



**CITY OF WEST COVINA**

**CITY COUNCIL/SUCCESSOR AGENCY**

**JUNE 20, 2023, 7:00 PM  
REGULAR MEETING**

**CITY HALL COUNCIL CHAMBERS  
1444 W. GARVEY AVENUE SOUTH  
WEST COVINA, CALIFORNIA 91790**

**Mayor Rosario Diaz  
Mayor Pro Tem Brian Tabatabai  
Councilman Tony Wu  
Councilwoman Letty Lopez-Viado  
Councilman Ollie Cantos**

*Please turn off all cell phones and other electronic devices prior to entering the Council Chambers*

***AMERICANS WITH DISABILITIES ACT***

The City complies with the Americans with Disabilities Act (ADA). If you will need special assistance at Council meetings, please call (626) 939-8433 (voice) or (626) 960-4422 (TTY) from 8 to 5 Monday through Thursday. Do call at least one day prior to the meeting date to inform us of your particular needs and to determine if accommodation is possible. For sign language interpreter services at Council meetings, please request no less than four working days prior to the meeting.

***AGENDA MATERIAL***

Agenda material is available for review at the City Clerk's Office, Room 317 in City Hall, 1444 W. Garvey Avenue South, West Covina and at [www.westcovina.org](http://www.westcovina.org). Any writings or documents regarding any item on this agenda, not exempt from public disclosure, provided to a majority of the City Council that is distributed less than 72 hours before the meeting, will be made available for public inspection in the City Clerk's Office, Room 317 of City Hall located at 1444 W. Garvey Avenue South, West Covina, during normal business hours.

***NOTICE***

The City Council will regularly convene on the first and third Tuesday of the month. The West Covina Community Development Commission, West Covina Public Financing Authority and the West Covina Community Services Foundation are agencies on which the City Council serves as members. Agendas may contain items for these boards, as necessary.

**PUBLIC COMMENTS  
ADDRESSING THE CITY COUNCIL  
(Per WCMC 2-48, Ordinance No. 2150)**

**Any person wishing to address the City Council on any matter listed on the agenda or on any other matter within their jurisdiction should complete a speaker card that is provided at the entrance to the Council Chambers and submit the card to the City Clerk.**

***Please identify on the speaker card whether you are speaking on an agenda item or non-agenda. Requests to speak on agenda items will be heard prior to requests to speak on non-agenda items. All comments are limited to five (5) minutes per speaker.***

**Oral Communications may be limited to thirty (30) minutes, unless speakers addressing agenda items have not concluded.**

**Any testimony or comments regarding a matter set for a Public Hearing will be heard during the hearing.**

***RULES OF DECORUM***

Excerpts from the West Covina Municipal Code and Penal Code pertaining to the Rules of Decorum will be found at the end of agenda.

# **AGENDA**

## **CITY OF WEST COVINA CITY COUNCIL/SUCCESSOR AGENCY**

**TUESDAY JUNE 20, 2023, 7:00 PM  
REGULAR MEETING**

### **INVOCATION**

Led by Pastor Samuel Martinez from Amazing Love Ministries

### **PLEDGE OF ALLEGIANCE**

Led by Mayor Pro Tem Tabatabai

### **ROLL CALL**

### **REPORTING OUT FROM CLOSED SESSION**

### **PRESENTATIONS**

- Proclamation Raising Awareness About Elder Abuse
- Certificate of Appreciation Recognizing Miss Isabel Fulmer the 2023 Junior Teen San Gabriel Valley,

### **ORAL COMMUNICATIONS - Five (5) minutes per speaker**

*Please step forward to the podium and state your name and city of residence for the record when recognized by the Mayor.*

### **CITY MANAGER'S REPORT**

*City Manager's report on current City projects.*

### **CONSENT CALENDAR**

*All matters listed under CONSENT CALENDAR are considered to be routine and can be acted on by one roll call vote. There will be no separate discussion of these items unless members of the City Council/Community Development Commission request specific items to be removed from the Consent Calendar for separate discussion or action.*

### **APPROVAL OF MEETING MINUTES**

- 1) **CONSIDERATION OF APPROVAL OF THE JUNE 6, 2023, CITY COUNCIL/SUCCESSOR AGENCY REGULAR SESSION MEETING MINUTES AND THE JUNE 6, 2023, CITY COUNCIL/SUCCESSOR AGENCY REGULAR CLOSED SESSION MEETING MINUTES.  
CONSIDERATION OF APPROVAL OF THE JUNE 6, 2023, CITY COUNCIL/SUCCESSOR AGENCY REGULAR SESSION MEETING MINUTES AND THE JUNE 6, 2023, CITY COUNCIL/SUCCESSOR AGENCY REGULAR CLOSED SESSION MEETING MINUTES.**

### **COMMUNITY DEVELOPMENT**

- 2) **RENEWAL OF THE CITYWIDE LIGHTING AND MAINTENANCE DISTRICT AND  
PRELIMINARY APPROVAL OF THE ENGINEER'S REPORT**

Staff recommends that City Council take the following actions:

1. Adopt the following resolution:

**RESOLUTION NO. 2023-38 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, ORDERING THE PREPARATION AND FILING OF A REPORT REGARDING THE FISCAL YEAR 2023-24 ASSESSMENT TO BE LEVIED IN CONNECTION WITH THE CITY'S CITYWIDE LIGHTING AND MAINTENANCE DISTRICT**

2. Following adoption of Resolution No. 2023-38, adopt the following resolution:

**RESOLUTION NO. 2023-39 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, PRELIMINARILY APPROVING THE ENGINEER'S REPORT FOR THE CITY'S CITYWIDE LIGHTING AND MAINTENANCE DISTRICT, DECLARING ITS INTENTION TO LEVY AND COLLECT ASSESSMENTS WITHIN SAID DISTRICT FOR FISCAL YEAR 2023-24 AND SETTING A PUBLIC HEARING REGARDING SUCH ASSESSMENTS**

**3) CONSIDERATION OF APPROVAL OF PURCHASE ORDER THROUGH COOPERATIVE PURCHASING AGREEMENT TO MUSCO SPORTS LIGHTING, LLC TO PROCURE LIGHTING EQUIPMENT FOR CORTEZ PARK - PROJECT NO. 22016**

It is recommended that the City Council take the following actions:

1. Authorize the Acting City Manager to issue a purchase order to Musco Sports Lighting, LLC for \$431,430, for direct purchasing of new lighting equipment at Cortez Park through Sourcewell Contract #071619-MSL; and
2. Authorize 25% of the purchase order amount as contingency allowance to be used, if necessary, with the Acting City Manager's approval, for unforeseen conditions.

**4) CONSIDERATION OF RENEWAL OF LANDSCAPE MAINTENANCE DISTRICTS NOS. 4, 6 & 7 — ORDERING OF AND PRELIMINARY APPROVAL OF THE CONSOLIDATED ENGINEER'S REPORT**

It is recommended that the City Council take the following actions:

1. Adopt the following resolution(s):

**RESOLUTION NO. 2023-31 — A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, ORDERING THE PREPARATION AND FILING OF A REPORT REGARDING THE FISCAL YEAR 2023-24 ASSESSMENT TO BE LEVIED IN CONNECTION WITH LANDSCAPE MAINTENANCE DISTRICT NO. 4**

**RESOLUTION NO. 2023-33 — A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, ORDERING THE PREPARATION AND FILING OF A REPORT REGARDING THE FISCAL YEAR 2023-24 ASSESSMENT TO BE LEVIED IN CONNECTION WITH LANDSCAPE MAINTENANCE DISTRICT NO. 6**

**RESOLUTION NO. 2023-35 — A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, ORDERING THE PREPARATION AND FILING OF A REPORT REGARDING THE FISCAL YEAR 2023-24 ASSESSMENT TO BE LEVIED IN CONNECTION WITH LANDSCAPE MAINTENANCE DISTRICT NO. 7**

2. Following adoption of Resolution No. 2023-31, 33, 35, adopt the following resolution(s):

**RESOLUTION NO. 2023-32 -- A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, PRELIMINARILY APPROVING THE ENGINEER'S**

**REPORT FOR LANDSCAPE MAINTENANCE DISTRICT NO. 4, DECLARING ITS INTENTION TO LEVY AND COLLECT ASSESSMENTS WITHIN SAID DISTRICTS FOR FISCAL YEAR 2023-24 AND SETTING A PUBLIC HEARING REGARDING SUCH ASSESSMENTS**

**RESOLUTION NO. 2023-34 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, PRELIMINARILY APPROVING THE ENGINEER’S REPORT FOR LANDSCAPE MAINTENANCE DISTRICT NO. 6, DECLARING ITS INTENTION TO LEVY AND COLLECT ASSESSMENTS WITHIN SAID DISTRICTS FOR FISCAL YEAR 2023-24 AND SETTING A PUBLIC HEARING REGARDING SUCH ASSESSMENTS**

**RESOLUTION NO. 2023-36 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, PRELIMINARILY APPROVING THE ENGINEER’S REPORT FOR LANDSCAPE MAINTENANCE DISTRICT NO. 7, DECLARING ITS INTENTION TO LEVY AND COLLECT ASSESSMENTS WITHIN SAID DISTRICTS FOR FISCAL YEAR 2023-24 AND SETTING A PUBLIC HEARING REGARDING SUCH ASSESSMENTS**

**5) WEST COVINA CITYWIDE SEWER SERVICE CHARGE SETTING A PUBLIC HEARING DATE ON THE METHOD OF COLLECTION**

It is recommended that the City Council adopt the following resolution:

**RESOLUTION NO. 2023-43 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, DECLARING ITS INTENTION TO COLLECT THE CITYWIDE SEWER SERVICE CHARGE ON THE COUNTY TAX ROLL FOR FISCAL YEAR 2023-24 AND SETTING JULY 18, 2023 FOR A PUBLIC HEARING REGARDING THE CHARGE TO BE SO COLLECTED**

**6) CONSIDERATION OF FISCAL YEAR 2023-24 ASSESSMENT RATE FOR WEST COVINA LANDSCAPE MAINTENANCE DISTRICT NOS. 1 & 2**

It is recommended that the City Council adopt the following resolutions:

**RESOLUTION NO. 2023-29 —A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA SETTING THE ASSESSMENT RATE FOR WEST COVINA LANDSCAPE MAINTENANCE DISTRICT NO. 1 FOR THE FISCAL YEAR BEGINNING JULY 1, 2023.**

**RESOLUTION NO. 2023-30 — A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA SETTING THE ASSESSMENT RATE FOR WEST COVINA LANDSCAPE MAINTENANCE DISTRICT NO. 2 FOR THE FISCAL YEAR BEGINNING JULY 1, 2023.**

**7) CONSIDERATION OF LIST OF FISCAL YEAR 2023-2024 PROJECTS FUNDED BY SENATE BILL 1: THE ROAD REPAIR AND ACCOUNTABILITY ACT OF 2017**

It is recommended that the City Council adopt the following resolution:

**RESOLUTION NO. 2023-53- A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, APPROVING A LIST OF FISCAL YEAR 2023-2024 PROJECTS FUNDED BY SENATE BILL 1: THE ROAD REPAIR AND ACCOUNTABILITY ACT OF 2017**



**8) CONSIDERATION OF A RESOLUTION OF INTENTION TO LEVY ASSESSMENTS FOR THE AUTO PLAZA BUSINESS IMPROVEMENT DISTRICT**

It is recommended that the City Council:

1. Approve the Annual Report for the West Covina Auto Plaza Business Improvement District.
2. Adopt the following resolution:

**RESOLUTION NO. 2023-46 - A RESOLUTION OF INTENTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, DECLARING ITS INTENTION TO LEVY AN ASSESSMENT WITHIN THE BUSINESS IMPROVEMENT AREA KNOWN AS THE WEST COVINA AUTO PLAZA BUSINESS IMPROVEMENT DISTRICT FOR FISCAL YEAR 2023-24 AND SETTING THE TIME AND PLACE FOR A PUBLIC HEARING THEREON**

**FIRE DEPARTMENT**

**9) CONSIDERATION OF PARTICIPATION IN THE PUBLIC PROVIDER GROUND EMERGENCY MEDICAL TRANSPORT PROGRAM AND CONTINUED PARTICIPATION IN THE GROUND EMERGENCY MEDICAL TRANSPORT PROGRAM AND QUALITY ASSURANCE FEE PROGRAM**

It is recommended that the City Council:

1. Authorize participation in the Public Provider-Ground Emergency Medical Transport Intergovernmental Transfer (PP-GEMT IGT) Program;
2. Authorize continued participation in the Ground Emergency Medical Transport (GEMT) and Quality Assurance Fee (QAF) programs;
3. Authorize the City Manager to execute any documents necessary in connection with participation in the GEMT and QAF programs, in such form as approved by the City Attorney; and
4. Ratify the Department of Healthcare Services Public Provider Intergovernmental Transfer Program for Ground Emergency Medical Transportation Services Certification Form for State Calendar Year 2023 executed by the Acting City Manager on June 5, 2023 in the amount of \$197,220.05; and
5. Authorize the City Manager to execute any documents necessary in connection with participation in the PP-GEMT IGT Program, in such form as approved by the City Attorney; and
6. Authorize the City Manager to approve payments and accept reimbursements related to participation in the GEMT, QAF, and PP-GEMT IGT programs.

**HUMAN RESOURCES/RISK MANAGEMENT**

**10) CONSIDERATION OF RESOLUTION APPOINTING THE CITY OF WEST COVINA'S PRIMARY REPRESENTATIVE AND ALTERNATE REPRESENTATIVE TO THE BIG INDEPENDENT CITIES EXCESS POOL (BICEP) BOARD OF DIRECTORS**

It is recommended that the City Council adopt the following resolution:

**RESOLUTION NO. 2023-54 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, APPOINTING A PRIMARY REPRESENTATIVE AND AN ALTERNATE REPRESENTATIVE TO THE BIG INDEPENDENT CITIES EXCESS POOL (BICEP) BOARD OF DIRECTORS**

**POLICE DEPARTMENT**

**11) ANNUAL MILITARY EQUIPMENT REPORT (AB 481)**

It is recommended that the City Council receive and file the annual military equipment report.

**PUBLIC SERVICES**

**12) CONSIDERATION OF ADDITIONAL FUNDING FOR VEHICLE REPAIRS AND FUEL**

It is recommended that the City Council approve the following resolution:

**RESOLUTION NO. 2023-49 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, ADOPTING A BUDGET AMENDMENT FOR THE FISCAL YEAR COMMENCING JULY 1, 2022 AND ENDING JUNE 30, 2023 (FLEET MAINTENANCE)**

**END OF CONSENT CALENDAR**

**MAYOR/COUNCILMEMBERS REPORTS**

AB 1234 Conference and Meeting Report (verbal, if any)

*(In accordance with AB 1234, Councilmembers shall make a brief report or file a written report on any meeting/event/conference attended at City expense.)*

**CITY COUNCIL REQUESTS FOR REPORTS, STUDIES OR INVESTIGATION**

*(Per City of West Covina Standing Rules 4.f - Requests for reports, studies, or investigations that are not readily available must be placed on the City Council/Successor Agency agenda as items of business and must be approved by a majority of the City Council/Successor Agency Board.)*

**CITY COUNCIL COMMENTS**

**ADJOURNMENT**

**Next Tentative City Council Meeting**

Regular Meeting

July 18, 2023

7:00 PM

**RULES OF DECORUM**

*The following are excerpts from the West Covina Municipal Code:*

Sec. 2-48. Manner of addressing council; time limit; persons addressing may be sworn.

- a. Each person addressing the council shall step up to the rostrum, shall give his or her name and city of residence in an audible tone of voice for the record and unless further time is granted by the council, shall limit his or her address to five (5) minutes.
- b. The city council may establish a limit on the duration of oral communications.
- c. All remarks shall be addressed to the council as a body and not to any member thereof. No person, other than the council and the person having the floor, shall be permitted to enter into any discussion, either directly or through a member of the council, without the permission of the presiding officer. No question shall be asked of a councilmember except through the presiding officer.
- d. The presiding officer may require any person to be sworn as a witness before addressing the council on any subject. Any such person who, having taken an oath that he or she will testify truthfully, willfully and contrary to such oath states as true any material matter which he knows to be false may be held to answer criminally and subject to the penalty prescribed for perjury by the provisions of the Penal Code of the state.

Sec. 2-50. Decorum--Required.

- a. While the council is in session, the members shall preserve order and decorum, and a member shall neither, by conversation or otherwise, delay or disrupt the proceedings or the peace of the council nor interrupt any member while speaking or refuse to obey the orders of the council or its presiding officer, except as otherwise herein provided.
- b. Members of the public shall not willfully disrupt the meeting or act in a manner that actually impairs the orderly conduct of the meeting. For the purposes of this code, "willfully disrupt" includes, but is not limited to, continuing to do any of the following after being warned

by the Mayor that continuing to do so will be a violation of the law:

- a. Addressing the Mayor and City Council without first being recognized.
- b. Persisting in addressing a subject or subjects, other than that before the Mayor and City Council.
- c. Repetitiously addressing the same subject.
- d. Failing to relinquish the podium when directed to do so.
- e. From the audience, interrupting or attempting to interrupt, a speaker, the Mayor, a council member, or a staff member or shouting or attempting to shout over a speaker, the Mayor, a council member or a staff member.
- f. As a speaker, interrupting or attempting to interrupt the Mayor, a council member, or a staff member, or shouting over or attempting to shout over the Mayor, a council member, or a staff member. Nothing in this section or any rules of the council shall be construed to prohibit public criticism of the policies, procedures, programs, or services of the City or of the acts or omissions of the City Council. It shall be unlawful to violate the provisions of this Section.

If any subsection, sentence, clause, or phrase or word of this Section 2-50 is for any reason held to be invalid or unconstitutional, such decision shall not affect the validity of the remaining portions of this Section. The City Council hereby declares that it would have passed this section and each subsection, sentence, clause and phrase thereof, irrespective of the fact that any one or more subsections, sentences, clauses, phrases or words had been declared invalid or unconstitutional.

**Sec. 2-52. Persons authorized to be within council area.**

No person, except city officials, their representatives and members of the news media shall be permitted within the rail in front of the council chamber without the express consent of the council.

***The following are excerpts from the Penal Code***

148(a) (1) Every Person who willfully resists, delays, or obstructs any public officer, peace officer, or an emergency medical technician, as defined in Division 2.5 (commencing with Section 1797) of the Health and Safety code, in the discharge or attempt to discharge any duty of his or her office or employment, when no other punishment is prescribed, shall be punished by a fine not exceeding one thousand dollars (\$1,000), or by imprisonment in a county jail not to exceed one year, or by both that fine and imprisonment.

403 Every person who, without authority of law, willfully disturbs or breaks up any assembly or meeting that is not unlawful in its character, other than an assembly or meeting referred to in Section 303 of the Penal Code or Section 18340 of the Elections Code, is guilty of a misdemeanor.



## AGENDA STAFF REPORT

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City of West Covina | Office of the City Manager

**DATE:** June 20, 2023

**TO:** Mayor and City Council

**FROM:** Paulina Morales  
Acting City Manager

**SUBJECT: CONSIDERATION OF APPROVAL OF THE JUNE 6, 2023, CITY COUNCIL/SUCCESSOR AGENCY REGULAR SESSION MEETING MINUTES AND THE JUNE 6, 2023, CITY COUNCIL/SUCCESSOR AGENCY REGULAR CLOSED SESSION MEETING MINUTES.**

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**RECOMMENDATION:**

**CONSIDERATION OF APPROVAL OF THE JUNE 6, 2023, CITY COUNCIL/SUCCESSOR AGENCY REGULAR SESSION MEETING MINUTES AND THE JUNE 6, 2023, CITY COUNCIL/SUCCESSOR AGENCY REGULAR CLOSED SESSION MEETING MINUTES.**

**DISCUSSION:**

That the City Council adopt the attached minutes.

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**Attachments**

Attachment No. 1 - 6/20/2023 Closed Session Minutes Draft

Attachment No. 2 - 6/20/2023 Regular Session Minutes Draft

**CITY COUNCIL GOALS & OBJECTIVES:** Enhance City Image and Effectiveness



## **CITY OF WEST COVINA**

### **CITY COUNCIL/SUCCESSOR AGENCY**

**JUNE 6, 2023, 6:00 PM  
REGULAR MEETING - CLOSED SESSION**

**MANAGEMENT RESOURCE CENTER 3RD FLOOR  
1444 W. GARVEY AVENUE SOUTH  
WEST COVINA, CALIFORNIA 91790**

**Mayor Rosario Diaz  
Mayor Pro Tem Brian Tabatabai  
Councilman Tony Wu  
Councilwoman Letty Lopez-Viado  
Councilman Ollie Cantos**

## **MINUTES**

### **CALL TO ORDER**

A Regular Closed Session Meeting was called to order by Mayor Rosario Diaz on Tuesday, June 6, 2023, at 6:05 p.m., in the Management Resource Center Conference Room Chambers, 1444 West Garvey Avenue South, West Covina, California

### **ROLL CALL**

Council Members

Present: Council Members Tony Wu, Ollie Cantos, Letty Lopez Viado, Mayor Pro Tem Brian Tabatabai, Mayor Rosario Diaz

Council Members

Absent: None

City Staff: Paulina Morales Acting City Manager, Roxanne Lerma Assistant City Manager, Thomas Duarte City Attorney, Stephanie Sikkema Finance Director, Milan Mrakich Code Enforcement Manager, Amanda Pope Jones & Mayer

**PUBLIC COMMENTS ON ITEMS ON THE AGENDA**

None

**CLOSED SESSION**

1. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION - Pursuant to Government Code § 54956.9(d)(1)

1. Michelle Mansour v. City of West Covina, et al, (LA Superior Court, Case No, 21STCV24136)

2. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION - Pursuant to Government Code § 54956.9(d)(4)

1. Number of Cases: Two (2)

3. CONFERENCE WITH REAL PROPERTY NEGOTIATORS - Pursuant to Government Code § 54956.8

1. Property: 811 S. Sunset Ave, West Covina CA 91790 APN: 8468-016-904

Agency Negotiator: Morales, Duarte, Hildebrand

Negotiating Parties: The Olson Company, Day 3 Investments, LLC, City Ventures, Griffin Swinerton, Envision Hotel Partners, LLC, MLC Holdings, Inc.

Under Negotiation: Price and Terms of Purchase

4. CONFERENCE WITH LABOR NEGOTIATORS

Pursuant to Government Code § 54957.6

City Negotiators: Morales, Duarte

Employee Organizations

- Confidential Employees
- Maintenance & Crafts Employees
- Non-Sworn
- W.C. Police Officers' Association
- W.C. Firefighters' Management Assoc.
- W.C. Firefighters' Association, I.A.F.F., Local 3226
- General Employees
- Mid-Management Employees

- W.C. Police Management Association

Unrepresented Employee Group

- Department Heads

**REPORTING OUT**

City Attorney Tom Duarte stated that there was nothing to report.

**ADJOURNMENT**

A motion to adjourn the Closed Session Meeting was made by Mayor Diaz and the meeting was adjourned at 6:58 pm. The next regularly scheduled Closed Session City Council Meeting will be held on Tuesday June 20, 2023, at 6:00 p.m. in the Management Resource Center, 3<sup>rd</sup> Floor, 1444 West Garvey Avenue South, West Covina, California

Submitted by:

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Lisa Sherrick  
Assistant City Clerk

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Rosario Diaz  
Mayor



## **CITY OF WEST COVINA**

### **CITY COUNCIL/SUCCESSOR AGENCY**

**JUNE 6, 2023, 7:00 PM  
REGULAR MEETING**

**CITY HALL COUNCIL CHAMBERS  
1444 W. GARVEY AVENUE SOUTH  
WEST COVINA, CALIFORNIA 91790**

**Mayor Rosario Diaz  
Mayor Pro Tem Brian Tabatabai  
Councilman Tony Wu  
Councilwoman Letty Lopez-Viado  
Councilman Ollie Cantos**

### **Minutes**

#### **CALL TO ORDER**

A regular session meeting was called to order by Mayor Rosario Diaz on Tuesday, June 6th, 2023, at 7:05 p.m., in the City Council Chambers 1444 West Garvey Avenue South, West, Covina, California

#### **INVOCATION**

Led by Pastor Mason Okubo from Immanuel First Lutheran Church

#### **PLEDGE OF ALLEGIANCE**

Led by Councilman Wu

#### **ROLL CALL**

Present: Council Members Tony Wu, Ollie Cantos, Letty Lopez Viado, Mayor Pro Tem Brian Tabatabai, Mayor Rosario Diaz.



Council Members

Absent: None

City Staff: Paulina Morales Acting City Manager, Roxanne Lerma Assistant City Manager, Lisa Sherrick, Assistant City Clerk, Tom Duarte City Attorney; other City staff presented reports and responded to questions as indicated in the minutes.

**REPORTING OUT FROM CLOSED**

City Attorney Thomas Duarte reported that no reportable action was taken during the Closed Session Meeting.

**CLOSED SESSION**

1. CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION - Pursuant to Government Code § 54956.9(d)(1)

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Pursuant to Government Code § 54957.6

City Negotiators: Morales, Duarte  
Employee Organizations

- Confidential Employees
- Maintenance & Crafts Employees
- Non-Sworn
- W.C. Police Officers' Association
- W.C. Firefighters' Management Assoc.
- W.C. Firefighters' Association, I.A.F.F., Local 3226
- General Employees
- Mid-Management Employees
- W.C. Police Management Association

Unrepresented Employee Group

- Department Heads

**PRESENTATIONS**

- Vector Control Certificates for Students Accomplishing the Completion of Operation Mosquito Grid
- Certificate of Appreciation Recognizing West Covina Police Department's Participation in Baker to Vegas 2023 Challenge Cup and Police Unity Tour

**ORAL COMMUNICATIONS - Five (5) minutes per speaker.**

John Shewmaker  
Armando Herman  
Valerie Munoz  
Wen We Zhang  
Sherrie Berillon  
Bill Elliot  
R. Robinson  
Sue Aguino  
J.D  
Mr. G

**CITY MANAGER'S REPORT**

Presentation given by Ms. Morales.

**CONSENT CALENDAR**

***ACTION: Motion by Mayor Pro Tem Tabtabai, Second by Councilman Wu 5-0 to: Approve Consent Calendar Items 1 through 7***

**APPROVAL OF MEETING MINUTES**

**1) CONSIDERATION OF APPROVAL OF THE MAY 16TH CITY COUNCIL/ SUCCESSOR AGENCY SPECIAL CLOSED SESSION MEETING, THE MAY 16, 2023, CITY COUNCIL/SUCCESSOR AGENCY REGULAR CLOSED SESSION MEETING MINUTES, CONSIDERATION OF APPROVAL OF THE MAY 16, 2023, CITY COUNCIL/SUCCESSOR AGENCY REGULAR SESSION MEETING MINUTES AND THE MAY 18, 2023, CITY COUNCIL/SUCCESSOR AGENCY SPECIAL CLOSED SESSION MEETING MINUTES.**

**Carried 5-0 to:** approve the May 16, 2023, Special Closed Session Meeting Minutes, the May 16, 2023 Closed Session Meeting Minutes, May 16, 2023, Regular Session Meeting Minutes, and the May 18th Special Closed Session Meeting Minutes.

**COMMISSION SUMMARY OF ACTIONS**

**2) MINUTES FOR COMMUNITY & SENIOR SERVICES COMMISSION  
REGULAR MEETING HELD ON MARCH 14, 2023 AND SPECIAL  
MEETINGS HELD ON APRIL 11, 2023 AND MAY 3, 2023**

**Carried 5-0 to:** receive and file the minutes of the regular meeting of the Community and Senior Services Commission held on March 14, 2023 and the special meetings of the Community and Senior Services Commission held on April 11, 2023 and May 3, 2023.

**FINANCE DEPARTMENT**

**3) CONSIDERATION OF ANNUAL APPROPRIATIONS LIMIT FOR  
FISCAL YEAR 2023-24**

**Carried 5-0 to:** adopt the following resolution

**RESOLUTION NO. 2023-50 – A RESOLUTION OF THE CITY  
COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA,  
DETERMINING AND ADOPTING THE ANNUAL APPROPRIATIONS  
LIMIT FOR FISCAL YEAR 2023-2024**

**HUMAN RESOURCES/RISK MANAGEMENT**

**4) CONSIDERATION OF JOB DESCRIPTION FOR CODE  
ENFORCEMENT DIRECTOR**

**Carried 5-0 to:** adopt the following resolution:

**RESOLUTION NO. 2023-48 - A RESOLUTION OF THE CITY  
COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA,  
APPROVING THE CODE ENFORCEMENT DIRECTOR  
CLASSIFICATION SPECIFICATIONS**

**POLICE DEPARTMENT**

**5) CONSIDERATION OF ACCEPTANCE OF OFFICER WELLNESS  
AND MENTAL HEALTH GRANT**

**Carried 5-0 to:** accept the Officer Wellness and Mental Health grant, in the amount of \$65,293.69, from the California Board of State and Community Corrections.

6) **CONSIDERATION OF 2021 AND 2022 STATE HOMELAND SECURITY PROGRAM GRANTS**

**Carried 5-0 to:** adopt the following resolution:

**RESOLUTION NO. 2023-57 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, APPROVING THE APPLICATION FOR AND ACCEPTANCE OF 2021 AND 2022 STATE HOMELAND SECURITY GRANTS AND AUTHORIZING THE ACTING CITY MANAGER TO EXECUTE ALL GRANT AGREEMENTS AND RELATED ASSURANCES**

7) **CONSIDERATION OF CONTINUED POLICE COMPUTER TECHNOLOGY SERVICES**

**Carried 5-0 to:** take the following actions:

1. Authorize the Acting City Manager to execute an agreement with SDI Presence LLC, in an annual amount up to \$250,000, for a term of three years (with the option of two one-year extensions), for continued specialized computer technology services for the Police Department, using available federal equitable sharing funds (in Fund 117), in substantially the form as attached and in such final form as approved by the City Attorney.
2. Authorize the City Manager to negotiate and execute future amendments exercising the extension options.

**END OF CONSENT CALENDAR**

**DEPARTMENTAL REGULAR MATTERS**

**COMMUNITY DEVELOPMENT**

8) **FORMING A CHAMBER OF COMMERCE/BUSINESS ASSOCIATION**

**ACTION:** Carried 4-1 (No: *Tabatabaei*) to: take the following actions:

1. Establish a chamber organization with the City of West Covina

**FINANCE DEPARTMENT**

**9) CONSIDERATION OF THE CITY OF WEST COVINA FISCAL YEAR 2023-24 ANNUAL OPERATING AND CAPITAL IMPROVEMENT PROGRAM BUDGET**

**ACTION: Carried 5-0 to:** approve the Fiscal Year 2023-24 Proposed Operating and Capital Improvement Program Budget by adopting the following resolution:

**RESOLUTION NO. 2023-51 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, ADOPTING THE OPERATING AND CAPITAL IMPROVEMENT PROGRAM BUDGET FOR THE CITY OF WEST COVINA, WEST COVINA PUBLIC FINANCING AUTHORITY, WEST COVINA HOUSING AUTHORITY, AND THE SUCCESSOR AGENCY TO THE FORMER WEST COVINA REDEVELOPMENT AGENCY FOR FISCAL YEAR 2023-24**

**MAYOR/COUNCILMEMBERS REPORTS**

- Mayor Rosario reported on her attendance to the International Conference of Shopping Centers. She discussed how the City met with several developers who are interested in bringing business to West Covina.
- Councilman Cantos also reported his attendance to Conference of Shopping Centers. He discussed meeting with restaurant brokers and businesses to encourage business coming to West Covina.
- Mayor Pro Tem Tabatabai reported his attendance to the League of California Cities monthly meeting with Councilman Cantos where they viewed a presentation on proposed possible changes to prop 47. They also discussed rising thefts in stores with self-checkout.

**CITY COUNCIL REQUESTS FOR REPORTS, STUDIES OR INVESTIGATION**

The Council approved the following requests on a 5-0 vote:

- Request a report on other cities' policies relating to regulations for store's self-checkout to mitigate theft. (Motion by Mayor Pro Tem Tabatabai; Second by Councilman Wu)
- Requests the city to provide detailed update report on the Brightview Contract and their performance. (Motion by Councilman Cantos, Second by Councilman Wu)
- Request to educate residents on Coyote population, address coyote population and look specifically at the Torrance model. (Motion by Councilman Cantos, Second by Councilman Wu)

**ADJOURNMENT**

A motion to adjourn the Regular Meeting was made by Mayor Diaz, and the meeting was adjourned at 9:46 p.m. The next regularly scheduled Regular City Council Meeting will be held on Tuesday, June 20th, at 7:00 p.m. in the Council Chambers, 1444 West Garvey Avenue South, West Covina, California.

Submitted by:

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Lisa Sherrick  
Assistant City Clerk

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Rosario Diaz  
Mayor



## AGENDA STAFF REPORT

City of West Covina | Office of the City Manager

**DATE:** June 20, 2023

**TO:** Mayor and City Council

**FROM:** Paulina Morales  
Acting City Manager

**SUBJECT: RENEWAL OF THE CITYWIDE LIGHTING AND MAINTENANCE DISTRICT AND  
PRELIMINARY APPROVAL OF THE ENGINEER'S REPORT**

---

### RECOMMENDATION:

Staff recommends that City Council take the following actions:

1. Adopt the following resolution:

**RESOLUTION NO. 2023-38 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, ORDERING THE PREPARATION AND FILING OF A REPORT REGARDING THE FISCAL YEAR 2023-24 ASSESSMENT TO BE LEVIED IN CONNECTION WITH THE CITY'S CITYWIDE LIGHTING AND MAINTENANCE DISTRICT**

2. Following adoption of Resolution No. 2023-38, adopt the following resolution:

**RESOLUTION NO. 2023-39 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, PRELIMINARILY APPROVING THE ENGINEER'S REPORT FOR THE CITY'S CITYWIDE LIGHTING AND MAINTENANCE DISTRICT, DECLARING ITS INTENTION TO LEVY AND COLLECT ASSESSMENTS WITHIN SAID DISTRICT FOR FISCAL YEAR 2023-24 AND SETTING A PUBLIC HEARING REGARDING SUCH ASSESSMENTS**

### BACKGROUND:

The Landscaping and Lighting Act of 1972 (California Streets and Highways Code section 22500 et seq.) (the "Act") specifies the procedures for renewal of landscape maintenance districts. The Citywide Lighting and Maintenance District was established in 1976. As the name implies, this District encompasses the entire City. Prior to Fiscal Year 1997-1998, the Citywide District funded a variety of public improvements and services which included: street tree maintenance, median maintenance, park maintenance, municipal pool maintenance, area lighting maintenance, traffic signal maintenance, traffic engineering, and street lighting engineering. Since the passage of Proposition 218 in November 1996 and the subsequent property owner approval in July 1997, the Citywide District assessment currently funds only those services that have been designated as a "Special Benefit", which is the maintenance of most of the street lights and street trees within the City.

The Citywide Lighting and Maintenance District funds the operation and maintenance of assessable (special benefit) street trees and street lighting. These funds are used for the operations and

maintenance of street lights, trimming of street trees, and removal and replacement of diseased street trees.

#### **DISCUSSION:**

The first step in the process is the adoption of a resolution ordering the preparation of an Engineer's Report for the District.

The Engineer's Report, prepared by Willdan Financial Services, has been completed and includes plans and specifications for improvements, estimated costs, an assessment diagram, and assessment spread for the estimated costs, which upon completion are filed with the Office of the City Clerk.

The City's General Fund finances a portion of the Citywide District through the City's payment of assessments on City-owned properties in the amount of about \$54,400. In addition, the Successor Agency of the City of West Covina is projected to pay an assessment amount of approximately \$125 to the Citywide District for the parcels owned by the former Redevelopment Agency. At this time, this is an enforceable obligation cost of the Successor Agency, and paid through the Recognized Obligation Payment Schedule (ROPS) funds.

Since the assessments for the Citywide Lighting and Maintenance District were approved in a mail ballot election in July 1997 in accordance with Proposition 218, the renewal for the Citywide District can be completed in accordance with the requirements of the Act, provided the assessment rates and/or the assessment methodology do not change. The voter-approved rates for the Citywide District included a provision for not more than a 2.00% annual increase based on the Consumer Price Index (CPI). The CPI for a one-year period from March 2023 to March 2024 for the Los Angeles, Long Beach, and Anaheim areas is 3.65%. Therefore, current rates are set at the max increase of 2.00% or \$58.85. The necessity for any increases will be evaluated as part of the Engineer's Report.

The Citywide Lighting and Maintenance District funds the operation and maintenance of assessable (special benefit) street trees and street lighting. These funds are used for the operations and maintenance of streetlights, trimming of street trees, and removal and replacement of diseased street trees. This year, the City entered into a new contract for median and landscaping services that addresses increased scope of landscape and median maintenance needs.

The next step in the renewal process is the preliminary approval of the Engineer's Report and adoption of Resolution of Intention concerning the levy and collection of assessments for the District. Also, a date for a public hearing must be set as required in the Act. Staff is recommending setting a public hearing date of July 18, 2023. At the public hearing, the City Council will consider any written and oral comments regarding the level of assessments and proposed maintenance and capital improvement work within the District. The public hearing requires a public notice be posted and published in a locally circulated newspaper, but does not require notices be mailed to each resident. Upon the conclusion of the hearing, the City Council should adopt a resolution confirming the Engineer's Report and assessment levy either as proposed or as modified by the City Council.

#### **LEGAL REVIEW:**

The City Attorney's Office has reviewed the resolutions and approved them as to form.

#### **OPTIONS:**

The City Council has the following options:

1. Approve staff's recommendation; or
2. Provide alternative direction.



**FISCAL IMPACT:**

For FY 2023-24, the Engineer's Report for the Citywide Lighting and Maintenance District proposes to use the voter approved adjustment to increase the assessment rates by 2.00% from their current levels, which is \$58.85. This rate would generate an additional \$39,640, in assessments. This is the amount of increase allowed under Proposition 218.

The total projected income from the recommended rates is \$1,942,462. The preliminary operating budget for the district is \$2,241,664.

Since the City of West Covina is not exempt from assessments for this district, the City's total assessment is about \$54,400. The City pays this assessment using General Funds within the non-departmental operating budget.

There are no legal requirements or formal guidelines for the amount of reserves in an assessment district.

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**Attachments**

Attachment No. 1 - Resolution No. 2023-38

Attachment No. 2 - Resolution No. 2023-39

Attachment No. 3- 15 Year Rate History

Attachment No. 4- Citywide Lighting and Landscape Engineer's Report

Attachment No. 5-10 Year Fiscal Projection

**CITY COUNCIL GOALS & OBJECTIVES:** Enhance City Image and Effectiveness

## ATTACHMENT NO. 1

### RESOLUTION NO. 2023-38

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, ORDERING THE PREPARATION AND FILING OF A REPORT REGARDING THE FISCAL YEAR 2023-24 ASSESSMENT TO BE LEVIED IN CONNECTION WITH THE CITY'S CITYWIDE LIGHTING AND MAINTENANCE DISTRICT**

**WHEREAS**, the City's Citywide Lighting and Maintenance District (the "District") has been established pursuant to the Landscaping and Lighting Act of 1972 (Streets and Highways Code Section 22500 *et seq.*) (the "Act") to fund the maintenance and servicing of certain public street lighting and street trees throughout the City and

**WHEREAS**, in connection with the District, the City annually levies an assessment against real property; and

**WHEREAS**, the City Council desires to initiate proceedings to levy the assessment for Fiscal Year 2023-24 in connection with the District; and

**WHEREAS**, no new improvements nor substantial changes in existing improvements within the District are proposed.

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

**SECTION 1.** The above recitals are true and correct.

**SECTION 2.** The City Council orders Willdan Financial Services, as assessment engineer, to prepare and file with the City Clerk a report on the assessment in connection with the District for Fiscal Year 2023-24. Such report shall include all information required by Section 22565 *et seq.* of the Act.

**SECTION 3.** The City Clerk shall certify to the adoption of this resolution and shall enter the same in the book of original resolutions and it shall become effective immediately.

**APPROVED AND ADOPTED** this 20th day of June, 2023.

---

Rosario Diaz  
Mayor

**APPROVED AS TO FORM**

**ATTEST**

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Thomas P. Duarte  
City Attorney

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Lisa Sherrick  
Assistant City Clerk

I, LISA SHERRICK, ASSISTANT CITY CLERK of the City of West Covina, California, do hereby certify that the foregoing Resolution No. 2023-38 was duly adopted by the City Council of the City of West Covina, California, at a regular meeting thereof held on the 20th day of June, 2023, by the following vote of the City Council:

AYES:

NOES:

ABSENT:

ABSTAIN:

---

Lisa Sherrick  
Assistant City Clerk

## ATTACHMENT NO. 2

### RESOLUTION NO. 2023-39

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, PRELIMINARILY APPROVING THE ENGINEER'S REPORT FOR THE CITY'S CITYWIDE LIGHTING AND MAINTENANCE DISTRICT, DECLARING ITS INTENTION TO LEVY AND COLLECT ASSESSMENTS WITHIN SAID DISTRICT FOR FISCAL YEAR 2023-24 AND SETTING A PUBLIC HEARING REGARDING SUCH ASSESSMENTS**

**WHEREAS**, the City's Citywide Lighting and Maintenance District (the "District") has been established pursuant to the Landscaping and Lighting Act of 1972 (Streets and Highways Code Section 22500 *et seq.*) (the "Act") to fund the maintenance and servicing of certain public street lighting and street trees in the City; and

**WHEREAS**, in connection with the District, the City annually levies an assessment against real property; and

**WHEREAS**, by its Resolution No. 2023-38, adopted June 20, 2023, the City Council directed Willdan Financial Services, as assessment engineer (the "Engineer"), to prepare and file a report regarding the District; and

**WHEREAS**, the Engineer has filed said report, entitled "City of West Covina, Citywide Lighting & Maintenance District, Fiscal Year 2023/2024 Engineer's Report" (the "Report") and the Report is on file and available for public inspection in the Office of the City Clerk and is incorporated herein by reference; and

**WHEREAS**, the City Council desires to continue with proceedings to levy the assessment in connection with the District for Fiscal Year 2023-24 as described in the Report.

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

**SECTION 1.** The Report is preliminarily approved.

**SECTION 2.** The City Council declares its intention to levy and collect assessments within the District for Fiscal Year 2023-24 and notes that:

- (a) The distinctive name of the District is the "City of West Covina Citywide Lighting and Maintenance District."
- (b) The boundaries of the District are the same as the boundaries of the City.

- (c) The existing and proposed improvements are generally described as street lights, street trees, and appurtenant facilities throughout the City. No substantial changes are proposed to the nature of the improvements.
- (d) Reference is made to the Engineer's Report, on file with the City Clerk, for a full and detailed description of the improvements, the boundaries of the assessment district and any zones therein, and the proposed assessments upon assessable lots and parcels of land within the District.
- (e) The rate of the assessment is proposed to adjust upwards by 2.00% from the rate levied in Fiscal Year 2022-23. Such adjustment is made according to a schedule of adjustments approved by property owners in a mail ballot proceeding pursuant to Article XIII D of the California Constitution and, therefore, does not constitute an "increase" requiring additional mail ballot proceedings.

**SECTION 3.** A public hearing is set for Tuesday, July 18, 2023, at 7:00 p.m. in the City Council Chambers located at 1444 West Garvey Avenue South in the City of West Covina, to take the testimony on the issue of whether or not the assessments should be approved.

**SECTION 4.** The City Clerk shall give notice of said public hearing in the time, form, and manner as required by law, including but not limited to publication of this resolution in accordance with Streets and Highways Code Sections 22552 and 22553.

**SECTION 5.** The City Council finds that the levy and collection of these assessments is statutorily exempt from the California Environmental Quality Act (CEQA) under Section 15273 of the CEQA Guidelines, as none of the proceeds will be used for capital expenses, but will be used instead for operation and maintenance.

**SECTION 6.** The City Clerk shall certify to the adoption of this resolution and shall enter the same in the book of original resolutions and it shall become effective immediately.

**APPROVED AND ADOPTED** this 20th day of June, 2023.

---

Rosario Diaz  
Mayor

**APPROVED AS TO FORM**

**ATTEST**

---

Thomas P. Duarte  
City Attorney

---

Lisa Sherrick  
Assistant City Clerk

I, LISA SHERRICK, ASSISTANT CITY CLERK of the City of West Covina, California, do hereby certify that the foregoing Resolution No. 2023-39 was duly adopted by the City Council of the City of West Covina, California, at a regular meeting thereof held on the 20th day of June, 2023, by the following vote of the City Council:

AYES:

NOES:

ABSENT:

ABSTAIN:

---

Lisa Sherrick  
Assistant City Clerk

**West Covina**  
**Citywide Lighting and Maintenance District**  
**15 Rate History**  
**For a Typical Single-Family Residential Property**

| <b>Fiscal Year</b> | <b>Assessment</b> |
|--------------------|-------------------|
| <b>2023-24</b>     | <b>\$58.85</b>    |
| <b>Proposed</b>    |                   |
| 2022-23            | \$57.68           |
| 2021-22            | \$56.54           |
| 2020-21            | \$55.45           |
| 2019-20            | \$53.34           |
| 2018-19            | \$52.29           |
| 2017-18            | \$52.29           |
| 2016-17            | \$51.28           |
| 2015-16            | \$50.41           |
| 2014-15            | \$50.15           |
| 2013-14            | \$49.66           |
| 2012-13            | \$48.69           |
| 2011-12            | \$47.73           |
| 2010-11            | \$46.81           |
| 2009-10            | \$45.94           |
| 2008-09            | \$45.89           |



# City of West Covina

## Citywide Lighting & Maintenance District

FISCAL YEAR 2023/2024 ENGINEER'S REPORT

Intent Meeting: June 20, 2023

Public Hearing: July 18, 2023

27368 Via Industria  
Suite 200

Temecula, CA 92590

T. 951.587.3500 | 800.755.6864

F. 951.587.3510 | 888.326.6864

Property Tax Information Line

T. 866.807.6864

[www.willdan.com](http://www.willdan.com)





# **ENGINEER'S REPORT AFFIDAVIT**

## **Citywide Lighting and Maintenance District**

### **City of West Covina County of Los Angeles, State of California**

This Report describes the District including the improvements, budgets, parcels and assessments to be levied for Fiscal Year 2023/2024 as they existed at the time of the passage of the Resolution of Intention. Reference is hereby made to the Los Angeles County Assessor's maps for a detailed description of the lines and dimensions of parcels within the District. The undersigned respectfully submits the enclosed Report as directed by the City Council.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

Willdan Financial Services  
Assessment Engineer  
On Behalf of the City of West Covina

By: \_\_\_\_\_

Chonney Gano, Project Manager  
District Administration Services

By: \_\_\_\_\_

Tyrone Peter  
PE # C 81888

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## OVERVIEW

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The City of West Covina ("City"), annually levies and collects assessments in order to provide and maintain facilities, improvements and services within the Citywide Lighting and Maintenance District ("District"). The District was established in 1976 pursuant to the *Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the Streets and Highways Code* ("1972 Act"). Prior to Fiscal Year ("FY") 1997-98 the District funded a variety of public improvements and services which included: street tree maintenance, median maintenance, park maintenance, municipal pool maintenance, area lighting maintenance, traffic signal maintenance, traffic engineering, and street lighting engineering. Since the passage of Proposition 218 ("Proposition") in November 1996 and the subsequent property owner approval in July 1997, the District assessment currently funds only those services that have been designated as a "Special Benefit", which is the maintenance of most of the street lights and street trees within the City. These funds are used for the operations and maintenance of streetlights, trimming of street trees, and removal and replacement of diseased street trees.

The Engineer's Report ("Report") has been prepared pursuant to Chapter 1, Article 4 and Chapter 3 of the 1972 Act, and presented to the City Council for their consideration and approval of the proposed improvements and services to be provided within the District and the levy and collection of annual assessments for FY 2023/2024.

This Report describes the District, the improvements and the proposed assessments to be levied against properties in connection with the benefits the properties will receive from the maintenance and servicing of the District improvements for FY 2023/2024. The annual assessments to be levied on properties within the District provide a funding source for the continued operation and maintenance of local landscape improvements installed in connection with the development of properties within the District. Each fiscal year, the City establishes the District's assessments based on an estimate of the costs to maintain, operate and service the landscape improvements and based upon available revenues including fund balances, City contributions and assessment limits. The costs of the improvements and the proposed annual assessments budgeted and assessed against properties within the District may include: the estimated expenditures for regular annual maintenance and repairs; incidental expenditures related to the operation and administration of the District; deficits or surpluses from prior years; revenues from other sources; and the collection of adequate funds for operational reserves or periodic expenditures including installments collected for long-term improvement projects. Each parcel is assessed proportionately for only those improvements, services and expenses for which the parcel will receive special benefit.

The word "parcel," for the purposes of this Report, refers to an individual property assigned its own Assessor's Parcel Number ("APN") by the Los Angeles County ("County") Assessor's Office. The County Auditor/Controller uses Assessor's Parcel Numbers and specific Fund Numbers to identify properties to be assessed on the tax roll for the special benefit assessments.

At a noticed annual Public Hearing, the City Council will accept all public comments and written protests regarding the District and the annual levy of assessments. Upon conclusion of the Public Hearing, the City Council will consider all public comments and review the Report. The City Council may order amendments to the Report or confirm the Report as submitted. Following final approval of the Report and confirmation of the assessments the Council will, by Resolution, order the improvements to be made and confirm the levy and collection of assessments pursuant to the 1972 Act. The assessments as approved will be submitted to the County Auditor/Controller to be included on the property tax roll for each parcel.

While the budgets outlined in this Report reflect the estimated costs necessary to fully and adequately provide for the maintenance and operation of the improvements within the District, many of these estimated costs and associated services cannot be funded by the current assessment revenues and contributions from the City. To fully fund the improvements, it may be necessary to increase assessment revenues by a percentage greater than the currently approved inflationary adjustment, which is no greater than the percentage increase of the Los Angeles-Long Beach-Anaheim Consumer Price Index ("CPI") as published by the Department of Labor's Bureau of Labor Statistics or 2% whichever is less. (As of January 2018, the Los Angeles-Riverside-Orange County Consumer Price Index region name changed to Los-Angeles-Long Beach-Anaheim Consumer Price Index). This will require the support of the property owners for new or increased assessments through a ballot proceeding conducted under the provisions of the California Constitution Article XIID.

In FY 2017-18, the City conducted a property owner protest ballot proceeding for a proposed Maximum Assessment increase of 12%. Based on the results of the protest ballot, the City Council declined to adopt the new Maximum Assessment increase.

As required by the 1972 Act, this Engineer's Report describes the improvements to be operated, maintained and serviced by the District, an estimated budget for the District improvements, and the proposed assessments to be levied upon each assessable lot or parcel within the District for FY 2023/2024.

This Report consists of five (5) parts:

## **Part I**

**Plans and Specifications:** A general description of the District and the improvements for which parcels are assessed. The proposed assessments as outlined in this Report are based on the improvements that provide a special benefit to the properties within the District. The plans and specifications contained in this Report generally describe the nature, location and extent of the improvements.

## **Part II**

**Method of Apportionment:** A description of how the proportionate amount of the assessments is to be charged in proportion to the benefits received by each lot or parcel within the boundaries of the District.

### Part III

**Estimate of Costs:** An estimate of the annual costs to properly operate, maintain, and service the landscape improvements and appurtenant facilities. This budget includes an estimate of the maintenance costs and incidental expenses including, but not limited to: labor, materials, equipment and administration expenses as well as the collection of appropriate funding necessary to properly support the improvements. Not all services and costs identified in these budgets can be supported by the current assessment revenues and City contributions, and as such, City staff shall make the determination of which services and activities shall be provided based on available revenues.

### Part IV

**Boundary Map:** A diagram showing the boundaries of the District is provided in this Report and includes all parcels determined to receive special benefits from the improvements. Parcel identification, the lines and dimensions of each lot, parcel and subdivision of land within the District are shown on the Los Angeles County Assessor's Parcel Maps and shall include any subsequent lot line adjustments or parcel changes therein. Reference is hereby made to the Los Angeles County Assessor's Parcel Maps for a detailed description of the lines and dimensions of each lot and parcel of land within the District. A diagram showing the overall boundaries of the District is on file with the City Clerk and the Office of the City Engineer, and by reference is made part of this Report.

### Part V

**Assessment Roll:** A listing of the assessment amount associated with each parcel within the District. The assessments presented herein are unchanged from the previous fiscal year.

## **PROPOSITION 218 COMPLIANCE**

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On November 5, 1996, California voters approved Proposition 218. This Proposition amended the California Constitution and was the latest in a series of initiatives reducing the revenue-raising discretion of California local governments. The provisions of the Proposition, now California Constitution Articles XIII C and XIII D, can be summarized in four general areas:

1. Strengthens the general and special tax provisions of Proposition 13 and Proposition 62.
2. Extends the initiative process to all local taxes, assessments, fees, and charges.
3. Adds substantive and procedural requirements to assessments.

4. Adds substantive and procedural requirements to property-related fees and charges.

Proposition 218 required that beginning July 1, 1997, all new and existing assessments (with some exceptions) must conform to new substantive and procedural requirements. However, certain assessments are exempted from these requirements until they are increased.

Generally, these exemptions include:

- (a) Assessments used exclusively to fund sidewalks, streets, sewers, water, flood control, drainage systems, or vector control.
- (b) Assessments imposed pursuant to a petition signed by the persons owning all of the parcels subject to the assessment at the time the assessment is initially imposed.
- (c) Assessments used exclusively for bond repayments, the cessation of which would violate the Contract Impairment Clause of the U.S. Constitution.
- (d) Assessments previously approved by a majority of voters.

The assessments for the District were approved in a mailed ballot election in July 1997 in accordance with the Article XIID substantive and procedural requirements. Any subsequent increases in the assessments above those initially approved by the mailed election will be subject to the procedures and approval process of Section 4 of Article XIID of the California Constitution.

## I. PLANS AND SPECIFICATIONS

---

### **A. DESCRIPTION OF WORK**

The existing facilities to be maintained and serviced include street lighting facilities and street trees.

The District will fund the costs in connection with the district maintenance and servicing including, but not limited to, personnel, electrical energy, water, materials, contracting services, and other expenses necessary for the satisfactory operation of these facilities. The facilities are described as follows:

#### Landscaping and Appurtenant Facilities

Facilities include but are not limited to: trees, irrigation system, hardscape, fixtures, sidewalk maintenance resulting from landscape growth and appurtenant facilities, in public right-of-way, parkways, and dedicated easements within the boundaries of the District.

#### Lighting and Appurtenant Facilities

Facilities include but are not limited to: poles, fixtures, bulbs, conduits, conductors, equipment including guys, anchors, posts and pedestals, metering

devices and appurtenant facilities as required to provide lighting in the public right-of-way and dedicated easements within the boundaries of the District.

The public lighting system shall be maintained to provide adequate illumination. Electricity for streetlights shall be furnished by the Southern California Edison Company, and it shall be adequate for the intended purpose. Rates for power shall be those authorized by the California Public Utilities Commission.

“Maintenance” means the furnishing of services and materials for the ordinary and usual operation, maintenance and servicing of the landscaping, public lighting facilities and appurtenant facilities, including repair, removal or replacement of all or part of any of the landscaping, public lighting facilities or appurtenant facilities; providing for the life, growth, health, and beauty of the landscaping, including cultivation, irrigation, trimming, spraying, fertilizing, and treating for disease or injury; the removal of trimmings, rubbish, debris, and other solid waste.

“Servicing” means the furnishing of water for the irrigation of landscaping and the maintenance of any of the public lighting facilities and furnishing of electrical energy for the public lighting facilities or for the lighting or operation of landscaping or appurtenant facilities.

## **B. IMPROVEMENTS AUTHORIZED BY THE 1972 ACT**

As applicable or may be applicable to this proposed District, the 1972 Act defines improvements to mean one or any combination of the following:

The installation or planting of landscaping.

The installation or construction of statuary, fountains, and other ornamental structures and facilities.

The installation or construction of public lighting facilities.

The installation or construction of any facilities which are appurtenant to any of the foregoing or which are necessary or convenient for the maintenance or servicing thereof, including, but not limited to, grading, clearing, removal of debris, the installation or construction of curbs, gutters, walls, sidewalks, or paving, or water, irrigation, drainage, or electrical facilities.

The maintenance or servicing, or both, of any of the foregoing.

The acquisition of any existing improvement otherwise authorized pursuant to this section.

Incidental expenses associated with the improvements including, but not limited to:

The cost of preparation of the report, including plans, specifications, estimates, diagram, and assessment;

The costs of printing, advertising, and the publishing, posting and mailing of notices;

Compensation payable to the County for collection of assessments;

Compensation of any engineer or attorney employed to render services;

Any other expenses incidental to the construction, installation, or maintenance and servicing of the improvements;

Any expenses incidental to the issuance of bonds or notes pursuant to Section 22662.5.

Costs associated with any elections held for the approval of a new or increased assessment.

The 1972 Act defines "Maintain" or "maintenance" to mean furnishing of services and materials for the ordinary and usual maintenance, operation, and servicing of any improvement, including:

Repair, removal, or replacement of all or any part of any improvement.

Providing for the life, growth, health, and beauty of landscaping, including cultivation, irrigation, trimming, spraying, fertilizing, or treating for disease or injury.

The removal of trimmings, rubbish, debris, and other solid waste.

The cleaning, sandblasting, and painting of walls and other improvements to remove or cover graffiti.

### **C. DESCRIPTION OF IMPROVEMENTS AND SERVICES**

The following outlines the various improvements associated with the properties and developments throughout the District. The detailed plans and specifications of the District improvements are on file in the office of the City Public Works Department and by reference are made part of this Report.

There are currently no ongoing Capital Improvement Projects:



## **II. METHOD OF APPORTIONMENT**

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### **A. PROPOSITION 218 BENEFIT ANALYSIS**

The costs of the proposed improvements have been identified and allocated to properties within the District based on special benefit. The improvements provided by this District and for which properties are assessed are local public landscape improvements and related amenities that were installed in connection with the development of the properties or would otherwise be required for the development of properties within each respective Zone of the District. The assessments and method of apportionment is based on the premise that these improvements would otherwise not have been required without the development of those parcels within the District.

Article XIID Section 2(d) defines District as follows:

*"District means an area determined by an agency to contain all parcels which will receive a special benefit from a proposed public improvement or property-related service";*

Article XIID Section 2(i) defines Special Benefit as follows:

*"Special benefit" means a particular and distinct benefit over and above general benefits conferred on real property located in the district or to the public at large. General enhancement of property value does not constitute "special benefit."*

Article XIID Section 4(a) defines proportional special benefit assessments as follows:

*"An agency which proposes to levy an assessment shall identify all parcels which will have a special benefit conferred upon them and upon which an assessment will be imposed. The proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of the capital cost of a public improvement, the maintenance and operation expenses of a public improvement, or the cost of the property related service being provided. No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel." The 1972 Act permits the establishment of assessment districts by agencies for the purpose of providing certain public improvements which include the construction, maintenance, and servicing of public lights, landscaping and appurtenant facilities. The 1972 Act further requires that the cost of these improvements be levied according to benefit rather than assessed value":*

*"The net amount to be assessed upon lands within an assessment district may be apportioned by any formula or method which fairly distributes the net amount among all assessable lots or parcels in proportion to the estimated benefits to be received by each such lot or parcel from the improvements."*

Pursuant to Section 22574 of the 1972 Act permits the designation of zones of benefits within any individual assessment district if "by reason of variation in the nature, location, and extent of the improvements, the various areas will receive different degrees of benefit from the improvements." Thus, the 1972 Act requires the levy of a true "assessment" rather than a "special tax."

