalidate the proceedings.

SECTION 6. Protests against Utility Fee Increases.

A. The property owner(s) of parcels subject to the proposed fee increase are entitled to a single protest for each parcel. When a parcel is held as community property or in joint tenancy or as a tenancy in common, any spouse or joint tenant or tenant in common is presumed to have authority to cast a protest on behalf of such parcel.

B. If the owner(s) of the property desire to designate a particular owner as the person authorized to cast the protest for such parcel, they may file with the City Clerk, at any time before the commencement of the public hearing or the date of the election, as the case may be, a written authorization of such designation, signed by all the owners of record, and acknowledged in the manner that deeds of real property are required to be acknowledged to entitle such deeds to be recorded in the Los Angeles County Recorder's Office.

C. Executors, administrators, and guardians may cast a protest on behalf of the estate represented by them. If such representatives are shown on the latest assessment roll as paying taxes and assessments on behalf of the property owner(s), that fact establishes the right of such representative(s) to cast a protest. If such representatives are not shown on the latest assessment roll, the representatives may file with the City Clerk, at any time before the commencement of the public hearing, or the date of the election, as the case may be, certified copies of the written documentation establishing the legal representation.

D. The protest of any public or quasi-public corporation, private corporation, or unincorporated association may be signed by any person so authorized in writing by the board of directors or trustees or other managing body thereof.

E. The Manager is designated as the voting representative with respect to City-owned property.
F. In any case where the documentation provided to the City Clerk in is ambiguous or unclear, the City Attorney will determine whether the documentation is adequate for the purpose provided.

G. In the event a property owner loses or misplaces a protest ballot, upon request by the property owner, the City will send by first class mail a replacement protest ballot unless a properly filled out protest ballot has already been received for the parcel of property.

SECTION 7. Public Hearing.

A. Only protest ballots that (i) were provided by the City to the property owner in the form approved by the Council and (ii) are properly filled out and legibly signed by an eligible property owner is made will be counted as a valid protest. Only one protest shall be counted for each parcel of property regardless of the number of protests filed by property owners for the parcel.

B. The City Clerk must stamp each written protest the date and time it is filed with the City Clerk for purposes of establishing whether the protest was filed before the close of the public testimony portion of the public hearing. No protest received after the close of the public testimony portion of the public hearing can be counted in determining the amount of protest, but the Council may, in its discretion, consider such protests in making its decision. Written protests may be withdrawn in writing at any time before the conclusion of the public testimony portion of the public hearing.

C. At the time and place fixed for the hearing, or at any time to which the hearing is adjourned, the Council must:

1. Hear all persons interested in the matter of the proposed fee increase;

2. Hear all objections, protests or other written communications from any owner of property subject to the proposed utility fee; and

3. Take and receive oral and documentary evidence pertaining to the proposed fee increase.

4. The hearing may be continued from time to time, as the Council determines necessary to complete its consideration of the proposed fee increase.
5. If the Council determines, at the close of the public testimony portion of the public hearing, that votes were received from property owners representing a majority of the parcels subject to the proposed fee increase, the Council shall adopt a resolution setting forth the results of the protest ballot process and the proceedings shall then be closed and the utility fee cannot be approved by the City Council.

6. If the Council determines at the close of the public testimony portion of the public hearing that written protests were not received from property owners representing a majority of the parcels subject to the proposed utility fee, the Council shall adopt a resolution setting forth the results of the protest ballot process and then may by Ordinance change the utility fee so long as in an amount that does exceed the amount and methodology set forth in the public notices sent to the property owners.

SECTION 8. Environmental Review. This Resolution is exempt from review under the California Environmental Quality Act (California Public Resources Code §§ 21000, et seq., “CEQA”) and CEQA regulations (14 California Code of Regulations §§ 15000, et seq.,) because it establishes rules and procedures to implement government funding mechanisms; does not involve any commitment to a specific project which could result in a potentially significant physical impact on the environment; and constitutes an organizational or administrative activity that will not result in direct or indirect physical changes in the environment. Accordingly, this Resolution does not constitute a “project” that requires environmental review (see specifically 14 CCR § 15378(b)(4-5)).

SECTION 9. If any part of this Resolution 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 Resolution are severable.

SECTION 10. Repeal of any provision of the El Segundo Municipal Code, or other Resolution, does not affect any penalty, forfeiture, or liability incurred before, or preclude prosecution and imposition of penalties for any violation occurring before this Resolution’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 Resolution.

SECTION 11. The City Clerk is directed to certify the passage and adoption of this Resolution; and cause it to be entered into the City of El Segundo’s book of original Resolutions.
This Resolution will take effect immediately day following its final passage and adoption.

PASSED AND ADOPTED this ______ day of ____________, 2009.