In addition, Proposition 218 the "Right to Vote on Taxes Act" which was approved on the November 1996 Statewide Ballot, requires that a parcel's assessment may not exceed the reasonable cost of the proportional special benefit conferred on that

parcel. Prop. 218 provides that only special benefits are assessable and the City must separate the general benefits from the special benefits.

The formula used for calculating assessments in this District reflects the composition of the parcels, and the improvements and services provided in order to fairly apportion the costs based on estimated benefit to each parcel.

## **B. BENEFIT ANALYSIS**

The assessment is proposed to be levied to defray the cost of the operation, servicing, and maintenance of street trees and street lighting and appurtenant facilities, including but not limited to, personnel, electrical energy, utilities such as water, materials, contracting services, and other items necessary for the satisfactory operation of these services.

### **Street Lighting Benefit:**

Proper maintenance and operation of the street lighting system benefits in proximity adjacent to the lights by providing security, safety and community character, and vitality. The amount of benefit received will vary with the different land use on the property. There are three (3) categories from which the total special benefit of a parcel is derived:

1. **Security and Safety Benefit.** The prevention of crime, the alleviation of the fear of crime, and the prevention of traffic accidents in a community.
2. **Community Character and Vitality Benefit.** The promotion of social interaction, promotion of business and industry, and the contribution to a positive night time visual image for the community.
3. **Lighting Intensity Benefit.** As the lighting levels increase, so do the benefits associated with the lighting. Lighting Standards usually require approximately twice the level of lighting in commercial/industrial areas than in residential areas.

Parcels, which are located on streets with streetlights, receive a special lighting benefit. Parcels which are located on private streets receive a substantially reduced benefit from local lighting, parcel which do not have any local streetlights receive no benefit from street lighting.

Lighting at the street intersection, which is defined as safety lighting, is considered to be the minimum lighting requirement for vehicular safety; therefore, safety lighting represents the general benefit portion of street lighting. Additionally, lights, which are on arterials of the City, which do not have parcels fronting on them, are considered a general benefit. Those general benefit portions of the City's lighting budget will not be assessed.

**Benefit Zones.** Most parcels within the City front on streets with streetlights and therefore receive a direct lighting benefit. However, there are some areas in the City, which have a higher level of lighting and these have been designated as additional Benefit Zones.

Zone A. The Civic Center and Plaza at West Covina areas receive a higher level of street lighting.

Zone B. The properties along Glendora Avenue from Walnut Creek Parkway to the I-10 Freeway receive a higher level of street lighting than Zone A.

Those parcels which also have public lighting in adjacent alleyways receive an equal amount of benefit for the alley lights as for the streetlights, therefore, these parcels are assessed two times the benefit of the basic local lighting. The parcels that front streets without streetlights do not receive a local lighting benefit and therefore are not assessed.

### **Street Trees:**

Trees, landscaping, hardscaping and appurtenant facilities, if well maintained, provide beautification, shade and enhancement of the desirability of the surroundings.

The City maintains street trees throughout the City. The trees are located within the public right-of-way and provide aesthetically pleasing environment, shade, beautification, and according to some authorities' air purification and sound attenuation. These positive attributes increase the desirability of properties located on streets that have trees on them.

More importantly, proper maintenance of these facilities, especially routine trimming of street trees and removal/replacement of deceased trees, is essential to the safety of the users of adjacent properties.

Parcels that are located on streets which do not have trees do not benefit and are not assessed. Street trees on arterials of the City that do not have parcels fronting on them are considered a general benefit. There are approximately seven hundred and eighty-four (784) such trees out of approximately twenty-seven thousand forty-eight (27,048) street trees in the City, or 2.90%. Therefore, 2.90% of the City street tree budget will be funded through the City's General Fund account.

## **C. ASSESSMENT METHODOLOGY**

The methods of apportionment utilized for the District calculates the receipt of special benefit from the respective improvements based on the actual or proposed land use of the parcels. The special benefit received by each lot or parcel is equated to the overall land use of the parcel based on the parcel's actual land use or proposed planned development and is reliant upon the special benefit received from the improvements planned or existing within the District.

To identify and determine the special benefit to be received by each parcel, it is necessary to consider the entire scope of the improvements. The costs associated with the improvements shall be fairly distributed among the parcels based upon the special benefit received by each parcel. Additionally, in compliance with Section 4 of Article XIID, each parcel's assessment may not exceed the reasonable cost of the proportional special benefit conferred to that parcel. The benefit formula used to determine the assessment obligation is therefore based upon both the improvements that benefit the parcels of the District as well as the proposed land use of each property as compared to other parcels that benefit from those specific improvements.

### **Equivalent Dwelling Units:**

Since the assessments will be levied against parcels of property as shown on the tax rolls, the final charges must be assigned by Assessor's Parcel Number. If assessments were to be spread just by parcel, not considering land use or parcel size, a single-family parcel would be paying the same as a fifty (50) unit apartment parcel or a large commercial establishment in a similar zone and this would not be equitable and would not satisfy the Prop. 218 requirements.

The single-family residential parcel has been selected as the basic unit for calculation of assessment since it represents 80% of the parcels in the City. Therefore, the single-family residential parcel is defined as an Equivalent Dwelling Unit ("EDU"). A methodology has been developed to calculate the EDUs for other residential land uses and for non-residential parcels. Every land-use is converted to EDUs: parcels containing apartments are converted to EDUs based on the number of dwelling units on each parcel of land; commercial and industrial parcels are converted based on the lot size of each parcel of land.

The EDU method is usually seen as more appropriate and equitable for landscaping and lighting districts, as the benefit to each parcel from the improvements being maintained extends beyond the front of their property. Therefore, assessments are apportioned as a function of land-use type and whether a property is developed or not. This may be more clearly shown by taking an example of condominiums. Under the current method of assessment, the frontage along the whole condominium complex is measured, and then is divided by the number of units within the complex. This spreads a relatively small assessment to each of the condominiums, which is not commensurate with the benefit each one of them receives.

### **EDU Application:**

**Single-Family Residential** - The single-family residential parcel has been selected as the basic unit for calculation of the benefit assessment. The basic unit shall be called an Equivalent Dwelling Unit (EDU). Parcels zoned for single-family residential uses are assessed **1 EDU**.

**Multi-Family Residential** - Multiple residential (including condominiums) land use equivalencies are determined based on the number of dwelling units on each parcel. Due to population density and size of structure relative to the typical single-family residence, each dwelling unit defined as multi-family residential, including condominiums, would be **0.75 EDU**. Benefits to a multi-family residential property do not increase proportionately as the number of units increase. Therefore, the population per unit decreases as the residential land use density increases and there is a corresponding reduction in benefit to a parcel. Also, as the number of dwelling units increase, the average value per rental unit decreases. Therefore, there is a reduced benefit to a parcel as the number of dwelling units increase. By decreasing the equivalency as the number of units increase, a reasonable benefit assessment is achieved. Therefore, the equivalency is reduced to **0.5 EDU** per dwelling unit, for five (5) through fifteen (15) dwelling units (as parcels with 5 to 15 units are considered "high medium density" as opposed to the "low density" of duplexes, triplexes and fourplexes), and the equivalency is reduced to **0.25 EDU** per dwelling unit for more than 15 units, which are considered to be "high density". Fifteen units are established as the limit of the "high medium density" category as State law (California Title 25, Section 42) requires that apartment complexes with 16 or more dwelling units have a manager located on the premises, which is an indication of "high density".

**Mobile Homes** - Mobile home parks, and mobile homes located within mobile home parks, are converted to EDUs based on the population density and size of structure relative to a single-family residence. Therefore, mobile home parks and mobile homes located within mobile home parks would be assessed **0.5 EDU** per mobile home. No decrease would be applied to this factor, as mobile homes are all separate dwellings with no common walls.

**Non-Residential** - In converting improved non-residential properties to EDUs, the factor used is the City of West Covina's average density for single-family residential areas, which are five (5) dwelling units per acre. All properties developed for non-residential uses are therefore assigned **5 EDUs** per acre for the first five (5) acres. It is our experience, based upon a review of large non-residential parcels, that the utilization of that portion of non-residential property greater than 5 acres more closely resembles that of vacant land as it is typically undeveloped. Therefore, after the first 5 acres, each additional acre will be charged 25% of 5 EDUs which results in **1.25 EDUs** per acre, similar to vacant land as described below.

### **Vacant Property:**

Vacant property is described, as parcels with no improved structures. These properties receive benefits based on their land, as this is the basis of their value. Based on the opinions of professional appraisers, appraising current market property values for real estate in Southern California, the land value portion of the property typically ranges from 20 to 30 percent of the property's total value. Additionally, the utilization of vacant property is significantly less than improved property, and vacant

property has a traffic generation rate of 0. Therefore, it is recommended that vacant property be assessed at the rate of 25 percent of improved property.

**Vacant Residential** - Parcels defined as residential parcels, which do not have structures on the parcels, are assessed 25% of the parcel with a single-family dwelling thereon. The parcel will be assessed **0.25 EDU** per parcel.

**Vacant Non-Residential** - Parcels defined as parcels which are not residential parcels and which do not have structures on the parcel area assessed based upon the acreage of the parcel. The parcels will be assessed at the rate of 25% of the developed non-residential properties, or **1.25 EDU** per acre or any portion thereof, with a minimum of **0.25 EDU** per parcel and up to a maximum of **5 acres (6.25 EDUs)** per parcel, as parcels over five (5) acres may be considered as open space, and no longer receive any benefit.

**Public Property** - Article XIID of the California Constitution requires that all benefiting public properties be assessed for their fair share of the benefit. Public property, which is developed and used for residential or business purposes will be assessed the same as private property with the same use. Schools will be assessed as Commercial/Industrial uses. Parks will be assessed as vacant property.

**Exempt** - Excepted from the assessment would be the areas of public streets, public avenues, public lanes, public roads, public drives, public courts, public alleys, public easements, and right-of-way, public greenbelts, parkways and that portion of property that is not developed and used for business purposes similar to private commercial, industrial and institutional activities. Also, excepted from assessments would be utility right-of-way, common areas (such as in condominium complexes), landlocked parcels and small parcels vacated by the City as these parcels have little or no value and therefore do not benefit from the improvements.



The land use classification for each parcel has been based on the Los Angeles County Assessor's Roll.

#### LAND USE CODES AND EQUIVALENT DWELLING UNITS

| Land Use Codes  |                                     | Total EDU                              |                             |
|---|-------------------------------------|--|-----------------------------|
| Single-Family Residential (SFR)                                     |                                     | 1.0 per unit                           |                             |
| Condominiums  |                                     | 0.75 per unit                          |                             |
| Multi-Family Residential  | 0.75 per unit for the first 4 units | 0.5 per unit over 4 and up to 15 units | 0.25 per unit over 15 units |
| Mobile Home Parks   |                                     | 0.5 per DU                             |                             |
| Commercial/Industrial and Other Non-Residential (including Schools) | 5.0 per acre for the first 5 acres  | 1.25 per acre over 5 acres             |                             |
| Vacant SFR  |                                     | 0.25 per parcel                        |                             |
| Vacant (25% of Non-Residence EDUs) (includes Parks)                 |                                     | 1.25 per acre (5 acre maximum)         |                             |

#### Benefit Factors:

There are varying levels of benefit to property from the operation and maintenance of street lighting and street trees based on the different types of property use. Because the benefit to the property varies depending on the type of land use of the property, a Benefit Factor is applied to the EDU formula for each property for each type of improvement to obtain Benefit Units for each Property.

$$(\text{Equivalent Dwelling Unit}) \times (\text{Benefit Factor}) = \text{Benefit Units}$$

The following table outlines the Benefit Factors for street lighting:

#### STREET LIGHTING BENEFIT FACTORS

|                                | Residential | Commercial/Industrial |
|--------------------------------|-------------|-----------------------|
| Security & Safety              | 1           | 1                     |
| Community Character & Vitality | 1           | 1                     |
| Lighting Intensity             | 1           | 2                     |
| <b>Total</b>                   | <b>3</b>    | <b>4</b>              |

Schools will receive a residential benefit factor, as they tend to be in residential areas and benefit similarly to residential property. Parks are assessed as vacant land and receive a non-residential benefit factor.

## Benefit Units:

The budget for basic lighting is \$1,159,639. The proposed applied basic lighting assessment rate is estimated at \$13.44 per BU, which includes the costs of basic lighting and associated capital improvements and contribution to reserves totaling \$1,391,666. Accordingly, a single-family residential parcel's assessment would equal 3 BU x \$13.44/BU = \$40.32. The Following table provides a preliminary summary of Street Lighting Benefit Units (BU's) for the City.

| STREET LIGHTING BENEFIT UNITS |               |               |                 |                  |                |                   |
|-------------------------------|---------------|---------------|-----------------|------------------|----------------|-------------------|
| Land Use                      | Parcels       | Dwellings     | Acres           | EDU's            | Benefit Factor | Benefit Units     |
| Single Family Residential     | 20,734        | 20,734        |                 | 20,734.00        | 3              | 62,202.00         |
| Condominium                   | 3,603         | 3,603         |                 | 2,702.25         | 3              | 8,106.75          |
| Multi-Family Residential      | 494           | 8,106         |                 | 3,087.50         | 3              | 9,262.50          |
| Mobile Home Parks             | 2             | 265           |                 | 132.50           | 3              | 397.50            |
| Commercial                    | 690           |               | 1326.20         | 4,177.02         | 4              | 16,708.10         |
| Vacant SFR                    | 150           |               | 61.85           | 37.50            | 3              | 112.50            |
| Vacant Non-SFR <sup>(1)</sup> | 337           |               | 1,025.92        | 1,689.32         | 4              | 6,757.26          |
| <b>Totals</b>                 | <b>26,010</b> | <b>32,708</b> | <b>2,413.96</b> | <b>32,560.09</b> |                | <b>103,546.61</b> |

<sup>(1)</sup> Government properties are assessed as Vacant Non-SFR land use.

Note: Zones A & B have different benefit factors. See following tables.

## Lighting Benefit Zone A:

The budget for Zone A lighting is \$53,773. The proposed applied preliminary basic lighting assessment rate is estimated at \$40.85 per BU, which includes the costs of Zone A lighting and associated capital improvements, and contribution to reserves totaling \$70,820. The following table shows the preliminary summary of the BUs in Zone A.

| ZONE A BENEFIT UNITS |           |               |               |                |                 |
|----------------------|-----------|---------------|---------------|----------------|-----------------|
| Land Use             | Parcels   | Acreage       | EDU's         | Benefit Factor | Benefit Units   |
| Commercial           | 43        | 69.94         | 280.72        | 4              | 1,122.89        |
| Vacant Non-SFR       | 17        | 50.58         | 152.69        | 4              | 610.76          |
| <b>Totals</b>        | <b>60</b> | <b>120.52</b> | <b>433.41</b> |                | <b>1,733.65</b> |



**Lighting Benefit Zone B:**

The budget for Zone B lighting is \$17,423 and is additional to the budget for Zone A. The proposed applied preliminary basic lighting assessment rate is estimated at \$23.80 per BU plus \$40.85 per BU for Zone A, for a total applied assessment rate of \$64.65 per BU, which includes the costs lighting and associated capital improvements, and contribution to reserves totaling \$8,750. The following table shows the preliminary summary of the BUs in Zone B.

**ZONE B BENEFIT UNITS**

| Land Use                     | Parcels   | Acreage     | EDU's        | Benefit Factor | Benefit Units |
|------------------------------|-----------|-------------|--------------|----------------|---------------|
| Commercial                   | 24        | 6.15        | 30.74        | 4              | 122.95        |
| Vacant Non-SFR               | 3         | 2.48        | 3.10         | 4              | 12.39         |
| <b>Totals <sup>(1)</sup></b> | <b>27</b> | <b>8.63</b> | <b>33.84</b> |                | <b>135.34</b> |

<sup>(1)</sup> Totals may not foot due to rounding.

No additional factors have been assigned for street trees; therefore, the Benefit Unit factors are the same as the EDU factors for each land use.

### **Street Tree Benefit:**

The total budget for Street Trees is \$390,674. The proposed applied preliminary assessment rate is estimated at \$18.53 per BU, which includes the costs of street tree maintenance and associated capital improvements, and contribution to reserves totaling \$460,965. A single-family residential parcel's assessment would be equal to 1 BU x \$18.53/BU = \$18.53. The following table provides a preliminary summary of Street Tree Benefit Units (BUs) for the City.

| STREET TREE BENEFIT UNITS        |               |               |                 |                  |                |                  |
|----------------------------------|---------------|---------------|-----------------|------------------|----------------|------------------|
| Land Use                         | Parcels       | Dwellings     | Acres           | EDU's            | Benefit Factor | Benefit Units    |
| Single Family Residential        | 15,646        | 15,646        |                 | 15,646.00        | 1              | 15,646.00        |
| Condominium                      | 3,497         | 3,497         |                 | 2,622.75         | 1              | 2,622.75         |
| Multi-Family Residential         | 417           | 5,350         |                 | 2,136.50         | 1              | 2,136.50         |
| Mobile Home Parks                | 1             | 157           |                 | 78.50            | 1              | 78.50            |
| Commercial                       | 432           |               | 1,032.91        | 2,989.89         | 1              | 2,989.89         |
| Vacant SFR                       | 115           |               | 44.45           | 28.75            | 1              | 28.75            |
| Vacant Non-SFR (including Parks) | 291           |               | 851.66          | 1,374.30         | 1              | 1,374.30         |
| <b>Totals</b>                    | <b>20,399</b> | <b>24,650</b> | <b>1,929.02</b> | <b>24,876.68</b> |                | <b>24,876.68</b> |

<sup>(1)</sup> Government properties are assessed as Vacant Non-SFR land use.

### **Assessment Rate Summary:**

The following table summarizes the Applied and Maximum Assessment rates for parcels in each of the zones of benefits:

| ASSESSMENT RATE SUMMARY |                               |                               |
|-------------------------|-------------------------------|-------------------------------|
| Benefit Category        | Applied Rate Per Benefit Unit | Maximum Rate Per Benefit Unit |
| Basic Local Lighting    | \$13.44                       | \$13.4405                     |
| Light Zone A            | \$40.85                       | \$40.8510                     |
| Light Zone B            | \$64.65                       | \$64.6532                     |
| Street Tree Benefit     | \$18.53                       | \$18.5386                     |

\*Note: City will apply the Applied Rate per benefit unit.

## **D. ASSESSMENT RANGE FORMULA**

Any new or increased assessment requires certain noticing and meeting requirements by law. Prior to the passage of Proposition 218 (California Constitution Articles XIIC and XIID), legislative changes in the Brown Act defined a "new or increased assessment" to exclude certain conditions. These conditions included "any assessment that does not exceed an assessment formula or range of assessments previously adopted by the agency or approved by the voters in the area where the assessment is imposed." This definition and conditions were later confirmed through Senate Bill 919 (the Proposition 218 implementing legislation).

The purpose of establishing an assessment range formula is to provide for reasonable increases and inflationary adjustment to annual assessments without requiring costly

noticing and mailing procedures, which could add to the District costs and assessments. As part of the District formation, balloting of property owners is required pursuant to the Article XIID Section 4. The property owner ballots include an Assessment to be approved, as well as the approval of an assessment range formula.

The Maximum Assessment is equal to the initial Assessment approved by property owners adjusted annually by the percentage increase of the Local Consumer Price Index ("CPI") for Los Angeles-Long Beach-Anaheim for All Urban Consumers from March to March up to 2%. As of January 2018, the Los Angeles-Riverside-Orange County Consumer Price Index region name changed to Los-Angeles-Long Beach-Anaheim Consumer Price Index. Each Fiscal Year, the Maximum Assessment will be recalculated, and a new Maximum Assessment established. For Fiscal Year 2023/2024, CPI increased 3.65%, therefore percentage increase is 2%.

The Maximum Assessment is adjusted annually and is calculated independent of the annual budgets and proposed assessments established for each Zone of the District. Any proposed annual assessment (rate per EBU) less than or equal to this Maximum Assessment (for each Zone) is not considered an increased assessment, even if the proposed assessment is much greater than the assessment applied in the prior Fiscal Year.

### **III. ESTIMATE OF COSTS**

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The total estimate of costs for maintenance of the proposed improvements for FY 2023/2024, as defined under Section 22569 of the 1972 Act, are those as hereinafter set forth. Said cost estimates include the total District costs for constructing or installing any proposed improvements and for maintenance and servicing the existing improvements including incidental expenses; the amount of any surplus or deficit in the maintenance fund to be carried over from the previous year; any annual installments to be collected over more than a single year; as well as the amount of any contributions to be made from any other sources.

#### **A. CAPITAL IMPROVEMENT PROJECT FUND**

For FY 2023/2024, there are no planned capital improvements.

## B. PROPOSED INCREASE SCOPE OF WORK AND SUMMARY OF OPERATING COSTS

| Citywide Lighting and Maintenance District<br>Fiscal Year 2023-24<br>Estimated Operating Costs |                             |                            |
|--|-----------------------------|----------------------------|
|  | <u>Existing Maintenance</u> | <u>Optimal Maintenance</u> |
| <b>Direct Maintenance</b>  |                             |                            |
| <b>Personnel Services</b>  |                             |                            |
| Full Time Salaries & Benefits  | \$63,462                    | \$126,925                  |
| Overtime   | 231                         | 462                        |
| <b>Subtotal</b>  | <u>\$63,694</u>             | <u>\$127,387</u>           |
| <b>Maintenance and Services</b>  |                             |                            |
| Maintenance Contracts  | \$22,452                    | \$44,904                   |
| Utilities  | 1,179,650                   | 2,359,300                  |
| Supplies, Vehicle Maintenance, and Gas   | 33,365                      | 66,729                     |
| Property & Liability Insurance   | 50,257                      | 100,514                    |
| <b>Subtotal</b>  | <u>\$1,285,723</u>          | <u>\$2,571,447</u>         |
| <b>Total Direct Maintenance</b>  | \$1,349,417                 | \$2,698,834                |
| <b>Engineering &amp; Incidentals</b>   |                             |                            |
| <b>Personnel Services</b>  |                             |                            |
| Full Time Salaries & Benefits  | \$25,380                    | \$50,761                   |
| <b>Subtotal</b>  | <u>\$25,380</u>             | <u>\$50,761</u>            |
| <b>Maintenance and Services</b>  |                             |                            |
| Consultant Services  | \$287                       | \$574                      |
| Service Contracts  | 437,598                     | 875,196                    |
| Supplies, Vehicle Maintenance, and Gas   | 1,218                       | 2,436                      |
| Equipment Outlay   | 350,000                     |                            |
| Administration and Overhead  | 77,764                      | 155,527                    |
| <b>Subtotal</b>  | <u>\$866,867</u>            | <u>\$1,033,733</u>         |
| <b>Total Engineering &amp; Incidentals</b>   | \$892,247                   | \$1,084,494                |
| <b>Total Operating Budget</b>  | <b>\$2,241,664</b>          | <b>\$3,783,328</b>         |

Note: The variance is the amount needed to support the recommended increased scope of work for Citywide Lighting and Maintenance District. The recommended scope of work includes the repair and replacement of light standards, hardscape repair and replacement of off-grade, cracked and broken sidewalks and ADA ramps, tree trimming, maintenance, and/or removal of the street trees on a citywide cycle, and landscape maintenance including trash removal and clearing of the median plants, shrubbery, and irrigation

Note: Adjustments for budget to equal assessment amount.

\*Totals may not foot due to rounding.

### **C. PROPOSED INCREASE SCOPE OF WORK AND SUMMARY OF TOTAL COSTS**

The City's budget for the operation and services costs detail the estimated costs and fund balances for FY 2023/2024 as available at the time of preparation of this Report. The 1972 Act provides that the total cost can be recovered in the assessment spread including incidental expenses. The latter can include engineering fees, legal fees, printing, mailing, postage, publishing, and all other related costs identified with the district proceedings.

The 1972 Act requires that a special fund be set-up for the revenue and expenditures of the district. Funds raised by assessment shall be used only for the purpose as stated herein. A contribution to the District by the City may be made to reduce assessments, as the City Council deems appropriate. Any balance or deficit remaining on July 1<sup>st</sup> must be carried over to the next fiscal year.

Also located in the budget is the proposed increase in scope of maintenance work at optimal levels. Increased scope of work for Citywide Lighting and Maintenance District is recommended to include the repair and replacement of light standards, hardscape repair and replacement of off-grade, cracked and broken sidewalks and ADA ramps, tree trimming, maintenance, and/or removal of the street trees on a citywide cycle, and landscape maintenance including trash removal and clearing of the median plants, shrubbery, and irrigation. It is estimated that the budget required for the increased lighting, hardscape, and landscaping scope is approximately double the existing LMD budgets.

As costs have risen, maintenance has suffered. A full study of what a proper level of maintenance would cost is needed to ascertain what a proper level of maintenance would cost and explore how to properly set the assessment rate. Such a study will take several months and, if rates are to be increased, would require a vote by the affected property owners.

Pending completion of a further analysis, this report recommends that assessment rates be maintained at their current levels for Fiscal Year 2023/2024.

| City of West Covina<br>Citywide Lighting and Maintenance District<br>Fiscal Year 2023-24<br>Estimated Operating Costs |                             |                    |                            |
|---|-----------------------------|--------------------|----------------------------|
|   | <i>Existing Maintenance</i> |                    | <i>Optimal Maintenance</i> |
| <b>Previous Fiscal Year Fund Balance</b>  |                             | <b>\$699,612</b>   | <b>\$699,612</b>           |
| <b>Revenues</b>   |                             |                    |                            |
| Assessment Income (Total Balance to Levy)   | \$1,942,462                 |                    | \$1,942,462                |
| Interest  | 8,140                       |                    | 8,140                      |
| <b>Total Projected Revenue</b>  |                             | <b>\$1,950,602</b> | <b>\$1,950,602</b>         |
| <b>Expenditures</b>   |                             |                    |                            |
| <b>Direct Costs</b>   |                             |                    |                            |
| <b>Lighting</b>   |                             |                    |                            |
| Direct Lighting   | \$1,779,794                 |                    | \$3,559,589                |
| Zone A  | 53,773                      |                    | 107,546                    |
| Zone B  | 17,423                      |                    | 34,846                     |
| <b>Subtotal</b>   | <b>\$1,850,990</b>          |                    | <b>\$3,701,981</b>         |
| <b>Street Lights</b>  |                             |                    |                            |
| Direct Street Trees   | \$390,674                   |                    | \$781,348                  |
| <b>Subtotal</b>   | <b>\$390,674</b>            |                    | <b>\$781,348</b>           |
| <b>Total Operating Budget</b>   |                             |                    |                            |
| Capital Improvement <sup>(1)</sup>  | \$0                         |                    | \$0                        |
| <b>Total Operating and Capital Budget</b>   |                             | <b>\$2,241,664</b> | <b>\$4,483,329</b>         |
| <b>Ending Fund Balance</b>  |                             | <b>\$408,550</b>   | <b>(\$1,833,115)</b>       |

<sup>(1)</sup> See Capital Project Fund Section III. A.

Note: The variance is the amount needed to support the recommended increased scope of work for Citywide Lighting and Maintenance District. The recommended scope of work includes the repair and replacement of light standards, hardscape repair and replacement of off-grade, cracked and broken sidewalks and ADA ramps, tree trimming, maintenance, and/or removal of the street trees on a citywide cycle, and landscape maintenance including trash removal and clearing of the median plants, shrubbery, and irrigation

Note: Adjustments for budget to equal assessment amount.

\*Totals may not foot due to rounding

#### **IV. BOUNDARY MAP**

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A diagram showing the exterior boundaries of the District, boundaries of any zone within the District and the lines and dimension of each lot or parcel of land within the district is on file in the Office of the City Engineer.

## **V. ASSESSMENT ROLL**

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Parcel identification for each lot or parcel within the District shall be the parcel as shown on the Los Angeles County Secured Roll for the year in which this Report is prepared and reflective of the Assessor's Parcel Maps. A listing of the proposed lots and parcels to be assessed within this District along with the assessment amounts shall be submitted to the City Clerk, under a separate cover, and by reference is made part of this Report.



**West Covina Citywide Lighting and Maintenance District**  
**10 Year Existing Plus 2% Projected Fiscal Projection**

| Percent Increase<br>Fiscal Year           | 2%<br>23-24        | 0%<br>24-25        | 0%<br>25-26        | 0%<br>26-27        | 0%<br>27-28          | 0%<br>28-29          | 0%<br>29-30          | 0%<br>30-31          |
|---|--------------------|--------------------|--------------------|--------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Assessment Income</b>                  | <b>\$1,942,462</b> | <b>\$1,942,462</b> | <b>\$1,942,462</b> | <b>\$1,942,462</b> | <b>\$1,942,462</b>   | <b>\$1,942,462</b>   | <b>\$1,942,462</b>   | <b>\$1,942,462</b>   |
| Interest (1)                              | 8,140              | 817                | 175                | (513)              | (1,248)              | (2,031)              | (2,862)              | (3,742)              |
| <b>Total Revenues</b>                     | <b>\$1,950,602</b> | <b>\$1,943,279</b> | <b>\$1,942,637</b> | <b>\$1,941,949</b> | <b>\$1,941,214</b>   | <b>\$1,940,431</b>   | <b>\$1,939,600</b>   | <b>\$1,938,720</b>   |
| Prior Year Balance                        | 699,612            | 408,550            | 87,748             | (256,337)          | (623,976)            | (1,015,447)          | (1,431,028)          | (1,871,000)          |
| <b>Total Funding</b>                      | <b>\$2,650,214</b> | <b>\$2,351,829</b> | <b>\$2,030,385</b> | <b>\$1,685,613</b> | <b>\$1,317,238</b>   | <b>\$924,984</b>     | <b>\$508,572</b>     | <b>\$67,720</b>      |
| Maintenance Costs (2)                     | 2,241,664          | 2,264,081          | 2,286,722          | 2,309,589          | 2,332,685            | 2,356,012            | 2,379,572            | 2,403,368            |
| <b>Total Cost</b>                         | <b>\$2,241,664</b> | <b>\$2,264,081</b> | <b>\$2,286,722</b> | <b>\$2,309,589</b> | <b>\$2,332,685</b>   | <b>\$2,356,012</b>   | <b>\$2,379,572</b>   | <b>\$2,403,368</b>   |
| <b>Ending Balance</b>                     | <b>\$408,550</b>   | <b>\$87,748</b>    | <b>(\$256,337)</b> | <b>(\$623,976)</b> | <b>(\$1,015,447)</b> | <b>(\$1,431,028)</b> | <b>(\$1,871,000)</b> | <b>(\$2,335,647)</b> |
| Typical Assessment for SFR <sup>(3)</sup> | \$58.85            | \$58.85            | \$58.85            | \$58.85            | \$58.85              | \$58.85              | \$58.85              | \$58.85              |

Notes: (1) Interest is 0.4% of one-half of the previous year ending balance.

(2) 1% increase in maintenance cost each year due to inflation.

(3) Previously approved maximum highest rate of \$57.64, may not be increased further without vote.



## AGENDA STAFF REPORT

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City of West Covina | Office of the City Manager

**DATE:** June 20, 2023

**TO:** Mayor and City Council

**FROM:** Paulina Morales  
Acting City Manager

**SUBJECT: CONSIDERATION OF APPROVAL OF PURCHASE ORDER THROUGH COOPERATIVE PURCHASING AGREEMENT TO MUSCO SPORTS LIGHTING, LLC TO PROCURE LIGHTING EQUIPMENT FOR CORTEZ PARK - PROJECT NO. 22016**

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### RECOMMENDATION:

It is recommended that the City Council take the following actions:

1. Authorize the Acting City Manager to issue a purchase order to Musco Sports Lighting, LLC for \$431,430, for direct purchasing of new lighting equipment at Cortez Park through Sourcewell Contract #071619-MSL; and
2. Authorize 25% of the purchase order amount as contingency allowance to be used, if necessary, with the Acting City Manager's approval, for unforeseen conditions.

### BACKGROUND:

As part of the City's Fiscal Year 2022-2023 Capital Improvement Program, the City Council approved the Park Sports Field Lighting Project, Project No: 22016. The project consists of installation of new lighting standards (poles, fixtures, conduits, panels, etc.) to the two baseball fields and multipurpose field at Cortez Park, located at 2441 E Cortez St., West Covina.

As part of the improvements, seven field light poles will be replaced with new field light standards (poles, fixtures), and seven light poles will be retrofitted with new light fixtures; new light control and monitoring system will also be installed. Due to the lead time in ordering the materials, at this time staff is seeking approval of the materials only. Staff will come back to city council for approval of a public works contract for installation of the new light improvements at a future City Council meeting.

### DISCUSSION:

The Section 2-335(6) of the West Covina Municipal Code provides an exemption from the City's competitive procurement requirements for purchases made through a cooperative purchasing agreement or program, provided that the following requirements are met:

- a. The Purchasing Officer determines the purchase is in the best interest of the City;
- b. The Purchasing Officer determines the purchase is to the City's economic advantage; and
- c. The agreement was competitively awarded using a process that complies with policies, rules, and regulations as approved by the Purchasing Officer.

Sourcewell has provided a quote for the lighting equipment (Attachment No. 2). As authorized by Section 2-335(6) of the Municipal Code, staff recommends procuring lighting equipment through the Sourcewell Cooperative Purchasing Agreement (Contract #071619-MSL) and issuing a purchase order to Musco Sports Lighting, LLC for \$431,430 for direct purchasing of new lighting equipment at Cortez Park through Sourcewell.

This procurement method will provide cost and schedule efficiencies. Thus, staff has determined that the purchase through this platform is in the best interest of the City. This Sourcewell agreement has also been competitively solicited utilizing a process that complies with City's policies, rules, and regulations. Additionally, each solicitation contains language that advises all suppliers of the subsequent agreement that may be used by other government agencies throughout the United States. Agreements for these types of equipment result in lower costs and are to the City's economic advantage, as the markups by a construction contractor incorporating the items into a larger project is eliminated.

The material procurement lead time for the lighting equipment is approximately four (4) months after the purchase order is issued. Staff will separately solicit a public works contractor for the installation and site work and return to Council to award a public works agreement at a later date. The anticipated construction start date is late Fall 2023 with anticipated construction completion early 2024.

#### **LEGAL REVIEW:**

The City Attorney's Office has reviewed this staff report.

#### **ENVIRONMENTAL REVIEW:**

The proposed Project is a project subject to CEQA. Staff has reviewed the proposed project and has determined that it is categorically exempt from CEQA pursuant to CEQA Guidelines Section(s) 15302: Replacement or reconstruction; (c) Replacement or reconstruction of existing utility and/or facilities involving negligible or no expansion of capacity.

**Prepared by:** Okan Demirci, PE, CIP Manager

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#### **Fiscal Impact**

##### **FISCAL IMPACT:**

The Park Sports Field Lighting project is funded by American Rescue Plan Act (ARPA) and budgeted under the following project and account in FY2022-23:

| <b>Project Fund</b> | <b>Fund</b>                           | <b>Account No.</b> | <b>Current Budget Balance</b> | <b>Amount Requested</b> | <b>New Balance</b> |
|---------------------|---------------------------------------|--------------------|-------------------------------|-------------------------|--------------------|
| 22016               | 179, ARPA Local Fiscal Recovery Funds | 179.80.7003.7900   | 922,724                       | 431,430                 | 491,294            |
| <b>Total</b>        |                                       |                    | <b>\$922,724</b>              | <b>\$431,430</b>        | <b>\$491,294</b>   |

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#### **Attachments**

Attachment No. 1- Sourcewell Contract (#071619)

Attachment No. 2- Musco Lighting Equipment Sourcewell Quote

**CITY COUNCIL GOALS & OBJECTIVES:** Enhance City Image and Effectiveness



**Solicitation Number: #071619**

## **CONTRACT**

This Contract is between Sourcewell, 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479 (Sourcewell) and, Musco Sports Lighting LLC, 100 1st Ave West PO Box 808, Oskaloosa IA 52577 (Vendor).

Sourcewell is a State of Minnesota local government agency and service cooperative created under the laws of the State of Minnesota (Minnesota Statutes Section 123A.21) that offers cooperative procurement solutions to its members. Participation is open to all levels of governmental entity, higher education, K-12 education, nonprofit, tribal government, and other public entities located in the United States and Canada.

Vendor desires to contract with Sourcewell to provide equipment, products, or services to Sourcewell and its Members (Members).

### **1. TERM OF CONTRACT**

- A. **EFFECTIVE DATE.** This Contract is effective upon the date of the final signature below.
- B. **EXPIRATION DATE AND EXTENSION.** This Contract expires August 27, 2023, unless it is cancelled sooner pursuant to Article 24. This Contract may be extended up to one additional one-year period upon request of Sourcewell and with written agreement by Vendor.
- C. **SURVIVAL OF TERMS.** Articles 11 through 16 survive the expiration or cancellation of this Contract.

### **2. EQUIPMENT, PRODUCTS, OR SERVICES**

- A. **EQUIPMENT, PRODUCTS, OR SERVICES.** Vendor will provide the Equipment, Products, or Services as stated in its Proposal submitted under the Solicitation Number listed above. Vendor's Equipment, Products, or Services Proposal (Proposal) is attached and incorporated into this Contract.

All Equipment and Products provided under this Contract must be new/current model. Vendor may offer close-out or refurbished Equipment or Products if they are clearly indicated in Vendor's product and pricing list. Unless agreed to by the Member in advance, Equipment or Products must be delivered as operational to the Member's site.

This Contract offers an indefinite quantity of sales, and while substantial volume is anticipated, sales and sales volume are not guaranteed.

B. **LAWS AND REGULATIONS.** All Equipment, Products, or Services must comply fully with applicable federal laws and regulations, and with the laws of the state or province in which the Equipment, Products, or Services are sold.

C. **WARRANTY.** Vendor warrants that all Equipment, Products, and Services furnished are free from liens and encumbrances, and are free from defects in design, materials, and workmanship. In addition, Vendor warrants the Equipment, Products, and Services are suitable for and will perform in accordance with the ordinary use for which they are intended. Vendor's dealers and distributors must agree to assist the Member in reaching a resolution in any dispute over warranty terms with the manufacturer. Any manufacturer's warranty that is effective past the expiration of the Vendor's warranty will be passed on to the Member.

D. **DEALERS AND DISTRIBUTORS.** Upon Contract execution, Vendor will make available to Sourcewell a means to validate or authenticate Vendor's authorized Distributors/Dealers relative to the Equipment, Products, and Services related to this Contract. This list may be updated from time-to-time and is incorporated into this Contract by reference. It is the Vendor's responsibility to ensure Sourcewell receives the most current version of this list.

### **3. PRICING**

All Equipment, Products, or Services under this Contract will be priced as stated in Vendor's Proposal.

Regardless of the payment method chosen by the Member, the total cost associated with any purchase option of the Equipment, Products, or Services must always be disclosed in the pricing quote to the applicable Member at the time of purchase.

When providing pricing quotes to Members, all pricing quoted must reflect a Member's total cost of acquisition. This means that the quoted cost is for delivered Equipment, Products, and Services that are operational for their intended purpose, and includes all costs to the Member's requested delivery location.

A. **SHIPPING AND SHIPPING COSTS.** All delivered Equipment and Products must be properly packaged. Damaged Equipment and Products may be rejected. If the damage is not readily apparent at the time of delivery, Vendor must permit the Equipment and Products to be returned within a reasonable time at no cost to Sourcewell or its Members. Members reserve the right to inspect the Equipment and Products at a reasonable time after delivery where circumstances or conditions prevent effective inspection of the Equipment and Products at the time of delivery.

Vendor must arrange for and pay for the return shipment on Equipment and Products that arrive in a defective or inoperable condition.

Sourcwell may declare the Vendor in breach of this Contract if the Vendor intentionally delivers substandard or inferior Equipment or Products. In the event of the delivery of nonconforming Equipment and Products, the Member will notify the Vendor as soon as possible and the Vendor will replace nonconforming Equipment and Products with conforming Equipment and Products that are acceptable to the Member.

B. SALES TAX. Each Member is responsible for supplying the Vendor with valid tax-exemption certification(s). When ordering, Members must indicate if it is a tax-exempt entity.

C. HOT LIST PRICING. At any time during this Contract, Vendor may offer a specific selection of Equipment, Products, or Services at discounts greater than those listed in the Contract. When Vendor determines it will offer Hot List Pricing, it must be submitted electronically to Sourcwell in a line-item format. Equipment, Products, or Services may be added or removed from the Hot List at any time through a Sourcwell Price and Product Change Form as defined in Article 4 below.

Hot List program and pricing may also be used to discount and liquidate close-out and discontinued Equipment and Products as long as those close-out and discontinued items are clearly identified as such. Current ordering process and administrative fees apply. Hot List Pricing must be published and made available to all Members.

#### **4. PRODUCT AND PRICING CHANGE REQUESTS**

Vendor may request Equipment, Product, or Service changes, additions, or deletions at any time. All requests must be made in writing by submitting a signed Sourcwell Price and Product Change Request Form to the assigned Sourcwell Contract Administrator. This form is available from the assigned Sourcwell Contract Administrator. At a minimum, the request must:

- Identify the applicable Sourcwell contract number
- Clearly specify the requested change
- Provide sufficient detail to justify the requested change
- Individually list all Equipment, Products, or Services affected by the requested change, along with the requested change (e.g., addition, deletion, price change)
- Include a complete restatement of pricing documentation in Microsoft Excel with the effective date of the modified pricing, or product addition or deletion. The new pricing restatement must include all Equipment, Products, and Services offered, even for those items where pricing remains unchanged.

A fully executed Sourcwell Price and Product Request Form will become an amendment to this Contract and be incorporated by reference.

## **5. MEMBERSHIP, CONTRACT ACCESS, AND MEMBER REQUIREMENTS**

A. **MEMBERSHIP.** Membership in Sourcewell is open to public and nonprofit entities across the United States and Canada; such as municipal, state/province, K-12 and higher education, tribal government, and other public entities.

The benefits of this Contract should be available to all Members that can legally access the Equipment, Products, or Services under this Contract. A Member's authority to access this Contract is determined through its cooperative purchasing, interlocal, or joint powers laws. Any entity accessing benefits of this Contract will be considered a Service Member of Sourcewell during such time of access. Vendor understands that a Member's use of this Contract is at the Member's sole convenience and Members reserve the right to obtain like Equipment, Products, or Services from any other source.

Vendor is responsible for familiarizing its sales and service forces with Sourcewell membership requirements and documentation and will encourage potential members to join Sourcewell. Sourcewell reserves the right to add and remove Members to its roster during the term of this Contract.

B. **PUBLIC FACILITIES.** Vendor's employees may be required to perform work at government-owned facilities, including schools. Vendor's employees and agents must conduct themselves in a professional manner while on the premises, and in accordance with Member policies and procedures, and all applicable laws.

## **6. MEMBER ORDERING AND PURCHASE ORDERS**

A. **PURCHASE ORDERS AND PAYMENT.** To access the contracted Equipment, Products, or Services under this Contract, Member must clearly indicate to Vendor that it intends to access this Contract; however, order flow and procedure will be developed jointly between Sourcewell and Vendor. Typically a Member will issue a purchase order directly to Vendor. Members may use their own forms for purchase orders, but it should clearly note the applicable Sourcewell contract number. Members will be solely responsible for payment and Sourcewell will have no liability for any unpaid invoice of any Member.

B. **ADDITIONAL TERMS AND CONDITIONS.** Additional terms and conditions to a purchase order may be negotiated between a Member and Vendor, such as job or industry-specific requirements, legal requirements (such as affirmative action or immigration status requirements), or specific local policy requirements. Any negotiated additional terms and conditions must never be less favorable to the Member than what is contained in Vendor's Proposal.

C. **PERFORMANCE BOND.** If requested by a Member, Vendor will provide a performance bond that meets the requirements set forth in the Member's purchase order.

D. **SPECIALIZED SERVICE REQUIREMENTS.** In the event that the Member requires service or specialized performance requirements (such as e-commerce specifications, specialized delivery requirements, or other specifications and requirements) not addressed in this Contract, the Member and the Vendor may enter into a separate, standalone agreement, apart from this Contract. Sourcwell, including its agents and employees, will not be made a party to a claim for breach of such agreement.

E. **TERMINATION OF PURCHASE ORDERS.** Members may terminate a purchase order, in whole or in part, immediately upon notice to Vendor in the event of any of the following events:

1. The Member fails to receive funding or appropriation from its governing body at levels sufficient to pay for the goods to be purchased;
2. Federal or state laws or regulations prohibit the purchase or change the Member's requirements; or
3. Vendor commits any material breach of this Contract or the additional terms agreed to between the Vendor and a Member.

F. **GOVERNING LAW AND VENUE.** The governing law and venue for any action related to a Member's purchase order will be determined by the Member making the purchase.

## **7. CUSTOMER SERVICE**

A. **PRIMARY ACCOUNT REPRESENTATIVE.** Vendor will assign an Account Representative to Sourcwell for this Contract and must provide prompt notice to Sourcwell if that person is changed. The Account Representative will be responsible for:

- Maintenance and management of this Contract;
- Timely response to all Sourcwell and Member inquiries; and
- Business reviews to Sourcwell and Members, if applicable.

B. **BUSINESS REVIEWS.** Vendor must perform a minimum of one business review with Sourcwell per contract year. The business review will cover sales to members, pricing and contract terms, administrative fees, supply issues, customer issues, and any other necessary information.

## **8. REPORT ON CONTRACT SALES ACTIVITY AND ADMINISTRATIVE FEE PAYMENT**

A. **CONTRACT SALES ACTIVITY REPORT.** Each calendar quarter, Vendor must provide a contract sales activity report (Report) to the Sourcwell Contract Administrator assigned to this Contract. A Report must be provided regardless of the number or amount of sales during that quarter (i.e., if there are no sales, Vendor must submit a report indicating no sales were made).



The Report must contain the following fields:

- Customer Name (e.g., City of Staples Highway Department);
- Customer Physical Street Address;
- Customer City;
- Customer State;
- Customer Zip Code;
- Customer Contact Name;
- Customer Contact Email Address;
- Customer Contact Telephone Number;
- Sourcewell Assigned Entity/Member Number;
- Item Purchased Description;
- Item Purchased Price;
- Sourcewell Administrative Fee Applied; and
- Date Purchase was invoiced/sale was recognized as revenue by Vendor.

B. ADMINISTRATIVE FEE. In consideration for the support and services provided by Sourcewell, the Vendor will pay an administrative fee to Sourcewell on all Equipment, Products, and Services provided to Members. The Vendor will submit a check payable to Sourcewell for the percentage of administrative fee stated in the Proposal multiplied by the total sales of all Equipment, Products, and Services purchased by Members under this Contract during each calendar quarter. Payments should note the Sourcewell-assigned contract number in the memo and must be mailed to the address above "Attn: Accounts Receivable." Payments must be received no later than forty-five (45) calendar days after the end of each calendar quarter.

Vendor agrees to cooperate with Sourcewell in auditing transactions under this Contract to ensure that the administrative fee is paid on all items purchased under this Contract.

In the event the Vendor is delinquent in any undisputed administrative fees, Sourcewell reserves the right to cancel this Contract and reject any proposal submitted by the Vendor in any subsequent solicitation. In the event this Contract is cancelled by either party prior to the Contract's expiration date, the administrative fee payment will be due no more than thirty (30) days from the cancellation date.

## **9. AUTHORIZED REPRESENTATIVE**

Sourcewell's Authorized Representative is its Chief Procurement Officer.

Vendor's Authorized Representative is the person named in the Vendor's Proposal. If Vendor's Authorized Representative changes at any time during this Contract, Vendor must promptly notify Sourcewell in writing.

## **10. ASSIGNMENT, AMENDMENTS, WAIVER, AND CONTRACT COMPLETE**

- A. **ASSIGNMENT.** Neither the Vendor nor Sourcewell may assign or transfer any rights or obligations under this Contract without the prior consent of the parties and a fully executed assignment agreement. Such consent will not be unreasonably withheld.
- B. **AMENDMENTS.** Any amendment to this Contract must be in writing and will not be effective until it has been fully executed by the parties.
- C. **WAIVER.** If either party fails to enforce any provision of this Contract, that failure does not waive the provision or the right to enforce it.
- D. **CONTRACT COMPLETE.** This Contract contains all negotiations and agreements between Sourcewell and Vendor. No other understanding regarding this Contract, whether written or oral, may be used to bind either party.
- E. **RELATIONSHIP OF THE PARTIES.** The relationship of the parties is one of independent contractors, each free to exercise judgment and discretion with regard to the conduct of their respective businesses. This Contract does not create a partnership, joint venture, master-servant, principal-agent, or any other relationship.

## **11. LIABILITY**

Vendor must indemnify, save, and hold Sourcewell and its Members, including their agents and employees, harmless from any claims or causes of action, including attorneys' fees, arising out of the performance of this Contract by the Vendor or its agents or employees; this indemnification includes injury or death to person(s) or property alleged to have been caused by some defect in the Equipment, Products, or Services under this Contract to the extent the Equipment, Product, or Service has been used according to its specifications.

## **12. AUDITS**

Sourcewell reserves the right to review the books, records, documents, and accounting procedures and practices of the Vendor relevant to this Contract for a minimum of six (6) years from the end of this Contract. This clause extends to Members as it relates to business conducted by that Member under this Contract.

## **13. GOVERNMENT DATA PRACTICES**

Vendor and Sourcewell must comply with the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13, as it applies to all data provided by or provided to Sourcewell under this Contract and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the Vendor under this Contract.

If the Vendor receives a request to release the data referred to in this article, the Vendor must immediately notify Sourcewell and Sourcewell will assist with how the Vendor should respond to the request.

#### **14. INTELLECTUAL PROPERTY**

As applicable, Vendor agrees to indemnify and hold harmless Sourcewell and its Members against any and all suits, claims, judgments, and costs instituted or recovered against Sourcewell or Members by any person on account of the use of any Equipment or Products by Sourcewell or its Members supplied by Vendor in violation of applicable patent or copyright laws.

#### **15. PUBLICITY, MARKETING, AND ENDORSEMENT**

A. **PUBLICITY.** Any publicity regarding the subject matter of this Contract must not be released without prior written approval from the Authorized Representatives. Publicity includes notices, informational pamphlets, press releases, research, reports, signs, and similar public notices prepared by or for the Vendor individually or jointly with others, or any subcontractors, with respect to the program, publications, or services provided resulting from this Contract.

B. **MARKETING.** Any direct advertising, marketing, or offers with Members must be approved by Sourcewell. Materials should be sent to the Sourcewell Contract Administrator assigned to this Contract.

C. **ENDORSEMENT.** The Vendor must not claim that Sourcewell endorses its Equipment, Products, or Services.

#### **16. GOVERNING LAW, JURISDICTION, AND VENUE**

Minnesota law governs this Contract. Venue for all legal proceedings out of this Contract, or its breach, must be in the appropriate state court in Todd County or federal court in Fergus Falls, Minnesota.

#### **17. FORCE MAJEURE**

Neither party to this Contract will be held responsible for delay or default caused by acts of God or other conditions that are beyond that party's reasonable control. A party defaulting under this provision must provide the other party prompt written notice of the default.

#### **18. SEVERABILITY**

If any provision of this Contract is found to be illegal, unenforceable, or void then both Sourcewell and Vendor will be relieved of all obligations arising under such provisions. If the

remainder of this Contract is capable of performance, it will not be affected by such declaration or finding and must be fully performed.

## 19. PERFORMANCE, DEFAULT, AND REMEDIES

A. PERFORMANCE. During the term of this Contract, the parties will monitor performance and address unresolved contract issues as follows:

1. *Notification.* The parties must promptly notify each other of any known dispute and work in good faith to resolve such dispute within a reasonable period of time. If necessary, Sourcewell and the Vendor will jointly develop a short briefing document that describes the issue(s), relevant impact, and positions of both parties.
2. *Escalation.* If parties are unable to resolve the issue in a timely manner, as specified above, either Sourcewell or Vendor may escalate the resolution of the issue to a higher level of management. The Vendor will have thirty (30) calendar days to cure an outstanding issue.
3. *Performance while Dispute is Pending.* Notwithstanding the existence of a dispute, the Vendor must continue without delay to carry out all of its responsibilities under the Contract that are not affected by the dispute. If the Vendor fails to continue without delay to perform its responsibilities under the Contract, in the accomplishment of all undisputed work, any additional costs incurred by Sourcewell and/or its Members as a result of such failure to proceed will be borne by the Vendor.

B. DEFAULT AND REMEDIES. Either of the following constitutes cause to declare this Contract, or any Member order under this Contract, in default:

1. Nonperformance of contractual requirements, or
2. A material breach of any term or condition of this Contract.

Written notice of default and a reasonable opportunity to cure must be issued by the party claiming default. Time allowed for cure will not diminish or eliminate any liability for liquidated or other damages. If the default remains after the opportunity for cure, the non-defaulting party may:

- Exercise any remedy provided by law or equity, or
- Terminate the Contract or any portion thereof, including any orders issued against the Contract.

## 20. INSURANCE

A. REQUIREMENTS. At its own expense, Vendor must maintain insurance policy(ies) in effect at all times during the performance of this Contract with insurance company(ies) licensed or authorized to do business in the State of Minnesota having an "AM BEST" rating of A- or better, with coverage and limits of insurance not less than the following:

1. *Workers' Compensation and Employer's Liability.*

Workers' Compensation: As required by any applicable law or regulation.

Employer's Liability Insurance: must be provided in amounts not less than listed below:

Minimum limits:

\$500,000 each accident for bodily injury by accident

\$500,000 policy limit for bodily injury by disease

\$500,000 each employee for bodily injury by disease

2. *Commercial General Liability Insurance.* Vendor will maintain insurance covering its operations, with coverage on an occurrence basis, and must be subject to terms no less broad than the Insurance Services Office ("ISO") Commercial General Liability Form CG0001 (2001 or newer edition). At a minimum, coverage must include liability arising from premises, operations, bodily injury and property damage, independent contractors, products-completed operations including construction defect, contractual liability, blanket contractual liability, and personal injury and advertising injury. All required limits, terms and conditions of coverage must be maintained during the term of this Contract.

Minimum Limits:

\$1,000,000 each occurrence Bodily Injury and Property Damage

\$1,000,000 Personal and Advertising Injury

\$2,000,000 aggregate for Products-Completed operations

\$2,000,000 general aggregate

3. *Commercial Automobile Liability Insurance.* During the term of this Contract, Vendor will maintain insurance covering all owned, hired, and non-owned automobiles in limits of liability not less than indicated below. The coverage must be subject to terms no less broad than ISO Business Auto Coverage Form CA 0001 (2010 edition or newer).

Minimum Limits:

\$1,000,000 each accident, combined single limit

4. *Umbrella Insurance.* During the term of this Contract, Vendor will maintain umbrella coverage over Workers' Compensation, Commercial General Liability, and Commercial Automobile.

Minimum Limits:

\$2,000,000

5. *Professional/Technical, Errors and Omissions, and/or Miscellaneous Liability.*

During the term of this Contract, Vendor will maintain coverage for all claims the Vendor may become legally obligated to pay resulting from any actual or alleged negligent act, error, or omission related to Vendor's professional services required under this Contract.

Minimum Limits:

\$2,000,000 per claim or event

\$2,000,000 – annual aggregate

6. *Network Security and Privacy Liability Insurance.* During the term of this Contract, Vendor will maintain coverage for network security and privacy liability. The coverage may be endorsed on another form of liability coverage or written on a standalone policy. The insurance must cover claims which may arise from failure of Vendor's security resulting in, but not limited to, computer attacks, unauthorized access, disclosure of not public data – including but not limited to, confidential or private information, transmission of a computer virus, or denial of service.

Minimum limits:

\$2,000,000 per occurrence

\$2,000,000 annual aggregate

Failure of Vendor to maintain the required insurance will constitute a material breach entitling Sourcewell to immediately terminate this Contract for default.

B. CERTIFICATES OF INSURANCE. Prior to commencing under this Contract, Vendor must furnish to Sourcewell a certificate of insurance, as evidence of the insurance required under this Contract. Prior to expiration of the policy(ies), renewal certificates must be mailed to Sourcewell, 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479 or sent to the Sourcewell Contract Administrator assigned to this Contract. The certificates must be signed by a person authorized by the insurer(s) to bind coverage on their behalf. All policies must include there will be no cancellation, suspension, non-renewal, or reduction of coverage without thirty (30) days' prior written notice to the Vendor.

Upon request, Vendor must provide to Sourcewell copies of applicable policies and endorsements, within ten (10) days of a request. Failure to request certificates of insurance by Sourcewell, or failure of Vendor to provide certificates of insurance, in no way limits or relieves Vendor of its duties and responsibilities in this Contract.

C. ADDITIONAL INSURED ENDORSEMENT AND PRIMARY AND NON-CONTRIBUTORY INSURANCE CLAUSE. Vendor agrees to name Sourcewell and its Members, including their officers, agents, and employees, as an additional insured under the Vendor's commercial general liability insurance policy with respect to liability arising out of activities, "operations," or "work" performed by or on behalf of Vendor, and products and completed operations of Vendor. The policy provision(s) or endorsement(s) must further provide that coverage is primary and not excess over or contributory with any other valid, applicable, and collectible insurance or self-insurance in force for the additional insureds.

D. WAIVER OF SUBROGATION. Vendor waives and must require (by endorsement or otherwise) all its insurers to waive subrogation rights against Sourcewell and other additional insureds for losses paid under the insurance policies required by this Contract or other insurance applicable to the Vendor or its subcontractors. The waiver must apply to all deductibles and/or self-insured retentions applicable to the required or any other insurance

maintained by the Vendor or its subcontractors. Where permitted by law, Vendor must require similar written express waivers of subrogation and insurance clauses from each of its subcontractors.

E. UMBRELLA/EXCESS LIABILITY. The limits required by this Contract can be met by either providing a primary policy or in combination with umbrella/excess liability policy(ies).

F. SELF-INSURED RETENTIONS. Any self-insured retention in excess of \$10,000 is subject to Sourcewell's approval.

## **21. COMPLIANCE**

A. LAWS AND REGULATIONS. All Equipment, Products, or Services provided under this Contract must comply fully with applicable federal laws and regulations, and with the laws in the states and provinces in which the Equipment, Products, or Services are sold.

B. LICENSES. Vendor must maintain a valid status on all required federal, state, and local licenses, bonds, and permits required for the operation of the business that the Vendor conducts with Sourcewell and Members.

## **22. BANKRUPTCY, DEBARMENT, OR SUSPENSION CERTIFICATION**

Vendor certifies and warrants that it is not in bankruptcy or that it has previously disclosed in writing certain information to Sourcewell related to bankruptcy actions. If at any time during this Contract Vendor declares bankruptcy, Vendor must immediately notify Sourcewell in writing.

Vendor certifies and warrants that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from programs operated by the State of Minnesota, the United States federal government, or any Member. Vendor certifies and warrants that neither it nor its principals have been convicted of a criminal offense related to the subject matter of this Contract. Vendor further warrants that it will provide immediate written notice to Sourcewell if this certification changes at any time.