__________________________
Kelly McDowell, Mayor

ATTEST:

__________________________
Cindy Mortesen, City Clerk

APPROVED AS TO FORM

__________________________
Mark Hensley, City Attorney
Schedule of Proposed Service Charge Increases

Water Rates

Customers are charged for water service through two water service charges as follows:

1. **Water Consumption Charge**: The Water Consumption Charge covers the City’s cost to purchase water from the West Basin Municipal Water District (WBMWD) through the Tier 1 of the rate structure. WBMWD charged $520 per acre foot for Tier 1 potable water to the City in 2004. The current rate charged by the WBMWD is $689 per acre foot, which includes $110 per acre foot above the rate charged by Metropolitan Water District of Southern California (MWD) (32.5% increase over 2004 rate). MWD is scheduled to increase the Tier 1 rate from $579 to $701 in September 2009 (21% increase). WBMWD will add an additional $140 per acre foot. The City’s cost for Tier 1 rate will be $841 per acre foot as of September 2009. This is an increase of 61.4% over the existing water rate established in 2004. Therefore, significant increase is needed to cover the cost of purchased potable water. The proposed rates indicated for years 2009-2010 through 2014-2015 account for anticipated WBMWD rate increases in those years based on WBMWD projections. The City proposes to increase or decrease Water Consumption Charges at the same percentage as increases or decreases implemented by WBMWD. The proposed Water Consumption Charges shown in the following tables reflect the changes that could be charged in the corresponding year.

2. **Capacity Charges**: The capacity charge covers the City’s cost to operate and maintain the water system including, but not limited to, labor, administrative charges, and insurance and . These charges are flat fees based on meter size.

The following tables indicate existing and proposed water rates:

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<tbody>
<tr>
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<td>$2.1800</td>
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<tbody>
<tr>
<td>5/8&quot; x 3/4&quot; and 3/4&quot; Lifeline</td>
<td>$4.67</td>
<td>$5.79</td>
<td>$6.37</td>
<td>$7.01</td>
<td>$7.36</td>
<td>$7.73</td>
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<td>1&quot; Lifeline</td>
<td>$18.64</td>
<td>$23.11</td>
<td>$25.42</td>
<td>$27.97</td>
<td>$29.37</td>
<td>$30.83</td>
<td>$32.38</td>
</tr>
<tr>
<td>1-1/2&quot;</td>
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### Recommended Fire Service Charges (Monthly)

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Recycled Water
The City's current agreement with WBMWD allows the City to charge only $0.3056 per 100 cubic feet (748 gallons) of recycled water sold to El Segundo customers on top of the actual cost of the water. Accordingly, the current recycled water rate shall be increased based upon pass through rate increases in accordance with rates set by WBMWD. The City's Agreement with Chevron Products Company, allows the recycled water markup to be increases up to the same percentage increase it increases the potable water charges, rates or surcharges to other purchasers of potable water. The recycled water markup for Chevron Products Company for the FY 2009-2010 through FY 2014-2015 is shown in the table below:

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AGENDA DESCRIPTION:
Consideration and possible action regarding a staff analysis of potential revenue impacts to the City due to the recently passed State budget. (Fiscal Impact: General Fund ($1,024,446) State Gas Tax Fund ($276,818)

RECOMMENDED COUNCIL ACTION:
1) Receive and file
2) Alternatively discuss and take other action related to this item.

ATTACHED SUPPORTING DOCUMENTS:
None

ORIGINATED BY: Deborah Cullen, Director of Finance
REVIEWS BY:
APPROVED BY: Jack Wayt, City Manager

BACKGROUND AND DISCUSSION:
On Tuesday, July 28, 2009, the Governor signed a package of bills to balance the State's budget, which should allow the State to stop issuing IOUs instead of paying bills and to prepare for a crucial sale of short-term debt. The State budget includes the suspension of Proposition 1A which will directly impact the City of El Segundo by reducing the FY 2009-2010 property tax payments by 8%.

The budget bill directs county auditors to reduce 2009-10 property tax allocations to cities, counties, and special districts by 8% of the total property tax revenues received by each agency in 2008-09 (excluding debt levies). The base for this calculation includes all revenue allocated from the 1-percent tax rate to each local agency, including Vehicle License Fee in-lieu property tax payments and the "Triple-Flip" quarter-cent local sales tax in-lieu payments. The bill also provides for repayment of local agencies for the reductions, plus interest, by June 30, 2013, in accordance with the provisions of Proposition 1A of 2004 (Article 25.5 of the California Constitution). The current estimated amount for the City of El Segundo is $863,446 although this amount might be revised.

Proposition 1A was passed in the state of California on the November 2, 2004. The proposition is intended to protect revenues collected by local governments (cities, counties, and special districts) from being transferred to the California State government for statewide use and the Legislature may temporarily suspend Proposition 1A under certain very restrictive conditions.
The Legislature may “borrow” not more than 8 percent of the total property tax revenues if:

1. The Governor issues a proclamation of “severe financial hardship”;
2. The Legislature enacts an urgency statute suspending Prop 1A property tax protection with two-thirds’ vote of each house; and
3. The Legislature enacts a law providing for full repayment of the “borrowed funds” plus interest within three years.

The Legislature may not enact such a suspension more than twice in any 10-year period and may only do so if any previous borrowing under this provision has been repaid.

Although the proposal to take Highway Users Tax Account (HUTA) State Gas Tax revenue failed, a separate bill was passed that delays the allocations of HUTA Gas Tax and Proposition 42 payments. The current estimated City revenues for FY 2009-2010 from the State Gas Tax is $276,818 and Proposition 42 revenue is $161,000. Proposition 42 revenue is allocated to the General Fund and State Gas Tax is in a special revenue fund. The legislation provides that the October 2009 and January 2010 quarterly Proposition 42 payments will be deferred and paid by May 31, 2010. The legislation also deferred the July through December 2009 HUTA Gas Tax payments but does not specify a payment date. This is still a pending issue.