## **23. PROVISIONS FOR NON-UNITED STATES FEDERAL ENTITY PROCUREMENTS UNDER UNITED STATES FEDERAL AWARDS OR OTHER AWARDS**

Members that use United States federal grant or FEMA funds to purchase goods or services from this Contract may be subject to additional requirements including the procurement standards of the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, 2 C.F.R. § 200. Members may also require additional requirements based on specific funding specifications. Within this Article, all references to "federal" should be interpreted to mean the United States federal government. The following list only applies when



a Member accesses Vendor's Equipment, Products, or Services with United States federal funds.

A. **EQUAL EMPLOYMENT OPPORTUNITY.** Except as otherwise provided under 41 C.F.R. § 60, all contracts that meet the definition of "federally assisted construction contract" in 41 C.F.R. § 60-1.3 must include the equal opportunity clause provided under 41 C.F.R. §60-1.4(b), in accordance with Executive Order 11246, "Equal Employment Opportunity" (30 FR 12319, 12935, 3 C.F.R. §, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and implementing regulations at 41 C.F.R. § 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor." The equal opportunity clause is incorporated herein by reference.

B. **DAVIS-BACON ACT, AS AMENDED (40 U.S.C. § 3141-3148).** When required by federal program legislation, all prime construction contracts in excess of \$2,000 awarded by non-federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. § 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 C.F.R. § 5, "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction"). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-federal entity must report all suspected or reported violations to the federal awarding agency. The contracts must also include a provision for compliance with the Copeland "Anti-Kickback" Act (40 U.S.C. § 3145), as supplemented by Department of Labor regulations (29 C.F.R. § 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-federal entity must report all suspected or reported violations to the federal awarding agency. Vendor must be in compliance with all applicable Davis-Bacon Act provisions.

C. **CONTRACT WORK HOURS AND SAFETY STANDARDS ACT (40 U.S.C. § 3701-3708).** Where applicable, all contracts awarded by the non-federal entity in excess of \$100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. § 3702 and 3704, as supplemented by Department of Labor regulations (29 C.F.R. § 5). Under 40 U.S.C. § 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. § 3704 are applicable to construction



work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence. This provision is hereby incorporated by reference into this Contract. Vendor certifies that during the term of an award for all contracts by Sourcewell resulting from this procurement process, Vendor must comply with applicable requirements as referenced above.

D. RIGHTS TO INVENTIONS MADE UNDER A CONTRACT OR AGREEMENT. If the federal award meets the definition of “funding agreement” under 37 C.F.R. § 401.2(a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that “funding agreement,” the recipient or subrecipient must comply with the requirements of 37 C.F.R. § 401, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any implementing regulations issued by the awarding agency. Vendor certifies that during the term of an award for all contracts by Sourcewell resulting from this procurement process, Vendor must comply with applicable requirements as referenced above.

E. CLEAN AIR ACT (42 U.S.C. § 7401-7671Q.) AND THE FEDERAL WATER POLLUTION CONTROL ACT (33 U.S.C. § 1251-1387). Contracts and subgrants of amounts in excess of \$150,000 require the non-federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. § 7401- 7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. § 1251- 1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA). Vendor certifies that during the term of this Contract will comply with applicable requirements as referenced above.

F. DEBARMENT AND SUSPENSION (EXECUTIVE ORDERS 12549 AND 12689). A contract award (see 2 C.F.R. § 180.220) must not be made to parties listed on the government wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 C.F.R. § 180 that implement Executive Orders 12549 (3 C.F.R. § 1986 Comp., p. 189) and 12689 (3 C.F.R. § 1989 Comp., p. 235), “Debarment and Suspension.” SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549. Vendor certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation by any federal department or agency.

G. BYRD ANTI-LOBBYING AMENDMENT, AS AMENDED (31 U.S.C. § 1352). Vendors must file any required certifications. Vendors must not have used federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any federal contract, grant, or any other award

covered by 31 U.S.C. § 1352. Vendors must disclose any lobbying with non-federal funds that takes place in connection with obtaining any federal award. Such disclosures are forwarded from tier to tier up to the non-federal award. Vendors must file all certifications and disclosures required by, and otherwise comply with, the Byrd Anti-Lobbying Amendment (31 U.S.C. § 1352).

H. RECORD RETENTION REQUIREMENTS. To the extent applicable, Vendor must comply with the record retention requirements detailed in 2 C.F.R. § 200.333. The Vendor further certifies that it will retain all records as required by 2 C.F.R. § 200.333 for a period of three (3) years after grantees or subgrantees submit final expenditure reports or quarterly or annual financial reports, as applicable, and all other pending matters are closed.

I. ENERGY POLICY AND CONSERVATION ACT COMPLIANCE. To the extent applicable, Vendor must comply with the mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act.

J. BUY AMERICAN PROVISIONS COMPLIANCE. To the extent applicable, Vendor must comply with all applicable provisions of the Buy American Act. Purchases made in accordance with the Buy American Act must follow the applicable procurement rules calling for free and open competition.

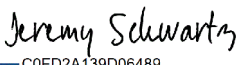
K. ACCESS TO RECORDS (2 C.F.R. § 200.336). Vendor agrees that duly authorized representatives of a federal agency must have access to any books, documents, papers and records of Vendor that are directly pertinent to Vendor's discharge of its obligations under this Contract for the purpose of making audits, examinations, excerpts, and transcriptions. The right also includes timely and reasonable access to Vendor's personnel for the purpose of interview and discussion relating to such documents.

L. PROCUREMENT OF RECOVERED MATERIALS (2 C.F.R. § 200.322). A non-federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 C.F.R. § 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

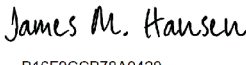
## **24. CANCELLATION**

Sourcewell or Vendor may cancel this Contract at any time, with or without cause, upon sixty (60) days' written notice to the other party. However, Sourcewell may cancel this Contract immediately upon discovery of a material defect in any certification made in Vendor's Proposal. Termination of this Contract does not relieve either party of financial, product, or service obligations incurred or accrued prior to termination.


Sourcewell

DocuSigned by:  
By:   
C0FD2A139D06489...  
Jeremy Schwartz  
Title: Director of Operations &  
Procurement/CPO  
Date: 8/28/2019 I 8:39 AM CDT

Musco Sports Lighting LLC

DocuSigned by:  
By:   
B16F9CCB78A0420...  
James M. Hansen  
Title: Secretary  
Date: 8/29/2019 I 9:33 AM CDT

Approved:

DocuSigned by:  
By:   
7E42B8F817A64CC...  
Chad Coauette  
Title: Executive Director/CEO  
Date: 8/27/2019 I 3:22 PM CDT

# RFP #071619 - Sports Lighting with Related Supplies and Services

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## Vendor Details

|               |   |
|---------------|---|
| Company Name: | Musco Sports Lighting, LLC                            |
| Address:      | 100 1st Ave West<br>PO Box 808<br>Oskaloosa, IA 52577 |
| Contact:      | Amanda Hudnut   |
| Email:        | musco.contracts@musco.com                             |
| Phone:        | 800-825-6030  |
| Fax:          | 641-672-1996  |
| HST#:         | 42-1511754  |

## Submission Details

|                         |                                      |
|-------------------------|--------------------------------------|
| Created On:             | Thursday May 30, 2019 11:07:29       |
| Submitted On:           | Friday July 12, 2019 13:23:35        |
| Submitted By:           | Jim Hansen                           |
| Email:                  | jim.hansen@musco.com                 |
| Transaction #:          | 62e6e5f5-5e56-45ba-b461-305cf2583830 |
| Submitter s IP Address: | 216.248.100.66                       |

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Specifications

Proposer Identity & Authorized Representatives

| Line Item | Question  | Response *   |
|-----------|---|--|
| 1         | Proposer Legal Name (and applicable d/b/a, if any):   | Musco Sports Lighting, LLC   |
| 2         | Proposer Address:   | 100 1st Ave West<br>PO Box 808<br>Oskaloosa, IA 52577  |
| 3         | Proposer website address:   | www.musco.com  |
| 4         | Proposer s Authorized Representative (name, title, address, email address & phone) (The representative must have authority to sign the "Proposer s Assurance of Compliance" on behalf of the Proposer): | James M. Hansen<br>Secretary<br>Musco Sports Lighting, LLC<br>100 1st Ave West<br>PO Box 808<br>Oskaloosa, IA 52577<br>Phone: 800-825-6030<br>Email: musco.contracts@musco.com                 |
| 5         | Proposer s primary contact for this proposal (name, title, address, email address & phone):   | Amanda Hudnut<br>Funding Resource Specialist<br>Musco Sports Lighting, LLC<br>100 1st Ave West<br>PO Box 808<br>Oskaloosa, IA 52577<br>Phone: 800-825-6030<br>Email: musco.contracts@musco.com |
| 6         | Proposer s other contacts for this proposal, if any (name, title, address, email address & phone):  | Ryan Tighe<br>Lead Development Manager<br>Musco Sports Lighting, LLC<br>100 1st Ave West<br>PO Box 808<br>Oskaloosa, IA 52577<br>Phone: 800-825-6030<br>Email: musco.contracts@musco.com       |

Company Information and Financial Strength

| Line Item | Question | Response * |
|-----------|----------|------------|
|-----------|----------|------------|

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|---|---|---|
| 7 | <p>Provide a brief history of your company, including your company's core values, business philosophy, and industry longevity related to the requested equipment, products or services.</p> | <p>Since 1976, Musco Sports Lighting, LLC (Musco/Musco Sports Lighting) has been providing sports lighting systems. Musco's mission has been to provide sports field and large area lighting solutions for public and private entities throughout the United States of America and internationally.</p> <p>Musco has been the industry leader in developing an industry leading lighting system that provides high quality on field performance and environmental sensitivity to the surrounding area. Energy efficiency, spill and glare control, and field management solutions have been our staple for success in the industry.</p> <p>Throughout the history of Musco, we have had the pleasure of being the recipient of an Academy Award®, Emmy® Award and the Paul Waterbury Award for Excellence for Outdoor Lighting. Musco has also developed partnerships with Little League International and the United States Soccer Foundation, to name a couple.</p> <p>Musco has offices and manufacturing facilities in Oskaloosa, IA and Muscatine, IA. We have a workforce of approximately 1,000 Team Members located in these facilities and regional sales offices conveniently located around the United States of America (AZ, CA, CO, FL, IL, IN, MN, NJ, NC, OH, TX &amp; VA). In addition, we have approximately 200 Team Members located outside the United States of America supporting our manufacturing facilities in Shanghai, China and Gumi, South Korea and multiple sales offices globally.</p> <p>At Musco, we ensure that every member of our Lighting Services team is a sports lighting expert so you don't have to be. With more than 40 years as the sports-lighting industry leader, our Team Members will bring our vast experience to your fields. Regionally based for quick response, they specialize in routine maintenance, repairs, and analysis of any sports-lighting system.</p> <p>Along with our Lighting Services team, we have a fully staffed group of internal experts: Sales Representatives, Service Representatives, Parts Representatives, Project Coordinators, Project Planning Specialist, Schedulers, and Engineers. They will ensure your project flows smoothly and you get the results you expect. Another key part of our team is Control-Link Central™. Staffed 24/7, this team oversees on/off control, monitoring, and management of sports fields around the USA and globally.</p> |
|---|---|---|

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| 8  | Provide a detailed description of the products and services that you are offering in your proposal.  | <p>Light-Structure System™ with Total Light Control - TLC for LED® is for new outdoor lighting applications. It is engineered as 5 Easy Pieces™ designed to customer s needs utilizing our Light-Structure System™. Lights, structures, and electrical components are engineered to work together. This assures the designed lighting gets in place and stays there over the life of the system, while also maintaining and protecting the operation environment so the components continue to function. We've included features like easy to reach remote drivers, integrated grounding, and surge protection to ensure the longevity of the lighting system. This system includes our Control-Link® Control System and is covered by Musco s Constant 25™ Product Assurance &amp; Warranty Program.</p> <p>SportsCluster® System with Total Light Control - TLC for LED® or Total Light Control - TLC for LED® Retrofit System is for outdoor and indoor applications. It is a modular photometric unit, factory aimed and tested, to perform from a customer s existing structures, making an easy retrofit lighting solution. This system includes our Control-Link® Control System and is covered by Musco s Constant 10™ Product Assurance &amp; Warranty Program, contingent upon Musco s inspection and approval of existing structure and electrical wiring.</p> <p>Control-Link® Control System is for new and existing facilities. Control-Link® is a reliable, cost effective system that helps control, monitor, and manage your new or existing recreation facility lighting or any other electrically operated equipment. The Control-Link® System includes our exclusive Control-Link Central™ team, staffed 24/7 to assist you with your scheduling and reporting needs. Our system can save you time, hassle, energy, and staff costs. Control-Link® makes your job easier and provides ongoing savings for your operating budget. Through the use of Musco s Control-Link® system we have ability to remotely monitor the lighting system. The system monitors the amperage of each individual pole at a specified facility. This gives Musco the ability to know when an issue occurs.</p> <p>Installations services are available on a per project basis dependent upon Musco s compliance with state and local licensing requirements. Labor and materials for the complete installation, including foundations, pole erection, trenching, backfill, conduit, wire, electrical distribution and service cabinet(s) and site restoration shall utilize the current RS Means pricing, coefficient and must also include the appropriate City Cost Index.</p> <p>Musco Sports Lighting has over 130 Team Members dedicated to operating and maintaining customer lighting around the USA. Regionally based service technicians are available for quick responses. These Team Members are factory-trained and specialize in routine maintenance, repairs, and analysis of sports-lighting systems. Our Control-Link Central™ is staffed 24/7 with trained operators whom provide scheduling and report assistance, along with one-on-one phone training. Proactive nightly testing is done to assure customers control systems are operating properly and field operations are constantly monitored.</p> <p>Along with our Lighting Services and Control-Link Central™ teams, we have a fully staffed group of internal experts: Sales Representatives, Service Representatives, Parts Representatives, Project Coordinators, Project Planning Specialist, Schedulers, and Engineers. They will ensure your project flows smoothly and you get the results you expect.</p> |
| 9  | What are your company s expectations in the event of an award?   | Musco became an awarded Sourcewell vendor in 2014. Using this tool in our sales toolbox, we have seen the yearly Sourcewell sales significantly increase in a short 4 year period of time. We look forward to continuing to educate eligible members and our Musco Team Members on the benefits of Sourcewell.   |
| 10 | Demonstrate your financial strength and stability with meaningful data. This could include such items as financial statements, SEC filings, credit and bond ratings, letters of credit, and detailed reference letters. Upload supporting documents (as applicable) in the document upload section of your response. | Please see uploaded letters from Wells Fargo Bank, N.A. & Travelers Casualty and Surety Company of America. Also included is a copy of our current insurance certificate.  |
| 11 | What is your US market share for the solutions that you are proposing?   | Currently, Musco s sports lighting systems & solutions make up approximately 80% of the US market share.   |
| 12 | What is your Canadian market share, if any?  | Currently, Musco s sports lighting systems & solutions make up approximately 50% of the Canadian market share  |
| 13 | Has your business ever petitioned for bankruptcy protection? If so, explain in detail.   | Musco Sports Lighting, LLC has not been the subject to any voluntary or involuntary bankruptcy, insolvency or receivership proceeding.   |

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| 14 | <p>How is your organization best described: is it a manufacturer, a distributor/dealer/reseller, or a service provider? Answer whichever question (either a) or b) just below) best applies to your organization.</p> <p>a) If your company is best described as a distributor/dealer/reseller (or similar entity), provide your written authorization to act as a distributor/dealer/reseller for the manufacturer of the products proposed in this RFP. If applicable, is your dealer network independent or company owned?</p> <p>b) If your company is best described as a manufacturer or service provider, describe your relationship with your sales and service force and with your dealer network in delivering the products and services proposed in this RFP. Are these individuals your employees, or the employees of a third party?</p> | <p>Musco Sports Lighting is a manufacturer of sports lighting and large area lighting systems. Musco has a sales force of over 80 dedicated Sales Team Members throughout the United States &amp; Canada. Musco has sales offices conveniently located around the United States of America (AZ, CA, CO, FL, IL, IN, MN, NJ, NC, OH, TX &amp; VA). These team members are employed by Musco.</p>   |
| 15 | <p>If applicable, provide a detailed explanation outlining the licenses and certifications that are both required to be held, and actually held, by your organization (including third parties and subcontractors that you use) in pursuit of the business contemplated by this RFP.</p>  | <p>Musco Sports Lighting is authorized to sell products and provide services in all 50 states, the District of Columbia and Canada and complies with applicable federal, state, local, and industry laws for each purchasing customer. In Canada, Musco sells under our Canadian company, Musco Sports Lighting Canada Co. Please reference the uploaded Musco Contractor License information.</p> <p>As a General Contractor, Musco selects and contracts with local subcontractor organizations that meet our quality standards and can fulfill our time constraints to perform the type of work outlined in this RFP. Musco does obtain license verification and insurance certificates for all subcontractors whom work with us.</p> <p>Musco Sports Lighting, LLC has UL Product Certifications for:<br/> High-Intensity Discharge Surface-Mounted Luminaires: UL Number E33316<br/> Management Equipment, Energy: UL Number E139944<br/> Industrial Control Panels: UL Number E204954<br/> Emergency Lighting and Power Equipment: UL Number E311491<br/> Luminaire Fittings: UL Number E132445<br/> Luminaire Poles in Excess of 12 ft (3.7m): UL Number E325078<br/> Devices, Scaffolding: UL Number SA7004<br/> Lightning Conductors, Air Terminals, and Fittings: UL Number E337467<br/> Light-Emitting-Diode Surface-Mounted Luminaires: UL Number E338094</p> <p>Luminaries have been reviewed by UL to UL and CSA standards.</p> |
| 16 | <p>Provide all "Suspension or Disbarment" information that has applied to your organization during the past ten years.</p>  | <p>Musco Sports Lighting, LLC has not been the subject of any suspensions or disbarments.</p>   |
| 17 | <p>Within this RFP category there may be subcategories of solutions. List subcategory titles that best describe your products and services.</p>   | <p>The scope of work of the RFP covers Musco products and services. Musco has no additional subcategories to suggest.</p> <p>Below is a list of keywords that best describe Musco's product and services.<br/> Sports Lighting, lighting, Musco, Musco Lighting, LED, lamp, LED lighting, fixtures, light fixtures, flood lights, flood light, light poles, field lighting, football lighting, soccer lighting, baseball lighting, softball lighting, tennis lighting, basketball lighting, arena lighting, parking lighting, transportation lighting, infrastructure lighting</p>  |



**Industry Recognition & Marketplace Success**

| Line Item | Question   | Response *  |
|-----------|--|---|
| 18        | Describe any relevant industry awards or recognition that your company has received in the past five years   | <p>During Musco's 43 years in the sports lighting industry, Musco &amp; our Team Members have received quite a few awards and recognitions. Below is a listing of several recent awards &amp; recognitions along with our more notable ones from years past.</p> <p>NIAAA Distinguished Service to Athletic Administration (Dina Neeley, NC) from the North Carolina Athletic Directors Association (2018)<br/> David Lose Partnership Award (Curt Mickey, KY) from the Kentucky Recreation and Park Society (2018)<br/> 1st Prize of Lighting Design from the China Lighting Awards for China Tennis Center Diamond Court (2017)<br/> 2nd Prize Lighting Design from the China Lighting Awards for Xinjiang Hongshan Basketball Arena (2017)<br/> The Excellence Award from the China Lighting Awards for Shanton University Sports Park (2017)<br/> Award for Merit from the IES® for the lighting design at the University of Arizona McKale Center (2015)<br/> Excellent Performer Award from DP World (2014)<br/> Sports Emmy® Award from the ten Academy of Television Arts &amp; Sciences for lighting ESPN's telecast of the Winter X-Games (2012)<br/> Paul Waterbury Award of Excellence for Outdoor lighting from the IES™ for the innovative lighting design at Charlotte Motor Speedway (1993)<br/> Scientific and Engineering Award from the Academy of Motion Picture Arts and Services® (1985)<br/> Emmy® Award from the Academy of Television Arts &amp; Sciences® for lighting NCAA football telecasts (1982)</p> |
| 19        | What percentage of your sales are to the governmental sector in the past three years   | Approximately 44% of Musco's current national sales are to government sector.   |
| 20        | What percentage of your sales are to the education sector in the past three years  | Approximately 46% of Musco's current national sales are to education sector   |
| 21        | List any state or cooperative purchasing contracts that you hold. What is the annual sales volume for each of these contracts over the past three years? | Musco is an awarded vendor on several national and regional cooperative purchasing contracts. Please see the uploaded document titled "Musco Cooperative Information" for a summary of the cooperatives and approximate sales for 2016, 2017 and 2018.  |
| 22        | List any GSA contracts that you hold. What is the annual sales volume for each of these contracts over the past three years?                             | Musco Sports Lighting, LLC currently does not hold any GSA contracts.   |

**References/Testimonials**

Line Item 23.

| Entity Name *                                 | Contact Name *  | Phone Number *   |
|---|---|--|
| City of Asheville<br>Asheville, NC            | Pete Wall<br>Program Manager - Parks & Recreation                                 | Phone 828-259-5815<br>Email pwall@ashevillenc.gov        |
| Buffalo State SUNY<br>Buffalo, NY             | Michael Bonfante<br>Assistant Design & Construction Coordinator Facilities Office | Phone 716-570-4034<br>Email bonfanmv@buffalostate.edu    |
| City of Chesapeake<br>Chesapeake, VA          | Mike Barber<br>Director - Parks, Recreation and Tourism                           | Phone 757-382-6411<br>Email mbarber@cityofchesapeake.net |
| Denver Public Schools<br>Denver, CO           | Josh Griesbach<br>Facility Planner  | Phone 720-423-1913<br>Email joshuaBgriesbach@dpsk12.org  |
| University of Nebraska Lincoln<br>Lincoln, NE | Amy Lanham<br>Senior Associate Director Campus Recreation                         | Phone 402-472-9481<br>Email alanham2@unl.edu             |

### Top Five Government, Education or Non-profit Customers

Line Item 24. Provide a list of your top five government, education, or non-profit customers (entity name is optional), including entity type, the state or province the entity is located in, scope of the project(s), size of transaction(s), and dollar volumes from the past three years.

| Entity Name           | Entity Type * | State / Province *  | Scope of :ork * | Size of Transactions *     | Dollar Volume Past Three Years * |
|-----------------------|---------------|---------------------|-----------------|----------------------------|----------------------------------|
| Local Government      | Government    | California - CA     | Materials only  | Approximately 2.8M/project | Approximately 8.5M               |
| K-12 Public Education | Education     | Texas - TX          | Materials only  | Approximately 1.3M/project | Approximately 6.6M               |
| Local Government      | Government    | Virginia - VA       | GC Turnkey      | Approximately 276K/project | Approximately 5.7M               |
| Local Government      | Government    | Nevada - NV         | Materials Only  | Approximately 600K/project | Approximately 5.4M               |
| Local Government      | Government    | North Carolina - NC | GC Turnkey      | Approximately 596K/project | Approximately 5.3M               |

### Ability to Sell and Deliver Service to Sourcewell Members

Describe your company's capability to meet the needs of Sourcewell Members across the US, and Canada if applicable. Your response should address in detail at least the following areas: locations of your network of sales and service providers, the number of workers (full-time equivalents) involved in each sector, whether these workers are your direct employees (or employees of a third party), and any overlap between the sales and service functions.

| Line Item | Question   | Response *  |
|-----------|--|---|
| 25        | Sales force.   | Musco has offices and manufacturing facilities in Oskaloosa, IA and Muscatine, IA. We have a workforce of approximately 1,000 Team Members located in these facilities and regional sales offices conveniently located around the United States of America (AZ, CA, CO, FL, IL, IN, MN, NJ, NC, OH, TX & VA). In addition, we have approximately 200 Team Members located outside the United States of America supporting our manufacturing facilities in Shanghai, China and Gumi, South Korea and multiple sales offices globally. Musco has a sales force of over 80 dedicated Sales Team Members throughout the United States & Canada. These team members are employed by Musco. |
| 26        | Dealer network or other distribution methods.  | Musco Sports Lighting has no agents or dealers authorized to represent the company. Musco's custom designed, engineered to order lighting systems must be purchased directly from the company.  |
| 27        | Service force.   | Musco Sports Lighting has over 130 Team Members dedicated to operating and maintaining customer lighting around the USA. Regionally based service technicians are available for quick responses. These Team Members are factory-trained and specialize in routine maintenance, repairs, and analysis of sports-lighting systems. Our Control-Link Central™ is staffed 24/7 with trained operators whom provide scheduling and report assistance, along with one-on-one phone training. Proactive nightly testing is done to assure customers control systems are operating properly and field operations are constantly monitored.  |
| 28        | Describe in detail the process and procedure of your customer service program, if applicable. Include your response-time capabilities and commitments, as well as any incentives that help your providers meet your stated service goals or promises.  | Musco Sports Lighting has over 130 Team Members dedicated to operating and maintaining customer lighting around the USA. Regionally based service technicians are available for quick responses. These Team Members are factory-trained and specialize in routine maintenance, repairs, and analysis of sports-lighting systems. Our Control-Link Central™ is staffed 24/7 with trained operators whom provide scheduling and report assistance, along with one-on-one phone training. Proactive nightly testing is done to assure customers control systems are operating properly and field operations are constantly monitored.  |
| 29        | Identify any geographic areas that you will NOT be fully serving through the proposed contract.  | Musco Sports Lighting is authorized to sell products and provide services in all 50 states, the District of Columbia and Canada. Musco will be able to fully serve all geographic areas through the proposed contract. In Canada, Musco sells under our Canadian company, Musco Sports Lighting Canada Co.  |
| 30        | Identify any Sourcewell Member sectors (i.e., government, education, not-for-profit) that you will NOT be fully serving through the proposed contract. Explain in detail. For example, does your company have only a regional presence, or do other cooperative purchasing contracts limit your ability to promote another contract? | Musco Sports Lighting will be able to fully serve all Sourcewell Members through the proposed contract.   |
| 31        | Define any specific contract requirements or restrictions that would apply to our Members in Hawaii and Alaska and in US Territories.  | Musco has no specific requirements or restrictions which apply to Sourcewell Members located outside the continental USA.   |

## Marketing Plan

| Line Item | Question   | Response *   |
|-----------|--|--|
| 32        | Describe your marketing strategy for promoting this contract opportunity. Upload representative samples of your marketing materials (if applicable) in the document upload section of your response. | <p>Musco has several brochures available to market our product to Sourcewell members. A sampling of what we can supply is listed below and attached.</p> <ul style="list-style-type: none"> <li>• World Class Leaders brochure</li> <li>• Always Ready to Play brochure</li> <li>• Light-Structure System™ with Total Lighting Control - TLC for LED® brochure</li> <li>• Retrofit Lighting Solutions TLC for LED® brochure</li> <li>• Large Area Lighting brochure</li> <li>• Indoor Sports Lighting Solutions brochure</li> <li>• Control-Link® Control System brochure</li> </ul> <p>Musco Sports Lighting markets our products through tradeshow, conventions, direct mail and advertising. Musco does targeted, personalized marketing promotions to specific customer groups and would be able to provide information on Sourcewell as appropriate in those promotions. Our National Sales Team would promote Sourcewell by informing qualified customers of this available resource for their use in purchasing their sports lighting system.</p> |
| 33        | Describe your use of technology and digital data (e.g., social media, metadata usage) to enhance marketing effectiveness.  | Musco regularly provides updates about our team, product, services and projects via our web site ( <a href="http://www.musco.com">www.musco.com</a> ) & social media accounts (Twitter, Facebook & LinkedIn). In addition to the company ran social media accounts, our sales representatives each have a Twitter account that they post updates to on a regular basis.  |
| 34        | In your view, what is Sourcewell's role in promoting contracts arising out of this RFP? How will you integrate a Sourcewell-awarded contract into your sales process?                                | Musco would anticipate that Sourcewell promotes Musco products and services to their Members through their web site, social media, tradeshow and publications. Musco became an awarded Sourcewell vendor in 2014. Using this tool in our sales toolbox, we have seen the yearly Sourcewell sales significantly increase in a short 4 year period of time. We look forward to continuing to educate eligible members and our Musco Team Members on the benefits of Sourcewell.  |
| 35        | Are your products or services available through an e-procurement ordering process? If so, describe your e-procurement system and how governmental and educational customers have used it.            | Due to Musco's custom designed, engineered to order lighting systems, our products and services are not available through any e-procurement ordering process.  |

## Value-Added Attributes

| Line Item | Question  | Response *   |
|-----------|---|--|
| 36        | Describe any product, equipment, maintenance, or operator training programs that you offer to Sourcewell Members. Include details, such as whether training is standard or optional, who provides training, and any costs that apply. | Musco includes training with the purchase of our products. Our Control-Link Central™ is staffed 24/7 with trained operators whom provide scheduling and report assistance, along with one-on-one phone training. |

|    |   |   |
|----|---|---|
| 37 | Describe any technological advances that your proposed products or services offer.  | <p>At Musco, our approach is more than just selling and installing poles and fixtures. We are in the business of selling the right amount light, on and off the facility, for the least amount of cost over the life of the warranty. We work closely with the owner and their consultants to gain a full understanding of the facility, its use and surroundings.</p> <p>Musco's Light-Structure System™ has delivered long-term performance for thousands of customers around the world. Lights, structures, and electrical components are engineered to work together. This assures the designed lighting gets in the place and stays there over the life of the system, while also maintaining and protecting the operating environment so the components continue to function. We have included features like easy to reach remote drivers, integrated grounding, and surge protection to ensure the longevity of the LED's sensitive electronic components.</p> <p>For nearly a decade, the Musco Team has been testing the LED light source and applying it on projects where it was the best choice. We have researched LED's distinctive challenges and advantages and applied our knowledge of light control to the unique characteristics of the diode, assuring the quality of lighting for which Musco is known. We have paired our expertise in controlling light with the advancing output of LED to the point that we are confident it's a cost-effective option to consider for recreational facilities. Musco creates controlled light, not floodlights.</p> <p>LED brings many benefits and new opportunities, but it's a tool, not a solution. Controlling LED's intense, "rifle shot" of light is challenging. But with Total Light Control - TLC for LED®, we are able to achieve things never before possible - from pinpoint precision, to instant on/off, to varying light levels for different needs and sport presentation theatrics (choreographed light &amp; music shows).</p> <p>The key issue in sports lighting haven't changed: generating light, projecting it onto the target, keeping it out of the neighborhood and night sky, and creating an operating environment that allows it to last in real world conditions. Musco is able to carve out the area to be lighted and dramatically cut off any impact on the surrounding area. We use more of the light produced by the fixture, lose less light, and don't abuse the neighborhood.</p> <p>With cities and recreational needs growing faster than ever, it's critical to maximize the available resources and make solid decisions about managing and expanding facilities. The Control-Link® System is a reliable, cost-effective control system that helps control, monitor, and manage recreation facility lighting. It can control existing lighting systems and other electrically-operated equipment. Whether for new lighting systems or to upgrade existing lights, the Control-Link® system includes our Control-Link Central™ team, the on-site Control-Link® equipment, and an industry-leading warranty. Our exclusive Control-Link Central™ team is staffed 24/7 to assist with your scheduling and reporting needs.</p> <p>Musco's Light-Structure System™ with Total Light Control - TLC for LED® is backed by an industry-leading 25 year warranty. Musco's Constant 25™ Product Assurance &amp; Warranty program covers all materials and labor to maintain operation of its lighting system to original design criteria for 25 years.</p> |
| 38 | Describe any "green" initiatives that relate to your company or to your products or services, and include a list of the certifying agency for each. | <p>Musco is committed to excellence and leadership in the protection of the environment, and the implementation of sustainable guidelines. We minimize the emissions to air, water, and land through programs to reduce pollution at its source and will conserve energy through the use of energy efficient lighting systems.</p> <p>Product:</p> <ul style="list-style-type: none"> <li>• Musco's Green Generation Lighting® (HID) and TLC for LED® technology are 30 to 80 percent more energy efficient than traditional lighting equipment.</li> <li>• Customized optics direct light onto the desired surface, reducing wasted light into the surrounding area.</li> <li>• Control-Link® system provides remote on/off control, allowing customers to schedule our light systems to help maximize energy efficiency.</li> <li>• Eases pollution by eliminating or reducing the use of hazardous substances and reducing greenhouse gas emissions.</li> </ul> <p>Manufacturing:</p> <ul style="list-style-type: none"> <li>• On-site waste management includes recycling manufacturing scrap materials, wooden skids, paper and other packaging materials.</li> <li>• Packaging of our Light-Structure System™ contains between 30 to 50 percent recycled material.</li> <li>• Reusable packaging is used to move components from original fabrication through the complete manufacturing process.</li> <li>• During the spot maintenance and complete system lamping provided by Musco, all HID lamps are recycled to salvage both the mercury and glass.</li> <li>• Reuse water during the manufacturing process and conserve water when possible.</li> </ul> <p>Office:</p> <ul style="list-style-type: none"> <li>• Electronic components that are not re-usable due to equipment failure or are below minimum requirements are recycled through and E-Waste Facility.</li> <li>• Use geothermal heating and air conditioning to minimize energy consumption.</li> <li>• Our facilities have automatic toilets and faucets to minimize water usage.</li> </ul>   |

|    |   |   |   |
|----|---|---|---|
| 39 | Identify any third-party issued eco-labels, ratings or certifications that your company has received for the equipment or products included in your Proposal related to energy efficiency or conservation, life-cycle design (cradle-to-cradle), or other green/sustainability factors. | Musco currently does not hold any third-party issued eco-labels, ratings or certifications for our products. With sports lighting being a small piece of the U.S.A. lighting marketplace, categories just don't exist for this type of product. Musco has been the industry leader in developing an industry leading lighting system that provides high quality on field performance and environmental sensitivity to the surrounding area. Energy efficiency, spill and glare control, and field management solutions have been our staple for success in the industry.  | * |
| 40 | Describe any Women or Minority Business Entity (WMBE), Small Business Entity (SBE), or veteran owned business certifications that your company or hub partners have obtained. Upload documentation of certification (as applicable) in the document upload section of your response.    | Musco Sports Lighting, LLC is not a Women or Minority Business Entity (WMBE), Small Business Entity (SBE), or veteran owned business.   | * |
| 41 | What unique attributes does your company, your products, or your services offer to Sourcewell Members? What makes your proposed solutions unique in your industry as it applies to Sourcewell members?  | <p>Musco Sports Lighting provides a custom designed, engineered to order lighting systems, from foundation to pole top that operates as a complete system. The lighting system comes with our Constant 25™ or Constant 10™ Product Assurance &amp; Warranty Program. Musco's Constant 25™ or Constant 10™ not only covers your product for 25 or 10 years, it guarantees that your light levels will not drop below the designed performance for the warranty period. Musco also includes our Control-Link® system that provides the customer assurance their system will be maintained by Musco for the warranted period.</p> <p>At Musco, our approach is more than just selling and installing poles and fixtures. We are in the business of selling the right amount light, on and off the facility, for the least amount of cost over the life of the warranty. We work closely with the owner and their consultants to gain a full understanding of the facility, its use and surroundings.</p> | * |
| 42 | Identify your ability and willingness to provide your products and services to Sourcewell member agencies in Canada.  | Musco Sports Lighting, LLC has the ability and willingness to provide our products and services to Sourcewell Member agencies in Canada. In Canada, Musco sells under our Canadian company, Musco Sports Lighting Canada Co.  | * |

## Warranty

Describe in detail your manufacturer warranty program, including conditions and requirements to qualify, claims procedure, and overall structure. You may upload representative samples of your warranty materials (if applicable) in the document upload section of your response in addition to responding to the questions below.

| Line Item | Question   | Response *  |   |
|-----------|--|---|---|
| 43        | Do your warranties cover all products, parts, and labor?   | Musco Sports Lighting, LLC will provide all materials and labor to maintain operation of its lighting system to original design criteria for 25 or 10 years. Musco products and services are guaranteed to perform for the customer as detailed in the Musco Constant 25™ or Musco Constant 10™ documents. Under the Musco Constant 25™ or Musco Constant 10™ Product Assurance & Warranty Program, Musco pays any upfront cost for shipping cost, installation cost, any associated rental equipment cost & disposal cost for the replaced equipment.                              | * |
| 44        | Do your warranties impose usage restrictions or other limitations that adversely affect coverage?  | With Musco's TLC for LED®, there is no hour usage restriction for our Musco Constant 25™ or Musco Constant 10™ Product Assurance & Warranty Program but we do ask for expected usage hours to meet design criteria of the project.  | * |
| 45        | Do your warranties cover the expense of technicians travel time and mileage to perform warranty repairs?   | Yes, the Musco Constant 25™ and Musco Constant 10™ Product Assurance & Warranty Program covers the technicians travel time and mileage to perform any warranty repairs.   | * |
| 46        | Are there any geographic regions of the United States (and Canada, if applicable) for which you cannot provide a certified technician to perform warranty repairs? How will Sourcewell Members in these regions be provided service for warranty repair? | Musco will be able to cover all geographic regions of the United States & Canada with our Lighting Services Team that is comprised of trained technical employees specializing in sports lighting that provide field maintenance, warranty work, consulting and temporary lighting. They are regionally based to effectively provide service in every state & Canada. Musco also has a network of contractors located throughout the United States and Canada that we utilize to install and maintain our lighting systems per Musco Constant 25™ and Musco Constant 10™ documents. | * |
| 47        | Will you cover warranty service for items made by other manufacturers that are part of your proposal, or are these warranties issues typically passed on to the original equipment manufacturer?   | Yes, items included in the scope of the Musco sports lighting design, Musco will cover warranty service for those items.  | * |
| 48        | What are your proposed exchange and return programs and policies?  | Due to Musco's custom designed, engineered to order lighting systems, therefore does not require an exchange and return program. Any defective on arrival product or repairs are covered by the Musco Constant 25™ and Musco Constant 10™ Product Assurance & Warranty Program.   | * |
| 49        | Describe any service contract options for the items included in your proposal.   | Musco Sports Lighting, LLC will provide all materials and labor to maintain operation of its lighting system to original design criteria for 25 or 10 years. Musco products and services are guaranteed to perform for the customer as detailed in the Musco Constant 25™ or Musco Constant 10™ documents.  | * |

## Payment Terms and Financing Options

| Line Item | Question  | Response *  |   |
|-----------|---|---|---|
| 50        | What are your payment terms (e.g., net 10, net 30)?   | Musco's payment terms are Net 30. A service charge of 1 ½% per month (annual percentage rate of 18%) will be charged on all invoices 30 days past due.  | * |
| 51        | Do you provide leasing or financing options, especially those options that schools and governmental entities may need to use in order to make certain acquisitions?   | <p>Musco Finance™ was established in 2006, it provides competitive financing solutions that enable customers to realize the benefits of Musco products and services. Hundreds of customers have used these solutions to complete their lighting projects. Musco Finance™ has provided budget-accommodating financing for governmental, commercial, and not-for-profit entities throughout the United States of America.</p> <p>The municipal lease-purchase program, offered by Musco Finance™ provides the funding opportunity many public entities need for facility improvements such as sports lighting. The program provides a flexible, cost-effective means of funding essential renovations and, in many areas, may eliminate much of the time and expense associated with selling bonds for a project. A known set expense can be budgeted annually; freeing entities from budget uncertainties and lowering cash flow impact.</p>   | * |
| 52        | Briefly describe your proposed order process. Include enough detail to support your ability to report quarterly sales to Sourcewell as described in the Contract template. For example, indicate whether your dealer network is included in your response and whether each dealer (or some other entity) will process the Sourcewell Members purchase orders. | <ul style="list-style-type: none"> <li>• Establish the value &amp; price for the lighting solution with which the customer is comfortable.</li> <li>• Present information about Sourcewell as a means by which they can purchase what they want at a beneficial price without having to go through the public bid process.</li> <li>• Educate the customer about Sourcewell benefits and the ease of using this cooperative purchasing agreement.</li> <li>• Provide the customer with the link to become a Sourcewell Member, if not already.</li> <li>• Provide quote reflecting the Sourcewell contract number and award expiration date to customer.</li> <li>• Receive PO from customer reflecting that the purchase was utilizing the Sourcewell contract (contract number stated on PO).</li> <li>• On a quarterly basis, pull report of Sourcewell purchases, submit &amp; remit payment to Sourcewell. To be submitted using the reporting template provided by Sourcewell.</li> </ul> | * |
| 53        | Do you accept the P-card procurement and payment process? If so, is there any additional cost to Sourcewell Members for using this process?   | Musco Sports Lighting currently does not accept P-card procurement cards.   | * |

## Pricing and Delivery

Provide detailed pricing information in the questions that follow below. Keep in mind that reasonable price and product adjustments can be made during the term of an awarded Contract as described in the RFP, the template Contract, and the Sourcewell Price and Product Change Request Form.

| Line Item | Question  | Response *   |
|-----------|---|--|
| 54        | Describe your pricing model (e.g., line-item discounts or product-category discounts). Provide detailed pricing data (including standard or list pricing and the Sourcewell discounted price) on all of the items that you want Sourcewell to consider as part of your RFP response. If applicable, provide a SKU for each item in your proposal. Upload your pricing materials (if applicable) in the document upload section of your response.                              | <p>Musco Sports Lighting provides a custom designed, engineered to order lighting system, pricing is based per the RFP. This price list should not be considered complete and exhaustive due to the nature of each project being a unique, custom design build situation. Extreme spill and glare concerns, pole locations, and wind zone variance may affect price. RFP quoted pricing is for the most common field designs based on structural code and utilizing IBC 2012, 115 mph, Exposure C.</p> <p>Installations services are available on a per project basis dependent upon Musco's compliance with state and local licensing requirements. Labor and materials for the complete installation, including foundations, pole erection, trenching, backfill, conduit, wire, electrical distribution and service cabinet(s) and site restoration shall utilize the current RS Means pricing, coefficient and must also include the appropriate City Cost Index.</p> |
| 55        | Quantify the pricing discount represented by the pricing proposal in this response. For example, if the pricing in your response represents a percentage discount from MSRP or list, state the percentage or percentage range.  | The percentage discount from list prices offered under this RFP is 5%. The attached price list already takes into account the 5% discount.   |
| 56        | Describe any quantity or volume discounts or rebate programs that you offer.  | As Musco is a custom designed, engineered to order lighting system, there is no quantity or volume discounts available.  |
| 57        | Propose a method of facilitating "sourced" products or related services, which may be referred to as "open market" items or "nonstandard options". For example, you may supply such items "at cost" or "at cost plus a percentage," or you may supply a quote for each such request.  | Musco will work with the Sourcewell member with the regard to pricing and delivery of any open market and/or non-standard options which would be desired, agree upon desired outcome, reflect this in the customer quote for customer use in issuing a purchase order.   |
| 58        | Identify any element of the total cost of acquisition that is NOT included in the pricing submitted with your response. This includes all additional charges associated with a purchase that are not directly identified as freight or shipping charges. For example, list costs for items like pre-delivery inspection, installation, set up, mandatory training, or initial inspection. Identify any parties that impose such costs and their relationship to the Proposer. | As Musco is a custom designed, engineered to order lighting system, pricing is based per the RFP. The pricing can also include equipment installation. Labor and materials for the complete installation include, foundations, pole erection, trenching, backfill, conduit, wire, electrical distribution and service cabinet(s) and site restoration shall utilize the current RS Means pricing, coefficient and must also include the appropriate City Cost Index. If the construction project requires, Musco offers pre-shipment of the precast concrete bases. The additional cost for the pre-shipment of the precast concrete bases will vary depending on the location of the lighting project.  |
| 59        | If freight, delivery, or shipping is an additional cost to the Sourcewell Member, describe in detail the complete freight, shipping, and delivery program.  | Musco's pricing includes delivery within the State of Minnesota to the job site and are for lighting systems materials only. Additional freight cost may be incurred outside the State of Minnesota.   |
| 60        | Specifically describe freight, shipping, and delivery terms or programs available for Alaska, Hawaii, Canada, or any offshore delivery.   | Musco has no specific requirements in regards to Alaska, Hawaii, Canada, or any offshore delivery.   |
| 61        | Describe any unique distribution and/or delivery methods or options offered in your proposal.   | Musco Sports Lighting offers custom designed, engineered to order lighting systems. Products are directly purchased from the company as we have no agents or authorized dealers. When you purchase a complete lighting system from Musco, it is delivered from our dedicated transportation company with Musco Lighting signage on the trucks.   |

## Pricing Offered

| Line Item | The Pricing Offered in this Proposal is *   | Comments |
|-----------|---|----------|
| 62        | b. the same as the Proposer typically offers to GPOs, cooperative procurement organizations, or state purchasing departments. |          |



**Audit and Administrative Fee**

| Line Item | Question   | Response *  |
|-----------|--|---|
| 63        | Specifically describe any self-audit process or program that you plan to employ to verify compliance with your proposed Contract with Sourcewell. This process includes ensuring that Sourcewell Members obtain the proper pricing, that the Vendor reports all sales under the Contract each quarter, and that the Vendor remits the proper administrative fee to Sourcewell.   | A self-audit process is in place specifically intended to verify compliance of cooperative purchasing contracts.<br><ul style="list-style-type: none"> <li>Sales Administrator pulls quarterly contract sales report for the cooperative purchasing contract and its associated fee for that time period.</li> <li>Each contract project PO is checked and validated that it is an awarded contract purchase</li> <li>Project awarded contract fee is validated as correct</li> <li>When validation complete, report sent to cooperative purchasing organization</li> <li>As a checks &amp; balance process, Funding Resource Specialist pulls a Method of Purchase by type report on a quarterly basis and a comparison is done with quarterly contract sales reports to ensure totals for an awarded contract matches on both reports</li> <li>Invoice documents for projects of a contract member are available for review upon request</li> </ul> |
| 64        | Identify a proposed administrative fee that you will pay to Sourcewell for facilitating, managing, and promoting the Sourcewell Contract in the event that you are awarded a Contract. This fee is typically calculated as a percentage of Vendor's sales under the Contract or as a per-unit fee; it is not a line-item addition to the Member's cost of goods. (See the RFP and template Contract for additional details.) | Musco Sports Lighting, LLC proposes a 2% administrative fee calculated as a percentage of the customer contract sales price.  |

**Industry Specific Questions**

| Line Item | Question  | Response *  |
|-----------|---|---|
| 65        | Describe the average life span of your sports lighting systems?   | In 2005, Musco started our Musco Constant 25™ or Musco Constant 10™ Product Assurance & Warranty Programs (coverage depends on the lighting system and the original design criteria). Musco has several lighting systems that are over 35 years old that are still in operation today.  |
| 66        | Describe your process for evaluating on field and off site glare for your sports lighting products?   | Musco measures both on field & off site glare by looking at luminous intensity (candela) at various locations. This evaluation is done during the design state of the project.<br><br>On field - Musco's goal is to have no more than 500 candela at the home plate location while looking at the outfield poles. Similarly, our outfield positions will have no more than 500 candela while looking at the infield poles.<br><br>Off site - Musco strives to achieve candela equal to or less than 7,000 candela at 150 perimeter around the field. Candela is measured at 5' above grade at 150' perimeter. |
| 67        | How many LED sports lighting fixtures, within approx. 1,000 fixtures, do you currently have installed in the marketplace?                                   | Musco Sports Lighting has been developing LED lighting solutions since 2008. Musco's first LED sports application was installed on a soccer field in 2010. Since that time, Musco has installed hundreds of thousands of LED sports lighting fixtures. This is more than any other sports lighting manufacturer in the marketplace.   |
| 68        | Are there any additional or on-going fees in regards to the operation of your lighting control system?  | With Musco's Control-Link® System, there are no additional or on-going fees (including cellular and/or data charges) in regards to the control, monitoring, remote connectivity and alerts of your sports lighting system during the warrantied period (25 or 10 years).  |
| 69        | If you are awarded a contract, provide a few examples of internal metrics that will be tracked to measure whether you are having success with the contract. | On a monthly basis, Musco is looking at the total number of projects sold & and how they breakdown by method of purchase (bid, competitive negotiation, cooperative purchase & direct purchase). Several times during the year, we break down the method of purchase by each cooperative purchase contract. These numbers are compared to the previous timeframes and evaluated.  |

Exceptions to Terms, Conditions, or Specifications Form

Line Item 67. **NOTICE:** To identify any exception, or to request any modification, to the Sourcewell template Contract terms, conditions, or specifications, a Proposer must submit the exception or requested modification on the **Exceptions to Terms, Conditions, or Specifications Form** immediately below. The contract section, the specific text addressed by the exception or requested modification, and the proposed modification must be identified in detail. Proposer s exceptions and proposed modifications are subject to review and approval of Sourcewell and will not automatically be included in the contract.

| Contract Section | Term, Condition, or Specification | Exception or Proposed Modification |
|------------------|-----------------------------------|------------------------------------|
|                  |                                   |                                    |
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|                  |                                   |                                    |
|                  |                                   |                                    |
|                  |                                   |                                    |
|                  |                                   |                                    |

Documents

Ensure your submission document(s) conforms to the following:

1. Documents in PDF format are preferred. Documents in Word, Excel, or compatible formats may also be provided.
  2. Documents should NOT have a security password, as Sourcewell may not be able to open the file. It is your sole responsibility to ensure that the uploaded document(s) are not either defective, corrupted or blank and that the documents can be opened and viewed by Sourcewell.
  3. Sourcewell may reject any response where any document(s) cannot be opened and viewed by Sourcewell.
  4. If you need to upload more than one (1) document for a single item, you should combine the documents into one zipped file. If the zipped file contains more than one (1) document, ensure each document is named, in relation to the submission format item responding to. For example, if responding to the Marketing Plan category save the document as "Marketing Plan."
- [Financial Strength and Stability](#) - Financial.zip - Tuesday July 09, 2019 14:14:13
  - [Marketing Plan/Samples](#) - Marketing Plan.zip - Tuesday July 09, 2019 08:09:48
  - WMBE/MBE/SBE or Related Certificates (optional)
  - [Warranty Information](#) - Warranty.zip - Tuesday July 09, 2019 08:09:56
  - [Pricing](#) - Musco Sports Lighting Sourcewell RFP #071619 Pricing.pdf - Friday July 12, 2019 08:38:03
  - [Additional Document](#) - Company & Product Information.zip - Tuesday July 09, 2019 10:03:41

Proposers Assurance of Comp

PROPOSER ASSURANCE OF COMPLIANCE

PROPOSER'S AFFIDAVIT

The undersigned, authorized representative of the entity submitting the foregoing proposal (the "Proposer"), swears that the following statements are true to the best of his or her knowledge.

- 1. The Proposer is submitting its proposal under its true and correct name, the Proposer has been properly originated and legally exists in good standing in its state of residence, the Proposer possesses, or will possess before delivering any products and related services, all applicable licenses necessary for such delivery to Sourcewell member agencies. The undersigned affirms that he or she is authorized to act on behalf of, and to legally bind the Proposer to the terms in this Contract.
- 2. The Proposer, or any person representing the Proposer, has not directly or indirectly entered into any agreement or arrangement with any other vendor or supplier, any official or employee of Sourcewell, or any person, firm, or corporation under contract with Sourcewell, in an effort to influence the pricing, terms, or conditions relating to this RFP in any way that adversely affects the free and open competition for a Contract award under this RFP.
- 3. The contents of the Proposer s proposal have not been communicated by the Proposer or its employees or agents to any person not an employee or agent of the Proposer and will not be communicated to any such persons prior to the official opening of the proposals.
- 4. The Proposer has examined and understands the terms, conditions, scope, contract opportunity, specifications request, and other documents in this solicitation and affirms that any and all exceptions have been noted and included with the Proposer s Proposal.
- 5. The Proposer will, if awarded a Contract, provide to Sourcewell Members the /products and services in accordance with the terms, conditions, and scope of this RFP, with the Proposer-offered specifications, and with the other documents in this solicitation.
- 6. The Proposer agrees to deliver products and services through valid contracts, purchase orders, or means that are acceptable to Sourcewell Members. Unless otherwise agreed to, the Proposer must provide only new and first-quality products and related services to Sourcewell Members under an awarded Contract.
- 7. The Proposer will comply with all applicable provisions of federal, state, and local laws, regulations, rules, and orders.
- 8. The Proposer understands that Sourcewell will reject RFP proposals that are marked "confidential" (or "nonpublic," etc.), either substantially or in their entirety. Under Minnesota Statute §13.591, Subd. 4, all proposals are considered nonpublic data until the evaluation is complete and a Contract is awarded. At that point, proposals generally become public data. Minnesota Statute §13.37 permits only certain narrowly defined data to be considered a "trade secret," and thus nonpublic data under Minnesota s Data Practices Act.

The Proposer understands that it is the Proposer s duty to protect information that it considers nonpublic, and it agrees to defend and indemnify Sourcewell for reasonable measures that Sourcewell takes to uphold such a data designation.

☒ By checking this box I acknowledge that I am bound by the terms of the Proposer s Affidavit, have the legal authority to submit this Proposal on behalf of the Proposer, and that this electronic acknowledgment has the same legal effect, validity, and enforceability as if I had hand signed the Proposal. This signature will not be denied such legal effect, validity, or enforceability solely because an electronic signature or electronic record was used in its formation.  
- James Hansen, Secretary

The Proposer declares that there is an actual or potential Conflict of Interest relating to the preparation of its submission, and/or the Proposer foresees an actual or potential Conflict of Interest in performing the contractual obligations contemplated in the bid.

☒ Yes ☐ No

The Bidder acknowledges and agrees that the addendum/addenda below form part of the Bid Document.

Check the box in the column "I have reviewed this addendum" below to acknowledge each of the addenda.

| File Name  | I have reviewed the below addendum and attachments (if applicable) | Pages |
|--|--|-------|
| There have not been any addenda issued for this bid. |  |       |



## Quote – Sourcewell Cortez Park Musco Lighting Equipment

**Date:** May 16, 2023  
**To:** David Carmany  
 West Covina City Manager

**Project:** Cortez Park Baseball / Multi-Purpose Field Park LED Relight  
 West Covina, California  
**Ref:** 214788

**Sourcewell**

**Master Project:** 199030, **Contract Number:** 071619-MSL, **Expiration:** 08/27/2023

**Category:** Sports lighting with related supplies and services

**All purchase orders should note the following:**  
**Sourcewell purchase – contract number: 071619-MSL**

### Quote Price – Lighting Material Only

**Cortez Park Baseball Field #1 200' Radius Field, Baseball Field #2 200' Radius, & Multipurpose Field 160' x 360'**

**\$394,000.00**

**Estimated Sales Tax at 9.5% (Confirm at time of order).**

**~ \$37,430.00**

*Sales tax (see above)*

*Pricing furnished is effective for 60 days unless otherwise noted and is considered confidential.*

### Project Summary:

Musco: Install (7) new light poles- A1, A2, A3, A4, B1, B2, B3. \*Light pole B1 is a common lighting pole shared between Baseball Field #1, and Baseball Field #2. Install (2) new Musco Control and Monitoring systems (Panel MS, Panel MSF). Light poles C3R, C4R, C5R, C6R, C7R, C8R, and C9R shall be retrofitted with Musco TLC LED light fixtures.

### Field Dimensions:

Baseball Field #1 – 200' Right, 210' Center, 200' Left

Baseball Field #2- 200' Right, 200' Center, 200' Left

Multipurpose Field – 215' x 360'

### Light-Structure System with Total Light Control – TLC for LED™ technology

#### **Guaranteed Lighting Performance**

- Guaranteed light levels of 50 footcandles ave, 2:1 uniformity infield, 30 footcandles ave. 2.5:1 uniformity outfield for Baseball Field #1 and Baseball Field #2. Multipurpose Field light level 30 FC with a 2.5 : 1 uniformity.

#### **Lighting Equipment – Baseball Field #1 (200' R), Baseball Field #2 (200'R), Multipurpose Field Retrofit**

- (7) Pre-cast concrete bases with integrated lightning grounding A1, A2, A3, A4, B1, B2, B3
- (5) 70' Galvanized steel poles – Poles A1, A2, B1, B2, B3
- (2) 60' Galvanized steel poles – Poles A3, A4
- Factory wired and tested remote electrical component enclosures
- Pole length, factory assembled wire harnesses
- (11) Factory aimed and assembled luminaires TLC-LED-1200
- (39) Factory aimed and assembled luminaires TLC-LED-900
- (10) Factory aimed and assembled luminaires TLC-LED-BT 575
- (4) Cree OSQ Mounted on each light pole A1, A2, B1, B2 on Baseball Field #1.
- (3) Cree OSQ Mounted on each light pole A3, A4, B3, on Baseball Field #2.
- (3) Cree OSQ Mounted on Football Light Poles- C5R, C6R, C9R

◇ Existing security lights are not accounted for in our structural analysis.



## Control Systems and Services

- Control-Link® System for remote on/off control and performance monitoring with 24/7 customer support. (1) CMC #1- 24" x 48" fed from Panel MS. Including the following Lighting Zones: Zone 1- Baseball Field #1, Zone 2 – Security. (1) CMC #2- 24" x 72" including the following Lighting Zones: Zone 1- Baseball Field #2, Zone 2- Multipurpose, Zone 3- Security. Zone 4- C3R, Zone 5- C7R, Zone 6- C8R (select low dimming setting for security light option)

## Operation and Warranty Services

- Reduction of energy and maintenance costs by 50% to 85% over typical 1500W metal halide equipment
- Product assurance and warranty program that covers materials and onsite labor, eliminating 100% of your maintenance costs for 25 years on Baseball Field #1, and Baseball Field #2.
- Product assurance and warranty program that covers materials and onsite labor, eliminating 100% of your maintenance costs for 10 years on C3R through C9R.

## Payment Terms

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Musco's Credit Department will provide payment terms.

## Sourcewell

**Master Project:** 199030, **Contract Number:** 071619-MSL, **Expiration:** 08/27/2023

**Category:** Sports lighting with related supplies and services

**All purchase orders should note the following:**

**Sourcewell purchase – contract number: 071619-MSL**

## Project Notes

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Quote is based on:

- Shipment of entire project together to one location
- Delivery Timing- 10-12 weeks after receipt of purchase order, project plan approval by the city of West Covina and submittal approval.
- Grounding Detail for Light Pole retrofits to be confirmed by Project Inspector, and installing Electrical Contractor.
- Panel MS - 240 Volt, 3 Phase, Panel MSF - 480 Volt, 3 Phase.
- Structural code and wind speed = 2022 CBC, 95 MPH. See Soil report provided by CW Soils, dated April 13, 2023.
- Light pole foundation design, and installation requirements- see Pole Support Foundation, Sheet C1 and C2.
- Confirmation of pole locations prior to production- See Musco Design 214781F dated May 5, 2023.

Thank you for considering Musco for your lighting needs. Please contact me with any questions or if you need additional details.

Mike Higgins  
Musco Sports Lighting, LLC  
3002 Dow Ave, Suite #504  
Phone: 800-659-0117 ext 6121 / E-mail: [mike.higgins@musco.com](mailto:mike.higgins@musco.com)





## AGENDA STAFF REPORT

City of West Covina | Office of the City Manager

**DATE:** June 20, 2023

**TO:** Mayor and City Council

**FROM:** Paulina Morales  
Acting City Manager

**SUBJECT: CONSIDERATION OF RENEWAL OF LANDSCAPE MAINTENANCE DISTRICTS NOS. 4, 6 & 7 — ORDERING OF AND PRELIMINARY APPROVAL OF THE CONSOLIDATED ENGINEER'S REPORT**

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### RECOMMENDATION:

It is recommended that the City Council take the following actions:

1. Adopt the following resolution(s):

**RESOLUTION NO. 2023-31 — A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, ORDERING THE PREPARATION AND FILING OF A REPORT REGARDING THE FISCAL YEAR 2023-24 ASSESSMENT TO BE LEVIED IN CONNECTION WITH LANDSCAPE MAINTENANCE DISTRICT NO. 4**

**RESOLUTION NO. 2023-33 — A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, ORDERING THE PREPARATION AND FILING OF A REPORT REGARDING THE FISCAL YEAR 2023-24 ASSESSMENT TO BE LEVIED IN CONNECTION WITH LANDSCAPE MAINTENANCE DISTRICT NO. 6**

**RESOLUTION NO. 2023-35 — A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, ORDERING THE PREPARATION AND FILING OF A REPORT REGARDING THE FISCAL YEAR 2023-24 ASSESSMENT TO BE LEVIED IN CONNECTION WITH LANDSCAPE MAINTENANCE DISTRICT NO. 7**

2. Following adoption of Resolution No. 2023-31, 33, 35, adopt the following resolution(s):

**RESOLUTION NO. 2023-32 -- A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, PRELIMINARILY APPROVING THE ENGINEER'S REPORT FOR LANDSCAPE MAINTENANCE DISTRICT NO. 4, DECLARING ITS INTENTION TO LEVY AND COLLECT ASSESSMENTS WITHIN SAID DISTRICTS FOR FISCAL YEAR 2023-24 AND SETTING A PUBLIC HEARING REGARDING SUCH ASSESSMENTS**

**RESOLUTION NO. 2023-34 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, PRELIMINARILY APPROVING THE ENGINEER'S REPORT FOR LANDSCAPE MAINTENANCE DISTRICT NO. 6, DECLARING ITS INTENTION TO LEVY AND**

## **COLLECT ASSESSMENTS WITHIN SAID DISTRICTS FOR FISCAL YEAR 2023-24 AND SETTING A PUBLIC HEARING REGARDING SUCH ASSESSMENTS**

### **RESOLUTION NO. 2023-36 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, PRELIMINARILY APPROVING THE ENGINEER'S REPORT FOR LANDSCAPE MAINTENANCE DISTRICT NO. 7, DECLARING ITS INTENTION TO LEVY AND COLLECT ASSESSMENTS WITHIN SAID DISTRICTS FOR FISCAL YEAR 2023-24 AND SETTING A PUBLIC HEARING REGARDING SUCH ASSESSMENTS**

#### **BACKGROUND:**

The Landscaping and Lighting Act of 1972 (California Streets and Highways Code section 22500 et seq.) (the "Act") specifies the procedures for renewal of landscape maintenance districts.

Landscape Maintenance District No. 4 (LMD4) was established in 1975. This district is in the southeasterly part of the City. The assessments collected are used to maintain landscaping, irrigation, hard scape (e.g., sidewalks, walls, etc.), and area lighting on 130 acres of public open space within the boundaries of the district. To encourage innovative housing types and neighborhood designs and to preserve the ridge lines in the San Jose Hills, this area was originally developed with relatively narrow street rights-of-way and small lot sizes. The resulting surplus land was converted to landscaped slope areas and park like "green belt" areas containing walkways, landscaping, and lighting.

Landscape Maintenance District No. 6 (LMD6) was established in 1980 at the request of the owner of the development in lieu of forming a Homeowners' Association. LMD6 is generally located in the easterly end of the City known as South Hills. The funds collected by the LMD6 are used to maintain landscaping and irrigation in public open space areas within its boundaries. LMD6 contains 238 single-family dwellings, approximately 12 acres of landscaped and irrigated areas, and approximately 65 acres of natural area.

Landscape Maintenance District No. 7 (LMD7) was established in 1980 at the request of the owner of the development in lieu of forming a Homeowners' Association. LMD7 is generally located in the easterly end of the City. The funds collected by the district are used to maintain landscaping and irrigation in public open space areas within its boundaries. Currently, LMD7 contains 372 improved and 8 unimproved single-family residential parcels. When development is 100 percent complete, LMD7 will contain 380 developed single residential parcels, 25 acres of landscaped and irrigated area, and 105 acres of natural area.

#### **DISCUSSION:**

The initial step of the renewal process is to adopt the resolution ordering the Engineer's Report. The assessment engineer, Willdan, has prepared a Consolidated Report for LMD4, LMD6 and LMD7 which includes plans and specifications for improvements, estimated costs, assessment diagrams, and assessments spread to cover the estimated costs for each district. The report was prepared in accordance with the Act.

The next step in the renewal process is the preliminary approval of the Engineer's Report and adoption of the Resolution of Intention concerning the levy and collection of assessments for LMD4, LMD6 and LMD7. The Act also requires the Resolution of Intention to give notice of, and fix a time and place for, a public hearing regarding the proposed assessments. Staff is recommending setting a public hearing date of July 18, 2023. At the public hearing, the City Council will consider all written and oral comments regarding the level of assessments, and the maintenance and capital improvement work proposed for LMD4, LMD6 & LMD7.

The renewal process requires that a public notice be posted and published in a locally circulated newspaper but does not require notices be mailed to each resident. Upon the conclusion of the hearing, the City Council should adopt a resolution confirming the diagram and assessment levy either as proposed or as changed by the City Council.



Staff recommends that the assessment rates be maintained at their current levels for Fiscal Year 2023-24:

- The annual assessment rates for LMD4 will be maintained at \$348.02 for a single dwelling unit and \$464 for a duplex unit.
- The annual assessment rates for LMD6 will be maintained at \$650 per lot annually (\$54.16 per month).
- The annual assessment rates for LMD7 will be maintained at \$464.06 per developed lot and \$139.22 per undeveloped lot.

#### LEGAL REVIEW:

The City Attorney's Office has reviewed the resolutions and approved them as to form.

#### OPTIONS:

The City Council has the following options:

1. Approve staffs recommendation; or
2. Provide alternative direction.

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### Fiscal Impact

#### FISCAL IMPACT:

The Fiscal Year 2023-24 Consolidated Engineer's Report for LMD4, 6 & 7 recommends that the assessment rates be maintained at their current levels.

The annual assessment rates for LMD4 will be maintained at \$348.02 for a single dwelling unit and \$464 for a duplex unit. The projected income from the recommended rates is \$1,162,827. The proposed budget for LMD4 for Fiscal Year 2023-24 is \$1,607,997, which is an increase of 38.6% compared to the original budget for Fiscal Year 2022-23.

The annual assessment rate for LMD6 is based on a special uniform benefit to the property owners and is recommended to remain at its current level of \$650 per lot annually (\$54.16 per month). The total projected revenue from the recommended rates and interest is \$156,760. The proposed budget for LMD6 is \$324,946, which is an increase of 81.26% when compared to the original budget for Fiscal Year 2022-23.

The annual assessment rates for LMD7 will be maintained at \$464.06 per improved lot and \$139.22 per unimproved lot. The total projected revenue is \$176,874 including interest. The proposed budget for LMD7 for Fiscal Year 2023-24 is \$311,866 which is an increase of 85.58% compared to the original budget for Fiscal Year 2022-23. The proposed budget funds only include regular landscape maintenance.

Ongoing improvements such as irrigation system improvements, enhancement to existing landscaping, tree trimming, and other extras are being eliminated to maintain the operating budget within projected revenues from the capped assessment rates.

For Fiscal Year 2023-24, below is the Capital Improvement Projects scheduled:

| Projects  |                 |
|---|-----------------|
| DistrictDescription   | Estimated Costs |
| LMD 4 Replacement of Hardscape, repair and replacement of light | \$250,000       |

|  |                  |
|--|------------------|
| LMD 6 standards and Conversion of existing light fixtures to LED fixtures; | \$100,000        |
| <u>LMD 7 as well as Comprehensive tree removal and replacement</u>         | <u>\$100,000</u> |

There are no legal requirements or formal guidelines for the amount of reserves in an assessment district.

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### **Attachments**

Attachment No. 1 - LMD4 Resolution No. 2023-31  
Attachment No. 2 - LMD4 Resolution No. 2023-32  
Attachment No. 3 - LMD6 Resolution No. 2023-33  
Attachment No. 4 - LMD6 Resolution No. 2023-34  
Attachment No. 5 - LMD7 Resolution No. 2023-35  
Attachment No. 6 - LMD7 Resolution No. 2023-36  
Attachment No. 7- 15 Year Rate History  
Attachment No. 8- Consolidated Engineer's Report  
Attachment No. 9- 10 Year Fiscal Projection: LMD4  
Attachment No.10-10 Year Fiscal Projection: LMD6  
Attachment No.11-10 Year Fiscal Projection: LMD7

## ATTACHMENT NO. 1

### RESOLUTION NO. 2023-31

#### **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, ORDERING THE PREPARATION AND FILING OF A REPORT REGARDING THE FISCAL YEAR 2023-24 ASSESSMENT TO BE LEVIED IN CONNECTION WITH LANDSCAPE MAINTENANCE DISTRICT NO. 4**

**WHEREAS**, the City's Landscape Maintenance District No. 4 (the "District") has been established pursuant to the Landscaping and Lighting Act of 1972 (Streets and Highways Code Section 22500 et seq.) (the "Act") to fund the maintenance and servicing of certain public landscaping and appurtenant facilities in the City; and

**WHEREAS**, in connection with the District, the City annually levies an assessment against real property; and

**WHEREAS**, the City Council desires to initiate proceedings to levy the assessment for Fiscal Year 2023-24 in connection with the District; and

**WHEREAS**, no new improvements nor substantial changes in existing improvements within the District are proposed.

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

**SECTION 1.** The above recitals are true and correct.

**SECTION 2.** The City Council orders Willdan Financial Services, as assessment engineer, to prepare and file with the City Clerk a report on the assessment in connection with the District for Fiscal Year 2023-24. Such a report shall include all information required by Section 22565 et seq. of the Act.

**SECTION 3.** The City Clerk shall certify to the adoption of this resolution and shall enter the same in the book of original resolutions and it shall become effective immediately.

**APPROVED AND ADOPTED** this 20th day of June, 2023.

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Rosario Diaz  
Mayor

**APPROVED AS TO FORM**

**ATTEST**

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Thomas P. Duarte  
City Attorney

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Lisa Sherrick  
Assistant City Clerk

I, LISA SHERRICK, Assistant City Clerk of the City of West Covina, California, do hereby certify that the foregoing Resolution No. 2023-31 was duly adopted by the City Council of the City of West Covina, California, at a regular meeting thereof held on the 20th day of June, 2023, by the following vote of the City Council:

AYES:

NOES:

ABSENT:

ABSTAIN:

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Lisa Sherrick  
Assistant City Clerk

## ATTACHMENT NO. 2

### RESOLUTION NO. 2023-32

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, PRELIMINARILY APPROVING THE ENGINEER'S REPORT FOR LANDSCAPE MAINTENANCE DISTRICT NO. 4, DECLARING ITS INTENTION TO LEVY AND COLLECT ASSESSMENTS WITHIN SAID DISTRICT FOR FISCAL YEAR 2023-24 AND SETTING A PUBLIC HEARING REGARDING SUCH ASSESSMENTS**

**WHEREAS**, the City's Landscape Maintenance District No. 4 (the "District") has been established pursuant to the Landscaping and Lighting Act of 1972 (Streets and Highways Code Section 22500 et seq.) (the "Act") to fund the maintenance and servicing of certain public landscaping and appurtenant facilities in the City; and

**WHEREAS**, in connection with the District, the City annually levies an assessment against real property; and

**WHEREAS**, by its Resolution No. 2023-31, adopted June 20, 2023, the City Council directed Willdan Financial Services, as assessment engineer (the "Engineer"), to prepare and file a report regarding the District; and

**WHEREAS**, the Engineer has filed said report, entitled "City of West Covina, Landscape Maintenance Districts 4, 6 and 7, Fiscal Year 2023/2024 Consolidated Engineer's Report" (the "Consolidated Report") and the Consolidated Report is on file and available for public inspection in the Office of the City Clerk and is incorporated herein by reference; and

**WHEREAS**, the City Council desires to continue with proceedings to levy the assessment in connection with the District for Fiscal Year 2023-24 as described in the Consolidated Report.

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

**SECTION 1.** The portion of the Consolidated Report relating to the District is preliminarily approved.

**SECTION 2.** The City Council declares its intention to levy and collect assessments within the District for Fiscal Year 2023-24 and notes that:

- (a) The distinctive name of the District is the "City of West Covina Landscape Maintenance District No. 4."

- (b) The District is generally located in the southeasterly part of the city.
- (c) The existing and proposed improvements are generally described as landscaping, irrigation, hardscape, and paseo lighting on 130 acres of public open space within the boundaries of the District. No substantial changes are proposed to the nature of the improvements.
- (d) Reference is made to the Consolidated Engineer's Report, on file with the City Clerk, for a full and detailed description of the improvements, the boundaries of the assessment district and any zones therein, and the proposed assessments upon assessable lots and parcels of land within the District.
- (e) The rate of this assessment is not proposed to increase from the rate levied in Fiscal Year 2022-23.

**SECTION 3.** A public hearing is set for Tuesday, July 18, 2023, at 7:00 p.m. in the City Council Chambers located at 1444 West Garvey Avenue South in the City of West Covina, to take the testimony on the issue of whether or not the assessments should be approved.

**SECTION 4.** The City Clerk shall give notice of said public hearing in the time, form, and manner as required by law, including but not limited to publication of this resolution in accordance with Streets and Highways Code Sections 22552 and 22553.

**SECTION 5.** The City Council finds that the levy and collection of these assessments is statutorily exempt from the California Environmental Quality Act (CEQA) under Section 15273 of the CEQA Guidelines, as none of the proceeds will be used for capital expenses but will be used instead for operation and maintenance.

**SECTION 6.** The City Clerk shall certify to the adoption of this resolution and shall enter the same in the book of original resolutions and it shall become effective immediately.

**APPROVED AND ADOPTED** this 20th day of June, 2023.

---

Rosario Diaz  
Mayor

**APPROVED AS TO FORM**

**ATTEST**

---

Thomas P. Duarte  
City Attorney

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Lisa Sherrick  
Assistant City Clerk

I, LISA SHERRICK, Assistant City Clerk of the City of West Covina, California, do hereby certify that the foregoing Resolution No. 2023-32 was duly adopted by the City Council of the City of West Covina, California, at a regular meeting thereof held on the 20th day of June, 2023, by the following vote of the City Council:

AYES:

NOES:

ABSENT:

ABSTAIN:

---

Lisa Sherrick  
Assistant City Clerk

## **ATTACHMENT NO. 3**

### **RESOLUTION NO. 2023-33**

#### **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, ORDERING THE PREPARATION AND FILING OF A REPORT REGARDING THE FISCAL YEAR 2023-24 ASSESSMENT TO BE LEVIED IN CONNECTION WITH LANDSCAPE MAINTENANCE DISTRICT NO. 6**

**WHEREAS**, the City's Landscape Maintenance District No. 6 (the "District") has been established pursuant to the Landscaping and Lighting Act of 1972 (Streets and Highways Code Section 22500 et seq.) (the "Act") to fund the maintenance and servicing of certain public landscaping and appurtenant facilities in the City; and

**WHEREAS**, in connection with the District, the City annually levies an assessment against real property; and

**WHEREAS**, the City Council desires to initiate proceedings to levy the assessment for Fiscal Year 2023-24 in connection with the District; and

**WHEREAS**, no increased assessments, new improvements nor substantial changes in existing improvements within the District are proposed.

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

**SECTION 1.** The above recitals are true and correct.

**SECTION 2.** The City Council orders Willdan Financial Services, as assessment engineer, to prepare and file with the City Clerk a report on the assessment in connection with the District for Fiscal Year 2023-24. Such a report shall include all information required by Section 22565 et seq. of the Act.

**SECTION 3.** The City Clerk shall certify to the adoption of this resolution and shall enter the same in the book of original resolutions and it shall become effective immediately.

**APPROVED AND ADOPTED** this 20th day of June 2023.

---

Rosario Diaz  
Mayor



**APPROVED AS TO FORM****ATTEST**

---

Thomas P. Duarte  
City Attorney

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Lisa Sherrick  
Assistant City Clerk

I, LISA SHERRICK, Assistant City Clerk of the City of West Covina, California, do hereby certify that the foregoing Resolution No. 2023-33 was duly adopted by the City Council of the City of West Covina, California, at a regular meeting thereof held on the 20th day of June, 2023, by the following vote of the City Council:

AYES:

NOES:

ABSENT:

ABSTAIN:

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Lisa Sherrick  
Assistant City Clerk

**RESOLUTION NO. 2023-34**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, PRELIMINARILY APPROVING THE ENGINEER'S REPORT FOR LANDSCAPE MAINTENANCE DISTRICT NO. 6, DECLARING ITS INTENTION TO LEVY AND COLLECT ASSESSMENTS WITHIN SAID DISTRICT FOR FISCAL YEAR 2023-24 AND SETTING A PUBLIC HEARING REGARDING SUCH ASSESSMENTS**

**WHEREAS**, the City's Landscape Maintenance District No. 6 (the "District") has been established pursuant to the Landscaping and Lighting Act of 1972 (Streets and Highways Code Section 22500 et seq.) (the "Act") to fund the maintenance and servicing of certain public landscaping and appurtenant facilities in the City; and

**WHEREAS**, in connection with the District, the City annually levies an assessment against real property; and

**WHEREAS**, by its Resolution No. 2023-33, adopted June 20, 2023, the City Council directed Willdan Financial Services, as assessment engineer (the "Engineer"), to prepare and file a report regarding the District; and

**WHEREAS**, the Engineer has filed said report, entitled "City of West Covina, Landscape Maintenance Districts 4, 6 and 7, Fiscal Year 2023/2024 Consolidated Engineer's Report" (the "Consolidated Report") and the Consolidated Report is on file and available for public inspection in the Office of the City Clerk and is incorporated herein by reference; and

**WHEREAS**, the City Council desires to continue with proceedings to levy the assessment in connection with the District for Fiscal Year 2023-24 as described in the Consolidated Report.

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

**SECTION 1.** The portion of the Consolidated Report relating to the District is preliminarily approved.

**SECTION 2.** The City Council declares its intention to levy and collect assessments within the District for Fiscal Year 2023-24 and notes that:

- (a) The distinctive name of the District is the "City of West Covina Landscape Maintenance District No. 6."
- (b) The District is generally located in the easterly part of the City of West Covina on the westerly-facing slopes of the San Jose Hills.
- (c) The existing and proposed improvements are generally described as to landscaping and irrigation in public open space areas within the boundaries

of the District. No substantial changes are proposed to the nature of the improvements.

- (d) Reference is made to the Consolidated Engineer's Report, on file with the City Clerk, for a full and detailed description of the improvements, the boundaries of the assessment district and any zones therein, and the proposed assessments upon assessable lots and parcels of land within the District.
- (e) The rate of this assessment is not proposed to increase from the rate levied in Fiscal Year 2022-23.

**SECTION 3.** A public hearing is set for Tuesday, July 18, 2023, at 7:00 p.m. in the City Council Chambers located at 1444 West Garvey Avenue South in the City of West Covina, to take the testimony on the issue of whether or not the assessments should be approved.

**SECTION 4.** The City Clerk shall give notice of said public hearing in the time, form, and manner as required by law, including but not limited to publication of this resolution in accordance with Streets and Highways Code Sections 22552 and 22553.

**SECTION 5.** The City Council finds that the levy and collection of these assessments is statutorily exempt from the California Environmental Quality Act (CEQA) under Section 15273 of the CEQA Guidelines, as none of the proceeds will be used for capital expenses but will be used instead for operation and maintenance.

**SECTION 6.** The City Clerk shall certify to the adoption of this resolution and shall enter the same in the book of original resolutions and it shall become effective immediately.

**APPROVED AND ADOPTED** this 20th day of June 2023.

---

Rosario Diaz  
Mayor

**APPROVED AS TO FORM**

**ATTEST**

---

Thomas P. Duarte  
City Attorney

---

Lisa Sherrick  
Assistant City Clerk

I, LISA SHERRICK, ASSISTANT CITY CLERK of the City of West Covina, California, do hereby certify that the foregoing Resolution No. 2023-34 was duly adopted by the City Council of the City of West Covina, California, at a regular meeting thereof held on the 20th day of June, 2023, by the following vote of the City Council:

AYES:

NOES:

ABSENT:

ABSTAIN:

---

Lisa Sherrick  
Assistant City Clerk

## ATTACHMENT NO. 5

### RESOLUTION NO. 2023-35

#### **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, ORDERING THE PREPARATION AND FILING OF A REPORT REGARDING THE FISCAL YEAR 2023-24 ASSESSMENT TO BE LEVIED IN CONNECTION WITH LANDSCAPE MAINTENANCE DISTRICT NO. 7**

**WHEREAS**, the City's Landscape Maintenance District No. 7 (the "District") has been established pursuant to the Landscaping and Lighting Act of 1972 (Streets and Highways Code Section 22500 et seq.) (the "Act") to fund the maintenance and servicing of certain public landscaping and appurtenant facilities in the City; and

**WHEREAS**, in connection with the District, the City annually levies an assessment against real property; and

**WHEREAS**, the City Council desires to initiate proceedings to levy the assessment for Fiscal Year 2023-24 in connection with the District; and

**WHEREAS**, no increased assessments, new improvements nor substantial changes in existing improvements within the District are proposed.

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

**SECTION 1.** The above recitals are true and correct.

**SECTION 2.** The City Council orders Willdan Financial Services, as assessment engineer, to prepare and file with the City Clerk a report on the assessment in connection with the District for Fiscal Year 2023-24. Such a report shall include all information required by Section 22565 et seq. of the Act.

**SECTION 3.** The City Clerk shall certify to the adoption of this resolution and shall enter the same in the book of original resolutions and it shall become effective immediately.

**APPROVED AND ADOPTED** this 20th day of June, 2023.

---

Rosario Diaz  
Mayor

**APPROVED AS TO FORM**

**ATTEST**

---

Thomas P. Duarte  
City Attorney

---

Lisa Sherrick  
Assistant City Clerk

I, LISA SHERRICK, Assistant City Clerk of the City of West Covina, California, do hereby certify that the foregoing Resolution No. 2023-35 was duly adopted by the City Council of the City of West Covina, California, at a regular meeting thereof held on the 20th day of June, 2023, by the following vote of the City Council:

AYES:

NOES:

ABSENT:

ABSTAIN:

---

Lisa Sherrick  
Assistant City Clerk

## ATTACHMENT NO. 6

### RESOLUTION NO. 2023-36

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, PRELIMINARILY APPROVING THE ENGINEER'S REPORT FOR LANDSCAPE MAINTENANCE DISTRICT NO. 7, DECLARING ITS INTENTION TO LEVY AND COLLECT ASSESSMENTS WITHIN SAID DISTRICT FOR FISCAL YEAR 2023-24 AND SETTING A PUBLIC HEARING REGARDING SUCH ASSESSMENTS**

**WHEREAS**, the City's Landscape Maintenance District No. 7 (the "District") has been established pursuant to the Landscaping and Lighting Act of 1972 (Streets and Highways Code Section 22500 et seq.) (the "Act") to fund the maintenance and servicing of certain public landscaping and appurtenant facilities in the City; and

**WHEREAS**, in connection with the District, the City annually levies an assessment against real property; and

**WHEREAS**, by its Resolution No. 2023-35, adopted June 20, 2023, the City Council directed Willdan Financial Services, as assessment engineer (the "Engineer"), to prepare and file a report regarding the District; and

**WHEREAS**, the Engineer has filed said report, entitled "City of West Covina, Landscape Maintenance Districts 4, 6 and 7, Fiscal Year 2023/2024 Consolidated Engineer's Report" (the "Consolidated Report") and the Consolidated Report is on file and available for public inspection in the Office of the City Clerk and is incorporated herein by reference; and

**WHEREAS**, the City Council desires to continue with proceedings to levy the assessment in connection with the District for Fiscal Year 2023-24 as described in the Consolidated Report.

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

**SECTION 1.** The portion of the Consolidated Report relating to the District is preliminarily approved.

**SECTION 2.** The City Council declares its intention to levy and collect assessments within the District for Fiscal Year 2023-24 and notes that:

- (a) The distinctive name of the District is the "City of West Covina Landscape Maintenance District No. 7."

- (b) The District is generally located in the easterly part of the city on the north-facing slopes of the San Jose Hills.
- (c) The existing and proposed improvements are generally described as to landscaping and irrigation in public open space areas within the boundaries of the District. No substantial changes are proposed to the nature of the improvements.
- (d) Reference is made to the Consolidated Engineer's Report, on file with the City Clerk, for a full and detailed description of the improvements, the boundaries of the assessment district and any zones therein, and the proposed assessments upon assessable lots and parcels of land within the district.
- (e) The rate of this assessment is not proposed to increase from the rate levied in Fiscal Year 2022-23.

**SECTION 3.** A public hearing is set for Tuesday, July 18, 2023, at 7:00 p.m. in the City Council Chambers located at 1444 West Garvey Avenue South in the City of West Covina, to take the testimony on the issue of whether or not the assessments should be approved.

**SECTION 4.** The City Clerk shall give notice of said public hearing in the time, form, and manner as required by law, including but not limited to publication of this resolution in accordance with Streets and Highways Code Sections 22552 and 22553.

**SECTION 5.** The City Council finds that the levy and collection of these assessments is statutorily exempt from the California Environmental Quality Act (CEQA) under Section 15273 of the Guidelines, as none of the proceeds will be used for capital expenses but will be used instead for operation and maintenance.

**SECTION 6.** The City Clerk shall certify the adoption of this resolution and shall enter the same in the book of original resolutions and it shall become effective immediately.

**APPROVED AND ADOPTED** this 20th day of June, 2023.

---

Rosario Diaz  
Mayor



**APPROVED AS TO FORM**

**ATTEST**

---

Thomas P. Duarte  
City Attorney

---

Lisa Sherrick  
Assistant City Clerk

I, LISA SHERRICK, Assistant City Clerk of the City of West Covina, California, do hereby certify that the foregoing Resolution No. 2023-36 was duly adopted by the City Council of the City of West Covina, California, at a regular meeting thereof held on the 20th day of June, 2023, by the following vote of the City Council:

AYES:

NOES:

ABSENT:

ABSTAIN:

---

Lisa Sherrick  
Assistant City Clerk

**ATTACHMENT NO.7**

**West Covina  
Landscape Maintenance District's No. 4, 6 & 7  
15 Rate History**

| Fiscal Year     | LMD 4                      | LMD 6           | LMD 7           |                 |
|-----------------|----------------------------|-----------------|-----------------|-----------------|
|                 | Per AU Zone <sup>(1)</sup> | Per Unit        | Developed Lot   | Undeveloped Lot |
| <b>2023/24</b>  |                            |                 |                 |                 |
| <b>Proposed</b> | <b>\$464.00</b>            | <b>\$650.00</b> | <b>\$464.06</b> | <b>\$139.22</b> |
| 2022/23         | \$464.00                   | \$650.00        | \$464.06        | \$139.22        |
| 2021/22         | \$464.00                   | \$650.00        | \$464.06        | \$139.22        |
| 2020/21         | \$464.00                   | \$650.00        | \$464.06        | \$139.22        |
| 2019/20         | \$464.00                   | \$650.00        | \$464.06        | \$139.22        |
| 2018/19         | \$464.00                   | \$650.00        | \$464.06        | \$139.22        |
| 2017/18         | \$464.00                   | \$650.00        | \$464.06        | \$139.22        |
| 2016/17         | \$464.00                   | \$650.00        | \$464.06        | \$139.22        |
| 2015/16         | \$464.00                   | \$650.00        | \$454.96        | \$136.49        |
| 2014/15         | \$464.00                   | \$650.00        | \$454.96        | \$136.49        |
| 2013/14         | \$464.00                   | \$650.00        | \$454.96        | \$136.49        |
| 2012/13         | \$464.00                   | \$650.00        | \$446.04        | \$133.81        |
| 2011/12         | \$464.00                   | \$650.00        | \$437.29        | \$131.19        |
| 2010/11         | \$464.00                   | \$650.00        | \$428.72        | \$128.62        |
| 2009/10         | \$464.00                   | \$617.41        | \$389.74        | \$116.92        |

(1) LMD4 has nine (9) separate zones of benefit with varying assessment rates from \$49.16 to \$464.00 per assessment unit. The zone shown in the table is for a single parcel with a duplex and is the highest assessment per parcel.



# **City of West Covina**

## **Landscape Maintenance Districts 4, 6 and 7**

FISCAL YEAR 2023/2024  
CONSOLIDATED ENGINEER'S REPORT

Intent Meeting: June 20, 2023  
Public Hearing: July 18, 2023



# **ENGINEER'S REPORT AFFIDAVIT**

## **Landscape Maintenance Districts 4, 6 and 7**

### **City of West Covina County of Los Angeles, State of California**

This Consolidated Engineer's Report describes Districts 4, 6 and 7 including the improvements, budgets, parcels, and assessments to be levied for Fiscal Year 2023/2024 as they existed at the time of the passage of the Resolution of Intention. Reference is hereby made to the Los Angeles County Assessor's maps for a detailed description of the lines and dimensions of parcels within the Districts. The undersigned respectfully submits the enclosed Report as directed by the City Council.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

Willdan Financial Services  
Assessment Engineer  
On Behalf of the City of West Covina

By: \_\_\_\_\_

Chonney Gano  
Project Manager

By: \_\_\_\_\_

Tyrone Peter  
PE # C 81888

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## **I. OVERVIEW**

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### **A. INTRODUCTION**

The City of West Covina (“City”), under the provisions of the Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the Streets and Highways Code (“1972 Act”) and the provisions of the California Constitution Article XIII D (“Constitution”), annually conducted a public hearing and levies and collects special assessments in order to provide and maintain the facilities, improvements and services for the districts designated as:

#### ***Landscape Maintenance Districts (“Districts”)***

The City formed the following districts:

- ***Landscape Maintenance District No. 4 (“LMD 4”) (Formed in 1975)***
- ***Landscape Maintenance District No. 6 (“LMD 6”) (Formed in 1980)***
- ***Landscape Maintenance District No. 7 (“LMD 7”) (Formed in 1980)***

The Districts were created at the request of the owner of the developments in lieu of forming a Homeowner’s Association. The funds collected by LMD 4 are used to maintain landscaping, irrigation, hardscape, and paseo lighting on 130 acres of public open space within the boundaries of LMD 4. The funds collected by LMD 6 are used to maintain landscaping and irrigation in public open space areas within its boundaries. The funds collected by LMD 7 are used to maintain landscaping and irrigation in public open space areas within its boundaries.

For Fiscal Year 2023/2024, Zone A10 was created in LMD 4 for exempt properties.

This Engineer’s Report (“Report”) has been prepared pursuant to Chapter 1, Article 4 and Chapter 3 of the 1972 Act, and presented to the City Council for their consideration and approval of the proposed improvements and services to be provided within the Districts; and the levy and collection of the annual assessments for Fiscal Year 2023/2024.

This Report describes the Districts, the improvements, and the proposed assessments to be levied against properties in connection with the benefits the properties will receive from the maintenance and servicing of the Districts improvements for Fiscal Year 2022/2023. The annual assessments to be levied on properties within the Districts provide a funding source for the continued operation and maintenance of local landscape improvements installed in connection with the development of properties within the Districts. Each fiscal year, the City establishes the District’s assessments based on an estimate of the costs to maintain, operate and service the landscape improvements and based upon available revenues including fund balances, City contributions and assessment limits. The costs of the

improvements and the proposed annual assessments budgeted and assessed against properties within the Districts may include: the estimated expenditures for regular annual maintenance and repairs; incidental expenditures related to the operation and administration of the Districts; deficits or surpluses from prior years; revenues from other sources; and the collection of adequate funds for operational reserves or periodic expenditures including installments collected for long-term improvement projects. Each parcel is assessed proportionately for only those improvements, services, and expenses for which the parcel will receive special benefit.

For the purposes of this Report, the word “parcel” refers to an individual property assigned its own Assessor Parcel Number by the Los Angeles County Assessor’s Office. The Los Angeles County Auditor/Controller uses Assessor Parcel Numbers and specific Fund Numbers to identify properties assessed for special district benefit assessments on the tax roll.

At a noticed annual Public Hearing, the City Council will accept all public comments and written protests regarding the Districts and the annual levy of assessments. Upon conclusion of the Public Hearing, the City Council will consider all public comments and review the Report. The City Council may order amendments to the Report or confirm the Report as submitted. Following final approval of the Report and confirmation of the assessments the Council will, by Resolution, order the improvements to be made and confirm the levy and collection of assessments pursuant to the 1972 Act. The assessments as approved will be submitted to the County Auditor/Controller to be included on the property tax roll for each parcel.

While the budgets outlined in this Report reflect the estimated costs necessary to fully and adequately provide for the maintenance and operation of the improvements within the Districts, many of these estimated costs and associated services cannot be funded by the current assessment revenues. To fully fund the improvements, it will be necessary to increase assessment revenues which will require the support of the property owners for new or increased assessments through a ballot proceeding conducted under the provisions of the California Constitution Article XIID.

## **B. COMPLIANCE WITH CURRENT LEGISLATION**

On November 5, 1996, California voters approved Proposition 218 (The Right to Vote on Taxes Act) (“Prop 218”) that established specific requirements for the ongoing imposition of taxes, assessments, and fees. The provisions of this proposition are now contained in the California Constitution as Articles XIIC and XIID can be summarized in four general areas:

1. Strengthens the general and special tax provisions of Proposition 13 and Proposition 62.

2. Extends the initiative process to all local taxes, assessments, fees, and charges.
3. Adds substantive and procedural requirements to assessments.
4. Adds substantive and procedural requirements to property-related

Prop 218 required that beginning July 1, 1997, all new and existing assessments (with some exceptions) must conform to new substantive and procedural requirements. However, certain assessments are exempted from these requirements until they are increased.

Generally, these exemptions include:

- (a) Assessments used exclusively to fund sidewalks, streets, sewers, water, flood control, drainage systems, or vector control.
- (b) Assessments imposed pursuant to a petition signed by the persons owning all of the parcels subject to the assessment at the time the assessment is initially imposed.
- (c) Assessments used exclusively for bond repayments, the cessation of which would violate the Contract Impairment Clause of the U.S. Constitution.
- (d) Assessments previously approved by a majority of voters.

LMD 4 and the related assessments were established in 1975 at the request of the owner of the property, the initial LMD 4 assessments were not required to conform with the Article XIID substantive and procedural requirements. The maximum assessment rate for LMD 4 at the time of the passage of Prop 218 was \$464.00 previously approved by the City Council in Fiscal Year 1989/1990. For Fiscal Year 2023/2024 a Land Use audit was completed to ensure all land use classes will be assessed based on the methodology in place for the District.

LMD 6 and the related assessments were established in 1980 at the request of the owner of the property, the initial LMD 6 assessments were not required to conform with the Article XIID substantive and procedural requirements. The maximum assessment rate for LMD 6 at the time of the passage of Prop 218 was \$650.00 previously approved by the City Council in Fiscal Year 1984/1985.

LMD 7 and the related assessments were established in 1980 at the request of the owner of the property, the initial LMD 7 assessments were not required to conform with the Article XIID substantive and procedural requirements. The maximum assessment rate for LMD 7 at the time of the passage of Prop 218 was \$644.00 previously approved by the City Council in Fiscal Year 1985/1986.

Any subsequent increases to the above-mentioned Districts assessments above the maximum rate previously approved by City Council prior to November 5, 1996



will be subject to the procedures and approval process of Section 4 of Article XIID of the California Constitution. There will be no assessment on any parcel that was not charged after the passage of Proposition 218 unless that new assessment was from a parcel change from a previously assessed parcel.

## **II. PLANS AND SPECIFICATIONS**

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### **A. IMPROVEMENTS AUTHORIZED BY THE 1972 ACT**

As applicable or may be applicable to the Districts, the 1972 Act defines improvements to mean one or any combination of the following:

- The installation or planting of landscaping.
- The installation or construction of statuary, fountains, and other ornamental structures and facilities.
- The installation or construction of public lighting facilities.
- The installation or construction of any facilities which are appurtenant to any of the foregoing, or which are necessary or convenient for the maintenance or servicing thereof, including, but not limited to, grading, clearing, removal of debris, the installation or construction of curbs, gutters, walls, sidewalks, or paving, or water, irrigation, drainage, or electrical facilities.
- The maintenance or servicing, or both, of any of the foregoing.
- The acquisition of any existing improvement otherwise authorized pursuant to this section.

Incidental expenses associated with the improvements including, but not limited to:

- The cost of preparation of the report, including plans, specifications, estimates, diagram, and assessment;
- The costs of printing, advertising, and the publishing, posting, and mailing of notices;
- Compensation payable to the County for collection of assessments;
- Compensation of any engineer or attorney employed to render services;
- Any other expenses incidental to the construction, installation, or maintenance and servicing of the improvements;
- Any expenses incidental to the issuance of bonds or notes pursuant to Section 22662.5.
- Costs associated with any elections held for the approval of a new or increased assessment.

The 1972 Act defines "Maintain" or "maintenance" to mean furnishing of services and materials for the ordinary and usual maintenance, operation, and servicing of any improvement, including:

- Repair, removal, or replacement of all or any part of any improvement.
- Providing for the life, growth, health, and beauty of landscaping, including cultivation, irrigation, trimming, spraying, fertilizing, or treating for disease or injury.

- The removal of trimmings, rubbish, debris, and other solid waste.
- The cleaning, sandblasting, and painting of walls and other improvements to remove or cover graffiti.

## **B. DISTRICT OVERVIEW**

### **Landscape Maintenance District No. 4**

LMD 4 is located in the southeasterly part of the City of West Covina. The District consists of residential, commercial properties and approximately 130 acres of public open space. The District contains relatively narrow street right-of-ways and small lot sizes as well as landscaped slope areas and park-like "green belt" areas containing walkways, landscaping, and lighting.

#### **Zones of Benefit**

The parcels, lots, subdivisions and developments within the LMD 4 are identified and grouped into ten (10) zones of benefit referred to as "Zones". Each Zone reflects the landscape improvements associated with the development of properties in that Zone, in order to fairly and equitably apportion the net cost of providing those improvements to the properties that receive special benefits from the service and activities associated with those improvements. Most of the parcels in the District are identified as single-family and multi-family residential properties. All parcels receive special benefits from the improvements because of the increased desirability of a parcel that is located in an area with landscaping, and open space areas. Public agency parcels within the District will not be used for residential occupancies or commercial/industrial workplaces, and therefore, do not receive special benefit and will not be assessed. The assessments proposed to be levied on each property do not exceed the reasonable cost of proportional special benefit conferred on each property from the funded improvements.

The following is a brief description of the District Zones:

#### **Zone A1**

Parcels in this zone are commercial properties, which are located at the intersections of major arterial roadways. These parcels benefit from the District improvements to a lesser degree due to their proximity to the open space areas. Nonetheless, the parcels are benefited by aesthetically pleasing landscaping and open space areas which enhance the desirability of living in the District, because its promotion of evening business and industry vitality, and contribution to a positive nighttime visual image.

#### **Zone A2**

Parcels in this zone are condominium type homes with open space areas located along the fringes of the zone. Due to the nature and higher density of the parcels and the higher intensity of the property use, the parcels derive benefits such as providing a more peaceful and relaxed lifestyle due to the surrounding open space areas. Each parcel is assessed per dwelling unit.

### **Zone A3**

Parcels in this zone are made up of condominiums and apartment complexes with smaller areas of open space within the zone. Due to the denser housing within this zone, Zone A3 is distinctly benefited by the interspersed open space areas within the zone. Although open space areas are smaller than in other zones, the incorporation of such areas into Zone A3's higher-intensity property uses peculiarly benefits Zone A3's parcels by providing aesthetically pleasing landscaping and enhancing the desirability of living in Zone A3. Each parcel is assessed per dwelling unit.

### **Zone A4**

Parcels in this zone are condominium type homes. The open space areas are in close proximity to the condominiums in this zone, thus providing the zone's parcels with benefits such as the enhancement of quality of life within the community characterized by openness, landscape and natural vistas, wildlife and relaxed, peaceful living. Each parcel is assessed per dwelling unit.

### **Zone A5**

Parcels in this zone are made up of detached single-family homes with large open space areas in close proximity. Zone A5 parcels derive a benefit particular to their zone, based on the significant size and proximity of the open space areas to the parcels. The large open spaces in the vicinity of the parcels contribute to lower housing density due to the dedication of acreage for landscaping and natural areas, which thereby reduce the number of buildable parcels. Each parcel is assessed per dwelling unit.

### **Zone A6**

Parcels in this zone are made up of detached single-family homes with open space areas located along the fringes of the zone. Having the open space areas along the perimeter of the zone is advantageous to the parcels within Zone A6 due to the open space areas' positive results on the parcels, such as attracting natural flora and fauna, providing a more peaceful and relaxed lifestyle. Each parcel is assessed per dwelling unit.

### **Zone A7**

Parcels in this zone are made up of detached single-family homes. The open space areas are in close proximity to the single-family homes. These open space areas are connected with paseos that include concrete walkways and lights. These paseos provide for safe pedestrian travel within the zone and into adjacent Zone A9. Each parcel is assessed per dwelling unit.

### **Zone A8**

Parcels in this zone are made up of fourplexes with open space areas located along the fringes of the zone that provide a barrier from the major arterial roadway. The strategic location of open space areas at the fringe create an aesthetically pleasing yet practical perimeter around the zone, which provides a more peaceful and relaxed lifestyle by attracting natural flora and fauna to Zone A8 parcels which,

because of the close proximity to major arterial roadways, would not otherwise receive such benefit. Moreover, the higher-intensity property use receives a significant benefit from the natural vistas and landscaping provided by the open space areas. Each parcel is assessed per dwelling unit.

### **Zone A9**

Parcels in this zone are made up of duplexes. The open space areas are in close proximity to the duplexes and are connected by paseos. The paseos are improved with concrete walkways and lights. These paseos provide for safe pedestrian travel within the zone and into adjacent Zone A7 and promote social interaction. Each parcel is assessed per dwelling unit.

### **Zone A10**

Parcels in this zone are made up of exempt properties. Exempted parcels include all publicly owned property that do not benefit from the District Improvements such as: public streets, public avenues, public lanes, public roads, public drives, public courts, public alleys, all public easements, and right-of-ways, all public parks, public greenbelts and parkways, and all public property being used for public purposes.

### **Landscape Maintenance District No. 6**

LMD 6 is located in the easterly end of the City known as South Hills on the westerly-facing slopes of the San Jose Hills. The District contains 238 single-family dwellings, approximately 12 acres of landscaped and irrigated area, and approximately 65 acres of natural area.

### **Landscape Maintenance District No. 7**

LMD 7 is generally located in the easterly end of the City on the north-facing slopes of the San Jose Hills. Currently, the District contains 372 developed single-family residential parcels, approximately 19.5 acres of landscaped and irrigated areas and 92 acres of natural area that is only 98 percent developed. When development is 100 percent complete, the District will contain 380 developed single family-residential parcels, 25 acres of landscaped and irrigated area, and 105 acres of natural area.

LMD 7 contains zone classifications based on development status. Zone C1 consists of undeveloped parcels. Zone C2 consists of developed parcels. These properties receive the greater benefit from the services provided.

## **C. DESCRIPTION OF DISTRICT IMPROVEMENTS**

### **Landscape Maintenance District No. 4**

The existing facilities to be maintained and serviced in LMD 4 include public open space area, lighting, parkway, and manufactured slopes and appurtenant facilities. There are approximately 130 acres of open space within the District. LMD 4

contains lighted paseos and approximately 30 to 50-foot landscaped hillside slopes vegetated with plants, shrubbery, and trees. The current scope of work for the operations, maintenance, and care of these areas include 3 to 5 feet of fire clearing at the tops and toes of slopes and irrigation maintenance repairs.

The District will fund the costs in connection with the district maintenance and servicing including, but not limited to, personnel, electrical energy, water, materials, contracting services, and other expenses necessary for the satisfactory operation of these facilities. The facilities and improvements which have been constructed within the District and which will be maintained and serviced are described as follows:

**Landscaping and Appurtenant Facilities**

Facilities include but are not limited to landscaping, planting, shrubbery, trees, irrigation system, hardscape, fixtures, sidewalk maintenance resulting from landscape growth and appurtenant facilities, in public right-of-way, parkways, and dedicated easements within the boundaries of said District.

**Lighting and Appurtenant Facilities**

Facilities include but are not limited to poles, fixtures, bulbs, conduits, conductors, equipment including guys, anchors, posts and pedestals, metering devices and appurtenant facilities as required to provide lighting in the public right-of-way and dedicated easements within the boundaries of said District.

The detailed plans and specifications of the District improvements are on file in the office of the City Public Works Department and by reference are made part of this Report.

## **Landscape Maintenance District No. 6**

The existing facilities to be maintained and serviced in LMD 6 include public open space, manufactured slopes, and appurtenant facilities. There are approximately 12 acres of landscaped and irrigated area and 65 acres of natural open space within the District. LMD 6 contains approximately 30 to 50-foot landscaped hillside slopes vegetated with plants, shrubbery, and trees. The current scope of work for the operations, maintenance, and care of these areas include 3 to 5-feet of fire clearing at the tops and toes of slopes and irrigation maintenance repairs.

The District will fund the costs in connection with the District maintenance and servicing including, but not limited to, personnel, electrical energy, water, materials, contracting services, and other expenses necessary for the satisfactory operation of these facilities. The facilities are described as follows:

**Landscaping and Appurtenant Facilities**

Facilities include but are not limited to trees, irrigation system, hardscape, fixtures, sidewalk maintenance resulting from landscape growth and appurtenant facilities, in open spaces and dedicated easements within the boundaries of the District.

The detailed plans and specifications of the District improvements are on file in the office of the City Public Works Department and by reference are made part of this Report.

### **Landscape Maintenance District No. 7**

The existing facilities to be maintained and serviced in LMD 7 include public open spaces and manufactured slopes and appurtenant facilities. Upon completion, the District will contain 25 acres of landscaped and irrigated areas and 105 acres of natural open space. LMD 7 contains landscaped hillside slopes vegetated with plants, shrubbery, and trees. The current scope of work for the operations, maintenance, and care of these areas include 3 to 5 feet of fire clearing at the tops and toes of slopes and irrigation maintenance and repairs.

The District will fund the costs in connection with the District maintenance and servicing including, but not limited to, personnel, electrical energy, water, materials, contracting services, and other expenses necessary for the satisfactory operation of these facilities. The facilities are described as follows:

#### **Landscaping and Appurtenant Facilities**

Facilities include but are not limited to trees, irrigation system, hardscape, fixtures, sidewalk maintenance resulting from landscape growth and appurtenant facilities, in public open space areas and dedicated easements within the boundaries of the District.

The detailed plans and specifications of the District Improvements are on file in the office of the City Public Works Department and by reference are made part of this Report.



### **///. METHOD OF APPORTIONMENT**

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#### **A. GENERAL**

The 1972 Act permits the establishment of assessment districts by agencies for the purpose of providing certain public improvements which include the construction, maintenance and servicing of public lights, landscaping, and appurtenant facilities. The 1972 Act further requires that the cost of these improvements be levied according to benefit rather than assessed value:

Section 22573 defines the net amount to be assessed as follows:

*“The net amount to be assessed upon lands within an assessment district may be apportioned by any formula or method which fairly distributes the net amount among all assessable lots or parcels in proportion to the estimated benefits to be received by each such lot or parcel from the improvements.”*

Furthermore, Article XIII D Section 4 of the Constitution states that:

*“The proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of the capital cost of the public improvement, the maintenance and operation expenses of the public improvement, or the cost of the property related service being provided.”*

The formula used for calculating assessments reflects the composition of the parcels and the improvements and services provided within the Districts to fairly apportion the costs based on estimated special benefit to each parcel.

#### **B. BENEFIT ANALYSIS**

Each of the improvements, the associated costs and assessments of the Districts have been reviewed, identified, and allocated based on special benefit pursuant to the provisions of the Constitution and 1972 Act. The improvements associated with each District have been identified as necessary, required and/or desired for the orderly development of the properties within the Districts to their full potential, consistent with the proposed development plans and applicable portions of the development. As such, these improvements would be necessary and required of individual property owners for the development of such properties, and the ongoing operation, servicing and maintenance of these improvements would be the financial obligation of those properties. Therefore, the improvements and the annual costs of ensuring the maintenance and operation of the improvements are of special benefit to the properties in the Districts.

The method of apportionment (method of assessment) is based on the premise that each assessed parcel within the Districts receives special benefit from the improvements where the parcel is located as well as from adjacent landscaping and public street lighting improvements. The desirability and security of properties



is enhanced by the presence of street lighting, well maintained landscaping and open space areas in close proximity to those properties.

The special benefits of landscaping and open space improvements within the Districts are specifically:

- Enhanced desirability of properties through association with the improvements.
- Improved aesthetic appeal of properties providing a positive representation of the area.
- Enhanced adaptation of the urban environment within the natural environment from adequate green space, open space areas, and landscaping.
- Environmental enhancement through improved erosion resistance, dust and debris control, and fire prevention.
- Increased sense of pride in ownership of property within the Districts resulting from well-maintained improvements associated with the properties.
- Reduced criminal activity and property-related crimes (especially vandalism) against properties in the Districts through well-maintained surroundings and amenities including abatement of graffiti.
- Enhanced environmental quality of the parcels by moderating temperatures, providing oxygenation, and attenuating noise.

The special benefits of street lighting are the convenience, safety, and security of property, improvements, and goods. Specifically:

- Enhanced deterrence of crime and the aid to police protection.
- Increased nighttime safety on roads and streets.
- Improved ability of pedestrians and motorists to see.
- Improved ingress and egress to property.
- Reduced vandalism and other criminal act and damage to improvements or property.
- Improved traffic circulation and reduced nighttime accidents and personal property loss.
- Increased promotion of business during nighttime hours in the case of commercial properties.

The preceding special benefits contribute to a special enhancement and desirability of each of the assessed parcels within the Districts. Although the improvements may include landscaping and lighting improvements and other amenities available or visible to the public at large, the construction and installation of these improvements are only necessary for the development of properties within

the Districts and are not required nor necessarily desired by any properties or developments outside the Districts boundary. Therefore, any public access or use of the improvements by others is incidental and there is no measurable general benefit to properties outside the Districts or to the public at large.

### **C. ASSESSMENT METHODOLOGY**

The method of apportionment for the Districts calculates the receipt of special benefit from the respective improvements based on the actual or proposed land use of the parcels. The special benefit received by each lot or parcel is equated to the overall land use of the parcel based on the parcel's actual land use or proposed planned development and is reliant upon the special benefit received from the improvements planned for each District.

To identify and determine the special benefit to be received by each parcel, it is necessary to consider the entire scope of each District improvements as well as individual property development within the Districts. The costs associated with the improvements shall be fairly distributed among the parcels based upon the special benefit received by each parcel. Additionally, in compliance with the Constitution, each parcel's assessment may not exceed the reasonable cost of the proportional special benefit conferred to that parcel. The benefit formula used to determine the assessment obligation is therefore based upon both the improvements that benefit the parcels as well as the proposed land use of each property as compared to other parcels that benefit from those specific improvements.

#### **Assessment Units**

To assess benefits equitably, it is necessary to relate the different type of parcel improvements to each other. The Assessment Unit ("AU") method of assessment apportionment uses the single-family home site as the basic unit of assessment. A single-family home site equals one AU. Every other land use is converted to AUs based on an assessment formula that equates the property's specific development status, type of development (land use), and size of property, as compared to a single-family home site.

The AU method of apportioning benefit is typically seen as the most appropriate and equitable assessment methodology for districts formed under the 1972 Act, as the benefit to each parcel from the improvements are apportioned as a function of land use type, size, and development.

The following formula is used to calculate each parcel's AU (proportional benefit) for LMD 4 and LMD 6.

$$\text{Parcel Type AU} \times \text{Acreage/Dwelling Units/Parcel/Lot} = \text{Parcel AU}$$

The total number of Assessment Units ("AU's") is the sum of the individual AUs applied to the parcels that receive a special benefit from the improvements. An assessment amount per AU ("Rate") is established by taking the total cost of the

improvements (including administration costs) and dividing that amount by the total number of AUs of the parcels benefiting from the improvements. This Rate is then applied back to each parcel's individual AU to determine the parcel's proportionate benefit and assessment obligation.

$$\text{Total Balance to Levy} / \text{Total AU} = \text{Rate per AU}$$

$$\text{Rate per AU} \times \text{Parcel AU} = \text{Parcel Levy Amount}$$

#### **Landscape Maintenance District No. 4**

**Single-Family Residential** – This land use is defined as fully subdivided residential home site with or without a structure or planned single-family residential lot as identified by a submitted or approved tentative tract map or final tract map. This land use is assessed, 1.0 AU per lot or parcel. This is the base value that other land use types are compared and weighted against (i.e., Assessment Unit or AU).

**Multi-Family Residential** – This land use is defined as a fully subdivided residential parcels that includes duplexes, apartments and condominiums identified by a submitted or approved tentative tract map or final tract map. This land use is assessed, 1.0 AU per dwelling unit.

**Developed Commercial** – This land use is defined as property developed for either commercial or industrial use. This type of property receives greater benefit than Single Family or Multi-Family property due to typically larger lot size in relation to residential properties. The commercial properties within Zone A1 are grouped into three different areas with predesignated assessment units at the time of formation. For any newly developed commercial properties, they will be assessed, 4.0 AU per acreage with a minimum of 4.0 AU.

**Exempt Parcels** – This land use identified properties that are not assessed and are assigned 0.0 AU. This land use classification may include, but is not limited, to lots or parcels identified as public streets and other roadways (typically not assigned an APN by the County); dedicated public easements, open space area and right-of-ways; common areas, sliver parcels and bifurcated lots or any other property that cannot be developed; park properties and other publicly owned properties that are part of the District improvements and are therefore exempted from assessment.

The following table provides a listing of land use types, land use code designations, the Equivalent Benefit Unit factor applied to that land use type, and the multiplying factor used to calculate each parcel's individual AU.

#### **Land Use Codes and Assessment Units**

| Property Type             | Land Use Code | Assessment Units | Multiplier |
|---------------------------|---------------|------------------|------------|
| Single Family Residential | SFR           | 1.00             | Lot/Parcel |
| Multi-Family Residential  | MFR           | 1.00             | Unit       |
| Developed Commercial      | COM           | 4.00             | Acre       |
| Exempt Parcel             | EXE           | 0.00             | Parcel     |

The benefit formula applied to parcels within LMD 4 is based on the preceding AU table. Each parcel's AU correlates the parcel's special benefit received as compared to the other parcels benefiting from the improvements.

The following table summarizes the assessment rates for LMD 4.

**City of West Covina  
Landscape Maintenance District No. 4  
FY 2023/2024 Preliminary Assessment Summary and Comparison**

| Zone         | % of Budget    | Parcel Count | Assessment Units | FY 2022/23 Assessment Rates | FY 2023/24 Proposed Assessment Rates | Total Assessment      |
|--------------|----------------|--------------|------------------|-----------------------------|--------------------------------------|-----------------------|
| A1           | 1.91%          | 31           | 451.00           | \$49.16                     | \$49.16                              | \$22,171.16           |
| A2           | 1.45%          | 216          | 216.00           | \$77.89                     | \$77.89                              | 16,824.24             |
| A3           | 5.74%          | 326          | 1,353.00         | \$49.33                     | \$49.33                              | 66,743.49             |
| A4           | 9.96%          | 498          | 498.00           | \$232.48                    | \$232.48                             | 115,775.04            |
| A5           | 3.52%          | 157          | 157.00           | \$260.98                    | \$260.98                             | 40,973.86             |
| A6           | 6.13%          | 246          | 246.00           | \$289.99                    | \$289.99                             | 71,337.54             |
| A7           | 44.98%         | 1,503        | 1,503.00         | \$348.02                    | \$348.02                             | 523,074.06            |
| A8           | 15.69%         | 118          | 472.00           | \$386.66                    | \$386.66                             | 182,503.52            |
| A9           | 10.61%         | 133          | 266.00           | \$464.00                    | \$464.00                             | 123,424.00            |
| A10          | 0.00%          | 2            | 0.00             | \$0.00                      | \$0.00                               | 0.00                  |
| <b>Total</b> | <b>100.00%</b> | <b>3,230</b> | <b>5,162.00</b>  |                             |                                      | <b>\$1,162,826.91</b> |

**BENEFIT ZONE LEGEND**

|     |   |
|-----|---|
| A1  | Commercial Property   |
| A2  | Condos (Triangle Area, East of Azusa Ave. and north of Woodgrove Park)              |
| A3  | Condos Minimum Maintenance Benefit  |
| A4  | Condos Medium Maintenance Benefit   |
| A5  | Single Family Triangle Area (Special Area, West of Azusa Ave and north of Amar Rd.) |
| A6  | Single Family Medium Maintenance Benefit  |
| A7  | Single Family Maximum Maintenance Benefit   |
| A8  | Fourplex Minimum Maintenance Benefit  |
| A9  | Duplex Minimum Maintenance Benefit  |
| A10 | Exempt Parcels  |

**Landscape Maintenance District No. 6**

**Single-Family Residential** – This land use is defined as fully subdivided residential home site with or without a structure or planned single-family residential lot as identified by a submitted or approved tentative tract map of final tract map. This land use is assessed, 1.0 AU per lot or parcel. This is the base value that other land use types are compared and weighted against (i.e., Assessment Unit or AU).

The following table summarizes the assessment rates for Single Family Residential properties in LMD 6 and compares the proposed assessment with last year's assessment.

**City of West Covina**  
**Landscape Maintenance District No. 6**  
**FY 2023/2024 Preliminary Assessment Summary and Comparison**

| Land Use Class            | Parcel Count | AU            | FY 2022/2023 Assessment Rate | FY 2023/2024 Proposed Assessment Rate | Total Assessment    |
|---------------------------|--------------|---------------|------------------------------|---------------------------------------|---------------------|
| Single Family Residential | 238          | 238.00        | \$650.00                     | \$650.00                              | \$154,700.00        |
| <b>Total</b>              | <b>238</b>   | <b>238.00</b> |                              |                                       | <b>\$154,700.00</b> |

**Landscape Maintenance District No. 7**

The following table summarizes the different assessment rates for the different zone classifications in LMD 7 and compares the proposed assessment with the prior year's assessment.

**City of West Covina**  
**Landscape Maintenance District No. 7**  
**FY 2023/2024 Preliminary Assessment Summary and Comparison**

| Zone         | Parcel Count | FY 2022/2023 Assessment Rate | FY 2023/2024 Proposed Assessment Rate | Total Assessment    |
|--------------|--------------|------------------------------|---------------------------------------|---------------------|
| C1           | 8            | \$139.22                     | \$139.22                              | \$1,113.76          |
| C2           | 372          | \$464.06                     | \$464.06                              | 172,630.32          |
| <b>Total</b> | <b>380</b>   |                              |                                       | <b>\$173,744.08</b> |

## **IV. ESTIMATE OF COSTS**

The 1972 Act provides that the estimated costs of the improvements shall include the total cost of the improvements, including incidental expenses.

The 1972 Act also provides that the amount of any surplus, deficit, or contribution be included in the estimated cost of improvements. The net amount to be assessed on the lots or parcels within each District are the total cost of maintenance, and servicing with adjustments either positive or negative for reserves, surpluses, deficits, and/or contributions.

### **A. CAPITAL IMPROVEMENT FUND**

For Fiscal Year 2023/2024, there are no capital improvements for any of the Districts.

| Projects |  |                 |
|----------|--|-----------------|
| District | Description  | Estimated Costs |
| LMD 4    | Replacement of hardscape, repair and replacement of light standards and conversion of existing light fixtures to LED | \$250,000       |
| LMD 6    | fixtures; as well as comprehensive tree removal and  | \$100,000       |
| LMD 7    | replacement.   | \$100,000       |

### **B. PROPOSED INCREASE SCOPE OF WORK**

Located in the budgets is the proposed increase in scope of maintenance work at optimal levels for the Districts.

#### **Landscape Maintenance District No. 4**

LMD 4 contains lighted paseos and approximately 30 to 50-foot landscaped hillside slopes vegetated with plants, shrubbery, and trees. The current scope of work for the operations, maintenance, and care of these areas include 3 to 5 feet of fire clearing at the tops and toes of slopes and irrigation maintenance repairs. Increased scope of work for LMD 4 is recommended to include the modification of the paseo lighting to LED for energy cost savings, repair and replacement of light standards, hardscape repair and replacement of off-grade, cracked and broken areas, tree trimming of the hillside trees on a trimming cycle, and landscape maintenance including trash removal and clearing of the hillside plants and shrubbery. It is estimated that the budget required for the increased lighting, hardscape, and landscaping scope is approximately double the existing budget.

#### **Landscape Maintenance District No. 6**

LMD 6 contains approximately 30 to 50-foot landscaped hillside slopes vegetated with plants, shrubbery, and trees. The current scope of work for the operations, maintenance, and care of these areas include 3 to 5-feet of fire clearing at the tops and toes of slopes and irrigation maintenance repairs. Increased scope of work for

the LMD 6 is recommended to include the repair and replacement of light standards, hardscape repair and replacement of off-grade, cracked and broken areas, tree trimming of the hillside trees on a trimming cycle, and landscape maintenance including trash removal and clearing of the hillside plants and shrubbery. It is estimated that the budget required for the increased lighting, hardscape, and landscaping scope is approximately double the existing budget.

#### **Landscape Maintenance District No. 7**

LMD 7 contains landscaped hillside slopes vegetated with plants, shrubbery, and trees. The current scope of work for the operations, maintenance, and care of these areas include 3 to 5 feet of fire clearing at the tops and toes of slopes and irrigation maintenance and repairs. Increased scope of work for LMD 7 is recommended to include tree trimming of the hillside trees on a trimming cycle and landscape maintenance including trash removal and clearing of the hillside plants and shrubbery. It is estimated that the budget required for the increased and landscaping maintenance and operations scope is approximately double the existing budget.

### C. SUMMARY OF COSTS

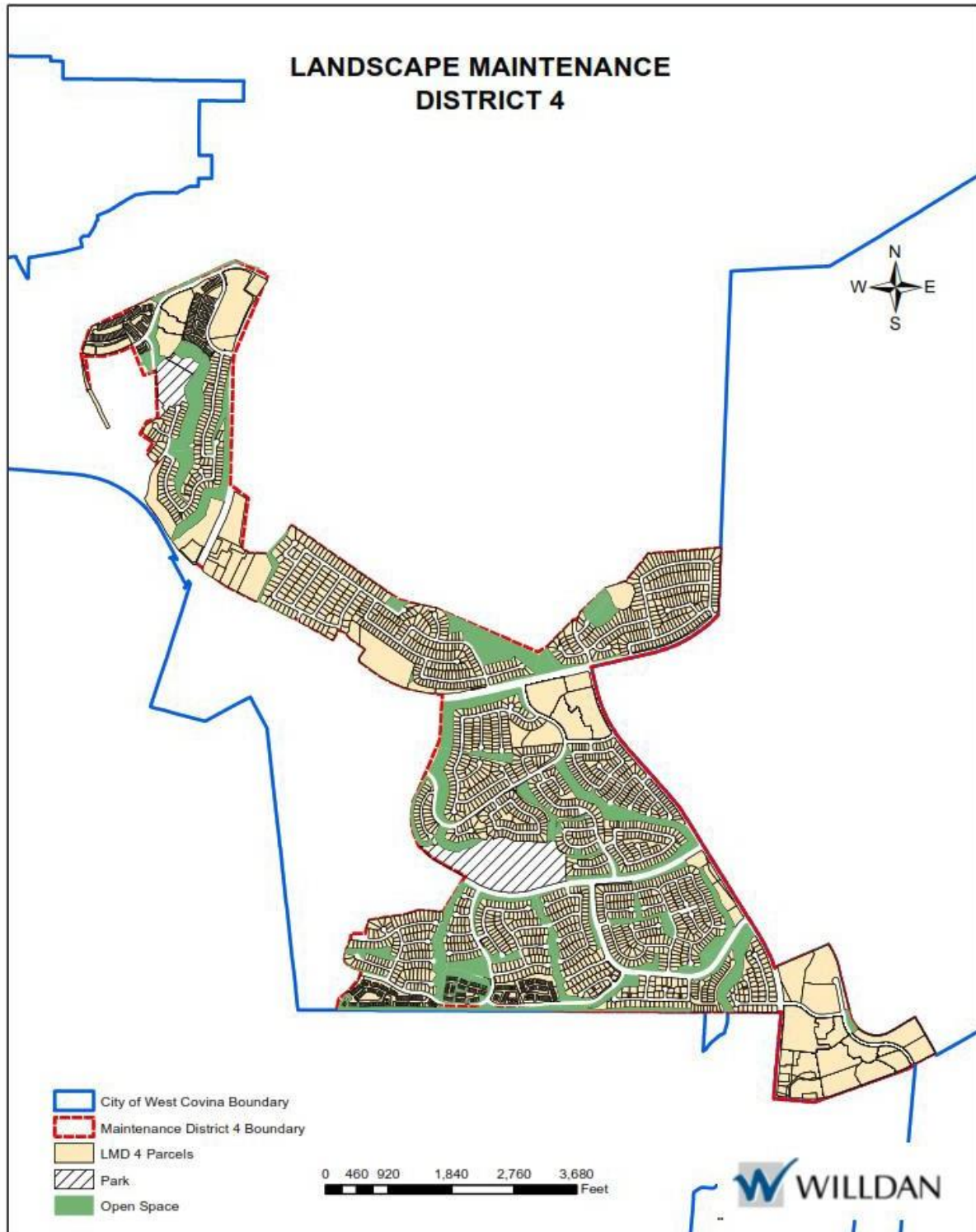
| Levy Component<br>DIRECT COSTS                 | LMD 4                   |                        | LMD 6                   |                        | LMD 7                   |                        |
|--|-------------------------|------------------------|-------------------------|------------------------|-------------------------|------------------------|
|  | Existing<br>Maintenance | Optimal<br>Maintenance | Existing<br>Maintenance | Optimal<br>Maintenance | Existing<br>Maintenance | Optimal<br>Maintenance |
| Personnel Services                             | \$100,456               | \$200,911              | \$38,401                | \$76,802               | \$100,309               | \$200,618              |
| Maintenance Contracts                          | 577,352                 | 1,154,704              | 161,100                 | 322,200                | 95,437                  | 190,874                |
| Utilities (electricity & water)                | 655,026                 | 1,310,051              | 68,163                  | 136,325                | 54,022                  | 108,044                |
| Maintenance Supplies                           | 35,014                  | 70,028                 | 0                       | 0                      | 0                       | 0                      |
| Property and Liability Insurance               | 6,116                   | 12,232                 | 13,531                  | 27,062                 | 11,024                  | 22,047                 |
| NPDES  | 75,000                  | 150,000                | 5,000                   | 10,000                 | 5,000                   | 10,000                 |
| Capital Improvement Project                    | 250,000                 | 500,000                | 100,000                 | 200,000                | 100,000                 | 200,000                |
| <b>Total Direct Costs</b>                      | <b>\$1,698,963</b>      | <b>\$3,397,927</b>     | <b>\$386,194</b>        | <b>\$772,389</b>       | <b>\$365,792</b>        | <b>\$731,584</b>       |
| <b>ADMINISTRATION COSTS</b>                    |                         |                        |                         |                        |                         |                        |
| Levy Administration and Professional Services  | \$3,993                 | \$3,993                | \$2,320                 | \$2,320                | \$2,345                 | \$2,345                |
| County Collection Fee                          | 857                     | 857                    | 50                      | 50                     | 145                     | 145                    |
| City Overhead and Administration               | 154,184                 | 308,368                | 36,382                  | 72,763                 | 43,584                  | 87,168                 |
| <b>Total Administration Costs</b>              | <b>\$159,034</b>        | <b>\$313,218</b>       | <b>\$38,752</b>         | <b>\$75,133</b>        | <b>\$46,074</b>         | <b>\$89,658</b>        |
| <b>COLLECTIONS/(CREDITS) APPLIED TO LEVY</b>   |                         |                        |                         |                        |                         |                        |
| <b>TOTAL DIRECT AND ADMIN COSTS</b>            | <b>\$1,857,997</b>      | <b>\$3,711,145</b>     | <b>\$424,946</b>        | <b>\$847,522</b>       | <b>\$411,866</b>        | <b>\$821,242</b>       |
| Reserve Collection/(Transfer)                  | (\$445,170)             | (\$2,048,318)          | (\$170,246)             | (\$492,822)            | (\$138,122)             | (\$447,498)            |
| Capital Improvement Fund Collection/(Transfer) | (250,000)               | (500,000)              | (100,000)               | (200,000)              | (100,000)               | (200,000)              |
| General Benefit Contribution                   | 0                       | 0                      | 0                       | 0                      | 0                       | 0                      |
| General Fund/Other Revenue (Contributions)     | 0                       | 0                      | 0                       | 0                      | 0                       | 0                      |
| <b>Total Collections/(Credits)</b>             | <b>(\$695,170)</b>      | <b>(\$2,548,318)</b>   | <b>(\$270,246)</b>      | <b>(\$692,822)</b>     | <b>(\$238,122)</b>      | <b>(\$647,498)</b>     |
| <b>Balance to Levy (Budgeted)</b>              | <b>\$1,162,827</b>      | <b>\$1,162,827</b>     | <b>\$154,700</b>        | <b>\$154,700</b>       | <b>\$173,744</b>        | <b>\$173,744</b>       |
| <b>FUND BALANCE INFORMATION</b>                |                         |                        |                         |                        |                         |                        |
| <b>Estimated Beginning Fund Balance</b>        | <b>\$2,186,547</b>      | <b>\$2,186,547</b>     | <b>\$275,169</b>        | <b>\$275,169</b>       | <b>\$403,355</b>        | <b>\$403,355</b>       |
| Reserve Fund Adjustments                       | (445,170)               | (2,048,318)            | (170,246)               | (492,822)              | (138,122)               | (\$162,351)            |
| Interest                                       | 17,960                  | 17,960                 | 2,060                   | 2,060                  | 3,130                   | 3,130                  |
| 1911 Act District Adjustments                  | 9,000                   | 9,000                  | 0                       | 0                      | 0                       | 0                      |
| Capital Improvement Adjustments                | (250,000)               | (500,000)              | (100,000)               | (200,000)              | (100,000)               | (200,000)              |
| <b>Estimated Ending Reserve Balance</b>        | <b>\$1,518,337</b>      | <b>(\$334,811)</b>     | <b>\$6,983</b>          | <b>(\$415,593)</b>     | <b>\$168,363</b>        | <b>\$244,134</b>       |

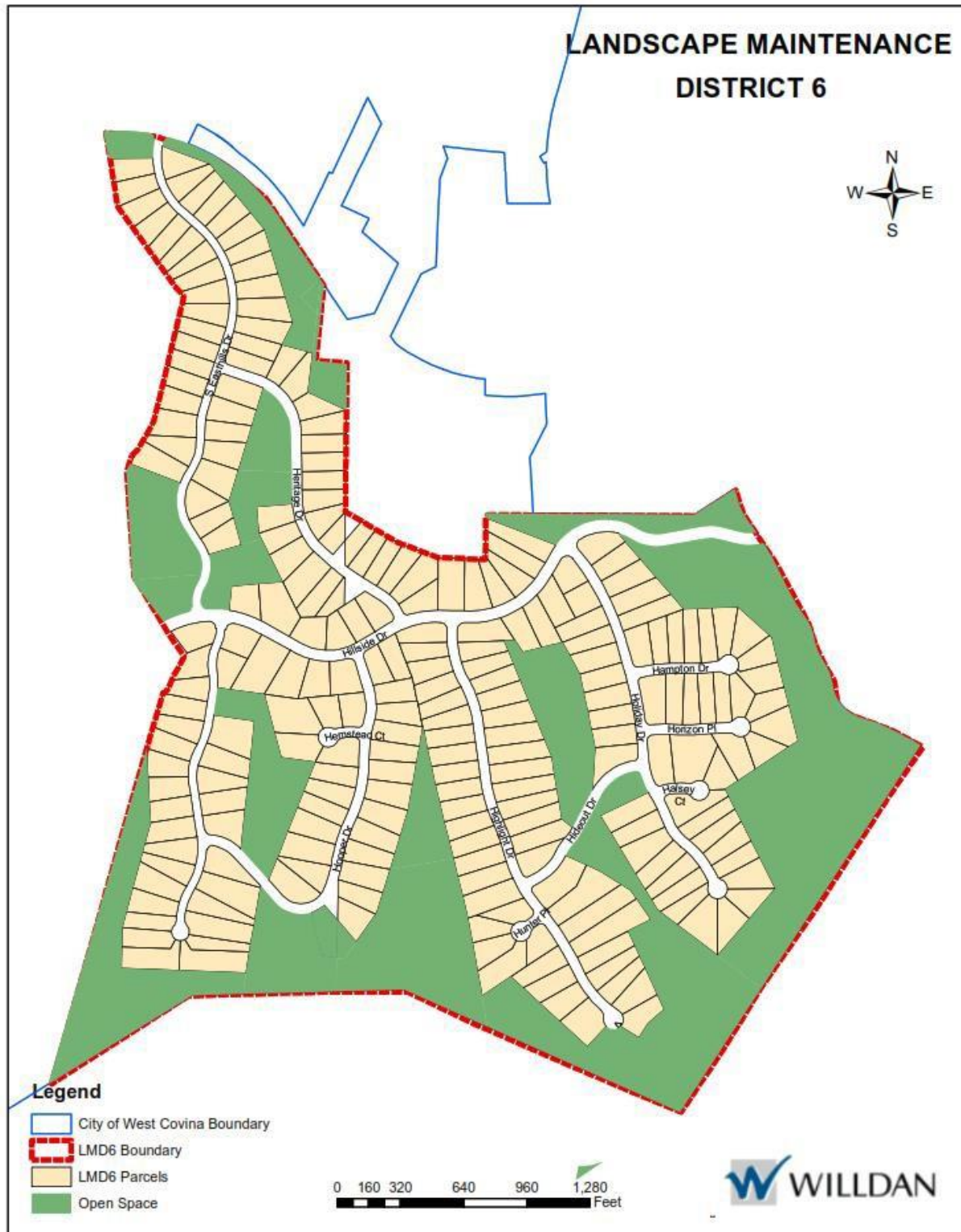


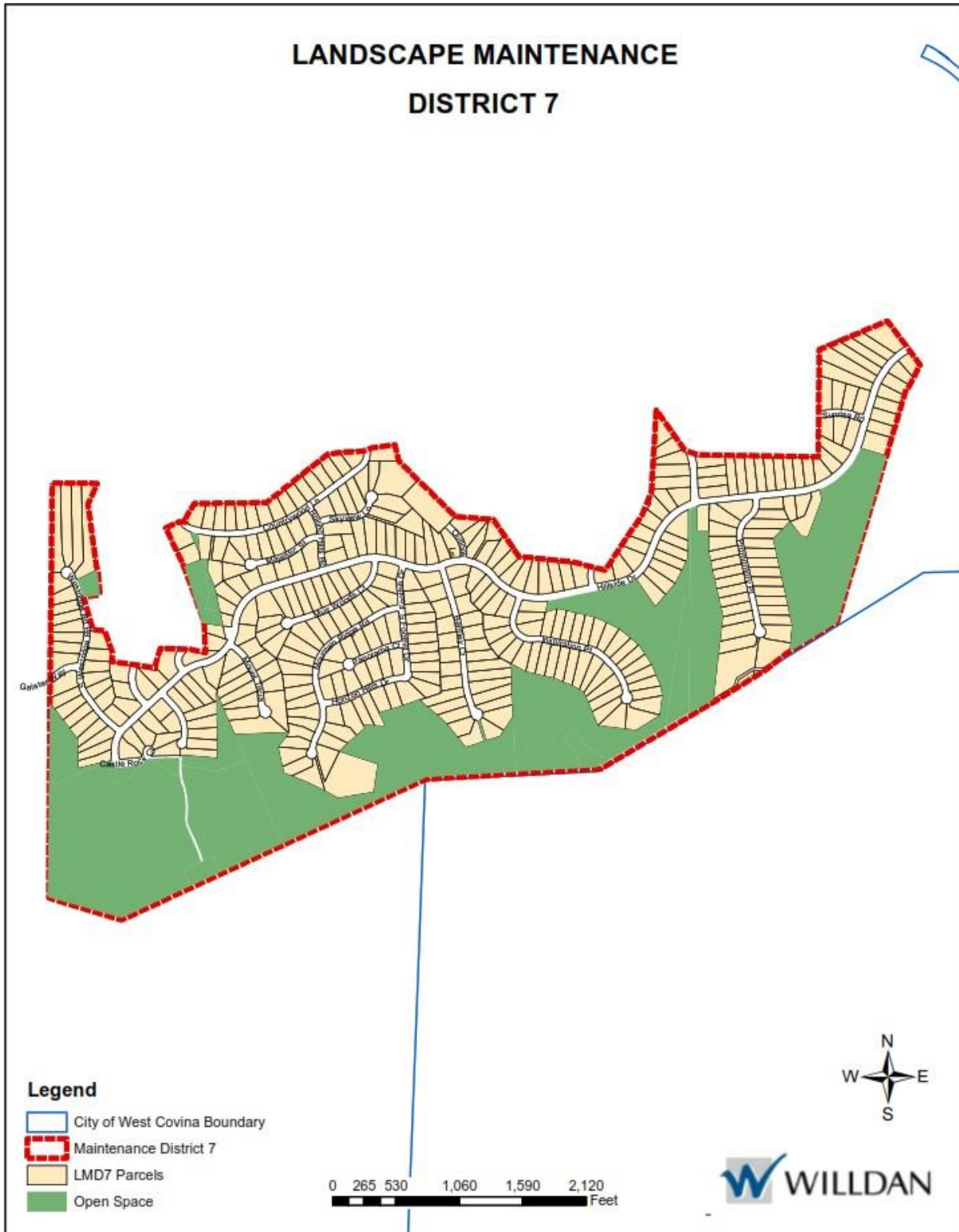
## **V. DISTRICT BOUNDARY DIAGRAMS**

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A diagram showing the exterior boundaries of the Districts, boundaries of any open space within the Districts, and the lines and dimensions of each lot or parcel of land within the Districts is on file in the office of the City Public Works Department and incorporated herein by reference. The lines and dimensions shown on the Los Angeles County Assessor's parcel maps for the current year are incorporated by reference and made part of this Report.







## **VI. ASSESSMENT ROLL**

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Parcel identification, for each lot or parcel within the Districts, shall be the parcel as shown on the Los Angeles County Assessor Parcel Maps and/or the Los Angeles County Secured Tax Roll for the year in which this Report is prepared. The proposed assessment for each parcel within the Districts has been prepared in accordance with the assessment rates presented in the budget and the method of apportionment described in this report and has been presented to the City Clerk under a separate cover.

Non-assessable lots or parcels may include government owned land; public utility owned property, land principally encumbered with public right-of-ways or easements and dedicated common areas.

The assessment information for each parcel as outlined in this Report and confirmed by the City Council, shall be submitted to the County Auditor/Controller, and included on the property tax roll for fiscal year 2023/2024. If the parcels or assessment numbers within the Districts and referenced by this Report are re-numbered, re-apportioned or changed by the County Assessor's Office after approval of the Report, the new parcel or assessment numbers with the appropriate assessment amount will be submitted to the County Auditor/Controller. If the parcel change made by the County includes a parcel split, parcel merger or tax status change, the assessment amount submitted on the new parcels or assessment numbers will be based on the method of apportionment and assessment rates approved in this Report by the City Council.



**City of West Covina**  
**Landscape Maintenance District No. 4**  
**10 Year Fiscal Projection**

| Percent Increase                 | 0%                 | 0%                 | 0%                 | 0%                 | 0%                 | 0%                   | 0%                   | 0%                   | 0%                   | 0%                   |
|----------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Fiscal Year                      | 23-24              | 24-25              | 25-26              | 26-27              | 27-28              | 28-29                | 29-30                | 30-31                | 31-32                | 32-33                |
| <b>Assessment Income</b>         | <b>\$1,162,827</b> | <b>\$1,162,827</b> | <b>\$1,162,827</b> | <b>\$1,162,827</b> | <b>\$1,162,827</b> | <b>\$1,162,827</b>   | <b>\$1,162,827</b>   | <b>\$1,162,827</b>   | <b>\$1,162,827</b>   | <b>\$1,162,827</b>   |
| Interest <sup>(1)</sup>          | 17,960             | 3,037              | 2,106              | 1,108              | 41                 | (1,096)              | (2,306)              | (3,588)              | (4,946)              | (6,380)              |
| Transfer In From LMD 2           | 9,000              | 9,000              | 9,000              | 9,000              | 9,000              | 9,000                | 9,000                | 9,000                | 9,000                | 9,000                |
| Prior Year Balance               | 2,186,547          | 1,518,337          | 1,053,044          | 554,017            | 20,532             | (548,147)            | (1,152,775)          | (1,794,119)          | (2,472,964)          | (3,190,107)          |
| <b>Total Funding</b>             | <b>\$3,376,334</b> | <b>\$2,693,201</b> | <b>\$2,226,977</b> | <b>\$1,726,952</b> | <b>\$1,192,401</b> | <b>\$622,584</b>     | <b>\$16,746</b>      | <b>(\$625,881)</b>   | <b>(\$1,306,083)</b> | <b>(\$2,024,661)</b> |
| Maintenance Costs <sup>(2)</sup> | 1,607,997          | 1,640,157          | 1,672,960          | 1,706,419          | 1,740,548          | 1,775,359            | 1,810,866            | 1,847,083            | 1,884,025            | 1,921,705            |
| Capital Improvements             | 250,000            | 0                  | 0                  | 0                  | 0                  | 0                    | 0                    | 0                    | 0                    | 0                    |
| <b>Total Cost</b>                | <b>\$1,857,997</b> | <b>\$1,640,157</b> | <b>\$1,672,960</b> | <b>\$1,706,419</b> | <b>\$1,740,548</b> | <b>\$1,775,359</b>   | <b>\$1,810,866</b>   | <b>\$1,847,083</b>   | <b>\$1,884,025</b>   | <b>\$1,921,705</b>   |
| <b>Ending Balance</b>            | <b>\$1,518,337</b> | <b>\$1,053,044</b> | <b>\$554,017</b>   | <b>\$20,532</b>    | <b>(\$548,147)</b> | <b>(\$1,152,775)</b> | <b>(\$1,794,119)</b> | <b>(\$2,472,964)</b> | <b>(\$3,190,107)</b> | <b>(\$3,946,366)</b> |
| Assessment Rate                  | Varies             | Varies             | Varies             | Varies             | Varies             | Varies               | Varies               | Varies               | Varies               | Varies               |

Notes: (1) Interest is approximately 0.4% of one-half of the previous year ending balance.

(2) 2% increase in maintenance cost each year due to inflation.

**City of West Covina  
Landscape Maintenance District No. 6  
10 Year Fiscal Projection**

| <b>Percent Increase<br/>Fiscal Year</b>   | <b>0%<br/>23-24</b> | <b>0%<br/>24-25</b> | <b>0%<br/>25-26</b> | <b>0%<br/>26-27</b> | <b>0%<br/>27-28</b> | <b>0%<br/>28-29</b> | <b>0%<br/>29-30</b>  | <b>0%<br/>30-31</b>  | <b>0%<br/>31-32</b>  | <b>0%<br/>32-33</b>  |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Assessment Income</b>                  | <b>\$154,700</b>    | <b>\$154,700</b>    | <b>\$154,700</b>    | <b>\$154,700</b>    | <b>\$154,700</b>    | <b>\$154,700</b>    | <b>\$154,700</b>     | <b>\$154,700</b>     | <b>\$154,700</b>     | <b>\$154,700</b>     |
| Interest <sup>(1)</sup>                   | 2,060               | 14                  | (339)               | (707)               | (1,089)             | (1,485)             | (1,896)              | (2,322)              | (2,764)              | (3,222)              |
| Prior Year Balance                        | 275,169             | 6,983               | (169,748)           | (353,461)           | (544,303)           | (742,424)           | (947,976)            | (1,161,114)          | (1,381,997)          | (1,610,787)          |
| <b>Total Funding</b>                      | <b>\$431,929</b>    | <b>\$161,697</b>    | <b>(\$15,387)</b>   | <b>(\$199,468)</b>  | <b>(\$390,692)</b>  | <b>(\$589,209)</b>  | <b>(\$795,172)</b>   | <b>(\$1,008,736)</b> | <b>(\$1,230,061)</b> | <b>(\$1,459,308)</b> |
| Maintenance Costs <sup>(2)</sup>          | 324,946             | 331,445             | 338,074             | 344,835             | 351,732             | 358,767             | 365,942              | 373,261              | 380,726              | 388,341              |
| Capital Improvements                      | 100,000             | 0                   | 0                   | 0                   | 0                   | 0                   | 0                    | 0                    | 0                    | 0                    |
| <b>Total Cost</b>                         | <b>\$424,946</b>    | <b>\$331,445</b>    | <b>\$338,074</b>    | <b>\$344,835</b>    | <b>\$351,732</b>    | <b>\$358,767</b>    | <b>\$365,942</b>     | <b>\$373,261</b>     | <b>\$380,726</b>     | <b>\$388,341</b>     |
| <b>Ending Balance</b>                     | <b>\$6,983</b>      | <b>(\$169,748)</b>  | <b>(\$353,461)</b>  | <b>(\$544,303)</b>  | <b>(\$742,424)</b>  | <b>(\$947,976)</b>  | <b>(\$1,161,114)</b> | <b>(\$1,381,997)</b> | <b>(\$1,610,787)</b> | <b>(\$1,847,649)</b> |
| Assessment of Highest Zone <sup>(3)</sup> | \$650               | \$650               | \$650               | \$650               | \$650               | \$650               | \$650                | \$650                | \$650                | \$650                |

Notes: (1) Interest is approximately 0.4% of one-half of the previous year ending balance.

(2) 2% increase in maintenance cost each year due to inflation.

(2) Previously approved maximum highest rate of \$650, may not be increased further without vote.

**City of West Covina**  
**Landscape Maintenance District No. 7**  
**10 Year Fiscal Projection**

| Percent Increase                    | 0%               | 0%               | 0%                 | 0%                 | 0%                 | 0%                 | 0%                 | 0%                 | 0%                   | 0%                   |
|-------------------------------------|------------------|------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|----------------------|----------------------|
| Fiscal Year                         | 23-24            | 24-25            | 25-26              | 26-27              | 27-28              | 28-29              | 29-30              | 30-31              | 31-32                | 32-33                |
| <b>Assessment Income</b>            | <b>\$173,744</b> | <b>\$173,744</b> | <b>\$173,744</b>   | <b>\$173,744</b>   | <b>\$173,744</b>   | <b>\$173,744</b>   | <b>\$173,744</b>   | <b>\$173,744</b>   | <b>\$173,744</b>     | <b>\$173,744</b>     |
| Interest <sup>(1)</sup>             | 3,130            | 337              | 49                 | (253)              | (568)              | (896)              | (1,239)            | (1,597)            | (1,969)              | (2,356)              |
| Prior Year Balance                  | 403,355          | 168,363          | 24,340             | (126,332)          | (283,796)          | (448,193)          | (619,671)          | (798,378)          | (984,467)            | (1,178,092)          |
| <b>Total Funding</b>                | <b>\$580,229</b> | <b>\$342,444</b> | <b>\$198,133</b>   | <b>\$47,159</b>    | <b>(\$110,619)</b> | <b>(\$275,345)</b> | <b>(\$447,166)</b> | <b>(\$626,231)</b> | <b>(\$812,691)</b>   | <b>(\$1,006,704)</b> |
| Maintenance Costs <sup>(2)</sup>    | 311,866          | 318,103          | 324,465            | 330,955            | 337,574            | 344,325            | 351,212            | 358,236            | 365,401              | 372,709              |
| Capital Improvements                | 100,000          | 0                | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                    | 0                    |
| <b>Total Cost</b>                   | <b>\$411,866</b> | <b>\$318,103</b> | <b>\$324,465</b>   | <b>\$330,955</b>   | <b>\$337,574</b>   | <b>\$344,325</b>   | <b>\$351,212</b>   | <b>\$358,236</b>   | <b>\$365,401</b>     | <b>\$372,709</b>     |
| <b>Ending Balance</b>               | <b>\$168,363</b> | <b>\$24,340</b>  | <b>(\$126,332)</b> | <b>(\$283,796)</b> | <b>(\$448,193)</b> | <b>(\$619,671)</b> | <b>(\$798,378)</b> | <b>(\$984,467)</b> | <b>(\$1,178,092)</b> | <b>(\$1,379,413)</b> |
| Developed Lot Rate <sup>(3)</sup>   | \$464.06         | \$464.06         | \$464.06           | \$464.06           | \$464.06           | \$464.06           | \$464.06           | \$464.06           | \$464.06             | \$464.06             |
| Undeveloped Lot Rate <sup>(4)</sup> | \$139.22         | \$139.22         | \$139.22           | \$139.22           | \$139.22           | \$139.22           | \$139.22           | \$139.22           | \$139.22             | \$139.22             |

Notes: <sup>(1)</sup> Interest is approximately 0.4% of one-half of the previous year ending balance.

<sup>(2)</sup> 2% increase in maintenance cost each year due to inflation.

<sup>(3)</sup> Zone 2, developed lots

<sup>(4)</sup> Zone 1, undeveloped lots





## AGENDA STAFF REPORT

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City of West Covina | Office of the City Manager

**DATE:** June 20, 2023

**TO:** Mayor and City Council

**FROM:** Paulina Morales  
Acting City Manager

**SUBJECT: WEST COVINA CITYWIDE SEWER SERVICE CHARGE SETTING A PUBLIC HEARING  
DATE ON THE METHOD OF COLLECTION**

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### RECOMMENDATION:

It is recommended that the City Council adopt the following resolution:

**RESOLUTION NO. 2023-43 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, DECLARING ITS INTENTION TO COLLECT THE CITYWIDE SEWER SERVICE CHARGE ON THE COUNTY TAX ROLL FOR FISCAL YEAR 2023-24 AND SETTING JULY 18, 2023 FOR A PUBLIC HEARING REGARDING THE CHARGE TO BE SO COLLECTED**

### BACKGROUND:

From 1968 to 1978, the City of West Covina funded the costs of sewer maintenance and operation through the Improvement Act of 1911, which provided an ad valorem (according to value) levy used to pay for these costs. With the passage of Proposition 13, the revenues generated from the 1911 Act were reduced considerably and made it necessary to find an alternative method of funding sewer maintenance and operation costs. In Fiscal Year 1978-79, the City Council established the Citywide Sewer Service Charge pursuant to Section 38902 of the Government Code as that alternative method.

The Sewer Service Charge funds the maintenance and operation of the City's sewer system, assuring that lines are clear and flowing properly. This includes routine video inspections, jetting, and cleaning of sewer lines. The fees also fund capital improvements including purchase of sewer equipment and rehabilitation/replacement of sewer mainlines and appurtenances.

The Sewer Service Charge is based on general land use categories: residential and non-residential. A fixed fee is charged for each dwelling unit for residential property and every 667 square feet of floor area for other types of non-residential developments. Additionally, properties not connected to the sewer main lines are exempt from the charge.

## DISCUSSION:

State law requires that a specific procedure be followed to collect the Citywide Sewer Service Charge on the annual property tax bill. The initial step is to adopt a resolution setting a date for a public hearing on the proposed rates and method of collection. The process requires that a public notice be published in a locally circulated newspaper announcing the public hearing. Mailing notices to each property owner is only required when the charges are increased above the current sewer service rate.

Although sewer charges are exempt from voter approval under Proposition 218, if a new or increased sewer charge is to be imposed, the City Council must conduct a protest hearing 45 days after mailed notice to property owners. If more than 50% of the property owners protest against the fees, the fees may not be imposed. In addition, the property owners are given an opportunity to voice their concerns on the method of collection. The most efficient and least costly method of collecting the Citywide Sewer Service Charge is to place it on the annual property tax bill. The Citywide Sewer Service Charge will then be collected at the same time and in the same manner as the general property taxes.

The proposed Sewer Service Charge rate will remain the same as Fiscal Year 2022-23 at \$82.02 per unit.

To view the Sewer Assessment Roll and other documents pertaining to the Sewer District please visit the City's website's engineering's division page labeled (Landscape Maintenance Districts) or [click on this link](#).

## LEGAL REVIEW:

The City Attorney has reviewed the resolution and approved it as to form.

## OPTIONS:

The City Council has the following options:

1. Approve staff's recommendation; or
2. Provide alternative direction.

**Prepared by:** Michael Ackerman, PE, City Engineer

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## Fiscal Impact

### FISCAL IMPACT:

For Fiscal Year 2023-24, the Citywide Sewer Service Charge rates are proposed to remain at \$82.02 per unit per year. Current FY 2022-23 beginning fund balance is \$8,463,595, total funds available is \$12,816,095, which includes \$109,900 from cash balance interest, and \$344,000 projected to received from the pre-existing ad valorem (according to value).

The preliminary operating budget for Fiscal Year 2023-24 is \$2,310,834. This includes an administration and overhead charge of \$212,610. The administration and overhead costs are derived from support services provided by various departments including: City Manager's office, City Attorney's office, City Clerk's office, Finance Department, and Human Resources Department. Support services include, but not limited to payroll, personnel recruitment, insurance claims, audits, budgets, and purchasing.

For Fiscal Year 2023-24, below are the new Capital Improvement Projects scheduled:

| Project | Project 2023-24 Budget |
|---------|------------------------|
|         |                        |

|   |             |
|---|-------------|
| Southside CIPP Lining <sup>(1)</sup>            | \$3,500,000 |
| Southside Sewer Main Replacement <sup>(2)</sup> | \$2,500,000 |

*(1)CIPP lining on existing sewer lines on residential streets located at south of Shadow Oak Dr and west of Shakespeare Dr*

*(2)Sewer main replacement on existing sewer lines on Shadow Oak Dr and west of Shakespeare Dr*

The Preliminary Financial Report for Fiscal Year 2023-24 contains the following components:

1. Budget and Revenue Summary
2. Capital Improvement Project Fund
3. Proposed Assessment Rate
4. Revised Projected Reserve (Fiscal Year 2023-24)
5. Preliminary Sewer Charge Roll

There are no legal requirements or formal guidelines for the amount of reserves.

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### **Attachments**

Attachment No. 1 - Resolution No. 2023-43

Attachment No. 2- 15 Year Rate History

Attachment No. 3- Preliminary Financial Report for Fiscal Year 23-24

Attachment No. 4- Sewer Maintenance Capital Improvement Program from 2016 Sewer System Management Plan.

Attachment No. 5- 10 Year Fiscal Projection

Attachment No. 6- Sewer Capacity Evaluation (Edited in October 2016)

RESOLUTION NO. 2022-43

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, DECLARING ITS INTENTION TO COLLECT THE CITYWIDE SEWER SERVICE CHARGE ON THE COUNTY TAX ROLL FOR FISCAL YEAR 2023-24 AND SETTING JULY 18, 2023 FOR A PUBLIC HEARING REGARDING THE CHARGE TO BE SO COLLECTED**

**WHEREAS**, on June 26, 1978, in accordance with Section 38902 of the California Government Code, the City Council adopted Resolution No. 5726, establishing a sewer service charge exclusively for sewer operation, maintenance, and capital costs. The City collects the sewer service charge as part of the property tax roll; and

**WHEREAS**, on April 27, 1987, the City Council adopted Resolution No. 8019, amending Resolution No. 5726 to adjust the schedule of charges so that the fees collected bear a reasonable relationship to the cost of providing the services; and

**WHEREAS**, on June 6, 2017, the City Council adopted Resolution No. 2017-55, adopting a five-year schedule of annual sewer service charges for Fiscal Years 2017-18, 2018-19, 2019-20, 2020-21, and 2021-22; and

**WHEREAS**, the five-year schedule was adopted following proceedings conducted pursuant to Article XIII D, Section 6(a) of the California Constitution, which was added to the California Constitution in 1996 as part of Proposition 218; and

**WHEREAS**, a report has been filed with the City Clerk containing a description of each parcel of real property receiving sewer services and the amount of the charge for each parcel for the year, computed in conformity with the charges adopted by the City Council (the "Report"); and

**WHEREAS**, there is no proposed increase to the rate of the sewer service charge for Fiscal Year 2023-24; and

**WHEREAS**, the City Council desires to initiate proceedings to collect the sewer service charge on the property tax roll for Fiscal Year 2023-24.

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

**SECTION 1.** Pursuant to Health and Safety Code section 5471 and other applicable law, the City Council intends to collect the sewer service charge for Fiscal Year 2023-24 at the following rate:

|              |   |
|--------------|---|
| Rate:        | \$82.02 per unit                          |
| Residential: | One dwelling unit equals one unit         |
| Commercial:  | 667 sq. ft. of floor area equals one unit |

**SECTION 2.** As authorized by Health and Safety Code section 5473 or other applicable law, the City Council elects to have the City's sewer service charge collected on the tax roll in the same manner, and by the same persons, and at the same time as, together with and not separately from, the City's general taxes.

**SECTION 3.** On July 18, 2023, at 7:00 p.m. in the City Council Chambers located at 1444 West Garvey Avenue South in the City of West Covina, the City Council will conduct a public hearing on the Report (the "Hearing"). At the Hearing, the City Council will hear and consider all objections or protests, if any, to the Report.

**SECTION 4.** The City Clerk shall give notice of said Hearing in the time, form, and manner as required by law.

**SECTION 5.** The City Clerk shall certify to the adoption of this resolution and shall enter the same in the book of original resolutions and it shall become effective immediately.

**APPROVED AND ADOPTED** this 20th day of June, 2023.

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Rosario Diaz  
Mayor

**APPROVED AS TO FORM**

**ATTEST**

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Thomas P. Duarte  
City Attorney

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Lisa Sherrick  
Assistant City Clerk

I, LISA SHERRICK, ASSISTANT CITY CLERK of the City of West Covina, California, do hereby certify that the foregoing Resolution No. 2023-43 was duly adopted by the City Council of the City of West Covina, California, at a regular meeting thereof held on the 20th day of June, 2023, by the following vote of the City Council:

AYES:

NOES:

ABSENT:

ABSTAIN:

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Lisa Sherrick  
Assistant City Clerk

**West Covina  
Citywide Sewer Service Charges  
15 Rate History**

| <b>Fiscal Year</b> | <b>Per Dwelling<br/>Unit/Month</b> | <b>Per Dwelling<br/>Unit/Year</b> |
|--------------------|------------------------------------|-----------------------------------|
| 2023-24            | \$6.84                             | \$82.02                           |
| 2022-23            | \$6.84                             | \$82.02                           |
| 2021-22            | \$6.84                             | \$82.02                           |
| 2020-21            | \$6.51                             | \$78.12                           |
| 2019-20            | \$6.20                             | \$74.40                           |
| 2018-19            | \$5.91                             | \$70.86                           |
| 2017-18            | \$5.62                             | \$67.49                           |
| 2016-17            | \$4.69                             | \$56.24                           |
| 2015-16            | \$4.61                             | \$55.30                           |
| 2014-15            | \$4.59                             | \$55.02                           |
| 2013-14            | \$4.54                             | \$54.48                           |
| 2012-13            | \$4.44                             | \$53.31                           |
| 2011-12            | \$4.36                             | \$52.26                           |
| 2010-11            | \$4.19                             | \$50.25                           |
| 2009-10            | \$3.81                             | \$45.68                           |



# **City of West Covina**

## **Citywide Sewer Service Charge**

FISCAL YEAR 2023/2024  
PRELIMINARY FINANCIAL REPORT

Intent Meeting: June 20, 2023  
Public Hearing: July 18, 2023

27368 Via Industria  
Suite 200  
Temecula, CA 92590  
T. 951.587.3500 | 800.755.6864  
F. 951.587.3510 | 888.326.6864

Property Tax Information Line  
T.866.807.6864

[www.willdan.com](http://www.willdan.com)





## BUDGET AND REVENUE SUMMARY

City of West Covina  
Citywide Sewer Service Charge  
Fiscal Year 2023-24  
Estimated Costs for Landscape Maintenance

|   |                    |                    |
|---|--------------------|--------------------|
| <b>Previous Fiscal Year Fund Balance</b>  |                    | <b>\$8,463,595</b> |
| <b>Revenues</b>                           |                    |                    |
| Assessment Income (Total Balance to Levy) | \$3,860,678        |                    |
| Property Tax Revenue (Ad Valorem)         | 344,000            |                    |
| Interest                                  | 109,900            |                    |
| <b>Total Projected Revenue</b>            |                    | <b>\$4,314,578</b> |
| <b>Expenditures</b>                       |                    |                    |
| <b>Operating</b>                          |                    |                    |
| <b>Maintenance</b>                        |                    |                    |
| Personnel Services                        | \$1,292,885        |                    |
| Material and Services                     | 13,272             |                    |
| Professional Services                     | 20,660             |                    |
| Maintenance Contracts                     | 357,930            |                    |
| Utilities                                 | 9,477              |                    |
| Vehicles                                  | 58,267             |                    |
| Fuel and Oil                              | 14,961             |                    |
| Property & Liability Insurance            | 2,378              |                    |
| <b>Total Maintenance</b>                  | <b>\$1,769,831</b> |                    |
| <b>Engineering &amp; Incidental</b>       |                    |                    |
| Personnel Services                        | \$20,134           |                    |
| Materials & Services                      | 11,130             |                    |
| Consultant Services                       | 21,438             |                    |
| Property & Liability Insurance            | 2,378              |                    |
| Administration & Overhead                 | 113,189            |                    |
| Capital Assests                           | 352,600            |                    |
| <b>Total Engineering &amp; Incidental</b> | <b>\$520,868</b>   |                    |
| <b>Community Enhancement</b>              |                    |                    |
| Personnel Services                        | \$20,134           |                    |
| <b>Total Community Enhancement</b>        | <b>\$20,134</b>    |                    |
| <b>Capital Improvement <sup>(1)</sup></b> | <b>\$6,000,000</b> |                    |
| <b>Total Operating and Capital Budget</b> |                    | <b>\$8,310,834</b> |
| <b>Ending Fund Balance</b>                |                    | <b>\$4,467,339</b> |

<sup>(1)</sup> See Capital Improvement Project Fund Section

## CAPITAL IMPROVEMENT PROJECT FUND

For Fiscal Year 2023/2024, below are the Capital Improvement Projects scheduled:

| Project  | Project 2023/2024 Budget |
|--|--------------------------|
| Southside CIPP Lining on existing sewer lines on residential streets south of Shadow Oak Dr and west of Shakespeare Dr | \$2,500,000              |
| Southside Sewer Main Replacement – Sewer main replacement on existing sewer lines on Shadow Oak Dr                     | \$3,500,000              |

## ASSESSMENT RATE

For FY 2023/2024, the rate will remain the same as FY 2022/2023 at \$82.02 per unit.

|             |                    |
|-------------|--------------------|
| Residential | 1 DU = 1 unit      |
| Commercial  | 667 sq ft = 1 unit |

## REVISED PROJECTED RESERVE

| Projected Reserve Fiscal Year 2023/2024               |                    |
|---|--------------------|
| <b>Fund Balance (as of 6/30/23)</b>                   | <b>\$8,463,595</b> |
| Projected Revenue for FY 2023/2024                    | 4,314,578          |
| Appropriations (Operating & Capital) for FY 2023/2024 | (8,310,834)        |
| <b>Projected Fund Balance (as of 6/30/24)</b>         | <b>\$4,467,339</b> |

## PRELIMINARY SEWER CHARGE ROLL

The FY 2023/2024 preliminary sewer charge roll is voluminous, has been submitted to the City Clerk, and is hereby included by reference.

| Table 3<br>Sewer Maintenance Capital Improvement Program    |              |              |            |              |              |              |              |              |              |
|---|--------------|--------------|------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Project Description   | FY 2016-17   | FY 2017-18   | FY 2018-19 | FY 2019-20   | FY 2020-21   | FY 2021-22   | FY 2022-23   | FY 2023-24   | FY 2024-25   |
|   | \$ 900,000   | \$ -         | \$ -       | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         |
| Cameron Avenue Sewer Rehabilitation                         |              |              |            |              |              |              |              |              |              |
| Azusa Lift Station Construction                             | 600,000      | -            | -          | -            | -            | -            | -            | -            | -            |
| Closed Circuit TV inspection                                | 100,000      | 100,000      | 100,000    | 100,000      | 100,000      | 100,000      | 100,000      | 100,000      | 100,000      |
| New Sewer Maintenance Truck and Camera                      | 190,000      | -            | -          | -            | -            | -            | -            | -            | -            |
| Sewer Cured In Place Pipe Lining                            | 152,600      | 152,600      | 152,600    | 152,600      | 152,600      | 152,600      | 152,600      | 152,600      | 152,600      |
|   | -            | 1,345,200    | -          | -            | -            | -            | -            | -            | -            |
| 82-1; Sewer Main Replacement Area 82                        |              |              |            |              |              |              |              |              |              |
| POWER; Install Emergency Backup Power at City Lift Stations | -            | 64,800       | -          | -            | -            | -            | -            | 64,800       | 259,200      |
| SCADA; Install SCADA Controls at City Lift Stations         | -            | 56,700       | 56,700     | -            | 56,700       | 56,700       | -            | 56,700       | 56,700       |
| 4-1; Sewer Main Replacement Area 4                          | -            | -            | 286,400    | -            | -            | -            | -            | -            | -            |
| 80-1; Sewer Main Replacement Area 80                        | -            | -            | -          | -            | -            | -            | -            | -            | -            |
| 116-3; Sewer Main Replacement Area                          | -            | -            | 254,000    | -            | -            | -            | -            | -            | -            |
| 62-2; Sewer Main Replacement Area 62                        | -            | -            | -          | 191,800      | -            | -            | -            | -            | -            |
| 116-2; Sewer Main Replacement Area                          | -            | -            | -          | 825,000      | -            | -            | -            | -            | -            |
| 132-1; Sewer Main Replacement Area                          | -            | -            | -          | 390,700      | -            | -            | -            | -            | -            |
| 117-1; Sewer Main Replacement Area                          | -            | -            | -          | -            | 939,100      | -            | -            | -            | -            |
| 82-3; Sewer Main Replacement Area 82                        | -            | -            | -          | -            | -            | 804,200      | -            | -            | -            |
| 82-4; Sewer Main Replacement Area 82                        | -            | -            | -          | -            | -            | 399,200      | -            | -            | -            |
| 62-1; Sewer Main Replacement Area 62                        | -            | -            | -          | -            | -            | -            | 1,359,800    | -            | -            |
| 82-2; Sewer Main Replacement Area 82                        | -            | -            | -          | -            | -            | -            | -            | 1,391,400    | -            |
| 116-1; Sewer Main Replacement Area                          | -            | -            | -          | -            | -            | -            | -            | -            | 666,000      |
| 161-1; Sewer Main Replacement Area                          | -            | -            | -          | -            | -            | -            | -            | -            | 143,900      |
| Total   | \$ 1,942,600 | \$ 1,719,300 | \$ 849,700 | \$ 1,660,100 | \$ 1,248,400 | \$ 1,512,700 | \$ 1,612,400 | \$ 1,765,500 | \$ 1,378,400 |

## Outstanding Debt Service

Based on review of the City's financial documents, as well as discussions with the City, it is our understanding that the City does not have any outstanding sewer related debt. For the purpose of this Analysis, any forecasted future debt is assumed to have a 1.50X debt service coverage requirement.

## General Assumptions

In order to develop the financial and rate projections, certain assumptions were made with regard to elements of the Analysis. A summary of those assumptions is presented below.

### Growth

Based on discussion with the City, the Utility is mostly built-out. As such, it was assumed that growth in the Utility's customer base, and requisite flows, would be 0.0% per year during the forecast period.

### Operating Projections

For the purposes of forecasting Operating requirements of the Utility, the following escalation factors are used for the various budget line-items.

- Personnel Services – 5.0%
- Materials & Services – 3.0%
- Capital Assets – 2.0%
- Allocations – 3.0%

**West Covina Citywide Sewer Charges**  
**10 Year Fiscal Projection**

| Percent Increase<br>Fiscal Year   | 0%<br>23-24         | 0%<br>24-25        | 0%<br>25-26        | 0%<br>26-27        | 0%<br>27-28        | 0%<br>28-29        | 0%<br>29-30        | 0%<br>30-31        |
|-----------------------------------|---------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Assessment Income</b>          | <b>\$3,860,678</b>  | <b>\$3,860,678</b> | <b>\$3,860,678</b> | <b>\$3,860,678</b> | <b>\$3,860,678</b> | <b>\$3,860,678</b> | <b>\$3,860,678</b> | <b>\$3,860,678</b> |
| Interest <sup>(1)</sup>           | 109,900             | 8,935              | 8,602              | 8,125              | 7,500              | 6,723              | 5,788              | 4,690              |
| Property Tax Revenue (Ad Valorem) | 344,000             | 344,000            | 344,000            | 344,000            | 344,000            | 344,000            | 344,000            | 344,000            |
| Prior Year Balance                | 8,463,595           | 4,467,339          | 4,300,793          | 4,062,508          | 3,750,201          | 3,361,515          | 2,894,026          | 2,345,236          |
| <b>Total Funding</b>              | <b>\$12,778,173</b> | <b>\$8,680,952</b> | <b>\$8,514,072</b> | <b>\$8,275,311</b> | <b>\$7,962,379</b> | <b>\$7,572,916</b> | <b>\$7,104,492</b> | <b>\$6,554,604</b> |
| Maintenance Costs <sup>(2)</sup>  | 2,310,834           | 2,380,159          | 2,451,564          | 2,525,111          | 2,600,864          | 2,678,890          | 2,759,257          | 2,842,034          |
| Capital Improvements              | 6,000,000           | 2,000,000          | 2,000,000          | 2,000,000          | 2,000,000          | 2,000,000          | 2,000,000          | 2,000,000          |
| <b>Total Cost</b>                 | <b>\$8,310,834</b>  | <b>\$4,380,159</b> | <b>\$4,451,564</b> | <b>\$4,525,111</b> | <b>\$4,600,864</b> | <b>\$4,678,890</b> | <b>\$4,759,257</b> | <b>\$4,842,034</b> |
| <b>Ending Balance</b>             | <b>\$4,467,339</b>  | <b>\$4,300,793</b> | <b>\$4,062,508</b> | <b>\$3,750,201</b> | <b>\$3,361,515</b> | <b>\$2,894,026</b> | <b>\$2,345,236</b> | <b>\$1,712,570</b> |
| Cash Flow                         | 1,155,417           | 1,190,080          | 1,225,782          | 1,262,555          | 1,300,432          | 1,339,445          | 1,379,628          | 1,421,017          |
| Over/Under                        | 3,311,922           | 3,110,713          | 2,836,727          | 2,487,645          | 2,061,083          | 1,554,581          | 965,607            | 291,553            |
| Charges per Unit                  | \$82.02             | \$82.02            | \$82.02            | \$82.02            | \$82.02            | \$82.02            | \$82.02            | \$82.02            |

Notes: <sup>(1)</sup> Interest is 0.4% of one-half of the previous year ending balance.

<sup>(2)</sup> 3% increase in maintenance cost each year due to inflation.

**City of West Covina**  
**SEWER SYSTEM CAPACITY EVALUATION**  
**2008-2009, Edited October 2016**

The City's previous system capacity analysis was completed in 2009. Since there have been no significant capital improvements since then, the hydraulic model was not updated in this SSMP report. The primary purpose of this Appendix is to capture the methodology that was used in developing the 2009 sewer capacity analysis. The primary update of this Appendix is the cost of the recommended Capital Improvement Projects. The updated (2016 dollars) estimate project costs are provided in Appendix 'P'. These estimates reflect the cost to replace select pipe segments at certain locations as determined by operating condition. Appendix 'P' includes a more detailed list of recommended CIP projects that considers both calculated pipe operating condition as well as feasibility of updating adjacent pipe segments of differing capacity thresholds as part of the same project rather than as separate projects. The exhibits of the recommended project locations provided in Appendix 'O-1' have not been updated in this report as the hydraulic model has not changed.

### **Introduction and Summary**

The City owns and operates its local wastewater collection system consisting of approximately 227 miles of gravity flow sewer pipelines and two segments of force main (varying in size from 4-inch to 18-inch pipe) and 5,187 manholes. The existing sewer system discharges to trunk sewers that are owned and operated by the County Sanitation Districts of Los Angeles County and to the adjacent Cities of Baldwin Park and Covina, and some areas of unincorporated county.

The purpose of this evaluation is to identify deficiencies in the existing sewer mainline system, recommend alternatives to eliminate the deficiencies, prioritize the deficient reaches, and provide the City with a basis on which to build a future infrastructure management system.

The 227 miles of local sewer were modeled using HYDRA® 6.4 by PIZER. Of the total length, approximately 19,096 feet of the existing system were identified as being critically capacity deficient (Greater than 85% full). These are grouped as priority-one projects requiring timely resolution. The deficient reaches of sewer mainlines are located within SMZs 4, 62, 80, 82, 116, 117, 132 and 161. Please refer to exhibit maps A, B, & C in this Appendix 'O-1' for the deficient reach locations. The cost to repair the deficient reaches is estimated to be \$8,820,000. Those pipe segments classed as seriously capacity deficient, approximately 30,048 feet of the existing system ( between 64% and 85% full), are grouped as priority-two projects requiring resolution in the near future. The deficient reaches of sewer mainlines are located within SMZs 2, 4, 5, 62, 74, 75, 80, 81, 82, 83, 105, 116, 117, 132, 139, 140, 151, 153 and 161. Please refer to exhibit maps A, B, & C in this Appendix 'O-1' for the deficient reach locations. The cost to repair the deficient reaches is estimated to be \$11,840,000.

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The modeling function was performed utilizing generally accepted sewage generation coefficients in the Los Angeles county region, and land use zoning as shown on a CAD file map identified as: "annZoning CAD Map 04-06" received on December 29, 2008. The zoning map was utilized as representative of the City's current development condition. This map was overlaid on the sewer system map, developed as part of this project, thereby allowing the modeler to apply the sewage generation coefficients for the respective land zoning within each SMZ throughout the City. This method resulted in defining the cumulative sewage generated and carried through the piping within each SMZ and delivered to the receiving system. However, there was no flow monitoring performed to otherwise validate the modeling data result. In months and years ahead, as maintenance inspections are performed, the modeled areas nearing capacity should be closely monitored for signs of exceeding capacity in order to avoid SSOs, and to refine design parameters for replacement.

As future land use changes occur in the General Plan, the model should be updated to reflect consequences of such changes. The model should also be updated to reflect flow monitoring results as well as the construction of new relief facilities, upgrades, and/or the construction of new sewer lines in order to be fully representative of the community sewer system.

### **Study Approach**

The following tasks were performed in the preparation of this Sewer System Capacity Evaluation Report.

1. The City provided copies of existing sewer system as-built construction plans for use in preparing the initial GIS sewer system mapping and attributes base and for the exhibit maps A, B & C of this Appendix 'O-1'.
2. The City provided an electronic CAD file of its land use zoning map for use in creating an overlay map of the parcels and sewer maintenance zones in the city system.
3. Willdan developed a computer model (Pizer Hydra) of the City wastewater collection system utilizing the above data.
4. Analysis of the existing wastewater collection system capacity and determination of any capacity deficiencies (refer to the deficiency criteria section of this report and see the exhibit maps in this Appendix 'O-1').
5. Development of recommendations for system improvements to correct deficiencies.
6. Preparation of cost estimates for the recommended improvements.
7. Preparation of evaluation findings and recommendations to correct identified deficiencies in a Sewer System Capacity Evaluation Report (this Appendix).

### **System Criteria and Alternatives**

In designing or evaluating a wastewater collection system, the engineer must establish certain criteria upon which to base the design. These include such things as available pipe sizes,

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materials, slope, bury or cover, connections, etc. Such criteria are established to ensure that the wastewater collection system can operate effectively under all flow conditions. Each pipe segment must be capable of carrying the peak flows without surcharging the system. Surcharging the system occurs when the pipe is flowing under pressure. However, many of the initial design assumptions are unnecessary in the analysis of a collection system when the pipe already exists and its diameter and slope are fixed.

In the analysis of an existing sewer system, the Hydra program compares the capacity of each pipe in the system with the peak wastewater flow projected for that particular link or reach of pipe. If the existing pipe size is surcharged, the Hydra program automatically increases the pipe diameter to the next largest standard pipe size that will carry the design flow without being surcharged. At a minimum, all pipes should be 8 inches or larger in diameter and the velocity of flow in the pipe should be greater than 2 feet per second (ft/s). This velocity will prevent deposition of solids in the sewer and help to re-suspend any materials that may have already settled in the pipe. The minimum corresponding slopes to maintain 2 ft/s for various pipe sizes are shown in Table 1.

**Table 1**  
**Minimum Pipe Slopes ft/ft**

| Sewer Size | Slope  |
|------------|--------|
| 8"         | 0.0028 |
| 10"        | 0.0021 |
| 12"        | 0.0016 |
| 15"        | 0.0012 |
| 18"        | 0.0010 |

It is important to note that the slopes listed above assume the depth of flow in the pipe is 0.64 percent full. If there is insufficient flow to create this condition, greater slopes than those shown may be required in order to maintain the minimum self cleaning velocity condition.

The design and analysis of gravity sewer pipes is typically based upon the depth to diameter ratio (d/D). Common design criteria for proposed new sewer design is 0.50 (50% full) for 8 to 15-inch diameter pipes and 0.75 (75% full) for 18-inch and larger pipes. The area above the water surface (residual capacity) helps to keep the sewage aerated, reducing the possibility of septic conditions and odors. Existing wastewater systems are typically allowed to flow with less residual capacity because development and redevelopment has occurred or is foreseeable in the near future.

This report establishes the hydraulic design criteria for existing sewer pipes by classifying "over capacity" pipes as any with a d/D greater than 0.64. This d/D ratio was arrived at by taking 75 percent of the depth to diameter ratio of a pipe having maximum stable flow capacity, which is at a d/D of 0.85 (75% of 85% is 64%). The area above a d/D of 0.85 is considered hydraulically unstable. This reduction results in approximately 35 percent of the pipe's full flow capacity being reserved for variations in discharges, periodic peaking of

flow, seasonal variations and minor or temporary obstructions. Again, this residual capacity helps to keep the sewage aerated, reducing the possibility of septic conditions and odors.

The residual capacity allows for the possibility that actual wastewater flows may be slightly higher than anticipated, especially during the hours when instantaneous or intermittent peaks may occur. These peaks are generally observed between the hours of 6:00 a.m. and 8:00 a.m. Monday thru Friday and between the hours of 9:00 a.m. and 11:00 a.m. Saturday and Sunday. Peak flows may also be observed during rainfall events due to inflow and infiltration conditions.

Exhibit maps A, B, & C in Appendix 'O-1' shows the pipes that are capacity deficient per the 0.64 criteria and also shows the pipes that are deficient per the 0.50 criteria. Only the pipes that exceed the 0.64 criteria are recommended for correction projects.

The design capacity of a gravity pipeline is the calculated capacity of the pipeline based on the Manning formula:

$$Q = 1.486 R^{2/3} S^{1/2} / n \quad \text{where, } Q = \text{flow in cubic feet per second}$$

R = hydraulic radius in feet = A / P  
A = cross-sectional area of the pipe in square feet  
P = wetted perimeter in feet  
S = slope of the pipe in feet of rise per foot of length  
n = Manning's friction factor

Sewer system capacity is established using a Manning's friction factor of 0.013 for vitrified clay pipe.

### Alternatives

The following alternatives were considered in developing the recommended schedule of deficiency correction projects.

1. Construction of a parallel sewer facility to carry the excess sewage flow is an obvious solution to most of the deficiencies; however, this solution is not necessarily the most economical or practical approach. In some instances rerouting of tributary areas or the construction of a single relief sewer line can be planned in such a way that it will relieve several main sewer lines thereby avoiding the construction of parallel or replacement facilities and the related cost.
2. In other instances, replacement of the existing sewer with a larger size may be the preferred alternative. The replacement or upsizing of the line may include open trench installation or pipe bursting (if surrounding condition are conducive), and the use of temporary bypass pumping. The decision as to which correction alternative to construct is typically made just prior to the design phase after careful consideration of all design constraints such as existing utilities and the costs associated with potential



utility relocation to provide additional space for the construction of a replacement sewer line.

The engineer's opinion of budget figures (See Appendix 'P') was prepared based on the cost to remove and replace the existing sewer with a larger size, as this is the most conservative cost approach.

It is suggested the where the depth of flow exceeds the design criteria of 0.64 d/D, but does not exceed the maximum stable flow capacity of 0.85 d/D, that consideration be given to allowing these sewers to flow in a slightly overloaded condition in lieu of building a more costly relief facility. This overloading occurs only during peak flow conditions that are short in duration. However, the City should frequently monitor these sewers in order to under take a future corrective action as the overloading problem becomes worse.

### **Analysis of Existing Sewer System**

The City's sewer system was modeled using Pizer Hydra Ver. 6.4. The Hydra program is designed to provide analysis of both the existing sewer system and the design of any new sewer lines.

After defining (laying out) the existing sewer system, the network was divided into 179 SMZ's or sewer drainage areas, based upon city sewer records, for input into the computer model. The input data consisted of a numerical designation for each manhole and length of sewer pipe between manholes, the slope of the line, and flow line elevation of each manhole.

### **Computation of Wastewater Inflows**

Once the schematic of the sewer system network was established, data was compiled on each SMZ, General Plan land uses (zoning), and related factors that affect the volume of wastewater generated. Next, it was necessary to compute the area of each type of land use; e.g., low-density residential, medium-density residential, high-density residential, commercial, industrial, schools, etc., within each drainage boundary. The unit flow coefficients (see Table 2) were then applied to the computed areas of land use within each SMZ. The unit flow coefficients, when applied to the land use areas, provide peak flow rates for each particular land use category. The wastewater inflows calculated for the various land use categories within the SMZ were then accumulated to provide the calculated peak flow for the entire drainage area. The accumulation of estimated wastewater flow is accomplished totally within the computer program.

**Table 2**  
**Unit Flow Coefficients for Peak Flow Rates**

| Zone | Cu. Ft. per<br>sec. per acre | Gallons per<br>day per acre |
|------|------------------------------|-----------------------------|
| R-1  | 0.004                        | 2585                        |
| R2   | 0.008                        | 5171                        |
| R3   | 0.012                        | 7756                        |

|                    |       |       |
|--------------------|-------|-------|
| R-P,<br>Commercial | 0.015 | 9695  |
| Manufacturing      | 0.021 | 13573 |
| Institutional      | 0.015 | 9695  |

### **Flow Monitoring**

There was no flow monitoring performed under the contract services for preparation of this SSMP. However, flow confirmation work can be undertaken at any time in the future. Typically, as maintenance inspection findings indicate changed pipeline capacity conditions for those pipe segments near capacity as indicated in the modeling evaluation results. Flow monitoring results can be used to verify and/or calibrate the sewer flow modeling work for a SMZ as affected by changes in development or observed manhole inspections of flow conditions. Also, additional future flow monitoring is recommended at near capacity locations, during periods of rain, to verify or deny potential inflow and infiltration problems, and to refine design parameters, especially for the higher density residential zones.

For each site monitored, the flow data should be reviewed and compared to the contributing SMZ area. The peak monitored flow rate must be compared to the design flow rate and the shape of the outflow curve compared to the SMZ modeled result. An expected difference between the monitored flow and the design flow is between 150 to 250 percent. This difference is expected because the design flow rate includes the maximum flow rate expected from each development type which contains both wet weather inflow/infiltration and design peaking safety factors.

### **Summary of Findings and Recommendations**

Within the initial introduction and summary section, both the critically deficient (> 85% full) and seriously deficient (between 64% and 85% full) pipe segments were described and referenced. Before undertaking design and construction or identifying further project priorities, the performance of select flow monitoring is recommended at crucial locations, especially during periods of rain to verify or deny any potential inflow and infiltration problems. Also to confirm the actual in-system flow conditions which can and do vary do to water usage and customer practices in waste disposal. The findings identified in this evaluation and report are for planning guidance in addressing the sewer system capacity conditions. Further pre-design refinement and analysis will be necessary before initiation of a final design of improvements for the facilities is under taken.

In the event of any land use changes to the General Plan, upon which this study was based, the model should be updated to reflect the consequences of such changes. The model should also be updated to reflect the construction of new sewer lines.

**Recommended Deficiency Correction Projects**

Presented in the engineer's opinion of cost (Appendix 'P') is a remove and replace approach to correct the identified deficient pipe segments. This is usually a conservative approach to costing and should be refined by thorough engineering evaluation and assessment of the specific conditions and replacement options before proceeding with a specific correction project.

The following criteria for defining and prioritizing relief facility need was used:

**Priority 1**

Sewers with critical deficiencies of  $d/D > 0.85$ , are recommended for correction first. Sewers meeting these criteria are ranked highest.

**Priority 2**

Sewers with critical deficiencies of  $0.64 < d/D < 0.85$  are recommended for correction second. Sewers meeting these criteria are ranked lower.

**Priority 3**

Sewers with a  $d/D < 0.64$  are not capacity deficient; therefore, are not ranked here.

**Sewer System Improvements Costs**

The unit prices shown in the engineer's opinion of cost (see Appendix 'P') represent the anticipated construction cost only as applicable for mid 2016. Bid prices received on jobs of similar nature in Southern California area were one source of information used to derive the cost figure. In addition, manufacturers, suppliers of material and equipment, and local contractors were consulted on various cost items. An additional 35% of construction cost is added to cover the cost of contingencies, design engineering, contract administration and construction observation.

The engineer's opinion of cost does not include an adjustment for inflation. Construction costs can be expected to fluctuate as corresponding changes occur in the national or local economy. One available indicator of these changes is the Engineering News-Record Construction Cost Index for the Los Angeles metropolitan area. This index is compiled from actual construction cost data for materials and labor and is reported in Engineering News-Record magazine. It is suggested that this index be used to update the unit prices presented in Appendix 'P' and in adjusting the estimate from the date of the initial estimates.

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## **Financing of Improvements**

### General

Funding considerations are often the deciding factor in scoping and implementation of a project. There are, of course, numerous methods or mix of methods, which could be used to finance the implementation of a sewer system capital improvement plan (CIP), and the ongoing operations and maintenance activities. Among these methods are:

1. Pay-as-You-Go Financing (rates, fees and charges based)
2. State Assistance Programs
3. Municipal Securities
4. Improvement Districts
5. Federal Assistance Programs

In the discussion that follows, the above funding options are briefly described and their adaptability to specific circumstances of a sewer system CIP are noted. In evaluating specific funding programs, services of financial and legal experts in such issues are recommended.

### Methods of Financing

#### 1. Pay-as-You-Go Financing:

Development of cash reserves or capital improvement funds, from an agency's revenue base, is often referred to as "pay-as-you-go" funding. This method avoids interest payments on other types of debt financing. Under this form of financing, the initial capital cost of a project must be accumulated in advance of construction, which can cause a delay in project implementation. If delay is not a crucial factor, this is a cost effective method due to the absence of debt financing costs. This method has sometimes been used together with various forms of short-term financing to construct needed sewer infrastructure.

#### 2. State Assistance Programs:

Under the rules and regulations of the Federal Water Pollution Control Act (Clean Water Act or CWA) and the Federal Safe Drinking Water Act (SDWA), the State has enacted the Clean Water State Revolving Fund (CWSRF) and the Drinking Water Revolving Fund (DWSRF), respectively. These programs are funded by Federal grants, State funds and Revenue bonds. The CWSRF Loan Program provides low-interest loan funding for construction of publicly-owned wastewater treatment facilities, sewers, sewer interceptors, water recycling facilities, as well as implementation of non-point source (NPS) projects or programs. There are different types of funding assistance available under these programs.

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[www.waterboards.ca.gov/water\\_issues/programs/grants\\_loans/srf/](http://www.waterboards.ca.gov/water_issues/programs/grants_loans/srf/)

The Department of Water Resources administers the State bond law programs for Water supply/Water quality, Water conservation, Flood management and Regional water management. [www.grantsloans.water.ca.gov](http://www.grantsloans.water.ca.gov)

The State Water Resources Control Board administers the State revolving fund loans, Water recycling grants & loans, Small community grants, Agricultural drainage loans, Agricultural drainage management loans, Clean beaches initiative grants, Agricultural water quality grants, Areas of special biological significance (ASBS) grants, Storm water grants, and Santa Monica bay restoration commission grants. [www.waterboards.ca.gov](http://www.waterboards.ca.gov)

The State Department of Public Health administers the DWSRF, Proposition 84 funding for public water systems, and Proposition 50 for the water security, clean drinking water, coastal and beach protection act of 2002 loans. [www.cdph.ca.gov](http://www.cdph.ca.gov)

Various types of infrastructure improvement/construction loans can be arranged through the California Infrastructure and Economic Development Bank (IBank) [www.ibank.ca.gov](http://www.ibank.ca.gov)

Limited amounts of public works grant funds have been available to agencies from the State Office of Economic Development. Use of such grant funds must result in the creation of new, permanent jobs in the private sector. In order to ensure that the funds are ultimately assisting those in most need, projects eligible for consideration must be those in areas designated eligible for HUD Urban Development Action Grants (UDAG), EDA Sudden or Long-term Economic Deterioration, or EDA Designated Special Impact Area.

### 3. Municipal Securities:

Historically, general obligation bonds (GOB's) had been a prevalent method of financing various public works improvements. They are secured by an agency's total assets and payable from ad valorem taxes levied on all taxable properties within the agency's boundary. However, the Jarvis-Gann Amendment (Proposition 13 of 1978) prohibits the levying of ad valorem property taxes beyond pre-existing authorizations and levels (pre-July 1, 1978). Therefore, authorization and issuance of GOB's is not considered feasible under current law.

An option to GOB's is the issuance of a specific type note or bond form, such as a revenue anticipation note (RAN) or a tax anticipation note (TAN) or a certificate of participation (COP) or various combinations of available authorities that can be used to fund public infrastructure needs. These types of municipal securities (Munis) are generally tax-exempt and commonly used to fund public works infrastructure and facilities. Many states also exempt their securities from their own taxes, which makes those securities particularly attractive investments for their own residents.

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TAN's and RAN's are instruments backed by anticipated taxes or revenues respectively. When these types of notes are considered for funding of needed infrastructure, a specified source of tax or revenue stream is identified and pledged for repayment of the debt. For example, with sewer facilities, all or a portion of the sewer service revenue fees/charges could be used as backing for the debt instrument selected. Then other local revenue sources could be considered for ongoing operations and maintenance (O&M) or some acceptable mix and match of funds specified to secure the debt and accomplish the O&M.

COP's are another form of municipal funding instrument available. These generally require the facility improvement being funded to be named as security for the investment with a lease back of the facility by the municipality. In turn, the municipality pledges some revenue stream(s) that would be used to repay the investor held notes.

When Munis are being considered for funding of improvements, consultation with an experienced and qualified financing consultant and bond counsel are a must.

#### 4. Improvement Districts:

In general, special assessment district procedures have been established by statute to provide for financing of construction and/or acquisition of public works improvements, such as sewer systems, and for assessing the cost of such improvements to the benefiting properties. Under all assessment proceedings, the cost of the work is assessed against properties within the benefited area. The assessments are levied in specific amounts against each individual property on the basis of the benefit each parcel receives. The property owner may pay the assessment in cash during the cash collection period of 30 days. But, if any assessments are not paid in cash during that period, bonds are usually issued to represent the unpaid assessments and the benefited properties are assessed on their annual property tax bill over a usual period of 10 to 20 years.

The City of West Covina utilizes Government Code Section 38902 to establish sewer service charges. While an assessment district proceeding may be a reasonable and equitable means for financing sewer system improvements, further evaluation and stakeholder involvement is a usual practice to determine the viability and practicality of utilizing such financing method.

#### 5. Federal Assistance Programs:

There are, and have been, a series of federal grant and loan programs which may be applicable to public infrastructure projects. However, the qualification criteria for such programs vary from time to time and their funding or continuation is subject to congressional appropriations. Therefore, such programs should not be considered as a likely source of funds unless a funding commitment letter has been received.

Historically, federal programs administered by the Economic Development Administration (EDA) provide financial and technical assistance to aid the economic development of areas with high unemployment or low family income levels. Communities must make long-range plans for economic growth in order to be eligible for EDA financial assistance, in the form of grants and loans for public works and

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development that generates jobs and economic opportunity. Typical public works projects include construction of roads, water and sewer lines, and public facilities. To determine the status requires timely monitoring.

Under the rules and regulations of the Housing and Community Development Act of 1974, the Community Development Block Grant (CDBG) program can fund housing and community development needs. This includes part or all of improvements necessary to upgrade existing sewer facilities. Those qualifying geographic areas within the City that have the greatest overall deficiency in physical infrastructure receive the highest priority according to CDBG criteria. When the sewer system has a defined deficiency, then it is appropriate to use CDBG funds to meet health and safety standards as well as to encourage up-grading of abutting housing and physical environment.

The primary statutory objective of the CDBG program is to develop viable communities by providing decent housing and a suitable living environment and by expanding economic opportunities, principally for persons of low- and moderate-income. Communities receiving CDBG funds through the State may use the funds for many kinds of community development activities including, but not limited to:

- acquisition of property for public purposes;
- construction or reconstruction of streets, water and sewer facilities, neighborhood centers, recreation facilities, and other public works;
- demolition;
- rehabilitation of public and private buildings;
- public services;
- planning activities;
- assistance to nonprofit entities for community development activities; and
- assistance to private, for profit entities to carry out economic development activities (including assistance to micro-enterprises).

[www.hcd.ca.gov/ca/cdbg/about/html](http://www.hcd.ca.gov/ca/cdbg/about/html)

The United State Department of Agriculture Rural Development Program provides communities with population less than 50,000 a variety of direct-guaranteed-loans and /or grants. These include water and wastewater system improvement funding.

[www.rurdev.usa.gov/ca](http://www.rurdev.usa.gov/ca)

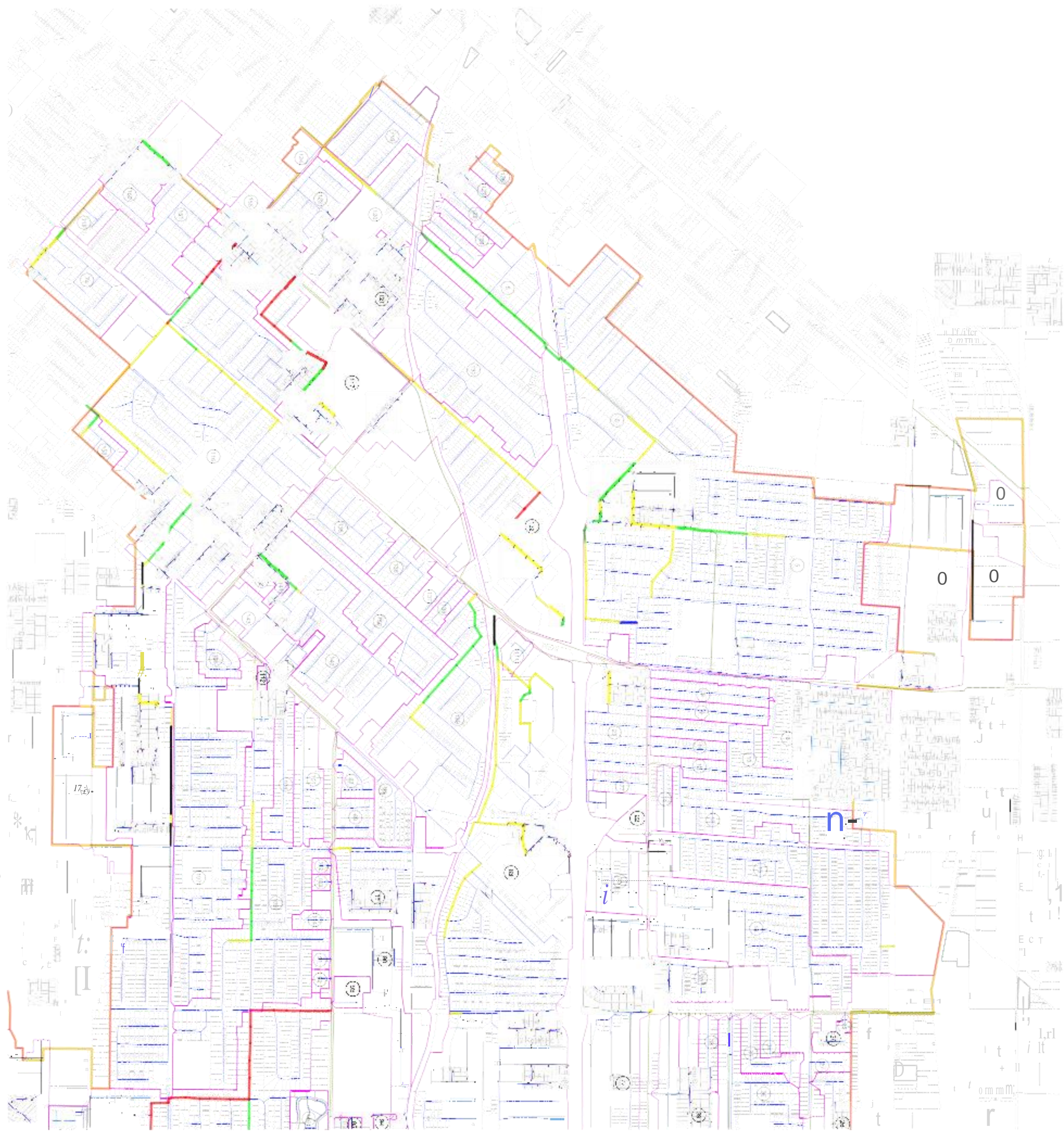
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## **APPENDIX 'O-1'**

### **Sewer System Capacity Analysis Deficient Pipes Exhibits**

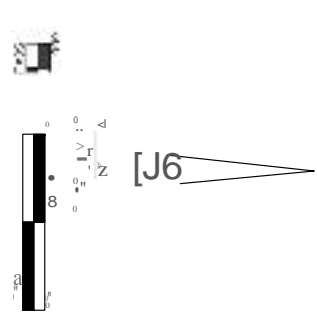






SEE EXHIBIT B

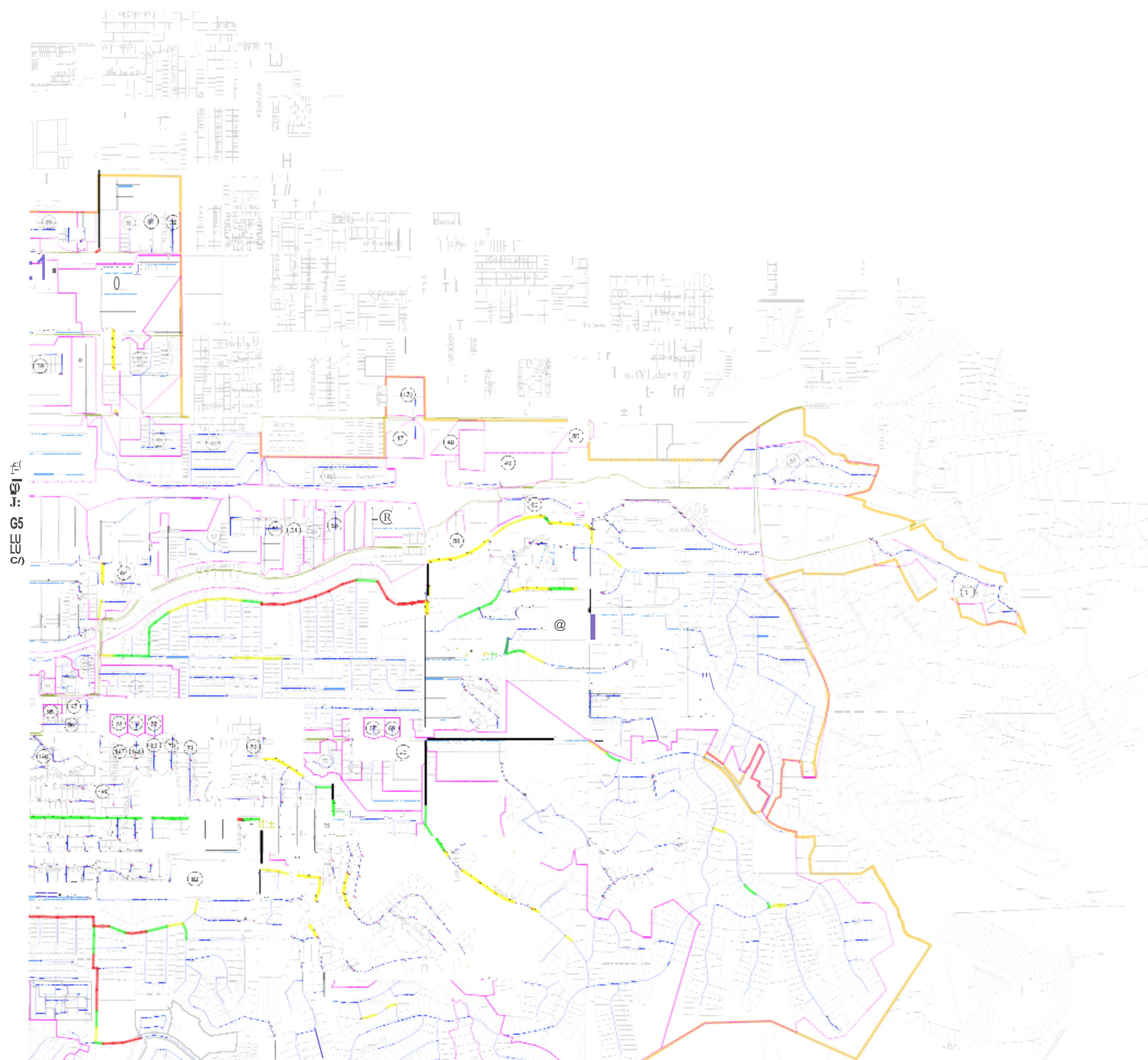
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WILDAN  
Engineering

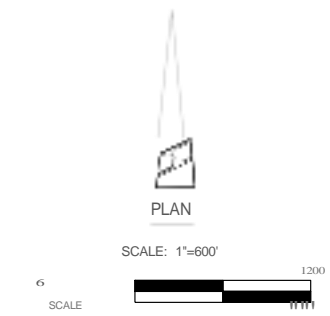
245 E. NO. 100  
SALT LAKE CITY, UT 84143  
TEL: 801-466-1000  
WWW.WILDANENGINEERING.COM





**LEGEND:**

- EXISTING CSD TRUNK SEWERS
- SANITARY SEWER PIPE
- 0.85 < d/D
- 0.64 < d/D < 0.85
- 0.50 < d/D < 0.64
- CITY BOUNDARY
- SEWER DRAINAGE AREA BORDER
- 1140 SEWER MAINTENANCE ZONE



**APPENDIX:**

**SEWER SYSTEM  
CAPACITY ANALYSIS  
DEFICIENT PIPES  
EXHIBIT B**



2401 E. Kotelio Avenue, Suite 450  
Anaheim, CA 92806  
(714)978-8200 fax (714)978-8299

SEE EXHIBIT C

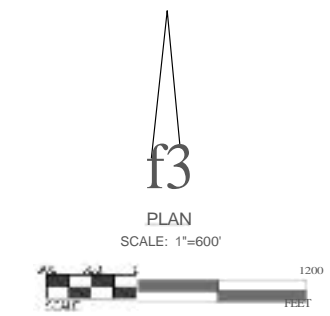


SEE EXHIBIT A

SEE EXHIBIT B

LEGEND:

- EXISTING CSD TRUNK SEWERS
- SANITARY SEWER PIPE
- 0.85 < d/D
- 0.64 < d/D < 0.85
- 0.50 < d/D < 0.64
- CITY BOUNDARY
- SEWER DRAINAGE AREA BORDER
- SEWER MAINTENANCE ZONE



APPEND/XO:

**SEWER SYSTEM  
CAPACITY ANALYSIS  
DEFICIENT PIPES  
EXHIBIT C**



2401 E. Kotello Avenue, Suite 450  
Anaheim, CA 92806  
(714)978-8200 fox (714)978-8299



## AGENDA STAFF REPORT

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City of West Covina | Office of the City Manager

**DATE:** June 20, 2023

**TO:** Mayor and City Council

**FROM:** Paulina Morales  
Acting City Manager

**SUBJECT: CONSIDERATION OF FISCAL YEAR 2023-24 ASSESSMENT RATE FOR WEST COVINA  
LANDSCAPE MAINTENANCE DISTRICT NOS. 1 & 2**

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### RECOMMENDATION:

It is recommended that the City Council adopt the following resolutions:

**RESOLUTION NO. 2023-29 —A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA SETTING THE ASSESSMENT RATE FOR WEST COVINA LANDSCAPE MAINTENANCE DISTRICT NO. 1 FOR THE FISCAL YEAR BEGINNING JULY 1, 2023.**

**RESOLUTION NO. 2023-30 — A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA SETTING THE ASSESSMENT RATE FOR WEST COVINA LANDSCAPE MAINTENANCE DISTRICT NO. 2 FOR THE FISCAL YEAR BEGINNING JULY 1, 2023.**

### BACKGROUND:

Landscape Maintenance District No. 1 ("LMD1") and Landscape Maintenance District No. 2 ("LMD2") (collectively referred to as "Districts") were formed in 1970, as a planned community development known as Woodside Village began with "clustered" housing units on smaller lots and numerous open space areas. This combination of small lots and open space areas were developed to provide more cost-effective housing and create a park-like setting. In order to pay for maintenance of the open space areas, the Districts were formed as ad valorem assessment districts pursuant to the Municipal Improvement Act of 1911. LMD1 is generally located south of Amar Road, east of Azusa Avenue between Temple Avenue and Shadow Oak Drive and consists of 872 properties (Attachment No. 5). LMD2 is generally located north of Amar Road, between Lark Ellen Avenue and Azusa Avenue and consists of 787 properties (Attachment No. 4).

The assessments within an ad valorem (Latin word for "according to value") district are based on property value rather than benefit as in other districts, which were formed pursuant to the Landscaping and Lighting Act of 1972. In 1972, Proposition 92 capped the assessments rates for ad valorem districts at their 1972 rate, which for LMD1 was 18.75 cents per 100 dollars of assessed value and LMD2 was 18.75 cents per 100 dollars of assessed value.



In July 2021, Governor Newsom signed Senate Bill (SB) 431 that allowed the City of West Covina to access existing funds in the Districts. It expanded the Districts' eligible uses of its funds that the Municipal Improvement Act of 1911 restricted, allowing those funds to be used pursuant to the Landscape and Lighting Act of 1972. In Fiscal Year (FY) 22-23, the City allocated funding for hillside clearing and other improvements - LMD 1 allocated \$300,000 and LMD 2 allocated \$100,000.

## **DISCUSSION:**

### **Rates**

For FY 23-24, the LMD1 assessment rate is proposed to be maintained at the current rate of 11.88 cents per 100 dollars of assessed value. At this rate, the annual assessment for a home and property valued at \$400,000 would be \$475.20. The total projected revenue is \$717,100 including \$38,000 in interest, which will continue to fund the current maintenance. Attachment No. 3 shows the history of assessment rates in this district for the last 15 years. There have been no increases in assessment rates over the last fourteen years.

The LMD2 assessment rate is proposed to be maintained at the current rate of 6.60 cents per 100 dollars of assessed value. At this rate, the annual assessment for a home and property valued at \$400,000 would be \$264.00. The total projected revenue is \$249,500 plus \$7,550 in interest, which will continue to fund the current maintenance activities. Attachment No. 3 shows the history of assessment rates in this district for the last 15 years. There have been no increases in assessment rates over the last seven years.

### **Maintenance**

LMD1 contains landscaped hillside slopes vegetated with plants, shrubbery, and trees. The current scope of work for the operations, maintenance, and care of these areas include fire clearing along the entire slope and irrigation maintenance and repairs.

LMD2 contains lighted paseos landscaped hillside slopes vegetated with plants, shrubbery, and trees. The current scope of work for the operations, maintenance, and care of these areas includes fire clearing along the entire slope and irrigation maintenance and repairs. Increased scope of work for LMD2 is recommended to include the modification of the paseo lighting to LED for energy cost savings, repair and replacement of light standards, hardscape repair and replacement of off grade, cracked and broken areas, tree trimming of the hillside trees on a trimming cycle, and landscape maintenance including trash removal and clearing of the hillside plants and shrubbery. It is estimated that the budget required for the increased lighting, hardscape, and landscaping scope is approximately double the existing LMD2 budget.

As costs have risen, maintenance has suffered. It is estimated that the budget required for increased landscaping maintenance and operations scope is approximately double for both LMD1 and LMD2 existing budgets. This year the City started an evaluation of the Districts including level of maintenance services needed in the Districts. The Districts including the other assessment districts (4, 6, 7) currently have limited scope of services for landscaping areas which only include 3 to 5-feet of fire clearing at the tops and toes of the slopes and irrigation and maintenance and repairs. This year staff issued a Request for Proposals (RFP) for landscape services that would increase the level/scope of services to include the entire slope area and trees up to a certain height. Staff is will be bringing the new proposed contract to the City Council at future City Council meeting for approval. In the upcoming year staff will continue to evaluate the Districts needs and further pursue any additional services necessary to better maintain the Districts.

If determined that rates are to be increased, it would require a vote by the affected property owners. Pending completion of further analysis, this report recommends that assessment rates be maintained at their current levels for FY 2023-24.

## **OPTIONS:**

The City Council has the following options:

1. Approve staff's recommendation; or
2. Reduce the assessment rates; LMD1 and LMD2's reserves will be depleted at a faster pace requiring the City's General Fund to subsidize the district; or
3. Provide alternative direction.

**ENVIRONMENTAL REVIEW:**

This item is exempt from the provisions of the California Environmental Quality Act ("CEQA") pursuant to Section 15061(b)(3) of the CEQA Guidelines in that it consists of the maintenance and operations of landscaping and irrigation within the districts, which does not have the potential for causing a significant effect on the environment.

**Prepared by:** Michael Ackerman, PE, City Engineer

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**Fiscal Impact**

**FISCAL IMPACT:**

For FY 2023-24, the LMD1 assessment rate is proposed to be maintained at the current rate of 11.88 cents per 100 dollars of assessed value. The projected income from the recommended rate is \$679,100.

The LMD2 assessment rate is proposed to be maintained at the current rate of 6.60 cents per 100 dollars of assessed value. The projected income from the recommended rate is \$249,500.

Furthermore, a portion of LMD 2 is overlaid by Landscape Maintenance District No. 4 (LMD 4). LMD 4 benefit assessment district was formed in 1975 to encompass the previously remaining undeveloped areas of the Woodside Village planned community development. As a result, a portion of the assessment collected from LMD 2 is reimbursed to LMD 4. In turn, this benefit assessment within the overlaid portion of LMD 4 is reduced proportionately to reflect this reimbursement. For FY 2023-24, the reimbursement is \$9,000 to reflect the appropriate share of the actual assessment collections. LMD 4 rates will be adopted by the City Council separately.

For FY 2023-24, below are the Capital Improvements for existing maintenance:

| District | Project  | Amount    |
|----------|--|-----------|
| LMD1     | Hardscape improvements, repair and replacement of lights and tree trimming, removal, and replacement | \$100,000 |
| LMD2     | Hardscape improvements, repair and replacement of lights and tree trimming, removal, and replacement | \$200,000 |

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**Attachments**

Attachment No. 1 - LMD1 Resolution No. 2023-29

Attachment No. 2 - LMD2 Resolution No. 2023-30

Attachment No. 3- 15 Rate History

Attachment No. 4- LMD2 Map

Attachment No. 5- LMD1 Map

Attachment No. 6- LMD1 Financial Report

Attachment No. 7- LMD2 Financial Report  
Attachment No. 8- LMD1 10 Year Projection  
Attachment No. 9- LMD2 10 Year Projection

**CITY COUNCIL GOALS & OBJECTIVES:** Enhance City Image and Effectiveness

RESOLUTION NO. 2023-29

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
WEST COVINA, CALIFORNIA, SETTING THE  
ASSESSMENT RATE FOR WEST COVINA LANDSCAPE  
MAINTENANCE DISTRICT NO. 1 FOR FISCAL YEAR  
BEGINNING JULY 1, 2023**

THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, DOES  
HEREBY RESOLVE AS FOLLOWS:

**SECTION 1.** As applicable, the assessment levied on the real property is exempt from the application of Article XIII A, Section 1(A) and Article XIII C of the Constitution of the State of California and is levied for the benefit of the residents of the City of West Covina Landscape Maintenance District No. 1 ("LMD1").

**SECTION 2.** The amount of funds necessary to be raised by the assessment, upon the assessable property within LMD1, for the current Fiscal Year beginning July 1, 2023, is hereby fixed as follows:

For the cost of maintaining and operating the open space, improvements, and facilities thereon within the LMD1 in the amount of \$716,012 including a Capital Improvement Project.

**SECTION 3.** For the purpose of raising the funding necessary to be raised by the assessment upon the assessable property within LMD1, as revenue to maintain and operate the open space, improvements and facilities within the LMD1, the rate is hereby fixed and the assessment is hereby set on all assessable real property in the LMD1 for the Fiscal Year beginning July 1, 2023, at the rate of 11.88 cents upon 100 dollars of assessed value of said assessable real property as assessed by the County Assessor and equalized by the Assessment Appeals Board of the County of Los Angeles and with respect to certain property as assessed by the State Board of Equalization and equalized by said Board as follows:

|   |               |
|---|---------------|
| Estimated Assessed Value of Land within Entire District | \$285,664,244 |
|---|---------------|

|                         |                                  |
|-------------------------|----------------------------------|
| Benefit Assessment Rate | \$0.1188 per one hundred dollars |
|-------------------------|----------------------------------|

No separate tax is being levied upon the assessable property within any zone in LMD1 for the Fiscal Year beginning July 1, 2023, and no funds are being raised to finance special services within LMD1.

**SECTION 4.** The City Council finds that the levy and collection of these assessments is statutorily exempt from the California Environmental Quality Act under §



15273 of the Guidelines. In addition, the capital improvements proposed for LMD1 are of minor nature and, therefore, categorically exempt from the requirements for environmental compliance.

**APPROVED AND ADOPTED** on June 20, 2023.

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Rosario Diaz  
Mayor

**APPROVED AS TO FORM**

**ATTEST**

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Thomas P. Duarte  
City Attorney

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Lisa Sherrick  
Assistant City Clerk

I, LISA SHERRICK, ASSISTANT CITY CLERK of the City of West Covina, California do hereby certify that the foregoing Resolution No. 2023-29 was duly adopted by the City Council of the City of West Covina, California, at a regular meeting thereof held on the 20th day of June, 2023, by the following vote of the City Council:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

---

Lisa Sherrick  
Assistant City Clerk

RESOLUTION NO. 2023-30

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
WEST COVINA, CALIFORNIA, SETTING THE  
ASSESSMENT RATE FOR WEST COVINA LANDSCAPE  
MAINTENANCE DISTRICT NO. 2 FOR FISCAL YEAR  
BEGINNING JULY 1, 2023**

THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA,  
DOES HEREBY RESOLVE AS FOLLOWS:

**SECTION 1.** As applicable, the assessment levied on the real property is exempt from the application of Article XIII A, Section 1 (A) and Article XIII C of the Constitution of the State of California and is levied for the benefit of the residents of the City of West Covina Landscape Maintenance District No. 2 ("LMD2").

**SECTION 2.** The amount of funds necessary to be raised by the assessment, upon the assessable property within LMD2, for the current Fiscal Year beginning July 1, 2023, is hereby fixed as follows:

For the cost of maintaining and operating the open space, improvements, and facilities thereon within the LMD2 in the amount of \$666,072 including a Capital Improvement Project.

**SECTION 3.** For the purpose of raising the funding necessary to be raised by the assessment upon the assessable property within LMD2, as revenue to maintain and operate the open space, improvements and facilities within the LMD2, the rate is hereby fixed and the assessment is hereby set on all assessable real property in the LMD2 for the Fiscal Year beginning July 1, 2023, at the rate of 6.60 cents upon 100 dollars of assessed value of said assessable real property as assessed by the County Assessor and equalized by the Assessment Appeals Board of the County of Los Angeles and with respect to certain property as assessed by the State Board of Equalization and equalized by said Board as follows:

|   |               |
|---|---------------|
| Estimated Assessed Value of Land within Entire District | \$239,967,032 |
|---|---------------|

|                         |                              |
|-------------------------|------------------------------|
| Benefit Assessment Rate | \$0.0660 per hundred dollars |
|-------------------------|------------------------------|

No separate tax is being levied upon the assessable property within LMD2 for the Fiscal Year beginning July 1, 2023, and no funds are being raised to finance special services within LMD2.

**SECTION 4.** The City Council finds that the levy and collection of these assessments is statutorily exempt from the California Environmental Quality Act under §

15273 of the Guidelines. In addition, the capital improvements proposed for LMD2 are of minor nature and, therefore, categorically exempt from the requirements for environmental compliance.

**APPROVED AND ADOPTED** on June 20, 2023.

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Rosario Diaz  
Mayor

**APPROVED AS TO FORM**

**ATTEST**

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Thomas P. Duarte  
City Attorney

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Lisa Sherrick  
Assistant City Clerk

I, LISA SHERRICK, ASSISTANT CITY CLERK of the City of West Covina, California do hereby certify that the foregoing Resolution No. 2023-30 was duly adopted by the City Council of the City of West Covina, California, at a regular meeting thereof held on the 20th day of June, 2023, by the following vote of the City Council:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

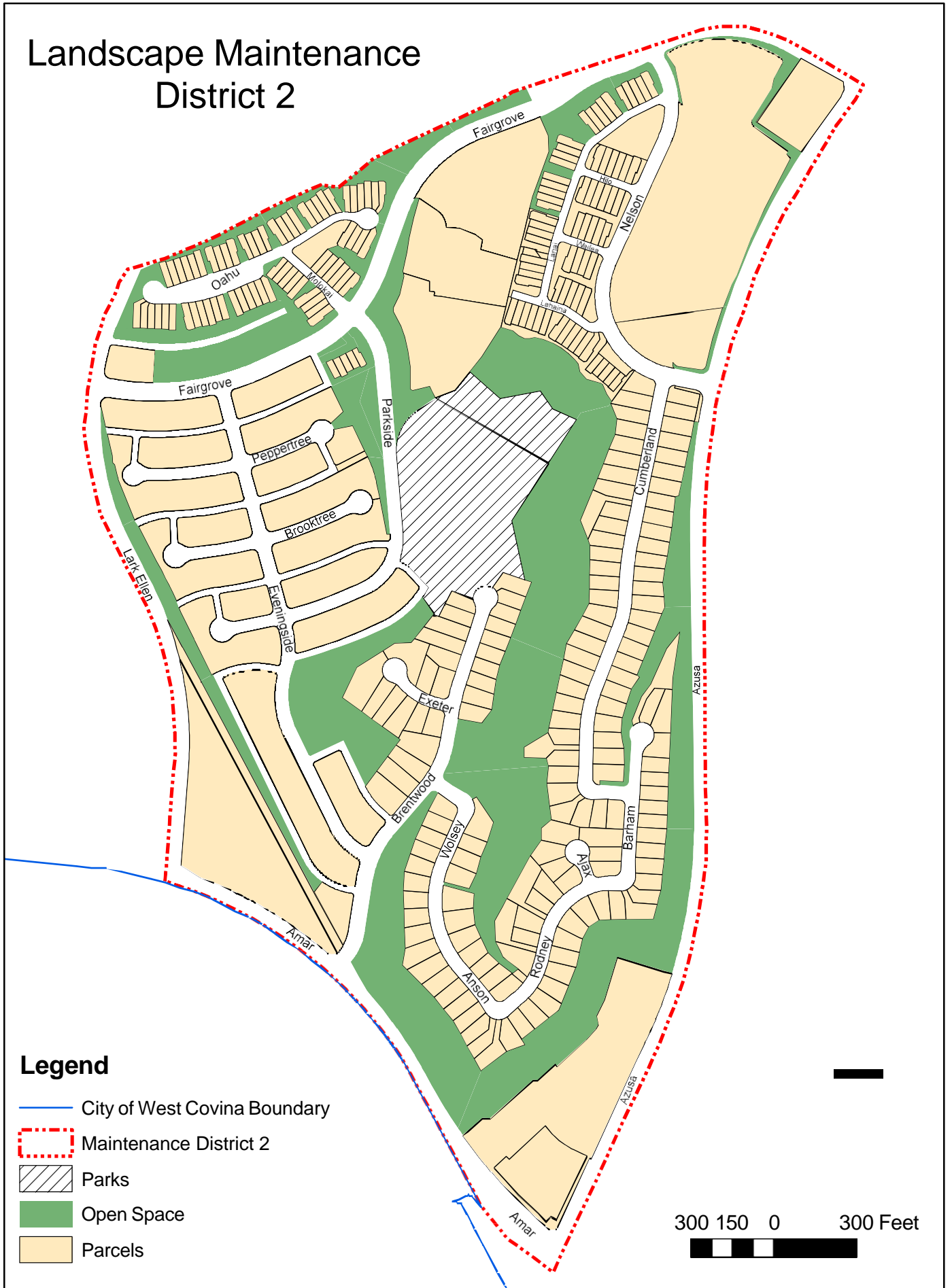
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Lisa Sherrick  
Assistant City Clerk

**West Covina  
Landscape Maintenance District No. 2  
15 Year Rate History**

| Fiscal Year                   | LMD1                                 |   | LMD2                           |  |
|-------------------------------|--------------------------------------|---|--------------------------------|--|
|                               | Cents per \$100 of<br>Assessed Value | Assessments for<br>Assessed Value of<br>\$400,000 | Per \$100 of<br>Assessed Value | Assessment for<br>Assessed Value of<br>\$400,000 |
| <b>Proposed<br/>2023-2024</b> | <b>11.88</b>                         | <b>\$475.20</b>                                   | <b>\$0.0660</b>                | <b>\$264.00</b>                                  |
| 2022-2023                     | 11.88                                | \$475.20  | \$0.0660                       | \$264.00   |
| 2021-2022                     | 11.88                                | \$475.20  | \$0.0660                       | \$264.00   |
| 2020-2021                     | 11.88                                | \$475.20  | \$0.0660                       | \$264.00   |
| 2019-2020                     | 11.88                                | \$475.20  | \$0.0660                       | \$264.00   |
| 2018-2019                     | 11.88                                | \$475.20  | \$0.0660                       | \$264.00   |
| 2017-2018                     | 11.88                                | \$475.20  | \$0.0660                       | \$264.00   |
| 2016-2017                     | 11.88                                | \$475.20  | \$0.0643                       | \$257.20   |
| 2015-2016                     | 11.88                                | \$475.20  | \$0.0643                       | \$257.20   |
| 2014-2015                     | 11.88                                | \$475.20  | \$0.0643                       | \$257.20   |
| 2013-2014                     | 11.88                                | \$475.20  | \$0.0643                       | \$257.20   |
| 2012-2013                     | 11.88                                | \$475.20  | \$0.0630                       | \$252.00   |
| 2011-2012                     | 11.88                                | \$475.20  | \$0.0630                       | \$252.00   |
| 2010-2011                     | 11.88                                | \$475.20  | \$0.0630                       | \$252.00   |
| 2009-2010                     | 11.65                                | \$466.00  | \$0.0630                       | \$252.00   |

# Landscape Maintenance District 2



# Landscape Maintenance District 1



City of West Covina  
Landscape Maintenance District No. 1  
Fiscal Year 2022-23  
Financial Report  
Estimated Costs for Landscape Maintenance

|   | <i>Existing Maintenance</i> | <i>Optimal Maintenance</i> |
|---|-----------------------------|----------------------------|
| <b><i>Previous Fiscal Year Fund Balance</i></b> | <b><i>\$3,752,720</i></b>   | <b><i>\$3,752,720</i></b>  |
| <b><i>Revenues</i></b>                          |                             |                            |
| Assessment Income (Total Balance to Levy)       | \$679,100                   | \$679,100                  |
| Interest  | 38,000                      | 38,000                     |
| <b>Total Projected Revenue</b>                  | <b>\$717,100</b>            | <b>\$717,100</b>           |
| <b><i>Expenditures</i></b>                      |                             |                            |
| <b>Direct Maintenance</b>                       |                             |                            |
| Personnel Services                              | \$45,292                    | \$90,584                   |
| <b>Materials and Services</b>                   |                             |                            |
| Maintenance Contracts                           | 311,582                     | 623,163                    |
| Utilities (electricity & water)                 | 173,535                     | 347,070                    |
| Maintenance Supplies                            | 12,395                      | 24,791                     |
| Property & Liability Insurance                  | 16,208                      | 32,416                     |
| Administration & Overhead                       | 57,000                      | 114,000                    |
| <b>Total Direct Maintenance</b>                 | <b>\$616,012</b>            | <b>\$1,232,024</b>         |
| <b>Capital Improvement</b>                      | <b>\$100,000</b>            | <b>\$200,000</b>           |
| <b>Total Operating and Capital Budget</b>       | <b><u>\$716,012</u></b>     | <b><u>\$1,432,024</u></b>  |
| <b><i>Ending Fund Balance</i></b>               | <b><i>\$3,753,808</i></b>   | <b><i>\$3,037,796</i></b>  |

Note: The variance is the amount needed to support the recommended increased scope of work for Landscape Maintenance District 1. The recommended scope of work includes tree trimming of the hillside trees on a trimming cycle and landscape maintenance including trash removal and clearing of the hillside plants and shrubbery.

**City of West Covina  
Landscape Maintenance District No. 2  
Fiscal Year 2023-24  
Estimated Costs for Landscape Maintenance**

|   | <u>Existing Maintenance</u> | <u>Optimal Maintenance</u> |
|---|-----------------------------|----------------------------|
| <b>Previous Fiscal Year Fund Balance</b>  | <b>\$981,470</b>            | <b>\$981,470</b>           |
| <b>Revenues</b>                           |                             |                            |
| Assessment Income (Total Balance to Levy) | \$249,500                   | \$249,500                  |
| Interest                                  | 7,550                       | 7,550                      |
| <b>Total Projected Revenue</b>            | <b>\$257,050</b>            | <b>\$257,050</b>           |
| <b>Expenditures</b>                       |                             |                            |
| <b>Direct Maintenance</b>                 |                             |                            |
| Personnel Services                        | \$31,048                    | \$62,096                   |
| <b>Materials and Services</b>             |                             |                            |
| Maintenance Contracts                     | 184,101                     | 368,202                    |
| Utilities (electricity & water)           | 50,726                      | 101,451                    |
| Maintenance Supplies                      | 5,885                       | 11,769                     |
| Property & Liability Insurance            | 87,940                      | 175,880                    |
| Administration & Overhead                 | 97,373                      | 194,746                    |
| <b>Total Direct Maintenance</b>           | <b>\$457,072</b>            | <b>\$914,144</b>           |
| <b>Fund Transfer <sup>(1)</sup></b>       | <b>\$9,000</b>              | <b>\$9,000</b>             |
| <b>Capital Improvement <sup>(2)</sup></b> | <b>\$200,000</b>            | <b>\$400,000</b>           |
| <b>Total Operating and Capital Budget</b> | <b>\$666,072</b>            | <b>\$1,323,144</b>         |
| <b>Ending Fund Balance</b>                | <b>\$572,448</b>            | <b>-\$84,624</b>           |

<sup>(1)</sup> The Fund Transfer of \$9,000 is transferred to LMD4

<sup>(2)</sup> The variance is the amount needed to support the recommended increased scope of work for Landscape Maintenance District 2. The recommended scope of work includes the modification of the paseo lighting to LED for energy cost savings, repair and replacement of light standards, hardscape repair and replacement of off-grade, cracked and broken areas, tree trimming of the hillside trees on a trimming cycle, and landscape maintenance including trash removal and clearing of the hillside plants and shrubbery.



**West Covina Maintenance District No. 1**  
**10 Year Fiscal Projection**

| Percent Increase                  | 0%                 | 0%                 | 0%                 | 0%                 | 0%                 | 0%                 | 0%                 | 0%                 | 0%                 |
|-----------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Fiscal Year                       | 23-24              | 24-25              | 25-26              | 26-27              | 27-28              | 28-29              | 29-30              | 30-31              | 31-32              |
| <b>Assessment Income</b>          | <b>\$679,100</b>   | <b>\$679,100</b>   | <b>\$679,100</b>   | <b>\$679,100</b>   | <b>\$679,100</b>   | <b>\$679,100</b>   | <b>\$679,100</b>   | <b>\$679,100</b>   | <b>\$679,100</b>   |
| Interest <sup>(1)</sup>           | 38,000             | 7,508              | 7,624              | 7,716              | 7,782              | 7,822              | 7,836              | 7,822              | 7,781              |
| Prior Year Balance                | 3,752,720          | 3,753,808          | 3,812,083          | 3,857,909          | 3,891,008          | 3,911,098          | 3,917,894          | 3,911,100          | 3,890,418          |
| <b>Total Funding</b>              | <b>\$4,469,820</b> | <b>\$4,440,416</b> | <b>\$4,498,808</b> | <b>\$4,544,724</b> | <b>\$4,577,890</b> | <b>\$4,598,021</b> | <b>\$4,604,829</b> | <b>\$4,598,022</b> | <b>\$4,577,299</b> |
| Operating Exp.                    | 616,012            | 628,332            | 640,899            | 653,717            | 666,791            | 680,127            | 693,730            | 707,604            | 721,756            |
| CIP                               | 100,000            | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  |
| <b>Total Cost</b>                 | <b>\$716,012</b>   | <b>\$628,332</b>   | <b>\$640,899</b>   | <b>\$653,717</b>   | <b>\$666,791</b>   | <b>\$680,127</b>   | <b>\$693,730</b>   | <b>\$707,604</b>   | <b>\$721,756</b>   |
| <b>Ending Balance</b>             | <b>\$3,753,808</b> | <b>\$3,812,083</b> | <b>\$3,857,909</b> | <b>\$3,891,008</b> | <b>\$3,911,098</b> | <b>\$3,917,894</b> | <b>\$3,911,100</b> | <b>\$3,890,418</b> | <b>\$3,855,542</b> |
| Assess. Per \$400k                |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Assessed Valuation <sup>(2)</sup> | \$475.20           | \$475.20           | \$475.20           | \$475.20           | \$475.20           | \$475.20           | \$475.20           | \$475.20           | \$475.20           |
| Rate Per \$100                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Assessed Valuation <sup>(3)</sup> | \$0.1188           | \$0.1188           | \$0.1188           | \$0.1188           | \$0.1188           | \$0.1188           | \$0.1188           | \$0.1188           | \$0.1188           |

Notes: (1) Interest is 0.4% of one- half of the previous year ending balance.

(2) 1% increase in assessed valuation each year is allowable.

(3) Previously approved maximum highest rate, \$0.1875.

**West Covina Maintenance District No. 2**  
**10 Year Fiscal Projection**

| Percent Increase                  | 0%                 | 0%               | 0%               | 0%               | 0%               | 0%               | 0%               | 0%               | 0%               | 100%             |
|-----------------------------------|--------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Fiscal Year                       | 23-24              | 24-25            | 25-26            | 26-27            | 27-28            | 28-29            | 29-30            | 30-31            | 31-32            | 31-33            |
| <b>Assessment Income</b>          | <b>\$249,500</b>   | <b>\$249,500</b> | <b>\$249,500</b> | <b>\$249,500</b> | <b>\$249,500</b> | <b>\$249,500</b> | <b>\$249,500</b> | <b>\$249,500</b> | <b>\$249,500</b> | <b>\$249,500</b> |
| Interest <sup>(1)</sup>           | 7,550              | 1,145            | 1,127            | 1,109            | 1,091            | 1,073            | 1,055            | 1,037            | 1,019            | 1,001            |
| Prior Yr. Balance                 | 981,470            | 572,448          | 563,448          | 554,448          | 545,448          | 536,448          | 527,448          | 518,448          | 509,448          | 500,448          |
| <b>Total Funding</b>              | <b>\$1,238,520</b> | <b>\$823,093</b> | <b>\$814,075</b> | <b>\$805,057</b> | <b>\$796,039</b> | <b>\$787,021</b> | <b>\$778,003</b> | <b>\$768,985</b> | <b>\$759,967</b> | <b>\$750,949</b> |
| Operating Exp.                    | 457,072            | 466,213          | 475,538          | 485,048          | 494,749          | 504,644          | 514,737          | 525,032          | 535,533          | 546,243          |
| Fund Transfers                    | 9,000              | 9,000            | 9,000            | 9,000            | 9,000            | 9,000            | 9,000            | 9,000            | 9,000            | 9,000            |
| CIP                               | 200,000            | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 1                |
| Total Cost                        | <b>\$666,072</b>   | <b>\$475,213</b> | <b>\$484,538</b> | <b>\$494,048</b> | <b>\$503,749</b> | <b>\$513,644</b> | <b>\$523,737</b> | <b>\$534,032</b> | <b>\$544,533</b> | <b>\$555,243</b> |
| <b>Ending Balance</b>             | <b>\$572,448</b>   | <b>\$563,448</b> | <b>\$554,448</b> | <b>\$545,448</b> | <b>\$536,448</b> | <b>\$527,448</b> | <b>\$518,448</b> | <b>\$509,448</b> | <b>\$500,448</b> | <b>\$491,448</b> |
| Assess. Per \$400k                |                    |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Assessed Valuation <sup>(2)</sup> | \$264.00           | \$264.00         | \$264.00         | \$264.00         | \$264.00         | \$264.00         | \$264.00         | \$264.00         | \$264.00         | \$264.00         |
| Rate per \$100                    |                    |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Assessed Valuation <sup>(3)</sup> | \$0.0660           | \$0.0660         | \$0.0660         | \$0.0660         | \$0.0660         | \$0.0660         | \$0.0660         | \$0.0660         | \$0.0660         | \$0.0660         |

Notes: (1) Interest is 0.4% of one- half of the previous year ending balance.  
(2) 1% increase in assessed valuation each year is allowable.  
(3) Previously approved maximum highest rate, \$0.1875.



## AGENDA STAFF REPORT

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City of West Covina | Office of the City Manager

**DATE:** June 20, 2023

**TO:** Mayor and City Council

**FROM:** Paulina Morales  
Acting City Manager

**SUBJECT: CONSIDERATION OF LIST OF FISCAL YEAR 2023-2024 PROJECTS FUNDED BY  
SENATE BILL 1: THE ROAD REPAIR AND ACCOUNTABILITY ACT OF 2017**

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### RECOMMENDATION:

It is recommended that the City Council adopt the following resolution:

**RESOLUTION NO. 2023-53- A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST  
COVINA, CALIFORNIA, APPROVING A LIST OF FISCAL YEAR 2023-2024 PROJECTS  
FUNDED BY SENATE BILL 1: THE ROAD REPAIR AND ACCOUNTABILITY ACT OF 2017**

### BACKGROUND:

On April 28, 2017, Governor Brown signed Senate Bill 1 (SB1), which is known as the Road Repair and Accountability Act of 2017, to address basic road maintenance, rehabilitation and critical safety needs on both State highways and local streets. SB1 increased per gallon fuel excise taxes; increased diesel fuel sales taxes and vehicle registration fees; and provides for inflationary adjustments to tax rates in future years.

Since November 1, 2017, the State Controller has deposited various portions of this new funding into the newly created Road Maintenance and Rehabilitation Account (RMRA). A percentage of this new RMRA funding was apportioned by a formula to eligible cities pursuant to Streets and Highways Code (SHC) Section 2032(h) for basic road maintenance, rehabilitation, and critical safety projects on local streets and roads.

Cities receiving RMRA funds must comply with all relevant Federal and State laws, regulations, policies, and procedures. In order to receive RMRA funds, the City shall annually expend for street, road, and highway purposes an amount not less than the annual average of its expenditures from its General Fund during the 2009-10 (\$655,146), 2010-11 (\$446,279), and 2011-12 (\$600,020) fiscal years. The average of this three-year period was \$567,148 and is the minimum Maintenance of Effort (MOE) required to receive SB1 funding. This amount was calculated by the State Controller Office (SCO) based on information provided by the Finance Department during base years.

### DISCUSSION:

The City of West Covina will receive an estimated \$2,709,511 in RMRA funding for Fiscal Year 2023-24. The City is proposing that the FY 2023-24 RMRA funding be allocated to the Annual Residential Streets Rehabilitation Program for FY 2023-24. This project includes asphalt rehabilitation and maintenance including cold-mill and overlay and slurry seal construction at various locations Citywide, as identified on the City's Pavement Management Program.

**LEGAL REVIEW:**

The City Attorney's Office has reviewed the resolution and approved it as to form.

**OPTIONS:**

The City Council has the following options:

1. Approve Staff's recommendation; or
2. Provide alternative direction.

**Prepared by:** Okan Demirci, PE, CIP Manager

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**Fiscal Impact**

**FISCAL IMPACT:**

In order to receive RMRA funds, the City must meet a MOE requirement using discretionary funding from the General Fund. The City's MOE requirement is \$567,148, which has been included in the FY2023-2024 adopted budget as a transfer from the General Fund to SB1 Road Maintenance Rehab (Fund 237). The proposed project for FY 2023-24 is \$2,709,511 from RMRA funds and \$567,148 from the General Fund, for a total of \$3,276,659.

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**Attachments**

Attachment No. 1 - Resolution No. 2023-53

**CITY COUNCIL GOALS & OBJECTIVES:** Achieve Fiscal Sustainability and Financial Stability  
Maintain Good Intergovernmental Relations  
Enhance City Image and Effectiveness

RESOLUTION NO. 2023-53

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
WEST COVINA, CALIFORNIA, APPROVING A LIST OF  
FISCAL YEAR 2023-2024 PROJECTS FUNDED BY  
SENATE BILL 1: THE ROAD REPAIR AND  
ACCOUNTABILITY ACT OF 2017**

THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA DOES  
HEREBY FIND AND DECLARE AS FOLLOWS:

**WHEREAS**, the Governor signed Senate Bill 1 (SB 1), the Road Repair and Accountability Act of 2017 into law in April 2017 to address the significant multi-modal transportation funding shortfalls statewide; and

**WHEREAS**, SB 1 includes accountability and transparency provisions that will ensure the residents of the City are aware of the projects proposed for funding in the community and which projects have been completed each fiscal year; and

**WHEREAS**, the City must adopt by resolution a list of projects proposed to receive funding from the Road Maintenance and Rehabilitation Account (RMRA), created by SB 1, which must include a description and the location of each proposed project, a proposed schedule for the project's completion, and the estimated useful life of the improvement; and

**WHEREAS**, the City will receive an estimated \$2,709,511 in RMRA funding in Fiscal Year 2023-24 from SB 1; and

**WHEREAS**, this is the seventh year in which the City is receiving SB 1 funding. The funding will enable the City to continue essential road maintenance and rehabilitation projects, safety improvements, repair and replace aging bridges, and increase access and mobility options for the traveling public that would not have otherwise been possible without SB 1; and

**WHEREAS**, the City used a Pavement Management System (StreetSaver) to develop the SB 1 project list to ensure revenues are being used on the most high-priority and cost-effective projects that also meet the community's priorities for transportation investment; and

**WHEREAS**, the funding from SB 1 will help the City maintain and rehabilitate the local streets identified in this resolution throughout the City; and

**WHEREAS**, the 2018 California Statewide Local Streets and Roads Needs Assessment found that the City's streets and roads are in "at-risk" condition and this

revenue will help the City increase the overall quality of its road system and over the next decade will bring the City's streets and roads into a better condition; and

**WHEREAS**, the SB 1 project list and overall investment in our local streets and roads infrastructure with a focus on basic maintenance and safety, investing in complete streets infrastructure, and using cutting-edge technology, materials and practices, will have significant positive co-benefits statewide.

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

**SECTION 1.** The foregoing recitals are true and correct.

**SECTION 2.** The following list of proposed projects will be funded in-part or solely with Fiscal Year 2023-24 Road Maintenance and Rehabilitation Account revenues:

**Project Title:** Annual Residential Streets Rehabilitation Program, FY 23/24

**Project Description:** Asphalt rehabilitation and maintenance including cold-mill & overlay and slurry seal construction at various locations Citywide, as identified on the City's Pavement Management Program

**Project Location:** Various streets identified on the City's Pavement Management Program

**Estimated Project Schedule:** Start (04/2024) – Completion (09/2024)

**Estimated Project Useful Life:** 10-15 years

**SECTION 3.** The following previously proposed and adopted projects may utilize Fiscal Year 2023-24 Road Maintenance and Rehabilitation Account revenues in their delivery. With the relisting of these projects in the adopted fiscal year resolution, the City is reaffirming to the public and the State its intent to fund these projects with Road Maintenance and Rehabilitation Account revenues:

**Project Title:** Annual Residential Streets Rehabilitation Program, FY 22/23

**Project Description:** Asphalt rehabilitation and maintenance including cold-mill & overlay and slurry seal construction at various locations Citywide, as identified on the City's Pavement Management Program.

**Project Location:** Various streets identified on the City's Pavement Management Program

**Estimated Project Schedule:** Start (05/2023) – Completion (09/2023)

**Estimated Project Useful Life:** 10-15 years

**APPROVED AND ADOPTED** this 20th day of June, 2023.

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Rosario Diaz  
Mayor

**APPROVED AS TO FORM**

**ATTEST**

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Thomas P. Duarte  
City Attorney

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Lisa Sherrick  
Assistant City Clerk

I, LISA SHERRICK, Assistant City Clerk of the City of West Covina, California, do hereby certify that the foregoing Resolution No. 2023-53 was duly adopted by the City Council of the City of West Covina, California, at a regular meeting thereof held on the 20th day of June, 2023, by the following vote of the City Council:

AYES:

NOES:

ABSENT:

ABSTAIN:

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Lisa Sherrick  
Assistant City Clerk



## AGENDA STAFF REPORT

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City of West Covina | Office of the City Manager

**DATE:** June 20, 2023

**TO:** Mayor and City Council

**FROM:** Paulina Morales  
Acting City Manager

**SUBJECT: CONSIDERATION OF A RESOLUTION OF INTENTION TO LEVY ASSESSMENTS FOR THE AUTO PLAZA BUSINESS IMPROVEMENT DISTRICT**

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### RECOMMENDATION:

It is recommended that the City Council:

1. Approve the Annual Report for the West Covina Auto Plaza Business Improvement District.
2. Adopt the following resolution:

**RESOLUTION NO. 2023-46 - A RESOLUTION OF INTENTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, DECLARING ITS INTENTION TO LEVY AN ASSESSMENT WITHIN THE BUSINESS IMPROVEMENT AREA KNOWN AS THE WEST COVINA AUTO PLAZA BUSINESS IMPROVEMENT DISTRICT FOR FISCAL YEAR 2023-24 AND SETTING THE TIME AND PLACE FOR A PUBLIC HEARING THEREON**

### BACKGROUND:

The Parking and Business Improvement Area Law of 1989 (California Streets and Highways Code Section 36500 et seq.) (PBIA Law) establishes the framework for Business Improvement Districts (BID). The State wanted to make it possible for groups of businesses to band together and invest in their commercial neighborhoods for the purposes of revitalization, stability, and growth. On June 1, 1993, the City Council adopted Ordinance No. 1923, which established the West Covina Auto Plaza Business Improvement District (Auto Plaza BID). The City created this BID at the request of the businesses located in the area. Each year, the City Council holds a noticed public hearing before deciding to renew the BID for another year.

The assessment revenue is collected from businesses located within the Auto Plaza BID and is used to pay for the capital costs, operation and maintenance of a LED reader board sign located in the West Covina Auto Plaza, adjacent to the I-10 freeway, and for the operation and maintenance of the Auto Plaza entry monument sign and landscaping located at the southeast corner of Azusa Avenue and Garvey Avenue South. Assessment revenue is also used for landscaping maintenance along the I-10 freeway immediately facing and parallel to the Auto Plaza dealerships.

On April 19, 1994, the City Council appointed an Advisory Board consisting of the owners (and/or their representatives) of the auto dealerships located at the Auto Plaza. The function of the Advisory Board is to make recommendations to the City Council on the expenditure of revenues derived from the levy of



assessments, on the classification of businesses, and on the method and basis of levying the assessments. Pursuant to the PBIA Law, for each fiscal year that assessments will be levied, the Advisory Board is required to cause a report to be prepared containing the following:

1. Proposed changes in the boundaries of the BID or in any benefit zones within the area
2. Improvements and activities to be provided for that fiscal year
3. An estimate of the cost of providing the improvements and the activities for that fiscal year
4. The method and basis of levying the assessment in sufficient detail to allow each business owner to estimate the amount of the assessment to be levied against his or her business for that fiscal year
5. The amount of any surplus or deficit revenues to be carried over from a previous fiscal year, and
6. The amount of any contributions to be made from sources other than assessments levied

The purpose of this report is to request that the City Council approve the annual report and adopt the resolution of intention to levy the assessment for Fiscal Year (FY) 2023-24.

#### **DISCUSSION:**

On June 7, 2023, the Auto Plaza BID Advisory Board held its annual meeting and approved the Annual Report. The Annual Report was filed with the City Clerk as required by the PBIA Law. The next step is for the City Council to approve the report. The City Council may approve the report as filed by the Advisory Board or may modify any particulars contained in the report and approve it as modified. After the City Council approves the report, it is required to adopt a resolution of intention to levy the annual assessment. The PBIA Law requires that the resolution of intention contain specified information, including fixing the time and place for the public hearing to be held regarding the proposed assessment.

The attached resolution sets the date for the required public hearing for July 18, 2023, at 7:00 p.m. At the conclusion of the public hearing, the City Council may adopt a resolution confirming the Annual Report as originally filed or as changed by it. Adoption of the resolution constitutes levy of the assessment for FY 2023-24.

The Annual Report includes a total budget of \$123,826.40, with an assessment of \$16,524.00 per dealership site. The gross estimated annual cost for operating expenditures including programming, maintenance, electricity, and insurance for the reader-board sign, landscaping, landscape maintenance, taxes, and preparation costs, is \$68,496.14. The annual loan repayment is \$55,330.26, totaling \$123,826.40 in annual expenditures.

The Advisory Board voted to assess themselves \$16,524.00 (the same as last year), which would generate \$115,668.00 for FY 2023-24. As the annual expenditures are \$123,826.40, the assessment will not cover the total annual expenditures with a deficit of \$8,158.40. The Advisory Board elected to utilize a portion of the FY 2022-23 year-end fund balance of \$79,185.80 to cover both the deficit and the required six (6) month operating reserve (\$34,248.07). An assessment of \$16,524.00 for each of the seven (7) dealership sites in the Auto Plaza BID will be placed on the tax rolls by the County of Los Angeles Department of Auditor-Controller.

As outlined above, the PBIA Law requires approval of the Annual Report and adoption of a resolution of intention to initiate proceedings for the FY 2023-24 assessment for the Auto Plaza BID.

#### **LEGAL REVIEW:**

The City Attorney's Office has reviewed the resolution and approved it as to form.

#### **OPTIONS:**

The City Council has the following options:

1. Approve staff's recommendation; or
2. Provide alternative direction.

**Prepared by:** Gerardo Rojas, Economic Development Project Coordinator

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### **Fiscal Impact**

#### **FISCAL IMPACT:**

There is no impact to the City's General Fund by adopting the resolution of intention and setting the Public Hearing for July 18, 2023. As part of the Annual Report approval by the Auto Plaza BID is the repayment of the City loan. All costs are covered by assessments collected from the West Covina Auto Plaza Business Improvement District dealerships. In addition, the Auto Plaza Business Improvement District is charged a nominal administrative fee for City staff's time to administer the West Covina Plaza BID and monitor the annual budget.

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### **Attachments**

Attachment No. 1 - Resolution No. 2023-46 Resolution of Intention

Attachment No. 2 - West Covina Auto Plaza Annual Report 2023-2024

**CITY COUNCIL GOALS & OBJECTIVES:** Maintain Good Intergovernmental Relations

**RESOLUTION NO. 2023-46**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, DECLARING ITS INTENTION TO LEVY AN ASSESSMENT WITHIN THE BUSINESS IMPROVEMENT AREA KNOWN AS THE WEST COVINA AUTO PLAZA BUSINESS IMPROVEMENT DISTRICT FOR FISCAL YEAR 2023-24 AND SETTING THE TIME AND PLACE FOR A PUBLIC HEARING THEREON**

**WHEREAS**, in adopting the Parking and Business Improvement Area Law of 1989 (California Streets & Highways Code sections 36500 *et seq.*), the California Legislature authorized cities to levy assessments on businesses in order to promote economic revitalization and tourism, create jobs, attract new businesses, and prevent erosion of business districts; and

**WHEREAS**, on June 1, 1993, the City Council adopted Ordinance No. 1923, which established the West Covina Auto Plaza Business Improvement District ("District") for purposes of levying an assessment within the District to fund the construction, operation and maintenance of an electronic readerboard to be located adjacent to the I-10 freeway and benefit the West Covina Auto Plaza dealerships to be assessed. The District was established with one hundred percent (100%) property owner consent; and

**WHEREAS**, on April 19, 1994, the City Council appointed the owners and/or their representatives of the auto dealerships located in the West Covina Auto Plaza as the advisory board of the District as required by California Streets and Highways Code section 36530 ("Advisory Board"); and

**WHEREAS**, the Advisory Board has caused the annual report for Fiscal Year 2023-24 required by California Streets and Highways Code section 36533 to be prepared and filed with the City Clerk; and

**WHEREAS**, the City Council has approved said annual report; and

**WHEREAS**, the City Council proposes to levy and collect assessments within the District for Fiscal Year 2023-24; and

**WHEREAS**, this Resolution of Intention will commence proceedings under the Parking and Business Improvement Area Law of 1989 to levy the annual assessment for the West Covina Auto Plaza Business Improvement District for the 2023-24 Fiscal Year.

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

**SECTION 1. Intention; Assessment.** The City Council hereby declares its intention to levy and collect assessments in the West Covina Auto Plaza Business Improvement District for Fiscal Year 2023-24 pursuant to California Streets & Highways Code sections 36500 *et seq.* The boundaries of the West Covina Auto Plaza Business Improvement District are set forth in Exhibit A, attached hereto and incorporated herein. The proposed amount of the annual assessment is \$16,524.00. Pursuant to California Streets & Highways Code section 36531, new businesses commenced after the effective date of the resolution levying the assessment will be exempt from the levy of assessment.

**SECTION 2. Annual Report.** An annual report on the West Covina Auto Plaza Business Improvement District has been prepared by the Advisory Board, as required by California Streets & Highways Code sections 36533 and 36534. Said report is on file in the City Clerk's Office.

**SECTION 3. Types of Activities to Be Funded.** The proposed use of the assessment revenue collected through the levy of the annual assessment is for financing the operation and maintenance of an LED readerboard sign located in the West Covina Auto Plaza adjacent to the San Bernardino Interstate 10 Freeway as well as financing of the operation and maintenance costs for the entry monument to the Auto Plaza, which includes the sign and landscaping located at the southwest corner of Azusa Avenue and Garvey Avenue South. The assessment revenue is also proposed to be used to finance landscape maintenance along Interstate 10 Freeway immediately facing and parallel to the dealerships located within the West Covina Auto Plaza Business Improvement District.

**SECTION 4. Method and Basis of Levy.** The method and basis of levying the assessment will be pursuant to Ordinance No. 1923, which was adopted by the City Council on June 1, 1993.

**SECTION 5. Time and Place of Public Meeting/Hearing.** The time and place of the public hearing on the levy of an annual assessment for Fiscal Year 2023-24 shall be 7:00 p.m. on July 18, 2023, in the City Council Chambers located at 1444 W. Garvey Avenue South, West Covina, California. At the public hearing set forth above, the testimony of all interested persons for or against the annual levy of the assessment for the West Covina Auto Plaza Business Improvement District, the extent of the area, and/or the furnishing of specific types of improvements or activities will be heard by the City Council.

**SECTION 6. Protests.** Consistent with California Streets & Highways Code sections 36524 and 36525, the following rules shall apply to all protests:

- (a) A protest may be made orally or in writing by any interested person. Any protest pertaining to the regularity or sufficiency of the proceedings shall be in writing and shall clearly set forth the irregularity or defect to which the objection is made.

- (b) Every written protest shall be filed with the City Clerk's Office, West Covina City Hall, 1444 West Garvey Avenue South, West Covina, California 91790, at or before the time fixed for the public hearing as set forth above.
- (c) The City Council may waive any irregularity in the form or content of any written protest, and, at the public hearing, may correct minor defects in the proceedings.
- (d) A written protest may be withdrawn in writing at any time before the conclusion of the public hearing.
- (e) Each written protest shall contain a description of the business in which the person subscribing the protest is interested sufficient to identify the business and, if a person subscribing is not shown on the official records of the City as the owner of the business, the protest shall contain or be accompanied by written evidence that the person subscribing is the owner of the business. A written protest which does not comply with this section shall not be counted in determining a majority protest.
- (f) If written protests are received from the owners of businesses in the District which will pay fifty percent (50%) or more of the assessments to be levied and protests are not withdrawn so as to reduce the protests to less than the fifty percent (50%), no further proceedings on the proposal to continue to levy the assessment, as specified by this Resolution, shall be taken by the City Council for a period of one year from the date of the filing of a majority protest.
- (g) If the majority protest is only against the furnishing of a specified type or types of improvement or activity within the District, those types of improvements or activities shall be eliminated.

**SECTION 7. Additional Information.** Any person seeking additional information may contact Gerardo Rojas, Project Coordinator, 1444 West Garvey Avenue South, Room 205, West Covina, California 91790; Telephone Number: (626) 939-8417.

**SECTION 8. Publication.** The City Clerk shall cause this Resolution of Intention to be published once in a newspaper of general circulation in the City at least seven (7) days before the July 18, 2023 public hearing.

**SECTION 9. Certification; Effective Date.** The City Clerk shall certify to the adoption of this Resolution and shall enter the same in the book of original resolutions and it shall become effective immediately.

**APPROVED AND ADOPTED** this 20th day of June, 2023.

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Rosario Diaz  
Mayor

**APPROVED AS TO FORM**

**ATTEST**

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Thomas P. Duarte  
City Attorney

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Lisa Sherrick  
Assistant City Clerk

I, LISA SHERRICK, ASSISTANT CITY CLERK of the City of West Covina, California, do hereby certify that the foregoing Resolution No. 2023-46 was duly adopted by the City Council of the City of West Covina, California, at a regular meeting thereof held on the 20th day of June, 2023, by the following vote of the City Council:

AYES:

NOES:

ABSENT:

ABSTAIN:

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Lisa Sherrick  
Assistant City Clerk



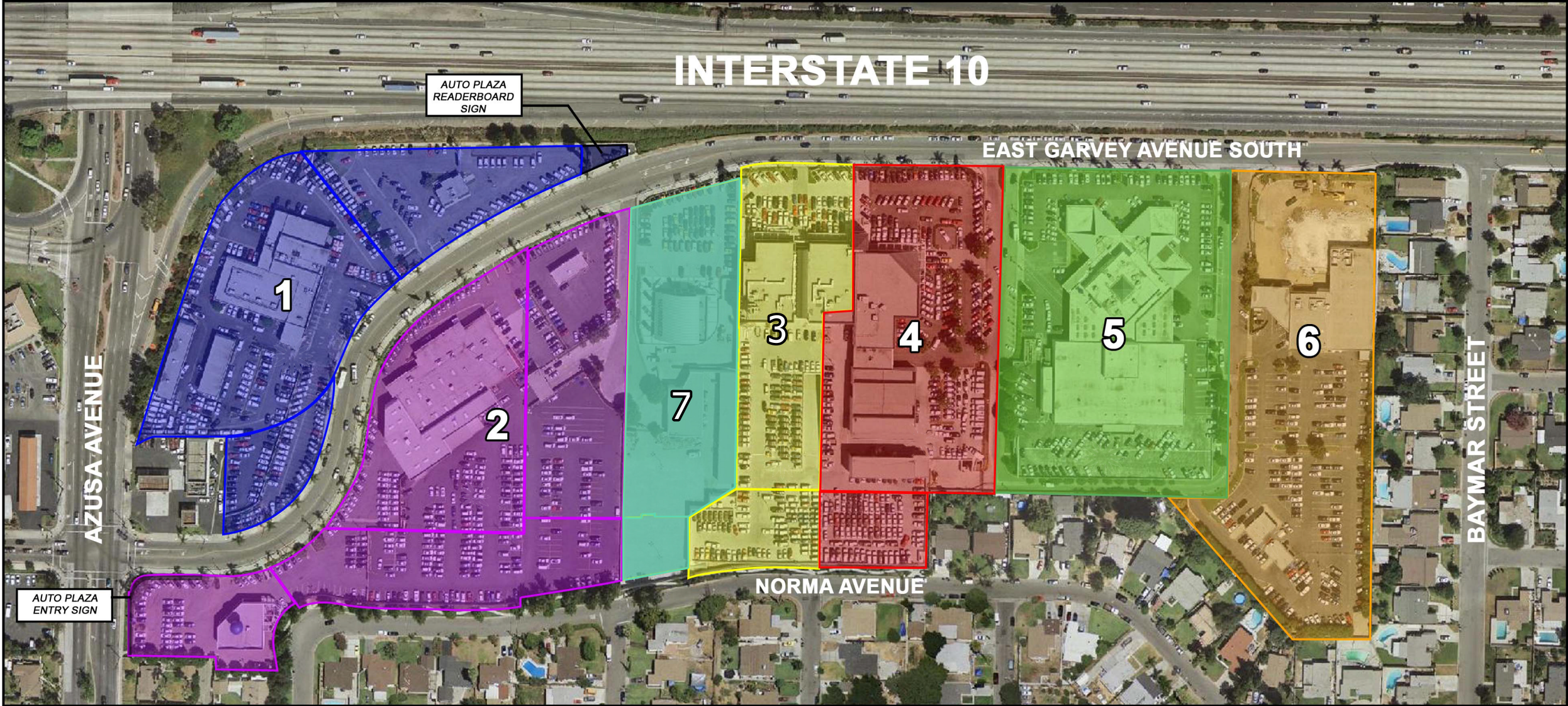


IMAGE NOT TO SCALE

**WEST COVINA AUTO PLAZA**  
**BUSINESS IMPROVEMENT DISTRICT BOUNDARIES**  
New Proposed Benefit Zones

|   | DEALERSHIPS                           | APN                                | LOT SIZE   |
|---|---------------------------------------|------------------------------------|------------|
| 1 | Envision Toyota of West Covina        | 8478-007-025, 30, 31               | 4.17 acres |
| 2 | Norm Reeves Honda Super Store         | 8478-007-028, 34, 38, 8478-008-015 | 5.52 acres |
| 3 | Former Clippinger Chevrolet           | 8474-004-047, 048                  | 2.27 acres |
| 4 | Performance Ford                      | 8478-004-046, 49                   | 3.42 acres |
| 5 | Envision Mercedes Benz of West Covina | 8478-004-042                       | 4.16 acres |
| 6 | Envision Audi of West Covina          | 8478-004-026                       | 3.72 acres |
| 7 | Former DriveTime                      | 8474-007-039, 040                  | 2.23 acres |



**WEST COVINA AUTO PLAZA  
BUSINESS IMPROVEMENT DISTRICT  
ANNUAL REPORT  
FOR  
FISCAL YEAR 2023-2024**

**1. Any proposed changes in the boundaries of the business improvement district area.**

None.

**2. The improvements and activities to be provided for Fiscal Year 2023-2024.**

Financing the operation and maintenance of an LED readerboard sign located in the West Covina Auto Plaza adjacent to the San Bernardino Interstate 10 Freeway as well as financing of the operation and maintenance costs for the entry monument to the Auto Plaza, which includes the sign and landscaping located at the southwest corner of Azusa Avenue and Garvey Avenue South. Financing also includes landscape maintenance along Interstate 10 Freeway immediately facing and parallel to the Auto Plaza Dealerships.

**3. Estimate of the cost of providing the improvements and the activities for Fiscal Year 2023-2024.**

Gross estimated annual cost for operating expenditures including programming, maintenance, electricity, and insurance for the readerboard sign, landscaping, landscape maintenance, taxes and preparation costs, amongst other costs is \$68,496.14. The principal loan amount is \$55,330.26 (paid in two installments), totaling \$123,826.40 in annual expenditures. The Advisory Board voted to assess themselves \$16,524.00 (the same as last year) which would generate \$115,668.00 for FY 2023-2024. As the annual expenditures are \$123,826.40, the assessment will not cover the total annual expenditures with a deficit of \$8,158.40. The Advisory Board elected to utilize a portion of the fund balance of \$79,185.80 to cover the deficit of \$8,158.40 and to cover the six (6) month operating reserve (\$34,248.07). An assessment of \$16,524.00 for each of the seven (7) dealership sites in the business improvement district will be placed on the tax rolls by the County of Los Angeles Department of Auditor-Controller.

**4. Method and basis of levying the assessment for Fiscal Year 2023-2024.**

The method and basis of levying the assessment will be pursuant to Ordinance No. 1923, which was adopted by the City Council on June 1, 1993.

**5. Amount of any surplus or deficit revenues to be carried over from Fiscal Year 2023-2024.**

FY 2023-2024 is anticipated to have a deficit of \$8,158.40. The Advisory Board elected to use a portion of the fund balance to cover the deficit. The anticipated fund balance starting for FY 2023-2024 is \$79,185.80. This includes the six (6) month operating reserve of \$34,248.07.

**6. Amount of any contributions to be made from sources other than the assessments levied.**

None.



|                                | FY 2017-2018                      | FY 2018-2019                      | FY 2019-2020                      | FY 2020-2021                      | FY 2021-2022                      |
|--------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
|                                | Assessment Among 7 Benefits Zones | Assessment Among 7 Benefits Zones | Assessment Among 7 Benefits Zones | Assessment Among 7 Benefits Zones | Assessment Among 7 Benefits Zones |
| <b>Fund Balance</b>            |                                   |                                   |                                   |                                   |                                   |
| Beginning Balance as of July 1 | \$ 128,044.05                     | \$ 129,556.55                     | \$ 139,325.77                     | \$ 156,508.36                     | \$ 106,062.70                     |
| <b>TOTAL Revenues</b>          |                                   |                                   |                                   | \$ 115,668.00                     | \$ 115,668.00                     |
| <b>TOTAL Expenditures</b>      |                                   |                                   |                                   | \$ 122,326.39                     | \$ 124,326.39                     |

OPERATING

|  |               |                 |                      |                      |                      |
|--|---------------|-----------------|----------------------|----------------------|----------------------|
| <b><u>Operating Revenues</u></b>         |               |                 |                      |                      |                      |
| Revenues from Assessments                | 66,072.17     | 65,077.34       | \$ 65,077.34         | \$ 63,544.39         | \$ 62,496.71         |
| Interest Income / Other                  | -             | -               | \$ -                 | \$ -                 | \$ -                 |
| Total Operating Revenues                 | 66,072.17     | 65,077.34       | \$ 65,077.34         | \$ 63,544.39         | \$ 62,496.71         |
| <b><u>Operating Expenditures</u></b>     |               |                 |                      |                      |                      |
| Professional Services (EMI-Programming*) | 4,500.00      | 4,500.00        | \$ 4,560.00          | \$ 4,560.00          | \$ 4,560.00          |
| Accounting                               | 6,180.00      | 5,182.68        | \$ 6,000.00          | \$ 10,000.00         | \$ 10,000.00         |
| Insurance                                | 10,300.00     | 10,054.00       | \$ 10,500.00         | \$ 10,500.00         | \$ 10,500.00         |
| Project Improvements                     | 5,000.00      | 3,290.00        | \$ 5,000.00          | \$ 5,000.00          | \$ 7,000.00          |
| Other Services                           | 1,000.00      | 1,000.00        | \$ 1,000.00          | \$ 1,000.00          | \$ 1,000.00          |
| Other Contractual Services               |               |                 |                      | \$ 28,500.00         |                      |
| Electricity                              | 10,800.00     | 14,261.45       | \$ 12,500.00         | \$ 12,500.00         | \$ 12,500.00         |
| Telephone                                | 720.00        | 720.00          | \$ 800.00            | \$ 800.00            | \$ 800.00            |
| Equipment M & R (EMI-Maintenance)        | 10,140.00     | 10,140.00       | \$ 10,440.00         | \$ 10,440.00         | \$ 10,440.00         |
| Admin and Overhead                       | 8,000.00      | -               | \$ 8,500.00          | \$ 8,500.00          | \$ 8,500.00          |
| Interest Expense (Sign Repayment)        | 9,433.00      | 8,936.64        | \$ 7,929.83          | \$ 6,902.78          | \$ 5,855.10          |
| Total Operating Expenditures             | 66,073.00     | 58,084.77       | \$ 67,229.83         | \$ 70,202.78         | \$ 71,155.10         |
| Operating Reserve                        |               |                 | 33,614.92            | 35,101.39            | 35,577.55            |
| <b>Operating Surplus / (Deficit)</b>     | <b>(0.83)</b> | <b>6,992.57</b> | <b>\$ (2,152.49)</b> | <b>\$ (6,658.39)</b> | <b>\$ (8,658.39)</b> |

NON-OPERATING (Sign Loan)

|  |             |             |              |              |              |
|--|-------------|-------------|--------------|--------------|--------------|
| <b><u>Non-Operating Revenues</u></b>       |             |             |              |              |              |
| Sign Loan                                  | \$ -        | \$ -        | \$ -         | \$ -         | \$ -         |
| Revenues from Assessments (Sign Repayment) | 49,593.83   | 50,089.76   | \$ 51,096.57 | \$ 52,123.61 | \$ 53,171.29 |
| Total Non-Operating Revenues               | 49,593.83   | 50,089.76   | \$ 51,096.57 | \$ 52,123.61 | \$ 53,171.29 |
| <b><u>Non-Operating Expenditures</u></b>   |             |             |              |              |              |
| Sign Purchase                              | \$ -        | \$ -        | \$ -         | \$ -         | \$ -         |
| Sign Loan Repayment                        | 49,593.83   | 50,089.76   | \$ 51,096.57 | \$ 52,123.61 | \$ 53,171.29 |
| Total Non-Operating Expenditures           | 49,593.83   | 50,089.76   | \$ 51,096.57 | \$ 52,123.61 | \$ 53,171.29 |
| <b>Non-Operating Surplus / (Deficit)</b>   | <b>\$ -</b> | <b>\$ -</b> | <b>\$ -</b>  | <b>\$ -</b>  | <b>\$ -</b>  |

RESERVES

|                                      |              |              |                 |                 |                 |
|--------------------------------------|--------------|--------------|-----------------|-----------------|-----------------|
| Fund Balance                         | 117,654.15   | 124,646.72   | \$ 137,173.28   | \$ 149,849.97   | \$ 97,404.31    |
| Fund Balance Minus Operating Reserve |              |              |                 |                 |                 |
| Loan Balance                         | (434,371.54) | (383,780.88) | \$ (332,173.35) | \$ (279,528.50) | \$ (226,357.21) |

|                                     |                     |                     |                     |                     |                     |
|-------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>ASSESSMENT PER DEALER (7)***</b> | <b>\$ 20,943.59</b> | <b>\$ 16,524.00</b> | <b>\$ 16,524.00</b> | <b>\$ 16,524.00</b> | <b>\$ 16,524.00</b> |
|-------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|

| 2022-2023 (92% of Year Complete) |                |          |               |
|----------------------------------|----------------|----------|---------------|
| Adopted Budget                   | As of 06/01/23 | % Budget | Projected     |
| \$ 75,796.80                     | \$ 74,516.80   |          | \$ 79,185.80  |
| \$ 115,870.00                    | \$ 108,468.78  | 94%      | \$ 115,870.00 |
| \$ 124,910.07                    | \$ 41,873.67   | 34%      | \$ 112,063.91 |

| FY 2023-2024                |
|-----------------------------|
| Keeping Assessment the Same |
| \$ 79,185.80                |
| \$ 115,668.00               |
| \$ 123,826.40               |

|               |               |      |              |
|---------------|---------------|------|--------------|
| \$ 115,600.00 | \$ 107,605.87 | 93%  | \$ 61,629.97 |
| \$ 270.00     | \$ 862.91     |      | \$ 862.91    |
| \$ 115,870.00 | \$ 108,468.78 | 94%  | \$ 62,492.88 |
| \$ 4,851.84   | \$ 4,125.00   | 85%  | \$ 4,500.00  |
| \$ 10,000.00  | \$ 7,522.00   | 75%  | \$ 7,522.00  |
| \$ 10,500.00  | \$ 7,011.00   | 67%  | \$ 7,011.00  |
| \$ 7,000.00   | -             | 0%   | \$ -         |
| \$ 1,000.00   | \$ 2,258.25   | 226% | \$ 2,258.25  |
| \$ 28,500.00  | \$ 16,791.25  |      | \$ 16,791.25 |
| \$ 12,500.00  | \$ 11,002.42  | 88%  | \$ 12,386.27 |
| \$ 800.00     | \$ 660.00     | 83%  | \$ 720.00    |
| \$ 10,731.84  | \$ 9,295.00   | 87%  | \$ 10,140.00 |
| \$ 8,500.00   | -             | 0%   | \$ 8,500.00  |
| \$ 4,786.36   | -             | 0%   | \$ 4,786.36  |
| \$ 70,670.04  | \$ 41,873.67  |      | \$ 57,823.88 |
| \$ 35,335.02  | \$ 35,335.02  |      | \$ 28,911.94 |
| \$ 45,199.96  | \$ 66,595.11  |      | \$ 4,669.00  |

|               |
|---------------|
| \$ 60,337.74  |
| \$ -          |
| \$ 60,337.74  |
| \$ 4,800.00   |
| \$ 8,500.00   |
| \$ 10,500.00  |
| \$ 5,000.00   |
| \$ 3,500.00   |
| \$ 27,500.00  |
| \$ 12,500.00  |
| \$ 800.00     |
| \$ 10,700.00  |
| \$ 8,500.00   |
| \$ 3,696.14   |
| \$ 68,496.14  |
| \$ 34,248.07  |
| \$ (8,158.40) |

|              |              |
|--------------|--------------|
| \$ -         | \$ -         |
| \$ 54,240.03 | \$ 54,240.03 |
| \$ 54,240.03 | \$ 54,240.03 |
| \$ -         | \$ -         |
| \$ 54,240.03 | \$ 54,240.03 |
| \$ 54,240.03 | \$ 54,240.03 |
| \$ -         | \$ -         |

|              |
|--------------|
| \$ -         |
| \$ 55,330.26 |
| \$ 55,330.26 |
| \$ -         |
| \$ 55,330.26 |
| \$ 55,330.26 |
| \$ -         |

|              |
|--------------|
| 71,027.40    |
| 36,779.33    |
| (116,786.92) |

|                     |
|---------------------|
| <b>\$ 16,524.00</b> |
|---------------------|



## AGENDA STAFF REPORT

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City of West Covina | Office of the City Manager

**DATE:** June 20, 2023

**TO:** Mayor and City Council

**FROM:** Paulina Morales  
Acting City Manager

**SUBJECT: CONSIDERATION OF PARTICIPATION IN THE PUBLIC PROVIDER GROUND  
EMERGENCY MEDICAL TRANSPORT PROGRAM AND CONTINUED PARTICIPATION  
IN THE GROUND EMERGENCY MEDICAL TRANSPORT PROGRAM AND QUALITY  
ASSURANCE FEE PROGRAM**

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### RECOMMENDATION:

It is recommended that the City Council:

1. Authorize participation in the Public Provider-Ground Emergency Medical Transport Intergovernmental Transfer (PP-GEMT IGT) Program;
2. Authorize continued participation in the Ground Emergency Medical Transport (GEMT) and Quality Assurance Fee (QAF) programs;
3. Authorize the City Manager to execute any documents necessary in connection with participation in the GEMT and QAF programs, in such form as approved by the City Attorney; and
4. Ratify the Department of Healthcare Services Public Provider Intergovernmental Transfer Program for Ground Emergency Medical Transportation Services Certification Form for State Calendar Year 2023 executed by the Acting City Manager on June 5, 2023 in the amount of \$197,220.05; and
5. Authorize the City Manager to execute any documents necessary in connection with participation in the PP-GEMT IGT Program, in such form as approved by the City Attorney; and
6. Authorize the City Manager to approve payments and accept reimbursements related to participation in the GEMT, QAF, and PP-GEMT IGT programs.

### BACKGROUND:

The West Covina Fire Department provides city-wide first responder medical and transport services. When services are provided to a Medi-Cal recipient, for allowable costs that are in excess of other Medi-Cal revenue received, the City qualifies for supplemental payments through various programs.

Pursuant to Assembly Bill (AB) 1705 (Chapter 544, Statutes of 2019), the Department of Health Care Services (DHCS) developed the Public Provider Ground Emergency Medical Transport (PP-GEMT) Intergovernmental Transfer Program (IGT) program to provide increased reimbursements, by application of an add-on increase, to emergency medical transports provided by eligible public GEMT providers. The non-federal share collected will be used to provide an add-on increase to the fee-for-services (FFS) fee schedule rate for the affected emergency medical transport billing codes and a rating increment that will be applied to primary capitation rates for contracted Medi-Cal plans.

## **DISCUSSION:**

The West Covina Fire Department has participated in the DHCS GEMT and QAF program since 2009, and has received additional provider transport reimbursements. The original program, which ended on December 31, 2022, required additional reports, invoices and reimbursements to occur until all transactions are completed. In collaboration with DHCS and Sacramento Metro Fire District (SAC METRO), the original GEMT program was administered with invoices that identified a SAC METRO fee for the administering program, invoices for the total amount of transport and QAF fee. The West Covina Fire Department processes these identified fees to be reimbursed. DHCS, in collaboration with SAC METRO, transitioned out of the GEMT QAF and the GEMT Certified Public Expenditure (CPE) programs.

The new program, PP-GEMT / IGT was effective January 1, 2023 and significantly changes how supplemental payments are calculated. While the new program was being designed, the GEMT CPE program was put on hold in FY 2019 and cost reports were not being accepted by the DHCS. In order for the City to participate in the new PP-GEMT IGT Program, the City is required to close out all reporting obligations that were put on hold beginning in FY 2019. Since the GEMT program is no longer on hold and to receive supplemental payments from previous years, the Fire Department must submit GEMT reports for fiscal years 2019, 2020, 2021, 2022, and 2023 and have ratified agreements with these agencies.

The purpose of the GEMT programs is to provide partial reimbursement to public ambulance providers for these previously uncompensated amounts from Medi-Cal beneficiaries. Under this CPE arrangement, public ambulance providers, like the West Covina Fire Department, report our Medi-Cal expenditures to the state. The state then obtains federal reimbursement equivalent to 50% of the reported public ambulance provider's total uncollected costs. Supplemental reimbursements provided by the GEMT program are available only for the uncompensated care costs associated with services rendered to Medi-Cal beneficiaries.

To be eligible to receive these reimbursements, the West Covina Fire Department must enter into an agreement with DHCS that defines the role of each agency and affirm compliance with all reporting requirements. West Covina Fire Department is also required to submit standardized cost reports for each fiscal year. Maximum reimbursement amounts are based on the average cost to provide GEMT services per trip. This amount is then applied to the total number of Medi-Cal transport provided in a fiscal year. This gives the total eligible amount for GEMT program participation minus whatever amount Medi-Cal has already distributed as their portion.

## **LEGAL REVIEW:**

The City Attorney's Office has reviewed this staff report.

## **OPTIONS:**

The City Council has the following options:

1. Adopt staff's recommendations; or
2. Provide alternative direction.

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## **Fiscal Impact**

### **FISCAL IMPACT:**

For calendar year 2023, a total of \$591,660 will be billed for the calendar year to be used for the non-federal share for the PP-GEMT IGT Program. There will also be an additional 10% fee payable to DHCS on the IGT amount, for the administrative costs of operating the PP-GEMT IGT Program for an estimated total of \$650,826.

While the provider contribution is higher per transport, the total reimbursement under the new

PP-GEMT IGT Program is expected to be higher than what was received historically under existing GEMT supplemental reimbursement programs. The City has received \$1.7 million dollars from the program from 2010 to 2018.

The cost of the program is budgeted under the General Fund in the Fire Department. The cost of the program for calendar year 2023 is will be split between fiscal years. Since the PP-GEMT IGT Program is mandatory for public providers, staff will propose budget amendments with the quarterly reports to increase both the expenditure and revenue reimbursement as allocations are paid and received.

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### **Attachments**

Attachment No.1 Transportation Service Certification Form for State Calendar Year 2023

Attachment No 2\_PP-GEMT IGT Letter of Intent - CITY OF WEST COVINA

**CITY COUNCIL GOALS & OBJECTIVES:** Protect Public Safety  
Achieve Fiscal Sustainability and Financial Stability

DEPARTMENT OF HEALTH CARE SERVICES  
PUBLIC PROVIDER INTERGOVERNMENTAL TRANSFER PROGRAM FOR  
GROUND EMERGENCY MEDICAL TRANSPORTATION SERVICES  
CERTIFICATION FORM FOR STATE CALENDAR YEAR 2023

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I, the undersigned, hereby declare and certify on behalf of City of West Covina (the "Public Entity") as follows:

1. As a public administrator, a public officer, or other public individual, I am duly authorized to make this certification.
2. The Public Entity elects to make this intergovernmental transfer (IGT) to the Department of Health Care Service (DHCS) as a voluntary contribution to the non-federal share of Medi-Cal expenditures for purposes of Assembly Bill 1705 (2019) pursuant to Sections 14105.94, 14105.945, 14129, 14129.3, and 14164 of the Welfare and Institutions (W&I) Code. All funds transferred pursuant to this certification qualify for federal financial participation (FFP) pursuant to Section 1903(w) of the Social Security Act and Title 42 of the Code of Federal Regulations, Section 433 Subpart B, and are not derived from impermissible sources such as recycled Medicaid payments, federal money excluded from use as the non-federal share, impermissible health care-related taxes, or non-bona fide provider-related donations.
3. Voluntary contributions attributable to the period of January 1, 2023, through December 31, 2023, will be made via recurring transfers as indicated on the invoices provided to the Public Entity by DHCS. The Public Entity acknowledges that any transfers made pursuant to this certification during this time period are considered an elective IGT made pursuant to W&I Code sections 14105.945 and 14164, to be used by DHCS, subject to paragraph four herein, exclusively as the source for the non-federal share of ground emergency medical transport public provider supplemental payments in both Medi-Cal fee-for-service payments and the portion of the risk-based capitation rate to Medi-Cal managed care health plans associated with reimbursement made in accordance with Section 14105.945, subdivision (h)(1) (hereafter, the AB 1705 Public Provider (PP) Ground Emergency Medical Transportation (GEMT) Intergovernmental Transfer (IGT) Program, or the PP-GEMT IGT Program), and DHCS costs associated with administering the PP-GEMT IGT Program.
4. DHCS may accept this voluntary contribution to the extent it is able to obtain FFP for the PP-GEMT IGT Program as permitted by federal law. In the event DHCS is unable to obtain FFP for the PP-GEMT IGT Program, or the full payments cannot otherwise be made to and retained by eligible public providers, and, therefore, all or a portion of the transferred amount cannot be used as the non-federal share of payments, DHCS will notify the Public Entity via e-mail and return the applicable portion of the unused IGT amount, no later than 90 days after such notification.
5. The Public Entity acknowledges that, in accordance with W&I Code section 14105.945, subdivision (h)(2), upon CMS approval, DHCS shall assess a ten percent (10%) fee on each transfer of public funds to the state to pay for health care

DEPARTMENT OF HEALTH CARE SERVICES  
PUBLIC PROVIDER INTERGOVERNMENTAL TRANSFER PROGRAM FOR  
GROUND EMERGENCY MEDICAL TRANSPORTATION SERVICES  
CERTIFICATION FORM FOR STATE CALENDAR YEAR 2023

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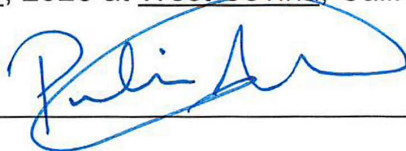
coverage and to reimburse DHCS its costs associated with administering the PP-GENT IGT Program.

6. The Public Entity acknowledges that the IGT is to be used by DHCS for the filing of a claim with the federal government for federal funds and understands that any misrepresentation regarding the IGT may violate federal and state law.
7. The Public Entity acknowledges that all records of funds transferred are subject to review and audit upon DHCS' request. The Public Entity will maintain documentation supporting the allowable funding source of the IGTs.
8. Upon notice from the federal government of a disallowance or deferral related to this IGT, the Public Entity responsible for this IGT shall be the entity responsible for the federal portion of that expenditure.

I hereby declare under penalty of perjury under the law of the United States that the foregoing is true and correct to the best of my knowledge. I further understand that the known filing of a false or fraudulent claim, or making false statements in support of a claim, may violate the Federal False Claims Act or other applicable statute and federal law and may be punishable thereunder.

Executed on this 5th day of June, 2023 at West Covina, California.

Signature of Authorized Person: \_\_\_\_\_



Name of Authorized Person: Paulina Morales

Title of Authorized Person: Admin City Manager

Name of Public Entity: City of West Covina

NPI of Public Entity: 10-53-3913-1c-c8

Amount of IGT: \$197,220.05

# # #

## ATTACHMENT A – LETTER OF INTENT

Rafael Davtian  
Division Chief  
Capitated Rates Development Division  
Department of Health Care Services  
1501 Capitol Avenue, MS 4413  
P.O. Box 997413  
Sacramento, CA 95899-7413

Dear Mr. Davtian:

This letter confirms the intent of **City of West Covina**, a governmental entity, Federal I.D. Number **95-6000810**, (Funding Entity) to work with the California Department of Health Care Services (DHCS) to participate in the Public Provider Ground Emergency Medical Transportation (GEMT) Intergovernmental Transfer (IGT) Program. Participation will include the Funding Entity providing an IGT in the amount of **\$750,869.88** payment to DHCS to be used for the non-federal share for the Public Provider GEMT IGT Program, for the service period of January 1, 2023 through December 31, 2023. This is a non-binding letter, stating our interest in helping to finance health improvements for Medi-Cal beneficiaries receiving services in our jurisdiction. The governmental entity's funds are being provided voluntarily.

Below is a list of all NPI numbers associated with the Funding Entity mentioned above.

- **1053310318**

**City of West Covina** will contribute to the non-federal share of the Public Provider GEMT IGT Program add-on increase for Calendar Year 2023 (January 1, 2023 – December 31, 2023). We recognize that there will be an additional 10-percent fee payable to DHCS on the IGT amount, for the administrative costs of operating the Public Provider GEMT IGT Program.

The following individual from our organization will serve as the point of communication between our organization (as applicable) and DHCS, regarding our organization's participation in the Public Provider GEMT IGT Program:

**Fire Chief Vincent Capelle: 1444 W. Garvey Ave South, [VCapelle@westcovina.org](mailto:VCapelle@westcovina.org), (626)939-8824**

I certify, to the best of my knowledge, that the Funding Entity, defined as the governmental entity that provides the non-federal share of funding (i.e. cities, counties, special districts), is an eligible provider.\*

I attest that I am authorized to sign this certification on behalf of the Funding Entity and that the statements in this letter are true and correct.

Sincerely,



Vincent Capelle  
Fire Chief

\*(3) Is owned or operated by the state, a city, county, city and county, fire protection district organized pursuant to Part 2.7 (commencing with Section 13800) of Division 12 of the Health and Safety Code, special district organized pursuant to Chapter 1 (commencing with Section 58000) of Division 1 of Title 6 of the Government Code, community services district organized pursuant to Part 1 (commencing with Section 61000) of Division 3 of Title 6 of the Government Code, health care district organized pursuant to Chapter 1 (commencing with Section 32000) of Division 23 of the Health and Safety Code, or a federally recognized Indian tribe.



## AGENDA STAFF REPORT

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City of West Covina | Office of the City Manager

**DATE:** June 20, 2023

**TO:** Mayor and City Council

**FROM:** Paulina Morales  
Acting City Manager

**SUBJECT: CONSIDERATION OF RESOLUTION APPOINTING THE CITY OF WEST COVINA'S  
PRIMARY REPRESENTATIVE AND ALTERNATE REPRESENTATIVE TO THE BIG  
INDEPENDENT CITIES EXCESS POOL (BICEP) BOARD OF DIRECTORS**

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**RECOMMENDATION:**

It is recommended that the City Council adopt the following resolution:

**RESOLUTION NO. 2023-54 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST  
COVINA, CALIFORNIA, APPOINTING A PRIMARY REPRESENTATIVE AND AN ALTERNATE  
REPRESENTATIVE TO THE BIG INDEPENDENT CITIES EXCESS POOL (BICEP) BOARD OF  
DIRECTORS**

**BACKGROUND:**

The Big Independent Cities Excess Pool (BICEP) Joint Powers Authority was established in 1988, in accordance with the Government Code of the State of California, as a way to "risk-share" insurance coverages by medium-to-large cities. BICEP was formed as a result of the municipal liability insurance crisis of 1985-86, when cities had difficulty purchasing affordable coverage in the traditional insurance marketplace. BICEP is comprised of the cities of Huntington Beach, Oxnard, Santa Ana, West Covina and Ventura.

As a joint powers authority, BICEP is governed by a Board of Directors consisting of one representative from each member agency. The Board of Directors elects its officers annually from member representatives and meetings are held every other month.

**DISCUSSION:**

The Joint Powers Agreement for the Big Independent Cities Excess Pool Joint Powers Authority, dated July 1, 2006, requires that each member's City Council appoint one director to the Board of Directors of the Joint Powers Authority. Although the City's excess coverage pool has changed to a new carrier, effective July 1, 2019, the City has ongoing obligations under the terms and conditions of the BICEP Joint Powers Agreement with regard to claims submitted prior to July 1, 2019.

With the recent resignation of Interim Director of Human Resources/Risk Management Lisa Handy, staff recommends that Stephanie Sikkema, Acting Director of Human Resources/Risk Management, be appointed to serve on the BICEP Board of Directors as the City's primary representative.



The Joint Powers Agreement also requires that the City Council appoint an alternate director to attend, participate in and vote at any meeting at which the primary representative is absent. Staff recommends keeping Carmelita Underwood, Senior Human Resources Analyst, as the alternate representative.

**LEGAL REVIEW:**

The City Attorney's Office has reviewed the resolution and approved it as to form.

**Prepared by:** Stephanie Sikkema, Finance Director

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**Fiscal Impact**

**FISCAL IMPACT:**

This is strictly an administrative item, therefore; there is no fiscal impact associated with this action.

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**Attachments**

Attachment No. 1 - Resolution No. 2023-54

**CITY COUNCIL GOALS & OBJECTIVES:** Maintain Good Intergovernmental Relations

**RESOLUTION NO. 2023-54**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
WEST COVINA, CALIFORNIA, APPOINTING A PRIMARY  
REPRESENTATIVE AND AN ALTERNATE  
REPRESENTATIVE TO THE BIG INDEPENDENT CITIES  
EXCESS POOL (BICEP) BOARD OF DIRECTORS**

**WHEREAS**, the City of West Covina ("City") is a member of the Big Independent Cities Excess Pool ("BICEP"); and

**WHEREAS**, the Joint Powers Agreement for the Big Independent Cities Excess Pool Joint Powers Authority ("BICEP JPA"), dated July 1, 2006, requires that each member's City Council appoint one director and one alternate director to the Board of Directors of the BICEP JPA; and

**WHEREAS**, the City Council desires to appoint a director and an alternate director to the BICEP JPA Board of Directors.

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

**SECTION 1.** The City Council hereby appoints Stephanie Sikkema, Acting Director of Human Resources and Risk Management, to serve as the City's primary representative on the Board of Directors of the Big Independent Cities Excess Pool Joint Powers Authority.

**SECTION 2.** The individual designated above by the West Covina City Council as the City's primary representative to the BICEP Board of Directors is hereby confirmed and designated as the City's delegate to the BICEP Board of Directors for all purposes of representing the City's interests and exercising the authority of the City with respect to the coverage and the program and voting on behalf of the City on all matters delegated to the Board of Directors and signing such documents as are contemplated to be approved by the Board of Directors under the Liability Program, Workers' Compensation Program and Liability Memorandum of Coverage Agreements. Such individual shall keep the West Covina City Council informed of such matters on a timely basis.

**SECTION 3.** The City Council hereby appoints Carmelita Underwood, Senior Human Resources Analyst, as the City's alternate representative, who shall have the authority to attend, participate in and vote at any meeting of the Board of Directors when the primary representative is absent.

**SECTION 4.** The City Clerk shall certify to the adoption of this resolution and shall enter the same in the book of original resolutions and it shall become effective immediately.

**APPROVED AND ADOPTED** this 20th day of June, 2023.

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Rosario Diaz  
Mayor

**APPROVED AS TO FORM**

**ATTEST**

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Thomas P. Duarte  
City Attorney

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Lisa Sherrick  
Assistant City Clerk

I, LISA SHERRICK, ASSISTANT CITY CLERK of the City of West Covina, California, do hereby certify that the foregoing Resolution No. 2023-54 was duly adopted by the City Council of the City of West Covina, California, at a regular meeting thereof held on the 20th day of June, 2023, by the following vote of the City Council:

AYES:

NOES:

ABSENT:

ABSTAIN:

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Lisa Sherrick  
Assistant City Clerk



## AGENDA STAFF REPORT

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City of West Covina | Office of the City Manager

**DATE:** June 20, 2023

**TO:** Mayor and City Council

**FROM:** Paulina Morales  
Acting City Manager

**SUBJECT:** ANNUAL MILITARY EQUIPMENT REPORT (AB 481)

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### RECOMMENDATION:

It is recommended that the City Council receive and file the annual military equipment report.

### BACKGROUND:

On September 30, 2021, Governor Gavin Newsom signed into law Assembly Bill 481 ("AB 481"), relating to the use of "military equipment" by law enforcement agencies in California. AB 481 seeks to provide transparency, oversight, and an opportunity for meaningful public input on decisions regarding whether and how military equipment is funded, acquired, and used by law enforcement agencies. AB 481, codified in California Government Code sections 7070 through 7075, requires a law enforcement agency to obtain authorization from its governing body, via the adoption of a military equipment use policy via ordinance, approving the use of military equipment.

Under AB 481, the military equipment use policy must be adopted at a regular meeting of the City Council. AB 481 requires that the proposed policy be provided to the City Council and posted on the City's website for at least 30 days before the public meeting at which the policy is considered. On May 17, 2022, the City Council adopted Ordinance No. 2497, adopting a Military Equipment Policy ("Policy") governing the use of items that are deemed "military equipment" under AB 481. The Policy was effective as of June 17, 2022.

Once adopted, AB 481 requires an annual review and renewal of the ordinance, annual reporting on the military equipment identified in the Policy, and an annual community engagement meeting regarding the annual report.

AB 481 requires that the annual military equipment report includes the following information for the immediately preceding calendar year for each type of military equipment:

1. A summary of how the military equipment was used and the purpose of its use.
2. A summary of any complaints or concerns received concerning the military equipment.
3. The results of any internal audits, any information about violations of the military equipment use policy, and any actions taken in response.
4. The total annual cost for each type of military equipment, including acquisition, personnel, training, transportation, maintenance, storage, upgrade, and other ongoing costs, and from what source funds will be provided for the military equipment in the calendar year following submission of the

annual military equipment report.

5. The quantity possessed for each type of military equipment.

6. If the law enforcement agency intends to acquire additional military equipment in the next year, the quantity sought for each type of military equipment.

#### **DISCUSSION:**

The Police Department has prepared an annual report ("Annual Report") in accordance with AB 481 and the Policy. The Annual Report is included as Attachment No. 1. Pursuant to AB 481 and the Policy, the Police Department will host a community engagement meeting on July 12, 2023, at 5:00 pm in the West Covina Council Chambers to discuss the report and respond to questions from the public regarding the funding, acquisition, or use of military equipment.

As outlined above, AB 481 also requires that the City Council annually review and renew the ordinance adopting the Policy. The Police Department has identified additional items that are considered "military equipment" under AB 481. To comply with AB 481, the Police Department anticipates presenting a proposed amended military equipment use policy for the City Council's consideration at the July 18, 2023 City Council meeting.

#### **LEGAL REVIEW:**

The City Attorney's Office has reviewed this report.

**Prepared by:** Brandon Karmann, Lieutenant

**Additional Approval:** Richard Bell, Chief of Police

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#### **Fiscal Impact**

##### **FISCAL IMPACT:**

This agenda item is to receive and file, therefore; there is no fiscal impact associated with this action.

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#### **Attachments**

Attachment No. 1 - Annual Military Equipment Report

**CITY COUNCIL GOALS & OBJECTIVES:** Protect Public Safety



## **West Covina Police Department Annual Military Equipment Report 2022**

California Government Code §§ 7070, 7071, and 7072

On September 30, 2021, Governor Gavin Newsom signed into law Assembly Bill 481 ("AB 481"), relating to the use of "military equipment" by law enforcement agencies in California. AB 481 seeks to provide transparency, oversight, and an opportunity for meaningful public input on decisions regarding whether and how military equipment is funded, acquired, and used by law enforcement agencies. AB 481, codified in California Government Code sections 7070 through 7075, requires a law enforcement agency to obtain authorization from its governing body, via the adoption of a military equipment use policy via ordinance, approving the use of military equipment.

According to AB 481, the military equipment use policy must be adopted at a regular meeting of the City Council. AB 481 requires that the proposed policy be provided to the City Council and posted on the City's website for at least 30 days before the public meeting at which the policy is considered. On May 17, 2022, the City Council adopted Ordinance No. 2497, adopting a Military Equipment Policy ("Policy") governing the use of items that are deemed "military equipment" under AB 481. The Policy was effective as of June 17, 2022.

Once adopted, AB 481 requires an annual review and renewal of the ordinance, annual reporting on the military equipment identified in the Policy, and an annual community engagement meeting regarding the annual report.

AB 481 requires that the annual military equipment report include the following information for the immediately preceding calendar year for each type of military equipment:

- (1) A summary of how the military equipment was used and the purpose of its use.
- (2) A summary of any complaints or concerns received concerning the military equipment.
- (3) The results of any internal audits, any information about violations of the military equipment use policy, and any actions taken in response.
- (4) The total annual cost for each type of military equipment, including acquisition, personnel, training, transportation, maintenance, storage, upgrade, and other ongoing costs, and from what source funds will be provided for the military equipment in the calendar year following submission of the annual military equipment report.
- (5) The quantity possessed for each type of military equipment.
- (6) If the law enforcement agency intends to acquire additional military equipment in the next year, the quantity sought for each type of military equipment.

This annual Military Equipment Report ("Report") satisfies the reporting requirements outlined in California Government Code § 7072.

To meet the requirements of the Report under AB 481, a review was conducted of the Police Department's military equipment and the findings are included in this Report.

**2022 Military Equipment Use, Amount of Usage, and Annual Cost:**

| Item  | Military Equipment Use                                   | Amount of Usage      | 2022 Annual Expenditures              | Source of Funds for 2023 |
|---|--|----------------------|---------------------------------------|--------------------------|
| UAS   | a) Field deployment<br>b) Training                       | a) 8<br>b) 6         | \$0 (miscellaneous parts and battery) | General Fund             |
| Robots  | a) Field deployment<br>b) Training                       | a) 0<br>b) 2         | \$0 (miscellaneous parts and battery) | General Fund             |
| Armored Vehicle MRAP                          | a) Not used  | a) N/A               | \$0 (maintenance and storage)         | General Fund             |
| Armored Vehicle Peacekeeper                   | a) Field deployment<br>b) Training                       | a) 4<br>b) 6         | \$0 (maintenance and storage)         | General Fund             |
| Armored Vehicle Bearcat                       | a) Field deployment<br>b) Training                       | a) 10<br>b) 20       | \$1,043.77 (maintenance and storage)  | General Fund             |
| Mobile Command Post                           | a) Field deployment<br>b) Training<br>c) Dispatch Center | a) 5<br>b) 3<br>c) 3 | \$593.25 (maintenance)                | General Fund             |
| Breaching Apparatus (Shotguns and Ammunition) | a) Field deployment<br>b) Training                       | a) 0<br>b) 1         | \$0 (maintenance and ammunition)      | General Fund             |
| Firearms of .50 Caliber and Ammunition        | a) Field deployment<br>b) Training                       | a) 0<br>b) 2         | \$0 (maintenance and ammunition)      | General Fund             |
| Specialized Firearms (Colt M4)                | a) Field deployment<br>b) Training                       | a) 200<br>b) 200     | \$0 (maintenance)                     | General Fund             |
| Specialized Firearms (AR-10)                  | a) Field deployment<br>b) Training                       | a) 0<br>b) 8         | \$0 (maintenance and ammunition)      | General Fund             |
| Specialized Firearms (Colt M4 Commando)       | a) Field deployment<br>b) Training                       | a) 60<br>b) 60       | \$0 (maintenance)                     | General Fund             |
| Specialized Firearms (MPX)                    | a) Field deployment<br>b) Training                       | a) 12<br>b) 4        | \$0 (maintenance)                     | General Fund             |
| Specialized Firearms (M{P5)                   | a) Field deployment<br>b) Training                       | a) 20<br>b) 6        | \$0 (maintenance)                     | General Fund             |
| Diversiory Device (Flashbang)                 | a) Field deployment<br>b) Training                       | a) 6<br>b) 12        | \$0 (inventory replacement)           | General Fund             |
| Chemical Agents                               | a) Field deployment<br>b) Training                       | a) 16<br>b) 3        | \$0 (inventory replacement)           | General Fund             |
| Chemical Agent Launchers                      | a) Field deployment<br>b) Training                       | a) 4<br>b) 2         | \$0 (maintenance and ammunition)      | General Fund             |
| 40mm Launchers and Munitions                  | a) Field deployment<br>b) Training                       | a) 11<br>b) 4        | \$0 (maintenance and ammunition)      | General Fund             |
| Bean Bag Launchers                            | a) Field deployment<br>b) Training                       | a) 1<br>b) 4         | \$0 (maintenance and ammunition)      | General Fund             |

## Approved West Covina Police Department Military Equipment:

1. **Unmanned Aircraft System (UAS):** An unmanned aircraft along with the associated equipment necessary to control it remotely.
  - a. Description, quantity, capabilities, and purchase cost
    - i. DJI MAVIC MATRICE 210 | Cost: \$16,910 each | Quantity: 2 | UAS weighing approximately 13.5 lbs., approximately 30 minutes of flight time, and attachments including FLIR camera, spotlight, optical zoom camera, and ability to record video.
    - ii. DJI SPARK | Cost: \$500 each | Quantity: 3 | UAS with a single-color camera, weighs approximately 0.6 lbs., approximately 15-20 minutes of flight time, and has video recording capabilities.
    - iii. DJI PHANTOM 4 Pro | Cost: \$3,500 each | Quantity: 2 | UAS that weighs approximately 3 lbs., has approximately 30 minutes of flight time, and is capable of video recording.
  - b. Purpose

To be deployed when its view would assist officers or incident commanders with the following situations, which include but are not limited to:

    - i. Major collision investigations
    - ii. Search for missing persons
    - iii. Natural disaster management
    - iv. Crime scene photography
    - v. Special Problems Detail [Special Weapons and Tactics (SWAT)/Hostage Negotiations Team (HNT)], tactical, or other public safety and life preservation missions
    - vi. In response to specific requests from local, state, or federal fire authorities for major incidents
  - c. Authorized Use

Only assigned operators who have completed the required training shall be permitted to operate any UAS during approved missions.
  - d. Expected Lifespan

All UAS Equipment: 3 to 7 years
  - e. Fiscal Impact

All UAS Equipment: Annual maintenance and battery replacement cost are approximately \$0 to \$3,000
  - f. Training

All Department UAS operators are licensed by the Federal Aviation Administration for UAS operation. In addition, each operator must attend a basic UAS operator course and ongoing bi-monthly unit training.
  - g. Legal and Procedural Rules

Use is established in FAA Regulation 14 CFR Part 107, and the Department's UAS policy (Unmanned Aerial System (UAS) Operations). It is the policy of the Department to utilize UAS only for official law enforcement purposes and according to State and Federal law.
2. **Unmanned, Remotely Piloted, Ground Vehicles (Robots):** A remotely controlled unmanned machine that operates on the ground to enhance the safety of the community and officers.
  - a. Description, quantity, capabilities, and cost
    - i. iRobot PacBot Model BB2590 | Cost: \$0 each | Quantity: 3 | The PacBot is a heavy-duty battery-powered robot. It has a stair-climbing ability and an arm capable of lifting several pounds. The PacBot is also equipped with a camera that can provide a live video and audio feed to the operator.
    - ii. iRobot PacBot PCC | Cost: \$0 each | Quantity: 3 | The PacBot PCC is a suitcase-style monitor and controller that the operator uses to operate the iRobot PacBot robot. The suitcase is rugged and robust and utilizes 110 volts to operate.
  - b. Purpose

To be used to remotely gain visual data, deliver an HNT phone, open doors, and clear buildings without



requiring an officer to enter.

c. Authorized Use

Only assigned operators who have completed the required training shall be permitted to operate the robots.

d. Expected Lifespan

All robots: 3 to 5 years

e. Fiscal Impact

All robots: Annual maintenance and battery replacement cost are approximately \$0 to \$5,000

f. Training

All robot operators must complete an 8-hour Department training to operate the robots during live operations. Operators also complete reoccurring training throughout the year.

g. Legal and Procedural Rules

It is the policy of the Department to utilize a robot only for official law enforcement purposes and according to State and Federal law.

**3. Armored Vehicle:** Commercially produced wheeled armored personnel vehicle utilized for law enforcement purposes.

a. Description, quantity, capabilities, and purchase cost

- i. 2012 BAE Systems Tactical Vehicle Systems Mine Resistant Ambush Protected (MRAP) Vehicle | Cost: \$0 each (Obtained through the Federal 1033 Program) | Quantity: 1 | The Mine Resistant Ambush Protected Vehicle is an armored vehicle that seats 10 personnel with an open floor plan that allows for rescue of down personnel. It can stop various projectiles, which provides greater safety to citizens and officers beyond the protection level of shield and personal body armor. Provides greater levels of survivability and mobility to navigate challenging and unpredictable environments. Greater survivability is achieved through an enhanced monolithic floor, a strengthened chassis frame, and highly effective blast-absorbing seats.
- ii. Cadillac Gage Commando Ranger, Peacekeeper | Cost: \$0 each (Obtained through the Federal 1033 Program) | Quantity: 1 | The Peacekeeper is an armored vehicle that seats 8 personnel with an open floor plan that allows for rescue of down personnel. It can stop various projectiles, which provides greater safety to citizens and officers beyond the protection level of shield and personal body armor.
- iii. Lenco Bearcat, G2 | Cost: \$304,630 each | Quantity: 1 | The Bearcat is an armored vehicle that seats 10 to 12 personnel with an open floor plan that allows for the rescue of down personnel. It can stop various projectiles, which provides greater safety to citizens and officers beyond the protection level of shield and personal body armor.

b. Purpose

- i. The MRAP has been exclusively designated as a Rescue Vehicle and will be referred to as the Rescue Vehicle or RV-1. The primary purpose of the Rescue Vehicle (RV-1) is to perform high-risk rescues or rapid extractions of persons during times of crisis. RV-1 is also designed to safely transport officers into positions of tactical advantage during critical incidents. RV-1 will be utilized when other Department resources are impractical. RV-1 provides greater safety to citizens and officers beyond the protection level of shield and personal body armor and can protect the occupants from IEDs or other explosive devices.
- ii. The primary purpose of the Peacekeeper and Bearcat is to protect employees during high-risk incidents. They are also designed to safely transport officers into positions of tactical advantage or to evacuate civilian personnel during critical incidents. Both vehicles provide greater safety to citizens and officers beyond the protection level of shield and personal body armor.

c. Authorized Use

An armored vehicle may be used if one or more of the following criteria are present:

- i. Incidents where human lives may be in immediate peril
- ii. Incidents where a threat of confrontation by gunfire or other weapons exists
- iii. Incidents involving a significant threat of violence
- iv. Rapid response deployments
- v. Acts of terror (violent attacks upon populated areas such as schools, community events, government buildings, shopping malls, and places of worship)
- vi. Natural disasters (significant earthquakes, major fires, floods, etc.)
- vii. Incidents deemed appropriate by the Chief of Police or their designee
- viii. Training exercises or approved demonstrations
- d. Expected Lifespan
  - i. MRAP: Approximately 25 years
  - ii. Peacekeeper: Approximately 25 years
  - iii. Lenco Bearcat G2: Approximately 25 years
- e. Fiscal Impact
  - i. MRAP: Annual maintenance cost of approximately \$0 to \$1,000
  - ii. Peacekeeper: Annual maintenance cost of approximately \$0 to \$2,000
  - iii. Bearcat: Annual maintenance cost of approximately \$0 to \$5,000
- f. Training  
Armored vehicles may only be operated by employees who possess the proper licensing and have been trained in the proper use of the vehicle. Employees designated as operators of one or more armored vehicles shall receive training in the safe operation and care for each vehicle and show competence before operating any of the listed armored vehicles.
- g. Legal and Procedural Rules  
Use is established in the Manual (Vehicle Use, Vehicle Maintenance, and Specialty Vehicle Deployment). It is the policy of the Department to utilize armored vehicles for official law enforcement purposes, according to State and Federal law.

**4. Command and Control Vehicles:** The mobile command post (MCP) is a vehicle used as a mobile office that provides shelter, access to Department computer systems, dispatch communication consoles, radio communications, and restroom facilities during extended events.

- a. Description, quantity, capabilities, and purchase cost  
2014 Mobile Specialty Vehicles (custom-built, using a Lone Star chassis) 40 LS Lone Star | Cost: \$471,806 | Quantity: 1 | A Class A RV outfitted with radio communications, computers, computer-aided dispatch (CAD) capabilities, monitors, and restroom to function as a mobile office for members of the department during department-approved functions.
- b. Purpose  
The purpose of the Mobile Command Post is to provide a safe and private location for employees to conduct Department business or to act as the Command Center as needed.
- c. Authorized Use  
Only officers trained in their deployment and operations in a manner consistent with Department policy and training are authorized to operate the MCP. The Mobile Command Post may be deployed for the following:
  - i. Major Criminal Investigations
  - ii. Major Traffic Investigations
  - iii. Critical Incidents
  - iv. Natural Disasters
  - v. Special Problems Detail (SPD) Call-outs or Pre-Planned Events
  - vi. Community Events

- vii. Supporting or Replacing the Command Center (e.g., outages, repairs)
- viii. Requests of use by outside law enforcement agencies with the approval of the Chief of Police or their designee
- d. Expected Lifespan  
MCP: 20 years on chassis and vehicle structure
- e. Fiscal Impact  
MCP: Annual maintenance cost is approximately \$0 to \$5,000
- f. Training  
The MCP may only be operated by employees who possess the proper licensing and have been trained in the proper care and use of the vehicle.
- g. Legal and Procedural Rules  
Use is established under the Manual (Vehicle Use, Vehicle Maintenance, and Specialty Vehicle Deployment). It is the policy of the Department to use the MCP only for official law enforcement purposes and to follow California State law regarding the operation of motor vehicles.

**5. Breaching Apparatuses Explosive in Nature:** Tools that are used to conduct an explosive breach.

- a. Description, quantity, capabilities, and purchase cost
  - i. Remington Model 870 BRS Breaching 12 Gauge, 11-Inch Stand-Off Barrel | Cost: \$645 each | Quantity: 2 | This weapon allows for breachers to safely utilize shotgun breaching round to destroy deadbolts, locks, and hinges. The breaching stand-off device that is attached to the end of the barrel allows for positive placement of the gun into the correct position and vents gases to prevent overpressure.
  - ii. Mossberg 590 12 Gauge Shotgun with an Affixed 18.5" Security Breaching Barrel | Cost: \$583 each | Quantity: 2 | This weapon allows for breachers to safely utilize shotgun breaching round to destroy deadbolts, locks, and hinges. The breaching stand-off device that is attached to the end of the barrel allows for positive placement of the gun into the correct position and vents gases to prevent overpressure.
  - iii. Royal Arms Tesar-2 Black Cap 425 Grain Copper Frangible Breaching Round | Cost: \$5 each | Quantity: Not to exceed 75 | The round is fired from a breaching shotgun and is used to destroy deadbolts, locks, and hinges.
  - iv. Royal Arms Tesar-4 Yellow Cap 750 Grain Copper Frangible Breaching Round | Cost: \$5 each | Quantity: Not to exceed 75 | The round is fired from a breaching shotgun and is used to destroy deadbolts, locks, and hinges.
- b. Purpose  
Used to provide officers a way to safely gain entry into a structure.
- c. Authorized Use  
Absent exigent circumstances, only sworn members who have completed Department-approved training may be issued or use breaching shotguns. The breaching rounds can also be used for training exercises or approved demonstrations.
- d. Expected Lifespan
  - i. Breaching Shotguns: 25 years
  - ii. Royal Arms Tesar-2 black cap 425-grain copper breaching round: 5 years
  - iii. Royal Arms Tesar-4 yellow cap 750-grain copper frangible breaching round: 5 years
- e. Fiscal Impact
  - i. Breaching Shotguns: Annual maintenance of approximately \$0 to \$50
  - ii. Breaching Round: Expected annual cost between \$0 to \$300 to replenish used stock
- f. Training  
Sworn members utilizing a breaching shotgun must be certified to do so by a certified breaching instructor during Department-approved training. Additionally, members of the SPD SWAT Team will receive training

on breaching shotguns bi-yearly and that training will be conducted by a certified breaching instructor in two-hour blocks.

g. Legal and Procedural Rules

It is the policy of the Department to utilize breaching shotguns and the associated munitions only for official law enforcement purposes, according to State and Federal law.

**6. Firearms of .50 Caliber and Ammunition:** A .50 caliber bolt-action rifle is defined as a centerfire rifle that can fire a .50 BMG cartridge and is not already an assault weapon or a machinegun as defined by Penal Code section 16880. A “.50 BMG cartridge” means a cartridge that is designed and intended to be fired from a centerfire rifle and that meets all of the following criteria: It has an overall length of 5.54 inches from the base to the tip of the bullet, the bullet diameter for the cartridge is from .510 to, and including, .511 inch, the case base diameter for the cartridge is from .800 inch to, and including, .804 inch, and the cartridge case length is 3.91 inches. (Penal Code §§ 30525, 30530.)

a. Description, quantity, capabilities, and purchase cost

- i. McMillian TAC-50 Bolt Action Sniper Rifle | Cost: \$7,100 each | Quantity: 1 | The McMillan TAC-50 is a manually operated, rotary bolt-action rifle. The large bolt has dual front locking lugs, and its body has spiral flutes to reduce weight. The heavy match-grade barrel is also fluted to dissipate heat quickly and reduce overall weight, and fitted with an effective muzzle brake to reduce recoil. The rifle is fed from detachable box magazines, holding 5 rounds each. The stock is made from fiberglass by McMillan Stocks and is designed to be used from a bipod only. The buttstock is adjustable for the length of pull with rubber spacers and can be removed for compact storage. The rifle has no open sights; it can be used with a variety of telescopic or night sights. The rifle can be also used to hit subjects that are hiding behind cover and walls, as its powerful ammunition can penetrate through bricks and concrete.
- ii. Hornady .50 Caliber BMG 750 Grain A-Max Ammunition Cartridge | Cost: \$67 (per box of 10) | Quantity: Not to exceed 1,000 | Loaded to exacting specifications to provide pinpoint accuracy. Each cartridge is loaded with either Hornady® A-MAX® bullets, high-performance boat tail hollow points, or the new, radically superior ELD® Match bullets. Stringent quality control ensures proper bullet seating, consistent charges and pressures, optimal velocity, consistent overall length, and repeatable accuracy.

b. Purpose

The rifle provides authorized personnel with the capability to pierce hard armor, multiple layers of mild steel, or substantial brick, concrete, and other materials that may give hard cover to armed and/or dangerous suspects. It can also be used to disable vehicles, disrupt homemade explosives, provide over-watch protection, and for tactical porting. Tactical porting is the use of a projectile fired from a hard target rifle to create a port or hole.

c. Authorized Use

The use of the rifle is restricted to designated and authorized members of the SPD SWAT Team. Operators must attend an approved 40-hour training course provided by a certified instructor. Once certified authorized users must qualify with the rifle every year.

d. Expected Lifespan

- i. McMillian TAC-50 Bolt Action 50. Caliber Rifle: 20 years
- ii. Hornady .50 Caliber BMG 750 Grain A-Max ammunition: No expiration

e. Fiscal Impact

- i. Rifle: Annual maintenance is approximately \$0 to \$200 per rifle
- ii. Ammunition: Expected annual cost between \$0 to \$500 to replenish used stock

f. Training

Before deploying the rifle, designated SPD SWAT Team members must attend an approved 40-hour training course provided by a certified instructor. Once certified, authorized users must qualify with the rifle every year.

g. Legal and Procedural Rules

Use is established under the Manual (Use of Force and Firearms). It is the policy of the Department to utilize the rifle only for official law enforcement purposes, and according to State and Federal law including those regarding the use of force.

**7. Specialized Firearms and Ammunition:** Firearms that are fired from shoulder level, having a long spirally grooved barrel intended to make bullets spin and thereby have greater accuracy over a long distance.

a. Description, quantity, capabilities, and purchase cost

- i. Colt M4 Carbine 5.56MM Rifle, Model: LE6920MPS B | Cost: \$636.55 each | Quantity: Not to exceed 80 | The carbine rifle is a firearm, capable of accurately stopping an armed subject at various distances. The carbine rifle is a lightweight, air-cooled, gas-operated, magazine-fed, shoulder-fired weapon, designed for semi-automatic & selective fire. The projectile is capable of penetrating soft body armor being worn by armed subjects.
- ii. DPMS Panther Arms AR-10 .308 Caliber Rifle, Model: LR-308 | Cost: \$1,500 each | Quantity: 4 | The DPMS with a 16" customized barrel, AR-10, is a precision style rifle. The firearm is chambered in .308 Winchester/7.62 NATO Rifle and has a 16" customized precision barrel. The magazine holds 20 rounds of ammunition and the rifle has a collapsible stock. This rifle is primarily used in an over-watch capacity to protect the community and SPD SWAT Team members during large events and critical incidents. The projectile is capable of penetrating soft body armor being worn by armed subjects.
- iii. Federal Cartridge .308 Winchester Tactical Bonded Tip 168 Grain Duty Ammunition Cartridge | Cost: \$319 (per case of 500) | Quantity: Not to exceed 10,000 | The Tactical Bonded Rifle Ammunition is a Federal product made exclusively for law enforcement. It achieves accuracy and terminal performance unmatched by any other ammunition. Designed to defeat the toughest barriers with minimal deflection or deviation for the most intense situations.
- iv. Colt 5.56MM, M4 Commando Carbine Lower Receiver with Daniel Defense MK18 Upper Receiver Group | Cost: \$1,900 each | Quantity: Not to exceed 30 | The carbine rifle is a firearm, capable of accurately stopping an armed subject at various distances. The carbine rifle is a lightweight, air-cooled, gas-operated, magazine-fed, shoulder-fired weapon, designed for semi-automatic and selective fire. The projectile is capable of penetrating soft body armor being worn by armed subjects.
- v. Sig Sauer MPX Suppressed 9MM Sub-gun | Cost: \$1,400 each | Quantity: Not to exceed 20 | The MPX is a firearm, capable of accurately stopping an armed subject at various distances. It is compact and designed to match firepower while also having the capability to clear enclosed or close combat spaces.
- vi. Heckler & Koch MP5 9MM Sub-gun | Cost: \$2,500 each | Quantity: Not to exceed 20 | The MP5 is a firearm, capable of accurately stopping an armed subject at various distances. It is compact and designed to match firepower while also having the capability to clear enclosed or close combat spaces.

b. Purpose

To be used as precision weapons to address a threat with more accuracy and/or greater distances than a handgun, if present and feasible. These firearms can also be used to match the firepower of the threat being faced, as well as to penetrate barriers or barricades in critical incidents.

c. Authorized Use

Use of all of the listed firearms is guided by the Manual. The Colt M4 Carbine is authorized to be carried by all officers regardless of assignment. The AR-10 and M4 Commando carbine rifles are specifically used by SWAT. The MPX and MP5 are specifically used by SWAT and the Special Enforcement Team (SET). All of these firearms are only authorized for use by an officer after attending an approved training with annual training and qualifications thereafter.

d. Expected Lifespan

- i. Colt M4 Carbine 5.56MM Rifle: 20 years
- ii. DPMS Panther Arms AR-10 .308 Caliber Rifle, Model: LR-308: 20 years

- iii. Federal Cartridge .308 Winchester Tactical Bonded Tip 168 Grain Duty Ammunition Cartridge: No expiration
- iv. Colt 5.56MM, M4 Commando Carbine Lower Receiver with Daniel Defense MK18 Upper Receiver Group: 20 years
- v. Sig Sauer MPX Suppressed 9MM Sub-gun: 20 years
- vi. Heckler & Koch MP5 9MM Sub-gun: 20 years
- e. Fiscal Impact
  - i. Rifles: Annual maintenance is approximately \$0 to \$100 per rifle
  - ii. Ammunition (.308 Winchester): Expected annual cost between \$200 and \$1,000 to replenish used stock
- f. Training  
The officers receive training during orientation and conduct continual annual training. The AR-10 and M4 Commando carbine rifles are specifically used by SWAT. The MPX and MP5 are specifically used by SWAT and the Special Enforcement Team (SET). Before deploying specialty rifles, designated SET and/or SWAT Team members must attend an approved training course provided by a certified instructor. Once certified, authorized users must qualify with the rifle every year.
- g. Legal and Procedural Rules  
Use is established under Manual (Use of Force, Firearms, and Patrol Rifles). It is the policy of the Department to utilize these rifles and the associated munitions only for official law enforcement purposes, according to State and Federal law.

**8. Diversionary Devices (Flashbangs):** A diversionary device is ideal for distracting dangerous suspects during assaults, hostage rescue, room entry, or other high-risk arrest/search warrant situations.

- a. Description, quantity, capabilities, and purchase cost
  - i. Defense Technology Low Roll Reloadable Flashbang (#8933) with 12-Gram Reload (#8901) | Cost: \$33.23 each | Quantity: Not to exceed 60 | The Low Roll Reloadable Flashbang is an explosive device that produces a flash of light and a sudden, loud noise intended to temporarily stun, distract, and disperse people. It is thrown by hand or projected and produces 175 dB of sound output at 5 feet and 6-8 million candelas for 10 milliseconds.
  - ii. Combined Tactical Systems, 7290m Mini Flashbang | Cost: \$38 each | Quantity: Not to exceed 60 | The 7290M Flashbang is an explosive device that produces a flash of light and a sudden, loud noise intended to temporarily stun, distract, and disperse people. It produces 175db of sound output and produces 6-8 million candelas of light.
  - iii. Combined Tactical Systems, 7290-9 Flashbang | Cost: \$138.70 each | Quantity: Not to exceed 60 | The 7290-9 Flashbang is an explosive device that produces a flash of light and a sudden, loud noise intended to temporarily stun, distract, and disperse people.
- b. Purpose  
The proper use and deployment of diversionary devices can increase officer safety and assist officers with the successful completion of a tactical situation. This includes, but is not limited to barricaded suspects, hostage situations, high-risk warrant service, or any life-threatening situation.
- c. Authorized Use  
Absent exigent circumstances, only sworn members who have completed Department-approved training by a certified Department-approved trainer may be issued, use, or carry diversionary devices. The devices shall be stored and carried within Federal regulations. These devices can also be used for training exercises or approved demonstrations.
- d. Expected Lifespan
  - i. Defense Technology Low Roll Flash-Bang Body 8933: Approximately 26 deployments
  - ii. Defense Technology Distraction Device Reload 12-Gram 8901: Until used
  - iii. Combined Tactical Systems 7290M Mini Flash-Bang: Until used

iv. Combined Tactical Systems 7290-9 Flash-Bang: Until used

e. Fiscal Impact

The expected annual cost of \$500 to \$4,000 to replenish used stock (including training deployments)

f. Training

Before use, officers must attend diversionary device training that is conducted by a certified Department approved instructor. Additionally, members of the SPD SWAT Team will conduct two two-hour training blocks on the use of diversionary devices yearly.

g. Legal and Procedural Rules

Use is established in the Manual (Use of Force and Diversionary Devices - Flashbangs). It is the policy of the Department to utilize diversionary devices only for official law enforcement purposes, and according to State and Federal law regarding the use of force.

**9. Chemical Agents:** Canisters that contain chemical agents (such as CS (2-chlorobenzalmalononitrile), OC (Oleoresin Capsicum), and CN (Chloroacetophenone)) that are released when deployed.

a. Description, quantity, capabilities, and purchase cost

i. Defense Technology Pocket Tactical Grenade, CS, #1016 | Cost: \$29.77 each | Quantity: Not to exceed 30 | The Pocket Tactical Grenade is a small, lightweight, easily carried device that provides a medium volume of a chemical agent (CS) or smoke for certain situations. It was designed with the tactical team in mind for distraction, concealment, rescue, or signaling. The pocket grenade is not specifically intended as a crowd management device; however, it can be used in chemical configurations in conjunction with larger smoke canisters to “piggyback” chemical agents into a predominately smoke environment.

ii. Defense Technology Pocket Tactical Grenade, Saf-Smoke, #1017 | Cost: \$29.77 each | Quantity: Not to exceed 30 | The Pocket Tactical Grenade is a small, lightweight, easily carried device that provides a medium volume of a chemical agent or smoke for certain situations. It was designed with the tactical team in mind for distraction, concealment, rescue, or signaling. The pocket grenade is not specifically intended as a crowd management device; however, it can be used in chemical configurations in conjunction with larger smoke canisters to “piggyback” chemical agents into a predominately smoke environment.

iii. Defense Technology Spede-Heat Continuous Discharge Chemical Grenade, CS, #1072 | Cost: \$30 each | Quantity: Not to exceed 30 | The Spede-Heat™ Grenade is designed specifically for outdoor use in crowd control situations. It is a high-volume continuous burn device that expels its CS payload in approximately 20 - 40 seconds from a single source.

iv. Defense Technology Large Style Maximum Smoke, #1073, | Cost: \$38.29 each | Quantity: Not to exceed 30 | The Large Style Maximum Smoke Grenade is designed specifically for outdoor use in crowd management situations. It is a high-volume, slow-burning device that deploys large quantities of grey-white-colored smoke for approximately 1.5 to 2 minutes. It can be utilized as a carrying agent (multiplier) for smaller OC, CN, or CS munitions, or for concealing the movement of agency personnel. It may also be used as a distraction to focus attention away from other activities.

v. Defense Technology Maximum HC Smoke Military-Style Canister, #1083, | Cost: \$35.62 each | Quantity: Not to exceed 30 | The Military-Style Maximum Smoke Grenade comes from the Defense Technology® #3 smoke grenade. It is a slow-burning, high-volume, continuous-discharge grenade designed for outdoor use in crowd management situations. Emits grey-white smoke only for approximately 1.5 to 2 minutes.

vi. Defense Technology Stinger CS Rubber Ball Grenade, #1088 | Cost: \$50.62 each | Quantity: Not to exceed 30 | The Stinger® Grenade is a combination of a Less Lethal Impact Munitions and a Distraction Device® that may incorporate optional CS or OC laden powder if desired. The Stinger® Grenade is a maximum effect device as it delivers up to four stimuli for psychological and physiological effect: rubber

pellets, light, sound, and an optional chemical agent or OC. The blast is sufficient to project the rubber balls and optional chemical agent in a 50-foot radius. The Stinger® Grenade is most widely used as a crowd management tool by law enforcement and corrections in indoor and outdoor operations. As a pain compliance, distraction, and disorientation device for crowd management, it may be hand thrown or launched in the general direction of the crowd. It may be deployed for ground bursts or aerial bursts at the discretion of the operator. It is generally reserved as the last selection when chemical agents and less lethal impact munitions have not resolved the disorder or routed the crowd.

- vii. Defense Technology Han-Ball Rubber Ball Grenade, CS, #1092 | Cost: \$37.10 each | Quantity: Not to exceed 30 | The Han-Ball™ Rubber Ball Grenade is a fast-burning, high-volume continuous discharge grenade available in OC, CN, CS, and Saf-Smoke™. Designed specifically for outdoor use in crowd management situations. It is excellent for the rapid delivery of a chemical agent or smoke in quickly changing tactical situations.
- viii. Defense Technology Han-Ball Grenade, Saf-Smoke, #1093 | Cost: \$37.10 each | Quantity: Not to exceed 30 | The Han-Ball™ Rubber Ball Grenade is a fast-burning, high-volume continuous discharge grenade available in OC, CN, CS, and Saf-Smoke™. It is excellent for the rapid delivery of a chemical agent or smoke in quickly changing tactical situations. Hand throw or launch use only. Launching of grenades will provide deploying officers with additional standoff distances. This grenade offers coverage for large outdoor areas. In the Saf-Smoke™ configuration, it can be utilized for concealing the movement of agency personnel. It may also be used as a distraction to focus attention away from other activities.
- ix. Defense Technology OC Aerosol Grenade Fogger, 1 OZ., #56814 | Cost: \$13.75 each | Quantity: Not to exceed 30 | The Aerosol Grenade Fogger is a non-pyrotechnic that contains no chlorofluorocarbons (CFCs), is not a fire hazard, and requires minimal decontamination. It is designed for use in tactical indoor operations by law enforcement. The purpose of the Aerosol Grenade Fogger is to minimize the risks to all parties through pain compliance, temporary discomfort, and/or incapacitation of potentially violent or dangerous subjects. The 1.3% Major Capsaicinoids provide sufficient effects in confined areas of up to 6,000 cubic feet such as attics, crawl spaces, garages, and interior rooms.
- x. Defense Technology OC Aerosol Grenade Fogger, 6 OZ., #56854 | Cost: \$18.35 each | Quantity: Not to exceed 30 | The Aerosol Grenade Fogger is a non-pyrotechnic that contains no CFCs, is not a fire hazard, and requires minimal decontamination. It is designed for use in tactical indoor operations by law enforcement. The purpose of the Aerosol Grenade Fogger is to minimize the risks to all parties through pain compliance, temporary discomfort, and/or incapacitation of potentially violent or dangerous subjects. The 1.3% Major Capsaicinoids provide sufficient effects in confined areas of up to 25,000 cubic feet such as attics, crawl spaces, garages, and interior rooms.
- xi. Combined Tactical Systems (CTS) 5230B CS Baffled Canister Grenade, Pyro, Low Flame | Cost: \$45.20 each | Quantity: Not to exceed 100 | Pyrotechnic grenade designed for indoor/outdoor use delivering a maximum amount of irritant smoke throughout multiple rooms with minimal risk of fire.
- xii. Combined Tactical Systems (CTS) 6340 OC Vapor Grenade | Cost: \$45.25 each | Quantity: Not to exceed 30 | This unique grenade delivers an invisible OC vapor and renders an intense respiratory effect to a non-compliant subject. The CTS 6340 has a 1-5 second discharge time and discharges OC vapor through three emission ports.
- xiii. Defense Technology First Defense 1.3% MK-9 Stream, Gel, or Foam OC Aerosol, #56895, 56591, 56891, 56792 | Cost: \$47.32 each | Quantity: Not to exceed 12 | The MK-9 features an easy to use trigger handle, is intended for use in crowd management, and will deliver 14 short bursts of OC at an effective range of 18-20 ft. This 1.3% MC OC aerosol product utilizes a stream delivery method providing a target-specific, strong concentrated stream for greater standoff.
- xiv. Defense Technology 1.3% MK-46V Stream OC Aerosol, #43046 | Cost \$380.85 each | Quantity: Not to exceed 6 | The MK-46 features a trigger handle, is intended for use in crowd management, and will



deliver 26 short bursts of OC at an effective range of 25-30 ft. This 1.3% MC OC aerosol product utilizes a stream delivery method providing a target-specific, strong concentrated stream for greater standoff.

b. Purpose

Chemical agents may be used for crowd control, crowd dispersal, or against barricaded suspects based on the circumstances. This is done to limit the escalation of conflict where employment of lethal force is prohibited or undesirable.

c. Authorized Use

Absent exigent circumstances, only sworn members who have completed Department-approved training may be issued, use, or carry chemical agents. These chemical agents can also be used for training exercises or approved demonstrations.

d. Training

Sworn members utilizing chemical agent canisters must be certified by a Department chemical agent instructor during orientation and reoccurring Department in-service training. Additionally, members of the SPD SWAT Team will receive training on chemical agents bi-yearly and that training will be conducted by a certified chemical agent instructor in two-hour blocks.

e. Expected Lifespan

- i. Defense Technology Pocket Tactical Grenade, CS, #1016: 5 years
- ii. Defense Technology Pocket Tactical Grenade, Saf-Smoke: #1017: 5 years
- iii. Defense Technology Spede-Heat Continuous Discharge Chemical Grenade, CS: #10725: 5 years
- iv. Defense Technology Large Style Maximum Smoke: #1073: 5 years
- v. Defense Technology Maximum HC Smoke Military-Style Canister: #1083: 5 years
- vi. Defense Technology Stinger CS Rubber Ball Grenade: #1088: 5 years
- vii. Defense Technology Han-Ball Rubber Ball Grenade, CS: #1092: 5 years
- viii. Defense Technology Han-Ball Grenade, Saf-Smoke: #1093: 5 years
- ix. Defense Technology OC Aerosol Grenade Fogger, 10Z: #56814: 5 years
- x. Defense Technology OC Aerosol Grenade Fogger, 60Z: #56854: 5 years
- xi. Combined Tactical Systems (CTS) CS Baffled Canister Grenade, Pyro, Low-Flame: 5230B: 5 years
- xii. Combined Tactical Systems (CTS) OC Vapor Grenade: 6340: 5 years
- xiii. Defense Technology First Defense 1.3% MK-9 Stream, Gel, or Foam OC Aerosol: #56895, 56591, 56891, 56792: 5 years
- xiv. Defense Technology 1.3% MK-46V Stream OC Aerosol: #43046: 5 years

f. Fiscal Impact

The expected annual cost of \$2,500 to \$10,000 to replenish used stock (including training deployments)

g. Legal and Procedural Rules

Use is established under the Manual (Use of Force, Chemical Agents, and Oleoresin Capsicum - OC). It is the policy of the Department to utilize chemical agents only for official law enforcement purposes, and according to State and Federal law, including those regarding the use of force.

**10. Chemical Agent Launcher:** Cups that attach to 12 gauge less-lethal shotguns which allow officers to launch canisters of chemical agents or smoke.

a. Description, quantity, capabilities, and purchase cost

- i. Combined Tactical Systems (CTS) LC5 Launching Cup | Cost: \$302 each | Quantity: | Quantity: Not to exceed 6 | The CTS LC5 Launching Cup is designed for the 5200 series chemical agent grenades. The cup can be attached to virtually any 12 gauge shotgun and it launches cartridges for crowd management or as a diversionary device.
- ii. Defense Technology 12-Gauge Muzzle Bang/Launching Cartridge, #1210 | Cost: \$6.64 each | Quantity: Not to exceed 160 | The 12-Gauge Muzzle Bang Launching Cartridge incorporates an opaque shell and utilizes black powder as the propellant. The 12-Gauge Muzzle Bang Launching Cartridge is designed to

be launched from a launching cup and produces 170 dB of sound output. It is designed to be aimed at the floor or wall at a 45-degree angle. It is used as a crowd management tool by law enforcement and corrections in crowd control situations as a means of warning, intimidation, or diversion. It may be deployed in the air over crowds or to the side for dissuading movement in a given direction. It may also be deployed to the far side of buildings to divert attention away from an approach or entry.

b. Purpose

May be used for crowd control, crowd dispersal, riots, or against barricaded suspects based on the circumstances. It can also be used in circumstances where a tactical advantage can be obtained or during civil unrest incidents. This is done to limit the escalation of conflict where employment of lethal force is prohibited or undesirable.

c. Authorized Use

Absent exigent circumstances, only sworn members who have completed Department-approved training may be issued or use CTS LC5 Launching Cups.

d. Expected Lifespan

- i. CTS LC5 Launching Cup: 25 years
- ii. 12-Gauge Muzzle Bang / Launching Cartridge: Until used

e. Fiscal Impact

- i. Launching Cups: Expected annual cost of \$0 to \$100 for maintenance
- ii. Cartridges: Expected annual cost of \$100 to \$300 for training and replenishing used stock (including training deployments)

f. Training

Sworn members utilizing CTS LC5 Launching Cups and 12-Gauge Muzzle Bang / Launching Cartridges must be certified by a certified chemical agent/diversionary device instructor. Additionally, members of the SPD SWAT Team will receive training on CTS LC5 Launching Cups bi-yearly and that training will be conducted by a POST-certified chemical agent/diversionary device instructor in two-hour blocks.

g. Legal and Procedural Rules

Use is established under the Manual (Use of Force and Chemical Agents). It is the policy of the Department to utilize CTS LC5 chemical agent launching cups only for official law enforcement purposes, and according to State and Federal law, including those regarding the use of force.

**11. Specialty Impact Munitions (SIMs):** 40mm Launchers and Munitions: These devices are considered less lethal and are used to gain compliance from an individual who is violently or actively resisting. The use of such a device is intended to mitigate the number of serious injuries to officers, the subject, and other individuals.

a. Description, quantity, capabilities, and purchase cost

- i. 40MM LMT™ Tactical Single Launcher I425, Expandable Stock | Cost: \$1,200 each | Quantity: Not to exceed 40 | The 40LMT is a tactical single-shot launcher that features an expandable Rogers Super Stock and an adjustable Integrated Front Grip (IFG) with light rail. The ambidextrous Lateral Sling Mount (LSM) and QD mounting systems allow both a single and two-point sling attachment. The 40LMT will fire standard 40mm less-lethal ammunition, up to 4.8 inches in cartridge length.
- ii. Penn Armas 40MM Multi-Shot, Pump Advance Launcher - 5" Cylinder | Cost: \$3,336 each | Quantity: Not to exceed 6 | A 40mm pump-action advance magazine drum launcher with a fixed stock and combo rail. It has a six-shot capacity 5" cylinder and a 10.75" rifled barrel. The PGL-65 features include a Double-action trigger, trigger lock push button, and hammerlock safeties.
- iii. Defense Technology 40MM eXact iMPact™ Sponge Round: #6325 | Cost: \$20.79 each | Quantity: Not to exceed 1,000 | The 40 mm exact iMPact™ Sponge Round is a "point-of-aim, point-of-impact" direct fire round that is most commonly used by tactical teams in situations where maximum deliverable energy is desired for the incapacitation of an aggressive, non-compliant subject. The 40 mm exact iMPact™ Sponge Round is intended for direct fire deployment. These areas provide sufficient pain

stimulus, while greatly reducing serious or life-threatening injuries. The 40 mm exact iImpact™ Sponge Round can also be deployed in crowd control situations to protect the riot line, cover or enhance chemical munitions, or target specific agitators and organizers of the crowd. When used in this fashion, it is primarily both a psychological deterrent and physiological distraction serving as a pain compliance device to either get the crowd or subject moving or keep them at a designated distance.

- iv. Defense Technology 40MM eXact iImpact™ LE 40MM Extended Range Sponge Round: #6325LE | Cost: \$23.52 each | Quantity: Not to exceed 150 | The eXact iImpact™ 40 mm Sponge Round is a point-of-aim, point-of-impact direct-fire round. This lightweight, high-speed projectile consists of a plastic body and sponge nose. It can be launched at a greater distance to provide further separation from officers. Used for crowd control, patrol, and tactical applications.
- v. Defense Technology 40MM Direct Impact® OC Round: #6320 | Cost: \$20.79 each | Quantity: Not to exceed 1,000 | A less lethal 40 mm lightweight plastic and crushable foam projectile fired from a single or multi-round purpose-built 40 mm grenade launcher with a rifled barrel at 295 feet per second (FPS). The 39-gram crushable foam projectile delivers 120 ft./lbs. of energy upon impact in addition to the dispersion of 5 grams of OC irritant. The 40 mm Direct Impact OC round provides accurate and effective performance when fired from the approved distance of not less than five (5) feet and as far as 120 feet from the target.
- vi. Defense Technology 40MM Direct Impact® OC Adjustable Range Round: #6320A | Cost: \$37.95 each | Quantity: Not to exceed 150 | The 40mm Direct Impact® Adjustable Range Round consists of a plastic body and a crushable foam nose that contains a powder payload. This payload contains an OC powder. The crushable foam nose dissipates energy upon impact while releasing the powder payload. The projectile design has a unique user-adjustable patented gas-bleed feature, which allows kinetic energy to be adjusted for two design points addressing close-in and extended-range engagements. In the opened position, the standard range velocity allows for engagements of 1.5 – 40 meters. In the closed position, the extended range velocity allows for engagements of 40 – 70 meters.
- vii. Defense Technology 40MM Direct Impact® CS Round: #6322 | Cost: \$20.79 each | Quantity: Not to exceed 1,000 | A less lethal 40 mm lightweight plastic and crushable foam projectile fired from a single or multi-round purpose-built 40 mm grenade launcher with a rifled barrel at 295 feet per second (FPS). The 39-gram crushable foam projectile delivers 120 ft./lbs. of energy upon impact in addition to the dispersion of 5 grams of CS irritant. The 40MM Direct Impact CS round provides accurate and effective performance when fired from the approved distance of not less than five (5) feet and as far as 120 feet from the target.
- viii. Defense Technology Direct Impact® 40MM Adjustable Range Round, CS Marking: #6322A | Cost: \$37.95 each | Quantity: Not to exceed 150 | The 40mm Direct Impact® Adjustable Range Round consists of a plastic body and a crushable foam nose that contains a powder payload. This payload is a marking and CS powder. The crushable foam nose dissipates energy upon impact while releasing the powder payload. The projectile design has a unique user-adjustable patented gas-bleed feature, which allows kinetic energy to be adjusted for two design points addressing close-in and extended-range engagements. In the opened position, the standard range velocity allows for engagements of 1.5 – 40 meters. In the closed position, the extended range velocity allows for engagements of 40 – 70 meters.
- ix. Defense Technology Ferret 40MM CS Liquid Barricade Penetrator Round, #2262 | Cost: \$22.84 each | Quantity: Not to exceed 500 | The Ferret® 40mm Round is non-burning and suitable for indoor use. Used primarily by tactical teams, it is designed to penetrate barriers, such as windows, hollow core doors, wallboard, and thin plywood. Upon impacting the barrier, the nose cone ruptures and instantaneously delivers a small chemical payload inside of a structure or vehicle. In a tactical deployment situation, the 40mm Ferret is primarily used to dislodge barricaded subjects from confined areas. Its purpose is to minimize the risks to all parties through pain compliance, temporary discomfort, and/or incapacitation of potentially violent or dangerous subjects.

- x. Defense Technology Ferret 40MM CS Powder Barricade Round, #2292 | Cost: \$22.15 each | Quantity: Not to exceed 500 | The Ferret® 40 mm Barricade Penetrating Round is filled with a CS powder chemical agent. It is a frangible projectile that is spin-stabilized utilizing barrel rifling. It is non-burning and designed to penetrate barriers. Primarily used to dislodge barricaded subjects, it can also be used for area denial. Primarily used by tactical teams, it is designed to penetrate barriers, such as windows, hollow core doors, wallboard, and thin plywood. Upon impact, the nose ruptures and instantaneously delivers the agent payload inside a structure or vehicle.
- b. Purpose

The use of these devices is intended to mitigate the number of serious injuries to officers, the subject, and other individuals. The devices limit the escalation of conflict where employment of lethal force is prohibited or undesirable.
- c. Authorized Use

Approved SIM projectiles may be used in any of the following circumstances when the circumstances perceived by the officer at the time indicate that such application is reasonably necessary to:

  - i. Control a subject who is violent or is actively resisting
  - ii. Control a subject who has demonstrated, by words or action, an intention to be violent or to physically resist, and reasonably appears to present the potential to harm officers, him/herself or others
  - iii. Disarm a suspect or control a subject who is reasonably believed to be armed
  - iv. Stop a fleeing subject who is wanted for a serious crime (Mere flight from a pursuing officer, without other known circumstances or factors, is not good cause for the use of a SIM to apprehend an individual)
  - v. Gain compliance during tactical situations that include but are not limited to a riot or civil unrest
  - vi. Control dangerous animals
  - vii. Be used on objects to gain a tactical advantage (e.g., windows, lights, etc.)
  - viii. Training exercises or approved demonstrations
- d. Expected Lifespan
  - i. LMT 40mm Launchers: At least 15 years
  - ii. Penn Arms 40 mm Multi-Shot, Pump Advance Launcher, 5" Cylinder: At least 15 years
  - iii. Defense Technology 40MM eXact iImpact™ Sponge Round: #6325: 5 years
  - iv. Defense Technology 40MM eXact iImpact™ LE 40MM Extended Range Sponge Round: #6325LE: 5 years
  - v. Defense Technology 40MM Direct Impact® OC Round: #6320: 5 years
  - vi. Defense Technology 40MM Direct Impact® OC Adjustable Range Round: #6320A: 5 years
  - vii. Defense Technology 40MM Direct Impact® CS Round: #6322: 5 years
  - viii. Defense Technology Direct Impact® 40MM Adjustable Range Round, CS Marking: #6322A: 5 years
  - ix. Defense Technology Ferret 40MM CS Liquid Barricade Penetrator Round, #2262: 5 years
  - x. Defense Technology Ferret 40MM Powder Barricade Round, #2292: 5 years
- e. Fiscal Impact
  - i. Launchers: Annual maintenance is approximately \$0 to \$100 for each launcher
  - ii. Munitions: Expected annual cost of \$2,000 to \$5,000 to replenish used stock (including training deployments)
- f. Training

All officers receive training on the use of the 40mm LMT launcher with the sponge (#6325) and OC round (#6320). This training occurs during orientation and through reoccurring in-service training taught by Department instructors. SWAT personnel receive additional training internally when they transfer to the unit including the Penn Arms launcher, CS rounds, barricade rounds, and the other rounds listed. SWAT operators who utilize these munitions have completed an approved chemical agent school and/or training facilitated by a Department-certified chemical agent instructor.
- g. Legal and Procedural Rules

Use is established under the Manual (Use of Force, Specialty Impact Munitions (SIM) Less-Lethal, Chemical Agents, and Oleoresin Capsicum – OC). It is the policy of the Department to utilize the SIM launchers and

munitions only for official law enforcement purposes and according to State and Federal law, including those regarding the use of force.

**12. Specialty Impact Munitions (SIMs):** 12 Gauge “Bean Bag” Launchers and Munitions: These devices are considered less lethal and are used to gain compliance from an individual who is violently or actively resisting. The use of such a device is intended to mitigate the number of serious injuries to officers, the subject, and other individuals.

a. Description, quantity, capabilities, and purchase cost

- i. Mossberg 590 12-Gauge Shotgun (Standard Department-issued with color marking to signify its use as less-lethal) | Cost: \$645 each | Quantity: Not to exceed 30 | The Mossberg 590 Less Lethal Shotgun is used to deploy the 12-Gauge Drag Stabilized Round up to 75 feet. The range of the weapon system helps to maintain space between officers and an individual, reducing the immediacy of the threat which is a principle of de-escalation.
- ii. Defense Technology 12-Gauge Drag Stabilized Round, #3027 | Cost: \$5.34 each | Quantity: Not to exceed 1,000 | The Drag Stabilized™ 12-Gauge Round is a translucent 12-Gauge shell loaded with a 40-Gram tear-shaped bag made from a cotton and ballistic material blend and filled with #9 shot. This design utilizes four stabilizing tails and utilizes smokeless powder as the propellant. This round has a velocity of 270fps with a maximum effective range of 75 feet.

b. Purpose

The use of such a device is intended to mitigate the number of serious injuries to officers, the subject, and other individuals. The devices limit the escalation of conflict where employment of lethal force is prohibited or undesirable.

c. Authorized Use

Approved SIM projectiles may be used in any of the following circumstances when the circumstances perceived by the officer at the time indicate that such application is reasonably necessary to:

- i. Control a subject who is violent or is actively resisting
- ii. Control a subject who has demonstrated, by words or action, an intention to be violent or to physically resist, and reasonably appears to present the potential to harm officers, him/herself or others
- iii. Disarm a suspect or control a subject who is reasonably believed to be armed
- iv. Stop a fleeing subject who is wanted for a serious crime (Mere flight from a pursuing officer, without other known circumstances or factors, is not good cause for the use of a SIM to apprehend an individual)
- v. Gain compliance during tactical situations that include but are not limited to a riot or civil unrest
- vi. Control dangerous animals
- vii. Be used on objects to gain a tactical advantage (e.g., windows, lights, etc.)
- viii. Training exercises or approved demonstrations

d. Expected Lifespan

- i. Mossberg 590 Shotgun (Standard department-issued): At least 15 years
- ii. Defense Technology 12-Gauge Drag Stabilized Round: 5 years

e. Fiscal Impact

- i. Shotgun: Annual maintenance is approximately \$0 to \$50 for each shotgun
- ii. Ammunition: Expected annual cost of \$200 to \$1,000 to replenish used stock

f. Training

All officers are trained in the 12-gauge Mossberg 590 less-lethal shotgun with the 12-gauge drag-stabilized round. This training occurs during orientation and through reoccurring in-service training taught by Department instructors.

g. Legal and Procedural Rules

Use is established under the Manual (Use of Force and Specialty Impact Munitions (SIM) Less-Lethal). It is the policy of the Department to utilize the SIM launchers and munitions only for official law enforcement purposes and according to State and Federal law, including those regarding the use of force.

**Complaints or Concerns:**

There were no complaints or concerns reported on the use of the equipment in 2022. Complaints and/or concerns can be sent to [militaryequipment@wcpd.org](mailto:militaryequipment@wcpd.org).

The current military equipment policy can be located on the police department's website at <https://www.wcpd.org/resources/>.

**Internal Audit:**

The Department conducted an internal audit and determined that there were no violations of the military equipment use policy.

**Additional Military Equipment:**

In addition, new military equipment was purchased to replace our unmanned aerial systems (UASs). The current, approved, UASs were at their end-of-life for repairs and parts. Due to this, they were replaced by UASs manufactured by DJI, the same manufacturer of the current UASs. These purchases were made in compliance with AB 481 and are included in the updated Policy being presented to City Council in 2023. The equipment is:

1. DJI Matrice 30T | Cost: \$12,251.98 each | Quantity: 2 | UAS weighing approximately 8.3 lbs., approximately 40 minutes of flight time, and attachments including thermal and optical zoom camera, spotlight, speaker, and ability to record video.
2. DJI Mavic | Cost: \$5,498 each | Quantity: 1 | UAS weighing approximately 1.6 lbs., approximately 46 minutes of flight time, and attachments optical zoom camera, speaker, and ability to record video.
3. DJI Mini 3 | Cost: \$3,565 each | Quantity: 1 | UAS weighing approximately 0.55 lbs., approximately 34 minutes of flight time.
4. DJI Avata | Cost: \$2,422.99 each | Quantity: 2 | UAS weighing approximately 0.90 lbs., approximately 18 minutes of flight time.

**Acquisition Plans for 2023-2024:**

None.



## AGENDA STAFF REPORT

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City of West Covina | Office of the City Manager

**DATE:** June 20, 2023

**TO:** Mayor and City Council

**FROM:** Paulina Morales  
Acting City Manager

**SUBJECT: CONSIDERATION OF ADDITIONAL FUNDING FOR VEHICLE REPAIRS AND FUEL**

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### RECOMMENDATION:

It is recommended that the City Council approve the following resolution:

**RESOLUTION NO. 2023-49 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, ADOPTING A BUDGET AMENDMENT FOR THE FISCAL YEAR COMMENCING JULY 1, 2022 AND ENDING JUNE 30, 2023 (FLEET MAINTENANCE)**

### BACKGROUND:

In Fiscal Year (FY) 2022-23, the City's Fleet has increased by an additional twenty-four (24) vehicles; eight (8) hybrid vehicles, two (2) trucks, and twelve (12) new Ford vehicles. The City's current fleet includes 69 non-Ford vehicles and 124 Ford vehicles. Most are Police and Public Services Department vehicles. As the fleet is aging, there are vehicles that are no longer under warranty, increasing the cost to the City for basic vehicle maintenance.

Many of the City's fleet vehicles and power equipment depend on gasoline and diesel fuels to perform daily operations for West Covina. In the last year, there has not been a significant decrease in fuel costs. Despite budgeting an additional 20% over last FY budget, fuel costs have surpassed the appropriated funds.

### DISCUSSION:

The City utilizes Ford Fleet Care to self-manage its fleet of vehicles with monthly single consolidated invoices replacing the multiple repair orders or part invoices, ensuring that all discounts are applied.

In FY 2021-22, expenditures for repairs to its fleet vehicles through the Ford Fleet Care program were \$293,603. For FY 2022-23 the City budgeted \$487,000 for all City fleet repairs. As of the last billing period, April 26, 2023, total expenditures to date are \$349,972. The increase is due to an increase in vehicles that are no longer under warranty combined with increase in staffing that has placed higher burden on vehicle usage. Staff is requesting approval of a budget amendment of \$100,000 for additional expenditures for FY 2022-23.

In FY 2021-22, total expenditures paid to WEX Bank for fuel were \$518,877. For FY 2022-23 the City budgeted \$707,000 for all City fuel. As of April 25, 2023, fuel expenditures have been \$686,434. This

increase is due to the additional staffing in Code Enforcement, Maintenance, and Police Department. Staff is requesting an increase of \$140,000 in appropriations for additional expenditures for FY 2022-23.

#### LEGAL REVIEW:

The City Attorney's Office has reviewed the resolution and approved it as to form.

#### OPTIONS:

The City Council has the following options:

1. Adopt staff's recommendation; or
2. Provide alternative direction.

**Prepared by:** Renee M. G. Chavez

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### Fiscal Impact

#### FISCAL IMPACT:

A budget amendment in the amount of \$240,000 is recommended in FY2022-23. While the expenditures are made within the Fleet Management Fund, they are ultimately charged backed to the General Fund. Thus, expenditures are proposed to also be increased within the General Fund. There has been an influx in interest income revenue within the General Fund that may offset this increase in expenditures. Thus, the proposed net impact to the General Fund is zero.

Table 1. Summary of Proposed Budget Amendment

| Account No.   | Account Name               | FY2022-23<br>Budget | Proposed<br>Amendment | FY2022-23<br>Proposed<br>Amended Budget |
|---|----------------------------|---------------------|-----------------------|---|
| <b>Fleet Management Fund</b>                              |                            |                     |                       |   |
| 365.61.4170.6329  | Other Sublet Repairs       | 487,000.00          | 100,000               | 587,000                                 |
| 365.61.4170.6485  | Fuel Usage                 | 707,000.00          | 140,000               | 847,000                                 |
| <b>Subtotal Fund 365 Expenditures</b>                     |                            | <b>\$1,194,000</b>  | <b>\$240,000</b>      | <b>\$1,434,000</b>                      |
| 365.61.4750   | Overhead<br>Chargeback     | 527,803             | 100,000               | 627,803                                 |
| 365.61.4780   | Inter fund Fuel<br>Charges | 707,000             | 140,000               | 847,000                                 |
| <b>Subtotal Fund 365 Expenditures</b>                     |                            | <b>\$1,234,803</b>  | <b>\$240,000</b>      | <b>\$1,474,803</b>                      |
| <b>Fleet Management Fund Revenue Less Expenditures</b>    |                            |                     | <b>\$0</b>            |   |
| <b>General Fund</b>                                       |                            |                     |                       |   |
| Vehicle Maintenance Charges (Various Accounts)            |                            |                     | 100,000               |   |
| Fuel Usage Charges (Various Accounts)                     |                            |                     | 140,000               |   |
| <b>Subtotal General Fund Expenditures</b>                 |                            |                     | <b>\$240,000</b>      |   |
| <b>General Fund Revenue (Interest Income 110.00.4410)</b> |                            |                     | <b>\$240,000</b>      |   |
| <b>General Fund Revenue Less Expenditures</b>             |                            |                     | <b>\$0</b>            |   |

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### Attachments

Attachment No. 1 - Resolution No. 2023-49



**CITY COUNCIL GOALS & OBJECTIVES:** Protect Public Safety  
Achieve Fiscal Sustainability and Financial Stability  
Enhance City Image and Effectiveness

**RESOLUTION NO. 2023-49**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, ADOPTING A BUDGET AMENDMENT FOR THE FISCAL YEAR COMMENCING JULY 1, 2022 AND ENDING JUNE 30, 2023 (FLEET MAINTENANCE)**

**WHEREAS**, on April 19, 2022, the City Manager presented to the City Council a proposed budget for Fiscal Year 2022-23 in compliance with Section 2-151(m) of the West Covina Municipal Code; and

**WHEREAS**, following the initial presentation of the proposed budget for Fiscal Year 2022-23, the City held meetings and community workshops and conducted an online budget survey in order to solicit input from the public regarding the proposed budget; and

**WHEREAS**, on June 7, 2022, the City Council adopted a budget for the 2022-2023 Fiscal Year; and

**WHEREAS**, amendments must periodically be made to the budget to conform to changed circumstances following adoption of the budget.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA DOES RESOLVE AS FOLLOWS:**

**SECTION 1.** The City Council hereby approves Budget Amendment No. 2023-019, attached hereto as Exhibit A, for Fiscal Year 2022-23.

**SECTION 2.** The City Clerk shall certify to the adoption of this resolution and shall enter the same in the book of original resolutions and it shall become effective immediately.

**APPROVED AND ADOPTED** this 20th day of June, 2023.

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Rosario Diaz  
Mayor

**APPROVED AS TO FORM**

**ATTEST**

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Thomas P. Duarte  
City Attorney

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Lisa Sherrick  
Assistant City Clerk

I, LISA SHERRICK, Assistant City Clerk of the City of West Covina, California, do hereby certify that the foregoing Resolution No. 2023-49 was duly adopted by the City Council of the City of West Covina, California, at a regular meeting thereof held on the 20th day of June, 2023, by the following vote of the City Council:

AYES:

NOES:

ABSENT:

ABSTAIN:

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Lisa Sherrick  
Assistant City Clerk

Exhibit A

City of West Covina  
Fiscal Year 2022-23  
Budget Amendment No. 2023-019  
Fleet Maintenance

| <b>Fund Name (No.)</b>           | <b>Current<br/>Budget</b> | <b>Proposed<br/>Amendment</b> | <b>Amended<br/>Budget</b> |
|----------------------------------|---------------------------|-------------------------------|---------------------------|
| <u>General Fund (110)</u>        |                           |                               |                           |
| Revenue                          | 82,718,108                | 240,000                       | 82,958,108                |
| Expenditures                     | 87,611,788                | 240,000                       | 87,851,788                |
| <b>Revenue Less Expenditures</b> | <b>-\$4,893,680</b>       | <b>\$0</b>                    | <b>-\$4,893,680</b>       |
| <u>Fleet Management (365)</u>    |                           |                               |                           |
| Revenue                          | 1,234,803                 | 240,000                       | 1,474,803                 |
| Expenditures                     | 1,474,865                 | 240,000                       | 1,714,865                 |
| <b>Revenue Less Expenditures</b> | <b>-\$240,062</b>         | <b>\$0</b>                    | <b>-\$240,062</b>         |